

1 DIVISION OF LABOR STANDARDS ENFORCEMENT  
Department of Industrial Relations  
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5 Attorney for the DIVISION OF  
6 LABOR STANDARDS ENFORCEMENT

7  
8 **BEFORE THE DIVISION OF LABOR STANDARDS ENFORCEMENT**  
9 **DEPARTMENT OF INDUSTRIAL RELATIONS**  
10 **STATE OF CALIFORNIA**

11 In the matter of the  
12 Debarment Proceeding Against,

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14 ECS CONTRACTORS INC. dba ECS  
15 ELECTRIC, INC.; UMAR KHALID RANA, an  
individual and CEO/RMO of ECS  
16 CONTRACTORS INC.; and KANWAL SAJJAD  
17 RANA, an individual and RMO of ECS  
CONTRACTORS INC.

18  
19 Respondents.  
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**Case No.: LB 5590**

ORDER OF THE LABOR  
COMMISSIONER ON STIPULATION  
TO DEBARMENT

21 Whereas, Respondent stipulated to debarment as follows:

- 22 1. Respondents are the holder of California Contractor's license number 975222.  
23 2. Respondents entered into the attached DEBARMENT STIPULATION. (See  
24 Paragraph 7 of the attached RELEASE AGREEMENT AND DEBARMENT  
25 STIPULATION.)  
26 3. Based on the DEBARMENT STIPULATION, Respondents, and any other officer  
27 or director of ECS CONTRACTORS INC., and any firm, corporation,  
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partnership, or association in which Respondents have any interest as defined in Labor Code section 1777.1, subdivision (h), or any substantial interest as defined in California Code of Regulations, Title 8, section 16800, shall be ineligible for a period of three years, beginning March 1, 2020 to do either of the following:

- A) Bid on or be awarded a contract for a public works project as defined by Labor Code sections 1720, 1720.2, and 1720.3; or
- B) Perform work as a subcontractor on a public works project as defined by 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: 2/6/20

By:   
LILIA GARCIA-BROWER  
State Labor Commissioner

**RELEASE AGREEMENT AND DEBARMENT STIPULATION**

This Agreement is made by the DIVISION OF LABOR STANDARDS ENFORCEMENT, Department of Industrial Relations, State of California ("DLSE"), ECS CONTRACTORS, INC. DBA ECS ELECTRIC, INC. ("ECS"), UMAR KHALID RANA, as an individual and in his capacity as Chief Executive Officer of ECS ("UMAR RANA"), and KANWAL SAJJAD RANA, as an individual and in her capacity as Secretary of ECS ("KANWAL RANA"), and is also intended to bind any other officers or directors of ECS, with reference to the following facts:

**RECITALS**

1. On November 3, 2015 DLSE served a Civil Wage and Penalty Assessment ("CWPA") on ICON WEST, INC. ("ICON"), ECS, REGENTS OF THE UNIVERSITY OF CALIFORNIA [UCLA] ("AWARDING BODY"), and HARTFORD FIRE INSURANCE COMPANY, in DLSE Case No. 40-42826-333, claiming gross wages and training funds due and owing in the amount of \$174,758.63, combined penalties pursuant to Labor Code sections 1775 and 1813 in the amount of \$163,565.00, and potential liquidated damages in the amount of \$174,758.63, said amounts alleged to be due and owing by ICON and ECS as a result of violations of the prevailing wage laws of the State of California involving workers employed by ECS and violations of ICON and ECS'S duties and obligations pursuant to Labor Code 1777.5 relating to the employment of apprentices on a public works project awarded to ICON by AWARDING BODY, known as LANDFAIR APARTMENTS REDEVELOPMENT ("PROJECT").

2. On December 2, 2015, an Amended Civil Wage and Penalty Assessment ("FIRST AMENDED CWPA") was issued to correct a clerical error so that the amounts due were accurately reflected on the first page.

3. ECS filed a Request for Review of the CWPA, which is now pending In the Request for Review ECS Contractors Inc. dba ECS Electric Inc., OD Legal Case No. 15-0503-PWH with the Office of the Director, Department of Industrial Relations ("THE LITIGATION").

