DIVISION OF LABOR STANDARDS ENFORCEMENT
Department of Industrial Relations
By Max D. Norris, Staff Counsel, State Bar # 284974
MOLINA Center
300 Oceangate, Suite 850
Long Beach, California 90802-4339
Telephone: (562) 590-6314
Fax: (562) 499-6438

Attorney for the DIVISION OF
LABOR STANDARDS ENFORCEMENT

BEFORE THE DIVISION OF LABOR STANDARDS ENFORCEMENT

DEPARTMENT OF INDUSTRIAL RELATIONS

STATE OF CALIFORNIA

In the matter of the Debarment Proceeding Against, NERIS GENERAL CONTRACTORS, a California Corporation; EFREN NERI (Individual); SERVANDO NERI (Individual); REBECA NERI (Individual); and, LUIS ABELARDO CASTRO (Individual), Respondents.	**Case No.: LB 4511, LB4512 & LB4521** ORDER OF THE LABOR COMMISSIONER ON STIPULATION TO DEBARMENT

Whereas, Respondent stipulated to debarment as follows:

1. Respondent NERIS GENERAL CONTRACTORS is the holder of California Contractor's license number 797967.

2. Respondent EFREN NERI is the RMO/CEO/PRESIDENT of NERIS GENERAL CONTRACTORS.

3. Respondents REBECA NERI, SERVANDO NERI and LUIS ABELARDO CASTRO are OFFICERS of NERIS GENERAL CONTRACTORS.

4. Respondents entered into the attached SETTLEMENT AGREMENT AND RELEASE including a DEBARMENT STIPULATION (See Page 3, Paragraph 5C.).

5. Based on the DEBARMENT STIPULATION, Respondents NERIS GENERAL CONTRACTORS, EFREN NERI, REBECA NERI, SERVANDO NERI and LUIS ABELARDO CASTRO shall be ineligible for a period of three years, beginning February 28, 2014 to do either of the following:

A) Bid on or be awarded a contract for a public works project; or

B) Perform work as a subcontractor on a public works project as defined as Labor Code sections 1720, 1720.2, and 1720.3.

IT IS HEREBY ORDERED.

DIVISION OF LABOR STANDARDS
DEPARTMENT OF INDUSTRIAL RELATIONS
STATE OF CALIFORNIA

Dated: 7-9-14

By: Julie A. Su
State Labor Commissioner

SETTLEMENT AGREEMENT AND RELEASE

PARTIES

The parties to this Agreement, which was made as of the 7th day of February, 2014, consist of the DIVISION OF LABOR STANDARDS ENFORCEMENT, Department of Industrial Relations, State of California (hereafter "DLSE"), and NERI'S GENERAL CONTRACTORS, a Corporation (hereafter "NERI'S"), hereinafter collectively referred to as "PARTIES."

RECITALS

1. On June 26, 2013, DLSE served a Civil Wage and Penalty Assessment ("CWPA") in DLSE Case No. 40-34470-212, to MINAKO AMERICA CORPORATION dba MINCO CONSTRUCTION (hereafter "PRIME"), NERI'S, TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA (hereafter "SURETY"), and BEVERLY HILLS UNIFIED SCHOOL DISTRICT (hereafter "AWARDING BODY"), claiming wages and training funds due in the amount of $14,580.88; combined penalties for violations of Labor Code sections 1775 and 1813 in the amount of $16,225.00; Labor Code section 1776 Penalties in the amount of $30,000.00; and potential liquidated damages in the amount of $14,580.88; said amounts alleged to be due and owing by PRIME and/or NERI'S as a result of violations of the prevailing wage laws of the State of California involving workers employed by NERI'S on a public works project known as HORACE MANN SCHOOL MODERNIZATION PROJECT (hereafter "PROJECT"), awarded by the AWARDING BODY to PRIME, as the general contractor; with as the bonding company that issued the bond securing payment of wages for the PROJECT, and/or as on said bond; and NERI'S as a subcontractor.

2. NERI'S is a suspended California Corporation registered with the California Secretary of State as entity number C2187565. NERI'S was also a contractor licensed with the Contractors State Licensing Board (hereafter "CSLB") of the State of California under Contractor's license number 797967, that license is now listed expired. During all times mentioned herein, Mr. Efren Neri was listed with the CSLB as the "RMO/CEO/PRESIDENT" of

NERI'S. Mr. Servando Neri, Ms. Rebeca Neri and Mr. Luis Abelardo Castro were listed as "OFFICERS" of NERI'S. No other officers were listed for NERI'S on the CSLB website. In entering this Agreement, NERI'S expressly confirms that said persons retain their corporate offices with NERI'S as stated herein.

