



THE CALIFORNIA LICENSED CONTRACTOR

RONALD REAGAN, Governor

NOVEMBER 1972

JOHN T. KEHOE, Director



John T. Kehoe has recently been named Director of Consumer Affairs. Kehoe was formerly Legislative Secretary to Governor Ronald Reagan, and replaces Donald G. Livingston who was appointed by Governor Reagan as assistant to the Governor and director of programs and policy.

A director of Government Affairs for the Board of Trustees of the California State Colleges in charge of their Washington, D.C. office, Kehoe joined the Reagan administration in 1969 as special consultant to the Governor for education.

Kehoe also served as administrative assistant to California Congressman George P. Miller (D-Alameda) and was assistant city manager of Hayward from 1957 to 1960.

The new Director holds a Masters degree in public administration from the University of Michigan and has

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LEGISLATION: 1972

The following bills passed by the 1972 Session of the Legislature and which was signed by the Governor, becomes effective on the 61st day after the final adjournment of the Legislature, unless otherwise provided for in the bill. The date is contemplated to be around March 9, 1973.

Senate Bill 239, which adds Section 7030.5 to the Contractors' License Law, was passed by the Legislature, and signed by the Governor on June 7, 1972.

Basically, Senate Bill 239 provides that beginning July 1, 1973, each licensed contractor shall include his license number in all construction contracts, subcontracts, calls for bid and all forms of advertising. For purposes of the new law, the term "advertising" will have the same meaning as that provided in Section 7026.7 of the Contractors' License Law, which defines "advertising" to include the issuance of any card, sign, or device to

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REVISIONS IN THE CLASSIFICATIONS OF CONTRACTORS

At its January 21, 1972, meeting, the Contractors' State License Board amended Section 752 which covers the C-21 (Home and Building Moving, Wrecking Contractors) classification. The amended section became effective on March 1, 1972, and is set out below:

752. Class C-21—House and Building Moving, Wrecking Contractors. A house and building moving, wrecking contractor is a specialty contractor whose contracting business is limited to the execution of contracts requiring the ability, experience and knowledge to raise, lower, crib, underpin, wreck, and move or remove buildings and structures in whole, or in

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Carl R. Burg, Executive Director of the Painting and Decorating Contractors of California, Inc., has been active in the construction industry for over twenty-six years.

A native of Indiana, Carl served in the Navy in the Second World War, after which he attended Purdue University. He and his family came to California in the Fall of 1948 and he obtained his contractor's license in February, 1949. He operated a successful painting contracting business in Long Beach until 1955, at which time he accepted the position of Executive Secretary of the Harbor Area Chapter, PDCA. He served in that position until 1964 when he accepted his present position with the California Council.

Representing the painting contractors on the Construction Industry Legislative Council, Burg has served

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Official Publication of the
California Contractors' State License
Board

NOVEMBER 1972

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

STATE OF CALIFORNIA

RONALD REAGAN, Governor

JOHN T. KEHOE, Director

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TO THE MEMBERS OF THE CON- STRUCTION INDUSTRY:

It is a great pleasure for me to have this opportunity to extend my best wishes to the thousands of members of your great industry. In the three months I have had the honor of serving as Director of Consumer Affairs, I have come to have great respect for the accomplishments of your profession in achieving legitimate consumer protection.

California has been in the forefront of consumerism long before the idea became a glimmer in Ralph Nader's eye. As a matter of fact, when it comes to the construction industry our Contractors' State License Board has been in existence for most of this century and the high standards established for licensing contractors have become a model for the nation.

In the months and years ahead, I shall look forward to working closely with Leo Hoschler and the Board in achieving new plateaus of success. Moreover, I believe that the team effort of purpose will help the construction industry achieve new heights in the California economic picture.

Sincerely,

JOHN T. KEHOE
Director

KEHOE

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completed work towards a Ph.D. in public administration at George Washington University.

A former president of the Hayward Junior Chamber of Commerce and statewide vice president in 1960, Kehoe is affiliated with the American Academy of Political and Social Sciences, American Society of Public Administration, International City Managers' Association, American Society for Higher Education, and the American Legion.

BURG

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on numerous committees and is presently Vice Chairman of CILC, Chairman of the Contractors' License Law and Consumer Affairs Committee, having a record of active participation in the enactment of progressive consumer and industry legislation. He also serves as a member of the Force Account and Insurance Committees.

He and his lovely wife, Fern, reside in Sacramento. They have two children; a son, Alex, a student at Sacramento State College and a daughter, Mrs. Robert Walker.

LEGISLATION

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any person, or causing or permitting any sign or marking on or in any building, newspaper, magazine or in any directory under a listing of contractor. This includes "letterheads".

Sections 7028 and 7028.1 of the Contractors' License Law have been amended by Senate Bill 247, which was passed by the Legislature and signed by the Governor on June 7, 1972.

Generally, Sections 7028 and 7028.1 of the Contractors' License Law have been both amended to include minimum penalties in addition to the penalties already contained therein.

