

AMENDED IN ASSEMBLY MARCH 18, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1608

Introduced by Assembly Member Olsen
(Coauthor: Senator Vidak)

February 5, 2014

An act to amend, repeal, and add Sections 7512.3, 7525.1, 7529, 7538, 7538.5, and 7539 of, and to add and repeal Section 7520.3 of, the Business and Professions Code, relating to private investigators.

LEGISLATIVE COUNSEL'S DIGEST

AB 1608, as amended, Olsen. Private investigators: limited liability companies.

Existing law, the Private Investigator Act, provides for the licensure and regulation of private investigators by the Bureau of Security and Investigative Services within the Department of Consumer Affairs and makes a violation of the licensing requirements a crime. Existing law defines a person, for purposes of the act, to include any individual, firm, company, association, organization, partnership, and corporation.

Existing law, the California Revised Uniform Limited Liability Company Act, governs the formation and operation of limited liability companies. The act authorizes a limited liability company to engage in any lawful business activity, except as specified, but prohibits construing the act to permit a limited liability company to render professional services, as defined. Existing law authorizes a limited liability company to render services that may be lawfully rendered only pursuant to a license, certificate, or registration authorized by the Business and Professions Code if the provisions of that code authorize a limited liability company to hold that license, certificate, or registration.

This bill, until January 1, 2020, would authorize the bureau to issue a private investigator license to a limited liability company and would make related conforming changes. The bill would require a limited liability company applicant for a private investigator license to provide specified information to the bureau, including the true name and complete residence address of each of the managing members and any other officers or members who will be active in the business. The bill would require a limited liability company, as a condition of licensure, to maintain liability insurance, as specified, for damages arising out of claims based on acts, errors, or omissions arising out of the private investigator services it provides. The bill would require a Certificate of Liability Insurance, as specified, to be submitted to the bureau, and would require the insurer issuing the certificate to report specified information to the bureau related to the policy. The bill would authorize suspension of the license of a licensee that fails to maintain sufficient insurance pursuant to these provisions and would render each member of the limited liability company personally liable, up to \$1,000,000 dollars each, for damages resulting to 3rd parties in connection with the company’s performance during the period of suspension, as specified. By expanding the scope of an existing crime, ~~this~~ *the* bill would create a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7512.3 of the Business and Professions
- 2 Code is amended to read:
- 3 7512.3. (a) As used in this chapter, “person” includes any
- 4 individual, firm, company, limited liability company, association,
- 5 organization, partnership, and corporation.
- 6 (b) This section shall remain in effect only until January 1, 2020,
- 7 and as of that date is repealed, unless a later enacted statute, that
- 8 is enacted before January 1, 2020, deletes or extends that date.

1 SEC. 2. Section 7512.3 is added to the Business and Professions
2 Code, to read:

3 7512.3. (a) As used in this chapter, “person” includes any
4 individual, firm, company, association, organization, partnership,
5 and corporation.

6 (b) This section shall become operative on January 1, 2020.

7 SEC. 3. Section 7520.3 is added to the Business and Professions
8 Code, to read:

9 7520.3. (a) As a condition of the issuance, reinstatement,
10 reactivation, or continued valid use of a license under this chapter,
11 a limited liability company shall, in accordance with this section,
12 maintain a policy or policies of insurance against liability imposed
13 on or against it by law for damages arising out of claims based
14 upon acts, errors, or omissions arising out of the private investigator
15 services it provides.

16 (b) The total aggregate limit of liability under the policy or
17 policies of insurance required under this section shall be as follows:

18 (1) For a limited liability company licensee with five or fewer
19 persons named as managing members pursuant to subdivision (i)
20 of Section 7525.1, the aggregate limit shall not be less than one
21 million dollars (\$1,000,000).

22 (2) For a limited liability company licensee with more than five
23 persons named as managing members pursuant to subdivision (i)
24 of Section 7525.1, an additional one hundred thousand dollars
25 (\$100,000) of insurance shall be obtained for each person named
26 as managing members of the licensee except that the maximum
27 amount of insurance is not required to exceed five million dollars
28 (\$5,000,000) in any one designated period, less amounts paid in
29 defending, settling, or discharging claims as set forth under this
30 section.

