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

In the Matter of the Accusation Against: **EXTREME BUILDERS CUSTOM CONSTRUCTION** **524 Griswold Avenue** **San Fernando, CA 91340** **ARNOLD ARMANDO URQUIDEZ III, SOLE OWNER** **Contractor's License No. 838934, B** Respondent. **TREVOR CONSTRUCTORS CORPORATION** **14746 Jaguar Street** **Mission Hills, CA 91345** **TREVOR JULIAN GRIFFITH, CEO/PRESIDENT** **ARNOLD ARMANDO URQUIDEZ III, RMO** **CAROL DIANE LAVIS, OFFICER** **Contractor's License No. 857242, B** Affiliated License.	Case No. N2011-328 **A C C U S A T I O N**

Complainant alleges:

PARTIES

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

License History

2. On or about May 22, 2004, the Registrar of Contractors issued Contractor's License Number 838934, classification B (general building contractor) to Extreme Builders Custom Construction; Arnold Armando Urquidez III, Sole Owner (Respondent). The Contractor's License was in full force and effect at all times relevant to the charges brought herein and expired on May 31, 2012, and has not been renewed.

Affiliated License History

3. On or about April 12, 2005, the Registrar of Contractors issued Contractor's License Number 857242, classification B (general building contractor) to Trevor Constructors Corporation (Affiliated Party) with Trevor Julian Griffith as CEO/President, Carol Diane Lavis as Officer, and James Mitchell Reed (Reed) as Responsible Managing Officer (RMO). On or about April 27, 2009, Reed disassociated from Affiliated Party and on or about May 28, 2009, Daniel Aguilera (Aguilera) replaced Reed as the RMO. On or about January 1, 2010, Aguilera disassociated from Affiliated Party with no replacement qualifier until on or about January 12, 2011, when Arnold Armando Urquidez III replaced Aguilera as the RMO. The Contractor's License was in full force and effect at all times relevant to the charges brought herein and will expire on April 30, 2013, unless renewed.

JURISDICTION

4. This Accusation is brought before the Contractors' State License Board, Department of Consumer Affairs, State of California, under the authority of the following laws. All section references are to the Business and Professions Code (Code).

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

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

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

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

> (a) Provide for the immediate complete suspension by the licensee of all operations as a contractor during the period fixed by the decision;
>
> (b) Permit the licensee to complete any or all contracts shown by competent evidence taken at the hearing to be then uncompleted; and
>
> (c) Impose upon the licensee compliance with such specific conditions as may be just in connection with his operations as a contractor disclosed at the hearing, and may further provide that until such conditions are complied with, no application for restoration of the suspended or revoked license shall be accepted by the Registrar.

9. Code section 7096 states:

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

10. Code section 7097 states:

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

11. Code section 7098 states:

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

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12. Code section 7106.5 provides that the expiration, cancellation, forfeiture, or suspension of a license by operation of law or by order or decision of the Registrar or a court of law, or the voluntary surrender of a license by a licensee shall not deprive the Registrar of jurisdiction to proceed with any investigation of or action or disciplinary proceeding against the license, or to render a decision suspending or revoking the license. Under Code section 7141, a license may be renewed at any time within five years after its expiration.

13. Code section 7121 states:

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

14. Code section 7121.5 states:

> Any person who was the qualifying individual on a revoked license, or of a license under suspension, or of a license that was not renewed while it was under suspension, shall be prohibited from serving as an officer, director, associate, partner, or qualifying 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 employment, election, or association of such person by a licensee shall constitute grounds for disciplinary action.

15. Code section 7122.5 states:

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

STATUTORY PROVISIONS

16. Code section 7059.1 states:

. . . .

(b) A licensee shall not conduct business under more than one name for each license. Nothing in this section shall prevent a licensee from obtaining a business name change as otherwise provided by this chapter.

17. Code section 7107 states:

Abandonment without legal excuse of any construction project or operation engaged in or undertaken by the licensee as a contractor constitutes a cause for disciplinary action.

