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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 Against**:** **SUNERGY CONSTRUCTION, INC.** **ANDRES LOPEZ, RMO (B)** **[disassoc. 3/21/23]** **GILBERTO LEPIZ, RMO (C10)** **[disassoc. 2-1-24]** **ALBERTO SALAZAR, RMO (B)** **[disassoc. 7/1/20]** **JONATHAN DALE MITCHELL, Officer** 7026 Alderwood Drive Fontana, CA 92336 Contractor's License No. 1005730, B, C-10 **LISA B. LOGBACK** 39894 Wild Canary Lane Murrieta, CA 92562 Home Improvement Salesperson Registration No. 111177 SP **ANDRES LOPEZ** **DBA LOPEZ ROOFING & CONSTRUCTION** 8397 6th Avenue Hesperia, CA 92345 Contractor's License No. 1031055, B, C-39 Respondents.	Case No. N2023-241 Case No. N2023-240 **ACCUSATION**

PARTIES

1. Brian Melvin (Complainant) brings this Accusation 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 July 21, 2015, the Registrar of Contractors (Registrar) issued Contractor's License Number 1005730 to Sunergy Construction, Inc. (Respondent Sunergy). The Contractor's License was in full force and effect at all times relevant to the charges brought herein and will expire on July 21, 2025, unless renewed. The license is under suspension for failure to submit a workers' compensation certificate or exemption statement, and for lack of qualifier. Alberto Salazar associated as responsible managing officer (RMO) for the B (General Building Contractor) classification on July 21, 2015 and disassociated on July 1, 2020. Andres Lopez (Respondent Lopez) associated as an RMO for the B (General Building Contractor) classification on June 22, 2021, and disassociated on March 21, 2023. Gilberto Lepiz (Respondent Lepiz) associated as an RMO for the C10 (Electrical Contractor) classification on March 24, 2020, and disassociated on February 1, 2024.

3. Jonathan Dale Mitchell (Respondent Mitchell) is listed as the Chief Executive Officer, Secretary, and Chief Financial Officer of Respondent Sunergy in the records of the California Secretary of State, effective May 29, 2015. However, Respondent Sunergy has not disclosed to the Registrar that Respondent Mitchell occupies these positions. Therefore, Respondent Mitchell is not a member of the personnel of record for Respondent Sunergy.

4. On or about November 20, 2017, the Registrar issued Home Improvement Salesperson (H.I.S.) Registration Number 111177 SP to Lisa B. Logback. The H.I.S. Registration was in full force and effect at all times relevant to the charges brought herein and will expire on November 30, 2025, unless renewed.

5. On or about September 15, 2017, the Registrar issued Contractor's License Number 1031055, Classifications B (General Building Contractor) and C39 (Roofing Contractor) to Respondent Andres Lopez, dba Lopez Roofing & Construction. The Contractor's License was in

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full force and effect at all times relevant to the charges brought herein and will expire on September 30, 2025, unless renewed.

PERSONNEL OF RECORD

6. "Members of the personnel of record" of a corporation that holds a contractor's license is defined in Business and Professions Code (Code) section 7025 and "means every person listed in the records of the registrar as then associated with a licensee." Respondent Sunergy is a corporation organized under the laws of California, and has listed the following individual as associated personnel which are of record with the Board and not named as respondent herein: Matthew Gary William Dunbar (Dunbar) became an Officer on July 21, 2015 and was removed as Officer on July 27, 2021.

JURISDICTION

7. This Accusation is brought before the Registrar under the authority of the following laws. All section references are to the Business and Professions Code (Code) unless otherwise indicated.

8. 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.

9. 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.

10. 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.

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11. 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.

12. 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.

13. 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

14. Section 7068 of the Code states:

(a) The board shall require an applicant to show the degree of knowledge and experience in the classification applied for, and the general knowledge of the building, safety, health, and lien laws of the state and of the administrative principles of the contracting business that the board deems necessary for the safety and protection of the public.

(b) An applicant shall qualify in regard to his or her experience and knowledge in one of the following ways:

(1) If an individual, he or she shall qualify by personal appearance or by the appearance of his or her responsible managing employee who is qualified for the same license classification as the classification being applied for.

(2) If a partnership or a limited partnership, it shall qualify by the appearance of a general partner or by the appearance of a responsible managing employee who is qualified for the same license classification as the classification being applied for.

(3) If a corporation, or any other combination or organization, it shall qualify by the appearance of a responsible managing officer or responsible managing employee who is qualified for the same license classification as the classification being applied for.

(4) If a limited liability company, it shall qualify by the appearance of a responsible managing officer, a responsible managing manager, responsible managing member, or a responsible managing employee who is qualified for the same license classification as the classification being applied for.

(c) A responsible managing employee for the purpose of this chapter shall mean an individual who is a bona fide employee of the applicant and is actively engaged in the classification of work for which that responsible managing employee is the qualifying person in behalf of the applicant.

(d) The board shall, in addition, require an applicant who qualifies by means of a responsible managing employee under either paragraph (1) or (2) of subdivision (b) to show his or her general knowledge of the building, safety, health, and lien laws of the state and of the administrative principles of the contracting business as the board deems necessary for the safety and protection of the public.

(e) Except in accordance with Section 7068.1, no person qualifying on behalf of an individual or firm under paragraph (1), (2), (3), or (4) of subdivision (b) shall hold any other active contractor's license while acting in the capacity of a qualifying individual pursuant to this section.

(f) At the time of application for renewal of a license, the current qualifying individual shall file a statement with the registrar, on a form prescribed by the registrar, verifying his or her capacity as a qualifying individual to the licensee.

(g) Statements made by or on behalf of an applicant as to the applicant's experience in the classification applied for shall be verified by a qualified and responsible person. In addition, the registrar shall, as specified by board regulation, randomly review a percentage of such statements for their veracity.

(h) The registrar shall review experience gained by applicants from other states to determine whether all of that experience was gained in a lawful manner in that state.

15. Section 7068.1 of the Code states:

(a) The person qualifying on behalf of an individual or firm under paragraph (1), (2), (3), or (4) of subdivision (b) of Section 7068 shall be responsible for exercising that direct supervision and control of his or her employer's or principal's construction operations to secure compliance with this chapter and the rules and regulations of the board. This person shall not act in the capacity of the qualifying person for an additional individual or firm unless one of the following conditions exists:

(1) There is a common ownership of at least 20 percent of the equity of each individual or firm for which the person acts in a qualifying capacity.

(2) The additional firm is a subsidiary of or a joint venture with the first. 'Subsidiary," as used in this subdivision, means any firm at least 20 percent of the equity of which is owned by the other firm.

(3) With respect to a firm under paragraph (2), (3), or (4) of subdivision (b) of Section 7068, the majority of the partners, officers, or managers are the same.

(b) Notwithstanding paragraphs (1) to (3), inclusive, of subdivision (a), a qualifying individual may act as the qualifier for no more than three firms in any one-year period.