4. On or about October 17, 2017, DLSE made a motion to amend the CWPA upward for the totals of both wages and penalties based upon newly discovered information as follows: alleged wages due in the amount of \$848,878.10; \$468,200.00 in combined Labor Code section 1775 and 1813 Penalties; and \$58,500.00 in Labor Code section 1777.7 penalties, totaling \$1,375,578.10. On March 29, 2018, the Hearing Officer granted DLSE's motion to amend the CWPA upwards ("SECOND AMENDED CWPA").

#### AGREEMENT

5. ECS, UMAR RANA, and KANWAL RANA have agreed to resolve all claims concerning the CWPA, FIRST AMENDED CWPA, and SECOND AMENDED CWPA identified above (hereafter collectively referred to as "CWPA's") and THE LITIGATION identified above as follows:

6. ECS will immediately withdraw its Request for Review, and **ECS will pay to DLSE the total amount of \$100,000.00, representing \$52,137.50 in gross wages, \$37,625.00 in combined**

Labor Code section 1775 and 1813 penalties, and \$10,237.50 in Labor Code section 1777.7 penalties, in eight (8) monthly installments according to the following payment schedule:

Payment 1: \$10,000.00 due on or before March 1, 2020;

Payments 2-10: \$10,000.00 due on or before the 1<sup>st</sup> of each month thereafter.

ECS agrees to send installment checks to satisfy the SETTLEMENT AMOUNT according to the payment schedule above payable to "DIVISION OF LABOR STANDARDS ENFORCEMENT" to:

Division of Labor Standards Enforcement  
c/o Attorney Lance A. Grucela  
7575 Metropolitan Drive, Suite 210  
San Diego, CA 92108

7. ECS, UMAR KHALID RANA, as an individual and in his capacity as Chief Executive Officer of ECS, and KANWAL SAJJAD RANA, as an individual and in her capacity as Secretary of ECS, further stipulate as follows (the terms of this paragraph are hereafter referred to as the "DEBARMENT STIPULATION"):

- i. ECS is the holder of California contractor's license number 975222;
- ii. UMAR KHALID RANA, an individual, is the Chief Executive Officer of ECS;
- iii. KANWAL SAJJAD RANA, an individual, is the Secretary of ECS;
- iv. ECS, UMAR KHALID RANA, as an individual and in his capacity as Chief Executive Officer of ECS, and KANWAL

SAJJAD RANA, as an individual and in her capacity as Secretary of ECS, hereby stipulate to debarment pursuant to Labor Code section 1777.1, subdivision (a) for a period of 3 years beginning on March 1, 2020, following the filing of an Order of the Labor Commissioner in this matter. During that 3 year period, ECS, UMAR RANA, KANWAL RANA, or any other officer or director of ECS, 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 bid on, be awarded, or engage in the performance of any "public works" project in the State of California as defined by Labor Code sections 1720, 1720.2, and 1720.3.

8. Upon ECS's withdrawal of its Request for Review, timely payment of the SETTLEMENT AMOUNT, and the successful completion of the terms of the DEBARMENT STIPULATION in paragraph 7, DLSE will release ECS, UMAR RANA, and KANWAL RANA from any and all claims by DLSE for wages and penalties under Labor Code sections 1775, 1776, 1813 and 1777.7 arising out of the PROJECT (including interest, costs and attorney fees), resulting from acts or omissions by ECS concerning the PROJECT.

9. ECS, UMAR RANA, and KANWAL RANA agree that time is of the essence, that timely payment as specified herein, is a material part of this agreement, and that should any payment be made late, ECS, UMAR RANA, and KANWAL RANA shall be in breach of this agreement and DLSE will be entitled to obtain a judgment based on the full amount of the SECOND AMENDED CWPA, including applicable liquidated damages and interest, less credit for any payments actually made by ECS toward the SETTLEMENT AMOUNT.

10. ECS, UMAR RANA, and KANWAL RANA further agree that successful completion of the DEBARMENT STIPULATION is a material part of this agreement, and that should ECS, UMAR RANA, KANWAL RANA, any officer or director of ECS, or 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, fail to abide by the terms the DEBARMENT STIPULATION, ECS shall be in breach of this agreement and DLSE will be entitled to obtain a judgment based on the full amount of the SECOND AMENDED CWPA, including applicable liquidated damages and interest, less credit for any payments actually made toward the SETTLEMENT AMOUNT.

