

The CALIFORNIA LICENSED CONTRACTOR

EDMUND G. BROWN, Governor

OCTOBER 1963

HAROLD J. POWERS, Director



EDMUND G. BROWN
Governor

To the Members of the
Construction Industry:

During the past year, California became the number one state in the union—largest in population, first in industry and the leader in education and construction.

You and the other business and professional leaders are responsible in great measure for this marvelous growth and in many ways you are the important beneficiaries of it. In the last year the dollar volume of all construction projects in the State reached 7.9 billion dollars. That is an impressive figure and I am sure it will increase in the years ahead as California continues to grow.

It is your responsibility and that of government at all levels to see that this tremendous growth is orderly and protective of our natural resources. Toward that end, I urge your co-operation and participation in government. Together we shall build a greater California, first in every category and the finest place to live in the nation.

Sincerely,

EDMUND G. BROWN
Governor

IMPORTANT NOTICE TO LICENSEE

Because of a change in Board Rules many contractors are now performing work which is licensed and classified C-61 without actually being licensed in the prescribed classification.

Section 730, Chapter 8, Title 16 of the California Administrative Code, was originally published October 5, 1946 and was subsequently amended in 1947, 1949, 1955, and 1961.

The latest amendment which was effective October 5, 1961, shows Section 732 amended to list the new classification of "Limited Specialty" C-61. Repealed is the former classification of "Classified Specialist" C-61, and adopted is a new regulation Section 732.1 classification C-61, "Limited Specialty" consisting of subsections (a), (b), (c), and (d).

Until October 5, 1961, any duly licensed contractor was permitted to perform any building or construction industry skill that could be performed by any licensee licensed and classified as a C-61, Classified Specialist.

The new Section 732.1 "Classification C-61; Limited Specialty," states that a licensee classified and licensed in the classification C-61 Limited Specialty is limited to a field and scope of operations in which he has demonstrated his qualifications. The third paragraph of Section 760, Limitation of Classification, reads in part as follows: a licensee classified as a specialty contractor as defined in Section 7058 shall not act in the capacity of a contractor in any classification other than the one in which he is classified. Many contractors who have been performing work which previously was being performed by the C-61 Classified Specialist are unaware of their possible jeopardy because of the above change in the law.



HAROLD J. POWERS
Director

Dear Contractor:

With this first edition of "The California Licensed Contractor", I want to take the opportunity to officially greet you as the new Director of the Department of Professional and Vocational Standards, to which position I was appointed by Governor Edmund G. Brown on July 26, 1963. As you probably know, the department services some 28 different agencies—the largest of which is the Contractors' License Board.

It will be the policy of the department to co-operate to the fullest extent with the Contractors' License Board, contractors, and organized labor to achieve those goals which will be a benefit to the public, a credit to your profession and result in continued progress for the State of California.

With a co-operative endeavor by contractors, industry, organized labor, the Contractors' License Board, and the department, I am sure that future problems occasioned by the rapid growth of the largest state in the union can be quickly resolved to the benefit of the general public.

Sincerely,

INTRODUCTION TO THE MEMBERS OF YOUR LICENSE BOARD



Robert W. Bolster

Robert W. Bolster, La Canada, Chairman of the Rules and Regulations Committee. First appointed a member of the Board on March 24, 1958. Mr. Bolster is a Plastering Contractor and is President of Robert W. Bolster Co. and the C. F. Bolster Co. He also heads up Western Acoustical Products Co. and Pacific Luminaire, an electrical contracting firm. He has served as President of the California Lathing and Plastering Contractors Association and of the Contracting Plasterers' Association of Southern California, and as a Director in the Acoustical Contractors Association of Southern California.



Mark C. Nottingham

Mark C. Nottingham, Arcadia, Vice Chairman of the Board and Chairman of the Grievances Committee. Appointed to the board on May 12, 1961. Mr. Nottingham operates the M. C. Nottingham Co., Sewer, Sewage Disposal, Drains, Cement Pipe Laying Contractors. He has extensive business interests in Southern California, the San Joaquin and Sacramento Valleys and the San Francisco Bay Area. He served on the Arcadia City Council from 1950-1954 and is Past President of the Temple City Chamber of Commerce.



Martin A. Matich

Martin Matich, Colton, Chairman of the Public Relations Committee, was appointed to the Board on January 17, 1963. Mr. Matich operates the Matich Corporation, doing heavy engineering projects, buildings of every nature together with the installation of electrical and mechanical systems. He is also President of Matich Transportation Company, Inc., which he formed in 1957. Mr. Matich is a member of numerous civic and construction associations; served on the City Council of Colton from 1957 through 1960; and, was elected Mayor of Colton by the City Council for the period 1958-1960.