18. Code section 7109 states:

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

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

19. Code section 7113 states:

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

20. Code section 7114 states:

(a) Aiding or abetting an unlicensed person to evade the provisions of this chapter or combining or conspiring with an unlicensed person, or allowing one's license to be used by an unlicensed person, or acting as agent or partner or associate, or otherwise, of an unlicensed person with the intent to evade the provisions of this chapter constitutes a cause for disciplinary action.

(b) A licensee who is found by the registrar to have violated subdivision (a) shall, in accordance with the provisions of this article, be subject to the registrar's authority pursuant to Section 7099 to order payment of a specified sum to an injured party, including, but not limited to, payment for any injury resulting from the acts of the unlicensed person.

21. Code section 7117 states:

Acting in the capacity of a contractor under any license issued hereunder except: (a) in the name of the licensee as set forth upon the license, or (b) in accordance with the personnel of the licensee as set forth in the application for such license, or as later changed as provided in this chapter, constitutes a cause for disciplinary action.

22. Code section 7125 states:

(a) Except as provided in subdivision (b), the board shall require as a condition precedent to the issuance, reinstatement, reactivation, renewal, or continued maintenance of a license, that the applicant or licensee have on file at all times a current and valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance. A Certificate of Workers' Compensation Insurance shall be issued and filed, electronically or otherwise, by one or more insurers duly licensed to write workers' compensation insurance in this state. A Certification of Self-Insurance shall be issued and filed by the Director of Industrial Relations. If reciprocity conditions exist, as defined in Section 3600.5 of the Labor Code, the registrar shall require the information deemed necessary to ensure compliance with this section.

(b) This section does not apply to an applicant or licensee who meets both of the following conditions:

(1) Has no employees provided that he or she files a statement with the board on a form prescribed by the registrar prior to the issuance, reinstatement, reactivation, or continued maintenance of a license, certifying that he or she does not employ any person in any manner so as to become subject to the workers' compensation laws of California or is not otherwise required to provide for workers' compensation insurance coverage under California law.

(2) Does not hold a C-39 license, as defined in Section 832.39 of Title 16 of the California Code of Regulations. . . .

23. Code section 7159 states:

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

. . . .

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

. . . .

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

. . . .

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

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

(i) The date the buyer signed the contract.

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

(4) The contract shall include a statement that, upon satisfactory payment being made for any portion of the work performed, the contractor, prior to any further payment being made, shall furnish to the person contracting for the home improvement or swimming pool work a full and unconditional release from any potential lien claimant claim or mechanic's lien authorized pursuant to Section 3110 of the Civil Code for that portion of the work for which payment has been made.

. . . .

(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:

. . . .

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

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

"You are entitled to a completely filled in copy of this agreement, signed by both you and the contractor, before any work may be started."

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

. . . .

(7) The heading: "Description of the Project and Description of the Significant Materials to be Used and Equipment to be Installed," followed by a description of the project and a description of the significant materials to be used and equipment to be installed. For swimming pools, the project description

required under this paragraph also shall include a plan and scale drawing showing the shape, size, dimensions, and the construction and equipment specifications.

(8) If a downpayment will be charged, the details of the downpayment shall be expressed in substantially the following form, and shall include the text of the notice as specified in subparagraph (C):

(A) The heading: "Downpayment."

(B) A space where the actual downpayment appears.

(C) The following statement in at least 12-point boldface type: "THE DOWNPAYMENT MAY NOT EXCEED $1,000 OR 10 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS LESS."

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

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

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

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

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

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

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

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

(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:

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

(B) The approximate date of completion.

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

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

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

(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:

(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:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MECHANICS' LIEN WARNING:

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

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

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

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

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

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

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

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

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

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

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

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

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

For more information:

Visit CSLB's Internet Web site at www.cslb.ca.gov
Call CSLB at 800-321-CSLB (2752)
Write CSLB at P.O. Box 26000, Sacramento, CA 95826.

