

The CALIFORNIA LICENSED CONTRACTOR

EDMUND G. BROWN, Governor

AUGUST 1966

HAROLD J. POWERS, Director

BOARD ELECTS OFFICERS



ALFRED P. SMITH

At the July 15, 1966 meeting of the Contractors State License Board, Alfred P. Smith was elected Chairman of the Board succeeding Norman P. Van Valkenburgh. This marks the first occasion when anyone other than a contractor has headed the Board.

Mr. Smith, the Board's public member, was first appointed January 17, 1962 and reappointed by Governor Brown January 15, 1963.

A native of San Francisco, Mr. Smith is president of Holtemann, Ord and Smith, Inc., prominent insurance brokers, with offices in four Northern California cities. In addition the firm is a partner in the Territorial Insurance Agency in Anchorage, Alaska.

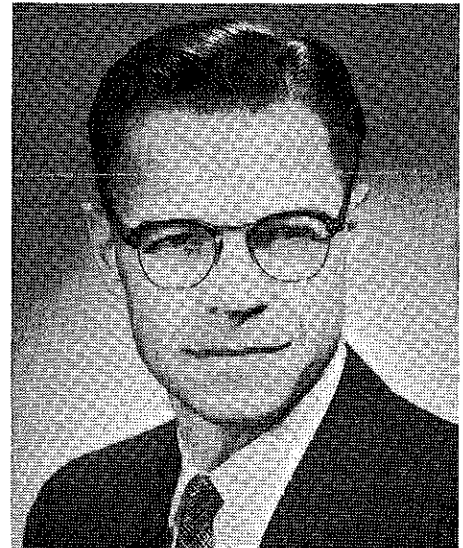
Martin A. Matich was elected Vice-Chairman succeeding Alfred P. Smith. Mr. Matich, the General Engineering representative of the Board, was first appointed by Governor Brown on January 15, 1963. Matich earned his B.S. in civil engineering at Notre Dame and is President of Matich Corporation General Engineering Contractors in Rialto.

A former councilman and mayor of Colton, Matich is active in civic and fraternal affairs and is a past president of the San Bernardino Riverside Chapter Engineering Grading Contractors Association and of the Southern California Chapter Associated General Contractors of America.



MARTIN A. MATICH

ERNEST G. KRAMM



From time to time we intend to acquaint our readers with association representatives active in legislative matters affecting the construction industry.

This issue introduces Ernest G. Kramm, Public Relations Consultant representing the Ninth District Council of National Electrical Contractors Associations. Since 1953 he has been the CILC representative for the NECA on the Board of Directors of the California State Builders' Exchange.

Ernie Kramm is known throughout the industry as the father of numerous bills which were subsequently enacted into law. Among these are the present mandatory bonding requirements and the section which prohibits an RME or RMO from being the qualifying person for a second firm unless he has a financial interest in the firm or the second firm is a subsidiary of the first.

(Continued on page 4)

**THE CALIFORNIA
LICENSED CONTRACTOR**

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Board*

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STATE OF CALIFORNIA

EDMUND G. BROWN, Governor
HAROLD J. POWERS, Director

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Compiled and Edited by:

