



THE CALIFORNIA LICENSED CONTRACTOR

EDMUND G. BROWN JR., Governor

WINTER 1975-SPRING 1976

TAKETSUGU TAKEI, Director

CONSTRUCTION SAFETY

Accidents in construction occur in a variety of ways. A positive, comprehensive and continuous anti-accident program must be provided by each contractor for his employees. The California Occupational Safety and Health Act of 1973 requires that every employer furnish employment and a place of employment which are safe and healthful for employees. The act further provides that every employer must furnish and use safety devices and safeguards and must adopt and use practices, means, methods, operations and processes which are reasonably adequate to render the employment or place of employment safe and healthful.

The State of California Construction Safety Orders adopted by the Occupational Safety and Health Standards Board and enforced by the Division of Industrial Safety is an important source of information and material which the contractor can and should use in the conduct of his construction operations. These Construction Safety Orders, after adoption by the Occupational Safety and Health Standards Board, have the effect of law.

Section 1509 of Article 3 of the Construction Safety Orders provides that every employer shall inaugurate and maintain an accident-prevention program. This program shall provide for capable, responsible supervisors to make regular inspections of all excavations, forms, scaffolds, stairs, ladders, structures, machinery and equipment at frequent intervals. Upon finding any hazards, the supervisor will immediately take corrective measures to eliminate the hazards under his employers control. He shall also report any violations of Safety Orders and safe practices to the responsible employer.

The employer is obligated under this same order to adopt and use a Code of Safe Practices and procedures at least equal to samples contained in the appendix of the Safety Orders.

(Continued on page 5, col. 1)

BOARD MEETING NOTICES

Regular meetings of the Contractors' State License Board are held in various areas of the State in the months of January, April, July and October. Meetings of the Board are open to the public and all interested persons are invited to attend.

From time to time inquiries are received regarding how a person can learn when and where the Board is holding a meeting. Anyone interested in attending any particular meeting can obtain information regarding the meeting by either calling or writing any office of the Board sometime during the month preceding the month the meeting is to be held.

A letter to the Registrar of Contractors in Sacramento requesting to be put on the mailing list will assure a person that he will be notified of each of the Board meetings.

SOCIAL SECURITY ACCOUNT NUMBERS

Section 7(b) of Public Law 93-579 which is referred to as the Federal Privacy Act requires that any Federal, State or local government agency which requests an individual to disclose his social security account number shall inform that individual whether the disclosure is mandatory or voluntary, by what statutory or other authority such number is solicited, and what uses will be made of it.

For several years the Board has required the social security account number of each member of the personnel of an applicant for a contractor's license to be included on the application. The social security account number was used for identification purposes only. There is no statutory or other authority for soliciting the number for this purpose.

Since the enactment of the Federal Privacy Act applications supplied by the Board has included the following

(Continued on page 8, col. 2)

NEW REQUIREMENTS FOR HOME IMPROVEMENT CONTRACTS

Assembly Bill 726 amends Section 7159 of the Contractors License Law effective January 1, 1976. No piece of legislation affecting the Contractors License Law within the last few years has created as much confusion within the industry as has this bill. The demanding implications of the bill apparently did not sink in with most contractors until after it was signed by the Governor. It makes strict provisions regarding home improvement contracts and the payments pursuant to the contract. In his many speeches throughout the State, the Registrar advised each of the groups he spoke before regarding the bill requirements. The Summer 1975 issue of this bulletin had a fairly lengthy description of the bill as it was then pending. Little reaction of any kind was experienced from industry groups or from individual contractors. The lack of apparent interest was difficult to understand as the bill provides for a concept in the contract payment schedule quite different than what has been the traditional practice in construction contracting. It primarily requires that construction payments are to be made after being earned rather than before being earned. It reduced the unlimited amount of a downpayment which a contractor could formerly charge to a maximum of \$100 or 1 percent of the contract price, whichever amount is the greatest. This is a most important point to those contractors who are of the opinion they cannot operate successfully without the so called "front money".

Home improvement contractors should understand that AB 726 is a consumer oriented bill. It was authored by Assemblyman Vincent Thomas because of difficulties his constituents experienced in their dealings with home improvement contractors. The intent of the bill from its inception was the protection of the consumer. It was anticipated that contractors or construction industry

(Continued on page 3, col. 1)

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*Official Publication of the
California Contractors' State License
Board*

WINTER 1975-SPRING 1976

Published Quarterly in Sacramento by the
Contractors' State License Board of the
Department of Consumer Affairs.

STATE OF CALIFORNIA

EDMUND G. BROWN JR., Governor
TAKETSUGU TAKEI, Director

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BOARD MEETING HIGHLIGHTS

The Contractors' State License Board held its regular meeting at the Airporter Inn, Newport Beach, on January 9, 1976.

A public hearing was held upon a petition of the Registrar of Contractors to add Board Rule 711.1. After hearing the pros and cons relative to the petition the Board adopted the new rule. The new rule which will become effective 30 days after it is filed with the Secretary of State reads as follows:

711.1 Abandonment of Application

Whenever an applicant fails to return any application, rejected pursuant to Section 711, within a period of one year from date of original notification of incompleteness or insufficiency, the application shall be deemed abandoned and all fees previously filed with the application shall be deemed earned. Applicant shall be notified in writing of such action. Any application so abandoned may not be reinstated; however, the applicant may file a new application accompanied by the required fee. No application will be deemed to be abandoned until one year from the effective date of this section.

This new section is necessary to improve efficiency in the processing of applications. All applicants will be properly notified to either return a rejected application or request the fee to be returned.

After selecting San Francisco as the site for the next meeting to be held on April 9, 1976 the Board adjourned.

The Registrar's Corner

The 1976 portion of the 1975-76 Legislature is now in full swing. There was a great deal of legislation affecting contractors in the year just concluded. There is every reason to believe that this year will show a like amount. The reason I mention this is I want to stress upon the licensees of this Board the importance of actions of the Legislature upon the construction industry in this State.

