BEFORE THE STRUCTURAL PEST CONTROL BOARD DEPARTMENT OF CONSUMER AFFAIRS STATE OF CALIFORNIA

In the Matter of the Accusation Against:

Case No. 2008-13

DESERT BUG STORMERS, INCORPORATED, et al. 1427 South Pacific Avenue San Pedro, CA 90731 Company Registration Certificate No. PR 3283

OAH No. L-2008030783

Respondents.

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the Structural Pest Control Board, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on September 3, 2009

It is so ORDERED August 4, 2009

FOR THE STRUCTURAL PEST CONTROL BOARD DEPARTMENT OF CONSUMER AFFAIRS

EDMUND G. BROWN JR., Attorney General 1 of the State of California GREGORY J. SALUTE Supervising Deputy Attorney General KIMBERLEE D. KING, State Bar No. 141813 Deputy Attorney General 300 So. Spring Street, Suite 1702 Los Angeles, CA 90013 5 Telephone: (213) 897-2581 Facsimile: (213) 897-2804 6 Attorneys for Complainant 7 BEFORE THE 8 STRUCTURAL PEST CONTROL BOARD DEPARTMENT OF CONSUMER AFFAIRS 9 STATE OF CALIFORNIA 10 Case No. 2008-13 In the Matter of the Accusation Against: 11 OAH No. L-2008030783 DESERT BUG STORMERS, INC., et al. 12 STIPULATED SETTLEMENT AND 1427 South Pacific Avenue DISCIPLINARY ORDER as to 13 San Pedro, California 90731 RESPONDENTS DESERT BUG THOMAS B. SMITH, Qualifying Manager, STORMERS, INC., JUAN MANUEL 14 TREVINO, AND JOSEPHINE JUAN MANUELTREVINO, President TREVINO ONLY 15 JOSEPHINE TREVINO, V/P Branch Office No. BR 4964 16 Branch Office No. BR 4816 Company Registration Certificate No. PR 17 3283, Br. 3 Operator License No. OPR 9366, Br. 3 18 19 Respondents. 20 THIS STIPULATED AGREEMENT is by and between Complainant, Kelli 21 Okuma, Registrar/Executive Officer of the Structural Pest Control Board and Respondents 22 Desert Bug Stormers, Inc., Juan Manuel Trevino, and Josephine Trevino only, and does not 23 include the remaining parties to the above-entitled proceedings. Complainant Kelli Okuma and 24 Respondents hereby stipulate and agree that the following matters are true: 25 26 27 111 28 111

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1. Kelli Okuma (Complainant) is the Registrar/Executive Officer of the Structural Pest Control Board. She brought this action solely in her official capacity and is represented in this matter by Edmund G. Brown Jr., Attorney General of the State of California, by Kimberlee D. King, Deputy Attorney General.

- 2. Desert Bug Stormers, Inc. ("Respondent Desert Bug"), Juan Manuel Trevino, and Josephine Trevino ("Trevino Respondents" unless otherwise designated) are represented in this proceeding by attorney James L. Frederick, of Goeltz & Frederick, whose address is 504 West Mission Avenue, Suite 103, Escondido, CA 92025.
- Certificate No. PR 3283 in Branch 3 to Desert Bug Stormers, Inc., with Thomas Murray as the Qualifying Manager and Juan Manuel Trevino as President. On or about August 9, 1999, Thomas B. Smith became the Qualifying Manager. On or about June 27, 2000, the Board issued Branch Office Registration No. BR 4816 to Desert Bug Stormers, with Ernesto Chavez as the Branch Office Supervisor. On or about October 20, 2003, Josephine Trevino became the Vice-President. On or about January 27, 2004, the Board issued Branch Office Registration No. BR 4964 to Desert Bug Stormers, Inc., with Ernesto Chavez, Jr. as the Branch Office Supervisor. On August 4, 2008, Respondent Smith disassociated as the Qualifying Manager of Desert Bug Stormers, Inc. On or about October 31, 1991, the Board issued Field Representative License No. 20092, in Branch 3 to Juan Manuel Trevino ("Respondent Trevino"). The license will expire on June 30, 2009, unless renewed.

<u>JURISDICTION</u>

4. Accusation No. 2008-13 was filed before the Structural Pest Control
Board (Board), Department of Consumer Affairs, and is currently pending against Respondents.
The Accusation and all other statutorily required documents were properly served on
Respondents on October 3, 2007. Respondents timely filed their Notices of Defense contesting
the Accusation. A copy of Accusation No. 2008-13 is attached as exhibit A and incorporated
herein by reference.

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ADVISEMENT AND WAIVERS

- 5. Respondents have carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. 2008-13. Respondents have also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order.
- the right to a hearing on the charges and allegations in the Accusation; the right to be represented by counsel at their own expense; the right to confront and cross-examine the witnesses against them; the right to present evidence and to testify on their own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.
- 7. Respondents voluntarily, knowingly, and intelligently waive and give up each and every right set forth above.

CULPABILITY

- 8. Respondents admit the truth of each and every charge and allegation in Accusation No. 2008-13.
- 9. Respondents agree that their License and Registration Certificate are subject to discipline and they agree to be bound by the Structural Pest Control Board (Board) 's imposition of discipline as set forth in the Disciplinary Order below.

CONTINGENCY

Board. Respondents understand and agree that counsel for Complainant and the staff of the Structural Pest Control Board may communicate directly with the Board regarding this stipulation and settlement, without notice to or participation by Respondents or their counsel. By signing the stipulation, Respondents understand and agree that they may not withdraw their agreement or seek to rescind the stipulation prior to the time the Board considers and acts upon it. If the Board fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement

and Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Board shall not be disqualified from further action by having considered this matter.

