

Conversation with Claire Conlon

Recording Name:

[E15 CALIFORNIA LEGISLATURE– COMPLAINT TO
CLAIRE CONLON 091720 OF ASSEMBLYWOMAN
COTTIE PETRIE NORRIS' CHIEF OF STAFF.M4A]

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1 Berekhi: Hello, this is Adam.

2 Conlon: (Inaudible - 00:00:10).

3 Berekhi: Hello?

4 Conlon: Hi, can you hear me? (Inaudible - 00:00:14).

5 Berekhi: Yeah. I can barely hear you.

6 Conlon: (Inaudible - 00:00:16) Petrie-Norris.

7 Berekhi: Hi, there. Thank you for calling.

8 Conlon: Of course. So, tell me, uh, what's going on?

9 Berekhi: Well, um, what -- what do you know already, I mean,

10 without going into a dissertation? Do you have my

11 petition or the letter from Adam Silver, that I -- I

12 wrote him, or, um --

13 Conlon: Uh, let me look back. I didn't see a petition, and

14 I'm really not sure, uh -- I actually don't know too

15 much about what you're asking for.

16 Berekhi: Okay.

17 Conlon: Uh, so, I think it'd be best for you to give me as

18 much information as possible.

19 Berekhi: Okay. So, um, I -- there's a -- I was fined about

20 \$930,000.00 for allegedly not having a construction

21 license, and this was done under Business &

22 Professions Code 7031(a) and 7031(b). So, basically,

23 the majority of the fine came from 7031(b) and it

24 basically reads that if a person utilizes the services

25 of an unlicensed contractor, they can bring an action



1 in court to recover all compensation paid. So, let me
2 give you an example of this. Like, let's say that,
3 um, you hire me to build your home and you say Adam,
4 um, I want you to build me a \$5 million mansion on the
5 coast of Newport Beach. And so, I build you the
6 mansion, and at the end of it you say oh, wonderful,
7 beautiful job, um, but I found out you aren't licensed
8 so I'm suing you and I want my \$5 million back and I
9 get to keep the house. And so, we go to court. I
10 don't have a license, you get the \$5 million from your
11 house and I have to pay you \$5 million more. That's
12 the law.

13 Conlon: And so, are you an unlicensed contractor, then?

14 Bereki: Well, that depends how you put it. Here's another
15 problem with the statute. So, I went and, um, took
16 the licensing exam and all of that and became a
17 qualifying individual for my company's contractor's
18 license. My company was named Spartan Construction,
19 or The Spartan Associates, is who the license was
20 under. So, when my company did work for these people
21 and we had a disagreement, they went to court and said
22 we never contracted with this company, we contracted
23 with him and because he's unlicensed, he has to pay us
24 all the money back. Well, of the \$848,000.00 that
25 they paid, \$758,000.00 was paid to my company, but the



1 court made me return that money that was paid to my
2 company anyway. So, here's my contention with th- --
3 this part of it, in addition to the fine aspect that -
4 - uh, that I told you about earlier, is that if a
5 person goes and is a qualifying individual for their
6 license, I mean, they say that the intent of the
7 licensing laws are to protect the public from
8 incompetent and dishonest contractors. So, if you go
9 through the test, you pass the licensing exam, you
10 provide the work experience, and all of a sudden if it
11 -- the license is under your company name, now you're
12 not licensed. Do you get what I'm saying? I -- I --

13 Conlon: Not really. If you can --

14 Bereki: Um, let me --

15 Conlon: Uh (inaudible - 00:03:52) --

16 Bereki: -- put it a different way.

17 Conlon: You're saying you took the licensing exam, but that --
18 uh, you're saying you took it, but then you're saying
19 that only the company had it. So, I don't know really
20 understand.

21 Bereki: Yes. That -- you -- you have it right. So, what --
22 so, like, let's say -- let's take an attorney, for
23 example. Attorney takes the bar exam, and he goes and
24 works for Company A. Company A, uh, gets sued. The -
25 - the -- the attorney has a license, but --



1 Conlon: Mm-hmm.

2 Bereki: -- now, let's say he goes to Company B. He's still
3 licensed. That's --

4 Conlon: Right.

5 Bereki: -- not the way it works in construction. The way that
6 the law is written is that even if you take the
7 licensing exam, if the license isn't in your name,
8 you're unlicensed. So --

9 Conlon: Why wouldn't it be in your name if you took the exam?

10 Bereki: W- w- -- because that -- that's the way that they --
11 they do it. So, like, let's -- m- -- I had a c- -- a
12 company called Spartan Construction. So, I took the
13 licensing exam because, obviously, a corporation can't
14 take a licensing exam, and so the application was made
15 in my company's name, Spartan, and Spartan is the one
16 that got the license, even though I was the one that
17 took the test --

18 Conlon: Mm-hmm.

19 Bereki: -- and had the qualifying experience. This is unlike
20 this in any other licensing scheme in California. So
21 -- so --

22 Conlon: So, you took the application in your company's name,
23 and then your client is suing the company, but the
24 company is saying you weren't with them, even though
25 it was your company?



