1 2	Aaron Gott (314264) Kristen Harris (323223)						
	Bona Law PC 4275 Executive Square, Suite 200						
3	La Jolla, CA 92037						
4	858.964.4589 858.964.2301 (fax)						
5	aaron.gott@bonalawpc.com						
6	kristen.harris@bonalawpc.com						
7	Counsel for Petitioners						
8	SUPERIOR COURT OF THE STATE OF CALIFORNIA						
9	COUNTY OF ALAMEDA						
10							
11	Ronjiel Sharpe and	Case No.:					
12	Precise Management, Inc.,	PETITION FOR WRIT OF MANDAMUS					
13	Petitioners,	(Cal. Civ. Proc. Code § 1094.5)					
14	v.						
15	State of California Department of						
16	Consumer Affairs, Structural Pest Control Board,						
17	Respondent.						
18		•					
19							
20	Petitioners Ronjiel Sharpe and Precise Management, Inc. seek a writ of mandamus						
21	against respondent Structural Pest Control Board, under section 1094 of the California						
22	Code of Civil Procedure, declaring the Structural Pest Control Act is preempted as to						
23	federal contracts, vacating the decisions against Ronjiel Sharpe and Precise Management,						
24	Inc., and ordering other appropriate relief.						
25	Mr. Sharpe and Precise Management allege with personal knowledge with respect						
26	to themselves and their own acts and on information and belief as to all other matters:						
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BACKGROUND

Petitioner Ronjiel Sharpe was licensed to operate in accordance with the provisions of Chapter 14 of Division 3 of the Business and Professions Code by the Structural Pest Control Board (SPCB), effective from November 6, 2018; the SPCB unlawfully revoked his license, effective April 16, 2020. Mr. Sharpe is, and at all relevant times was, the vice president and qualifying manager of Precise Management, Inc.

Petitioner Precise Management is a service-disabled veteran-owned small business licensed and bonded in nine states to conduct integrated pest control and management activities. Its principal place of business is located at 6920 Tyler Chase Dr., McCalla, Alabama 35111 and it has established a business address at 7100 Stevenson Boulevard, Suite 322, Fremont, California 94538.

Respondent Structural Pest Control Board is a division of the California Department of Consumer Affairs comprising seven members located in Sacramento, California.

The U.S. Department of Veterans Affairs is a cabinet-level federal agency charged with, among other things, providing healthcare to our nation's military veterans. The agency solicited bids from Precise Management and others and, acting under its obligations under the Competition in Contracts Act, 41 U.S.C. § 3301(a)(1), the Veterans' Preference Act, 5 U.S.C. § 2108, and the Department of Veterans Affairs Act, 38 U.S.C. § 301, awarded the contract to Precise Management.

Venue is proper in this Court under Cal. Civ. Proc. Code § 393(1)(b).

On or about June 29, 2018, in response to the U.S. Department of Veterans Affairs solicitation for pest control services, Precise Management was awarded a contract by the U.S. Department of Veterans Affairs to perform pest control services. Under the contract, the U.S. Department of Veterans Affairs would pay Precise Management \$193,100 for the first year, with the potential to renew the contract for four additional years, for a total contract value of \$965,358.60.

From July 2018 through October 2018, Mr. Sharpe, on behalf of Precise Management, engaged local pest control companies to perform the pest control services and the U.S. Department of Veterans Affairs paid Precise Management monthly sums of \$16,089.31. On or about August 14, 2018, Mr. Sharpe submitted an Application for Registration of Company, Branch 2 on behalf of Precise Management.

The SPCB engaged in several delay tactics to injure Mr. Sharpe and Precise Management and ultimately denied Precise Management's application for registration. For example, after the U.S. Department of Veterans Affairs awarded the contract to Precise Management, the SPCB, potentially working in concert with the U.S. Department of Veterans Affairs' prior vendor, who was not eligible to submit a quote because it was not veteran-owned and filed a complaint with SPCB in an attempt to regain the work it had lost. See Exhibit 1. SPCB required Precise Management to submit redundant paperwork to apply for registration.

The SPCB repeatedly insisted that the Fremont, California address Precise Management provided was not acceptable because it was a virtual office, despite Mr. Sharpe's repeated explanations that the office was the company's physical place of business.

On or about July 16, 2018 the SPCB issued a cease and desist warning letter to Mr. Sharpe on behalf of Precise Management alleging that Precise Management was in violation of Business and Professions Code Section 8550(e) based on Precise Management's contract with the U.S. Department of Veterans Affairs, VA Northern California HealthCare System, which was awarded July 1, 2018.

Following the issuance of the SPCB's cease and desist warning letter, Precise Management contacted the U.S. Department of Veterans Affairs. Through its Contracting Officer, Michael Hodahkwen, the U.S. Department of Veterans Affairs requested Precise Management to proceed with performance in accordance with the contract it awarded to Precise Management. See In the Matter of the Accusation Against: Ronjiel T. Sharpe, Case No. 2019-81, OAH No. 2019080395, Decision at 5–6 (Mar. 17, 2020), attached hereto as Exhibit 2.

On or about November 14, 2018 the SPCB denied Precise Management's Application for Registration of Company without explanation, in violation of Business and Professions Code Section 8623(c).

On or about January 7, 2020, the Office of Administrative Hearings heard the matter in Oakland, California. Prior to the hearing, Mr. Sharpe filed a motion to dismiss, arguing that California lacks the authority to regulate pest control work on federal property located in California under the terms of its own authorizing act and the Supremacy Clause of the U.S. Constitution.

On or about March 17, 2020, the SPCB issued its decisions and orders revoking Mr. Sharpe's operator license and denying Precise Management's application for registration. The SPCB's decisions erroneously found that Mr. Sharpe's and Precise Management's activities pursuant to the July 1, 2018 contract between Precise Management and the U.S. Department of Veterans Affairs violated the Structural Pest Control Act.

The board expressly refused to consider Mr. Sharpe's argument that the SPCB's actions were unconstitutional, stating that it "lacks jurisdiction to grant relief" on the basis that the relevant statutes are unconstitutional or prohibited by federal law.

The Structural Pest Control Act published by the SPCB contains the laws and rules and regulations that govern the issuance of structural pest control licenses. Cal. Bus. & Prof. Code § 8520. The SPCB exceeded its authority by interpreting the Structural Pest Control Act in a way that interferes with a contract between Mr. Sharpe on behalf of Precise Management, Inc. and a cabinet-level federal government agency, the U.S. Department of Veterans Affairs, Northern California Healthcare System, or with the prerogatives of the Congress set forth in the Competition in Contracts Act, the Veterans' Preference Act, 5 U.S.C. § 2108, and the Department of Veterans Affairs Act, 38 U.S.C. § 301. See In the Matter of the Statement of Issues Against Precise Management, Inc., Case No. 2019-80, OAH No. 2019070710 (Mar. 17, 2020), attached hereto as Exhibit 3.

Petitioners have a clear, present, and beneficial right to accurate review of the final decision and order that revoked Mr. Sharpe's operator license and denied Precise Management's application for registration.

Petitioners have no plain, speedy, and adequate remedy at law except by writ of mandamus. A determination is necessary and appropriate at this time so that petitioners may ascertain their rights.

Petitioners are entitled to seek judicial review of respondents' actions and omissions, as alleged in this petition, under section 1085 of the Code of Civil Procedure.

Petitioners exhausted all administrative remedies and to the extent their administrative remedies are not exhausted, the exception to the exhaustion doctrine applies because the grievance procedure was futile for the SPCB made it clear its ruling would be adverse to Mr. Sharpe and Precise Management. See Huntington Beach Police Officers' Ass'n v. City of Huntington Beach, 58 Cal. App. 3d 492, 498 (1976) (finding an exception to the exhaustion doctrine where a grievance procedure was futile because the agency made it clear its ruling would be adverse to plaintiff). The board expressly asserted that Article III, section 3.5 of the California Constitution prevented the board from deciding the constitutionality of the board's actions. See In the Matter of the Accusation Against: Ronjiel T. Sharpe, Case No. 2019-81, OAH No. 2019080395, Decision at 5–6 (Mar. 17, 2020), attached hereto as Exhibit 2.

As a result of the SPCB's unlawful actions, Mr. Sharpe and Precise Management have suffered irreparable injury in that they have been and will continue to be unable to fulfill their contract with the U.S. Department of Veterans Affairs.

Mr. Sharpe and Precise Management seek a writ of mandamus under Civil Procedure Code § 1094.5 on the ground that to the extent a hearing was required by law and the SPCB had any discretion in imposing conditions on Mr. Sharpe and Precise Management's exercise of their right to contract with the U.S. Department of Veterans Affairs, the SPCB's actions and determinations were contrary to law, in excess of its jurisdiction and lacking in substantial evidence or a rational basis, arbitrary and capricious, and a prejudicial abuse of discretion.

In taking its actions, the SPCB acted in excess of its jurisdiction, in disregard of its legal duties and committed a prejudicial abuse of discretion in numerous respects, including the following:

- (a) Wrongfully issuing a cease and desist warning letter to Mr. Sharpe;
- (b) Wrongfully issuing decisions and orders prohibiting Precise Management from contracting with the U.S. Department of Veterans Affairs; and
- (c) Basing its decision in whole or in party on irrelevant and/or erroneous conclusions of law and/or fact.

On May 15, 2020, Mr. Sharpe submitted a Record Request Form to the Office of Administrative Hearings to obtain the clerk's record and complete transcript to be expedited and provided within 15 calendar days. On May 21, 2020, the Office of Administrative Hearings provided an estimate regarding the cost to prepare the clerk's record. On the same day, counsel for Mr. Sharpe approved the cost with the Office of Administrative Hearings. The clerk's record and complete transcript should have been provided by May 30, 2020. As of June 1, 2020, Mr. Sharpe has not received the record. Upon receipt of the clerk's record and complete transcript, Mr. Sharpe will promptly file them with this Court, and reserves the right to supplement this petition with reference to the record thereafter.

Accordingly, the Court should issue a writ of mandamus requiring the SPCB to set aside its actions and decisions, including vacating the license revocation order and proceedings on Mr. Sharpe's application and vacating the decision on Precise Management's application for registration.