- 11. The parties understand and agree that facsimile copies of this Stipulated Settlement and Disciplinary Order, including facsimile signatures thereto, shall have the same force and effect as the originals.
- 12. In consideration of the foregoing admissions and stipulations, the parties agree that the Board may, without further notice or formal proceeding, issue and enter the following Disciplinary Order:

DISCIPLINARY ORDER

IT IS HEREBY ORDERED that:

Company Registration Certificate No. PR 3581 issued to Respondent Desert Bug Stormers, Incorporated dba Electromite is revoked outright.

Company Registration Certificate No. PR 3283 issued to Respondent Desert Bug Stormers, Incorporated and Field Representative License No.FR-20092 are revoked. However, the revocations for Company Registration Certificate No. PR 3283 and Field Representative License No.FR-20092 are stayed and Company Registration Certificate No. PR 3283 and Field Representative License No.FR-20092 are placed on probation for three (3) years on the following terms and conditions.

Actual Suspension. Company Registration Certificate No. PR 3283 issued to Respondent Desert Bug Stormers, Incorporated is suspended fifteen (15) days Desert Bug Stormers. Inc. shall be suspended for 15 business days, commencing 30 business days from the effective date of the decision. (Desert Bug Stormers may pay a civil penalty of \$3,000.00 in lieu of the 15 days).

Removal of Josephine Trevino as Officer. Respondents Desert Bug Stormers, Incorporated and Josephine Trevino, currently Vice-President of Desert Bug Stormers, Inc.,

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must comply with San Bernardino County Municipal Court — Victorville Division, Case No. FVI01527, Order and remove Josephine Trevino, as Vice-President of Desert Bug Stormers, Inc. Respondent Josephine Trevino shall further comply with San Bernardino County Municipal Court Order, Case No. FVI01527 and not serve as an officer, director, associate, partner, qualifying manager, or responsible managing employee of any company or firm required to be licensed or registered pursuant to the Structural Pest Control Act.

- 1. Obey All Laws. Respondents shall obey all laws and rules relating to the practice of structural pest control.
- Quarterly Reports. Respondents shall file quarterly reports with the Board during the period of probation.
- Tolling of Probation. Should Respondents leave California to reside outside this state, Respondents must notify the Board in writing of the dates of departure and return. Periods of residency or practice outside the state shall not apply to reduction of the probationary period.
- 4. Notice to Employers. Respondent Juan Manuel Trevino shall notify all present and prospective employers of the decision in Case No. 2008-13 and the terms, conditions and restriction imposed on Respondent Juan Manuel Trevino by said decision. Within 30 days of the effective date of this order, and within 15 days of Respondent Juan Manuel Trevino undertaking new employment, Respondent Juan Manuel Trevino shall cause his employer to report to the Board in writing acknowledging the employer has read the decision in case No. Case No. 2008-13.
- 5. Notice to Employees. Respondent Desert Bug shall, upon or before the effective date of this order, post or circulate a notice to all employees involved in structural pest control operations which accurately recite the terms and conditions of probation. Respondent Desert Bug shall be responsible for said notice being immediately available to said employees. "Employees" as used in this provision includes all full-time, part-time, temporary and relief employees and independent contractors employed or hired at any time during probation.

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- 6. Posted Notice of Suspension. Respondent Desert Bug shall prominently post a suspension notice provided by the Board of the Board's order of suspension at its principal office and each of its branch offices in a place conspicuous and readable to the public. Said notice shall remain so posted during the entire period of actual suspension.
- 7. **Completion of Probation.** Upon successful completion of probation, Respondents' license and certificate will be fully restored.
- 8. Violation of Probation. Should Respondents violate probation in any respect, the Board, after giving Respondents notice and an opportunity to be heard, may revoke probation and carry out the disciplinary order which was stayed. If a petition to revoke probation is filed against Respondents during probation, the Board shall have continuing jurisdiction until the matter is final, and the period of probation shall be extended until the matter is final.
- 9. Cost reimbursement. Respondents Desert Bug Stormers, Inc. and Trevino Respondents will pay the Board \$10,000.00 within 30 months of the effective date of this order. Equal monthly payments of \$400.00 for 25 months, with no interest, may be made commencing on the 1st day of the first full month following the effective date of the decision. Respondents shall have joint and several liability for these costs.
- Branch III Operator's Examination. Respondent Juan Manuel Trevino will be permitted to take the Branch III Operator's examination and receive his operator's license upon passing the examination. However, the terms and conditions of this probation will follow any change in Respondent Juan Manuel Trevino's class/status including any operator's license upon issuance.
- 11. Education Course Branch 3. Respondent Juan Manuel Trevino shall complete eight hours of technical branch 3 and four hours of general continuing education credit with a grade of C Minus (C-) or better within 180 days of the effective date of this order. These hours are in addition to the continuing education hours required for re-licensure.
- 12. Random Inspections. Respondent Juan Manuel Trevino shall reimburse the Board for one random inspection per quarter by Board specialists during the period of probation not to exceed \$125 per inspection.

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Probiblised from Serving as Officer, Director, Associate, Partner of Qualifying Manager. Respondent Juan Manuel Trevino is prohibited from serving as an officer, director, associate, partner, qualifying manager or branch office manager of any registered company other than Company Registration Cortificate No. PR 3283 issued to Respondent Desert Bug Stormers, Incorporated during the period that discipline is imposed on Company Registration Cardificate No. PR 3283.

Tolling Desert Bus Stormers. Should Desert Bug Stormers, Inc. become inactive during the time of probation, that time shall not count toward the completion of probation and probation will be extend by that inactive time.

