

1 ROB BONTA
Attorney General of California
2 ERIN M. SUNSERI
Supervising Deputy Attorney General
3 AGUSTIN LOPEZ
Deputy Attorney General
4 State Bar No. 218717
600 West Broadway, Suite 1800
5 San Diego, CA 92101
P.O. Box 85266
6 San Diego, CA 92186-5266
Telephone: (619) 738-9461
7 Facsimile: (619) 645-2061
E-mail: Agustin.Lopez@doj.ca.gov
8 *Attorneys for Complainant*

9
10 **BEFORE THE**
DEPARTMENT OF CONSUMER AFFAIRS
11 **FOR THE BUREAU OF HOUSEHOLD GOODS AND SERVICES**
STATE OF CALIFORNIA
12
13

14 In the Matter of the Statement of Issues
Against:

Case No. HHM 2023-127

15 **SAFE AND FAST MOVERS, INC.;**
16 **VLADISLAV VOKHMYAKOV,**
17 **PRESIDENT; ANDREY VOKHMYAKOV,**
OFFICER

STATEMENT OF ISSUES

18 **Household Movers Permit Applicant**

19 Respondent.

20 **PARTIES**

21 1. Complainant, Justin Paddock, brings this Statement of Issues solely in his official
22 capacity as the Chief of the Bureau of Household Goods and Services (Bureau), Department of
23 Consumer Affairs (Department).

24 2. Respondent Safe and Fast Movers Inc. (Respondent SAFM); Vladislav Vokhmyakov,
25 President (Respondent VV); Andrey Vokhmyakov, also known as Andrey Vox, Officer
26 (Respondent AV); applied for a Household Movers Permit. The Bureau assigned Permit
27 Application No. MTR0192488 to Respondent SAFM's application.
28

3. On December 5, 2021, Respondent VV certified under penalty of perjury to the truthfulness of all statements, answers, and representations in the application.

4. On March 20, 2023, the Bureau denied the application.

5. On April 25, 2023, Respondent SAFM, through Respondent AV requested an administrative hearing to appeal the Bureau's denial of the application.

JURISDICTION

6. Complainant brings this Statement of Issues before the Director of the Department for the Bureau, under the authority of the following laws. All section references are to the Business and Professions Code unless otherwise indicated.

7. Section 19228 transferred authority formerly granted to the Public Utilities Commission (PUC) to regulate House Hold Movers to the Bureau under the Household Movers Act (Bus. & Prof. Code §19225 *et seq.*) as follows:

(a) Notwithstanding any other law, and until the time the director adopts regulations implementing this chapter, powers granted to, or duties imposed on, the Public Utilities Commission pursuant to the former Chapter 7 (commencing with Section 5101) of Division 2 of the Public Utilities Code are transferred to, and may be exercised by, the director in administering this chapter.

8. Section 19294 transferred authority from the PUC to the Bureau effective July 1, 2018.

9. Section 19234.1 provides that protection of the public shall be the highest priority of the Bureau in exercising its licensing, regulatory, and disciplinary functions under the Household Movers Act.

STATUTORY PROVISIONS

10. Section 475 states:

(a) Notwithstanding any other provisions of this code, the provisions of this division shall govern the denial of licenses on the grounds of:

(1) Knowingly making a false statement of material fact, or knowingly omitting to state a material fact, in an application for a license.

• • •

(3) Commission of any act involving dishonesty, fraud or deceit with the

intent to substantially benefit himself or another, or substantially injure another.

(4) Commission of any act which, if done by a licentiate of the business or profession in question, would be grounds for suspension or revocation of license.

11. Section 477 states:

As used in this division:

(a) "Board" includes "bureau," "commission," "committee," "department," "division," "examining committee," "program," and "agency."

(b) "License" includes certificate, registration or other means to engage in a business or profession regulated by this code.

12. Section 480 states:

...

(e) 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. A board shall not deny a license based solely on an applicant's failure to disclose a fact that would not have been cause for denial of the license had it been disclosed.

