



THE CALIFORNIA LICENSED CONTRACTOR

RONALD REAGAN, Governor

SPRING 1974

JOHN T. KEHOE, Director

NEW DEPUTY REGISTRARS HIRED

Due to the increase in workload created by Legislation over the past several years and increased awareness of the public, the Contractors' State License Board contracted with Arthur Anderson and Co. for a management review of operations and personnel requirements. From this review came suggestions that with a slight change in function and additional personnel, the Board would be able to reduce the backlog of work and maintain current status of application processing, files and records, and complaint investigation.

The Anderson Report recommended the Board hire: 1 Supervising Deputy Registrar, 14 Senior Deputy Registrars, 4 Deputy Registrars, 13 Deputy Registrar Trainees and 17 Clerical positions. Through the cooperation of Mr. John T. Kehoe, Director of the Department of Consumer Affairs and Mr. James G. Stearns, Secretary of Agriculture and Service Agency, Mr. Leo B. Hoshler, Registrar of Contractors, was able to convince Legislators to approve additional personnel to implement the new program.

The new Supervising Deputy Registrar position was changed to an Administrative Assistant position, giving the Board additional help in the field of computer and technical expertise. The clerical positions are being used to eliminate the backlog in the files and application sections. 1 Senior Deputy Registrar and a Deputy Registrar Trainee (new position) are assigned to each of the 13 District Offices in the State to process new complaints filed by the consumer public, such as homeowners, material suppliers, employees, contractors, and other persons who may be injured due to the contracting activity of some individual, firm or corporation.

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LEGISLATION 1974

The California Legislature has commenced the second half of the new two year session which was provided for by the approval of the voters of California in a new Constitutional Amendment. Under new procedures made up to put the new two year session into operation, all bills which were introduced in the first year of the session must be passed by the house of origin by January 30th of the second year. A few bills of interest to contractors have survived and will be acted upon by the legislature in 1974. Additional bills have been; or will be introduced this year. We will attempt to keep contractors abreast of the pending and new bills in this publication as this legislation progresses.

Assembly Bill 1320 which was explained in detail in the September 1973 issue of "The California Licensed Contractor" has been passed by the Assembly and has been referred to the Senate Policy Committee for action. A.B. 1320 in its final amended form, to this date, provides that any employee filing a claim for wages or fringe benefits against a cash deposit held by the Registrar in lieu of any required bond shall file such claim with the Labor Commissioner. The Labor Commissioner then is required to conduct a hearing to determine the validity of such claim. If it is found the claim should be paid, the Labor Commissioner notifies the Registrar of his findings. The Registrar will then hold off paying on the claim for ten days. If within the ten days the complainant or contractor files a written notice with the Registrar and Labor Commissioner of and intention to seek judicial review, the Registrar will not make payment except as determined by the court. In the event no action is filed in a court within 60 days following determination of findings by the Labor Commissioner, the

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Robert N. Gulick, Executive Director of the Drywall Industry Trust Fund plays a dual role in the Drywall Industry, he is also Executive Director of the California Drywall Contractors Association.

Gulick, 51, is the principal agent of the Drywall Industry Trust Fund which was created in 1966 to promote the advancement and well being of the drywall contracting industry in the State of California. He has been with them since its inception.

His duties, while encompassing the many facets of the industry, are primarily to promote the general welfare of the drywall industry and its products as well as educating those associated with the building industry, such as, architects, engineers, building officials and general contractors into the merits of drywall installation.

He is responsible for correlating and disseminating information of value to firms and persons engaged in the drywall field. In addition, he puts out a monthly professional publication for distribution to all California drywall contractors apprising them of the developments

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DEPUTY REGISTRARS

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1 Senior Deputy Registrar position and the 4 Deputy Registrar positions were used to offset unequal workloads in several of the District Offices.

It is anticipated the additional new field positions will go a long way in helping to relieve the tremendous backlog of cases now being investigated by this agency's field personnel.

The Registrar and his staff are continually on the alert to change procedures and/or staff to meet the demands and interest of the consumer public. One should keep in mind that the consumer problem can only be solved through the interest and concern of the construction industry.

LEGISLATION

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Registrar will then make payment from the cash deposit to the complainant.

Assembly Bill 2710 by Bannai seeks to amend certain sections of the Business and Professions Code, relating to electronic and appliance repair dealers to include the business of installing, repairing, servicing or maintaining television or radio receiver antennas or rotators located on or adjacent to a single-family residence or a mobilehome and not a function subject to regulation under the Contractors' License Law. Under this bill, if passed into law, a contractor licensed to install master antenna systems would be required to be registered with the Bureau of Repair Services in addition to being licensed as a contractor if he installs or repairs antenna systems on single-family residences or mobilehomes.

Assembly Bill 2946 introduced by Bill Green would change the structure of the Contractors' State License Board to include six public members. The bill would eliminate one general building contractor and two specialty contractors. The end result would be to provide for one general engineering contractor, two general building contractors, two specialty contractors and six public members.