(c) The following definitions shall apply for purposes of this section:

(1) "Firm" means a partnership, a limited partnership, a corporation, a limited liability company, or any other combination or organization described in Section 7068.(2) "Person" is limited to natural persons, notwithstanding the definition of "person" in Section 7025.

(d) The board shall require every applicant or licensee qualifying by the appearance of a qualifying individual to submit detailed information on the qualifying individual's duties and responsibilities for supervision and control of the applicant's construction operations.

(e) Violation of this section shall constitute a cause for disciplinary action and shall be punishable as a misdemeanor by imprisonment in a county jail not to exceed six months, by a fine of not less than three thousand dollars ($3,000), but not to exceed five thousand dollars ($5,000), or by both the fine and imprisonment.

16. Section 7083, subdivision (c) of the Code states:

(a) Notwithstanding any other law, licensees shall notify the registrar, on a form prescribed by the registrar, in writing within 90 days of any change to information recorded under this chapter. This notification requirement shall include, but not be limited to, changes in business address, personnel, business name, qualifying individual bond exemption pursuant to Section 7071.9, or exemption to qualify multiple licenses pursuant to Section 7068.1.

(b) Failure of the licensee to notify the registrar of any change to information within 90 days shall cause the change to be effective the date the written notification is received at the board's headquarters office.

(c) Failure to notify the registrar of the changes within the 90 days is grounds for disciplinary action.

17. 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.

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18. Section 7108 of the Code states:

Diversion of funds or property received for prosecution or completion of a specific construction project or operation, or for a specified purpose in the prosecution or completion of any construction project or operation, or failure substantially to account for the application or use of such funds or property on the construction project or operation for which such funds or property were received constitutes a cause for disciplinary action.

19. Section 7109 of the Code states:

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

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

20. Section 7114 of the Code states:

(a) Aiding or abetting an unlicensed person to evade the provisions of this chapter or combining or conspiring with an unlicensed person, or allowing one's license to be used by an unlicensed person, or acting as agent or partner or associate, or otherwise, of an unlicensed person with the intent to evade the provisions of this chapter constitutes a cause for disciplinary action.

(b) A licensee who is found by the registrar to have violated subdivision (a) shall, in accordance with the provisions of this article, be subject to the registrar's authority to order payment of a specified sum to an injured party, including, but not limited to, payment for any injury resulting from the acts of the unlicensed person.

21. Section 7116 of the Code states:

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

22. Section 7117 of the Code states:

Acting in the capacity of a contractor under any license issued hereunder except: (a) in the name of the licensee as set forth upon the license, or (b) in accordance with the personnel of the licensee as set forth in the application for such license, or as later changed as provided in this chapter, constitutes a cause for disciplinary action.

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23. Section 7119 of the Code states:

Willful 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.

24. Section 7120 of the Code states:

Willful or deliberate failure by any licensee or agent or officer thereof, to pay any moneys, when due for any materials or services rendered in connection with his operations as a contractor, when he has the capacity to pay or when he has received sufficient funds therefor as payment for the particular construction work, project, or operation for which the services or materials were rendered or purchased constitutes a cause for disciplinary action, as does the false denial of any such amount due or the validity of the claim thereof with intent to secure for himself, his employer, or other person, any discount upon such indebtedness or with intent to hinder, delay, or defraud the person to whom such indebtedness is due.

25. 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.

26. Section 7122.5 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 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.

27. Section 7154 of the Code states:

(a) A home improvement contractor licensed under this chapter shall notify the registrar in writing, on a form prescribed by the registrar, about the employment of a 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.

(b) A home improvement contractor shall notify the registrar in writing, on a form prescribed by the registrar, when a registered home improvement salesperson ceases to be employed by the contractor. This notification requirement shall include, but not be limited to, the name and registration number of the home improvement salesperson who had been employed by the contractor. The form shall be submitted

within 90 days after the home improvement salesperson ceases to be employed by 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.

(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.

28. Section 7155 of the Code states:

Violation of any provision of this chapter by a home improvement salesperson constitutes cause for disciplinary action. The registrar may suspend or revoke the registration of the home improvement salesperson if he or she is found to be in violation. The disciplinary proceedings shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

29. Section 7159 of the Code states:

(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.

(c) In addition to the specific requirements listed under this section, every home improvement contract and any person subject to licensure under this chapter or his or her agent or salesperson shall comply with all of the following:

…

(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:

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(11) The estimated completion date of the work shall be referenced in the contract in substantially the following form:

(A) The heading: "Approximate Completion Date."
(B) The approximate date of completion.

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30. Section 7159.5 of the Code states:

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, that is licensed or subject to be licensed pursuant to this chapter with regard to the transaction.

(a) Failure by the licensee or a person subject to be licensed under this chapter, or by their agent or salesperson, to comply with the following provisions is cause for discipline:

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(3) If a downpayment will be charged, the downpayment shall not exceed one thousand dollars ($1,000) or 10 percent of the contract amount, whichever amount is less.

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COST RECOVERY, RESTITUTION AND OTHER AUTHORITY

31. 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.

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32. 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.

33. 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.

34. Section 7095 of the Code states:

(a) The decision may:

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

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

(3) Impose upon the licensee compliance with such specific terms and conditions as may be just in connection with the licensee's operations as a contractor disclosed at the hearing and may further provide that until those terms and conditions are complied with no application for restoration of the suspended or revoked license shall be accepted by the registrar.

(4) (A) Provide for the stay of execution of the decision pending completion of specified terms and conditions of probation.

(B) Failure to fully comply with the terms and conditions of probation set pursuant to subparagraph (A) may result in automatic termination of the stay of execution without further notice. If a stay of execution is terminated pursuant to this subparagraph, the decision shall be considered a disciplinary action within the meaning of this chapter.

(b) The specific terms and conditions imposed pursuant to paragraph (3) or (4) of subdivision (a) may include, but are not limited to, any of the following:

(1) Payment of restitution to persons injured as a result of the violation.

(2) Payment of the costs of investigation and enforcement pursuant to Section 125.3.

(3) Enrollment in, and completion of, specified administrative or trade-specific coursework.

(4) Successful completion of the board's law and business examination or trade examination, as appropriate.

(5) Any further terms and conditions as are set forth for specified violations in the board's disciplinary guidelines in Section 871 of Title 16 of the California Code of Regulations.

35. 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.

36. 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.

37. 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.
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> 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.
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> 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:
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> (a) The gravity of the violation.
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> (b) The history of previous violations.
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> (c) Criminal convictions.
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> 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

ALHAMBRA PROJECT

38. On March 2, 2020, homeowner M.H.L. (the homeowner) entered into a written home improvement contract with Respondent Sunergy to provide and install 15 Hanwha Q-cell x 315 roof-mounted solar panels and one SolarEdge monitoring inverter box for new solar system at the M.H.L. home located on S. Sierra Vista Avenue in Alhambra, California (Alhambra project), for the contract price of $24,400. The contract was deficient in certain respects as it did not contain required language and notices, and failed to include an approximate completion date of the Alhambra project. The contract was sold by Respondent Sunergy's registered salesperson Sherry

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Marie Farrell, Home Improvement Registration #112185 SP. The homeowner obtained a loan from LoanPal (LoanPal) to finance the project.

