

1 ROB BONTA
Attorney General of California
2 ERIN M. SUNSERI
Supervising Deputy Attorney General
3 AGUSTIN LOPEZ
Deputy Attorney General
4 State Bar No. 218717
600 West Broadway, Suite 1800
5 San Diego, CA 92101
P.O. Box 85266
6 San Diego, CA 92186-5266
Telephone: (619) 738-9461
7 Facsimile: (619) 645-2061
E-mail: Agustin.Lopez@doj.ca.gov
8 *Attorneys for Complainant*

9
10 **BEFORE THE**
11 **DEPARTMENT OF CONSUMER AFFAIRS**
12 **FOR THE BUREAU OF HOUSEHOLD GOODS AND SERVICES**
13 **STATE OF CALIFORNIA**

14 In the Matter of the Accusation Against:

Case No. HHM 2022-292

15 **SANNAH VAN LINES, INC.; IBRAHIM**
16 **KHALIFAH, CEO**
17 **1130 N. Kraemer Blvd., Ste. G**
18 **Orange, CA 92806**

19 **Household Mover Permit No. CAL-T**
20 **0192287**

ACCUSATION TO REVOKE
HOUSEHOLD MOVER PERMIT,
CITATION WITH FINES, AND NOTICE
OF SUSPENSION OF PERMIT BY
OPERATION OF LAW

Respondent.

21 **PARTIES**

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

25 2. On January 27, 2021, the Bureau issued Household Mover Permit Number CAL-T
26 0192287 to Sannah Van Lines, Inc. (Respondent SVL); Ibrahim Khalifah (Respondent Khalifah),
27 Chief Executive Officer (CEO). The Bureau suspended Respondent's permit five times for
28 failure to pay fees or inadequate insurance coverage between the following dates: (1) July 16,

1 2021 to July 29, 2021, (2) January 14, 2022 to February 13, 2022, (3) July 15, 2022 to August 18,
2 2022, (4) December 16, 2022 to December 21, 2022, and (5) January 13, 2023 to the present.¹

3 **JURISDICTION**

4 3. Complainant brings this Accusation before the Director of the Department of
5 Consumer Affairs (Director) for the Bureau, under the authority of the following laws. All
6 section references are to the Business and Professions Code unless otherwise indicated.

7 4. Section 118 states:

8 . . .

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

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

21 ***Authority of the Bureau.***

22 5. Section 9810 states as follows:

23 (a)(1) There is in the Department of Consumer Affairs a Bureau of
24 Household Goods and Services, under the supervision and control of the director.
25 The director shall administer and enforce the provisions of this chapter and
26 Chapter 3 (commencing with Section 19000) and Chapter 3.1 (commencing with
27 Section 19225) of Division 8.

28 (2) There is a Division of Household Movers within the bureau for purposes
of administering [the Household Movers Act (Bus. & Prof. Code § 19225 *et*
seq.)]. The Division of Household Movers shall be overseen by the chief of the
bureau.

¹ The Federal Motor Carrier Safety Administration (FMCSA) issued Respondent license/permit No. FMCSA-DOT 3467713, authorizing it to move household goods in interstate moves outside California. However, as of at least March 15, 2024, Respondent’s FMCSA-DOT license is “inactive,” and Respondent is not authorized to transport or arrange the transportation of household goods either interstate or intrastate.

1 ...

2 (c) Every power granted to or duty imposed upon the director under [the
3 Household Movers Act] may be exercised or performed in the name of the
4 director by a deputy or assistant director or by the chief, subject to conditions and
5 limitations that the director may prescribe.

6 (d) Whenever the laws of this state refer to the Bureau of Electronic Repair
7 Dealer Registration or the Bureau of Electronic and Appliance Repair, the
8 reference shall be construed to be to the Bureau of Household Goods and
9 Services.

10 6. Section 19234.1 provides that protection of the public shall be the highest priority of
11 the Bureau in exercising its licensing, regulatory, and disciplinary functions under the Household
12 Movers Act.

13 ***Discipline Under the Household Movers Act.***

14 7. Section 19228 establishes the transfer of authority from the Public Utilities
15 Commission to the Bureau as follows:

16 (a) Notwithstanding any other law, and until the time the director adopts
17 regulations implementing this chapter, powers granted to, or duties imposed on,
18 the Public Utilities Commission pursuant to the former Chapter 7 (commencing
19 with Section 5101) of Division 2 of the Public Utilities Code [former Household
20 Goods Carriers Act] are transferred to, and may be exercised by, the director in
21 administering this chapter.

22 ...

