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

12 In the Matter of the Accusation Against:	Case No. N2008-486
13 AMERICAN FIRE SERVICES INC.,	A C C U S A T I O N
14 dba AMERICAN FIRE PROTECTION	
15 900 Avenida Acaso #M	
16 Camarillo, California 93012	
17 DANNY VICTOR WILLIAMS, RMO	
18 SCOTT MENDLOLA ARNOLD, OFFICER	
19 Contractor's License No. 726110,	
20 C-16 [fire protection contractor]	
21 Respondent.	

20 Complainant alleges:

21 **PARTIES**

- 22 1. Wood Robinson ("Complainant") brings this Accusation solely in his official capacity
23 as the Enforcement Supervisor I of the Contractors' State License Board ("Board"), Department
24 of Consumer Affairs.
- 25 2. On or about August 12, 1996, the Registrar of Contractors ("Registrar") issued
26 Contractor's License Number 726110, classification C-16 [fire protection contractor] to
27 American Fire Services Inc., doing business as American Fire Protection ("American Fire"),
28 with Danny Victor Williams as the Responsible Managing Officer ("RMO") and Scott Mendlola

1 as an Officer, ("Respondent"). On or about November 29, 2004, Pamela Diane Williams was
2 removed as an Officer. The Contractor's License was in full force and effect at all times relevant
3 to the charges brought herein.

4 3. On or about July 16, 2009, in the case titled *People vs. Danny Williams*, the Superior
5 Court of Tulare County, Case No. VCF 222476, Respondent's Contractor License No. 726110
6 was suspended pursuant to Penal Code section 23 and/or Business and Professions Code section
7 7106, while the criminal matter was pending before the court. Subsequently, in obedience to the
8 court's order, on or about July 20, 2009, the Registrar issued the *Order of the Registrar*
9 suspending Respondent's Contractor License No. 726110. These suspensions remain in effect.

10 4. On or about April 15, 2010, Contractor License No. 726110 was suspended pursuant
11 to California Code of Regulations, title 16, section 996.340. On or about August 31, 2010, the
12 license expired under suspensions. On or about October 14, 2010, the license was renewed
13 inactive and the section 996.340 suspension was lifted.

14 JURISDICTION

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

18 6. Section 7090 of the Code provides, in pertinent part, that the Registrar may suspend
19 or revoke any license or registration if the licensee or registrant is guilty of or commits any one or
20 more of the acts or omissions constituting cause for disciplinary action.

21 7. Section 7076.5 of the Code provides, in pertinent part, that the inactive status of a
22 license shall not bar any disciplinary action for violating provisions of the Contractors' State
23 License Law (Bus. & Prof. Code, § 7000, et seq.).

24 8. Section 7095 of the Code states:

25 The decision [of the Registrar] may:

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

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

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

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9 9. Section 7096 of the Code states:

10 For the purpose of this chapter, the term "licensee" shall include an individual,
11 partnership, corporation, limited liability company, joint venture, or any combination
12 or organization licensed under this chapter, and shall also include any named
13 responsible managing officer, responsible managing manager, responsible managing
14 member, or personnel of that licentiate whose appearance has qualified the licentiate
15 under the provisions of Section 7068.

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25 10. Section 7097 of the Code states:

26 Notwithstanding the provisions of Sections 7121 and 7122, when any license
27 has been suspended by a decision of the Registrar pursuant to an accusation or
28 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.

11. Section 7098 of the Code states:

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

12. Section 7106.5 of the Code provides that the expiration, cancellation, forfeiture, 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 the license 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. Under Code section 7076.1, the Registrar
may reinstate a cancelled license if the licensee pays all of the fees and meets all of the
qualifications and requirements for obtaining an original license.