39. Work began on or about May 20, 2020, after Respondent Sunergy obtained two separate permits from the City of Alhambra Building Division for the solar installation and for an electrical permit. Respondent Sunergy failed to include the project's approximate completion date in the contract. Work was last performed by Respondent Sunergy on or about September 17, 2020, when the City of Alhambra Building Division signed off/finalized the two permits. Respondent Sunergy was paid in full at this time by LoanPal. Respondent Salazar, the responsible managing officer for the B classification, and Respondent Lepiz, the responsible managing officer for the C-10 classification, failed to exercise direct supervision and control of the Alhambra project, and operated during the Alhambra project with undisclosed personnel, including Jonathan Dale Mitchell.

40. The homeowner experienced a roof leak after the solar panel installation by Respondent Sunergy and hired an unlicensed contractor for the roof leak repair for the amount of $2,500. The roof leak repair was completed in or about November of 2023. A financial injury was not determined because of the unlicensed status of the repair contractor.

FIRST CAUSE FOR DISCIPLINE

(Failure of Qualifier to Exercise Direct Supervision – Respondent Sunergy)

41. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7068.1, in that on the Alhambra project, Respondent Alberto Salazar failed to exercise direct supervision and control of the solar panel installation project, as is more fully detailed at paragraphs 38 through 40, which are incorporated here by this reference.

SECOND CAUSE FOR DISCIPLINE

(Failure of Qualifier to Exercise Direct Supervision – Respondent Sunergy)

42. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7068.1, in that on the Alhambra project, Respondent Gilberto Lepiz failed to exercise direct supervision and control of the solar panel installation project, as is more fully detailed at paragraphs 38 through 40, which are incorporated here by this reference.

THIRD CAUSE FOR DISCIPLINE

(Violation of the Home Improvement Contract Provisions – Respondent Sunergy)

43. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7159, subdivision (d)(11)(B), in that Respondent Sunergy failed to include the approximate date of completion work in the Alhambra project contract, as is more fully detailed at paragraphs 38 through 40, which are incorporated here by this reference.

FOURTH CAUSE FOR DISCIPLINE

(Undisclosed Personnel – Respondent Sunergy)

44. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7117, subdivision (b), in that Respondent Sunergy acted in the capacity of a contractor with personnel, Respondent Jonathan Dale Mitchell, who was not listed in the records of the Registrar as then associated with it, as is more fully detailed at paragraph 3, which is incorporated here by this reference. .

MORENO VALLEY PROJECT

45. On November 24, 2020, M.C. (the homeowner) entered into a written home improvement contract with Respondent Sunergy to provide and install a 4.8kW solar system with 15 rooftop Hanwha – Q Cells solar panels and one SolarEdge HD-Wave inverter with power optimizers, including monitoring at the homeowner's home located on Basil Court in Moreno Valley, California, for the contract price of $17,000. Salesperson V.M. negotiated the contract over the telephone and the contract was *Docusigned* through e-mail correspondence by the parties, and registered salesperson T.D. signed the contract on behalf of Respondent Sunergy. Also, on the same date, and before the job commenced, the homeowner issued Respondent Sunergy a cash payment in full in the amount of $17,000. Respondent requested and accepted a progress payment in excess of work performed or material delivered. Prior to the contract date, Respondent Sunergy obtained building permit #BON20-0784 from the City of Moreno Valley Building & Safety Division.

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46. Work commenced on or about January 4, 2021, when Respondent Sunergy delivered solar materials and equipment. The project was substantially completed two days later, on or about January 6, 2021. Respondent Sunergy performed touch-up work in early May 2021, to get the Power to Operate (PTO). On May 14, 2021, a City of Moreno Valley inspector finalized Permit #BON20-0784.

47. The homeowner's solar system did not produce the proper amount of energy from May 2023 through July 2023, and attempts to reach Respondent Sunergy to have Respondent Sunergy honor the 25-year warranty met with negative results. The homeowner reached out to SolarEdge Support, who replaced the homeowner's solar inverter at no charge because it was under warranty, and SolarEdge provided the homeowner with a link to search for SolarEdge's preferred installers. The homeowner selected Dunbar Construction, Inc. to check/troubleshoot the solar system and install the inverter, for the contract price of $362.25. The inverter installation was completed by Dunbar Construction, Inc. in August of 2023.

FIFTH CAUSE FOR DISCIPLINE

(Failure of Qualifier to Exercise Direct Supervision – Respondent Sunergy)

48. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7068.1, in that on the Moreno Valley project, Respondent Gilberto Lepiz failed to exercise direct supervision and control of the solar panel installation project, as is more fully detailed at paragraphs 45 through 47, which are incorporated here by this reference.

SIXTH CAUSE FOR DISCIPLINE

(Failure to Notify of Personnel Change – Respondent Sunergy)

49. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7083, subdivision (c), in that Respondent Sunergy failed to notify the Registrar of a change in the personnel of the corporation within 90 days, as required by Code section 7083, subdivision (a), after Respondent Jonathan Dale Mitchell became an officer of the corporation, as more fully detailed at paragraph 3, which is incorporated here by this reference.

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SEVENTH CAUSE FOR DISCIPLINE

(Undisclosed Personnel – Respondent Sunergy)

50. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7117, subdivision (b), in that Respondent Sunergy acted in the capacity of a contractor with personnel, Jonathan Dale Mitchell, who was not listed in the records of the Registrar as then associated with it, as is more fully detailed at paragraph 3, which is incorporated here by this reference.

EIGHTH CAUSE FOR DISCIPLINE

(Violation of the Home Improvement Contract Provisions – Respondent Sunergy)

51. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7159, subdivision (a)(3), in that on the Moreno Valley project, Respondent requested and accepted the amount of $17,000 as a down payment, an amount in excess of work performed or material delivered, as is more fully detailed at paragraphs 45 through 47, which are incorporated here by this reference.

RIALTO PROJECT

52. On June 27, 2022, J.J. and M.C. (the homeowners) entered into a written home improvement contract with Respondent Sunergy to provide and install a 11.06kW solar system with 28 rooftop Hanwha – Q Cells solar panels and one (1) SolarEdge HD-Wave Inverter with 28 Power optimizers, GMS Monitoring chip, HVAC system, and roof work at the J.J./M.C. residence located on E. Winchester Drive in Rialto, California, for the contract price of 82,700. The contract was sold by home improvement salespeople Remy Jordan Levine, H.I.S. Registration No. 108933 SP, and Christopher R. Ortiz, H.I.S. Registration No. 145302 SP.

