



# THE CALIFORNIA LICENSED CONTRACTOR

EDMUND G. BROWN JR., Governor

SPRING 1975



ED SODERBERGE

As public relations consultant specializing in governmental affairs, Ed Soderberg has been active in California legislative circles since 1962 for various clients, preceding that with more than 25 years' newspaper, chamber of commerce, and political public service efforts since securing his education at University of Wisconsin.

As construction warehouse superintendent on British Columbia, Yukon Territory and Aleutian Island wartime projects under the U.S. Department of Engineers' supervisions, he learned construction practices and management techniques after more than 10 years' as reporter and editor for metropolitan bay area newspapers, Associated Press editorship in San Francisco and New Orleans, and with Oregon and Nevada papers.

Publisher of the Peninsula Weekly at Redwood City for several years, he entered the Chamber of Commerce management field in 1953, gaining graduation from basic, advanced and postgraduate courses at Western Institute for Organization Management at Stanford and Santa Clara universities. While manager at Delano, he headed a citizens' advisory committee successfully urging legislation which became law to increase the California auto speed limit to 65 miles per hour. As curriculum chairman of California Chamber Managers Association in

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## RENEWAL TIME APPROACHING

The time to renew contractor's licenses is fast approaching. All contractors' licenses issued by the Contractors' State License Board expire at midnight June 30, 1975.

Sometime during the third week of May 1975, Applications For Renewal, July 1, 1975 through June 30, 1977, will be mailed to each licensee at his address of record. Any change of address not previously reported should be submitted immediately to the Contractors' State License Board, 1020 N Street, Sacramento, California 95814. An unreported change of address could result in the renewal application being returned to this agency by the post office.

At its regular meeting on October 31, 1974, the Board increased the renewal fee for an active license for the 1975-77 renewal period to \$80. The renewal fee for an inactive license remains at \$30 for the 1975-77 renewal period. Recently passed legislation has limited delinquency fees to 50% of the renewal fee or \$25, whichever is less. Therefore, the delinquency fee for an active license is \$25 and \$15 for an inactive license. Effective July 1, 1975 the total renewal fee including the delinquency fee will be \$105 for an active license and \$45 for an inactive license. Renew promptly and eliminate the extra charges for late renewal.

A 1973-75 license may be renewed either as active or inactive. If the holder of a 1973-75 inactive license renews his license as active for 1975-77, he is required to submit the following with his application and fee:

- (1) Applicant's Statement of Financial Ability and Condition. Form 13A-10;
- (2) A current financial statement;
- (3) A surety bond or cash deposit in the sum of \$2,500 (Two thousand five hundred dollars), unless such bond or cash deposit is on file with the Registrar and covers the license being renewed. (A Bond of Qualifying Individual in the sum of \$2,500 is also required

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## 1975 LEGISLATION

A number of bills have been introduced in the assembly and senate in the 1975 legislature which amend or add to the Contractors License Law and which if passed into law will be of prime concern to the construction industry.

ASSEMBLY BILL 246 by Chappie would amend Section 7044 of the Contractors License Law. It would limit the exemption of the owner-builder who hires employees for the construction of a structure to those owner-builders who obtain an employer's identification number for purpose of unemployment and compensation insurance. The bill further provides that to be exempt, such structure built by the owner-builder who obtains an employer's identification number cannot contain more than one dwelling unit which must also be the actual domicile of the owner-builder. Under this bill any owner of property, building or improving structures thereon in which there is a future lease or rental contemplated would not be exempt and so would be required to obtain a contractor's license. This limitation of the exemption of an owner-builder applies only to an owner-builder who hires his own employees to build or improve a structure or except for the requirement of the employer's identification number, an owner-builder who does the work himself. Any owner-builder who builds or improves structures on his own property through a licensed contractor or through all licensed contractors would still be exempt from the licensing requirements.

ASSEMBLY BILL 370 by Bill Greene provides for the licensing of journeyman plumbers by the Contractors' State License Board. This bill if passed, would become operative on January 1, 1977 and would make it unlawful for any person to engage in plumbing for compensation without having a license to so engage as a journeyman plumber. The bill provides for the licensing of all persons who make application to the Board within 90 days of the effective date of the act and who submits satisfactory

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## APPLICATION PROCESSING IS CURRENT

Contractors and applicants for contractor's licenses will be pleased to hear that the processing of applications for original licenses, supplemental classifications and changes of responsible managing employee or officer is current at this time.

Some five or six years ago when procedures were set up to put records of this agency on electronic data processing equipment, the analysts were of the opinion fewer people could do more work. The application processing section then found itself faced with more work because of various changes in requirements for licensure through changes in law and an increase in the number of applications received. More work and fewer people to do this work resulted in a backlog which reached its peak of close to 2,600 applications not processed in July 1973.

