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

12 In the Matter of the Accusation and Petition to
13 Revoke Probation Against:

Case No. N2014-214/N2009-425

14 **PACIFIC HOME REMODELING, INC.,**
12658 W. Washington Blvd.
15 Los Angeles, CA 90066

**ACCUSATION AND PETITION TO
REVOKE PROBATION**

16 **NOAM MAOR, RMO**
17 **YORAM HAKIMI, CEO/PRES**

18 Contractor's License No. 768166, B

19 Respondents.
20

21 **N M CONSTRUCTION**
12435 Milton St.
22 Los Angeles, CA 90066

23 **NOAM MAOR, SOLE OWNER**

24 Contractor's License No. 768367, B
25

26 **HOMESTAR BUILDERS INC.**
12658 Washington Blvd.
27 Los Angeles, CA 90066

28 **NOAM MAOR, RMO**

1 **YORAM HAKIMI, CEO/PRES**

2 **Contractor's License No. 808104, B**

3 **Affiliated Licensees**

4 Complainant alleges:

5 **PARTIES**

6 1. Wood Robinson (Complainant) brings this Accusation and Petition to Revoke
7 Probation solely in his official capacity as the Enforcement Supervisor I of the Contractors' State
8 License Board, Department of Consumer Affairs.

9 2. On or about September 2, 1999, the Registrar of Contractors issued Contractor's
10 License Number 768166 to Pacific Home Remodeling, Inc., Noam Maor, RMO, Yoram Hakimi,
11 CEO and President (Respondent). The Contractor's License was in full force and effect at all
12 times relevant to the charges brought herein and will expire on September 30, 2015, unless
13 renewed.

14 3. On or about September 8, 1999, the Registrar of Contractors issued Contractor's
15 License Number 768367, classification B (general contractor), to N M Construction, with Noam
16 Maor as Sole Owner (N M Construction). The license was in full force and effect at all times
17 relevant to the charges brought herein and will expire on September 30, 2015, unless renewed.

18 4. On or about May 15, 2002, the Registrar of Contractors issued Contractor's License
19 Number 808104, classification B (general contractor), to Homestar Builders, Inc., with Noam
20 Maor as Responsible Managing Officer, and Yoram Hakimi as CEO/PRES (Homestar Builders).
21 The license was in full force and effect at all times relevant to the charges brought herein and will
22 expire on May 31, 2016, unless renewed.

23 5. In a disciplinary action entitled "In the Matter of the Accusation Against Pacific
24 Home Remodeling, Inc. and Homestar Builders, Inc.," Case No. N2009-425, the Registrar of
25 Contractors issued a Decision and Order effective October 11, 2012, in which Respondent's
26 Contractor's License was revoked. However, the revocation was stayed and Respondent's
27 Contractor's License was placed on probation for three (3) years with certain terms and
28

1 conditions. A copy of that Decision and Order is attached as Exhibit A and is incorporated by
2 reference.

3 JURISDICTION AND STATUTORY PROVISIONS FOR ACCUSATION

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

8 STATUTORY PROVISIONS

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

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

17 9. Section 7090 of the Code states:

18 "The registrar may upon his or her own motion and shall upon the verified complaint in
19 writing of any person, investigate the actions of any applicant, contractor, or home improvement
20 salesperson within the state and may deny the licensure or the renewal of licensure of, or cite,
21 temporarily suspend, or permanently revoke any license or registration if the applicant, licensee,
22 or registrant, is guilty of or commits any one or more of the acts or omissions constituting causes
23 for disciplinary action.

24 "...

25 "For the purposes of this section, with respect to administrative proceedings or hearings to
26 suspend or revoke a contractor's license, the registrar at all times shall have the burden of proof to
27 establish by clear and convincing evidence that he or she is entitled to the relief sought in the
28 petition."

1 10. Section 7091 of the Code states:

2 "(a) (1) A complaint against a licensee alleging commission of any patent acts or omissions
3 that may be grounds for legal action shall be filed in writing with the registrar within four years
4 after the act or omission alleged as the ground for the disciplinary action.

5 "(2) A disciplinary action against a licensee relevant to this subdivision shall be filed or a
6 referral to the arbitration program outlined in Section 7085 shall be referred within four years
7 after the patent act or omission alleged as the ground for disciplinary action or arbitration or
8 within 18 months from the date of the filing of the complaint with the registrar, whichever is later.

9 "(b) (1) A complaint against a licensee alleging commission of any latent acts or omissions
10 that may be grounds for legal action pursuant to subdivision (a) of Section 7109 regarding
11 structural defects, as defined by regulation, shall be filed in writing with the registrar within 10
12 years after the act or omission alleged as the ground for the disciplinary action.

13 "(2) A disciplinary action against a licensee relevant to this subdivision shall be filed within
14 10 years after the latent act or omission alleged as the ground for disciplinary action or within 18
15 months from the date of the filing of the complaint with the registrar, whichever is later. As used
16 in this subdivision "latent act or omission" means an act or omission that is not apparent by
17 reasonable inspection.

18 "(c) A disciplinary action alleging a violation of Section 7112 shall be filed within two
19 years after the discovery by the registrar or by the board of the alleged facts constituting the fraud
20 or misrepresentation prohibited by the section.

21 "(d) With respect to a licensee who has been convicted of a crime and, as a result of that
22 conviction is subject to discipline under Section 7123, the disciplinary action shall be filed within
23 two years after the discovery of the conviction by the registrar or by the board.

24 "(e) A disciplinary action regarding an alleged breach of an express, written warranty issued
25 by the contractor shall be filed not later than 18 months from the expiration of the warranty.

26 "(f) The proceedings under this article shall be conducted in accordance with the provisions
27 of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the
28 Government Code, and the registrar shall have all the powers granted therein.

1 "(g) Nothing in this section shall be construed to affect the liability of a surety or the period
2 of limitations prescribed by law for the commencement of actions against a surety or cash
3 deposit."

4 11. Section 7095 of the Code provides, in pertinent part, that the Registrar in making his
5 order may:

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

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

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

14 12. Code section 7096 states:

15 For the purposes of this chapter, the term "licensee" shall include an
16 individual, partnership, corporation, limited liability company, joint venture, or
17 any combination or organization licensed under this chapter, and shall also
18 include any named responsible managing officer, responsible managing manager,
19 responsible managing member, or personnel of that licentiate whose appearance
20 has qualified the licentiate under the provisions of Section 7068.

21 13. Code section 7097 states:

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

 14. 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

1 appearance under the provisions of Section 7068, may be revoked by the registrar
2 without further notice.

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

8 16. Section 7121 of the Code states:

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

24 17. Section 7121.5 of the Code states:

25 "A person who was the qualifying individual on a revoked license, or of a license under
26 suspension, or of a license that was not renewed while it was under suspension, shall be
27 prohibited from serving as an officer, director, associate, partner, manager, or qualifying
28 individual of a licensee, whether or not the individual had knowledge of or participated in the
prohibited acts or omissions for which the license was revoked, or suspended, and the

1 employment, election, or association of that person by a licensee shall constitute grounds for
2 disciplinary action."

3 18. Section 7122 of the Code states:

4 "The performance by an individual, partnership, corporation, limited liability company,
5 firm, or association of an act or omission constituting a cause for disciplinary action, likewise
6 constitutes a cause for disciplinary action against a licensee other than the individual qualifying
7 on behalf of the individual or entity, if the licensee was a partner, officer, director, manager, or
8 associate of that individual, partnership, corporation, limited liability company, firm, or
9 association at the time the act or omission occurred, and had knowledge of or participated in the
10 prohibited act or omission."

11 19. Section 7122.5 of the Code states:

12 "The performance by an individual, partnership, corporation, limited liability company,
13 firm, or association of an act or omission constituting a cause for disciplinary action, likewise
14 constitutes a cause for disciplinary action against a licensee who at the time that the act or
15 omission occurred was the qualifying individual of that individual, partnership, corporation,
16 limited liability company, firm, or association, whether or not he or she had knowledge of or
17 participated in the prohibited act or omission."

18 20. Section 7155.5 of the Code states:

19 "Violations of any provisions of this chapter by a home improvement salesperson, likewise
20 constitutes a cause for disciplinary action against the contractor, whether or not he or she had
21 knowledge of or participated in the act or omission constituting violations of this chapter."

22 STATUTORY PROVISIONS

23 21. Section 7068.1 of the Code states:

24 "(a) The person qualifying on behalf of an individual or firm under paragraph (1), (2), (3),
25 or (4) of subdivision (b) of Section 7068 shall be responsible for exercising that direct supervision
26 and control of his or her employer's or principal's construction operations to secure compliance
27 with this chapter and the rules and regulations of the board. This person shall not act in the
28

1 capacity of the qualifying person for an additional individual or firm unless one of the following
2 conditions exists:

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

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

8 “(3) With respect to a firm under paragraph (2), (3), or (4) of subdivision (b) of Section
9 7068, the majority of the partners, officers, or managers are the same.

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

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

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

15 “(2) “Person” is limited to natural persons, notwithstanding the definition of “person” in
16 Section 7025.

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

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

24 22. Section 7107 of the Code states that “[a]bandonment without legal excuse of any
25 construction project or operation engaged in or undertaken by the licensee as a contractor
26 constitutes a cause for disciplinary action.”

27 ///

28 ///

1 23. Section 7109 of the Code states:

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

6 " "

7 24. Section 7110 of the Code states:

8 "Willful or deliberate disregard and violation of the building laws of the state, or of any
9 political subdivision thereof, or of Section 8505 or 8556 of this code, or of Sections 1689.5 to
10 1689.8, inclusive, or Sections 1689.10 to 1689.13, inclusive, of the Civil Code, or of the safety
11 laws or labor laws or compensation insurance laws or Unemployment Insurance Code of the state,
12 or violation by any licensee of any provision of the Health and Safety Code or Water Code,
13 relating to the digging, boring, or drilling of water wells, or Article 2 (commencing with Section
14 4216) of Chapter 3.1 of Division 5 of Title 1 of the Government Code, constitutes a cause for
15 disciplinary action."

