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

13 In the Matter of the Accusation Against:

Case No. N2023-271

14 **TESLA INC. DBA TESLA MOTORS INC.**
15 **JAMES JOSEPH MAGGARD, RME, A**
16 **BRADLEY ALFRED HARBIDGE, RME, C-10, B**
17 **BARRY STEPHEN GOFF, RME, C-20**
18 **FAYE ERIN ENGELKE, RME C-16**
19 **YARON KLEIN, Officer**
20 901 Page Ave.
Fremont, CA 94538
21 **Contractor's License No. 949283, B, A, C-10, C-20,**
22 **C-16**

ACCUSATION

23 **TESLA ENERGY OPERATIONS INC.**
24 **ADOLFO JAVIER JR., RME, B, C-39**
25 **GUY ALLEN SCHWELLENBACH, RME, C-36**
26 **NICHOLAS EDWIN ARMSTRONG, RME, C-10**
27 **GILBERTO MENEZES KLOBUKOSKI, RME, C-46**
28 **YARON KLEIN, Officer**
1 Tesla Road
Austin, TX 78725
-and-
901 Page Avenue
Fremont, CA 94538
Contractor's License No. 888104, B, C-10, C-46, C-36,
C-39

Respondents.

JAMES JOSEPH MAGGARD, Sole Owner
14665 Ambrie Knolls Rd.
Saratoga, CA 95070
Contractor's License No. 1020377, A

BRAD HARBIDGE ELECTRIC CO.
BRAD HARBIDGE, Sole Owner
16 Mahogany Dr.
San Rafael, CA 94903
Contractor's License No. 912002, C-10

ALTA MECHANICAL
BARRY STEPHEN GOFF, Sole Owner
20575 Cooke Dr.
Reno, NV 89521
Contractor's License No. 967647, C-20

**Affiliated Licenses – Tesla Inc.
dba Tesla Motors Inc.**

B M N ELECTRIC
NICHOLAS EDWIN ARMSTRONG, Sole Owner
P.O. Box 1402
Gresham, OR 97030
Contractor's License No. 1047980, C-10

GILBERTO MENEZES KLOBUKOSKI, Sole Owner
3573 Surf Place
Oceanside, CA 92056
Contractor's License No. 1028989, C-46

**Affiliated Licenses – Tesla Energy
Operations Inc.**

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.

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LICENSE INFORMATION

2. Tesla Inc. dba Tesla Motors Inc. – License No. 949283

Date	Activity
06/25/10	The Registrar of Contractors (Registrar) issued Contractor's License Number 949283, to Tesla Inc. doing business as Tesla Motors Inc. (Respondent Tesla Inc.) with Reid Frederick Johnson as the Responsible Managing Employee (RME) in classifications B (General Building Contractor), Elon Reeve and Musk as the Chief Executive Officer (CEO) and President.
03/30/16	Reid Frederick Johnson disassociated as the RME in classification B (General Building Contractor).
05/16/16	Eric Shing Bun Sih became the RME in classification B (General Building Contractor).
05/17/16	Elon Reeve Musk disassociated as the CEO and President.
07/29/16	Jeffrey Brian Straubel became as an Officer.
12/20/16	James Joseph Maggard (Respondent Maggard) became the RME in classification A (Engineering Contractor).
11/20/19	Jonathan Andrew Chang became as an Officer.
11/22/19	Jeffrey Brian Straubel disassociated as an Officer.
12/06/19	Jonathan Andrew Chang disassociated as an Officer.
01/02/20	Barry Stephen Goff (Respondent Goff) became the RME in classification C-20 (Warm Air Heating, Ventilating and Air Conditioning Contractor).
05/20/20	Matthew Yun Huh became an Officer.
01/07/20	Faye Erin Engelke (Respondent Engelke) became the RME in classification C-16 (Fire Protection Contractor).
07/29/20	Yaron Klein (Respondent Klein) became an Officer.
09/04/20	Al Prescott became an Officer.
03/09/21	Al Prescott disassociated as an Officer.
06/07/21	Eric Shing Bun Sih disassociated as the RME in classification B (General Building Contractor).
07/16/21	Matthew Yun Huh disassociated as an Officer.
08/02/21	Bradley Alfred Harbidge (Respondent Harbidge) became the RME in classification C-10 (Electrical Contractor).
09/02/21	Respondent Harbidge became the RME in classification B (General Building Contractor).
08/30/22	Emmanuelle Ejercito Stewart became an Officer.
11/02/22	Respondent Klein disassociated as an Officer.
10/12/24	The license was cancelled.

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3. Tesla Energy Operations Inc. – License No. 888104

Date	Activity
12/07/06	The Registrar issued Contractor's License Number 888104, to Tesla Energy Operations Inc. (Respondent Tesla Energy) with Jacob Stephan Tornatzky as the RME in classification C-46 (Solar Contractor), Lyndon Robert Rive as an Officer, and Peter Joseph Rive as an Officer.
03/21/07	Benjamin Jeremiah Liu became the RME in classification C-10 (Electrical Contractor).
06/16/10	Rajeev James Quazi became the RME in classification C-20 (Warm Air Heating, Ventilating, and Air Conditioning Contractor).
11/01/13	Jacob Stephan Tornatzky disassociated as the RME in classification C-46 (Solar Contractor).
11/07/13	James Henry Cahill Jr. became the RME in classification C-46 (Solar Contractor).
08/13/14	Rajeev James Quazi disassociated as the RME in classification C-20 (Warm Air Heating, Ventilating, and Air Conditioning Contractor).
05/29/15	Brian Lee Zimmerly became the RME in classification C-20 (Warm Air Heating, Ventilating, and Air Conditioning Contractor).
06/06/16	Adolfo Javier Jr. became the RME in classification C-39 (Roofing Contractor).
12/04/17	Lyndon Robert Rive disassociated as the CEO and President, and Peter Joshua Rive disassociated as an Officer.
12/04/17	Jeffrey Brian Straubel disassociated as an Officer.
12/26/17	Todd Andrew Maron became the CEO and President.
01/30/18	Calman Ballow Lankton became an Officer.
02/22/18	Guy Allen Schwellenbach (Respondent Schwellenbach) became the RME in classification C-36 (Plumbing Contractor).
06/08/18	Calman Ballow Lankton disassociated as an Officer.
07/05/18	Benjamin Jeremiah Liu disassociated as the RME in classification C-10 (Electrical Contractor).
09/17/18	Erik Brownlee Roth became the RME in classification C-46 (Solar Contractor).
10/01/18	Ashton Ziehm Thurneyssen became the RME in classification C-10 (Electrical Contractor).
10/15/18	Anthony Joseph Keris became the RME in classification B (General Building Contractor). James Henry Cahill Jr. disassociated as the RME in classification C-46 (Solar Contractor). Sanjay Chandrakant Shah became an officer.
11/13/18	Respondent Klein became an Officer.
01/18/19	Todd Andrew Maron disassociated as the CEO and President.
01/25/19	Brian Lee Zimmerly disassociated as the RME in classification C-20 (Warm Air Heating, Ventilating, and Air Conditioning Contractor).