Tolking-Juan Manuel Trevino, Should Juan Manuel Trevino cesso to conduct structural past work in the state or move out of the state for any pariod exceeding 29 days, that period of time shall not count toward probation and probation will be extend for that amount of time. Respondent shall notify the Board in writing of the starting date(s) and ending data(s) of inactivity or out-of-state periods.

ACCEPTANCE

There expectly read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, James L. Fradericks. I understand the supulation and the effect it will have on my Company Registration Certificate and Field Representative License. I enter into this Stipulated Sertiament and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Structural Peat Control Bosmi. DATED: 1409/2008

P. 29 DEC-09-17141 POS ENVEN I have read and full vollaguaged with Respondent Desert Hug Stormers, Incorporated the terms and conditions and other manus contained in the above Stipulated Sections at and Disciplinary Order. Lapprove its form and content 12/10/2009 DATEDI James L. Fredericke Antomey for Respondent 10 ENDORSEMENT 11 The foregoing Stipulated Serdement and Disciplinary Order is hereby respectfully 12 submitted for consideration by the Structural Per Control Board of the Department of Consumer 13 14 Affairs. 15 EDMUND OF BROWN IR., Automay Demand 17 of the State of California 18 GREGORY I. SALUTE Supervising Deputy Attorney Octoors 19 20 21 22 23 Attorneys for Complainant 24 35 DO MARE ID: LABOUTEAT 130 \$0587801.WD4 26 27 21

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Exhibit A
Accusation No. 2008-13

EDMUND G. BROWN JR., Attorney General of the State of California JENNIFER S. CADY Supervising Deputy Attorney General KIMBERLEE D. KING, State Bar No. 141813 Deputy Attorney General FILED California Department of Justice 300 So. Spring Street, Suite 1702 Los Angeles, CA 90013 5 Telephone: (213) 897-2581 Facsimile: (213) 897-1071 6 Attorneys for Complainant BEFORE THE 9 STRUCTURAL PEST CONTROL BOARD DEPARTMENT OF CONSUMER AFFAIRS 10 STATE OF CALIFORNIA 11 12 In the Matter of the Accusation Against: Case No. 2008-13 DESERT BUG STORMERS, INC. 13 1427 South Pacific Avenue ACCUSATION 14 San Pedro, California 90731 THOMAS B. SMITH, Qualifying Manager, Br. 3 JOSEPHINE TREVIÑO, V/P ERNESTO CHAVEZ, JŔ., Branch Office Supervisor Branch Office No. BR 4964 ·16 Branch Office No. BR 4816 Company Registration Certificate No. PR 3283, Br. 3 17 Operator License No. OPR 9366, Br. 3 18 JUAN MANUEL TREVINO 1427 South Pacific Avenue 19 San Pedro, California 90731 Field Representative's License No. FR 20092, Br. 3 20 21 Respondents. 22 DESERT BUG STORMERS, INC. 23 dba ELECTROMITE 216 South Jackson Street, No. 203 Glendale, California 91205 THOMAS B. SMITH, Qualifying Manager JUAN MANUEL TRÉVINO, Owner 25 Company Registration Certificate No. PR 3581, Br. 3 26 Operator License No. OPR 9366, Br. 3 Affiliated License. 27 28

Kelli Ol	cuma ("Co	mplainant")	alleges:

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PARTIES

1. Complainant brings this Accusation solely in her official capacity as the Registrar of the Structural Pest Control Board ("Board"), Department of Consumer Affairs.

LICENSE HISTORY

Desert Bug Stormers, Inc. Branch Office Registration No(s). BR 4816 and 4964 Company Registration Certificate No. PR 3283, Br. 3

2. On or about May 22, 1998, the Board issued Company Registration
Certificate No. PR 3283 ("company registration") in Branch 3 to Desert Bug Stormers, Inc.
("Respondent Desert Bug"), with Thomas Murray as the Qualifying Manager and Juan Manuel
Trevino as President. On or about August 9, 1999, Thomas B. Smith became the Qualifying
Manager. On or about June 27, 2000, the Board issued Branch Office Registration No. BR 4816
to Desert Bug Stormers, with Ernesto Chavez as the Branch Office Supervisor. On or about
October 20, 2003, Josephine Trevino became the Vice-President. On or about January 27, 2004,
the Board issued Branch Office Registration No. BR 4964 to Desert Bug Stormers, Inc., with
Ernesto Chavez, Jr. as the Branch Office Supervisor.

Desert Bug Stormers, Inc. dba Electromite Company Registration Certificate No. PR 3581, Br. 3

3. On or about December 21, 1999, the Board issued Company Registration Certificate No. PR 3581 in Branch 3 to Desert Bug Stormers, Inc. doing business as Electromite, with Thomas B. Smith as the Qualifying Manager and Juan Manuel Trevino as the owner.

Desert Bug Stormers, Inc. Desert Bug Stormers, Inc. dba Electromite Operator's License No. OPR 9366, Br. 3

4. On or about February 7, 1995, the Board issued Operator's License
No. OPR 9366 in Branch 3 to Tom B. Smith ("Respondent Smith") as an employee of
Electromite. On or about January 1, 1996, Respondent Smith became the Qualifying Manager of
Electromite. On or about August 9, 1999, Respondent Smith became the Qualifying Manager of
Desert Bug Stormers, Inc. On or about December 21, 1999, Respondent Smith disassociated as

the Qualifying Manager of Electromite, and became the Qualifying Manager of Desert Bug Stormers, Inc. doing business as Electromite (Company Registration Certificate No. PR 3581).

Juan Manuel Trevino Field Representative License No. FR 20092, Br. 3

5. On or about October 31, 1991, the Board issued Field Representative License No. 20092, in Branch 3 to Juan Manuel Trevino ("Respondent Trevino"). The license will expire on June 30, 2009, unless renewed.