Each issue of this bulletin has something in it relative to various legislative bills of interest to contractors. The home improvement bill, AB 726 which became law on January 1, 1976, was one of these bills of vital concern to a great number of contractors. While the bill was pending before the Legislature, a description of it appeared under "Legislative Report" in the Summer 1975 issue. (More concerning this bill is on page 1 under New Requirements for Home Improvement Contracts.) Few contractors expressed reaction or concern on the report concerning this bill. After the bill was signed by the Governor, it was a different story. Many contractors then became concerned about being able to operate their contracting businesses under the bill's strict requirements.

I hope during this year that licensees will read all of the articles concerning legislation and send whatever opinion they may have on any particular bill to the attention of their Legislators and the Registrar. By doing this, each of you can help in attaining more meaningful legislation.



LEO B. HOSCHLER
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MARVIN LEPLER, Supervising Deputy

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Los Angeles

Vacant, Supervising Deputy

New Requirements

(Continued from page 1)

groups would make themselves heard on the bill as it proceeded through the Legislature if they felt it was anti-industry and not actually in the consumer interest; however, only a few minor changes were made while the bill progressed through the Legislature and these changes were technical or for clarification only.

This bill simplifies the requirement for a written home improvement contract. It states that a written contract is required on a home improvement contract amounting to more than \$500 for the repairing, remodeling, altering, converting or modernizing of a building or structure regardless of the number of dwelling units (apartments, condominium units, etc.). Before AB 726 the contract conditions were somewhat complicated and there was misunderstanding as to when the law applied. The amended law applies when a contractor enters into more than one contract, each being less than \$500 if the total of the contracts for the same project is in excess of \$500.

Aside from the change in determining when the amended law will apply, a prime requirement of AB 726 is the payment schedule. Since the payment schedule requirement is rather severe, an alternative was built into the bill by allowing the contractor to file a performance or payment bond, a lien and completion bond, or a bond equivalent which must be approved by the Registrar. This bond must be in the full amount of the contract. The payment schedule is not required if the proper bond is filed.

Assuming a bond is not filed, the contractor must include a payment schedule which provides for a downpayment of no more than \$100 or 1 percent of the contract price, whichever is greater. The payment schedule must also provide for payments to be no more than the value of the work actually performed on the project at any given time. This means that the contractor can include in the payment schedule a series of payments which must not exceed the value of the work expended on the project at any particular construction stage when the payment is due.

As an example, on a \$1,000 project, the contractor may receive \$100 as a downpayment. When the project reaches a stage when it is 25 percent completed the contractor may draw a payment of \$150 (\$250, 25 percent of the contract minus \$100, downpayment). When the project is 50 percent completed, the contractor may receive

\$250 which is 50 percent of the contract price since he has already received \$250.

This payment schedule does not provide for the payment of a salesman's commission. The salesman's commission must be worked out between the contractor and the salesman.

The pulling of permits and the drawing of plans can be considered as work performed on the project, but the price placed upon the plans must be in relationship to the actual fair market value of the work performed in preparing the plans.

It has been asked what effect does a "builder control", "joint control" or escrow type account have on the payment schedule. In its broadest sense, any legitimate builder control, joint control, escrow or voucher disbursement account which places the owners money in an account that is independent of the contractor is permissible under the bill provided the contractor cannot obtain more than \$100 or 1 percent as a downpayment or any more than the actual value of the work completed at any given time.

If a home improvement contractor desires to eliminate the payment schedule requirement, he is given authority under this bill to substitute the payment schedule with a bond. The required bond is either a performance and payment bond, a lien and completion bond or a bond equivalent approved by the Registrar. Such bond furnished by the contractor must cover 100 percent of the contract. In respect to the bond equivalent the Registrar at this time has determined that there is no sound alternative to a performance and payment bond or lien and completion bond other than a cash deposit in the amount of 100 percent of the contract price.

There appears to be no available alternative to solve the problem of the contractor who feels he must have a sizable downpayment in order to undertake a special type contract such as one that requires an expenditure for materials which are fabricated for a particular project and which cannot be used on any other project in the event the customer reneges on the contract. One of the purposes of AB 726 was to eliminate problems caused when the customer made payments far beyond value received and subsequently was faced with project abandonment, inferior work and lien actions. Now that the contractor must comply with a payment schedule or the alternative, provide for some type of fund control or file a performance and payment bond or lien and completion bond or put up a cash deposit

in the full amount of contracts being performed at any given time, the problems should be reduced. No procedure has been set up at this time regarding cash deposits. Since cash deposits would undoubtedly be the most impractical method, it is anticipated very few if any contractors will take this alternative.

Section 7159 applies only to home improvement contractors performing home improvement contracts as defined in Section 7151.2. A home improvement contractor is a contractor (Engineering, General or Specialty) who is engaged in the business of home improvement either full time or part time. Under AB 726 the provisions apply when a contractor contracts with an owner or a tenant for repairing, remodeling, altering, converting or modernizing a building or structure. Persons who engage in new swimming pool construction are not included in the amended law since these contractors are specifically covered under the "Contracts for Swimming Pool Construction" act which is in the Civil Code. It would be unreasonable to expect that swimming pool contractors be subject at the same time to the various and varying provisions of the Civil Code requirements and the provision of AB 726.

The following general guidelines should cover the majority of questions that will arise regarding the implementation of Assembly Bill 726. In any attempt to cover an involved subject there will be points missed. Hopefully they will be minor and can be resolved as they appear.

General Guidelines for Implementation of Assembly Bill 726

1. Enforcement of License Law

Section 7159 as amended by AB 726 provides for certain requirements to be included in home improvement contracts between owners and contractors acting as a prime contractor for the primary purpose of enforcement of the Contractors License Law.

2. Provisions of other laws must be included

The provisions are not exclusive as to what must be included in a written contract. Other information must be given to the homeowner; for example, where applicable the notices required by Sections 7018 and 7019 must still be given as well as the notice requirement specified in Section 7030. Furthermore, all statements, writings, or

(Continued on page 4, col. 1)

General Guidelines

(Continued from page 3)

notices required by other state or federal laws such as "Truth in Lending" or "Notice of Right to Cancel" provisions must also be included where applicable.