23 (c) Until the operative date of regulations implementing this chapter,
24 household movers shall observe the rules, regulations, general orders, and
25 Maximum Rate Tariff 4, as most recently amended as of July 1, 2018, by the
26 Public Utilities Commission, that are administered and enforced by the director
27 pursuant to this chapter. A violation of those rules, regulations, general orders, or
28 tariff may be grounds for discipline.

 8. Section 19225.5 states:

 ...

 (h) "Household mover" includes every corporation or person, their lessees,
trustee, receivers, or trustees appointed by any court whatsoever, engaged in the
permitted or unpermitted transportation for compensation or hire as a business by
means of a motor vehicle or motor vehicles being used in the transportation of
used household goods and personal effects over any public highway in this state.

1 A broker, as defined in subdivision (a), shall be considered a household mover.
2 The Legislature intends “household mover” to have the same meaning as
3 “household goods carrier” in former Section 5109 of the Public Utilities Code, as
4 that section read on June 30, 2018.

5 9. Section 19226 provides that any provision of the Public Utilities Code that conflicts
6 with the Household Movers Act does not apply to a household mover.

7 **STATUTORY PROVISIONS**

8 10. Section 119 states:

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

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

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

13 . . .

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

18 11. Section 19237 states:

19 (a) A household mover shall not engage, or attempt to engage, in the business
20 of the transportation of used household goods and personal effects by motor
21 vehicle over any public highway in this state, including by any means or media,
22 advertising, soliciting, offering, arranging as a broker, or entering into an
23 agreement regarding the transportation of used household goods and personal
24 effects, unless both of the following are satisfied:

25 (1) For transportation of household goods and personal effects entirely within
26 this state, there is in force a permit issued by the bureau authorizing those
27 operations. . . .

28 (2) 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.

12. Section 19239.1 governs Workers’ Compensation Insurance Coverage as follows:

(a) Except as provided for in subdivision (b), every household mover, as a
condition precedent to the issuance, reinstatement, reactivation, renewal, or
continued maintenance of a permit, shall have on file with the bureau a current

1 and valid Certificate of Workers' Compensation Insurance or Certification of Self-
2 Insurance in the applicant's or permitholder's business name. . . .

3 (b) This section does not apply to an applicant or permitholder who has no
4 employees, provided that the applicant or permitholder files a statement, under
5 penalty of perjury, stating that, in its operations as a household mover, it does not
6 employ any person in any manner so as to become subject to the workers'
7 compensation laws of this state.

8 . . .

9 (d) If, after filing the statement described in subdivision (b), the household
10 mover becomes subject to the workers' compensation laws of this state, the
11 household mover shall promptly notify the bureau that the household mover is
12 withdrawing its statement under subdivision (b), and shall simultaneously file the
13 certificate described in subdivision (a).

14 13. Section 19247 states, "Every household mover shall add a prominent link to its
15 Internet Web site that immediately directs all consumers to the bureau's Internet Web site."

16 14. Section 19275 states:

17 . . .

18 (b) The bureau may . . . revoke, in whole or in part, the permit of any
19 household mover, . . . after notice and an opportunity to be heard, for providing
20 false or misleading information on an application for a permit or for failure to
21 comply with this chapter or with any order, rule, regulation, or tariff administered
22 by the bureau, or with any term, condition, or limitation of the permit.

23 . . .

24 (d) The bureau may . . . , suspend, or revoke the permit of any household
25 mover upon . . . , or intentional dishonesty for personal gain.

26 15. Section 19276 states, ". . . during the period of its suspension, it is unlawful for a
27 household mover to conduct any operations as a household mover."

28 16. Section 19277 states:

(a) Every household mover and every officer, director, agent, or employee
of any household mover who violates or who fails to comply with, or who
procures, aids, or abets any violation by any household mover of any provision of
this chapter or any rule or regulation administered by the bureau pursuant to this
chapter, or of any operating permit issued to any household mover, or who
procures, aids, or abets any household mover in its failure to obey, observe, or
comply with any such rule, regulation, or operating permit, is guilty of a
misdemeanor, and is punishable by a fine of not more than two thousand five
hundred dollars (\$2,500) or by imprisonment in the county jail for not more than

1 three months, or both. If a violation is willful, each willful violation is punishable
2 by a fine of not more than ten thousand dollars (\$10,000) or by imprisonment in
3 the county jail for not more than one year, or both. If the violation involves
operating or holding oneself out as a household mover without a permit, the fine
shall be not less than one thousand dollars (\$1,000).