1 Berekhi: No. No, no. I'm -- um, let me -- let me reiterate.
2 So, my c- -- I'm alleging that my company is the one
3 that contracted with them and did the work. And
4 they're disgruntled and they said no, we didn't
5 contract with your company, we contracted with you.
6 And so, we already went to court and the court found
7 that they contracted with me, individually, not my
8 company. And because they said I was unlicensed, I
9 got fined \$930,000.00.

10 Conlon: Mm-hmm.

11 Berekhi: Now, the --

12 Conlon: And now, you're appealing that?

13 Berekhi: No. I've been through the appeal. This is the law.
14 This -- what I'm telling you is California law. This
15 is the public policy. So -- so, um, let's say that,
16 um, the example with you that I did earlier, w- --
17 with the \$5 million house. It doesn't matter how much
18 the contract amount is, it doesn't matter what kind of
19 work was done. If the contract was \$20 million, the
20 penalty would be \$20 million. The -- the judicial
21 council actually went after, um, a company that was
22 maintaining its court buildings because their license
23 lapsed, and they went after them for \$27 million, for
24 a simple \$300.00 licensing fee.

25 Conlon: Mm-hmm.



1 Bereki: This is California's public policy, and no -- it's
2 been challenged many ti- -- I think it's been put into
3 the -- um, to the Supreme Court of California over
4 three or four different times since this part of it
5 was enacted in 2001.

6 Conlon: Mm-hmm.

7 Bereki: And I know of one o- --

8 Conlon: Do you --

9 Bereki: I -- I know --

10 Conlon: Do you have -- have you gathered any of that
11 information?

12 Bereki: Yes. I have it all. I submitted it all to you with
13 the petition for redress of grievance that I filed
14 back in January.

15 Conlon: Yeah, I don't have that.

16 Bereki: So, does Jess Wang still work for you?

17 Conlon: Yes.

18 Bereki: Okay. So, Jess and I -- back in January, I called
19 Jess. We spoke on the phone, and she said send me an
20 email with all this information, so I did, and she re-
21 -- she replied to my email saying that she had
22 received it and to reach out w- -- to her again in a
23 week, to see what the status was. Well, I did that
24 and she's never responded. I've phone -- I've made
25 phone calls, I've sent multiple emails, I've got no



1 response. So, then, what I started doing was sending
2 letters to Cottie's, um, office a- -- and the district
3 office in Sacramento. I sent another copy of the
4 complaint and I sent follow up complaints to her.
5 I've never received a response.

6 Conlon: Okay. Well, that's why I'm calling you, 'cause --

7 Bereki: W- --

8 Conlon: -- I -- I found out about that. I want to make sure
9 that we see what we can do.

10 Bereki: Right. So --

11 Conlon: Uh --

12 Bereki: -- I'm aware of another --

13 Conlon: -- you (inaudible - 00:08:26) --

14 Bereki: -- another man.

15 Conlon: (Inaudible - 00:08:27).

16 Bereki: He got fined -- uh --

17 Conlon: (Inaudible - 00:08:28) --

18 Bereki: I'm sorry?

19 Conlon: Oh, I'm just saying, usually, I'm not the person, but
20 I just wanted to make sure and (inaudible - 00:08:36)
21 that I got back to you, because when I found out that
22 you haven't been responded to, I -- I thought it was
23 very serious that I should get in touch with you.

