

The CALIFORNIA LICENSED CONTRACTOR



EDMUND G. BROWN, Governor

OCTOBER 1965

HAROLD J. POWERS, Director

LEGISLATIVE REPORT

During the last session of the Legislature many bills affecting contractors were enacted, a number of which amended or added new sections to the Contractors' License Law. All 10 bills sponsored by the Construction Industry Legislative Council were passed and signed by the Governor. The new laws and amendments became effective September 17, 1965. Following is a brief resume which we hope will acquaint you with the new legislation.

Section 7018 is added and provides that on or before June 30, 1966, the board shall prescribe a form entitled "Notice" which shall describe the pertinent provisions of this state's lien laws. Each contractor licensed under this chapter, prior to receiving from the owner of property or his agent any payment for work for which a contractor's license is required, shall give a copy of this "Notice" to the payor.

Section 7028.3 is added to the Contractors' License Law and it provides that when it appears that any person who does not hold a state contractors' license has engaged in, or is engaging in, any act of transaction which constitutes a violation of the Contractors License Law, the Registrar may, either through the District Attorney or the Attorney General, apply to the superior court for an injunction restraining such person from acting in the capacity of a contractor without a license and, upon proper showing, a temporary restraining order, a preliminary injunction, or a permanent injunction, shall be granted without bond.

Section 7031 provides that no person acting in the capacity of a contractor may bring, or maintain, any action in any court of this state for the collection of compensation for work performed for which a license is required without alleging and proving that he was a duly licensed contractor at all times. This prohibition did not apply to joint ventures each of whom was individually licensed nor did it apply to a person whose license was suspended for inadvertent failure to notify the Registrar within 10 days of the disassociation of the qualifying person from the license. The section has been amended and those now suspended for failure to notify, inadvertent or otherwise, will be faced with the same prohibition in maintaining a court action as any other nonlicensee.

Section 7033 is added and provides that every city, or city and county, which requires the issuance of a business license as a condition precedent to engaging, within the city, or city and county, in a business which is subject to regulation under this chapter, shall require that each licensee, and each applicant for issuance or renewal of such license, shall file, or have on file, with such city, or city and county, a signed statement that such licensee or applicant is licensed under the provisions of this chapter and stating that the license is in full force and effect, or, if such licensee or applicant is exempt from the provisions of this chapter, he shall furnish proof of the facts which entitle him to such exemption.

Section 7044, the so-called owner-builder law, was amended and provides that an

owner of property may build or improve structures thereon provided they are not intended or offered for sale. Proof of the sale within one year after completion is presumptive evidence that the structure was undertaken for purposes of sale.

The owner of property who contracts with a licensed contractor, or contractors, is exempt. In short, this means that any person building for sale must have all of the work performed by licensed contractors.

The section further provides that the Registrar may take disciplinary action against any person whenever the grounds or

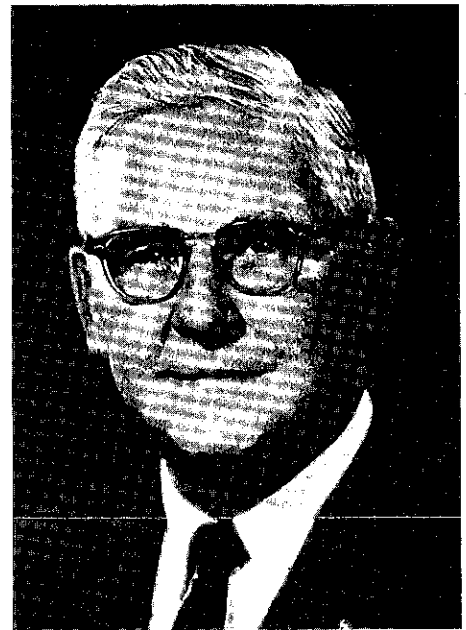
(Continued on Page 3)



CHAIRMAN OF THE BOARD

At the July meeting of the Contractors' State License Board, Mr. Norman P. Van Valkenburgh was elected chairman succeeding Mark C. Nottingham.

Mr. Van Valkenburgh, a resident of Pasadena, has been a board member since June 16, 1961. He is president of N. P. Van Valkenburgh Co., Inc., general engineering and general building contractors, specialists in oil and gas line installations and is also president of Vanson Inc. and Oilfield Maintenance Co., Inc.



VICE CHAIRMAN OF THE BOARD

Alfred P. Smith, the first public member of the board, was elected vice chairman at the July meeting. He was first appointed a board member January 17, 1962.

Mr. Smith, a native San Franciscan, is president of Holtemann, Ord and Smith Inc., insurance brokers, with offices in four northern California cities. In addition, the firm is a partner in the Territorial Insurance Agency in Anchorage, Alaska.

