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7

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

13 In the Matter of the Accusation Against:

Case No. N2017-504

14 **RAY ALVIN RENNEKER**
15 **DBA CALIFORNIA CONSTRUCTION**
16 **SERVICES**
14361 Garfield Avenue, Ste. B
Paramount, CA 90723

ACCUSATION

17 Contractor's License No. 767434

18 Respondent.
19

20 **PARTIES**

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

24 2. On or about August 16, 1999, the Registrar of Contractors issued Contractor's
25 License Number 767434 to Ray Alvin Renneker dba California Construction Services
26 (Respondent). The Contractor's License was in full force and effect at all times relevant to the
27 charges brought herein and will expire on August 31, 2019, unless renewed.

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1 and while acting as a partner, officer, director, manager, or associate had
2 knowledge of or participated in any of the prohibited acts for which the license
3 was denied, suspended, or revoked, shall be prohibited from serving as an officer,
4 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."

5 9. Section 7121.5 of the Code states:

6 A person who was the qualifying individual on a revoked license, or of a license
7 under suspension, or of a license that was not renewed while it was under suspension,
8 shall be prohibited from serving as an officer, director, associate, partner, manager, or
9 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participated in the prohibited acts or omissions for which the license was revoked, or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.

10 10. Section 7122 of the Code states:

11 The performance by an individual, partnership, corporation, limited liability
12 company, firm, or association of an act or omission constituting a cause for
disciplinary action, likewise constitutes a cause for disciplinary action against a
13 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,
14 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
15 or omission.

16 11. Section 7122.5 of the Code states:

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

21 STATUTORY PROVISIONS

22 12. Section 143.5, subdivision (a), of the Code states:

23 "No licensee who is regulated by a board, bureau, or program within the Department
24 of Consumer Affairs, nor an entity or person acting as an authorized agent of a
licensee, shall include or permit to be included a provision in an agreement to settle a
25 civil dispute, whether the agreement is made before or after the commencement of a
civil action, that prohibits the other party in that dispute from contacting, filing a
26 complaint with, or cooperating with the department, board, bureau, or program
within the Department of Consumer Affairs that regulates the licensee or that
27 requires the other party to withdraw a complaint from the department, board, bureau,
or program within the Department of Consumer Affairs that regulates the licensee. A
28 provision of that nature is void as against public policy, and any licensee who

1 includes or permits to be included a provision of that nature in a settlement
2 agreement is subject to disciplinary action by the board, bureau, or program."

3 13. Section 7107 of the Code states that "[a]bandonment without legal excuse of any
4 construction project or operation engaged in or undertaken by the licensee as a contractor
5 constitutes a cause for disciplinary action."

6 14. Section 7109 of the Code states:

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

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

16 15. Section 7159, subdivision (d)(5), of the Code states:

17 "(d) A home improvement contract and any changes to the contract shall be in
18 writing and signed by the parties to the contract prior to the commencement of work
19 covered by the contract or an applicable change order and, except as provided in
20 paragraph (8) of subdivision (a) of Section 7159.5, shall include or comply with all
21 of the following: . . . (5) The heading: 'Contract Price,' followed by the amount of
22 the contract in dollars and cents."

23 16. Section 7159.5, subdivision (a)(3), of the Code states: "If a downpayment will be
24 charged, the downpayment may not exceed one thousand dollars (\$1,000) or 10 percent of the
25 contract amount, whichever is less."

26 COST RECOVERY

27 17. Section 125.3 of the Code provides, in pertinent part, that the Registrar may request
28 the administrative law judge to direct a licensee 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.

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

12TH AVENUE PROJECT

19. On or about June 18, 2016, homeowner S.B. suffered extensive water damage caused by a leaking pipe in the restroom wall of his residence, located on 12th Avenue, in Inglewood, California (the 12th Avenue Project). He hired L.C., a public adjuster, to represent his claim with his homeowner's insurance to repair the Property. L.C. recommended a contractor named ServPro to perform the repair work which was accepted by S.B. The project would render the sole bathroom in the home inoperable requiring S.B. to move his family into a hotel while work was underway. S.B.'s homeowner's insurance policy allocated a limit of \$21,200 to offset his temporary living expenses. L.C. acted as the direct point of contact between S.B.'s insurance company and ServPro. Due to issues with the demolition, L.C. terminated ServPro shortly after work had commenced then hired another contractor named P.W. Stephens. After a similar issue ensued between P.W. Stephens and L.C., S.B. hired Respondent to complete the remedial work for the project.