JURISDICTION

6. Business and Professions Code ("Code") section 8620 provides, in pertinent part, that the Board may suspend or revoke a license when it finds that the holder, while a licensee or applicant, has committed any acts or omissions constituting cause for disciplinary action or, in lieu of a suspension, may assess a civil penalty.

7. Code section 8624 states:

If the board suspends or revokes an operator's license and one or more branch offices are registered under the name of the operator, the suspension or revocation may be applied to each branch office.

If the operator is the qualifying manager, a partner, responsible officer, or owner of a registered structural pest control company, the suspension or revocation may be applied to the company registration.

The performance by any partnership, corporation, firm, association, or registered company of any act or omission constituting a cause for disciplinary action, likewise constitutes a cause for disciplinary action against any licensee who, at the time the act or omission occurred, was the qualifying manager, a partner, responsible officer, or owner of the partnership, corporation, firm, association, or registered company whether or not he or she had knowledge of, or participated in, the prohibited act or omission.

8. Code section 8625 states:

The lapsing or suspension of a license or company registration by operation of law or by order or decision of the board or a court of law, or the voluntary surrender of a license or company registration shall not deprive the board of jurisdiction to proceed with any investigation of or action or disciplinary proceeding against such licensee or company, or to render a decision suspending or revoking such license or registration.

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9. Code section 8622 states:

When a complaint is accepted for investigation of a registered company, the board, through an authorized representative, may inspect any or all properties on which a report has been issued pursuant to Section 8516 or a notice of completion has been issued pursuant to Section 8518 by the registered company to determine compliance with the provisions of this chapter and the rules and regulations issued thereunder. If the board determines the property or properties are not in compliance, a notice shall be sent to the registered company so stating. The registered company shall have 30 days from the receipt of the notice to bring such property into compliance, and it shall submit a new original report or completion notice or both and an inspection fee of not more than one hundred twenty-five dollars (\$125) for each property inspected. If a subsequent reinspection is necessary, pursuant to the board's review of the new original report or notice or both, a commensurate reinspection fee shall also be charged. If the board's authorized representative makes no determination or determines the property is in compliance, no inspection fee shall be charged.

The notice sent to the registered company shall inform the registered company that if it desires a hearing to contest the finding of noncompliance, the hearing shall be requested by written notice to the board within 20 days of receipt of the notice of noncompliance from the board. Where a hearing is not requested pursuant to this section, payment of any assessment shall not constitute an admission of any noncompliance charged.

STATUTORY PROVISIONS

10. Code section 8516 states, in pertinent part:

(b) No registered company or licensee shall commence work on a contract, or sign, issue, or deliver any documents expressing an opinion or statement relating to the absence or presence of wood destroying pests or organisms until an inspection has been made by a licensed Branch 3 field representative or operator. The address of each property inspected or upon which work is completed shall be reported on a form prescribed by the board and shall be filed with the board no later than 10 business days after the commencement of an inspection or upon completed work.

Every property inspected pursuant to subdivision (b) of Section 8516.1, or Section 8518, or subdivision (b) of this section shall be assessed a filing fee pursuant to Section 8674.

Failure of a registered company to report and file with the board the address of any property inspected or work completed pursuant to Section 8516.1, Section 8518, or this section are grounds for disciplinary action and shall subject the registered company to a fine of not more than two thousand five hundred dollars (\$2,500).

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A written inspection report conforming to this section and on a form approved by the board shall be prepared and delivered to the person requesting the inspection or to the person's designated agent within 10 business days of the inspection, except that an inspection report prepared for use by an attorney for litigation purposes is not required to be reported to the board. The report shall be delivered before work is commenced on any property. The registered company shall retain for three years all original inspection reports, filed notes, and activity forms.

Reports shall be made available for inspection and reproduction to the executive officer of the board or his or her duly authorized representative during business hours. Original inspection reports or copies thereof shall be submitted to the board upon request within two business days. The following shall be set forth in the report:

- (1) The date of the inspection and the name of the licensed field representative or operator making the inspection.
- (6) A foundation diagram or sketch of the structure or structures or portions of the structure or structures inspected, indicating thereon the approximate location of any infested or infected areas evident, and the parts of the structure where conditions that would ordinarily subject those parts to attack by wood destroying pests or organisms exist.
- (7) Information regarding the substructure, foundation walls and footings, porches, patios and steps, air vents, abutments, attic spaces, roof framing that includes the eaves, rafters, fascias, exposed timbers, exposed sheathing, ceiling joists, and attic walls, or other parts subject to attack by wood destroying pests or organisms. Conditions usually deemed likely to lead to infestation or infection, such as earth-wood contacts, excessive cellulose debris, faulty grade levels, excessive moisture conditions, evidence of roof leaks, and insufficient ventilation are to be reported.
 - (10) Recommendations for corrective measures.

11. Code section 8518 states:

When a registered company completes work under a contract, it shall prepare, on a form prescribed by the board, a notice of work completed and not completed, and shall furnish that notice to the owner of the property or the owner's agent within 10 working days after completing the work. The notice shall include a statement of the cost of the completed work and estimated cost of work not completed.

The address of each property inspected or upon which work was completed shall be reported on a form prescribed by the board and shall be filed with the board no later than 10 working days after completed work.

Every property upon which work is completed shall be assessed a filing fee pursuant to Section 8674.

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Failure of a registered company to report and file with the board the address of any property upon which work was completed pursuant to subdivision(b) of Section 8516, subdivision (b) of Section 8516.1, or Section 8518 are grounds for disciplinary action and shall subject the registered company to a fine of not more than two thousand five hundred dollars (\$2,500).