Section 7028 was amended to provide for a minimum fine of \$100.00 and/or imprisonment in the county jail for not less than 10 days for anyone who acts in the capacity of a contractor without being properly licensed and who has previously been convicted of such a violation.

Section 7028.1 has been amended to provide for a minimum fine of \$500.00 and/or imprisonment in the county jail for not less than one month for anyone who accepts or receives a completion certificate or other evidence that performance of a contract for work of improvement is complete with knowledge that such document is false and who shall in any way use such document either to receive payment from the owner or to obtain any credit or loan on the security of the right to receive any payment.

Assembly Bill 1034 has been passed and signed by the Governor on August 10, 1972. The bill adds Section 7029.6 to the Contractors' License Law and requires licensed plumbing contractors to have their name, permanent business address, and contractor's license number in letters at least one and one-half inches high on each side of each vehicle used in his business. Vehicles which would be subject to this section are those which are registered as a commercial vehicle under the vehicle code. The provisions of this section become operative on July 1, 1973.

Assembly Bill 616, which adds Section 7030 to the Contractors' License Law, was passed by the Legislature and signed by the Governor on July 28, 1972. The bill provides as follows:

7030. (a) Every person licensed pursuant to this chapter shall include the following statement in prominent type or

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LEGISLATION

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all written contracts with respect to which such person is a prime contractor:

Contractors are required by law to be licensed and regulated by the Contractors' State License Board. Any questions concerning a contractor may be referred to the registrar of the board whose address is:

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

(b) For the purposes of subdivision (a) "prominent type" means at least 10-point bold face type, and in no event type less than two points larger than the type in any other portion of the written contract.

This act shall become operative on July 1, 1973.

The new law essentially provides that beginning July 1, 1973, all licensees, who are the prime contractor with respect to a contract, must include in the contract the following statement in 10-point bold face type, but it cannot be in type less than two points larger than the type in the other parts of the contract:

Contractors are required by law to be licensed and regulated by the Contractors' State License Board. Any questions concerning a contractor may be referred to the registrar of the board whose address is:

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

REVISIONS

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parts, either upon the present site, or to and upon another site, but does not include the alterations, additions, repairs or rehabilitation to the permanently retained portions of such buildings or structures as remains after being moved, raised, lowered, cribbed or underpinned.

The main thrust of the new section is that contractors having a C-21 license can only pick up and move a building to a new location, or demolish the building. The C-21 classification does not now allow the rehabilitation or repairs on a structure after it has been moved. The rehabilitation or repairs on moved buildings or structures now requires the "B" General Building classification. Anyone licensed under the C-21 classification who is presently engaged in the practice of rehabilitating structures after they have been moved, should file an application for a supplemental "B" classification.

At its July 26, 1972, meeting, the Board further amended Section 752. This amendment went into effect on

September 2, 1972, and merely revises the title of the classification, and deletes some of the non-essential language in the section. The C-21 classification will now be entitled "Building Moving, Wrecking Contractors". The change in language has no effect on the classification as it was amended at the January 21, 1972 regular meeting of the board. Section 752 now reads as follows:

Class C-21—Building Moving, Wrecking Contractors. A building moving, wrecking contractor is a specialty contractor whose contracting business is the execution of contracts to raise, lower, crib, underpin, wreck and move or remove buildings and structures in whole, or in parts, either upon the present site, or to and upon another site, but does not include the alterations, additions, repairs or rehabilitation to the permanently retained portions of such buildings or structures as remains after being moved, raised, lowered, cribbed or underpinned.

The Board, at its July 26, 1972, meeting, made a significant amendment to Section 741 of the Board's Rules and Regulations. Section 741 covers the C-15 (Flooring and Floor Covering Contractors) classification. The C-15 classification has been expanded to include all types of flooring and floor covering. Prior to being amended, the C-15 classification was only concerned with wood flooring. Following is Section 741 as amended:

Class C-15—Flooring and Floor Covering Contractors. A flooring and floor covering contractor is a specialty contractor who executes contracts requiring the contractor to intelligently examine surfaces, specify and execute the preliminary and preparatory work necessary for the installation of flooring and floor coverings, and, the installation through any approved method of flooring and floor covering materials, wherever installed, including carpet, resilient sheet goods, resilient tile, wood floors and flooring (including the selection, cutting, laying, finishing, repairing, scraping, sanding, filling, staining, shellacking and waxing) and all flooring and floor covering materials of any nature either developed as, or established through custom and usage as flooring and floor covering materials, but shall not include the work of any other specialty contractor classification defined in this article.

Those contractors who do work with other than wood flooring are presently licensed under the C-61 Limited Specialty classification designated as "Floor Covering". The net result of the amended section is that those contractors presently doing flooring and floor covering work under a C-61 classification with the designation of "Floor Covering" only, will be ad-

ministratively reclassified under the amended C-15 (Flooring and Floor Covering) classification. All those licensees who have the C-61 Floor Covering classification should return their large license certificate and current pocket certificate to the Contractors' License Board to have their classification changed to the C-15. There will be no charge for this change in classification, nor will an examination be required.