ARGUMENT

The Structural Pest Control Act, As-Applied, Is Preempted and Unconstitutional

Contracts negotiated by the U.S. Department of Veterans Affairs, a federal agency, must operate free from state interference. *See Coventry Health Care v. Nevils*, 137 S. Ct. 1190, 1193 (2017). "As in the typical pre-emption case, the inquiry is whether there exists an irreconcilable conflict between the federal and state regulatory

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schemes." Rice v. Norman Williams Co., 458 U.S. 654, 659 (1982). Preemption exists "where 'under the circumstances of a particular case, the challenged state law stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress.'" Crosby v. Nat'l Foreign Trade Council, 530 U.S. 363, 373 (2000) (quoting Hines v. Davidowitz, 312 U.S. 52, 67 (1941)).

The SPCB's interpretation of the Structural Pest Control Act violates the Contracts Clause. In fact, the Structural Pest Control Act itself provides that it does not apply to "governmental agencies." Cal. Bus. & Prof. Code § 8555(d). Article I, Section 10, Clause 1 of the United States Constitution provides that "[n]o State shall . . . pass any. . . Law impairing the Obligation of Contracts "Similarly, the California Constitution provides, at Article 1, § 9, that "[A] law impairing the obligation of contracts may not be passed." Thus, the Contracts Clause prohibits state law from impairing the obligations of contracts. Haw. Hous. Auth. v. Midkiff, 467 U.S. 229, 243 (1984). To determine if the law violates the Contracts Clause, there must first be a substantial impairment of a contractual relationship. *Energy Reserves Grp.*, *Inc. v. Kan.* Power & Light Co., 459 U.S. 400, 410 (1983) (citation omitted). If the law substantially impairs a contract, it must be determined whether there is a legitimate public purpose and the law is both reasonable and necessary to fulfill an important public purpose. See id. The state's police power is not limitless. Allied Structural Steel Co. v. Spannaus, 438 U.S. 234, 242 (1978) ("If the Contract Clause is to retain any meaning at all, however, it must be understood to impose **some** limits upon the power of a State to abridge existing contractual relationships, even in the exercise of its otherwise legitimate police power.").

The SPCB's position and action in this case constitutes a substantial impairment of Mr. Sharpe's and Precise Management's protected interests and does not further any substantial governmental interest. Mr. Sharpe's and Precise Management's rights have been impaired because they have been precluded from fulfilling their contractual obligations with the VA. Accordingly, the SPCB's interpretation of the Act as applied to both Mr. Sharpe and Precise Management is unconstitutional under Article I, § 10

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of the United States Constitution and Article 1, § 9 of the California Constitution and thus void and of no effect. Mr. Sharpe and Precise Management have already been, and will continue to be, damaged and irreparably harmed because the effect of the SPCB's action has been to prohibit them from contracting with the VA. Accordingly, the SPCB should be enjoined, preliminarily and thereafter permanently, from enforcing such a prohibition.

Three Federal Statutes Preempt Respondent's Conduct

Several federal statutes preempt the SPCB's conduct. First, the Competition in Contracts Act preempts SPCB's conduct. The preemption "inquiry is whether there exists an irreconcilable conflict between the federal and state [or local] regulatory schemes." Rice, 458 U.S. at 659. Here, the inquiry is simple: the Competition in Contracts Act, 41 U.S.C. § 3301(a)(1), provides that executive agencies of the United States must "obtain full and open competition through the use of competitive procedures" for their procurement of property or services, and must make awards based on merit, including "price and other price-related factors." The U.S. Department of Veterans Affairs did that here—and it awarded the contract to Precise Management based on those factors. The prior incumbent pest service, which is not veteran-owned and thus not eligible to submit a quote to the U.S. Department of Veterans Affairs, enlisted the help of the SPCB to interfere with the contract. The SPCB's conduct interfered with the competitive procurement process by unlawfully preventing Precise Management from performing the awarded contract. Respondent's conduct thwarted a competitively bid contract awarded pursuant to the requirements of the Competition in Contracts Act.

The SPCB has interpreted the Structural Pest Control Act to cause harm to both Mr. Sharpe and Precise Management by preventing them from fulfilling their contract with the U.S. Department of Veterans Affairs. That itself is a direct interference with revenue and an interference with the prerogative of the U.S. Government, and is thus unconstitutional. *McCulloch v. Maryland*, 17 U.S. (4 Wheat.) 316, 329–30 (1819).

Second, in 1988, Congress reorganized the Veterans Administration as a cabinet-level executive department and redesignated it as the U.S. Department of Veterans Affairs. Department of Veterans Affairs Act, 38 U.S.C. § 301. The act reflects Congress' desire to give the U.S. Department of Veterans Affairs (previously an independent agency with the title Veterans Administration) the responsibility for providing vital services to our nation's veterans. The U.S. Department of Veterans Affairs' has the authority to enter into contracts with third parties to provide services to U.S. Department of Veterans Affairs health care facilities. The Secretary has the authority to determine the Department's participation in contracts by service-disabled veteranowned small businesses. 48 C.F.R. § 819.201. The SPCB's actions to interfere with Precise Management's contract have substantially impaired Mr. Sharpe's and Precise Management's protected interests and rights because they have been precluded from fulfilling their contractual obligations with the VA.

Third, the U.S. Department of Veterans Affairs has an obligation to give preferences to service-disabled veteran-owned businesses under the Veterans' Preference Act. 5 U.S.C. § 2108. The act embodies Congressional desire to reward military service and personal sacrifice on behalf of the nation. The SPCB's interference with the contract between Precise Management and the U.S. Department of Veterans Affairs, by revoking Mr. Sharpe's operator license and denying Precise Management's Application for Registration of Company, constitutes substantial impairment of both Mr. Sharpe's and Precise Management's protected interests and does not further any substantial governmental interest.

REQUEST FOR RELIEF

WHEREFORE, petitioners respectfully request that this Court:

- 1. Declare that the Structural Pest Control Act is preempted as to federal contracts;
- Issue a writ of mandamus that the Structural Pest Control Board set aside its decision revoking Ronjiel Sharpe's operator license;

- 3. Issue a writ of mandamus that the Structural Pest Control Board vacate the decision on Precise Management's application for registration; and
- 4. Order any other such relief as the Court deems appropriate.

DATED: June 1, 2020

Bona Law PC

Aaron Gott

Aaron Gott Kristen Harris 4275 Executive Square, Suite 200 La Jolla, CA 92037 858.964.4589 858.964.2301 (fax) aaron.gott@bonalawpc.com kristen.harris@bonalawpc.com

Counsel for Petitioners

VERIFICATION

I represent the petitioners in this proceeding. The facts alleged in the above petition are true of my own knowledge.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

DATED: June 1, 2020

Bona Law PC

Aaron Gott

EXHIBIT 1

RE: precisemant.com Home: Form Submission

Hodahkwen, Michael < Michael. Hodahkwen@va.gov>

Wed 7/11/2018 9:41 AM

To: Ron Sharpe recisemgmt@hotmail.com>

Ron.

Thanks for the heads up. Pestmaster was the incumbent vendor and they are not Veteran owned so they were not eligible to submit a quote as a prime contractor. I can understand how disappointing it can be to not receive the follow on contract but their conduct during this transition has been very unprofessional and the email you received is an example of that. They are sending similar messages to me and to the folks at Palo Alto. Please disregard their emails and remain focused on the work at hand. The team is Palo Alto is excited to work with your team and let's just press on.

Mike

Michael Hodahkwen **Contracting Officer Department of Veterans Affairs** 3230 Peacekeeper Way, Bldg 209 McClellan Park, CA 95652

Phone: (916) 923-4567

From: Ron Sharpe [mailto:precisemgmt@hotmail.com]

Sent: Wednesday, July 11, 2018 7:24 AM

To: Hodahkwen, Michael < Michael. Hodahkwen@va.gov>

Subject: [EXTERNAL] Fw: precisemgmt.com Home: Form Submission

Michael,

The below inappropriate email was received by us yesterday.

Thanks

Precise Management 6920 Tyler Chase Drive Mc Calla. AL 35111-3053

Phone: 205-623-9399

Email: precisemgmt@hotmail.com

From: donotreply@godaddy.com <donotreply@godaddy.com>

Sent: Tuesday, July 10, 2018 8:54 PM

To: precisemgmt@hotmail.com

Subject: precisement.com Home: Form Submission

Name:

uri

Email:

uharel@pestmaster.com

Subject:

youre new palo alto va contract

Message:

i understand that the palo alto va ca awarded you our contract without you having a license to operate in ca we have notified the pest control board and hoping you will withdraw from this contract that you shouldt have apply for without a license to begin what say you?

This message was submitted from your website contact form:

http://www.precisemgmt.com/

Precise Management, LLC.

www.precisemgmt.com

Pest control, extermination, bed bugs. Call us today to schedule service!

Use your free GoDaddy Email Marketing Starter account to follow up with contacts who agreed to receive email campaigns! Click here to get started.



DEPARTMENT OF CONSUMER AFFAIRS • STRUCTURAL PEST CONTROL BOARD 2005 Evergreen St., Suite 1500, Sacramento, CA 95815
P (916) 561-8700 | F (916) 263-2469 | www.pestboard.ca.gov



March 17, 2020

Ronjiel T. Sharpe 7100 Stevenson Boulevard, Unit #322 Fremont, CA 94538

Dear Mr. Sharpe:

IN THE MATTER OF ACCUSATION CASE NO. 2019-81:

Enclosed is a copy of the Decision and Order rendered by the Structural Pest Control Board (Board) regarding the above-referenced matter. Also enclosed are copies of Government Code section 11521 and Business and Professions Code Section 8623.5(a) for your information.

As a result of the Decision, Operator License No. OPR 13441 is revoked, effective April 16, 2020. Please return your operator's wall and pocket license to the Board immediately (along with a copy of this letter). Please notify the Board in writing if you no longer have your operator wall and/or pocket license.

You are prohibited from serving as an officer, director, associate, partner, qualifying manager, or responsible managing employee of any registered company.

You shall pay to the Board costs associated with the investigation and enforcement of this matter pursuant to Business and Professions Code Section 125.3, in the amount of \$13,040. You shall pay these costs within 90 days of the effective date or through a payment plan approved by the Board. Contact the Board at (916) 561-8700 to set up an approved payment plan.

Mail all correspondence to: 2005 Evergreen Street, Suite 1500, Sacramento, CA 95815. If you have any questions, please contact this office at (916) 561-8700.