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

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

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

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

(B) Three-Day Right to Cancel

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

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received them, goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor's instructions on how to return the

goods at the contractor's expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract.

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

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

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

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

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

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

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

"Notice of Cancellation"

/enter date of transaction/

_____

(Date)

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

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

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

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

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram to_____,
/name of seller/
at_____,
/address of seller's place of business/
not later than midnight of_____.
(Date)
I hereby cancel this transaction._____.
(Date)

_____
(Buyer's signature)

24. Code section 7159.5 states:

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

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

. . . .

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

. . . .

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

. . . .

COST RECOVERY/RESTITUTION

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

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

AVILA PROJECT

27. Due to personal circumstances, Respondent was not able to perform construction work. As such, Respondent gave his contractor's license number 838934 to his uncle, Adam J. Urquidez doing business as Mr. Patch Construction (Mr. Patch) who was not licensed as a contractor, and authorized his uncle to use his contractor's license to obtain contracts to perform work on his own.

28. On or about June 9, 2010, Mr. Patch entered into a contract with his neighbor Roberto Avila (Avila), using Respondent's license number, but with the contract in the name of Mr. Patch, to build a 300 square foot kitchen addition and to convert the existing kitchen into a laundry room and hallway at Avila's home located at 1913 Federal Avenue, Costa Mesa, California for $50,000.00 (Avila Project). On or about June 14, 2010, work began without any permit application filed with the City of Costa Mesa and after Avila had issued check number 9557 for $7,000.00 and check number 9558 for $5,000.00, paid to the order of Adam J. Urquidez. On or about August 2, 2010, Adam J. Urquidez hired an architect and paid $1,394.15 to provide architectural and structural services to include the addition and remodel of the existing Avila residence. On or about August 12, 2010, Adam J. Urquidez obtained the city permit for the Avila Project under the name of Extreme Builders Custom Construction, and using Respondent's License Number, 838934. Respondent visited the jobsite twice. On or about November 16, 2010, Adam J. Urquidez ceased working on the Avila Project after collecting a total of $54,750.00. At that time, the Avila Project was incomplete with the following items not yet installed as provided in the contract: cabinets, sinks, appliances, flooring, electrical and plumbing. Avila contacted Respondent and Adam J. Urquidez, however, both refused to complete the project without collecting additional funds. On or about June 14, 2011, an industry expert established that the Avila Project did not meet accepted trade standards and estimated approximately $27,515.00

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would be required to correct and complete it. Avila received a bond payout amount of $12,500.00 leaving his financial injury at $19,765.00.

29. On or about July 8, 2011, Respondent obtained Worker's Compensation Insurance Coverage. However, Respondent falsely claimed an exemption from carrying coverage from October 30, 2009 to July 7, 2011, which included the period when Adam J. Urquidez was working on the Avila Project from June 9, 2010 to November 16, 2010.

FIRST CAUSE FOR DISCIPLINE

(Aiding and Abetting an Unlicensed Contractor)

30. Respondent is subject to disciplinary action pursuant to Code section 7114, subdivision (a) in that on the Avila Project, Respondent aided and abetted, combined and conspired with, and allowed his license to be used by, Adam J. Urquidez doing business as Mr. Patch Construction, an unlicensed contractor, with the intent to evade the provisions of the Contractors' State License Law, as set forth in paragraphs 27 to 29, above.

SECOND CAUSE FOR DISCIPLINE

(Injury Resulting from the Acts of the Unlicensed Associate)

31. Respondent is subject to disciplinary action pursuant to Code section 7114, subdivision (b) in that on the Avila Project, Respondent acted as partner or associate of Adam J. Urquidez doing business as Mr. Patch Construction, an unlicensed contractor, and allowed his license to be used by the unlicensed contractor in violation of Code section 7114, subdivision (a), making Respondent liable for the financial injury of $19,765.00 caused to Avila, as set forth in paragraphs 27 to 29, above.

THIRD CAUSE FOR DISCIPLINE

(Abandonment)

32. Respondent is subject to disciplinary action pursuant to Code section 7107 in that, he abandoned without legal excuse the unfinished Avila Project, as set forth in paragraphs 27 to 29, above.