For those licensees who have a C-61 license that includes more than just "Floor Covering", the procedure will be somewhat different. These licensees must file an application for a supplemental C-15 (Flooring and Floor Covering) classification. This will require a \$20.00 application fee. No examination will be required to obtain the supplemental C-15 classification. The C-61 classification will remain in effect for the other limited specialty categories included on the license.

At its July 26, 1972, meeting, the Board also adopted minor amendments to Sections 745 and 754.4 of the Board's Rules and Regulations, which deal mainly with title changes in the C-12 and C-42 classifications respectively. The C-12 classification, formerly entitled "Excavating, Grading, Trenching, Paving and Surfacing Contractors", is now entitled "Earthwork and Paving Contractors". The C-42 classification is now entitled "Sanitation System Contractors", where before it was entitled "Sewer, Sewage Disposal and Drain Cement Pipe Laying Contractors".

The amendments to the C-12 and C-42 classifications made title changes and deleted some non-essential language which resulted in no substantive changes. The classifications cover work exactly as previously covered under the preamended versions of the classifications. Following are Sections 745 and 754.4 as amended:

Class C-12—Earthwork and Paving Contractors. An earthwork and paving contractor is a specialty contractor whose contracting business is the execution of contracts to dig, move, and place material forming the surface of the earth, other than air and water, in such a manner that a cut, fill, excavation, grading, trenching, backfilling, tunneling, if incidental thereto,

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DISCIPLINARY ACTIONS TAKEN THIRD QUARTER 1971-1972 FISCAL YEAR

REVOKED

Namestyle	Address	Date	Sections violated
AAA-1 Electric Co.	7137 1/2 Remmet St., Canoga Park	2-18-72	7109, 7113, 7115, 7119
A-1 Quality Painters	P.O. Box 5102, Redwood City	1- 4-72	7113.5
Able Painters and Decorators Inc.	2720 Flannery Rd., San Pablo	1-14-72	7112
Adams Add-A-Room	1175 N. Unruh, La Puente	1-19-72	7113.5
Alameda Painting & Drywall Co.	3600 Washington Blvd., Fremont	1-14-72	7112, 7122
Alameda Painting & Drywall Inc.	35367 Firecrest St., Newark	1-14-72	7112, 7113.5, 7115
Apex Aluminum Co.	747 Azulo Ave., San Jose	2-29-72	7071.11
Atanasoff, Lube	938 W. Glenoaks Blvd., Glendale	2-29-72	7109, 7110, 7113, 7115, 7116, 7116.2(b), 7117, 7118, 7159
Atlas House Movers	P.O. Box 7, Casmalia	3-29-72	7107, 7120
B and R Plumbing Company	10036 S. Western, Los Angeles	2- 3-72	7107, 7110, 7113, 7113.5
Bob's Patios	4850 Mowry Ave., Fremont	1-18-72	7107, 7109, 7113
Brennan, John P.	465 Tehama St., San Francisco	1-12-72	7120, 7122, 7122.5
Brooks Electrical Service and Economy Lighting Maintenance Co.	1419 Ocean Ave., San Francisco	2-19-72	7110, 7116, 7123
C & M Plumbing Inc.	38850 Farwell Dr., Fremont	2-10-72	7098
Chapman, E. H. Incorporated	61 Jordan St., San Rafael	2- 4-72	7098
Coral Construction Company	12815 Jollette Ave., Granada Hills	3-10-72	7109, 7113, 7120
Del's Custom Homes	6623 Gloria Dr., Sacramento	2-24-72	7107, 7113, 7113.5, 7115
Deramus, Don Custom Sprinklers	729 Hope St., Ontario	3-11-72	7113.5
Eli Roofing	2129 Ashby Ave., Berkeley	3-31-72	7113.5
Galloway, L. G., dba Aquarius Pools	13600 Ave. No. 328, Visalia	3-31-72	7109, 7113, 7115, 7120
Garber, Jerry dba Warlock Builders	7056 Matilija Ave., Van Nuys	2- 2-72	7113.5
Giordani, Harold J.	2140 E. Mesita Ave., West Covina	3- 9-72	7122.5
Green, R. L. Roofing Co. Inc.	199 San Jose Ave., San Jose	3-21-72	7110
Hampton Company Mechanical Contractors	730 Chestnut St., San Jose	2-26-72	7108, 7111, 7120
Hankarvey Pipelines Inc.	749 Industrial Pky West, Hayward	1-11-72	7098
Hill, Ben F.	311 Main St., Santa Cruz	3-12-72	7113.5
Hills, Gordon W., dba Interstate Insulation Co.	520 Harbor Blvd., West Sacramento	1- 8-72	7107, 7113
Hogg, Arthur L. Cement Contractor	1776 N. Fair Oaks, Pasadena	3-31-72	7107, 7109, 7113
Home Electric	1651 Orchard Way, Pleasanton	2- 5-72	7113.5
Hudson, Brennan & Yee Inc.	465 Tehama St., San Francisco	1-12-72	7120
Kal Construction Co.	8577 Lurline Ave., Canoga Park	1- 5-72	7113.5
M & M Painting & Decorating	7360 Thornton Ave., Newark	1-14-72	7112, 7113.5
Mechanical Drywall Inc.	8308 Monroe St., Stanton	3- 7-72	7110
Mello House Painting & Decorating	749 Industrial Pky West, Hayward	1-11-72	7098
Modern Construction Company	333 S. Flower St., Santa Ana	1-11-72	7113.5
Momay Inc. dba Rolor Construction Co.	2129 Junipero Serra, Daly City	2-18-72	7107, 7113, 7120
Moody, Ken Construction Company	751 Virginia Dr., Rio Vista	1-26-72	7120
Morse, Raymond P. General Contractor	4223 N. Sunnyside, Fresno	3-11-72	7107, 7110, 7113.5, 7120
Northwest Glass	2094 Sheraton Dr., Santa Clara	3-31-72	7113.5
P & B Plastering Co.	1020 Chestnut St., San Jose	2- 4-72	7113.5
Palos Verdes Plastering Co.	648 Ave. B, Redondo Beach	2-16-72	7113.5
Quality Lightweight Concrete Company	P.O. Box 356, Pleasanton	3-21-72	7111, 7112, 7116, 7120
R.H.G. Construction	504 Newport Blvd., Newport Beach	1-12-72	7113.5
R & S Roofing Company	1424 Santa Fe Dr., San Jose	2-25-72	7108, 7111, 7120
Rivers, Dave Concrete	1111 West St., Suisun	2- 3-72	7107, 7109, 7113, 7115, 7120
Robertis, Mike Plastering	1330 1/2 W. 218th St., Torrance	2-16-72	7121, 7122.5
Rosow, Harold M.	28700 Redwood Hwy S., Cloverdale	1-26-72	7071.11
Rountree's Steel Co.	9837 Olive St., Bloomington	2- 3-72	7110, 7113, 7113.5
Santa Ana Heating Co.	8270 Monroe St., Stanton	1-21-72	7113.5
Shalu, Frank Landscaping	44021 Higbee, Lancaster	2-25-72	7113.5
Smith, Hal B. Inc.	Box 967, Apple Valley	1-18-72	7113, 7113.5, 7120
Southern California Glass Co.	P.O. Box 2098, Bell Gardens	2-23-72	7113.5
Success Construction Co.	P.O. Box 1841, Porterville	2-15-72	7123
Sunset General Inc.	8152 Cerritos, Stanton	3- 9-72	7113, 7120
Tabet's, Edward Carpet Service	2624 W. Magnolia Blvd., Burbank	3-11-72	7113.5
Thompson, F. Construction	384 Orange Show Rd., San Bernardino	1-12-72	7107, 7109, 7113, 7113.5, 7120
Vaught Electric Company	482 San Felipe Ave., San Bernardino	3-29-72	7107, 7113, 7113.5
Western Excavating	2112 Old Middlefield Way, Mt. View	2-16-72	7071.11
Western Inland Inc.	20 Inverness Dr., Napa	2- 4-72	7098

