

November 14, 2024

SACRAMENTO, CALIFORNIA

Bureau of Household Goods and Services

Advisory Council Meeting



**BUREAU OF HOUSEHOLD GOOD AND SERVICES  
ADVISORY COUNCIL MEETING  
NOTICE and AGENDA**

**IN PERSON AND TELECONFERENCE MEETING**

**Thursday, November 14, 2024, 10:00 am  
Until the Completion of Business**

**Meeting Location**

WebEx and  
Bureau of Household Goods and Services  
4244 South Market Court, Suite D  
Sacramento, CA 95834

**Important Notices to the Public: The Bureau of Household Goods and Services (Bureau) will hold a public meeting in person and via WebEx and a teleconference platform.**

Note: The Bureau will endeavor to provide a reliable means for members of the public to participate remotely; however, in the unlikely event that the remote means fails, the meeting may continue in person. For this reason, members of the public are advised to consider attending the meeting in person in order to ensure their participation during the meeting.

**To participate via WebEx, please log on to this website the day of the meeting:**

<https://dca-meetings.webex.com/dca-meetings/j.php?MTID=m5cdf408c8d074c114dc4d8ed5b43b129>

**If joining using the link above**

Event Number: 2495 295 0668

Event Password: BHGS1114

**INSTRUCTIONS FOR PARTICIPATION: Please see the instructions attached here to observe and participate in the meeting using WebEx from a Microsoft Windows-based PC.**

Members of the public may but are not obligated to provide their names or personal information as a condition of observing or participating in the meeting. When signing into the WebEx platform, participants may be asked for their name and email address. Participants who choose not to provide their names will be required to provide a unique identifier, such as their initials or another alternative, so that the meeting moderator can

identify individuals who wish to make public comment; participants who choose not to provide their email address may utilize a fictitious email address in the following sample format: XXXXX@mailinator.com.

Public comments will be limited to three minutes unless, at the discretion of the Bureau Chief, circumstances require a shorter period. Members of the public will not be permitted to “yield” their allotted time to other members of the public to make comments.

As an alternative, members of the public who wish to observe the meeting without making public comment can do so (provided there are no unforeseen technical difficulties) at <https://thedcapage.wordpress.com/webcasts/>.

### **Teleconference/Audio Conference Option:**

US Toll +1-415-655-0001 US Toll  
Access code: 2495 295 0668  
Passcode: 24471114

### **Advisory Council Members:**

Pascal Benyamini, Public  
Burt Grimes, Industry  
Tom Keepers, Industry  
Sara Oakley, Industry  
Dan Rhodes, Industry  
Toby Taylor, Industry  
Steve Weitekamp, Industry

Agenda items may be taken out of order. Times stated are approximate and subject to change. Agenda order is tentative and subject to change at the discretion of the Advisory Council.

In accordance with the Bagley-Keene Open Meeting Act, all meetings are open to the public. Pursuant to Government Code section 11125.7, the Advisory Council provides the opportunity for the public to address each agenda item during discussion or consideration by the Advisory Council. Total time allocated for public comment on particular issues may be limited. Individuals may appear to discuss items not on the agenda; however, the Advisory Council may not discuss any matter not included in this agenda (Government Code sections 11125, 11125.7(a)).

The Bureau plans to webcast this meeting at <https://thedcapage.blog/webcasts/>. Webcast availability, however, cannot be guaranteed due to limited resources or technical difficulties. The meeting will not be cancelled if webcast is not available.

The meeting is accessible to the disabled. A person who needs disability-related accommodations or modifications to participate in the meeting may make a request by contacting Chris Janus via email at [chris.janus@dca.ca.gov](mailto:chris.janus@dca.ca.gov), by sending a written request to the address indicated above, or at TDD (800) 326-2297 for the hearing impaired. Please provide at least five working days' notice before the meeting to help ensure accommodations.

## AGENDA

1. Bureau Chief Introduction, Call to Order, and Roll Call
2. Public Comment for Items Not on the Agenda  
*Please note that the Advisory Council may not discuss any matter raised during this public comment section that is not included on this agenda (Government Code sections 11125, 11125.7(a)).*
3. Update from Board and Bureau Relations, Department of Consumer Affairs
4. Fiscal Update
  - a. Review and Discussion of Proposed Bureau Budget Reductions
5. Review and Discussion of Update to 2022-26 BHGS Strategic Plan
6. Business Modernization Update
7. Discussion of Service Contract Regulations
8. Review May 16, 2024, Advisory Council Meeting Minutes
9. Administrative Program Update
10. Licensing Program Update
11. Laboratory Update
12. Enforcement Program Update
  - a. Interstate Household Mover Investigations and Citations
  - b. Review of Citation and Disciplinary Actions for Website
13. Communications and Education Update
14. Legislative and Policy Updates
  - a. Household Movers Enforcement Regulation Update
  - b. Upholstered Furniture and Bedding Law Label Regulatory Proposal
  - c. SB 1451 (2023-24): Ashby: Professions and Vocations

d. AB 2210 (2023-24): Petrie-Norris: Driving Under the Influence: Ignition  
Interlock Devices

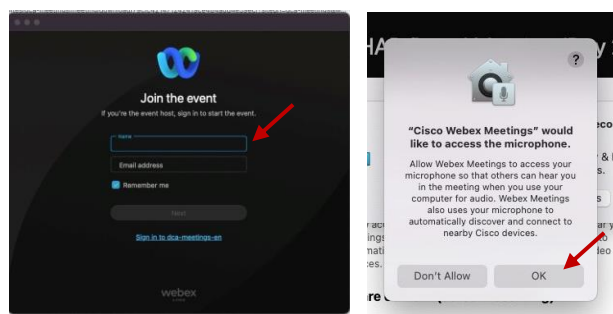
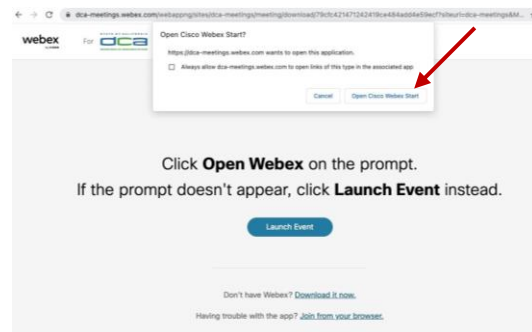
15. Set 2025 Meeting Dates
16. Future Agenda Items
17. Adjournment

### If joining using the meeting link

1 Click on the meeting link. This can be found in the meeting notice you received.

2 If you have not previously used Webex on your device, your web browser may ask if you want to open Webex. Click "Open Cisco Webex Start" or "Open Webex", whichever option is presented. DO NOT click "Join from your browser", as you will not be able to participate during the meeting.

3 Enter your name and email address\*. Click "Join as a guest". Accept any request for permission to use your microphone and/or camera.

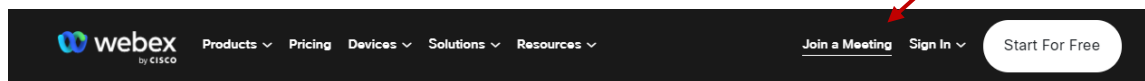


\* Members of the public are not obligated to provide their name or personal information and may provide a unique identifier such as their initials or another alternative, and a fictitious email address like in the following sample format: XXXXX@mailinator.com.

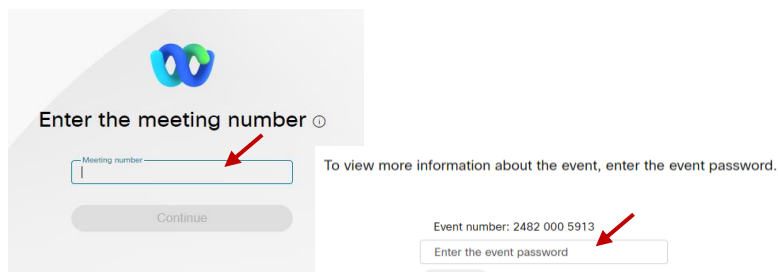
OR

### If joining from Webex.com

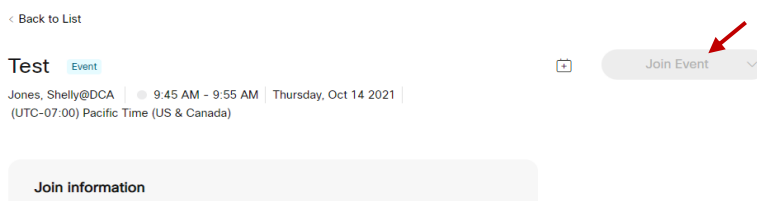
1 Click on "Join a Meeting" at the top of the Webex window.



2 Enter the meeting/event number and click "Continue". Enter the event password and click "OK". This can be found in the meeting notice you received.



3 The meeting information will be displayed. Click "Join Event".



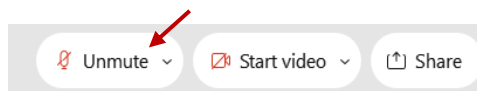
OR

### Connect via telephone\*:

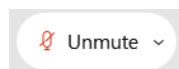
You may also join the meeting by calling in using the phone number, access code, and passcode provided in the meeting notice.

### Microphone

Microphone control (mute/unmute button) is located on the command row.

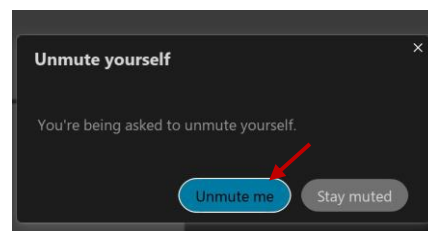


Green microphone = Unmuted: People in the meeting can hear you.



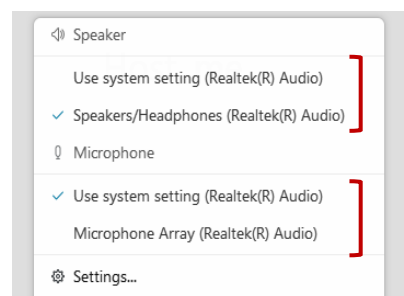
Red microphone = Muted: No one in the meeting can hear you.

*Note: Only panelists can mute/unmute their own microphones. Attendees will remain muted unless the moderator enables their microphone at which time the attendee will be provided the ability to unmute their microphone by clicking on "Unmute Me".*



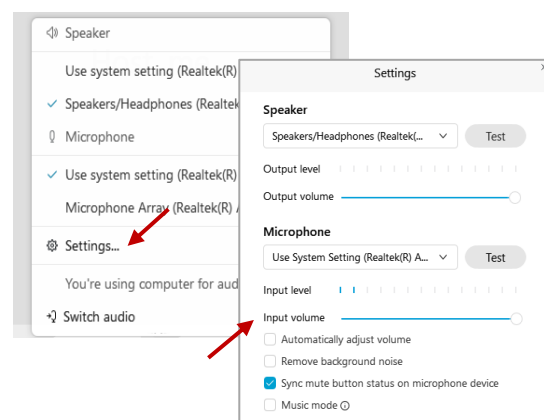
### If you cannot hear or be heard

- 1 Click on the bottom facing arrow located on the Mute/Unmute button.
- 2 From the pop-up window, select a different:
  - Microphone option if participants can't hear you.
  - Speaker option if you can't hear participants.



### If your microphone volume is too low or too high

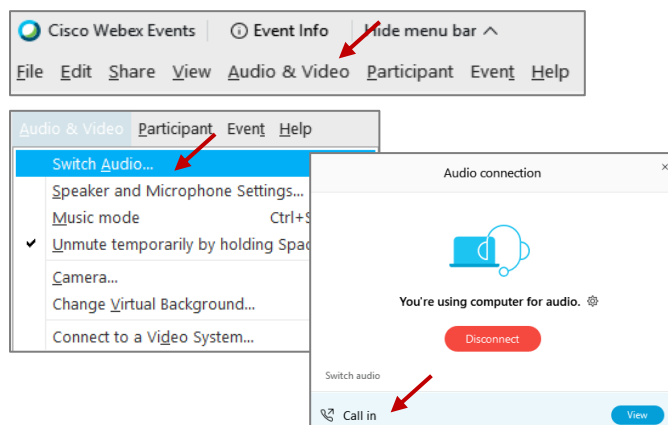
- 1 Locate the command row – click on the bottom facing arrow located on the Mute/Unmute button.
- 2 From the pop-up window:
  - Click on "Settings...":
  - Drag the "Input Volume" located under microphone settings to adjust your volume.



### Audio Connectivity Issues

If you are connected by computer or tablet and you have audio issues or no microphone/speakers, you can link your phone through Webex. Your phone will then become your audio source during the meeting.

- 1 Click on "Audio & Video" from the menu bar.
- 2 Select "Switch Audio" from the drop-down menu.
- 3 Select the "Call In" option and following the directions.



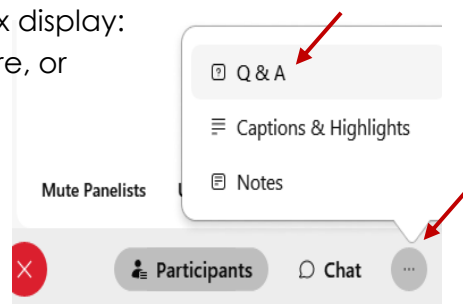
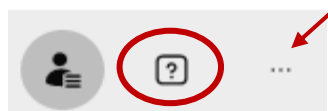
The question-and-answer (Q&A) and hand raise features are utilized for public comments.

*NOTE: This feature is not accessible to those joining the meeting via telephone.*

### Q&A Feature

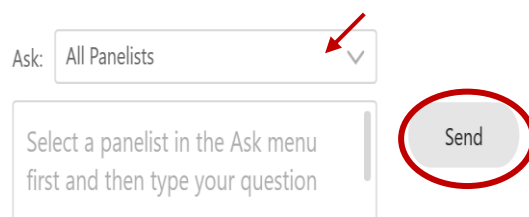
1 Access the Q&A panel at the bottom right of the Webex display:

- Click on the icon that looks like a “?” inside of a square, or
- Click on the 3 dots and select “Q&A”.



2 In the text box:

- Select “All Panelists” in the dropdown menu,
- Type your question/comment into the text box, and
- Click “Send”.



— OR —

### Hand Raise Feature

- 1
- Hovering over your own name.
  - Clicking the hand icon that appears next to your name.
  - Repeat this process to lower your hand.

If connected via telephone:

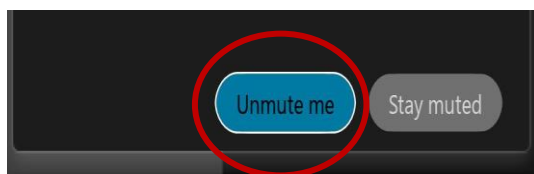
- Utilize the raise hand feature by pressing \*3 to raise your hand.
- Repeat this process to lower your hand.

### Unmuting Your Microphone



The moderator will call you by name and indicate a request has been sent to unmute your microphone. Upon hearing this prompt:

- Click the **Unmute me** button on the pop-up box that appears.