4 (b) Any person who violates subdivision (a) of Section 19237, is guilty of a
5 misdemeanor, and is punishable by a fine of not more than ten thousand dollars
6 (\$10,000), by imprisonment in the county jail for not more than one year, or both,
for each violation.

7 17. Section 19279.1 states:

8 Whenever the bureau finds that any person or corporation is operating as a
9 household mover without a valid permit, or is holding itself out as such a
10 household mover without a valid permit in contravention of Section 19279.3, the
11 bureau may issue a citation and fine of not more than five thousand dollars
12 (\$5,000) for each violation. The bureau may assess the person or corporation an
amount sufficient to cover the reasonable expense of investigation incurred by the
bureau.

13 18. Section 19279.2 states:

14 Every corporation or person other than a household mover who knowingly
15 and willfully, either individually, or acting as an officer, agent, or employee of a
16 corporation, copartnership, or any other person other than a household mover,
17 violates any provision of this chapter or fails to observe, obey, or comply with any
18 order, decision, rule, regulation, direction, demand, or requirement administered
19 by the bureau pursuant to this chapter, or who procures, aids, or abets any
household mover in its violation of this chapter, or in its failure to obey, observe,
or comply with any such order, decision, rule, regulation, direction, demand, or
requirement, is subject to a citation and fine of not more than five hundred dollars
(\$500) for each offense.

20 19. Section 19279.3 states:

21 Every corporation or person who knowingly and willfully issues, publishes,
22 or affixes, or causes or permits the issuance, publishing, or affixing, of any oral or
23 written advertisement, broadcast, or other holding out to the public, or any portion
24 thereof, that the corporation or person is in operation as a household mover
25 without having a valid permit issued under this chapter is guilty of a misdemeanor
punishable by a fine of not more than two thousand five hundred dollars (\$2,500).

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1 20. Section 19281 provides that every violation of the Household Movers Act is a
2 separate and distinct offense, and each day’s continuance thereof is a separate and distinct
3 offense.

4 21. Section 19282 states:

5 All remedies and penalties accruing under this chapter are cumulative to each
6 other and to the remedies and penalties available under any other law, and a suit
7 for the recovery of one remedy or penalty does not bar or affect the recovery of
8 any other remedy, penalty, or forfeiture or bar any criminal prosecution against
9 any person or corporation, or any officer, director, agent, or employee thereof, or
10 any other corporation or person.

11 22. Section 19288 states:

12 (a) On and after the effective date of this article, there is imposed upon
13 every household mover, . . . , a permit fee that shall be paid to the bureau.

14 . . .

15 (2) Until the adoption of fees by the bureau pursuant to paragraph (1),
16 every household mover, and every person or corporation, owning or
17 operating motor vehicles in the transportation of property for hire upon the
18 public highways, under the jurisdiction of the bureau, shall pay to the bureau
19 a permit fee equal to one-tenth of 1 percent of gross operating revenue, which
20 shall be payable to the bureau in the manner and at the times provided for the
21 payment of the fee provided in Section 5003.1 of the Public Utilities Code.
22 For purposes of this paragraph, “gross operating revenue” shall be the gross
23 operating revenue defined in Section 5002 of the Public Utilities Code. It is
24 the intent of the Legislature that the fee imposed by this paragraph will be
25 equivalent to the fee imposed pursuant to Section 5328 of the Public Utilities
26 Code as of June 30, 2018.

27 23. Section 19288.1 states:

28 Until the adoption of fees by the bureau pursuant to Section 19288, every
household mover shall pay to the bureau the fees required pursuant to, and in the
manner specified in, Sections 5003.1 and 5003.2 of the Public Utilities Code. It is
the intent of the Legislature that the fees imposed by this section shall be
equivalent to the fees collected by the Public Utilities Commission, and imposed
pursuant to Sections 5003.1 and 5003.2 of the Public Utilities Code, as of
September 1, 2017. The fees to be paid by household movers as specified in this
section are in addition to the fee specified in paragraph (2) of subdivision (b) of
Section 19288.

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1 (j) At the hearing of a small claims action, the court shall require any
2 individual who is appearing as a representative of a party under subdivisions (b)
3 to (i), inclusive, to file a declaration stating (1) that the individual is authorized to
4 appear for the party, and (2) the basis for that authorization. If the representative
5 is appearing under subdivision (b), (c), (d), (h), or (i), the declaration also shall
6 state that the individual is not employed solely to represent the party in small
7 claims court. If the representative is appearing under subdivision (e), (f), or (g),
8 the declaration also shall state that the representative is serving without
9 compensation, and has appeared in small claims actions on behalf of others no
10 more than four times during the calendar year.

