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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 and Petition to Revoke Probation Against: **JET SPEED PLUMBING INC.** **DBA RITZ PLUMBING** **JAMES HUBERT JONES, JR., RMO** **REZA VANDI, OFFICER** PO Box 755 Lomita, CA 90019 Contractor's License No. 955742, A, B, C10, C12, C20, C21, C36, C39, C42, C51 Respondent.	Case No. N2021-192 **ACCUSATION AND PETITION TO REVOKE PROBATION**

PARTIES

1. Thomas Jager (Complainant) brings this Accusation and Petition to Revoke Probation solely in his official capacity as the Supervising Special Investigator I of the Contractors State License Board (Board), Department of Consumer Affairs.

2. On or about December 17, 2010, the Registrar of Contractors issued Contractor's License Number 955742 to Jet Speed Plumbing Inc. dba Ritz Plumbing (Respondent Jet) in Classification A (General Engineering), Classification B (General Building Contractor),

Classification C10 (Electrical), Classification C12 (Earthwork and Paving), Classification C20 (Warm-Air Heating, Ventilating, Air-Conditioning), Classification C21 (Building, Moving, Demolition), Classification C36 (Plumbing), Classification C39 (Roofing), Classification C42 (Sanitation System), and Classification C51 (Steel, Structural). 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, 2023 unless renewed. James Hubert Jones, Jr. (Respondent Jones) associated as Respondent Jet's Responsible Managing Officer (RMO) on or about February 18, 2020. Reza Vandi (Respondent Vandi) associated as Respondent Jet's CEO/President on or about December 17, 2020.

3. In a disciplinary action titled "In the Matter of the Accusation Against Jet Speed Plumbing, Inc., et al.," Case No. N2016-304, the Registrar of Contractors (Registrar) issued a Decision and Order effective January 6, 2020, in which Respondent Jet's Contractor's License was revoked. However, the revocation was stayed and Respondent Jet's Contractor's License was placed on probation for three (3) years with certain terms and conditions. A copy of that Decision and Order is attached as Exhibit A and is incorporated by reference.

ACCUSATION

JURISDICTION FOR ACCUSATION

4. 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.

5. Section 118, subdivision (b), of the Code 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.

6. Section 7106.5 of the Code 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 license, or to render a decision suspending or revoking the license.

7. Section 7076.5, subdivision (h), of the Code states:

> The inactive status of a license shall not bar any disciplinary action by the board against a licensee for any of the causes listed in this chapter.

8. Section 7090 of the 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 acts or omissions constituting cause for disciplinary action.

9. 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, 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.

10. Section 7121.5 of the Code 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.

STATUTORY PROVISIONS FOR ACCUSATION

11. Section 7107 of the Code 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.

12. Section 7154, subdivision (d), of the Code states:

> A home improvement contractor who employs a person to sell home improvement contracts while that person is not registered by the registrar as a home

improvement salesperson as provided in this article, is subject to disciplinary action by the registrar.

13. Section 7159 of the Code states, in pertinent part:

(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.

(b) For purposes of this section, "home improvement contract" means an agreement, whether oral or written, or contained in one or more documents, between a contractor and an owner or between a contractor and a tenant, regardless of the number of residence or dwelling units contained in the building in which the tenant resides, if the work is to be performed in, to, or upon the residence or dwelling unit of the tenant, for the performance of a home improvement, as defined in Section 7151, and includes all labor, services, and materials to be furnished and performed thereunder, if the aggregate contract price specified in one or more improvement contracts, including all labor, services, and materials to be furnished by the contractor, exceeds five hundred dollars ($500). "Home improvement contract" also means an agreement, whether oral or written, or contained in one or more documents, between a salesperson, whether or not he or she is a home improvement salesperson, and an owner or a tenant, regardless of the number of residence or dwelling units contained in the building in which the tenant resides, which provides for the sale, installation, or furnishing of home improvement goods or services.

...

(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:

...

(2) If applicable, the name and registration number of the home improvement salesperson that solicited or negotiated the contract.

...

(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 '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."

(D) "(The name on the license or 'contractor') is a limited liability company that carries liability insurance or maintains other security as required by law. You may call (the insurance company or trust company or bank) at _____ to check on the contractor's insurance coverage or security."

...

14. Section 7161 of the Code states, in pertinent part:

It is a misdemeanor for any person to engage in any of the following acts, the commission of which is cause for disciplinary action against any licensee or applicant: ... (c) any fraud in the execution of, or in the material alteration of, any contract, trust deed, mortgage, promissory note, or other document incident to a home improvement transaction or other transaction involving a work of improvement.

15. Section 7110 of the Code states, in pertinent part:

Willful or deliberate disregard and violation of the building laws of the state, or of any political subdivision thereof, ... constitutes a cause for disciplinary action against a licensee[.]

16. Section 7116 of the Code states:

The doing of any willful or fraudulent act by the licensee as a contractor in consequence of which another is substantially injured constitutes a cause for disciplinary action.