53. On September 6, 2022, the City of Rialto, Building & Safety Division, issued building Permit #BLD22-2233, and work commenced on the Rialto project or about September 12, 2022, by Voltaic Construction, LLC, CSLB License #1096383, Respondent Sunergy's subcontractor. Voltaic Construction, LLC completed the Rialto project in or about early November 2022. Prior to the commencement of the project, the homeowners obtained financing for the entire project through Goodleap LLC. On November 23, 2022, Respondent

Sunergy was paid in full the amount of $82,700 directly by Goodleap LLC after the Rialto project was completed.

54. In or about early March 2023, the homeowners received a notice from the material supplier, Consolidated Electrical Distributors, Inc., dba Greentech Renewables (CED), stating CED was still owed $17,398.85 for electrical equipment, solar power equipment, and related building material. Respondent Sunergy failed to pay material supplier Consolidated Electrical Distributors, Inc. (CED) the amount of $17,398.86 for material and services, after having received enough funds to do so by the homeowners through GoodLeap LLC. CED filed a lawsuit against L.J., the complainant, homeowners J.J., M.C., and V.C.J., for the amount of $17,398.85, because of Respondent Sunergy's failure to pay CED for material and services, in the San Bernardino Superior Court, Case #CIVSB2227238. The next hearing is scheduled for November 15, 2024, in the San Bernardino Superior Court. A financial injury was not determined because of the current civil litigation.

NINTH CAUSE FOR DISCIPLINE

(Failure of Qualifier to Exercise Direct Supervision – Respondent Sunergy)

55. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7068.1, in that on the Rialto project, Respondent's RMO Andres Lopez, failed to exercise direct supervision and control of the solar panel installation project, as is more fully detailed at paragraphs 52 through 54, which are incorporated here by this reference.

TENTH CAUSE FOR DISCIPLINE

(Failure to Exercise Direct Supervision – Respondent Sunergy)

56. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7068.1, in that on the Rialto project, Respondent's RMO Gilberto Lepiz failed to exercise direct supervision and control of the solar panel installation project, as is more fully detailed at paragraphs 52 through 54, which are incorporated here by this reference.

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ELEVENTH CAUSE FOR DISCIPLINE

(Failure to Notify of Personnel Change – Respondent Sunergy)

57. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7083, subdivision (c), in that Respondent Sunergy failed to notify the Registrar of a change in the personnel of the corporation within 90 days, as required by Code section 7083, subdivision (a), after Respondent Jonathan Dale Mitchell became an officer of the corporation, as more fully detailed at paragraph 3, which is incorporated here by this reference.

TWELFTH CAUSE FOR DISCIPLINE

(Undisclosed Personnel – Respondent Sunergy)

58. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7117, subdivision (b), in that Respondent Sunergy acted in the capacity of a contractor with personnel, Jonathan Dale Mitchell, who was not listed in the records of the Registrar as then associated with it, as is more fully detailed at paragraph 3, which is incorporated here by this reference.

THIRTEENTH CAUSE FOR DISCIPLINE

(Failure to Pay for Material and Services After Receiving Enough Funds - Respondent Sunergy)

59. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7120, in that Respondent Sunergy failed to pay material and equipment supplier CED the amount of $17,398.85 after Respondent Sunergy received from the homeowners, through their finance company GoodLeap LLC, enough funds to do so, as is more fully detailed at paragraphs 52 through 54, which are incorporated here by this reference.

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APPLE VALLEY PROJECT

60. On August 15, 2022, P.R.B. (the homeowner) entered into a written home improvement contract with Respondent Sunergy to provide and install 13 rooftop Canadian Solar 400 watt panels with system monitoring at the homeowner's home located on Central Road in Apple Valley, California, for the contract price of $14,000, which included site survey, designs, plans, permits, engineering, city inspection, and inverter. The contract was sold by Respondent Sunergy's registered home improvement salesperson Anthony A. Amplayo, H.I.S. registration #104922 SP. On or about September 12, 2022, the Town of Apple Valley Building and Safety Division issued Respondent Sunergy the solar permit for the Apple Valley project.

61. Work began on September 29, 2022, at which time the homeowner issued Respondent Sunergy a $1,000 wire transfer as a deposit. On the same date, and after Respondent Sunergy completed the 13 rooftop Canadian Solar 400-watt panel on the rear of the Apple Valley home, and connected the new solar system with the homeowner's existing 24-solar panel system, the homeowner issued another wire transfer in the amount of $9,750 to pay for the material, equipment, and as a progress payment.

62. On September 30, 2022, Respondent Sunergy completed the solar project installation at the Apple Valley project. On October 3, 2022, the City Inspector for the Town of Apple Valley, finalized the solar permit. On October 11, 2022, Southern California Edison issued Power To Operate (PTO) and the solar system began operating as intended. On October 12, 2022, the homeowner issued Respondent Sunergy a final wire transfer payment in the amount of $3,250 upon project completion, for a total full contract price payment to Respondent Sunergy of $14,000.

63. On or about November 23, 2022, the homeowner received a Mechanic's Lien notice from Consolidated Electrical Distributors, dba Greentech Renewables (GED), the provider of equipment and material for the Apple Valley solar project, which included modules, inverters, racking, and BOS (wire, conduit, etc.), in the amount of $9,724.01, under San Bernardino County Assessor-Recorder-County Clerk Mechanic's Lien #2022-038013, because of Respondent

Sunergy's failure to pay the (GED) for material and equipment after the homeowner paid Respondent Sunergy enough funds to do so. A hearing is set in the San Bernardino Superior Court for August 29, 2024. A financial injury was not determined because of the pending civil litigation.

FOURTEENTH CAUSE FOR DISCIPLINE

(Failure of Qualifier to Exercise Direct Supervision – Respondent Sunergy)

64. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7068.1, in that on the Apple Valley project, Respondent's RMO Andres Lopez, failed to exercise direct supervision and control of the solar panel installation project, as is more fully detailed at paragraphs 60 through 63, which are incorporated here by this reference.

FIFTEENTH CAUSE FOR DISCIPLINE

(Failure of Qualifier to Exercise Direct Supervision – Respondent Sunergy)

65. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7068.1, in that on the Apple Valley project, Respondent's RMO Gilberto Lepiz failed to exercise direct supervision and control of the solar panel installation project, as is more fully detailed at paragraphs 60 through 63, which are incorporated here by this reference.

SIXTEENTH CAUSE FOR DISCIPLINE

(Failure to Notify of Personnel Change – Respondent Sunergy)

66. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7083, subdivision (c), in that on the Apple Valley project, Respondent Sunergy failed to notify the Registrar of a change in the personnel of the corporation within 90 days, as required, after Respondent Jonathan Dale Mitchell became an officer of the corporation, as more fully detailed at paragraph 3, which is incorporated here by this reference.

