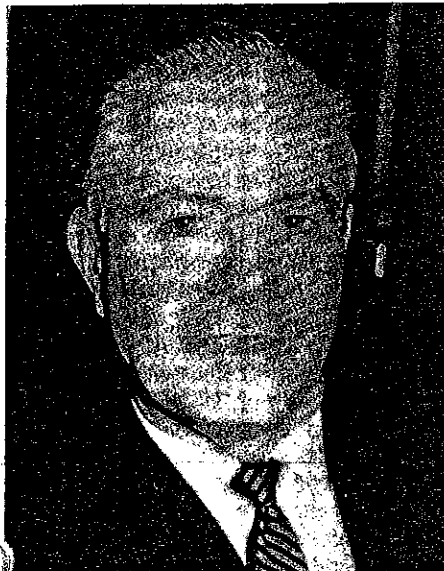


THE CALIFORNIA LICENSED CONTRACTOR

RONALD REAGAN, Governor

FEBRUARY 1973

JOHN T. KEHOE, Director



MEET YOUR REGISTRAR

Leo B. Hoschler, Registrar of Contractors, Executive Officer and Secretary, Contractors' State License Board, is currently in his twelfth year heading the Agency which examines, licenses and regulates the Construction Industry, the largest dollar volume Industry in the State of California.

Of prime concern to the Registrar and the Agency he heads is consumerism, realizing at the same time that the Construction Industry is a viable portion of the Consumer World.

The Registrar was born in Akron, Iowa in 1912, and educated there where he studied construction engineering and specialization in Real Estate.

Subsequently, and prior to World War II, he worked in the Construction Industry as a bridge, structural and ornamental iron worker. As a matter of interest, he worked on many buildings in Sacramento including the Department of Consumer Affairs Building at 1020 N Street which
(Continued on page 2, col. 2)

LEGISLATION: 1972

In the November issue of The California Licensed Contractor, the article entitled "Legislation: 1972" pointed out several bills passed by the 1972 Legislature and signed by the Governor which amend sections or add sections to the Contractors License Law. Since the November edition went to press, other bills which affect the Contractors License Law were passed by the Legislature and signed by the Governor.

Perhaps the most significant bill affecting the Contractors License Law passed by the 1972 Legislature is Senate Bill 432. Among other things, Senate Bill 432 requires the registration of all home improvement salesmen with the Contractors' State License Board. The article in this edition of The California Licensed Contractor entitled "Registration of Home Improvement Salesmen" covers this subject more fully. In addition to almost completely revising Article 10 of the Contractors License Law
(Continued on page 2, col. 2)

LICENSE RENEWAL

By the time this publication is received by the licensed contractor, this agency will be well into the process of making the necessary preparations to renew contractors' licenses before the June 30, 1973 deadline.

In an attempt to alleviate some of the problems that arise during the renewal period, a few precautions are being cited in this issue of The California Licensed Contractor. In the next issue which should be out sometime in May, more explicit instructions will be given to augment the instructions which appear on the renewal application form.

Probably the biggest problem in renewing licenses is the attempt of the licensee to notify the agency of various changes in his operation on the renewal application form. For this
(Continued on page 6, col. 2)

REGISTRATION OF HOME IMPROVEMENT SALESMEN

The 1972 legislature enacted legislation which requires salesmen who sell home improvement contracts for home improvement contractors to be registered with the Contractors' State License Board. Senate Bill 432 which completely revises the Home Improvement Business provisions of Article 10 of the Contractors License Law will become law sixty-one days after final adjournment of the 1972 session of the California Legislature. It is expected that the date the law will go into effect is on March 7, 1973.

S.B. 432 defines Home Improvement Contractor, Home Improvement, Home Improvement Contract, Home Improvement Salesman and Person as related to the Home Improvement Business. Sections 7150, 7150.1, 7151, 7151.2 and 7152 are hereafter quoted for the information of those persons who will be affected by this legislation.

Section 7150. "Person" as used in this article is limited to natural persons notwithstanding the definition of person in Section 7025.