31 (c) Prior to the issuance, reinstatement, or reactivation of a
32 limited liability company license as provided under this chapter,
33 the applicant or licensee shall, in the manner prescribed by the
34 bureau, submit the information and documentation required by
35 this section and requested by the bureau, demonstrating compliance
36 with the financial security requirements specified by this section.

37 (d) For any insurance policy secured by a licensee in satisfaction
38 of this section, a Certificate of Liability Insurance, signed by an
39 authorized agent or employee of the insurer, shall be submitted
40 electronically or otherwise to the bureau. The insurer issuing the

1 certificate shall report to the bureau the following information for
2 any policy required under this section: name, license number,
3 policy number, dates that coverage is scheduled to commence and
4 lapse, the date and amount of any payment of claims, and
5 cancellation date if applicable.

6 (e) If a licensee fails to maintain sufficient insurance as required
7 by this section, the license is subject to suspension.

8 (f) If the license of a limited liability company is suspended
9 pursuant to subdivision (e), each member of the limited liability
10 company shall be personally liable up to one million dollars
11 (\$1,000,000) each for damages resulting to third parties in
12 connection with the company’s performance, during the period of
13 suspension, of any act or contract when a license is required by
14 this chapter.

15 (g) This section shall remain in effect only until January 1, 2020,
16 and as of that date is repealed, unless a later enacted statute, that
17 is enacted before January 1, 2020, deletes or extends that date.

18 SEC. 4. Section 7525.1 of the Business and Professions Code
19 is amended to read:

20 7525.1. An application shall be verified and shall include:

- 21 (a) The full name and business address of the applicant.
- 22 (b) The name under which the applicant intends to do business.
- 23 (c) A statement as to the general nature of the business in which
24 the applicant intends to engage.
- 25 (d) A verified statement of his or her experience qualifications.
- 26 (e) (1) If the applicant is an individual, a qualified manager, a
27 partner of a partnership, an officer of a corporation designated in
28 subdivision (h), or a managing member of a limited liability
29 company designated in subdivision (i), one personal identification
30 form provided by the bureau upon which shall appear a photograph
31 taken within one year immediately preceding the date of the filing
32 of the application together with two legible sets of fingerprints,
33 one set of which shall be forwarded to the Federal Bureau of
34 Investigation for purposes of a background check, on a form
35 approved by the Department of Justice, and a personal description
36 of each person, respectively. The identification form shall include
37 residence addresses and employment history for the previous five
38 years and be signed under penalty of perjury.

39 (2) The bureau may impose a fee not to exceed three dollars
40 (\$3) for processing classifiable fingerprint cards submitted by

1 applicants, excluding those submitted into an electronic fingerprint
2 system using electronic fingerprint technology.

3 (f) In addition, if the applicant for a license is an individual, the
4 application shall list all other names known as or used during the
5 past 10 years and shall state that the applicant is to be personally
6 and actively in charge of the business for which the license is
7 ~~sought, or if sought.~~ *If* any other qualified manager is to be actively
8 in charge of the business, the application shall be subscribed,
9 verified, and signed by the applicant, under penalty of ~~perjury, and~~
10 ~~if perjury.~~ *If* any other person is to be actively in charge of the
11 business, the application shall also be subscribed, verified, and
12 signed by that person under penalty of perjury.

13 (g) If the applicants for *a* license are copartners, the application
14 shall state the true names and addresses of all partners and the
15 name of the partner to be actively in charge of the business for
16 which the license is ~~sought;~~ *sought* and list all other names known
17 as or used during the past 10 ~~years, or if~~ *years.* *If* a qualified
18 manager other than a partner is to be actively in charge of the
19 business, then the application shall be subscribed, verified, and
20 signed by all of the partners under penalty of ~~perjury, and if~~
21 ~~perjury.~~ *If* any other person is to be actively in charge of the
22 business, the application shall also be subscribed, verified, and
23 signed by that person, under penalty of perjury, under penalty of
24 perjury by all of the partners and qualified manager, or by all of
25 the partners or the qualified manager.