**THE CALIFORNIA
LICENSED CONTRACTOR**
*Official Publication of the
California Contractors' State License
Board*

OCTOBER 1965

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HAROLD J. POWERS, Director

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Compiled and Edited by:

FREDERIC H. BRUMM and
GORDON E. EATON

DISCIPLINARY ACTIONS TAKEN—4TH QUARTER—1964-65 REVOKED

Name	Address	Effective date	Violations
A Arco Company	1506 W. 186th St., Gardena	6/23/65	Sec. 7113.5
A Q Electric	115 14th St., Richmond	5/28/65	Secs. 7113.5, 7116
Alocan Construction Co., Inc.	6947 Sepulveda Blvd., Van Nuys	5/ 7/65	Secs. 7107, 7113, 7120
Arleta Electric Co.	8329 Urbana, Arleta	6/ 1/65	Sec. 7107
Assured Construction Co.	545 Gayfair Ter., Arroyo Grande	8/11/65	Secs. 7107, 7113, 7113.5 Revocation stayed with conditions
Assured Plumbing Co.	545 Gayfair Ter., Arroyo Grande	6/11/65	Secs. 7107, 7113, 7113.5 Revocation stayed with conditions
Baldwin Construction Co.	4982 Mise Ave., San Jose	4/30/65	Secs. 7113.5, 7110
Brookboro Co.	Rt. 1, 10 Ribera Rd., Carmol	4/12/65	Secs. 7107, 7109, 7120, 7113, 7108
Brash, Robert A.	725 E. Lemon, Mooroyia	4/20/65	Secs. 7107, 7109, 7110, 7113
Centinela Construction Company	5255 W. 120th St., Inglewood	6/30/65	Sec. 7113.5
Centinela Construction & Realty Co.	10418 Rommet Ave., Chatsworth	6/30/65	Secs. 7113.5, 7116
Central Valley Building and Materials Company	P.O. Box 491, Visalia	6/15/65	Secs. 7110, 7107, 7113
Chambers, Danny Elec.	6952 Santa Rita, Gardan Grove	4/20/65	Secs. 7107, 7110, 7113
Colton, Leonard	8536 Saloma Ave., Van Nuys	6/23/65	Sec. 7113.5
Conklin, Clarence W.	8481 E. Heaton, Fresno	6/30/65	Secs. 7107, 7109
Construction Equipment Co.	3729 Seneca Ave., Los Angeles	6/ 1/65	Secs. 7110, 7109, 7107, 7113, 7115
Copeland, Kyle	1304 Falcon Ave., Bakersfield	6/25/65	Secs. 7113, 7115
Courtois, Louis	239 Pragus St., San Mateo	4/ 8/65	Sec. 7113.5
Dart, Earle E.	2022 Winchester Blvd., Campbell	6/20/65	Secs. 7114, 7110, 7115, 7117
Dave's Plumbing Service	2380 E. Spring St., Long Beach	5/ 5/65	Sec. 7122.5
De La Cruz, Eugene	192 N. Sunnyvale Ave., Sunnyvale	5/ 7/65	Sec. 7113.5
Delta Cesspool and Septic Tank Service, Inc.	2028 E. 7th St., Stockton	6/ 8/65	Secs. 7112, 7122.5
Delvin, R. C.	471 W. A St., Hayward	5/ 7/65	Secs. 7107, 7108, 7112, 7113, 7119, 7120
DePedro, Lloyd L.	713 Crystal Ln., Santa Cruz	5/28/65	Sec. 7113.5
Diablo Sheet Metal Works	921 Livorna Rd., Alamo	6/ 9/65	Secs. 7108, 7120, 7111
Dilford Builders, Inc.	2427 Aram, San Jose	5/10/65	Secs. 7107, 7108, 7120
Dow's, Tom Plumbing	5412 W. Pico Blvd., Los Angeles	6/ 1/65	Secs. 7107, 7113
El Dorado Construction Company	1304 Sussex Way, Concord	6/23/65	Secs. 7108, 7116, 7113, 7112, 7114, 7120
Ericson, R. G.	P.O. Box 461, Sanger	6/16/65	Sec. 7113.5
Ewalt, M. J.	11813 Telechron, Whittier	6/ 4/65	Secs. 7107, 7113, 7114, 7117
Fanning, Elmer Masonry Construction	1056 El Centro St., Ojai	5/27/65	Sec. 7113.5
Gallerati, John F.	129 E. Betteravia Rd., Santa Maria	4/30/65	Sec. 7122.5
Glendale Wrecking Company	6513 San Fernando Rd., Glendale	5/25/65	Secs. 7113, 7120
Grantham, Ward	1506 W. 186th St., Gardena	6/23/65	Sec. 7113.5
Harris, G. H. and Sons	4305 Walnut Ave., Carmichael	5/20/65	Secs. 7107, 7120
Highland Homes Construction Co.	P.O. Box 262, Big Bear Lake	6/15/65	Sec. 7113.5
Holiday Landscaping	1709 Hydrangca Ln., San Jose	5/28/65	Sec. 7113.5
Home Beautiful	1140 Passler Ave., Pacifica	6/ 1/65	Sec. 7113.5
Huddleston, Charles G.	205 Seenic Ave., San Anselmo	4/28/65	Secs. 7113.5, 7110