The registered company shall retain for three years all original notices of work completed, work not completed, and activity forms.

Notices of work completed and not completed shall be made available for inspection and reproduction to the executive officer of the board or his or her duly authorized representative during business hours. Original notices of work completed or not completed or copies thereof shall be submitted to the board upon request within two business days.

12. Code section 8638 states:

Failure on the part of a registered company to complete any operation or construction repairs for the price stated in the contract for such operation or construction repairs or in any modification of such contract is a ground for disciplinary action.

13. Code section 8641 states:

Failure to comply with the provisions of this chapter, or any rule or regulation adopted by the board, or the furnishing of a report of inspection without the making of a bona fide inspection of the premises for wood-destroying pests or organisms, or furnishing a notice of work completed prior to the completion of the work specified in the contract, is a ground for disciplinary action.

14. Code section 8644 states:

Fraud or misrepresentation, after inspection, by any licensee or registered company engaged in pest control work of any infestation or infection of wood-destroying pests or organisms found in property or structures, or respecting any conditions of the structure that would ordinarily subject structures to attack by wood-destroying pests or organisms, whether or not a report was made pursuant to Sections 8516 and 8517 of this code, is a ground for disciplinary action.

REGULATORY PROVISIONS

- 15. California Code of Regulations, title 16, section 1990, states, in pertinent
- (a) All reports shall be completed as prescribed by the board. Copies filed with the board shall be clear and legible. All reports must supply the information required by Section 8516 of the Code and the information regarding the pesticide or pesticides used as set forth in Section 8538 of the Code, and shall contain or describe the following:
 - (3) Infestations, infections or evidence thereof.

(4) Wood members found to be damaged by wood destroying pests or organisms.

(b) Conditions usually deemed likely to lead to infestation or infection include,

- (3) Excessive Cellulose Debris. This is defined as any cellulose debris of a size that can be raked or larger. Stumps and wood imbedded in footings in earth
- (5) Commonly controllable moisture conditions which would foster the growth of a fungus infection materially damaging to woodwork.
- (e) Information regarding all accessible areas of the structure including but not limited to the substructure, foundation walls and footings, porches, patios and steps, stairways, air vents, abutments, stucco walls, columns, attached structures or other parts of a structure normally subject to attack by wood-destroying pests
 - California Code of Regulations, title 16, section 1991, states, in pertinent
- - (a) Recommendations for corrective measures for the conditions found shall be made as required by paragraph 10 of subdivision (b) of Section 8516 of the code and shall also conform with the provisions of Title 24 of the California Code of Regulations and any other applicable local building code, and shall
 - (5) Structural members which appear to be structurally weakened by wood-destroying pests to the point where they no longer serve their intended purpose shall be replaced or reinforced. Structural members which are structurally weakened by fungus to the point where they no longer serve their intended purpose shall be removed or, if feasible, may remain in place if another structural member is installed adjacent to it to perform the same function, if both members are dry (below 20% moisture content), and if the excessive moisture condition responsible for the fungus damage is corrected. Structural members which appear to have only surface fungus damage may be chemically treated and/or left as is if, in the opinion of the inspector, the structural member will continue to perform its originally intended function and if correcting the excessive moisture condition
 - (8) Exterminate all reported wood-destroying pests. Such extermination shall not be considered repair under section 8516(b)(12) of the code. If evidence indicates that wood-destroying pests extend into an inaccessible area(s),
 - (A) enclose the structure for an all encompassing treatment utilizing materials listed in Section 8505.1 of the code, or
 - (B) use another all encompassing method of treatment which exterminates

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18. California Code of Regulations, title 16, section 1937.14, states:

All work completed by licensees or registered companies shall be done within the specific requirements of any plans or specifications and shall meet accepted trade standards for good and workmanlike construction in any material respect, and shall comply with provisions of Section 2516(c)(1), (2), (4) and (6) of Title 24, California Code of Regulations.

COST RECOVERY/RESTITUTION

- 19. Code section 125.3 provides, in pertinent part, that the Board may request the administrative law judge to direct a licentiate found to have committed a violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.
- 20. Government Code section 11519(d) provides, in pertinent part, that the Board may require restitution of damages suffered as a condition of probation in the event probation is ordered.

BARLOW STREET PROJECT

- 21. On or about July 14, 2006, Respondent Trevino inspected the property located at 2308 Barlow Street, Los Angeles, California ("Barlow Street property"), for wood destroying pests and organisms and thereafter issued a Complete Wood Destroying Pests and Organisms Inspection Report Number 317 ("Inspection Report No. 317"). The inspection was at the request of Granada Knoll Realty for escrow purposes.
- 22. Respondent Trevino's findings involved cellulose debris, dry rot (decay fungi damage), evidence of subterranean and drywood termites in the substructure, and drywood termite damage at the eave. The cost to repair was stated as \$2,695.00.
- 23. Respondent Trevino recommended removing the cellulose debris that was in contact with the ground, reinforcing the decay fungi damage, trenching and treating the substructure soil for subterranean termites, and removing all accessible termite tubing. The inspection report reported that there was no stall shower or abutments and that all accessible areas of the house and garage were inspected. The report did not make a recommendation to cover or remove the accessible drywood termite evidence.

