



THE CALIFORNIA LICENSED CONTRACTOR

EDMUND G. BROWN JR., Governor

FALL—WINTER 1977

RICHARD B. SPOHN, Director

CONSTRUCTION CLEAN-UP CONTRACTORS TO BE LICENSED

The term contractor for the purposes of licensing under the Contractors License Law has been amended by the 1977 Legislature to include the cleaning of grounds or structures on new construction.

Assembly Bill 557 by Assemblyman Joseph B. Montoya was approved by the Governor on August 27, 1977. The bill becomes effective on January 1, 1978. Section 7026 of the Contractors License Law is amended, under the bill, to add to the definition of contractor the cleaning of grounds or structures whether or not the performance of work involves the addition to or fabrication into any structure, project development or improvement of any material or article of merchandise.

By adding to what a contractor is under the Contractors License Law, the Legislature has placed the construction clean-up contractor in the overall category of contractor. The applicant for a construction clean-up contractor's license will have to meet the same prerequisites and requirements which are met by every other applicant for contractor's license.

An applicant for contractor's license must possess four years experience as a journeyman, foreman, supervising employee or contractor in the particular class within which the applicant intends to engage as a contractor. This experience must have been within the ten year period immediately preceding the filing of the application.

The applicant must also demonstrate a general knowledge of the building, safety, health and lien laws of the State and of the elementary administrative principles of the contracting business by taking and passing a written examination.

Upon submitting an acceptable application and passing the qualifying examination the applicant must file a contractor's bond or post a cash deposit in the sum of \$2,500.

The fees required for a license are \$50 application fee which is paid at the time the application is filed and the initial license fee: After passing the examination the applicant must pay the initial license fee of \$100 if the license has over a year to run before its expiration or \$50 if the license has one year or less to run before expiration. All licenses expire on June 30th of each odd numbered year.

Unless the Contractors' State License Board establishes a separate classification for construction clean-up, the C-61 Limited Specialty classification will be issued to all successful applicants for construction clean-up licenses. The C-61 classification is a specialty classification limited to a field and scope of operation of specialty contracting for which an applicant is qualified other than any of the specialty-contractor classifications particularly established by the Board.

Examinations are in two parts. For all classifications, Part One covers a general knowledge of the Contractors License Law, the Mechanics' Lien Law, Labor Laws (employment regulation and supervision, workers' compensation insurance, safety in employment), and common knowledge of business administration and elementary accountancy principles. Part Two of the C-61 Limited Specialty examination consists of problems covering such elementary computations as: a payroll, material bill discounts, and estimate based on percentage, construction safety orders, etc. The examinations are practical. There are no "trick" or "catch" questions. All questions are either true or false or multiple choice.

A potential applicant for a construction clean-up license can obtain the "Contractors License Law and Reference Book" for study from General Services, Publication Section, P.O. Box 1015, North Highlands, California, 95660. The price for the Reference Book is \$3.40. This price includes tax and mailing.

Applications and information regarding filing for a contractors license can be obtained from any of the offices listed on page 2 of this publication.

The Registrar of Contractors asks that all licensed contractors who contract with construction clean-up people inform them of the new requirements by either telling them about the requirements or by showing them this article.

It is the responsibility of all licensed contractors to contract only with licensed contractors when a contractor's license is required for the job.

1977 LEGISLATIVE REPORT

The following bills which were signed by the Governor and which will become law on January 1, 1978, except SB 561 which became law on July 8, 1977 are treated under separate titles: SB 367, SB 561, AB 461, AB 534, AB 557, AB 1094 and AB 1607.

Other bills which were introduced during the 1977 session of the Legislature will carry over into the 1978 session if they succeed in getting out of their house of origin by January 31, 1978.

ASSEMBLY BILL 504 by Thurman was reported in the last issue as it had been amended on March 30, 1977. This bill which would raise the contractor's bond and R M E bond to \$5000 and raise the exemption for minor work from \$100 to \$500 was referred to interim study and will probably be taken up again next January.

ASSEMBLY BILL 562 by Thurman was not reported in the last issue because it was defeated in committee. It has since been amended and granted reconsideration. It will be heard in the Assembly Ways and Means Committee. The June 20, 1977 version of the bill would eliminate the Board's rule 775 which provides for waiver of examination for an applicant who has been named and active on a license for four years.

ASSEMBLY BILL 564 by Thurman was reported in the last issue but has been amended twice. The August 19, 1977 amended version almost completely rewrites the owner-builder exemption. It still allows an owner-builder to build his own two unit residential structure for his own use if he maintains title for one year but it is more restrictive in other forms of construction.

SENATE BILLS 632, 633, 634, and 635 by Dills are referred to by their proponent as the subcontractor's bills

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STATE OF CALIFORNIA

EDMUND G. BROWN, JR., Governor

RICHARD E. SPORN, Lt. Governor

ANGELO STANIOZZI, Secretary of State

CONTRACTORS STATE LICENSE BOARD

WALTER J. GIBSON, Chairman

1977 LEGISLATIVE REPORT

(Con't. from page 1)

of rights were described in some detail in the last issue. These bills have not had any action.

The following bills were not reported in the last issue as they were introduced after press time. There has been no action on any of them.

ASSEMBLY BILL 1976 by Imbrecht would amend Section 7057 of the Contractors License Law which defines a general building contractor. The bill removes the right of the general building contractor to do his own work. The general builder is left only with the right to superintend his work.

ASSEMBLY BILL 2013 by Torres. This bill would require the Department of Consumer Affairs to license journeymen equipment operators, gasfitters, plumbers and electricians.

ASSEMBLY BILL 2014 by Knox would exempt anyone from the contractor license requirement who seeds or installs native plants in marshes or wetlands when no grading or movement of soil is involved.