16 25. Section 7113 of the Code states that "[f]ailure in a material respect on the part of a
17 licensee to complete any construction project or operation for the price stated in the contract for
18 such construction project or operation or in any modification of such contract constitutes a cause
19 for disciplinary action."

20 26. Section 7115 of the Code provides, in pertinent part, that failure in any material
21 respect to comply with the provisions of the Contractors' State License Law (Business and
22 Professions Code, § 7000, et seq.), or any rule or regulation adopted pursuant to this chapter,
23 constitutes a cause for disciplinary action.

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

27 ///

28 ///

1 28. Section 7154 of the Code states:

2 "A home improvement contractor who employs a person to sell home improvement
3 contracts while such person is not registered by the registrar as a home improvement salesman as
4 provided in this article [Article 10 (commencing with section 7150) of the Contractors' State
5 License Law], is subject to disciplinary action by the registrar."

6 29. Section 7159 of the Code states:

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

10 "...

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

14 "...

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

19 "...

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

22 "...

23 "(9) If any payments, other than the down payment, is to be made before the project is
24 completed, the details of these payments, known as progress payments, shall be expressed in
25 substantially the following form, and shall include the text of the statement as specified in
26 subparagraph (C):

27 "...

28

1 33. Roberta Kasper (Kasper) owns a residence on Marvista Avenue in Seal Beach,
2 California. Kasper is over 80 years old. On or about September 12, 2012, she entered into a
3 home improvement contact with Jermaine Franklin (Franklin) and Steve Ishida (Ishida), who
4 acted on Respondent's behalf. Both Franklin's and Ishida's names appear on the contract. Under
5 the contract, Respondent would remove and replace the roof for \$18,543.24. Franklin was not
6 registered as a home improvement salesperson and performed activity that required such
7 registration. Ishida did not register with the Board as a home improvement salesperson until
8 December 28, 2012. None of the progress payment specifically referenced the amount of work or
9 services to be performed and any materials and equipment to be supplied.

10 On September 15, 2012, Kasper paid Respondent a deposit of \$1,000.00.

11 34. On September 18, 2012, Kasper entered into a roof insulation addendum with
12 Desmond Zipprich (Zipprich), who acted on Respondent's behalf, for \$12,900.00. Zipprich's
13 name appeared on the addendum. None of the progress payments specifically referenced the
14 amount of work or services to be performed and any materials and equipment to be supplied.
15 Zipprich's registration number was not written on the contract.

16 35. On or about September 24, 2012, Kasper entered into a home improvement contact
17 with Zipprich and Robert Trinh (Trinh), who acted on Respondent's behalf. Trinh's and
18 Zipprich's names appeared on the contract. Under the contract, Respondent would perform
19 roofing work for \$11,900.00. Each progress payment did not specifically reference the amount of
20 work or services to be performed and any materials and equipment to be supplied.

21 36. On or about September 26, 2012, Kasper entered into a home improvement contact
22 with Zipprich and Luu, who acted on Respondent's behalf. Zipprich's and Luu's names appeared
23 on the contract. Under the contract, Respondent would perform exterior coating work for
24 \$23,838.00. None of the progress payments specifically referenced the amount of work or
25 services to be performed and any materials and equipment to be supplied. Zipprich's registration
26 number was not written on the contract.

27 37. On or about September 27, 2012, Kasper entered into a home improvement contact
28 with Zipprich and Luu, who acted on Respondent's behalf. Zipprich's and Luu's names appeared

1 on the contract. Under the contract, Respondent would perform wall insulation work for
2 \$21,800.00. None of the progress payments specifically referenced the amount of work or
3 services to be performed and any materials and equipment to be supplied. Zipprich's registration
4 number was not written on the contract.

5 38. On or about October 1, 2012, Kasper entered into a home improvement contact with
6 Zipprich, Franklin, and Trinh, who acted on Respondent's behalf. Zipprich's, Franklin's, and
7 Trinh's names appeared on the contract. Under the contract, Respondent would perform patio
8 work for \$13,440.00. None of the progress payments specifically referenced the amount of work
9 or services to be performed and any materials and equipment to be supplied. Zipprich's
10 registration number was not written on the contract.

11 39. On or about October 2, 2012, Kasper entered into a home improvement contact with
12 Zipprich, who acted on Respondent's behalf. Zipprich's name appeared on the contract. Under
13 the contract, Respondent would perform window work for \$26,483.00. None of the progress
14 payments specifically referenced the amount of work or services to be performed and any
15 materials and equipment to be supplied.

16 40. On or about October 10, 2012, Kasper entered into a home improvement contact with
17 Respondent. Under the contract, Respondent would install a tankless water heater for \$7,800.00.
18 None of the progress payments specifically referenced the amount of work or services to be
19 performed and any materials and equipment to be supplied.

20 41. On or about October 15, 2012, Kasper entered into a home improvement contact with
21 Zipprich and Franklin, who acted on Respondent's behalf. Zipprich's and Franklin's names
22 appeared on the contract. Under the contract, Respondent would perform bamboo flooring work
23 for \$19,200.00. None of the progress payments specifically referenced the amount of work or
24 services to be performed and any materials and equipment to be supplied. Zipprich's registration
25 number was not written on the contract.

26 42. On or about November 13, 2012, Kasper entered into a home improvement contact
27 with Zipprich, Trinh, and Franklin, who acted on Respondent's behalf. Zipprich's, Trinh's, and
28 Franklin's names appeared on the contract. Under the contract, Respondent would perform

1 interior paint work for \$10,000.00. None of the progress payments specifically referenced the
2 amount of work or services to be performed and any materials and equipment to be supplied.
3 Zipprich's registration number was not written on the contract.

4 43. On or about November 19, 2012, Kasper entered into a home improvement contact
5 with Franklin, who acted on Respondent's behalf. Frankin's name appeared on the contract.
6 Under the contract, Respondent would perform bamboo floor work for \$19,200.00. None of the
7 progress payments specifically referenced the amount of work or services to be performed and any
8 materials and equipment to be supplied.

9 44. On or about January 16, 2013, Kasper entered into a home improvement contact with
10 Zipprich and Trinh, who acted on Respondent's behalf. Zipprich's and Trinh's names appeared
11 on the contract. Under the contract, Respondent would perform work on the front porch for
12 \$12,900.00. None of the progress payments specifically referenced the amount of work or
13 services to be performed and any materials and equipment to be supplied.

14 45. On or about January 22, 2013, Kasper entered into a home improvement contact with
15 Zipprich and Trinh, who acted on Respondent's behalf. Zipprich's and Trinh's names appeared
16 on the contract. Under the contract, Respondent would perform kitchen work for \$29,000.00.
17 None of the progress payments specifically referenced the amount of work or services to be
18 performed and any materials and equipment to be supplied.

19 46. On or about February 22, 2013, Kasper entered into a home improvement contact
20 with Zipprich and Trinh, who acted on Respondent's behalf. Zipprich's and Trinh's names
21 appeared on the contract. Under the contract, Respondent would perform plumbing work for
22 \$18,900.00. None of the progress payments specifically referenced the amount of work or
23 services to be performed and any materials and equipment to be supplied.

24 47. On or about March 14, 2013, Kasper entered into a home improvement contact with
25 Zipprich, who acted on Respondent's behalf. Zipprich's name appeared on the contract. Under
26 the contract, Respondent would perform door work for \$14,950.00. None of the progress
27 payments specifically referenced the amount of work or services to be performed and any
28 materials and equipment to be supplied.

1 48. On or about April 4, 2013, Kasper entered into a home improvement contact with
2 Respondent. Under the contract, Respondent would perform bathtub work for \$11,500.00. None
3 of the progress payments specifically referenced the amount of work or services to be performed
4 and any materials and equipment to be supplied.

5 49. On or about April 11, 2013, Kasper entered into a home improvement contact with
6 Zipprich, who acted on Respondent's. Zipprich's name appeared on the contract. Under the
7 contract, Respondent would perform lighting work for \$15,900.00. None of the progress
8 payments specifically referenced the amount of work or services to be performed and any
9 materials and equipment to be supplied.

10 50. In May 2014, the City of Seal Beach inspected the project. Respondent performed the
11 following work without obtaining the requisite permits or inspections:

- 12 a. aluminum patio cover
- 13 b. tankless water heater
- 14 c. recessed ceiling light fixtures
- 15 d. eave repairs
- 16 e. gas-line
- 17 f. garage/dwelling door and frame.

18 51. Permits for these alterations were required under California Code of Regulations,
19 Title 24, Part 2, California Building Code, section 105.1.

20 52. There was no final inspection for the permit for the windows and slider and the permit
21 for the tub and shower. Under City of Seal Beach Municipal Code, Title 9, Chapter 9.60, section
22 109.5, Respondent was required to notify the city building officials when work was ready for
23 inspection.

24 53. Although Kasper paid Respondent \$18,900.00 to copper re-pipe the plumbing
25 underneath the house, Respondent never performed the re-piping underneath the house.

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1 **FIRST CAUSE FOR DISCIPLINE**

2 **(Violations of Home Improvement Contract Form)**

3 54. Complainant re-alleges and incorporates by reference the allegations set forth above
4 in paragraphs 31-53.

5 55. Respondent is subject to disciplinary action under Code section 7159, subdivision
6 (a)(5) in that on the Kasper project, Respondent failed to comply with the home improvement
7 contract requirements for multiple change orders. In violation of Code section 7159, subdivision
8 (d)(9)(b), none of the progress payments specifically referenced the amount of work or services to
9 be performed and any materials and equipment to be supplied. In violation of Code section 7159,
10 subdivision (d)(2), the home improvement contract and any changes to the contract did not
11 include the name and registration number of the home improvement salesperson that solicited or
12 negotiated the contract or change to the contract.