Section 7150.1. A home improvement contractor is a contractor licensed under this chapter who is engaged in the business of home improvement either full time or part time.

Section 7151. "Home improvement" means the repairing, remodeling, altering, converting, or modernizing of, or adding to, residential property and shall include, but not be limited to, the construction, erection, replacement, or improvement of driveways, swimming pools, terraces, patios, landscaping, fences, porches, garages, fall-out shelters, basements, and other improvements of the structures or land which is adjacent to a dwelling house.

Section 7151.2. "Home improvement contract" means an agreement,
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STATE OF CALIFORNIA

RONALD REAGAN, Governor
JOHN T. KEHOE, Director

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MARVIN LEFLER, Supervising Deputy

REGISTRAR—Continued

(Continued from page 1, col. 1)

houses the office of the Contractors' State License Board.

While the Registrar is in his twelfth year of service as Registrar, he actually started working for the Contractors' State License Board twenty-five years ago after three years of military service and subsequent separation from the Air Arm of the Marine Corps.

He started as an Investigator with the Board in 1948 assigned to the Fresno Office. From 1949 to 1957 he was in charge of the Fresno Office and investigative personnel. Mr. Hoschler was appointed to Senior Special Investigator in 1957. From 1957 to 1961, he was in charge of the Fresno Office including the San Joaquin Valley area and also Assistant to the District Supervisor in Sacramento. He was appointed to Supervising Special Investigator I, Sacramento District, in 1961 and served as Administrative Assistant to the Registrar.

In November, 1961, he was appointed Deputy Registrar and Special Administrative Assistant to the Registrar and he was appointed Registrar of Contractors on January 15, 1962.

Leo Hoschler and his lovely wife, Bonnie, reside in Sacramento. They are the parents of two grown sons and the proud grandparents of two little girls.

LEGISLATION—Continued

(Continued from page 1, col. 2)

which deals with the Home Improvement Business, Senate Bill 432 amends, repeals or adds the following sections to the law. It amends Sections 7015, 7065.1, 7067, 7090, 7137, 7141, 7143 and 7143.5. It repeals Section 7142 and adds Section 7141.5.

Section 7015 was amended to add the words "Department of Consumer Affairs" to the official seal of the Contractors' State License Board.

Section 7065.1 was amended to remove superfluous conditions which were technically incorrect relative to the causes for disallowing an applicant to take an examination if convicted of contracting without a license within the preceeding six months period.

Section 7067 as amended merely substitutes the words "responsible managing officer" for the term "chief

construction managing officer" in the required information for application by a corporation. This amendment is purely technical.

Section 7090 was amended to include within the jurisdiction of the Registrar of Contractors, the right as well as the duty to investigate the actions of home improvement salesmen and to suspend or revoke the registrations of home improvement salesmen if the acts of the home improvement salesmen so warrants such action. This simply adds to the jurisdiction of the Registrar, regarding home improvement salesmen, the same jurisdiction he has over licensed contractors.

Section 7137 as amended adds subsections which set the fees for the registration and renewal of registration of home improvement salesmen.

The amendment to Section 7141 as provided by S.B. 432 should be of interest to all licensees of this agency and especially to those who procrastinate and put off to the last minute the renewal of their contractor's licenses. S.B. 432 has removed from Section 7141 the provision which allows a licensee to renew his license without penalty up to thirty days after expiration of the license. This means that all renewals of licenses for the 1973-1975 period will have to be received in the headquarters office of this agency in Sacramento or post marked by the United States Postal Service prior to midnight of June 30, 1973. Any renewal application that is not received on time or post marked on time will be rejected and the licensee will be required to submit an Application To Reinstate Expired Contractor's License with the additional penalty fee which is 50% of the renewal fee. This could mean possible unlicensed status for a few days to a few weeks. See the next paragraph for exceptions.