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- 24. On or about August 6, 2006, Respondent Desert Bug issued a Standard Notice of Work Completed and Not Completed ("completion notice"), certifying that all recommendations made by Respondent Trevino in Inspection Report No. 317, dated July 14, 2006, had been completed.
 - 25. On or about August 16, 2006, escrow closed.
- 26. On or about September 20, 2006, at the request of the new homeowner, Yee Lwin ("Lwin"), Respondent Trevino re-inspected the Barlow Street property for wood destroying pests and organisms and thereafter issued a Supplemental Wood Destroying Pests and Organisms Inspection Report Number 413 ("Supplemental Inspection Report No. 413").
- 27. Respondent Trevino's findings involved minor termite damage at the interior wood flooring (hardwood flooring) in two locations.
- 28. Respondent Trevino recommended that Lwin or a licensed contractor make the necessary repairs and corrections.
- 29. On or about September 21, 2006, Josephine Trevino, the vice-president of Respondent Desert Bug, contacted New Century Realty, explaining that Respondent Desert Bug performed an inspection on the Barlow Street property prior to the close of escrow. However, Lwin contacted Respondent Desert Bug to perform warranty work for termites found under the carpeting during a supplemental inspection by Respondent Desert Bug on September 20, 2006. Josephine Trevino further stated that while Respondent Desert Bug was not responsible for termite damage found in inaccessible areas, as a courtesy, Respondent Desert Bug would remove all the carpeting to allow further inspection of the flooring, reassess the existing damage only, and allow Lwin to review and approve the estimate for work which would be performed by Respondent at a negotiated price provided that Lwin replace the carpeting at her expense, and agree to not hold Respondent Desert Bug and Granada Knoll Realty responsible for any liability that may arise.
 - 30. On or about September 25, 2006, the Board received a complaint from

On or about October 7, 2006, at the request of Lwin, Tri-Pacific Termite Company inspected the Barlow Street property for wood destroying pests and organisms and thereafter issued a Complete Wood Destroying Pests and Organisms Inspection Report Number 4813A. Tri-Pacific Termite Company's findings involved drywood termite damages at the subfloor in the substructure; evidence of subterranean termites coming from the soil under the subfloor (basement); subterranean termite damage at the sill plate in the basement; subterranean termite damage and decay fungi damage at the front porch framing; drywood termite damage at the interior hardwood flooring above the damage at the sub-floor in the substructure; and decay

fungi damage and buckled hardwood flooring at the interior.

- 32. Tri-Pacific Termite Company recommended repairing, replacing or reinforcing the drywood termite damage in the substructure and at the hardwood flooring; drilling and pressure injecting the soil below the basement slab; removing, replacing and/or resupporting the subterranean termite damage at the sill plate; removing, replacing and/or resupporting the subterranean termite damage and decay fungi damage at the front porch framing; and removing and replacing the decay fungi damage and buckled hardwood flooring.
- 33. On or about November 1, 2006, a Board specialist inspected the Barlow Street property and noted numerous violations.
- 34. On or about November 9, 2006, the Board specialist prepared and issued a Report of Findings along with a Notice ordering Respondent Desert Bug to bring the property into compliance by correcting the items described in the Report of Findings and to submit a corrected inspection report and Notice of Work Completed and Not Completed to the Board within thirty (30) days with respect to the inspections performed on July 14, 2006, and September 20, 2006.
- 35. On or about November 28, 2006, Respondent Trevino re-inspected the Barlow Street property and thereafter issued Wood Destroying Pests and Organisms Inspection Report Number 479 ("Inspection Report No. 479") consisting of certain findings and recommendations.

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36. On or about December 6, 2006, the Board specialist reviewed Inspection Report Number 479, dated November 28, 2006, and found that it was not in compliance with the Board's rules and regulations. The Board specialist notified Respondent Desert Bug of the items that were not in compliance.

- 37. On or about December 12, 2006, the Board specialist received a revised version of Inspection Report Number 479 prepared by Respondent Trevino, which consisted of certain findings and recommendations. The Board specialist reviewed the revised version of Inspection Report Number 479 and found that, again, it was not in compliance with the Board's rules and regulations.
- 38. On or about December 15, 2006, the Board specialist notified Respondent Desert Bug of items of concern regarding the revised Inspection Report Number 479.
- 39. On or about December 26, 2006, the Board specialist received a third revised version of Inspection Report Number 479. The Board specialist reviewed Inspection Report Number 479 and found that it was not in compliance with the Board's rules and regulations.
- 40. On or about December 29, 2006, the Board specialist notified Respondent Desert Bug of items of concern regarding the third version of Inspection Report Number 479.
- 41. On or about January 8, 2007, the Board specialist met with Josephine Trevino, at the Barlow Street property to discuss the Board specialist's list of concerns.
- 42. On or about January 12, 2007, the Board specialist received a fourth revised Inspection Report Number 479.
- 43. On or about January 16, 2007, the Board specialist reviewed the fourth revised Inspection Report Number 479 and found that it was not in compliance with the Board's rules and regulations. The Board specialist notified Respondent Desert Bug of items of concern regarding the fourth version of Inspection Report Number 479.
- 44. On or about January 19, 2007, the Board specialist received a Supplemental Wood Destroying Pests and Organisms Inspection Report Number 19 ("Inspection Report No. 19") regarding the Barlow Street property. Inspection Report No. 19 was prepared

by Respondent Desert Bug in response to the Board specialist list of concerns dated January 16, 2007. After reviewing Inspection Report No. 19, the specialist found that the report was not in compliance with the Board's rules and regulations. Thereafter, Respondent Desert Bug turned the Barlow Street property issues of concern over to their insurance company for handling.