**FREDERIC H. BRUMM and
GORDON E. EATON**

**DISCIPLINARY ACTIONS TAKEN—3rd QUARTER, 1965—66
REVOKED**

Name	Address	Effective date	Violations
A-Del Construction Company	P.O. Box 383, Rancho Cordova	3/11/66	Sec. 7112
Allied Plastering Co. of Bakersfield	Rt. 5, Box 504, Bakersfield	3/29/66	Sec. 7122.5
Associated Home Improvement	17033 Via Cielo, San Lorenzo	3/22/66	Secs. 7109, 7113, 7115
B & N Construction Company	1127 S. Stanley Ave., Los Angeles	1/14/66	Secs. 7114, 7098
Belmor, Harold G.	11757 Rives Ave., Downey	1/11/66	Secs. 7113.5, 7117; stayed with conditions (10 day susp.) Reinstated 8/8/66
Black, Enoch Jr. Masonry	2120 Beach, Oceano	2/16/66	Sec. 7120
Burton, Burnett W. & Assoc.	4238 1/2 Leimert Blvd., Los Angeles	1/14/66	Secs. 7114, 7098
California Patios	3703 Jacksol Dr., San Jose	3/ 9/66	Sec. 7122.5
De John, Thomas	3524 Josie Ave., Long Beach	1/21/66	Sec. 7113.5
Delta Electric	4555 E. Andrews, Fresno	1/11/66	Secs. 7113.5, 7116
Downer, R. B.	20058 Cienega, Covina	2/25/66	Secs. 7113, 7113.5, 7120
Eagle Construction Co. (ABC Builders)	Rt. 1, Box 720, Lincoln	3/18/66	Secs. 7113, 7109, 7113.5
Farris, Roy	P.O. Box 453, Avila Beach	3/22/66	Secs. 7107, 7109, 7113, 7120
Garland, Emerson Richard	1372 Orange Ave., Beaumont	2/ 8/66	Sec. 7113.5
Imperial Painters	16401 Bayshore Lane, Huntington Beach	2/25/66	Sec. 7113.5
Johnston, A. A.	22652 Erwin St., Woodland Hills	1/11/66	Secs. 7122, 7122.5
Knottly Pine Construction	729 de la Fuente St., Monterey Park	1/25/66	Secs. 7113, 7120
Marich, J. S., Construction Co.	3335 Artesia Blvd., Torrance	1/26/66	Secs. 7107, 7113, 7117, 7120
McLennan, P. H.	10178 Benson Ave., Montclair	3/ 1/66	Secs. 7113.5, 7114
Mollett Mechanical, Inc.	7049 Wilshire Circle, Sacramento	2/15/66	Secs. 7113.5, 7110
Montgomery Roof Co.	771 Calle Anapola, Thousand Oaks	1/ 4/66	Sec. 7122.5
Oehner, Joseph R., Bldg. Cont.	P.O. Box 1317, Palm Springs	3/22/66	Sec. 7112
Reliable Framing Contr.	4238 Leimert Blvd., Los Angeles	1/14/66	Secs. 7098, 7114
Reynolds, Lyle Dwight	111 W. Palm Ave., El Segundo	1/21/66	Secs. 7120, 7113.5
Reynoso, T. M. & Co.	1039 W. McFadden Ave., Santa Ana	1/11/66	Sec. 7108, 7120
Richardson, Herbert E.	1831 Ukiah St. Oxnard	1/ 5/66	Sec. 7116
Ross, Ian L.	1115 Dover St., Glendora	2/ 4/66	Secs. 7113, 7120, 7113.5
Sampere Contractors & Builders	P.O. Box 567, Hesperia	2/ 4/66	Sec. 7122.5
Sav-Way Builders	10720 Alhambra Ave., Lynwood	2/ 4/66	Secs. 7107, 7108, 7113, 7120
Shur, Al, General Contractor	4443 Radnor Ave., Lakewood	1/26/66	Sec. 7113.5
Stephenson, Lawrence A.	4224 W. Avenue L-2, Lancaster	3/16/66	Sec. 7113.5
Stoneman Capital Company, Inc., dba U S Steel Buildings, Inc.	102 S. Stoneman Ave., Alhambra	2/ 1/66	Secs. 7113, 7120
Travis Corporation	9827 Clancy Ave., Downey	1/26/66	Sec. 7113
Ultra Enterprise, Richard H. Nossor, dba	P.O. Box 1141, Gardena	2/ 8/66	Sec. 7113
Wagner, Milton B.	4474 Arden Dr., El Monte	3/22/66	Secs. 7113, 7120

