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

13 In the Matter of the Accusation Against:

Case No. M-172768

14 **MHAS COMPANIES, INC. DBA**
15 **MATTRESS EXPRESS CALI;**
16 **MANPREET HAYER, PRINCIPAL;**
AMRITPAL SARAN, PRINCIPAL
17 1811 Douglas Blvd., Ste 8A
Roseville, CA 95661

ACCUSATION

18 **Furniture and Bedding Retailer No. 172768**

19 Respondent.
20

21 **PARTIES**

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

25 2. On or about May 18, 2017, the Bureau issued Furniture and Bedding Retailer Number
26 172768 to MHAS Companies, Inc. dba Mattress Express Cali; Manpreet Hayer and Amritpal
27 Saran, Principals (Respondent). The Furniture and Bedding Retailer License expired May 31,
28 2021 and was renewed September 23, 2022; and then expired May 3, 2023 and was renewed

1 October 3, 2023. Otherwise, the Furniture and Bedding Retailer License was in full force and
2 effect at all times relevant to the charges brought herein and will expire on May 31, 2025, unless
3 renewed.

4 3. Respondent filed a fictitious business name statement in the County Placer, No. 17-
5 00205 on January 31, 2017, which expired January 31, 2022, and has not been renewed.
6 Respondent also filed a fictitious business name statement in the County of Placer, No. 17-00486
7 on March 7, 2017, which expired March 7, 2022, and has not been renewed.

8 **JURISDICTION**

9 4. This Accusation is brought before the Director of the Department of Consumer
10 Affairs (Director) for the Bureau under the authority of the following laws. All section references
11 are to the Business and Professions Code (Code) unless otherwise indicated.

12 5. Code section 22, subdivision (a), states:

13 "Board" as used in any provision of this Code, refers to the board in which the
14 administration of the provision is vested, and unless otherwise expressly provided,
15 shall include "bureau," "commission," "committee," "department," "division,"
16 "examining committee," "program," and "agency."

17 6. Code section 118 states:

18 (a) The withdrawal of an application for a license after it has been filed with a
19 board in the department shall not, unless the board has consented in writing to such
20 withdrawal, deprive the board of its authority to institute or continue a proceeding
21 against the applicant for the denial of the license upon any ground provided by law or
22 to enter an order denying the license upon any such ground.

23 (b) The suspension, expiration, or forfeiture by operation of law of a license
24 issued by a board in the department, or its suspension, forfeiture, or cancellation by
25 order of the board or by order of a court of law, or its surrender without the written
26 consent of the board, shall not, during any period in which it may be renewed,
27 restored, reissued, or reinstated, deprive the board of its authority to institute or
28 continue a disciplinary proceeding against the licensee upon any ground provided by
law or to enter an order suspending or revoking the license or otherwise taking
disciplinary action against the licensee on any such ground.

(c) As used in this section, "board" includes an individual who is authorized by
any provision of this code to issue, suspend, or revoke a license, and "license"
includes "certificate," "registration," and "permit."

7. Code section 17918 states, in pertinent part:

No person transacting business under a fictitious business name contrary to the

provisions of this chapter, or his assignee, may maintain an action upon or on account of any contract made, or transaction had, in the fictitious business name in any court of this state until the fictitious business name statement has been executed, filed, and published as required by this chapter.¹

...

8. Code section 19031 states that the duty of enforcing and administering this chapter, Chapter 3.1 (commencing with Section 19225), and Chapter 20 (commencing with Section 9800) of Division 3 is vested in the chief who is responsible to the director therefor.

9. Code section 19209 states that, except as otherwise required to comply with the provisions of Article 9.5 of this chapter, the proceedings in any hearing or disciplinary action under this chapter shall be conducted in accordance with Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code.

10. Code section 19210 states:

After a hearing, a license may be suspended, revoked, reprimanded, or placed on probation for a violation of any of the provisions of this chapter or of the rules and regulations of the bureau, or for a violation of Article 1 (commencing with Section 17500) of Chapter 1 of Part 3 of Division 7 of the Business and Professions Code, relating to false or misleading advertising; provided, however, that the license of a wholesaler or retailer shall not be suspended in the absence of a finding that the wholesaler or retailer knowingly offered for sale or sold articles not conforming to the requirements of this chapter or the rules and regulations of the bureau.

In any order of suspension or revocation, the bureau may impose conditions relative to the disposition of articles not conforming to the requirements of this chapter or the rules and regulations of the bureau, or may impose conditions relative to the completion or fulfillment of any orders or contracts entered into prior to the date of the hearing.

11. California Code of Regulations, title 4, ("CCR") section 1379 states:

In reaching a decision on a disciplinary action under the Administrative Procedure Act (Government Code Section 11400 et seq.), the bureau shall consider the disciplinary guidelines entitled "Bureau of Home Furnishings and Thermal Insulation's Disciplinary Guidelines (January 2019)" which are hereby incorporated by reference. Deviation from these guidelines and orders, including the standard terms of probation, is appropriate where the bureau in its sole discretion determines that the facts of the particular case warrant such a deviation--for example: the presence of mitigating factors; the age of the case; evidentiary problems.

¹ Pursuant to Code section 17900, the purpose of Code section 17918 is to protect those dealing with persons or entities doing business under fictitious names; 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.

STATUTORY PROVISIONS

12. Code section 119 states:

Any person who does any of the following is guilty of a misdemeanor:

(a) Displays or causes or permits to be displayed or has in the person's possession either of the following:

(1) A canceled, revoked, suspended, or fraudulently altered license.

(2) A fictitious license or any document simulating a license or purporting to be or have been issued as a license.

(b) Lends the person's license to any other person or knowingly permits the use thereof by another.

(c) Displays or represents any license not issued to the person as being the person's license.

(d) Fails or refuses to surrender to the issuing authority upon its lawful written demand any license, registration, permit, or certificate which has been suspended, revoked, or canceled.