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SEVENTEENTH CAUSE FOR DISCIPLINE

(Undisclosed Personnel – Respondent Sunergy)

67. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7117, subdivision (b), in that on the Apple Valley project, Respondent Sunergy acted in the capacity of a contractor with personnel, Jonathan Dale Mitchell, who was not listed in the records of the Registrar as then associated with it, as is more fully detailed at paragraph 3, which is incorporated here by this reference.

EIGHTEENTH CAUSE FOR DISCIPLINE

(Failure to Pay for Material and Services After Receiving Enough Funds - Respondent Sunergy)

68. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7120, in that on the Apple Valley project, Respondent Sunergy failed to pay material and equipment supplier CED the amount of $9,724.01 after Respondent Sunergy received from the homeowners, through their finance company GoodLeap LLC, enough funds to do so, as is more fully detailed at paragraphs 60 through 63, which are incorporated here by this reference.

FALLBROOK PROJECT

69. On May 10, 2022, W.A.L. (the homeowner) entered into a written home improvement contract with Respondent Sunergy for the installation of a 975kW roof-mounted solar array with 25 panels, with main electrical panel upgrade and EV charger at the homeowner's home located on Sunny Hill Court in Fallbrook, California, for the contract price of $44,740. The contract was sold by registered home improvement salesperson Lisa B. Logback (Respondent Logback), Home Improvement Registration No. 111177, an unreported salesperson for Respondent Sunergy. Respondent Logback identified herself as a representative of Voltaic, LLC when negotiating the contact with the homeowner. Respondent Logback failed to provide the homeowner with a copy of the contract on the same date the contract was entered into, and later e-mailed the homeowner a copy of the contract to the homeowner under Respondent Sunergy's letterhead, and included in the e-mail an additional document under the letterhead of

unlicensed contractor at the time, Voltaic Construction LLC (Voltaic), which indicated the contract was e-signed by personnel of unlicensed contractor Voltaic. Respondent Logback aided and abetted unlicensed contractor Voltaic. The homeowner did not know at the time that Respondent Sunergy and Voltaic were not the same company. Respondent failed to notify the Registrar of Respondent Logback's employment, and aided and abetted unlicensed contractor Voltaic.

70. In or about September of 2022, Respondent Logback contacted the homeowner to inform him that the terms of the contract needed to be changed and told the homeowner that the project would cost the homeowner an additional $11,700 to have the main panel upgraded per necessary requirements from SDG&E, and to add an EV Charger. The original contract already included the main electrical panel upgrade but did not include the EV Charger. The homeowner never received anything in writing from Respondents Sunergy, Logback, or from unlicensed contractor Voltaic explaining the additional SDG&E requirements. The homeowner agreed to cancel the original contract of May 10, 2022, and agreed to a second contract on September 12, 2022, in the amended amount of $56,440. Both Respondent Logback and the homeowner signed the contract documents, and the homeowner later received a copy by e-mail.

71. The project commenced on October 5, 2022. On the same date, the homeowner made three (3) separate payments to Respondent Sunergy totaling $43,380, as follows: $15,525 via Mastercard; $15,525 via VISA, and $12,330 via personal check No. 2867.

72. Work was last performed on the Fallbrook project on December 7, 2022, at which time Sunergy billed the homeowner the amount of $13,110. The homeowner paid Respondent Sunergy the final billing of $13,110 on December 7, 2022 via personal check No. 2871, and only then, did the homeowner receive permission to operate the solar system. The homeowner did not realize until after he paid Respondent Sunergy the remaining balance that the homeowner had been overbilled $3,050 by Respondent Sunergy, for a total payment to Sunergy by the homeowner of $59,490, not $56,440 per the amended contract of October 7, 2022.

73. As soon as the final payment was cashed, the homeowner asked Respondent Sunergy's staff for a lien release, and the homeowner was informed by Respondent Sunergy's

staff that the homeowner would receive the lien release within 48 hours. The homeowner never received the lien release from Respondent Sunergy, and Respondent Sunergy stopped all communication with the homeowner and ignored the homeowner's requests for the lien release.

74. The homeowner later received a certified letter from Greentech Renewables (Greentech) notifying the homeowner that Greentech had not been paid by Respondent Sunergy the amount of $13,432.13 for solar materials. After several calls by the homeowner to Respondent Sunergy and getting the run-around by Respondent Sunergy's staff, the homeowner got a hold of the "owner" of Respondent Sunergy, Jonathan Mitchell (Respondent Mitchell). Respondent Mitchell identified himself to the homeowner as the owner of Sunergy and Respondent Mitchell reassured the homeowner that Sunergy would pay Greentech directly and money owed to Greentech and Mitchell directed the homeowner not to make the $13,432.13 payment to Greentech to avoid the Mechanic's Lien. Respondent Mitchell told the homeowner, "We will take care of it." The homeowner believed Respondent Mitchell, as the homeowner had already made a considerable overpayment to Respondent Sunergy over the price of the contract. Greentech later filed a mechanic's lien against the homeowner's Fallbrook property in the amount of $13,432.13. Respondent Sunergy failed to pay Greentech $13,432.13 after having received $59,490 from the homeowner, who actually accidentally overpaid Respondent Sunergy by $3,050, and never received a refund from Respondent Sunergy of the overpayment. Respondent Sunergy diverted funds paid to Respondent Sunergy by the homeowner, and failed to pay for materials or services after having received enough funds to do so by the homeowner.

75. The homeowner continued to receive letters from Greentech about the money owed to them. A representative of Greentech advised the homeowner to contact the CSLB and Respondent Sunergy's bond company. The homeowner filed a claim with Respondent Sunergy's bond, which was denied because the $15,000 bond was going to be paid to Greentech. On or about November 22, 2022, Greentech filed a Mechanic's Lien against the homeowner's Fallbrook property, and the homeowner was forced to pay Greentech the $13,432.13, via personal check No. 2886. The homeowner was also forced to hire and pay an attorney $360 for assistance with the release of the mechanic's lien by Greentech. Respondents Lepiz and Lopez, as responsible

managing officers of Respondent Sunergy, failed to exercise direct supervision and control of the Fallbrook project.

76. The financial injury was determined to be $16,842.13.

NINETEENTH CAUSE FOR DISCIPLINE

(Failure of Qualifier to Exercise Direct Supervision – Respondent Sunergy)

77. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7068.1, in that on the Fallbrook project, Respondent's RMO Andres Lopez, failed to exercise direct supervision and control of the solar panel installation project, as is more fully detailed at paragraphs 69 through 76, which are incorporated here by this reference.

TWENTIETH CAUSE FOR DISCIPLINE

(Failure of Qualifier to Exercise Direct Supervision – Respondent Sunergy)

78. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7068.1, in that on the Fallbrook project, Respondent's RMO Gilberto Lepiz failed to exercise direct supervision and control of the solar panel installation project, as is more fully detailed at paragraphs 69 through 76, which are incorporated here by this reference.

