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

12 In the Matter of the Accusation Against:

Case No. N2021-152

13 **LA SOLAR GROUP, INC.**
14 **DBA A P ELECTRICAL**
15 **ARA PETROSYAN, RMO/CEO/PRES**
520 Library Street
16 San Fernando, CA 91340

FIRST AMENDED ACCUSATION

17 Contractor's License No. 974115, C-10, C-39, C-46

18 Respondent.

19
20 **PARTIES**

21 1. Thomas Jager (Complainant) brings this Accusation solely in his official capacity as
22 the Supervising Special Investigator I of the Contractors State License Board (Board),
23 Department of Consumer Affairs.

24 2. On or about June 20, 2012, the Registrar of Contractors (Registrar) issued
25 Contractor's License Number 974115, in Classifications C10 (Electrical), C39 (Roofing), and
26 C46 (Solar) to LA Solar Group, Inc., doing business as A P Electrical (Respondent LA
27 Solar). The Contractor's License was in full force and effect at all times relevant to the charges
28 brought herein and will expire on June 30, 2024, unless renewed. Ara Petrosyan (Respondent

Petrosyan) associated as the Responsible Managing Officer (RMO), Chief Executive Officer (CEO) and President (PRES) on June 20, 2012.

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 (Code) unless otherwise indicated.

4. Code section 118, subdivision (b), states:

The suspension, expiration, or forfeiture by operation of law of a license issued by a board in the department, or its suspension, forfeiture, or cancellation by order of the board or by order of a court of law, or its surrender without the written consent of the board, shall not, during any period in which it may be renewed, restored, reissued, or reinstated, deprive the board of its authority to institute or continue a disciplinary proceeding against the licensee upon any ground provided by law or to enter an order suspending or revoking the license or otherwise taking disciplinary action against the licensee on any such ground.

5. Code section 7076.5, subdivision (h), states:

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.

6. Code section 7090 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.

7. 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 licensee whose appearance has qualified the licensee under the provisions of Section 7068.

8. Code section 7106.5 states:

The expiration, cancellation, forfeiture, revocation, 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 licensee, or to render a decision suspending or revoking the license.

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1 9. Code section 7121.5 states:

2 A person who was the qualifying individual on a revoked license, or of a
3 license under suspension, or of a license that was not renewed while it was under
4 suspension, shall be prohibited from serving as an officer, director, associate, partner,
5 manager, or qualifying individual of a licensee, whether or not the individual had
6 knowledge of or participated in the prohibited acts or omissions for which the license
7 was revoked, or suspended, and the employment, election, or association of that
8 person by a licensee shall constitute grounds for disciplinary action.

9
10 **STATUTORY PROVISIONS**

11 10. Code section 7107 states:

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

15 11. Code section 7109, subdivision (a), states:

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

20 12. Code section 7113 states:

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

25 13. Code section 7154, states, in pertinent part:

26 (a) A home improvement contractor licensed under this chapter shall notify the
27 registrar in writing, on a form prescribed by the registrar, about the employment of a
28 registered home improvement salesperson, pursuant to the terms of this article. This
notification requirement shall include, but not be limited to, the name and registration
number of the home improvement salesperson who is employed by the contractor.
The form shall be submitted prior to the home improvement salesperson beginning
work for the contractor.

...

(c) A home improvement contractor who employs a registered home
improvement salesperson to sell home improvement contracts, but who fails to report
to the registrar pursuant to subdivision (a) or (b), is subject to disciplinary action by
the registrar....

14. Code section 7159.5 states, in pertinent part:

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

1 to this chapter with regard to the transaction.

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

5 ...

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

8 **COST RECOVERY, RESTITUTION AND OTHER AUTHORITY**

9 15. Code section 125.3 states:

10 (a) Except as otherwise provided by law, in any order issued in resolution of a
11 disciplinary proceeding before any board within the department or before the
12 Osteopathic Medical Board, upon request of the entity bringing the proceeding, the
13 administrative law judge may direct a licentiate found to have committed a violation
14 or violations of the licensing act to pay a sum not to exceed the reasonable costs of
15 the investigation and enforcement of the case.