SUSPENDED

Name	Address	Effective date	Violations
A & B Plumbing	P.O. Box 342, El Granada	2/11/66	Secs. 7102, 7115 For 15 days
Achin, Joseph V. dba West Side Plumbing Co.	3139 W. Monroe Ave., Anaheim	1/ 5/66	Secs. 7107, 7113 For 30 days
Aetna Fence and Construction Co.	P.O. Box 816, San Jose	3/29/66	Sec. 7110 For 30 days; 25 days permanently stayed; 5 day susp.; reinstated 4/4/66
Allen, Bill	5449 E. Leavy Rd., Sacramento	2/ 7/66	Secs. 7107, 7113, 7120 For 1 year; stayed with conditions
Ashton, Thomas A.	9650 Cypress Ave., Fontana	3/18/66	Secs. 7113, 7120 For 90 days; stayed with condi- tions
Atkins Construction Company	7455 San Gabriel Rd., Atascadero	3/16/66	Sec. 7097
Atkins, Mel Construction Co.	28098 Rd. 192, Visalia	3/ 1/66	Secs. 7107, 7108, 7113, 7114, 7117, 7120 For 180 days; stayed with condi- tions; 60 day susp.
Atkins, Mel & Son	P.O. Box 803, Visalia	3/ 1/66	Sec. 7097 For 60 days
Ausland Construction Co.	P.O. Box 487, Grants Pass, Oregon	3/18/66	Secs. 4111, 7118 For 10 days Reinst. 5/9/66
Birney, Charles William	12962 Villa Rose Dr., Santa Ana	1/20/66	Sec. 7113.5 For 6 months; stayed with condi- tions
Blazey Heating & Air Conditioning	11333 1/2 San Fernando, San Fernando	1/21/66	Secs. 7109, 7113 For 15 days; reinstated 2/7/66
Bonanza West Homes	9243 Magnolia St., Riverside	3/24/66	Secs. 7107, 7108, 7113; For 30 days
Corey, James W.	136 Alice Ave., Campbell	2/11/66	Secs. 7113.5, 7115, 7117a, 7117b For 60 days
Cupertino Excavating, Grading, Paving	2754 Scott Blvd., Santa Clara	3/29/66	Secs. 7120, 7110, 7113.5 For 120 days
Del Rey Plumbing & Hardware Supply	568 Charles Ave., Seaside	2/21/66	Secs. 7119, 7115 For 10 days; permanently stayed
Desert Roofing Company	P.O. Box 1152, Palm Springs	3/18/66	Secs. 7110, 7115 For 60 days
Eberhardt, Heinz	92 Monterey Rd., S. Pasadena	3/18/66	Secs. 7107, 7109, 7113 For 180 days
Finn Construction & Equipment Co.	P.O. Box 397, Santa Rosa	2/ 4/66	Secs. 7107, 7113, 7119, 7113.5 For 45 days
Frenzel, S. W.	1225 Brentwood St., Los Altos	1/21/66	Sec. 7113.5 For 30 days
Futerniek, David	1431 Jackson St., Oakland	3/17/66	Sec. 7122.5 For 90 days

SUSPENDED—Continued

Name	Address	Effective date	Violations
Glassoll, Raymond A.	4346 Third St., San Francisco	1/17/66	Sec. 7112 For 10 days
Henson, Billy D.	11614 Nava St., Norwalk	1/27/66	Sec. 7122.5 For 30 days
Hickey, James J.	1411 S. Reservoir St., Pomona	3/18/66	CORRECTION: Effective date changed from 11/24/65 Sec. 7122.5 Stayed with conditions; suspended 5 days
Hi-Desert Awnings	P.O. Box 1031, Twentynine Palms	3/ 7/66	Sec. 7097 Indefinitely susp.
Hoover, H. L.	Box 1384, Modesto	1/ 4/66	Secs. 7109, 7115 For 90 days; reinstated 4/6/66
Kraychir Construction Co.	11th and Short Sts., Perris	3/ 4/66	Sec. 7113.5 For 90 days
Mattos, Arthur A.	1187 Pimento Ave., Sunnyvale	1/11/66	Sec. 7113.5 For 30 days
Morgan, Herbert T.	P.O. Box 223, Bass Lake	3/17/66	Secs. 7076.5, 7117.5 For 15 days
North Bay Constr. Co.	P.O. Box 397, Santa Rosa	2/ 4/66	Secs. 7107, 7113, 7119, 7113.5 For 45 days
North Bay Construction Co.	P.O. Box 397, Santa Rosa	2/ 4/66	Sec. 7097 For 45 days
Opedal, A. K.	Box 218, Meadow Vista	1/28/66	Secs. 7110, 7113.5 For 180 days; 170 days stayed with conditions; 10 day susp.
Petersen Construction Co.	1304 Niles Ave., San Bruno	3/17/66	Sec. 7122.5 For 30 days; reinst. 5/9/66
Rabb, Charles & Associates	4346 Third St., San Francisco	1/17/66	Sec. 7112 For 10 days
San Francisco Home Improvement Co.	1028 Davidson Ave., San Francisco	1/25/66	Secs. 7028, 7109, 7113, 7115 For 60 days; reinstated 3/26/66
Shively, J. Paul	11411 Kolowna St., San Fernando	1/11/66	Secs. 7122.5, 7068.1 For 120 days; stayed with conditions
Silver, Leslie B.	11833 Kiowa, Los Angeles	3/18/66	Sec. 7113.5 For 10 days
Terron Plastering Company	1689 E St., Napa	3/18/66	Secs. 7122, 7121 For 30 days; reinstated 4/18/66
Weinar, Edward dba Del Rey Plumbing & Hardware Supply	568 Charles Ave., Seaside	2/21/66	Secs. 7110, 7115 For 10 days; permanently stayed
Welter, Ernest L.	2701 Northrop Ave., Sacramento	2/ 1/66	Sec. 7122.5 For 120 days
Williams, Morris E.	Rt. 4, Box 138, Modesto	2/ 8/66	Sec. 7113.5 For 5 days
Zauss, Eugene Plumbing	P.O. Box 98, Anderson	3/17/66	Sec. 7113.5 For 15 days