SUSPENDED

Namestyle	Address	Date	Sec viol & susp time
A. A. Deek Co.	15500 Tustin Village No. 80, Tustin	1-14-72	7113, 7114 for 6 months
All Crafts Builders	17843 Sierra Hwy., Saugus	2- 1-72	7109, 7110, 7113, 7115 Indefinitely
Amos, Dick	971 Palmer Ave., San Pablo	2-17-72	7112 for 30 days
Avery, William P.	2800 Humboldt Ave., Oakland	2- 8-72	7122.5 Indefinitely

DISCIPLINARY ACTIONS TAKEN THIRD QUARTER 1971-1972 FISCAL YEAR—Continued

SUSPENDED—Continued

Name/style	Address	Date	Sec viol & susp time
B & D Pipeline and Equipment Rental, Inc.	1695 W. Crescent, Anaheim	2- 8-72	7107, 7113 Indefinitely
Baba, Henry Plasterer	1634 Sweetbriar Dr., San Jose	2- 4-72	7112, 7113.5 for 60 days
Bakman, Frederick R.—Bakman Const. Co.	3714 41st St., San Diego	1- 7-72	7028, 7071.11, 7107, 7108, 7110, 7113, 7117, 7120 Indefinitely
Bates and Ebert Landscaping	8684 Tumble Weed Terr., Santee	1- 7-72	7110 Indefinitely
Bay Area Fence	3715 Page St., Redwood City	2-17-72	7110, 7115, 7117 for 30 days
Benson Bros Paving and Grading	P.O. Box 4449, Walnut Creek	3-22-72	7071.11 Indefinitely
Boatman, James Leo	8271 20th St., Westminster	2- 1-72	7109, 7113 Indefinitely
Bowman, R. Electric Co.	155 Canal St., San Rafael	2-16-72	7113.5 for 60 days
Brea Plastering Co. Inc.	P.O. Box 386, Brea	1- 4-72	7113.5 Indefinitely
Broussard, Martin	1135 Lincoln Way, San Francisco	2-10-72	7110 Indefinitely
Brummitt, Fred	649 31st St., Manhattan Beach	2- 1-72	7107, 7113, 7115 Indefinitely
Builders Pipeline	2259 Dexter Way, Hayward	1-28-72	7113.5 Indefinitely
Butland Chemical Co. Inc.	5005 W. Century Blvd., Inglewood	1-27-72	7107, 7109, 7113, 7115, 7117, Indefinitely
C & M Plumbing Co.	38850 Farwell Dr., Fremont	2-10-72	7113.5 for 30 days
California City Construction Company	P.O. Box 4672, Oakland	2- 8-72	7107, 7109, 7120 Indefinitely
Carmel Enterprises	P.O. Box 3705, Hayward	1-25-72	7111, 7112, 7117, 7120 for 30 days
Chapman, E. H.	679 Midway Blvd., Novato	2- 4-72	7113.5 for 30 days
Clark, Val Roofing	556 N. 2nd, Bishop	3-14-72	7110, 7113.5 Indefinitely
Creative Masonry	14341 Lyndon St., Garden Grove	2- 1-72	7110, 7113, 7115, 7120 Indefinitely
Crest Enterprise	2390 Brower Ave., Simi	3- 3-72	7113.5 for 180 days
Custom Swimming Pool Construction Co.	12142 Elora Pl., Granada Hills	3-28-72	7109, 7113, 7120 Indefinitely
Daly, Bob L.	5413 W. 3rd St., Santa Ana	2-15-72	7112, 7113.5 Indefinitely
De Mollo, R. B.	749 Industrial Pkwy West, Hayward	1-11-72	7113.5, 7115 for 30 days
Dean, John R. Painting & Decorating	1174 Rear 73rd Ave., Oakland	2- 8-72	7113.5 Indefinitely
Doray Builders	20-A 70 Doray Dr., Pleasant Hill	3-31-72	7107, 7113, 7116 for 60 days
Douglas, Robert E. Construction Company	16246 Minnesota, Paramount	2-23-72	7110, 7115, 7117, 7120 Indefinitely
Dow Fire Protection	345 N. 7th St., Montebello	1-31-72	7113, 7114, 7117, 7120, 7121 for 6 months