20. On or about September 9, 2017, S.B. met and discussed the remaining remedial work for the project with Jason Schlessinger of Respondent. Schlessinger used to have a contractor's license, which was revoked¹. He assured Brooks that he would manage the work and complete the project before his temporary living expense limit of \$21,200 was exhausted.

21. On or about September 9, 2017, Respondent entered into a written contract with S.B. to repair the 12th Avenue Project for the stated amount of "Insurance Proceeds Only" (no other pricing is specified in the contract). S.B. believed that the contract price was actually \$22,000, which was the amount remaining to be paid from his homeowner's insurance. On Respondent's behalf, Schlessinger requested and was paid a \$5,000 down payment by S.B. to commence work on the project.

22. On or about September 9, 2017, Respondent began work on the project and stopped work on the project in or about October 2017. Respondent was paid a total of \$10,000 for his work on the project. An industry expert inspected the project and determined that Respondent's

¹ Schlessinger was formerly licensed as California Stucco License No. 464401, which was revoked on March 31, 1998.

1 work was substandard and incomplete with an estimated \$6,256.17 in costs to correct and
2 complete.

3 23. On or about September 20, 2017, S.B. filed a complaint against Respondent with the
4 Board. On or about January 9, 2018, Respondent's attorney provided S.B. with a written
5 agreement to settle the related civil dispute. The settlement agreement includes a provision that
6 states, "[S.B.] shall withdraw and no longer pursue his claim with the Contractors State Licensing
7 Board against CCS regarding the Contract to repair within 5 business days of full execution of
8 this agreement."

9 **FIRST CAUSE FOR DISCIPLINE**

10 **(Abandonment)**

11 24. Respondent is subject to disciplinary action under section 7107 of the Code, in that on
12 the 12th Avenue Project, Respondent abandoned the project without legal excuse, failing to
13 complete the project, as follows:

- 14 a. Respondent failed to complete bedroom, hallway, and bathroom walls with plaster,
- 15 b. Respondent failed to install a new wall light fixture in bathroom,
- 16 c. Respondent failed to install a bathroom medicine cabinet, and
- 17 d. Respondent failed to install an exhaust fan.

18 Complainant refers to, and by this reference incorporates, the allegations set forth above in
19 paragraphs 19 through 23, as though set forth in full herein.

20 **SECOND CAUSE FOR DISCIPLINE**

21 **(Departure from Accepted Trade Standards)**

22 25. Respondent is subject to disciplinary action under section 7109, subdivision (a), of
23 the Code, in that on the 12th Avenue Project, Respondent willfully departed in a material respect
24 from accepted trade standards for good and workmanlike construction, as follows:

- 25 a. Respondent failed to install a pedestal sink level using shims to level the sink on the
26 floor substrate; the sink slopes downward 5/8th of an inch on one side,
- 27 b. Respondent failed to level bathroom tile floor and bathtub, and
- 28 c. Respondent failed to seal toilet causing water to seep from base.

1 Complainant refers to, and by this reference incorporates, the allegations set forth above in
2 paragraphs 19 through 23, as though set forth in full herein.

3 **THIRD CAUSE FOR DISCIPLINE**

4 **(Departure from Plans or Specifications)**

5 26. Respondent is subject to disciplinary action under section 7109, subdivision (b), of
6 the Code, in that on the 12th Avenue Project, Respondent willfully disregarded the project plans
7 and specifications in a material respect, in that it failed to complete the bedroom, hallway, and
8 bathroom walls with plaster wall materials. Respondent's Xactimate estimate specified that a
9 three coat plaster over metal lath was to be provided and installed. Instead, Respondent provided
10 and installed gypsum green board material. Complainant refers to, and by this reference
11 incorporates, the allegations set forth above in paragraphs 19 through 23, as though set forth in
12 full herein.