Senate Bill 913 originally introduced in 1973 was passed by the Senate and referred to the Assembly for consideration. This bill amends Section 7137 to require fees for all re-examinations for supplemental classifications as well as for changes of responsible managing employee or

officer. Section 7137 which provides the fee structure for applications, licenses, etc. prescribes a fee for re-examination for original licenses but has never included a fee for taking a re-examination after an applicant has failed an examination for supplemental classifications or changes of RME or RMO. The bill also redefines a subcontractor for the purpose of the enforcement of the Subletting and Subcontracting Fair Practices Act.

Senate Bill 1459 carried over into the second year, seeks to limit swimming pool construction to only those contractors licensed in the swimming pool classification.

Senate Bill 1579 was first introduced on January 17, 1974 by Senator Zenovich. This bill amends Section 7029.6 of the Contractors' License Law to require all contractors to display on each side of each motor vehicle used in his business, his name, his permanent business address and his contractor's license number in letters not less than one and one-half inches high. Section 7029.6 presently requires only the plumbing contractor to comply with these requirements.

Future issues will include information regarding new legislation as it is introduced. Contractors who object to certain bills should not wait until after a bill is passed into law before making known their feelings. They should contact their senator and assemblyman and make known their feelings to the representatives at a time when it will do the most good, that is, before the legislation is passed.

Glen Slater, License No. 2, Died

Glen V. Slater, a retired general engineering contractor and holder of contractor's License No. 2, died January 30, 1974 in Fresno, his residence for more than a half-century. Slater was named Assistant Registrar of Contractors in 1931 and served in that capacity under several of the first Registrars of Contractors. His name last appears as Assistant Registrar of Contractors under Registrar of Contractors, Allen Miller, in 1942-43 Official Directory of Licensed Contractors. Slater was 87 at the time of his death.

ROBERT GULICK

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and conditions in the industry as well as the activities of the Fund.

He maintains liaison with the industry product manufacturers' and dealers' associations as well as maintaining good rapport with the International Conference of Building Officials and Contractors State License Board.

Gulick's heavy schedule also keeps him constantly on the go arranging and conducting meetings pertinent to the industry.

Some of his professional activities include: Technical Director — Gypsum Drywall Contractors Association; Professional Member—Construction Specifications Institute—Los Angeles Chapter; Legislative Advocate for both the Drywall Industry Trust Fund and the California Drywall Contractors Association; Current Chairman—Contractors License Law Committee of Construction Industry Legislative Council.

He was Founding Chairman of the reorganized Construction Industry Legislative Council and Past Chairman.

He is an active member of both the American Society of Association Executives and the Southern California Society of Association Executives.

Somewhere in between, he finds time to relax on the golf course.

Prior to his present position, Gulick was sales manager of a major Los Angeles commercial drywall and painting firm.

He was an Army Air Force pilot and instructor in World War II. After the end of the war, he attended the University of California in Los Angeles and pursued a career in the stock and brokerage field until 1947 when he entered the construction industry.

The father of a married daughter and two sons, Gulick's been active in the Woodland Hills Sunrise Little League and is a member and past director of the Braemar Country Club in Tarzana.

A native Californian, he was born in Glendale. Bob Gulick and his wife, Mary Jean, with their two sons, Tom, 18 and Pat, 14 make their home in Woodland Hills.

BUSINESS MANAGEMENT FOR CONTRACTORS

Continued

Because of the importance of good business practices in conducting a successful contracting business, this agency is making available to all licensed contractors in serial form in this publication an elementary treatise on Business Management for Contractors. The material presented is not intended to be a complete text on the subjects mentioned. With reference to

payroll taxes and insurance, the State and Federal agencies concerned should be contacted. They will furnish complete printed instructions covering their requirements. The comments upon business management and finances cover those areas in which education appears to be most urgently needed for the average contractor. If

he will master and apply the principles which will be discussed, he should develop a sound and profitable business. A compilation of all the material which will be contained in this series of articles should make an excellent source of reference. This series of articles started in the September, 1973 issue of this publication.

CHAPTER II—MONEY MANAGEMENT

Continued

Fixed Liabilities: Fixed liabilities are liabilities which will not mature for a longer period of time—usually in excess of a year. Mortgages payable and long-term contracts are examples of fixed liabilities.

Net Fixed Assets: Net fixed assets are the investment in fixed assets remaining after deducting accumulated depreciation.

Depreciation: Depreciation may be defined as the decrease in the value of a fixed asset due to wear and tear, passage of time or obsolescence. Depreciation is recorded to (1) value the asset at any current date and (2) distribute the cost of the asset over its useful life. Depreciation is usually shown on the balance sheet as a direct deduction from a fixed asset and becomes an expense item on the income and expense statement.