Farmer, George C.	10041 Rockhurst St., Santa Ana	1-25-72	7109, 7113 Indefinitely
Fitzgerald, E. G., dba Formost Homes	17777 Meekland Ave., Hayward	1-11-72	7109, 7110, 7111, 7113, 7114 Indefinitely
Gagner, Ray J.	2430 E. 8th St., Apt. 25, National City	2-23-72	7107, 7110, 7115 for 6 months
Garland, Virgil William	316 E. Foothill, Glendora	1-12-72	7115, 7122.5 for 6 months
Giordani, Harold J.	2140 E. Mesita Ave., West Covina	1-26-72	7122.5 Indefinitely
Grant, S. C.	22111 Newport Ave., No. 63, Colton	1- 5-72	7113.5 for 60 days
Gray, Clara Interiors	1542 E. Main, Stockton	2-23-72	7109, 7113 Indefinitely
Hadley, S. M. Tile Co.	4165 Guerneville Rd., Santa Rosa	3-22-72	7115 Indefinitely
Heagerty, Al	16065 Oak Glen Ave., Morgan Hill	2-10-72	7122.5 Indefinitely
Hindsman, C. Earl	700 W. 1st St., Apt. 2, Los Angeles	2- 1-72	7113.5 Indefinitely
Hughes Const. Co.	1332 W. Belmont, Fresno	3-30-72	7113.5 Indefinitely
Huston Electric Inc.	12553 Josephine St., Garden Grove	1- 4-72	7113, 7116, 7120 Indefinitely
Ideal Alum. Awning Co.	22832 S. Western Ave., Torrance	2- 8-72	7109, 7110, 7113, 7117(a) Indefinitely
James, Dave Construction Company Incorporated	P.O. Box 606, Fresno	1-11-72	7107, 7115 Indefinitely
Jelavich, M. B. Design & Const. Co.	3462 Rosemoor Way, Los Alamitos	1-27-72	7113, 7120 Indefinitely
Jensen Roof Co.	161 Wise St., Boise, Idaho	2- 4-72	7109, 7113 for 60 days
Johnson, Robert B.	20 Inverness Dr., Napa	2- 4-72	7113.5 for 60 days
K. B. Enterprises	515 E. Thelborn, Covina	1- 7-72	7112 Indefinitely
Keegan, Larry A. Plumbing	7150 Font Ave., Riverside	1-14-72	7113.5 for 6 months
Kirkpatrick, William E.	548 Auburn St., Modesto	2-15-72	7113.5 for 6 months
La Moure, Roger D., dba Hacienda Builders	19846 Rambling Rd., Covina	3-21-72	7113.5 Indefinitely
Laughlin, Charles H., dba Chuck Construction Co.	956 Euclid Ave., Berkeley	2- 4-72	7113.5 for 15 days
Lee's Custom Rooms & Patios	2726 Broadway, Redwood City	2-10-72	7109, 7113 Indefinitely
Lopez, Joseph J.	603 Medford Ave., Hayward	1-25-72	7122.5 for 30 days
Los Gatos Landscapes	P.O. Box 1631, Los Gatos	1-10-72	7113.5 for 15 days
M & M Moving Co. & General Construction	2012 Niles St., Bakersfield	1- 5-72	7113.5 for 6 months
McWilliams, Ross	4346 E. Mission Blvd., Pomona	1-25-72	7108, 7113, 7115, 7120 Indefinitely
McWilliams & Scott	11217 Surrey St., Ontario	1-25-72	7097, 7121 Indefinitely
Miller, Albert J. Paint Cont.	8025 Sierra St., Fair Oaks	2- 3-72	7107, 7113 for 60 days
Mission Roof and Waterproofing Co, The	1126 Pagoda Pl., Los Angeles	2- 9-72	7109, 7113, 7121 Indefinitely
Mobile Glass	3915 24th St., San Francisco	1-11-72	7113.5 Indefinitely
Moro, William Steve	2117 El Pasco Dr., Alhambra	2- 9-72	7107, 7113, 7114, 7115 Indefinitely
Nelson, John A.	1734 Mission St., San Francisco	2-23-72	7122.5 for 30 days
Nelson, John A. Incorporated	1734 Mission St., San Francisco	2-23-72	7113, 7113.5 for 30 days