ASSEMBLY BILL 2060 by Lehman. This bill would require every licensed contractor who is engaged in the manufacture, installation or maintenance of electric business signs to have his or her name, business address and contractor's license number, on each side of each commercial motor vehicle used in his or her contracting business in letters not less than 1 1/2 inches high.

SENATE BILL 1245 by Rains is the same as Assembly Bill 1976 by Imbrecht.

Copies of any bill can be obtained from the Legislative Bill Room, Room 1149, State Capitol, Sacramento, California, 95814 by requesting the bill by number. Enclose stamped, self-addressed return envelope and payment in advance at the rate of 6c each for bills containing up to 31 pages. All of the listed bills contain less than 31 pages.

BUILDING PERMITS

ASSEMBLY BILL 461 by Thurman has been passed and will become effective on January 1, 1978. Section 7031.5 of the Contractors License Law has been amended by this bill to subject any one who violates the section to a civil penalty of not more than \$500.

Section 7031.5 requires each county or city which issues a building permit to require each applicant for the permit to make a written statement that he is licensed giving his license number and stating that the license is in full force and effect. If the applicant is exempt then he must show the basis for the exemption.

Under this law, after the first of the year all applicants for building permits including both licensed contractors and non licensees will be subject to civil penalties for not complying with the requirement.

PAYMENT REQUIREMENTS

ASSEMBLY BILL 1094 by Thurman will add Section 7108.5 to the Contractors License effective January 1, 1978. The new law follows:

7108.5. A prime building contractor shall pay to any specialty contractor, within 10 days of receipt of each progress payment, unless otherwise agreed in writing by the parties, the respective amounts allowed the contractor on account of the work performed by the subcontractors, to the extent of each such subcontractor's interest therein. Any violation of this section shall constitute a cause for disciplinary action.

This section shall apply to all private works of improvement and to all public works of improvement, except where the provisions of Section 14402.1 of the Government Code are applicable.

NORTHERN CALIFORNIA REGULATORY AREA

WALTER J. GIBSON, Chairman

Director Office

Sacramento Room 200, 210 Capitol Mall, Sacramento, California 95833

SOUTHERN CALIFORNIA REGULATORY AREA

WALTER J. GIBSON, Chairman

Director Office

San Diego Room 200, 210 Capitol Mall, San Diego, California 92101

SOUTHERN CALIFORNIA REGULATORY AREA

WALTER J. GIBSON, Chairman

Director Office

San Diego Room 200, 210 Capitol Mall, San Diego, California 92101

LAW ENFORCEMENT COOPERATION

The Registrar of Contractors has received complaints from the Department of Benefit Payments that contractors have failed to pay unemployment insurance taxes and have failed to withhold and pay disability insurance payments. Other complaints have been received from the component divisions of the Department of Industrial Relations concerning the failure of contractors to pay wages and fringe benefits, provide workers compensation and also concerning contractors who have committed other relevant labor law violations under its jurisdiction.

In an effort to more fully enforce the Unemployment Insurance Code and the Labor Code, violations of which are violations of the Contractors License Law, the Registrar, the Department of Benefit Payments and the Department of Industrial Relations have implemented an action of cooperation and coordination. This was recently initiated by the formation of a pilot program in the Santa Clara County area to work out procedures which can be implemented statewide.

This concerted effort of the Registrar and the two departments has resulted in the payment of many thousands of dollars to the Department of Benefit Payments and to various trust funds. The effort has also resulted in the referring of investigations to the Office of the Attorney General for the preparation of disciplinary action against at least twelve contractors.

This program is being expanded to include the entire State of California. Needless to say, contractors can save themselves a great deal of trouble by promptly paying unemployment and disability insurance to the Department of Benefit Payments and by complying with the compensation and safety laws and to pay fringe benefits as required by the Labor Code.

In the article in this issue under the title "Contractor-Employer" it is pointed out the consequences of the contractors failure to comply with the Compensation Insurance Code.



Angelo Stanioles, left, new Registrar of Contractors is being congratulated by Dr. Charles W. Hostler, public member, who was elected by the Board to serve as chairperson for 1977-78.

BOARD MEETING HIGHLIGHTS

The regular quarterly meeting of the Contractors' State License Board was held in San Diego on Friday July 29, 1977.

Pending legislation was discussed. A resolution was passed to direct the Registrar to inform Assemblyman Floyd S. Mori of the Board's opposition to AB 1285. This bill would require that in order for a consumer to collect on a suit against a contractor's or responsible managing employee's bond the violation of the Contractors License Law must have been a willful act.

A public hearing to amend 27 of the Board's Rules and Regulations was held. The changes in the regulations were for the purpose of updating and eliminating obsolete language. There were no substantial changes to be made. The Board voted to amend each of the regulations as presented. These changes will become effective 30 days after they are filed with the Secretary of State.

The board clarified its motion made at the April 1977 meeting when it raised the renewal fee for the home improvement salesman from \$25 to \$50. The Board voted to raise the registration fee and the renewal fee for a

home improvement salesman to \$50 effective July 1, 1978.

The subject of year-around or continuous renewal of contractors' licenses was discussed. The board voted to direct the Registrar to proceed with the study and to put the concept in operation beginning July 1, 1978 if it is found to be practical.

As a means to keep more current with problems and developments in the licensing of contractors and for more informed consumer protection activities the Board decided to have monthly meetings. It was also decided to expand the number of committees of the Board to more adequately cover topics of increasing concern.

Dr. Charles W. Hostler was elected by the Board to serve as chairperson for the 1977-78 fiscal year. Dr. Hostler, a public member succeeds, Roads Veale who is also a public member. Juan Ferrer, a plumbing contractor, was elected to fill the post of vice chairperson.