24 Bereki: Well, I appreciate that. Thank you. Um, so, what --
25 the -- the -- the -- there's a couple of issues. One,



1 I've exhausted all of my remedies in California court.
2 Like, this is California law, they are not changing
3 it, and it's -- it's un- -- the -- the -- what the
4 courts are enforcing is unconstitutional because it's
5 an excessive fine, and they're not taking into the
6 constitutional requirements for imposing an excessive
7 fine. That's one issue. So, I can't do anything else
8 in California, in the courts, because that's the law
9 and that's what the Supreme Court has said the law is,
10 even though it's unconstitutional. So, I've tr- --
11 been trying since at least January to g- -- go the
12 route of petitioning the legislature and, obviously,
13 you -- I just shared with you, my -- my results have
14 been since that. So, now, I've also gone to the
15 Executive Branch, meaning the police department,
16 because it's their duty to enforce the law and
17 somebody's gotta take action here because th- -- this
18 is financially destroying people, and I -- I don't
19 know how many other cases there are, uh, I -- I know
20 of several others, offhand, of people that -- they end
21 up having to file bankruptcy over this. And th- -- I
22 mean, look, the -- the criminal penalty for the same
23 violation is \$5,000.00, a maximum of \$5,000.00. How
24 do you go into a civil case and get fined almost \$1
25 million?



1 Conlon: Right.

2 Bereki: I mean, look, it -- it's one thing if -- if you damage
3 someone's house and they come into court and say hey,
4 look, you ruined our property, it cost of \$500,000.00
5 to repair, here's the repair bills, here's the damage
6 pictures. That's -- that's not what we're talking
7 about here. There's none of that evidence even
8 presented. What goes on here is basically you used an
9 unli- -- if you use the services of unlicensed
10 contractor, you go into court, it doesn't matter what
11 kind of job they did, it doesn't matter the amount of
12 the contract, nothing. \$10 million, \$5 million, \$100
13 million, you walk right into court and you say I used
14 a unlicensed contractor and the court refunds the
15 money. Now, that is entirely -- again, I told you --
16 shared it was unconstitutional because it's a fine
17 earlier, but on June 22nd of this year, the US Supreme
18 Court came down with a case that dealt with an issue
19 very similar to this. Um, that case is called Liu v.
20 SEC, L-I-U v. SEC. Um --

21 Conlon: L-E-U -- sorry, what was it?

22 Bereki: L-I-U v. SEC. So -- so, what the courts here are
23 doing in California is, they're calling this action
24 discouragement, and this is gonna complicate things
25 even more but I'll do the best to explain it -- uh, my



1 best to explain it. Discouragement basically means
2 that someone who breaks the law and profits has to
3 give up their profits. So, like, let's say a -- a
4 bank robber robs a bank and he gets \$20,000.00. He
5 un- -- he was unjustly enriched \$20,000.00, he has to
6 give the \$20,000.00 back. Everyone gets that, that
7 makes perfect sense. So, wh- -- when it comes to
8 discouragement in civil cases, the only thing that can
9 be taken, like, let's say in an unlicensed contractor
10 case, is the profit that the contractor makes, not the
11 whole contract. But what the courts are doing is,
12 they're not taking into account the profit that the
13 contractor makes, they're refunding the whole
14 contract.

15 Conlon: Okay.

16 Bereki: And that's totally illegal because it turns into a
17 fine, and then it's subject to the excessive fines
18 clause.

19 Conlon: Okay.

20 Bereki: Now, the other issue that I have, I'm sorry to keep
21 complicating things, is that because this law is
22 purely penal, the legislature has no authority to give
23 a private party a right of action to enforce a penal
24 law. I mean, that would be like -- th- th- -- that's
25 why the District Attorney is there.



1 Conlon: Sorry. I'm not sure what you mean about the
2 legislature's role in that.

3 Bereki: Okay. So, the legislature created the cause of
4 action, which is Business & Professions Code 7031(b)
5 and --

6 Conlon: Right.

7 Bereki: -- it imposes --

8 Conlon: I know that part.

9 Bereki: Okay. It imposes a penalty.

10 Conlon: Mm-hmm.

11 Bereki: A strict penalty. Okay? That's what the penal code
12 is for. So, when you --

13 Conlon: Right.

14 Bereki: -- have a penal code case, like, let's say someone
15 commits robbery, that's a -- that's a penal violation.
16 So, the person gets arrested by the police, and then
17 the police give the case to the district attorney, and
18 the district attorney has to file the case on behalf
19 of the people, to punish the person for breaking the
20 law. Same thing here. They can't grant -- under my
21 understanding, they can't grant that power to a
22 private party because that duty has been vested in
23 the, uh, Governor, in the Executive Branch, to ensure
24 that the law is faithfully executed. It's Article 5,
25 Section 1. So, a private party can't go into the



1 court and prosecute someone for robbery just like they
2 can't prosecute someone for violating a license. It's
3 a p- -- it's a -- it's a regulatory law under
4 California's police powers.