Huit, Ralph J., Sr.	1317 Riviera Dr., Sacramento	6/ 8/65	Secs. 7108, 7107, 7110, 7113, 7116, 7120
Interior Wood Works	35 Brannan St., San Francisco	4/21/65	Secs. 7107, 7108, 7109, 7113, 7115, 7117, 7120
JNL Enterprises	130 W. Beach, Inglewood	5/28/65	Sec. 7121
K & C Plastering Incorporated	2100 W. Ball Rd., Anaheim	4/14/65	Sec. 7122
Kelmont, Inc.	P.O. Box K, Staterline	6/22/65	Secs. 7120, 7108, 7116, 7115
Kerber, Robert J., Co.	2710 Morse Ave., Sacramento	5/18/65	Sec. 7095
Korber-Severtson and Associates	1095 Fulton Ave., Sacramento	5/25/65	Secs. 7113, 7120
Larsen, C. L.	1114 S. Rosewood Ave., Inglewood	4/ 2/65	Secs. 7107, 7120, 7113.5
Lindero Construction Company	851 N. Rose, Burbank	6/ 1/65	Sec. 7113.5
Lindquist, Anton S., Plumbing Co.	3523 West St., Redding	6/15/65	Secs. 7113, 7120, 7116
Litcorete Construction Corp.	1311 Pine St., Martinez	4/20/65	Secs. 7112, 7120
Mac's Heating and Air Conditioning Sales and Service	727 8th St., Bakersfield	4/20/65	Sec. 7113.5
Mallory, Nicholas E.	4186 Bouton Dr., Lakewood	5/ 5/65	Sec. 7113.5
Mattingly, Richard	5200 Linda Ln., Santa Rosa	4/ 5/65	Sec. 7122.5 Revocation stayed with conditions
McClelland, James dba Fine Art Iron Works	2906 Main St., Chula Vista	4/12/65	Sec. 7113.5
McKenzie Plastering Co.	4309 E. Brown, Fresno	6/20/65	Sec. 7113.5
Medalion Home Imp. Co., Inc.	400 W. Alameda Ave., Burbank	4/27/65	Sec. 7098
Nelson, W. F., Co.	P.O. Box 990, Martinez	4/16/65	Sec. 7122.5
Northway Electric Co.	15619 Index St., Granada Hills	6/ 1/65	Sec. 7113
Orbit Builders	6209 S. Vermont Ave., Los Angeles	4/ 1/65	Secs. 7113, 7120
Owen, J. P., Roofing Co.	1129 E. Ave. R4, Palmdale	6/15/65	Secs. 7113, 7109 Revocation stayed with conditions
Quality Patio Co.	6789 Via Media Cir., Buena Park	5/19/65	Secs. 7107, 7113, 7114, 7115, 7116, 7120
Raines Roofing	10348 Bret Ave., Cupertino	6/ 9/65	Secs. 7108, 7113, 7120, 7111, 7115, 7110, 7113.5
Ra-Jo Construction Co.	797 Vasona St., Milpitas	6/23/65	Secs. 7112, 7114, 7117
Reliable Residential Enclosures	P.O. Box 764, Perris	4/30/65	Sec. 7114
Resort Builders	2816 Rowena Ave., Los Angeles	6/15/65	Secs. 7113, 7120, 7107
Roberts Glass Co.	7501 Deering Ave., Canoga Park	5/21/65	Sec. 7112
Russell, James Grover, General Contractor	20170 Klyne St., Corona	5/25/65	Secs. 7120, 7115
S and S Construction	16052 Acre St., Sepulveda	5/10/65	Sec. 7098
Sarra, Ralph	946 W. Rosewood Ct., Ontario	6/17/65	Sec. 7122.5
Sephus and Son Builders	10916 Santa Rosa, Lamont	5/10/65	Sec. 7098
Sherfield Electric Co.	1545 N. 8th, Fresno	6/22/65	Sec. 7110
Smith, Robert D.	638 S. Lassen St., Willows	6/ 8/65	Sec. 7113.5
Sunlay Pools Corporation	610 Monument Blvd., Concord	4/20/65	Sec. 7112
Swickard, Ivan N.	2022 Merle Dr., Redding	4/ 6/65	Sec. 7113.5
Tecoo Engineering	124 S. Orange, Rialto	5/10/65	Sec. 7098
Thompson, Ed. Floors	2508 Catalina Dr., Sacramento	6/ 9/65	Secs. 7113.5, 7112
Tinkham, K. R., Construction	124 S. Orange, Rialto	5/ 4/65	Sec. 7113.5
United California Builders and Contractors Valley Painting	14440 Magnolia Blvd., Van Nuys	6/22/65	Secs. 7113, 7120
Walker, Kenneth C.	7324 Cleon Ave., Sun Valley	5/ 7/65	Sec. 7112
Walker, John A.	12255 Houston Ave., Hanford	6/ 8/65	Secs. 7108, 7120
Warhan, Perry O. dba AAAA Septic Tank Service	11501 Saticoy, North Hollywood	6/15/65	Secs. 7113, 7107, 7111
Warhan, Perry O. dba AAAA Septic Tank Service	2028 E. 7th St., Stockton	6/ 8/65	Secs. 7123, 7112
West Coast Pools	1410 El Camino, Santa Clara	5/24/65	Secs. 7108, 7111, 7112, 7114, 7120