(e) Knowingly permits any unlawful use of a license issued to the person.

(f) Photographs, photostats, duplicates, manufactures, or in any way reproduces any license or facsimile thereof in a manner that it could be mistaken for a valid license, or displays or has in the person's possession any such photograph, photostat, duplicate, reproduction, or facsimile unless authorized by this code.

(g) Buys or receives a fraudulent, forged, or counterfeited license knowing that it is fraudulent, forged, or counterfeited. For purposes of this subdivision, fraudulent means containing any misrepresentation of fact.

As used in this section, "license" includes "certificate," "permit," "authority," and "registration" or any other indicia giving authorization to engage in a business or profession regulated by this code or referred to in Section 1000 or 3600.

13. Code section 125.9 states:

Any person who does any of the following is guilty of a misdemeanor:

(a) Except with respect to persons regulated under Chapter 11 (commencing with Section 7500), any board, bureau, or commission within the department, the State Board of Chiropractic Examiners, and the Osteopathic Medical Board of California, may establish, by regulation, a system for the issuance to a licensee of a citation which may contain an order of abatement or an order to pay an administrative fine assessed by the board, bureau, or commission where the licensee is in violation of the applicable licensing act or any regulation adopted pursuant thereto.

(b) The system shall contain the following provisions:

...

(5) Failure of a licensee to pay a fine or comply with an order of abatement, or both, within 30 days of the date of assessment or order, unless the citation is being appealed, may result in disciplinary action being taken by the board, bureau, or commission. Where a citation is not contested and a fine is not paid, the full amount of the assessed fine shall be added to the fee for renewal of the license. A license shall not be renewed without payment of the renewal fee and fine.

14. Code section 9855.1, subdivision (a), states:

It shall be unlawful for any person to act as a service contractor in this state unless that person first registers with the bureau in accordance with the provisions of this chapter and maintains a valid registration.

15. Code section 19049 states:

It shall be unlawful for any person to engage in a business regulated by this chapter unless, at the time of so doing, he or she holds a valid, unexpired license to engage in that business, in compliance with the provisions of this chapter.

16. Code section 19051 states:

Every upholstered-furniture retailer, unless they hold an importer's license, a furniture and bedding manufacturer's license, a wholesale furniture and bedding dealer's license, a custom upholsterer's license, or a retail furniture and bedding dealer's license shall hold a retail furniture dealer's license.

(a) This section does not apply to a person whose sole business is designing and specifying for interior spaces, and who purchases specific amenable upholstered furniture items on behalf of a client, provided that the furniture is purchased from an appropriately licensed importer, wholesaler, or retailer. This section does not apply to a person who sells "used" and "antique" furniture as defined in Sections 19008.1 and 19008.2.

(b) This section does not apply to a person who is licensed as a home medical device retail facility by the State Department of Public Health, provided that the furniture is purchased from an appropriately licensed importer, wholesaler, or retailer.

17. Code section Code 19055 states:

Every bedding retailer, unless they hold an importer's license, an upholstered-furniture and bedding manufacturer's license, a wholesale upholstered-furniture and bedding dealer's license, or a retail furniture and bedding dealer's license, shall hold a retail bedding dealer's license.

(a) This section does not apply to a person whose sole business is designing and specifying for interior spaces, and who purchases specific amenable bedding items on behalf of a client, provided that the bedding is purchased from an appropriately licensed importer, wholesaler, or retailer.

(b) This section does not apply to a person who is licensed as a home medical device retail facility by the State Department of Public Health, provided that the bedding is purchased from an appropriately licensed importer, wholesaler, or retailer.

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1 18. Code section 19061 states:

2 Every person doing business at the same address under more than one firm
3 name is subject to the license provisions for each firm name.

4 19. Code section 19150 states:

5 Every person who falsely advertises or misrepresents in any way any
6 merchandise coming under the provisions of this chapter either directly or indirectly
7 by any medium of advertising, including false statements made on the recognized
8 California State labels or any other label or tag attached to the merchandise in
9 question, is guilty of a violation of this chapter.

10 20. Code section 19200 states:

11 The Chief or inspector shall have access to the premises, equipment, materials,
12 partly finished and finished articles and records of any person subject to the
13 provisions of this chapter.

14 21. Code section 19206 states:

15 No person shall interfere with, obstruct or otherwise hinder any inspector of the
16 bureau or of the department's Division of Investigation in the performance of his or
17 her duties.

18 22. Code section 19211 states:

19 Any person who has been denied a license, or who has had their license
20 revoked, or whose license is under suspension, or who has failed to renew their
21 license while it was under suspension, or any person who has been a member of any
22 limited liability company or of any partnership, or an officer or director of any
23 corporation, or an officer or person acting in a managerial capacity of any firm or
24 association, whose license has been revoked, or whose license is under suspension, or
25 who has failed to renew a license while it was under suspension, and while acting as a
26 member, officer, director, or person acting in a managerial capacity, participated in
27 any of the prohibited acts for which the license was suspended, or revoked, shall be
28 prohibited from serving as a member of any licensed limited liability company or of
any licensed partnership, or as an officer or director of any licensed corporation, or as
an officer or person acting in a managerial capacity of any licensed firm or
association, and the employment, election, or association of a person in this capacity
by a licensee shall constitute grounds for disciplinary action against the licensee.

REGULATORY PROVISIONS

23. Title 4, California Code of Regulations (CCR), section 1300 states:

For the purposes of Sections 19150 and 19210 of the act, false or misleading
advertising includes but is not limited to advertising, within the meaning of Section
17500 et seq. of the Business and Professions Code, which violates any provision of
this article.

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1 24. CCR section 1300.1 states:

2 In determining whether advertising is false or misleading it shall be considered
3 in its entirety and as it would be read by the persons to whom it is designed to appeal.
4 It shall be considered to be misleading if it tends to deceive the public or impose upon
credulous or ignorant persons.