3. Contracts in excess of \$500

A prime contractor who is licensed or subject to the licensing provisions of the Contractors License Law must adhere to the requirements of Section 7159 when he enters into a contract with an owner to repair, remodel, alter, convert or modernize a building or structure and the total contract price, including all labor, services and materials to be furnished by the contractor in one or more contracts exceed \$500.

4. Swimming Pool Contractor

The swimming pool contractor when acting as a contractor in the construction of a new swimming pool is not included in the provisions of AB 726. The contracts for Swimming Pool Construction Act in the Civil Code has specific provisions regarding contracts for construction of new swimming pools. However, a swimming pool contractor or any contractor licensed pursuant to the Contractors License Law who acts as a prime contractor on the repair, alteration, maintenance or addition to an existing swimming pool would be subject to the provisions of the amended Section 7159.

5. Swimming pool construction, owner built

Contractors licensed pursuant to the Contractors License Law contracting with an owner for work in one or more of the crafts or trades required in the construction of a new or existing swimming pool are subject to AB 726.

6. Contract requirements

A contractor entering into a contract described by Section 7159 must put the contract and any changes into a writing signed by all parties. The writing must contain:

- (a) The name, address and license number of the contractor, and the name and registration number, if applicable, of any salesman who solicited or negotiated the contract.
- (b) The approximate dates when the work will begin and be substantially completed.
- (c) A description of the work to be done and description of the materials to be used and the agreed consideration for the work.

- (d) A schedule of payments showing the amount of each payment as a sum in dollars and cents.

7. Downpayment

The payment schedule may provide and a contractor may receive up to one percent of the total contract price or \$100, whichever is greater, as a downpayment.

8. Progress payments

The payment schedule may provide for progress payments but these payments cannot be in excess of the value of the work performed at any given time. This means the value of the work performed in relation to the total cost of the project. For example, on a \$5,000 contract the contractor may receive \$100 as a downpayment. A payment schedule could be set up requiring progress payments when 25%, 50% and 75% of the work has been completed and final payment upon completion of the project. When 25% of the work is completed the payment due would be \$1,150 (\$1,250 minus the \$100 downpayment). The second \$1,250 would be due when the project is 50% completed and so on until the final payment is made when the project is completed.

9. Bond alternative to payment schedule

If a contractor wishes to receive more than one percent or \$100 as a downpayment and/or wishes to receive payments on a schedule that result in his receiving more money on the project than the value of the work performed at any given time, he can do so only if the contract provides for the contractor to furnish (1) a performance and payment bond, (2) a lien and completion bond, or (3) a bond equivalent approved by the Registrar. If the contractor provides one of the above bonds, the bond must cover 100% of the contract value. Therefore, if one of the bonds mentioned above was provided by the contractor and assuming the owner otherwise agreed, then the contractor could receive any amount of money in advance on the project and/or arrange any payment schedule he desired without regard or limit to the actual value of the work completed on the project at any given point in time.

10. No alternative to performance and payment bond, etc.

Pursuant to the discretion given the Registrar he has determined at this time that there is no sound alternative to a performance and payment bond or a lien and completion bond other than cash. The cash alternative if deposited must be in the amount of 100% of the contract price of the

project or all projects at any given time.

11. Salesman's commission

The payment schedule provisions do not allow the contractor to receive payment to pay the salesman's commission. Provisions for payment of a salesman's commission must be worked out by the contractor and his salesman.

12. Building permits

The obtaining of a building permit is considered work performed and payment can be received for the actual cost of the permit after it has been issued.

13. Preparation of plans

Plans prepared for a project is considered work performed and payment can be received to pay for the cost of the plans. The amount charged for the plans must be based upon the fair market value of the plans.

14. Fund control or escrow agreement

Broadly speaking, any legitimate "builder control", "fund control", escrow agreement or voucher disbursement account which places the owner's money in an account which is independent of the contractor's in the sense that the contractor cannot obtain the funds except upon the occurrence of agreed upon contingencies is permissible under Section 7159 so long as the contractor cannot obtain more than one percent or \$100 in advance or more than the value of work completed at any given time unless, of course, the above mentioned bonds are provided.

15. Finance charges

It was not expected when AB 726 was introduced that finance charges would be considered as a part of the amount of the contract between the owner and the contractor. Although finance charges in many instances are included on the contract form in compliance with state and/or federal law, they are not considered under AB 726 when determining the amount of payment which can be made at any particular phase of the project. Only actual construction costs to the owner are considered.

16. Cost plus projects

"Cost plus" agreements can be considered to meet the provisions of Section 7159 when the agreement provides for payment to be made to cover only the actual work performed. A payment schedule can be drawn up to indicate which phase of the project draws or payments are to be made. The contractor then would bill only for actual labor and materials used plus the agreed upon percentage for overhead and profit.

Construction Safety

(Continued from page 1)

This adopted code must be posted in a conspicuous location at each job site office, or be provided to each supervisory employee.

Although the Safety Orders are somewhat permissive in recommending that monthly or more frequent meetings of all foremen be held under the direction of management for a discussion of safety problems, the orders are mandatory that "toolbox" or "tailgate" safety meeting be held by the supervisory personnel with their crews at least every 10 working days. These meetings may be brief but sufficient to emphasize safety. Meetings must be called more often than every 10 days if it appears necessary to stress safe working conditions.

New employees must be given instructions regarding the hazards of the job and safety precautions applicable to the kind of work in question. He must also be directed to read the Code of Safe Practices.

Before the commencement of any project the contractor shall make a thorough survey of the conditions of the site to determine as far as is possible the predictable hazards to employees and the kind and extent of safeguards necessary to prosecute the work in a safe manner.

The contractor shall not require or knowingly permit an employee to work in an unsafe place, unless for the purpose of making it safe. This is permitted only after proper precautions have been taken to protect the employee while doing such work in the unsafe place.

WHAT IS AN ACCIDENT? An accident is anything occurring unexpectedly or without known or assignable cause. It is an occurrence that happens or comes by chance or without design. An accident does not necessarily involve a human injury. The fact that somebody is injured is merely an indication that an accident has happened. Whenever an accident occurs it should be analyzed to see why and how it happened. Steps should then be taken to prevent a recurrence regardless of whether or not someone was injured. Taking these steps is a large part of accident prevention.

