

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

In the Matter of the Accusation Against:

**RAY ALVIN RENNEKER
DBA CALIFORNIA CONSTRUCTION
SERVICES**

**14361 Garfield Avenue, Ste. B
Paramount, CA 90723**

Contractor's License No. 767434

Respondent.

CASE NO. N2017-504

ORDER TO ADOPT
DEFAULT DECISION

[Gov. Code, § 11520]

The attached Default Decision is hereby adopted by the Registrar of Contractors as his Decision in the above-entitled matter.

Contractor's License Number **767434** issued to **RAY ALVIN RENNEKER DBA CALIFORNIA CONSTRUCTION SERVICES** is revoked.

IT IS FURTHER ORDERED that pursuant to Section 7102 of the Business and Professions Code and Section 870 of the Code of Regulations, title 16, Respondent License **RAY ALVIN RENNEKER DBA CALIFORNIA CONSTRUCTION SERVICES** Contractor's License No. **767434**, shall not apply for reissuance or reinstatement of said license for five year(s) from the effective date of this Decision.

Pursuant to Government Code section 11520, subdivision (c), Respondent may serve a written motion requesting that the Decision be vacated and stating the grounds relied on within seven (7) days after service of the Decision on Respondent. The agency in its discretion may vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

This Decision shall become effective on October 21, 2019.

IT IS SO ORDERED September 20, 2019.



David Fogt
Registrar of Contractors

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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**
17 **14361 Garfield Avenue, Ste. B**
18 **Paramount, CA 90723**

DEFAULT DECISION

[Gov. Code, §11520]

19 **Contractor's License No. 767434**

20 Respondent.

21 **FINDINGS OF FACT**

22 1. On or about June 14, 2019, Complainant Wood Robinson, in his official capacity as
23 the Enforcement Supervisor I of the Contractors State License Board, Department of Consumer
24 Affairs, filed Accusation No. N2017-504 against Ray Alvin Renneker dba California
25 Construction Services (Respondent) before the Registrar of Contractors (Registrar). (Accusation
26 attached as Exhibit A.)

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1 2. On or about August 16, 1999, the Registrar issued Contractor's License No. 767434
2 to Respondent. The Contractor's License was in full force and effect at all times relevant to the
3 charges brought in Accusation No. N2017-504 and will expire on August 31, 2021, unless
4 renewed.

5 3. On or about June 14, 2019, Respondent was served by Certified and First Class Mail
6 copies of the Accusation No. N2017-504, Statement to Respondent, Notice of Defense, Request
7 for Discovery, and Discovery Statutes (Government Code sections 11507.5, 11507.6, and
8 11507.7) at Respondent's address of record which, pursuant to Business and Professions Code
9 section 136, is required to be reported and maintained with the Registrar. Respondent's address
10 of record was and is:

11 14361 Garfield Avenue, Ste. B
12 Paramount, CA 90723.

13 4. Service of the Accusation was effective as a matter of law under the provisions of
14 Government Code section 11505(c) and/or Business and Professions Code section 124.

15 5. Government Code section 11506(c) states, in pertinent part:

16 (c) The respondent shall be entitled to a hearing on the merits if the respondent
17 files a notice of defense . . . and the notice shall be deemed a specific denial of all
18 parts of the accusation . . . not expressly admitted. Failure to file a notice of defense
19 . . . shall constitute a waiver of respondent's right to a hearing, but the agency in its
20 discretion may nevertheless grant a hearing.

21 6. The Registrar takes official notice of its records and the fact that Respondent failed to
22 file a Notice of Defense within 15 days after service upon him of the Accusation, and therefore
23 waived his right to a hearing on the merits of Accusation No. N2017-504.

24 7. California Government Code section 11520(a) states, in pertinent part:

25 (a) If the respondent either fails to file a notice of defense . . . or to appear at
26 the hearing, the agency may take action based upon the respondent's express
27 admissions or upon other evidence and affidavits may be used as evidence without
28 any notice to respondent

 8. Pursuant to its authority under Government Code section 11520, the Registrar finds
Respondent is in default. The Registrar will take action without further hearing and, based on the
relevant evidence contained in the Default Decision Investigatory Evidence Packet in this matter,

1 as well as taking official notice of all the investigatory reports, exhibits and statements contained
2 therein on file at the Registrar's offices regarding the allegations contained in Accusation No.
3 N2017-504, finds that the charges and allegations in Accusation No. N2017-504, are separately
4 and severally, found to be true and correct by clear and convincing evidence.