Western Pacific Mechanical Contractors, Inc.	532 Monterey Pass Rd., Monterey Park	5/21/65	Secs. 7107, 7113
Williams Heating & Cooling Co.	8142 Cherry Ave., Fontana	5/27/65	Sec. 7113.5
Wilson, E., Construction Co.	1700 Westwood Blvd., Los Angeles	4/ 1/65	Secs. 7113.5, 7110
Wood, E., Drywall	1645 Orchard View Dr., San Jose	5/19/65	Secs. 7114, 7117, 7113.5
Wyrembek, Walter John	2042 Midvale Ave., Los Angeles	5/25/65	Sec. 7113
Yell, J. B., Contractor	6920 8th Ave., Elie Linda	5/20/65	Secs. 7107, 7109, 7113, 7119
Young, James W.	32957 Pueblo Trail, Palm Springs	4/20/65	Sec. 7113.5

Legislative Report

(Continued from Page 1)

cause for disciplinary action arose on any project undertaken by him as a licensee. This will give the Registrar jurisdiction in those cases where the licensee deals with the developer and has no contractual relations with the home owner.

A new section numbered 7067.5 has been added to the Contractors' License Law which requires every applicant for an original license, except joint ventures, for the reactivation of an inactive license, or for the reissuance or reinstatement of a revoked license to be financially solvent. The Registrar may deny the application of those who fail to comply with this requirement.

The Registrar will have a standard simplified form questionnaire prepared to be submitted with the application and may require a certified financial statement prepared by a certified public accountant, or by a public accountant, as a condition to accepting and processing an application. To be eligible for issuance of a license, an applicant's total assets must exceed his total liabilities.

A further provision in this section gives the Registrar the authority to require any licensee under an investigation which could result in disciplinary action to provide a current certified financial statement prepared by a certified public accountant or a public accountant.

The information in the financial statement is confidential and not a public record but, where relevant, shall be admissible as evidence in any administrative hearing or judicial proceeding. The statement may be destroyed after a period of five years.

Section 7068.2 was amended and now provides that when the qualifying person for a license ceases, for any reason, to be connected with the individual or firm to whom the license is issued, the Registrar must be notified within 30 days from such cessation. Formerly notification had to be made within 10 days. If notice is not given within the prescribed 30 days, the license will be automatically suspended at the end of the 30-day period.

Section 7071.5 requires that any person who has been disciplined must furnish a bond of not less than \$3,000 or more than \$10,000 prior to reinstatement of his license. It further sets forth that such bond shall be for the benefit of those damaged as a result of a violation of the Contractors' License Law and has also been amended to include employees of the licensee damaged by the licensee's failure to pay wages or fringe benefits.

Section 7071.6 provides for action at law for those making claim against a bond. This section has been amended and eliminates any reference to voluntary payments made by the surety or the licensee. Section 7071.6 also requires that action against a bond must be brought within two years after the expiration of the license period, or periods, for which a bond or cash deposit has been provided. Licensees posting cash, certificates of deposit, investment certificates, share accounts, or bearer bonds should note that such deposits cannot be returned within the period during which a claim may arise.

Section 7074, which sets forth the conditions under which an application for an original license becomes void, was amended

(Continued on Page 4)