5 25. CCR section 1304.1 states:

6 The term "Bait and Switch Advertising" means an alluring but insincere offer to
7 sell a product or service which the advertiser in truth does not intend or want to sell.
8 The purpose thereof is to switch consumers from buying the advertised merchandise,
9 in order to sell something else, usually at a higher price or on a basis more
advantageous to the advertiser. Bait and switch advertising of any article subject to
10 the provisions of the Home Furnishings Act shall be deemed to be false and
misleading. Practices which shall be considered as evidence of unlawful bait and
switch advertising include but are not limited to the following:

11 (a) Refusal to show the product advertised;

12 ...

13 (c) Failure to have available at all outlets listed in the advertisement sufficient
quantities of the product to meet reasonable anticipated demands;

14 ...

15 (e) Showing or demonstrating a defective product unusable or impractical for
16 the purposes implied in the advertisement;

17 (f) Accepting a deposit for the product and then switching the purchaser to a
higher priced item;

18 (g) Failure to make deliveries within a reasonable time or to make a refund.

19 26. CCR section 1308 states:

20 No article which is imperfect, irregular, a second or damaged shall be
21 advertised in any manner which represents, or implies that the article is free from
defects or is of the same grade or quality of the article as usually and customarily
22 offered for sale in the regular course of business.

23 27. CCR section 1310 states:

24 No article shall be advertised by means of the terms "custom made," "custom-
25 built," "custom-grade," "made-to-order," or any term of similar import, unless the
article has been or will be made to the order and specifications of a particular ultimate
26 user. An article does not meet the requirements of this section merely because the
customer has a choice of coverings.

27 28. CCR section 1313 states:

28 For the purpose of the Home Furnishings Act and of these regulations, the
terms "guarantee" and "warranty" have like meanings. No advertisement shall contain

any false or misleading representation concerning the nature, extent, duration, terms or cost of a guarantee of an article subject to the provisions of the Home Furnishings Act.

29. CCR section 1314 states:

All guarantees shall be in writing and shall be displayed or a copy thereof delivered to the customer prior to the sale of any article of furniture or bedding represented to be covered by a guarantee. A guarantee shall be deemed false and misleading unless it conspicuously and clearly discloses in writing the following:

(a) The nature and extent of the guarantee including a description of all parts, characteristics or properties covered by or excluded from the guarantee, the duration of the guarantee, and what must be done by a claimant before the guarantor will fulfill his obligation (such as returning the product and paying service or labor charges).

(b) The manner in which the guarantor will perform. The guarantee shall state all conditions and limitations, and exactly what the guarantor will do under the guarantee, such as repair, replacement or refund. If the guarantor or recipient of the guarantee has an option as to what may satisfy the guarantee, this must be clearly stated.

(c) The guarantor's identity and address shall be clearly revealed in any documents evidencing the guarantee.

COST RECOVERY

30. Code section 125.3, subdivision (a), states, in pertinent part, that the Board may request the administrative law judge to direct a licensee 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 licensee 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.

GENERAL ALLEGATIONS

31. Respondent has been in the home furnishing business since 2017. In that time, Respondent has been the subject of at least: 14 complaints on Respondent's website; 20 complaints with the Better Business Bureau; 62 complaints on Yelp; 60 complaints on Google Reviews; and, 11 citations by the Bureau. These complaints include: failure to maintain licenses; selling service agreements without a license; using unlawful business names; making false or misleading statements to consumers and credit agencies; false advertising; bait-and-switch tactics; providing defective products; failing to deliver products; failure to issue refunds; selling non-

conforming products as new; failing to provide guarantees in writing; and, failing to provide records, failing to allow access to premises, and obstructing the Bureau in its statutory duties.

32. Throughout Respondent's tenure in business, the Bureau has made multiple attempts to educate and assist Respondent towards lawful compliance, to no avail. Rather, Respondent has continued and, indeed, exacerbated its transgressions and intransigence, as set forth specifically below. During its investigation, the Bureau determined Respondent was commonly advertising and operating under the unregistered name Mattress and Furniture Express.

FIRST CAUSE FOR DISCIPLINE

(Operating Under More Than One Firm Name)

33. Respondent is subject to disciplinary action under Code section 19061, in that Respondent was operating with more than one firm name, as set forth in paragraph 32, incorporated herein.

CONSUMER M.G. FACTUAL ALLEGATIONS

34. Consumer M.G. filed complaint HM 2020-324 with the Bureau that, on or about July 11, 2020 (while Respondent's license was not valid), she purchased a five-piece sofa from Respondent, to be delivered the following day. Respondent delivered the wrong furniture. After delays, Respondent picked up the furniture, but only delivered three pieces of the original order. Approximately two weeks later, with no response from Respondent, M.G. requested that Respondent pick up the partial delivery and cancel the order. Respondent refused and threatened legal action. M.G. attempted to cancel the purchase on her credit card, but Respondent misrepresented the delivery date and the credit card charge remained.

35. M.G. alleged Respondent engaged in deceptive practices and made misrepresentations by, among other things, selling products it does not have in stock without informing customers and misrepresenting to customers that purchases will be delivered the day after purchase. M.G. brought a lawsuit against Respondent for the return of her payment of \$3,758.98 in the Superior Court of California, County of Placer, case number RSC 0025884. Judgment was entered against Respondent for that sum, plus costs, and a judicial order was issued for Respondent to pick up its partial delivery.

1 **SECOND CAUSE FOR DISCIPLINE**

2 (Operating Without a Valid License)

3 36. Respondent is subject to disciplinary action under Code sections 19049 and 19051, in
4 that Respondent did not have a valid license to conduct business, as set forth in paragraphs 2, 34
5 and 35, incorporated herein.