Through the use of additional personnel and hundreds of man hours of overtime, the tremendous backlog was reduced and at present, the processing of all original, supplemental and changes of RME/RMO applications are on a current basis.

It is not necessary for applicants for contractor's licenses to make a request for special handling when they find the issuance of a license to be an immediate necessity. Time for normal processing procedures now equals the time which had been required for special handling.

As a matter of caution though, if a person or firm desires to obtain a contractor's license, procedure should start as early as possible. Under the best of conditions a certain amount of time is required to go through all the steps necessary to issue a license.

JANUARY 31, 1975

## BOARD MEETING HIGHLIGHTS

The regular quarterly meeting of the Contractors' State License Board was held on January 31, 1975 in the main auditorium of the Water Resources Building, 1416 9th Street, Sacramento.

Public hearings were held upon petitions of the Registrar of Contractors to amend board rules 711, 715, and 756; to repeal board rules 800, 801 and 802 and to adopt new board rules 800 and 801. After due con-

sideration of the significance of the petitions which were heard, the Board voted to amend, repeal and adopt the various rules as petitioned by the Registrar.

Board Rule 711. Rejection of Insufficient Applications was amended to remove the provision that the tendered fee is returned with a rejected application. To insure security of fees submitted with applications, it was previously determined that fees should be cashed immediately after the opening of the mail. A procedure was set up to cashier fees immediately, then in the event the applicant changed his mind about returning the application, he could request a refund of his fee. The amendment to this rule was for the purpose of bringing it in conformance with present procedures.

Board Rule 715 Posting of Names of Applicants. In amending this rule, the Board removed the provision of showing addresses of the personnel of an applicant. The address of the applicant is still required to be posted. The additional requirement of including the address of each of the personnel of an applicant on the posting list had questionable value when considering the cluttering effect it had on the posting list.

Board Rule 756 Assignment of Primary Classification was amended to remove the words "filed on or after December 15, 1941". These deleted words in the rule which provides for the assignment of primary classification on an original application may be historically interesting but added nothing to the rule.

Board Rules 800, 801, and 802 which were repealed by the actions of the Board were originally adopted by the Board in March 1973 in compliance with the Business and Professions Code, requiring the Board to develop criteria to evaluate rehabilitation of an applicant who has been denied a license on the ground of lack of good moral character and of a licensee whose license had been suspended or revoked on the ground of conviction of a crime. Recent amendments to the same code had the effect of making rules 800, 801, and 802 obsolete, hence the necessity of the Board to repeal them.

Board Rules 800 and 801 were adopted by the Board in compliance

with the same code which made the original rules 800, 801 and 802 obsolete. The new rules were adopted because the Board was required by law to develop criteria to aid the Registrar, when considering the denial, suspension or revocation of a license if a crime or act is substantially related to the qualifications, functions, or duties of the contracting business. Also required was criteria for the Registrar to evaluate rehabilitation of a person when considering the denial of a license or the suspension or revocation of a license.

The California Chapter of the National Automatic Sprinkler and Fire Control Association petitioned the Board for a public hearing to amend Board Rule 734 which defines a plumbing contractor, to specifically eliminate the work of a C-16 Fire Protection Engineering Contractor from the work of the plumbing contractor. A second petition by the same association was for a public hearing to amend Board Rule 759 to require a licensee to take a written examination when applying for the C-16 as a supplemental classification. Under this rule, the Registrar is given authority to waive the examination for a supplemental classification upon a conclusive showing by the applicant of experience in the classification applied for. The requested amendment would not allow waiver of examination under this rule for a supplemental C-16 classification.

After a short discussion, the Board granted a public hearing to be held at the next regular meeting in April 1975.

Prior to adjournment, the Board moved and passed a motion to also hear at the April meeting a possible amendment to Board Rule 754.9 which defines a C-16 Fire Protection Engineering Contractor. The Board's amendment would eliminate from the C-16 classification any reference which would indicate the classification included the design of fire protection systems.

The Board set April 24th and 25th for the next regular meeting. The meeting site will be announced at a later date.

1959, he inaugurated a course in Organization Management at then Fresno State College, teaching the course for three years in the Business Administration division, and developing a similar course at San Jose State. He also organized and served as president of the Central Valley chapter of the Public Relations Society of America while at Fresno, and directed that community's Diamond Jubilee.

As public relations consultant, he became northern California manager and legislative representative for Engineering and Grading Contractors in 1962, and in 1969 initiated legislative advocacy with air conditioning, refrigeration, masonry and allied construction associations as a member of the Construction Industry Legislative Council, which he served as president in 1971 and 1972. He is currently governmental relations consultant for Masonry Industry Advancement Committee and other construction management groups, and is vice-chairman of CILC's legislative operations committee, and chairman of its housing and community development, energy, ecology committee which serves the 27 contractor associations comprising CILC membership. He maintains a permanent Sacramento office, making his home in Southern California.