07/16/19	Erik Brownlee Roth disassociated as the RME in classification C-46 (Solar Contractor).
09/06/19	Sanjay Chandrakant Shah disassociated as an Officer.
11/20/19	Jonathan Andrew Chang became an Officer.
12/06/19	Jonathan Andrew Chang disassociated as an Officer.
12/16/19	Kunal Satyabhushan Girotra became the CEO and President.
01/13/20	Anthony Joseph Keris disassociated as the RME in classification B (General Building Contractor).
01/28/20	Kunal Satyabhushan Girotra disassociated as the CEO and President.
03/19/20	Adolfo Javier Jr. (Respondent Javier) became the RME in classification B (General Building Contractor).
07/23/20	John Temple Boone III became an Officer.
05/05/21	Ashton Ziehm Thurneyssen disassociated as the RME in classification C-10 (Electrical Contractor).
07/13/21	Gilberto Menezes Klobukoski (Respondent Klobukoski) became the RME in classification C-46 (Solar Contractor). Nicholas Edwin Armstrong (Respondent Armstrong) became the RME in classification C-10 (Electrical Contractor).
12/14/22	Respondent Klein disassociated as an Officer.
02/02/24	Respondent Schwellenbach disassociated as the RME in classification C-36 (Plumbing Contractor).
04/15/24	Respondent Javier Jr. disassociated as the RME in classification C-39 (Roofing Contractor) and as the RME in classification B (General Building Contractor).
12/31/26	The license will expire unless renewed.

4. Jeffrey Eric Munson is listed as the Chief Financial Officer of Respondent Tesla Energy in the records of the California Secretary of State, effective August 28, 2023. However, Respondent Tesla Energy has not disclosed to the Registrar that Jeffrey Eric Munson occupies that position. Therefore, Jeffrey Eric Munson is not a member of the personnel of record for Respondent Tesla Energy.

5. Zachary Kirkorn is listed as the Director of Respondent Tesla Energy in the records of the California Secretary of State, effective September 23, 2022. However, Respondent Tesla Energy has not disclosed to the Registrar that Zachary Kirkorn occupies that position. Therefore, Zachary Kirkorn is not a member of the personnel of record for Respondent Tesla Energy.

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Affiliated Licenses - Tesla Inc. dba Tesla Motors Inc.

James Joseph Maggard

6. On or about November 4, 2016, the Registrar issued Contractor's License Number 1020377, in classification A (Engineering Contractor), to Respondent Maggard. 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, 2026, unless renewed. The Contractor's License is inactive.

Brad Harbidge – Brad Harbidge Electric Co.

7. On or about November 19, 2015, the Registrar issued Contractor's License Number 912002, in classification C-10 (Electrical Contractor) to Respondent Harbidge. 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, 2025, unless renewed. The Contractor's License is inactive.

Barry Stephen Goff – Alta Mechanical

8. On or about November 14, 2011, the Registrar issued Contractor's License Number 967647, in classification C-20 (Warm Air Heating, Ventilating, and Air Conditioning Contractor) to Respondent Goff. The Contractor's License was in full force and effect at all times relevant to the charges brought herein. The Contractor's License expired on November 30, 2019, and has not been renewed. The Contractor's License is inactive.

Affiliated Licenses - Tesla Energy Operations Inc.

B M N Electrical

9. On or about December 14, 2018, the Registrar issued Contractor's License Number 1047980, in classification C-10 (Electrical Contractor), to Respondent Armstrong, doing business as B M N Electrical. The Contractor's License expired on December 31, 2024, and has not been renewed.

Gilberto Menezes Klobukoski

10. On or about July 13, 2017, the Registrar issued Contractor's License Number 1028909, in classification C-46 (Solar Contractor) to Respondent Klobukoski. The Contractor's License was in full force and effect at all times relevant to the charges brought herein and will expire on July 31, 2025, unless renewed. The Contractor's License is inactive.

JURISDICTION

11. 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.

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

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

13. Code section 7076.6, subdivision (h), states:

A corporation license shall be canceled upon the corporation's dissolution, merger, or surrender of its right to do business in this state. The corporation shall notify the registrar in writing within 90 days of the dissolution, merger, or surrender. Failure to notify the registrar of the dissolution, merger, or surrender within 90 days shall cause the license to be canceled effective the date written notification is received at the board's headquarters office. If the corporation fails to notify the board of the dissolution, merger, or surrender, the corporation license shall be canceled 60 days after the board's discovery when researching the corporate records of the Secretary of State. Failure to notify the registrar within 90 days of the dissolution, merger, or surrender is grounds for disciplinary action.

14. Code section 7090 provides, in pertinent part, that the registrar may upon his or her own motion and shall upon the verified complaint in writing of any person, investigate the action of any applicant, contractor, or home improvement salesperson within the state and may deny the licensure or the renewal of licensure of, or cite, temporarily suspend, or permanently revoke any license or registration if the applicant, licensee, or registrant, is guilty of or commits any one or more of the acts or omissions constituting causes for disciplinary action.

15. Code section 7106.5 states:

The expiration, cancellation, forfeiture, revocation, or suspension of a license by operation of law or by order or decision of the registrar or a court of law, or the voluntary surrender of a license by a licensee, shall not deprive the registrar of jurisdiction to proceed with any investigation of or action or disciplinary proceeding against the license, or to render a decision suspending or revoking the license.

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16. Code section 7121 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.

17. Code section 7121.5 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.

18. Code section 7122.5 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.

STATUTORY PROVISIONS

19. Code section 7083 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.

20. Code section 7107 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.

21. Code section 7109, subdivision (a), states:

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.