DENIED

Name and address	Class	Grounds	Date denied
Bried, Adrian Fredric 1204 S. B St., San Mateo	B1	7102	3/29/66
Charles Painting Co. 2019 1/2 S. Sherbourne, Los Angeles	C83	7069b, 7069d 7069	3/ 8/66
Cunningham, Elbert Lafayette and Rowson, Willie 2980 Ocean View Blvd., San Diego	C8	7069a, 7102 7069d	2/ 4/66
Dumont, Pete and Jacobson, Norman 8151 Dearborn, South Gate	B1	7069, 7073	3/ 8/66
Findley Construction Company 4442 Jehanna, Lakewood	B1	7069a, 7102, 7113.5	3/ 1/66
Gibson, Parks & Vinson P.O. Box 526, Ontario	B1	7069a	3/ 1/66
Harrison, Jerry Vernard, Jr. 5346 Elsinore Way, Fair Oaks	C36	7060b	2/18/66
Hayden Construction Co. 158 Montana St., San Francisco	B1	7069a	1/17/66
Holley, Charles Wayne 585 Pueblo Dr., Thousand Oaks	C33	7069a, 7069b	3/ 4/66
J & G Construction Co. 6100 Sepulveda Blvd., Van Nuys	B1	7069, 7069a	2/ 9/66
Kessel, Harold Eugene 1351 S. Citrus St., West Covina	C2	7069, 7069a	2/25/66
Morrisette, Bill 3122 Via Arcilla, San Diego	C20	7069, 7069a	3/18/66
Morrison Electric Co. 520 Buena Vista Ave., Alameda	C10	7069a	1/ 5/66
Rayco Construction Co. 5176 Third St., San Francisco	B1	7069a	1/17/66
Tartan Pool Company, Inc. 16526 Shamhart Dr., Granada Hills	C53	7069, 7069a	2/ 9/66
Thompson Construction Co. 1225 W. Baseline St., San Bernardino	B1	7069a	3/18/66
Valtor, Keith 10950 54th St., Mira Loma	C33	7109, 7069, 7068a	1/26/66
Wall Constructors 9027 Clancey Ave., Downey	C35, SC6, SC26	7112, 7113, 7069, 7069a	1/26/66
Wilnot, Ralph 10016 Diversion Dr., Spring Valley	B1	7069, 7068a	1/17/66
Young, Lee Ethra, dba United Home Development Co. 4346 Third St., San Francisco	B1	7069a	1/17/66

SECTION 484(b) ENFORCED

Contractors entrusted with funds or receiving payment from an owner for construction purposes should keep in mind the provisions of Section 484(b) of the Penal Code of the State of California.

Enacted at the last general session of the legislature this Section provides fines and imprisonment for misappropriation of payments. Where the amount diverted is in excess of ten thousand dollars, conviction could result in a fine not exceeding \$5,000 and imprisonment in the state prison not exceeding five years. If the amount is less than ten thousand dollars, the person shall be guilty of a misdemeanor.

In the first noted instance of prosecution under this law, a Stockton contractor was convicted and sentenced to four hundred and twenty days in jail on seven misdemeanor counts where the misappropriation on each project varied between sixteen hundred and forty seven hundred dollars. The total amount, in excess of twenty three thousand dollars, must be repaid to the seven home owners within three years or the contractor will be required to serve an additional eight hundred forty days in jail. Municipal Court Judge Chris Papas sentenced the contractor to seven consecutive one hundred eighty day jail sentences and then suspended one hundred twenty days on each of the seven counts provided restitution is made.