Section 7141.5 is added pursuant to S.B. 432 to alleviate some problems which had previously existed because of the tardy receipt of renewal applications due to mistake or conditions beyond the control of the licensee. The new Section 7141.5 allows the Registrar to show a license as having been renewed timely even though the application is received late if the failure to renew on time was due to "... mistake, inadvertence, surprise or excusable neglect." Any licensee using

(Continued on page 3, col. 1)

LEGISLATION—Continued

(Continued from page 2, col. 3)

The provisions of this section must submit a petition to the Registrar of Contractors in which he sets forth in detail causes or reasons he was unable to submit his renewal application on a timely basis. It is strongly suggested that licensees not use this section of the Contractors License Law to be neglectful in renewing licenses. The Registrar will review each petition very carefully before allowing a late renewal to show as having been renewed on time. The section further provides that any refusal of the Registrar to grant this petition will result in the petitioner being allowed to go before the Contractors' State License Board at one of its regular meetings for a review of the registrar's refusal.

Section 7142 is repealed because the provisions of this section were no longer applicable after October 1, 1962. This is merely removing "dead wood" from the law.

Section 7143 as amended removes the date "September 30, 1962" from this section which provides for the renewal of a suspended license.

Section 7143.5 as amended removes the reference to Section 7142 which is repealed.

The amendments of both 7143 and 7143.5 are purely for technical reasons.

Assembly Bill 1385 is another bill passed by the 1972 Legislature and signed by the Governor and will become law on March 7, 1973. This bill provides for the addition of two more members to the Contractors' State License Board. One public member is added and one general building contractor is added making a total of eleven members on the board. After the bill becomes law and after the Governor makes his appointments the Contractors' Board will consist of one general engineering contractor, three general building contractors, four specialty contractors and three public members.

Three bills which were explained in detail in the last issue of this publication may bear being repeated because of the importance to licensed contractors. The three bills do not become operative until July 1, 1973. Nonetheless a certain amount of preparation is necessary to meet the provisions of the three sections of law prior to July 1, 1973.

visions of the three sections of law prior to July 1, 1973.

A.B. 1034 which adds section 7029.6 requires every plumbing contractor to display on each side of his motor vehicle used in his business, his name, his permanent business address and his contractor's license number in letters not less than 1½ inches high.

A.B. 616 which adds Section 7030 to the law requires all contractors acting as a prime contractor to have printed on their contracts the following statement in at least 10-point boldface type and in no event less than two points larger than the type in any other portion of the written contract. The statement is printed below in 10-point boldface so as to visually show the requirement:

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**

S.B. 239 which adds Section 7030.5 to the law requires that every licensed contractor shall include his license number in all construction contracts, subcontracts, calls for bids and all forms of advertising. There should be no question regarding the requirement on contracts, subcontracts and calls for bids but some question may exist as to what constitutes advertising. Advertising as provided in Section 7026.7 includes the issuance of any card, sign or device or any marking in or on a building, newspaper, magazine, or in a directory under the listing of contractor. The word "device" is the portion of the definition of advertising which leaves the contractor the most insecure relative to complying with this requirement. If the contractor will carefully scrutinize any probable printing which includes his name in such a manner that it would indicate to a casual observer that here is a contractor who could potentially act as such for the observer, then his license number would be required on the printing. Contractors' letterheads could be construed to meet the condition of requiring the license number. Since a contractor's

BOARD RULE REVISED

At its October 4, 1972 regular meeting, the Contractors' State License Board amended Section 739 of its Rules and Regulations which defines the C-8 Concrete Contractor. The amended section will have no practical effect upon the concrete contractor's operation under the C-8 classification as the amendment dealt mainly with a title change and the elimination of some non-essential language. The title was changed from "Cement and Concrete Contractors" to just "Concrete Contractors". The amendment became effective on November 11, 1972. Following is Section 739 as amended.