6 **THIRD CAUSE FOR DISCIPLINE**

7 (Bait and Switch Advertising)

8 37. Respondent is subject to disciplinary action under CCR section 1304.1, subdivision
9 (g), in that Respondent failed to make deliveries within a reasonable time or to make a refund, as
10 set forth in paragraphs 34 and 35, incorporated herein.

11 **FOURTH CAUSE FOR DISCIPLINE**

12 (Imperfects, Irregulars, Seconds, or Damaged)

13 38. Respondent is subject to disciplinary action under CCR section 1308, in that
14 Respondent advertised or implied that imperfect, irregular, a second or damaged articles were free
15 from defects or were of the same grade or quality of the article as usually and customarily offered
16 for sale in the regular course of business, as set forth in paragraphs 34 and 35, incorporated
17 herein.

18 **FIFTH CAUSE FOR DISCIPLINE**

19 (False Advertising/Misrepresentation)

20 39. Respondent is subject to disciplinary action under Code section 19150, in that
21 Respondent falsely advertised or misrepresented merchandise coming under the provisions of the
22 Code, as set forth in paragraphs 33 and 34, incorporated herein.

23 **CONSUMER Q.M. FACTUAL ALLEGATIONS**

24 40. Consumer Q.M. filed a complaint with the Bureau on March 19, 2022, complaining
25 that he purchased two child-sized mattress and bedroom sets from Respondent on December 12,
26 2021 (while Respondent's license was not valid). Respondent never delivered the furniture and
27 Q.M. tried to cancel the order. Respondent refused to cancel the order.

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1 **SIXTH CAUSE FOR DISCIPLINE**

2 (Operating Without a Valid License)

3 41. Respondent is subject to disciplinary action under Code sections 19049 and 19055, in
4 that Respondent did not have a valid license to conduct business, as set forth in paragraphs 2 and
5 40, incorporated herein.

6 **SEVENTH CAUSE FOR DISCIPLINE**

7 (Bait and Switch Advertising)

8 42. Respondent is subject to disciplinary action under CCR section 1304.1, subdivision
9 (g), in that Respondent failed to make deliveries within a reasonable time or to make a refund, as
10 set forth in paragraph 40, incorporated herein.

11 **CONSUMER R.C. FACTUAL ALLEGATIONS**

12 43. Consumer R.C. filed a complaint with the Bureau on April 1, 2022, complaining that
13 on or about March 25, 2022 (while Respondent's license was not valid), she purchased and later
14 cancelled an order for a bedframe and mattress from Respondent. Consumer R.C. later
15 discovered that Respondent attempted to open three loans in her name without her authorization.

16 **EIGHTH CAUSE FOR DISCIPLINE**

17 (Operating Without a Valid License)

18 44. Respondent is subject to disciplinary action under Code sections 19049 and 19055, in
19 that Respondent did not have a valid license to conduct business, as set forth in paragraphs 2 and
20 43, incorporated herein.

21 **NINTH CAUSE FOR DISCIPLINE**

22 (Bait and Switch Advertising)

23 45. Respondent is subject to disciplinary action under CCR section 1304.1, subdivision
24 (g), in that Respondent failed to make deliveries within a reasonable time or to make a refund, as
25 set forth in paragraph 43, incorporated herein.

26 **CONSUMER E.C. FACTUAL ALLEGATIONS**

27 46. Consumer E.C. filed a complaint with the Bureau on March 19, 2022, complaining
28 that he purchased a custom couch and ottoman from Respondent on or about November 25, 2022.

Respondent delivered a non-conforming couch and never delivered the ottoman. Respondent refused to deliver a conforming couch without an additional \$1,000.00 payment for removal of the non-conforming couch. Records and evidence relating to the transaction show Respondent used multiple firm names, including, but not limited to, Mattress and Furniture Express. E.C. brought a lawsuit against Respondent for the return of his payment of \$4,040.98 in the Superior Court of California, County of Placer, case number RSC 0027168. Judgment was entered against Respondent for that sum, plus costs.

TENTH CAUSE FOR DISCIPLINE

(Operating Under More Than One Firm Name)

47. Respondent is subject to disciplinary action under Code section 19061, in that Respondent was operating on more than one firm name, as set forth in paragraph 46, incorporated herein.

ELEVENTH CAUSE FOR DISCIPLINE

(Bait and Switch Advertising)

48. Respondent is subject to disciplinary action under CCR section 1304.1, subdivision (g), in that Respondent failed to make deliveries within a reasonable time or to make a refund, as set forth in paragraph 46, incorporated herein.

TWELFTH CAUSE FOR DISCIPLINE

("Custom Made" Violations)

49. Respondent is subject to disciplinary action under CCR section 1310, in that Respondent advertised as "custom made" merchandise that was not made to the order and specifications of consumer E.C., as set forth in paragraph 46, incorporated herein.

THIRTEENTH CAUSE FOR DISCIPLINE

(False Advertising/Misrepresentation)

50. Respondent is subject to disciplinary action under Code section 19150, in that Respondent falsely advertised or misrepresented merchandise coming under the provisions of the Code, as set forth in paragraph 46, incorporated herein.

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1 17504, subdivision (a), 19061, 19150, 19200, and 9855.1, subdivision (a). Respondent did not
2 comply with the order of abatement and pay the citation when due, and has not done so to date.

3 **FIFTEENTH CAUSE FOR DISCIPLINE**

4 (Operating Without a Valid Registration and License)

5 55. Respondent is subject to disciplinary action under Code sections 9855.1, subdivision
6 (a), 19049 and 19051, in that Respondent did not have a valid registration and/or license to
7 conduct business, as set forth in paragraphs 2, 53 and 54, incorporated herein.

8 **SIXTEENTH CAUSE FOR DISCIPLINE**

9 (Failure to Comply With Order of Abatement and Pay Fine)

10 56. Respondent is subject to disciplinary action under Code section 125.9, subdivision
11 (b)(5), in that Respondent failed to comply with the order of abatement and pay the fine imposed
12 by Citation Number HM 2023-169, as set forth in paragraph 54, incorporated herein.