A letter from Richard Spohn the Director of the Department of Consumer Affairs in which he gave approval of the appointment of Angelo Stanioles as Registrar of Contractors was read. Angelo was sworn in and as of July 29, 1977 is Registrar of Contractors.

The next meeting was scheduled for Newport Beach on August 26, 1977.

Continuing Education

The New York's University School of Continuing Education has announced the offering of a seminar to be held in Los Angeles.

A three day seminar on "Solar Energy For Domestic Heating and Air Conditioning" will be held in Los Angeles on December 12-14, 1977. This

intensive program is designed to provide heating and ventilating contractors with an understanding of the application of solar energy to meet household heating needs; to provide a practical summary and review package that should be of interest to professional engineers and architects; to appeal to management and planning functions in manufacturing concerns. Space

heating, industrial process heating and domestic hot water will be considered.

For further information and a descriptive brochure on this seminar, please contact Ms. Heide E. Kaplan, Information Services Manager, Dept. 14NR, New York Management Center, Inc., 360 Lexington Avenue, New York, New York, 10017, or call (212) 953-7262.

NEW BOARD MEMBERS

The office of the Governor recently announced the appointment of two new public members to the Contractors' State License Board.

Dr. W. W. "Buzz" Wilms of Berkeley is with the Lawrence Berkeley Laboratories. Wilms replaces J. Frank Park of Compton. His term expires on June 1, 1981. Wilms is 37 years of age. He is filling the public member position requiring a person to be appointed who possesses expertise in one or more significant portions of the construction business. Dr. Wilms' work is in energy conservation.

Judith B. Quine of Los Angeles is co-founder and Vice President of the Professional Karate Association. She is chairperson of the Full-Contact Karate Advisory Committee to the State Athletic Commission, and a former member of the Women's Advisory Committee of the F.E.P.C. Ms. Quine is 44 years old. She replaces Joe Bernardo of Stockton who resigned. Her term will expire on June 1, 1980.

There is one vacancy on the Board which was created by the resignation of Ralph Viola of Oxnard who was a general building contractor member.

BONDING COMPANIES TO REPORT PAYMENTS

SENATE BILL 561 by Cusanovich, an urgency bill, was signed by the Governor on July 7, 1977 and became effective the next day when it was filed with The Secretary of State. This bill amends Section 7071.11 of the Contractors License Law to require bonding companies to notify the Registrar of Contractors within 30 days of making payment on any claim against bonds required to be filed pursuant to the Contractors License Law. The new provisions of Section 7071.11 requires the notice to contain the name and license number of the contractor, the surety bond number, the amount of payment and the names of the person or persons to whom payments are made.

The notice will assist the Registrar in compiling facts and figures to determine the effectiveness of the various required bonds. It has been proposed to make a study of contractor bonding to determine if the bonds should be raised, put on a graduated scale or left as they are. AB 504 by Thurman which proposes to raise the contractor's bond and R M E's bond to \$5000 has been referred by the Assembly to interim study. The data obtained from the notices required by this new law will assist in that study.

CONTRACTOR—EMPLOYER

Almost every contractor at one time or another is an employer as the term is used in the Unemployment Insurance Code and the Revenue and Taxation Code. Many contractors have little difficulty understanding their status as employers because they regularly employ employees. The small contractor who works alone is not an employer. He becomes an employer only when he undertakes a contract to do a job in which he hires employees. The small contractor then may or may not be an employer for purpose of paying unemployment insurance tax, or of withholding disability contributions.

For purposes of the Unemployment Insurance Tax a contractor becomes an employer when he pays more than \$100 in wages in any calendar quarter. As an employer he becomes subject to the Unemployment Insurance Code.

For purpose of California personal income tax withholding an employer is any person or organization making payment of wages or fees to individuals for services performed.

The responsibilities of the California contractor to pay unemployment insurance tax, to withhold employee disability insurance payments, and to withhold California personal income tax were covered in articles under the title "Business Responsibilities of the California Contractor" in the Summer 1976, Fall 1976 and Winter 1976 issues of this publication.

Further and more detailed information regarding unemployment insurance tax, disability insurance payments, and the withholding of California personal income tax can be obtained from the Department of Benefit Payments. Request the "Employer's Guide" for unemployment and disability insurance information and the "Employer's Tax Guide" for information regarding withholding and reporting California personal income tax. These booklets can be obtained from any local office of the Department of Benefit Payments or by writing to the Department of Benefit Payments, Office of Registration, 800 Capitol Mall, Room 3026, Sacramento, California 95814.

In the previous issues of this publication very little was said about the consequences of the contractor's failure to pay and or withhold the various taxes due the Department of Benefit Payments. It was pointed out in the Winter 1976 issue that if an employer failed to withhold personal income tax or failed to pay to the Department of Benefit Payments any personal income tax withheld, the employer was guilty of a misdemeanor under section 19409 of the Revenue and Taxation Code. Further if the employer

is convicted of violating Section 19409, he or she can be fined an amount not to exceed \$1000 or be imprisoned for not more than one year or both the fine and imprisonment.

The Revenue and Taxation Code does not specify an amount under which a person is not an employer for purpose of withholding personal income taxes. It is unlike the Unemployment Insurance Code which does set an amount when a person becomes an employer for purpose of paying taxes. As mentioned earlier a person is not an employer for the purpose of making payments under the Unemployment Insurance Code unless he pays more than \$100 in wages in any calendar quarter. A person that hires an employee, who earns wages subject to withholding, must withhold and pay California personal income taxes to the Department of Benefit Payments regardless of the amount of wages paid or personal income taxes withheld within any particular period of time.