FIRST CAUSE FOR DISCIPLINE

(Failure to Comply with the Code - Improper Inspection)

45. Respondent Desert Bug's registration, Respondent Smith's operator's license, and Respondent Trevino's field representative's license are subject to discipline under Code section 8641, in that, concerning the Barlow Street property, Respondents failed to comply with the following Code sections:

JULY 14, 2006, INSPECTION

Section 8516(b)(6)(7):

- a. Failed to report the full extent of the evidence of subterranean termites in the substructure/basement, as defined by California Code of Regulations, title 16, section 1990(a)(3).
- b. Failed to report the subterranean termite damage in the substructure/basement, as defined by California Code of Regulations, title 16, section 1990(a)(4).
- c. Failed to report evidence of drywood termite damage in the substructure, as defined by California Code of Regulations, title 16, section 1990(a)(4).
- d. Failed to report the full extent of the decay fungi damage in the substructure, as defined by California Code of Regulations, title 16, section 1990(a)(4).
- e. Failed to report earth-to-wood contact at the basement access door to the substructure, as defined by California Code of Regulations, title 16, section 1990(b)(4).
- f. Failed to report evidence of an excessive moisture condition (water stains) under the kitchen in the substructure, and under the hallway bathtub in the substructure, as defined by California Code of Regulations, title 16, section 1990(b)(5).

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- g. Failed to report evidence of excessive moisture conditions

 (deteriorated/damaged foundation and wall, and water stains) in the substructure, as defined by

 California Code of Regulations, title 16, section 1990(b)(5).
- h. Failed to report the presence of a stall shower, as defined by California Code of Regulations, title 16, section 1990(e).
- i. Failed to report the presence of an abutment, as defined by California Code of Regulations, title 16, section 1990(e).
- j. Failed to report the faulty grade condition and loose or deteriorated stucco at the garage, as defined by California Code of Regulations, title 16, section 1990(b)(1) and 1990(e).

Section 8516(b)(10):

- k. Failed to recommend removing or covering the accessible termite evidence in the substructure, as defined by California Code of Regulations, title 16, section 1991(a)(8).
- 1. Failed to recommend correction of the excessive moisture condition responsible for the decay fungi damage in the substructure, as defined by California Code of Regulations, title 16, section 1991(a)(5) and (11).
- m. Failed to recommend further inspection of the hardwood flooring in the bedroom and living room adjacent to the decay fungi damage in the substructure, as defined by California Code of Regulations, title 16, section 1991(a)(5) and (11).

Section 8516(b)(1):

n. Failed to state the correct date on the inspection report.

SEPTEMBER 20, 2006, INSPECTION

Section 8516(b)(6)(7):

- o. Failed to report cellulose debris in the substructure, as defined by California Code of Regulations, title 16, section 1990(b)(3).
- p. Failed to report evidence of subterranean termites in the substructure/basement, as defined by California Code of Regulations, title 16, section 1990(a)(3).

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and (4).

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Failed to report the faulty grade condition and loose or deteriorated stucco ed by California Code of Regulations, title 16, section 1990(b)(1) and

Failed to report evidence of drywood termites and drywood termite as defined by California Code of Regulations, title 16, section 1990(a)(3)

1	bb. Failed to report evidence of drywood termites and drywood termite
2 0	damage at the basement window, as defined by California Code of Regulations, title 16, section
3	1990(a)(3) and (4).
4	Section 8516(b)(1):
5	cc. Failed to state the correct date on the inspection report.
6	NOVEMBER 22, 2006, INSPECTION
7	Section 8516(b)(1):
8	dd. Failed to state the correct date on the inspection report.
9	Section 8516(b)(6):
10	ee. Failed to include a diagram or sketch of the structure or structures
11	inspected.
12	NOVEMBER 28, 2006, INSPECTION
13	Section 8516(b)(6)(7):
14	ff. Failed to report evidence of excessive moisture conditions (water stains)
15	and decay fungi in the substructure and under the front porch, as defined by California Code of
16	Regulations, title 16, section 1990(a)(3) and 1990(b)(5).
17	SECOND CAUSE FOR DISCIPLINE
18	(Violation of Contract)
19	46. Respondent Desert Bug's registration, Respondent Smith's operator's
20	license, and Respondent Trevino's field representative's license, are subject to discipline under
21	Code section 8638, in that, concerning the Barlow Street property, Respondents failed to
22	complete the following repairs, which had been reported as having been completed on the
23	Standard Notice of Work Completed and Not Completed, dated August 7, 2006:
24	a. Failed to complete the work regarding the removal of cellulose debris from the
25	substructure.
26	b. Failed to complete the work regarding trenching, treating, and removing
27	evidence of subterranean termites in the substructure.
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c. Failed to complete the work regarding patching drywood termite damage at the eaves.

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THIRD CAUSE FOR DISCIPLINE

(Fraud or Misrepresentation After Inspection)

A7. Respondent Desert Bug's registration, Respondent Smith's operator's license, and Respondent Trevino's field representative's license, are subject to discipline under Code section 8644, in that, concerning the Barlow Street property, Respondents represented in the Standard Notice of Work Completed and Not Completed, dated August 7, 2006, that items contained in Wood Destroying Pests and Organisms Inspection No. 317 were completed when in fact, they were not, and certified that the property was free of active infestation and/or infection, when in fact, it was not, as more particularly set forth above in paragraph 46.

FOURTH CAUSE FOR DISCIPLINE

(Workmanship)

48. Respondent Desert Bug's registration, Respondent Smith's operator's license, and Respondent Trevino's field representative's license, are subject to discipline under Code section 8641, in that, concerning the Barlow Street property, Respondents failed to comply with provisions of California Code of Regulations, title 16, section 1937.14, by failing to perform repairs to meet the accepted trade standards for good and workmanlike construction in that the Respondents failed to properly install or support the reinforcements at the decay fungi damage in the substructure.

