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

In the Matter of the Accusation Against: **FARAHI CONSTRUCTION, INC.,** 2933 Beverly Glen Circle Los Angeles, CA 90077 KAMRAN FARAHI, RMO/CEO/PRES Contractor's License No. 584288 Respondent.	CASE NO. N2017-419 OAH NO. 2019040271 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. The failure to comply with any of the terms and conditions as set forth in the provisions of probation will be deemed a violation of probation.

IT IS FURTHER ORDERED that **FARAHI CONSTRUCTION, INC**, License Number **584288**, on the effective date of this Decision shall have on file a Disciplinary Bond or post a cash deposit in the amount of $15,000.00, for a period of not less than three years pursuant to Section 7071.8 of the Business and Professions Code. Any suspension for failing to post a disciplinary bond or a cash deposit, or any suspension for any other reason, shall not relieve the Respondent from complying with the terms and conditions of probation. Furthermore, suspension of the license during the period of probation, for any reason under this chapter, will cause the probationary period to be automatically extended in time equal to the length of time that the license is not in a clear and active status.

IT IS FURTHER ORDERED that respondent shall pay the investigative costs in the amount of $3,479.82. Monthly payments are to be made in the amount of $120.00, until completed. Payments are to be made at the end of each month, commencing the first full month after the effective date of this decision.

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 December 18, 2019.

IT IS SO ORDERED November 18, 2019.

David Fogt
Registrar of Contractors

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BEFORE THE
REGISTRAR OF CONTRACTORS
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In the Matter of the Accusation Against: **FARAHI CONSTRUCTION, INC.,** 2933 Beverly Glen Circle Los Angeles, CA 90077 KAMRAN FARAHI, RMO/CEO/PRES Contractor's License No. 584288 Respondent.	Case No. N2017-419 OAH No. 2019040271 **STIPULATED SETTLEMENT AND DISCIPLINARY ORDER**

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

PARTIES

1. Wood Robinson (Complainant) is the Enforcement Supervisor I of the Contractors State License Board (Board). He brought this action solely in his official capacity and is represented in this matter by Xavier Becerra, Attorney General of the State of California, by Leslie A. Walden, Deputy Attorney General.

2. Respondent Farahi Construction, Inc., Kamran Farahi, RMO/CEO/PRES (Respondent) is represented in this proceeding by attorney Louis P. Dell who can be reached at the Law Office of Louis P. Dell, The Dell Building, 715 South Victory Blvd., Burbank, CA 91502, (818)478-2822.

3. On or about January 5, 1990, the Registrar of Contractors (Registrar) issued Contractor's License No. 584288 to Farahi Construction, Inc., Kamran Farahi, RMO/CEO/PRES (Respondent). The Contractor's License was in full force and effect at all times relevant to the charges brought in Accusation No. N2017-419, and will expire on October 31, 2019, unless renewed.

JURISDICTION

4. Accusation No. N2017-419 was filed before the Registrar, and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on July 30, 2018. Respondent timely filed its Notice of Defense contesting the Accusation.

5. A copy of Accusation No. N2017-419 is attached as exhibit A and incorporated herein by reference.

ADVISEMENT AND WAIVERS

6. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. N2017-419. Respondent has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order.

7. Respondent is fully aware of its legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to confront and cross-examine the witnesses against them; the right to present evidence and to testify on its own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

8. Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

CULPABILITY

9. Respondent understands and agrees that the charges and allegations in the Accusation No, N2017-419, if proven at a hearing, constitute cause for imposing discipline upon its Contractor's License.

10. For the purpose of resolving the Accusation without the expense and uncertainty of further proceedings, Respondent agrees that, at a hearing, Complainant could establish a factual basis for the charges in the Accusation, and that Respondent hereby gives up its right to contest those charges.

11. Respondent agrees that its Contractor's License is subject to discipline and they agree to be bound by the Registrar's probationary terms as set forth in the Disciplinary Order below.

CONTINGENCY

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

13. The parties understand and agree that Portable Document Format (PDF) and facsimile copies of this Stipulated Settlement and Disciplinary Order, including PDF and facsimile signatures thereto, shall have the same force and effect as the originals.

14. This Stipulated Settlement and Disciplinary Order is intended by the parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement.

It supersedes any and all prior or contemporaneous agreements, understandings, discussions, negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary Order may not be altered, amended, modified, supplemented, or otherwise changed except by a writing executed by an authorized representative of each of the parties.