13 **FOURTH CAUSE FOR DISCIPLINE**

14 **(Hiring a Prohibited Employee in a Supervisory Capacity)**

15 27. Respondent is subject to disciplinary action under section 7121 of the Code, while
16 working on the 12th Avenue Project, Respondent employed Jason Schlessinger, a prohibited
17 revoked licensee, in a supervisory capacity. Complainant refers to, and by this reference
18 incorporates, the allegations set forth above in paragraphs 19 through 23, as though set forth in
19 full herein.

20 **FIFTH CAUSE FOR DISCIPLINE**

21 **(Excessive Down Payment)**

22 28. Respondent is subject to disciplinary action under section 7159.5, subdivision (a)(3),
23 of the Code, in that on the 12th Avenue Project, Respondent requested and received a down
24 payment of \$5,000, which exceeds the lesser of one thousand dollars (\$1,000) or ten percent
25 (10%) of the contract amount. Complainant refers to, and by this reference incorporates, the
26 allegations set forth above in paragraphs 19 through 23, as though set forth in full herein.

1 **EIGHTH CAUSE FOR DISCIPLINE**

2 **(Illegal Gag Order in Settlement Agreement)**

3 32. Respondent is subject to disciplinary action under section 143.5, subdivision (a), of
4 the Code, in that on the Acapulco Street Project, Respondent, a licensee regulated by the Board,
5 included or permitted to be included in its settlement agreement to settle a civil dispute a
6 requirement that homeowner A.G. withdraws his complaint from the Board. Complainant refers
7 to, and by this reference incorporates, the allegations set forth above in paragraph 31, as though
8 set forth in full herein.

9 **DISCIPLINE CONSIDERATIONS**

10 33. To determine the degree of discipline, Complainant alleges that:

11 a. On or about July 30, 2003, the Board issued Respondent a modified Citation
12 No. 2-2002-3011 with a fine of \$650. The modified citation alleged violations of Business and
13 Professions Code sections 7030(b) (failed to provide licensing requirements notice), 7117.6
14 (contracted out of classification) and 7159 (home improvement contract violations). The citation
15 is final and incorporated by reference as if fully set forth.

16 b. On or about March 8, 2004, the Board issued Respondent a modified Citation
17 No. 2-2003-2282 with a fine of \$1,250. The modified citation alleged violations of Business and
18 Professions Code sections of 7117.6 (contracted out of classification) and 7154 (employed
19 unregistered salesperson). The citation is final and incorporated by reference as if fully set forth.

20 c. On or about July 21, 2016, the Board issued Respondent a modified Citation
21 No. 2-2013-2591 with a fine of \$350. The modified citation alleged violations of Business and
22 Professions Code sections 7027.4(a) and (b) (improper advertising regarding insurance and
23 bonding) and 7159.5 (charged excessive downpayment). The citation is final and incorporated by
24 reference as if fully set forth.

25 d. On or about September 14, 2018, the Board issued Respondent a modified
26 Citation No. 2 2017 1853 with a fine of \$300. The modified citation alleged violations of
27 Business and Professions Code section 7118 (entered into a contract with an unlicensed
28 contractor). The citation is final and incorporated by reference as if fully set forth.

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1 4. Ordering restitution of all damages according to proof suffered by S.B. as a condition
2 of probation in the event probation is ordered;

3 5. Ordering restitution of all damages suffered by S.B. as a result of Ray Alvin
4 Renneker's conduct as a contractor, as a condition of restoration of license Number 767434,
5 issued to Respondent;

6 6. Ordering Respondent to pay the Registrar of Contractors costs for the investigation
7 and enforcement of the case according to proof at the hearing, pursuant to Business and
8 Professions Code section 125.3;

9 7. Ordering Respondent to provide the Registrar with a listing of all contracting projects
10 in progress and the anticipated completion date of each;

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

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14 DATED: 6/14/19

15 FILED

16 JUN 14 2019

17 CSLB DSS

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

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