COST RECOVERY, RESTITUTION, AND OTHER AUTHORITY

17. Section 125.3 of the Code states, in pertinent part:

(a) Except as otherwise provided by law, in any order issued in resolution of a disciplinary proceeding before any board within the department or before the Osteopathic Medical Board, upon request of the entity bringing the proceeding, the administrative law judge may 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.

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

18. Government Code section 11519 states:

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

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

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

19. Section 143.5, subdivision (b) of the Code states:

Any board, bureau, or program within the Department of Consumer Affairs that takes disciplinary action against a licensee or licensees based on a complaint or report that has also been the subject of a civil action and that has been settled for monetary 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.

20. Section 7095 of the Code states:

The decision 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 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 licensee shall be accepted by the registrar.

21. Section 7097 of the Code states:

Notwithstanding the provisions of Sections 7121 and 7122, when any licensee 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.

22. Section 7098 of the Code 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.

23. Section 7102 of the Code states:

After suspension of a license upon any of the grounds set forth in this chapter [the Contractors' State License Law], the registrar may reinstate the license upon 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 the sound discretion of the registrar.

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

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

(a) The gravity of the violation.

(b) The history of previous violations.

(c) Criminal convictions.

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

FACTUAL ALLEGATIONS

J.P. Project

24. On or about December 26, 2020, homeowner J.P. entered into a written contract with Registered Home Improvement Salesperson Ray Munoz on behalf of Respondent Jet to repair a sewer line and install a pipe sleeve at her property located on Grandeur Avenue in Altadena, CA for $14,000.00. Work began on or about December 26, 2020 and ceased on or about December 27, 2020. J.P. paid Respondent Jet $14,000.00 on or about December 28, 2020. The home improvement contract failed to include Ray Munoz's registration number and failed to provide Respondent Jet's liability insurance information. On or about April 3, 2021, the Los Angeles County Department of Public Works issued a correction notice to "expose sewer for proper connection inspection" because Respondent Jet covered its work without obtaining an inspection. On or about August 24, 2021, a Board Industry Expert performed an inspection of the J.P. Project and determined that Respondent Jet failed to install a pipe sleeve upstream and estimated it will cost $3,250.00 to fix.

FIRST CAUSE FOR DISCIPLINE

(Building Code Violation – Respondent Jet)

25. Paragraph 24 is incorporated herein by this reference.

26. Respondent Jet has subjected its license to disciplinary action under Code section 7110, in that, on the J.P. Project Respondent Jet violated building codes by failing to obtain signoff from a municipal inspector prior to covering its work and by failing to comply with the April 3, 2021 correct notice.

SECOND CAUSE FOR DISCIPLINE

(Willful or Fraudulent Failure to Install – Respondent Jet)

27. Paragraph 24 is incorporated herein by this reference.

28. Respondent Jet has subjected its license to disciplinary action under Code section 7116, in that Respondent Jet willfully or fraudulently failed to install pipe liners upstream or downstream from the repair point on the J.P. Project.

THIRD CAUSE FOR DISCIPLINE

(Failure to Comply with Provisions of the Law Regarding Home Improvement Contracts – Respondent Jet)

29. Paragraph 24 is incorporated herein by this reference.

30. Respondent Jet has subjected its license to disciplinary action under section Code section 7159, in that the home improvement contract on the J.P. Project did not include Ray Munoz's improvement salesman registration number, and include the name and phone number of Respondent Jet's liability insurance carrier.

J.R. Project

31. On or about April 9, 2021, homeowner J.R. entered into a written contract with Jose Luis Hernandez on behalf of Respondent Jet to install a pipe sleeve at J.R.'s property located on Carmen Drive in Glendale, CA for $10,000. Jose Luis Hernandez is not a registered home improvement salesperson. The home improvement contract failed to include the registration number of a registered home improvement salesperson, failed to provide Respondent Jet's liability insurance information, and failed to give J.R. a three-day right to cancel. Work began, and then ceased, on April 10, 2021. On or about September 23, 2021, a Board Industry Expert performed an inspection of the J.R. Project and determined that Respondent Jet failed to install a pipe sleeve upstream and estimated it will cost $3,800.00 to fix.

32. A Board investigator interviewed, and exchanged emails with, representatives of Respondent Jet during the course of the Board's investigation into the J.R. Project. Respondent Jet's representatives told the Board investigator that John Ramirez, Registered Home Improvement Salesperson employed by Respondent Jet, had sold the J.R. Project. Respondent

Jet's representatives then sent the Board investigator a copy of the written contract that included the name "John" in support of this claim. However, the copy of the written contract that J.R. had signed did not include the name "John," and J.R. confirmed by way of a photo lineup that Jose Luis Hernandez, and not John Ramirez, sold him the written contract.