WHAT CAUSES ACCIDENTS? Accidents are caused either by unsafe conditions or unsafe acts or both. It is usually a combination of the unsafe condition and unsafe act which causes the majority of accidents.

An unsafe condition may be caused by improper design, inadequate condition, faulty installation, or lack of maintenance of any object, machine, or equipment. Unsafe conditions in-

clude unguarded saws, mushroomed or improper hand tools, makeshift scaffolding and slippery floors.

An unsafe act is a violation of a commonly accepted safe practice. Making a machine guard ineffective, throwing material instead of carrying it, lifting or carrying heavy objects with the back bent, or standing on top of a step ladder are examples of unsafe acts.

Personal factors may also enter the picture. An unsafe act as a result of a personal factor may be one of four things: (1) improper attitude, (2) lack of knowledge or skill, (3) physical impairment, or (4) negligence.

Similar factors on the part of the employer may result in unsafe work conditions. The employer who thinks that the workman must look out for himself and the workman who refuses to wear a respirator or a pair of goggles provided for his safety are not helping to prevent accidents.

ACCIDENTS CAN BE PREVENTED. An awareness of the basic principles of accident prevention and proper supervision can go a long way in the prevention of accidents. Just telling a workman to "be careful" will do very little to prevent accidents. The most effective approach is through an employer controlled, employee oriented program of accident prevention, which results in the elimination and/or control of job hazards and requires safe work habits of workmen.

DOES SAFETY PAY? The paramount concern for controlling accidents is the human compassion aspect. No one desires the association of another suffering in any form and especially the suffering caused by an accident which might very well have been prevented. Aside from the human side of the accident a vital concern to the contractor is the practical economics associated with accident prevention. Most contractors are aware of the direct costs of accidents, the costs that are reflected in their insurance premiums. Most contractors, however, are not fully aware of the adverse effect which the indirect or hidden costs of accidents can have on their efforts to produce a profit. Unrecognized and uncontrolled costs caused by accidents can mean the difference between success and failure in the construction industry.

Probably the most important indirect cost is the loss of a skilled worker. Expense of training a workman is high due in large part to the highly complex present day construction operation. A sizeable investment is represented in each worker and this is not easily replaced.

Damage to or loss of equipment is

another cost of an accident that the contractor must consider. When highly technical equipment is damaged or destroyed, the result is forfeited time and substantial replacement costs.

The fact that control of accidents is the result of management and employees working together for a common objective is a fact that must be recognized. The leadership for any effort to control accidents must originate with management. The degree to which management accepts the responsibility will determine the success or failure of the entire accident prevention program.

It has been estimated that 50% of all construction accidents could have been prevented by common sense attention to the basic safety practices. Prevention means less injury and suffering. It also means a saving of many dollars to an individual contractor who can ill-afford such a loss in today's economy.

Effort expended in the planning of an Accident Prevention Program is of vital importance to the well being of the contractor's employees and to his own successful contracting business.

LICENSE NUMBERS ON COMMERCIAL VEHICLES

Under Section 7030.5 of the Contractors License Law the Registrar has the authority to prescribe the type of advertising which would require the contractor's license number to be included. At the present time he has prescribed that the contractor's license number must be included only in advertising in the telephone yellow pages.

The Registrar has under consideration the requirement that the contractor's license number be included in advertising appearing on the sides of the contractor's commercial vehicles which are used in his contracting business. The contractor's name on the side of the vehicle is considered to be advertising. Before he institutes this requirement the Registrar would like to know the feelings of the individual contractor relative to the proposed requirement.

All plumbing contractors and water-well drilling contractors under present law are required to include their license numbers on their vehicles and equipment. These contractors would not be affected by the proposed requirement.

Send your comments to:

Registrar of Contractors
Contractors' State License Board
1020 N Street
Sacramento, California 95814