TWENTY-FIRST CAUSE FOR DISCIPLINE

(Diversion or Misapplication of Funds – Respondent Sunergy)

79. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7108, in that on the Fallbrook project, Respondent Sunergy diverted funds when Respondent Sunergy received $59,490 from the homeowner, an amount in excess of the contract price, and failed to pay material supplier Greentech the amount of $13,432.13, resulting in a mechanic's lien against the homeowner by Greentec, as is more fully detailed at paragraphs 69 through 76, which are incorporated here by this reference.

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TWENTY-SECOND CAUSE FOR DISCIPLINE

(Aided and Abetted Unlicensed Contractor – Respondent Sunergy)

80. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7114, subdivision (a), in that on the Fallbrook project, Respondent Sunergy aided and abetted unlicensed contractor Voltaic, as is more fully detailed at paragraphs 69 through 76, which are incorporated here by this reference.

TWENTY-THIRD CAUSE FOR DISCIPLINE

(Aiding and Abetting Unlicensed Contractor – Respondent Logback)

81. Respondent Logback has subjected her home improvement salesperson registration to disciplinary action under Code sections 7155/7114, subdivision (a), in that on the Fallbrook project, Respondent Logback aided and abetted unlicensed contractor Voltaic, as is more fully detailed at paragraphs 69 through 76, which are incorporated here by this reference.

TWENTY-FOURTH CAUSE FOR DISCIPLINE

(Failure to Notify of Personnel Change – Respondent Sunergy)

82. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7083, subdivision (c), in that on the Fallbrook project, Respondent Sunergy failed to notify the Registrar of a change in the personnel of the corporation within 90 days, as required by Code section 7083, subdivision (a), after Respondent Jonathan Dale Mitchell became an officer of the corporation, as more fully detailed at paragraph 3, which is incorporated here by this reference.

TWENTY-FIFTH CAUSE FOR DISCIPLINE

(Undisclosed Personnel – Respondent Sunergy)

83. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7117, subdivision (b), in that on the Fallbrook project, Respondent Sunergy acted in the capacity of a contractor with personnel, Jonathan Dale Mitchell, who was not listed in the records of the Registrar as then associated with it, as is more fully detailed at paragraph 3, which is incorporated here by this reference.

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TWENTY-SIXTH CAUSE FOR DISCIPLINE

(Failure to Pay for Material and Services After Receiving Enough Funds - Respondent Sunergy)

84. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7120, in that on the Fallbrook project, Respondent Sunergy failed to pay material and equipment supplier CED the amount of $17,398.85 after Respondent Sunergy received from the homeowners, through their finance company GoodLeap LLC, enough funds to do so, as is more fully detailed at paragraphs 69 through 76, which are incorporated here by this reference.

TWENTY-SEVENTH CAUSE FOR DISCIPLINE

(Failed to Notify Registrar of Employment of Salesperson – Respondent Sunergy)

85. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7154, in that on the Fallbrook project, Respondent failed to report the employment of Home Improvement Salesperson Lisa B. Logback, H.I.S. #111177 SP, prior to Respondent Logback selling the Fallbrook project contract, as is more fully detailed at paragraphs 69 through 76, which are incorporated here by this reference.

NEWBERRY SPRINGS PROJECT

86. On January 11, 2023, M.C.F. (the homeowner) entered into a written home improvement contract with Respondent Sunergy to provide and install 14 Canadian Solar 395-watt solar panels to be ground-mounted at the homeowner's home located in Newberry Springs, California, for the contract price of $26,544.00, which included site survey, designs, plans, permits, engineering, city inspection, one SolarEdge inverted, and MSP upgrade 200A at no additional cost per the contract, a 25-year production warranty through the manufacturer, and a 12-year warranty on the inverter. The new solar system was to be connected to the homeowner's existing 13-solar panel system that is also ground-mounted. The contract was sold by Respondent Sunergy's home improvement salesperson Brian V. Kocher, Home Improvement Salesperson Registration No. 115858 SP. On the same date, the homeowner issued Respondent Sunergy a deposit in the amount of $1,000.

87. The homeowner attempted to obtain a copy of the manufacturer's written warranty from Respondent Sunergy which stated that the new Canadian solar would warranty the ground-mounted solar system. Respondent Sunergy failed to produce the written warranty. The homeowner received the run-around from Respondent Sunergy's staff regarding the production of the written manufacturer warranty, and the homeowner later independently confirmed that the manufacturer's warranty did not apply to ground-mounted solar systems, only to roof-mounted solar systems. Respondent Sunergy committed a wilful or fraudulent act injuring the homeowner when Respondent Sunergy represented a ground mounted solar panel was eligible for a 25-year warranty by the manufacturer, when in fact, the manufacturer's 25-year warranty only applied to roof-mounted solar panels.

88. On or about February 19, 2023, the homeowner was informed by H.I.S. salesperson, Brian Kocher, that Respondent Sunergy would provide all documentation regarding the warranty "when the system was installed/completed, to include the warranty documents and how to file a claim." This was unacceptable to the homeowner and the homeowner cancelled the contract and requested that the $1,000 deposit be refunded. Respondent refused to refund the $1,000 deposit to the homeowner and received what the homeowner perceived was a veiled threat of a 25% penalty for cancelling the contract from Respondent Sunergy's representative.

89. Respondent Sunergy committed a wilful and fraudulent act against the homeowner when it hid and delayed the production of the manufacturer's warranty that would confirm the homeowner's ground-mounted solar system would not fall under the manufacturer's 25-year warranty because it was not a roof-mounted system, and because Respondent refused to refund the homeowner the $1,000 deposit. Respondent Sunergy abandoned the Newberry Springs project without legal excuse when Respondent Sunergy did not comply with the scope of work and installation of the new Canadian solar system with a 25-year manufacturer warranty per the contract, and failed to refund the homeowner the $1,000 deposit. .

90. Respondents Lopez and Lepiz, as the responsible managing officers of Respondent Sunergy, failed to exercise supervision and control of the Newberry Springs project.

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TWENTY-EIGHTH CAUSE FOR DISCIPLINE

(Failure to Exercise Direct Supervision – Respondent Sunergy)

91. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7068.1, in that on the Newberry Springs project, Respondent's RMO Andres Lopez, failed to exercise direct supervision and control of the solar panel installation project, as is more fully detailed at paragraphs 86 through 90, which are incorporated here by this reference.

TWENTY-NINTH CAUSE FOR DISCIPLINE

(Failure to Exercise Direct Supervision – Respondent Sunergy)

92. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7068.1, in that on the Newberry Springs project, Respondent's RMO Gilberto Lepiz failed to exercise direct supervision and control of the solar panel installation project, as is more fully detailed at paragraphs 86 through 90, which are incorporated here by this reference.