## RENEWAL TIME

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if the license is qualified by an RME.)

The necessary forms and specific information, other than the renewal application, concerning renewing an inactive license as active may be obtained from any of the offices of the Board. Addresses of the Regional and District Offices are listed on page two of this publication.

Any change in name or address may be reported on the renewal application. Do not attempt to make any changes of personnel on the renewal application. For any personnel changes, use the appropriate form which may be obtained at any of the Board's offices. Some changes may require new licenses to be obtained. If the responsible managing employee or responsible managing officer has disassociated, the date of the disassociation should be reported on the front of the application. Changes of the RME or RMO can only be accomplished by filing an Application to Replace Responsible Managing Employee or Officer. Any change in a partnership, such as the addition or removal of a partner, terminates the

license and a new license is required. If any officer on a corporation license is changed, other than the responsible managing officer, the change must be reported on an Application To Change Officers of Corporation. It is important to remember that if there is any change to be reported, other than a simple change of name or address, the appropriate forms should be obtained from a Board office.

The Registrar is now requiring that licensees report on the renewal application the name of their Compensation Insurance Company, the Policy Number and Expiration Date. Section 7125 of the Contractors License Law requires every person licensed as a contractor to report in writing the name of the insurer carrying workman's compensation insurance on his employees to the Registrar within 10 days after any policy of insurance is issued. The report made on the renewal application will facilitate keeping this record by the Registrar. Any changes, of course, should be reported as they occur. If the licensee does not hire employees, a box is provided which, if checked by the licensee, will indicate that compensation insurance is not required.

Due to the volume of renewals to be processed at the beginning of the renewal period, the 1975-77 pocket identification card will not reach the licensee for several weeks after his renewal application is filed. However, checks will be deposited promptly. A licensee may use his canceled check as evidence of payment of his renewal fee until he receives his pocket card.

## LEGISLATION

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proof that they meet all requirements. The fee for persons not required to take the examination is set at \$25. For all other applicants for licensure as a journeyman plumber the fee is set at not less than \$10 and not more than \$30, the actual fee to be determined by the Board.

ASSEMBLY BILL 390 by Bannai would revise the method of making service of the 20-day preliminary lien notice. This bill amends Sections 3097 and 3114 and adds Section 3097.1 to the Civil Code (Mechanic's Lien Law). Under this bill every contract between a property owner and a prime contractor must have space provided for the owner to enter his name, address of residence and his business address, if any. The prime contractor must make a copy of the contract available for inspection by any person seeking to serve a 20-day preliminary lien notice. The added section pro-

vides for an acknowledgment Receipt of Preliminary 20-day form which can be used by the making service of the notice.

SENATE BILL 214 would require that after January 1, 1977 attic spaces in residential dwellings meet energy insulation standards adopted by the Commission of Housing and Community Development, before a transfer of title of the real property can be recorded. A licensed contractor, as defined in this bill which adds Section 19875.5 to the Health and Safety Code, is either a licensee of the Structural Pest Control Board or a licensee of the Contractors' State License Board as determined qualified by the Board. The licensed contractor, as defined by this bill, will inspect attic spaces in residential buildings prior to a transfer of title. If he finds the attic meets the energy insulation standards, he shall issue a statement of adequate energy regulation which shall be recorded with the county recorder by the owner. If, however, he finds the attic does not meet the standards, he shall report the fact to the owner and the potential buyer and give an estimate of required alterations or additions necessary. He must further advise the customer of the advantages of obtaining several cost estimates. The Contractors' State License Board as well as the Structural Pest Control Board and the Real Estate Commission is required to notify each of its licensees of the energy insulation standards.

SENATE BILL 287 by Song would amend Sections 7000.5, 7002, 7003 and 7007 of the Contractors License Law to provide for the addition of a 12th member to the Board. The bill would require that on or before January 15, 1976 the Governor appoint an additional member to the Board who is a member of a labor organization representing the business trades. The term of office would expire on January 15, 1980.

SENATE BILL 296 by Cusanovich would add Section 7076.1 and amend Sections 7114, 7118 and 7141.5 of the Contractors License Law. Section 7076.1 provides for the cancellation of a license by the Registrar upon the voluntary surrender of the license by the licensee. Section 7114 and 7118 are amended to remove the word "knowingly" from the disciplinary sections which provide a cause for disciplinary action against the contractor's license of a contractor who aids and abets an unlicensed person to evade the Contractors License Law or of a contractor who enters into a contract with an unlicensed contractor.

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Section 7141.5 would be amended to limit the period of time in which a license may be retroactively renewed for failure of a contractor to renew his license by the due date. Under this bill, any licensee requesting a license to be renewed retroactively would have to make the request within six months of the date the license was allowed to expire through inadvertence, neglect or mistake.