7 **COST RECOVERY**

8 29. Section 125.3 provides that the Bureau may request the administrative law judge to
9 direct a licensee found to have committed a violation or violations of the licensing act to pay a
10 sum not to exceed the reasonable costs of the investigation and enforcement of the case, with
11 failure of the licensee to comply subjecting the license to not being renewed or reinstated. If a
12 case settles, recovery of investigation and enforcement costs may be included in a stipulated
13 settlement.

14 **FACTUAL ALLEGATIONS**

15 30. On or about January 25, 2021, Respondent Khalifah, as an officer of Respondent SVL
16 and on its behalf, submitted a Workers' Compensation Declaration form certifying under penalty
17 of perjury, that Respondent SVL did not employ anyone in the manner subject to workers'
18 compensation laws of the State of California. Respondents certified, "I DO NOT HAVE ANY
19 EMPLOYEES. If I hire employees in the future, I will submit an amended Workers'
20 Compensation Declaration Form to the Bureau. . . ."

21 31. Respondent SVL has never submitted an amended Workers Compensation
22 Declaration Form to the Bureau.

23 32. On June 27, 2022, a Bureau investigator called Respondent SVL and spoke to HK, an
24 individual who identified herself as Respondent SVL's account manager. The investigator
25 discussed two consumer complaints received by the Bureau with HK. HK was familiar with the
26 complaints, explained Respondent SVL had submitted the complaints to Respondent SVL's third
27 party facilitator, and the claims were pending. When the investigator inquired about where
28

1 Respondent SVL’s principle place of business was located, she recommended the investigator
2 contact Respondent Khalifah.

3 33. On November 16, 2022, in a civil case entitled *Johnson v. Sannah Van Lines, Inc.*
4 (Super. Ct. Orange County, 2022, No. 30-2022-01266887-SC-SC-CJC), a consumer sued
5 Respondent SVL in small claims court for breach of contract. Saida Khalmenova personally
6 appeared for Respondent SVL, argued on behalf of it, and provided the court with an oral
7 declaration that she was Respondent SVL’s “authorized representative” for purposes of the small
8 claims proceeding.

9 34. On or about January 13, 2023, the Bureau suspended Respondent SVL’s permit
10 because it had not paid the required fees to maintain an active permit.

11 35. On February 14, 2023, the Bureau investigator confirmed that Respondent SVL
12 maintained an active website at www.sannahvanlines.com. It falsely represented that it was
13 authorized to perform household moves within California by displaying its household mover
14 permit number (CAL-T0192287). It invited consumers to call its customer service/dispatch
15 phone number, and promised that one of its “Moving consultants will be contacting you ASAP.”
16 Respondent SVL’s website does not contain or display any link that immediately directs
17 consumers to the Bureau’s internet website.

18 36. Also on February 14, 2023, the Bureau’s investigator discovered that Respondent
19 SVL advertised on a website called “mymovingreviews.com,” where Respondent SVL admits it
20 operates in California and discloses that its business address is on N. Kraemer Blvd. in Anaheim.²

21 37. As of at least March 19, 2024, Respondent also maintained a social media presence
22 on Instagram at <https://www.instagram.com/sannahvanlines/>, where it displays its California
23 permit number, phone number, and email. A video posted to Respondent SVL’s Instagram site
24 states, “Sannah Van Lines is a professional and efficient moving carrier that was established in
25 1999 that specializes in intrastate and interstate moves. . . . [¶] . . . Our movers go through
26 extensive training to ensure your belongings are packed and padded appropriately for your move
27

28 ² <https://www.mymovingreviews.com/movers/sannah-van-lines-inc-31759>

1 in transportation. . . .” The video invites consumers to “contact us via email or a phone for your
2 quote today.”

3 **FIRST CAUSE FOR DISCIPLINE**

4 **AND**

5 **CITATION AND FINE**

6 **(Violation of Household Mover Act - Failure to Have Valid Permit)**

7 **(Against Respondent SVL)**

8 38. Complainant incorporates paragraphs 30-37 by reference as if set forth in full herein.

9 39. Respondent SVL’s household mover permit is subject to discipline under Section
10 19275, subdivision (b), because it violated Sections 19237, subdivision (a)(1); and 19279.1, when
11 it failed to have in force a permit issued by the Bureau. Respondent engaged in or attempted to
12 engage in the business of transporting used household goods and personal effects by motor
13 vehicle over California public highways when it advertised, solicited, offered, or arranged
14 transportation of used household goods and personal effects without a valid permit issued by the
15 Bureau.