5 Conlon: Okay. I'm gonna have to take a look into this
6 because, uh, I mean, generally, the lawyers are the
7 ones, you know, looking at the laws, and (inaudible -
8 00:14:45) counsel, so I can dive into it a little bit
9 more. But, I mean, I'm not sure if -- I'm not sure
10 it's connected in that way.

11 Bereki: Uh, I get it. I -- I understand that, I mean, uh, you
12 have, I'm sure, many duties and one of them is not
13 studying the Business & Professions Code, and criminal
14 law, and all that stuff. So, I -- I have no -- no
15 doubt you need help, and all that stuff, and
16 resources, but I'm -- I'm reaching out to you because,
17 um, something needs to change, and, um, I -- uh, I
18 don't have anywhere else to go. I mean, I'm pursuing
19 every avenue that I have, um, and I feel that the
20 legislature has a duty to fix -- uh, well, to respond
21 to my petition, number one, uh, a duty to investigate
22 what I'm saying, and if it's determined to be true,
23 then to take corrective action and potentially even
24 remedy the many of us that have been subject to this
25 unlawfully.



1 Conlon: And so, you know, when I take a look at the right to
2 petition your government, I mean, that's to seek
3 assistance, uh, you know, without fear of punishment
4 or (inaudible - 00:16:02). But, like, what -- like,
5 there's not an official process for that, that I'm
6 aware of.

7 Bereki: Well, I haven't been able to find one either, but when
8 I do research on the right to petition for redress of
9 grievance, it's also, um -- um, in the Constitution
10 for the United States, under Article 1. And when you
11 research the history of this, people would petition
12 their legislature, the legislature would do an
13 investigation and then take remedial action.

14 Conlon: Okay.

15 Bereki: So, um, I'm not sure what you're supposed to do. I --
16 I would think that the fair and responsible thing to
17 do, that if -- if a constituent, um, reported, uh, a -
18 - a violation, a -- a major unconstitutional public
19 policy being enforced that's financially destroying
20 people, um, unlawfully, and it's the public policy of
21 the state and th- -- the courts are not responding to,
22 um, uh, challenges to it, that a legislator would have
23 a duty to investigate and do something about it. Um -
24 -

25 Conlon: Yeah. I know our office talks to the Attorney



1 General's office, uh, but I don't think they talk to
2 our legislative counsel, which is our internal legal
3 counsel. So, I can do that. Uh, what did Adam Silver
4 say to you?

5 Bereki: I'm sorry?

6 Conlon: Um, Adam Silver is our ethics counsel, but, um, he's
7 separate from our legislative counsel. I was curious
8 what he said to you.

9 Bereki: Um, Adam doesn't say much, or at least from what I
10 remember, because he's doing his job as legislative
11 counsel. Um, do you mean, like, is he commenting on
12 the constitutionality of the law or what I should do?

13 Conlon: I'm just curious what he said. I don't know --

14 Bereki: Okay. So --

15 Conlon: -- in what context it is, but --

16 Bereki: Yeah. He --

17 Conlon: (Inaudible - 00:18:04) --

18 Bereki: -- h- -- he -- he has not, uh, talked about the
19 constitutionality of the law. He got me in touch with
20 you, um, and, um, he said, uh, you should, uh, make
21 every attempt to petition, you know -- follow every
22 avenue that you have available to you.

23 Conlon: Okay.

24 Bereki: Um --

25 Conlon: All right. Well, I will -- I will get your original



1 request from Jess and I will have our legislative
2 counsel -- we have a whole department of lawyers that
3 are our legal counsel, who can investigate.

4 Bereki: Okay. Can I do something really quick? Uh, let me --
5 let me do this while I got you on the phone. I'm
6 going to send you some, mm, key legal documents that
7 they could look at and see very clearly what's going
8 on, um, very fast. Um, let's see, here. That's one.
9 Okay. I just want to put two in here. And then, I
10 will forward you the informatio- -- the email from
11 Jess, so you have that too. Um, uh, I'm just looking
12 for the other document. Um, it's gonna take me a
13 minute. It's not in the place where I thought it was
14 gonna be. Um, but I will -- I will forward them to
15 you so that, um, these two things, if they take a look
16 at it right away and their attorneys, they'll know
17 exactly what's going on.