An employer who pays more than \$100 in wages in any calendar quarter is guilty of a misdemeanor if he fails to file reports and/or pay the unemployment insurance tax. He is also guilty of a misdemeanor if he fails to deduct disability insurance contributions from his employees and fails to pay either to the State Disability Fund or into a state approved voluntary plan (private plan).

Any violation of the State of California Unemployment Insurance

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Home Improvement Contract Law Amended

Section 7159 of the Contractors License Law which is known as the home improvement contract law has been amended by Senate Bill 367. Senator Robert G. Beverly authored this bill which becomes effective on January 1, 1978.

The amendment would include an unlicensed person as guilty of a misdemeanor if he or she violated the home improvement contract law. As presently written only a licensed contractor would be guilty of a misdemeanor if the law was violated. Conviction of a misdemeanor under this section would subject the violator to a fine of not less than \$100 nor more than \$5,000 or by imprisonment in the county jail not exceeding one year or by both the fine and the imprisonment. After January 1, 1978 a nonlicensee who violates Section 7159 will be subject to a heavier penalty than he would face for solely a violation of Section 7028, contracting without a license.

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The Preliminary Lien Notice and The Contractor

The Mechanics' Lien Law of California is provided for in Section 3 of Article 14 of the California Constitution. This section of the Constitution states that "Mechanics, persons furnishing materials, artisans, and laborers of every class, shall have a lien upon the property upon which they have bestowed labor or furnished material, for the value of such labor done and material furnished; and the Legislature shall provide, by law, for the speedy and efficient enforcement of such liens."

The Legislature made the classes covered even broader by giving subcontractors, contractors and others the lien even though a lien is ordinarily called a "mechanics' lien". The first enactment of the Mechanics' Lien Law by the Legislature was in 1872. Since that time the lien law has been amended in almost every session. The constant amendment of the lien law has made it complicated, technical and hard to understand. The theory of the lien law, however, is very simple. It is simply that an owner of property which has been improved should not be able to get the benefit of the improvement without paying for it.

In 1968, as a result of legislation passed in 1967, the preliminary lien notice was added as an effort to protect owners, contractors and construction lenders against what was sometimes referred to as secret liens. These were liens which many property owners were unaware of until faced with cloud on the title when selling his property. The reasoning for the preliminary lien notice requirement is that if anyone wants to claim lien rights on a construction project he should give notice that he has the right to make such a claim.

In 1968 when the preliminary lien notice requirement was added, that portion of mechanics' lien right was contained in the Code of Civil Procedure. In 1969 the Legislature enacted legislation which sought to clarify and restate the existing law and to bring all laws relating to mechanics' lien under one code. The intent of this legislation to clarify existing law rather than to make any changes became effective as a part of the Civil Code on January 1, 1971.

Before the change was made in 1971, the preliminary lien notice was required for private works of improvement in Section 1193(h) of the Code of Civil

Procedure and the preliminary notice for public works of improvement was in Section 4210(b) of the Government Code. Under the present law the notice on private works of improvement is contained in Section 3097 of the Civil Code and the notice on public works of improvement is contained in Section 3098 of the Civil Code.

The preliminary 20-day notice on private work (section 3097 Civil Code) must be given in general by anyone who wants to assert mechanics' lien or stop notice rights on a construction job, except the original or prime contractor or a workman performing actual labor for wages. The notice must be given to the owner, the original (prime) contractor and the construction lender, if any.

Any other claimant who has a direct contract with the owner or owner-builder and who is not a contractor is required to give the notice to the construction lender even though not required to give it to the owner or owner-builder. The preliminary notice must contain various information including a statement informing the recipient of the notice, the consequences if bills are not paid and the identity and address of trust funds if a subcontractor is required pursuant to a collective bargaining agreement to pay supplemental fringe benefits.

In so far as preservation of lien rights or stop notice rights are concerned a claimant must give the notice within 20 days after the claimant has first furnished labor, service, equipment or materials to the jobsite. However, a claimant may give his notice at anytime during the progress of the work of improvement but he may not recover for value of the labor, services, equipment or materials furnished to the job site at anytime more than 20 days before service of the notice. A claimant who fails to give a preliminary notice loses his mechanic's lien and stop notice rights.

A licensed contractor has special requirements under Section 3097. On any work of improvement where a subcontractor has a contract which exceeds \$400, the failure of the subcontractor to give the preliminary 20-day notice constitutes grounds for disciplinary action by the Registrar of Contractors.

Further, if the subcontractor is required pursuant to a collective bargaining agreement to pay supplemental fringe benefits into an express trust fund or funds he must include the identity and address of such fund or funds on the preliminary notice. Failure of the subcontractor to give the notice including the information regarding the funds and the failure results in the filing of a lien or a delivery

of a stop notice by the express trust fund to which the obligation is owing is also grounds for disciplinary action by the Registrar of Contractors, provided the amount due such trust fund is not paid.

The preliminary notice on public work (Section 3098 Civil Code) is required to be given prior to the filing of a stop notice. Filing of a stop notice with a public agency causes the withholding of payment from the contractor for the public work. Any person having no direct contractual relationship with the prime contractor, other than a person who performed actual labor for wages or an express trust fund may file a stop notice but payment shall be withheld from the prime contractor pursuant to any such stop notice unless the person has caused a preliminary notice to be given to the prime contractor and the public agency not later than 20 days after having furnished labor, services, equipment or materials to the jobsite.

The information required in the preliminary notice and the method of service are contained within the code.

Contrary to provisions of the preliminary notice on private work if the claimant on a public job lets the first 20 days go by without serving the notice, he is utterly and forever deprived of stop notice rights on the job.

This preliminary 20-day notice is mandatory for any licensed contractor who does not have a direct contract with the prime contractor, where his cost of improvement is more than \$400, and his failure to give the notice is grounds for disciplinary action by the Registrar of Contractors.