13 **CONSUMER A.S. FACTUAL ALLEGATIONS**

14 57. Consumer A.S. filed a complaint with the Bureau on August 30, 2023, complaining
15 that, on May 26, 2023 (while Respondent's license was not valid), he purchased a white leather
16 sofa for delivery from Respondent for \$5,000.00. Respondent delivered a non-conforming sofa,
17 which A.S. refused. Thereafter, Respondent refused to exchange the sofa or issue a refund.

18 **SEVENTEENTH CAUSE FOR DISCIPLINE**

19 (Operating Without a Valid License)

20 58. Respondent is subject to disciplinary action under Code sections 19049 and 19051, in
21 that Respondent did not have a valid license to conduct business, as set forth in paragraphs 2 and
22 57, incorporated herein.

23 **EIGHTEENTH CAUSE FOR DISCIPLINE**

24 (Bait and Switch Advertising)

25 59. Respondent is subject to disciplinary action under CCR section 1304.1, subdivision
26 (g), in that Respondent failed to make deliveries within a reasonable time or to make a refund, as
27 set forth in paragraph 57, incorporated herein.

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1 **CONSUMER M.A. FACTUAL ALLEGATIONS**

2 60. Consumer M.A. filed a complaint with the Bureau on August 31, 2023, complaining
3 that, on or about August 22, 2023 (while Respondent’s license was not valid), unbeknownst to
4 him and without his authorization, Respondent made misstatements on his credit application and
5 falsified his income in order to sell him, on credit, a \$6,500.00 reclining chair for delivery.
6 Respondent delivered two chairs and refused to take one of the chairs back or issue a refund. The
7 Bureau followed-up in the consumer complaint and, on or about March 14, 2024, Respondent
8 failed to produce records, employee identifying and contact information, and refused to allow the
9 Bureau access to its warehouse, therefore obstructing its investigation.

10 **NINETEENTH CAUSE FOR DISCIPLINE**

11 (Operating Without a Valid License)

12 61. Respondent is subject to disciplinary action under Code sections 19049 and 19051, in
13 that Respondent did not have a valid license to conduct business, as set forth in paragraphs 2 and
14 60, incorporated herein.

15 **TWENTIETH CAUSE FOR DISCIPLINE**

16 (Bait and Switch Advertising)

17 62. Respondent is subject to disciplinary action under CCR 1304.1, subdivision (g), in
18 that Respondent failed to make deliveries within a reasonable time or to make a refund, as set
19 forth in paragraph 60, incorporated herein.

20 **TWENTY-FIRST CAUSE FOR DISCIPLINE**

21 (Denial of Access)

22 63. Respondent is subject to disciplinary action under Code section 19200, in that
23 Respondent denied the Bureau access to premises, equipment, material, articles, and/or records,
24 as set forth in paragraph 60, incorporated herein.

25 **TWENTY-SECOND CAUSE FOR DISCIPLINE**

26 (Obstructing and Investigation)

27 64. Respondent is subject to disciplinary action under Code section 19206, in that
28 Respondent obstructed a Bureau investigation, as set forth in paragraph 60, incorporated herein.

1 **CONSUMERS L.M. AND R.M. FACTUAL ALLEGATIONS**

2 65. Consumers L.M. and R.M. filed a complaint with the Bureau on September 19, 2023,
3 complaining that, after reading Respondent’s advertisement for a black sectional sofa for \$990.00,
4 the consumers ordered the sofa, in addition to a bedroom set, sofa table, and side table (while
5 Respondent’s license was not valid). Respondent offered financing for \$4,500.00, but the
6 purchase price was \$5,276.00. The consumers paid a \$1,000.00 deposit to secure next day
7 delivery. However, the next day, Respondent stated that the sectional sofa was not available, but
8 offered a similar sofa for \$250.00 more on the condition that the consumers immediately paid
9 another \$1000.00 to maintain the financing. Respondent delivered both a non-conforming sofa
10 and non-conforming bedroom set, and refused to correct the order or issue a refund. The Bureau
11 issued Citation Number HM 2024-42 in the amount of \$1,500.00 for violations of Code sections
12 19061 and 1304.1, subdivision (f). Respondent did not pay Citation HM 2024-42 by the date
13 required, and has not paid the citation to date.

14 **TWENTY-THIRD CAUSE FOR DISCIPLINE**

15 (Operating Without a Valid License)

16 66. Respondent is subject to disciplinary action under Code sections 19049, 19051 and
17 19055, in that Respondent did not have a valid license to conduct business, as set forth in
18 paragraphs 2 and 65, incorporated herein.

19 **TWENTY-FOURTH CAUSE FOR DISCIPLINE**

20 (Failure to Comply With Citation Order of Abatement and Pay Fine)

21 67. Respondent is subject to disciplinary action under Code section 125.9, subdivision
22 (b)(5), in that Respondent failed to comply with the order of abatement and pay the fine imposed
23 by Citation Number HM 2024-3, as set forth in paragraph 65, incorporated herein.

24 **CONSUMER L.O. FACTUAL ALLEGATIONS**

25 68. Consumer L.O. purchased a couch and a bed from Respondent on or about March 31,
26 2023, for a total of approximately \$6,468.20. Respondent delivered non-conforming items;
27 specifically broken and ill-fitting parts. Respondent refused to correct deficiencies, replace the
28 items, or issue a refund. L.O. brought a lawsuit against Respondent for the return of her payment

1 of \$6,468.20 in the Superior Court of California, County of Placer, case number RSC 0027128.
2 Judgment was entered against Respondent for that sum, plus costs, and a judicial order issued for
3 Respondent to pick up its partial delivery.