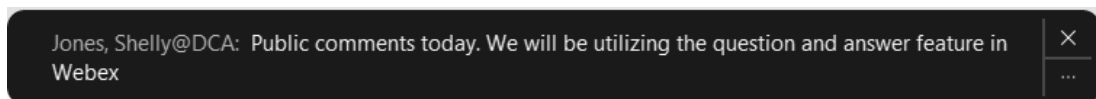


— OR —

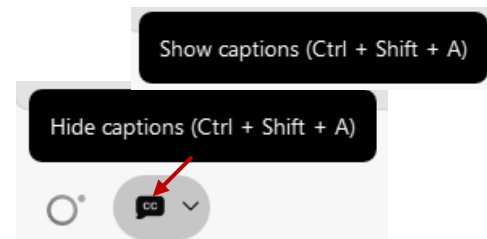
If connected via telephone:

- Press \*3 to unmute your microphone.

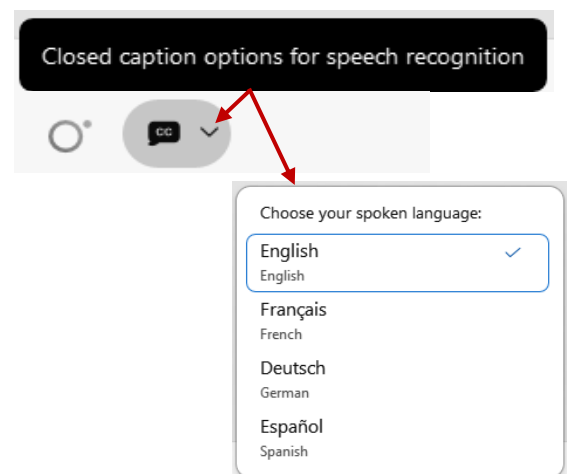
Webex provides real-time closed captioning displayed in a dialog box on your screen. The captioning box can be moved by clicking on the box and dragging it to another location on your screen.



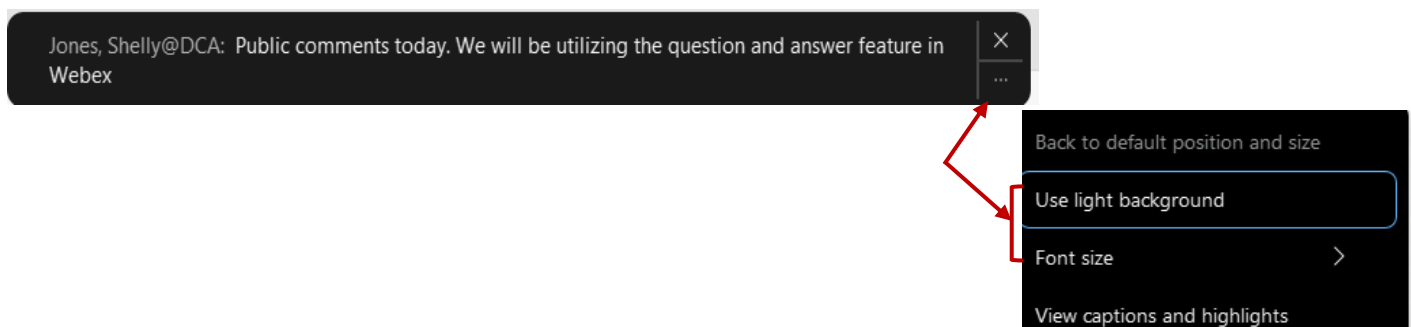
The closed captioning can be hidden from view by clicking on the closed captioning icon. You can repeat this action to unhide the dialog box.



You can select the language to be displayed by clicking the drop-down arrow next to the closed captioning icon.



You can view the closed captioning dialog box with a light or dark background or change the font size by clicking the 3 dots on the right side of the dialog box.



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## AGENDA ITEM 4

### Fiscal Update

- a. Review and Discussion of Proposed Bureau Budget Reductions

**3438 - Household Goods and Services Fund, Professions and Vocations Fund Analysis of Fund Condition**  
**(Dollars in Thousands)**

Prepared 10.25.2024

2024 Budget Act with FM3 Projection

	Actual 2023-24	CY 2024-25	BY 2025-26	BY +1 2026-27
<b>BEGINNING BALANCE</b>				
Prior Year Adjustment	\$ -	\$ -	\$ 12,693	\$ 12,754
Adjusted Beginning Balance	\$ -	\$ -	\$ 12,693	\$ 12,754
<b>REVENUES, TRANSFERS AND OTHER ADJUSTMENTS</b>				
Revenues				
4121200 - Delinquent fees	\$ -	\$ 363	\$ 440	\$ 440
4127400 - Renewal fees	\$ -	\$ 9,155	\$ 9,647	\$ 9,647
4129200 - Other regulatory fees	\$ -	\$ 216	\$ 195	\$ 195
4129400 - Other regulatory licenses and permits	\$ -	\$ 1,171	\$ 1,257	\$ 1,257
4163000 - Income from surplus money investments	\$ -	\$ 307	\$ 349	\$ 349
4171400 - Escheat of unclaimed checks and warrants	\$ -	\$ 12	\$ 20	\$ 20
4172500 - Miscellaneous revenues	\$ -	\$ 2	\$ -	\$ -
Totals, Revenues	\$ -	\$ 11,226	\$ 11,908	\$ 11,908
Revenue transfer from the Household Goods and Services Fund, Professions and Vocations Fund (3438) to Motor Carriers Safety Improvement Fund (0293) per Public Utilities Code Section 5003.1	\$ -	\$ -21	\$ -	\$ -
Revenue Transfer from the Electronic and Appliance Repair Fund (0325) to the Household Goods and Services Fund, Professions and Vocations Fund (3438)	\$ -	\$ 2,215	\$ 311	\$ -
Revenue transfer from the Home Furnishings and Thermal Insulation Fund (0752) to the Household Goods and Services Fund, Professions and Vocations Fund (3438)	\$ -	\$ 5,457	\$ 1,347	\$ -
Revenue transfer from the Household Movers Fund, Professions and Vocations Fund (3315) to the (Household Goods and Services Fund, Professions and Vocations Fund (3438)	\$ -	\$ 7,272	\$ 1,584	\$ -
Totals, Transfers and Other Adjustments	\$ -	\$ 14,923	\$ 3,242	\$ -
<b>TOTALS, REVENUES, TRANSFERS AND OTHER ADJUSTMENTS</b>	\$ -	\$ 26,149	\$ 15,150	\$ 11,908
<b>TOTAL RESOURCES</b>	\$ -	\$ 26,149	\$ 27,843	\$ 24,662
Expenditures:				
1111 Department of Consumer Affairs Regulatory Boards, Bureaus, Divisions (State Operations)	\$ -	\$ 12,421	\$ 14,071	\$ 14,493
9892 Supplemental Pension Payments (State Operations)	\$ -	\$ 115	\$ -	\$ -
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	\$ -	\$ 920	\$ 1,018	\$ 1,018
<b>TOTALS, EXPENDITURES AND EXPENDITURE ADJUSTMENTS</b>	\$ -	\$ 13,456	\$ 15,089	\$ 15,511
<b>FUND BALANCE</b>				
Reserve for economic uncertainties	\$ -	\$ 12,693	\$ 12,754	\$ 9,151
Months in Reserve		10.1	9.9	6.9

**NOTES:**

1. Assumes workload and revenue projections are realized in CY and ongoing.
2. Expenditure growth projected at 3% beginning BY.

## Background

In July 2024, as a result of the Bureau's Sunset bill (SB 814, statutes of 2023), the Bureau's three separate funds were consolidated into a single fund called the Household Goods and Services Fund. However, to ensure payment of any expenditures billed to the separate funds earlier than July 2024, 20 percent of the funds' balances remain in the three historic funds. Prior to July 2026, additional funds will be transferred from the three funds to the consolidated fund until the three funds are eventually closed out.

The combined fund condition that appears on the previous page anticipates that sometime before July 1, 2025, the Department will transfer \$14.923 million from the three separate funds to the consolidated fund (EAR: \$2.215 million; HFTI: \$5.457 million; and HHM: \$7.272 million).

After the transfer and closing prior year, there should be approximately \$3.242 million remaining in the three funds (EAR: \$311 thousand; HFTI: \$1.347 million; and HHM: \$1.584 million).

## Fund Condition Assumptions

Bureau management believes, conservatively, that approximately \$200 thousand will be spent on expenditures in arrears.

Historically, the Bureau experienced a reversion (i.e., money it was allowed to spend but did not) of approximately \$3 million a year; management currently estimates a reversion of \$1.5 million annually. This is due to several factors:

- Increased wages and benefits for state employees
- The Bureau vacancy rate is below 10 percent for the first time in five years
- The Bureau's building rent will increase in May 2027
- The Bureau is using the California Attorney General's Office on a consistent basis, which charges for their time

## Bureau's Estimated Fund Projections

Because the fund consolidation is so recent it is difficult to provide comparative historical numbers to current numbers. However, once all the transfers from the three historic funds are complete staff will report on a historic basis.

Based on the assumptions outlined above, the Bureau is making the following projections:

	Current Year	Budget Year	Budget Year +1
	July 1, 2024 - June 30, 2025	July 1, 2025 - June 30, 2026	July 1, 2026 - June 30, 2027
Expenditures	\$13,456*	\$15,089	\$15,511
Revenues	\$11,226	\$11,908	\$11,908
Transfers from historic fund	\$14,923	\$3,042	\$0
Reversion	\$1,500	\$1,500	\$1,500
Balance	\$12,693	\$14,054	\$11,951
Months in Reserve	11.2	12.0	9.0

\* All numbers in thousands (e.g., \$2,520 = \$2.52 million)

Please note, the Bureau will conduct a fee audit in 2026 and be preparing its sunset review report for the 2027 legislative session. Depending on projected revenues and expenditures at that time, a request for a fee increase may be included as part of that process and, if granted, will not take effect until January 1, 2028.

## AGENDA ITEM 5

Review and Discussion of Update to  
2022-26 BHGS Strategic Plan



## Background

In September 2022, Governor Gavin Newsom, through [Executive Order \(N-16-22\)](#), strengthened the State’s commitment to a “California For All” by directing state agencies and departments to take additional actions to embed equity analysis and considerations into their policies and practices, including but not limited to strategic plans.

As part of advancing the Governor’s Executive Order, the Department of Consumer Affairs directed all programs to update their strategic plans to account for the Department’s commitment to diversity, equity, and inclusion (DEI), incorporate inclusive public engagement, and enhance data collection and analysis.

## DEI Supplement Process for the Bureau’s Strategic Plan

Department programs, like the Bureau, are currently undergoing the DEI supplement process for strategic plans, which is outlined in the five steps in the graphic below.



## Preliminary Meeting and Supplemental Environmental Scan

The preliminary meeting between DCA SOLID and Bureau management was held in Spring 2024 to review the process and set timelines. In July and August 2024, SOLID conducted a survey with questions about the Bureau’s activities and solicited responses from the public, industry, licensees, applicants, council members, and staff. SOLID received 83 completed surveys.

The environmental scan report of survey responses emphasized that the Bureau should: 1) seek more feedback from interested parties as it continues to update and change its procedures; 2) make information and services more accessible online; and 3) as documented in the 2022 environmental scan, continue to expand outreach to consumers and trade organizations.

**Summary of Planning Session and Finalizing the Plan**

On October 30, 2024, SOLID conducted a planning session with three Bureau managers (Jacqueline Castro, Claire Goldstene, and Justin Paddock).

During that session, staff chose not to add or remove strategic plan objectives. Instead, the discussion centered on updating the language for a number of existing objectives to prioritize the values of DEI.

**Next Steps**

The Bureau is currently finalizing a draft of the revised strategic plan with SOLID, which will then be reviewed by the Department's Director. The Bureau expects to publish an updated plan by early next year, which will be shared with council members. The Bureau will then undergo the action planning process with SOLID to insure the strategic plan objectives are completed.

## AGENDA ITEM 6

### Business Modernization Update



## Background

The Bureau is currently in a multi-year effort to transition public-facing licensing transactions online and to update the back-office database systems for both licensing and enforcement. The project, known as business modernization, is a partnership among the Bureau, the Department of Consumer Affairs (DCA), and InLumon, an information technology vendor. The new system is called “Connect.”

Bureau staff are working with DCA and the vendor to simultaneously refine and update the transactions that recently moved online while also continuing to move additional transactions online.

## Current Online Transactions

The following transactions are currently available online:

- HHM initial application (June 1, 2023)
  - Updated expected by end of 2024
- HHM quarterly report filing (April 1, 2024)
  - To assist licensees in creating and linking existing accounts, as well as in filing their quarterly reports, the Bureau created a step-by-step [guide](#) and [video](#), both of which are also posted on the Bureau’s website.
  - On October 10, 2024, the Bureau held an online workshop demonstrating how to complete these transactions. That recording is available [here](#).
- HHM transfer application (September 19, 2024)

## Completed System Updates & Maintenance

- Users can search movers by DBAs on the DCA license look-up (July 2024)
- Simplifying entry of CAL-T# when logging in to system and completing various online transactions (October 2024)

## Maintenance on Current Online Transactions

The following transactions/items are being further refined:

- Automatic Notifications (Target Release Date: December 2024)  
The Bureau is working with DCA and the vendor to set-up automated notices to HHM licensees about quarterly report deadlines, pending insurance coverage lapses, and other time sensitive matters for license maintenance. Currently, staff generate these notices.
- Automatic Permit Suspension (Target Release Date: December 2024)  
The Bureau is working with DCA and the vendor to set-up automatic license suspension when license requirements are not met (e.g., insurance).
- Deficiency Emails (Target Release Date: December 2024)  
The Bureau and DCA are refining how an applicant or licensee receives information when a transaction requires correction. At present, these notifications can be confusing and necessitate users calling the Bureau.

### Online Transactions in Process

- Maintenance Applications (e.g., change address, file new insurance policy, voluntarily suspend a permit, change an exam qualifier, etc.) (Target Release Date: November/December 2024)
- Complaint Form (Target Release Date: December 2024)
- Registration process of interstate movers to comply with requirements of SB 1451 (Target Release Date: December 2024)

### Future Online Transactions

The following transactions are slated for future development:

- Applications (HFTI & EAR)
- Renewals (HFTI & EAR)
- Pay a fine (all programs)
- Enforcement functionality
- Thermal insulation directory (HFTI)

### Overall Project Timeline

On November 15, 2024, the Bureau's existing development contract for the business modernization project enters the "maintenance and operation" phase. This phase will focus on addressing deficiencies and maintaining the required software for existing online transactions.

In the coming months, the Bureau will continue its work developing online processes for EAR, HFTI, and enforcement and will begin work on writing a new contract in January 2025, which we expect to be in operation by the beginning of the 2025-26 fiscal year. As the contract is developed, staff will continue to create detailed documentation for these new online processes.

## AGENDA ITEM 7

Discussion of Service Contract Regulations



Advisory Council Member Tom Keepers and Bureau Chief Justin Paddock will conduct a presentation during the November 14, 2024, meeting to provide council members an overview of service contracts, the state regulatory environment across the country surrounding them, and the specific regulatory role of the Bureau of Household Goods and Services. This informational item is intended as background for that presentation and to help begin a discussion on how the Bureau may potentially better protect consumers in this policy area.

Service contracts have been sold to consumers since the 1930s, but the industry has recently seen significant growth. Between 2008 and 2018, *Warranty Week* estimates annual consumer sales increased by 50 percent. Today, annual consumer sales in this industry are between \$49 and \$65 billion in the United States. And, each year it is expected to continue to grow.