DISCIPLINARY ACTIONS TAKEN—4TH QUARTER—1964-65

SUSPENDED

Name	Address	Effective date	Violations
Ace Electric Company	804 W. Saginaw, Fresno	6/23/65	Secs. 7097, 7121 For 60 days
Allen, Bill	5440 E. Leavy Rd., Sacramento	4/ 1/65	Secs. 7113, 7120 For 30 days
Aloisio, George John	8900 Monogram Ave., Sepulveda	5/ 7/65	Secs. 7113.5, 7122.5 For 6 months
Artie Sales and Service, Inc.	4063 Radford Ave., North Hollywood	6/ 8/65	Secs. 7109, 7113 For 90 days; stayed with conditions
Bartosh Heating & Air Conditioning	1550 S. Myrtle, Monrovia	4/16/65	Secs. 7109, 7110, 7113 For 90 days
Byson, Clarence G.	1141 N. Garey Ave., Pomona	5/25/65	Sec. 7122.5 For 90 days
Cioli, Albert	1921 Curtis, Redondo Beach	4/14/65	Sec. 7113.5 For 30 days
Cococimiglio, Orlando	662 Palm Ave., Martinez	4/20/65	Secs. 7112, 7122.5 For 60 days
Collins, Bill, Co.	2360 E. Spring St., Long Beach	5/ 5/65	Sec. 7122.5 For 90 days
Cook, Robert J.	P.O. Box 281, Aptos	5/28/65	Secs. 7122, 7122.5 For 60 days
Craig, Glen B.	205 Frederick St., Santa Cruz	4/ 6/65	Sec. 7113.5 For 120 days
Crown Roofing Co.	707 N. Villa, Fresno	5/ 7/65	Sec. 7113.5 For 30 days; suspension stayed permanently
Davidson, Clifton E., Jr.	4189 Krolap Rd., Castro Valley	4/12/65	Sec. 7122 For 60 days
Davidson, Darrell C.	10415 Greenview Dr., Oakland	4/12/65	Sec. 7122.5 For 60 days
Domingue, Damen	P.O. Box DD, Stateline	6/22/65	Sec. 7122.5 For 180 days
Dura Marble	4222 W. Roberts Dr., Santa Ana	5/21/65	Sec. 7113.5 For 90 days
Economy Plastering	2409 Hauser Blvd., Los Angeles	5/26/65	Secs. 7113, 7120 For 6 months
Esquire Lighting Co.	8168 Casa Loma Dr., San Bernardino	5/ 4/65	Secs. 7115, 7068.2 For 6 months
Freeman, Bruce	9519 Danby Ave., Santa Fe Springs	5/ 7/65	Sec. 7122.5 For 90 days
Fulfer, Glen E.	620 Edgewood Rd., Auburn	6/ 8/65	Sec. 7113.5 For 15 days; suspension stayed permanently
Gibson and Wilson Plumbing Contractor	3213 Columbus Ave., Sepulveda	4/ 1/65	Sec. 7122.5 For 90 days
Hamilton, Mel, Electric	1021 E. Raymond St., Upland	5/ 4/65	Sec. 7113.5 For 100 days
Harris, L. L., General Building Contractor	1412 17th St., Santa Monica	6/17/65	Sec. 7114 For 1 year
Hefner, Charles	7467 Henrietta Dr., Sacramento	4/ 1/65	Sec. 7113.5 For 30 days
Hineckley, Earl M.	804 W. Saginaw, Fresno	6/23/65	Sec. 7120 For 60 days
Hineckley, Earl M. and Marshall B. and Associates	804 W. Saginaw, Fresno	6/23/65	Secs. 7097, 7121 For 90 days
Hinsley, John, Plbg.	2638 DeVoy Dr., Anaheim	6/17/65	Secs. 7107, 7113 For 180 days; stayed with conditions for 5 years
Johnson, E. S. & N. S.	3371 Hermosa Pl., Fullerton	4/20/65	Sec. 7122.5 For 30 days
Kestle, John J.	3741 W. 173rd St., Torrance	4/14/65	Sec. 7113.5 For 30 days
Krahl Painting and Decorating	1236 Lagoon Ave., Wilmington	5/ 7/65	Sec. 7113.5 For 9 months
Lonack, Maurice	4063 Radford Ave., North Hollywood	6/ 8/65	Sec. 7122 For 90 days; stayed with conditions
Linderman, Jack K.	914 N. Center St., Stockton	5/ 6/65	Sec. 7110 For 90 days
Lovelace, William George, Building Contractor	717-B N. Milpas St., Santa Barbara	6/22/65	Sec. 7113.5 For 90 days
Mackey, Wayne	8015 Corbin Ave., Canoga Park	5/ 7/65	Sec. 7122.5 For 30 days
Massey, Warren dba Ce De Co.	P.O. Box 3282, San Leandro	6/25/65	Sec. 7113.5 For 270 days
Matillo Bros.	8242 Poinsettia Dr., Buena Park	4/22/65	Sec. 7112 For 15 days
Matillo Plumbing & Heating, Inc.	4861 Main St., Yorba Linda	4/22/65	Sec. 7122.5 For 15 days
McGuire, Wendell, General Building Contractor	517 Freya Way, Pleasant Hill	4/16/65	Sec. 7113.5 For 30 days
Meldinger, Walter J.	2925 Willow Rd., San Pablo	5/28/65	Secs. 7120, 7111, 7108, 7115 For 180 days; all except first 30 days stayed permanently
Moosic, A. W.	5656 Buffalo Ave., Van Nuys	5/21/65	Sec. 7113.5 For 90 days; suspension stayed with conditions
Null, Norman H.	110 Oak Rim Ct., Apt. 19, Los Gatos	5/28/65	Secs. 7108, 7120 For 60 days; all except first 15 days stayed with conditions Reinstated 6/28/65

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NOTIFY TIMELY

The Contractors' License Law now provides for a uniform 30-day period during which notification must be made of the disassociation of a responsible managing employee or responsible managing officer or of the death of a partner or individual licensee if the license is to continue in force. This 30-day period dates from the actual date of disassociation or death. There is no provision in the law for an extension of time.