Sincerely,

MELISSA SOWERS-ROBERTS

Disciplinary Action Analyst

SUSAN SAYLOR

Registrar/Executive Officer

Enclosure

CC:

Michael C. Starkey, Administrative Law Judge Timothy A. Froehle, Deputy Attorney General

CERTIFIED MAIL - RETURN RECEIPT REQUESTED ARTICLE NUMBER 7019 2280 0000 3615 3829



DEPARTMENT OF CONSUMER AFFAIRS • STRUCTURAL PEST CONTROL BOARD 2005 Evergreen St., Suite 1500, Sacramento, CA 95815
P (916) 561-8700 | F (916) 263-2469 | www.pestboard.ca.gov



March 17, 2020

Ronjiel T. Sharpe 9044 County Road 26 Hope Hull, AL 36043

Dear Mr. Sharpe:

IN THE MATTER OF ACCUSATION CASE NO. 2019-81:

Enclosed is a copy of the Decision and Order rendered by the Structural Pest Control Board (Board) regarding the above-referenced matter. Also enclosed are copies of Government Code section 11521 and Business and Professions Code Section 8623.5(a) for your information.

As a result of the Decision, Operator License No. OPR 13441 is revoked, effective April 16, 2020. Please return your operator's wall and pocket license to the Board immediately (along with a copy of this letter). Please notify the Board in writing if you no longer have your operator wall and/or pocket license.

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Mail all correspondence to: 2005 Evergreen Street, Suite 1500, Sacramento, CA 95815. If you have any questions, please contact this office at (916) 561-8700.

Sincerely,

MELISSA SOWERS-ROBERTS

Melisia Somes Bout

Disciplinary Action Analyst

SUSAN SAYLOR

Registrar/Executive Officer

Enclosure

CC:

Michael C. Starkey, Administrative Law Judge Timothy A. Froehle, Deputy Attorney General

CERTIFIED MAIL - RETURN RECEIPT REQUESTED ARTICLE NUMBER 7019 2280 0000 3615 3812

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

In the Matter of the Accusation Against:

RONJIEL T. SHARPE,

Operator License No. OPR 13441, Branch 2,

Respondent.

Case No. 2019-81

OAH No. 2019080395

DECISION

The attached Proposed Decision of the Administrative Law Judge is hereby adopted by the Structural Pest Control Board as its Decision in the above-entitled matter.

This Decision shall become	me effective	on <u>April</u>	16,	2020	
IT IS SO ORDERED this _	17th	day of March,	202	<u>20</u>	

By: CRO

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

In the Matter of the Accusation Against:

RONJIEL T. SHARPE,

Operator License No. OPR 13441, Branch 2,

Respondent.

Case No. 2019-81

OAH No. 2019080395

PROPOSED DECISION

Administrative Law Judge Michael C. Starkey, State of California, Office of Administrative Hearings, heard this matter on January 7, 2020, in Oakland, California.

Deputy Attorney General Timothy A. Froehle represented complainant Susan Saylor, in her official capacity as Registrar/Executive Officer of the Structural Pest Control Board.

Respondent Ronjiel Sharpe did not appear at hearing. Upon proof of compliance with Government Code sections 11504 and 11509, the matter proceeded as a default against respondent pursuant to Government Code section 11520.1 - - - -

On January 7, 2020, prior to hearing, respondent filed a motion to dismiss and attachments thereto. The motion and its attachments was marked as Exhibit A and received in evidence.

The record closed and the matter was submitted on January 7, 2020.

FACTUAL FINDINGS

- 1. On June 20, 2019, complainant Susan Saylor, in her official capacity as Registrar/Executive Officer of the Structural Pest Control Board, issued the accusation in this matter. Respondent Ronjiel Sharpe requested a hearing and this proceeding followed.
- 2. On November 6, 2018, the Board issued Operator License No. OPR 13441, Branch 2, to respondent. The license was in full force and effect at all times thereafter and will expire on June 30, 2021, unless renewed.

¹ This matter was consolidated for hearing with "In the Matter of the Statement of Issues Against: Precise Management, Inc., Kenyardiai Wright, President, and Ronjiel T. Sharpe, Vice President and Qualifying Manager" (Agency Case No. 2019-80 and OAH No. 2019070710).

Respondent's Unlicensed Activity

- 3. Respondent is the partial owner and operator of an Alabama based company known as Precise Management, Inc. (Precise Management). Precise Management has never held a valid California pest control company registration.
- 4. Prior to receiving his operator license in November 2018, respondent, by and through Precise Management, bid on and engaged in pest control work on a federal contract with the United States Department of Veterans Affairs (VA)
- 5. On June 29, 2018, in response to Precise Management's bid or offer, the VA awarded Precise Management a contract (Contract) to perform pest control inspections and work at multiple VA facilities in California. The Contract was for \$193,100 for one year, potentially renewable for four additional years, with a total potential value of \$965,358.60.
- 6. On July 16, 2018, the Board sent respondent and Precise Management a letter stating that it had received a complaint alleging that Precise Management engaged in pest control work in California without a valid company registration. The Board demanded that Precise Management cease and desist operations until and unless properly licensed.
- 7. Between July 2018 and August 2018, without a company registration, Precise Management billed for and performed work under the Contract. Precise Management was paid \$16,089.31 for each monthly billing period.
- 8. Precise Management did not perform the pest control inspections and work itself. Instead, respondent, on behalf of Precise Management, hired local pest control companies to perform the work.

- 9. The local pest control companies performed work on behalf of Precise Management from July 2018 through October 2018, until the Board informed them that Precise-Management was an out-of-state company, not licensed to perform, direct, or oversee pest control work in California.
- 10. Respondent did not appear at hearing and submitted no evidence of rehabilitation.

Costs

11. Complainant seeks a total of \$17,852.56 in investigation and prosecution costs. The Department of Justice submitted a declaration establishing that it will bill the Bureau \$13,040 for legal services provided through the day of the hearing.

Attached to the declaration is a spreadsheet detailing the tasks performed by the Department of Justice. Complainant also submitted a certification of complainant regarding investigative hours expended, stating that investigation costs in the total amount of \$4,812.56 were incurred. However, that statement was not signed under penalty of perjury and thus is not a "Declaration" within the meaning of, and as required by, California Code of Regulations, title 1, sections 1002 and 1042, respectively. Accordingly, complainant failed to prove the claimed costs of investigation. In the absence of any argument or evidence to the contrary, the costs of the Department of Justice are found to be reasonable. The total amount of reasonable enforcement costs is \$13,040.

LEGAL CONCLUSIONS

Motion to Dismiss

- 1. In his motion to dismiss, respondent requests dismissal of the entire action. Respondent cites Business and Professions Code section 8555, subdivision (d), which exempts "[g]overnmental agencies, state, federal, city, or county officials, and their employees while officially engaged" from many requirements of the Structural Pest Control Act, section 8500 et seq. (Act). However, the relevant allegations in this matter involve respondent's activities on behalf of Precise Management as a contractor for the VA, not as an employee or official. (Factual Findings 3–9.) Respondent failed to prove a basis to dismiss any cause for discipline based on section 8555, subdivision (d).
- 2. Respondent also argues its pest control work was limited to VA/federal government property. Respondent cites no authority in the Act for the proposition that pest control work on federal property is exempted from the Act. Instead, respondent appears to argue that California lacks the authority to regulate pest control work on federal property located in California. However, pursuant to Article III, section 3.5, of the California Constitution, administrative agencies such as the Board have no power to declare a statute unenforceable, or to refuse to enforce a statute on the basis that it is unconstitutional or that federal law prohibits the enforcement of such statute, unless an appellate court has made such a determination. To the extent that respondent seeks dismissal of this action or any cause for discipline based upon

² All further statutory references are to the Business and Professions Code unless otherwise stated.

an argument that the relevant statutes are unconstitutional or prohibited by federal law, the Board lacks jurisdiction to grant relief on that basis. Respondent's motion to dismiss-is-denied-in-its entirety.

First Cause for Discipline (Aiding or Abetting Unlicensed Practice)

3. The Board may discipline the license of an operator who has aided or abetted an unregistered company to evade the provisions of the Act. (§ 8639.)

Respondent aided and abetted Precise Management's unlicensed solicitation and performance of pest control work for the VA in California. (Factual Findings 3–9.)

Respondent has contended to the Board that Precise Management's subcontracting of pest control work performed in California is exempted under subdivision (b) of section 8550. However, that exemption for solicitation of pest control work is limited to individuals who do not "perform or offer to perform any act for which" a license or registration is required. That exemption does not apply to Precise Management, which offered to, and contracted with the VA to, perform pest control services in California. Cause exists to discipline respondent's operator license under section 8639.

Second Cause for Discipline (Failure to Comply with the Act)

- 4. The Board may discipline the license of an operator who fails to comply with any provision of the Act. (§ 8641.) Respondent engaged in and offered to engage in the practice of structural pest control, in violation of section 8550, subdivision (a), (Factual Findings 3–9.) Cause exists to discipline respondent's operator license under sections 8641 and 8550, subdivision (a).
- 5. Complainant also alleged in paragraph 25(b) of the accusation that respondent, while unlicensed, offered an opinion or made a recommendation concerning the need for structural pest control work in connection with a contract with

the VA, in violation of section 8550, subdivision (d). That allegation was not proven and cause does not exist to discipline respondent's license on that basis.

Third Cause for Discipline (Grossly Negligent or Fraudulent Act)

- 6. The Board may discipline the license of an operator who commits any grossly negligent or fraudulent act as a pest control operator. (§ 8642.) Cause exists to deny respondent's application under section 8642 because he, through Precise Management, engaged in the performance of Precise Management's contract with the VA in California without a company registration and continued to do so for months after the Board sent it a cease and desist letter. (Factual Findings 3–9.)
- 7. Complainant also alleged in paragraph 26 of the accusation that respondent fraudulently or negligently represented to the VA that he and Precise Management were properly licensed to perform structural pest control work in California and that another pest control company's technician was a Precise Management employee. Those allegations were not proven and cause does not exist to discipline respondent's license on that basis.

Fourth Cause for Discipline (Performing or Soliciting Work in Unlicensed Branch)

8. Cause exists to deny respondent's application for a company registration pursuant to section 8651, which prohibits performance or solicitation of structural pest control work in branches of pest control other than those for which the individual is licensed, because respondent, through Precise Management, engaged in the performance of Precise Management's contract with the VA in California without a company registration. (Factual Findings 3–9.)