13 **SECOND CAUSE FOR DISCIPLINE**

14 **(Abandonment)**

15 56. Complainant re-alleges and incorporates by reference the allegations set forth above
16 in paragraphs 31-55.

17 57. Respondent is subject to disciplinary action under Code section 7107 in that
18 Respondent abandoned the Kasper project without legal justification or excuse. The
19 abandonment occurred in the following respects:

20 a. Respondent failed to extend the water heater relief valve to the exterior of the
21 building so that it would terminate between 6" and 24" above the finished grade.

22 b. Respondent failed to perform copper re-piping underneath the house despite
23 being paid in full for this task.

24 **THIRD CAUSE FOR DISCIPLINE**

25 **(Material Departure from Accepted Trade Standards)**

26 58. Complainant re-alleges and incorporates by reference the allegations set forth above
27 in paragraphs 31-57.

28

1 59. Respondent is subjected to disciplinary action under Code section 7109, subdivision
2 (a), in that on the Kasper project, Respondent willfully departed from accepted trade standards for
3 good and workmanlike construction. The departure from accepted trade standards occurred in the
4 following respects:

5 a. The water heater relief valve was not extended to the exterior of the building so that it
6 would terminate between 6" and 24" above the finished grade.

7 b. Electrical modifications were performed without permits or inspections to ceiling can
8 lights that were installed in the living room and kitchen.

9 **FOURTH CAUSE FOR DISCIPLINE**

10 **(Unregistered Home Improvement Salesperson)**

11 60. Complainant re-alleges and incorporates by reference the allegations set forth above
12 in paragraphs 31-59.

13 61. Respondent is subject to disciplinary action under Code section 7154 in that
14 Respondent employed Jermaine Franklin, Robert Trinh, and Kit Luu to sell a home improvement
15 contract and multiple change orders to Kasper when they were not registered with the Board as
16 home improvement salespersons.

17 **FIFTH CAUSE FOR DISCIPLINE**

18 **(Failure to Exercise Direct Supervision and Control of Project)**

19 62. Complainant re-alleges and incorporates by reference the allegations set forth above
20 in paragraphs 31-61.

21 63. Respondent is subject to disciplinary action under Code section 7115 and 7068.1,
22 subdivision (e) in that Noam Maor, Respondent's RMO, failed to exercise direct supervision and
23 control of Respondent's construction operations to secure compliance with the Contractors' State
24 License Law and its pertinent regulations for the Kasper project.

25 **SIXTH CAUSE FOR DISCIPLINE**

26 **(Disregard and Violation of Building Laws)**

27 64. Complainant re-alleges and incorporates by reference the allegations set forth above
28 in paragraphs 31-63.

1 Accusation Against Pacific Home Remodeling, Inc. and Homestar Builders, Inc.," Case No.
2 N2009-425. That term and condition states:

3 "If Respondent violates probation or any condition of probation in any respect, the
4 Registrar, after giving notice and opportunity to be heard, may revoke probation and impose the
5 disciplinary order that is stayed. If an accusation or petition to revoke probation is filed against
6 Respondent during the probationary period, then the Registrar shall have continuing jurisdiction
7 of this matter until the subsequent matter is final, and the period of probation and all the
8 conditions of probation in this matter shall be extended until the subsequent matter is final. If
9 there is an order to make restitution or pay cost recovery and Respondent fails to comply with the
10 restitution or cost recovery order and make a payment, the Registrar may immediately lift the stay
11 and reimpose the disciplinary order without giving Respondent an opportunity to be heard."

12 **CAUSE TO REVOKE PROBATION**

13 **(Obey All Laws)**

14 72. Complainant re-alleges and incorporates by reference the allegations set forth above
15 in paragraphs 31-70.

16 73. At all times after the effective date of Respondent's probation, Condition 1 stated:
17 "Respondent shall comply with all federal, state and local laws, including all building laws
18 and uniform codes, governing the activities of a licensed contractor in California."

19 74. Respondent's probation is subject to revocation because on the Kasper project
20 Respondent failed to comply with Probation Condition 1, referenced above. Respondent violated
21 the following laws governing the activities of a licensed contractor in California:

- 22 a Code section 7068.1.
- 23 b. Code section 7107.
- 24 c. Code section 7109, subdivision (a).
- 25 d. Code section 7110.
- 26 e. Code section 7113.
- 27 f. Code section 7159, subdivision (d)(9)(b).
- 28 g. Code section 7116.

1 **OTHER MATTERS**

2 75. Under sections 7097 and 7098 of the Code, if license number 768166 issued to
3 Respondent is suspended or revoked, the Registrar may suspend or revoke, without notice, any
4 other license issued in the name of Noam Maor or Yoram Hakimi or for which Noam Maor or
5 Yoram Hakimi furnished the qualifying experience and appearance.

6 76. Under section 7121 of the Code, if discipline is imposed on license number 768166
7 issued to Respondent, Noam Maor shall be prohibited from serving as an officer, director,
8 associate, partner, manager, or qualifying individual, or member of the personnel of record of a
9 licensee of any licensee during the time the discipline is imposed, and any licensee which
10 employs, elects, or associates Noam Maor shall be subject to disciplinary action.

11 77. Under Section 7121.5 of the Code, if discipline is imposed on license number 768166
12 issued to respondent, Noam Maor shall be prohibited from serving as an officer, director,
13 associate, partner, manager, or qualifying individual of any licensee during the time the discipline
14 is imposed, whether or not he had knowledge or participated in the acts or omissions constituting
15 grounds for discipline, and any licensee which employs, elects, or associates Noam Maor shall be
16 subject to disciplinary action.

17 78. Noam Maor, while serving as Respondent's RMO, had knowledge of or participated
18 in the acts or omissions which constitute cause for discipline against said Respondent.

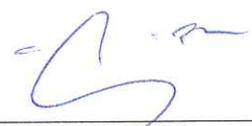
19 79. Under section 7122 of the Code, the causes for discipline established as to
20 Respondent likewise constitutes cause for discipline against individual license number 768367,
21 issued to N M Construction, and license number 808104, issued to Homestar Builders Inc., in that
22 Noam Maor had knowledge or participated in the acts constituting grounds for discipline against
23 Respondent.

24 80. Under section 7122.5 of the Code, the causes for discipline established as to
25 Respondent constitute cause for discipline against individual license number 768367, issued to N
26 M Construction, and license number 808104, issued to Homestar Builders Inc, regardless of
27 whether Noam Maor had knowledge of or participated in the acts or omissions which constitute
28 cause for discipline against Respondent.

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

DATED: January 16, 2015



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

SD2014708018
70978474.doc

FILED
JAN 16 2015
CSLB DSS

Exhibit A

Decision and Order

Contractors' State License Board Case No. N2009-425

BEFORE THE
REGISTRAR OF CONTRACTORS
CONTRACTORS STATE LICENSE BOARD
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation Against:

PACIFIC HOME REMODELING, INC.
12658 W. Washington Blvd.
Los Angeles, CA 90066
NAOM MAOR, RMO
YORAM HAKIMI, CEO/Pres.

Contractor's License No. **768166**, B

Affiliated License
HOMESTAR BUILDERS INC.
12658 W. Washington Blvd.
Los Angeles, CA 90066
NAOM MAOR, RMO
YORAM HAKIMI, CEO/Pres.

Contractor's License No. **808104**, B

Respondents

CASE NO.: N2009-425

ORDER TO ADOPT
STIPULATED SETTLEMENT

The attached Stipulated Settlement is hereby adopted by the Registrar of Contractors as his Decision in the above-entitled matter. Failure to comply with the terms and conditions of the probation will cause the probationary period to be extended, until said terms are complied with or the discipline is reimposed.

IT IS FURTHER ORDERED that **PACIFIC HOME REMODELING, INC.**, License Number **768166**, on or after the effective date of this decision shall file a Disciplinary Bond or post a cash deposit in the amount of **\$60,000.00**, for a period of not less than three years pursuant to of Section 7071.8 of the Business and Professions Code, and that respondent is hereby notified that practice under the license may not be restored until satisfactory evidence of such bond or cash deposit is on file with the Registrar. The Failure to obtain a Disciplinary Bond will cause the probationary period not to be in effect, until the required bond is obtained, submitted to and accepted by the Registrar.

IT IS FURTHER ORDERED that **HOMESTAR BUILDERS INC.**, License Number **808104**, on or after effective date of this Decision shall file a Disciplinary Bond or post a cash deposit in the amount of \$60,000.00, for a period of not less than three years pursuant to Section 7071.8 of the Business and Professions Code, and that respondent is hereby notified that practice under the license may not be restored until satisfactory evidence of such bond or cash deposit is on file with the Registrar. Failure to obtain a Disciplinary Bond will cause the probationary period not to be in effect, until the required bond is obtained, submitted to and accepted by the Registrar.

IT IS THE responsibility of the respondents, named in this Order, to read and follow the Order. The deadlines for meeting the terms and conditions are based upon the EFFECTIVE DATE of this Decision. No notices or reminders will be sent as to compliance with the terms and conditions. Proof of payments of restitution and payments for the Cost of Investigation and Enforcement if ordered, are to be sent to CSLB, Sacramento Case Management, Post Office Box 26888, Sacramento, CA 95826.

This Decision shall become effective on October 11, 2012.

IT IS SO ORDERED September 10, 2012.



Stephen P. Sands
Registrar of Contractors

INFORMATION PURSUANT TO §11521 OF THE GOVERNMENT CODE

If you wish to file a Petition for Reconsideration pursuant to Government Code §11521, the text which appears below for your review, the Petition must be received prior to the effective date of the Decision. However, please be aware that the Board needs approximately five (5) working days to process a Petition. Petitions should be sent to the following address: CONTRACTORS STATE LICENSE BOARD, P.O. BOX 269121, SACRAMENTO, CA 95826, ATTN: LEGAL ACTION DEPUTY. Fax documents can be sent to (916) 255-3933.