SENATE BILL 297 by Cusanovich would amend Section 7102 of the Contractors License Law to remove from the requirement for reinstatement of a revoked license the satisfaction of all loss which was caused by the licensee's adjudication in bankruptcy. This is an attempt to conform the statute to the California Supreme Court Case of Grimes vs Hoschler in which the existing statutory provision was declared unconstitutional because it required all loss to be satisfied before a revoked license could be reinstated even though the loss was discharged through federal statutes.

### U.S. POST OFFICE PERSEVERES

It is often said that nothing gets lost, only misplaced. If given enough time all things will, eventually, be found. A good example of this recently came to light when the Post Office returned a letter this agency mailed to one of its licensees in 1937. The envelope which contained Vol. 1, No. 3 of "The California Licensed Contractor", dated September 1937 was marked "addressee unknown".

According to this agency's records, the intended recipient of the bulletin ceased to renew his license beyond the 1941-1942 renewal period. It, very well, could be he no longer had any need for the license. When considering any other period of time, this might be a logical conclusion, but 1941-42 was a very special time. The United States had been drawn into a world wide conflict which drew off millions of this country's young men and women. Could it be our licensee went into the war and never returned? This is an interesting conjecture.

Still, this addressee was in the board's records as being a holder of a contractor's license for nearly four years after the bulletin was mailed to him. It makes one wonder where a piece of mail such as this could be hiding all these years.

It is really amazing, though, that a piece of mail should be returned to the sender thirty-five and a half years after being mailed, but it does demonstrate the perseverance of our postal service.

## SETTLEMENT REACHED WITH CONTRACTOR

Leo B. Hoschler, Registrar of Contractors, and Attorney General Evelle J. Younger recently announced a settlement of an action filed by the Registrar against a Southern California development corporation.

The administrative action by the Registrar charges fraud and poor workmanship in the construction and marketing of a housing tract located in the Saugus-Newhall area north of Los Angeles. This development corporation has developed several tracts of homes in this area; however, the administrative action arose over the corporation's use of a sprayed exterior siding material over a plywood base instead of the stucco exterior shown in its model homes.

An improper application of the sprayed-on material, together with improper sealing of the underlying plywood allowed moisture to penetrate the plywood with the resultant swelling and cracking of the exterior coating. This swelling and cracking allowed even more moisture to penetrate into the plywood.

In addition to the Registrar's action, the homeowners filed a lawsuit against the developer and related companies. The two actions were finally resolved when the development corporation agreed to pay a plastering contractor to stucco the bulk of the homes in the affected tract. The contract between the corporation and the plastering contractor was in the amount of \$118,500 and called for the plastering of 77 two, three and four bedroom homes in the tract. Prior to reaching this settlement, the corporation had repaired 25 homes in the tract to the satisfaction of the affected homeowners. In addition to the plastering contract, the corporation paid the homeowners an additional \$10,000 to correct other less serious workmanship defects and to cover other expenses incurred by the homeowners.

The deputy attorney general who acted as counsel for the Registrar of Contractors in this matter, said the material originally applied to the homes in this tract looks very much like the conventional stucco exterior on most California homes and that at the time of its application, it was approved by the Federal Housing Administration and the Veterans Administration for use as a siding material on residences with mortgages guaranteed by these agencies.

It has been reported from the Southern Regional Office of the Contractors' State License Board that the

decision to stay a suspension together with the requirement of the filing of a \$25,000 bond or cash deposit was based solely on the fact the development corporation has corrected the situation with the homeowners. Had the corporation failed to make restitution, its license to operate as a contractor in California could have been subject to revocation.

The investigation of this matter by personnel of the Contractors' State License Board disclosed that tracts of homes built by this developer both prior to and subsequent to the tract in question, used stucco as the exterior finish on the homes and did not suffer from the construction defects which formed the basis of the Registrar's action.

The Registrar's decision reflects that the conduct involved in this matter is not likely to reoccur and that the settlement is by far the best result that could have been achieved insofar as California homeowners are concerned.

## ENERGY CONSERVATION STANDARDS

Chapter 11.5 (commencing with Section 19878) of Part 3 of Division 13 was added to the Health and Safety Code through the passage of Senate Bill 144 by Alquist in February 1974.

This chapter requires the Department of Housing and Community Development to develop, and the Commission of Housing and Community Development to adopt by July 1, 1975, energy conservation standards for new nonresidential buildings. It requires the department to produce, no later than 180 days after adoption of the standards, an energy conservation manual containing the energy conservation standards developed by the department for use by designers, builders and contractors of nonresidential buildings. The manual is to be furnished free of charge to local agencies and to others at a price sufficient to cover the cost of printing.