FIFTH CAUSE FOR DISCIPLINE

(Failed to Comply with Report of Findings)

49. Respondent Desert Bug's registration, Respondent Smith's operator's license, and Respondent Trevino's field representative's license, are subject to discipline under Code section 8641, in that they failed to comply with Code section 8622 by failing to correct the items described in the Report of Findings within thirty (30) calendar days of receipt of the Notice, and failing to bring the Barlow Street property into compliance with the Board's Notice and Report of Findings, dated November 17, 2006.

SIXTH CAUSE FOR DISCIPLINE

(Failure to File Work Activity Reports with the Board)

50. Respondent Desert Bug's registration, Respondent Smith's operator's license, and Respondent Trevino's field representative's license, are subject to discipline under Code section 8518, in that, concerning the Barlow Street property, Respondents failed to prepare and deliver inspection reports dated July 14, 2006, September 20, 2006, and November 22, 2006, to the Board within ten (10) business days following the commencement of an inspection or upon completed work.

SEVENTH CAUSE FOR DISCIPLINE

(Inspection Report Violation)

S1. Respondent Desert Bug's registration, Respondent Smith's operator's license, and Respondent Trevino's field representative's license, are subject to discipline under Code section 8641, in that, concerning the Barlow Street property, Respondents failed to reference the original inspection report dated July 14, 2006, when completing the supplemental inspection report dated September 20, 2006, as required by California Code of Regulations, title 16, section 1993(d).

PRIOR DISCIPLINE

DESERT BUG STORMERS, INC. Company Registration Certificate No. PR 3283, Br. 3

- 52. On or about September 6, 2001, the company registration paid a fine in the amount of \$1,000 levied by the Board for violating Code section 8640.
- 53. On or about September 22, 2004, the company registration paid a fine in the amount of \$100 levied by San Bernardino County Agricultural Commissioner for violating Code section 8505.17.
- 54. On or about November 29, 2004, the company registration paid a fine in the amount of \$1,253 levied by the Board for violating Code sections 8518 and 8638 and California Code of Regulations section 1937.14.

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OTHER MATTERS

- 55. Notice is hereby given that section 8620 of the Code provides, in pertinent part, that a respondent may request that a civil penalty of not more than \$5,000 be assessed in lieu of an actual suspension of 1 to 19 days, or not more than \$10,000 for an actual suspension of 20 to 45 days. Such request must be made at the time of the hearing and must be noted in the proposed decision. The proposed decision shall not provide that a civil penalty shall be imposed in lieu of a suspension.
- 56. Pursuant to Code section 8624, the causes for discipline established as to Company Registration Certificate Number PR 3283, issued to Desert Bug Stormers, Inc., likewise constitute cause for discipline against Operator's License Number OPR 9366, issued to Thomas B. Smith, who serves as the Qualifying Manager of Desert Bug Stormers, Inc., regardless of whether Thomas B. Smith had knowledge of or participated in the acts or omissions which constitute cause for discipline against Desert Bug Stormers, Inc.
- 57. Pursuant to Code section 8654, if discipline is imposed on Company Registration Certificate Number PR 3283, issued to Desert Bug Stormers, Inc., then Thomas B. Smith, who serves as the Qualifying Manager of Desert Bug Stormers, Inc. shall be prohibited from serving as an officer, director, associate, partner, qualifying manager, or responsible managing employee for any registered company during the time the discipline is imposed, and any registered company which employs, elects, or associates him, shall be subject to disciplinary action.
- 58. Juan Manuel Trevino, a field representative employed by Desert Bug Stormers, Inc. had knowledge of and participated in the acts or omissions which constitute cause for discipline against Desert Bug Stormers, Inc.
- 59. Pursuant to Code section 8654, if discipline is imposed on Company Registration Certificate Number PR 3283, issued to Desert Bug Stormers, Inc. then Juan Manuel Trevino, a field representative employed by Desert Bug Stormers, Inc., shall be prohibited from serving as an officer, director, associate, partner, qualifying manager, or responsible managing

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employee of a registered company, and the employment, election or association of him by a registered company is a ground for disciplinary action. 2 PRAYER 3 WHEREFORE, Complainant requests that a hearing be held on the matters 4 herein alleged, and that following the hearing, the Structural Pest Control Board issue a decision: 5 Revoking or suspending Company Registration Certificate Number 6 PR 3283, issued to Desert Bug Stormers, Inc.; 7 Revoking or suspending Operator's License Number OPR 9366, issued to 8 Thomas B. Smith; 9 Revoking or suspending any other license for which Thomas B. Smith is 3. 10 furnishing the qualifying experience or appearance; 11 Revoking or suspending Field Representative License Number FR 20092, 12 issued to Juan Manuel Trevino; 13 Prohibiting Thomas B. Smith from serving as an officer, director, 14 associate, partner, qualifying manager or responsible managing employee of any registered 15 company during the period that discipline is imposed on Company-Registration Certificate 16 Number PR 3283, issued to Desert Bug Stormers, Inc.; 17 Prohibiting Juan Manuel Trevino from serving as an officer, director, 18 associate, partner, qualifying manager or responsible managing employee of any registered 19 company during the period that discipline is imposed on Company Registration Certificate 20 Number PR 3283, issued to Desert Bug Stormers, Inc.; 21 Ordering Desert Bug Stormers, Inc., Thomas B. Smith, and Juan Manuel 22 7. Trevino to pay the Structural Pest Control Board the reasonable costs of the investigation and 23 enforcement of this case, pursuant to Business and Professions Code section 125.3; and, 24 25 /// 26 /// 27 $/\!/\!/$ 28]//

Taking such other and further action as deemed necessary and proper. 8. KELLI OKUMA
Registrar
Structural Pest Control Board
Department of Consumer Affairs
State of California
Complainant LA2007601150 Accusation (kdg) 8/23/07

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