The material in this article has been included only as a general description of the preliminary 20-day notice required on both private and public works of improvement as a condition to enforcing a claim of lien or a stop notice. The filing and enforcing of a claim of lien or a stop notice is a legal procedure and any claimant should be guided by legal counsel if filing or enforcing of a lien or a stop notice is contemplated.

Prior to the enactment of the preliminary 20-day lien requirement the Registrar of Contractors was not directly involved in actions pursuant to the provisions of the Mechanics' Lien Laws. The filing and enforcing of liens were civil actions provided for first in the Code of Civil Procedure and then in the Civil Code. No administrative actions by the Registrar of Contractors were included. The Registrar of Contractors became directly involved in possible administrative actions under the Mechanics' Lien Laws when the Legislature required licensed contractors to give preliminary notices

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REVOKED 2nd QUARTER 1976-77

Namestyle	Address	Date	Sections violated
Ala Mechanical Corporation	3111 Canfield Ave., Los Angeles	10-12-76	7107, 7109, 7113, 7120
Allstate Pools Inc.	14225 Ventura Blvd. #201, Sherman Oaks	12-14-76	7107, 7108, 7109, 7110, 7111, 7113, 7115, 7120, 7161
American Addition Systems	P.O. Box 753, 131 Carlisle Way, Benicia	12-17-76	7107, 7109, 7110, 7113, 7114, 7117, 7119, 7121, 7159
B Jay's Custom Cement Finishing	16562 Spruce St., Fountain Valley	11-12-76	7107, 7109, 7110, 7113, 7115, 7117, 7120, 7159
Baruch, Bernard	4072 Alonzo Ave., Encino	12-14-76	7098, 7122.5
Benjamin, Paul	P.O. Box 1181, Ventura	11-22-76	7111, 7115, 7120, 7121, 7159
Cal State Roofing Co.	1227 S. Eastern Ave., Los Angeles	12-9-76	7109, 7113, 7115, 7116
Combs Construction	6279 Newcastle Ave., Goleta	11-12-76	7107, 7113, 7115, 7121
Croke, Robert E.	4054 Fiora Pl., Lafayette	12-18-76	7107, 7108, 7113, 7119, 7120
Degler, Louis Henry	2445 San Carlos Ave., Castro Valley	11-10-76	7107, 7108, 7111, 7113, 7119
Disk's Construction Service	200 Button St., Apt. 119F, Santa Cruz	10-19-76	7107, 7108, 7109, 7110, 7113, 7114, 7116, 7119, 7120
Dotto, Robert Joseph	1414 W. Redondo Beach Blvd., Gardena	10-2-76	7122.5
Dynasty Pool Corp.	P.O. Box 4763, Panorama City	11-30-76	7107, 7110, 7113, 7115, 7120, 7159
Easy Living Mobile Homes (Mobile Housing Inc. dba)	617 Camino Del Rio South, San Diego	11-12-76	7107, 7113
Catalina Pools (El Camino Pools Inc. dba)	9010 Reseda Blvd., Northridge	11-10-76	7111, 7113, 7115, 7120, 7121, 7159
Eld Construction Company	P.O. Box 837, 188 East Quincy Rd., Portola	12-13-76	7107, 7109, 7110, 7113, 7115
Espinoza, Eddie Framing Co.	12340 Braddock Dr. #109, Los Angeles	12-1-76	7107, 7110, 7111, 7113, 7115, 7119, 7120, 7159
Fator Construction Company	18040 Rayen St., Northridge	11-10-76	7122.5
Figures Building and Construction Co. (Curtis Hilbert Figures dba)	2639 75th Ave., Oakland	11-10-76	7109, 7113, 7115, 7119, 7159
Gees Electric	360 E. Alondra, Gardena	11-12-76	7113, 7117
Greenwood, Wayne L.	815 Sycamore Ave., Modesto	11-10-76	7107, 7108, 7111, 7113, 7119, 7159
Hauger Development Co.	1450 Honeysuckle, Medford, Oregon 94501	12-1-76	7107, 7113, 7116
Hercules, Stone	3532 Fairmont Ave., San Diego	10-15-76	7107, 7113, 7115
Herron, Mel Inc.	718 E. Edna Pl., Covina	11-12-76	7098
Herron Melvin L.	15949 Duboser St., La Puente	11-12-76	7120
Huber Construction	1991 16th St., Olivehurst	10-12-76	7108, 7109, 7113, 7115, 7120
Hudson, Lloyd Gary Plumbing and Heating	P.O. Box 686, Chula Vista	11-19-76	7107, 7113
Hunt Co.	12491 Scott Grant Rd., Marysville	11-12-76	7115, 7120, 7121
Landscaping by Robert	2717 W. California, Santa Ana	10-12-76	7107, 7113, 7115, 7116, 7159
Lege Corporation	1414 W. Redondo Beach Blvd., Gardena	10-2-76	7107, 7113
Majestic Builders	P.O. Box 23383, San Diego	10-18-76	7107, 7109, 7111, 7113
Manjarrez, John R.	2100 Voorhes Ave., Redondo Beach	11-12-76	7107, 7109, 7113, 7115
Mayfield Roofing Co.	27633 Industrial Blvd., Hayward	12-17-76	7109, 7113, 7115
Merritt, Arthur L. Co.	P.O. Box 4348, Anaheim	10-18-76	7107, 7113, 7115
Miller, Dan Construction Co. Inc. A California Corporation	10960 Wilshire Blvd., Ste. 1226, Los Angeles	11-26-76	7098
Miller, Dan Jr.	1674 Casale Rd., Pacific Palisades	11-26-76	7107, 7109, 7113
Moore, Ray L. Construction Co.	1248 Orange St., San Bernardino	12-10-76	7107, 7113, 7117, 7120, 7159
O'Neal, Hank Construction Co.	6118 So. Atlantic Blvd., Maywood	11-16-76	7107, 7113, 7121
Pack, Devar C.	1011 E. Delaware Rd., Burbank	12-9-76	7108, 7110, 7111, 7115, 7116, 7119, 7120
Page Roofing	61516 Valley View Dr., Joshua Tree	12-11-76	7114
Paradise Enterprises	1219 W. Trenton, Orange	12-9-76	7107, 7109, 7113, 7115, 7120, 7159
Patrick Construction Co.	1959 So. La Cienega Blvd., Los Angeles	10-19-76	7071.13, 7107, 7108, 7109, 7111, 7113, 7115, 7116, 7159
R. A. Cement	11381 Church, Orange	12-19-76	7107, 7113, 7115, 7116, 7159, 7161
Rains Construction Co.	245 Woodlawn Ave., Chula Vista	12-1-76	7108, 7110, 7112, 7113, 7120
Rhodes, B. W. & Son Contractors	2494 Beverly Dr. Ste. #1, Redding	10-18-76	7028, 7109, 7110, 7113, 7115, 7116
Saca, J. E. and Son Construction, Inc.	16644 Greenhaven St., Covina	10-13-76	7107, 7109, 7112, 7113, 7114, 7116, 7117, 7120
Schrader Construction Co.	P.O. Box 8074, Riverside	10-7-76	7071.11
Searcy, Grover L.	10245 Odell St., Sunland	11-1-76	7109, 7110, 7113, 7115, 7117
Schilling, Ronald R.	7570 Carlow Way, Dublin	12-10-76	7107, 7113
Siskind, Henry	6032 Dauphin Ave., Los Angeles	10-12-76	7107, 7109, 7113, 7117.5, 7159
South Bay Builders	350 Sepulveda, Manhattan Beach	10-2-76	7108, 7111, 7120
Stone, David Plastering	4930 Cloyne St., Oxnard	11-12-76	7109, 7113, 7115
Sullivan, L. R. Construction Inc.	4086 Ben Hur Rd., Mariposa	11-19-76	7108, 7110, 7111, 7113, 7115, 7120, 7159
Superior Acoustics	2301 Sycamore Dr. Apt. 4, Antioch	10-7-76	7113, 7115, 7120
T. C. H. Pipeline Inc.	242 E. 4th St., San Bernardino	12-16-76	7110, 7111, 7115, 7120
Tallman Mobile Home Service	836 East Washington, San Diego	10-19-76	7115, 7116, 7117(a)
Teico Construction and Engineering Co.	1365 Live Oak Blvd., Yuba City	10-12-76	7098, 7122.5
Thompson-Specialties	908 Gerard Way, San Jose	10-7-76	7122.5
Tri-City Sewer Contractors	242 E. 4th St., San Bernardino	12-16-76	7122.5
Wascher, Bernie Sr. Enterprises	P.O. Box 4018, Palm Springs	12-16-76	7110, 7120
Wilkins and Cason Co., The	1436 30th St., San Diego	11-12-76	7110
TAYLOR, JAMES C. (Home Improvement Salesman)	225 So. Manhattan Pl. #203, Los Angeles	10-19-76	7155