DISCIPLINARY ACTIONS TAKEN THIRD QUARTER 1971-1972 FISCAL YEAR—Continued
SUSPENDED—Continued

Name/style	Address	Date	Sec viol & susp time
Orr, William E., Cement Contracting Co.	14843 Beckner St., La Puente.....	3-14-72	7109, 7113 Indefinitely
Pacific Neon Lite.....	21851 Newland, Sp. 108, Huntington Beach	3-28-72	7109, 7110, 7113, 7115, 7117 Indefinitely
Pala Construction Company.....	11108 E. Schmidt Rd., El Monte.....	2- 1-72	7110, 7112 Indefinitely
Pestana, John E.....	29212 Mission Blvd., Hayward.....	1-28-72	7115 Indefinitely
Peter's Painting & Decorating.....	3646 Baker St., San Francisco.....	3-31-72	7113.5 for 30 days
Potts, George.....	90-D Calle Aragon, Laguna Hills.....	2- 1-72	7122.5 Indefinitely
Qualified Plastering Co.....	18406 Basswood, Fountain Valley.....	2- 9-72	7109, 7113, 7113.5, 7119, 7120 Indefinitely
Refeo Masonry Co.....	25941 Ave. Mariposa, San Juan Capistrano.....	1-12-72	7107, 7113 for 90 days
Sagor, Robert.....	P.O. Box 981, Yucca Valley.....	2- 1-72	7113, 7120 Indefinitely
San Bernardino Gunite Co.....	1399 W. 13th St., San Bernardino.....	2-18-72	7114, 7120 Indefinitely
Schisler, Jim Construction Co.....	1800 Paradise Ln., Santa Rosa.....	3- 9-72	7107, 7109, 7110, 7113 for 60 days
Security Grading and Paving Co. Inc.....	3245 Thousand Oaks Blvd., Thousand Oaks.....	3-29-72	7108, 7113, 7120 for 120 days
Sierra Roofing Co.....	450 Clark St., Bishop.....	2-15-72	7107, 7108 Indefinitely
Smith's, Frank Refrigeration Company.....	15834 Workman St., La Puente.....	3-15-72	7113.5 Indefinitely
Soto, James H.....	3395 Oakmont Dr., South San Francisco.....	1- 7-72	7111, 7115, 7120 Indefinitely
Speer, Harry D.....	P.O. Box 386, Brea.....	1- 4-72	7122.5 Indefinitely
Starbuck, Jerry G., dba La Mesa Pools.....	3368 California St., Costa Mesa.....	2- 9-72	7107, 7113, 7116, 7117, 7120 Indefinitely
Stephens, W. K. Construction.....	2526 Modoc Rd., Santa Barbara.....	2- 8-72	7107, 7108, 7113, 7120 Indefinitely
Sunset General, Inc.....	8152 W. Cerritos St., Stanton.....	1-26-72	7107, 7113 Indefinitely
Superior Roofing Service.....	1635 W. Pomona St., Santa Ana.....	2-15-72	7109, 7113 Indefinitely
Thornburgh, George William West dba M & M Moving Co.....	2012 Niles St., Bakersfield.....	1- 5-72	7113.5 for 6 months
Thornburgh-Hayden Enterprises Inc., dba T. H. E. Inc.....	2012 Niles St., Bakersfield.....	1- 5-72	7113.5 for 6 months
Thunderbird Pools.....	302 N. Riverside Ave., Rialto.....	2-18-72	7122.5 Indefinitely
Tieslau, Norman A.....	P.O. Box 900, South Lake Tahoe.....	1-27-72	7109, 7113, 7117 for 90 days
Two Danes, The "Slip In" Aluminum Windows.....	1252 Edgewood Rd., Redwood City.....	1- 7-72	7109, 7110, 7113 Indefinitely
Victor & Victor.....	39672 Royal Palm Dr., Fremont.....	1-26-72	7107, 7109, 7113, 7115 Indefinitely
Wise Concrete Contractor.....	12015 Brook Glen Dr., Saratoga.....	2-10-72	7110, 7113.5 Indefinitely