4 **TWENTY-FIFTH CAUSE FOR DISCIPLINE**

5 (Imperfects, Irregulars, Seconds, or Damaged)

6 69. Respondent is subject to disciplinary action under CCR section 1308, in that
7 Respondent advertised or implied that imperfect, irregular, a second or damaged articles were free
8 from defects or were of the same grade or quality of the article as usually and customarily offered
9 for sale in the regular course of business, as set forth in paragraph 68, incorporated herein.

10 **TWENTY-SIXTH CAUSE FOR DISCIPLINE**

11 (Bait and Switch Advertising)

12 70. Respondent is subject to disciplinary action under CCR section 1304.1, subdivision
13 (g), in that Respondent failed to make deliveries within a reasonable time or to make a refund, as
14 set forth in paragraph 68, incorporated herein.

15 **TWENTY-SEVENTH CAUSE FOR DISCIPLINE**

16 (False Advertising/Misrepresentation)

17 71. Respondent is subject to disciplinary action under Code section 19150, in that
18 Respondent falsely advertised or misrepresented merchandise coming under the provisions of the
19 Code, as set forth in paragraph 68, incorporated herein.

20 **CONSUMER J.G. AND R.G. FACTUAL ALLEGATIONS**

21 72. On or about December 10, 2022 (while Respondent's license was not valid),
22 consumers J.G. and R.G. purchased a sectional sofa advertised and represented as a La-Z-Boy
23 product for approximately \$5,862.66. Upon delivery, the sectional sofa was not a La-Z-Boy
24 product and was broken and/or incomplete. Respondent refused to correct deficiencies, replace
25 the item, or issue a refund. The consumers brought a lawsuit against Respondent for the return of
26 their payment of \$5,862.66 in the Superior Court of California, County of Placer, case number
27 RSC 0027037. Judgment was entered against Respondent for that sum, plus costs, and a judicial
28 order was issued for Respondent to pick up its delivery.

1 **TWENTY-EIGHTH CAUSE FOR DISCIPLINE**

2 (Operating Without a Valid License)

3 73. Respondent is subject to disciplinary action under Code sections 19049 and 1951, in
4 that Respondent did not have a valid license to conduct business, as set forth in paragraphs 2 and
5 72, incorporated herein.

6 **TWENTY-NINTH CAUSE FOR DISCIPLINE**

7 (Bait and Switch Advertising)

8 74. Respondent is subject to disciplinary action under CCR section 1304.1, subdivision
9 (g), in that Respondent failed to make deliveries within a reasonable time or to make a refund, as
10 set forth in paragraph 72, incorporated herein.

11 **THIRTIETH CAUSE FOR DISCIPLINE**

12 (Imperfects, Irregulars, Seconds, or Damaged)

13 75. Respondent is subject to disciplinary action under CCR section 1308, in that
14 Respondent advertised or implied that imperfect, irregular, a second or damaged articles were free
15 from defects or were of the same grade or quality of the article as usually and customarily offered
16 for sale in the regular course of business, as set forth in paragraph 72, incorporated herein.

17 **THIRTY-FIRST CAUSE FOR DISCIPLINE**

18 (False Advertising/Misrepresentation)

19 76. Respondent is subject to disciplinary action under Code section 19150, in that
20 Respondent falsely advertised or misrepresented merchandise coming under the provisions of the
21 Code, as set forth in paragraph 72, incorporated herein.

22 **CONSUMER A.B. FACTUAL ALLEGATIONS**

23 77. On or about May 2, 2023 (while Respondent's license was not valid), consumer A.B.
24 purchased a dining room table, six chairs, a mattress and an adjustable base from Respondent for
25 approximately \$5,398.79. Respondent never delivered the items. Respondent refused to correct
26 deficiencies, replace the items, or issue a refund. The consumer brought a lawsuit against
27 Respondent for the return of their payment of \$5,398.79 in the Superior Court of California,

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County of Placer, case number RSC 0027063. The case was settled for delivery of the items pursuant to the agreement or payment of \$5,398.79.

THIRTY-SECOND CAUSE FOR DISCIPLINE

(Operating Without a Valid License)

78. Respondent is subject to disciplinary action under Code sections 19049, 19051 and 19055, in that Respondent did not have a valid license to conduct business, as set forth in paragraphs 2 and 77, incorporated herein.

THIRTY-THIRD CAUSE FOR DISCIPLINE

(Bait and Switch Advertising)

79. Respondent is subject to disciplinary action under CCR section 1304.1, subdivision (g), in that Respondent failed to make deliveries within a reasonable time or to make a refund, as set forth in paragraph 77, incorporated herein.

THIRTY-FOURTH CAUSE FOR DISCIPLINE

(False Advertising/Misrepresentation)

80. Respondent is subject to disciplinary action under Code section 19150, in that Respondent falsely advertised or misrepresented merchandise coming under the provisions of the Code, as set forth in paragraph 77, incorporated herein.

CONSUMER H.F. FACTUAL ALLEGATIONS

81. On or about December 11, 2018, H.F. purchased a bedroom set for approximately \$1,916.25. Upon delivery, the bedroom set was incomplete, missing parts and unusable. Respondent refused to correct deficiencies, replace the item, or issue a refund. H.F. brought a lawsuit against Respondent for the return of his payments to Respondent in the Superior Court of California, County of Sacramento, case number 19SC00964. That case was settled.

THIRTY-FIFTH CAUSE FOR DISCIPLINE

(Bait and Switch Advertising)

82. Respondent is subject to disciplinary action under CCR section 1304.1, subdivision (g), in that Respondent failed to make deliveries within a reasonable time or to make a refund, as set forth in paragraph 81, incorporated herein.

1 **THIRTY-SIXTH CAUSE FOR DISCIPLINE**

2 (Imperfects, Irregulars, Seconds, or Damaged)

3 83. Respondent is subject to disciplinary action under CCR section 1308, in that
4 Respondent advertised or implied that imperfect, irregular, a second or damaged articles were free
5 from defects or were of the same grade or quality of the article as usually and customarily offered
6 for sale in the regular course of business, as set forth in paragraph 81, incorporated herein.