Other Matters

9. If respondent's operator license is suspended or revoked, he "shall be prohibited from serving as an officer, director, associate, partner, qualifying manager, or responsible managing employee of a registered company" and any registered company which employs, elects, or associates respondent shall be subject to disciplinary action. (Bus. & Prof. Code, § 8654.)

Determination of Discipline

- 10. Cause for discipline having been established, the remaining issue is what level of discipline is required to protect the public. The Board's highest priority is protection of the public. (§ 8520.1)
- 11. Respondent, through Precise Management, offered to perform and performed pest control work in California without a company registration, even after ordered to cease and desist by the Board. Respondent has only been licensed in California since November 2018. Respondent has not acknowledged the wrongfulness of his misconduct and he presented no evidence of rehabilitation. Public protection requires revocation of respondent's operator license.

Costs

12. Pursuant to section 125.3, a complainant may request an administrative law judge to order a licensee found to have violated the licensing act to pay an amount that does not exceed the reasonable costs of investigation and enforcement. Complainant proved reasonable costs of investigation and enforcement in the amount of \$13,040. (Factual Finding 11.)

13. In *Zuckerman v. State Board of Chiropractic Examiners* (2002) 29 Cal.4th 32, the California Supreme Court set forth guidelines for determining whether costs should be assessed in the particular circumstances of each case. The Board must consider whether to do so will unfairly penalize the licensee who has committed misconduct, but who has used the hearing process to obtain a dismissal or a reduction in the severity of the discipline imposed, as well as whether the licensee will be financially able to pay the full costs of investigation and prosecution when the Board has conducted a disproportionately large investigation to prove that a licensee engaged in relatively innocuous misconduct. (*Id.* at pp. 44–45.) Respondent did not establish cause for a reduction of the cost award.

ORDER

- 1. Operator License No. OPR 13441, Branch 2, issued to respondent Ronjiel Sharpe, is revoked pursuant to Legal Conclusions 3, 4, 6 and 8, separately and for all of them.
- 2. Respondent is prohibited from serving as an officer, director, associate, partner, qualifying manager, or responsible managing employee of a registered company, and any registered company which employs, elects, or associates respondent shall be subject to disciplinary action.

3. Respondent shall reimburse the Board enforcement costs in the amount of \$13,040. Respondent shall pay these costs within 90 days of the effective date of the decision or through a payment plan-approved by the Board.

DATE: January 24, 2020

Occusioned by:

Michael O. Starkey.

28451CFC37284CA.

MICHAEL C. STARKEY

Administrative Law Judge

Office of Administrative Hearings

FILED 1 XAVIER BECERRA Date 6/20/19 By Susan Attorney General of California 2 DIANN SOKOLOFF Supervising Deputy Attorney General 3 TIMOTHY FROEHLE Deputy Attorney General 4 State Bar No. 279337 1515 Clay Street, 20th Floor 5 P.O. Box 70550 Oakland, CA 94612-0550 Telephone: (510) 879-0004 Facsimile: (510) 622-2270 6 7 E-mail: Tim.Froehle@doj.ca.gov Attorneys for Complainant 8 9 BEFORE THE STRUCTURAL PEST CONTROL BOARD 10 DEPARTMENT OF CONSUMER AFFAIRS STATE OF CALIFORNIA 11 12 13 In the Matter of the Accusation Against: Case No. 2019-81 14 RONJIEL SHARPE 15 9044 County Road 26 Hope Hull, AL 36043 ACCUSATION 16 Operator's License No. OPR 13441, 17 Branch 2 18. Respondent. 19 20 21 **PARTIES** 22 Susan Saylor (Complainant) brings this Accusation solely in her official capacity as ١. 23 the Registrar/Executive Officer of the Structural Pest Control Board, Department of Consumer 24 Affairs. 25 2. On or about November 6, 2018, the Structural Pest Control Board issued Operator 26 License Number OPR 13441, Branch 2, to Ronjiel Sharpe (Respondent). Respondent's license is 27 currently in effect and will expire on June 30, 2021, if not renewed. 28

JURISDICTION

- 3. This Accusation is brought before the Structural Pest Control Board (Board), Department of Consumer Affairs, under the authority of the following laws. All section references are to the Business and Professions Code (Code) unless otherwise indicated.
- 4. Section 8620 of the Code 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.
 - 5. Section 8623 of the Code states, in relevant part:
- "(a) Notwithstanding Section 8620 or any other provision of law, the board may revoke, suspend, or deny at any time a license under this chapter on any of the grounds for disciplinary action provided in this chapter. The proceedings under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the board shall have all the powers granted therein.

. . . , ,

6. Section 8625 of the Code 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."

STATUTORY PROVISIONS

- 7. Section 8505 of the Code states:
- "(a) "Structural pest control" and "pest control" as used in this chapter are synonymous. Except as provided in Section 8555 and elsewhere in this chapter, it is, with respect to household pests and wood destroying pests or organisms, or other pests that may invade households or other structures, including railroad cars, ships, docks, trucks, airplanes, or the contents thereof, the

engaging in, offering to engage in, advertising for, soliciting, or the performance of, any of the following:

- "(1) Identification of infestations or infections.
- "(2) The making of an inspection or inspections for the purpose of identifying or attempting to identify infestations or infections of household or other structures by those pests or organisms.
- "(3) The making of inspection reports, recommendations, estimates, and bids, whether oral or written, with respect to those infestations or infections.
- "(4) The making of contracts, or the submitting of bids for, or the performance of any work including the making of structural repairs or replacements, or the use of pesticides, or mechanical devices for the purpose of eliminating, exterminating, controlling or preventing infestations or infections of those pests, or organisms.
- "(b) "Household pests" are defined for the purpose of this chapter as those pests other than wood destroying pests or organisms, which invade households and other structures, including, but not limited to, rodents, vermin, and insects."

8. Section 8639 of the Code states:

"Aiding or abetting an unlicensed individual or unregistered company to evade the provisions of this chapter [the Structural Pest Control Act] or knowingly combining or conspiring with an unlicensed individual or unregistered company, or allowing one's license or company registration to be used by an unlicensed individual or unregistered company, or acting as agent or partner or associate, or otherwise, of an unlicensed individual or unregistered company to evade the provisions of this chapter is a ground for disciplinary action."

9. Section 8641 of the Code 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."

10. Section 8642 of the Code states that "[t]he commission of any grossly negligent or fraudulent act by the licensee as a pest control operator, field representative, or applicator or by a registered company is a ground for disciplinary action."

11. Section 8550 of the Code states:

- "(a) It is unlawful for any individual to engage or offer to engage in the business or practice of structural pest control, as defined in Section 8505, unless he or she is licensed under this chapter.
- "(b) Notwithstanding subdivision (a), an unlicensed individual may solicit pest control work on behalf of a structural pest control company only if the company is registered pursuant to this chapter, and the unlicensed individual does not perform or offer to perform any act for which an operator, field representative, or applicator license is required pursuant to this chapter. As used in this subdivision, to "solicit pest control work" means to introduce consumers to a registered company and the services it provides, to distribute advertising literature, and to set appointments on behalf of a licensed operator or field representative.
- "(c) It is unlawful for an unlicensed individual, soliciting pest control work on behalf of a registered structural pest control company pursuant to subdivision (b), to perform or offer to perform any act for which an operator, field representative, or applicator license is required, including, but not limited to, performing or offering pest control evaluations or inspections, pest identification, making any claims of pest control safety or pest control efficacy, or to offer price quotes other than what is provided and printed on the company advertising or literature, or both.
- "(d) It is also unlawful for any unlicensed individual to offer any opinion, or to make any recommendations, concerning the need for structural pest control work in general, or in connection with a particular structure.
- "(e) It is unlawful for any firm, sole proprietorship, partnership, corporation, association, or other organization or combination thereof to engage or offer to engage in the practice of structural pest control, unless registered in accordance with Article 6 (commencing with Section 8610)."
 - 12. Section 8651 of the Code states:

"The performing or soliciting of structural pest control work, the inspecting for structural or household pests, or the applying of any pesticide for the purpose of eliminating, exterminating, controlling, or preventing structural or household pests in branches of pest control other than those for which the operator, field representative, or applicator is licensed or the company is registered is a ground for disciplinary action."

COST RECOVERY

13. Section 125.3 of the Code 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, with failure of the licentiate to comply subjecting the license to not being renewed or reinstated. If a case settles, recovery of investigation and enforcement costs may be included in a stipulated settlement.

OTHER MATTERS

14. Pursuant to section 8654 of the Code, if discipline is imposed on Operator's License No. OPR 13441 issued to Respondent, Respondent 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 respondent shall be subject to disciplinary action.

FACTUAL ALLEGATIONS

- 15. Prior to receiving his Operator's License in November 2018, Respondent, by and through a company named Precise Management Inc. (Precise Management), had bid on and engaged in pest control work on a federal contract with the Veterans' Affairs Palo Alto Health Care System.
- 16. According to the Alabama Secretary of State, Precise Management is a domestic Alabama corporation with Respondent listed as the "incorporator" and registered agent. The Board received an Application for Registration of Company for Precise Management on or about August 14, 2018. The application was signed by Respondent and listed him as "Vice-President" and shareholder with a 30-percent interest in the company.