13. Section 19225.5 states:

...

(h) "Household mover" includes every corporation or person, their lessees, trustee, receivers, or trustees appointed by any court whatsoever, engaged in the permitted or unpermitted transportation for compensation or hire as a business by means of a motor vehicle or motor vehicles being used in the transportation of used household goods and personal effects over any public highway in this state. A broker, as defined in subdivision (a), shall be considered a household mover. The Legislature intends "household mover" to have the same meaning as "household goods carrier" in former Section 5109 of the Public Utilities Code, as that section read on June 30, 2018.

14. Section 19237 requires a permit to engage in household moving activities governed by the Household Movers Act, and states:

(a) A household mover shall not engage, or attempt to engage, in the business of the transportation of used household goods and personal effects by motor vehicle over any public highway in this state, including by any means or media, advertising, soliciting, offering, arranging as a broker, or entering into an agreement regarding the transportation of used household goods and personal effects, unless both of the following are satisfied:

(1) For transportation of household goods and personal effects entirely within this state, *there is in force a permit issued by the bureau* authorizing

1 those operations. Permits issued by the Public Utilities Commission pursuant
2 to the former Chapter 7 (commencing with Section 5101) of Division 2 of the
3 Public Utilities Code, *that are valid and effective on the operative date of this*
4 *chapter, shall remain in effect, subject to the provisions of this chapter, for a*
5 *period of not more than two years after the operative date of this chapter, or*
6 *until the time the bureau issues, reissues, renews, suspends, revokes, or*
7 *otherwise alters or amends the permit, whichever occurs earlier.*

8 (2) For transportation of household goods and personal effects from
9 this state to another state or from another state to this state, there is in force a
10 valid operating authority issued by the Federal Motor Carrier Safety
11 Administration.

12 (Italics added.)

13 15. Section 19239 governs the denial of permits under the Household Movers Act, and
14 states:

15 ...

16 (f) The bureau may refuse to issue a permit if it is shown that an applicant
17 or an officer, director, partner, or associate of an applicant has committed any act
18 constituting dishonesty or fraud; committed any act that, if committed by a
19 permit holder, would be grounds for a suspension or revocation of the permit;
20 misrepresented any material fact on the application; or, was convicted of an
21 offense that is substantially related to the qualifications, functions, or duties of the
22 business or profession, except that if the bureau determines that the applicant is
23 otherwise suitable to be issued a permit, and granting the permit would not
24 compromise public safety, the bureau shall conduct a thorough review of the
25 nature of the crime, conviction, circumstances, and evidence of rehabilitation of
26 the applicant, and shall evaluate the suitability of the applicant to be issued a
27 permit based on the evidence found through the review.

28 (g) The bureau shall issue a permit only to those applicants who it finds
have demonstrated that they possess sufficient knowledge, ability, integrity, and
financial resources and responsibility to perform the service within the scope of
their application.

(h) A permit shall not be issued unless it has been shown that the applicant
meets one of the following residence requirements:

...

(3) For a corporation, the applicant shall be a domestic corporation or
shall be qualified to transact business in the State of California as a foreign
corporation at the time of filing the application.

...

(j) If the bureau denies an application, the bureau shall notify the applicant in writing. Within 30 days of service of the notice, the applicant may file a written request with the bureau for a hearing on the denial. Upon receipt of a timely filed request, the bureau shall request that the matter be set for hearing. The hearing 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 director shall have all the powers granted therein.

16. Section 19239.1 governs Workers' Compensation Insurance Coverage as follows:

(a) Except as provided for in subdivision (b), every household mover, as a condition precedent to the issuance, reinstatement, reactivation, renewal, or continued maintenance of a permit, shall have on file with the bureau a current and valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance in the applicant's or permitholder's business name. A Certificate of Workers' Compensation Insurance shall be issued and filed, electronically or otherwise, by an insurer duly licensed to write workers' compensation insurance in this state. If reciprocity conditions exist, as provided in Section 3600.5 of the Labor Code, the bureau shall require the information deemed necessary to ensure compliance with this section.