### **What is a Service Contract?**

The most basic definition is that a service contract is a written agreement in which a party agrees to perform services relating to the maintenance, repair, or both, of a consumer product for a certain period.

### **History**

In 1975, the U.S. Congress passed and President Ford signed the Magnuson-Moss Warranty Act, which established minimum standards on the warranty of consumer products. The Federal Trade Commission (FTC) enforces the Warranty Act. Though a warranty and a service contract are similar, they are not the same -- a warranty is part of the bargain a consumer makes with a company when purchasing a product; a service contract is something a consumer purchases separately from the product.

While the federal government continues to regulate warranties, it does not regulate services contracts, instead individual states currently regulate service contracts. In 1995, the National Association of Insurance Commissioners (NAIC) released a model service contract act, intended as a guide for state legislatures to enact when regulating the industry (referred to as [Model #685](#)).

### **State-by-State Regulation of Service Contracts**

In 2012, the Federation of Regulatory Counsel conducted a [50-state survey](#) of how various states regulate the service contract industry. The Federation found that many states adopted some form of the NAIC Model #685, including California.

In 2021, NAIC conducted its own [review](#), the results of which conflict somewhat with the Federation's report but agree that most states now have some form of regulation to address service contracts. The two reports agree that states roughly fall into one of four categories:

- 1) States that follow NAIC's model act;
- 2) States that have established their own regulatory scheme for service contracts;

- 3) States that expressly exempt service contracts from insurance regulations; and
- 4) States that do not address the issue in law.<sup>1</sup>

### The European Union's Warranty/Consumer Product Regulation

Compared to the United States, the European Union has stronger consumer protection rules. They provide a 14-day right of return for the purchase of any product, known as a "cooling off period." In addition, all products have a legal guarantee to be in good working order for two years. If the product is not, a consumer has the right to have it repaired, replaced, get a price reduction, or be reimbursed based on their specific circumstances; and most importantly, shipping the product back or taking any of these measures must be at no cost to the consumer. Consequently, the market for service contracts in Europe is small.

### Current California Regulation

Since 1994, when California first began to regulate service contracts, the definition of these contracts has slowly expanded and since the passage of AB 1221 (Flora, Ch. 452, 2021) now includes any consumer product or class of consumer products.

In its 2022 Sunset report, the Bureau stated:

...the service contract industry is evolving and the no longer clear lines between a "warranty" a "service agreement" and "insurance" often lead to confusion. For example, the Bureau reviewed an agreement to "protect" the electronic devices in a consumer's home that could include appliances, cellphones and tablets, and elements of an HVAC system. This could arguably be considered a home warranty, a service contract, or a form of limited homeowner's or renter's insurance. Further discussion on which entities regulate these agreements, including the licensees that oversee the work is appropriate.

The Bureau also remarked in its Sunset report, and is becoming increasingly aware, that there are many forms of unlicensed activity in this space. This includes companies that sell old or outdated contracts and can also involve the sale of service contracts without the knowledge of or authorization from the contract administrator. While this poses a legal problem for administrators, it is a larger problem for consumers who paid for services they cannot use.

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<sup>1</sup> The Bureau discovered a few inconsistencies in the reports that merit additional research. NAIC found that Texas does not regulate the service contract industry but a review of Texas Occupational Code Secs. 1304.001 et seq. indicates limited regulation in this space. NAIC also indicated Connecticut does not regulate service contracts, but BHGS' review of Connecticut's Sec. 42-260 on "extended warranties" and 38a-320 on home warranty service agreements seems to indicate that there is some regulation in this space.

## Where Does the Bureau Go from Here?

A [2022 article](#) from the Center for Insurance Policy and Research, “The Service Contract Model Act: A Quarter Century and Counting—What Now?” states:

The U.S. service contract industry operates largely as a regulatory orphan; i.e., an industry without strong, focused, or consistent oversight coming from any particular authoritative body.

California has the potential to continue to evolve its regulatory model to bolster consumer protection. In 2026, the Bureau will prepare its next Sunset Review report for the legislature. In preparation for that report, the Bureau should outline updates to its policy and regulations around service contracts. Among such considerations for discussion are the following:

### Public Transparency

Consumers should be able to easily see, at any time, a current copy of any service contract they may be considering buying in California. They should also be able to see what entities are authorized to sell these agreements. One way to achieve this is to require that service contract administrators and service contract sellers be formally affiliated and that this information be publicly available on the Bureau’s website.

Additionally, contracts could include a summary that clearly explains the essential terms and/or discussion of what a warranty covers (please see example following this write-up).

### The Jurisdiction of Insurance, Warranty, and Service Contracts

Although there are many distinctions in the law among what are officially considered “insurance,” “warranties,” and “service contracts,” these, in fact, are closely related and the line of demarcation among them is difficult to discern. As indicated by consumer complaints the Bureau receives, this confusion appears to often lead to consumer harm. For example, a consumer is often confused about what is covered by a warranty and what is covered by a service contract, which results in confusion over who to contact.

In the 30 years that California has been regulating the service contract industry, the jurisdictional lines among the California Insurance Commission, the FTC, and the Bureau have not been clarified. To help determine where/if those lines should be redrawn, the Bureau should conduct a detailed review of its complaints and trends since its previous Sunset Report.

### Formal Review of Regulatory Environment

Bureau staff should also conduct their own review of state, federal, and international regulation in the area of service contracts to assess how best to expand consumer protections. One such area would be researching how the [Directorate-General of Justice and Consumers](#) in the European Union regulates this space and conducts [outreach](#).

Date of Issuance: March

# Solar Power Agreement

Homeowner Name

Co-Owner Name  
(if any)

Homeowner Address

Installation Location

## Payment Terms

\$0

System Installation Cost

\$0.169

Price per kWh First Year

2.90 %

Annual Increase of price per kWh

20 Years

Initial Term of Agreement

## Our Promises

As specified in the agreement:

- Insurance, repair and maintenance of the System (including the inverter) is included at no cost to you (see Section 5).
- Web-enabled monitoring will be available at no additional cost to you (see Section 4(d)).
- Your roof will be restored at the end of the agreement (see the Limited Warranty).

## Your Options

As specified in the agreement:

- **You may buy** the System at certain times (see Section 10).
- **If you move**, you may (i) transfer this agreement to the new Home buyer (subject to credit approval), (ii) buy the System outright, or (iii) prepay the expected remaining payments (see Section 12).
- **At the end of term**, you may (i) have the System removed at no cost to you, (ii) upgrade to a new System with a new contract, (iii) renew for two five (5) year terms (see Section 11), or (iv) buy the System for fair market value (see Section 10).

## AGENDA ITEM 8

Review May 16, 2024  
Advisory Council Meeting Minutes



**Bureau of Household Goods and Services (Bureau or BHGS)  
Advisory Council Meeting Minutes  
In-Person and Teleconference Meeting  
May 16, 2024**

Bureau of Household Goods and Services  
4244 South Market Court, Suite D, Conference Room A  
Sacramento, CA 95834

**Attendees:**

**Advisory Council Members:**

Pascal Benyamini, Public  
Burt Grimes, Industry  
Tom Keepers, Industry  
Dan Rhodes, Industry  
Toby Taylor, Industry  
Steve Weitekamp, Industry

**Bureau Staff:**

Justin Paddock, Bureau Chief  
Claire Goldstene, Deputy Chief  
Jacqueline Castro, Licensing Manager  
Kelli Williams, Administrative Manager  
Alda Aguirre, Enforcement Chief  
Jacob Egger, Lab Manager  
Joanne Van, Content Manager  
Eileen Yap, Policy Manager  
Travis Cooke, Supervising Special Investigator  
Raleigh Jacobe, Supervising Special Investigator

**Others:**

Korrina Moreno, DCA Board and Bureau Relations  
Jason Piccione, Deputy Director, Chief Information  
Officer, DCA  
Helen Geoffroy, DCA Legal  
Andrew Trute, DCA Budgets  
Suzanne Balkis, DCA Budgets  
Tom Dykstra, Chair Business and Institutional  
Furniture Manufacturer's Association Subcommittee

**1. Welcome, Introductions, and Roll Call:**

Bureau Chief Justin Paddock began the meeting and took roll call. All council members were in attendance.

**2. Public Comment on Items Not on the Agenda**

There was none.

### 3. Update from Korrina Moreno, Board and Bureau Relations, Department of Consumer Affairs

Korrina Moreno, from the Department of Consumer Affairs (DCA) Board and Bureau Relations, provided an update from DCA.

Ms. Morreno noted that DCA honored more than 3,000 board and bureau employees during public service recognition week; she encouraged the Bureau to be vigilant in response to an alert where scammers pretend to be a regulatory agency to gather information from licensees; noted that the DCA Diversity, Equity, and Inclusion Steering Committee held its quarterly meeting where they discussed the member application process, expanding language access, and DEI related trainings available on the Learning Management System; shared information about two Facebook live outreach events hosted by the Consulate of Mexico's Sacramento and Fresno offices; and reminded advisory council members to complete all board member orientation training.

### 4. Business Modernization Update from Jason Piccione, Deputy Director, Chief Information Officer, Department of Consumer Affairs

Mr. Piccione began his update on the Bureau's business modernization project by crediting Bureau staff and leadership for their work on this project.

Mr. Piccione announced that the TMIS database for the household movers program was retired in December 2023 and all the data successfully converted into the new Connect system.

Mr. Piccione also announced the successful launch of the online submission of HHM quarterly reports via Connect. The process is entirely automated if licensees pay with a credit card; those paying with a check must print a report summary and mail that to the Bureau, along with their payment. He added that Bureau staff created guides to assist licensees.

Mr. Piccione stated that he is seeking a "happy path" for licensees and staff – where a licensee submits the report online, pays with a credit card, and there's no additional work for staff. He estimates that is currently the case about 50 percent of the time.

**Councilmember Comment:** Mr. Weitekamp opened a discussion about the "happy path" and asked what is involved in meeting that threshold and what happens if a licensee is off the "happy path."

Mr. Piccione clarified that the "happy path" occurs when there is no manual staff intervention in the process. Deputy Chief Goldstene added that the "happy path" describes a successful experience for both staff as well as users. She explained

that from a user perspective the new online system is streamlined but that those subject to additional taxes staff intervention is required. Chief Paddock added that to be on the “happy path” means the system works for everyone.

Mr. Piccione continued his presentation by announcing that all “doing business as” names, or DBA’s” have been added to the HHM license search function, ahead of schedule. He also noted that there are additional elements that need to be built out, including notifications for key upcoming dates, suspension protocol, email notification improvements, and application-related items. Mr. Piccione said he is committed to improving the experience for applicants, licensees, and staff.

**Councilmember Comment:** Mr. Weitekamp brought up the transfer from the old database and asked about steps to remove erroneous information on the license look-up, such as out-of-date businesses, and specifically asked about removing businesses that have been inactive for over a year so as not to confuse the public.

Chief Paddock responded this is on the list of things to do, but he noted that business information should remain until the statute of limitations is reached for a consumer to file a complaint. He agreed that information about why a business license was cancelled should be made clearer for consumers. He also added that information about license revocation will remain on the website.

**Councilmember Comment:** Mr. Grimes asked when online transactions will be available for the Home Furnishings and Thermal Insulation program.

Chief Paddock answered that it is on the schedule for 2024, but there is no definite deadline. Mr. Piccione added that he expects there to some online presence by the end of the calendar year, but the specifics are still to be determined. Ms. Goldstene said that the experience with HHM has changed the Bureau’s timeframe on other aspects of the project and also stated they want to make sure the processes work for both users and staff before launching.

**Councilmember Comment:** Mr. Grimes asked if the Bureau could piggyback anything from HHM for the HFTI program.

Ms. Goldstene answered that is the goal. She added that because these are simpler applications the online transition should also be simpler.

**Councilmember Comment:** Mr. Weitekamp cautioned the Bureau to be mindful, when contacting licensees about registering with Connect, that regulators don’t typically call movers, scammers do.

Chief Paddock stated that former compliance analyst, Inga Hammond, was invaluable in helping with this and that the Bureau did receive a significant number of calls from movers about linking their account.

## 5. Fiscal Update

### a. Fund Merger

Chief Paddock began by noting that there was an oversight in the budget material in the meeting and that updated information will be posted to the Bureau website.

DCA budget analyst Andrew Trute presented the Bureau's fund conditions, based on the 2024 governor's budget. He reported that the EAR fund currently has about 7.6 months in reserve; the HFTI fund about 14.4 months in reserve, and the HHM fund about 31.4 months in reserve.

Mr. Trute announced that on July 1, 2024, the three funds will merge into a single fund, with a fund balance of approximately 8 months in reserve. Ms. Balkis added that a small balance will remain in each of the three individual funds for three years, in case a purchase order needs to be paid.

**Councilmember Comment:** Mr. Weitekamp asked why the months in reserve are higher when the programs are independent compared to when they are combined into a single fund.

Chief Paddock answered that it is because the projections for the combined fund only projected one year and the projections for the separate funds included multiple years.

**Councilmember Comment:** Mr. Grimes pointed out that the combined total of the three separate funds does not equal the amount in the single fund.

Ms. Balkis explained that's because there is money remaining in each of the three separate funds. Chief Paddock added that money will remain in those accounts for three years to pay any outstanding expenses related to these accounts.

**Councilmember Comment:** Mr. Keepers said that he appreciated how the Bureau simplified the presentation of budget numbers and showed changes over time.

**Councilmember Comment:** Mr. Grimes asked that a summary of both each separate fund and the combined funds showing any adjustments be included in the next advisory council packet.

Chief Paddock answered that there will still be a section showing the balances for the old funds. Ms. Balkis added that the Budget Office will present on all four funds for the next council meeting.

Chief Paddock informed the councilmembers that the budget projections will continue to be higher than actual spending because the Bureau is complying with

various budget cuts and revisions.

**Councilmember Comment:** Mr. Keepers asked about the increase in expenses for the EAR fund and if it that is expected to continue.

Chief Paddock said this is because of cost-of-living increases for staff. He added that in about two years he expected a conversation about the license fees for service contract administrators, which are currently low. He also added that the Bureau will conduct an internal audit in about two years to see how much staff time is dedicated to each program to determine if fees are at the appropriate levels.

## 6. Review October 12, 2023, Advisory Council Meeting Minutes

**Councilmember Comment:** Mr. Benyamini pointed out that his name is misspelled in the minutes.

Chief Paddock apologized and said that the Bureau will make the change.

## 7. Administrative Program Update

Administrative Manager Kelli Williams provided an update on the Bureau's staffing.

Ms. Williams announced that from January 2023 to May 2024, the Bureau filled 37 positions and that the Bureau vacancy rate is now 10 percent, with seven recruitments in progress.

Ms. Williams provided a synopsis of the positions filled since the October 2023 Advisory Council meeting, which includes two positions in the Licensing unit, two positions in the Laboratory unit, 12 positions in the Enforcement division, one position in the Policy unit, and one position for education and outreach. Ms. Williams also announced that with these hirings, the Bureau now has a fully staffed management team.

Ms. Williams reviewed the Bureau's attrition rate, which includes eight internal promotions, five retirements, three lateral transfers to a different state agency, and three staff promotions to a different state agency.

Lastly, Ms. Williams discussed some of the Bureau's efforts to promote employee engagement by sharing information with staff through a monthly newsletter, regular all-staff meetings, new staff orientations, increased collaboration among units, and Bureau-wide potlucks.