Tangible Net Worth: Tangible net worth is the amount of capital an owner has in a business after deducting such intangible items as goodwill, franchises, worth or owners equity.

Net Working Capital: Net working capital is the difference between total *current assets* and total *current liabilities*. For example, if a company has total current assets of \$30,000 and total current liabilities of \$15,000, the net working capital would be \$15,000 (\$30,000 less \$15,000 equals \$15,000).

BALANCE SHEET

The balance sheet, although considered by many authorities as the most important financial report, is seldom understood and used effectively by the small businessman. It seems that the majority of the contractors will have a balance sheet prepared only when it is required for obtaining a bond or additional credit with the

bank. Actually, the balance sheet, when accurately prepared, will furnish valuable information for the benefit of management.

It is the responsibility of management to establish and follow sound financial policies in order to assure meeting material bills, payrolls and other obligations as they become due. Many organizations have had sufficient capital to meet their needs, but have used this capital unwisely. As a result of unsound financial policies, failure has resulted. Management should become aware of the factors which represent sound financial policy.

Analyses of the balance sheet benefits management in two major ways. It assists in (1) establishing and maintaining sound financial policies, and (2) comparing the progress or decline of the company's financial position between accounting periods.

FINANCIAL POLICY

A contractor who will take the necessary time to study and apply the following basic principles will find himself well on the way toward establishing a sound financial policy. These principles are fundamental in *any business* regardless of type or size:

1. Investment in the net *fixed assets* should be in proper proportion to *owner's equity*.
2. *Net working capital* should be in proper proportion to *sales*.
3. *Cash plus good receivables* should exceed *current liabilities*.

The first and third principles may be evaluated directly from the information furnished in the balance sheet. The net working capital figure for principle number two may also be obtained from the balance sheet, but the

sales figure will come from the income and expense statement.

Investment in Net Fixed Assets to Tangible Net Worth: This principle means it is unsafe for any business to invest too much of its capital in fixed assets. The danger in having too large a percentage of capital invested in fixed assets is that the company may not have enough capital left to finance its current operations. Also, the larger the investment of fixed assets, the greater the cost for taxes, insurance, maintenance and depreciation.

The proper percentage of investment in net fixed assets for a business depends upon the type of business. It will vary depending upon the amount of equipment which is needed in the operations of the business. Where little or no equipment is required, the percentage will be small. In other lines of business, such as the trucking or restaurant business, the investment in net fixed assets may be equal to or even greater than tangible owner's equity.

This percentage may be arrived at by dividing the total of net fixed assets by tangible owner's equity. Using the figures shown in Figure 1 as an example: Net Fixed Assets, \$9,500 ÷ Owner's Equity, \$33,000 = 28.8%. It may be noted that the percentage of 28.8% arrived at in the example is high. This is due to the investment in land and buildings by the ABC Company. This illustrates the fact that a businessman should forecast the effect which the purchase of fixed assets would have upon his business.

Volume of Sales to Net Working Capital: This principle deals with the amount of business an organization can safely conduct with the net

working capital available. By dividing the annual sales by the net working capital, it will be seen how often the total net working capital is being used. This is called "turnover of net working capital." There is a limit to the amount of business which can be safely handled with the available net working capital. Too high a turnover of net working capital is termed "overtrading" and indicates there is not enough net working capital for the sales volume.

As a contractor's sales volume expands, the following will usually happen: payroll, inventory, accounts receivable, accounts payable and various items of overhead will all increase. In fact, he will often buy additional equipment to handle the increased amount of work. This increased activity requires increased net working capital to meet all commitments as they become due. Therefore, unless net working capital is built up at the same rate as sales, an overtrading condition will result and a serious strain will be placed upon working capital.

The real danger in overtrading is in the event of a sudden drop in sales. In this case, accounts receivable are used up quickly; and, unless net working capital is in the proper proportion to sales, it is more than likely that there will not be enough to meet all commitments. Many contractors have found themselves in this position and the usual reaction has been to bid jobs at cost or below in order to obtain capital to meet previous obligations. This, of course, is a *direct road to bankruptcy*.

As stated before, the turnover in net working capital may be calculated by dividing the annual sales by the net working capital. Using the amounts shown in Figures 1 and 2:

Current Assets \$36,000
Less: Current Liabilities 8,500

Net Working Capital \$27,500
Annual Sales, \$200,000 ÷ Net Working Capital, \$27,500 = 7.3
Turnover of Net Working Capital is 7.3 times annually.

What should the turnover of net working capital be? This, again, depends upon the type of business conducted. (See "Sources of Information," discussed later in this chapter.)

Cash Plus Goods Receivable Should Exceed Current Liabilities: The net

working capital of an organization has been defined as current assets minus current liabilities. Current assets include inventory of parts, supplies and merchandise for resale. The actual money which is normally used by a contractor to pay current obligations comes from cash and accounts receivable, not inventory. It, therefore, stands to reason that cash plus goods receivable should be an amount which is greater than current liabilities in order for the financial position of the company to be sound. Equipment inventory has been deducted in this principle, not only because it is not normally sold to pay current indebtedness; but also if it were found necessary to sell inventory to pay current bills the inventory would, in all probability, be sold at a substantial loss.