7 **THIRTY-SEVENTH CAUSE FOR DISCIPLINE**

8 (False Advertising/Misrepresentation)

9 84. Respondent is subject to disciplinary action under Code section 19150, in that
10 Respondent falsely advertised or misrepresented merchandise coming under the provisions of the
11 Code, as set forth in paragraph 81, incorporated herein.

12 **CONSUMER O.L. FACTUAL ALLEGATIONS**

13 85. On or about May 28, 2020, consumer O.L. purchased a mattress for approximately
14 \$1,470.00. The mattress was not delivered and O.L. telephoned Respondent to cancel the sale.
15 Respondent refused. Respondent thereafter delivered a different non-conforming mattress. The
16 consumer brought a lawsuit against Respondent for the return of her payment of \$1,470.00 in the
17 Superior Court of California, County of Sacramento, case number 20SC01951. The court entered
18 judgment in favor of the consumer and against Respondent for \$2,571.00 plus costs.

19 **THIRTY-EIGHTH CAUSE FOR DISCIPLINE**

20 (Bait and Switch Advertising)

21 86. Respondent is subject to disciplinary action under CCR section 1304.1, subdivision
22 (g) in that Respondent failed to make deliveries within a reasonable time or to make a refund, as
23 set forth in paragraph 85, incorporated herein.

24 **THIRTY-NINTH CAUSE FOR DISCIPLINE**

25 (False Advertising/Misrepresentation)

26 87. Respondent is subject to disciplinary action under Code section 19150, in that
27 Respondent falsely advertised or misrepresented merchandise coming under the provisions of the
28 Code, as set forth in paragraph 85, incorporated herein.

1 **CONSUMER M.R. FACTUAL ALLEGATIONS**

2 88. On or about May 31, 2021 (while Respondent’s license was not valid), consumer
3 M.R. purchased a couch for approximately \$2,600.00. Unbeknownst to the consumer,
4 Respondent included false information on her credit application. Respondent also concealed from
5 the consumer an alleged “no return or refund policy”. Further, Respondent failed to apply the
6 consumer’s deposit towards the purchase price. Respondent refused to refund the consumer or to
7 allow the return of the couch. The consumer brought a lawsuit against Respondent for the return
8 of her payment of \$2,600.00 in the Superior Court of California, County of Sacramento, case
9 number 20SC01595.

10 **FORTIETH CAUSE FOR DISCIPLINE**

11 (Operating Without a Valid License)

12 89. Respondent is subject to disciplinary action under Code sections 19049 and 19051, in
13 that Respondent did not have a valid license to conduct business, as set forth in paragraphs 2 and
14 88, incorporated herein.

15 **FORTY-FIRST CAUSE FOR DISCIPLINE**

16 (False Advertising/Misrepresentation)

17 90. Respondent is subject to disciplinary action under Code section 19150, in that
18 Respondent falsely advertised or misrepresented merchandise coming under the provisions of the
19 Code, as set forth in paragraph 88, incorporated herein.

20 **CONSUMER E.W. FACTUAL ALLEGATIONS**

21 91. On or about April 22, 2021 (while Respondent’s license was not valid), consumer
22 E.W. purchased a sofa and love seat for approximately \$1,476.15. Respondent only delivered the
23 sofa and refused to issue a refund or deliver the love seat. The consumer brought a lawsuit
24 against Respondent for the return of her payment or delivery of the love seat in the Superior Court
25 of California, County of Sacramento, case number 20SC01595. The court entered judgment in
26 favor of the consumer in the amount of \$1,506.15 plus costs.

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1 **FORTY-SECOND CAUSE FOR DISCIPLINE**

2 (Operating Without a Valid License)

3 92. Respondent is subject to disciplinary action under Code sections 19049 and 19051, in
4 that Respondent did not have a valid license to conduct business, as set forth in paragraphs 2 and
5 91, incorporated herein.

6 **FORTY-THIRD CAUSE FOR DISCIPLINE**

7 (Bait and Switch Advertising)

8 93. Respondent is subject to disciplinary action under CCR section 1304.1, subdivision
9 (g), in that Respondent failed to make deliveries within a reasonable time or to make a refund, as
10 set forth in paragraph 91, incorporated herein.

11 **FORTY-FOURTH CAUSE FOR DISCIPLINE**

12 (False Advertising/Misrepresentation)

13 94. Respondent is subject to disciplinary action under Code section 19150, in that
14 Respondent falsely advertised or misrepresented merchandise coming under the provisions of the
15 Code, as set forth in paragraph 91, incorporated herein.

16 **CONSUMER F.S. FACTUAL ALLEGATIONS**

17 95. On or about July 15, 2023 (while Respondent's license was not valid), consumer F.S.
18 purchased a genuine leather sofa with charging ports and a 5-year warranty for approximately
19 \$4,650.48. Respondent delivered a non-conforming non-leather sofa with inoperable charging
20 ports. Respondent would not provide paperwork regarding the purchase or the warranty, refused
21 to deliver a conforming sofa, and refused to issue a refund. Respondent produced a copy of the
22 consumer's acceptance of the delivery, which the consumer stated was a forgery. The consumer
23 brought a lawsuit against Respondent for the return of her payment in the Superior Court of
24 California, County of Sacramento, case number 20SC01595. The court entered judgment in favor
25 of the consumer in the amount of \$1,500.00 plus costs.

26 96. Consumer F.S. filed a complaint with the Bureau on September 5, 2023. The Bureau
27 issued two citations: (1) Citation Number HM 2024-3 in the amount of \$1,500.00 for violations
28 of Code sections 19061, 1304.1, 1308, and 1314, subdivisions (a), (b) and (c), and (2), which

Citation has not been paid, and (2) Citation Number IC2024-5 in the amount of \$250.00, for violation of Code section 98.551, subdivision (a). Respondent did not pay Citation Number HM 2024-3 by the date required, and has not paid the citation to date.