16 (b) In the case of a disciplined licentiate that is a corporation or a partnership,
17 the order may be made against the licensed corporate entity or licensed partnership....

18 16. Government Code section 11519 states:

19 (a) The decision shall become effective 30 days after it is delivered or mailed to
20 respondent unless: a reconsideration is ordered within that time, or the agency itself
21 orders that the decision shall become effective sooner, or a stay of execution is
22 granted.

23 (b) A stay of execution may be included in the decision or if not included
24 therein may be granted by the agency at any time before the decision becomes
25 effective. The stay of execution provided herein may be accompanied by an express
26 condition that respondent comply with specified terms of probation provided;
27 provided, however, that the terms of probation shall be just as reasonable in light of
28 the findings and decision.

(c) If respondent was required to register with any public officer, a notification
of any suspension or revocation shall be sent to the officer after the decision has
become effective.

(d) As used in subdivision (b), specified terms of probation may include an
order of restitution. 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.

(e) The person to which the agency action is directed may not be required to
comply with a decision unless the person has been served with the decision in the
manner provided in Section 11505 or has actual knowledge of the decision.

(f) A nonparty may not be required to comply with a decision unless the agency
has made the decision available for public inspection and copying or the nonparty has
actual knowledge of the decision.

1 (g) This section does not preclude an agency from taking immediate action to
2 protect the public interest in accordance with Article 13 (commencing with Section
11460.10) of Chapter 4.5.

3 17. Code section 143.5, subdivision (b) states:

4 Any board, bureau, or program within the Department of Consumer Affairs that
5 takes disciplinary action against a licensee or licensees based on a complaint or report
6 that has also been the subject of a civil action and that has been settled for monetary
7 damages providing for full and final satisfaction of the parties may not require its
licensee or licensees to pay any additional sums to the benefit of any plaintiff in the
civil action.

8 18. Code section 7095 states:

9 The decision may:

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

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

13 (c) Impose upon the licensee compliance with such specific conditions as may
14 be just in connection with his operations as a contractor disclosed at the hearing and
15 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.

16 19. Code section 7097 states:

17 Notwithstanding the provisions of Sections 7121 and 7122, when any licensee
18 has been suspended by a decision of the registrar pursuant to an accusation or
19 pursuant to subdivision (b) of Section 7071.17, Section 7085.6 or 7090.1, any
20 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.

21 20. Code section 7098 states:

22 Notwithstanding the provisions of Sections 7121 and 7122, when any license
23 has been revoked under the provisions of this chapter [the Contractors' State License
24 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.

25 21. Code section 7102 states:

26 After suspension of a license upon any of the grounds set forth in this chapter
27 [the Contractors' State License Law], the registrar may reinstate the license upon
28 proof of compliance by the contractor with all provisions of the decision as to
reinstatement or, in the absence of a decision or any provisions of reinstatement, in

1 the sound discretion of the registrar.

2 After revocation of a license upon any of the grounds set forth in this chapter,
3 the license shall not be reinstated or reissued and a license shall not be issued to any
4 member of the personnel of the revoked licensee found to have had knowledge of or
5 participated in the acts or omissions constituting grounds for revocation, within a
6 minimum period of one year and a maximum period of five years after the final
7 decision of revocation and then only on proper showing that all loss caused by the act
8 or omission for which the license was revoked has been fully satisfied and that all
9 conditions imposed by the decision of revocation have been complied with.

10 The board shall promulgate regulations covering the criteria to be considered
11 when extending the minimum one-year period. The criteria shall give due
12 consideration to the appropriateness of the extension of time with respect to the
13 following factors:

14 (a) The gravity of the violation.

15 (b) The history of previous violations.

16 (c) Criminal convictions.

17 When any loss has been reduced to a monetary obligation or debt, however, the
18 satisfaction of the monetary obligation or debt as a prerequisite for the issuance,
19 reissuance, or reinstatement of a license shall not be required to the extent the
20 monetary obligation or debt was discharged in a bankruptcy proceeding. However,
21 any nonmonetary condition not discharged in a bankruptcy proceeding shall be
22 complied with prior to the issuance, the reissuance, or reinstatement of the license.