(b) This section does not apply to an applicant or permitholder who has no employees, provided that the applicant or permitholder files a statement, under penalty of perjury, stating that, in its operations as a household mover, it does not employ any person in any manner so as to become subject to the workers' compensation laws of this state.

...

(d) If, after filing the statement described in subdivision (b), the household mover becomes subject to the workers' compensation laws of this state, the household mover shall promptly notify the bureau that the household mover is withdrawing its statement under subdivision (b), and shall simultaneously file the certificate described in subdivision (a).

17. Section 19247 states, "Every household mover shall add a prominent link to its Internet Web site that immediately directs all consumers to the bureau's Internet Web site."

18. Section 19277 states:

(a) Every household mover and every officer, director, agent, or employee of any household mover who violates or who fails to comply with, or who procures, aids, or abets any violation by any household mover of any provision of this chapter or any rule or regulation administered by the bureau pursuant to this chapter, or of any operating permit issued to any household mover, or who procures, aids, or abets any household mover in its failure to obey, observe, or comply with any such rule, regulation, or operating permit, is guilty of a misdemeanor, and is punishable by a fine of not more than two thousand five hundred dollars (\$2,500) or by imprisonment in the county jail for not more than

1 three months, or both. If a violation is willful, each willful violation is punishable
2 by a fine of not more than ten thousand dollars (\$10,000) or by imprisonment in
3 the county jail for not more than one year, or both. If the violation involves
operating or holding oneself out as a household mover without a permit, the fine
shall be not less than one thousand dollars (\$1,000).

4 (b) Any person who violates subdivision (a) of Section 19237, is guilty of a
5 misdemeanor, and is punishable by a fine of not more than ten thousand dollars
6 (\$10,000), by imprisonment in the county jail for not more than one year, or both,
for each violation.

7 19. Section 19294 provides that the operative date of the Household Movers Act was July
8 1, 2018.

9 CORPORATIONS CODE

10 20. Corporations Code section 1905 governs a California corporation voluntary election
11 to dissolve as follows:

12 (a) When a corporation has been completely wound up without court
13 proceedings therefor, a majority of the directors then in office shall sign and
14 verify a certificate of dissolution stating:

15 (1) That the corporation has been completely wound up.

16 ...

17 (4) That the corporation is dissolved.

18 ...

19 (b) The certificate of dissolution shall be filed with the Secretary of State and
20 thereupon the corporate powers, rights, and privileges of the corporation shall
21 cease. The Secretary of State shall notify the Franchise Tax Board of the
dissolution.

22 21. Corporations Code section 2010 states:

23 (a) A corporation which is dissolved nevertheless continues to exist for the
24 purpose of winding up its affairs, prosecuting and defending actions by or against
25 it and enabling it to collect and discharge obligations, dispose of and convey its
26 property and collect and divide its assets, *but not for the purpose of continuing
business except so far as necessary for the winding up thereof.*

27 (Italics added.)

28 ///

FICTITIOUS BUSINESS NAME AUTHORITY

22. Section 17900 provides the purpose of the statutes governing the use of fictitious business names by sole proprietorships as follows:

(a)(1) The purpose of this section is to protect those dealing with individuals or partnerships doing business under fictitious names, and it is not intended to confer any right or advantage on individuals or firms that fail to comply with the law. The filing of a fictitious business name certificate is designed to make available to the public the identities of persons doing business under the fictitious name.

...

(b) As used in this chapter, "fictitious business name" means:

(1) In the case of an individual, a name that does not include the surname of the individual or a name that suggests the existence of additional owners, as described in subdivision (c).

(c) A name that suggests the existence of additional owners within the meaning of subdivision (b) is one that includes such words as "Company," "& Company," "& Son," "& Sons," "& Associates," "Brothers," and the like, but not words that merely describe the business being conducted.

23. Section 17903 defines the "registrant" of a fictitious business name as the person who filed a fictitious business name statement, and who is the legal owner of the business.