This bill makes local building departments responsible for enforcement of the act and allows the city, county, or city and county to prescribe a schedule of fees sufficient to pay the costs incurred in the enforcement of the energy standards. No building department shall issue a building permit unless a review by the building department of the plans for the proposed nonresidential building shows that the plans contain detailed energy system specifications

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## REVOKED 4TH QUARTER 1973-1974

Name/style	Address	Date	Sections violated
A B C Construction Co.	357 N. Kilkea Dr., Los Angeles	6/12/74	7071.11, 7107, 7109, 7113, 7115
A and B General Contractor	1422 Kellam Ave., Los Angeles	6/20/74	7109, 7110, 7113, 7159
Action Roofing Company Inc.	1370 Hacienda Ave., Campbell	6/ 5/74	7071.11
Allison, Bob—General Contractor	22304 Ave. San Luis, Woodland Hills	4/24/74	7071.11, 7114, 7115, 7117
Anderson, James T.	2045 Contra Costa Blvd., Pleasant Hill	4/28/74	7071.11
Bacchani Construction	3747 N. Rockwell Ave., El Monte	6/10/74	7122.5
Bowers, Jack D.	P.O. Box 251, Lodi	5/15/74	7109, 7111, 7113
Brenneke, Dean Cement Contractor	219 Erbes Rd., Thousand Oaks	5/24/74	7107, 7113, 7115, 7117, 7120
Carmel Enterprises	P.O. Box 3705, Hayward	5/ 3/74	7122
Ciro Enterprises Inc.	11927 E. Washington Blvd., Whittier	6/10/74	7107, 7110, 7111, 7113, 7115, 7119
Coast County Roofing Co.	P.O. Box 2582, Santa Cruz	5/30/74	7120
Diminyatz Decorators	3741 Macbeth Dr., San Jose	4/ 5/74	7110, 7113
Fisher & Son's Remodeling	18915 Almsworth Ave., Torrance	4/ 6/74	7098, 7121
Fisher, Anthony J.	18915 Almsworth Ave., Torrance	4/ 5/74	7098, 7121
Fisher Remodeling	18915 Almsworth Ave., Torrance	4/ 5/74	7107, 7109, 7113, 7113.5, 7119, 7159
G-R Construction Company	1882 Diamond Blvd., Concord	4/ 8/74	7113.5, 7112
G-R Construction Company	1882 Diamond Blvd., Concord	4/ 8/74	7113.5
Galaxy Enterprises, Inc.	P.O. Box 1744, Fremont	5/ 3/74	7107, 7109, 7113, 7121, 7159(b)
Garnier, William M.	4117 Vantage Ave., Studio City	4/26/74	7113.5
Gibraltar Construction Co.	8112 S. Broadway, Los Angeles	6/14/74	7107, 7109, 7110, 7113, 7119, 7159
Gouveia, Anthony	837 S. Beach Blvd., Anaheim	5/ 1/74	7110
Grand Heating & Air Conditioning Incorporated	3344 Motor Ave., Los Angeles	5/15/74	7113.5
Grigoleit, Rudolf	P.O. Box 1088, Tahoe City	4/ 6/74	7122, 7122.5
Hamilton, Donald V.	Box 165, Cobb	5/ 1/74	7113.5
Hardin, Wayne	1186 Carmelian Dr., San Jose	6/13/74	7113.5
Homen, J. Co.	13871 Elliot Pl., Garden Grove	4/18/74	7112, 7113.5, 7115
J C General Contractors Inc.	P.O. Box 481, Rosemead	4/23/74	7107, 7113, 7120
J M C Engineering Contractors	11927 Washington Blvd., Whittier	4/23/74	7098
Juarez Nunez, Ciro T.	11266 La Rosa, Arcadia	6/10/74	7122.5
La Mar Construction	P.O. Box 5431, Sacramento	5/22/74	7071.11
Lawton, Frank E.	1761 Woodland Ave., Palo Alto	5/30/74	7107, 7113, 7114, 7115, 7117
Lewis, Samuel Edward	5449 Brynhurst Ave., Los Angeles	6/12/74	7110, 7113, 7115, 7120
Lido Title Co.	8738 E. Hermosa Dr., San Gabriel	4/24/74	7109, 7113, 7115
Mains, Thomas J.	P.O. Box 445, N. Hollywood	5/ 1/74	7120
McCracken Enterprises, Inc. dba Cedar Bilt Homes	P.O. Box 1186, San Bernardino	4/23/74	7107, 7108, 7109, 7119
Nelson, Robert F.	5028 Marmol Dr., Woodland Hills	6/19/74	7098
Nelson, Robert F. dba Catalina Pools of Lancaster	5028 Marmol Dr., Woodland Hills	6/19/74	7107, 7113, 7114, 7117, 7118, 7119, 7120, 7159
Nelson, Robert F. dba Poolscape	5028 Marmol Dr., Woodland Hills	6/10/74	7098
Nor Cal Steel Erectors	P.O. Box 538, Paradise	5/15/74	7110
Ozzies Patating	4630 Stillwater Ct., Concord	6/28/74	7107, 7109, 7113
Shanahan, Norman G.	268 S. Lorraine Blvd., Los Angeles	5/22/74	7122.5
Simpson Construction Company	514 S. Broadway, Stockton	6/13/74	7113.5, 7120
Strauss, William Plumbing Co.	7920 Beverly Blvd., Los Angeles	4/ 6/74	7113.5, 7115, 7120
Suburban Construction Co.	2407 W. 78th St., Inglewood	4/10/74	7117(a), 7120
Tavener and Sons	157 Humboldt, San Rafael	5/20/74	7122.5
Taylor, Ron Carpets	1162 E. Colorado Blvd., Pasadena	5/22/74	7107, 7113, 7159(a, b, e)
Tonson Inc.	1013 St. Lucia Circle, Palm Springs	4/11/74	7113.5
Thuesen, Wm. P.	21483 W. 66, Barstow	4/ 6/74	7110, 7113, 7115
Van Nuys Builders Inc.	7703 1/2 Sepulveda Blvd., Van Nuys	5/22/74	7107, 7111, 7113, 7115, 7120
Vertrees, O. J. Jim Painting and Decorating	11044 Leo Lang Ave., Sunland	4/ 6/74	7113, 7115, 7120
Whitney, Billy H.	#15 El Rancho Park, Marina	5/24/74	7113.5
Y & Z Construction	Box 4839, Carmel	5/18/74	7113.5