16 ***Citation and Fine Related to Unpermitted Conduct.***

17 40. Under Sections 19279.1, 19281, and 19282, Respondent SVL is subject to citation
18 and fines for continuing violations, and each day’s continuance is a separate and distinct offense,
19 for its conduct as an unpermitted household mover, subjecting Respondent SVL to fines of
20 \$5,000.00/day since at least February 14, 2023.

21 **SECOND CAUSE FOR DISCIPLINE**

22 **AND**

23 **CITATION AND FINE**

24 **(Violation of Household Mover Act - Unlawful Advertisements)**

25 **(Against Respondent SVL)**

26 41. Complainant incorporates paragraphs 30-37 by reference as if set forth in full herein.

27 42. Respondent SVL’s household mover permit is subject to discipline under Section
28 19275, subdivision (b), because it violated Sections 19279.3 when it engaged in unlawful
advertising. Respondent SVL knowingly and willfully published, caused, or permitted the

1 publishing of written advertisements where it held itself out to the public in operation as a
2 household mover without having a valid permit on:

- 3 a. Its own website;
- 4 b. Its Instagram site; and
- 5 c. On mymovingreviews.com's website.

6 ***Citation and Fine for Unpermitted Conduct.***

7 43. Under Sections 19279.1, 19279.3, and 19282, Respondent SVL is subject to citation
8 and fines for continuing violations, and each day's continuance is a separate and distinct offense,
9 for its conduct as an unpermitted household mover, subjecting Respondent to fines of
10 \$5,000.00/day since February 14, 2023.

11 **THIRD CAUSE FOR DISCIPLINE,**
12 **NOTICE OF SUSPENSION OF PERMIT BY OPERATION OF LAW,**
13 **AND**
14 **CITATION AND FINE**

15 **(Violation of Household Movers Act – Workers' Compensation Violations)**
16 **(Against Respondent SVL)**

17 44. Complainant incorporates paragraphs 30-37 by reference as if set forth in full herein.

18 45. Respondent SVL's household mover permit is subject to discipline under Section
19 19275, subdivision (b), because it violated Sections 19239.1 and 19239.4, subdivisions (a) and
20 (d). Since at least June 27, 2022, Respondent SVL failed to obtain or maintain workers'
21 compensation insurance coverage. Respondent SVL became subject to the workers'
22 compensation laws of California, and failed to promptly withdraw its Workers' Compensation
23 Declaration in violation of Section 19239.1, subdivision (d). It also failed to simultaneously file a
24 valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance.
25 Respondent's employees subjecting it to the Workers' Compensation laws of California include,
26 but are not limited to: HK, Ms. Khalmenova, and the employees it admits to training in its video
27 posted to Respondent SVL's Instagram site.

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1 ***Citation and Fine Related to Aiding and Abetting Unpermitted Conduct.***

2 50. Under Sections 19279.2 Respondent Khalifah is subject to citation and fines for
3 continuing violations, and each day's continuance is a separate and distinct offense subjecting
4 Respondent Khalifah to fines of \$500.00/day since February 14, 2023.

5 **FIFTH CAUSE FOR DISCIPLINE**

6 **(Intentional Dishonesty for Personal Gain)**

7 **(Against Respondent SVL)**

8 51. Complainant incorporates paragraphs 30-37 by reference as if set forth in full herein.

9 52. Respondent SVL's household mover permit is subject to discipline under Section
10 19275, subdivision (d), because it engaged in intentional dishonesty for personal gain as follows:

11 a. Since February 14, 2023, on its website (www.sannahvanlines.com),
12 Respondent SVL falsely represented that it was authorized to perform household moves within
13 California by displaying its household mover permit number (CAL-T0192287) on its website;
14 and

15 b. Since February 14, 2023, on the website for mymovingreviews.com,
16 Respondent SVL falsely represented that it was authorized to perform household moves within
17 California by displaying its household mover permit number (CAL-T0192287) on its website.

18 **SIXTH CAUSE FOR DISCIPLINE**

19 **(Displaying Suspended Permit)**

20 **(Against Respondent SVL)**

21 53. Complainant incorporates paragraphs 30-37 by reference as if set forth in full herein.

22 54. Respondent SVL is subject to discipline under Section 119, subdivision (a)(1),
23 because it displayed, caused, or permitted the display of its suspended permit.

24 **SEVENTH CAUSE FOR DISCIPLINE**

25 **(Violation of Household Mover Act - Failure to Provide Link to Bureau Website)**

26 **(Against Respondent SVL)**

27 55. Complainant incorporates paragraphs 30-37 by reference as if set forth in full herein.
28