Buell L. (Bill) Slater, Folsom, Chairman of the Board. Appointed a member of the Board on January 29, 1960. Mr. Slater is President of Slater Electric Company of California, Inc., a specialist in transmission lines. His firm has operated all over the country and also overseas. In later years, he has done considerable instrumentation and wiring for the missile industry. Mr. Slater is Past President of the Sacramento Valley Chapter of the National Electrical Contractors Association, Inc.



Buell L. (Bill) Slater

Alfred P. Smith, San Francisco, Chairman of the Personnel and Departmental Relations Committee. Mr. Smith was appointed to the Board on January 17, 1962, as the first Public Member. Mr. Smith is a member of Holtemann, Ord & Smith, Inc., Insurance Brokers with three offices in California. In addition the firm is a partner in the Territorial Insurance Agency in Anchorage, Alaska. Prior to his affiliation with Holtemann, Ord & Smith, Inc., Mr. Smith was Northern California Division Manager and Assistant Regional Manager in nine Western States for the Home Owners Loan Corporation, a subsidiary of the Federal Home Loan Bank System.



Alfred P. Smith

Norman P. Van Valkenburgh, Pasadena, Chairman of the Finance and Budget Committee. He was appointed to the Board on June 16, 1961. Mr. Van Valkenburgh is President of N. P. Van Valkenburgh Co., Inc., General Engineering and General Building Contractors, and specialists in oil and gas line contracting. He is also President of Vanson Inc., and Oilfield Maintenance Co., Inc. Mr. Van Valkenburgh is a Past Director of the Los Angeles Chapter of the Associated General Contractors of America, Inc.



N. P. Van Valkenburgh



Chris D. McKeon

Chris D. McKeon, San Francisco, Chairman of the Prequalification and Examination Committee. First appointed to the Board on March 12, 1941 and since then has served as Chairman of the Board during 1944-45; 1951-1952; 1958-1959; 1961-1962. Mr. McKeon operates McKeon Construction Co., builder of thousands of homes and apartments in the Bay Area. He is a Past President of the Associated Home Builders, Inc., San Francisco and Past Director of the National Association of Home Builders.



D. N. Schneider

D. N. Schneider, Fullerton, Chairman of the Legislative Committee was appointed to the Board on January 17, 1963. Mr. Schneider heads D. N. Schneider and Associates of Fullerton and is a major Southern California builder-developer. He is a Past President of the Building Contractors Association of California and is currently President of the Residential Builders Council of the BCA. He represents BCA with the Home Builders Council of California and is Secretary of that organization. Mr. Schneider is a member of the construction management advisory committee of Fullerton Junior College.

LEGISLATION

The 1963 General Session of the Legislature saw many bills introduced in both the Senate and the Assembly to amend or add to the Contractors License Law.

This session represented a milestone in one very important respect in that for the first time both labor and management worked together to secure passage of legislation for the further protection of the public in their relations with those people engaged in the construction industry and to help the industry meet its commitments in the public interest.

Because of lack of space in this issue, we will cover new legislation completely in our next issue of the *California Licensed Contractor*.

DISCIPLINARY PROCEEDINGS

Preparation of formal complaints and presentation of cases before the hearing officers was for years one of the most important duties of the field investigator and his supervisor. In the latter part of 1961 the Contractors' State License Board initiated a procedure whereby the results of the investigation and the evidence obtained were referred to the office of the Attorney General where the case was prepared and presented by a Deputy Attorney General. This policy has provided our field personnel more time for investigative work while relieving a phobia many new and inexperienced investigators had of legal proceedings. An additional benefit was in providing the agency with attorneys to cope with the legal technicalities encountered in contested hearings when respondents are represented by legal counsel.

While some bugs have been encountered during the year and a half we have been operating under this system, the overall results have demonstrated a definite upgrading in the quality of our formal proceedings. The mechanics of the relationship between the agency and the Attorney General's office are constantly under scrutiny for any improvement and have been modified recently to effect a more efficient agency control over the preliminaries in serving the accusations, setting up the hearings, and for better access to the status of a case and the information in the file.

During the first nine months of the 1962-63 fiscal year the agency completed 9,267 investigations, 2,480 of which concerned unlicensed contracting activity, 896 were in connection with applicants for license and 5,891 involved licensees.

In the unlicensed contracting field 372 were found guilty by the courts of contracting without a license, 41 were found not guilty and 115 warrants were returned to the courts because of inability to locate and serve the alleged violator.

Out of 5,891 cases involving licensees and 896 applicants for a contractors license the agency filed accusations in 611 cases and a Statement of Issues on 109 applicants for license.

During the same period 615 cases referred to disciplinary action were completed, resulting in 411 revocations, 67 suspensions, 32 licenses denied applicants, 32 licenses granted

applicants and 73 cases dismissed by the hearing office.