## SUSPENDED 4TH QUARTER 1973-1974

Name/style	Address	Date	Sections violated and suspension time
A & B Masonry	16229 Dubear St., Valinda	6/24/74	7113.5—Indef.
All Rite Roofing Co.	6884 Lankershim Blvd., North Hollywood	4/11/74	7109, 7111, 7113, 7159—45 days
Calvert Construction Company	11869 Dulcet Ave., Northridge	4/16/74	7109, 7113—6 months
Cartor, Charles F. Sr.	9201 Sepulveda Blvd., Sepulveda	4/30/74	7107, 7113, 7115, 7159—Indef.
Carter, Kennard dba Key Roofing Co.	6884 Lankershim Blvd., North Hollywood	4/11/74	7097, 7121—45 days
Center, J. Lee	16 Hilldale Ct., Orlando	6/21/74	7109, 7113—30 days
Dudley, William J. Construction Company	518 Manor Blvd., San Leandro	6/24/74	7071.11, 7107, 7108, 7113, 7113.5—Indef.
Dwyer Construction	15446 Sherman Way, Van Nuys	4/10/74	7107, 7108, 7109, 7113, 7119, 7120, 7159—Indef.
East Shore Roofing Co.	2501 Ivy Dr., Apt. #10, Oakland	5/24/74	7109, 7113, 7115—30 days
Facilitac Incorporated	1078 W. Evelyn Ave., Sunnyvale	5/24/74	7071.11—Indef.
Harter, Urban H.	Box 605, Fillmore	6/14/74	7122.5—30 days
Heracles Fence Co.	P.O. Box 658, Freedom	6/24/74	7071.11, 7113.5—Indef.
Hunts Sheet Metal	P.O. Box 546, Tulare	5/ 8/74	7113.5—9 months
Juarez, Thomas G.	3747 N. Rockwell Ave., El Monte	4/23/74	7123.5—6 months
Kal-Kote Inc.	P.O. Box 2261, San Leandro	4/17/74	7071.11—Indef.
Licha Construction	9340 Yolande Ave., Northridge	5/22/74	7109, 7159—5 days
Modern Way Services	1338 Industrial Ave., Escondido	6/25/74	7113.5—Indef.
Moore, Albert Electric	621 B. Burris Ave., Compton	5/10/74	7107, 7112, 7113, 7113.5—60 days
Nesmith, Jerry A.	P.O. Box 921, Crestline	4/30/74	7122.5—9 months
Oceanside Electric Co.	302 Wisconsin St., Oceanside	6/28/74	7109, 7111, 7114, 7116—30 days
Oceanside Electric Inc.	302 Wisconsin St., Oceanside	6/28/74	7097—30 days
Ornamental Landscaping	557 W. Dennis Dr., Clovis	5/20/74	7109, 7113—Indef.
P H D	610 E. 17th St., Santa Ana	5/15/74	7107, 7109, 7113, 7115—Indef.
P H D Planned Housing Development	1570 E. Edinger, Santa Ana	5/15/74	7097, 7121—Indef.
Pinatelli, Michael R.	19439 Haynes St., Reseda	5/15/74	7112, 7122.5—10 days
Pinatelli, Thomas	1929 Crest Dr., Los Angeles	5/15/74	7123—10 days
Price, E. J. Engineering Contractor	543 Koyser Rondo, Camarillo	6/14/74	7113.5—30 days
Quality Service Construction	438 Eddie Lane, Sebastopol	5/22/74	7122.5—30 days
Robert, P. C. Inc.	16553 Mt. Baxter Cir., Fountain Valley	6/24/74	7113.5—Indef.
Root, Rocky Mason Contractor	10231 Haines Ave., Tujunga	4/30/74	7109, 7113—10 days
Stein, Philip	10421 Richleo Ave., Southgate	6/25/74	7113.5—11 months
Superior-Concrete-Construction	5210 Riverton, North Hollywood	4/19/74	7108, 7111, 7120—180 days
Thorman, Joseph J.	Box 305, Buena Park	6/14/74	7108, 7111, 7114, 7117, 7120—60 days
Ver-Ni Quality Homes Inc.	438 Eddie Lane, Sebastopol	5/22/74	7109, 7110—30 days
Vista-Del-Sol Contractors	12841 Fairgrove Ave., Baldwin Park	6/25/74	7107, 7109, 7113, 7119, 7120, 7159—Indef.
Whitney, T. A. Sprinkler Co.	17000 Burbank Blvd., Encino	5/15/74	7113.5—5 days