Judge Papas expressed the opinion that all judges in the State should vigorously enforce this section in order to stop such abuses.

An additional complaint has been filed in the Bakersfield Municipal Court on April 15, 1966 accusing a swimming pool contractor of three misdemeanor counts during the period of September, 1965, and February, 1966. This matter is still pending and will be reported more fully in future issues of "The California Licensed Contractor."

MECHANICS LIEN LAW

Handy Reference Manual

A comprehensive reference manual on the Mechanics Lien Law has been prepared by Anthony Meley, Executive Manager of the Sheet Metal Contractors Association of San Francisco.

Copies may be obtained from Mr. Meley, 785 Market Street, Suite 803, San Francisco, 94103. The cost is \$15.00 per copy, tax included.

SECTION 7018 NOTICE

The Registrar of Contractors, Leo B. Hoshler, has requested an opinion from the Office of the Attorney General, State of California, on several questions concerning section 7018 of the Business and Professions Code. This section provides that the Contractors' State License Board shall prescribe a form of "notice" which shall describe the pertinent provisions of the state's lien laws. It requires every contractor to give a copy of the "notice" to the owner of the property or his agent before receiving payment for work done on the property.

The specific questions are:

- "1. Would the requirement of Section 7018 (Business and Professions Code) apply to a subcontractor working for a general contractor?
- "2. Would the provisions of this Section apply to public works projects for the State of California or any County, City, body politic, or public agency, on jobs coming within the provisions of the Government Code?
- "3. Does the term 'payor' appearing at the end of the section cover savings-and-loan, escrow holder, bank, or other person holding construction funds?

"4. How many times does a contractor have to give the required notice to the same payor?"

The conclusions are: (1) In those situations ordinarily regarded as involving a "subcontractor," as that term is generally understood, Business and Professions Code section 7018 does not require the subcontractors to give the lien law notice contemplated in the section. Licensees should keep in mind that specialty contractors as defined in Section 7058 are subcontractors in those instances where they perform under an agreement with a general contractor or another specialty contractor, and are prime contractors when they perform directly for property owners. (2) The requirements of the section have no applicability to what is commonly understood to be "public works projects"; (3) Absent special knowledge on the part of a contractor as to the full extent of the authority of an entity or person holding funds on the part of an owner, he would be well advised to give the contemplated notice to such entity or person; (4) In the ordinary situation involving progress payments and similar arrangements only one notice of the type in question need be given by the contractor.

PERSONNEL PROBLEMS

A continuing problem with the Agency is the maintenance of a fully staffed and adequately trained field force.

We have been fortunate in having recruited many highly qualified individuals during the past several years. However, during the same period, we have lost many employees who, in addition to these qualifications, had received considerable Agency training.

76% of our 81 man field force joined the Agency subsequent to January 1961. 52% have less than four years experience, 40% less than two years and 16% less than one year. On May 1st we were within one position

of being fully staffed. On July 1st, five additional positions were vacant. These figures demonstrate what a continuing recruitment and training program confronts the Agency.

There is a small loss in personnel because of retirement, but by far, the greatest majority of those resigning indicate that they are forced to seek or have been offered better paying jobs.

We are continually faced with vacant positions throughout the State. This adds to the work load of those remaining and slows the progress of investigations. At the same time, the addition of new employees creates a considerable training problem for the Supervisors.

ERNEST G. KRAMM

(Continued from page 1)

In every legislative session he has been among the leaders in advocating or opposing matters of importance to the construction industry. It is his personal philosophy that the public interest is of primary importance; that any proposal meeting that test will benefit the industry.

Ernie is a native of Grass Valley and has been a Bay Area resident since 1935. He attended Emory and Henry College and graduated *Summa Cum Laude* in 1933 with Bachelor of Science and Bachelor of Arts degrees. From 1935-1937 he was a graduate student at the University of California.

Early in his career Ernie planned to become a mining engineer. While pursuing his studies at Berkeley, Ernie explains "I met the girl to whom I was first married. She had no desire to live in a mining community. Hence, the change in direction in my life."

Since 1947, Ernie has been active with the NECA, first as manager of the Northern California Chapter in Oakland and from 1960 in his present job.