**Councilmember Comment:** Mr. Weitekamp asked if it was possible to get a revised organization chart.

Chief Paddock answered that he would provide one, but would redact staff names and position numbers.

#### **a. Review Updates to Member Orientation and Reference Manual**

Chief Paddock announced alterations to the councilmembers' term limits from two years to four years, a change reflected in the updated Member Orientation and Reference Manual.

Chief Paddock added that there is also now sterner language in the manual related to required trainings for advisory council members, particularly the board member orientation training and form 700. He also noted that the updated manual is on the Bureau website.

### **8. Licensing Program Update**

Licensing Manager Jacqueline Castro provided an update on the Bureau's Licensing unit. She noted that the statistics provided now include two years of data to better identify trends across all three programs.

Ms. Castro noted small decreases in license registrations in the third quarter for the EAR and HFTI programs, and a decrease in the number of new HHM permits issued because of unexpected issues with the new online Connect system.

Ms. Castro explained that the lack of information for total active permits in December 2023 is because the Bureau was converting data from TMIS to Connect. She added that the Bureau is working with DCA to see if these numbers can be pulled.

Ms. Castro announced an increase in total active permits and said that 52 permits have now been issued through Connect. She also shared that staff have processed all 2023 fourth quarter reports and that delinquent fees for that quarter were waived.

Ms. Castro reviewed the application processing times for EAR, HFTI and HHM and concluded by noting that the Licensing unit is now fully staffed and thanking the Bureau's administrative team.

**Councilmember Comment:** Mr. Weitekamp commented that he is very pleased with the support Bureau staff have offered movers through the transition to Connect and noted his appreciation for the responsive of Bureau staff.

### **9. Laboratory Update**

Lab Manager Jake Egger began the update on the Bureau's laboratory by announcing that the Lab's vacancy rate is no longer at 35 percent after the hiring of both a lab analyst and an environmental scientist.

Mr. Egger reported that the Bureau is up-to-date on all contracts for accreditation, gas vendors, calibrations laboratories, contracted testing laboratories, and laboratory consumables. He thanked Bureau contract and procurement liaison Sue Robinson for her help.

Mr. Egger announced that the 2024 thermal insulation directory was posted online in January and that the next directory update will be in July 2024.

Mr. Egger noted that Bureau staff virtually attended the International Association of Bedding and Furniture Labeling Officials (IABFLO) meeting in April and that Chief Paddock was voted IABFLO president at the meeting. The next annual meeting will be in San Diego in April 2025.

Lastly, Mr. Egger said that through collaboration with the Bureau's Enforcement and Policy units, staff have been redefining the Bureau's actions when there is a lab failure. He also mentioned that staff will be meeting with the Department of Toxic Substances Control to learn about their model for pulling online samples.

**a. Implementation of AB 1059 (Friedman, 2023) – Product Safety:  
Consumer Products: Fiberglass**

Mr. Egger announced that AB 1059 passed in October 2023 and will become effective January 2027.

He explained that the bill prohibits a person from manufacturing, selling, offering, or distributing in commerce in the state any new, not previously owned juvenile product, mattress, or upholstered furniture that contains textile fiberglass. The bill also prohibits a custom upholsterer from repairing, reupholstering, recovering, restoring, or renewing any mattress, juvenile product, upholstered furniture, or reupholstered furniture using a replacement component that contains, textile fiberglass.

Next, Mr. Egger reviewed statistics on Technical Bulletin 117-2013 and 16 CFR 1633. Mr. Egger said that Bureau staff plans to reassess mattress sampling and compliance to pursue more targeted samples.

Mr. Egger announced that the Lab will begin to shift its focus to mattresses and thermal insulation. He then reviewed statistics on thermal insulation and bedding, flame retardant chemical statement analysis, and samples analyzed by DTSC.

Lastly, Mr. Egger reviewed law label violations and discussed work to update the relevant regulations, which includes possible fillable label forms and guidance for all label requirements to help reduce unnecessary errors.

Chief Paddock mentioned that Northern California Supervising Special Investigator Travis Cooke spoke with the Division of Investigations about stings and during these conversations learned about a tool to make online purchases.

**Councilmember Comment:** Mr. Benyamini thanked Mr. Egger for his presentation and requested that examples of both compliant law labels and those with errors be posted on the Bureau's website with a frequently asked document or to see such material at the November council meeting.

Chief Paddock responded that agenda item 12b, on proposed updates to the law label regulation, may address his concerns.

**Public Comment:** Tom Dykstra, a furniture manufacturer and chair of the Business and Institutional Furniture Manufacturer's Association subcommittee, inquired about the SB 1019 label. He stated there is a direct conflict over the inclusion of flame-retardant chemicals with AB 2998 and wanted to know if work is being done to resolve this conflict.

Chief Paddock stated that there is no regulatory change the Bureau can make to resolve the issue and he would be happy to explain the process for how to pursue the needed statutory change with the legislature. Mr. Paddock also asked Mr. Dykstra to request any guidance he may need from the Bureau.

## 10. Enforcement Update

Enforcement Chief Alda Aguirre began her update by noting that on June 2, 2024, the Bureau will adjust the boundaries that the Southern and Northern investigative team's cover – the northern team will cover counties north of Kern County and along the coast down to Ventura and Northern Los Angeles County, while the southern team will cover the rest of the state.

Ms. Aguirre then introduced Travis Cooke, the new Supervising Special Investigator for the northern team, and Raleigh Jacobe, the new Supervising Special Investigator for the southern team. Mr. Cooke and Mr. Jacobe spoke briefly about their backgrounds.

Next, Ms. Aguirre provided a staffing update for the Enforcement division and reviewed investigative highlights, including four referrals to the Attorney General for revocation.

Ms. Aguirre announced that Special Investigator Kirsten Andreassend has worked to start a taskforce in central California with the Better Business Bureau (BBB) and other agencies to share information about cases, strategies, and discuss trends. Ms. Aguirre noted that the BBB has shared information with the Bureau about ownership information that assists with investigations.

Ms. Aguirre stated that Bureau investigators participated in a workshop presented by Mr. Weitekamp, where he shared information about trends in the moving industry. She also noted that the Bureau is resetting its relationship with the Federal Motor Carrier Safety Administration (FMCSA) and creating procedures to address interstate moving violations.

Ms. Aguirre discussed enforcement sweep operations and announced that the Bureau has begun planning an undercover sting operation focused on the moving industry.

Ms. Aguirre discussed cease letters for businesses not licensed with the Bureau and noted that the Bureau wants to provide businesses an opportunity to comply with Bureau regulations before sending a citation. She also explained that fewer cease letters are sent to HFTI businesses because there are more storefronts, which allows investigators to visit and educate owners about the need to get licensed.

Next, Ms. Aguirre announced a savings of \$66,825 to the public in the EAR and HFTI programs and noted that such numbers are not yet available for HHM, since there is no database.

**Councilmember Comment:** Mr. Weitekamp asked why revocation is handled by the attorney general's office and not in-house.

Ms. Aguirre answered that the attorney general handles the legal process and that Bureau staff work jointly with them. Chief Paddock added that the Bureau has in-house council and regulatory council through DCA but that the attorney general acts as the Bureau's prosecuting attorney. He also noted that councilmembers will see the cost of attorney general fees increase as the Bureau pursues more license revocations.

Ms. Geoffroy explained that she advises the Director of DCA on decisions related to licensing but cannot take part in the enforcement process to ensure that she can provide unbiased advice. As a result, the attorney general becomes the Bureau's council of record on enforcement and prosecution.

**Councilmember Comment:** Mr. Weitekamp explained that he had asked because the Public Utilities Commission license revocation hearings were publicly noticed events asked if the Bureau's hearings could also be publicly noticed. He also noted that publicizing these decisions is a very strong enforcement tool.

Chief Paddock replied that nothing prevents the Bureau from publicly noticing a license revocation hearing and noted that Ms. Aguirre is working with DCA's IT

department to ensure that filed accusations appear on the license look-up record and that work is also being done to update the Bureau's website to show accusations and decisions. Ms. Geoffroy added that public meetings are posted on the website of the office of administrative law.

**Councilmember Comment:** Mr. Weitekamp asked about a case from March 2024 regarding a damage claim of \$150 where deficiencies were discovered that resulted in a mediated settlement of \$750. He expressed concerns about the claim settlement and whether the settlement was outside the scope of enforcement.

Ms. Aguirre responded that mediating resolutions between consumers and businesses if they're unable to come to an agreement is one way the Bureau helps consumers, in addition to providing outreach and education. She also stated if staff discover deficiencies during this process the Bureau addresses them through either outreach or a citation.

Chief Paddock added that cooperation on the part of the business is taken into consideration when determining whether to issue a citation and if the business resolves the problem staff will take that into account when reviewing the violation.

**Councilmember Comment:** Mr. Weitekamp encouraged the Bureau to maintain its own policies rather than relying too heavily on FMSCA, because he believes the Bureau's level of enforcement is superior to that of FMCSA.

Chief Paddock responded that Texas is the model the Bureau is currently looking at, which appears to be very robust. He noted that FMCSA is essentially tracking what other states are doing, which is also work the Bureau is engaged in.

**Councilmember Comment:** Mr. Grimes inquired about the rate of collection on citations.

Ms. Aguirre responded that it is not currently what the Bureau would like, and that it is a priority for the newly established Case Management unit and will include entering into a contract with a third party to collect the money. Chief Paddock added that staff will present information on citation fees collected at the November council meeting and that staff will flag businesses with outstanding citation fees to prevent them renewing their license until the fines are resolved.

## 11. Communications and Education Update

Content Manager Joanne Van provided an update on the Bureau's communication and outreach efforts, including the first video fully produced in-house by Bureau staff. The video highlights the Connect system's key features and best practices for

navigation.

Ms. Van spoke about the Bureau's increased efforts to update publications and mentioned a new flyer on Connect that was distributed to HHM licensees; a new flyer in English and Spanish with essential consumer tips for all industries the Bureau regulates; and a consumer-oriented flyer in the works about service contracts that will also be published in English and Spanish.

Ms. Van announced that the Bureau now has a QR code that houses all of the Bureau's most popular links. She stated that staff use it during field work to educate businesses on licensure, at outreach events for consumers to find Bureau resources, and within the Bureau's social media platforms.

Ms. Van announced that the Bureau has been posting on social media at least once a week in English and Spanish. She stated that the goal is to consistently reach applicants, licensees, and consumers.

Ms. Van reviewed various updates to the Bureau's website, including a banner on the homepage with a direct link to Connect, simplifying the process to submit a complaint, and working on updating how citation data is shown. She also announced that the Bureau plans a full website revamp, in collaboration with DCA and will provide more information at the November council meeting.

Ms. Van shared that the Bureau participated in eight outreach events between October 2023 and May 2024, and thanked the staff who helped coordinate and who spoke at these events.

Lastly, Ms. Van mentioned that the Bureau distributes a monthly internal newsletter to keep staff informed on Bureau activities and industry trends.

**Councilmember Comment:** Mr. Weitekamp pointed out that a recommendation on the essential consumer tips flyer is actually a requirement.

Chief Paddock responded that they have discussed this with council and that he can discuss it with Mr. Weitekamp offline.

## 12. Legislative and Policy Updates

Policy Manager Eileen Yap provided legislative and policy updates.

### a. Household Movers Enforcement Regulation Update

Ms. Yap announced that the Bureau is in the final stages of the production phase of the rulemaking process for HHM enforcement regulations and noted that publication is the next step, which she hopes will happen in the

summer.

**b. Upholstered Furniture and Bedding Law Label Regulatory Proposal**

Ms. Yap said that following feedback from the June 2023 council meeting changes were made to the draft Upholstered Furniture and Bedding Law Label Regulatory Proposal, which include incorporating Mr. Grimes' suggestion to retitle the template labels.

Ms. Yap described the changes to the draft, which include updated definitions, removing filling materials from the regulations and placing them in a glossary, updated labeling requirements, a new regulation that requires a digital law label be displayed for each product sold online, and updated template labels.

Ms. Yap stated that after rules are adopted, the Bureau plans to make downloadable fillable template labels available on the Bureau's website.

**Councilmember Comment:** Mr. Weitekamp inquired about the timeline for posting the HHM enforcement regulation online and where it can be found.

Ms. Yap responded that the Bureau is required to give a 45-day notice and that all of the materials will be posted on the Bureau's website.

**Councilmember Comment:** Mr. Grimes stated that he would like to discuss pillows and upholsterers with the Bureau in regard to the labels.

Chief Paddock responded that they could schedule a time to discuss any feedback that Mr. Grimes would like to share.

**Councilmember Comment:** Mr. Weitekamp asked if the HHM Enforcement regulations conflict with the HHM Act.

Ms. Yap responded that there are no conflicts, and that the Bureau cannot adopt regulations that conflict with law.

**c/d/e. SB 814 (Roth, 2023) – BHGS Sunset Bill  
AB 1985 (Patterson, 2024) – Home Solicitation Contracts  
Implementation of SB 244 (Eggman) – Right to Repair Act**

Ms. Yap announced that SB 814, the Bureau's sunset bill, became effective January 1, 2024, and provided an update on implementation of its provisions: training has been provided to managers and staff; the law books have been updated to include the amended language and posted to the Bureau's website; and the Bureau is in the process of consolidating the three funds.

Ms. Yap announced that SB 244 will become effective on July 1, 2024.

She explained that the bill is intended to provide a fair marketplace for repairing electronic and appliance products and to prohibit manufacturers from making third-party repairs more difficult. She also provided on implementation: training has been provided to managers and staff; an industry advisory will be posted on the Bureau's website by the end of June; and social media outreach efforts will follow.

Lastly, Ms. Yap shared that AB 1985 is not moving forward.

Chief Paddock mentioned that AB 2210, sponsored by Assembly Member Petrie-Norris and which was mentioned during public comment, involves ignition interlock devices. The bill proposes a pilot program where five counties would require the installation of interlock ignition devices after the first DUI offense within those counties. He also shared DCA's analysis that passage of the bill would lead to minor additional workload for Bureau staff.

### 13. Confirm November 14, 2024 Meeting Date

DCA Legal Counsel Helen Geoffroy noted that she has a conflict on November 14.

Council members agreed to keep the November 14 meeting date.

### 14. Future Agenda Items

Chief Paddock stated that he would like to discuss service contracts at the November council meeting.

**Councilmember Comment:** Mr. Grimes said that he would like that.

**Councilmember Comment:** Mr. Keepers asked what specific content would be discussed.

Chief Paddock responded that he would provide a summary of the regulatory environment in California and discuss what, if anything should change.

**Councilmember Comment:** Ms. Oakley asked if the names of presenters can be included with the item they are speaking about on the screen at the next meeting. Mr. Rhodes and Mr. Keepers agreed with this request.

Chief Paddock stated that the Bureau would be happy to do that.

## AGENDA ITEM 9

### Administrative Program Update



The Administration Unit is responsible for personnel management, which includes recruitment and hiring, on/off-boarding staff, and assisting Bureau staff in resolving pay and benefits issues. In addition, the unit handles contract administration and procurement, as well as asset management. It also provides support for the Executive Office, covers the reception area, responds to Public Records Act requests, and coordinates record management for the Bureau. Lastly, the unit oversees building facilities requests and provides training and travel liaison assistance for staff.