22. Code section 7116 states:

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

23. Code section 7154, states, in pertinent part:

(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.

...

(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.

24. Code section 7159 states, in pertinent part:

(a)(1) This section identifies the projects for which a home improvement contract is required, outlines the contract requirements and lists the items that shall be included in the contract, or may be provided as an attachment.

(5) Failure by the licensee, his or her agent or salesperson, or by a person subject to be licensed under this chapter, to provide the specified information, notices, and disclosures in the contract, or to otherwise fail to comply with any provision of this section, is cause for discipline.

(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:

1 (4) A statement that, upon satisfactory payment being made for any portion
2 of the work performed, the contractor, prior to any further payment being made, shall
3 furnish to the person contracting for the home improvement or swimming pool work
4 a full and unconditional release from any claim or mechanic's lien pursuant to Section
5 3114 of the Civil Code for that portion of the work for which payment has been
6 made.

7 (6) The contract shall contain, in close proximity to the signatures of the
8 owner and contractor, a notice stating that the owner or tenant has the right to require
9 the contractor to have a performance and payment bond.

10 (d) A home improvement contract and any changes to the contract shall be in
11 writing and signed by the parties to the contract prior to the commencement of work
12 covered by the contract or an applicable change order and, except as provided in
13 paragraph (8) of subdivision (a) of Section 7159.5, shall include or comply with all of
14 the following:

15 (8) If a downpayment will be charged, the details of the downpayment shall
16 be expressed in substantially the following form, and shall include the text of the
17 notice as specified in subparagraph (C):

18 (C) The following statement in at least 12-point boldface type:

19 "THE DOWNPAYMENT MAY NOT EXCEED \$1,000 OR 10 PERCENT
20 OF THE CONTRACT PRICE, WHICHEVER IS LESS."

21 (9) If payments, other than the downpayment, are to be made before the
22 project is completed, the details of these payments, known as progress payments,
23 shall be expressed in substantially the following form, and shall include the text of the
24 statement as specified in subparagraph (C):

25 (C) The section of the contract reserved for the progress payments shall
26 include the following statement in at least 12-point boldface type:

27 "The schedule of progress payments must specifically describe each phase of
28 work, including the type and amount of work or services scheduled to be supplied in
each phase, along with the amount of each proposed progress payment. IT IS
AGAINST THE LAW FOR A CONTRACTOR TO COLLECT PAYMENT FOR
WORK NOT YET COMPLETED, OR FOR MATERIALS NOT YET DELIVERED.
HOWEVER, A CONTRACTOR MAY REQUIRE A DOWNPAYMENT."

(10) The contract shall address the commencement of work to be performed
in substantially the following form:

(A) A statement that describes what constitutes substantial commencement
of work under the contract.

(C) The approximate date on which work will be commenced.

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

(B) The approximate date of completion.

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1 (e) All of the following notices shall be provided to the owner as part of the
2 contract form as specified or, if otherwise authorized under this subdivision, may be
provided as an attachment to the contract:

3 (2) A notice concerning workers' compensation insurance. This notice may
4 be provided as an attachment to the contract if the contract includes the statement:
"A notice concerning workers' compensation insurance is attached to this contract."

5 The notice shall include the heading "Workers' Compensation Insurance" followed
6 by whichever of the following statements is correct:

7 (A) "(The name on the license or 'This contractor') has no
employees and is exempt from workers' compensation requirements."

8 (B) "(The name on the license or 'This contractor') carries
9 workers' compensation insurance for all employees."

10 (4) A notice with the heading "Mechanics' Lien Warning" written as follows:
11 "MECHANICS LIEN WARNING:

12 Anyone who helps improve your property, but who is not paid, may record
13 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.

14 Even if you pay your contractor in full, unpaid subcontractors, suppliers, and
15 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
16 forced to pay twice or have a court officer sell your home to pay the lien. Liens can
also affect your credit.

17 To preserve their right to record a lien, each subcontractor and material
18 supplier must provide you with a document called a '20-day Preliminary Notice.'
This notice is not a lien. The purpose of the notice is to let you know that the person
19 who sends you the notice has the right to record a lien on your property if he or she is
not paid.

20 BE CAREFUL. The Preliminary Notice can be sent up to 20 days after the
21 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.

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

24 PROTECT YOURSELF FROM LIENS. You can protect yourself from liens
25 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
26 started work and when these suppliers delivered goods or materials. Then wait 20
days, paying attention to the Preliminary Notices you receive.

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

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

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

10 (5) The following notice shall be provided in at least 12-point typeface:
11 "Information about the Contractors' State License Board (CSLB): CSLB is the state
12 consumer protection agency that licenses and regulates construction contractors.
13 Contact CSLB for information about the licensed contractor you are considering,
14 including information about disclosable complaints, disciplinary actions and civil
15 judgments that are reported to CSLB.

16 Use only licensed contractors. If you file a complaint against a licensed
17 contractor within the legal deadline (usually four years), CSLB has authority to
18 investigate the complaint. If you use an unlicensed contractor, CSLB may not be able
19 to help you resolve your complaint. Your only remedy may be in civil court, and you
20 may be liable for damages arising out of any injuries to the unlicensed contractor or
21 the unlicensed contractor's employees.

22 For more information:

23 Visit CSLB's Web site at www.cslb.ca.gov

24 Call CSLB at 800-321-CSLB (2752)

25 Write CSLB at P.O. Box 26000, Sacramento, CA 95826.

26 (6)(A) The notice set forth in subparagraph (B) and entitled "Three-Day
27 Right to Cancel," shall be provided to the buyer unless the contract is:

28 (i) Negotiated at the contractor's place of business.

 (ii) Subject to the "Seven-Day Right to Cancel," as set forth in paragraph (7).

 (iii) Subject to licensure under the Alarm Company Act (Chapter 11.6
(commencing with Section 7590)), provided the alarm company licensee complies
with Sections 1689.5, 1689.6, and 1689.7 of the Civil Code, as applicable.

 (B) "Three-Day Right to Cancel

 You, the buyer, have the right to cancel this contract within three business
days. You may cancel by e-mailing, mailing, faxing, or delivering a written notice to
the contractor at the contractor's place of business by midnight of the third business
day after you received a signed and dated copy of the contract that includes this
notice. Include your name, your address, and the date you received the signed copy
of the contract and this notice.