24. Section 17910, subdivision (a), provides that every person who regularly transacts business in California for profit under a fictitious business name shall file a fictitious business name in accordance with the Fictitious Business Names law (Bus. & Prof. Code § 17900 *et seq.*).

25. Section 17913, subdivision (a), requires that a fictitious business name registrant certify the contents of a fictitious business name statement are true and correct.

26. Section 17914, subdivision (a), provides that a sole proprietor shall sign a fictitious business name statement.

27. Section 17930 provides that any person who knowingly files or publishes any statement under the Fictitious Business Name law shall be guilty of a misdemeanor and subject to a fine not to exceed \$1,000.00.

///

FACTUAL BACKGROUND

28. In 2014, the PUC issued Respondent AV Household Goods Carrier Permit No. CAL-T0191271 as a sole proprietorship, using the fictitious business name Safe N Fast Movers (Sole Proprietorship). Respondent AV's Household Goods Carrier Permit ceased to be valid on July 1, 2020, because he did not renew or amend it through the Bureau in conformity with Section 19237, subdivision (a)(1), after July 1, 2020.

29. On April 29, 2014, Respondent AV registered a fictitious business name statement with the Orange County Clerk Recorder to use the fictitious business name "SAFE N FAST MOVERS."

30. On June 27, 2021, Respondent AV as Safe N Fast Movers, moved consumer AA from his former home in Laguna Niguel to AA's new home in Aliso Viejo. A dispute over payment for the move arose between Respondent AV and AA.

31. On June 28, 2021, Orange County Sheriff's Deputy's responded to a call involving Respondent AV assaulting AA and vandalizing AA's home. AA and his wife claimed Respondent AV physically assaulted AA by kicking the front door with enough force to dent the door, and then punching AA in the chest after AA opened the door and Respondent AV crossed the threshold of AA's home. Respondent AV admitted he went to AA's home in an attempt to collect payment for the move on June 27th. Respondent AV further admitted he spray painted AA's garage with the word "Thief" because Respondent AV wanted AA's neighbors to know AA was a thief. Deputies arrested Respondent AV for violation of Penal Code sections 240 (assault), 242 (battery), 459 (burglary), and 594, subd. (b)(1) (vandalism of \$400 or more).¹

32. On August 2, 2021, Respondent AV, using his alias "Andrey Vox" registered a second fictitious business statement with the Orange County Clerk Recorder to use the fictitious business name "SAFE N FAST MOVERS."

¹ The Orange County District Attorney (DA) filed a criminal complaint in *People v. Andrey Vox* (Super. Ct. Orange County, 2022, No. 22HM05358), but the matter was later dismissed by the court over the objection of the DA under Penal Code section 1377-1378 (authority to dismiss misdemeanor for which victim has civil action).

1 33. On November 5, 2021, Respondent SAFM incorporated as a California Corporation.
2 On November 10, 2021, Respondent VV filed a Statement of Information with the SOS on behalf
3 of Respondent SAFM identifying himself as Respondent SAFM's Chief Executive Officer
4 (CEO), Secretary, and Chief Financial Officer (CFO). Respondent VV also identified himself
5 and Respondent AV as Respondent SAFM's only directors. Respondent SAFM identified
6 Respondent AV using his alias "Andrey Vox" instead of his real name.

7 34. On or about December 5, 2021, Respondent SAFM submitted Application No.
8 MTR0192488 to the Bureau for a Household Movers Permit as an intrastate mover. Respondent
9 SAFM identified Respondents VV as its President and AV as its "co-owner." Respondent SAFM
10 identified Respondent AV using his alias of "Andrey Vox." Respondent SAFM failed to identify
11 Respondent AV as associated with his Sole Proprietorship, Household Goods Carrier Permit No.
12 CAL-T0191271 on item No. 15 of the application. Respondent VV certified Respondent
13 SAFM's representations on the application were true, correct, and complete.

14 35. Respondent SAFM submitted a statement of residence with Application No.
15 MTR0192488, where Respondent VV certified that Respondent SAFM was qualified to transact
16 business in the State of California as of December 5, 2021.