When timely notice of the disassociation of the responsible managing employee or responsible managing officer is not made, the license is automatically suspended and will be reinstated only upon the filing of an application and the qualifying of another individual.

If notice of the death of a partner or individual licensee is not given within the prescribed 30 days, continuation of the license is not permissible.

With the obvious importance a valid license holds when a contracting business must continue in operation, every licensee would be wise to provide for such exigency.

Those responsible for framing the amendments to Sections 7068.2 and

7076 were well aware of the many problems facing a contractor, his associates or his family and particularly when a death has occurred. That proper notification to the Contractors' State License Board is overlooked is understandable. It is thought that extending the period to 30 days from the former 10 would assure every licensee or his survivors ample time in which to provide for an orderly continuation of the business.

Notice to Licensees

The Registrar of Contractors under the provisions of Section 7082 of the Contractors' License Law is authorized to publish and disseminate to licentiates of the board and to public officials or other persons interested in or allied with the building and construction industry, such information with relation to the administration and enforcement of this law as he deems necessary to carry out its purpose.

This edition of the California Licensed Contractor contains a legislative summary which the Registrar considers of such importance as to warrant general distribution to all licensees.

In the past this bulletin has been published on a quarterly basis with a limited distribution to the construction industry and allied organizations on our directory mailing list. We would like to know how many of our licensees have found this issue of value and are interested in receiving future copies. If you would like to be placed on our mailing list, please complete and return the attached form to our Sacramento Office.

To: Contractors' State License Board, 1020 N Street, Room 579, Sacramento 95814

Letters to the Registrar

Contractors State License Board 8/30/65
 1020 N Street, Room 579, Sacramento

Gentlemen:

As per your instructions, in order to qualify for the issuance of a Contractors License, attached are the following:

1. Our check #14254 for \$30 to cover Initial License Fee,
2. Our License Bond by Travelers Indemnity Co. for \$1,000,
3. Your letter of August 6, 1965, advising we had qualified.

We would like to express our admiration for the manner in which you test and screen applicants for Contractors Licenses. The administration of your regulations cannot help but maintain a higher quality contracting industry for the benefit of the public.

Sincerely yours,

Please send the California Licensed Contractor to:

Name of individual or firm

Street address

City State Zip Code

Name	Class	Grounds	Date denied
Temperature Control Co.----- P.O. Box 993, Ojai	C 20	7069a	3/15/65
Town & Country Electric Co.----- 4501 Rutgers Way, Sacramento	C 10	7069a	5/19/65
Trace Electric----- 7712 Juliette Low Dr., Huntington Beach	C 10	7069a	4/13/65
Trost, R. D., Housemover----- 306 Smith Ln., Concord	C 21	7069a	5/28/65

UNLICENSED CONTRACTORS

During the 1964-65 fiscal year, this agency conducted 4,860 investigations into alleged unlicensed contracting activities. In 1,615 instances, we established sufficient evidence of a violation of the Contractors' License Law. All of these cases were referred to the appropriate prosecuting authority.

Criminal complaints were filed in 987 cases. Of the 642 cases which were brought to trial, only 59 defendants were found not guilty. Sentences for the guilty ranged from probation to fines and county jail terms.

Whatever the sentence, it is a strong deterrent in that the violation is now a matter of record and a second offense can bring a fine of \$1,000, imprisonment in the county jail for six months, or both.

In 345 cases, warrants were issued, but the defendants had disappeared and the warrants could not be served. However, these warrants may remain on file indefinitely. Once the warrant is issued, the statute of limitations does not continue to run and the defendant may be apprehended and brought to trial at any time in the future. We have had many cases in which the defendant was arrested for a traffic or other violation, and a search of the records disclosed the outstanding warrant.

Although contracting without a license is not a crime involving moral turpitude, it is a misdemeanor and as such, any conviction becomes a matter of criminal record in the local jurisdiction and in the files of the Bureau of Criminal Identification and Investigation.

At one time or another, almost everyone is required to answer questions relative to past arrests or convictions. This may occur when seeking employment, obtaining a passport or applying for a license in numerous trades and professions. The majority of people are most reluctant to admit to a past record of this nature.

ACTION AGAINST BOND

Now that all licensees actively engaged in business are required to have a bond or cash deposit on file the question is being asked how do we file a claim and recover from this bond or cash deposit.

It should be obvious that the first consideration is whether or not the basis for the claim will properly come within the terms of the bond which is specifically for the benefit of any person damaged as a result of a violation of Chapter 9, Division 3 of the Business and Professions Code, any person damaged by fraud of the licensee in the execution or performance of a contract and any employee of the licensee damaged by the licensee's failure to pay wages or fringe benefits.