11. This Agreement does not contemplate or address responsibility for payment of taxes on the SETTLEMENT AMOUNT.

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**RELEASES**

NOW, THEREFORE, in consideration of ECS's withdrawal of its Request for Review, timely payment of the SETTLEMENT AMOUNT, and the successful completion of the terms of the DEBARMENT STIPULATION in paragraph 7, DLSE will release ECS, UMAR RANA, and KANWAL RANA from any liability relating to THE LITIGATION and the CWPAs, including 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, 1777.7 and 1813 (including costs and attorney fees) resulting from any claims of work performed by workers employed on the PROJECT by ECS.

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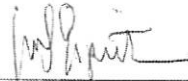


I hereby certify that I have read all of this Release Agreement, and fully understand same, and in witness thereof I have executed this Release Agreement on this 31st day of January, 2020 at Long Beach, California.

Under penalty of perjury, the undersigned represents and warrants that she or he has full authority to execute this Release Agreement 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: \_\_\_\_\_



LORNA ESPIRITU  
Senior Deputy Labor Commissioner

I hereby certify that I have read this Release Agreement and Debarment Stipulation, that I fully understand and agree to be bound by its terms, on behalf as myself as an individual and as Chief Executive Officer of ECS, including the DEBARMENT STIPULATION.

I warrant that I have full authority to execute this Release Agreement and Debarment Stipulation, and in witness thereof, I have executed this Release on this 31st day of January, 2020, at Santa Clarita, California.


By: \_\_\_\_\_



UMAR KHALID RANA

I hereby certify that I have read this Release Agreement and Debarment Stipulation, that I fully understand and agree to be bound by its terms, on behalf as myself as an individual and as an officer of ECS, including the DEBARMENT STIPULATION.

I warrant that I have full authority to execute this Release Agreement and Debarment Stipulation, and in witness thereof, I have executed this Release on this 31st day of January, 2020, at Santa Clarita, California.

By:  \_\_\_\_\_  
KANWAL SAJJAD RANA

## RELEASE AGREEMENT

This Agreement is made by the DIVISION OF LABOR STANDARDS ENFORCEMENT, Department of Industrial Relations, State of California ("DLSE"), in favor of American Contractors Indemnity Company ("ACIC"), and ICON WEST, INC. ("ICON") with reference to the following facts:

### RECITALS

1. On November 3, 2015 DLSE served a Civil Wage and Penalty Assessment ("CWPA") on ICON, ECS CONTRACTORS INC. DBA ECS ELECTRIC, INC. ("ECS"), REGENTS OF THE UNIVERSITY OF CALIFORNIA (UCLA) ("AWARDING BODY"), and HARTFORD FIRE INSURANCE COMPANY ("HARTFORD"), in DLSE Case No. 40-42826-333, claiming gross wages and training funds due and owing in the amount of \$174,758.63, combined penalties pursuant to Labor Code sections 1775 and 1813 in the amount of \$163,565.00, and potential liquidated damages in the amount of \$174,758.63, said amounts alleged to be due and owing by ICON and ECS as a result of violations of the prevailing wage laws of the State of California involving workers employed by ECS and violations of ICON and ECS'S duties and obligations pursuant to Labor Code 1777.5 relating to the employment of apprentices on a public works project awarded to ICON by AWARDING BODY, known as LANDFAIR APARTMENTS REDEVELOPMENT ("PROJECT").

2. On December 2, 2015, an Amended Civil Wage and Penalty Assessment ("FIRST AMENDED CWPA") was issued to correct a clerical error so that the amounts due were accurately reflected on the

first page.

3. ICON filed a Request for Review of the CWPA, which is now pending In the Request for Review of Icon West, Inc. OD Legal Case No. 16-0002-PWH with the Office of the Director, Department of Industrial Relations ("THE LITIGATION").

4. On or about December 31, 2015, ACIC mailed a check made payable to the Department of Industrial Relations to the Department of Industrial Relation's Cashiering Unit ("DIR CASHIERING"), in the amount of \$338,323.63 ("DIR DEPOSIT").

5. On or about October 17, 2017 DLSE made a motion to amend the CWPA upward for the totals of both wages and penalties based upon newly discovered information as follows: alleged wages due in the amount of \$848,878.10; \$468,200.00 in combined Labor Code section 1775 and 1813 Penalties; and \$58,500.00 in Labor Code section 1777.7 penalties, totaling \$1,375,578.10. On March 29, 2018, the Hearing Officer granted DLSE's motion to amend the CWPA upwards ("SECOND AMENDED CWPA").

