



THE CALIFORNIA LICENSED CONTRACTOR

RONALD REAGAN, Governor

OCTOBER 1971

LEIGHTON HATCH, Director



California's progress and growth depend in large measure upon the quality of its business community. We have long been proud of the caliber of our business and professional leaders.

Of equal importance to the volume of business transacted in this state is the candor and integrity with which that business is conducted. Your actions have great impact on the lives of every Californian.

Congratulations to each of you who have met the high standards required by the Contractors' License Law, and best wishes for your continued success.

Sincerely,

RONALD REAGAN
Governor

IMPORTANT NOTICE

CONTRACTOR'S BOND INCREASED

Sections 7071.6 and 7071.9 of the Contractors License Law were amended during the current session of the Legislature and will become law sixty days after adjournment. On January 1, 1972, all contractors will be required to file or have on file a Contractor's Bond in the sum of twenty-five hundred dollars (\$2,500) or in lieu of a cash deposit in the amount of twenty-five hundred dollars (\$2,500). Any contractor whose license is qualified by a Responsible Managing Employee will also be required to file a Bond Of Qualifying Individual in the sum of twenty-five hundred dollars (\$2,500) or in lieu of a cash deposit in the sum of twenty-five hundred dollars (\$2,500). This change in the law not only increases the amount of the bond, but for the first time clearly requires the holder of a license to file the prescribed bond or alternative cash deposit. Every licensee who fails to comply with this section of law will be suspended effective January 1, 1972.

This increase does not apply to disciplinary bonds presently on file. However, Section 7071.8 of the Contractors License Law sets the amount of such disciplinary bonds at not less than three times nor more than ten times the amount of the contractor's bond. After January 1st, any application for a license or for restoration of a license by any person or firm whose license has been suspended or revoked will require a minimum bond in the amount of seventy-five hundred dollars (\$7,500) up to a maximum of twenty-five thousand dollars (\$25,000) in addition to the \$2,500 contractor's bond.

At press time it is still possible all licenses, including inactive, may be required to file the \$2,500 bond or cash deposit on January 1, 1972.



With this new edition of the "The California Licensed Contractor", I want to take this opportunity to officially greet you as the Director of the Department of Consumer Affairs (formerly the Department of Professional & Vocational Standards).

As Director of our newly reorganized Department of Consumer Affairs, I intend to offer utmost support by working closely with your Contractors' State License Board. We anticipate this Board will continue to be among the leaders in our increased efforts to promote and protect the interests of the consumer public.

The objectives of the Department of Consumer Affairs are to promote and safeguard the interests of the consumer in the marketplace; to protect the public health, general welfare, and safety by licensing only persons and firms of demonstrated knowledge and

Continued on Page 2

**THE CALIFORNIA
LICENSED CONTRACTOR**

*Official Publication of the
California Contractors State License
Board*

October 1971

Published monthly in Sacramento by the
Contractors State License Board, 3221 50th
Department of Consumer Affairs

STATE OF CALIFORNIA
RONALD REAGAN, Governor
LEIGHTON HATCH, Director
CONTRACTORS' STATE LICENSE BOARD

W. DANIEL ELLISON
Secretary

REGINA M. HERRINGTON
Assistant Secretary

ROBERT W. ANDERSON
Assistant Secretary

W. HENRY SPENCER
Assistant Secretary

W. DANIEL ELLISON
Assistant Secretary

**IMPORTANT INFORMATION
FOR HOME IMPROVEMENT
CONTRACTORS**

Public concern on behalf of the consumer has brought about changes in the Contractors' License Law which are aimed at correcting abuses connected with remodeling, home improvement and swimming pool contracts including false and deceptive advertising and the conduct of salesmen.

Section 7159 requires that practically all home improvement contracts contain specific information, i.e. name, address and license number of the contractor and the name of the salesman who negotiated the contract; the approximate date of start and completion; a description of the work, materials and agreed contract price; number and due date of payments with the amount of each including all finance charges and a description of any collateral security taken for the owners' obligation under the contract.

The contract must be legible and shall clearly describe any other document which is to be incorporated and before any work is done the owner must be furnished a copy signed by the contractor.

Section 7116.2 of our law prohibits the use of any false, misleading or deceptive advertising as an inducement to enter into any contract for home improvement. This section also prohibits the making of any substantial misrepresentation or false promise in the procurement of a contract for home improvement, any fraud in the execution of or in the material alteration of any contract, trust deed, mortgage, promissory note or other document connected with a home improvement contract and preparing or accepting any trust deed, mortgage or promissory note with the knowledge that it specifies a greater monetary obligation than the contract price.