FOURTH CAUSE FOR DISCIPLINE

(Abandonment – Respondent Jet)

33. Paragraphs 31 and 32 are incorporated herein by this reference.

34. Respondent Jet has subjected its license to disciplinary action under Code section 7107, in that Respondent Jet abandoned the J.R. Project without legal excuse.

FIFTH CAUSE FOR DISCIPLINE

(Failure to Comply with Provisions of the Law Regarding Home Improvement Contracts – Respondent Jet)

35. Paragraphs 31 and 32 are incorporated herein by this reference.

36. Respondent Jet has subjected its license to disciplinary action under section Code section 7159, in that the home improvement contract on the J.R. Project did not include the home improvement salesman registration number of the person who sold the job, did not include the name and phone number of Respondent Jet's liability insurance carrier, and did not give J.R. a three-day right to cancel.

SIXTH CAUSE FOR DISCIPLINE

(Employing Un-Registered Salesperson – Respondent Jet)

37. Paragraphs 31 and 32 are incorporated herein by this reference.

38. Respondent Jet has subjected its license to disciplinary action under section Code section 7154, subdivision (d), in that Jose Luis Hernandez, who is not registered has a home improvement salesperson, sold the J.R. Project.

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SEVENTH CAUSE FOR DISCIPLINE

(Fraud in Documents – Respondent Jet)

39. Paragraphs 31 and 32 are incorporated herein by this reference.

40. Respondent Jet has subjected its license to disciplinary action under section Code section 7161, subdivision (c), in that representatives of Respondent Jet fraudulently altered the written contract related to the J.R. Project to add the name of a licensed salesperson.

CAUSES FOR OTHER ACTION

FIRST CAUSE FOR OTHER ACTION

(Restrictions on Qualifier – Respondent James Hubert Jones, Jr.)

41. Pursuant to Pursuant to Code section 7121.5, if license number 955742, issued to Respondent Jet is revoked or suspended, Respondent James Hubert Jones, Jr. shall be prohibited from serving as an officer, director, associate, partner, manager, or qualifying individual of a 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 as alleged in the causes for discipline, above, and any licensee which employs, elects, or associates Respondent James Hubert Jones, Jr. other than as a bona fide non-supervising employee shall be subject to disciplinary action.

SECOND CAUSE FOR OTHER ACTION

(Restrictions Respondent Reza Vandi)

42. Pursuant to Code section 7121, if license number 955742, issued to Respondent Jet is revoked or suspended, Respondent Reza Vandi shall be prohibited from serving as an officer, director, associate, partner, manager, qualifying individual, or member of the personnel of record of a licensee in that, while serving as officer of Respondent Jet, he had knowledge of or participated in the acts or omissions constituting grounds for discipline as alleged in the causes for discipline, above.

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JURISDICTION FOR PETITION TO REVOKE PROBATION

43. This Petition to Revoke Probation is brought before the Board under Probation Term and Condition Number 4 of the Decision and Order In the Matter of the Accusation Against Jet Speed Plumbing, Inc., et al., Board Case No. N2016-304. That term and condition states:

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.

CAUSE TO REVOKE PROBATION

(Failure to Obey All Laws)

44. Paragraphs 24 through 43 are incorporated herein by this reference.

45. At all times after the effective date of Respondent Jet's probation, Condition 1 stated: "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."

46. Respondent Jet's probation is subject to revocation because it failed to comply with Probation Condition 1, referenced above, in that Respondent Jet failed to obey all laws, as set forth hereinabove in the First, Second, and Third Causes for Discipline, and each of them.

PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters alleged in this Accusation and Petition to Revoke Probation, and that following the hearing, the Registrar of Contractors issue a decision:

1. Revoking or suspending Contractor's License No. 955742 issued to Respondent Jet Speed Plumbing, Inc., doing business as Ritz Plumbing, pursuant to Code section 7090;

2. Revoking the probation that was granted by the Registrar in Case No. N2016-304 and imposing the disciplinary order that was stayed thereby revoking License Number 955742;

3. Ordering that Respondent James Hubert Jones, Jr. is prohibited from serving as an officer, director, associate, partner, manager, or qualifying individual of a licensee pursuant to Code section 7121.5;

4. Ordering that Respondent Reza Vandi is prohibited from serving as an officer, director, associate, partner, manager, qualifying individual or member of the personnel of record of a licensee pursuant to Code section 7121;

5. Ordering restitution of all damages according to proof suffered by J.P. and/or J.R. as a condition of probation in the event probation is ordered for Respondent Jet Speed Plumbing Inc. pursuant to Government Code section 11519, subdivision (d);

6. Ordering Respondent Jet Speed Plumbing, Inc. to pay the Registrar costs for the investigation and enforcement of the case according to proof at the hearing, pursuant to Code section 125.3;

7. Ordering Respondent Jet Speed Plumbing, Inc. to provide the Registrar with a listing of all contracting projects in progress and the anticipated completion date of each, pursuant to Code section 7095; and

8. Taking such other and further action deemed proper.

DATED: 3-2-22

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

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