If business conditions should suddenly take a turn downward, the contractor who has more than enough capital in cash and goods receivable to cover all of his maturing obligations will be in a position to meet his obligations and also probably have the time to adjust to the changed conditions.

Sources of Information: It will have been noted that the actual ratios to be used in analyzing individual businesses were not included in the above discussions of financial principles and ratios. This omission was due to the fact that the proper ratio will vary depending upon the type of business. Information pertaining to your particular type of contracting busi-

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FIGURE 1
A B C Company
BALANCE SHEET
December 31, 19...

ASSETS			
CURRENT ASSETS			
Cash		\$5,600	
Accounts Receivable		22,400	
Inventory		8,000	
Total Current Assets			\$36,000
FIXED ASSETS			
Land		\$2,000	
Buildings	\$10,000		
Less: Accumulated Depreciation	5,000	5,000	
Equipment	4,000		
Less: Accumulated Depreciation	2,000	2,000	
Furniture and Fixtures	1,000		
Less: Accumulated Depreciation	500	500	
Total Fixed Assets			9,500
TOTAL ASSETS			\$45,500
LIABILITIES AND NET WORTH			
CURRENT LIABILITIES			
Notes Payable		1,000	
Accounts Payable		7,500	
Total Current Liabilities			8,500
FIXED LIABILITIES			
Mortgages Payable		3,500	
Contracts Payable		500	
Total Fixed Liabilities			4,000
Total Liabilities			\$12,500
OWNER'S EQUITY			
Investment at beginning of year	\$27,900		
Add: Additional investment	500		
Net profit for year	18,780	47,180	
Less: Withdrawals (including taxes)		14,180	
Total Owner's Equity			33,000
TOTAL LIABILITIES and OWNER'S EQUITY			\$45,500

