



**Date of City Council Meeting:** AUGUST 2, 2011

**TO:** LAUREL M. BARCELONA, CITY ADMINISTRATOR

**FROM:** TIMOTHY L. DABNEY, CHIEF OF POLICE  
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**SUBJECT:** REVOCATION OF LOMPOC BUSINESS LICENSE NO. 004905 – VIVINT ALARM INC.

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**Recommendation:** That the City Council:

Review the attached staff report containing a summary of complaints regarding the itinerant sales staff of Vivint Alarm Company and deem their business activities have been conducted in a disorderly manner and that the purpose for which the business permit has been issued is being abused to the detriment of the public, and revoke business permit numbered as 004905 and associated solicitor/itinerant vendor permits pursuant to Lompoc Municipal Code Section 5.08.210

**Background:**

The Lompoc Municipal Code Section 5.08.030 requires that all businesses and itinerant vendors obtain a City of Lompoc Business permit. Furthermore, certain designated businesses who have direct engagement with the public in residential areas, such as detective agencies, alarm companies and all door-to-door sales must obtain clearance from the Lompoc Police Department pursuant to Lompoc Municipal Code Section 5.08.040.

Vivint Alarm Inc. applied for a business permit and solicitor/itinerant vendor permits for their employees in June of 2011. An evaluation of the applications revealed that all of the Vivint employees had registered with the State of California, Department of Consumer Affairs, Bureau of Security and Investigative Services under License #ACO6286 for the purpose of selling burglar alarm systems.

Vivint Alarm Inc. was issued City of Lompoc Business Permit #004905 and seven solicitor/itinerant vendor permits on June, 23, 2011. One employee was disqualified as having “unfit character” for the issuance of an itinerant vendor permit. Vivint Alarm Inc. is based in Provo, Utah and hires employees from across the nation to serve as itinerant vendors engaged in door-to-door sales of their burglar alarm systems. Vivint’s business practice is to bring sales personnel into a region, conduct sales activities in a community for several months and then move to the next community. In preparing this

report, the Lompoc Police Department has learned Vivint is housing its employees in Santa Maria and is in the process of obtaining a business permit for the City of San Luis Obispo.

Generally speaking, the Lompoc Police Department does not receive many complaints regarding legitimate door-to-door sales operations in the City. In most cases, the sales personnel present themselves in a courteous and professional manner. This seems not to have been the case with several employees of Vivint Alarm Inc.

### **Discussion:**

On June 24, 2011, one day after the business permit was issued, the Lompoc Police Department received the first complaints from Lompoc residents regarding Vivint Alarm Inc. Over that weekend, the Lompoc Police Department received a total of nine (9) complaints from Lompoc residents. On June 25, 2011, the Watch Commander of the Lompoc Police Department attempted to contact the manager of Vivint via telephone regarding the complaints. The contact did not answer the phone. The City Clerk was advised of the complaints and contacted Kindra McAllister of Vivint who stated she would relay the complaints to the project manager Marc Dunham and resolve the issue.

Over the course of the next several days complaints regarding Vivint employees using high pressure tactics, misleading and false information in their effort to promote sales of their product continued to be received by the Lompoc Police Department. On July 9, 2011, Chief Dabney contacted Ms. Kindra McAllister of Vivint and advised her if the tactics of Vivint employees did not change and the Department continued to receive complaints, then action would be taken to suspend and/or revoke the business license and solicitor/itinerant vendor license.

The following is a summary of complaints made by residents of Lompoc regarding Vivint employees:

<b>DATE – TIME</b>	<b>LOCATION</b>	<b>COMPLAINT</b>
June 24, 2011 – 6:14 PM	600 Northbrook	Vivint employee claimed to be part of a “Neighborhood Watch” program.
June 24, 2011 – 9:21 PM	500 Northbrook	Vivint employee claimed that “Officer Moss” lives in the neighborhood. (It should be noted the Lompoc Police Department does not have an officer or any staff with the name of “Moss.”)
June 25, 2011 – 5:55 PM	500 Northbrook	Unpermitted Vivint employee contacted, Brendon Wheat.

June 25, 2011 – 7:22 PM	1200 Jason Dr.	Vivint sales person speaking through the closed door of residence.
June 25, 2011 – 7:26 PM	1300 Village Mdws.	Vivint employee returns a second day at same residence after being turned away.
June 27, 2011 – 7:51 PM	1300 N. A Street	Vivint employee made the resident uncomfortable and attempted to get into the home to look at existing alarm system.
June 29, 2011 – 4:23 PM	1500 W. Cherry	Unpermitted Vivint employee contacted. Brendon Wheat
July 1, 2011 – 8:47 PM	800 E Pine Ave.	Second visit, asked elderly neighbor if they could use bathroom. Juan Morales, permitted Vivint employee, contacted.
July 6, 2011 – 6:45 PM	Cherry and X St.	Vivint sales employees looking into residents' windows, unpermitted employee contacted, Brendon Wheat.
July 8, 2011 – 9:30 PM	500 N. V Street	Alarm sales person unable to produce permit for resident.
July 9, 2011 – 1:02 PM	1800 Berkley Dr.	Alarm sales, no business card
July 9, 2011 – 4:29 PM	400 N Z Street	Vivint employee told resident he was doing local crime prevention.
July 9, 2011 – 4:43 PM	400 S U Street	Vivint employee asked resident if he could place a sticker in the window simulating "neighborhood watch." Made comments about neighbor's house being broken into.
July 9, 2011 – 10:17 PM	1300 W. Olive	Resident upset over being disturbed at such a late hour. Vivint sales employee.