## Bureau Staffing

Hiring has been a top priority for the Administration unit and management. The Bureau has filled all available vacancies.

Unit	# of Staff Members Allocated	Vacancies
Licensing	11	Fully staffed
Compliance	12	Fully staffed
Case Management	3	Fully staffed
Executive Management	3	Fully staffed
Policy	2	Fully staffed
Administration	6	Office Technician (1)*
Investigations- NorCal	11	Special Investigator (1)*
Investigations- SoCal	10	Special Investigators (2)*
Laboratory	11	Textile Technicians (2)*
<b>TOTAL</b>	<b>69</b>	<b>6</b>

\*Position on hold due to Department of Finance mandated budget expenditure freeze.

## Hiring May 2024 – September 2024

Month	Unit	Classification
May	Compliance	Analyst (1)
June	Investigations- NorCal Investigations- SoCal	Special Investigator (2) Special Investigator (2)
July	Investigations- SoCal Case Management Compliance Administration	Special Investigator (1) Analyst (2) Analyst (1) Office Technician (1)
August	Administration	Analyst (1)
Sept.	Compliance	Office Technician (1)

### Staff Attrition

Fiscal Year	Percentage	# of Staff	Reasons
July 1, 2023- June 30, 2024	12%	8	5 retirements 2 lateral transfers to another state agency 1 promotion with another agency
July 1, 2024 – September 2024	3%	2	2 promotions to another state agency

### Telework

The Bureau recognizes that telework is vital for employee recruitment and retention. Managers closely monitor productivity to ensure that telework does not interfere with work completion. The Bureau is compliant with Governor Newsom’s recent hybrid telework policy: all office-based staff are in the office at least two days per week.

### Staff Engagement

In June 2024, the Bureau combined an all-staff meeting with a picnic-themed potluck and BBQ.

In September 2024, the Bureau held a day-long New Employee Orientation and team-building event for approximately 20 new staff hired over the last 15 months.

In October 2024, the Bureau had a Harvest/Halloween-themed potluck.

Plans are underway for an all-staff meeting in December 2024.

### Contracts and Purchasing

Contracts	Fiscal Year 2023-24	Fiscal Year 2024-25 (July 2024– Sept. 2024)
Executed Contracts	17	6
Contract Amendments	1	1
Contracting Pending DCA Business Service Office	N/A	3
Contracts in Development	N/A	13
Purchase Orders	Fiscal Year 2023-24	Fiscal Year 2024-25 (July 2024– Sept. 2024)
Executed Purchase Orders	25	10
Pending Purchase Orders	N/A	3

## AGENDA ITEM 10

Licensing Program Update



The Licensing Unit oversees four distinct areas: Electronic and Appliance Repair, Home Furnishings and Thermal Insulation, Service Contracts, and Household Movers. Licensing works daily with applicants and licensees who have questions about their application and/or license fees via phone and email. Licensing reviews applications and determines if any requirements have not been met. In addition, Licensing also processes licensing and registration renewals, household mover quarterly reports, address/business/owner changes, delinquencies, license histories/certifications, and reviews new service contract agreement language.

In anticipation of [SB 1451](#) taking effect January 1, 2025, the Bureau has started developing a new interstate household movers application. The new application eliminates the residency requirement for applicants whose principal place of business is outside California but requires that they file with the Bureau a designation of persons upon whom court or agency process may be served. The application also exempts applicants from the exam requirement and requires that they file an affidavit with the Bureau stating they will not conduct intrastate household moves in California.

Electronic and Appliance Repair Registrations									
Quarter Ending	12/31 2022	3/31 2023	6/30 2023	9/30 2023	12/31 2023	3/31 2024	6/30 2024	9/30 2024	Average
Appliance Svc Dealers	2,586	2,663	2,696	2,722	2,748	2,812	2,834	2,838	<b>2,737</b>
Electronic Svc Dealers	3,190	3,192	3,151	3,113	3,056	3,001	2,924	2,925	<b>3,069</b>
Combination Electronic/Appliance Svc Dealers	267	258	260	258	262	257	256	248	<b>258</b>
Service Contract Administrators	75	79	80	80	80	81	80	80	<b>79</b>
Service Contract Sellers	11,877	11,773	11,489	11,806	12,884	12,621	12,628	13,071	<b>12,269</b>
<b>Total Active EAR Registrations</b>	<b>17,995</b>	<b>17,965</b>	<b>17,676</b>	<b>17,979</b>	<b>19,030</b>	<b>18,772</b>	<b>18,722</b>	<b>19,162</b>	<b>18,413</b>

### Home Furnishings and Thermal Insulation Licenses

Quarter Ending	12/31 2022	3/31 2023	6/30 2023	9/30 2023	12/31 2023	3/31 2024	6/30 2024	9/30 2024	Average
Furniture Retailers	1,871	1,894	1,879	1,830	1,826	1,822	1,815	1,755	<b>1,837</b>
Bedding Retailers	1,869	1,903	1,964	1,985	1,976	1,965	1,946	1,872	<b>1,935</b>
Furniture and Bedding Retailers	10,303	10,319	10,310	10,219	10,214	10,063	9,959	10,029	<b>10,177</b>
Custom Upholsterers	433	415	397	392	386	368	366	361	<b>390</b>
Supply Dealers	89	91	91	89	90	87	87	82	<b>88</b>
Importers (includes overseas Manufacturers)	5,946	5,940	5,894	5,843	5,802	5,782	5,780	5,816	<b>5,850</b>
Manufacturers	1,340	1,332	1,323	1,309	1,290	1,270	1,268	1,255	<b>1,298</b>
Sanitizers	31	32	31	31	31	31	32	32	<b>31</b>
Wholesalers	152	151	147	148	148	146	143	144	<b>147</b>
Thermal Insulation Manufacturers	100	99	93	95	99	103	101	98	<b>99</b>
<b>Total Active HFTI Licenses</b>	<b>22,134</b>	<b>22,176</b>	<b>22,129</b>	<b>21,941</b>	<b>21,862</b>	<b>21,637</b>	<b>21,497</b>	<b>21,444</b>	<b>21,853</b>

### Household Movers Permits

Quarter Ending	12/31 2022	3/31 2023	6/30 2023	9/30 2023	12/31 2023	3/31 2024	6/30 2024	9/30 2024	Average
New Permits Issued	31	25	42	16	22	21	32	43	29
Exams Administered	30	32	37	36	32	40	42	50	37
Exam Pass Rate	90%	94%	92%	94%	93%	90%	93%	86%	92%
<b>Total Active HHM Permits</b>	<b>1,096</b>	<b>1,063</b>	<b>1,090</b>	<b>1,051</b>	<b>1,137</b>	<b>1,163</b>	<b>1,189</b>	<b>1,237</b>	<b>1,125</b>

### Household Movers Quarterly Revenue Report

Quarter Ending	12/31 2022	3/31 2023	6/30 2023	9/30 2023	12/31 2023	3/31 2024	6/30 2024	9/30 2024	Average
Quarterly Reports Received	1,123	768	1,039	1,205	1,028	543	1,373	1,089	1,021
Gross Revenue	\$812,411	\$471,001	\$690,021	\$921,955	\$857,179	\$363,654	\$984,061	\$817,669	\$739,744
Admin Fees	\$11,230	\$7,680	\$10,390	\$12,050	\$10,280	\$5,420	\$13,720	\$10,820	\$10,199
CHP Fees	\$5,615	\$3,840	\$5,195	\$6,025	\$5,140	\$2,710	\$6,860	\$5,410	\$5,099
<b>Net Revenue</b>	<b>\$795,566</b>	<b>\$459,481</b>	<b>\$674,436</b>	<b>\$903,880</b>	<b>\$841,759</b>	<b>\$352,959*</b>	<b>\$940,529</b>	<b>\$800,101</b>	<b>\$721,089</b>

\*Because of the transition to Connect and online submission of quarterly reports there were some delays in receiving and cashiering payments. As a result, the revenue collected in the quarter ending March 31, 2024 was unusually low and the revenue collected in the quarter ending June 30, 2024 was unusually high.

## Weeks-to-Process

The chart below provides the “weeks-to-process” for EAR and HFTI applications and renewals, service contract administrator applications, HHM applications, quarterly reports, and verification of insurance policies received each month. “Weeks to process” refers to the average number of weeks before an application or document is initially processed by a licensing technician/analyst after it is received at the Bureau.

Weeks-to-Process Conversion Chart	
1 day	0.1
2 days	0.3
3 days	0.4
4 days	0.6
5 days	0.7
6 days	0.9
7 days	1.0

BHGS Licensing Statistics Calendar Year 2024 Weeks-to-Process							
2024	Mar*	Apr	May	Jun	Jul	Aug	Sep
EAR Initial Apps	4.0	4.3	4.0	2.1	3.2	3.7	1.0
EAR Renewals	3.1	4.1	3.4	1.9	3.3	2.6	0.7
HFTI Initial Apps	3.9	4.3	3.3	4.6	2.1	2.3	1.6
HFTI Renewals	3.9	4.1	4.4	3.4	2.7	3.3	0.4
EAR Service Contract Administrators	4.1	4.2	3.1	1.0	2.1	4.1	3.4
HHM Initial Apps	3.0	7.6	2.6	1.0	1.0	2.1	0.8
HHM Quarterly Reports	6.6	1.0	2.6	0.7	1.1	0.0**	0.1
HHM Certificate of Insurance Documents	0.1	4.1	2.4	3.4	1.7	1.4	0.4

\*Statistical reporting implemented March 11, 2024.

\*\*As an increased number of licensees transition to online submission of quarterly reports, which are automatically processed, there are no or minimal processing times to report.

## AGENDA ITEM 11

Laboratory Update

The Bureau Laboratory conducts testing to ensure that manufacturers comply with all BHGS laws and regulations for the Household Furnishings and Thermal Insulation program. Lab staff conduct physical breakdowns, chemical analyses, and flammability tests of insulation materials, upholstered furniture, bedding products, and mattresses. Following analysis, the resulting scientific reports are used to support the Bureau's enforcement efforts.

## Technical Bulletin 117-2013

Technical Bulletin 117-2013 is California's smolder resistance test for filling materials used in upholstered furniture. This standard is intended to produce upholstered furniture with a reduced risk of smoldering. The standard provides methods for smolder resistance of cover fabrics, barrier materials, resilient filling materials, and decking materials used in upholstered furniture.

The table below shows TB 117-2013 testing results from October 1, 2022 to September 30, 2024. Failures are rare, and overall, manufacturers' products meet California's smoldering standards. Those that have failed are products manufactured outside the United States. During the quarter ending September 30, 2024, Lab staff shifted focus from furniture to thermal insulation to prepare for thermal insulation accreditation.

### TB 117-2013 – Smoldering Test of Upholstered Furniture

Results	Quarter Ending								Overall Results
	12/31/22*	3/31/23	6/30/23*	9/30/23	12/31/23	3/31/24	6/30/24	9/30/24	
Pass	29	22	12	9	11	10	13	3	109
Fail	0	1	0	0	0	0	0	0	1
Total tested	30	23	15	9	11	10	13	3	114
Pass rate	100%	96%	100%	100%	100%	100%	100%	100%	99%

### TB 117-2013 – Manufacturing Locations of Testing Failures

Results	Quarter Ending								Overall Results
	12/31/22*	3/31/23	6/30/23*	9/30/23	12/31/23	3/31/24	6/30/24	9/30/24	
U.S. - California	0	0	0	0	0	0	0	0	0
U.S. – Other States	0	0	0	0	0	0	0	0	0
Outside U.S.	0	1	0	0	0	0	0	0	1
Total Failures	0	1	0	0	0	0	0	0	1
Samples Tested	30	23	15	9	11	10	13	3	114

\*There was one inconclusive sample in the quarter that ended 12/31/2022 and three inconclusive samples in the quarter that ended 6/30/2023. The follow-up samples needed for additional testing information are included in the total tested, but their results are not counted in the pass/fail rate.

## 16 Code of Federal Regulations (CFR) 1633

16 CFR 1633 is the U.S. Consumer Product Safety Commission's standard for the flammability (open flame) of mattress sets. Part 1633 establishes flammability requirements that all mattress sets must meet before sale or introduction into commerce. The standard intends to reduce deaths and injuries associated with mattress fires by limiting the size of the fire generated by a mattress set during a thirty-minute test

Overall, mattress failures are becoming more prevalent; over the past two years 39 percent of mattresses tested have failed 16 CFR 1633. Further, we anticipate an increase in failures following the implementation in 2027 of Assembly Bill 1059, which will ban fiberglass in all mattresses. The Lab could not test mattresses the last two quarters because of difficulties with vendors supplying equipment for the full-scale burn room. The lab expects resolution of these issues by the end of the year.

### 16 CFR 1633 – Flammability (Open Flame) Test of Mattress Sets

Results	Quarter Ending								Overall Results
	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24	6/30/24	9/30/24	
Pass	2	1	4	7	5	3	0	0	22
Fail	5	0	1	6	0	2	0	0	14
Total tested	7	1	5	13	5	5	0	0	36
Pass rate	29%	100%	80%	54%	100%	60%	N/A	N/A	61%

### 16 CFR 1633 – Manufacturing Locations of Testing Failures

Results	Quarter Ending								Overall Results
	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24	6/30/24	9/30/24	
U.S. - California	4	0	1	3	0	2	0	0	10
U.S. – Other States	1	0	0	2	0	0	0	0	3
Outside U.S.	0	0	0	1	0	0	0	0	1
Total Failures	5	0	1	6	0	2	0	0	14
Samples Tested	7	1	5	13	5	5	0	0	36

## Thermal Insulation

Thermal insulation testing includes smoldering, flammability, corrosion, and R-value (efficiency rating) of thermal insulation samples. The Bureau tests various thermal insulation, such as loose-fill cellulose, fiberglass battings, loose-fill fiberglass, and polystyrene foam boards.

In recent years, thermal insulation testing had declined amid a greater focus on the furniture and bedding programs. However, in June 2023, the laboratory implemented a new protocol to increase thermal insulation testing by sending out thermal insulation sample requests every June and December. Over the past two years, the lab tested 31 thermal insulation products, with 25 of those products being tested in the last year. In the past year, the 24 tested insulation samples resulted in a 29 percent failure rate.

### Thermal Insulation Testing – Smoldering, Flammability, Corrosion & R-Value

Results	Quarter Ending								Overall Results
	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24	6/30/24	9/30/24	
Pass	0	4	0	1	5	3	7	2	22
Fail	1	1	0	0	2	1	2	2	9
Total tested	1	5	0	1	7	4	9	4	31
Pass rate	0%	80%	N/A	100%	71%	75%	78%	50%	71%

### Thermal Insulation – Manufacturing Locations of Testing Failures

Results	Quarter Ending								Overall Results
	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24	6/30/24	9/30/24	
U.S. - California	0	0	0	0	2	0	0	2	4
U.S. – Other States	1	1	0	0	0	1	1	0	4
Outside U.S.	0	0	0	0	0	0	1	0	1
Total Failures	1	1	0	0	2	1	2	2	9
Samples Tested	1	5	0	1	7	4	9	4	31

## Bedding Testing – Finished Size and Net Weight

Bedding testing consists of compliance with finish size and net weight measurements. Examples of bedding products include comforters, bed pillows, mattress pads, and mattresses.