## DENIED 4TH QUARTER 1973-1974

Name/Style	Address	Date	Sections violated
Fidelity Interiors.....	264 S Linden Dr., Beverly Hills.....	4/ 5/74	480, 481, 7112
Fletcher's Plumbing & Repairs.....	73 Mielsen Ave., Yuba City.....	6/24/74	7069(a), 7112
Lecler, Michel Inc.....	P.O. Box 580, Harvey.....	4/22/74	7069(b)
Quality Plastering Co.....	1019 S. Sierra Bonita Ave., Los Angeles.....	4/10/74	7069(a), 7112, 7173
Sanchez Construction.....	162 Covina, La Puente.....	6/18/74	7069, 7073, 7116

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

## ENERGY CONSERVATION

(Continued from page 5, col. 3)

and that it is further confirmed that the building satisfies the minimum standards established pursuant to Chapter 11.5 which is applicable to such nonresidential building.

The provisions of Chapter 11.5 shall only apply to new nonresidential

buildings on which actual site preparation and construction has not commenced prior to the effective date of rules and regulations adopted by the Commission of Housing and Community Development.

Since the commission must adopt standards no later than July 1, 1975 and since the standards shall become

effective on the 180th day after their adoption, conformity to these standards on nonresidential building will be required sometime just prior to January 1, 1976.

Inquiries relative to the energy conservation manual should be made directly to the Department of Housing and Community Development.

## TELEPHONE DIRECTORY ADVERTISING

Section 7030.5 of the Contractors' License Law requires that all licensed contractors shall include their license numbers in all construction contracts, subcontracts, calls for bids and all forms of advertising as prescribed by the Registrar of Contractors. At the present time, the Registrar has determined that only advertising which appears in the yellow pages of telephone directories will be required to include contractors' license numbers. *No other type of advertising carried on by licensed contractors at this time requires their license numbers to be included.* All advertising appearing in Telephone Directory Yellow Pages, under headings which include the word "Contractor" or any other heading which indicates ability of the person advertising to act in the capacity of a contractor, comes under this requirement.

Advertising appearing in Telephone Directory Yellow Pages under a heading which includes the word "Contractor" usually consists of a simple one, two or possibly three line listing. In some instances the listing may include a box advertisement from one-half inch to possibly as large as two and one-half inches but only one column wide. In other instances contractor associations may advertise within the listing and take up as much column space as is necessary to list

contractor members within a certain area. In addition to the listings, the licensed contractor may have an advertisement inserted which is from one-half page to one-sixteenth page in area. When this one-sixteenth to one-half page advertisement is included, the one or two line listing usually refers to it by indicating—"Please See Advertisement This Page" or "Please See Advertisement Page 123".

Under the authority granted him in Section 7030.5 the Registrar has determined that the inclusion of the contractor's license number in either the listing or the partial page advertisement in the Telephone Directory Yellow Pages will be sufficient to meet present requirements. As an example: If the contractor chooses to include his license number in the one-sixteenth page to one-quarter page advertisement, he would not be required to include the number in the simple one or two line listing nor would the license number be required in the advertisement by the association. On the other hand, if the license number appears in the one or two line listing, the number would not be required in the contractor's personal advertisement nor would it be required in the contractor association advertisement.

Some manufacturers advertise under Telephone Directory Yellow Page listings which include the word "Contractor". In these advertisements, the manufacturer lists contractors in the area who use his products. The Registrar has determined that the license

number of the listed contractor would not have to appear since the number will have appeared at least once under a particular heading.

The requirements set forth are not intended to limit the contractor to showing his number in only one area under a particular listing. He may cause his license number to be included in all areas under the listing if he so desires.

A contractor's name may appear under more than one heading in the telephone directory. He must comply with the Registrar's requirement under each of the headings.