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

DISCIPLINARY ORDER

IT IS HEREBY ORDERED that Contractor's License No. 584288 issued to Respondent Farahi Construction, Inc., Kamran Farahi, RMO/CEO/PRES (Respondent) is revoked. However, the revocation is stayed and Respondent is placed on probation for three (3) years on the following terms and conditions.

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

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

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

4. **Violation of Probation.** If Respondent violates probation or any condition of probation in any respect, the Registrar, after giving notice and opportunity to be heard, may revoke probation and impose the disciplinary order that is stayed. If an accusation or petition to revoke probation is filed against Respondent during the probationary period, then the Registrar shall have continuing jurisdiction of this matter until the subsequent matter is final, and the period of probation and all the conditions of probation in this matter shall be extended until the subsequent matter is final. If there is an order to make restitution or pay cost recovery and Respondent fails to comply with the restitution or cost recovery order and make a payment, the

Registrar may immediately lift the stay and reimpose the disciplinary order without giving Respondent an opportunity to be heard.

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

6. **Law and Business Examination.** Respondent shall take and pass within one hundred and eighty (180) days of the effective date of the Decision and Order the Contractors' State License Board's law and business examination. Respondent has the burden of applying for, scheduling, and making arrangements to take the exam.

7. **Cost Recovery.** Respondent shall pay to the Registrar pursuant to Business and Professions Code section 125.3 the costs of investigation and enforcement in this matter in the amount of $3,479.82. Payments shall be made in twenty-nine (29) equal monthly installments beginning thirty (30) days from the effective date of the Decision and Order.

8. **Respond to Inquiry from Probation Monitor.** Respondent shall respond in writing within twenty (20) calendar days of any written inquiry or demand from the Registrar or authorized designee (Probation Monitor) during the probation period. Failure to respond within the allotted timeframe shall be considered a violation of the terms of probation.

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ACCEPTANCE

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

DATED: 9/3/19

FARAHI CONSTRUCTION, INC., KAMRAN FARAHI, RMO/CEO/PRES
Respondent

I have read and fully discussed with Respondent Farahi Construction, Inc., Kamran Farahi, RMO/CEO/PRES the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED: 09/03/19

LOUIS P. DELL
Attorney for Respondent

ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the Registrar of Contractors, Contractors State License Board.

DATED: 9/3/19

Respectfully submitted,

XAVIER BECERRA
Attorney General of California
MARC D. GREENBAUM
Supervising Deputy Attorney General
Leslie Walden

LESLIE A. WALDEN
Deputy Attorney General
Attorneys for Complainant

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Exhibit A

Accusation No. N2017-419

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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: **FARAHI CONSTRUCTION, INC.,** 2933 Beverly Glen Circle Los Angeles, CA 90077 KAMRAN FARAHI, RMO/CEO/PRES Contractor's License No. 584288 Respondent.	Case No. N2017-419 **ACCUSATION**

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 (Board).

License History

Farahi Construction, Inc.

2. On or about January 5, 1990, the Registrar of Contractors (Registrar) issued Contractor's License No. 584288 to Farahi Construction, Inc., Kamran Farahi, RMO/CEO/PRES (Respondent). The Contractor's License was in full force and effect at all times relevant to the charges brought herein and will expire on October 31, 2019, unless renewed.

JURISDICTION

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

4. Section 118, subdivision (b), provides that the expiration 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. Under section 7076.1, the Registrar may reinstate a cancelled license if the licensee pays all of the fees and meets all of the qualifications and requirements for obtaining an original license.

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

6. Section 7090 provides that the Registrar may suspend or revoke any license or registration if the licensee or registrant is guilty of or commits any one or more of the acts or omissions constituting cause for disciplinary action.

7. Section 7095 states 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.

"(c) Impose upon the licensee compliance with such specific conditions as may be just in connection with its 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 licensee shall be accepted by the Registrar.".

8. Sections 7097 and 7098 provides that when any license has been suspended or revoked following a hearing, the Registrar may suspend or revoke any additional license issued in the name of the licensee or for which the licensee furnished qualifying experience and appearance under the provisions of 7068, without further notice.

9. 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 the license 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.

10. Section 7121 states:

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

11. Section 7121.5 states:

"A 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, manager, 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 that person by a licensee shall constitute grounds for disciplinary action."