Class C-8—Concrete Contractors. A concrete contractor is a specialty contractor who executes contracts whereby under an agreed specification acceptable mass, pavement, flat and other concrete work is poured, placed, finished and installed, including the placing and setting of screeds for pavements or flatwork, but shall not include those contractors whose sole contracting business is the application of plaster coatings or the construction of forms and formwork or the placing and erecting of steel or bars for the reinforcing of mass, pavement, flat and other concrete work.

NEED HELP!

The primary intent of the Contractors License Law is the protection of the health, safety and general welfare of all those persons dealing with contractors and to this end is directed our main effort. However, we are also geared to assist the contractor with his problems whether it be a complaint against another contractor or assistance in licensing or classification. The staff in our many offices is there to aid you. We encourage you to seek out their assistance. We are prohibited from giving legal advice, but in those matters which are within our jurisdiction, please give us a call.

name appears on a check for identification purposes and on the return of an envelope for the convenience of the post office, these two forms of printing are not deemed to be advertising and thus would not require the license number to be added.

DISCIPLINARY ACTIONS TAKEN FOURTH QUARTER 1971-1972 FISCAL YEAR

REVOKED

Namestyle	Address	Date	Sections violated
Aid Plumbing Repair	305 Euclid Ave., West Sacramento	4-21-72	7115, 7120
Artavia, Joel, dba The Riteway Co.	P.O. Box 4494, San Diego	6- 2-72	7108, 7110, 7113, 7121
Bade, Bruce E.	6660 Rhea Ave., Reseda	4- 7-72	7107, 7109, 7110, 7113, 7115, 7120
Bailey Electric Inc.	15 N. 27th St., San Jose	4-11-72	7112, 7113.5, 7117(b)
Buckle Plumbing Company Inc.	P.O. Box 415, Saratoga	5-22-72	7113.5
Colleen Diversified Inc., dba Air Conditioning Technologists	13609 Victory Blvd., Van Nuys	6-20-72	7107, 7109, 7110, 7113, 7113.5, 7116, 7120
Dawson's Electric	6001 Mohawk St., Bakersfield	4-12-72	7113.5
Dorsey, Jack	1435 Magnolia #5, Redding	6-12-72	7109, 7113
Ferry Pools	4839 N. Blackstone, Fresno	6- 3-72	7107, 7113, 7120
Hamblen, Raymond Reece, dba Executive Pools	12192 Pearce, Garden Grove	6-16-72	7107, 7109, 7110, 7113, 7120, 7159
Golden State Contractor	2119 Wall St., Joplin, Mo.	5-17-72	7114, 7116, 7117
Kabo-Karr Inc.	P.O. Box 973, Visalia	4-11-72	7113.5
Laraway, Charles R.	1105 N. Bay Front, Balboa Island	6-21-72	7107, 7113, 7116
Leona Construction Company, Inc.	P.O. Box 75398 Sanford Sta., Los Angeles	5- 9-72	7112, 7115, 7117
Merit Company Inc.	10913 Venice Blvd., Los Angeles	4-14-72	7107, 7113, 7120
Pauley, Clyde Edwin	5094 Montreal Dr., San Jose	4- 4-72	7112
Peak Construction Inc.	1204 W. Struck Ave., Orange	5-23-72	7120
Peterson Enterprises	3017 Mills Park Dr., Rancho Cordova	4-27-72	7107, 7110, 7111, 7113
Pritchard, Cliff	5089 San Vicente Dr., Santa Barbara	4-21-72	7113.5, 7114, 7117
Quality Lightweight Concrete Company	P.O. Box 356, Pleasanton	4-19-72	7116, 7120
Red E Construction	1850 Evans Lane, Sp. 60, San Jose	4- 4-72	7113.5
Riteway Builders Inc.	P.O. Box 307, Lemon Grove	6- 2-72	7109, 7110, 7113
Roddie Kabo	2615 Crescent Dr., Visalia	4-11-72	7122.5
Rodriguez, Richard M.	1636 Mistletoe Lane, Redding	6-27-72	7109, 7113, 7116
Scott, James M. Builder	3121 Pleitner Ave., Apt. 4, Oakland	4- 5-72	7071.11
Scott, Leroy Glen	1217 S. Huron Dr., Santa Ana	4-27-72	7113.5
Senior Citizens Repair Company	4173 W. Imperial Hwy., Inglewood	4-21-72	7113.5
Smith, Max Plumbing and Heating Co.	9509 Walnut St., Bellflower	4-12-72	7113.5
Tuculet, John D.	720 Morning Dr., Bakersfield	4-12-72	7018, 7019, 7109, 7113, 7114, 7115, 7117, 7159
Universal Lightweight Concrete Inc.	5140 W. 106th St., Inglewood	4-10-72	7098
Wheatley, Harold W.	900 Tokay Ave., Modesto	5-28-72	7115, 7122.5