SUSPENDED 4TH QUARTER 1972-73

Name/Style	Address	Date	Sections violated and suspension time
A.B.C. Construction Co.	357 N. Kilkea Dr., Los Angeles	6-12-73	7071. 11, 7107, 7109, 7113, 7115—Indefinitely
Acc High Tile Co.	42411 N. 52nd St. West, Quartz Hill	4-10-73	7109, 7113—For 10 days
Acevedo, Victor R. dba Victor Landscaping	1809 Vuelta Grande, Long Beach	6-28-73	7122.5—Indefinitely
Action Roofing Company, Inc.	1376 Hacienda Ave., Campbell	6- 5-73	7071.11—Indefinitely
Allen, W. B., Inc., General Contractor	704 El Camino Real, Tustin	4-10-73	7107, 7120, 7159—For 15 days
Allen, William B.	12711 Elizabeth Way, Tustin	4-10-73	7122.5—For 15 days
Allison, Bob, General Contractor	22304 Ave San Luis, Woodland Hills	4-24-73	7071.11, 7114, 7115, 7117—Indefinitely
Anderson, Calvin Marcus	572 Thousand Oaks Blvd., Thousand Oaks	6-12-73	7113.5—For 365 days
Associated Trades General Contracting	3050 26th Ave., San Francisco	5-18-73	7122.5—For 365 days
Aztec Tile Ltd.	1115 N. Jackson St., Glendale	4-23-73	7120—For 180 days
Baker, Roy	1520 Curtis Ave., Manhattan Beach	6-29-73	7122.5—For 120 days
Bidegain, Albert	P.O. Box 2970, San Rafael	5- 8-73	7113.5—For one year
Brown & Combs	765 Cherry St., Petaluma	4- 6-73	7097—For 30 days
Brubaker, L. D.	909 Aviation Blvd., Manhattan Beach	6-29-73	7122—For 120 days
Central Roofing Co.	P.O. Box 21201, Concord	5- 1-73	7113.5—For 6 months
Champion Industries	212 W. 23rd St., Upland	6-12-73	7107, 7109, 7113—For 365 days
Clayton Valley Electric, Inc.	3727 Sierrawood Court, Concord	6-28-73	7107, 7113, 7115—Indefinitely
Coast County Roofing Co.	P.O. Box 2582, Santa Cruz	5-30-73	7120—Indefinitely
Combs & Sons	765 Cherry St., Petaluma	4- 6-73	7109, 7113—For 30 days
Crevier Pools	120 E. 232nd St., Carson	5- 1-73	7107, 7109, 7113, 7159—For 30 days
Dejar Construction Co., Inc.	12948 Los Nietos Rd., Santa Fe Springs	5- 1-73	7112, 7121—For 6 months
Dreman, William E.	744 Wyoming Dr., Santa Rosa	6-12-73	7110, 7112, 7117, 7120—Indefinitely
Environmental Construction Corporation	1220 Park Newport Apt. 409, Newport Beach	4-13-73	7113—For 30 days
Esworthy, Victor W., Jr., dba Van Nuys Electric	7518 Kester Ave., Van Nuys	4- 6-73	7107, 7109, 7110, 7113—For 90 days
G-R Construction Company	1882 Diamond Blvd., Concord	4- 6-73	7113.5, 7122—Indefinitely
Gouveia, Anthony	837 S. Beach Blvd., Anaheim	5- 1-73	7110—Indefinitely
Graven, Wesley G.	435 E. 53rd St., North Long Beach	6-29-73	7113.5, 7121—For 6 months
Grigoleit, Rudolf	P.O. Box 1088, Tahoe City	4- 6-73	7122, 7122.5—Indefinitely
Hamilton, Donald V.	Box 165, Cobb	5- 1-73	7113.5—Indefinitely
Hamilton, George	10442 Dunleer Dr., Los Angeles	6-29-73	7122—For 102 days
Hardin, Wayne A.	1186 Carnelian Dr., San Jose	6-13-73	7113.5—Indefinitely
Hufford Construction Co.	P.O. Box 612, South Laguna	6-12-73	7113.5—For 364 days
J & J Painting Contractors	8508 S. Western Ave., Los Angeles	5- 1-73	7110, 7115, 7117—For 90 days
Johnson Bros. Tunneling Corp. of California	5065 Calmarview Ave., Baldwin Park	5-15-73	7097—For 30 days
L and W Plastering, Inc.	3934 Carmona, Los Angeles	6-29-73	7097—For 30 days
La Haie, Harold dba Aarco Builders	4314 S. Broadway, Los Angeles	5-31-73	7107, 7109, 7110, 7113, 7116, 7119—For 180 days
La Mar Construction	P.O. Box 5431, Sacramento	5-22-73	7071.11—Indefinitely
Lawton, Frank E.	1781 Woodland Ave., Palo Alto	5-30-73	7107, 7113, 7114, 7115, 7117—Indefinitely
Lewis, Samuel Edward	5449 Brynhurst Ave., Los Angeles	6-12-73	7110, 7113, 7115, 7120—Indefinitely
Lido Tile Co.	8738 E. Hermosa Dr., San Gabriel	4-24-73	7109, 7113, 7115—Indefinitely
Mains, Thomas J.	P.O. Box 445, N. Hollywood	5- 1-73	7120—Indefinitely
Martin, Ray Construction, Inc.	14 Castlewood Dr., Pleasanton	5-22-73	7109, 7113, 7115—For 15 days
Nor Cal Steel Erectors	P.O. Box 538, Paradise	5-15-73	7110—Indefinitely
Norton, David R.	1963 Branciforte Dr., Santa Cruz	5-23-73	7113.5—For 360 days
Paragon Builders	8822 N. Brookhurst, Anaheim	6-29-73	7109, 7110—For 10 days
Patrick Boring Co., Inc.	5023 Astor Ave., City of Commerce	5-15-73	7097—For 30 days
Patrick Boring Corporation of California	1847 Tyler Ave., S. El Monte	5-15-73	7120—For 30 days
R B R Construction Co.	1220 Park Newport Apt. 409, Newport Beach	4-13-73	7114, 7117, 7121—For 30 days
Raintree Nursery	RFD #1 Box 3854, Ridgecrest	6-28-73	7107, 7113, 7115, 7159—Indefinitely
Schirmer, Lester Melvin	2322 Skyline Dr., Redding	5-23-73	7109, 7110—For 20 days
Shanahan, Norman G.	268 S. Lorraine Blvd., Los Angeles	5-22-73	7122.5—Indefinitely
Sierra Madre Glass & Mirror Co.	314 W. Sierra Madre, Sierra Madre	5-22-73	7113.5—For 90 days
Simpson Construction Company	514 S. Broadway, Stockton	6-13-73	7113.5, 7120—Indefinitely
Strauss, William Plumbing Co.	7920 Beverly Blvd., Los Angeles	4- 6-73	7113.5, 7115, 7120—Indefinitely
Taylor, Ron Carpets	1162 E. Colorado Blvd., Pasadena	5-22-73	7107, 7113, 7159(a) (b) (c)—Indefinitely
Tenson, Inc.	1013 St. Lucia Circle, Palm Springs	4-11-73	7113.5—Indefinitely
Thuesen, Wm. P., General Contractor	21483 W. 66, Barstow	4- 6-73	7110, 7113, 7115—Indefinitely
Tuggle's Drywall Company	14424 Oka Ln., Los Gatos	6-28-73	7113.5—Indefinitely
Van Nuys Builders, Inc.	7703 1/2 Sepulveda Blvd., Van Nuys	5-22-73	7107, 7111, 7113, 7115, 7120—Indefinitely
Vertrees, O. J. Jim Painting and Decorating	11044 Leo Lang Ave., Sunland	4- 6-73	7113, 7115, 7120—Indefinitely
Wedgeworth General Contracting	3580 Hadley Way, Santa Maria	4-24-73	7113.5—Indefinitely
Wheeler, Dave	6140 Highland Circle, Redding	5-24-73	7109, 7110, 7113—For 10 days
Whitney, Billy H.	#15 El Rancho Park, Marina	5-24-73	7113.5—Indefinitely
Winston Bros. Lathing	3934 Carmona St., Los Angeles	6-29-73	7108, 7109, 7111, 7113, 7120—For 30 days
Y & Z Construction	Box 4839, Carmel	5-18-73	7113.5—Indefinitely
Zaramba, Don Const. Co.	15213 Jupiter St., Whittier	5- 1-73	7121, 7122.5—For 6 months