REVOKED 3RD AND 4TH QUARTERS 1974-1975

Namestyle	Address	Date	Sections violated
A B D Co.	1925 Fairway Dr., San Leandro	1- 8-75	7071.11
Adams Painting Company of California	4515 Camino Parocela, Palm Springs	5-16-75	7112, 7121
Ahee, David	2039 Sheffield Dr., Carmichael	3-18-75	7108, 7116
Allen, Robert F.	275 Princeton Ave., Menlo Park	3-26-75	7122.5
Atek Industries Inc.	7063 Vineland Ave., North Hollywood	1-17-75	7107, 7108, 7113, 7120
Avila, M. A. dba Avila Concrete Cement Contractor	35537 Galen Place, Fremont	1-17-75	7109, 7110, 7113, 7115
B & M Construction Co.	P.O. Box 7043, Sacramento	1- 2-75	7113.5, 7120
Beck, Kenneth William	1904 South 10th Street, McAllen, Texas	5-16-75	7107, 7109, 7113
Bell, Bruce	P.O. Box 21, Independence	5- 7-75	7109, 7113, 7115, 7159
Bogh Construction	8107 Tippecanoe, San Bernardino	4-22-75	7096, 7098, 7122.5
Bogh, Lynn General Contractor	2890 Whitegate Drive, Merced	4-22-75	7109, 7110, 7113, 7116, 7120
Bontrop and Associates	115 Washington Boulevard, Roseville	3-13-75	7109, 7113
Borland Electric	9250 Swinton Ave., Sepulveda	2- 5-75	7113.5
Bowers, Jack D.	P.O. Box 251, Lodi	2- 5-75	7107, 7113
Bristol Concrete Inc.	7037 Hayvenhurst Ave., Van Nuys	6-17-75	7109.5, 7110
Canoval Incorporated	18710 Sherman Way, 9, Reseda	3- 7-75	7107, 7113
Carter, Charles F. Sr.	9201 Sepulveda Boulevard, Sepulveda	4-30-75	7107, 7113, 7115, 7159
Culligan, John C.	332 Willow Ave., West Covina	1- 3-75	7107, 7109, 7113, 7114, 7117
Designers & Builders	P.O. Box 217, San Carlos	2-10-75	7109, 7110, 7111, 7113, 7114, 7115
Diablo Pool Corporation	4790 Blum Road, Martinez	1-17-75	7107, 7113, 7120
Diablo Pools	4790 Blum Road, Martinez	1-17-75	7122.5
Dolan Air Conditioning dba Aquarius Air Conditioning	7349 Coldwater Canyon #8, North Hollywood	4-22-75	7107, 7109, 7114, 7115, 7120, 7121, 7159
Dudley, William J. Construction Company	518 Manor Blvd., San Leandro	6-24-75	7071.11, 7107, 7108, 7113, 7113.5
Dwyer Construction	15446 Sherman Way, Van Nuys	4-10-75	7107, 7108, 7109, 7113, 7119, 7120, 7159
E and E Builders	18710 Sherman Way 6, Reseda	3- 7-75	7096, 7097, 7098
Encanto Concrete	833 65th Street, San Diego	6- 6-75	7110
Facilitec Incorporated	1078 W. Evelyn Ave., Sunnyvale	5-24-75	7071.11
G O & L Industries Inc. dba Bay Builders	2522 Sepulveda, Torrance	5-22-75	7107, 7113, 7115, 7120, 7154
Good Construction Co.	12535 Riverside Dr., Sherman Oaks	6- 2-75	7107, 7111, 7113, 7119, 7120
Gott, Leo R.	5931 Topeka Drive, Tarzana	4-30-75	7109, 7113, 7119, 7159
Gunit Placement Inc.	P.O. Box 1185, Sunnyvale	1-17-75	7109, 7113
Hampton, Harry L. dba Hampton Construction	11847 Preston Street, Colton	2-10-75	7107, 7109, 7113, 7159
Hercules Fence Co.	P.O. Box 658, Freedom	6-24-75	7113.5, 7071.11
Hill, James A. Demolition Contractors	P.O. Box 37232, Los Angeles	3- 7-75	7071.11, 7113, 7115, 7120
Holtzman, Yair dba Zohair Air Conditioning and Heating	10722 Woodbine Street, Los Angeles	4-23-75	7109, 7113, 7115
Housing Systems Inc.	883 Santa Cruz Ave., Menlo Park	3-26-75	7109, 7113
J D B Painting & Drywall Co.	8757 Venice Blvd., Los Angeles	1-14-75	7110, 7120, 7121
Jaffe Floor Covering dba Jaffe Carpet Co.	6201 University Avenue, San Diego	4-30-75	7109, 7113, 7115, 7159, 7030, 7030.5
Kal-Kote Inc.	P.O. Box 2261, San Leandro	4-17-75	7071.11
Karma Builders	1002 East Everett Place, Orange	3- 4-75	7107, 7113, 7120, 7159
Keating & McGee Construction Co.	2129 Hacienda Way, Suite F, Sacramento	3-13-75	7120
La Haie, Harold R. dba Aarco Builders	4314 S. Broadway, Los Angeles	5-29-75	7107, 7109, 7110, 7113, 7116, 7119
Lachler, C. S. & Son	1417 15th St., San Francisco	1-17-75	7114, 7116, 7117(b), 7161
Lange Construction Company	1542 W. Embassy, Anaheim	1-25-75	7111, 7120
Lange Construction Company Inc.	1546 W. Embassy, Anaheim	1-25-75	7112
Lasich Ceramic Tile	128 Crescent Dr., Sunnyvale	1-14-75	7107, 7109, 7113, 7114, 7115, 7117
Lawrence, Vernon O.	3488 E. Colorado Blvd., Pasadena	1-14-75	7109, 7113, 7159(a,b)
Macarewich, Michael	2725 Via Montezuma, San Clemente	3- 4-75	7122.5
Medcalf, Frank R.	1509 Gerry Way, Roseville	3-13-75	7109, 7113
Melton, Harold R.	3123 W. Polk St., Anaheim	1-25-75	7097, 7098
Michael's Construction Company	6190 Gravenstein Highway, Forestville	5- 2-75	7116
Morris, Manuel Lawrence	19491 Rosita Street, Tarzana	4-30-75	7122.5
Moser, Ron	17944 Wellhaven St., Saugus	5- 2-75	7107, 7108, 7110, 7111, 7113, 7114, 7115, 7116, 7120, 7159
Noble Construction Company	8616 Ocean View Avenue, Whittier	3- 4-75	7107, 7113, 7120
Orman, James M. dba Ormac Door Sales and Supply Co.	15130 Illinois Avenue, Paramount	4-30-75	7108, 7116, 7120
P H D	610 E. 17th St., Santa Ana	5-15-75	7107, 7109, 7113, 7115
P H D (Planned Housing Development)	1570 E. Edinger, Santa Ana	5-15-75	7098, 7121
Pessin, Jack H. & Associates Inc.	8155 Van Nuys Blvd. 940, Panorama City	3-19-75	7098, 7121
Price, L. Don	6425 Bose Lane, San Jose	5- 2-75	7107, 7109, 7110, 7116
Probst, Peter C.	P.O. Box 554, Lincoln	3- 7-75	7107, 7109, 7110, 7113, 7117.5
R & R Construction	6842 Van Nuys Blvd., Suite 4111, Van Nuys	3-19-75	7098, 7121
Rainbow	2975 Thousand Oaks Blvd., Thousand Oaks	1- 2-75	7122.5
Rainbow General Contractors	223 E. Thousand Oaks Blvd., Thousand Oaks	1- 2-75	7107, 7113, 7116, 7117, 7159
Reliable Cement Concrete Co.	6391 Slida Dr., San Jose	3- 7-75	7109, 7110, 7113, 7115
Rhein Corporation	16255 Ventura Blvd., Suite 207, Encino	3- 7-75	7107, 7108, 7111, 7113, 7115, 7116, 7120
Rhein/Reliable JV	16255 Ventura Blvd., Encino	3- 7-75	7096, 7097, 7098, 7121
Riches, Jack B.	4915 Tyrone, Sherman Oaks	3-19-75	7121, 7122.5
Ruehle, Paul M.	5026 N. Doreen Ave., Temple City	3-27-75	7019, 7107, 7108, 7110, 7111, 7113, 7119, 7159
S and W Construction Company	5825 Reseda Blvd., Suite 232, Tarzana	5- 1-75	7107, 7113
Santa Clara Drywall and Taping Company	247 N. 3rd St., San Jose	2- 5-75	7122.5
Santa Clara Waterproofing Inc.	247 North Third Street, San Jose	2- 5-75	7107, 7113, 7115
Smith, David E.	13119 Aztec St., Sylmar	1- 2-75	7107, 7113, 7115, 7116
Southwest Construction Company	1106 East Alexander, San Bernardino	4-22-75	7096, 7098, 7112.5
Specialized Heating & Air Conditioning	12222 Woodside Avenue, Lakeside	3- 7-75	7107, 7113, 7115, 7159
States Roofing Co.	3249 Helen Street, Oakland	3-13-75	7109, 7113, 7114, 7115
Stolz M. F. G. Co.	1535 North F Street, Stockton	5-22-75	7107, 7109, 7110, 7113, 7115, 7116, 7120
Sun-Cal Builders Inc.	4801 El Camino Ave., Carmichael	3-18-75	7108, 7116
Total Living Concepts Incorporated	125 Vanowen, Los Angeles	5-22-75	7107, 7113, 7120, 7159
Trans-International Homes	4779 E. Belmont Ave., Fresno	1-28-75	7107, 7113, 7116
Universal Floors Incorporated	14929 Magnolia Street, Sherman Oaks	3- 7-75	7113, 7115, 7116, 7117(a), 7120
Van Nuys Heating and Air Conditioning Company Inc.	7857 Sepulveda Boulevard, Van Nuys	4-30-75	7030, 7109, 7113, 7159
Warranty Installers	21730 Devonshire Ave., Chatsworth	6-27-75	7112, 7114, 7115
Weaco Pools Inc.	1512 Euclid Ave., El Centro	6-27-75	7107, 7109, 7113
Young, Ronald L. dba Pleasant Valley Landscape Co.	4249 Aspen Lane, Camarillo	1- 8-75	7113.5