 If you cancel, the contractor must return to you anything you paid within 10
days of receiving the notice of cancellation. For your part, you must make available
to the contractor at your residence, in substantially as good condition as you received

1 them, goods delivered to you under this contract or sale. Or, you may, if you wish,
2 comply with the contractor's instructions on how to return the goods at the
3 contractor's expense and risk. If you do make the goods available to the contractor
4 and the contractor does not pick them up within 20 days of the date of your notice of
5 cancellation, you may keep them without any further obligation. If you fail to make
6 the goods available to the contractor, or if you agree to return the goods to the
7 contractor and fail to do so, then you remain liable for performance of all obligations
8 under the contract.

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

10 25. Code section 125.3 states:

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

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

20 26. Government Code section 11519 states:

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

25 (b) A stay of execution may be included in the decision or if not included
26 therein may be granted by the agency at any time before the decision becomes
27 effective. The stay of execution provided herein may be accompanied by an express
28 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.

27. Code section 143.5, subdivision (b) 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.

28. Code section 7095 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 conditions as may be just in connection with his operations as a contractor disclosed at the hearing and may further provide that until such conditions are complied with no application for restoration of the suspended or revoked licensee shall be accepted by the registrar.

(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.

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(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.

29. Code section 7097 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.

30. Code section 7098 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.

31. Code section 7102 states:

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

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

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

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

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

any nonmonetary condition not discharged in a bankruptcy proceeding shall be complied with prior to the issuance, the reissuance, or reinstatement of the license.

FACTUAL ALLEGATIONS

G.H. PROJECT

32. On or about December 22, 2021, G.H. entered into a written home improvement contract with Respondent Klein, an unlicensed Home Improvement Salesperson, on behalf of Respondent Tesla Inc. via the internet, to provide and install a solar roof on his residence located on Sombra Court, in Cameron Park, California (G.H. project), for \$128,999.23. The G.H. project was financed through Respondent Tesla Inc. G.H. made payments on the loan beginning on or about October 20, 2023, totaling \$3,843.64 (as of January 2024). In addition, G.H. contracted with Respondent Tesla Inc. to replace 130 linear feet of rotten boards on the roof in the amount of \$10,607.06. Respondent Tesla Inc. replaced 35 linear feet of rotten boards at the eaves. Respondent Tesla Inc. failed to include the replacement of the rotted boards on the roof and the description of the materials to be used for the replacement of the rotted boards in the contract. Respondent Tesla Energy installed underlayment on the roof that was to act as a water barrier. However, G.H. discovered leaks in the roof due to the poor installation of the underlayment. G.H. contacted Respondent Tesla regarding the water leaks. On or about July 22, 2023, Respondent Tesla Energy returned to the G.H. project to remove the roof and make repairs to the underlayment. As of December 20, 2023, Respondent Tesla Inc. and/or Tesla Energy has failed to re-install the roof resulting in additional damage to the home.

FIRST CAUSE FOR DISCIPLINE

(Abandonment)

33. Respondent Tesla Inc. and Respondent Tesla Energy have subjected their licenses to disciplinary action under Code section 7107, in that Respondents abandoned the G.H. project without legal excuse, leaving the following incomplete:

- a. Respondents failed to re-install the solar roof.
- b. Respondents failed to re-install the gutters.

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1 b. **Subdivision (c)(6):** Respondent Tesla Inc. failed to include a notice, in close
2 proximity to the signatures of the owner and contractor, stating that the owner or tenant has the
3 right to require the contractor to have a performance and payment bond.

4 c. **Subdivision (d)(8)(C):** Respondent Tesla Inc. failed to include in the contract
5 a statement in at least 12-point boldface type: "THE DOWNPAYMENT MAY NOT EXCEED
6 \$1,000 OR 10 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS LESS."

7 d. **Subdivision (d)(9)(C):** Respondent Tesla Inc. failed to include the following
8 statement in at least 12-point boldface type: "IT IS AGAINST THE LAW FOR A
9 CONTRACTOR TO COLLECT PAYMENT FOR WORK NOT YET COMPLETED, OR FOR
10 MATERIALS NOT YET DELIVERED. HOWEVER, A CONTRACTOR MAY REQUIRE A
11 DOWNPAYMENT."

12 e. **Subdivision (d)(10)(A):** Respondent Tesla Inc. failed to include in the contract
13 a statement that describes what constitutes substantial commencement of work under the contract.

14 f. **Subdivision (d)(10)(C):** Respondent Tesla Inc. failed to include in the contract
15 the date work is to be commenced.

16 g. **Subdivision (d)(11)(B):** Respondent Tesla Inc. failed to include in the contract
17 the approximate date of completion.

18 h. **Subdivision (e)(2)(A):** Respondent Tesla Inc. failed to include the notice
19 referencing not having employees/workers compensation insurance.

20 i. **Subdivision (e)(2)(B):** Respondent Tesla Inc. failed to include the notice
21 referencing workers' compensation insurance for all employees.

22 j. **Subdivision (e)(4):** Respondent Tesla Inc. failed to include in the contract the
23 Mechanics Lien Warning notice.

24 k. **Subdivision (e)(5):** Respondent Tesla Inc. failed to include in the contract
25 notice information about the Contractors' State License Board.

26 l. **Subdivision (e)(6)(A) and (B):** Respondent Tesla Inc. failed to include the
27 notice of the three-day right to cancel.

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R.S. PROJECT

37. On or about February 12, 2022, R.S. entered into a written home improvement contract with Respondent Klein, an unlicensed Home Improvement Salesperson, on behalf of Respondent Tesla Inc. via the internet and telephone to provide and install a solar roof on his residence located on Ostrom Ave., in Lake Balboa, California (R.S. project), for \$34,926.42. On or about June 2, 2022, a second contract was entered into to include two power walls and roof repairs in the amount of \$60,206.74. On or about August 23, 2022, a third contract was entered into with Colby Hastings, an unlicensed Home Improvement Salesperson, on behalf of Respondent Tesla Inc., that modified the second contract dated June 2, 2022, from roof repairs to providing a decking overlay on the roof. The contract price of \$60,206.74 remained the same. The contract was to be financed through Respondent Tesla Inc. Respondent Tesla Inc. failed to perform any work on the project or provide materials.

38. On or about September 2, 2023, R.S. hired Sky Shield Roofing to remove and replace the roof in the amount of \$16,000. R.S. hired Solar Optimum to install a solar system in the amount of \$34,243. The total cost of the project was \$50,243.