18 Conlon: Okay.

19 Bereki: Uh, and then --

20 Conlon: All right.

21 Bereki: -- I'll forward you --

22 Conlon: Okay.

23 Bereki: -- this string of emails from Jess. Um --

24 Conlon: Okay.

25 Bereki: So --



1 Conlon: Well, I have to talk to legislative counsel here.
2 They usually -- I don't know how long some
3 investigate, but they'll tell me and then I can tell
4 you.

5 Bereki: Okay. Um, okay. That would -- that would be great.
6 Um --

7 Conlon: But it -- I'm sorry you're dealing with all these
8 issues.

9 Bereki: Thank you for, um, empathizing. Um, I -- I'm trying
10 to -- uh, without -- I -- I -- I'm on the verge of
11 being forced into bankruptcy right now, so -- this has
12 been going on since 2017, I've been trying to get
13 help. Um --

14 Conlon: Oh my --

15 Bereki: So, um, i- -- it -- any help you could -- could give
16 would -- would be very much appreciated. And -- and
17 I'm -- I'm happy to speak to anyone in the legislative
18 counsel department. If they have questions, I have
19 all the case law research done, I have all the
20 legislative history records. I have everything, all
21 the documents of all of it. Um, and I'm trying to
22 avoid filing a lawsuit, and suing the state, and doing
23 government tort claims on people, and all of that. I
24 -- but, you know -- yeah.

25 Conlon: Well, hang in there. I know, like, times are tough



1 right now for everybody, but this is especially
2 difficult and stressful. So, send me whatever you
3 have and I'm gonna have our legislative counsel take a
4 look, and I'll -- I will let you know tomorrow
5 (inaudible - 00:22:20) looking at timeline.

6 Bereki: Okay. The other thing I just want to tell you really
7 quickly, Claire, is that, um, there's another statute
8 in- -- involved. It's, um, 7071.17.

9 Conlon: Mm-hmm.

10 Bereki: And because of that, because of this judgment and the
11 fact that I can't pay it and it's unlawful, they
12 suspended my license. So, I haven't been able to work
13 for three years, now, as -- in construction.

14 Conlon: Hmm. Yeah. I can see how that further ex- --
15 exacerbates all these issues.

16 Bereki: Yeah.

17 Conlon: Okay. Well, I'm also gonna talk to the chief
18 consultant for the B&P committee, just to -- to
19 understand these issues as well.

20 Bereki: Okay. Um, you -- do -- w- -- do you want me to send
21 you any, like, um, real quick downloads of the law, or
22 you have all the things there, you -- you have it
23 already?

24 Conlon: I mean, it helps. I do have access to all that, and I
25 think our legal counsel is gonna be the experts



1 looking at that, but whatever you can send me, like,
2 uh, if you can send it -- you know, it's a lot of
3 stuff, but in one email, that's ideal, but if it's in
4 multiple I can -- I can handle that, too.

5 Bereki: Okay. All right. I will -- it's gonna be a couple
6 emails, um, and --

7 Conlon: Okay.

8 Bereki: -- look -- be on the lookout for the one I -- I will
9 make it, um -- um, stand out. These have the most
10 important document in there. That has all the case
11 law and everything in it. Um --

12 Conlon: Okay.

13 Bereki: -- uh -- uh, but those are the ones that, before
14 delving into the whole morass of documents, if you
15 ris- -- read these two things, it's pretty clear. So,
16 um --

17 Conlon: Okay.

18 Bereki: -- uh, thank you so much for your time. I -- I
19 appreciate your kindness and empathy, and -- and
20 reaching out to me, uh, very much. Thank you.

21 Conlon: Oh. Thank you for your patience in talking with me.
22 It's seems like, uh, you've been frustrated. So --

23 Bereki: Yeah.

24 Conlon: -- I really --

25 Bereki: Well --



1 Conlon: -- appreciate that.

2 Bereki: -- it's not you. Uh -- uh, you didn't do it. You're
3 here, you're -- you're offering to help, so I'm
4 grateful. Um, so --

5 Conlon: Okay.

6 Bereki: -- thank you very much, and --

7 Conlon: (Inaudible - 00:24:38).

8 Bereki: -- I'll -- I'll look forward to hearing from you.

9 Conlon: Thank you. Bye bye.

10 Bereki: Okay. Bye bye.

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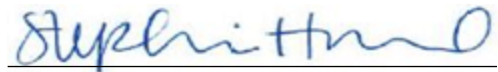
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LEGISLATURE- COMPLAINT TO CLAIRE CONLON 091720 OF
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DATED this 21st day of June, 2025.



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