17 36. Respondent SAFM submitted a Workers' Compensation Declaration form with
18 Application No. MTR0192488 (Workers' Comp. Declaration). Respondent SAFM represented,
19 "I DO NOT HAVE ANY EMPLOYEES. If I hire employees in the future, I will submit an
20 amended Workers' Compensation Declaration Form to the Bureau" Respondent VV
21 certified that its statements, answers, and representations on the form were true, complete, and
22 accurate. Respondent SAFM has never filed an amended Workers' Comp. Declaration.

23 37. Respondent SAFM submitted a Driver Statement of Applicant form with Application
24 No. MTR0192488 (Driver Statement). Respondent SAFM represented that it only had two
25 drivers, Respondents VV and AV, and provided both of their California Driver License numbers.
26 Respondent VV signed the declaration. Respondent SAFM never amended its Driver Statement.

27 38. On May 1, 2023, the Bureau discovered Respondent SAFM owned and maintained a
28 website advertising its services to the public at <https://safeandfastmovers.com>. Respondent

1 SAFM falsely claimed to operate as a moving company under the fictitious business name SAFE
2 N FAST MOVERS by conflating its corporate name with the name of the prior Sole
3 Proprietorship. Respondent SAFM identified three employees: Respondent AV, as the General
4 Manager and Founder; JC as a foreman; and LS as a driver. Respondent SAFM failed to include
5 a prominent link that immediately directs consumers to the Bureau's internet website.
6 Respondent SAFM's website also falsely represents it is licensed by stating "CA License
7 #455769 PUC #MTR #0191271," when in fact Respondent AV, doing business as Safe N Fast
8 Movers, was only licensed as a sole proprietor, not a corporation, and that permit ceased to be
9 valid on July 1, 2020.

10 **FIRST CAUSE FOR DENIAL**

11 **(Dissolution of Corporate Status)**

12 39. Complainant incorporates paragraphs 28-38 by reference as if set forth in full herein.

13 40. Respondent SAFM's application is subject to denial under Section 19239, subdivision
14 (h)(3), because it ceased to be a domestic corporation when it filed its Certificate of Dissolution
15 with the SOS on March 6, 2023. Under Corporations Code section 1905, subdivision (b),
16 Respondent SAFM's capacity to exercise the powers, rights, and privileges of a corporation have
17 ceased. Under Corporations Code section 2010, subdivision (a), Respondent SAFM's appeal in
18 this matter exceeds the limited capacity of a dissolved corporation to defend against
19 administrative action, because it is inconsistent with winding up its business.

20 **SECOND CAUSE FOR DENIAL**

21 **(Failure to Demonstrate Sufficient Knowledge, Ability, Integrity)**

22 41. Complainant incorporates paragraphs 28-38 by reference as if set forth in full herein.

23 42. Respondent SAFM's application is subject to denial under Sections 19239,
24 subdivision (g); and 19239.1, subdivisions (d); because Respondent SAFM failed to demonstrate
25 sufficient knowledge, ability, and integrity to perform the service of a Household Mover as
26 follows:

27 ///

28 ///

1 a. Respondent AV demonstrated a lack of knowledge, ability, and integrity to
2 perform as an Officer of a licensed Household Mover when he assaulted, battered, and vandalized
3 AA's person and home;

4 b. Respondent SAFM demonstrated a lack of sufficient knowledge, ability, or
5 integrity when it failed amend its Workers' Comp. Declaration or its Driver Statement to notify
6 the Bureau that it was subject to Workers' Compensation Insurance requirements; and

7 c. Respondent SAFM demonstrated a lack of sufficient knowledge, ability, or
8 integrity when it failed to inform the Bureau that it dissolved as a California corporation, after it
9 appealed the denial of the application.

10 d. Respondents SAFM, VV, and AV demonstrated a lack of sufficient knowledge,
11 ability, or integrity when they made false or misleading statements on Respondent SAFM's
12 application and Respondent AV's 2021 fictitious business statement. Respondents failed to
13 accurately identify Respondent AV's identity by using his alias "Andrey Vox."