DISCIPLINARY ACTIONS DO NOT INCLUDE LICENSES SUSPENDED FOR FAILURE TO MAINTAIN REQUIRED BONDS

The following explanation may be helpful to those persons interested in the causes of disciplinary action indicated by sections violated in the table of Disciplinary Actions:

7071.11	Judgment or admitted claim against bond.	7115	Failure to comply with the Contractors Law.
7097	Suspension of additional licenses.	7116	Committing a willful or fraudulent act as a contractor.
7098	Revocation of additional licenses.	7117	Acting as a contractor out of namestyle.
7107	Abandonment of a project without legal excuse.	7117.5	Contracting with inactive license.
7108	Diverted funds or property received for a specific job to other purposes.	7118	Contracting with unlicensed person.
7109	Willfully disregarded plans and specifications, or has failed to complete the job in a good and workmanlike manner.	7119	Failure to prosecute a job with diligence.
7109.5	Violation of Safety Laws resulting in death or serious injury.	7120	Failure to pay for materials or services.
7110	Willful disregard and violation of building laws.	7121	Prohibition against associating with suspended or revoked licenses.
7110.1	Violation of Section 206.5 of the Labor Code.	7122	Participation of licensee in violating Contractors Law.
7111	Failure to keep records and to make them available to a representative of the registrar.	7122.5	Responsibility of Qualifying Person for acts committed by his principal.
7112	Misrepresentation of a material fact on an application.	7123	Conviction of a Felony in connection with construction activities.
7113	Failure to complete a project for the price stated in the contract.	7124	A plea of nolo contendere is considered a conviction.
7113.5	Avoiding or settling for less than lawful obligations as a contractor through the various bankruptcy proceedings.	7154	Employment of unregistered home improvement salesman.
7114	Aiding and abetting an unlicensed person.	7155	Participation in violation by a home improvement salesman.
		7157	Model Home, kickback prohibition.
		7159	Failure to comply with contract requirements.
		7161	False advertising.