13. Section 7121 of the Code states:

A person who has been denied a license for a reason other than failure to
document sufficient satisfactory experience for a supplemental classification for an
existing license, or who has had his or her license revoked, or whose license is under
suspension, or who has failed to renew his or her license while it was under

1 suspension, or who has been a partner, officer, director, manager, or associate of any
2 partnership, corporation, limited liability company, firm, or association whose
3 application for a license has been denied for a reason other than failure to document
4 sufficient satisfactory experience for a supplemental classification for an existing
5 license, or whose license has been revoked, or whose license is under suspension, or
6 who has failed to renew a license while it was under suspension, and while acting as
7 a partner, officer, director, manager, or associate had knowledge of or participated in
8 any of the prohibited acts for which the license was denied, suspended, or revoked,
9 shall be prohibited from serving as an officer, director, associate, partner, manager,
10 qualifying individual, or member of the personnel of record of a licensee, and the
11 employment, election, or association of this type of person by a licensee in any
12 capacity other than as a nonsupervising bona fide employee shall constitute grounds
13 for disciplinary action.

14 14. Section 7121.5 of the Code states:

15 A person who was the qualifying individual on a revoked license, or of a
16 license under suspension, or of a license that was not renewed while it was under
17 suspension, shall be prohibited from serving as an officer, director, associate,
18 partner, manager, or qualifying individual of a licensee, whether or not the individual
19 had knowledge of or participated in the prohibited acts or omissions for which the
20 license was revoked, or suspended, and the employment, election, or association of
21 that person by a licensee shall constitute grounds for disciplinary action.

22 15. Section 7122 of the Code states:

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

16. Section 7122.5 of the Code states:

The performance by an individual, partnership, corporation, limited liability
company, firm, or association of an act or omission constituting a cause for
disciplinary action, likewise constitutes a cause for disciplinary action against a
licensee who at the time that the act or omission occurred was the qualifying
individual of that individual, partnership, corporation, limited liability company,
firm, or association, whether or not he or she had knowledge of or participated in the
prohibited act or omission.

17. section 118, subdivision (b), of the Code provides that the suspension, expiration,
surrender, or cancellation of a license shall not deprive the CSLB of jurisdiction to proceed with
a disciplinary action during the period within which the license may be renewed, restored,
reissued, or reinstated.

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1 renewed or reinstated. If a case settles, then recovery of investigation and enforcement costs may
2 be included in a stipulated settlement.

3 **FIRST CAUSE FOR DISCIPLINE**

4 **(Criminal Convictions)**

5 24. Respondent is subject to disciplinary action under Code section 7123, in that on or
6 about February 23, 2011, in the case titled *People vs. Danny Victor Williams*, Tulare County
7 Superior Court Case No. VCF 222476, Respondent was found guilty of violating Penal Code
8 sections 386, 484b, 487, subdivision (a), and Health and Safety Code, resulting in three felony
9 convictions and numerous misdemeanor convictions for violating an assortment of State Fire
10 Marshal regulations.

11 25. Respondent appealed all of the convictions to the Court of Appeal, Fifth District,
12 which issued its decision on or about August 8, 2013, in *People v. Danny Victor Williams* (2013)
13 218 Cal.App.4th 1038, affirming the following convictions against Respondent: one count,
14 violation of Penal Code sections 484b [unlawful diversion of construction funds], a felony; one
15 count, violation of Penal Code section 487, subdivision (b) [grand theft of personal property –
16 false pretenses], a felony; 25 counts, violation of Health and Safety Code sections 13195
17 [violation of State Fire Marshal regulations – automatic fire extinguisher systems],
18 misdemeanors; and one count, violation of Health and Safety Code section 13160 [violation of
19 State Fire Marshal regulations - portable fire extinguishers], a misdemeanor.¹ Said crimes are
20 substantially related to the qualifications, functions, and duties of a licensed contractor.

21 a. The underlying circumstances for the felony convictions are: On or about and
22 between June 25, 2008, and November 5, 2008, Respondent entered into a contract with victim
23 SSB for specified repairs to portions of SSB's fire sprinkler system and received money from
24 SSB for the purpose of obtaining or paying for services, labor, materials, and/or equipment for
25 those services. Respondent unlawfully diverted the funds from SSB for uses not related to the

26 ¹ There are 25 victims for the Health and Safety Code 13195 convictions and one of them
27 is also a victim for the Health and Safety Code section 13160 conviction. Each Health and Safety
28 Code count names the particular victim and the specific State Fire Marshall regulation(s) violated
for that victim.