SUSPENDED

Namestyle	Address	Date	Sections violated and suspension time
A Accurate Roofing & Painting Co.	1211 Calle Pensamiento, Thousand Oaks	5-12-72	7107, 7113 for 30 days
A-Arco-American Air Conditioning Co.—Gas Air Conditioning	2916 Durfee Ave., El Monte	6-13-72	7113.5 Indefinitely
Adkins, Melvin H., General Drywall Construction	1651 Soscol Ave., Napa	4-21-72	7113.5 for 30 days
Bailey, Lawrence A.	16125 Yona Vista Ave., San Jose	4-11-72	7115 for 5 days
Bauer Custom Flooring	7857 Genesta Ave., Van Nuys	6- 1-72	7109, 7113, 7115, 7116.2, 7117(a), 7159 for 60 days
Beach, Glenn J. Contractor	1640 Cable Canyon Rd., San Bernardino	4-19-72	7109, 7113, 7115 Indefinitely
Borg, Dee M.	1075 Space Park Way, Mountain View	6-23-72	7114 Indefinitely
Bradstreet, Donald H.	2717 N. Patti Lane, Santa Ana	6-30-72	7109, 7113 for 20 days
Briarwood Builders and Designers Company	6887 Farmdale Ave., #10, North Hollywood	4-11-72	7107, 7113, 7115, 7120 Indefinitely
Buckle, Verne L.	P.O. Box 415, Saratoga	5-22-72	7122.5 for 20 days
Cal-Norte Construction Co., Inc.	2060 Third St., Oroville	4-19-72	7121 Indefinitely
Cal-Norte Construction Company	78 Willow Dr., Oroville	4-19-72	7121 Indefinitely
Chino Construction Company	12804 Ross Ave., Chino	6- 2-72	7108, 7109, 7113 for 30 days
Class Heating & Air	16811 Alwood, Valinda	6-13-72	7097, 7121 Indefinitely
Collins, Gene P.	14429 Arrow Rt., Fontana	5-23-72	7097, 7122.5 Indefinitely
Collins, Gene P., Plumbing, Inc.	14429 Arrow Rt., Fontana	5-23-72	7109, 7113 Indefinitely
Dettman, William Joseph	724 Brentwood St., Orange	5- 2-72	7113.5 for 90 days
Diversified Construction	1129 First Ave., Chula Vista	6-14-72	7109 Indefinitely
Domeler Drywall Service	4575 Carol Ave., Fremont	6- 9-72	7113.5 Indefinitely
Dunlap, Martin Co.	4575 Carol Ave., Fremont	6-30-72	7113.5 Indefinitely
Durkee, C. H.	P.O. Box 16121, San Francisco	4-19-72	7113.5, 7120 Indefinitely
Du-Val Plastering	P.O. Box 49454, Los Angeles	6-28-72	7097, 7121 Indefinitely
Executive Pools	2500 W. Orangethorpe, Suite W, Fullerton	4-28-72	7114, 7115, 7117, 7120 Indefinitely
Ferguson, Odell Contractor	12192 Pearce, Garden Grove	4-11-72	7107, 7109, 7110, 7120 Indefinitely
Fisher, Joseph John	4700 Crenshaw Blvd., Los Angeles	6-20-72	7107, 7109, 7113, 7115, 7119 Indefinitely
Franklin, Randall G.	681 Arastradero Rd., Palo Alto	6-20-72	7107, 7109, 7113 Indefinitely
Freeman, Ernest W.	4752 La Canada Blvd., La Canada	6- 2-72	7113.5 for 30 days
Garcia, Louie H.	224 Guejome St., Vista	6-30-72	7107, 7113, 7115, 7117 for 30 days
Hanco Inc.	4841 Durfee Ave., Pico Rivera	4-11-72	7109, 7113, 7116 for 60 days
Hannah, E. M. Company	1460 Morena Blvd., San Diego	4-11-72	7121, 7122.5 for 60 days
Heatco and C. H. Durkee, Jr. Lio.	3510 Buena Vista, San Diego	4-19-72	7121 Indefinitely
Jaquess, J. B., Roofing Company	3908 Mandeville Canyon Rd., Los Angeles	5- 9-72	7107, 7109, 7113 Indefinitely