REVOKED 4TH QUARTER 1972-73

Namestyle	Address	Date	Sections violated
A-Arco-American Air Conditioning Co.-Gas Air Conditioning	2916 Durfee Ave., El Monte	6-13-73	7113.5
Adams Electric	207 Garden, Arroyo Grande	5- 1-73	7110, 7113.5
Allcon	14020 S. Brighton Ave., Gardena	5- 8-73	7113.5
Aluminum Building and Siding Co.	2687 National Ave., San Diego	4-25-73	7122.5
B & E Drywall, Inc.	14118 Washington Ave., San Leandro	5-23-73	7098, 7122
Beach, Glenn J., Contractor	1640 Cable Canyon Rd., San Bernardino	4-19-73	7109, 7113, 7115
Borg, Dee M.	1075 Space Park Way, Mt. View	6-23-73	7114
Briarwood Builders and Designers Company	6887 Farmdale Ave. #10, N. Hollywood	4-11-73	7107, 7113, 7115, 7120
Buna Drywall Co.	2449 Fairway Dr., San Leandro	5-23-73	7098, 7122
Buna, Joseph, dba Buna Painting Co.	14118 Washington Ave., San Leandro	5-23-73	7122.5
Buna Painting & Drywall Company, Inc.	14118 Washington Ave., San Leandro	5-23-73	7113.5
Cahill, Tom	10840 Dunbar Way, Rancho Cordova	6-29-73	7113.5
Cal-Norte Construction Company	78 Willow Dr., Oroville	4-19-73	7121
Cal-Norte Construction Co., Inc.	2060 3rd St., Oroville	4-19-73	7121
Catenary, Inc.	P.O. Box 715, Manhattan Beach	6-29-73	7120
Class Heating & Air	16811 Alwood, Valinda	6-13-73	7098, 7121
Collins, Gene P.	14429 Arrow Rt., Fontana	5-23-73	7122.5, 7098
Collins Gene P. Plumbing, Inc.	14429 Arrow Rt., Fontana	5-23-73	7109, 7113
Colonial Roofing Co.	10862 Garden Grove Blvd., Garden Grove	6-13-73	7109, 7113, 7159
Corwin, Nilo E.	12493 10th St., Yucaipa	5- 2-73	7107, 7108, 7113, 7159
Cruise, Duane Construction	Rt. 1, Box 135, Los Molinos	4-10-73	7110, 7113.5
Custom Cabana Inc.	650 Ave. K, Calimesa	4-11-73	7113.5
Davids Roofing Co.	3447 Gloria Ave., Sopolveda	6-29-73	7109, 7113, 7116, 7159
Di Guglielmo, John	2149 E. Garvey Ave., West Covina	6-29-73	7107, 7109, 7113, 7115, 7120
Diversified Construction	1129 1st Ave., Chula Vista	6-14-73	7109
Domeier Drywall Service	4575 Carol Ave., Fremont	6- 9-73	7113.5
Dunlap, Martin Co.	P.O. Box 16121, San Francisco	6-30-73	7113.5
Durkee, C. H.	P.O. Box 49454, Los Angeles	4-19-73	7113.5, 7120
E & L Carpets	117 S. Center, Turlock	5- 2-73	7109, 7113, 7116
Eastridge Floor Covering	2812 Monterey Rd., San Jose	5- 9-73	7115, 7120
Empire Contracting Inc., dba Easter Construction Co.	2687 National Ave., San Diego	4-25-73	7107, 7109, 7110, 7113, 7115, 7116
Executive Pools	12192 Pearce, Garden Grove	4-28-73	7114, 7115, 7117, 7120
Ferguson, Odell Contractor	4700 Crenshaw Blvd., Los Angeles	4-11-73	7107, 7109, 7110, 7120
Fisher, Joseph John	681 Arastradero Rd., Palo Alto	6-20-73	7107, 7109, 7113, 7115, 7119
Franklin, Randall G.	4752 La Canada Blvd., La Canada	6-20-73	7107, 7109, 7113
Gardens by George	253 S. Lemon Apt. #2, Orange	6-20-73	7107, 7108, 7111, 7113, 7114, 7116, 7121, 7159
Hamett Construction Co.	20459 Tiara St., Woodland Hills	5- 3-73	7108, 7111, 7113, 7116, 7116, 7120, 7159
Heateo and C H Durkee Jv	3908 Mandeville Canyon Rd., Los Angeles	4-19-73	7121
Huques, J. B., Roofing Company	P.O. Box 1068, Ontario	5- 9-73	7107, 7109, 7113
Honrath, Frank L., General Building Contractor	Star Rt. Box 12768, Sonora	6-27-73	7109, 7113
Koranda, Norman B.	1400 Shirlmar, San Dimas	4-24-73	7113.5
Lakeview Builders	Box 419, Lake Arrowhead	6-13-73	7107, 7113, 7117(b), 7121
Marin CATV Construction Company	115 Myrtle Ave., San Rafael	5-11-73	7112
Nation Construction Company Inc.	1317 Santiago St., Santa Ana	4- 4-73	7120, 7121
Nation, Ronald V.	2349 W. La Palma, Anaheim	4- 4-73	7122.5
Nesbit, D. E., Masonry Contractor	15818 Longwood Dr., Los Gatos	6- 9-73	7110
Nordoman Enterprises Inc. dba Associated Trades	3050 26th Ave., San Francisco	5-13-73	7071.11, 7120
Owens Industrial	1028 Varsity Court, Mountain View	4-10-73	7098
Owens, J. D. Electric	1028 Varsity Court, Mountain View	4-10-73	7113.5
Painter, E. G.	P.O. Box 1165, Lakeport	5-23-73	7115, 7122.5
Painter, R. D.	P.O. Box 802, Ukiah	5-23-73	7071.11, 7110, 7111, 7115
Pannell Bros. Construction	2120 S. Santa Fe F8, Visalia	4-21-73	7113.5
Pannell, John C., General Contracting	2120 S. Santa Fe F8, Visalia	4-21-73	7113.5
Parkhurst Engineering and Mechanical Contractor	2705 Sheffield Ln., Modesto	4-14-73	7110
Perma Guard Roofing Company, Inc.	26046 Eden Landing Rd., Hayward	5- 9-73	7107, 7109, 7113, 7159(a) (b)
Phelands Plumbing	649 Stewart St., Fort Bragg	5-23-73	7107, 7108
Phillips and Hughes Builders Inc.	4978 N. F St., San Bernardino	4-20-73	7113.5, 7120
Phillips, W. F.	4978 F St., San Bernardino	4-20-73	7122.5
Plaza Carpets and Linoleum	56 Fourth, Morgan Hill	5-16-73	7109, 7113, 7115
Rhoads, Dusty Construction	12667 West St., Garden Grove	6-27-73	7113.5
Sanders Construction Co.	Box 180, Clearlake Park	6-29-73	7109, 7113, 7115
Sierra Nevada Steel Structures, Inc.	P.O. Box 298, Sonora	4-17-73	7098, 7112
Smith, W. O., Jr.	P.O. Box 622, Cucamonga	6- 2-73	7107, 7113, 7115, 7117(a)
State Wide Builders	3512 E. Belmont Ave., Fresno	5- 8-73	7107, 7113
T & D Painting & Decorating	6307 Pecan Ave., Orangevale	4-28-73	7107, 7113, 7116
Triple A Air Cond.	2321 Fullerton Rd., Rowland Heights	6-13-73	7107, 7109, 7110, 7113, 7115, 7116
Turner-Orrs Construction Co.	1142 S. Broadway, Los Angeles	6- 1-73	7107, 7113, 7115, 7121
Western Erectors	P.O. Box 152, Clements	4-17-73	7112, 7115, 7120
White, Jim Plumbing	7412 Sunset Blvd., Los Angeles	6- 5-73	7113.5, 7120
Windsor, R. C., Landscape Contractor	1255 Post St., Rm. 605, San Francisco	6- 9-73	7113, 7113.5, 7116, 7120