FIFTH CAUSE FOR DISCIPLINE

(Abandonment)

39. Respondent Tesla Inc. has subjected its license to disciplinary action under Code section 7107, in that on or about August 10, 2022, it abandoned the R.S. project without legal excuse, by failing to perform any work on the project or provide materials.

SIXTH CAUSE FOR DISCIPLINE

(Willful or Fraudulent Act Injuring Another)

40. Respondent Tesla Inc. has subjected its license to disciplinary action under Code section 7116, in that on the R.S. project, it committed a willful or fraudulent act causing substantial injury to R.S., when it failed to perform any work on the project or provide materials.

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1 **SEVENTH CAUSE FOR DISCIPLINE**

2 **(Employment of an Unregistered Home Improvement Salesperson)**

3 41. Respondent Tesla Inc. has subjected its license to disciplinary action under Code
4 section 7154, subdivision (d), in that on the R.S. project, it employed Respondent Klein and
5 Colby Hastings to sell home improvement contracts to R.S., when in fact, Respondent Klein and
6 Colby Hastings were not a registered home improvement salesperson.

7 **EIGHTH CAUSE FOR DISCIPLINE**

8 **(Failed to Comply with Provisions of the Home Improvement Contract Form)**

9 42. Respondent Tesla Inc. has subjected its license to disciplinary action under Code
10 section 7159, in that on the R.S. contract, it failed to comply with the following provisions of the
11 Code:

12 a. **Subdivision (c)(4):** Respondent Tesla Inc. failed to include in the contract a
13 statement that, upon satisfactory payment being made for any portion of the work performed, the
14 contractor shall, prior to any further payment being made, furnish to the person contracting for the
15 home improvement a full and unconditional release from any claim or mechanic's lien pursuant to
16 Section 3114 of the Civil Code for that portion of the work for which payment has been made.

17 b. **Subdivision (c)(6):** Respondent Tesla Inc. failed to include a notice, in close
18 proximity to the signatures of the owner and contractor, stating that the owner or tenant has the
19 right to require the contractor to have a performance and payment bond.

20 c. **Subdivision (d)(8)(C):** Respondent Tesla Inc. failed to include in the contract
21 a statement in at least 12-point boldface type: "THE DOWNPAYMENT MAY NOT EXCEED
22 \$1,000 OR 10 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS LESS."

23 d. **Subdivision (d)(9)(C):** Respondent Tesla Inc. failed to include the following
24 statement in at least 12-point boldface type: "IT IS AGAINST THE LAW FOR A
25 CONTRACTOR TO COLLECT PAYMENT FOR WORK NOT YET COMPLETED, OR FOR
26 MATERIALS NOT YET DELIVERED. HOWEVER, A CONTRACTOR MAY REQUIRE A
27 DOWNPAYMENT."

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1 e. **Subdivision (d)(10)(A):** Respondent Tesla Inc. failed to include in the contract
2 a statement that describes what constitutes substantial commencement of work under the contract.

3 f. **Subdivision (d)(10)(C):** Respondent Tesla Inc. failed to include in the contract
4 the date work is to be commenced.

5 g. **Subdivision (d)(11)(B):** Respondent Tesla Inc. failed to include in the contract
6 the approximate date of completion.

7 h. **Subdivision (e)(2)(A):** Respondent Tesla Inc. failed to include the notice
8 referencing not having employees/workers compensation insurance.

9 i. **Subdivision (e)(2)(B):** Respondent Tesla Inc. failed to include the notice
10 referencing workers' compensation insurance for all employees.

11 j. **Subdivision (e)(4):** Respondent Tesla Inc. failed to include in the contract the
12 Mechanics Lien Warning notice.

13 k. **Subdivision (e)(5):** Respondent Tesla Inc. failed to include in the contract
14 notice information about the Contractors' State License Board.

15 l. **Subdivision (e)(6)(A) and (B):** Respondent Tesla Inc. failed to include the
16 notice of the three-day right to cancel.

17 **E.N. PROJECT**

18 43. On or about March 23, 2022, E.N. entered into a written home improvement contract
19 with Respondent Klein, an unlicensed Home Improvement Salesperson, on behalf of Respondent
20 Tesla Inc. via the internet and telephone to provide and install a solar roof at his residence located
21 on Scripps Street, in San Diego, California (E.N. project), for \$71,120.43. On or about March 10,
22 2023, a second contract was entered into to include a power wall for \$66,311.71. The contract
23 was to be financed through Tesla Inc. E.N. paid Respondent a deposit of \$250. Respondent Tesla
24 Inc. failed to perform any work on the project or provide materials.

25 **NINTH CAUSE FOR DISCIPLINE**

26 **(Abandonment)**

27 44. Respondent Tesla Inc. has subjected its license to disciplinary action under Code
28 section 7107, in that on or about August 10, 2022, it abandoned the E.N. project without legal

excuse, by failing to perform any work on the project or provide materials.

TENTH CAUSE FOR DISCIPLINE

(Willful or Fraudulent Act Injuring Another)

45. Respondent Telsa Inc. has subjected its license to disciplinary action under Code section 7116, in that on the E.N. project, it committed a willful or fraudulent act causing substantial injury to E.N., when it failed to perform any work on the project or provide materials.

ELEVENTH CAUSE FOR DISCIPLINE

(Employment of an Unregistered Home Improvement Salesperson)

46. Respondent Tesla Inc. has subjected its license to disciplinary action under Code section 7154, subdivision (d), in that on the E.N. project, it employed Respondent Klein to sell a home improvement contract to E.N., when in fact, Respondent Klein was not a registered home improvement salesperson.

TWELFTH CAUSE FOR DISCIPLINE

(Failed to Comply with Provisions of the Home Improvement Contract Form)

47. Respondent Tesla Inc. has subjected its license to disciplinary action under Code section 7159, in that on the E.N. contract, it failed to comply with the following provisions of the Code:

a. **Subdivision (c)(4):** Respondent Tesla Inc. failed to include in the contract a statement that, upon satisfactory payment being made for any portion of the work performed, the contractor shall, prior to any further payment being made, furnish to the person contracting for the home improvement a full and unconditional release from any claim or mechanic's lien pursuant to Section 3114 of the Civil Code for that portion of the work for which payment has been made.

b. **Subdivision (c)(6):** Respondent Tesla Inc. failed to include a notice, in close proximity to the signatures of the owner and contractor, stating that the owner or tenant has the right to require the contractor to have a performance and payment bond.

c. **Subdivision (d)(8)(C):** Respondent Tesla Inc. failed to include in the contract a statement in at least 12-point boldface type: "THE DOWNPAYMENT MAY NOT EXCEED \$1,000 OR 10 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS LESS."