THIRTIETH CAUSE FOR DISCIPLINE

(Abandonment - Respondent Sunergy)

93. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7107, in that Respondent Sunergy abandoned the Newberry Springs project without legal excuse, by failing to prosecute the project, to include a 25-year manufacturer warranty on the solar system per the contract, as is more fully detailed at paragraphs 86 through 90, which are incorporated here by reference.

THIRTY-FIRST CAUSE FOR DISCIPLINE

(Failure to Notify of Personnel Change – Respondent Sunergy)

94. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7083, subdivision (c), in that on the Newberry Springs project, Respondent Sunergy failed to notify the Registrar of a change in the personnel of the corporation within 90 days, as required by Code section 7083, subdivision (a), after Respondent Jonathan Dale Mitchell became an officer of the corporation, as more fully detailed at paragraph 3, which is incorporated here by this reference.

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THIRTY-SECOND CAUSE FOR DISCIPLINE

(Wilful or Fraudulent Act Injuring Another – Respondent Sunergy)

95. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7116, in that Respondent Sunergy committed a wilful and fraudulent act against the homeowner, as is more fully detailed at paragraphs 86 through 90, which are incorporated here by this reference.

THIRTY-THIRD CAUSE FOR DISCIPLINE

(Undisclosed Personnel – Respondent Sunergy)

96. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7117, subdivision (b), in that on the Newberry Springs project, Respondent Sunergy acted in the capacity of a contractor with personnel, Jonathan Dale Mitchell, who was not listed in the records of the Registrar as then associated with it, as is more fully detailed at paragraph 3, which is incorporated here by this reference.

EL CENTRO PROJECT

97. On March 6, 2022, homeowner A.W. (the homeowner) entered into a written home improvement contract with Respondent Sunergy to complete the installation of an 8.280kW roof-mounted solar array at his residence located on Evans Hewes Highway in El Centro, California (El Centro project) for the contract price of $43,000. The contract was electronically signed by the homeowner and Respondent Sunergy's unregistered salesperson, JCM, and the project was funded by a personal financing loan. The homeowner found that the screen when signing the contract was very small, and could not read what he signed. Respondent Sunergy failed to provide the homeowner with a written copy of the contract, signed by both parties, and employed unregistered salesperson JCM to sell the El Centro project who, according to the homeowner, showed up with a Respondent Sunergy logo on his shirt and truck, which made the homeowner comfortable about the connection between the salesperson and Respondent Sunergy being lawful. The homeowner applied for the solar system with Imperial Irrigation District (IID), and the permit was issued on May 12, 2022.

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98. Work commenced in or about April 2022. In or about Mid-May 2022, Respondent Sunergy sent a laborer to dig the trench for the electrical connection. In September of 2022, the homeowner received permission to operate the solar array through the Imperial Irrigation District (IID). After completion of the installation of the solar panel at the El Centro project, and before the final inspection by the City, Respondent Sunergy's electrical worker hid the exposed wires to the panel so that the system could pass inspection, and stated to the homeowner that the worker had just "dummy rigged it" to get the system passed, which concerned the homeowner. Work was last performed on the El Centro project in October 2022, at which time Respondent Sunergy was paid in full $43,000 through the homeowner's financial institution.

99. After the system was turned on in October of 2022, it produced some energy for the first month, but not the energy that the homeowner was guaranteed per the contract. Some months, the system did not generate any energy. The homeowner stated that unregistered salesperson JCM promised the homeowner that the number of panels the homeowner paid $43,000 for would offset the homeowner's total bill, down to almost zero, and this proved to not be the case.

100. JCM identified the owners of Respondent Sunergy as Jonathan Mitchell (Respondent Mitchell) and Mathew Dunbar (Dunbar). JCM provided the homeowner with Respondent Mitchell's and Dunbar's personal telephone numbers after the homeowner demanded this information from JCM, and after the solar system failed to provide the homeowner's property with the energy generation guaranteed per the contract. The homeowner spoke with both Respondent Mitchell and Dunbar to try to resolve the problem, and the homeowner was told by both Respondent Mitchell and Dunbar that they would "look into it," but the homeowner never heard back from either Respondent Mitchell or former officer Dunbar, and no one came to the El Centro project to look into the problem.

101. After the homeowner filed a complaint with the Better Business Bureau (BBB) and the Contractors' State License Board (CSLB), a worker from Respondent Sunergy, "D," came to look at the El Centro Project's solar system and told the homeowner that "D" needed to talk with IID and that he would get back to the homeowner, however, the homeowner never heard back

from "D" nor anyone else representing Respondent Sunergy. After months of calling Respondent Sunergy and not receiving a response, the homeowner called JCM, who informed the homeowner that JCM no longer worked for Respondent Sunergy, and that if the homeowner wanted JCM to look at the El Centro Project's solar system, the homeowner would have to pay JCM $1,500. JCM further informed the homeowner that Respondent Sunergy went out of business and that the homeowner no longer had a valid warranty and would need to pay extra for "troubleshooting." The homeowner declined to pay extra for JCM's inspection.

102. The investigation revealed that qualifier Gilberto Lepiz (Respondent Lepiz), the qualifier for the C10 (electrical) classification, and Andres Lopez (Respondent Lopez), the qualifier for the B (general building contractor) classification, failed to have direct knowledge and participation of the El Centro project.

103. On or about July 20, 2023 and July 25, 2023, a Board investigator contacted Respondent Mitchell to discuss the details of the complaint and Respondent Mitchell only wanted to talk about a new application of Respondent Mitchell to CSLB.

104. On or about August 16, 2023, Respondent Lepiz was interviewed by a Board investigator regarding the El Centro project. Respondent Lepiz admitted to having no knowledge of the El Centro project, and to having provided no supervision and/or control of the project.

105. On November 15, 2023, a Board industry expert inspected the El Centro project and concluded that Respondent Sunergy failed to complete the project per accepted industry standards and that it would cost the homeowner $900 to correct and complete the El Centro project. The financial injury was determined to be $900.

THIRTY-FOURTH CAUSE FOR DISCIPLINE

(Failure of Qualifier to Exercise Direct Supervision – Respondents Sunergy)

106. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7068.1, in that its responsible managing officers, Respondent Lepiz, failed to exercise direct supervision and control of the El Centro project, as is more fully detailed at paragraphs 97 through 105, which are incorporated here by this reference.

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THIRTY-FIFTH CAUSE FOR DISCIPLINE

(Failure of Qualifier to Exercise Direct Supervision – Respondents Sunergy)

107. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7068.1, in that its responsible managing officers, Respondent Lopez, failed to exercise direct supervision and control of the El Centro project, as is more fully detailed at paragraphs 97 through 105, which are incorporated here by this reference.

