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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. N2023-128

14 **BRIGHT PLANET SOLAR, INC., DBA**
15 **BRIGHT PLANET**
16 **SCOTT CHRISTOPHER LEDUC, RME**
17 **STEVEN MICHAEL HEINZ, CEO/PRES.**
18 1451 Grafton Street
Worcester, MA 01604

ACCUSATION

19 Contractor's License No. 1020761, C10

20 **STEVEN MICHAEL HEINZ**
21 1466 N. 3100 W.
Provo, UT 84601

Home Improvement Salesperson Registration
No. 147818 SP

22 Respondents.

23 **PARTIES**

24
25 1. Brian Melvin (Complainant) brings this Accusation solely in his official capacity as
26 the Supervising Special Investigator I of the Contractors State License Board (Board),
27 Department of Consumer Affairs.
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2. On or about November 14, 2016, the Registrar of Contractors (Registrar) issued Contractor's License Number 1020761, in Classification C10 (Electrical) to Bright Planet Solar, Inc., dba Bright Planet (Respondent Bright Planet). The Contractor's License was in full force and effect at all times relevant to the charges brought herein and will expire on November 30, 2024, unless renewed. At all times referenced herein, Steven Michael Heinz (Respondent Heinz) was the CEO and President, and Scott Christopher Leduc (Respondent Leduc) was the responsible managing employee (RME). On or about December 1, 2023, Respondent Leduc disassociated from the license.

3. On or about June 29, 2023, the Registrar issued Home Improvement Salesperson Registration Number 147818 SP to Steven Michael Heinz (Respondent Heinz). The Home Improvement Salesperson Registration was in full force and effect at all times relevant to the charges brought herein and will expire on June 30, 2025, unless renewed.

JURISDICTION

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 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 stated in this chapter.

7. 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 of the acts or omissions constituting cause for disciplinary action.

13. Section 7113 of the Code states:

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

14. Section 7115 of the Code states:

Failure in any material respect to comply with the provisions of this chapter, or any rule or regulation adopted pursuant to this chapter, or to comply with the provisions of Section 7106 of the Public Contract Code, constitutes a cause for disciplinary action.

15. Section 7119 of the Code states:

Wilful failure or refusal without legal excuse on the part of a licensee as a contractor to prosecute a construction project or operation with reasonable diligence causing material injury to another constitutes a cause for disciplinary action.

16. Section 7122 of the Code states:

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

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

...

(d) 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.

...

18. 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.

...

(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:

...

(4) A notice with the heading "Mechanics Lien Warning" written as follows:

"MECHANICS LIEN WARNING:

Anyone who helps improve your property, but who is not paid, may record what is called a mechanics lien on your property. A mechanics lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder.

Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit.

To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a 'Preliminary Notice.' This notice is not a lien. The purpose of the notice is to let you know that the person who sends you the notice has the right to record a lien on your property if he or she is not paid.

BE CAREFUL. The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices.

You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

PROTECT YOURSELF FROM LIENS. You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20

days, paying attention to the Preliminary Notices you receive.

PAY WITH JOINT CHECKS. One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier.

For other ways to prevent liens, visit CSLB's Internet Web site at www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752).

REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A LIEN PLACED ON YOUR HOME. This can mean that you may have to pay twice, or face the forced sale of your home to pay what you owe."

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COST RECOVERY, RESTITUTION AND OTHER AUTHORITY

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

...

20. Section 11519 of the Government Code 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.

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

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

8 22. Section 7095 of the Code 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
13 evidence taken at the hearing to be then uncompleted.

14 (c) Impose upon the licensee compliance with such specific conditions as may
15 be just in connection with his operations as a contractor disclosed at the hearing and
16 may further provide that until such conditions are complied with no application for
17 restoration of the suspended or revoked licensee shall be accepted by the registrar.

18 23. Section 7097 of the Code states:

19 Notwithstanding the provisions of Sections 7121 and 7122, when any licensee
20 has been suspended by a decision of the registrar pursuant to an accusation or
21 pursuant to subdivision (b) of Section 7071.17, Section 7085.6 or 7090.1, any
22 additional license issued under this chapter [the Contractors' State License Law] in
23 the name of the licensee or for which the licensee furnished qualifying experience and
24 appearance under the provisions of Section 7068, may be suspended by the registrar
25 without further notice.

26 24. Section 7098 of the Code states:

27 Notwithstanding the provisions of Sections 7121 and 7122, when any license
28 has been revoked under the provisions of this chapter [the Contractors' State License
29 Law], any additional license issued under this chapter in the name of the licensee or
30 for which the licensee furnished qualifying experience and appearance under the
31 provisions of Section 7068, may be revoked by the registrar without further notice.

32 25. Section 7102 of the Code states:

33 After suspension of a license upon any of the grounds set forth in this chapter
34 [the Contractors' State License Law], the registrar may reinstate the license upon
35 proof of compliance by the contractor with all provisions of the decision as to
36 reinstatement or, in the absence of a decision or any provisions of reinstatement, in
37 the sound discretion of the registrar.