- 17. On June 29, 2018, the U.S. Department of Veterans Affairs (VA) awarded Precise Management contract award number 36C26118C0092 in the total amount of \$965,358.60¹ after receiving a bid from Precise Management sometime after May 18, 2018. The contract was for general pest treatment inspection and work to be performed at the VA facilities in Palo Alto, California, and VA sites in surrounding cities. At the time that the VA awarded Precise Management this contract, neither Respondent nor Precise Management was licensed or registered to perform structural pest control work in California.
- 18. On July 16, 2018, the Board sent Respondent a letter alleging that Precise Management was engaged in pest control work in California without a valid company registration and demanded that Respondent cease and desist operations unless and until properly licensed.
- 19. Between July 2018 and August 2018, without a company registration or license, Respondent and Precise Management billed for and performed work under the federal contract with the VA. The VA paid Precise Management \$16,089.31 for each monthly billing period.
- 20. Precise Management did not perform the pest control work directly itself. Instead, Respondent would contact and submit an order to a local pest control company to perform asneeded, or "one-time" services, at the VA facilities. Respondent ordered these services and paid the invoices with a credit card when billed by the local pest control company.
- 21. The local pest control company did not have a written agreement or subcontract agreement with Precise Management and was unaware that Precise Management was an out-of-state company and not the owner/manager of the VA facilities ordering the work.
- 22. The local pest control company performed work on behalf of Precise Management from July 2018 through October 2018, until the Board informed the company that Respondent was not the owner/manager of the VA facilities and was instead the owner of an out-of-state company, not licensed to perform, direct, or oversee pest control work in California.
- 23. When asked about its licensing status in July 2018, Respondent represented to the VA's contracting officer that Precise Management was "properly licensed" and that the local pest

¹ More specifically, the contract amount was for approximately \$193,100 for one year with potential of renewal for four additional years.

a Precise Management employee; or by continuing to perform structural pest control work on the

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1	VA facilities after having been ordered to cease and desist from his unlicensed activity. The				
2	circumstances are described above in paragraphs 15 through 23.				
3	FOURTH CAUSE FOR DISCIPLINE				
4	(Performing or Soliciting of Work in Unlicensed Branch)				
5	27. Respondent has subjected his Operator's License to disciplinary action under section				
6	8651 in that he performed or solicited structural pest control work in a branch of pest control				
7	other than one in which he was licensed when he, through Precise Management, bid on and				
8	engaged in performance on a contract with the VA while he was unlicensed and Precise				
9	Management did not have a company registration. The circumstances are described above in				
10	paragraphs 15 through 23.				
11	<u>PRAYER</u>				
12	WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,				
13	and that following the hearing, the Structural Pest Control Board issue a decision:				
14	1. Revoking or suspending Operator License Number OPR 13441, issued to Ronjiel				
15	Sharpe;				
16	2. Prohibiting Ronjiel Sharpe from serving as an officer, director, associate, partner,				
17	qualifying manager, or responsible managing employee of any registered company during the				
18	period that discipline is imposed on Operator License Number OPR 13441 issued to Ronjiel				
19	Sharpe.				
20	3. Ordering Ronjiel Sharpe to pay the Structural Pest Control Board the reasonable costs				
21	of the investigation and enforcement of this case, pursuant to Business and Professions Code				
22	section 125.3; and,				
23					
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1	4. Taking such other and further action as deemed necessary and proper.					
2						
3						
4	DATED: 10/20/19 & WAGN & WAS					
5	SUSAN SAVI OR					
6	Registrar/Executive Officer Structural Pest Control Board Department of Consumer Affairs State of California					
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DECLARATION OF SERVICE BY CERTIFIED MAIL

CASE NAME:

Ronjiel T. Sharpe

CASE NO .:

Accusation No. 2019-81

OAH No.: 2019080395

I declare:

I am employed in the County of Sacramento, California. I am eighteen years of age or over and not a party to the within entitled cause; my business address is 2005 Evergreen Street, Suite 1500, Sacramento, California 95815.

On March 17, 2020, I served the attached:

DECISION AND ORDER / ACCUSATION / GOVERNMENT CODE SECTION 11521 / AND BUSINESS AND PROFESSIONS CODE SECTION 8623.5(A)

by placing a true copy thereof enclosed in a sealed envelope in the internal mail collection system at the Structural Pest Control Board, 2005 Evergreen Street, Suite 1500 Sacramento, California 95815, for deposit in the United States Postal Service mail that same day in the ordinary course of business, in a sealed envelope, postage fully postpaid, addressed as follows:

NAME/ADDRESS

CERT. NUMBER

Ronjiel T. Sharpe 7100 Stevenson Boulevard, Unit #322 Fremont, CA 94538

7019 2280 0000 3615 3829

Ronjiel T. Sharpe 9044 County Road 26 Hope Hull, AL 36043

7019 2280 0000 3615 3812

Timothy A. Froehle
Deputy Attorney General
Office of the Attorney General
1515 Clay Street, 20th Floor
P.O. Box 70550
Oakland, CA 94612-0550

ELECTRONICALLY BY EMAIL (Tim.Froehle@doj.ca.gov)

Office of Administrative Hearings Michael C. Starkey, Administrative Law Judge 1515 Clay Street, Suite 206 Oakland, CA 94612

OAH SECURE E FILE

I declare under penalty of perjury the foregoing is true and correct, and this declaration was executed at Sacramento, California, on March 17, 2020.

Melissa Sowers-Roberts
Declarant

ssa Sowers- Kobert

EXHIBIT 3



DEPARTMENT OF CONSUMER AFFAIRS • STRUCTURAL PEST CONTROL BOARD 2005 Evergreen St., Suite 1500, Sacramento, CA 95815 P (916) 561-8700 | F (916) 263-2469 | www.pestboard.ca.gov

March 17, 2020

Precise Management, Inc. Kenyardiai Wright, President Ronjiel T. Sharpe, Vice President 7100 Stevenson Boulevard, Unit #322 Fremont, CA 94538

Dear Kenyardiai Wright and Ronjiel Sharpe:

IN THE MATTER OF STATEMENT OF ISSUES NO. 2019-80

Enclosed is a copy of the Decision and Order rendered by the Structural Pest Control Board (Board) regarding the above-referenced matter.

As a result of the Decision, your Application for Registration of Company for Precise Management, Inc. has been denied, **effective April 16, 2020.**

If you wish to file a petition for reconsideration pursuant to Government Code section 11521, the petition must be received prior to the effective date of the decision. However, please be aware the Board needs approximately one week to process a petition for reconsideration. Attached is a copy of the Government Code section for your review. Please note that reconsideration is NOT available to you if you entered into a stipulated decision with the Board.

If you have any questions, please contact this office at (916) 561-8700.

Sincerely,

MELISSA SOWERS-ROBERTS

Disciplinary Action Analyst

SUSAN SAYLOR

Registrar/ Executive Officer

Enclosure

cc: Michael C. Starkey, Administrative Law Judge

Timothy A. Froehle, Deputy Attorney General

CERTIFIED MAIL – RETURN RECEIPT REQUESTED ARTICLE NUMBER 7019 2280 0000 3615 3799



BLIGINGSS, CONSLIMES SERVICES AND HOLISING AGENCY . GAVIN NEWSOM, GOVERNOR

DEPARTMENT OF CONSUMER AFFAIRS • STRUCTURAL PEST CONTROL BOARD

2005 Evergreen St., Suite 1500, Sacramento, CA 95815 P (916) 561-8700 | F (916) 263-2469 | www.pestboard.ca.gov



March 17, 2020

Precise Management, Inc. Kenyardiai Wright, President Ronjiel T. Sharpe, Vice President 9044 County Road 26 Hope Hull, AL 36043

Dear Kenyardiai Wright and Ronjiel Sharpe:

IN THE MATTER OF STATEMENT OF ISSUES NO. 2019-80

Enclosed is a copy of the Decision and Order rendered by the Structural Pest Control Board (Board) regarding the above-referenced matter.

As a result of the Decision, your Application for Registration of Company for Precise Management, Inc. has been denied, **effective April 16, 2020.**

If you wish to file a petition for reconsideration pursuant to Government Code section 11521, the petition must be received prior to the effective date of the decision. However, please be aware the Board needs approximately one week to process a petition for reconsideration. Attached is a copy of the Government Code section for your review. Please note that reconsideration is NOT available to you if you entered into a stipulated decision with the Board.

If you have any questions, please contact this office at (916) 561-8700.

Sincerely,

MELISSA SOWERS-ROBERTS

Disciplinary Action Analyst

SUSAN SAYLOR

Registrar/ Executive Officer

Enclosure

cc: Michael C. Starkey, Administrative Law Judge

Timothy A. Froehle, Deputy Attorney General

CERTIFIED MAIL – RETURN RECEIPT REQUESTED ARTICLE NUMBER 7019 2280 0000 3615 3805

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

In the Matter of the Statement of Issues Against:

PRECISE MANAGEMENT, INC., Kenyardiai Wright, President, and Ronjiel T. Sharpe, Vice President and Qualifying Manager,

Respondent.

Case No. 2019-80

OAH No. 2019070710

DECISION

The attached Proposed Decision of the Administrative Law Judge is hereby adopted by the Structural Pest Control Board as its Decision in the above-entitled matter.

This Decision shall beco	me effective o	April 16, 2020		
IT IS SO ORDERED this _	17th	day of March, 2020		

By: Cabacan

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

In the Matter of the Statement of Issues Against:

PRECISE MANAGEMENT, INC., Kenyardiai Wright, President, and Ronjiel T. Sharpe, Vice President and Qualifying Manager,

Respondent.

Case No. 2019-80

OAH No. 2019070710

PROPOSED DECISION

Administrative Law Judge Michael C. Starkey, State of California, Office of Administrative Hearings, heard this matter on January 7, 2020, in Oakland, California.

Deputy Attorney General Timothy A. Froehle represented complainant Susan Saylor, in her official capacity as Registrar/Executive Officer of the Structural Pest Control Board.

Respondent Precise Management, Inc. did not appear at hearing. Upon proof of compliance with Government Code sections 11504 and 11509, the matter proceeded as a default against respondent, pursuant to Government Code section 11520.1-

On January 7, 2020, prior to hearing, respondent filed a motion to dismiss and attachments thereto. The motion and its attachments was marked as Exhibit A and received in evidence.

The record closed and the matter was submitted on January 7, 2020.

FACTUAL FINDINGS

- 1. On August 14, 2018, the Board received an application for a company registration (Original Application) from respondent Precise Management, Inc., Kenyardiai Wright (Wright), President, and Ronjiel T. Sharpe (Sharpe), Vice President and Qualifying Manager. Respondent certified under penalty of perjury to the truth and accuracy of all statements and representations in the application.
- 2. On October 24, 2018, the Board received a revised application (Revised Application) for a company registration from respondent.
- 3. On November 13, 2018, the Board denied respondent's application for a company registration.

¹ This matter was previously consolidated for hearing with "In the Matter of the Accusation Against: Ronjiel Sharpe" (Agency Case No. 2019-81 and OAH No. 2019080395).

4. On May 7, 2019, complainant Susan Saylor, in her official capacity as Registrar/Executive Officer of the Structural Pest Control Board, issued the statement of issues in this matter. Respondent Precise Management, Inc., Kenyardiai Wright (Wright), President, and Ronjiel T. Sharpe (Sharpe), Vice President and Qualifying Manager, requested a hearing and this proceeding followed.