THE CIVIL WAGE AND PENALTY ASSESSMENT

3. The CWPA assessed wages and training funds due in the amount of $14,580.88; combined penalties for violations of Labor Code sections 1775 and 1813 in the amount of $16,225.00; Labor Code section 1776 Penalties in the amount of $30,000.00; and potential liquidated damages in the amount of $14,580.88; said amounts alleged to be due and owing by PRIME and/or NERI'S as a result of violations of the prevailing wage laws of the State of California involving workers employed by NERI'S on a public works project known as HORACE MANN SCHOOL MODERNIZATION PROJECT (hereafter "PROJECT"), awarded by the AWARDING BODY to PRIME, as the general contractor; with as the bonding company that issued the bond securing payment of wages for the PROJECT, and/or as on said bond; and NERI'S as a subcontractor.

4. Pursuant to the provisions of Labor Code section 1743, subdivision (a), and by operation of law, PRIME and NERI'S could be liable for all amounts found due on the CWPA and/or a final order and/or judgment based thereon.

5. O July 16, 2013 DLSE and PRIME reached a settlement agreement settling everything on the CWPA besides the penalties under Labor Code section 1776 in the amount of $30,000.00, still due and owing by NERI'S.

SETTLEMENT AGREEMENT

7. DLSE and NERI'S agree to resolve all disputes between them concerning the "CWPA" identified in Paragraph 1 above, as follows:

A. NERI'S has or will cause the DIRECTOR to dismiss its respective Requests for Review of the CWPA by withdrawing its Request for Reviews, and will refrain from seeking to restore them to active status so long as this Settlement Agreement and Release is signed by the Parties via their representatives and concluded upon the terms stated herein;

B. NERI'S will pay to DLSE, the sum of **$5,000.00** (hereafter "SETTLEMENT AMOUNT"), by March 1, 2014. This SETTLEMENT AMOUNT is in addition to any sums paid to DLSE by any of the other persons who were subject to the CWPA, including but not limited to PRIME;

C. NERI'S by its authorized corporate officer(s) and its corporate officials also stipulates as follows (these terms are hereafter referred to as the terms of the "DEBARMENT STIPULATION"):

1) NERI'S is the holder of California Contractor's license number 797967.
2) Mr. Efren Neri is the RMO/CEO/PRESIDENT of NERI'S.
3) Mr. Servando Neri, Ms. Rebeca Neri and Mr. Luis Abelardo Castro OFFICERS of NERI'S.
4) NERI'S, Mr. Efren Neri, Mr. Servando Neri, Ms. Rebeca Neri and Mr. Luis Abelardo each stipulate to debarment pursuant to Labor Code section 1777.1, subdivision (a) for a period of 3 years beginning on February 28, 2014, following the filing of the Determination and Order of the Labor Commissioner in this matter. During that 3 year period, NERI'S, Mr. Efren Neri, Mr. Servando Neri, Ms. Rebeca Neri and Mr. Luis Abelardo, and any firm, corporation, partnership, or association in which any of said persons has any interest as defined in Labor Code section 1777.1, subdivision (f), or any substantial interest as defined in California Code of Regulations, Title 8, section 16800, shall be ineligible to do either of the following:

(a) Bid on or be awarded a contract for a public works project; or

(b) Perform work as a subcontractor on a public works project.

D. In return for the successful completion of the foregoing, DLSE will release NERI'S from further liability on the CWPA.

8. THE PARTIES agree that in the event NERI'S fails to make payment in a timely fashion of the total SETTLEMENT AMOUNT as agreed to herein, or if NERI'S, Mr. Efren Neri, Mr. Servando Neri, Ms. Rebeca Neri and Mr. Luis Abelardo, or any firm, corporation, partnership, or association in which any of said persons have any interest as defined in Labor Code section 1777.1, subdivision (f), or any substantial interest as defined in California Code of Regulations, Title 8, section 16800, fail to abide by the terms of their debarment, the DOCP referenced herein shall be deemed a final assessment no longer subject to judicial review as that term is used in Labor Code section 1742, and DLSE may exercise its right to have a clerk's judgment entered for the full amount of the CWPA, less credit for any amount recovered on the CWPA by DLSE as of the time of the application for entry of judgment.

9. DLSE agrees that should NERI'S and/or its corporate officers default on the terms of this agreement, DLSE will give NERI'S ten days written notice prior to applying for a clerk's judgment pursuant to paragraph 8.

10. THE PARTIES agree that DLSE will allocate the SETTLEMENT AMOUNT for its own accounting purposes as further set forth herein; and NERI'S agrees and warrants that it will not make or encourage any attempt to hereafter retrieve any portion of the SETTLEMENT AMOUNT from DLSE.