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.				Conviction of a Felony in connection with construction activities.
7107	Abandonment of a project without legal excuse.	7113.5	Avoiding or settling for less than lawful obligations as a contractor through the various bankruptcy proceedings.	7123	A plea of nolo contendere is considered a conviction.
7108	Diverted funds or property received for a specific job to other purposes.	7114	Aiding and abetting an unlicensed person.	7124	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.	7115	Failure to comply with the Contractors Law.	7154	Participation in violation by a home improvement salesman.
		7116	Committing a willful or fraudulent act as a contractor.		Model Home, kickback prohibition.
		7117	Acting as a contractor out of namestyle.	7155	Failure to comply with contract requirements.
7109.5	Violation of Safety Laws resulting in death or serious injury.	7117.5	Contracting with inactive licensee.		False advertising.
		7118	Contracting with unlicensed person.	7157	
7110	Willful disregard and violation of building laws.	7119	Failure to prosecute a job with diligence.	7159	
7110.1	Violation of Section 206.5 of the Labor Code.	7120	Failure to pay for materials or services.	7161	
7111	Failure to keep records and to make them available to a representative of the registrar.	7121	Prohibition against associating with suspended or revoked licensees.		

DENIED 3RD AND 4TH QUARTERS 1974-1975

Namestyle	Address	Date	Sections violated
Adams Add-A-Room	1912 West Merced, West Covina	2- 3-75	7107, 7109, 7113
Bates Construction Co.	2520 W. Ball Rd., Apt. 20, Anaheim	6-27-75	480(a) 2, 3; 1026.6 & 7, 7107, 7108, 7113, 7115, 7116, 7119, 7123
Canyon Lake Resort Homes, Inc.	P.O. Box 460, Sun City	6- 9-75	480(a,3), (b); 7069 a, 7107, 7112, 7115, 7119
Chappell, Darrell Dean dba Chappell and Son Painting	1340 South Feather St., Anaheim	6-17-75	481 a
Gallagher, David Read	80-200 Avenue 50, Indio	1-31-75	7069, 7109, 7115
Haymes, Howard W.	1517 Merced, Sp 72, South El Monte	6-27-75	475 a,1; 480 b; 7069 a; 7112
Nu Line Plumbing	3444 Arlington Ave., Riverside	6-17-75	475, 480 b
Ross Masonry	P.O. Box 859, Oakhurst	5-22-75	480 a 1, 2, 3