Advertising home improvements with the intent not to accept contracts at the price which is advertised or making statements which are false, deceptive or misleading is prohibited by this section.

Any person who is induced to enter into a home improvement contract in

Continued on Page 4

The Registrar's Corner

The Contractors' State License Board, the Registrar and the staff are pleased that after an absence of five years, The California Licensed Contractor is again being published.



We believe that this issue and following publications will inform you of the highlights concerning the licensing and regulation of contractors by the Contractors' State License Board, and will provide other information which should be of interest to the many persons and organizations having some affiliation with the great construction industry in California.

It should be of particular interest to all licensees, active and inactive, as a media both instructive and informative and, we hope, enjoyable reading.

Leighton Hatch
Registrar of Contractors

From the Director—Continued from Page 1
abilities to perform services for the public; and to discipline those licensees who fail in their public trust.

Your cooperation in this endeavor will be greatly appreciated.

Cordially,

L. Hatch
LEIGHTON HATCH
Director



W. Daniel Larsen

W. Daniel Larsen, San Diego, Chairman of the Board, was appointed by Governor Reagan on February 12, 1968. A General Building Contractor, he is Vice-President and Responsible Managing officer of F. E. Young Construction Co., Inc., General Building and General Engineering contractor. Dan Larsen has been in the construction business since graduation from Berkeley with a Civil Engineering Degree in 1951. He worked for his father before going into business for himself in 1961. He is Vice Consul of Denmark for the San Diego area, Past President of the San Diego Consular Corp, Past President of the San Diego Chapter of Associated General Contractors and Past President of the San Diego University Club.



Michael J. Hermreck

Michael J. Hermreck, Nipomo, Vice Chairman of the Board, was appointed by Governor Reagan on March 26, 1969. A General Building Contractor, he is President of M. J. Hermreck Inc., General Engineering Contractors. He is a Director of the American Road Builders Association, a Past President of the Engineering and Grading Contractors Association, Past President of the Heavy Engineering Chapter of E. G. C. A. and is presently a member of the Plans and Specs Committee and Chairman of the Legislation Committee for this association. He has served on the San Luis Obispo Grand Jury, twelve years as a member of the Nipomo School Board and is a member of the Central Coast Regional Advisory Board for the California Council of Criminal Justice.



James L. Bernoudy

James L. Bernoudy, Los Angeles, appointed by Governor Reagan on April 24, 1969, the first black member of the Board, is an Electrical contractor. He is President of Marvel Electric Company and the owner of several other firms licensed to do mechanical work as well as general building. Jim Bernoudy is a Director and Past President of the American Building Contractors Association and was instrumental in the involvement of the ABCA in securing bonds for minority contractors. He was the first and only black officer of the National Home Improvement Council and its President in 1965. He is the Secretary-Treasurer of the loan committee of the Los Angeles Association of General, Sub and Specialty Contractors, whose primary purpose is to provide working capital and bonding capability for minority contractors. In April of 1971, he was appointed by President Nixon to the White House California on Youth.



Norman T. R. Heathorn

Norman T. R. Heathorn, Hayward, appointed to the Board February 8, 1968 is a Warm Air-Heating, Ventilating and Air-Conditioning Contractor. He is the President of N. V. Heathorn Inc., Oakland, a firm founded by his father in 1932 and active in architectural sheet metal work and mechanical contracting. Tom Heathorn holds a Bachelor of Science degree in mechanical engineering from Massachusetts Institute of Technology. He served as Chairman of the Board during the 1970-71 fiscal year.



J. Frank Park

J. Frank Park, Los Angeles, appointed to the Board on May 11, 1970 is a Warm-Air Heating, Ventilating and Air-Conditioning contractor. He is the President of Western Air and Refrigeration Inc., Mechanical and General Building Contractors. A Director and former President of the Air-Conditioning and Refrigeration Contractors Association of Southern California, prominent in civic activities, Mr. Park is a registered mechanical engineer, one-time Associated General Contractor Director, President of the Sheet Metal and Cooling Contractors Association and President of the American Society of Heating, Refrigeration and Air-Conditioning Engineers. Mr. Parks, a Rotarian and U.S.O. Architectural Guild member was the first refrigeration licensee to be appointed to the Board.