The second determination is whether or not the claim arose during the period the bond was in effect. It is not sufficient that the bond be on file at the time the claim is made, it must have been in effect at the time the cause of action arose. Most of the licensee bonds have been in effect only since July 1, 1965, and claims for acts or omissions of a licensee prior to that date will probably not be applicable to the bond.

When it has been determined the basis for the claim arose during the period in effect and is within the terms of the bond the next step is how to proceed. Section 7071.6 of the code provides that any person claiming against any bond or cash deposit may maintain an action at law against the licensee and the surety or cash depository. The 1965 General Session of the Legislature removed the provision whereby the surety if they so desire, could make payment without court action, or for the licensee to authorize the cash depository to pay the claim, for obvious reasons. It therefore becomes mandatory for any person claiming against the bond or cash deposit to bring an action at law

diverts the funds to a use other than that for which the funds were received, shall be guilty of a public offense and punishable by a fine not exceeding five thousand dollars (\$5,000), or by imprisonment in the state prison not exceeding five years, or in the county jail not exceeding one year, or by both such fine and such imprisonment if the amount diverted is in excess of ten thousand dollars (\$10,000). If the amount diverted is less than ten thousand dollars (\$10,000), the person shall be guilty of a misdemeanor. To constitute a diversion within the meaning of this section, the diversion must result in a reduction of the value of the owner's equity in his property or a reduction in the value of the security for the loan which provided such construction funds.

484c. Any person who submits a false voucher to obtain construction loan funds and does not use the funds for the purpose for which the claim was submitted is guilty of embezzlement.

532e. Any person who receives money for the purpose of obtaining or paying for services, labor, materials or equipment incident to constructing improvements on real property and willfully rebates any part of the money to or on behalf of anyone contracting with such person, for provision of the services, labor, materials or equipment for which the money was given, shall be guilty of a misdemeanor; provided, however, that normal trade discount for prompt payment shall not be considered a violation of this section.

against the licensee and the surety (cash depository.

The procedures with respect to bonding companies are matters beyond our control; however, with respect to claims against the cash deposited with the board under one of the alternatives set forth in Section 7071.7 the Registrar of Contractors has developed certain preliminary steps.

Unfortunately, the applicable law in question does not specify with particularity a procedure for determining the validity or priority of claims and which relieves our agency of liability for failure to cover all possible claimants. In view of these omissions in the statute, our legal counsel has advised that settlement of claims and distribution of funds be done pursuant to court order.

Anyone contemplating filing a claim against either a bond or a cash deposit should write to the headquarters of the Contractors State License Board at 1020 N Street, Sacramento, to determine the type of pledge on file and the period during which it is effective as a preliminary step. Sufficient information should be included to indicate the basis for the claim and the amount of the damages.

Legislative Report

(Continued from Page 3)

to include the application of a person who fails to file the required bond or cash deposit within six months after having been notified to do so.

Section 7076 was amended to cover the license status of deceased licensees as well as partners in a licensed copartnership. This section allows the surviving partners, in the case of a copartnership, and a member of the immediate family of the licensee, in the case of an individual license, to continue the business for a reasonable time—to be determined by rules of the board; provided, application for permission to continue is made to the Registrar within 30 days after the death of the licensee or partner and such application is approved by the Registrar.

Section 7110 was amended to include a violation of the Unemployment Insurance Code of the state as a cause for disciplinary action.

In addition to the amendments and additions to the Contractors' License Law, legislation was passed which provided for misdemeanor and felony charges for certain acts as follows:

Section 119 is added to the Business and Professions Code and provides that any person who does any of the following is guilty of a misdemeanor:

- (a) Displays or causes or permits to be displayed or has in his possession any canceled, revoked, suspended fictitious or fraudulently altered license, or any document simulating a license or purporting to be or to have been issued as a license.
- (b) Lends his license to any other person or knowingly permits the use thereof by another.
- (c) Displays or represents any license not issued to him as being his license.
- (d) Fails or refuses to surrender to the issuing authority upon its lawful demand any license which has been suspended, revoked, or canceled.
- (e) Permits any unlawful use of a license issued to him.
- (f) Photographs, photostats, duplicates, or in any way reproduces any license or facsimile thereof in such a manner that it could be mistaken for a valid license, or displays or has in his possession any such photograph, photostat, duplicate, reproduction, or facsimile unless authorized by the provisions of this code.

As used in this section, "license" includes "certificate," "permit," "authority," and "registration" or any other indicia giving authorization to engage in a business or profession regulated by this code or referred to in Sections 1000 and 3600.