11521. (a) The agency itself may order a reconsideration of all or part of the case on its own motion or on petition of any party. The agency shall notify a petitioner of the time limits for petitioning for reconsideration. The power to order a reconsideration shall expire 30 days after the delivery or mailing of a decision to a respondent, or on the date set by the agency itself as the effective date of the decision if that date occurs prior to the expiration of the 30-day period or at the termination of a stay of not to exceed 30 days which the agency may grant for the purpose of filing an application for reconsideration. If additional time is needed to evaluate a petition for reconsideration filed prior to the expiration of any of the applicable periods, an agency may grant a stay of that expiration for no more than 10 days, solely for the purpose of considering the petition. If no action is taken on a petition within the time allowed for ordering reconsideration, the petition shall be deemed denied.

(b) The case may be reconsidered by the agency itself on all the pertinent parts of the record and such additional evidence and argument as may be permitted, or may be assigned to an administrative law judge. A reconsideration assigned to an administrative law judge shall be subject to the procedure provided in Section 11517. If oral evidence is introduced before the agency itself, no agency member may vote unless he or she heard the evidence.

1 KAMALA D. HARRIS
Attorney General of California
2 JAMES M. LEDAKIS
Supervising Deputy Attorney General
3 ERIN M. SUNSERI
Deputy Attorney General
4 State Bar No. 207031
110 West "A" Street, Suite 1100
5 San Diego, CA 92101
P.O. Box 85266
6 San Diego, CA 92186-5266
Telephone: (619) 645-2071
7 Facsimile: (619) 645-2061
Attorneys for Complainant

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

12 In the Matter of the Accusation Against:

Case No. N2009-425

13 **PACIFIC HOME REMODELING, INC.,**
12658 W. Washington Blvd.
14 Los Angeles, CA 90066

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

15 **NOAM MAOR, RMO**
YORAM HAKIMI, CEO/PRES

16 Contractor's License No. 768166, B

17 Affiliated License

18 **HOMESTAR BUILDERS INC.**
12658 W. Washington Blvd.
19 Los Angeles, CA 90066

20 **NOAM MAOR, RMO**
21 **YORAM HAKIMI, CEO/PRES**

22 Contractor's License No. 808104, B

23 Respondents.
24

25
26 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
27 entitled proceedings that the following matters are true:

28 ///

1 PARTIES

2 1. Wood Robinson (Complainant) is the Enforcement Supervisor I of the Contractors'
3 State License Board. He brought this action solely in his official capacity and is represented in
4 this matter by Kamala D. Harris, Attorney General of the State of California, by Erin M. Sunseri,
5 Deputy Attorney General.

6 2. Respondent Pacific Home Remodeling, Inc. (Respondent) is represented in this
7 proceeding by attorney Bruce Rudman, whose address is the Law Offices of Abdulaziz, Grossbart
8 & Rudman, 6454 Coldwater Canyon Avenue, North Hollywood, CA 91606.

9 3. On or about September 2, 1999, the Contractors' State License Board issued
10 Contractor's License No. 768166 to Pacific Home Remodeling, Inc. (Respondent). The
11 Contractor's License was in full force and effect at all times relevant to the charges brought in
12 Accusation No. N2009-425 and will expire on September 30, 2013, unless renewed.

13 JURISDICTION

14 4. First Amended Accusation No. N2009-425 was filed before the Registrar of
15 Contractors (Registrar) for the Contractors' State License Board, Department of Consumer
16 Affairs, and is currently pending against Respondent. The First Amended Accusation and all
17 other statutorily required documents were properly served on Respondent on November 16, 2011.
18 Respondent timely filed its Notice of Defense contesting the First Amended Accusation.

19 5. A copy of First Amended Accusation No. N2009-425 is attached as Exhibit "A" and
20 incorporated herein by reference.

21 ADVISEMENT AND WAIVERS

22 6. Respondent has carefully read, fully discussed with counsel, and understands the
23 charges and allegations in First Amended Accusation No. N2009-425. Respondent has also
24 carefully read, fully discussed with counsel, and understands the effects of this Stipulated
25 Settlement and Disciplinary Order.

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28 ///

1 CONTINGENCY

2 12. This stipulation shall be subject to approval by the Registrar of Contractors or his
3 designee. Respondent understands and agrees that counsel for Complainant and the staff of the
4 Contractors' State License Board may communicate directly with the Registrar regarding this
5 stipulation and settlement, without notice to or participation by Respondent or its counsel. By
6 signing the stipulation, Respondent understands and agrees that they may not withdraw its
7 agreement or seek to rescind the stipulation prior to the time the Registrar considers and acts upon
8 it. If the Registrar fails to adopt this stipulation as its Decision and Order, the Stipulated
9 Settlement and Disciplinary Order shall be of no force or effect, except for this paragraph, it shall
10 be inadmissible in any legal action between the parties, and the Registrar shall not be disqualified
11 from further action by having considered this matter.

12 13. The parties understand and agree that facsimile copies of this Stipulated Settlement
13 and Disciplinary Order, including facsimile signatures thereto, shall have the same force and
14 effect as the originals.

15 14. This Stipulated Settlement and Disciplinary Order is intended by the parties to be an
16 integrated writing representing the complete, final, and exclusive embodiment of their agreement.
17 It supersedes any and all prior or contemporaneous agreements, understandings, discussions,
18 negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary
19 Order may not be altered, amended, modified, supplemented, or otherwise changed except by a
20 writing executed by an authorized representative of each of the parties.

21 15. In consideration of the foregoing admissions and stipulations, the parties agree that
22 the Registrar may, without further notice or formal proceeding, issue and enter the following
23 Disciplinary Order:

24 DISCIPLINARY ORDER

25 IT IS HEREBY ORDERED that Contractor's License No. 768166 issued to Respondent
26 Pacific Home Remodeling, Inc. (Respondent) is revoked. However, the revocation is stayed and
27 Respondent is placed on probation for three (3) years on the following terms and conditions.

28 ///

1 1. **Obey All Laws.** Respondent shall comply with all federal, state and local laws,
2 including all building laws and uniform codes, governing the activities of a licensed contractor in
3 California.

4 2. **Interviews With Enforcement Representative.** Respondent and any of
5 Respondent's personnel of record shall appear in person for interview with the Registrar or
6 designee upon request and reasonable notice during the probationary period.

7 3. **Completion Of Probation.** Upon successful completion of probation, the
8 Contractor's License will be fully restored.

9 **Violation Of Probation.** If Respondent violates probation or any condition of probation in any
10 respect, the Registrar, after giving notice and opportunity to be heard, may revoke probation and
11 impose the disciplinary order that is stayed. If an accusation or petition to revoke probation is
12 filed against Respondent during the probationary period, then the Registrar shall have continuing
13 jurisdiction of this matter until the subsequent matter is final, and the period of probation and all
14 the conditions of probation in this matter shall be extended until the subsequent matter is final. If
15 there is an order to make restitution or pay cost recovery and Respondent fails to comply with the
16 restitution or cost recovery order and make a payment, the Registrar may immediately lift the stay
17 and reimpose the disciplinary order without giving Respondent an opportunity to be heard.

18 4. **Disciplinary Bond.** Not later than the effective date of the decision, Respondent
19 shall file or have on file a disciplinary contractor's bond in a sum to be fixed by the registrar
20 based upon the seriousness of the violation, but which sum shall not be less than fifteen thousand
21 dollars (\$15,000) nor more than 10 times that amount required by Business and Professions Code
22 section 7071.6. The disciplinary bond is in addition to, may not be combined with, and does not
23 replace any other type of contractor's bond. The disciplinary bond shall remain on file with the
24 registrar for a period of at least two years and for such additional time as the registrar may
25 determine, as required by Business and Professions Code section 7071.8.

26 5. **Production of Documents.** Respondent shall submit copies of documents directly
27 related to construction operations to the Registrar or designee upon demand during the
28 probationary period.

1 6. **Construction Contracts.** Respondent shall submit copies of all construction
2 contracts to the Registrar or designee for approval upon demand during the probationary period.

3 7. **Advertising.** Respondent shall submit copies of all advertisements relating to
4 contracting to the Registrar or designee for approval prior to their being displayed or published.

5 8. **Direct Supervision.** Respondent shall submit to the Registrar or designee for
6 approval within thirty (30) days of the effective date of the Decision and Order a detailed plan
7 setting forth the procedure to be used to provide for direct supervision and control of
8 Respondent's construction activities by the qualifying individual on the license.

9 9. **Law and Business Examination.** Respondent shall take and pass within 180 days of
10 the effective date of the Decision and Order the Contractors' State License Board's law and
11 business examination. Respondent has the burden of applying for, scheduling, and making
12 arrangements to take the exam.

13 **Trade Examination.** Respondent shall take and pass within 180 days of the effective date of the
14 Decision and Order the Contractors' State License Board's trade examination in Class B, General
15 Contracting. Respondent has the burden of applying for, scheduling, and making arrangements to
16 take the exam.

17 10. **Cost Recovery.** Respondent shall pay to the Registrar pursuant to Business and
18 Professions Code section 125.3 the reduced costs of investigation and enforcement in this matter
19 in the amount \$20,000.00 within one year of the effective date of the Decision and Order.
20 Payments may be made in equal monthly installments beginning thirty (30) days from the
21 effective date of the Decision and Order.