26 (h) If the applicant for *a* license is a corporation, the application
27 shall state the true ~~names;~~ *names* and complete residence addresses
28 of the chief executive officer, secretary, chief financial officer,
29 and any other corporate officer who will be active in the business
30 to be licensed. The application shall also state the name and address
31 of the designated person to be actively in charge of the business
32 for which the license is sought. The application shall be subscribed,
33 verified, and signed by a duly authorized officer of the applicant
34 and by the qualified manager thereof, under penalty of perjury.

35 (i) If the applicant for a license is a limited liability company,
36 the application shall state the true name and complete residence
37 address of each managing member and any other officer or member
38 who will be active in the business to be licensed. A copy of the
39 *most recent* articles of organization ~~issued,~~ *as filed* by the Secretary
40 of State, shall be supplied to the bureau upon request. The

1 application shall also state the name and residence address of the
 2 designated person to be actively in charge of the business for which
 3 the license is sought. The application shall be subscribed, verified,
 4 and signed by a duly authorized member of the applicant under
 5 penalty of perjury.

6 (j) Any other information, evidence, statements, or documents
 7 as may be required by the director.

8 (k) This section shall remain in effect only until January 1, 2020,
 9 and as of that date is repealed, unless a later enacted statute, that
 10 is enacted before January 1, 2020, deletes or extends that date.

11 SEC. 5. Section 7525.1 is added to the Business and Professions
 12 Code, to read:

13 7525.1. An application shall be verified and shall include:

14 (a) The full name and business address of the applicant.

15 (b) The name under which the applicant intends to do business.

16 (c) A statement as to the general nature of the business in which
 17 the applicant intends to engage.

18 (d) A verified statement of his or her experience qualifications.

19 (e) (1) If the applicant is an individual, a qualified manager, a
 20 partner of a partnership, or an officer of a corporation designated
 21 in subdivision (h), one personal identification form provided by
 22 the bureau upon which shall appear a photograph taken within one
 23 year immediately preceding the date of the filing of the application
 24 together with two legible sets of fingerprints, one set of which
 25 shall be forwarded to the Federal Bureau of Investigation for
 26 purposes of a background check, on a form approved by the
 27 Department of Justice, and a personal description of each person,
 28 respectively. The identification form shall include residence
 29 addresses and employment history for the previous five years and
 30 be signed under penalty of perjury.

31 (2) The bureau may impose a fee not to exceed three dollars
 32 (\$3) for processing classifiable fingerprint cards submitted by
 33 applicants, excluding those submitted into an electronic fingerprint
 34 system using electronic fingerprint technology.

35 (f) In addition, if the applicant for a license is an individual, the
 36 application shall list all other names known as or used during the
 37 past 10 years and shall state that the applicant is to be personally
 38 and actively in charge of the business for which the license is
 39 sought, or if sought. If any other qualified manager is to be actively
 40 in charge of the business, the application shall be subscribed,

1 verified, and signed by the applicant, under penalty of ~~perjury, and~~
2 ~~if perjury.~~ *If* any other person is to be actively in charge of the
3 business, the application shall also be subscribed, verified, and
4 signed by that person under penalty of perjury.

5 (g) If the applicants for *a* license are copartners, the application
6 shall state the true names and addresses of all partners and the
7 name of the partner to be actively in charge of the business for
8 which the license is ~~sought~~; *sought* and list all other names known
9 as or used during the past 10 ~~years, or if~~ *years.* *If* a qualified
10 manager other than a partner is to be actively in charge of the
11 business, then the application shall be subscribed, verified, and
12 signed by all of the partners under penalty of ~~perjury, and if~~
13 ~~perjury.~~ *If* any other person is to be actively in charge of the
14 business, the application shall also be subscribed, verified, and
15 signed by that person, under penalty of perjury, under penalty of
16 perjury by all of the partners and qualified manager, or by all of
17 the partners or the qualified manager.