SUSPENDED 2nd QUARTER 1976-77

Namestyle	Address	Date	Sections violated and suspension time
A-I Painting & Decorating Contractors	4608 Dyer St., La Crescenta	10-18-76	7109, 7113 Indefinitely
ABC Specialty Coatings	5447 W. 123 Place, Hawthorne	12-6-76	7109, 7113, 7115 Indefinitely
Adams, H. F.	4202 Branford Dr., Huntington Beach	10-18-76	7107, 7108, 7109, 7113, 7115 Indefinitely
Bolton, C. W. Co.	12246 Lull St., North Hollywood	12-20-76	7109 15 Days
Cheetah Corporation	2311 Wood St., Eureka	11-1-76	7097, 7108, 7110, 7111, 7120 Indefinitely
Dave's Painting Service (David Arends & Kay M. Arends dba)	P.O. Box 236, No. Palm Springs	11-30-76	7107, 7108, 7115, 7116 30 Days
Dolphin Quality Pools	501 East 6th St., Corona	11-2-76	7107, 7110, 7111, 7113, 7117 Indefinitely
Drefuss, N. L. Co.	P.O. Box 489, Belmont	11-4-76	7108, 7113, 7116, 7120 Indefinitely
Eureka Plumbing	926 15th St., Eureka	11-1-76	7097 Indefinitely
Hamm, Fred	13841 Tustin E. Dr., Tustin	11-26-76	7107, 7108, 7109, 7113, 7115, 7120, 7159 Indefinitely
Hannibal Construction Co.	802 Everett St., El Cerrito	11-22-76	7108, 7111, 7115, 7116, 7120 Indefinitely
Haynes, John W.	P.O. Box 533, El Cajon	12-1-76	7122.5 30 Days
Henderson, E. R.	1005 J St. #358, Davis	11-22-76	7109, 7110, 7113, 7115, 7116, 7119 Indefinitely
Hope, Riley B. Jr.	625 W. Katella, Ste. 10, Orange	11-2-76	7107, 7108, 7115, 7116, 7117 Indefinitely
Icon Construction	2201 Denise Ave., Orange	12-20-76	7114 180 Days
J. C. Construction Co.	2500 Wilshire Blvd., Los Angeles	12-20-76	7107, 7115, 7119, 7159 30 Days
K Z K Engineering Construction Inc.	P.O. Box 4, Riverside	12-20-76	7113, 7120 20 Days
Karas, Robert T.	P.O. Box 555, Sebastopol	11-17-76	7109, 7110, 7113 Indefinitely
Kennedy, Maurice E.	4259 Elmwood Ct., Riverside	12-20-76	7122.5 20 Days
Kenney, Larry	12830 California St., Yucaipa	10-26-76	7107, 7109, 7111, 7113, 7119, 7159 Indefinitely
Kitchen Designs Inc.	9371 Cape Cod Dr., Huntington Beach	10-18-76	7108, 7113, 7120 Indefinitely
Kost Painting Service	2059 Maryal Dr., Sacramento	11-30-76	7109, 7113 30 Days