Bedding failures (finish size and net weight) are relatively split among all manufacturing locations. Bedding failures are high, and the Bureau will be releasing guidance on how to conduct finished size and net weight by the end of 2024.

Bedding Testing – Finished Size and Net Weight*									
Results	Quarter Ending								Overall Results
	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24	6/30/24	9/30/24	
Pass	11	2	7	10	7	5	2	5	49
Fail	4	3	5	2	4	6	4	9	37
Total tested	15	5	12	12	11	11	6	14	86
Pass rate	83%	40%	58%	83%	64%	45%	33%	36%	57%

\*Please note: Label failures are not reported in this section of the Lab update.

Bedding Testing – Manufacturing Locations of Testing Failures									
Results	Quarter Ending								Overall Results
	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24	6/30/24	9/30/24	
U.S. - California	2	0	1	2	2	3	1	0	11
U.S. – Other States	0	1	3	0	1	2	0	2	9
Outside U.S.	2	2	1	0	1	1	3	7	17
Total Failures	4	3	5	2	4	6	4	9	37
Samples Tested	15	5	12	12	11	11	6	14	86

The table below includes combined test results for TB 117-2013, 16 CFR 1633, bedding, and thermal insulation. Information about label review and flame-retardant chemical testing results follow.

Each year the lab undergoes one onsite accreditation review which requires significant staff time to prepare. As a result, testing numbers decline during this period. In 2022, accreditation was in October and in 2023 it was in May. The 2024 accreditation focused on the thermal insulation program and took place in October. Most of the samples from

the past year were thermal insulation and bedding, which led to higher failure rates in those areas. The Lab is currently prioritizing bedding, mattresses, and thermal insulation.

BHGS Laboratory Testing Totals									
Results	Quarter Ending								Overall Results*
	12/31/22*	3/31/23	6/30/23*	9/30/23	12/31/23	3/31/24	6/30/24	9/30/24	
Pass	42	29	23	27	28	21	22	10	202
Fail	10	5	6	8	6	9	6	11	61
Total tested	52	34	29	35	34	30	28	21	263
Pass rate	81%	85%	79%	77%	82%	70%	79%	48%	77%

\*There was one inconclusive sample in the quarter that ended 12/31/2022, and three inconclusive samples in the quarter that ended 6/30/2023. The follow-up samples needed for additional testing information are included in the total tested, but their results are not counted in the pass/fail rate.

## Flame Retardant Chemical Labeling and Testing

Since the passage of SB 1019 in 2015, manufacturers are required to state if their product does or does not contain flame-retardant chemicals. Currently, almost all manufacturers state they do not use flame-retardant chemicals in their products.

The Bureau sends products where the flammability label includes a “contains NO added flame retardant” statement to the California Department of Toxic Substances Control (DTSC) for chemical analysis to confirm the accuracy of the statement. This includes juvenile products, foam in adult mattresses, and upholstered furniture.

No samples sent to DTSC between October 1, 2022 and September 30, 2024, contained over 1000ppm (parts per million) of flame-retardant chemicals. Though each sample can involve sending multiple layers to DTSC for testing, it will only be recorded as one overall pass or fail. BHGS did not send any samples to DTSC between April 1, 2023 and March 31, 2024, because the contract with DTSC had expired. Currently, the contract is back in effect and samples have been sent and tested by DTSC.

Flame Retardant Chemical Statement Analysis									
Results	Quarter Ending								Overall Results
	12/31/22	3/31/23	6/30/23*	9/30/23	12/31/23	3/31/24	6/30/24	9/31/24	
No Added FR Chemicals	29	23	14	9	10	10	13	3	111
Added FR Chemicals	0	0	0	0	0	0	0	0	0
No Box Checked	1	0	2	0	1	0	0	0	4
Total tested	30	23	16	9	11	10	13	3	115
Pass rate	97%	100%	93%	100%	91%	100%	100%	100%	97%

\*In the quarter ending June 30, 2023, one of the upholstered furniture items predated TB 117-2013 and SB 1019 and was, therefore, not factored into the pass rate for flame retardant chemical statements.

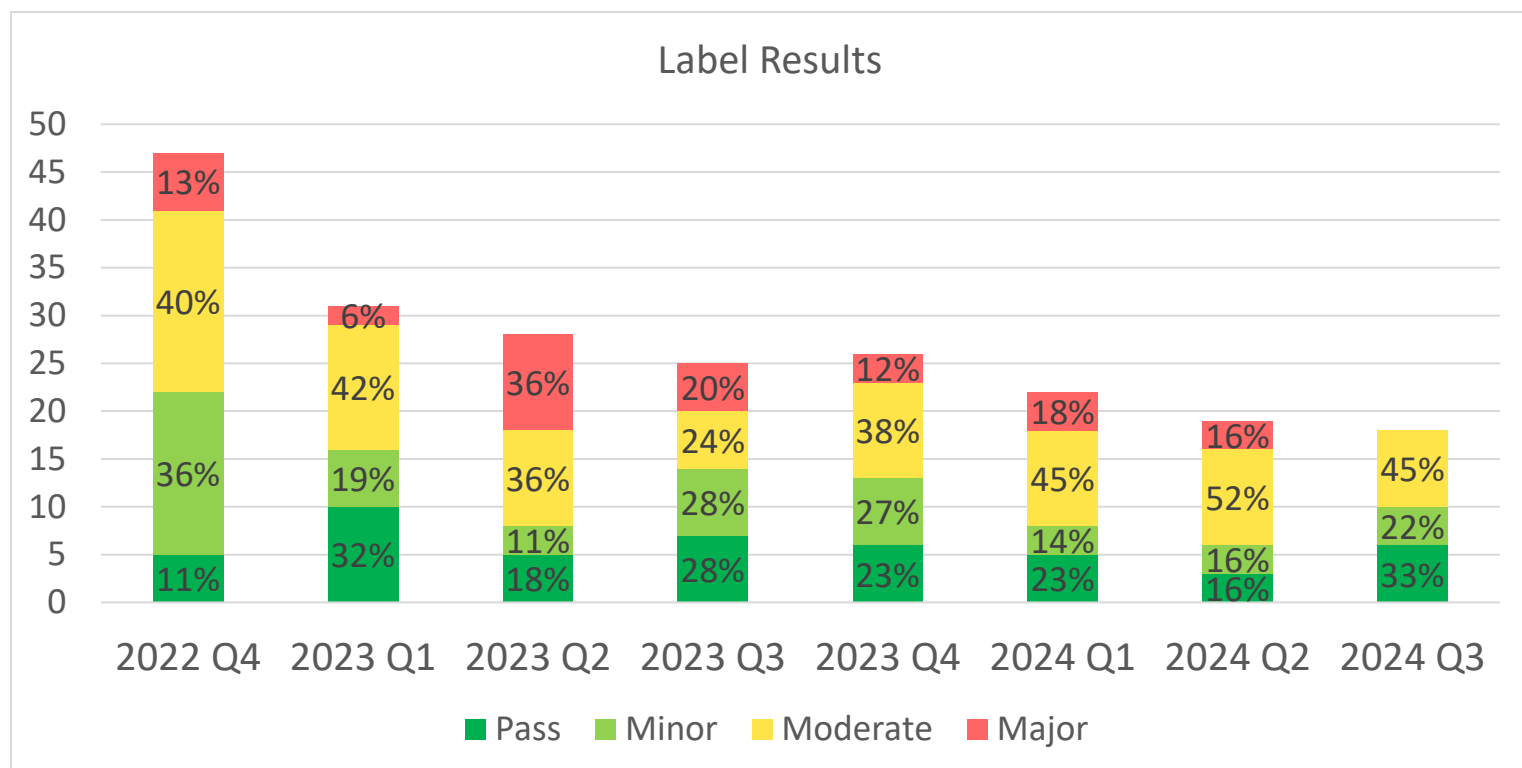
Samples Analyzed by DTSC with the “No Added Flame Retardant” Chemical Statement									
Results	Quarter Ending								Overall Results
	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24	6/30/24	9/30/24	
Pass	1	1	0	0	0	0	4	0	6
Fail	0	0	0	0	0	0	0	0	0
Total tested	1	1	0	0	0	0	4	0	6
Pass rate	100%	100%	N/A	N/A	N/A	N/A	100%	N/A	100%

## Label Review

Label review is conducted on all mattresses, upholstered furniture, and bedding products. A Laboratory analyst reviews the law and flammability labels attached to the products to determine if the manufacturer has followed the rules and regulations that apply to their product. Between October 1, 2022 and September 30, 2024, only 22 percent of labels reviewed had no violations, while 78 percent had at least one violation, as shown in the two charts below.

The Bureau will reimburse businesses with samples that pass or samples with minor labeling failures, but not those with moderate labeling failures. Major labeling failures lead to enforcement action against the manufacturer.

Label Results									
Results	Quarter Ending								Overall Results
	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24	6/30/24	9/30/24	
Pass	5	10	5	7	6	5	3	6	47
Minor	17	6	3	7	7	3	3	4	50
Moderate	19	13	10	6	10	10	10	8	86
Major	6	2	10	5	3	4	3	0	33
Total tested	47	31	28	25	26	22	19	18	216
Pass rate	11%	32%	18%	28%	23%	23%	16%	33%	22%



## AGENDA ITEM 12

### Enforcement Program Update

- a. Interstate Household Mover Investigations and Citations
- b. Review of Citation and Disciplinary Actions for Website

## Enforcement Program Update and Statistical Review

The Enforcement Program is comprised of four units: The Compliance Unit handles incoming complaints and desk investigations; the Northern Special Investigations Unit handles cases from northern Los Angeles, along the coast to Northern California; the Southern Special Investigations Unit handles cases from Kern County, across Southern Los Angeles, and through Orange County and the Inland Empire to San Diego; and Case Management schedules citation review conferences, reviews citations and field reports, provides analyst support to field staff, gathers information for the Enforcement program logs and statistics, and manages the Bureau's Collections Program.

### Investigation Highlights

#### Attorney General Referrals

In June 2024, the Bureau received a default decision and order to revoke the license of an EAR business with locations in Montclair and Rancho Cucamonga that was cited multiple times after the license become delinquent. Additional violations included providing false or misleading records, failing to provide written estimates, and numerous invoice violations.

In addition to the case noted above, between June 2024 and August 2024, the Enforcement division referred one HHM case, one HFTI case, and one EAR cases to the Attorney General's Office for license revocation.

- The accusation against the licensed HHM was served on October 3, 2024, seeking to revoke the license of a San Diego household mover. The Bureau investigated multiple complaints against the business who failed to respond to consumer claims for damage, did not provide estimates, advertised without a valid permit after their permit was suspended, and failed to cooperate with investigators.
- The HFTI accusation was served October 24, 2024, seeking to revoke the license of a HFTI business with multiple locations, who falsely advertised or misrepresented merchandise, failed to make furniture deliveries within a reasonable time or make a refund, failed to have a valid license at some of the locations, failed to pay fines, failed to comply with orders of abatement, and multiple other causes for discipline.
- The EAR accusation is in its final review and is also seeking to revoke the license of a Fremont-based business for failure to provide estimates for repairs, failing to provide records for inspections, and operating with an expired license.

#### Cooperation Among Agencies and Partners

The Enforcement program participates in quarterly consumer fraud taskforce meetings with the San Diego County District Attorney's Office, along with other local law enforcement agencies. In September 2024, the Bureau Chief attended that taskforce in person. In June 2024 and September 2024, Bureau staff attended the San Bernardino County Strike Force meeting, and in August 2024, staff attended the Central Valley Taskforce meeting.

Since the May 2024 Advisory Council meeting, Bureau staff have continued to collaborate with the California Highway Patrol to share information and discuss HHM inspection strategies.

### **Memorandum of Agreement with Federal Motor Carrier Safety Administration**

In October 2020, the Bureau and the Department of Transportation Federal Motor Carrier Safety Administration (FMCSA) signed a Memorandum of Agreement. As a result, Bureau staff have access to various FMCSA systems and can assist with taking enforcement action and the release of goods for moves that take place outside of California. On April 15, 2024, the Special Investigations Unit participated in the FMCSA field operation Protect Your Move in Southern California, visiting businesses during household mover inspections. During the operation a notice of claim was issued by FMCSA for \$7,730, along with a letter of probable violation to an interstate mover with a fine for \$50,160.

Participating in that field operation and meeting with the FMCSA team has assisted the Bureau in developing policies and procedures to begin issuing citations for violations related to interstates in November 2024.

### **Sweep and Sting Operations**

On April 24 and 25, 2024, investigators with the Enforcement program performed a compliance sweep in Los Angeles County focusing on businesses operating without a valid license at well-attended swap meets and in neighboring areas. The team conducted 32 inspections, delivering comprehensive education and informational materials to small businesses. The findings revealed that four licensees were no longer in business, 12 delinquent EAR/HFTI businesses, and an additional 12 unlicensed EAR/HFTI businesses.

On June 19, 2024, Enforcement staff performed a compliance sweep in San Joaquin County, Stockton, and Modesto focused on businesses operating either without a license or with a delinquent license. Fourteen businesses were contacted, eight HFTI and six EAR businesses. Nine citations were issued and four licenses were closed as out of business to prevent renewal fees from accruing against those businesses.

On June 20, 2024, Bureau Enforcement staff conducted a compliance sweep in Napa County, Fairfield, and Vallejo, also with a focus on businesses operating unlicensed and operating with a delinquent license. 15 businesses were contacted, resulting in nine citations, four business licenses were closed as out of business.

On July 24 and 25, 2024, the Enforcement program performed a compliance sweep in San Diego focused on businesses operating without a valid license. Investigators visited 25 businesses, including three HHM, seven HFTI, and 15 EAR, and issued five citations for operating without a license or with a delinquent license. During the two-day sweep, staff also provided educational outreach to three businesses.

In September and October 2024, Enforcement investigators conducted a sweep of a business that had opened locations throughout the state without a valid license. The

sweep resulted in 15 citations for operating without a valid HFTI license. Four other locations were also inspected and outreach was provided to those locations. The business has contacted the Bureau and has applied to license their locations.

An undercover sting is currently planned for early November. Once completed, the Enforcement unit will provide additional details at the Advisory Council meeting.

### **Cease Letters**

Between April 2024 and September 2024, the Enforcement program issued 58 cease letters to businesses found to be operating or advertising without a valid Bureau license: 29 household movers; six HFTI businesses; and 23 EAR businesses. These letters notify businesses that a Bureau license is required and include information about how they can obtain a license and inform them that continued operations may result in administrative action.

### **BHGS Collections Program**

The Bureau initiated its collections program in October 2024, by sending notices for unpaid citation fines to businesses. The process includes three notices to the business allowing them an opportunity to pay the outstanding fines before their debt is referred to collections by the Franchise Tax Board or DCA Collections. In the first two weeks of the program, 32 businesses were contacted with the first round of notices.

### **Consumer/Business Assistance**

The Enforcement program works daily with consumers to help resolve complaints filed against both licensed and unlicensed businesses. Between April 1, 2024, and September 30, 2024, this work resulted in savings to the public of \$52,747 for EAR and HFTI complaints. The following are examples of cases that also highlight these efforts. In April 2024, the Bureau assisted with the hold hostage release of 1420 cubic feet of consumer belongings during an investigation against an interstate mover. The consumer hired the mover to transport belongings from San Francisco to Nevada, for which they received an estimate of \$13,803 for the move. On the day of the move, the mover demanded an additional \$5,838 in fees, which the consumer disputed. The moving company then took the belongings to a storage facility and refused to release them until the consumer paid the balance. With the assistance of the Bureau, the moving company released the goods without payment of the additional fees.