1 contract in that Respondent did not complete the construction project , did not finish services that
2 had been started, and never started other services under the contract. Respondent 's taking of
3 SSB's money and personal property exceeded the value of \$400.00 and demonstrates his intent to
4 defraud the victim in that Respondent represented work had been completed when in fact it was
5 not completed or never started.

6 b. The underlying circumstances for the misdemeanor convictions are: On or
7 about and between January 18, 2006, and November 25, 2008, Respondent entered into contracts
8 with 25 Tulare County restaurants and small businesses ("victims") to provide services to inspect
9 their hood systems, that is, automatic fire extinguishing systems ("systems") designed to cover
10 kitchen areas and cooking equipment, and/or portable fire extinguishers. Respondent issued
11 inspection tags and hood services reports indicating the systems and portable fire extinguishers
12 were compliant when Respondent knew they were impaired – they were not fully compliant with
13 the fire code and/or needed to be upgraded to meet minimum regulatory standards.

14 **SECOND CAUSE FOR DISCIPLINE**

15 **(Fraud)**

16 26. Respondent is subject to disciplinary action under Code section 7116 in that on or
17 about and between June 25, 2008, and November 5, 2008, Respondent engaged in willful or
18 fraudulent acts to the substantial injury of victim SSB. The acts are set forth in paragraph 25 and
19 subparagraph "a," above, incorporated herein by reference.

20 **THIRD CAUSE FOR DISCIPLINE**

21 **(Diversion of Construction Funds)**

22 27. Respondent is subject to disciplinary action under Code section 7108 in that on or
23 about and between June 25, 2008, and November 5, 2008, Respondent received funds or property
24 for a construction project from victim SSB pursuant to a contract for services, and failed
25 substantially to account for the application or use of those funds or property on the construction
26 project for which the funds or property were received. The underlying circumstances are set forth
27 in paragraph 25 and subparagraph "a," above, incorporated herein by reference.

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PRAYER

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

4 1. Revoking or suspending Contractor's License Number 726110 issued to American
5 Fire Services Inc., doing business as American Fire Protection, Danny Victor Williams,
6 Responsible Managing Officer, and Scott Mendlola Arnold, Officer;

7 2. Prohibiting Danny Victor Williams from serving as an officer, director, associate,
8 partner, or qualifying individual of any licensee during the period that discipline is imposed on
9 Contractor's License No. 726110 issued to American Fire Services Inc., doing business as
10 American Fire Protection, Danny Victor Williams, Responsible Managing Officer, and Scott
11 Mendlola Arnold, Officer;

12 3. Revoking or suspending any other license for which Danny Victor Williams is
13 furnishing the qualifying experience or appearance;

14 4. Ordering restitution of all damages according to proof suffered by Respondent's
15 victims as a condition of probation in the event probation is ordered;

16 5. Ordering restitution of all damages suffered by Respondent's victims as a result of
17 Danny Victor Williams' conduct as a contractor, as a condition of restoration of Contractor's
18 License No. 726110, issued to American Fire Services Inc., doing business as American Fire
19 Protection, Danny Victor Williams, Responsible Managing Officer, and Scott Mendlola Arnold,
20 Officer;

21 6. Ordering American Fire Services Inc., doing business as American Fire Protection,
22 Danny Victor Williams, Responsible Managing Officer, and Scott Mendlola Arnold, Officer, to
23 pay the Registrar of Contractors his costs in the investigation and enforcement of the case
24 according to proof at the hearing, pursuant to Business and Professions Code section 125.3;

25 7. Ordering American Fire Services Inc., doing business as American Fire Protection,
26 Danny Victor Williams, Responsible Managing Officer, and Scott Mendlola Arnold, Officer, to
27 provide the Registrar with a listing of all contracting projects in progress and the anticipated
28 completion date of each;

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8. Taking such other and further action as deemed necessary and proper.

DATED: January 30, 2014



WOOD ROBINSON, Enforcement Supervisor I
Contractors' State License Board
Department of Consumer Affairs
State of California
Complainant

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