18 (h) If the applicant for *a* license is a corporation, the application
19 shall state the true ~~names~~; *names* and complete residence addresses
20 of the chief executive officer, secretary, chief financial officer,
21 and any other corporate officer who will be active in the business
22 to be licensed. The application shall also state the name and address
23 of the designated person to be actively in charge of the business
24 for which the license is sought. The application shall be subscribed,
25 verified, and signed by a duly authorized officer of the applicant
26 and by the qualified manager thereof, under penalty of perjury.

27 (i) Any other information, evidence, statements, or documents
28 as may be required by the director.

29 (j) This section shall become operative on January 1, 2020.

30 SEC. 6. Section 7529 of the Business and Professions Code is
31 amended to read:

32 7529. (a) Upon the issuance of a license, a pocket card of the
33 size, design, and content as may be determined by the director
34 shall be issued by the bureau to each licensee, if an individual, or
35 if the licensee is a person other than an individual, to its managing
36 member or manager and to each of its officers and partners. The
37 pocket card is evidence that the licensee is licensed pursuant to
38 this chapter. The card shall contain the signature of the licensee,
39 signature of the chief, and a photograph of the licensee, or bearer
40 of the card, if the licensee is other than an individual. The card

1 shall clearly state that the person is licensed as a private
2 investigator or is the manager or officer of the licensee. The pocket
3 card is to be composed of a durable material and may incorporate
4 technologically advanced security features. The bureau may charge
5 a fee sufficient to reimburse the department’s costs for furnishing
6 the pocket card. The fee charged may not exceed the actual direct
7 costs for system development, maintenance, and processing
8 necessary to provide this service, and shall not exceed sixteen
9 dollars (\$16). When a person to whom a card is issued terminates
10 his or her position, office, or association with the licensee, the card
11 shall be surrendered to the licensee and within five days thereafter
12 shall be mailed or delivered by the licensee to the bureau for
13 cancellation. Every person, while engaged in any activity for which
14 licensure is required, shall display his or her valid pocket card as
15 provided by regulation.

16 (b) This section shall remain in effect only until January 1, 2020,
17 and as of that date is repealed, unless a later enacted statute, that
18 is enacted before January 1, 2020, deletes or extends that date.

19 SEC. 7. Section 7529 is added to the Business and Professions
20 Code, to read:

21 7529. (a) Upon the issuance of a license, a pocket card of the
22 size, design, and content as may be determined by the director
23 shall be issued by the bureau to each licensee, if an individual, or
24 if the licensee is a person other than an individual, to its manager
25 and to each of its officers and partners. The pocket card is evidence
26 that the licensee is licensed pursuant to this chapter. The card shall
27 contain the signature of the licensee, signature of the chief, and a
28 photograph of the licensee, or bearer of the card, if the licensee is
29 other than an individual. The card shall clearly state that the person
30 is licensed as a private investigator or is the manager or officer of
31 the licensee. The pocket card is to be composed of a durable
32 material and may incorporate technologically advanced security
33 features. The bureau may charge a fee sufficient to reimburse the
34 department’s costs for furnishing the pocket card. The fee charged
35 shall not exceed the actual direct costs for system development,
36 maintenance, and processing necessary to provide this service, and
37 shall not exceed sixteen dollars (\$16). When a person to whom a
38 card is issued terminates his or her position, office, or association
39 with the licensee, the card shall be surrendered to the licensee and
40 within five days thereafter shall be mailed or delivered by the

1 licensee to the bureau for cancellation. Every person, while engaged
2 in any activity for which licensure is required, shall display his or
3 her valid pocket card as provided by regulation.

4 (b) This section shall become operative on January 1, 2020.

5 SEC. 8. Section 7538 of the Business and Professions Code is
6 amended to read:

7 7538. (a) After a hearing the director may deny a license unless
8 the applicant makes a showing satisfactory to the director that the
9 applicant, if an individual, has not, or if the applicant is a person
10 other than an individual, that its manager and each of its officers
11 have not:

12 (1) Committed any act, which, if committed by a licensee, would
13 be a ground for the suspension or revocation of a license under
14 this chapter.