SUSPENDED 2nd QUARTER 1976-77

Namestyle	Address	Date	Sections violated and suspension time
Larson, W. T.	8455 Lindley Ave., Northridge	11-15-76	7122.5 60 Days
Linwood Electric Inc.	2045 W. Highland Ave., San Bernardino	11-22-76	7109, 7110, 7111, 7113 Indefinitely
Loomis's Cabinet Shop	4441 Frizell Ave., Sacramento	12-1-76	7109, 7113 15 Days
Mike's Home Improvement	17111 Golden West St. #S-4, Huntington Beach	12-16-76	7109, 7113, 7115, 7117, 7119 Indefinitely
Moore Roofing Co.	1150 Arden Way, Sacramento	10-22-76	7107, 7109, 7110, 7113, 7115, 7159 Indefinitely
Natera, Fred	1425 S. Stoneman Ave., Alhambra	12-6-76	7109, 7113, 7115, 7159 Indefinitely
Parrott, T. Plumbing & Sons	4902 S. Vermon Ave., Los Angeles	11-30-76	7109, 7115 10 Days
Peterson, R & C Contractor	1155 East 14th St., Ste. 18, San Leandro	11-1-76	7107, 7109, 7113, 7115, 7159 Indefinitely
Pisciotta, John	6617 Madison Ave., Ste. 7, Carmichael	10-25-76	7109, 7113 60 Days
Popovich, Peter J.	4336 Oregon St., San Diego	11-1-76	7107, 7109, 7113, 7115 Indefinitely
Ragan Inc.	P.O. Box 20, Groveland	11-1-76	7108, 7110, 7111, 7115, 7117, 7120 Indefinitely
Reich, Elmer	7571 Pomegranate Ave., Sacramento	10-18-76	7113, 7116, 7120 Indefinitely
Rhodes, B. W.	2898 23rd St., San Francisco	10-18-76	7028, 7109, 7110, 7113, 7115, 7116, 7122.5 30 Days
Russell, Phil Const. Co.	2319 Main St., Ste. C, Susanville	12-14-76	7109, 7113, 7115 One Day
Sani-Scope Industries Inc.	P.O. Box 47784, Los Angeles	11-16-76	7109, 7113, 7115, 7159 180 Days
Sara Enterprises Ltd.	17071 Ventura Blvd. #102, Encino	11-15-76	7107, 7109, 7110, 7116, 7119, 7120 60 Days
Sierra Mechanical	P.O. Box 455, Oakhurst	10-18-76	7109, 7113, 7115 Indefinitely
Siml Ornamental Iron	14615 Stanford, Moorpark	12-6-76	7107, 7108, 7115 Indefinitely
Stan's Mobile Homes	Rt. 3, Box 171, Orland	11-17-76	7121 Indefinitely
Stewart, David Associates	9371 Cape Cod Dr., Huntington Beach	10-18-76	7121, 7122.5 Indefinitely
Suburban Mobile Homes Inc.	1690 El Camino Real, So. San Francisco	11-17-76	7109, 7113, 7116, 7119 Indefinitely
Sun-Aire Refrigeration	7343 Church St., Yuca Valley	11-2-76	7109, 7113, 7159 Indefinitely
Taylor, Marion E.	3600 Stallion Dr., Santa Rosa	11-16-76	7109, 7110 One Year
Torrez, Aciano	14849 E. Anada, Baldwin Park	12-6-76	7108, 7113, 7115, 7120, 7121, 7159 Indefinitely
Valentino, John & Son	8602 Ave. 296, Visalia	12-15-76	7108, 7111, 7120 Indefinitely
Valley Drywall Co.	1921 Florin Rd., Sacramento	10-18-76	7121
W. M. Construction Co.	3363 Hilltop Rd., Ventura	11-22-76	7097, 7115, 7122.5 30 Days
Wilson, Calvin Co.	P.O. Box 4090, Eureka	11-1-76	7097, 7108, 7111, 7120, 7122.5 Indefinitely
Wintrob, Sherman	349 N. Detroit, Los Angeles	10-12-76	7115, 7122.5 90 Days

DENIED 2nd QUARTER 1976-77

Namestyle	Address	Date	Sections violated
California Builders, L. A., Inc.	5445 E. Beverly Blvd., Los Angeles	10-13-76	480(a), 7107, 7109, 7112, 7114, 7115, 7116, 7120
Griffis, Clarence Construction Co.	1793 Carnelian St., Anaheim	11-26-76	7102, 480(a)(3), 7107, 7113, 7120

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 Revocation 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 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 Conviction of a Felony in connection with construction activities.
7107 Diverted funds or property received for a specific job to other purposes.	7114 Aiding and abetting an unlicensed person.	7124 A plea of nolo contendere is considered a conviction.
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 Employment of unregistered home improvement salesman.
7109.5 Violation of Safety Laws resulting in death or serious injury.	7116 Committing a willful or fraudulent act as a contractor.	7155 Participation in violation by a home improvement salesman.
7110 Willful disregard and violation of building laws.	7117 Acting as a contractor out of namestyle.	7157 Model Home, kickback prohibition.
7110.1 Violation of Section 2084.5 of the Labor Code.	7117.5 Contracting with inactive license.	7159 Failure to comply with contract requirements.
7111 Failure to keep records and to make them available to a representative of the registrar.	7118 Contracting with unlicensed person.	7161 False advertising.
	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.	