In June 2024, the Bureau investigated an EAR complaint about an appliance repair that was not completed. The service technician accepted a payment of \$800, cashed the check, and refused to return the money. With the Bureau's assistance, the consumer received an \$800 refund. The business was cited for invoice violations and failure to maintain records, as required by law.

In July 2024, the Bureau assisted a consumer who received damaged furniture from a national chain furniture store. The company attempted to replace the items, but the consumer once again received damaged goods. The retailer stopped communicating

with the consumer, who then filed a complaint with the Bureau. Through mediation, the company provided the consumer with a full refund of \$5,329.

In July 2024, the Bureau investigated a complaint against a HFTI business after a consumer purchased a custom order mattress but did not receive the mattress or a refund, two months after the purchase. Bureau staff met with the business and mediated a refund for the consumer of \$1834, on the same day. Due to similar substantiated complaints against the business at other locations, the case has been referred for administrative action.

In August 2024, the Bureau assisted in the resolution of 14 complaints filed against a national chain furniture store. Despite the company's strict return and refund policy, they willingly cooperated with the investigation and issued refunds and exchanges ranging from \$150 to \$8,000 to make the consumers whole. Multiple locations of the company were inspected and educated about the need to update signage regarding their refund and return policies.

In September 2024, the Bureau investigated a HFTI complaint about a custom leather couch that measured 77 inches when it was delivered but was advertised as an 86-inch couch. Although the business acknowledged this error and offered to remake the sofa, the consumer asked to cancel their order and requested a refund due to the delay. Because the business has a policy not to issue refunds for cancelled orders, the Bureau then mediated a resolution and ensured that the consumer was satisfied that the sofa that was delivered as ordered for a total savings to the consumer of \$15,768.

### **Complaints Received and Investigations Initiated**

All complaints received by the Bureau are processed and triaged by the Compliance unit, and each complainant receives an acknowledgement letter. Compliance unit staff then determine if the Bureau has jurisdiction. Bureau staff close non-jurisdictional cases without investigation and send a letter to the consumer with information about other remedies. When the Bureau does have jurisdiction, complaints are mediated or investigated further.

The table on the next page shows the number of incoming complaints for all three program areas between October 1, 2022 and September 30, 2024, and the number closed without investigation (non-jurisdictional) or referred for investigation. The number of cases referred for investigation fluctuates from quarter to quarter.

While variance is not uncommon, Bureau staff have seen an increase in complaints for all three programs over the last two quarters, which is likely the result of updates made to simplify the online complaint form. The largest increase has been for the EAR program, though a majority of these have been non-jurisdictional. The Bureau provides these consumers additional resources and referrals to other agencies who can assist them with their complaint. The Bureau continues to investigate all incoming HHM complaints and staff will continue to closely monitor these numbers to identify any potential long-term trends.

Complaints Received*								
	10/1/22-12/31/22	1/1/23-3/31/23	4/1/23-6/30/23	7/1/23-9/30/23	10/1/23-12/31/23	1/1/24-3/31/24	4/1/24-6/30/24	7/1/24-9/30/24
<b>EAR</b>								
Received	287	276	303	303	292	319	315	482
Closed w/out Investigation	204	192	165	184	167	212	216	330
Referred for Investigation	88	72	128	126	119	116	97	140
<b>HFTI</b>								
Received	124	141	136	115	146	99	123	98
Closed w/out Investigation	92	75	56	35	60	33	50	41
Referred for Investigation	37	54	72	81	86	68	74	58
<b>HHM</b>								
Received	89	96	91	111	97	79	184	143
Closed w/out Investigation	0	0	0	0	0	0	0	0
Referred for Investigation	109	94	91	111	97	79	184	149
<b>Bureau Totals</b>								
Received	500	513	530	529	535	497	622	723
Closed w/out Investigation	296	267	221	219	227	245	266	371
Referred for Investigation	234	220	291	318	302	263	355	347

\*The number of complaints received for each quarter will not be equivalent to the combined "closed without investigation" and "referred for investigation" because complaints either closed or investigated may have been received during a prior quarter or closed during the following quarter.

## Investigations

Compliance unit analysts perform desk investigations and mediate licensed electronic and appliance repair complaints, as well as home furnishings and thermal insulation complaints. Household mover complaints are forwarded to a lead Compliance unit analyst and the Special Investigations unit for investigation following initial triage. The Compliance unit is also responsible for investigating and writing citations for laboratory testing that result in label or flammability failure, investigating licensing fee waivers, and investigating criminal background and subsequent arrest investigations.

The Special Investigations unit investigates egregious complaints against licensed and unlicensed businesses. SIU staff are located throughout California and work with other state and local agencies, sharing case information and strategies to assist in mediation between businesses and consumers. In addition, SIU staff conduct field inspections to address unlicensed operations and license renewal delinquencies and collect product samples for testing in the Bureau lab.

The chart below shows the number of investigations conducted between October 1, 2022 and September 30, 2024. As in years past, the number of cases referred for investigation varies from quarter to quarter. Bureau management continue to monitor these numbers to identify any long-term trends.

Investigations								
	10/1/22-12/31/22	1/1/23-3/31/23	4/1/23-6/30/23	7/1/23-9/30/23	10/1/23-12/31/23	1/1/24-3/31/24	4/1/24-6/30/24	7/1/24-9/30/24
<b>EAR</b>								
<b>Received</b>	96	72	140	126	119	116	97	141
<b>Closed</b>	80	50	57	94	109	80	113	126
<b>HFTI</b>								
<b>Received</b>	49	57	135	81	86	68	74	58
<b>Closed</b>	34	40	35	35	59	87	84	94
<b>HHM</b>								
<b>Received</b>	109	94	67	111	97	79	184	149
<b>Closed</b>	136	24	28	32	24	109	90	132
<b>Bureau Totals</b>								
<b>Received</b>	254	223	342	318	302	263	355	348
<b>Closed</b>	250	114	120	161	192	276	287	352

Note: Until June 1, 2023, household mover complaints were forwarded to the Special Investigations unit for investigation after the Compliance unit completed its initial triage. Since then, the Compliance unit has conducted desk investigations for household mover complaints.

## Enforcement Program Citations Assessed

During an investigation and while conducting inspections, Enforcement staff use a variety of methods to achieve compliance, including education, cease letters, and citations. The chart on the next page details the number of citations issued and the overall amount assessed for all three programs between October 1, 2022 and September 30, 2024. Changes in SIU staffing – onboarding, new employees, and extended leave – have led to some fluctuations quarter-to-quarter in the number of citations issued. Management is committed to cross-training Enforcement staff so that all investigators can work in all three program areas.

The chart also includes information about the monies collected from citations. . The amount collected in each quarter may include payments from citations issued in a previous quarter. Also, citation amounts may be modified as a result of a decision made after a Citation Review Conference, an Administrative Hearing, or a citation withdrawal. Cooperation and good faith efforts demonstrating compliance by the business are taken into consideration when determining the modification of fines.

Citations Assessed								
	10/1/22-12/31/22	1/1/23-3/31/23	4/1/23-6/30/23	7/1/23-9/30/23	10/1/23-12/31/23	1/1/24-3/31/24	4/1/24-6/30/24	7/1/24-9/30/24
<b>EAR</b>								
Citations Issued	39	20	27	38	42	31	26	50
Amount Cited	\$10,450	\$5,250	\$7,000	\$11,315	\$10,400	\$7,525	\$6,700	\$11,630
Amount Collected	\$1,650	\$1,600	\$2,800	\$2,570	\$2,150	\$1,825	\$1,100	\$2,560
<b>HFTI</b>								
Citations Issued	19	42	45	18	43	38	33	43
Amount Cited	\$9,100	\$18,950	\$26,350	\$11,100	\$27,650	\$29,750	\$19,800	\$24,900
Amount Collected	\$750	\$4,200	\$7,400	\$5,000	\$4,500	\$13,650	\$3,825	\$750
<b>HHM</b>								
Citations Issued	13	21	12	19	13	10	4	3*
Amount Cited	\$22,000	\$45,000	\$20,500	\$26,000	\$29,500	\$13,500	\$5,000	\$6,000
Amount Collected	\$1,000	\$3,500	\$1,000	\$1,000	\$500	\$500	\$0	\$0
<b>Bureau Totals</b>								
Citations Issued	71	83	84	75	98	79	63	96
Amount Cited	\$41,550	\$69,200	\$53,850	\$48,415	\$67,550	\$50,775	\$31,500	\$42,530
Amount Collected	\$3,400	\$9,300	\$11,200	\$8,570	\$7,150	\$15,975	\$4,925	\$5,760

\* The Bureau issued fewer HHM citations in the previous two quarters due to hiring and training. Training is now complete for all but one special investigator. Accordingly, from October 1, 2024 to October 25, 2024, the Bureau issued 14 HHM citations.

## Lab Failure Statistics

Below is information on enforcement actions related to Lab failures. Home furnishings and thermal insulation samples are collected by Enforcement staff throughout the state for testing by the Bureau's Lab for compliance with label and flammability requirements. For products that fail, Compliance unit staff investigate and write citations for violations of label and flammability requirements. Pending citations, which are not included in the chart below, relate to flammability failures.

Lab Failures		
	1/1/2024-3/31/2024	4/1/2024-9/30/2024
<b>Lab Failure Advisory Letters</b>	7	8
<b>Lab Failure Citations Issued</b>	19	9
<b>Lab Failure Total Fines Assessed</b>	\$17,850	\$7,600
<b>Lab Failure Cases Completed</b>	26	17

Note: Staff began tracking Lab failures January 1, 2024. The number of Lab Failure Cases Completed between January 1, 2024 and March 31, 2024, is higher because it included samples procured throughout 2023.

## Webpage Citations and Disciplinary Actions – Current

The Enforcement Program, working with Content Manager Joanne Van, is updating some of the Bureau’s website pages while the redesign of the overall website is underway to make it easier for consumers to find pertinent enforcement information about businesses. Below are images of both the current website as well as proposed changes for the Citations and Disciplinary Actions as well as the License Search pages.

### Citations and Disciplinary Actions – Current Webpage

#### Citations and Disciplinary Actions

##### ◦ Citations

- [2021](#)
- [2020](#)
- [2019](#)
- [2018](#)
- [2017](#)
- [2016](#)
- [2015](#)

##### ◦ Disciplinary Actions

[A](#) [B](#) [C](#) [D](#) [E](#) [F](#) [G](#) [H](#) [I](#) [J](#) [K](#) [L](#) [M](#) [N](#) [O](#) [P](#) [Q](#) [R](#) [S](#) [T](#) [U](#) [V](#) [W](#) [X](#) [Y](#) [Z](#)

**Aguirre, Rafael:** Subject to Disciplinary Action for conviction of a crime substantially related to the qualifications, functions, or duties of an Appliance Repair Dealer and Knowingly Making a False Statement of Fact.


No License; North Hills

[03/01/2012: Statement of Issues](#)




**Alrawashdeh, Murad :** Subject to Disciplinary Action for conviction of a crime substantially related to the qualifications, functions, or duties of a Furniture & Bedding Retailer.


No License; Fresno

[03/01/2016: Statement of Issues](#)



Quick Links

- ◊ [License Search](#)
- ◊ [Contact Us](#)
- ◊ [Council Meetings and Workshops](#)
- ◊ [File a Complaint](#)
- ◊ [Citations and Disciplinary Actions](#)
- ◊ [License Application](#)
- ◊ [Renew a License](#)
- ◊ [Frequently Asked Questions, EAR](#)
- ◊ [Frequently Asked Questions, HFTI](#)
- ◊ [Frequently Asked Questions, HHM](#)
- ◊ [Join Our Interested Parties List](#)


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Select Language
▼

Powered by  [Google Translate](#)

## License Search – Current Webpage

### ▼ License Search

- ◊ [License Search for Household Movers](#)
- ◊ [License/Registry Search for All Other License Types](#)


A license/registration may exist in any of the following statuses:

**Canceled:** The licensee/registrant is prohibited from operating. A licensee/registrant with a canceled license/registration may reapply as a new applicant and must meet the current requirements for approval.

**Current:** The license/registration is valid. The licensee/registrant can operate prior to the license/registration expiration date. Licenses/registrations in "Current" status may be subject to certain probationary terms and restrictions.

**Delinquent:** A license/registration is delinquent if not renewed by its expiration date. A licensee/registrant may not operate until the license/registration is properly renewed.

**Revoked:** The Bureau has taken away the license/registration to operate.

 Quick Links

- ◊ [License Search](#)
- ◊ [Contact Us](#)
- ◊ [Council Meetings and Workshops](#)
- ◊ [File a Complaint](#)
- ◊ [Citations and Disciplinary Actions](#)
- ◊ [License Application](#)
- ◊ [Renew a License](#)
- ◊ [Frequently Asked Questions, EAR](#)
- ◊ [Frequently Asked Questions, HFTI](#)
- ◊ [Frequently Asked Questions, HHM](#)
- ◊ [Join Our Interested Parties List](#)

## Citations and Disciplinary Actions Webpage – Proposed

Below is the proposed webpage where the public will be able to see the list of citations and disciplinary actions on the same page as the license search as shown below (in both a collapsed and expanded version).

## Combined Webpage (Collapsed) – Proposed

### License Search

Household Movers

All Other Licenses

▼ Citations

▼ Disciplinary Actions

### Glossary & Disclaimers

▼ License Status Language

A license/registration may exist in any of the following statuses:

- **Canceled:** The licensee/registrant is prohibited from operating. A licensee/registrant with a canceled license/registration may reapply as a new applicant and must meet the current requirements for approval.
- **Current:** The license/registration is valid. The licensee/registrant can operate prior to the license/registration expiration date. Licenses/registrations in "Current" status may be subject to certain probationary terms and restrictions.

Combined Webpage (Expanded) – Proposed

License Search

Household Movers

All Other Licenses

V Citations

Search

Business Name	Owner	City	License #/Unlicensed	Violation Section	Citation Date	Fine Amount
ABC Appliance Repair	John Smith	Elk Grove	Unlicensed	19049	2023/12/13	\$50
Midtown Upholstery	Joe Schmo	Sacramento	123456	19086	2024/01/12	\$0
Sacramento Movers	Jane Doe	Roseville	Unlicensed	19049	2024/06/20	\$250

V Disciplinary Actions

Search

Business Name	Owner	City	License #/Unlicensed	Notes
ABC Appliance Repair	John Smith	Elk Grove	Unlicensed	<a href="#">2023/12/13</a>
Midtown Upholstery	Joe Schmo	Sacramento	123456	<a href="#">2024/01/12</a>
Sacramento Movers	Jane Doe	Roseville	Unlicensed	<a href="#">2024/06/20</a>

Glossary & Disclaimers

V License Status Language

A license/registration may exist in any of the following statuses:

- Canceled:** The licensee/registrant is prohibited from operating. A licensee/registrant with a canceled license/registration may reapply as a new applicant and must meet the current requirements for approval.
- Current:** The license/registration is valid. The licensee/registrant can operate prior to the license/registration expiration date. Licenses/registrations in "Current" status may be subject to certain probationary terms and restrictions.