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1 ACCEPTANCE

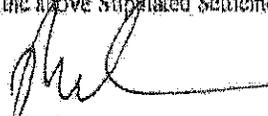
2 I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully
3 discussed it with my attorney, Bruce Rudman. I understand the stipulation and the effect it will
4 have on my Contractor's License. I enter into this Stipulated Settlement and Disciplinary Order
5 voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the
6 Registrar of Contractors, Contractors' State License Board

7 DATED: 5/29/12


8 NOAM MADAR, RMO and agent for
9 PACIFIC HOME REMODELING, INC.
Respondent

10 I have read and fully discussed with Respondent Pacific Home Remodeling, Inc. the terms
11 and conditions and other matters contained in the above Stipulated Settlement and Disciplinary
12 Order. I approve its form and content.

13 DATED: 6/4/12


14 BRUCE RUDMAN
15 Attorney for Respondent

16 ENDORSEMENT

17 The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
18 submitted for consideration by the Registrar of Contractors, Contractors' State License Board of
19 the Department of Consumer Affairs.

20 Dated: 7-10-12

Respectfully submitted,

21 KAMALA D. HARRIS
22 Attorney General of California
23 JAMES M. LEDAKIS
24 Supervising Deputy Attorney General


25 ERIN M. SUNSERI
26 Deputy Attorney General
Attorneys for Complainant

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28 70561146.doc

Exhibit A

Accusation No. N2009-425

1 KAMALA D. HARRIS
Attorney General of California
2 JAMES M. LEDAKIS
Supervising Deputy Attorney General
3 ERIN M. SUNSERI
Deputy Attorney General
4 State Bar No. 207031
110 West "A" Street, Suite 1100
5 San Diego, CA 92101
P.O. Box 85266
6 San Diego, CA 92186-5266
Telephone: (619) 645-2105
7 Facsimile: (619) 645-2061
Attorneys for Complainant

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

12 In the Matter of the Accusation Against:

Case No. N2009-425

13 **PACIFIC HOME REMODELING, INC.,**
12658 W. Washington Blvd.
14 Los Angeles, CA 90066

ACCUSATION

15 **NOAM MAOR, RMO**
16 **YORAM HAKIMI, CEO/PRES**

17 Contractor's License No. 768166, B

18 Affiliated License

19 **HOMESTAR BUILDERS INC.**
12658 W. Washington Blvd.
20 Los Angeles, CA 90066

21 **NOAM MAOR, RMO**
YORAM HAKIMI, CEO/PRES

22 Contractor's License No. 808104, B

23 Respondents.
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1 Complainant alleges:

2 **PARTIES**

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

6 2. On or about September 2, 1999, the Registrar of Contractors issued Contractor's
7 License Number 768166, classification B (general contractor), to Pacific Home Remodeling, Inc.
8 ("Respondent") with Noam Maor as Responsible Managing Officer, and Yoram Hakimi as
9 CEO/PRES. The license was in full force and effect at all times relevant to the charges brought
10 herein and will expire on September 30, 2011, unless renewed.

11 3. On or about May 15, 2002, the Registrar of Contractors issued Contractor's License
12 Number 808104, classification B (general contractor), to Homestar Builders, Inc., with Noam
13 Maor as Responsible Managing Officer, and Yoram Hakimi as CEO/PRES. The license was in
14 full force and effect at all times relevant to the charges brought herein and will expire on May 31,
15 2012, unless renewed.

16 **JURISDICTION**

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

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

24 6. Code section 7090 provides, in pertinent part, that the Registrar may suspend or
25 revoke any license or registration if the licensee or registrant is guilty of or commits any one or
26 more of the acts or omissions constituting cause for disciplinary action.

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

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

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

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

9 8. Code section 7096 states:

10 "For the purpose of this chapter, the term 'licensee' shall include an individual,
11 copartnership, corporation, or any combination or organization licensed under this chapter, and
12 shall also include any named responsible managing officer or member of the personnel of such
13 licentiate whose appearance has qualified the licentiate under the provisions of Section 7068."

14 9. Code section 7097 states:

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

21 10. Code section 7098 states:

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

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1 11. Code section 7106.5 states, in pertinent part, that the expiration, cancellation,
2 forfeiture, or suspension of a license by operation of law, or by order or decision of the Registrar
3 or a court of law, or the voluntary surrender of the license shall not deprive the Registrar of
4 jurisdiction to proceed with disciplinary action.

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

10 13. Code section 7121 states:

11 "Any person who has been denied a license for a reason other than failure to document
12 sufficient satisfactory experience for a supplemental classification for an existing license, or who
13 has had his or her license revoked, or whose license is under suspension, or who has failed to
14 renew his or her license while it was under suspension, or who has been a member, officer,
15 director, or associate of any partnership, corporation, firm, or association whose application for a
16 license has been denied for a reason other than failure to document sufficient satisfactory
17 experience for a supplemental classification for an existing license, or whose license has been
18 revoked, or whose license is under suspension, or who has failed to renew a license while it was
19 under suspension, and while acting as a member, officer, director, or associate had knowledge of
20 or participated in any of the prohibited acts for which the license was denied, suspended, or
21 revoked, shall be prohibited from serving as an officer, director, associate, partner, or qualifying
22 individual of a licensee, and the employment, election, or association of this type of person by a
23 licensee in any capacity other than as a non-supervising bona fide employee shall constitute
24 grounds for disciplinary action."

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1 representative and without the consent of the person entitled to have the particular construction
2 project or operation completed in accordance with such plans or specifications, constitutes a
3 cause for disciplinary action."

4 19. Section 7110 of the Code states:

5 "Willful or deliberate disregard and violation of the building laws of the state, or of any
6 political subdivision thereof, or of Section 8505 or 8556 of this code, or of Sections 1689.5 to
7 1689.8, inclusive, or Sections 1689.10 to 1689.13, inclusive, of the Civil Code, or of the safety
8 laws or labor laws or compensation insurance laws or Unemployment Insurance Code of the state,
9 or violation by any licensee of any provision of the Health and Safety Code or Water Code,
10 relating to the digging, boring, or drilling of water wells, or Article 2 (commencing with Section
11 4216) of Chapter 3.1 of Division 5 of Title 1 of the Government Code, constitutes a cause for
12 disciplinary action."

13 20. Code section 7113 of the Code states that "[f]ailure in a material respect on the part of
14 a licensee to complete any construction project or operation for the price stated in the contract for
15 such construction project or operation or in any modification of such contract constitutes a cause
16 for disciplinary action."

17 21. Code section 7116 states that "[t]he doing of any willful or fraudulent act by the
18 licensee as a contractor in consequence of which another is substantially injured constitutes a
19 cause for disciplinary action."

20 22. Code section 7154 states that "[a] home improvement contractor who employs a
21 person to sell home improvement contracts while such person is not registered by the registrar as
22 a home improvement salesman as provided in this Article is subject to disciplinary action by the
23 registrar."

24 23. Code section 7159 states, in pertinent part:

25 ". . . .

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

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"..."

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

"..."

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

"..."

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

"..."

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

"..."

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

"..."

"(B) The approximate date of completion.

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

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

1 “(A) “(The name of the license or ‘This contractor’) does not carry commercial general
2 liability insurance.”

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

6 “(C) (The name of the licensee or ‘This contractor’) is self-insured.

7 “(e)(2) A notice concerning workers’ compensation insurance. This notice may be
8 provided as an attachment to the contract if the contract includes the statement: “A notice
9 concerning workers’ compensation insurance is attached to this contract.” The notice shall
10 include the heading “Workers’ Compensation Insurance” followed by whichever of the following
11 statements is correct:

12 “(A) (The name on the license or ‘This contractor’) has no employees and is exempt from
13 worker’s compensation requirements.”

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

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

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

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

24 “(i) The scope of work encompassed by the order.

25 “(ii) The amount to be added or subtracted from the contract.

26 “(iii) The effect the order will make in the progress payments or the completion date.

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

4 “(e)(4) A notice with the heading “Mechanics’ Lien Warning” written as follows:

5 “MECHANICS’ LIEN WARNING:

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

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

13 “To preserve their right to record a lien, each subcontractor and material supplier must
14 provide you with a document called a ‘20-day Preliminary Notice.’ This notice is not a lien. The
15 purpose of the notice is to let you know that the person who sends you the notice has the right to
16 record a lien on your property if he or she is not paid.

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

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

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

27 “PAY WITH JOINT CHECKS. One way to protect yourself is to pay with a joint check.
28 When your contractor tells you it is time to pay for the work of a subcontractor or supplier who

1 has provided you with a Preliminary Notice, write a joint check payable to both the contractor
2 and the subcontractor or material supplier.

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

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

8 "(e)(5) The following notice shall be provided in at least 12-point typeface:

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

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

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

19 "For more information:

20 "Visit CSLB's Internet Web site at www.cslb.ca.gov

21 "Call CSLB at 800-321-CSLB (2752)

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

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

25 "(I) Negotiated at the contractor's place of business.

26 "(II) Subject to the "Seven-Day Right to Cancel," as set forth in paragraph (7).

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1 “(iii) Subject to licensure under the Alarm Company Act (Chapter 11.6 (commencing with
2 Section 7590)), provided the alarm company licensee complies with Sections 1689.5, 1689.6, and
3 1689.7 of the Civil Code, as applicable.

4 “(B) Three-Day Right to Cancel

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

10 “If you cancel, the contractor must return to you anything you paid within 10 days of
11 receiving the notice of cancellation. For your part, you must make available to the contractor at
12 your residence, in substantially as good condition as you received them, goods delivered to you
13 under this contract or sale. Or, you may, if you wish, comply with the contractor’s instructions on
14 how to return the goods at the contractor’s expense and risk. If you do make the goods available
15 to the contractor and the contractor does not pick them up within 20 days of the date of your
16 notice of cancellation, you may keep them without any further obligation. If you fail to make the
17 goods available to the contractor, or if you agree to return the goods to the contractor and fail to
18 do so, then you remain liable for performance of all obligations under the contract.”

19 “(C) The “Three-Day Right to Cancel” notice required by this paragraph shall comply with
20 all of the following:

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

22 “(ii) The notice is in immediate proximity to a space reserved for the owner’s signature.