A man of inexhaustible energy and dogged determination, Ernie works long and hard in the public interest and the betterment of the industry. He is admired for his skill in debate and his equanimity under fire.

Ernie maintains his office in Hayward. He and his lovely wife "Tege" live in Castro Valley with three of their five children.

A member of the East Bay Electric Club since 1941, Ernie is also a member of Pacific Coast Electrical Association, International Association of Electrical Inspectors, National Fire Protection Association, Construction Specifications Institute, the Sierra Club and the Alumni Association of Emory and Henry College and the University of California.

Cognizant of his many contributions, we regard Ernie Kramm as a friend of the Board, the Registrar and his staff.

STATISTICAL REPORT FOR THE FISCAL YEAR

June 30th brings to a close the 1965/66 fiscal year. It is possible to report some statistics which reflect the work load and accomplishments of the Contractors' State License Board during the past twelve months.

The Agency received in excess of 22,000 requests for investigation of alleged violations of the Contractors License Law by licensees, non-licensees and applicants.

All complaints are carefully screened to eliminate as much as possible useless and unnecessary investigation efforts by our field personnel. Many complaints concern matters which, for one reason or another, are not within the jurisdiction of this Agency and are therefore rejected. In excess of two thousand complaints were rejected in this screening procedure, while 19,715 new cases were assigned to investigation.

During the same fiscal period, our Deputies closed 19,383 cases. Of these, 13,967 involved licensees or applicants and 5,416 were complaints against alleged unlicensed persons.

Investigation of alleged unlicensed activity does not always result in sufficient evidence for referral to the prosecutor. In some cases, there is no violation of the law; in others, the contractee refuses to cooperate. When a homeowner is satisfied with the work performed, he is often reluctant to become involved as a witness in any criminal prosecution.

Where sufficient evidence can be obtained to support a criminal complaint, it is our policy to refer the case to the District Attorney or the appropriate prosecuting official. During 1965/66, over 1,700 cases were referred to the prosecuting attorney and in excess of 1,000 criminal complaints for contracting without a license were issued. The remainder of those cited were warned by the prosecutor and placed on notice that future violations would result in prosecution.

Of 694 prosecutions of unlicensed persons, 616 were found guilty and only 78 defendants were found not guilty; 333 warrants for arrest are outstanding for unapprehended violators who have moved from the area or out of the State.

1,355 applications were referred to investigation. In addition to original applications, investigation is often necessary in connection with a supplemental application or an applica-

tion to replace a responsible managing employee or officer. Numerous investigations are required because of protests against the applicant or derogatory information in the Agency files or uncovered in the field.

Many applicants withdraw the application when they became aware that investigation will disclose cause for denial. In 139 cases, the determination of whether a license would be granted or denied was referred to administrative hearing. During the same period, 126 hearings were held resulting in denial of license to 75 applicants.

The larger portion of our work involves the investigation of complaints filed against licensees. Obviously, many of these complaints are unjustified and cannot be supported by the facts. This cannot be determined, however, without a thorough investigation. When such a determination is made, the complaint is dismissed and the complainant so informed. Almost one half of the licensee complaints, 6,082 cases, resulted in a dismissal after investigation.

During the past year, 1,273 complaints were referred to disciplinary action and 690 formal disciplinary cases involving 1,026 licensed entities were filed. In the same period, 652 disciplinary actions involving 990 entities were closed, the majority after administrative hearing, 488 licenses were revoked and 214 were suspended for various lengths of time.

While we in the Agency are justifiably proud of our enforcement record, both in regard to licensed and unlicensed contractors, our efforts at mediation and conciliation of disputes between contractors and their clients, suppliers or subcontractors are of even more importance to the public and the construction industry.

Settlement of disputes requires a great amount of time, tact, willingness to work long hours often at inconvenient hours of the day or night in order to accommodate the homeowner or a busy contractor and a wide knowledge of techniques, terminology and standards in the construction industry. Conciliation brought to a successful conclusion generally results in correction of faulty workmanship, completion of projects, payment to subcontractors or materialmen and release of liens and, in some instances, final payment to the general contractor.

The Registrar's Corner

The Contractors' State License Board is happy to publish another issue of the CALIFORNIA LICENSED CONTRACTOR.

Matters discussed in this publication have a particular relevancy to the problems of licensing and regulating the construction industry in California. It should be of prime interest to every licensed contractor daily confronted with the responsibility of compliance with a multitude of codes and laws governing their industry — many of these codes being so varied in their individual interpretation that they are oftentimes devoid of practical application.