Respondent's Unlicensed Activity

- 5. On June 29, 2018, in response to respondent's bid or offer, the United States Department of Veterans Affairs (VA) awarded respondent a contract (Contract) to perform pest control inspections and work at multiple VA facilities in California. The Contract was for \$193,100 for one year, potentially renewable for four additional years, with a total potential value of \$965,358.60.
- 6. On July 16, 2018, the Board sent respondent a letter stating that it had received a complaint alleging that respondent engaged in pest control work in California without a valid company registration. The Board demanded that respondent cease and desist operations until and unless properly licensed.
- 7. Between July 2018 and August 2018, without a company registration, respondent billed for and performed work under the Contract. Respondent was paid \$16,089.31 for each monthly billing period.
- 8. Respondent did not perform the pest control inspections and work itself.
 Instead, Sharpe, on behalf of respondent, hired local pest control companies to
 perform the work.
- 9. Respondent did not enter into a written contract with one of the local pest control companies for that work.

10. The local pest control companies performed work on behalf of respondent from July 2018 through October 2018, until the Board informed them that respondent was an out-of-state company, not licensed to perform, direct, or oversee pest control work in California.

Respondent's Application for Company Registration

- 11. In its application, respondent listed Sharpe as its qualifying manger, 7100 Stevenson Boulevard, Fremont, California as its principal place of business, and an address in Alabama as its mailing address. The Fremont address is a "virtual office" that primarily provides mail receiving, conference rooms and work-desks on an asneeded basis. It also provides a limited number of small, permanent office spaces. However, respondent and Sharpe reside in Alabama. Respondent appears to be using the Fremont address solely as a mailing address. Respondent failed to show that Sharpe would be able to supervise respondent's daily business in California.

(Emphasis in original.) Respondent answered no.

13. Respondent's answer to question 16 on the Original Application was false. In fact, Sharpe has been convicted of numerous criminal offenses, including:

reckless driving (2000), third degree assault (2004), and fraud—negotiating worthless instruments (twice in 2004 and once in 2009), all misdemeanors.

- 14. Respondent answered yes to question 19, which asked "Have you, or any of you, ever served in the United States Military?" That response indicates that respondent understood that questions in the application that referred to "you, or any of you" were not limited to the applicant entity, but also applied to the individuals listed as the officers and qualifying manager of respondent.
- 15. Respondent did not appear at hearing and submitted no evidence of rehabilitation.

LEGAL CONCLUSIONS

Motion to Dismiss

1. In its motion to dismiss, respondent requests dismissal of the entire action. Respondent cites Business and Professions Code section 8555, subdivision (d), which exempts "[g]overnmental agencies, state, federal, city, or county officials, and their employees while officially engaged" from many requirements of the Structural Pest Control Act, section 8500 et seq. (Act).² However, the relevant allegations in this matter involve respondent's activities as a contractor for the VA, not as an employee or official. (Factual Finding 5.) Respondent failed to prove a basis to dismiss any cause for denial of its application based on section 8555, subdivision (d).

² All further statutory references are to the Business and Professions Code unless otherwise stated.

- 2. Respondent also argues its pest control work was limited to VA/federal government property. However, respondent cites no authority in the Act for the proposition that pest control-work on-federal property is exempted.
- 3. Respondent further appears to argue that the federal government is not subject to the Act. Pursuant to Article III, section 3.5, of the California Constitution, administrative agencies such as the Board have no power to declare a statute unenforceable, or to refuse to enforce a statute on the basis that it is unconstitutional or that federal law prohibits the enforcement of such statute, unless an appellate court has made such a determination. To the extent that respondent seeks dismissal of this action or any cause for denial based upon an argument that the relevant statutes are unconstitutional or prohibited by federal law, the Board lacks jurisdiction to grant relief on that basis. Respondent's motion to dismiss is denied in its entirety.

First Cause for Denial

4. The Board may deny an application for a company registration if the applicant has done any act, that if done by a licentiate in that business or profession, would be grounds for suspension or revocation. (§ 480, subd. (a)(3)(A).) Failure to comply with the provisions of the Act or the Board's regulations is grounds for discipline of a pest control license or registration. (§ 8641.) Accordingly, failure to comply with the provisions of the Act or the Board's regulations is grounds for denial of an application. Cause exists to deny respondent's application for a company registration pursuant to sections 480, subdivision (a)(3)(A), and 8641 because it committed numerous violations of the Act and/or the Board's regulations, as follows: respondent failed to subcontract, in writing, for work performed by one of the local pest control companies, in violation of section 8514, subdivision (c) (Factual Finding 9); and respondent engaged in and offered to engage in the practice of structural pest

control without a company registration, in violation of section 8550, subdivision (e) (Factual Findings 5 and 7). Respondent has contended to the Board that its subcontracting pest control work performed in California is exempted under subdivision (b) of section 8550. However, that exemption for solicitation of pest control work is limited to individuals who do not "perform or offer to perform and act for which" a license or registration is required. That exemption does not apply to respondent, which offered to and contracted with, the VA to perform pest control services in California.

- 5. Complainant also alleged in paragraph 40(a) that respondent failed to complete an inspection prior to commencing work on the contract entered into for services with the VA in violation of section 8514, subdivision (a), but the evidence did not establish that allegation and cause was not established to deny respondent's application on that basis.
- 6. Cause exists to deny respondent's application for a company registration pursuant to sections 480, subdivision (a)(3)(A), and 8641 for violation of the Act and the Board's regulations in its application, as follows: respondent failed to set out in the application how its qualifying manager would supervise the daily business of the company as required by section 8610, subdivision (c), while residing in Alabama (Factual Finding 11); and respondent failed to show in the application how it would prominently display the licenses of qualifying managers and company registrations at the Fremont address as required by section 8612, subdivision (a) (Factual Finding 11).

Second Cause for Denial

7. Cause exists to deny respondent's application for a company registration pursuant to sections 480, subdivision (a)(3)(A), for violation of section 8651, which

prohibits performance or solicitation of structural pest control work in branches of pest control other than those for which the individual is licensed, because respondent engaged in and offered to engage in the practice of structural pest control without a company registration. (Factual Findings 5 and 7.)

Third Cause for Denial

8. The Board may deny an application for a company registration if the applicant misrepresents a material fact in the application process. (§§ 480, subd. (a)(3)(A), 8637.) Cause exists to deny respondent's application under sections 480, subdivision (a)(3)(A), and 8637 because it falsely denied Sharpe's criminal history in response to question 16 in the Original Application. (Factual Findings 12–14.)

Fourth Cause for Denial

- 9. The Board may deny an application for a company registration if the applicant commits any grossly negligent or fraudulent act as a pest control operator. (§§ 480, subd. (a)(3)(A), 8642.) Cause exists to deny respondent's application under sections 480, subdivision (a)(3)(A), and 8642 because it engaged in the performance of its contract with the VA without a company registration and continued to do so for months after the Board sent it a cease and desist letter on July 16, 2018. (Factual Findings 5–8, and 10.)
- 10. Complainant also alleged that respondent falsely represented to the VA that it was licensed and that another pest control company's technician was its own technician, but those allegations were not proven at hearing.

Determination of Application

- 11. Cause for denial of the application having been established, the remaining issue is what level of discipline is required to protect the public. The Board's highest priority is protection of the public. (§ 8520.)
- 12. Respondent's violations of the Act include performing pest control work without a company registration, even after ordered to cease and desist by the Board, and falsely denying Sharpe's criminal history in its Original Application. Respondent presented no evidence of rehabilitation. Public protection requires denial of respondent's application.

ORDER

The application for a company registration of respondent Precise Management, Inc., Kenyardiai Wright, President, and Ronjiel T. Sharpe, Vice President and Qualifying Manager, is denied pursuant to Legal Conclusions 4, 6, 7, 8 and 9, separately and for all of them.

DATE: January 17, 2020

Michael C. Starkey.

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MICHAEL C. STARKEY

Administrative Law Judge

Office of Administrative Hearings

1 XAVIER BECERRA Attorney General of California 2 DIANN SOKOLOFF Supervising Deputy Attorney General 3 TIMOTHY A. FROEHLE Deputy Attorney General State Bar No. 235850 4 1515 Clay Street, 20th Floor 5 P.O. Box 70550 Oakland, CA 94612-0550 6 Telephone: (510) 879-0004 Facsimile: (510) 622-2270 7 E-mail: Tim.Froehle@doj.ca.gov Attorneys for Complainant 8 9 BEFORE THE STRUCTURAL PEST CONTROL BOARD 10 DEPARTMENT OF CONSUMER AFFAIRS STATE OF CALIFORNIA 11 12 13 In the Matter of the Statement of Issues Case No. 2019-80 14 Against: 15 PRECISE MANAGEMENT, INC.: KENYARDIAI WRIGHT, President, AND STATEMENT OF ISSUES RONJIEL T. SHARPE, Vice President and 16 Qualifying Manager 17 Company Registration Applicant, Branch 2 18 Respondent. 19 20 21 **PARTIES** Susan Saylor (Complainant) brings this Statement of Issues solely in her official 22 capacity as the Registrar/Executive Officer of the Structural Pest Control Board, Department of 23 Consumer Affairs. 24 On or about August 14, 2018, the Structural Pest Control Board, Department of 25 Consumer Affairs, received an application for a Company Registration from Precise 26 Management, Inc.; Kenyardiai Wright, President; Ronjiel T. Sharpe, Vice President and 27 Qualifying Manager (Respondents). On or about August 13, 2018, Respondent certified under 28

penalty of perjury to the truthfulness of all statements, answers, and representations in the application. The Board denied the application on November 13, 2018.

JURISDICTION

- 3. This Statement of Issues is brought before the Structural Pest Control Board (Board), Department of Consumer Affairs, under the authority of the following laws. All section references are to the Business and Professions Code unless otherwise indicated.
 - 4. Section 8620 of the Code states:

"The board may upon its own motion, and shall upon verified complaint in writing of any person, investigate the actions of any individual acting as a licensee, or making application for a license.

"After a hearing, the board may temporarily suspend or permanently revoke a license issued under this chapter if the holder, while a licensee or applicant, is guilty of or commits any one or more of the acts or omissions constituting grounds for disciplinary action. In addition to its authority to suspend or revoke a license, the board may assess a civil penalty as follows:

"(a) Upon the conclusion of a hearing held pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, if the proposed decision of the hearing officer is that the licensee is guilty of or has committed any one of the acts or omissions constituting grounds for disciplinary action, the proposed decision shall provide for the imposition of a suspension or for the revocation of the license. In this case, the board may impose the suspension or revocation. The board may also, in lieu of a suspension, assess a civil penalty. The licensee may express a preference for a form of discipline, but the board shall not be bound by any expression of preference.