23 “(iii) The owner acknowledges receipt of the notice by signing and dating the notice form
24 in the signature space.

25 “(iii) The notice is written in the same language, e.g., Spanish, as that principally used in
26 any oral sales presentation.

27 “(v) The notice may be attached to the contract if the contract includes, in at least 12-point
28 boldface type, a checkbox with the following statement: “The law requires that the contractor

1 give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given
2 you a "Notice of the Three-Day Right to Cancel."

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

7 "Notice of Cancellation"

8 /enter date of transaction/
9 _____

10 (Date)

11 "You may cancel this transaction, without any penalty or obligation, within three business
12 days from the above date. If you cancel, any property traded in, any payments made by you
13 under the contract or sale, and any negotiable instrument executed by you will be returned within
14 10 days following receipt by the seller of your cancellation notice, and any security interest
15 arising out of the transaction will be canceled.

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

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

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1 "To cancel this transaction, mail or deliver a signed and dated copy of this cancellation
2 notice, or any other written notice, or send a telegram to _____,

3 /name of seller/

4 at _____

5 /address of seller's place of business/

6 not later than midnight of _____.

7 (Date)

8 "I hereby cancel this transaction. _____

9 (Date)

10 _____
11 (Buyer's signature)

12 24. Code section 7159.5, states, in pertinent part:

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

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

19 "...

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

22 "...

23 "(5) Except for a down payment, the contractor may neither request nor accept payment
24 that exceeds the value of the work performed or material delivered.

25 "...

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1 COST RECOVERY

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

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

9 SERVI PROJECT

10 27. On May 30, 2006, Melvin Servi entered into a written contract with Danny Almog, an
11 unregistered salesman working for Respondent, to provide and install fourteen (14) new windows
12 and a slider at Servi's residence located at 1564 Candor Street in Encinitas (Servi project), in the
13 amount of \$17,140. The windows to be installed were to be "new construction" (nail-fin)
14 windows because of moisture problems, which would require existing frames to be removed, with
15 the exception of two windows, on either side of the fireplace, which would be retro-fit windows,
16 to avoid the necessity of removing the frames of those two windows to prevent damage to the
17 brick. Respondent claimed to be licensed to install new construction windows (unlike other
18 contractors interviewed by Servi who declined the job because they were only licensed to install
19 retro-fit windows). Servi paid Respondent considerably more for nail-fin windows.

20 28. The windows were ordered, delivered, and installed within three weeks of the signing
21 of the contract. Respondent delivered and installed retro-fit windows instead of the agreed new
22 construction (nail-fin) windows. Respondent inappropriately removed existing window frames,
23 which should have stayed in place if he was installing retro-fit windows and should have only
24 been removed if new construction (nail fin) windows were installed.

25 29. After Servi complained to Respondent that the wrong type of windows had been
26 delivered and improperly installed, Respondent wrote up an addendum agreeing to reorder and
27 install "stucco-fin" windows. The second set of windows that were delivered and partially
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1 installed were also retro-fit, still the wrong type of window, just a different style than the first set
2 of installed retro-fit windows. The second set was not only the wrong type of window, but were
3 also improperly installed as the existing window frames had been removed.

4 30. Servi went to the City of Encinitas and found that the work required a permit, which
5 Respondent failed to pull. Servi also hired a licensed contractor to inspect the windows and write
6 up a report and recommendations for repair. The licensed contractor initially recommended that
7 all of the windows be removed, discarded and replaced with new construction windows because
8 the window frames had been removed by Respondent. The licensed contractor offered an
9 alternative repair recommendation wherein the second set of retro-fit windows could be used if
10 the flashing system was carefully "re-built" using milcore and following the licensed contractor's
11 specific instructions. Respondent agreed to the alternative repair recommendation, pulled a
12 permit and began the installation process; however, Respondent failed to follow the instructions
13 of the licensed contractor hired by Servi and, consequently, the partial window installation failed
14 the City inspection as the windows were not properly flashed. After the failed inspection,
15 Respondent told Servi that he was not going to install the windows, to find someone else to do the
16 work, and Respondent agreed to pay to have someone else install the windows and fix the stucco
17 and lath. Servi obtained estimates and faxed them to Respondent. Respondent reneged on his
18 offer and refused to pay.

19 31. Servi paid Respondent a total of \$7,856, and paid the licensed contractor Servi hired
20 to inspect the project \$1,200. On or about June 30, 2009, a Board industry expert inspected the
21 Servi project and found that the work performed by Respondent deviated from accepted trade
22 standards and opined that it would cost Servi \$26,550 to correct and complete the project begun
23 and abandoned by Respondent.

24 **FIRST CAUSE FOR DISCIPLINE**

25 **(Abandonment)**

26 32. Respondent has subjected its contractor's licenses to disciplinary action under Code
27 section 7107, in that Respondent abandoned the Servi project without legal excuse, by falling to
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1 correct and complete the Servi project, after having received a \$1,000 deposit, and \$6,856
2 towards the \$17,140 contract.

3 **SECOND CAUSE FOR DISCIPLINE**

4 **(Departure from Accepted Trade Practices)**

5 33. Respondent has subjected its contractor's licenses to disciplinary action under Code
6 section 7109, subdivision (a), in that on the Servi project, Respondent willfully departed from
7 accepted trade standards for good and workmanlike construction in the following respects:

- 8 a. Respondent failed to provide and install nail-fin windows per the contract.
- 9 b. Respondent failed to install provide and install the right size sliding glass door.
- 10 c. Respondent failed to install the right type of window and installed retrofit type
11 windows that were not to code, as they were not properly integrated into the existing weather
12 barrier with flashing and foam.
- 13 d. Respondent installed several windows that were not set plumb and square.
- 14 e. Respondent improperly cut stucco leaving a straight edge rather than a broken
15 and uneven edge, which is required to ensure good bonding of patch.
- 16 f. Respondent provided flashing paper and weather barrier which was cut and
17 damaged during the removal and installation of windows.
- 18 g. Respondent failed to install the right size kitchen window. The new kitchen
19 window is smaller than the original window and existing drywall and tile were not patched to
20 meet edge of window.
- 21 h. Respondent failed to protect existing tile around the kitchen window, and failed
22 to match and replace broken tile.
- 23 i. Respondent failed to protect existing finishes from damage or repair as
24 necessary and damaged brick interior finish.
- 25 j. Respondent failed to provide proper sealant joint at window and improperly
26 attempted to create sealant joint by using casing bead and caulk. Casing bead is not a flashing
27 and the manufacturer does not recommend use of retrofit windows in new installations.

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THIRD CAUSE FOR DISCIPLINE

(Breach of Contract)

34. Respondent has subjected its contractor's licenses to disciplinary action under code section 7113, in that Respondent failed in a material respect to complete the Servi window replacement construction project for the price stated on the contract, and in fact, accepted \$7,856 from Servi and never corrected and completed the work.

FOURTH CAUSE FOR DISCIPLINE

(Failed to Obtain Building Permits)

35. Respondent has subjected its contractor's licenses to disciplinary action under Code section 7110, in that on the Servi project, Respondent willfully and deliberately disregarded City of Encinitas, California, Building laws, by failing to obtain a building permit prior to the commencement of the project.

FIFTH CAUSE FOR DISCIPLINE

(Employed Unregistered Salesperson)

36. Respondent has subjected its contractor's licenses to disciplinary action under code section 7154, in that Respondent employed an unregistered salesperson, Danny Almog, to sell Servi the home improvement contract on behalf of Respondent.

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SIXTH CAUSE FOR DISCIPLINE

(Violations of the Home Improvement Contract Form)

37. Respondent has subjected its contractor's licenses to disciplinary action under Code section 7159, in that on the Servi project, Respondent failed to comply with the provisions of that Code, as follows:

a. Subdivision (c)(6): Respondent failed to include in the contract, in close proximity to the signatures of the owner and contractor, a notice stating that the owner or tenant has the right to require the contractor to have a performance and payment bond.

b. Subdivision (d)(10): Respondent failed to include in the contract what constitutes substantial commencement of work under the contract.

1 c. Subdivision (e)(1): Respondent failed to include in the contract a notice concerning
2 commercial general liability insurance.

3 d. Subdivision(e)(2): Respondent failed to include in the contract a notice concerning
4 workers' compensation insurance.

5 e. Subdivision (e)(3): Respondent failed to provide notices regarding the performance
6 of extra or change order work.

7 f. Subdivision (e)(4): Respondent failed to provide a notice of the mechanic's lien
8 warning.

9 **SEVENTH CAUSE FOR DISCIPLINE**

10 **(Failure to Comply with the Home Improvement Contract Requirements)**

11 38. Respondent has subjected its contractor's licenses to disciplinary action under Code
12 section 7159.5, in that on the Servi project, Respondent failed to comply with the provisions of
13 that Code, as follows:

14 a. Subdivision (a)(5): The contract called for a 10% down payment, 40% upon
15 measuring, 40% upon delivery of materials, and 10% upon completion. When Respondent
16 abandoned the Servi project, Respondent had received a total of \$7,856, that sum being in excess
17 of the value of the work performed or material delivered.

18 **SANDOVAL PROJECT**

19 39. On October 20, 2009, Ruben Sandoval entered into a written contract with Nick
20 Ashnallkyan, a marketing manager for Respondent who was not registered as a home
21 improvement, to apply Tex-Cote exterior coating and paint at Sandoval's residence located at
22 1255 Kelley Avenue in Corona in the amount of \$17,166.00. Sandoval paid \$1,000.00 as a down
23 payment, \$5,149.00 when measurements were taken, and \$11,017.00 as the balance.