6. ACIC and ICON have agreed to resolve all claims concerning the CWPA, FIRST AMENDED CWPA, and SECOND AMENDED CWPA identified above (hereafter collectively referred to as "CWPA's") and THE LITIGATION identified above as follows: ICON will immediately withdraw its Request for Review, and ACIC will pay to DLSE the total amount of \$712,500.00 ("SETTLEMENT AMOUNT"), representing \$712,500.00 in gross wages.

7. Upon timely payment of the SETTLEMENT AMOUNT, DLSE will

release ACIC, ICON, and HARTFORD from any and all claims by DLSE for wages and penalties under Labor Code sections 1775, 1776, 1813 and 1777.7 arising out of the PROJECT (including interest, costs and attorney fees), resulting from acts or omissions by ECS concerning the PROJECT.

8. ACIC agrees that the DIR DEPOSIT shall be used to partially satisfy the SETTLEMENT AMOUNT and hereby authorizes DIR CASHIERING to release the full amount of the DIR DEPOSIT to DLSE. ACIC further agrees to send a check for the remaining balance of the SETTLEMENT AMOUNT of \$374,176.37 **no later than September 28, 2018** payable to "DIVISION OF LABOR STANDARDS ENFORCEMENT" to:

Division of Labor Standards Enforcement  
c/o Attorney Lance A. Grucela  
7575 Metropolitan Drive, Suite 210  
San Diego, CA 92108

9. ACIC and ICON agree that time is of the essence, that timely payment as specified herein is a material part of this agreement, and that should any payment be made late, ACIC and ICON shall be in breach of this agreement and DLSE will be entitled to obtain a judgment based on the full amount of the SECOND AMENDED CWPA, including applicable liquidated damages and interest, less credit for any payments actually made toward the SETTLEMENT AMOUNT. DLSE agrees that in the event any unforeseen circumstance prevents ACIC from timely submitting the SETTLEMENT AMOUNT, ACIC may cure the breach within 15 days of the due date and that DLSE will refrain from obtaining a judgment during this time.

10. ACIC and ICON understand that this agreement does not release ECS from any remaining liability under the CWPAs and further understands that DLSE will pursue the remaining balance of the CWPAs against ECS.

11. This Agreement does not contemplate or address responsibility for payment of taxes on the SETTLEMENT AMOUNT.

**AGREEMENT**

NOW, THEREFORE, in consideration of the timely payment to the DLSE of the SETTLEMENT AMOUNT, and conditioned upon said payment, and in further consideration for ICON'S withdrawal of its Request for Review, DLSE will release ACIC, ICON, and HARTFORD from any liability relating to THE LITIGATION and the CWPAs, including 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, 1777.7 and 1813 (including costs and attorney fees) resulting from any claims of work performed by workers employed on the PROJECT by ECS.

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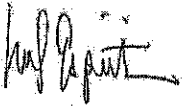
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I hereby certify that I have read all of this Release Agreement, and fully understand same, and in witness thereof I have executed this Release Agreement on this 4th day of September, 2018 at Long Beach, California.

Under penalty of perjury, the undersigned represents and warrants that she or he has full authority to execute this Release Agreement 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: \_\_\_\_\_


 9/4/18

LORNA ESPIRITU  
Senior Deputy Labor Commissioner

I hereby certify that I have read this Release Agreement and fully understand it, warrant that I have full authority to execute this Settlement Agreement and Release, and in witness I have executed this Release on this 11<sup>th</sup> day of September, 2018, at Los Angeles, California.

ICON WEST, INC.

By: \_\_\_\_\_

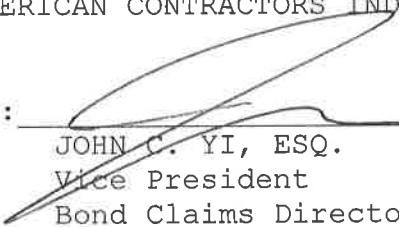


DERRICK HALAWI  
Chief Financial Officer

I hereby certify that I have read this Release Agreement and fully understand it, warrant that I have full authority to execute this Settlement Agreement and Release, and in witness I have executed this Release on this 10<sup>th</sup> day of September, 2018, at Orange, California.

AMERICAN CONTRACTORS INDEMNITY COMPANY

By: \_\_\_\_\_

  
JOHN C. YI, ESQ.  
Vice President  
Bond Claims Director