15 (2) Committed any act constituting dishonesty or fraud.

16 (3) Committed any act or crime constituting grounds for denial
17 of licensure under Section 480, including illegally using, carrying,
18 or possessing a deadly weapon.

19 (4) Been refused a license under this chapter or had a license
20 revoked.

21 (5) Been an officer, partner, managing member, or manager of
22 any person who has been refused a license under this chapter or
23 whose license has been revoked.

24 (6) While unlicensed committed, or aided and abetted the
25 commission of, any act for which a license is required by this
26 chapter.

27 (7) Knowingly made any false statement in his or her
28 application.

29 (b) This section shall remain in effect only until January 1, 2020,
30 and as of that date is repealed, unless a later enacted statute, that
31 is enacted before January 1, 2020, deletes or extends that date.

32 SEC. 9. Section 7538 is added to the Business and Professions
33 Code, to read:

34 7538. (a) After a hearing the director may deny a license unless
35 the applicant makes a showing satisfactory to the director that the
36 applicant, if an individual, has not, or if the applicant is a person
37 other than an individual, that its manager and each of its officers
38 have not:

- 1 (1) Committed any act, which, if committed by a licensee, would
2 be a ground for the suspension or revocation of a license under
3 this chapter.
- 4 (2) Committed any act constituting dishonesty or fraud.
- 5 (3) Committed any act or crime constituting grounds for denial
6 of licensure under Section 480, including illegally using, carrying,
7 or possessing a deadly weapon.
- 8 (4) Been refused a license under this chapter or had a license
9 revoked.
- 10 (5) Been an officer, partner, or manager of any person who has
11 been refused a license under this chapter or whose license has been
12 revoked.
- 13 (6) While unlicensed committed, or aided and abetted the
14 commission of, any act for which a license is required by this
15 chapter.
- 16 (7) Knowingly made any false statement in his or her
17 application.
- 18 (b) This section shall become operative on January 1, 2020.
- 19 SEC. 10. Section 7538.5 of the Business and Professions Code
20 is amended to read:
21 7538.5. (a) The director may refuse to issue any license
22 provided for in this chapter to any of the following:
23 (1) A person who has had any license revoked, has a license
24 currently under suspension, or failed to renew his or her license
25 while under suspension.
26 (2) A person who, while acting as a member of a partnership,
27 an officer or director of a corporation, an officer or person acting
28 in a managerial capacity of a firm or association, or a managing
29 member of a limited liability company, had his or her license
30 revoked, has a license currently under suspension, or failed to
31 renew his or her license while under suspension.
32 (3) A person who, while acting as a member of the partnership,
33 an officer or director of the corporation, or an officer or person
34 acting in a managerial capacity of the firm or association, meets
35 both of the following conditions:
36 (A) He or she was a member of any partnership, an officer or
37 director of any corporation, an officer or person acting in a
38 managerial capacity of any firm or association, or a managing
39 member of any limited liability company whose license was

1 revoked, is currently under suspension, or was not renewed while
2 under suspension.

3 (B) While acting as a member, officer, director, or person acting
4 in a managerial capacity in any corporation, firm, association, or
5 limited liability company, he or she participated in any of the
6 prohibited acts for which the license was revoked or suspended.

7 (b) This section shall remain in effect only until January 1, 2020,
8 and as of that date is repealed, unless a later enacted statute, that
9 is enacted before January 1, 2020, deletes or extends that date.

10 SEC. 11. Section 7538.5 is added to the Business and
11 Professions Code, to read:

12 7538.5. (a) The director may refuse to issue any license
13 provided for in this chapter to any of the following:

14 (1) A person who has had any license revoked, has a license
15 currently under suspension, or failed to renew his or her license
16 while under suspension.

17 (2) A person who, while acting as a member of a partnership,
18 an officer or director of a corporation, or an officer or person acting
19 in a managerial capacity of a firm or association, had his or her
20 license revoked, has a license currently under suspension, or failed
21 to renew his or her license while under suspension.