1 d. **Subdivision (d)(9)(C):** Respondent Tesla Inc. failed to include the following
2 statement in at least 12-point boldface type: "IT IS AGAINST THE LAW FOR A
3 CONTRACTOR TO COLLECT PAYMENT FOR WORK NOT YET COMPLETED, OR FOR
4 MATERIALS NOT YET DELIVERED. HOWEVER, A CONTRACTOR MAY REQUIRE A
5 DOWNPAYMENT."

6 e. **Subdivision (d)(10)(A):** Respondent Tesla Inc. failed to include in the contract
7 a statement that describes what constitutes substantial commencement of work under the contract.

8 f. **Subdivision (d)(10)(C):** Respondent Tesla Inc. failed to include in the contract
9 the date work is to be commenced.

10 g. **Subdivision (d)(11)(B):** Respondent Tesla Inc. failed to include in the contract
11 the approximate date of completion.

12 h. **Subdivision (e)(2)(A):** Respondent Tesla Inc. failed to include the notice
13 referencing not having employees/workers compensation insurance.

14 i. **Subdivision (e)(2)(B):** Respondent Tesla Inc. failed to include the notice
15 referencing workers' compensation insurance for all employees.

16 j. **Subdivision (e)(4):** Respondent Tesla Inc. failed to include in the contract the
17 Mechanics Lien Warning notice.

18 k. **Subdivision (e)(5):** Respondent Tesla Inc. failed to include in the contract
19 notice information about the Contractors' State License Board.

20 l. **Subdivision (e)(6)(A) and (B):** Respondent Tesla Inc. failed to include the
21 notice of the three-day right to cancel.

22 **THIRTEENTH CAUSE FOR DISCIPLINE**

23 **(Failure to Notify Registrar of Personnel Changes)**

24 48. Respondent Tesla Inc. has subjected its license to disciplinary action under Code
25 section 7083, subdivision (d), in that it failed to disclose to the Registrar the following changes in
26 personnel of the corporation within 90 days, as required by Code section 7083, subdivision (a):

27 a. Respondent Tesla Inc. failed to disclose to the Registrar that Zachary Kirkhorn
28 was its Director, as recorded with the Secretary of State, on September 23, 2022.

1 b. Respondent Tesla Inc. failed to disclose to the Registrar that Jeffrey Eric
2 Munson was its Chief Executive Officer, as recorded with the Secretary of State on August 28,
3 2023.

4 **FOURTEENTH CAUSE FOR DISCIPLINE**

5 **(Cause for Discipline for Qualifier – Respondent Maggard)**

6 49. Pursuant to section 7122.5 of the Code, the causes of discipline established as to
7 Respondent Tesla Inc. constitutes cause for discipline against Respondent Maggard, under license
8 number 1020377, regardless of whether Respondent Maggard had knowledge of or participated in
9 the acts or omissions which constitute cause for discipline against Respondent Tesla Inc.

10 **FIFTEENTH CAUSE FOR DISCIPLINE**

11 **(Cause for Discipline for Qualifier – Respondent Harbidge)**

12 50. Pursuant to section 7122.5 of the Code, the causes of discipline established as to
13 Respondent Tesla Inc. constitutes cause for discipline against Respondent Harbidge, under license
14 number 912002, regardless of whether Respondent Harbidge had knowledge of or participated in
15 the acts or omissions which constitute cause for discipline against Respondent Tesla Inc.

16 **SIXTEENTH CAUSE FOR DISCIPLINE**

17 **(Cause for Discipline for Qualifier – Respondent Goff)**

18 51. Pursuant to section 7122.5 of the Code, the causes of discipline established as to
19 Respondent Tesla Inc. constitutes cause for discipline against Respondent Goff, under license
20 number 967647, regardless of whether Respondent Goff had knowledge of or participated in the
21 acts or omissions which constitute cause for discipline against Respondent Tesla Inc.

22 **SEVENTEENTH CAUSE FOR DISCIPLINE**

23 **(Cause for Discipline for Qualifier – Respondent Armstrong)**

24 52. Pursuant to section 7122.5 of the Code, the causes of discipline established as to
25 Respondent Tesla Energy constitutes cause for discipline against Respondent Armstrong, under
26 license number 1047980, regardless of whether Respondent Armstrong had knowledge of or
27 participated in the acts or omissions which constitute cause for discipline against Respondent
28 Tesla Energy.

1 **EIGHTEENTH CAUSE FOR DISCIPLINE**

2 **(Cause for Discipline for Qualifier – Respondent Klobukoski)**

3 53. Pursuant to section 7122.5 of the Code, the causes of discipline established as to
4 Respondent Tesla Energy constitutes cause for discipline against Respondent Klobukoski, under
5 license number 1028909, regardless of whether Respondent Klobukoski had knowledge of or
6 participated in the acts or omissions which constitute cause for discipline against Respondent
7 Tesla Energy.

8 **MATERS IN AGGRAVATION**

9 54. On or about February 8, 2021, the Registrar issued a Letter of Admonishment
10 alleging that Respondent Tesla Inc. violated Code section 7029.1 (unlawfully acting in joint
11 venture without a license). On or about April 5, 2021, the Letter of Admonishment was affirmed
12 after an appeal.

13 55. On or about January 17, 2012, the Registrar issued Citation No. 2-2011-1754
14 alleging that Respondent Tesla Energy (previously Solar City Corp.) violated Code sections
15 7030.5 (failed to include license number in advertisement) and 7117, subdivision (a) (namestyle
16 violation). The Board assessed a civil penalty in the amount of \$300. The citation was modified,
17 in that Code section 7117 violation was withdrawn, and the civil penalty was reduced to \$150.
18 On or about May 2, 2013, Respondent Tesla Energy paid the Citation.