12. Section 7122 states:

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

13. Section 7122.5 states:

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

14. Section 7141 states:

"(a) Except as otherwise provided in this chapter, a license that has expired may be renewed at any time within five years after its expiration by filing an application for renewal on a form prescribed by the registrar and payment of the appropriate renewal fee. Renewal under this section shall be effective on the date an acceptable renewal application is filed with the board. The licensee shall be considered unlicensed and there will be a break in the licensing time between the expiration date and the date the renewal becomes effective. Except as provided in subdivision (b), if the license is renewed after the expiration date, the licensee shall also pay the delinquency fee prescribed by this chapter. . . ."

STATUTORY PROVISIONS

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

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COST RECOVERY / RESTITUTION

16. Section 125.3 provides 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.

17. Government Code section 11519, subdivision (d), provides that specified terms of probation may include an order of restitution, and where restitution is ordered and paid pursuant to the provisions of this subdivision, the amount paid shall be credited to any subsequent judgment in a civil action.

CAUSE FOR DISCIPLINE

(Willful or Fraudulent Act)

18. Respondent's license is subject to disciplinary action under section 7116, in that Respondent willfully and fraudulently reused and altered plans it had previously obtained in consequence of which others were substantially injured. The circumstances are as follows:

a. On or about August 28, 2017, a City of Los Angeles building inspector contacted architect M.L.S. (architect) questioning the specifications, as not structurally sound, on plans submitted by Respondent having the architect's firm's seals and signatures for a pool remodel being inspected for Respondent located on Royston Place in Los Angeles (Royston Place Project). The building inspector supplied photos of the Royston Place Project plans to the architect.

b. The architect was not contracted to complete plans for the Royston Place Project.

c. The architect identified photos of the Royston Place Project plans from past projects contracted by Respondent during their past business relationship of about 25 years. The Royston Place Project plans filed with the City of Los Angeles identified the architect's duplicated single use job and plan numbers from original plans provided to Respondent for a different address. The original plans had the addresses altered to be that of the Royston Place Project.

d. On or about August 30, 2017, Respondent via email apologized to the architect for use of the altered plans for the Royston Place Project.

e. On or about September 7, 2017, after finding other of Respondent's projects using altered duplicated plans belonging to the architect, the architect sent a cease and desist email to

Respondent. Respondent replied to the architect via email writing that "'. . . the few times that I have used your standard plan is negligible."

DISCIPLINE CONSIDERATIONS

19. To determine the degree of discipline on Respondent, Complainant alleges that:

a. On or about July 16, 2002, the Board issued Respondent administrative Citation No. 2 2002 1068 with an $800.00 civil penalty. The Citation alleged violations of sections 7117(a) [use of unlicensed business name], 7117.6 [working out of scope of licensure], and 7159 (b), (d), (e), (k), and (l) [home improvement form violations]. The Citation is final and incorporated by reference as if fully set forth herein.

OTHER MATTERS

20. Pursuant to sections 7097 and 7098, if license No. 584288 issued to Respondent is suspended or revoked, the Registrar may suspend or revoke, without notice, any other license issued in the name of Kamran Farahi or for which Kamran Farahi furnished the qualifying experience and appearance.

21. Pursuant to sections 7121, 7121.5,7122 and/ or 7122.5, if discipline is imposed on license No. 584288 issued to Respondent, Kamran Farahi shall be prohibited from serving as an officer, director, associate, partner, manager, or qualifying individual, or member of the personnel of record of any licensee during the time the discipline is imposed, and any licensee which employs, elects, or associates Kamran Farahi shall be subject to disciplinary action.

PRAYER

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

1. Revoking or suspending Contractor's License No. 584288 issued to Farahi Construction, Inc., Kamran Farahi, RMO/CEO/PRES;

2. Prohibiting Kamran Farahi from serving as an officer, director, associate, partner, or qualifying individual of any licensee during the period that discipline is imposed on license No. 584288, issued to Farahi Construction, Inc., Kamran Farahi, RMO/CEO/PRES;

3. Revoking or suspending any other license for which Kamran Farahi is furnishing the

qualifying experience or appearance;

4. Ordering restitution of all damages according to proof suffered by architect M.L.S., as a condition of probation in the event probation is ordered;

5. Ordering restitution of all damages suffered by architect M.L.S. as a result of Kamran Farahi's conduct as a contractor, as a condition of restoration of license No. 584288, issued to Farahi Construction, Inc., Kamran Farahi, RMO/CEO/PRES;

6. Ordering Farahi Construction, Inc., Kamran Farahi, RMO/CEO/PRES to pay the Registrar of Contractors costs for the investigation and enforcement of the case according to proof at the hearing, pursuant to Business and Professions Code section 125.3;

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

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

DATED: 7/25/18

FILED
JUL 25 2018
CSLB DSS

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

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