DENIED 4TH QUARTER 1972-73

Namestyle	Address	Date	Sections violated
Blue Bonnet Builders	1087 S. Sunnyvale-Saratoga Rd., San Jose	5-16-73	7069(a), 7113.5
Klaybourne, Frank H.	6241 Second St., Rio Linda	6- 6-73	7069(a), 7110
West Coast Electric Co.	14206 Polk St., Sylmar	4-16-73	7069(a), 7069(d)
Western Floors	1059 Second St., Santa Rosa	6-12-73	7069(a), 7069(b)

(from page 5, col. 3)

ness may be obtained from the following sources:

Dun and Bradstreet.

Trade associations.

United States Department of Commerce.

RATIOS AND PERCENTAGES

The principles previously discussed are also known as "ratios." A ratio indicates the relationship of one number to another. A ratio is computed by dividing the first named item by the second. It is important, therefore, in discussing a ratio to state it correctly. Stated as ratios, these principles are as follows:

Net Fixed Assets to Tangible Net Worth

Sales to Net Working Capital

Cash plus Goods Receivable to Current Liabilities

There are numerous ratios which are used by management to analyze the financial condition and trends in their organizations. Valuable information may be obtained by management with proper and consistent evaluation of their financial statements. Most ratios apply to the balance sheet. However, many ratios use net sales or net profit figures, which originate from the income and expense statement.

Percentages are also used in the analysis of both balance sheets and income and expense statements. They are more commonly used with the income and expense statement, usually showing individual items or a group of items as a percentage of sales. In order to allow management to be able

KNOW YOUR BOARD

Located in the Sacramento Headquarters of the Contractors' State License Board, the Files and Records Section operates as a support group to the Registrar and the various offices of the Contractors' State License Board throughout the State.

The Section is composed of five separate but coordinative units: an Information Unit, Application Unit, Bond Unit, Examination Unit, and Services Unit. An Operations Supervisor is in charge of the (41) permanent staff assigned to these units.

The mission of this Section is to provide information to the public regarding status and other information about contractors; to process applications leading to issuance of licenses, granting of supplemental classifications and changes of responsible managing employee or officer; to ensure that licensees are correctly bonded; and to arrange for the necessary examinations for those applicants needing them before becoming fully licensed contractors.

The Files and Records Section had been given as its goal, by the Registrar, the task of liquidating numerous work accumulations that arose from the recent Biennial Renewals, increased workloads, changes in bonding

to make these ratio and percentage comparisons, it is important that the financial statements be prepared *on time and in sufficient detail*, especially the income and expense statement.

To Be Continued

program, and loss of key trained personnel due to promotions, transfers, and other employee turnovers.

As of February 1, 1974 the Files and Records Section completed 80% of its goal. Over 1,000 hours overtime were used by the staff during December and January. Because enough of the trained staff volunteered, the entire effort went into productivity instead of into the training of new temporary staff. As the result of this increased productivity, the Files and Records Section released nearly 2,000 licenses since December 1st; became current in all correspondence; current in processing applications; completed all Renewal Cancellations, Bad Checks, and Refunds.

The Section has begun a program of cross-training of its staff to better ensure that in the future there is a backup of trained persons who can be diverted to handle increases in workload. Another innovation in the Section's "Keep Current" plan is the use of forecasts of seasonal cycles where historically it has had to utilize temporary help to handle heavy workloads. Better planning will enable the Section to meet these demands placed upon it.

Also being studied is available technology, i.e., Electronic Data Processing, Data-Phones, Facsimile Transmission, etc. that could be utilized to speed up our operating processes.

The year 1974 will, truly, be a year of challenge to the Files and Records Section and its goal of better and faster service to contractors. The public, whom it serves, will receive top priority. . . .