23 C.T. PROJECT

24 22. On or about October 29, 2019, Anthony Garay, a home improvement salesperson,
25 entered into a home improvement contract with C.T. on behalf of Respondent LA Solar to install
26 a roof mounted photovoltaic solar module array and Tesla PowerWalls at C.T.'s residence on
27 Black Forest Road, located in Penn Valley, California (C.T. project) for \$87,725. Work began on
28 or about December 28, 2019, and ceased on March 12, 2020. Respondent LA Solar failed to
properly install the flashings, racking, and solar panels on multiple occasions resulting in a large
number of penetrations to the roofing system and excessive wear and tear on the roof due to foot
traffic. Furthermore, Respondent LA Solar performed work on the roof during the heat of the day
which caused damage to the roof. The roof at the roof planes must be replaced resulting in a
financial injury of \$16,945. Respondent LA Solar was paid \$87,725, the full amount of the
contract.

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1 **FIRST CAUSE FOR DISCIPLINE**

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

3 23. Respondent LA Solar has subjected its license to disciplinary action under Code
4 section 7109, subdivision (a), in that on the C.T. project, Respondent LA Solar willfully departed
5 from accepted trade standards for good and workmanlike construction, as more particularly set
6 forth in paragraph 22 above, which is incorporated herein by this reference.

7 **SECOND CAUSE FOR DISCIPLINE**

8 **(Failure to Complete Project for Contract Price)**

9 24. Respondent LA Solar has subjected its license to disciplinary action under Code
10 section 7113, in that it failed in a material respect to complete the C.T. project for the contract
11 price, and the property owner was required to spend a substantial sum in excess of the contract
12 price to complete the project in accordance with the contract, as more particularly set forth in
13 paragraph 22 above, which is incorporated here by this reference.

14 **THIRD CAUSE FOR DISCIPLINE**

15 **(Failed to Report Home Improvement Salesman)**

16 25. Respondent LA Solar has subjected its license to disciplinary action under Code
17 section 7154, subdivision (c), in that Respondent LA Solar failed to report to the Board its
18 employment of Home Improvement Salesperson, Anthony Garay.

19 **FOURTH CAUSE FOR DISCIPLINE**

20 **(Contract Violations – Payment Exceeds the Value of Work Performed)**

21 26. Respondent LA Solar has subjected its license to disciplinary action under Code
22 section 7159.5, subdivision (a)(5), in that on the C.T. project, Respondent LA Solar requested and
23 received \$60,707.50, an amount that exceeded the value of work performed and/or materials
24 supplied prior to commencing work.

25 **J.S. PROJECT**

26 27. On or about May 14, 2020, Denis Avdic, a home improvement salesperson, entered
27 into a home improvement contract with J.S. on behalf of Respondent LA Solar to install a
28 photovoltaic solar module array with two Tesla Powerwall 2 battery storage devices at J.S.'s

1 residence on Pala Avenue, located in San Jose, California (J.S. Project) for \$45,714. Work began
2 in or around October 2020, and ceased in or around November 2020. Respondent LA Solar failed
3 to complete the installation of the main electrical panelboard, solar system and solar system
4 monitoring, and the two Tesla PowerWalls. Respondent LA Solar deviated from accepted trade
5 standards when Respondent LA Solar left a gap at the main electrical panelboard of greater than
6 1/8th of an inch, failed to provide a directory for branch circuits, and failed to allow the
7 appropriate interrow spacing between solar modules. An industry expert determined that that the
8 work on the J.S. Project did not meet industry standards and that the cost to correct the J.S.
9 Project would be \$75,963, resulting in a financial injury of \$30,249 to J.S.

10 **FIFTH CAUSE FOR DISCIPLINE**

11 **(Abandonment)**

12 28. Respondent LA Solar has subjected its license to disciplinary action under Code
13 section 7107, in that in or about November 2020, Respondent LA Solar abandoned the J.S.
14 Project without legal excuse, leaving the work incomplete, as more particularly set forth in
15 paragraph 27 above, which is incorporated herein by this reference.