19 56. On or about May 26, 2017, the Registrar issued Citation No. 2-2016-2771 alleging
20 that Respondent Tesla Energy violated Code sections 7154, subdivision (d) (employed
21 unregistered home improvement salesperson); and 7159 (contract violations). The Board
22 assessed a civil penalty in the amount of \$1,500. On or about December 4, 2017, Respondent
23 Tesla Energy paid the Citation.

24 57. On or about November 27, 2018, the Registrar issued Citation No. 2-2018-1769
25 alleging that Respondent Tesla Energy violated Code section 7109, subdivision (a)
26 (workmanship). The Board assessed a civil penalty in the amount of \$1,000. On or about
27 December 18, 2018, restitution was ordered to K.H. in the amount of \$1,418, which was later

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1 modified to \$919. On or about December 4, 2019, the penalty was modified to \$750. On or
2 about March 10, 2020, Respondent Tesla Energy paid the Citation and restitution.

3 58. On or about April 10, 2019, the Registrar issued Citation No. 2-2018-2349
4 alleging that Respondent Tesla Energy violated Code sections 7109, subdivision (a)
5 (workmanship) and 7109, subdivision (b) (departure from plans and specifications). The Board
6 assessed a civil penalty in the amount of \$1,750. On or about May 13, 2019, Respondent Tesla
7 Energy paid the Citation.

8 59. On or about November 20, 2020, the Registrar issued Citation No. 2-2020-1496
9 alleging that Respondent Tesla Energy violated Code sections 7109, subdivision (a)
10 (workmanship) 7110 (failed to obtain permits); and 7029.1 (failed to obtain proper licensure).
11 The Board assessed a civil penalty in the amount of \$3,500, and ordered Respondent Tesla
12 Energy to pay restitution to T.M. in the amount of \$13,437.50. On or about February 5, 2021,
13 Respondent Tesla Energy paid the Citation and restitution.

14 60. On or about January 13, 2022, the Registrar issued Citation No. 2-2021-1750
15 alleging that Respondent Tesla violated Code section 7107 (abandonment). The Board assessed a
16 civil penalty in the amount of \$8,000, and ordered Respondent Tesla Energy to pay restitution to
17 R.Z. in the amount of \$20,563.44. On or about February 2, 2022, Respondent Tesla Energy paid
18 the Citation. On or about February 9, 2022, Respondent Tesla Energy paid the restitution.

19 61. On or about March 16, 2023, the Registrar issued Citation No. 2-2022-2077
20 alleging that Respondent Tesla Energy violated Code sections 7107 (abandonment) and 7161,
21 subdivision (b) (made substantial misrepresentation in the procurement of a contract). The Board
22 assessed a civil penalty in the amount of \$8,000. Respondent Tesla Energy appealed the Citation
23 and the matter is pending.

24 62. On or about September 26, 2023, the Registrar issued Citation No. 2-2023-1267
25 alleging that Respondent Tesla Energy violated Code sections 7109, subdivision (a)
26 (workmanship); 7109, subdivision (b) (departure from plans and specifications); 7159,
27 subdivision (d)(10)(C) (failed to include date work to commence); and 7159, subdivision
28 (d)(11)(B) (failed to include date of completion). The Board assessed a civil penalty in the

1 amount of \$8,000 and ordered Respondent Tesla Energy to pay \$8,011.03 in restitution to M.M..
2 The citation was modified, in that the civil penalty was reduced to \$5,800.

3 **CAUSES FOR OTHER ACTION**

4 **FIRST CAUSE FOR OTHER ACTION**

5 **(Restrictions on Qualifier – Respondent Maggard)**

6 63. Pursuant to section 7121.5 of the Code, if license number 949283, issued to
7 Respondent Tesla Inc. is revoked or suspended, Respondent Maggard shall be prohibited from
8 serving as an officer, director, associate, partner, manager, or qualifying individual of a licensee
9 during the time the discipline is imposed, whether or not he had knowledge of or participated in
10 the acts or omissions constituting grounds for discipline as alleged in the causes for discipline
11 above, and any licensee which employs, elects, or associates Respondent Maggard other than as a
12 bona fide nonsupervising employee shall be subject to disciplinary action.

13 **SECOND CAUSE FOR OTHER ACTION**

14 **(Restrictions on Qualifier – Respondent Harbidge)**

15 64. Pursuant to section 7121.5 of the Code, if license number 949283, issued to
16 Respondent Tesla Inc. is revoked or suspended, Respondent Harbidge shall be prohibited from
17 serving as an officer, director, associate, partner, manager, or qualifying individual of a licensee
18 during the time the discipline is imposed, whether or not he had knowledge of or participated in
19 the acts or omissions constituting grounds for discipline as alleged in the causes for discipline
20 above, and any licensee which employs, elects, or associates Respondent Harbidge other than as a
21 bona fide nonsupervising employee shall be subject to disciplinary action.

22 **THIRD CAUSE FOR OTHER ACTION**

23 **(Restrictions on Qualifier – Respondent Goff)**

24 65. Pursuant to section 7121.5 of the Code, if license number 949283, issued to
25 Respondent Tesla Inc. is revoked or suspended, Respondent Goff shall be prohibited from serving
26 as an officer, director, associate, partner, manager, or qualifying individual of a licensee during
27 the time the discipline is imposed, whether or not he had knowledge of or participated in the acts
28 or omissions constituting grounds for discipline as alleged in the causes for discipline above, and

any licensee which employs, elects, or associates Respondent Goff other than as a bona fide nonsupervising employee shall be subject to disciplinary action.

FOURTH CAUSE FOR OTHER ACTION

(Restrictions on Qualifier – Respondent Engelke)

66. Pursuant to section 7121.5 of the Code, if license number 949283, issued to Respondent Tesla Inc. is revoked or suspended, Respondent Engelke 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 Engelke other than as a bona fide nonsupervising employee shall be subject to disciplinary action.

FIFTH CAUSE FOR OTHER ACTION

(Restrictions on Qualifier - Respondent Schwellenbach)

67. Pursuant to section 7121.5 of the Code, if license number 888104, issued to Respondent Tesla Energy is revoked or suspended, Respondent Schwellenbach 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 Schwellenbach other than as a bona fide nonsupervising employee shall be subject to disciplinary action.

SIXTH CAUSE FOR OTHER ACTION

(Restrictions on Qualifier - Respondent Javier)

68. Pursuant to section 7121.5 of the Code, if license number 888104, issued to Respondent Tesla Energy is revoked or suspended, Respondent Javier 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

1 above, and any licensee which employs, elects, or associates Respondent Javier other than as a
2 bona fide nonsupervising employee shall be subject to disciplinary action.