THIRTY-SIXTH CAUSE FOR DISCIPLINE

(Departure From Industry Standards – Respondent Sunergy)

108. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7109, subdivision (a), in that on the El Centro project, Respondent departed from accepted trade standards, as is more fully detailed at paragraphs 97 through 105, which are incorporated here by reference, as follows:

a. The wires in the AC disconnect switch are damaged by "ringing." The conductors should be secured on the disconnect switch.

b. Measurement of DC string voltage from the optimizers on the roof should be approximately 450VDC. Voltage measured at 369.8VDC. Reduction in production is the result of defective power optimizers attached to each solar panel or programming.

c. Measurement of power output of the solar array should be 4320kWH. Power output measured at 3.2kWh. Reduction in production is the result of defective power optimizers attached to each solar panel or programming.

THIRTY-SEVENTH CAUSE FOR DISCIPLINE

(Employed Unregistered Home Improvement Salesperson – Respondent Sunergy)

109. Respondent Sunergy has subjected its contractor's license to disciplinary action under Code section 7154, in that on the El Centro project, Respondent Sunergy employed unregistered salesperson JCM to sell the project contract, as is more fully detailed at paragraphs 97 through 105, which are incorporated here by this reference.

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THIRTY-EIGHTH CAUSE FOR DISCIPLINE

(Failed to Provide Copy of Written Contract to Homeowner – Respondent Sunergy)

110. Respondent Sunergy has subjects its contractor's license to disciplinary action under Code section 7159, subdivision (d), in that on the El Centro project, Respondent Sunergy failed to provide a written, signed contract to the homeowner prior to the commencement of work, as is more fully detailed at paragraphs 97 through 105, which are incorporated here by this reference.

DISCIPLINARY CONSIDERATIONS

111. To determine the degree of discipline, if any, to be imposed on Respondent, Complainant alleges the following:

a. On or about December 10, 2021, in a prior action, the Contractors' State License Board issued Citation Number 2 2021 001575 against Respondent Sunergy for violation of Code sections 7154(c) (failure to report to the registrar employment of registered home improvement salesperson), and 7159.5(a)(5) (requesting and accepting progress payments in excess of work performed or material delivered). The Citation is completed and final.

b. On or about May 6, 2021, in a prior action, the Contractor's State License Board issued Citation Number 2 2020 001671 against Respondent Sunergy for violation of Code sections 7068.1 (failure of qualifier to exercise direct supervision and control of project), 7117(b) (license personnel variation), and 7161(b) (misrepresentation to obtain contract). The Citation is completed and final.

CAUSES FOR OTHER ACTION

FIRST CAUSE FOR OTHER ACTION

(Restrictions on Qualifier – Respondent Andres Lopez)

112. Pursuant to section 7121.5 of the Code, if license number 1005730 issued to Respondent Sunergy Construction, Inc. is revoked or suspended, Respondent Andres Lopez 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 Andres Lopez other than as a bona fide nonsupervising employee shall be subject to disciplinary action.

SECOND CAUSE FOR OTHER ACTION

(Restrictions on Qualifier – Respondent Gilberto Lepiz)

113. Pursuant to Code section 7121.5, if license number 1005730 issued to Respondent Sunergy Construction, Inc. is revoked or suspended, Respondent Gilberto Lepiz 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 Gilberto Lepiz other than as a bona fide nonsupervising employee shall be subject to disciplinary action.

THIRD CAUSE FOR OTHER ACTION

(Restrictions on Qualifier - Respondent Alberto Salazar)

114. Pursuant to Code section 7121.5, if license number 1005730 issued to Respondent Sunergy Construction, Inc. is revoked or suspended, Respondent Alberto Salazar 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 Responsible Managing Officer of Respondent Sunergy Construction, Inc., 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 Alberto Salazar other than as a bona fide nonsupervising employee shall be subject to disciplinary action.

FOURTH CAUSE FOR OTHER ACTION

(Restrictions on Officer - Respondent Jonathan Dale Mitchell)

115. Pursuant to Code section 7121, if license number 1005730 issued to Respondent Sunergy Construction, Inc. is revoked or suspended, Respondent Jonathan Dale Mitchell 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 Responsible

Managing Officer of Respondent Sunergy Construction, Inc., 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 Jonathan Dale Mitchell other than as a bona fide nonsupervising employee shall be subject to disciplinary action.

FIFTH CAUSE FOR OTHER ACTION

(Restrictions on H.I.S. Salesperson - Respondent Lisa B. Logback)

116. Pursuant to Code section 7121, if license number 1005730 issued to Respondent Sunergy Construction, Inc. is revoked or suspended, Respondent Lisa B. Logback 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 an unreported home improvement salesperson of Respondent Sunergy Construction, Inc. on the Fallbrook project, she 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 Lisa B. Logback other than as a bona fide nonsupervising employee shall be subject to disciplinary action.

PRAYER

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

1. Ordering the revocation or suspension of Contractor's License Number 1005730 issued to Sunergy Construction, Inc., pursuant to Code section 7090;

2. Ordering the revocation or suspension of Contractor's License Number 1031055 issued to Andres Lopez, dba Lopez Roofing & Construction, pursuant to Code section 7090;

3. Ordering the revocation or suspension of Home Improvement Salesperson Registration No. 111177 SP issued to Lisa B. Logback;

4. Ordering restitution of all damages according to proof suffered by M.H.L., M.C., J.J./M.C., P.R.B., W.A.L., M.C.F., and A.W. as a condition of probation in the event probation is ordered for Respondent Sunergy Construction, Inc. and/or Respondents Andres Lopez and Lisa B. Logback, and pursuant to Government Code section 11519, subdivision (d);

5. If revocation of Contractor's License Number 1005730 issued to Sunergy Construction, Inc., is ordered, an order for restitution of all damages suffered by M.H.L., M.C., J.J./M.C., P.R.B., W.A.L., M.C.F., and A.W. as a result of Sunergy Construction, Inc.' conduct as a contractor shall issue, as a condition precedent to any future restoration of Contractor's License Number 1005730, or before any new license is issued;

6. Ordering Respondent Sunergy Construction, Inc. and Respondents Andres Lopez and Lisa B. Logback 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 Sunergy Construction, Inc. and Respondents Andres Lopez and Lisa B. Logback 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;

8. Ordering that Respondent Andres Lopez is prohibited from serving as an officer, director, associate, partner, manager or qualifying individual of a licensee, pursuant to Code section 7121.5;

9. Ordering that Respondent Gilberto Lepiz 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;

10. Ordering that Respondent Alberto Salazar is prohibited from serving as an officer, director, associate, partner, manager or qualifying individual of a licensee, pursuant to Code section 7121.5;

11. Ordering that Respondent Jonathan Dale Mitchell is prohibited from serving as an officer, director, associate, partner, manager or qualifying individual of a licensee, pursuant to Code section 7121;

12. Ordering that Respondent Lisa B. Logback is prohibited from serving as an officer, director, associate, partner, manager or qualifying individual of a licensee, pursuant to Code section 7121; and

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13. Taking such other and further action deemed proper.

DATED: 9/5/2024

Brian Melvin

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

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