11. DLSE agrees that, conditioned upon NERI'S's timely payment to DLSE of the SETTLEMENT AMOUNT as set forth in Paragraph 7 (B) of this agreement; and the successful completion of the terms of the DEBARMENT STIPULATION in paragraph 7 (C), DLSE does hereby release NERI'S from any liability relating to the CWPA, including without limitation, claims for money on: Unpaid prevailing wages, interest under Labor Code section 1741, liquidated damages under Labor Code section 1742.1, and monetary penalties under Labor Code

sections 1775, 1776 and 1813 (including costs and attorney fees) or any other consideration (collectively hereinafter "CLAIMS") arising out of work performed by workers employed on the PROJECT by NERI'S.

12. The PARTIES agree that signatures to this agreement may be effective upon electronic transmission whether by email, facsimile transmission, or as a PDF attachment to email; that all signatures need not be affixed to a single document to be effective as to the PARTY whose signature is affixed so long as each PARTY signs this Settlement Agreement and Release; that the signatures are valid even if they are not dated; and that where this Settlement Agreement and Release is signed by counsel and/or other agent for the PARTY, such counsel and/or agent warrants that he/she/they are expressly authorized by their client or principal to execute this document on their client's or principal's behalf.

RELEASE

13. NOW, THEREFORE, in consideration of NERI'S's timely payment to the DLSE of the SETTLEMENT AMOUNT, and effective only after said payment and the successful completion of the terms of the DEBARMENT STIPULATION, the undersigned hereby releases and forever discharges NERI'S, its employees, officers, stockholders, successors and assigns, sureties, attorneys and agents from all CLAIMS arising out of DLSE Case No. 40-34470-212.

///

///

///

///

///

///

///

SIGNATURES

I certify that I have read this Settlement Agreement and Release and fully understand it, and in witness I have executed this Release on this __ day of February, 2014, at Long Beach, California.

The undersigned represents and warrants that he has full authority to execute this Settlement Agreement and Release on behalf of the Division of Labor Standards Enforcement, Department of Industrial Relations, State of California, and that no legislative act or judicial act or approval is necessary to give effect to this Release.

DIVISION OF LABOR STANDARDS ENFORCEMENT
Department of Industrial Relations State of California

By: _____
MAX D. NORRIS, Esq.
Attorney for the Labor Commissioner

I hereby certify that I have read this Settlement Agreement and Release and fully understand it, and on behalf of myself as an individual and as CEO, RMO and President of NERI'S GENERAL CONTRACTORS, I agree to be bound by the terms of the DEBARMENT STIPULATION. In witness thereof, I have executed this Agreement this 24 day of February, 2014, at Downey, California.

NERI'S GENERAL CONTRACTORS

By: _____
EFREN NERI
Its CEO, RMO and President

///

///

///

///

///

I hereby certify that I have read this Settlement Agreement and Release and fully understand it, and on behalf of myself as an individual and as an Officer of NERI'S GENERAL CONTRACTORS, I agree to be bound by the terms of the DEBARMENT STIPULATION. In witness thereof, I have executed this Agreement this 24 day of February, 2014, at Downey, CA., California.

NERI'S GENERAL CONTRACTORS

By: Servando Neri
SERVANDO NERI
Its Officer

I hereby certify that I have read this Settlement Agreement and Release and fully understand it, and on behalf of myself as an individual and as an Officer of NERI'S GENERAL CONTRACTORS, I agree to be bound by the terms of the DEBARMENT STIPULATION. In witness thereof, I have executed this Agreement this 24 day of February, 2014, at Downey, California.

NERI'S GENERAL CONTRACTORS

By: Rebeca Neri
REBECA NERI
Its Officer

I hereby certify that I have read this Settlement Agreement and Release and fully understand it, and on behalf of myself as an individual and as an Officer of NERI'S GENERAL CONTRACTORS, I agree to be bound by the terms of the DEBARMENT STIPULATION. In witness thereof, I have executed this Agreement this 24 day of February, 2014, at Downey, California.

NERI'S GENERAL CONTRACTORS

By: _____
LUIS ABELARDO CASTRO
Its Officer

ACKNOWLEDGMENT

State of California
County of Los Angeles)

On February 24, 2014 before me, Gisella Lucia Fortun - Notary Public
(insert name and title of the officer)

personally appeared Efren Neri, Servando Neri, Rebeca Neri and Luis Abelardo Castro,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Gisella L Fortun (Seal)

NNA1 GISELLA LUCIA FORTUN
Commission # 2025622
Notary Public - California
Los Angeles County
My Comm. Expires May 23, 2017 NNA1