14 **THIRD CAUSE FOR DENIAL**

15 **(Committed Acts of Dishonesty, Fraud, or Deceit)**

16 43. Complainant incorporates paragraphs 28-38 by reference as if set forth in full herein.

17 44. Respondent SAFM's application is subject to denial under Sections 475, subdivision
18 (a)(3); and 19239, subdivision (f), because Respondent SAFM committed acts constituting
19 dishonesty or fraud as follows:

20 a. Respondent SAFM represented on its website that it was a moving company
21 with the right, power, and privilege to operate after it filed its Certificate of Dissolution with the
22 Secretary of State;

23 b. Respondent SAFM falsely represented to the Bureau that it was exempt from
24 maintaining Workers' Compensation Insurance and never amended its Workers' Comp.
25 Declaration in accordance with Section 19239.1, subdivision (d), after it hired a foreman and a
26 driver;

27 c. Respondent AV falsely identified himself using his alias "Andrey Vox" on his
28 application, and on his 2021 fictitious business statement.

1 **FOURTH CAUSE FOR DENIAL**

2 **(Misrepresentation of a Material Fact on an Application)**

3 45. Complainant incorporates paragraphs 28-38 by reference as if set forth in full herein.

4 46. Respondent SAFM's application is subject to denial under Sections 475, subdivision
5 (a)(1); 480, subdivision (e); 19239, subdivision (f); and 19275, subdivision (b); because
6 Respondent SAFM provided false or misleading information on its application for a permit as
7 follows:

8 a. Respondent SAFM represented it did not have employees subject to the
9 Workers' Compensation Insurance requirements, when in fact it did;

10 b. Respondent SAFM failed to disclose on its application that Respondent AV was
11 associated with Household Goods Carrier Permit No. CAL-T0191271; and

12 c. Respondent SAFM falsely identified Respondent AV using his alias "Andrey
13 Vox," instead of his real name.

14 **FIFTH CAUSE FOR DENIAL**

15 **(Violation of Household Movers Act)**

16 47. Complainant incorporates paragraphs 28-38 by reference as if set forth in full herein.

17 48. Respondent SAFM's application is subject to denial under Sections 475, subdivision
18 (a)(4); 19239, subdivision (f); 19235; and 19275, subdivision (b); because an officer or director of
19 Respondent SAFM committed acts that if committed by a permit holder would be grounds for
20 suspension or revocation as follows:

21 a. *Section 19237, subdivision (a)(1)*: Respondent SAFM engaged in the
22 unpermitted/unlicensed business of the transportation of used household goods and personal
23 affects by motor vehicle over a public highway with respect to AA and his household goods and
24 effects without a valid permit. Respondent SAFM was not licensed as a household mover, and
25 Respondent AV's Sole Proprietorship PUC Household Goods Carrier Permit ceased to be valid
26 on July 1, 2020;

27 b. *Section 19239.4, subdivision (a)*: Respondent SAFM failed to obtain Workers'
28 Compensation Insurance for its employees;

1 c. *Section 19239.1, subdivisions (d)*: Respondent SAFM failed to amend its
2 Workers' Comp. Declaration after it hired a foreman and a driver.

3 d. *Section 19247*: Respondent SAFM failed to comply with website requirements
4 because its website lacked a prominent link that immediately directs all consumers to the
5 Bureau's website;

6 **PRAYER**

7 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
8 and that following the hearing, the Director of Consumer Affairs issue a decision:

- 9 1. Denying the application of Safe and Fast Movers Inc. for a Household Movers
10 Permit;
11 2. Taking such other and further action as deemed necessary and proper.

12
13 DATED: March 8, 2024

Justin Paddock

JUSTIN PADDOCK
Bureau Chief
Bureau of Household Goods and Services
Department of Consumer Affairs
State of California
Complainant

14
15
16
17
18 SD2023802119
19 84173783.docx
20
21
22
23
24
25
26
27
28