"If a licensee elects to stipulate to a disciplinary action prior to an administrative hearing, the board may impose a civil penalty, in accordance with this section, in lieu of suspension.

"If a proposed stipulation is rejected by the board, it is null and void and does not constitute an admission of any violation charged.

"(b) The civil penalty shall not be more than five thousand dollars (\$5,000) for an actual suspension of one to 19 days.

- "(c) The civil penalty shall not be more than ten thousand dollars (\$10,000) for an actual suspension of 20 to 45 days.
- "(d) If a licensee is assessed the civil penalty in lieu of an actual suspension, the penalty shall be paid before the effective date of the decision.
- "(e) If the civil penalty is not paid before the effective date of the suspension, the license shall be suspended until the penalty is paid or until the actual suspension is served.

"No civil penalty shall be assessed in lieu of any suspension which exceeds 45 days. With the exception of the proceedings on suspensions undertaken or on fines levied pursuant to Section 8617, the proceedings under this article shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the board shall have all the powers granted therein.

"In any order of suspension or revocation, the board may authorize the completion of any contract or work contracted for under terms and conditions set forth in the order."

- 5. Section 8623 of the Code states, in relevant part:
- "(a) Notwithstanding Section 8620 or any other provision of law, the board may revoke, suspend, or deny at any time a license under this chapter on any of the grounds for disciplinary action provided in this chapter. The proceedings under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the board shall have all the powers granted therein.
- "(b) The board may deny a license to an applicant on any of the grounds specified in Section 480.

. . . '

- 6. Section 8568 of the Code states:
- "After a hearing the board may deny a license or a company registration unless the applicant makes a showing satisfactory to the board that the applicant, if an individual, has not, or if the applicant is a company applying for a company registration, that its manager and each of its officers, directors, employees, members and partners have not:

- "(a) Committed any act or crime constituting grounds for denial of licensure under Section 480.
- "(b) While unlicensed or not registered, knowingly committed or aided and abetted the commission of any act for which a license or company registration is required under this chapter.
- "(c) While acting as a partner, officer, managing employee, or qualifying manager of a firm, partnership, or corporation, had knowledge of and participated in the commission of any act resulting in the suspension or revocation of a license or company registration.

"When a hearing is held under this section it shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the board shall have all of the powers granted therein."

STATUTORY PROVISIONS

- 7. Section 480 of the Code states, in pertinent part:
- "(a) A board may deny a license regulated by this code on the grounds that the applicant has one of the following:
- "(1) Been convicted of a crime. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action that a board is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4, 1203.4a, or 1203.41 of the Penal Code.
- "(2) Done any act involving dishonesty, fraud, or deceit with the intent to substantially benefit himself or herself or another, or substantially injure another.
- "(3)(A) Done any act that if done by a licentiate of the business or profession in question, would be grounds for suspension or revocation of license.
- "(B) The board may deny a license pursuant to this subdivision only if the crime or act is substantially related to the qualifications, functions, or duties of the business or profession for which application is made.

.

"(d) A board may deny a license regulated by this code on the ground that the applicant knowingly made a false statement of fact that is required to be revealed in the application for the license.

8. Section 8506.1 of the Code states, in pertinent part:

"(a) A "registered company" is any sole proprietorship, partnership, corporation, or other organization or any combination thereof that is registered with the Structural Pest Control Board to engage in the practice of structural pest control.

"(b) A registered company may secure structural pest control work, submit bids, or otherwise contract for pest control work. A registered company may employ licensed field representatives and licensed operators to identify infestations or infections, make inspections, and represent the company in the securing of pest control work. A registered company may hire or employ individuals who are not licensed under this chapter to perform work on contracts covering Branch 1, 2, or 3, or any combination of branches, only after an operator or field representative has fully completed the negotiation or signing of the contract covering a given job.

. . . , ,

9. Section 8506.2 of the Code states:

"A "qualifying manager" is the licensed operator or operators designated by a registered company to supervise the daily business of the company and to be physically present at the principal office or branch office location for a minimum of nine days every three consecutive calendar months to supervise and assist the company's employees. These days shall be documented and provided to the board upon request."

- 10. Section 8514 of the Code states, in pertinent part:
- "(a) A Branch 2 or 3 registered company shall not commence work on a contract, or sign, issue, or deliver any documents expressing an opinion or statement relating to the control of household pests, or wood destroying pests or organisms until the registered company has completed an inspection.

. . .

"(c) A registered company may subcontract, in writing, any pest control work for which it is registered in any branch or branches to a registered company holding a valid branch registration to do that work.

"(f) Nothing contained in this section shall permit or authorize a registered company to perform, attempt to perform, advertise or hold out to the public or to any person that it is authorized, qualified, or registered to perform, pest control work in a branch, or by a method, for which it is not registered, except that a Branch 2 or Branch 3 registered company may advertise fumigation or any all encompassing treatment described in paragraph (8) of subdivision (a) of Section 1991 of Title 16 of the California Code of Regulations if the company complies with the requirements of this section.

1. Section 8550, subdivision (e), of the Code states:

"It is unlawful for any firm, sole proprietorship, partnership, corporation, association, or other organization or combination thereof to engage or offer to engage in the practice of structural pest control, unless registered in accordance with Article 6 (commencing with Section 8610)."

12. Section 8610, subdivision (c), of the Code states:

"Each registered company shall designate an individual or individuals who hold an operator's license to act as its qualifying manager or managers. The qualifying manager or managers must be licensed in each branch of pest control in which the company engages in business. The designated qualifying manager or managers shall supervise the daily business of the company and shall be available to supervise and assist all employees of the company, in accordance with regulations which the board may establish."

13. Section 8612, subdivision (a), of the Code states:

"The licenses of qualifying managers and company registrations shall be prominently displayed in the registered company's office, and no registration issued hereunder shall authorize the company to do business except from the location for which the registration was issued. Each

registered company having a branch office or more than one branch office shall be required to display its branch office registration prominently in each branch office it maintains."

- 14. Section 8637 of the Code states that "[m]isrepresentation of a material fact by the applicant in obtaining a license or company registration is a ground for disciplinary action."
 - 15. Section 8641 of the Code 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."

16. Section 8642 of the Code states:

"The commission of any grossly negligent or fraudulent act by the licensee as a pest control operator, field representative, or applicator or by a registered company is a ground for disciplinary action."

17. Section 8650 of the Code states:

"Acting in the capacity of a licensee or registered company under any of the licenses or registrations issued hereunder except:

- "(a) In the name of the licensee or registered company as set forth upon the license or registration, or
- "(b) At the address and location or place or places of business as licensed or registered or as later changed as provided in this chapter is a ground for disciplinary action."
 - 18. Section 8651 of the Code States:

"The performing or soliciting of structural pest control work, the inspecting for structural or household pests, or the applying of any pesticide for the purpose of eliminating, exterminating, controlling, or preventing structural or household pests in branches of pest control other than those for which the operator, field representative, or applicator is licensed or the company is registered is a ground for disciplinary action."

REGULATORY PROVISIONS

19. California Code of Regulations, title 16, section 1918 states, in pertinent part:

"Supervise' as used in Business and Professions Code Sections 8506.2, 8610 and 8611 means the oversight, direction, control, and inspection of the daily business of the company and its employees, and the availability to observe, assist, and instruct company employees, as needed to secure full compliance with all laws and regulations governing structural pest control."

FACTUAL BACKGROUND

Respondent's Unlicensed Activity

- 20. Prior to the Board's receipt of Respondent's Application for Company Registration (received on or about August 14, 2018), the Board became aware that Respondent had bid on and was engaged in pest control work on a federal contract with the Veterans' Affairs Palo Alto Health Care System.
- 21. On June 29, 2018, the U.S. Department of Veterans Affairs (VA) awarded Respondent contract award number 36C26118C0092 in the total amount of \$965,358.60¹ after receiving a bid from Respondent sometime after May 18, 2018. The contract was for general pest treatment inspection and work to be performed at the VA facilities in Palo Alto, California, and VA sites in surrounding cities.
- 22. On July 16, 2018, the Board sent Respondent a letter alleging that Respondent was engaged in pest control work in California without a valid company registration and demanded that Respondent cease and desist operations unless and until properly licensed.
- 23. Between July 2018 and August 2018, without a company registration, Respondent billed for and performed work under the federal contract with the VA. Respondent was paid \$16,089.31 for each monthly billing period.
- 24. Respondent did not perform the pest control work directly itself. Instead, Respondent's Vice President, Mr. Sharpe, would contact and submit an order to a local pest control company to perform as-needed, or "one-time" services, at the VA facilities. Respondent ordered these services and paid the invoices with a credit card when billed by the local pest control company.

¹ More specifically, the contract amount was for approximately \$193,100 for one year with potential of renewal for four additional years.

- 25. The local pest control company did not have a written agreement or subcontract agreement with Respondent and was unaware that Respondent was an out-of-state company and not the owner/manager of the VA facilities ordering the work.
- 26. The local pest control company performed work on behalf of Respondent from July 2018 through October 2018, until the Board informed the company that Respondent was not the owner/manager of the VA facilities and was instead an out-of-state company, not licensed to perform, direct, or oversee pest control work in California.
- 27. When asked about its licensing status in July 2018, Respondent represented to the VA's contracting officer that it was "properly licensed" and that the local pest control company's technician performing the on-site work was their own technician. In fact, Respondent was not a registered company and the on-site technician was associated with the local pest control company, not with Respondent.

Respondent's Application for Company Registration

- 28. On or about August 14, 2018, the Board received Respondent's Application for Registration of Company, Branch 2 (Application 1). Application 1 stated that Respondent's Principal Place of Business is "7100 Stevenson Boulevard, Suite 322, Fremont, CA 94538," but that its mailing address is located in the State of Alabama.
- 29. The address Respondent provided as its Principal Place of Business is a "virtual office" operated by the company Critosphere, which is located at 7100 Stevenson Boulevard in Fremont, California, and which acts as a "membership" space for businesses seeking virtual offices, meeting spaces, coworking spaces, and other services at that location.
- 30. A "virtual office" membership provided by Critosphere consists of a "professional business address with mail receiving," and allows a member to pay additional fees for hourly rental of conference rooms and workdesks on an as-needed basis. It does not provide permanent office space or storage.² This level of membership has a minimum commitment of one month and requires a cancellation notice of 14 days to discontinue.