July 14, 2011 – 6:27	1400 E. Palmetto	Vivint alarm employee made false comments that two home invasion robberies had occurred
July 15, 2011 – 7:58 PM	300 S Seventh	Sales person was “rude.” Permitted Vivint employee Jordon Brewster contacted.
July 16, 2011 – 8:37 PM	500 S Sage Street	Told resident he was doing crime prevention. Permitted Vivint employee, Stephen Lucas contacted.
July 16, 2011 – 8:39 PM	500 S Sage Street	Second call on Stephen Lucas (above), resident stated he told her he was from ADT Alarms and was looking at her residence.
July 18, 2011 – 7:23 PM	Santa Clara Dr.	Vivint salesman was “rude, pushy” and called the resident an “asshole” after arguing with him.

The nineteen complaint summaries listed above were selected from over thirty-five complaints/calls for service received by the Lompoc Police Department because of the nexus between the complaint and a potential violation of Lompoc Municipal Code Section 5.08.210. The exact addresses and names of the complainants have not been included for privacy reasons. Some of the complainants did not want to be contacted and simply requested the Department be made aware of the sales activities of Vivint employees.

In addition to the complaints listed above, the Department, the City Clerk’s Office and Mayor’s office have received many complaints from residents that were not formally documented.

On July 19, 2011, the City Clerk and Chief of Police prepared, mailed certified mail, and attempted to personally deliver notices of suspension of business license number 004905 held by Vivint alarm and solicitor/itinerant vendor permits held by Vivint employees:

Stephen Lucas  
Eric Chadderdon  
Tyler McAllister

Juan Munoz  
Christopher Melink

Jordon Brewster  
Marc Dunham

The City Clerk contacted Vivint employee Kindra McAllister and told her the City was suspending the business license and the solicitors/itinerant vendors listed above should report to City Hall to receive official notice. Additionally, copies of the notice of

suspension were provided to patrol staff of the Lompoc Police Department so any Vivint employees contacted in the community after normal City Hall business hours could be personally served.

It is clear from the complaints and contacts made by officers that employees of Vivint Alarm Inc. have:

- Misrepresented themselves as a part of a “neighborhood watch” program,
- Misrepresented their association with the Law Enforcement by dropping names that have no affiliation with the local agency,
- Allowed non-permitted employees to engage in soliciting and door-to-door sales,
- Disturbed residents late in the evening, outside the parameters of their own stated hours of operation (9:00 AM to 9:00 PM),
- Engaged in name-calling and offensive behavior.

The Lompoc Police Department is tasked with the preservation of peace in the community. Although the allegations described in the complaints received by the Department from the community do not rise to the level of prosecutable criminal violations, several facets of the Lompoc Municipal Code related to the conduct of businesses have been violated.

#### Lompoc Municipal Code Section 5.08.210 – Revocation of Permit

- A. Any permit issued pursuant to the provisions of this Chapter may be revoked by the City Council on the basis of any of the following:
1. That the business or activity has been conducted in an illegal or disorderly manner;
  2. That any operator of the business or activity has an unfit character;
  3. That the purpose for which the permit has been issued is being abused to the detriment of the public;
  4. That the permit is being used for a purpose different from that for which it was issued;
  5. That the permittee has misrepresented any fact in the application for permit or has not answered each question therein truthfully.
- B. In the event a permit is revoked pursuant to the provisions of this Chapter, another permit shall not be granted to such person within 12 months after the date of such revocation. (Prior code § 1121)

It is obvious that employees of Vivint Alarm Inc. have breached Section A.1 of Lompoc Municipal Code 5.08.210 in that the business or activity has been conducted in a “disorderly manner.” That is apparent by the sheer number of residents who are disturbed to the point of calling the police, City Clerk or Mayor regarding their conduct with residents and sales tactics.

Additionally, in violation of Lompoc Municipal Code Section 5.08.210.A.2, a sales person / “operator” of “unfit character” has been allowed to travel with other sales staff and engage residents of Lompoc.

Furthermore, the business permit is “being abused to the detriment of the public” as described in Lompoc Municipal Code Section 5.08.20.A.4 by Vivint employees operating outside of the hours of operation (9:00 AM to 9:00 PM) as indicated on their application and misrepresenting facts regarding their affiliation with law enforcement and neighborhood watch programs.

**Fiscal Impact:**

None

**Conclusion:**

The Lompoc Police Department is requesting that the City Council revoke Lompoc City Business License No. 004905 held by Vivint Alarm Inc. and revoke all solicitor/itinerant vendor sales permits associated with that license.

**APPROVED FOR SUBMITTAL TO THE CITY ADMINISTRATOR**

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TIMOTHY L. DABNEY  
Chief of Police

**APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:**

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LAUREL M. BARCELONA  
City Administrator