It is to these persons this publication is particularly dedicated in the hope that its contents may in some way give each of you a better understanding of the Agency and of the laws and rules and regulations that license and regulate you as a licensee engaged in your particular construction business. If this is only partly accomplished, the efforts expended in publishing this paper will be well spent.

In future issues, we hope to bring to you additional pertinent information and happenings in the Agency. You will be alerted to new changes in the laws and the rules and regulations. You will be provided with Agency statistics. You will be alerted to license renewal periods and matters related to legislation. All in all, we hope each new issue will prove to be a valuable source of information to you as a contractor as well as an enjoyable experience in reading.

In the meantime—"Good Contracting."



The representatives of the Board resolved 5,257 complaints in this manner during the past fiscal year. While we have no exact figure at this time, the dollar value of such settlements can be conservatively estimated in the hundreds of thousands along with the savings in time and money in expensive litigation in the courts. In the future we hope to maintain and compile accurate figures of the reasonable dollar value of repairs etc., in this area of our activities in connection with our regular statistical reports.

ABRAHAMS HARRY W
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Printed in CALIFORNIA OFFICE OF STATE PRINTING

The following article by Bert Calvin, President of Calvin and Company, Inc., San Francisco, represents the first contribution for our bulletin from sources outside the Contractors License Board.

The subject matter is timely and important and the analysis is factual. The Registrar of Contractors and the editors of "The California Licensed Contractor" appreciate Mr. Calvin's interest and willingness to contribute.

Acting as RME (is) Serious Decision

Many journeyman craftsmen, holding valid contractor licenses in their own name, have been lured by promoters and developers to place their license status in jeopardy by assuming responsible management positions in the businesses operated by the promoters and developers.

There is nothing improper in these relationships provided the promoters and developers are willing to permit their RME or RMO to make responsible management decisions. Frequently these promoters and developers, ignorant of the regulations governing the construction industry, develop practices that are openly in violation of the contractors state license law. The RME is liable for these violations.

More frequently, the RME fails to keep abreast of changing regulations within the license law. Apparently, the RME feels that adherence to the law is the sole responsibility of the promoter or developer.

Serious repercussions have resulted from this apparent indifference to the license law provisions. Recently, of five bidders on a public project, only one was properly licensed to perform under the contract. The other four claimed ignorance of the limitations which their licenses possessed. There is no excuse for this ignorance. In each of these four firms, the RME was a working foreman with no knowledge of the bidding plan of his employer.

It is the intention of the State of California to license anyone who meets the requirements of the licensing laws. If an individual fails to meet those requirements himself, it is risky business for a qualified license holder to make his license available to this unqualified user.

A San Francisco promoter is presently undergoing bankruptcy proceedings. There have been major claims of fraud and diversion of funds. This promoter employed three consecutive RMEs during the prior twelve months. Actually all three licensees are presently suspect because the alleged diversions covered the entire period. Even though none of the licensees may have personally benefited by the diversions, the legal liability still exists as far as the license law violations are concerned.

Acting as an RME is a serious decision. Any RME must be able to exercise the authority necessary to guarantee adherence to the law and thereby preserve his valuable licensed recognition.

Letters to the Registrar

Gentlemen,

To whom it may concern,

I received your Mechanics Lean Law Form. But do not believe it will be of any value to any contractor. Unless the Judges will cooperate with the Contractors. From my experience and what I have seen that if you haven't got a Female Attorney representing you. You have no case. All those Female Attorneys have to do is to turn on the charm to the old Coot on the bench. You can't lose. Those Old Judges should be put out to pasture. I had that experience. I sued for \$225.00. After waiting for two weeks. I received a \$45.00 settlement. Do you know why? Because the Lady I sued came down with her Good Looking Daughter. The first thing he told them was that the Mothers signature was on all the slips. They counter sued me for the damage they claimed I did. But the kind Judge dismissed it. They pleaded with the judge to come over to the house to see the Damage. Which was not true. He said He does not make it a practice. But he will see. He took my contracts to review the case. That is what he told me. But I never received them back. So you see the Contractors are always behind the 8 Ball. From my 2nd experience I demand weekly payments for Labor & Material. And the Hell with the Courts.

Sincerely,