DENIED

Bagshaw Enterprises, Inc.....	584 Eleanor Pl., Hayward.....	1-14-72	7112
Chinnoi, Anthony P.....	5605 Reseda Blvd., Tarzana.....	3-14-72	7102
Erin Painting & Drywall Inc.....	37012 Contra Costa Ave., Fremont.....	1-14-72	7069(a), 7112
Guild Construction Company.....	2127 Via Alta, Benicia.....	3-10-72	7069(a), 7069(b), 7112, 7113, 7120
H. L. Tile Company.....	P.O. Box 387, Talmage.....	3-23-72	7069, 7109, 7110, 7112
Jay Builders Inc.....	1302 Ethel Ln., Hayward.....	1-25-72	7069(a)
Landmark Mobilehome Sales.....	799 Blackthorn, San Diego.....	1-25-72	7069(a), 7112
McCoy Plumbing Co.....	13291 Harding St., Sylmar.....	1-27-72	7069, 7073, 7110
Monaco, Vincent R.....	9257 Palmetto, Fontana.....	3-28-72	7112
Perma-Seal Company of California, The.....	1638 E. Maywood Ave., Santa Ana.....	2-15-72	7069, 8089(a)
Taylor's Construction Company.....	1838 N. Turmont St., Carson.....	2-25-72	7069(a), 7069(d), 7102, 7107, 7112, 7113, 7116, 7121
United Westate Corporation dba United Engineers and Contractors.....	P.O. Box 26564, San Francisco.....	1-12-72	7069(a), 7069(b), 7112, 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:

7107	Abandonment of a project without legal excuse.	7115	Failure to comply with the Contractors' Law.
7108	Diverted funds or property received for a specific job to other purposes.	7116	Committing a willful or fraudulent act as a contractor.
7109	Willfully disregarded plans and specifications, or has failed to complete the job in a good and workmanlike manner.	7116.2	False advertising.
7110	Willful disregard and violation of building laws.	7117	Acting as a contractor out of namestyle.
7110.1	Violation of Labor Code.	7118	Contracting with unlicensed person.
7111	Failure to keep records and to make them available to a representative of the registrar.	7119	Failure to prosecute a job with diligence.
7112	Misrepresentation of a material fact on an application.	7120	Failure to pay for materials or services.
7113	Failure to complete a project for the price stated in the contract.	7121	Prohibition against associating with suspended or revoked licenses.
7113.5	Avoiding or settling for less than lawful obligations as a contractor through the various bankruptcy proceedings.	7122	Participation of licensee in violating Contractors' Law.
7114	Aiding and abetting an unlicensed person.	7122.5	Responsibility of Qualifying Person for acts committed by his principal.
		7123	Conviction of a Felony in connection with construction activities.
		7124	A plea of nolo contendere is considered a conviction.

WHAT CONSTITUTES FRAUD

The purpose of this article is to familiarize the reader with the various elements of fraud. Most of the claims regarding fraud in the construction industry are based on misrepresentations allegedly made by one party to another.

To establish a cause of action for fraud based on misrepresentation, a plaintiff must show several things. First, the representation must have been as to a material fact. Second, the representation must have been false and known to be false by the party making it, or else it must have been made recklessly, or without reasonable grounds for believing its truth. Third, the representation must have been made with the intent to induce the plaintiff to do or refrain from doing some act. Fourth, the plaintiff must have acted in reliance on the representation made by the defendant. Fifth, that the plaintiff in acting the way he did, was ignorant of the falsity of the representation and reasonably believed it to be true. Finally, the plaintiff must have suffered damage or injury. The absence of any of the above elements is generally fatal to an action for fraud.

The misrepresentation must be as to a fact as opposed to a mere opinion. The misrepresentation must also be material. The test for materiality is generally whether the misrepresentation was of such a character that, had it not been made, the transaction would not have been entered into. The representations must also have been false.

As pointed out earlier, a necessary element of actual fraud is the intent by the defendant to either deceive the plaintiff or to induce the plaintiff to enter into a transaction. One who uses deceit with intent to defraud the public or a particular class of persons, is deemed to have intended to defraud every individual in the class who is actually misled.

A fraudulent misrepresentation, to be actionable, must be made with knowledge that it is false or may be false. Fraud may also be based on negligent as well as wilful misrepresentations.

The plaintiff must have acted in reliance on the misrepresentation and must be justified in such reliance. In other words, the injured party's reliance must have been reasonable and based on a reasonable belief in the truth of the representation. For example, a purchaser has the right to rely on representations of a vendor as to material facts not within the purchaser's knowledge. Representations may be actionable where made under circumstances that the speaker must have reasonably anticipated that the injured party would hear and act on those representations.

