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

13 In the Matter of the Accusation Against:

Case No. N2024-113

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

ACCUSATION

17 Contractor's License No. 974115
18 Classifications: C-10, C-39 and C-46

19 Respondents.

20
21 **PARTIES**

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

25 2. On June 20, 2012, the Registrar of Contractors (Registrar) issued Contractor's
26 License Number 974115, in Classification C-10 (Electrical [General]) to LA Solar Group, Inc.,
27 doing business as A P Electrical (Respondent LA Solar). On January 17, 2013, Respondent LA
28 Solar was issued a C-46 (Solar) classification. On July 6, 2016, Respondent LA Solar was issued

a C-39 (Roofing) classification. The Contractor's License was in full force and effect at all times relevant to the charges brought herein and will expire on June 30, 2026, unless renewed. Ara Petrosyan (Respondent Petrosyan) associated as the Responsible Managing Officer (RMO), Chief Executive Officer (CEO) and President (PRES) on June 20, 2012. The suspension history of Respondent LA Solar is as follows:

Suspension Date:	Violation:	Status:
02/29/2024	996.340 (Disciplinary Bond)	Reinstated 03/19/2024
04/16/2024	Business and Professions Code section 7071.1 (Judgment #30-2023-01340010-S)	Reinstated 04/19/2024

JURISDICTION

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

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

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

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

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

6. Code section 7090 provides that the Registrar may suspend or revoke any license or registration if the licensee or registrant is guilty of or commits any one or more of the acts or omissions constituting cause for disciplinary action.

7. Code section 7096 states:

For the purposes of this chapter, the term "licensee" shall include an individual, partnership, corporation, limited liability company, joint venture, or any combination or organization licensed under this chapter, and shall also include any named responsible managing officer, responsible managing manager, responsible managing

member, or personnel of that licensee whose appearance has qualified the licensee under the provisions of Section 7068.

8. Code section 7106.5 states:

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

9. 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.

STATUTORY PROVISIONS

10. 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.

11. 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.

...

(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 they are 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.

1 ...

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

7 ...

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

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

12 (B) The heading: "Approximate Start Date."

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

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

16 (A) The heading: "Approximate Completion Date."

17 (B) The approximate date of completion.

18 ...

19 (e) Except as provided in paragraph (8) of subdivision (a) of Section 7159.5,
20 all of the following notices shall be provided to the owner as part of the contract form
21 as specified or, if otherwise authorized under this subdivision, may be provided as an
22 attachment to the contract:

23 (1) A notice concerning commercial general liability insurance. This
24 notice may be provided as an attachment to the contract if the contract
25 includes the following statement: "A notice concerning commercial general
26 liability insurance is attached to this contract." The notice shall include the
27 heading "Commercial General Liability Insurance (CGL)," followed by
28 whichever of the following statements is both relevant and correct:

 ...

 (B) "(The name on the license or 'This contractor') carries
commercial general liability insurance written by (the insurance
company). You may call (the insurance company) at _____ to
check the contractor's insurance coverage."

 (C) "(The name on the license or 'This contractor') is self-
insured."

 ...

 (2) A notice concerning workers' compensation insurance. This
notice may 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." The

notice shall include the heading “Workers’ Compensation Insurance” followed by whichever of the following statements is correct:

(A) “(The name on the license or ‘This contractor’) has no employees and is exempt from workers’ compensation requirements.”

(B) “(The name on the license or ‘This contractor’) carries workers’ compensation insurance for all employees.”

...

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

“MECHANICS LIEN WARNING:

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

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

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

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

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

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

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

For other ways to prevent liens, visit CSLB’s internet website at www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752).

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

....

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

2 12. Code section 125.3 states:

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

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

11 13. Government Code section 11519 states:

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

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

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

25 (d) As used in subdivision (b), specified terms of probation may include an
26 order of restitution. Where restitution is ordered and paid pursuant to the provisions
27 of this subdivision, the amount paid shall be credited to any subsequent judgment in a
28 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.

14. 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.

15. Code section 7095 states:

The decision may:

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

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

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

16. 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.

17. 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.

18. 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.

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

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

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

14 **J.F. PROJECT**

15 19. On July 22, 2022, J.F. entered into a home improvement contract with Respondent
16 LA Solar for the installation of a roof mounted photovoltaic solar system at J.F.'s residence on
17 San Helena Drive in Oceanside (J.F. Project). The solar system was sold as a lease, with monthly
18 payments for 25 years totaling \$39,246.00. The contract lacked certain notifications and verbiage
19 that are required for home improvement contracts. Work began on October 11, 2022, and
20 Respondent LA Solar completed the J.F. Project in or about January 2023. On May 15, 2023, J.F.
21 paid Respondent LA Solar the first twelve months of the lease up front, in the amount of
22 \$1,092.00.

23 20. J.F. notified Respondent LA Solar of a number of concerns he had with the work it
24 had done. Respondent LA Solar returned to the J.F. Project in March 2023 and made some
25 repairs. Respondent LA Solar also refunded \$6,861.87 to J.F. However, several workmanship
26 issues went unresolved.