## AGENDA ITEM 13

Communications and Education Update



The Bureau's Outreach Unit, in coordination with the Department of Consumer Affairs' Communications Office, leads efforts related to outreach, publications, website redesign/update, social media management, video creation and editing, and overall communications targeted to consumers, licensees, applicants, and other interested parties.

Since May 2024, the Bureau has increased its outreach and communications efforts in the following areas:

### **Video**

A video was published providing an overview of the Bureau, which explains the Bureau's jurisdiction and work that is performed in each regulated industry. The video was published on DCA's YouTube channel (<https://youtu.be/4l9H8yO2GRY>) and shared to the Bureau's website, Facebook, Instagram, LinkedIn, and X accounts.

Another video, aimed at consumers hiring a household mover, is in the final editing stages. This collaboration with DCA will highlight key information consumers should be aware of when hiring a mover as well as provide tips on how to avoid scams.

All BHGS videos can be found on DCA's YouTube channel: [youtube.com/user/californiadca](https://youtube.com/user/californiadca).

### **Fliers and Publications**

A consumer publication on helpful information to know before signing a service contract was published to the website in both [English](#) and [Spanish](#). The flier explains jargon commonly used in service contract transactions, consumer rights, and tips on what to do when there is a problem. In addition to being posted on the website, the publication is distributed at outreach events and promoted on social media.

To aid movers in using Connect, instructions for [account registration](#) and [filing quarterly reports](#) were posted to the Bureau's website. These instructions were also mailed to movers along with invitations to an October 10, 2024, webinar on how to file a quarterly report, which is further discussed in the "Presentations" section below.

An industry advisory was posted to the Bureau's website explaining "The Right to Repair Act," what it does and does not cover, and requirements of manufacturers. The industry advisory is available in [English](#) and [Spanish](#).

### **Social Media**

In early 2024, the Bureau began updating its social media accounts at least once a week in both English and Spanish.

Topics posted on social media change week-to-week and include job listings, industry advisories, consumer resources, how-to guides, timely updates, and more across all Bureau programs for applicants, licensees, and consumers.

Below are the Bureau's social media numbers for the past four quarters:

Platform	Followers				
	10/01/2023-12/31/2023	1/01/2024-3/31/2024	4/01/2024-6/30/2024	7/01/2024-9/30/2024	Percent Change – YTD
<a href="#">Facebook</a>	248	262	270	275	+10.9%
<a href="#">Instagram</a>	166	170	174	179	+7.8%
<a href="#">LinkedIn</a>	175	183	196	228	+30.3%
<a href="#">X</a>	117	122	131	156	+33.3%

Examples of published social media graphics:

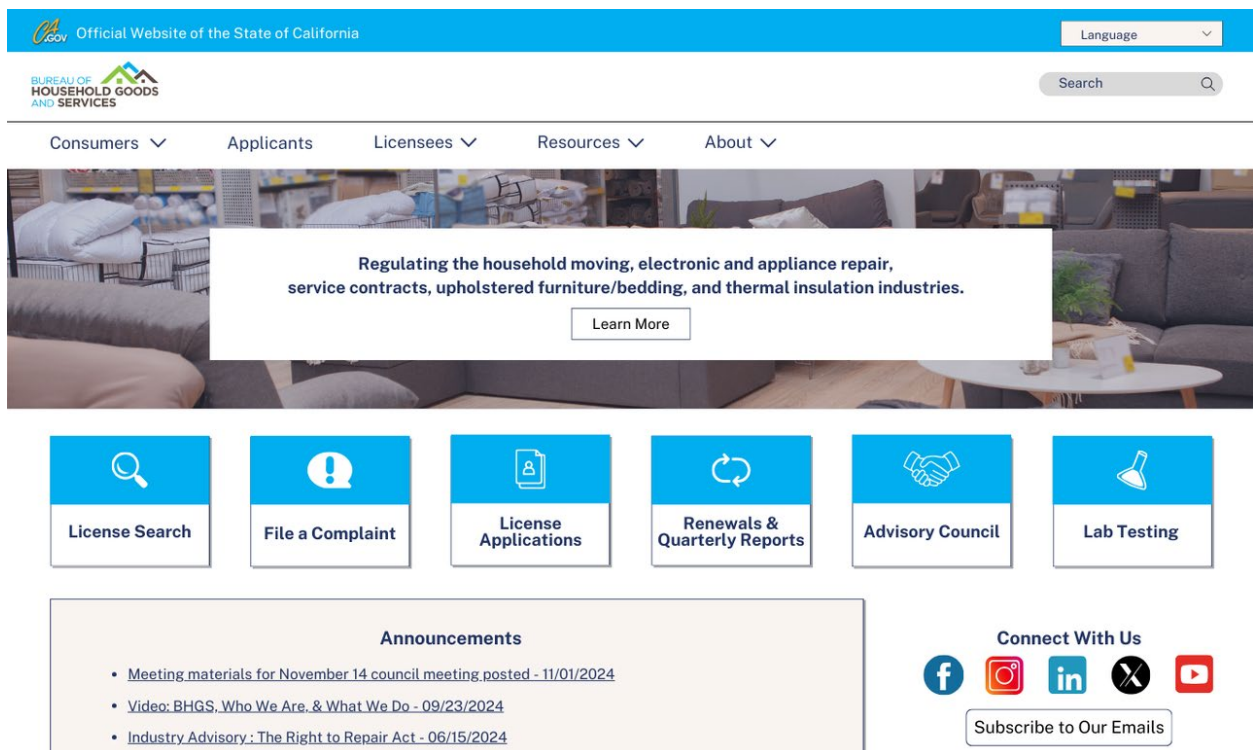


## Website

The online process to submit a complaint with the Bureau has been simplified. A single [online complaint form](#) for all regulated industries was published on the website on May 28, 2024. The new form contains convenient features such as options to add multiple businesses to a complaint, the ability to attach additional documentation, and the option to remain anonymous. Since implementing this change, Bureau staff have seen a significant increase in the number of HHM complaints (184 and 143 complaints in each of the last two quarters, as compared to an average of 100 in the six quarters prior to the update), which staff believe is attributable to the new, easier to complete form. Consumers can still submit a [complaint form](#) through email, mail, or PDF software if they prefer.

The Bureau is redesigning its citation webpage so that information is updated regularly and presented clearly. The Bureau has solidified a final design for the webpage and is working with DCA to implement these changes. Some new features include consolidating citation and disciplinary action information on the license search webpage as well as a search feature to filter through citation and disciplinary action data.

The Bureau plans to fully redevelop the public website to encourage ease of navigation, prioritize essential tools and information, and maintain ADA compliance. The Bureau is in the process of drafting designs for all webpages on the website and will work with DCA to determine which designs are the most accessible and effective. Below is a draft of what the website home page could look like.



## Presentations/Outreach

The Bureau participated in ten outreach events between June and October 2024:

1. On June 12, 2024, Oliver Manila and Christopher Herron represented the Bureau at a strike force meeting with the San Bernadino County Deputy District Attorney's Office. They shared information on the Bureau's HHM enforcement efforts, including investigating complaints, conducting sting operations, and success stories.

2. On June 21, 2024, Mary Le and Alanna Orzhekhovsky represented the Bureau at a Senior Scam Stopper outreach event in Merced with about 90 people in attendance coordinated by the Contractors State License Board and Assembly Member Soria's district office.



Mary Le and Alanna Orzhekhovsky at a Senior Scam Stopper outreach event in Merced.

3. On June 21, 2024, Oliver Manila and Larry Perlman represented the Bureau at a Senior Scam Stopper outreach event in Palm Springs with about 180 people in attendance coordinated by the Contractors State License Board and Assembly Member Wallis' district office.



Attendees at a Senior Scam Stopper outreach event in Palm Springs.

4. On July 8, 2024, Nancy Torres-Mancia and Tracy Cortina represented the Bureau at a Senior Scam Stopper outreach event in Camarillo with about 80 people in attendance coordinated by the Contractors State License Board and Assembly Member Bennett's district office.



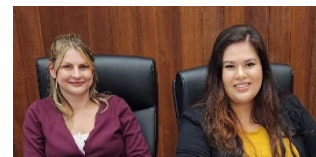
Nancy Torres-Mancia and Tracy Cortina at a Senior Scam Stopper outreach event in Camarillo.

5. On July 9, 2024, Nancy Torres-Mancia and Tracy Cortina represented the Bureau at a senior-focused outreach event in Goleta with about 60 people in attendance coordinated by the Department of Insurance and Senator Limon's district office.



Attendees at a Senior Scam Stopper outreach event in Goleta.

6. On August 2, 2024, Destiny Wells and Maria Rodriguez represented the Bureau at a Senior Scam Stopper outreach event in Milpitas with about 70 people in attendance coordinated by the Contractors State License Board and Assembly Member Lee's district office. At the event, Maria also spoke with Telemundo in a [Spanish-language interview](#) about



Destiny Wells and Maria Rodriguez at a Senior Scam Stopper outreach event in Milpitas.

the Bureau's jurisdiction and how scam prevention presentations help consumers.

7. On September 6, 2024, Destiny Wells, Erin Bertoni, Tina Bilodeau, and Joanne Van represented the Bureau at a Senior Scam Stopper outreach event in Folsom with about 100 people in attendance coordinated by the Contractors State License Board and Assembly Member Hoover's district office.



Attendees at a Senior Scam Stopper outreach event in Folsom.

8. On October 10, 2024, Mary Le represented the Bureau at a virtual Senior Scam Stopper outreach event with about 120 people in attendance coordinated by the Contractors State License Board and Assembly Member Berman's district office.
9. On October 10, 2024, Laveenia Peavy conducted a Household Mover Quarterly Report Webinar for the Bureau. This live session took place via Webex, supported by DCA's SOLID team, and provided essential information for movers regarding Connect. Topics included account registration, the process for filing quarterly reports online, and common mistakes to avoid. A recording of the webinar can be found on the [Bureau's website](#), and content from the webinar will be repurposed for social media posts.
10. On October 24, 2024, Nancy Torres-Mancia, Terae McKinney, and Nicholas Ching represented the Bureau at a Senior Scam Stopper outreach event in Lakewood coordinated by the Contractors State License Board, Assembly Member Rendon's district office, and Senator Gonzalez's district office.
11. On October 24, 2024, Alanna Orzhekhovsky and Mary Le represented the Bureau at a Community Health and Resource Fair outreach event in Selma coordinated by Assembly Member Arambula's district office.
12. On October 31, 2024, Maria Rodriguez represented the Bureau at a Community Health and Resource Fair outreach event in Fresno coordinated by Assembly Member Arambula's district office.

## Internal Communications

With higher staff numbers, the Bureau is committed to building internal communication efforts to boost transparency, encourage collaboration, and nurture a strong work culture. An internal newsletter continues to be distributed monthly to keep staff informed about Bureau activities and regulated industries. Additionally, surveys are sent to staff to collect feedback on management, work-life satisfaction, and internal meetings and all-staff meetings are held every six months.

## AGENDA ITEM 14

### Legislative and Policy Updates

- a. Household Movers Enforcement Regulation Update
- b. Upholstered Furniture and Bedding Law Label Regulatory Proposal
- c. SB 1451 (2023-24): Ashby: Professions and Vocations
- d. AB 2210 (2023-24): Petrie-Norris: Driving Under the Influence: Ignition Interlock Devices

**... SB 1451 (Ashby, Ch. 481, 2024) is a 27-page bill, so for purposes of brevity, the Bureau is only including section 23, which amends the Household Movers Act...**

(2) “Participating tribe” means a federally recognized tribe that formally applies for licensure from the bureau pursuant to subdivision (b).

(b) The bureau shall license a federally recognized tribe that applies for licensure and is otherwise compliant with this chapter for the purpose of engaging in a business regulated by this chapter.

(c) Nothing in this chapter is intended to infringe upon or diminish the existing rights, privileges, and immunities of federally recognized tribes as set forth in federal, state, or tribal law, or the jurisdiction of those participating tribes.

(d) Nothing in this chapter, whether express or implied, shall confer upon the bureau or director any rights or authority to regulate any activity within the jurisdiction of a participating tribe.

(e) Any requirement to register with the Secretary of State, maintain good standing with the Secretary of State, provide a corporate number issued by the Secretary of State, or any other associated requirement shall not apply to a participating tribe.

SEC. 23. Section 19237 of the Business and Professions Code is amended to read:

19237. (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 within this state, there is in force a permit issued by the bureau authorizing those operations. Permits issued by the Public Utilities Commission pursuant to the former Chapter 7 (commencing with Section 5101) of Division 2 of the Public Utilities Code, that are valid and effective on the operative date of this chapter, shall remain in effect, subject to this chapter, for a period of not more than two years after the operative date of this chapter, or until the time the bureau issues, reissues, renews, suspends, revokes, or otherwise alters or amends the permit, whichever occurs earlier.

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

(B) An applicant whose principal place of business is not in this state shall not be required to meet the residency requirements pursuant to Section 19239 and shall file with the bureau its designation of persons upon whom court or agency process may be served in this state that the household mover made pursuant to Part 366 of Title 49 of the Code of Federal Regulations.

(C) If the applicant only conducts interstate household moves, the applicant shall not be required to take the examination pursuant to Section 19239 and shall file an affidavit with the bureau stating it shall not conduct any intrastate household moves in this state.

(b) A household mover that engages, or attempts to engage, in the business of the transportation of used household goods and personal effects in violation of subdivision (a) shall not enforce any security interest or bring or maintain any action in law or equity to recover any money or property or obtain any other relief from any consignor, consignee, or owner of household goods or personal effects in connection with an agreement to transport, or the transportation of, household goods and personal effects or any related services. A person who utilizes the services of a household mover operating in violation of subdivision (a) may bring an action in any court of competent jurisdiction in this state to recover all compensation paid to that household mover.

(c) The operation of a motor vehicle used in the business of transporting household goods and personal effects by a household mover that does not possess a valid permit or operating authority, as required by subdivision (a), constitutes a public nuisance. Any peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, may remove any motor vehicle located within the territorial limits in which the officer may act, when the vehicle is found upon a highway and is being used in a manner constituting a public nuisance. At the request of the bureau, the Attorney General, or a district attorney, city attorney, or county counsel, the law enforcement agency may impound the vehicle for a period not to exceed 72 hours to enable the requesting agency to abate the public nuisance, to obtain an order from the superior court of the county in which the vehicle has been impounded to prevent the use of the motor vehicle in violation of law, and to obtain any other remedy available under law as permitted by Section 19282.

(d) Any person having possession or control of used household goods or personal effects, who knows, or through the exercise of reasonable care should know, that a household mover transported those household goods or personal effects in violation of subdivision (a), shall release the household goods and personal effects to the consignor or consignee, as defined in Section 19245, upon the request of the consignor or consignee. If that person fails to release the household goods and personal effects, any peace officer, as defined in subdivision (c), may take custody of the household goods and personal effects and release them to the consignor or consignee.

(e) The bureau shall identify household movers that are authorized to conduct intrastate and interstate moves in the state on its internet website.

SEC. 24. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

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## AGENDA ITEM 15

Set 2025 Meeting Dates

# 2025

## JANUARY

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## FEBRUARY

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