38 After revocation of a license upon any of the grounds set forth in this chapter,
39 the license shall not be reinstated or reissued and a license shall not be issued to any
40 member of the personnel of the revoked licensee found to have had knowledge of or

1 participated in the acts or omissions constituting grounds for revocation, within a
2 minimum period of one year and a maximum period of five years after the final
3 decision of revocation and then only on proper showing that all loss caused by the act
4 or omission for which the license was revoked has been fully satisfied and that all
5 conditions imposed by the decision of revocation have been complied with.

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

10 (a) The gravity of the violation.

11 (b) The history of previous violations.

12 (c) Criminal convictions.

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

19 **FACTUAL ALLEGATIONS**

20 **J.R. PROJECT**

21 26. On or about February 20, 2022, Respondent Bright Planet, represented by Omar
22 Flores, an unregistered salesperson, entered into a written contract with J.R. to install solar panels
23 at her home in Vallejo, California (J.R. Project). The home improvement contract was for
24 \$60,517.00, and was financed by a third-party company, GoodLeap. Between on or about
25 December 2, 2022, and April 29, 2023, J.R. paid five payments of \$229.10 towards the project to
26 GoodLeap, for a total of \$1,145.50.

27 27. Work began on the J.R. Project on or about April 11, 2022. The work was performed
28 and supervised by Flores, the unregistered salesperson. Respondent Leduc, as the RME, failed to
exercise direct supervision and control over the J.R. Project. Respondent Leduc, despite being
the RME, never visited the job site, instead leaving all project-related responsibilities to Flores.

29 28. Installation of the solar panels was completed in or about July or August 2022, but the
30 system was non-operational because the electrical panel and main panel upgrade was incomplete.
Despite numerous contacts from J.R., Respondent Bright Planet did not return to complete

1 installation of the electrical panel or main panel until in or about May 2023. A final approval, or
2 Permission to Operate (PTO), from the electrical company was not received until July 28, 2023.

3 **FIRST CAUSE FOR DISCIPLINE**

4 **(Failure to Exercise Direct Supervision)**

5 29. Respondent Bright Planet has subjected its license to disciplinary action under Code
6 section 7068.1 and 7115, in that on the J.R. Project, Respondent Leduc failed to exercise direct
7 supervision and control over the contracting activities on the J.R. Project.

8 **SECOND CAUSE FOR DISCIPLINE**

9 **(Failure to Exercise Reasonable Diligence)**

10 30. Respondent Bright Planet has subjected its license to disciplinary action under Code
11 section 7119, in that on the J.R. Project, Respondent Bright Planet failed or refused without legal
12 excuse to prosecute the J.R. Project with reasonable diligence, causing material injury to J.R.

13 **THIRD CAUSE FOR DISCIPLINE**

14 **(Unregistered Salesperson)**

15 31. Respondent Bright Planet has subjected its license to disciplinary action under Code
16 section 7154, subdivision (d), in that on the J.R. Project, Respondent Bright Planet utilized an
17 unregistered salesperson to complete and execute the contract.

18 **M.H. PROJECT**

19 32. On or about April 2, 2021, Respondent Bright Planet entered into a written contract
20 with M.H. to install solar panels at his home in Hesperia, California (M.H. Project). The home
21 improvement contract was for \$34,650.00, and was financed by a third-party company, LoanPal.
22 Respondent Bright Planet's contract with M.H. failed to provide both the required heading of
23 "Mechanics Lien Warning," and the language required under the warning.

24 33. Respondent Bright Planet worked on the M.H. Project from in or about April 2021
25 through the end of 2021. Respondent Bright Planet did not complete the M.H. Project, and did
26 not connect the solar panel system it had installed. M.H. contacted Respondent Bright Planet to
27 find out when they would connect the system, but Respondent Bright Planet ignored M.H.'s
28

1 requests, and abandoned the M.H. Project. In early 2023, M.H. contacted another contractor to
2 complete the connection of the solar panels, at a cost of \$5,000.00 to M.H.

3 **FOURTH CAUSE FOR DISCIPLINE**

4 **(Abandonment)**

5 34. Respondent Bright Planet has subjected its license to disciplinary action under Code
6 section 7107, in that Respondent Bright Planet abandoned the M.H. Project without legal excuse.

7 **FIFTH CAUSE FOR DISCIPLINE**

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

9 35. Respondent Bright Planet has subjected its license to disciplinary action under Code
10 section 7113, in that it failed in a material respect to complete the M.H. Project for the contract
11 price, and the property owner was required to spend \$5,000.00 in excess of the contract price to
12 complete the project in accordance with the contract.