Although at the present time the Registrar has prescribed that only telephone directory yellow page advertising requires the contractors license number to be included, he is presently taking under consideration other forms of advertising as requiring contractors license numbers.

One form of contractor advertising being currently and strongly considered is the advertising appearing on the sides of commercial vehicles of contractors such as pickups, trucks, vans and other on the road type vehicles.

Another form of advertising by contractors which is being considered is newspaper classified advertising.

Be sure to watch future issues of the "California Licensed Contractor" for notification of any new advertisement requirements.

\* \* \* \* \*

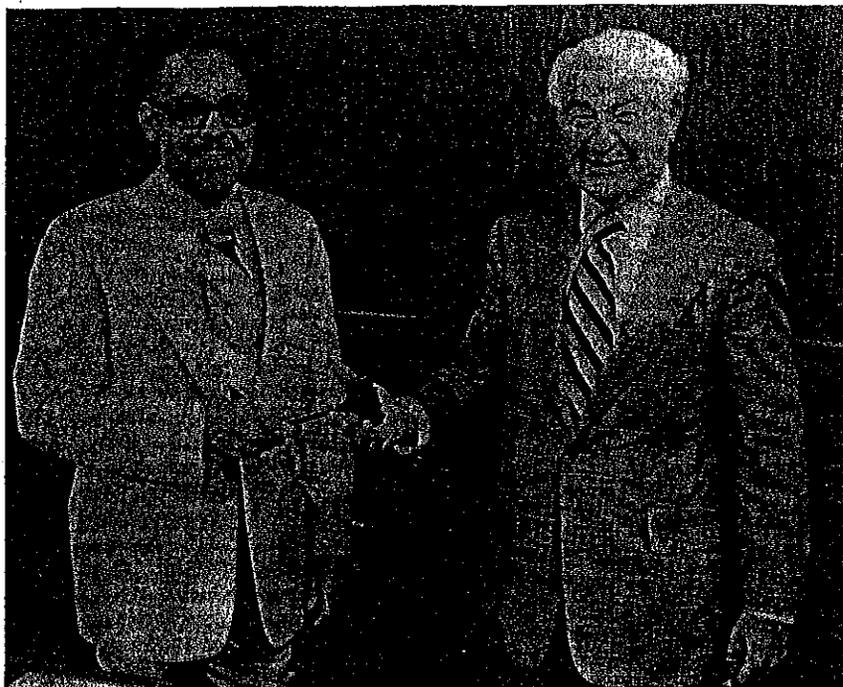
## TAX REMINDER TO GENERAL CONTRACTORS

The Department of the Treasury, Internal Revenue Service has requested the cooperation of this agency in a matter of concern to both the Federal Government and Contractors' State License Board. The following is quoted from a circular distributed by the Internal Revenue Service.

The Internal Revenue Service has noted that General Contractors may subject themselves to additional payroll tax deficiencies, and penalties, if they incorrectly classify employees under some other category which results in their not being subject to withholding taxes.

If payments to employees are deliberately, falsely, classified to evade the payment of payroll taxes, criminal prosecution may be considered under the provisions of Internal Revenue Code Section 7201. Violation of this code section is a felony.

Employers are reminded that they are liable for taxes withheld, or taxes that *should* have been withheld from their employees. Employees, for withholding purposes, are those individuals who perform services subject to the control of an employer, both as to what shall be done, and how it shall be done. It does not matter that the employer permits the employee considerable discretion and freedom of action, if the employer has the *legal right* to control the method and result of such services. If an Employer/Employee relationship exists, the de-



Past Chairman of the Contractors' State License Board, James L. Bernoudy, pictured on the left, is relinquishing the gavel to J. Frank Park who was elected to the chairmanship of the Board at the July 1974 meeting. Park, an Air Conditioning and Refrigeration Contractor, will serve as chairman until his successor is elected at the July 1975 meeting. Ralph T. Viola, a General Building Contractor, was elected as Vice Chairman.

scription of this relationship by the parties as anything other than that of employer and employee is immaterial. It does not matter that the employee is designated as a partner, agent, or *independent contractor*.

If in doubt, contractors should review the description of an employee given in Circular E, Employer's Tax Guide, which is a free publi-

cation available upon request at all Internal Revenue Service offices. If still uncertain as to the status of individuals receiving compensation for services, free assistance is available from the Internal Revenue Service. Check the white pages of your telephone book, under U.S. Government, for your local Internal Revenue Service number.

△87525-225 2-75 105M

STATE OF CALIFORNIA  
DEPARTMENT OF  
**Consumer Affairs**  
CONTRACTORS' STATE LICENSE BOARD  
1020 N Street  
SACRAMENTO, CA 95814

BULK RATE  
U.S. POSTAGE PAID  
SACRAMENTO, CALIF.  
PERMIT No. 685