Where there is no confidential or special trust relationship and where the means of knowledge are present and equally available to each party, and the subject matter is open to their inspection, if one of the parties does not avail himself of those opportunities when he could have attained the truth by ordinary diligence, then his failure to so act is deemed to be negligent and he will not be allowed to claim that he was deceived by the other person's misrepresentations. Where one is justified in relying and in fact does rely on false representations, his right of action is not destroyed because means of knowledge were open to him.

The situation where a person receives notice of facts and circumstances which would put an ordinarily prudent person on inquiry has the same result in the law as where a person has knowledge of all the facts that a reasonably diligent inquiry would disclose. Thus, it is an established principle that though a person in the original instance may have been justified in relying on representations, but thereafter discovers that he has been deceived as to one material matter, he has notice that he may have been deceived as to other matters and has a duty to make a full investigation.

Fraud may also consist of concealment which is the suppression of that which it is one's duty to declare, as opposed to a misrepresentation which is a false declaration. Where there exists a relation of trust and confi-

dence, it is the duty of the one in whom the confidence is reposed to make full disclosure of all material facts within his knowledge relating to the transaction in question and any concealment of material facts in such circumstances constitutes fraud. Where there is a duty to disclose, such disclosure must be full and complete, and any material concealment or misrepresentation will entitle the injured party to maintain an action for fraud. One cannot claim fraudulent concealment where he is possessed of sufficient information to charge him with the knowledge he would have gained had he made a diligent inquiry.

A person will not be charged with concealment of any fact unless he is under some obligation to disclose it and mere omission to make mention of a fact, unless he had knowledge of or had notice that he was required to make such mention, does not constitute fraud. In other words, in the absence of a confidential relationship between parties or other special circumstances raising a duty to speak, mere silence will not support a charge of fraud based on concealment.

The remedies allowed in an action for fraud are either rescission or damages. Also, every person connected with the fraud is liable for the full amount of damages.

REVISIONS

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and any similar excavating, grading and trenching operation can be executed, including the use of explosives in connection therewith; or the mixing, fabricating and placing of paving and surfacing materials and to do any part, or any combination thereof.

Class C-42—Sanitation System Contractors. A sanitation system contractor is a specialty contractor whose contracting business is the execution of contracts to fabricate and/or install concrete and masonry sewer, sewage disposal and drain structures and lay cast-iron, steel, concrete, vitreous and nonvitreous pipe for sewers, sewage disposal, drains and irrigation, including the excavating, grading, trenching, backfilling, paving and surfacing only in connection therewith; the fabrication and erection of sewage disposal plants, cesspools and septic tanks and the appurtenances thereto, in such a manner, that sewers, sewage disposal, drains and cement pipe laying can be fabricated and installed.

NOTICE...TO HOLDERS OF INACTIVE LICENSES

Assembly Bill 65, which amended Section 7076.5 of the Contractors' License Law, was recently passed by the Legislature and signed by the Governor. The new law will probably go into effect sometime around March 10, 1973, depending upon when the Legislature is finally adjourned.

In the June, 1972, edition of this publication, an article stated that Section 7076.5 provides for any license which had been inactive for a period exceeding ten years would automatically be revoked. This section which originally became law on October 1, 1962 made provisions for inactivating licenses immediately after September 30, 1972 by the filing of an application or for inactivating the license at the beginning of the renewal period by so noting on the renewal application and submission of the proper fee.

Section 7076.5, as amended, does not include the provision requiring the automatic revocation of a license

that has been inactive for a period exceeding ten years. The new Section 7076.5 will have the effect of treating the provision for automatic revocation of a license after ten years as if the provision never existed. Although the new section does not go into effect until around five months after October 1, 1972, which is the earliest possible date the automatic revocation provision could have any effect, the registrar has determined that the automatic revocation provision will not be enforced. In other words, there should not exist any cause for concern on behalf of a holder of an inactive license that his license would be revoked even though the person inactivated his license during the period between October 1962 and March 1963.

It should be made absolutely clear that **NO INACTIVE LICENSES WILL BE REVOKED FOR BEING ON AN INACTIVE STATUS FOR A PERIOD EXCEEDING TEN YEARS.**

Several conditions must be met before an inactive license can be reinstated. First, the license must not be suspended or revoked. Second, there must not exist grounds for disciplinary action as determined by the registrar. The applicant for reinstatement of an inactive license must also have renewed his inactive license and paid the proper renewal fee as required by the Contractors' License Law.

In addition to meeting the above conditions, the applicant to reinstate an inactive license must submit an Application To Reinstate Inactive State Contractor's License, pay a fee of \$60.00, file a \$2,500.00 Contractor's Bond (and RME Bond if required) or cash deposit, or the alternatives to the cash deposit, and further submit a financial statement with an opinion report or certificate of an independent C.P.A. or P.A. No examination is required to reinstate an inactive license.