24 40. Respondent worked on the project from December 15, 2009, to December 19, 2009,
25 Respondent had Sandoval sign papers that stated the worked was completed and Sandoval paid
26 Respondent the balance of the contract. Afterwards, Sandoval noticed the texture did not look
27 correct and called Respondent to fix it. He had to call Tex-Cote, the paint manufacturer, who told
28 him the paint was applied incorrectly. They called Respondent and Respondent came back to

1 repaint it on or about May 1, 2010. Respondent was supposed to return to reapply primer to the
2 eaves, complete the final cut-in work on the fascia, and finish the project.

3 41. Respondent then had Sandoval sign a document in June 2010 to allow them to return
4 and finish the project in accordance with the manufacturer's specification; Respondent in fact
5 never returned. As a result of Respondent's conduct, the eaves need to be re-primed and
6 repainted, the paint is peeling, there is overspray on the fascia and eaves, the garage door needs to
7 be re-primed and repainted, and the exterior door trim is substandard. Sandoval has or will incur
8 a financial loss of \$5,675.00 in order to correct the project.

9 **EIGHTH CAUSE FOR DISCIPLINE**

10 **(Abandonment)**

11 42. Respondent has subjected its contractor's licenses to disciplinary action under Code
12 section 7107, in that Respondent abandoned the Sandoval project without legal excuse, by failing
13 to complete the painting of the eaves by applying a primer and finish coat on the fascia boards and
14 wood trim; and by failing to complete the final cut-in work on the fascia.

15 **NINTH CAUSE FOR DISCIPLINE**

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

17 43. Respondent has subjected its contractor's licenses to disciplinary action under Code
18 section 7109, subdivision (a), in that on the Sandoval project, Respondent willfully departed from
19 accepted trade standards for good and workmanlike construction in the following respects:

20 a. Respondent installed a warped piece of casing on the right side of the front entry
21 door, which has to be removed and replaced because millwork should be installed straight and
22 true.

23 b. Respondent painted the gas meter and non-owned items like utility meters that should
24 not be painted without the utility company's consent so that the paint on these items must now be
25 cleaned and repainted pursuant to the utility and gas company's specifications.

26 c. Respondent failed to thoroughly prepare and caulk all exterior woodwork before
27 beginning to paint.

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1 d. Respondent did not caulk and seal the exterior wood trim above and around the rear
2 sliding glass door.

3 **TENTH CAUSE FOR DISCIPLINE**

4 **(Breach of Contract)**

5 44. Respondent has subjected its contractor's licenses to disciplinary action under Code
6 section 7113, in that Respondent failed in a material respect to complete the Sandoval exterior
7 painting project for the price stated on the contract, and in fact, \$17,166.00 from Sandoval and
8 never corrected and completed the work. Sandoval will have to secure the services of other
9 contractors to correct the work at \$5,675.00 more than the contract price.

10 **ELEVENTH CAUSE FOR DISCIPLINE**

11 **(Employed Unregistered Salesperson)**

12 45. Respondent has subjected its contractor's licenses to disciplinary action under Code
13 section 7154, in that Respondent employed an unregistered salesperson, Nick Ashnalikyan, to sell
14 Sandoval the home improvement contract on behalf of Respondent.

15 **TWELFTH CAUSE FOR DISCIPLINE**

16 **(Violations of the Home Improvement Contract Form)**

17 46. Respondent has subjected its contractor's licenses to disciplinary action under Code
18 section 7159, in that on the Sandoval project, Respondent failed to comply with the provisions of
19 that Code, as follows:

20 a. Subdivision (e)(5): Respondent failed to include in the contract a notice of at least 12
21 point font information about the Contractors' State License Board.

22 **LOVE PROJECT**

23 47. On November 24, 2009, Angela Love entered into a contract with Danny Olson, a
24 salesperson for Respondent, to install a front door with a screen door and a garage door with
25 opener at her residence at her residence located at 9946 Columbus Avenues in Mission Hills in
26 the amount of \$5,583.00. Respondent promised orally to have the project done by Christmas.
27 Later, they agreed to install a wood railing at the front entrance as well.

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SEVENTEENTH CAUSE FOR DISCIPLINE

(Abandonment)

54. Respondent has subjected its contractor's licenses to disciplinary action under Code section 7107, in that Respondent abandoned the Samuels project without legal excuse, by failing to correct and complete the Samuels project, after having received a \$500.00 deposit, and \$1,500.00 towards the \$8,500.00 contract.

EIGHTEENTH CAUSE FOR DISCIPLINE

(Breach of Contract)

55. Respondent has subjected its contractor's licenses to disciplinary action under code section 7113, in that Respondent failed in a material respect to complete the Samuels roofing construction project for the price stated on the contract after accepting the down payment and may have to spend more money above the contract price to complete the project.

NINETEENTH CAUSE FOR DISCIPLINE

(Failed to Obtain Building Permits)

56. Respondent has subjected its contractor's licenses to disciplinary action under Code section 7110, in that on the Samuels project, Respondent willfully and deliberately disregarded City of Oceanside, California, building laws, including City Ordinance 096-16, by failing to obtain a permit prior to the commencement of the project.

TWENTIETH CAUSE FOR DISCIPLINE

(Employed Unregistered Salesperson)

57. Respondent has subjected its contractor's licenses to disciplinary action under Code section 7154, in that Respondent employed an unregistered salesperson, Karl Vogel, to sell Samuels the home improvement contracts on behalf of Respondent.

MAURI PROJECT

58. On August 31, 2009, Joseph and Joan Mauri entered into a written contract with Peter Stern, who represented himself as a salesperson for Respondent, to install a solar energy system for \$49,418.00 at their residence located at 205 White Horse Lane in Fallbrook. On that day, Respondent was paid a down payment of \$1,000.00. On September 1, 2009, Respondent charged

1 the Mauris \$10,000.00 on their credit card, increasing the total payments to Respondent to
2 \$11,000.00. No material was delivered and the only service Respondent had performed was the
3 measurements.

4 59. On September 1, 2009, the Mauris told the salesperson they wanted to cancel the
5 contract because they felt they were subjected to a high pressure sales technique. About a month
6 later, Respondent called the Mauris to schedule the installation but they reminded Respondent
7 they had timely cancelled. The Mauris disputed the \$10,000.00 charge made and it was
8 eventually refunded back to them but not before the Mauris hired an attorney to send letters to
9 Respondent to get their money back. The Mauris incurred approximately \$2,000 in attorney's
10 fees.

11 **TWENTY-FIRST CAUSE FOR DISCIPLINE**

12 **(Willful or Fraudulent Injury)**

13 60. Respondent has subjected its contractor's licenses to disciplinary action under Code
14 section 7116, in that Respondent willfully took a substantial deposit, did not buy any materials for
15 the Mauri project, and failed to return the deposit upon the Mauris' timely cancellation of the
16 contract.

17 **TWENTY-SECOND CAUSE FOR DISCIPLINE**

18 **(Violations of the Home Improvement Contract Form)**

19 61. Respondent has subjected its contractor's licenses to disciplinary action under Code
20 section 7159, in that on the Mauri project, Respondent failed to comply with the provisions of
21 that Code, as follows:

22 a. Subdivision (e)(6)(A): Respondent failed to include in the contract properly the
23 notice of "Three Day Right to Cancel" and the language required by law in subparagraph (B) of
24 the statute.

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TWENTY-THIRD CAUSE FOR DISCIPLINE

(Failure to Comply with the Home Improvement Contract Requirements)

62. Respondent has subjected its contractor's licenses to disciplinary action under Code section 7159.5, in that on the Mauri project, Respondent failed to comply with the provisions of that Code, as follows:

a. Subdivision (a)(3): The Mauris were charged \$10,000.00 one day after the contract was signed.

TWENTY-FOURTH CAUSE FOR DISCIPLINE

(Reference to Bond in Advertising)

63. Respondent has subjected its contractor's licenses to disciplinary action under Code section 7071.13, in that on the Mauri project, Respondent made a reference to a bond in its advertising, soliciting, or presentment to the Mauris in the contract.

THOMAS PROJECT

64. On March 29, 2009, Connye Thomas entered into a written contract with Edan Cohen, an unregistered salesperson for Respondent, to paint the exterior of her residence and ten interior cabinets and stucco the garage at 3519 South Sycamore Avenue in Los Angeles for \$12,978.00. Respondent was paid a deposit of \$1,000.00 and also asked for a post-dated check (April 3, 2009) for \$3,893.00.

65. Work began on April 8, 2009. Although the exterior painting and stucco were completed, the painting of the interior cabinets was not. Respondent had been paid \$4,893.00, leaving a balance of \$8,085.00.

TWENTY-FIFTH CAUSE FOR DISCIPLINE

(Employed Unregistered Salesperson)

66. Respondent has subjected its contractor's licenses to disciplinary action under Code section 7154, in that Respondent employed an unregistered salesperson, Edan Cohen, to sell Thomas the home improvement contract on behalf of Respondent.

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TWENTY-SIXTH CAUSE FOR DISCIPLINE

(Violations of the Home Improvement Contract Form)

67. Respondent has subjected its contractor's licenses to disciplinary action under Code section 7159, in that on the Thomas project, Respondent failed to comply with the provisions of that Code, as follows:

a. Subdivision (e)(6)(A): Respondent failed to include in the contract properly the notice of "Three Day Right to Cancel" and the language required by law in subparagraph (B) of the statute.

TWENTY-SEVENTH CAUSE FOR DISCIPLINE

(Failure to Comply with the Home Improvement Contract Requirements)

68. Respondent has subjected its contractor's licenses to disciplinary action under Code section 7159.5, in that on the Thomas project, Respondent failed to comply with the provisions of that Code, as follows:

a. Subdivision (a)(5): Respondent was paid \$1,000.00 on March 29, 2009, and received a post-dated check for \$3,893.00 so that a total payment exceeding \$1,000.00 was received before work was performed or materials were delivered.