SUSPENDED 3RD AND 4TH QUARTERS 1974-1975

Namestyle	Address	Date	Section violated and suspension time
Imperial Cooling Products dba A-Arco American Air Conditioning & Heating	2916 N. Durfee, El Monte	4-18-75	7107, 7110, 7113, 7116, 7159 Indef.
Aguoletti, Ray	1178 Athena Ave., Sacramento	2- 6-75	7109, 7113, 7116 42 days
Air Conditioning Constructors Inc.	1015 Drever St., W. Sacramento	6-27-75	7112 Indef.
Allstate Pools Inc.	14225 Ventura Blvd. #201, Sherman Oaks	4-30-75	7097 15 days
Associated Builders & Developers	8395 Magnolia Ave., Riverside	4- 4-75	7107, 7108, 7109, 7113, 7115, 7120 Indef.
Banks, Emmett Licensed Cement Contractor	2911 W. 134th St., Gardena	5- 9-75	7107, 7109, 7113, 7115 Indef.
Baruch, Bernard	4072 Alonzo Ave., Encino	4-30-75	7122.5 15 days
Blommers, Carl	6103 Bellflower Blvd., Lakewood	5-22-75	7109, 7113 Indef.
Bravo, Jack D.	14151 Chandler Blvd., Van Nuys	1-14-75	7121 45 days
Ca Ros Builders Inc.	2810 Glendale Blvd., Los Angeles	2- 6-75	7116, 7120 Indef.
Caviness, Jack W.	213 S. Gale Dr., Beverly Hills	6-17-75	7122.5 60 days
Childs, R. A. Cement Contractor	4341 Woodward Ave., Norco	5- 2-75	7122.5 30 days
Cross Town Construction Inc.	1259 Fulton St., Anaheim	1-16-75	7110 15 days
Day and Night Sprinkler and Landscape Company	123 W. Wrenwood, Fresno	4-14-75	7109, 7113 30 days
Deck-Co Coating Systems	21914 Belshire Ave., Hawaiian Gardens	6- 9-75	7109, 7113 Indef.
Didier, Paul A.	1303 N. Poinsettia Pl., W. Hollywood	3-10-75	7107, 7109, 7113, 7115 Indef.
Dremann, William E.	212 14th St., Eureka	6-10-75	7110, 7112, 7117, 7120 6 mo.
F and J Construction Inc.	8060 Garfield Ave., Bell Gardens	6-17-75	7107, 7108, 7119 15 days
Fontecchio, Arthur J.	2736 Orangethorpe, Ste. 8, Fullerton	2-10-75	7122.5 Indef.
Galovic, Edward J.	208 Siesta, Anaheim	5-13-75	7107, 7108, 7109, 7111, 7113, 7119, 7120 Indef.
Genie Builders Inc.	2736 W. Orangethorpe, Fullerton	2-10-75	7107, 7109, 7113 Indef.
Albert Oberman dba Golden Gate Builders	1255 Post St., Ste. 723, San Francisco	3- 7-75	7122.5 7 days
Green, Ron General Contractor	14551 Ventura Blvd., Sherman Oaks	4-29-75	7109, 7113, 7159 180 days
Gutierrez, Steve	2110 Georgia St., San Jose	6- 9-75	7109, 7113, 7115 Indef.
H and P Reliable Plumbing	8928 E. Herndon, Clovis	3- 7-75	7108, 7120 365 days
Hand, James T.	2799 Del Monte, W. Sacramento	6-27-75	7122.5 Indef.
Harvey Plumbing	P.O. Box 457, Morro Bay	1-17-75	7109.5, 7110, 7116 60 days
Hasko Builders Inc.	9351 Compton Blvd., Bellflower	2- 3-75	7107, 7110, 7113, 7119, 7159 Indef.
Hearn, Robert L.	1293 Bockman Rd., San Lorenzo	2-13-75	7109, 7113 Indef.
Himelblau, Alan	18307 Burbank Blvd. #201, Tarzana	5- 9-75	7122.5 Indef.
Gallo, Fred M & Associates Inc. dba Holiday Homes	P.O. Box 7977, South Lake Tahoe	5-28-75	7121 Indef.
Hoyle, James R. General Contractor	P.O. Box 3999, Modesto	5-28-75	7107, 7113, 7115, 7117(a), 7120 Indef.
J & J Painting Contractors	8508 S. Western Ave., Los Angeles	5- 2-75	7107, 7109, 7117(a), 7159 1 year
J M J Contractors Inc.	10541 Prospect Ave., El Cajon	6-10-75	7121 90 days
Jadlo Construction Inc.	P.O. Box 2054, Anaheim	2-10-75	7110 Indef.
Kelso, Kenneth J.	P.O. Box 5424, South Lake Tahoe	5-28-75	7112, 7117 Indef.
Kooler King	7524 Valjean, Van Nuys	2-10-75	7107, 7113, 7115, 7159 Indef.
Korich, Michael E.	1705 Sisley Road, Penryn	4-28-75	7109, 7113, 7115, 7116 90 days
Kwake, S. Contractor	2321 N. Rosemead Blvd., S. El Monte	5- 9-75	7116, 7120 Indef.
Kyle Roofing Co.	6237 Lake Aral, San Diego	5-16-75	7109, 7113, 7115, 7159 Indef.
La-Ser	17037 Francisquito, West Covina	6-27-75	7107, 7109, 7113 Indef.
Lamm, William L.	9527 Giory Ave., Tujunga	4-10-75	7107, 7113, 7114, 7115, 7117.5, 7159 60 days
Larose, Raymond C.	11440 Hex Street, San Fernando	3- 4-75	7107, 7109, 7110, 7113, 7115 90 days
Lemke Concrete Construction Co.	3596 Mt. View Ave., San Bernardino	5- 2-75	7109, 7113, 7115, 7116 Indef.
Loos Acoustics Inc.	8501 Eatough Place, Canoga Park	2-21-75	7107, 7113 30 days
McGee, Richard A. Jr.	2212 Tevis Road, Sacramento	3-13-75	7122.5 60 days
McNeal, Floyd A.	1197 Cornelia, Pomona	3- 7-75	7109, 7113 21 days
Merlin Construction	42000 Osgood Road, Fremont	1-28-75	7107, 7109, 7113, 7120 60 days
O K Builders	5743 Buffalo, Van Nuys	5- 9-75	7107, 7113, 7115, 7119, 7120, 7159 Indef.
Ontiveros, Bernardo Miramontez Associates	6421 Quillan St., San Diego	2- 4-75	7107, 7110, 7113 Indef.
Parker Landscape Services	23511 El Reposo, Laguna Hills	4-30-75	7109 15 days
Pioneer Roof and Floor Co.	450 South Malena, Orange	5- 2-75	7109, 7110, 7116 45 days
Piver, Louis M.	105 Alta, Petaluma	6- 9-75	7107, 7108, 7111, 7113, 7116, 7119, 7159 Indef.
Putnam, F. S.	247 S. Pasadena Ave., Azusa	6-27-75	7122.5 Indef.
Ramco Enterprises & Associated	9214 South Vermont, Los Angeles	5- 9-75	7107, 7110, 7113, 7119, 7159 Indef.
Rayzak Builders	P.O. Box 868 Rancho Plaza, Rancho	5-28-75	7110 Indef.
Rhodes, Dan Co.	4197 Bidwell Dr., Fremont	5- 2-75	7107, 7108, 7113, 7115, 7116, 7120 Indef.
Richard, Ed—General Contractor	6107 North Maroa, Fresno	3-18-75	7115, 7120 6 months
Rieman, Bernard	12320 Burbank Boulevard, North Hollywood	3- 4-75	7107, 7109, 7115, 7159 20 days
Roberts, Jerry E. Plastering & Drywall	2270 W. Sepulveda #84, Torrance	5- 2-75	7121 30 days
Romano, Louis D. dba Romano Construction	4895 King Ridge Dr., San Jose	3- 7-75	7110, 7111 15 days
Rosenthal Construction Company	2810 Glendale Boulevard, Los Angeles	2- 6-75	7122.5 Indef.
Royal Pools of Covina Inc.	11933 Vose Street, North Hollywood	4-30-75	7120 60 days
Royal Sheet Metal Inc.	861c Camden Ave., Campbell	2-14-75	7109, 7110, 7113, 7115, 7120 5 days
Rushing, James T.	P.O. Box 3092, El Cajon	6-10-75	7109, 7113, 7120 90 days
Self, Marvin Leroy	15132 Oscar Avenue, Visalia	2- 6-75	7108, 7111, 7113, 7119, 7120 Indef.
Shar, Vic Construction Co. Inc.	P.O. Box 2054, Anaheim	2-10-75	7097 Indef.
Sikes, James C.	P.O. Box 2054, Anaheim	2-10-75	7122.5 Indef.
Smith & Smith	P.O. Box 2366, Orange	1-14-75	7121 15 days
Smith, Billy H.	14650 La Maida, Sherman Oaks	4-10-75	7107, 7109, 7113, 7120, 7159 15 days
Smith, W. Fred & Son	P.O. Box 2366, Orange	1-14-75	7109, 7113, 7117 a, 7159 a & b 15 days
Smith, W. R.	3615 Frazier, Baldwin Park	4-30-75	7107, 7109, 7113, 7115, 7119, 7071.11 90 days
Specialty Pools	21591 Impala Lane, Huntington Beach	6- 2-75	7109, 7113, 7120, 7159 Indef.
Starlite Construction Co.	7282 Orangethorpe, Buena Park	2-21-75	7107, 7113, 7120, 7159 60 days
Sunco Construction Co. Inc.	P.O. Box 3999, Modesto	5-28-75	7121 Indef.
Swimming Pool Engineering	1923 E. Portola, Fresno	6- 2-75	7113, 7117 a, 7159 a, b 90 days
Temperature Conditioning Co. Inc.	P.O. Box 5038, Garden Grove	6-27-75	7113, 7120 Indef.
Triangle Builders—General Contractor	8364 Colbath Ave., Panorama City	2-10-75	7107, 7108, 7111, 7113, 7115, 7117 Indef.
Van Nuys Drain Co.	14751 Bessemer Street, Van Nuys	3-10-75	7122.5 Indef.
Van Nuys Drain Co. Inc.	8736 Amestoy Avenue, Northridge	3-10-75	7107, 7111, 7120 Indef.
Walia Construction Co.	7616 Fulton #27, North Hollywood	5-22-75	7112, 7122.5 15 days
Walker Construction Co.	844 W. 50th Pl., Los Angeles	6- 2-75	7122.5 30 days
Ward, James G.	4909 E. Grant, Fresno	6-13-75	7107, 7113, 7116 Indef.
West Coast Roofing	4501 Glen Haven Road, Soquel	3-14-75	7109, 7110, 7113, 7115 Indef.
Weymouth, Myron R.	8557 Glencoe, Riverside	4- 4-75	7122.5 Indef.
White, Robert John	3430 Balmoral Dr., Sacramento	2- 4-75	7109, 7113 Indef.
Williams, Hugh Company	3523 Fair Oaks Blvd., Sacramento	4-23-75	7106.5, 7120 Indef.
Wilshire West Builders Inc.	1518 Westwood Boulevard, Los Angeles	5-16-75	7107, 7113, 7120, 7159 30 days