Sections 484b, 484c, and 532e were added to the Penal Code as follows:

484b. Any person who receives money for the purpose of obtaining or paying for services, labor, materials or equipment and willfully fails to apply such money for such purpose by either willfully failing to complete the improvements for which funds were provided or willfully failing to pay for services, labor, materials or equipment provided incident to such construction, and wrongfully

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DISCIPLINARY ACTIONS TAKEN—4TH QUARTER—1964-65

SUSPENDED—Continued

Name	Address	Effective date	Violations
Pakter, Morris	172 Palm Ave., San Francisco	6/ 9/65	Secs. 7107, 7109, 7113 For 45 days
Palmer, Ben, Electric	2115 Lavan St., San Bernardino	5/ 4/65	Secs. 7116, 7068.2 For 3 months; suspension stayed with conditions
Potter, Walter E.	P.O. Box 3071, Quartz Hill	6/30/65	Sec. 7113.5 For 60 days
Schneider, Morton	13167 Ortlely Pl., Van Nuys	6/ 8/65	Sec. 7122.5 For 60 days; stayed with conditions
Sherman, Richard A.	12302 Sarah St., Studio City	6/18/65	Secs. 7109, 7117 For 60 days
Shoreline Decorating Co.	4231 Howe St., Oakland	6/16/65	Secs. 7119, 7107, 7109, 7113 For 90 days
Smith, Eddy, Plastering	1203 E. 150th, Compton	5/ 6/65	Secs. 7111, 7122, 7122.5 For 90 days
Stange, Hans K.	54 E. 40th, San Mateo	4/21/65	Secs. 7115, 7117 For 60 days
Tailor Made Fence Company	242 W. Duarte Rd., Monrovia	5/14/65	Sec. 7110 For 15 days; stayed with conditions
Thomas, M. D.	34265 El Molino St., Capistrano Beach	5/20/65	Secs. 7114, 7117 For 6 months
Tonkin, Ken	634 N. Highland Ave., Los Angeles	6/22/65	Sec. 7122.5 For 120 days; stayed with conditions
Van Ness House Moving Co.	18 Alta Loma Dr., Vallejo	5/28/65	Secs. 7117, 7114, 7111 For 300 days
Weeks, Carlton H., Builder	P.O. Box 554, Farmersville	6/16/65	Sec. 7122.5 For 1 year
Wilson, Earl, General Contractor	9213 Columbus Ave., Sepulveda	4/ 1/65	Sec. 7122.5 For 90 days
Wodtke, William Roy	8561-C Central Ave., Stanton	4/16/65	Sec. 7110 For 10 days
Wood, Earl C., General Contractor	1645 Orchard View Dr., San Jose	5/19/65	Secs. 7114, 7117, 7113.5 For 180 days

DISCIPLINARY ACTIONS TAKEN—4TH QUARTER—1964-65

DENIED

Name	Class	Grounds	Date denied
Air-Kool Patios 22858 Grand St., Hayward	C 53 SB 1	7060a and b	5/ 7/65
Carradine Construction 730 Matagual Dr., Vista	C 53 SC 61	7069a	6/17/65
Delta Tile Company 2221 Meado Ave., Stockton	C 54	7060a	5/18/65
Desert Construction Co. P.O. Box 8572, Los Angeles	B 1	7069a	5/11/65
Durham, Gene 508 E. Hillside Cr., No. 4, San Mateo	C 33	7102	6/18/65
Elegant Contractors 492 Moorheaven Dr., Gardena	C 35	7069a	5/ 6/65
Gertler, P. B. 9641 Cresta Dr., Los Angeles	B 1	7069a, b, d	2/26/65
Gibson, Don Dewey, Co. 719 N. Eureka St., Redlands	C 42	7069	5/ 4/65
Glascok, Robert 3945 Wallace Rd., Santa Rosa	B 1	7069a	4/ 5/65
Hapeman, Clark M. P.O. Box 257, Palm Desert, Riverside	C 36	7069a	5/25/65
Heston, Thomas, dba Alameda Painting Company 849 Laurel St., Alameda	C 33	7069a	5/28/65
K and U Painting & Decorating 1230 Lagoon Ave., Wilmington	C 33	7069a	5/ 7/65
Leoper, D. C. 1178 E. Centro Dr., Ojai	C 12	7069 7069a	4/13/65
Lewis, S. J. 2032 16th St., Oroville	B 1	7069	5/26/65
Martino, Augie, Tile Co. 1436 S. Blackstone, Tulare	C 54	7069a	5/19/65
Northington, Bill 3680 Wilmarth Rd., Stockton	B 1	7069	5/19/65
Oderkirk, Victor C. 7271 9th St., Apt. 4, Buena Park	B 1 SC 58	7102	4/13/65
Rouse, M. J. 5424 1/2 Fair Ave., North Hollywood	B 1	7069a	6/ 4/65
S & T Construction Corporation 3145 Almont Ave., Martinez	B 1	7069a	4/20/65
Shook, Roy D. 114 E. Trusslow St., Fullerton	C 36	7069a	4/14/65
Simmons, D. D., Concrete Contracting 755 Banff, San Jose	C 8	7069a	6/23/65
Southland Electric 6110 Belle Ave., Buena Park	C 10	7069d	4/20/65
Smith, James Franklin, dba S & S General Contractors c/o Alpino Homes Inc., Hwy 89, Tahoe Valley	B 1	7069a	6/23/65