FORTY-FIFTH CAUSE FOR DISCIPLINE

(Operating Without a Valid License)

97. Respondent is subject to disciplinary action under Code sections 19049 and 19051, in that Respondent did not have a valid license to conduct business, as set forth in paragraphs 2, 95 and 96, incorporated herein.

FORTY-SIXTH CAUSE FOR DISCIPLINE

(Bait and Switch Advertising)

98. Respondent is subject to disciplinary action under CCR section 1304.1, subdivision (g), in that Respondent failed to make deliveries within a reasonable time or to make a refund, as set forth in paragraph 95, incorporated herein.

FORTY-SEVENTH CAUSE FOR DISCIPLINE

(Imperfects, Irregulars, Seconds, or Damaged)

99. Respondent is subject to disciplinary action under CCR section 1308, in that Respondent advertised or implied that imperfect, irregular, a second or damaged articles were free from defects or were of the same grade or quality of the article as usually and customarily offered for sale in the regular course of business, as set forth in paragraph 95, incorporated herein.

FORTY-EIGHTH CAUSE FOR DISCIPLINE

(False and Misleading Guarantee/Failure to Disclose)

100. Respondent is subject to disciplinary action under CCR section 1314, subdivisions (a), (b) and (c), in that Respondent failed to properly and lawfully disclose and provide guarantee information, as set forth in paragraph 95, incorporated herein.

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1 **FORTY-NINTH CAUSE FOR DISCIPLINE**

2 (False Advertising/Misrepresentation)

3 101. Respondent is subject to disciplinary action under Code section 19150, in that
4 Respondent falsely advertised or misrepresented merchandise coming under the provisions of the
5 Code, as set forth in paragraph 95, incorporated herein.

6 **FIFTIETH CAUSE FOR DISCIPLINE**

7 (Failure to Comply With Citation Order of Abatement and Pay Fine)

8 102. Respondent is subject to disciplinary action under Code section 125.9, subdivision
9 (b)(5), in that Respondent failed to comply with the order of abatement and pay the fine imposed
10 by Citation Number HM 2024-3, as set forth in paragraph 96, incorporated herein.

11 **DISCIPLINE CONSIDERATIONS**

12 103. To determine the degree of discipline, if any, to be imposed on Respondent,
13 Complainant alleges that on or about October 17, 2016, in a prior action, the Bureau of
14 Household Goods and Services issued Notice of Violation NV 2016-071495 for violation of Code
15 section 19049 (operating without a valid license) without fine or penalty.

16 104. To determine the degree of discipline, if any, to be imposed on Respondent,
17 Complainant alleges that on or about May 3, 2017, in a prior action, the Bureau of Household
18 Goods and Services issued Citation Number i5 2017-151 for violation of Code section 19049
19 (operating without a valid license) and ordered Respondent to pay a penalty of \$500.00. That
20 Citation is now final. Respondent paid the Citation.

21 105. To determine the degree of discipline, if any, to be imposed on Respondent,
22 Complainant alleges that on or about July 27, 2023, in a prior action, the Bureau of Household
23 Goods and Services issued Citation Number HM 2023-120 for violations of Code sections 19049
24 (operating without a valid license), 19051 (operating without a valid license – upholstered
25 furniture retailer), and 19055 (operating without a valid license – bedding retailer) and ordered
26 Respondent to pay a penalty of \$500.00. That Citation is now final. Respondent has not paid the
27 Citation.

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106. To determine the degree of discipline, if any, to be imposed on Respondent, Complainant alleges that on or about January 25, 2024, in a prior action, the Bureau of Household Goods and Services issued Citation Number HM 2024-3 for violations of Code section 19061 (operating under more than one firm name) and CCR sections 1304.1, (bait and switch advertising) 1308 (false advertising – imperfects, irregulars seconds or damaged), and 1314, subdivisions (a), (b) and (c) (disclosure guarantee violations) and ordered Respondent to pay a penalty of \$1,500.00. That Citation is now final. Respondent has not paid the Citation.

107. To determine the degree of discipline, if any, to be imposed on Respondent, Complainant alleges that on or about April 10, 2024, in a prior action, the Bureau of Household Goods and Services issued Citation Number HM 2024-42 for violations of Code section 19061 (operating under more than one firm name) and CCR section 1304.1 (bait and switch advertising) and ordered Respondent to pay a penalty of \$1,500.00). That Citation is now final. Respondent has not paid the Citation.

PRAYER

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

1. Revoking or suspending Furniture and Bedding Retailer Number 172768, issued to MHAS Companies, Inc. dba Mattress Express Cali; Manpreet Hayer and Amritpal Saran, principals;

2. Ordering and prohibiting MHAS Companies, Inc. dba Mattress Express Cali; Manpreet Hayer and Amritpal Saran, principals, from serving as a member of any licensed limited liability company or of any licensed partnership, or as an officer or director of any licensed corporation, or as an officer or person acting in a managerial capacity of any licensed firm or association, and the employment, election, or association of MHAS Companies, Inc. dba Mattress Express Cali; Manpreet Hayer and Amritpal Saran, principals constitute grounds for disciplinary action against the licensee.

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1 3. Ordering MHAS Companies, Inc. dba Mattress Express Cali; Manpreet Hayer and
2 Amritpal Saran, principals, to pay the Bureau of Household Goods and Services the reasonable
3 costs of the investigation and enforcement of this case, pursuant to Business and Professions
4 Code section 125.3; and, if placed on probation, the costs of probation monitoring; and,

5 4. Taking such other and further action as deemed necessary and proper.

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7 DATED: October 22, 2024

Justin Paddock

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

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