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FOURTH CAUSE FOR DISCIPLINE

(Departure in a Material Respect from Accepted Trade Standards)

33. Respondent is subject to disciplinary action pursuant to Code section 7109 in that on the Avila Project, he willfully departed in a material respect from accepted trade standards for good and workmanlike construction, as set forth in paragraphs 27 to 29, above.

FIFTH CAUSE FOR DISCIPLINE

(Failure to Complete Project for Contract Price)

34. Respondent is subject to disciplinary action pursuant to Code section 7113 in that, he failed in a material respect to complete the Avila Project for the contract price stated in the contract, as set forth in paragraphs 27 to 29, above.

SIXTH CAUSE FOR DISCIPLINE

(Excessive Down Payment)

35. Respondent is subject to disciplinary action pursuant to Code section 7159.5, subdivision (a), in that on the Avila Project:

a. Subdivision (a)(3): On or about June 14, 2010, he obtained $12,000.00 from Avila as a down payment on the contract, an amount which exceeds $1,000.

b. Subdivision (a)(5): He obtained a total of $12,000.00 from Avila before commencing any work on the project.

SEVENTH CAUSE FOR DISCIPLINE

(Violation of the Home Improvement Contract Provisions)

36. Respondent is subject to disciplinary action pursuant to Code section 7159, in that on the Avila Project, he failed to comply with provisions of that section, as follows:

a. **Subdivision (c)(3)(A):** Respondent failed to provide a dated and signed contract to the buyer prior to the commencement of work.

b. **Subdivision (c)(3)(B)**: Respondent failed to provide the appropriate information on the front page of the contract, in the correct typeface.

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c. **Subdivision (c)(4):** Respondent failed to include a statement regarding unconditional claim/lien release to be provided for any portion of work for which payment has been made.

d. **Subdivision (c)(6):** Respondent failed to include on the contract, in close proximity to the signature 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.

e. **Subdivision (d)(3):** Respondent failed to provide the "Home Improvement" heading, in at least 10-point, boldface type, on the contract.

f. **Subdivision (d)(4):** Respondent failed to include in at least 12-point boldface type the required statement.

g. **Subdivision (d)(5):** Respondent failed to provide the required heading followed by the corresponding amount.

h. **Subdivision (d)(7):** Respondent failed to include the required heading followed by the specified description.

i. **Subdivision (d)(8):** Respondent failed to provide the required details as it pertains to down payments.

j. **Subdivision (d)(9):** Respondent failed to provide the required details as to progress payments.

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

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

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

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

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

p. **Subdivision (d)(12):** Respondent failed to include on the contract the required heading and the list of documents incorporated into the contract.

q. **Subdivision (d)(13):** Respondent failed to include on the contract the heading: "Note About Extra Work and Change Orders," followed by the statement required by law.

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

s. **Subdivision (e)(2):** Respondent failed to include on the contract the heading "Workers' Compensation Insurance," and the required relevant and correct statements.

t. **Subdivision (e)(3):** Respondent failed to include on the contract the notice that provides the buyer with information about the performance of extra or change-order work.

u. **Subdivision (e)(4):** Respondent failed to include on the contract the heading: "Mechanics' Lien Warning" and the language required by law.

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

w. **Subdivision (e)(6):** Respondent failed to provide the proper notices.

EIGHTH CAUSE FOR DISCIPLINE

(Failed to Include Proper Namestyle)

37. Respondent is subject to disciplinary action pursuant to Code section 7117 in that, he failed to include the name style of his business in the contract and other project documentation exactly as it appears in the Board's records as set forth in paragraphs 27 to 29, above.

NINTH CAUSE FOR DISCIPLINE

(Conducting Business Under More Than One Name Using One License)

38. Respondent is subject to disciplinary action pursuant to Code section 7059.1 in that, he conducted business under more than one name using a single license number as set forth in paragraphs 27 to 29, above.