13 **SIXTH CAUSE FOR DISCIPLINE**

14 **(Failed to Comply with Requirements of the Home Improvement Contract Provisions)**

15 36. Respondent Bright Planet has subjected its contractor's license to disciplinary action
16 under Code section 7159, in that on the M.H. Project, Respondent Bright Planet failed to comply
17 with provisions of that section by failing to include the Mechanics Lien Warning and required
18 language in the contract.

19 **SEVENTH CAUSE FOR DISCIPLINE**

20 **(Cause for Discipline for Licensee With Knowledge and Participation)**

21 37. Respondent Steven Michael Heinz has subjected his Home Improvement Salesperson
22 registration to disciplinary action under Code section 7122, in that on the J.R. Project,
23 Respondent Heinz had knowledge of or participated in the acts or omissions that occurred on the
24 J.R. Project, as stated above in paragraphs 26-31 and incorporated herein by reference.

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1 **CAUSE FOR OTHER ACTION**

2 **FIRST CAUSE FOR OTHER ACTION**

3 **(Restrictions on Qualifier – Respondent Scott Christopher Leduc, RME)**

4 38. Pursuant to Code section 7121.5, if license number 1020761, issued to Respondent
5 Bright Planet, is revoked or suspended, Respondent Scott Christopher Leduc shall be prohibited
6 from serving as an officer, director, associate, partner, manager, or qualifying individual of a
7 licensee during the time the discipline is imposed, whether or not he had knowledge of or
8 participated in the acts or omissions constituting grounds for discipline as alleged in the causes
9 for discipline, above, and any licensee which employs, elects, or associates Respondent Scott
10 Christopher Leduc other than as a bona fide nonsupervising employee shall be subject to
11 disciplinary action.

12 **SECOND CAUSE FOR OTHER ACTION**

13 **(Restrictions on Non-Qualifier—Respondent Steven Michael Heinz)**

14 39. Pursuant to Code section 7121, if license number 1020761, issued to Respondent
15 Bright Planet is revoked or suspended, Respondent Steven Michael Heinz shall be prohibited
16 from serving as an officer, director, associate, partner, manager, qualifying individual, or member
17 of the personnel of record of a licensee in that, while serving as Officer of Respondent Bright
18 Planet, he had knowledge of or participated in the acts or omissions constituting grounds for
19 discipline as alleged in the causes for discipline, above.

20 **PRAYER**

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

- 23 1. Ordering the revocation or suspension of Contractor's License Number 1020761
24 issued to Bright Planet Solar, Inc., dba Bright Planet, pursuant to Code section 7090;
- 25 2. Ordering the revocation or suspension of Home Improvement Salesperson
26 Registration Number 147818 SP issued to Steven Michael Heinz, pursuant to Code section 7090;
- 27 3. Ordering restitution of all damages according to proof suffered by J.R. and M.H., as a
28 condition of probation in the event probation is ordered for Respondent Bright Planet Solar, Inc.,

1 dba Bright Planet, or Respondent Steven Michael Heinz, pursuant to Government Code section
2 11519, subdivision (d);

3 4. If revocation of Contractor's License Number 1020761, issued to Respondent Bright
4 Planet Solar, Inc., dba Bright Planet, is ordered, or if revocation of Home Improvement
5 Salesperson Registration Number 147818 SP, issued to Steven Michael Heinz, is ordered, an
6 order for restitution of all damages suffered by J.R. and M.H. as a result of Respondent Bright
7 Planet's conduct as a contractor, as a condition precedent to any future restoration of Contractor's
8 License Number 1020761, or as a result of Respondent Steven Michael Heinz's conduct as a
9 home improvement salesperson, as a condition precedent to any future restoration of Home
10 Improvement Salesperson Registration Number 147818 SP, or before any new licenses or
11 registrations are issued;

12 5. Ordering Respondents Bright Planet Solar, Inc., dba Bright Planet, and Respondent
13 Steven Michael Heinz, to pay the Registrar costs for the investigation and enforcement of the case
14 according to proof at the hearing, pursuant to Code section 125.3;

15 6. Ordering Respondent Bright Planet Solar, Inc., dba Bright Planet, and Respondent
16 Steven Michael Heinz, to provide the Registrar with a listing of all contracting projects in
17 progress and the anticipated completion date of each, pursuant to Code section 7095;

18 7. Ordering that Respondent Scott Christopher Leduc, RME, is prohibited from serving
19 as an officer, director, associate, partner, manager or qualifying individual of a licensee, pursuant
20 to Code section 7121.5;

21 8. Ordering that Respondent Steven Michael Heinz is prohibited from serving as an
22 officer, director, associate, partner, manager, qualifying individual or member of the personnel of
23 record of a licensee, pursuant to Code section 7121; and,

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9. Taking such other and further action deemed proper.

DATED: 1/19/2024

Brian Melvin

BRIAN MELVIN
Supervising Special Investigator I
Contractors State License Board
Department of Consumer Affairs
State of California
Complainant

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