22 (3) A person who, while acting as a member of the partnership,
23 an officer or director of the corporation, or an officer or person
24 acting in a managerial capacity of the firm or association, meets
25 both of the following conditions:

26 (A) He or she was a member of any partnership, an officer or
27 director of any corporation, or an officer or person acting in a
28 managerial capacity of any firm or association, whose license was
29 revoked, is currently under suspension, or was not renewed while
30 under suspension.

31 (B) He or she, while acting as a member, officer, director, or
32 person acting in a managerial capacity in any corporation, firm,
33 or association, participated in any of the prohibited acts for which
34 the license was revoked or suspended.

35 (b) This section shall become operative on January 1, 2020.

36 SEC. 12. Section 7539 of the Business and Professions Code
37 is amended to read:

38 7539. (a) Any licensee or officer, director, partner, managing
39 member, or manager of a licensee may divulge to any law
40 enforcement officer or district attorney, or his or her representative,

1 any information he or she may acquire as to any criminal offense,
2 but he or she shall not divulge to any other person, except as
3 otherwise required by law, any information acquired by him or
4 her except at the direction of the employer or client for whom the
5 information was obtained.

6 (b) A licensee or officer, director, partner, manager, managing
7 member, or employee of a licensee shall not knowingly make any
8 false report to his or her employer or client for whom information
9 was being obtained.

10 (c) A written report shall not be submitted to a client except by
11 the licensee, qualifying manager, managing member, or a person
12 authorized by one or either of them, and the person submitting the
13 report shall exercise diligence in ascertaining whether or not the
14 facts and information in the report are true and correct.

15 (d) A licensee, or officer, director, partner, manager, managing
16 member, or employee of a licensee shall not use a badge in
17 connection with the official activities of the licensee's business.

18 (e) A licensee, or officer, director, partner, manager, managing
19 member, or employee of a licensee, shall not use a title, or wear a
20 uniform, or use an insignia, or use an identification card, or make
21 any statement with the intent to give an impression that he or she
22 is connected in any way with the federal government, a state
23 government, or any political subdivision of a state government.

24 (f) A licensee, or officer, partner, qualified manager, managing
25 member, or employee of a licensee shall not use any identification
26 to indicate that he or she is licensed as a private investigator other
27 than the official identification card issued by the bureau or the
28 business card regularly used by the business. However, a licensee
29 may issue an employer identification card.

30 (g) A licensee, or officer, director, partner, manager, managing
31 member, or employee of a licensee, shall not enter any private
32 building or portion thereof, except premises commonly accessible
33 to the public, without the consent of the owner or of the person in
34 legal possession thereof.

35 (h) A licensee shall not permit an employee or agent in his or
36 her own name to advertise, engage clients, furnish reports or
37 present bills to clients, or in any manner conduct business for which
38 a license is required under this chapter. All business of the licensee
39 shall be conducted in the name of and under the control of the
40 licensee.

1 (i) A licensee, officer, director, partner, manager, managing
2 member, or employee of a licensee shall not knowingly and directly
3 solicit employment from any person who has directly sustained
4 bodily injury or from that person's spouse or other family member
5 to obtain authorization on behalf of the injured person as an
6 investigator to investigate the accident or act that resulted in injury
7 or death to that person or damage to the property of that person.
8 Nothing in this subdivision shall prohibit the soliciting of
9 employment from that injured person's attorney, insurance
10 company, self-insured administrator, insurance adjuster, employer,
11 or any other person having an indirect interest in the investigation
12 of the injury. This subdivision shall not apply to any business agent
13 or attorney employed by a labor organization. A licensee, officer,
14 director, partner, managing member, or manager of a licensee shall
15 not pay or compensate any of his or her employees or agents on
16 the basis of a bonus, bounty, or quota system whereby a premium
17 is placed on the number of employer or client rule violations or
18 infractions purportedly discovered as a result of any investigation
19 made by a licensee.