INSURANCE COVERED PROJECTS

In the Fall 1974 issue of the bulletin we included an item about Senate Bill 1366 which became law on January 1, 1975. The item was entitled "Insurers To Pay Contractors Directly". It was explained that under this bill a requirement was created that insurers were to pay the contractor for work performed on insurance covered projects directly when certain conditions were met. The bill provided that all insurers issuing, amending, or renewing policies of insurance covering repairs or reconstruction work in commercial, industrial or residential real property to pay the contractor who performs the work directly when the following conditions exist:

First, the property owner must certify in writing to the insurer that the completed work meets with his satisfaction and the insurer upon paying the contractor is released from further liability.

Second, the property owner must consent in writing to the direct payment.

Third, the writing was not completed or signed by him until after all work was completed.

Fourth, the work must comply with public construction codes.

Finally, the contractor must release

(Continued from page 1)

statement in the explanatory material regarding the personnel to be listed:

"The SOCIAL SECURITY NUMBER is requested for identification purposes only. Its disclosure is voluntary, NOT MANDATORY."

In the future no application will be rejected or returned to the applicant for failure to include a social security number.

For all of those licensees and the personnel of licensees who have their social security account number on record in the files of this Agency, their numbers will only be used if necessary for identification.

Applications which are filed with the Board are public records. Copies of applications requested by members of the public may contain social security numbers which were obtained prior to the Federal Privacy Act becoming effective. Any use a member of the public might make of these numbers would be unknown to this Agency.

all claims, including mechanic's liens, against the property.

Senate Bill 229 by Nejedly adds Sections 571 and 572 to the Insurance Code, both are in connection with Section 570 which was added in last

NOTICE

The Winter 1975 and the Spring 1976 issues of the California Licensed Contractor are combined in this single issue. We regret having to miss an issue of this bulletin. The Fall 1975 issue was late because of things beyond our control. This together with the pressure of other business delayed the preparation of material for the Winter 1975 issue. However, we believe this issue serves to cover the interim period since the Fall 1975 issue.

year's legislation. This bill requires that the direct payment by the insurer must be made to the contractor performing the work not later than 30 days after the insurer has actual knowledge that the specified conditions have been met. The bill also defines the term "loss payee" to include any mortgagee of the uninsured real property.

This bill became law on January 1, 1976.

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

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