The Preliminary Lien

(Con't. from page 5)

whenever the contractor's portion of the works of improvement exceed \$400. Every contractor acting as a subcontractor on private works of improvement must give a preliminary 20-day notice as required under Civil Code Section 3097 even though he does not contemplate the filing of a lien or a stop notice. Failure of the subcontractor to give the preliminary notice subjects him to disciplinary action for the suspension or revocation of his license by the Registrar of Contractors.

The subcontractor on a private work of improvement who is required pursuant to a collective bargaining agreement to pay supplemental fringe

benefits into an express trust fund is subject to further grounds for disciplinary action if he fails to comply with the provisions of the preliminary 20-day notice law as it relates to fringe benefits and the express trust fund.

A licensed contractor who does not have a direct contractual relationship with the prime contractor on a public work of improvement is also subject to disciplinary action by the Registrar of Contractors if he fails to give the preliminary 20-day notice to the prime contractor and the public agency concerned. On public works the contractor does not have a second chance. If he misses giving the notice within 20 days after having provided labor, service, equipment or material to the jobsite, he is subject to disciplinary action.

CONTRACTOR—EMPLOYER

(Con't. from page 4)

Code by a licensee is grounds for disciplinary action by the Registrar against the licensee's contractor's license under Section 7110 of the Contractors License Law.

Contractors who are employers, should register with the Department of Benefit Payments within 15 days after first becoming subject to the Unemployment Insurance Code and/or to the California personal income tax withholding. Failure to register, report or pay the various taxes and contributions subjects the contractor to criminal proceedings and possible action by the Registrar against his contractor's license.

**JOB OPENINGS FOR
DEPUTY REGISTRAR OF CONTRACTORS I
SALARY: RANGE A \$1101—1156
RANGE B \$1323—1591**

Final date for filing applications—Application (Form 678) must be RECEIVED at the State Personnel Board no later than the close of business on Thursday, November 17, 1977. Applications are available at State Personnel Board Offices and local offices of the Employment Development Department. They are also available at Regional, District and Branch offices of the Contractors' State License Board.

An oral exam will be scheduled in December of 1977. Qualified applicants will be notified by mail of their exam date.

Requirements for admittance to the examination

NOTE: All applicants must meet the entrance requirements for this examination by November 17, 1977, final filing date. Qualifying experience and/or education may be combined on a proportionate basis if the

requirements stated below include more than one pattern and are distinguished as "Either" I, "or" II, "or" III, etc. For example, candidates possessing qualifying experience amounting to 50% of the required time of Pattern I, and additional experience amounting to 50% of the required time of Pattern II, may be admitted to an examination as meeting 100% of the overall experience requirement.

Either I

Experience: One year of experience in the California state service performing the duties of a Housing Inspector Assistant II.

Or II

Experience: Two years of full-time paid experience as a journey person in one or more building construction trades.

Or III

Education: Graduation from a terminal curriculum in building technology or closely related curriculum equivalent to that given in California Community Colleges. (An applicant who is within one year of graduation from such a curriculum will be admitted to the examination, but he or she must produce evidence of graduation before he or she will be considered eligible for appointment.)

THE POSITION

A deputy Registrar of Contractors I, under close supervision, learns and performs investigative work of average difficulty in connection with the enforcement of laws and regulations administered by the Contractors' State License Board. An incumbent assigned to Range A receives training in the conduct of investigations of the Contractors' State License Board and under close guidance, applies them in assigned phases of work; assists in gathering information, and in making special surveys, studies and investigations; checks a variety of records; interviews complainants and witnesses and receives statements; assists in locating persons and records; prepares reports and does other work as required.

Vacancies exist throughout the State.

The Contractors' State License Board is an equal opportunity employer. Female candidates are welcome.

**MINIMUM EXEMPTION
RAISED**

The Governor signed Assembly Bill 1607 by Assemblymen Priolo and Bannai on August 27, 1977. Assembly Bill 1607 raises the minimum amount of a contract for which a license is not required from \$100 to \$200. Effective January 1, 1978 a contractors license will not be required by persons undertaking a contract, the aggregate contract price for which for labor, materials and all other items is less than two hundred dollars.

The limiting provisions are still in the law. That is, the exemption does not apply wherein the work of construction is only a part of a larger or major operation or in which a division of the operation is made in contracts of

amounts less than \$200 for purpose of evasion of the law. Further, the exemption does not apply if a person advertises in a way that indicates to the public that he or she is qualified to engage in the business of contracting.

When originally introduced AB 1607 would have raised the exemption to \$500. Opposition from various construction industry groups convinced the authors that a \$500 limit was too much. After the authors dropped the amount of contract for which the exemption applied to \$200 most of the opposition was eliminated.

It is interesting that when the Contractors License Law was enacted in 1929, the exemption applied to work of under \$200. It was not until August 1937 that the minimum exemption was set at \$100 by the California Legislature.

Home Improvement

(Con't. from page 4)

Bill McVittie which also amends Section 7159 was signed by the Governor, A.B. 534 which also becomes effective on January 1, 1978 adds a provision regarding a deferred payment price. This amendment in effect simply provides that the provisions of Section 7159 do not prohibit the parties to the contract from an agreement for finance charges to be assessed for deferred payments to be made on a contract which is subject to the Unruh Act.

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STATE OF CALIFORNIA
DEPARTMENT OF
**Consumer
Affairs**

CONTRACTORS' STATE LICENSE BOARD
1020 N Street
SACRAMENTO, CA 95814