3 **SEVENTH CAUSE FOR OTHER ACTION**

4 **(Restrictions on Qualifier – Respondent Armstrong)**

5 69. Pursuant to section 7121.5 of the Code, if license number 888104, issued to
6 Respondent Tesla Energy is revoked or suspended, Respondent Armstrong shall be prohibited
7 from serving as an officer, director, associate, partner, manager, or qualifying individual of a
8 licensee during the time the discipline is imposed, whether or not he had knowledge of or
9 participated in the acts or omissions constituting grounds for discipline as alleged in the causes
10 for discipline above, and any licensee which employs, elects, or associates Respondent Armstrong
11 other than as a bona fide nonsupervising employee shall be subject to disciplinary action.

12 **EIGHTH CAUSE FOR OTHER ACTION**

13 **(Restrictions on Qualifier - Respondent Klobukoski)**

14 70. Pursuant to section 7121.5 of the Code, if license number 888104, issued to
15 Respondent Tesla Energy is revoked or suspended, Respondent Klobukoski shall be prohibited
16 from serving as an officer, director, associate, partner, manager, or qualifying individual of a
17 licensee during the time the discipline is imposed, whether or not he had knowledge of or
18 participated in the acts or omissions constituting grounds for discipline as alleged in the causes
19 for discipline above, and any licensee which employs, elects, or associates Respondent
20 Klobukoski other than as a bona fide nonsupervising employee shall be subject to disciplinary
21 action.

22 **NINTH CAUSE FOR OTHER ACTION**

23 **(Restrictions for Officer - Respondent Klein)**

24 71. Pursuant to section 7121 of the Code, if license number 949283, issued to Respondent
25 Tesla Inc. is revoked or suspended, Respondent Klein shall be prohibited from serving as an
26 officer, director, associate, partner, manager, qualifying individual, or member of the personnel of
27 record of a licensee in that, while serving as Officer of Respondent Tesla Energy, he had

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1 knowledge of or participated in the acts or omissions which constitute cause for discipline against
2 Respondent Tesla Energy as alleged in the causes for discipline, above.

3 72. Pursuant to section 7121 of the Code, if license number 888104, issued to Respondent
4 Tesla Energy is revoked or suspended, Respondent Klein shall be prohibited from serving as an
5 officer, director, associate, partner, manager, qualifying individual, or member of the personnel of
6 record of a licensee in that, while serving as Officer of Respondent Tesla Energy, he had
7 knowledge of or participated in the acts or omissions which constitute cause for discipline against
8 Respondent Tesla Energy as alleged in the causes for discipline, above.

9 **PRAYER**

10 WHEREFORE, Complainant requests that a hearing be held on the matters alleged in this
11 Accusation, and that following the hearing, the Registrar issue a decision:

12 1. Ordering the revocation or suspension of Contractor's License Number 949283,
13 issued to Respondent Tesla Inc. pursuant to Code section 7090;

14 2. Ordering the revocation or suspension of Contractor's License Number 888104,
15 issued to Respondent Tesla Energy pursuant to Code section 7090;

16 3. Ordering the revocation or suspension of Contractor's License Number 1020377,
17 issued to Respondent Maggard pursuant to Code section 7090;

18 4. Ordering the revocation or suspension of Contractor's License Number 912002,
19 issued to Respondent Harbidge pursuant to Code section 7090;

20 5. Ordering the revocation or suspension of Contractor's License Number 967647,
21 issued to Respondent Goff pursuant to Code section 7090;

22 6. Ordering the revocation or suspension of Contractor's License Number 1047980,
23 issued to Respondent Armstrong pursuant to Code section 7090;

24 7. Ordering the revocation or suspension of Contractor's License Number 1028989,
25 issued to Respondent Klobukoski pursuant to Code section 7090;

26 9. Ordering restitution of all damages according to proof suffered by G.H., E.N., and
27 R.S. as a condition of probation in the event probation is ordered for Respondent Tesla Inc. and/or
28 Respondent Tesla Energy pursuant to Government Code section 11519, subdivision (d);

1 10. If revocation of Contractor's License Number 949283, issued to Respondent Tesla
2 Inc., is ordered, an order for restitution of all damages suffered by G.H., E.N. and R.S. as a result
3 of Respondent Tesla Inc.'s conduct as a contractor, as a condition precedent to any future
4 restoration of License Number 949283, or before any new license is issued.

5 11. If revocation of Contractor's License Number 888104, issued to Respondent Tesla
6 Energy, is ordered, an order for restitution of all damages suffered by G.H. as a result of
7 Respondent Tesla Energy's conduct as a contractor, as a condition precedent to any future
8 restoration of License Number 888104, or before any new license is issued.

9 12. Ordering Respondent Tesla Inc., Respondent Tesla Energy, Respondent Maggard,
10 Respondent Harbidge, Respondent Goff, Respondent Engelke, Respondent Javier, Respondent
11 Armstrong, Respondent Klobukoski, Respondent Schwellenbach, and Respondent Klein to pay
12 the Registrar costs for the investigation and enforcement of the case according to proof at the
13 hearing, pursuant to Code section 125.3;

14 13. Ordering that Respondent Tesla Inc., Respondent Tesla Energy, Respondent
15 Maggard, Respondent Harbidge, Respondent Goff, Respondent Engelke, Respondent Javier,
16 Respondent Armstrong, Respondent Klobukoski, and Respondent Schwellenbach be prohibited
17 from serving as an officer, director, associate, partner, manager, or qualifying individual of a
18 licensee pursuant to Code section 7121.5;

19 13. Ordering that Respondent Klein be prohibited from serving as an officer, director,
20 associate, partner, manager, or qualifying individual of a licensee pursuant to Code section 7121;

21 14. Ordering Respondent Tesla Inc., Respondent Tesla Energy, Respondent Maggard,
22 Respondent Harbidge, Respondent Goff, Respondent Engelke, Respondent Javier, Respondent
23 Armstrong, Respondent Klobukoski, Respondent Schwellenbach, and Respondent Klein to
24 provide the Registrar with a listing of all contracting projects in progress and the anticipated
25 completion date of each, pursuant to Code section 7095; and,

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15. Taking such other and further action deemed proper.

DATED: 3/10/2025

Brian Melvin

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

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