5 9. The Registrar finds that the actual costs for Investigation and Enforcement are
6 \$5,502.76 as of September 12, 2019.

7 **DETERMINATION OF ISSUES**

8 1. Based on the foregoing findings of fact, Respondent Ray Alvin Renneker dba
9 California Construction Services has subjected his Contractor's License No. 767434 to discipline.

10 2. The agency has jurisdiction to adjudicate this case by default.

11 3. The Registrar of Contractors is authorized to revoke Respondent's Contractor's
12 License based upon the following violations alleged in the Accusation which are supported by the
13 evidence contained in the Default Decision Investigatory Evidence Packet in this case:

14 a. Bus. & Prof. Code, § 7107 (Abandonment)

15 b. Bus. & Prof. Code, § 7109(a) (Departure from Accepted Trade Standards)

16 c. Bus. & Prof. Code, § 7109 (b) (Departure from Plans or Specifications)

17 d. Bus. & Prof. Code, § 7121 (Hiring a Prohibited Employee in a Supervisory Capacity)

18 e. Bus. & Prof. Code, § 7159.5, subdivision (a)(3) (Excessive Down Payment)

19 f. Bus. & Prof. Code, § 7159 and 7159(d)(5) (Violations of Home Improvement
20 Contract Form Requirements)

21 g. Bus. & Prof. Code, § 143.5 (a) (Illegal Gag Order in Settlement Agreement on two
22 projects).

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26 REGISTRAR OF CONTRACTORS
27 CONTRACTORS STATE LICENSE BOARD
28 DEPARTMENT OF CONSUMER AFFAIRS

Attachment:
Exhibit A: Accusation

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Exhibit A

Accusation

1 XAVIER BECERRA
Attorney General of California
2 ARMANDO ZAMBRANO
Supervising Deputy Attorney General
3 NANCY A. KAISER
Deputy Attorney General
4 State Bar No. 192083
300 So. Spring Street, Suite 1702
5 Los Angeles, CA 90013
Telephone: (213) 269-6320
6 Facsimile: (213) 897-2804
Attorneys for Complainant

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

13 In the Matter of the Accusation Against:

Case No. N2017-504

14 **RAY ALVIN RENNEKER**
15 **DBA CALIFORNIA CONSTRUCTION**
SERVICES
16 **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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JURISDICTION

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

4. Section 7076.5 of the Code provides, in pertinent part, 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.).

5. Section 7090 of the Business and Professions Code (Code) provides, in pertinent part, 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.

6. Sections 7097 and 7098 of the Code provide, in pertinent part, 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 of the Code, without further notice.

7. Section 7106.5 of the Code provides, in pertinent part, 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.

8. Section 7121 of the Code 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,

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
5 personnel of record of a licensee, and the employment, election, or association of
6 this type of person by a licensee in any capacity other than as a nonsupervising
7 bona fide employee shall constitute grounds for disciplinary action."

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9 9. Section 7121.5 of the Code states:

10 A person who was the qualifying individual on a revoked license, or of a license
11 under suspension, or of a license that was not renewed while it was under suspension,
12 shall be prohibited from serving as an officer, director, associate, partner, manager, or
13 qualifying individual of a licensee, whether or not the individual had knowledge of or
14 participated in the prohibited acts or omissions for which the license was revoked, or
15 suspended, and the employment, election, or association of that person by a licensee
16 shall constitute grounds for disciplinary action.

17 10. Section 7122 of the Code states:

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

26 11. Section 7122.5 of the Code states:

27 The performance by an individual, partnership, corporation, limited liability
28 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.

29 STATUTORY PROVISIONS

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

31 "No licensee who is regulated by a board, bureau, or program within the Department
32 of Consumer Affairs, nor an entity or person acting as an authorized agent of a
33 licensee, shall include or permit to be included a provision in an agreement to settle a
34 civil dispute, whether the agreement is made before or after the commencement of a
35 civil action, that prohibits the other party in that dispute from contacting, filing a
36 complaint with, or cooperating with the department, board, bureau, or program
37 within the Department of Consumer Affairs that regulates the licensee or that
38 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
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 18. Section 11519, subdivision (d), of the Government Code states, in pertinent part, that
19 the Registrar may require restitution of damages suffered as a condition of probation in the event
20 probation is ordered.

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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.

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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

18
19 WOOD ROBINSON
20 Enforcement Supervisor I
21 Contractors' State License Board
22 Department of Consumer Affairs
23 State of California
24 Complainant ~~not~~

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