



CALIFORNIA PROCEEDS WITH LEGAL ACTION AGAINST GDS

"ELDER ABUSE" IS AMONG 14 CHARGES

On Feb. 1 and Feb. 19, the California Contractors State License Board (CSLB) referred to legal action two cases against Garage Door Services (aka Global Development Strategies). This recent action updates our fall 2015 cover story, which focused on the practices of Garage Door Services, a national garage door repair company based in Carrollton, Texas.

These CSLB cases allege one violation of the California Penal Code and 13 violations of the California Business and Professions Code. The one penal code violation alleges that Garage Door Services engaged in "elder abuse." Unlike the other violations, a penal code violation is prosecuted by a district attorney and can result in jail time or prison, according to Rick Lopes, CSLB chief of public affairs.

Turned over to the attorney general

The other 13 alleged violations are currently in the hands of the California attorney general's office, which prosecutes all such administrative cases. A successful prosecution would result in the revocation of Garage Door Services' California contractor's license.

In order to revoke a license, there must be "clear and convincing" evidence of the violation. The CSLB and the attorney general's office believe they have evidence to exceed the standard of "clear and convincing," which is true whenever the CSLB files an accusation, said Lopes.

What are the charges?

In all, the two cases allege that Garage Door Services committed the following violations:

- Elder abuse
- Contracted with suspended license
- False, misleading, deceptive advertisement
- Willful or fraudulent act
- License name style variation
- Unfair or fraudulent business practice (2 charges)
- Employed non-registered salesperson

- Starts buyer's rights as to right to cancel (2 charges)
- Violated all of the home improvement contract subsections
- Departed from trade standards
- Failed to report license changes
- Advertised without a valid license in class advertised

Defining the violations

While some of the alleged violations are self-explanatory, we asked Lopes for some additional clarification on others.

Lopes identified what's involved when CSLB investigates allegations of false, misleading, or deceptive advertisements. "We're concerned about any actions that might lead to confusion for a consumer, especially cases where they think they're contacting one company when they're actually contacting another, or that lead them to be unclear about who they're contracting with."

A "license name style variation" violation means the company is using a business name that is different from their licensed name. "Contractors must go by the name that's on their official CSLB license record," he said. "They would have to use that name on their contracts, advertising, etc. Any variation from that is not allowed." He noted that companies can operate with a DBA, but that name needs to be on file with the CSLB.

Obstructing buyer's rights

"Starts buyer's rights as to right to cancel" means that Garage Door Services is accused of failing to observe the buyer's right to cancel a transaction. Lopes explained that a "service & repair call" in California is limited to \$750 or less and is only to resolve the immediate issue that led to the call.

If the call exceeds that limit, or if the technician recommends additional work, the transaction becomes a "home improvement contract." In California this type of contract includes a three-day right to cancel, and consumers should not be asked to sign away this right.

But there's more ...

On Jan. 20, 2016, Garage Door Services' license #927739 received another license suspension. This new one was for non-payment of a citation related to an illegal advertisement violation. If the fine is not paid by April 20, 2016, the license will automatically be revoked, according to Lopes. In the meantime, Garage Door Services cannot work in California while its license is suspended.

If their license is revoked, Garage Door Services would have an uphill battle getting that license back to active status. They would not be allowed to apply for reinstatement of the license for a minimum of one year up to five years. Lopes said the application process requires several steps including providing proof of rehabilitation and posting a disciplinary bond that can range from \$15,000 to \$100,000.

Hiding under a different license

All of the above alleged violations apply to Garage Door Service's license #927739. After that license was first suspended on Jan. 16, 2015, Garage Door Services simply obtained another license (#1005791) under the contractor name of "Garage Door Service & Repair Inc."

The CSLB is already in the process of investigating two probable violations committed by the second license. Lopes said these cases have not yet been sent to the attorney general's office for filing of a formal accusation. ■

LATE UPDATE BETWEEN FEB. 20 AND MARCH 1, THE CSLB FILED THREE MORE CASES AGAINST GDS, ITEMIZING 33 NEW VIOLATIONS.