Warren R. Sprinkel

Warren Reed Sprinkel of Cucamonga was first appointed to the Board by Governor Reagan on May 9, 1967 and was reappointed August 11, 1971. He served as Chairman during the 69-70 period. A General Engineering Contractor, he is President of Fontana Paving Inc., and an officer and Director of Vernon Paving Company, Vernon Asphalt Constructors and Vernon Asphalt Materials Co. He is President of the San Bernardino-Riverside Chapter of the Engineering and Grading Contractors Association, a member of Board of Governors-National Asphalt Pavement Association, Presidents Advisory Committee Department of Commerce International Trade 1958-1960 and Rotary International-Fontana.



Roads Veale

Roads (Dusty) Veale, Santa Rosa, is the latest appointee to the Board on August 11, 1971, and the new public member. With his brother, Kirk, Mr. Veale since 1964 has operated Veale Volkswagen. He is Treasurer of the Sonoma County Health Association, a member of the Board of the Sonoma County Taxpayers Association and a member of the Sonoma County Trail Blazers. In addition to his automobile business, Mr. Veale finds time to operate a small cattle ranch in Franz Valley.



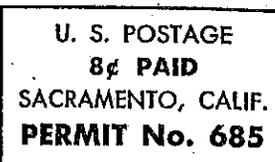
Ralph T. Viola

Ralph T. Viola, Oxnard, was appointed to the Board on May 11, 1970. A General Building Contractor, Mr. Viola is President of seven construction or development corporations and has held his individual license since July 1, 1947. He is a State Director of the Associated General Contractors of California, a member of the American Building Contractors Association and past Director of the Ventura County Building Contractors Association. Very active in public affairs, Ralph Viola belongs to numerous State and County civic organizations including the State and National Chambers of Commerce, National Alliance of Businessmen and Society of American Military Engineers.



Edward W. Weyand

Edward D. Weyand, Sacramento, was appointed to the Board on May 12, 1970. Since 1939 he has been active as a roofing contractor and is presently the President of Roofers Inc. Mr. Weyand has long been affiliated with numerous trade associations and has served as a Director and President of the Sacramento Builders Exchange, Roofing Contractors Association of California and the National Roofing Contractors Association. Ed Weyand is a life member of Delta Lodge F. & A.M., Scottish Rite Bodies, Ben Ali Temple of the Shrine, Secretary-Treasurer of the Shriners Anonymous Club and a member of the Elks Lodge for 25 years.



HOME IMPROVEMENT CONTRACTORS

Continued from Page 2, Col. 2

reliance on false or fraudulent representations may sue and recover from the contractor or the salesman a penalty of five hundred dollars plus reasonable attorney fees in addition to any damages.

Section 7026.9 was enacted to curb the model home pitch and prohibit kickback payments. No contractor or salesman may offer any reward, premium or promotional gift in excess of five dollars (\$5.00) as an inducement to enter into any home improvement contract. Down payments or deposits shall be made directly to the contractor. Salesman shall not accept deposits and must be paid directly by the contractor and are prohibited from making payments to canvassers.

Any violations of the foregoing sections are a cause for disciplinary action against the license. It can also subject the licensee and/or the salesman to criminal prosecution for a misdemeanor punishable by a fine of five hundred dollars and/or six months in the county jail.

CONSUMER "COOLING OFF" LAW

A new law effective 61 days after the close of this Session of the Legislature has been signed into law by Governor Ronald Reagan. In consumer terms, this new law means that you have three days after a home solicitation contract for an amount more than \$50.00 has been signed to change your mind. The seller is required to give back your down payment or trade-in, and if he doesn't come to pick up his merchandise within twenty days, it is yours.

The buyer has the right to cancel a home solicitation contract or offer until midnight of the third calendar day, excluding Sunday, after the day on which the buyer signs an agreement or offer to purchase. Cancellation occurs when the buyer gives written notice of cancellation to the seller at the address specified in the agreement. The notice is effective if given by mail when deposited in the mail properly addressed with postage paid.

If the buyer cancels and has already made some payment to the seller, the seller is entitled to retain

five percent of the cash price, but if no event may he retain more than fifteen dollars. The seller must return any payment made, less cancellation fee, and any goods or other property in substantially as good condition as when received or a sum equal to the trade-in allowance and any note or other evidence of indebtedness.

After cancellation the seller is entitled to receive back from the buyer at the buyer's address any goods delivered; provided, he has returned any payments or goods or other property received. If the seller does not call for his goods at the buyer's address within twenty days after notice of cancellation, the goods may be kept by the buyer.

If any goods sold under a home solicitation contract are affixed to real property and become a part of the real property, the buyer cannot cancel if subsequent to signing such contract he has sold or encumbered the property to a bona fide purchaser who was not a party to such home solicitation contract.

The above provisions do not apply to a contract executed in connection with emergency repairs or services that are necessary for the immediate protection of persons or real property.