² Critosphere does provide a limited number of small, permanent office spaces, but Respondent has not stated or otherwise shown that its membership with Critosphere consists of such space.

31. Question 16 on Application 1 asked the following:

Have you, or any of you, ever been convicted of, or pleaded guilty or nolo contendere to ANY offense in the United States or a foreign country? This includes every citation, infraction, misdemeanor and/or felony, including traffic violations. NOTE: Convictions that were adjudicated in the juvenile court or convictions two years or older under California Health and Safety Code sections 11357(b), (c), (d), (e) or section 11360(b) should NOT be reported. Convictions that were later expunged from the records of the court or set aside pursuant to section 1203.4, 1203.4(a), or 1203.41 of the California Penal Code or equivalent non-California law MUST be disclosed. (Minor traffic violations resulting in a fine of \$300.00 or less do not need to be disclosed.) *Proof of dismissal*: If you have obtained a dismissal of your conviction(s) pursuant to Penal Code sections 1203.4, 1203.4(a), or 1203.41, please submit a certified copy of the court order dismissing the conviction(s) with your application.

"If YES, attach a signed detailed statement."

- 32. Respondent marked "NO" in response to Question 16 and did not attach a detailed statement to Application 1.
- 33. A background check regarding Respondent's Vice President, Ronjiel Sharpe, returned the following criminal convictions:
- a. On or about February 16, 2000, in the Lancaster County Court of Nebraska, Case No. CO2CR00C0001667, Respondent was convicted of reckless driving, a misdemeanor.
- b. On or about December 16, 2009, in the District Court of Tuscaloosa County in Alabama, in the case entitled *State of Alabama v. Ronjiel Thomas Sharpe*, Case No. DC 2009 003874, Respondent was convicted of fraud—negotiating worthless instruments.
- 34. On September 17, 2018, the Board sent Respondent's Vice President, Ronjiel Sharpe, a letter informing him, among other items, that the application was incomplete and that the Board's Live Scan background check reflected criminal convictions on his record. The Board asked Mr. Sharpe to correct Application 1 accordingly and provide a signed detailed statement, as required for a complete response to Question 16.

- 35. The Board's September 17, 2018 letter also informed Respondent that the address provided on Application 1 is not acceptable, because it is a virtual address.
- 36. On or about October 24, 2018, the Board received Respondent's revised Application for Registration of Company (Application 2). On Application 2, Respondent continued to assert that Respondent's Address of Principal Place of Business was the virtual office located at 7100 Stevenson Blvd., Suite 322, Fremont, CA 94538. Respondent also now designated Vice President Ronjiel Sharpe as its qualifying manager, as Mr. Sharpe had applied for an Operator's License since submitting Application 1.
- 37. Respondent's Application 2 responded "YES" to Question 16, regarding prior criminal convictions, and included court records and criminal database printouts confirming Mr. Sharpe's 2009 conviction for negotiating worthless instruments, as well as showing additional criminal convictions:
- a. On or about February 2, 2004, in the District Court of Montgomery County in Alabama, in Case No. DC 2003 002343, Mr. Sharpe pleaded guilty to negotiating worthless negotiable instruments.
- b. On or about February 3, 2004, in the District Court of Elmore County in Alabama, in Case No. DC 2003 001868, Mr. Sharpe pleaded guilty to negotiating worthless negotiable instruments.
- c. On or about May 17, 2004, in the Circuit Court of Montgomery County in Alabama, in the case entitled, *State of Alabama v. Ronjiel Thomas Sharpe*, Case No. CC 2004 000174, Mr. Sharpe pleaded guilty instead to third-degree assault, a misdemeanor. Mr. Sharpe was initially charged with two counts of second-degree assault and two counts of domestic violence.
- 38. On November 6, 2018, the Board again notified Respondent that its application was incomplete because the address provided for Respondent's Principal Place of Business was a virtual office and not a permanent physical address. In addition, the Board directed Respondent to explain, in writing, how Mr. Sharpe would be able to perform the daily oversight duties of a Qualifying Manager when his Residence Address provided was located in McCalla, Alabama.

39. The Board has not received the requested explanation regarding oversight by the Qualifying Manager, and Respondent has not provided an address as its Principal Place of Business other than the virtual office operated by Critosphere in Fremont, California.

FIRST CAUSE FOR DENIAL OF APPLICATION

(Failure to Comply with Structural Pest Control Rules and Regulations)

- 40. Respondent has subjected its application to denial under sections 480, subdivision (a)(3)(A), and 8641 in that it failed to comply with rules and regulations in its contract with the VA, which failure, if done by a licentiate would be grounds for suspension or revocation of license. The circumstances are described above in paragraphs 20 through 27. The violations are as follows:
- a. Bus. & Prof. Code, § 8514, subd. (a): Respondent failed to complete an inspection prior to commencing work on the contract entered into for services with the VA.
- b. Bus. & Prof. Code, § 8514, subd. (c): Respondent failed to subcontract, in writing, for work performed by the local pest control company on the VA facilities.
- c. Bus. & Prof. Code, § 8550, subd. (e): Respondent engaged in and offered to engage in the practice of structural pest control without a Company Registration.
- 41. Respondent also has subjected its application to denial under section 480, subdivision (a)(3)(A), and 8641 in that it failed to comply with rules and regulations in its application for a Company Registration. The circumstances are described above in paragraphs 28 through 39. The violations are as follows:
- a. Bus. & Prof. Code, § 8610, subd. (c), in relation to Cal. Code Regs., tit. 16, § 1918: Respondent failed to set out in its Application for Company Registration how its designated qualifying manager would supervise the daily business of the company, as defined by this section and under the regulations, while residing in McCalla, Alabama.
- b. Bus. & Prof. Code, § 8612, subd. (a): Respondent failed to set out in its Application for Company Registration how it would prominently display the licenses of qualifying managers and company registrations at its address designated as its Principal Place of

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Business in Fremont, California, and how Respondent would do no business except for at this location, where that address operated only as a virtual office without permanent physical space.

SECOND CAUSE FOR DENIAL OF APPLICATION

(Performing or Soliciting of Work in Unlicensed Branches)

42. Respondent has subjected its application to denial under sections 480, subdivision (a)(3)(A), and 8651 in that it performed or solicited structural pest control work in a branch of pest control other than one in which it was licensed when it bid on and engaged in performance on its contract with the VA without a Company Registration. The circumstances are described above in paragraphs 20 through 27.

THIRD CAUSE FOR DENIAL OF APPLICATION

(Misrepresentation of Material Fact on Application)

43. Respondent has subjected its application to denial under sections 480, subdivision (d), and 8637, in that Respondent misrepresented a material fact on its application for a license by answering "NO" in response to Question 16, which question required the applicant to disclose "ANY" prior criminal convictions. Respondent's Vice President Sharpe did in fact have several prior criminal convictions at the time of Respondent's submission of Application 1. The circumstances are described above in paragraphs 31 through 37.

FOURTH CAUSE FOR DENIAL OF APPLICATION

(Grossly Negligent or Fraudulent Act)

44. Respondent has subjected its application to denial under sections 480, subdivision (a)(3)(A), and 8642, in that Respondent, commissioned a grossly negligent or fraudulent act by engaging in performance on its contract with the VA without a Company Registration; by representing to the VA that it was properly licensed to perform structural pest control work in California, and that another pest control company's technician was its own employee; and by continuing to perform structural pest control work on the VA facilities after having been ordered to cease and desist from its unlicensed activity. The circumstances are described above in paragraphs 20 through 27.

<u>PRAYER</u>

WHEREFORE, Complainant requests that a hearing be held on the matters alleged, and that following the hearing, the Structural Pest Control Board issue a decision:

- 1. Denying the application of Precise Management, Inc.; Kenyardiai Wright, President; Ronjiel T. Sharpe, Vice President and Qualifying Manager, for a Company Registration;
 - 2. Taking such other and further action as deemed necessary and proper.

DATED: 5719

SUSAN SAYLOR

Registrar/Executive Officer Structural Pest Control Board Department of Consumer Affairs State of California

State of California Complainant

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DECLARATION OF SERVICE BY CERTIFIED MAIL

CASE NAME:

Precise Management, Inc. / Kenyardiai Wright, President / Ronjiel T.

Sharpe, Vice President

CASE NO.:

Statement of Issues No. 2019-80

OAH No.: 2019070710

I declare:

I am employed in the County of Sacramento, California. I am eighteen years of age or over and not a party to the within entitled cause; my business address is 2005 Evergreen Street, Suite 1500, Sacramento, California 95815.

On March 17, 2020, I served the attached:

DECISION AND ORDER / STATEMENT OF ISSUES/ GOVERNMENT CODE SECTION 11521

by placing a true copy thereof enclosed in a sealed envelope in the internal mail collection system at the Structural Pest Control Board, 2005 Evergreen Street, Suite 1500 Sacramento, California 95815, for deposit in the United States Postal Service mail that same day in the ordinary course of business, in a sealed envelope, postage fully postpaid, addressed as follows:

NAME/ADDRESS

CERT. NUMBER

Precise Management, Inc. Kenyardiai Wright, President Ronjiel T. Sharpe, Vice President 7100 Stevenson Boulevard, Unit #322 Fremont, CA 94538

7019 2280 0000 3615 3799

Precise Management, Inc. Kenyardiai Wright, President Ronjiel T. Sharpe, Vice President 9044 County Road 26 Hope Hull, AL 36043

7019 2280 0000 3615 3805

Timothy A. Froehle Deputy Attorney General Office of the Attorney General 1515 Clay Street, 20th Floor P.O. Box 70550 Oakland, CA 94612-0550

ELECTRONICALLY BY EMAIL (Tim.Froehle@doj.ca.gov)

Office of Administrative Hearings Michael C. Starkey, Administrative Law Judge 1515 Clay Street, Suite 206 Oakland, CA 94612

OAH SECURE E FILE

I declare under penalty of perjury the foregoing is true and correct, and this declaration was executed at Sacramento, California, on March 17, 2020.

Melissa Sowers-Roberts

Declarant

Melissa Sowers-Roberts

Signature