27 21. During the Board's investigation, industry expert B.K. inspected the J.F. Project on
28 July 27, 2023. B.K. found the following departures from accepted trade standards in Respondent
LA Solar's work:

- The required meters (to measure and report the electricity generated and/or consumed) were not installed;
- The combiner panel was missing circuit breaker filler plates;

- The disconnect switch below the combiner panel was not labelled as the rapid shutdown initiation device;
- A disconnect switch blank plastic hub cover was not installed;
- Wiring to the meters was not fully installed to the terminal screw;
- Red and black wires were installed on the same phase and are overloading the common neutral wire, resulting in damage to the new circuit breaker;
- Ty-wrap cable ties were used to support to the wires under the photovoltaic panels;
- Wiring under the photovoltaic panels exceeded the minimum wire bending radius, causing excessive stress to the wiring and the terminal box;
- Respondent LA Solar used washers that are too small and weak to adequately secure the roof equipment;
- The inverter was not fully secured, and its wires are unsupported;
- Several solar panels are missing panel clamps;
- Conduit was installed with Ty-wrap cable ties, leaving the conduit too low beneath the roof tiles;
- An anchor bolt was incorrectly installed;
- Solar box equipment was installed on the roof without the appropriate box cover; and,
- Conduit was installed on the roof without flashing where the conduit meets the roof tiles.

22. B.K. concluded that the substantial repair is needed to bring the J.F. project up to accepted trade standards, including but not limited to the following: all solar panels and racking need to be removed and reinstalled with the correct hardware, supports, flashing, and PV cable supports; a supplemental ground rod needs to be installed; and the system needs revenue grade metering with correct certifications. B.K. estimated that this work will cost \$25,000.

FIRST CAUSE FOR DISCIPLINE

(Departure from Accepted Trade Standards)

23. Respondent LA Solar has subjected its license to disciplinary action under Code section 7109, subdivision (a), because on the J.F. project, Respondent LA Solar willfully departed from accepted trade standards for good and workmanlike construction, as set forth above.

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1 **SECOND CAUSE FOR DISCIPLINE**

2 **(Contract Violations – Failure to Include Required CSLB Notifications)**

3 24. Respondent LA Solar has subjected its license to disciplinary action under Code
4 section 7159 because its contract for the J.F. Project failed to include required notifications and
5 verbiage about the following topics:

- 6 a. Code section 7159, subd. (d)(10): start date of work.
7 b. Code section 7159, subd. (d)(11): completion date.
8 c. Code section 7159, subd. (e)(1): commercial general liability insurance.
9 d. Code section 7159, subd. (e)(2): workers' compensation insurance.
10 e. Code section 7159, subd. (e)(4): mechanic's lien.

11 **MATTERS IN AGGRAVATION**

12 25. To determine the degree of penalty, if any, to be imposed on Respondents LA Solar
13 and Ara Petroysan, RMO/CEO/PRES, Complainant alleges the following:

14 a. Citation No. 2-2019-1537 was issued to Respondent LA Solar on November 14,
15 2019, for violating Code sections 7109, subdivision (a) (poor workmanship); 7161, subdivision
16 (b) (substantial misrepresentations in the procurement of a construction contract); 7113 (failed to
17 correct/complete project for contract price); and 7159 (contract violations). The citation required
18 Respondent LA Solar to pay \$7,600 in restitution to the homeowner and assessed \$2,600 in civil
19 penalties. Respondent appealed the citation, and the civil penalties were reduced to \$1,700.
20 Respondent complied with the citation.

21 b. On August 24, 2022, Second Amended Accusation No. N2021-152 was filed
22 against Respondents LA Solar and Ara Petrosyan, RMO, CEO and PRES. Following an
23 administrative hearing, the Board issued a Decision and Order, effective February 29, 2024,
24 which found Respondent LA Solar had committed the following violations on three residential
25 solar projects: two violations of Code section 7109, subdivision (a) (departure from accepted
26 trade standards); two violations of Code section 7154, subdivision (c) (failure to report home
27 improvement salesperson); four violations of Code section 7159 (contract violations); and one
28 violation of Code section 7159.5, subdivision (a)(5) (payment exceeds value of work performed).

1 The Decision and Order revoked Respondent LA Solar's license, with revocation stayed during
2 three years of probation on specified terms and conditions, including requirements for a \$50,000
3 Disciplinary Bond, that Respondent Petrosyan take and pass the Board's law and business
4 examination, payment of the Board's investigative and enforcement costs in the amount of
5 \$15,000, and a requirement to submit copies of construction contractors to the Registrar.

6 **CAUSE FOR OTHER ACTION**

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

8 26. Pursuant to Code section 7121.5, if Respondent LA Solar's license number 974115 is
9 revoked or suspended, Respondent Petrosyan shall be prohibited from serving as an officer,
10 director, associate, partner, manager, or qualifying individual of a licensee during the time the
11 discipline is imposed, whether or not he had knowledge of or participated in the acts or omissions
12 constituting grounds for discipline as alleged in the causes for discipline, above, and any licensee
13 which employs, elects, or associates Respondent Ara Petrosyan other than as a bona fide
14 nonsupervising employee shall be subject to disciplinary action.

15 **PRAYER**

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

18 1. Ordering the revocation or suspension of Contractor's License Number 974115 issued
19 to Respondent LA Solar Group Inc., doing business as A P Electrical, pursuant to Code section
20 7090;

21 2. Ordering restitution of all damages according to proof suffered by J.F., as a condition
22 of probation in the event probation is ordered for Respondent LA Solar Group and/or Respondent
23 Ara Petrosyan, pursuant to Government Code section 11519, subdivision (d);

24 3. If revocation of Contractor's License Number 974115 issued to Respondent LA Solar
25 Group is ordered, an order for restitution of all damages suffered by J.F. as a result of Respondent
26 LA Solar Group's conduct as a contractor, as a condition precedent to any future restoration of
27 Contractor's License Number 974115, or before any new license is issued;

28 ///

4. Ordering Respondent LA Solar Group and/or Respondent Ara Petrosyan 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;

5. Ordering Respondent LA Solar Group and/or Respondent Ara Petrosyan 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;

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

7. Taking such other and further action deemed proper.

DATED: 12/4/2024

Brian Melvin

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

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