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TENTH CAUSE FOR DISCIPLINE

(Failure to Maintain a Valid and Current Worker's Compensation Insurance Coverage)

39. Respondent is subject to disciplinary action pursuant to Code section 7125, subdivision (a) in that, he failed to maintain on file with the Board at all times a current and valid Workers' Compensation Insurance certification in violation of worker's compensation laws, as set forth in paragraphs 27 to 29, above.

ELEVENTH CAUSE FOR DISCIPLINE

(False Claim for Exemption from Worker's Compensation Insurance Coverage)

40. Respondent is subject to disciplinary action pursuant to Code section 7125, subdivision (b) in that, he falsely claimed to have no employees so as to qualify for exemption from maintaining a valid Certificate of Workers' Compensation Insurance in violation of worker's compensation laws , as set forth in paragraphs 27 to 29, above.

OTHER MATTERS

41. Pursuant to Code sections 7097 and 7098, if Contractor's License Number 838934, issued to Respondent, is suspended or revoked, the Registrar may suspend or revoke, without notice, any other license issued in the name of Respondent for which Respondent furnished the qualifying experience or appearance.

42. Pursuant to Code section 7121, if discipline is imposed on Contractor's License Number 838934, issued to Respondent, Respondent shall be prohibited from serving as an officer, director, associate, partner, or qualifying individual for any licensee during the time the discipline is imposed, if they had knowledge of and participated in the acts or omissions alleged above constituting grounds for discipline against them and any licensee which employs, elects or associates Respondent in any capacity other than as a nonsupervising bona fide employee shall be subject to disciplinary action.

43. Pursuant to Code section 7121.5, if discipline is imposed on Contractor's License Number 838934, issued to Respondent, Respondent shall be prohibited from serving as an officer, director, associate, partner, or qualifying individual for any licensee during the time the discipline is imposed, whether or not he had knowledge of or participated in the acts or

omissions constituting grounds for discipline, and any licensee which employs, elects or associates Respondent shall be subject to disciplinary action.

44. Pursuant to Code section 7122.5, the causes for discipline established as to Respondent constitute causes for discipline against Contractor's License Number 838934, issued to Respondent, and any other license issued to its officers regardless of whether they had knowledge of or participated in the acts or omissions alleged above which constitute cause for discipline against Respondent.

PRAYER

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

1. Revoking or suspending Contractor's License Number 838934 issued to Extreme Builders Custom Construction; Arnold Armando Urquidez III, Sole Owner;

2. Prohibiting Arnold Armando Urquidez III from serving as an officer, director, associate, partner, or qualifying individual of Trevor Constructors Corporation, issued Contractor's License Number 857242 and any other licensee during the period that discipline is imposed on Contractor's License Number 838934, issued to Extreme Builders Custom Construction; Arnold Armando Urquidez III, Sole Owner;

3. Revoking or suspending Contractor's License Number 838934 issued to Extreme Builders Custom Construction; Arnold Armando Urquidez III, Sole Owner and any other license for which Arnold Armando Urquidez III furnished the qualifying experience or appearance during the period June 9, 2010 to November 16, 2010;

4. Ordering restitution of all damages according to proof suffered by Roberto Avila as a condition of probation in the event probation is ordered;

5. Ordering restitution of all damages suffered by Roberto Avila as a result of Arnold Armando Urquidez III's conduct as a contractor, as a condition of restoration of Contractor's License Number 838934, issued to Extreme Builders Custom Construction; Arnold Armando Urquidez III, Sole Owner;

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6. Ordering Extreme Builders Custom Construction; Arnold Armando Urquidez III, Sole Owner to pay the Registrar of Contractors his costs in the investigation and enforcement of the case according to proof at the hearing, pursuant to Business and Professions Code section 125.3;

7. Ordering Extreme Builders Custom Construction; Arnold Armando Urquidez III, Sole Owner to provide the Registrar with a listing of all contracting projects in progress and the anticipated completion date of each;

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

DATED: June 15, 2012

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

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