16 **SIXTH CAUSE FOR DISCIPLINE**

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

18 29. Respondent LA Solar has subjected its license to disciplinary action under Code
19 section 7109, subdivision (a), in that on the J.S. project, Respondent LA Solar willfully departed
20 from accepted trade standards for good and workmanlike construction, as more particularly set
21 forth in paragraph 27 above, which is incorporated herein by this reference.

22 **SEVENTH CAUSE FOR DISCIPLINE**

23 **(Failure to Complete Project for Contract Price)**

24 30. Respondent LA Solar has subjected its license to disciplinary action under Code
25 section 7113, in that it failed in a material respect to complete the J.S. project for the contract
26 price, and the property owner will be required to spend a substantial sum in excess of the contract
27 price to complete the project in accordance with the contract, as more particularly set forth in
28 paragraph 27 above, which is incorporated here by this reference.

1 **EIGHTH CAUSE FOR DISCIPLINE**

2 **(Failed to Report Home Improvement Salesman)**

3 31. Respondent LA Solar has subjected its license to disciplinary action under Code
4 section 7154, subdivision (c), in that Respondent LA Solar failed to report to the Board its
5 employment of Home Improvement Salesperson, Denis Avdic.

6 **MATTERS IN AGGRAVATION**

7 32. To determine the degree of penalty, if any, to be imposed on Respondent LA Solar
8 Group, Inc. doing business as A P Electrical, Complainant alleges that it issued Citation No. 2-
9 2019-1537 to Respondent LA Solar Group Inc. doing business as A P Electrical on November 14,
10 2019, for violating Code sections 7109, subdivision (a) (poor workmanship); 7161, subdivision
11 (b) (made substantial misrepresentations in the procurement of a contract for work improvement);
12 7113 (failed to correct/complete project for price stated in contract); and 7159 (contract
13 violations). The Board ordered Respondent LA Solar Group Inc. doing business as A P Electrical
14 to pay restitution to the homeowner in the amount of \$7,600 and assessed penalties totaling
15 \$2,600. Respondent appealed the citation, and the penalties were reduced to \$1,700. Respondent
16 complied with the citation.

17 **CAUSE FOR OTHER ACTION**

18 **(Restrictions on Corporate Qualifier – Respondent Ara Petrosyan)**

19 33. Pursuant to Code section 7121.5, if license number 974115, issued to Respondent LA
20 Solar Group, Inc. doing business as A P Electrical is revoked or suspended, Respondent Ara
21 Petrosyan shall be prohibited from serving as an officer, director, associate, partner, manager, or
22 qualifying individual of a licensee during the time the discipline is imposed, whether or not he
23 had knowledge of or participated in the acts or omissions constituting grounds for discipline as
24 alleged in the causes for discipline, above, and any licensee which employs, elects, or associates
25 Respondent Ara Petrosyan other than as a bona fide nonsupervising employee shall be subject to
26 disciplinary action.

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1 PRAYER

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

4 1. Ordering the revocation or suspension of Contractor's License Number 974115,
5 issued to Respondent LA Solar Group, Inc. doing business as A P Electrical pursuant to Code
6 section 7090;

7 2. Ordering Respondent LA Solar Group, Inc. doing business as A P Electrical, and
8 Respondent Ara Petrosyan to pay the Registrar costs for the investigation and enforcement of the
9 case according to proof at the hearing, pursuant to Code section 125.3;

10 3. Ordering Respondent LA Solar Group, Inc. doing business as A P Electrical, and
11 Respondent Ara Petrosyan to provide the Registrar with a listing of all contracting projects in
12 progress and the anticipated completion date of each, pursuant to Code section 7095;

13 4. Ordering restitution of all damages according to proof suffered by C.T. and/or J.S. as
14 a condition of probation in the event probation is ordered for Respondent LA Solar Group, Inc.
15 doing business as A P Electrical, pursuant to Government Code section 11519, subdivision (d);

16 5. Ordering that Respondent Ara Petrosyan is prohibited from serving as an officer,
17 director, associate, partner, manager, or qualifying individual of a licensee, pursuant to Code
18 section 7121.5; and,

19 6. Taking such other and further action deemed proper.

20
21 DATED: 7-19-22



THOMAS JAGER
Supervising Special Investigator I
Contractors State License Board
Department of Consumer Affairs
State of California
Complainant

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