20 (j) A licensee shall not use a fictitious business name in
21 connection with the official activities of the licensee's business,
22 except as provided by the bureau.

23 (k) This section shall remain in effect only until January 1, 2020,
24 and as of that date is repealed, unless a later enacted statute, that
25 is enacted before January 1, 2020, deletes or extends that date.

26 SEC. 13. Section 7539 is added to the Business and Professions
27 Code, to read:

28 7539. (a) Any licensee or officer, director, partner, or manager
29 of a licensee may divulge to any law enforcement officer or district
30 attorney, or his or her representative, any information he or she
31 may acquire as to any criminal offense, but he or she shall not
32 divulge to any other person, except as otherwise required by law,
33 any information acquired by him or her except at the direction of
34 the employer or client for whom the information was obtained.

35 (b) A licensee or officer, director, partner, manager, or employee
36 of a licensee shall not knowingly make any false report to his or
37 her employer or client for whom information was being obtained.

38 (c) A written report shall not be submitted to a client except by
39 the licensee, qualifying manager, or a person authorized by one
40 or either of them, and the person submitting the report shall

1 exercise diligence in ascertaining whether or not the facts and
2 information in the report are true and correct.

3 (d) A licensee, or officer, director, partner, manager, or
4 employee of a licensee shall not use a badge in connection with
5 the official activities of the licensee's business.

6 (e) A licensee, or officer, director, partner, manager, or employee
7 of a licensee, shall not use a title, or wear a uniform, or use an
8 insignia, or use an identification card, or make any statement with
9 the intent to give an impression that he or she is connected in any
10 way with the federal government, a state government, or any
11 political subdivision of a state government.

12 (f) A licensee, or officer, partner, qualified manager, or
13 employee of a licensee shall not use any identification to indicate
14 that he or she is licensed as a private investigator other than the
15 official identification card issued by the bureau or the business
16 card regularly used by the business. However, a licensee may issue
17 an employer identification card.

18 (g) A licensee, or officer, director, partner, manager, or
19 employee of a licensee, shall not enter any private building or
20 portion thereof, except premises commonly accessible to the public,
21 without the consent of the owner or of the person in legal
22 possession thereof.

23 (h) A licensee shall not permit an employee or agent in his or
24 her own name to advertise, engage clients, furnish reports or
25 present bills to clients, or in any manner conduct business for which
26 a license is required under this chapter. All business of the licensee
27 shall be conducted in the name of and under the control of the
28 licensee.

29 (i) A licensee, officer, director, partner, manager, or employee
30 of a licensee shall not knowingly and directly solicit employment
31 from any person who has directly sustained bodily injury or from
32 that person's spouse or other family member to obtain authorization
33 on behalf of the injured person as an investigator to investigate
34 the accident or act that resulted in injury or death to that person or
35 damage to the property of that person. Nothing in this subdivision
36 shall prohibit the soliciting of employment from that injured
37 person's attorney, insurance company, self-insured administrator,
38 insurance adjuster, employer, or any other person having an indirect
39 interest in the investigation of the injury. This subdivision shall
40 not apply to any business agent or attorney employed by a labor

1 organization. A licensee, officer, director, partner, or manager of
2 a licensee shall not pay or compensate any of his or her employees
3 or agents on the basis of a bonus, bounty, or quota system whereby
4 a premium is placed on the number of employer or client rule
5 violations or infractions purportedly discovered as a result of any
6 investigation made by a licensee.

7 (j) A licensee shall not use a fictitious business name in
8 connection with the official activities of the licensee's business,
9 except as provided by the bureau.

10 (k) This section shall become operative on January 1, 2020.

11 SEC. 14. No reimbursement is required by this act pursuant to
12 Section 6 of Article XIII B of the California Constitution because
13 the only costs that may be incurred by a local agency or school
14 district will be incurred because this act creates a new crime or
15 infraction, eliminates a crime or infraction, or changes the penalty
16 for a crime or infraction, within the meaning of Section 17556 of
17 the Government Code, or changes the definition of a crime within
18 the meaning of Section 6 of Article XIII B of the California
19 Constitution.