TERRIO PROJECT

69. On March 2, 2009, Robert Terrio entered into a contract with Sandro Padron, an unregistered home improvement salesperson working on behalf of Respondent, to install a front entry door at Terrio's residence at 1562 Bermuda Dunes in Ontario for \$3,000.00. Terrio paid a 10% deposit of \$300.00 and Respondent refunded the money after saying they could not complete the work for the contracted price.

TWENTY-EIGHTH CAUSE FOR DISCIPLINE

(Employed Unregistered Salesperson)

70. Respondent has subjected its contractor's licenses to disciplinary action under Code section 7154, in that Respondent employed an unregistered salesperson, Sandro Padron, to sell Terrio the home improvement contract on behalf of Respondent.

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1 TWENTY-NINTH CAUSE FOR DISCIPLINE

2 (Violations of the Home Improvement Contract Form)

3 71. Respondent has subjected its contractor's licenses to disciplinary action under Code
4 section 7159, in that on the Terrio project, Respondent failed to comply with the provisions of
5 that Code, as follows:

6 a. Subdivision (c)(6): Respondent failed to include in the contract, in close proximity to
7 the signatures of the owner and contractor, a notice stating that the owner or tenant has the right
8 to require the contractor to have a performance and payment bond.

9 b. Subdivision (e)(4): Respondent failed to provide a notice of the mechanic's lien
10 warning.

11 c. Subdivision (e)(5): Respondent failed to include in the contract a notice of at least 12
12 point font information about the Contractors' State License Board.

13 d. Subdivision (e)(6): Respondent failed to include in the contract properly the notice of
14 "Three Day Right to Cancel" and the language required by law in subparagraph (B) of the statute.

15 PETROSIAN PROJECT

16 72. On April 15, 2008, Hasmik and Haroutyan Petrosian entered into a contract with
17 Respondent to repair stucco and apply an exterior coat to their house and install two "magic"
18 windows with removable panels for cleaning at their residence at 6757 Newcastle Avenue in
19 Reseda for \$19,754.00. The Petrosians paid a deposit of \$1,000.00. Edan Cohen, an unregistered
20 home improvement salesperson, signed on behalf of Respondent. On August 27, 2008,
21 Respondent collected an additional \$6,188.88 when measurements were taken for the windows.

22 73. The Petrosians cancelled the contract. Adam Shaul, another unregistered home
23 improvement salesperson working for Respondent, initially agreed to bring the refund to them.
24 However, when Shaul arrived, instead of issuing the refund, he negotiated an addendum to do
25 more work. On September 8, 2009, the parties entered into a second addendum to install three
26 windows and a sliding door at no additional cost for a total of \$19,754.00.

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1 b. Subdivision (e)(1): Respondent failed to include in the contract a notice concerning
2 commercial general liability insurance.

3 c. Subdivision(e)(2): Respondent failed to include in the contract a notice concerning
4 workers' compensation insurance.

5 d. Subdivision (e)(3): Respondent failed to provide notices regarding the performance
6 of extra or change order work.

7 e. Subdivision (e)(4): Respondent failed to provide a notice of the mechanic's lien
8 warning.

9 f. Subdivision (e)(5): Respondent failed to include in the contract a notice of at least 12
10 point font information about the Contractors' State License Board.

11 d. Subdivision (e)(6): Respondent failed to include in the contract properly the notice of
12 "Three Day Right to Cancel" and the language required by law in subparagraph (B) of the statute.

13 **THIRTY-FOURTH CAUSE FOR DISCIPLINE**

14 **(Failure to Comply with the Home Improvement Contract Requirements)**

15 79. Respondent has subjected its contractor's licenses to disciplinary action under Code
16 section 7159.5, in that on the Petrosian project, Respondent failed to comply with the provisions
17 of that Code, as follows:

18 a. Subdivision (a)(5): The contract called for a \$1,000.00 down payment with an
19 additional \$6,188.88 upon measuring. This was in excess of the value of the work performed or
20 material delivered.

21 **FAIRBANKS PROJECT**

22 80. On June 24, 2009, Craig Fairbanks entered into a contract with Peter Stern, an
23 unregistered home improvement salesperson on behalf of Respondent, to install a solar system at
24 Fairbanks's residence at 30162 Heritage Street in Murrieta for \$53,990.00 after rebates.
25 Fairbanks paid Respondent in full. Work began on September 15, 2009, and was completed in
26 January 2010.

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THIRTY-FIFTH CAUSE FOR DISCIPLINE

(Employed Unregistered Salesperson)

81. Respondent has subjected its contractor's licenses to disciplinary action under code section 7154, in that Respondent employed an unregistered salesperson, Peter Stern, to sell Fairbanks the home improvement contract on behalf of Respondent.

THIRTY-SIXTH CAUSE FOR DISCIPLINE

(Violations of the Home Improvement Contract Form)

82. Respondent has subjected its contractor's licenses to disciplinary action under Code section 7159, in that on the Fairbanks project, Respondent failed to comply with the provisions of that Code, as follows:

a. Subdivision (e)(5): Respondent failed to include in the contract a notice of at least 12 point font information about the Contractors' State License Board.

OTHER MATTERS

83. Pursuant to Code sections 7097 and 7098, if Contractor's License Number 768166 issued to Pacific Home Remodeling, Inc. and Contractor's License Number 808104 issued to Homestar Builders, Inc. are suspended or revoked by decision of the Registrar, then Registrar may suspend or revoke, without notice, Contractor's License Number 768166 issued to Noam Maor, who is the Responsible Managing Officer of Pacific Home Remodeling, Inc., and Contractor's License Number 808104 issued to Noam Maor, who is the Responsible Managing Officer of Homestar Builders, Inc. Furthermore, the Registrar may suspend or revoke any other license issued in the name of Noam Maor or for which Noam Maor has furnished the qualifying experience and appearance.

84. Pursuant to Code section 7121, if discipline is imposed on Contractor's License Number 768166 issued to Pacific Home Remodeling, Inc. or Contractor's License Number 808104 issued to Homestar Builders, Inc., then Noam Maor and Yoram Hakimi shall be prohibited from serving as an officers, directors, associates, partners, or qualifying individuals of any licensee during the time the discipline is imposed, and any licensee which employs, elects, or

1 associates Noam Maor or Yoram Hakimi in any capacity other than as a non-supervising bona
2 fide employee shall be subject to disciplinary action.

3 85. Pursuant to Code section 7121.5, if discipline is imposed on Contractor's License
4 Number 768166 issued to Pacific Home Remodeling, Inc. or Contractor's License Number
5 808104 issued to Homestar Builders, Inc., then Noam Maor and Yoram Hakimi shall be
6 prohibited from serving as officers, directors, associates, partners, or qualifying individuals of any
7 licensee during the time the discipline is imposed, whether or not they had knowledge or
8 participated in the acts or omissions constituting grounds for discipline, and any licensee which
9 employs, elects, or associates Noam Maor and Yoram Hakimi shall be subject to disciplinary
10 action.

11 86. Pursuant to Code section 7122.5, if disciplinary action is imposed on Contractor's
12 License Number 768166 issued to Pacific Home Remodeling, Inc. or Contractor's License
13 Number 808104 issued to Homestar Builders, Inc., then said action likewise constitutes a cause
14 for disciplinary action against Noam Maor and Yoram Hakimi who, at the time of the act or
15 omission occurred, were the responsible managing employees or RMO's, qualifying partners, or
16 qualifying members of such individual, partnership, corporation, firm, or association, whether or
17 not they had knowledge of or participated in said acts or omissions.

18 PRAYER

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

21 1. Revoking or suspending Contractors' License Number 768166 issued to Pacific Home
22 Remodeling, Inc. and Contractor's License Number 808104 issued to Homestar Builders, Inc.;

23 2. Revoking or suspending any other license for which Noam Maor is furnishing the
24 qualifying experience or appearance;

25 3. Prohibiting Noam Maor and Yoram Hakimi from serving as officers, directors,
26 associates, partners, or qualifying individuals of any licensee during the period that discipline is
27 imposed on Contractor's License Number 768166 issued to Pacific Home Remodeling and
28 Contractor's License Number 808104 issued to Homestar Builders, Inc.;

1 4. Ordering restitution of all damages according to proof suffered by the homeowners
2 Melvin Servi, Ruben Sandoval, Angela Love, Mark and Marie Samuels, Joseph and Joan Mauri,
3 Connye Thomas, Robert Terrio, Hasmik and Haroutyan Petrosian, and Craig Fairbanks as a
4 condition of probation in the event probation is ordered;

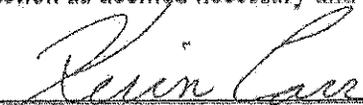
5 5. Ordering restitution of all damages suffered by the homeowners Melvin Servi, Ruben
6 Sandoval, Angela Love, Mark and Marie Samuels, Joseph and Joan Mauri, Connye Thomas,
7 Robert Terrio, Hasmik and Haroutyan Petrosian, and Craig Fairbanks as a result of Pacific Home
8 Remodeling, Inc.'s and Homestar Builders, Inc.'s conduct as a contractor, as a condition of
9 restoration of Contractor's License Number 768166 issued to Pacific Home Remodeling and
10 Contractor's License Number 808104 issued to Homestar Builders, Inc.;

11 6. Ordering Pacific Home Remodeling, Inc. and Homestar Builders, Inc. to pay the
12 Registrar of Contractors his costs in the investigation and enforcement of the case according to
13 proof at the hearing, pursuant to Code section 125.3;

14 7. Ordering Pacific Home Remodeling, Inc. and Homestar Builders, Inc. to provide the
15 Registrar with a listing of all contracting projects in progress and the anticipated completion date
16 of each; and

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

18 DATED: October 14, 2011



19 WOOD ROBINSON
20 Enforcement Supervisor I
21 Contractors' State License Board
22 Department of Consumer Affairs
23 State of California
24 *Complainant*

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