The four sections found to have been violated most frequently were 7113.5 adjudication of bankruptcy, 7113 failure to complete for the contract price, 7120 withholding funds and 7107 abandonment of a project. The reasons have changed very little during the past ten years, financial failures are still the major cause for disciplinary action.

AGENCY REORGANIZATION

During 1961 the Organization and Cost Control Division of the Department of Finance conducted a Management Survey of the Contractors' State License Board. This Survey was made statewide and covered all phases and operations of the Agency.

In December, 1961, the results of the survey were announced. They included recommendations for changes in many Agency functions and the majority were subsequently adopted.

The Agency administrative and investigative staffs were reorganized. The State was divided into two regions with a Deputy Registrar in charge of field operations in each area, the dividing line being the southern boundary of San Luis Obispo, Kern and Inyo counties. Each region was divided into districts, four in the north (San Francisco, Oakland, Sacramento, Fresno) and five in the south (Los Angeles, Van Nuys, Long Beach, San Bernardino, San Diego) with a Supervising Special Investigator in charge of each district.

Branch offices were established in Oroville, Redding, Modesto, Bakersfield, Santa Rosa, Eureka, San Jose, Salinas, Ventura, Santa Ana, Indio, and San Luis Obispo. Most of these offices are open part time but all have a full time answering service.

The field staff was increased and now includes 48 investigators, 19 Senior Special Investigators and 17 stenographers and clerks. There is approximately one field investigative position per 1,320 licensees.

The reorganization was designed to increase the depth and quality of supervision and control resulting in a higher quality of service to the public.

Additional changes have been made in the Central Files and Records and the Application and Examination Section.

The old kardex index cards have been eliminated and replaced by machine printed cards and these are housed in two mechanized elevator

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DEDICATION



LEO B. HOSCHLER

The staff who have labored long and arduously in putting together again the California Licensed Contractor wish to dedicate this initial effort to Leo B. Hoschler, Registrar of Contractors.

Leo was born in Akron, Iowa in 1912 and was educated there in the fields of engineering and real estate. In 1937 he became a bridge, structural, and ornamental iron worker and continued in this field until 1948 with further ventures into real estate sales work during 1939-41 and 46-47 in the Sacramento area.

Leo served in the United States Marine Corps from 1943 to 1946, was married to Bonnie Kilgore in 1948, and is the father of two children Mark, age 11, and Steve, 13. He started as an investigator for the Contractors' State License Board in 1948 assigned to the Fresno office and from 1949 to 1957 was in charge of that office and investigative personnel.

When the agency first adopted the Senior Special Investigator status for men who in an assigned area had independent responsibility for the entire investigatory program and compliance with agency policy, Leo was appointed in the Fresno office and had charge of the San Joaquin valley area from 1957 to 1961.

Appointed Supervising Special Investigator in Sacramento District office in 1961 he served as administrative assistant to Registrar John Chadwick. In November, 1961, Leo was made a Deputy Registrar and special administrative assistant to the Registrar and on January 15, 1962, he was appointed Registrar of Contractors.

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files. Open shelf filing was installed. This equipment is designed to provide a more efficient record keeping system. Numerous inquiries regarding licenses are received each day and we must reduce the length of time required in answering. Further it is intended that the index cards will be printed in triplicate with copies going to the appropriate regional and district office. Thus the field offices will have records which will be within two or three weeks of being current. This system will supplant the present use of monthly supplements to our directory which are usually several months late.

All application and licensing functions have been consolidated in the Application and Examination section. New procedures have been adopted and others revised to provide a more even and rapid flow of documents. There has been a steady increase in the work load in this section and we now process an average of 80 applications each day.

The entire reorganization program has taken considerable time to be made operative. It has enabled us to provide better service to the public and to licensees. However, lack of personnel has forced us to limit our activities in some areas. The tremendous amount of construction throughout the state plus new laws to administer has added to our work-load. Additional personnel to handle the increase will be included in the next budget request.

Greetings

After a lapse of almost ten years the Contractors' License Board again will publish the *California Licensed Contractor*. The initial printing of 5,000 copies is being distributed to the construction industry and allied organizations on our directory mailing list in the hope that pertinent and important items may be republished in the many and valuable bulletins, magazines, and other pamphlets printed by these organizations and distributed to their members and associates.

We would like to have your reaction to our bulletin. If there are matters which you believe merit space in this publication, please let us know about them. Our present plans are to put out four issues a year on a quarterly basis. It is our intention to keep our licensees and the construction industry apprised of current and important developments concerning their license and their Board. If you would like to be placed on our mailing list for future issues, please send your request to Sacramento Headquarters office and we will be happy to oblige. The attached form is for your convenience in requesting this service:

TO: Contractors' State License Board, 1020 N Street, Room 572, Sacramento 14, California.

Please send the *California Licensed Contractor* to:

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