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

SUSPENDED—Continued

Namestyle	Address	Date	Sections violated and suspension time
Marin CATV Construction Company	115 Myrtle Ave., San Rafael	5-11-72	7112 Indefinitely
Minney, Wm. T. and Sons	10621 Pamela, Cypress	6-13-72	7120 Indefinitely
Nesbit, D. E. Masonry Contractor	15318 Longwood Dr., Los Gatos	6- 9-72	7110 Indefinitely
Nyberg, Robert H. and Associates	P.O. Box 2041, Sunnyvale	6- 2-72	7113.5 for 30 days
Painter, E. G.	P.O. Box 1165, Lakeport	5-23-72	7115, 7122.5 Indefinitely
Painter, R. D.	P.O. Box 802, Ukiah	5-23-72	7071.11, 7110, 7111, 7115 Indefinitely
Pannell Bros. Construction	2120 S. Santa Fe, F-8, Visalia	4-21-72	7113.5 Indefinitely
Pannell, John C., General Contracting	2120 S. Santa Fe, F-8, Visalia	4-21-72	7113.5 Indefinitely
Parkhurst Engineering and Mechanical Contractor	2705 Sheffield Lane, Modesto	4-14-72	7110 Indefinitely
Parks, Clinton Robert	6717 Ventura Blvd., Ventura	5-18-72	7113.5 for 90 days
Perma Guard Roofing Company Inc.	26046 Eden Landing Rd., Hayward	5- 9-72	7107, 7109, 7113, 7159(a), 7159(b) Indefinitely
Phelands Plumbing	649 Stewart St., Fort Bragg	5-23-72	7107, 7108 Indefinitely
Phillips & Hughes Builders Inc.	4978 F St., San Bernardino	4-20-72	7113.5, 7120 Indefinitely
Phillips, W. F.	4978 F St., San Bernardino	4-20-72	7122.5 Indefinitely
Quality Homes Improvement Co.	235 N. Gramercy Pl., Los Angeles	6-13-72	7071.13, 7109, 7115 for 30 days
Reliable Asphalt Paving Co., Inc.	11565 Westminster Ave., Garden Grove	4-28-72	7113.5 for 90 days
Rhoads, Dusty Construction	12667 West St., Garden Grove	6-27-72	7113.5 Indefinitely
Rice, W. F.	9516 Orion Ave., Sepulveda	5-23-72	7110, 7113, 7114, 7115, 7117(b), 7118, 7120 for 180 days
Roberts, Lee	P.O. Box 144, Inglewood	5-15-72	7113, 7114, 7117, 7120 for 30 days
Salmon, Clark R.	135A S. Bedford Dr., Beverly Hills	6-20-72	7121, 7122 for 6 months
Sanderson, Roy H.	2021 Saddle Ave., Oxnard	6-22-72	7107 for 5 days
Self Const. Co.	4508 Theresa Ave., Fremont	4-27-72	7122.5 for 60 days
Smith, W. O., Jr.	P.O. Box 622, Cucamonga	6- 2-72	7107, 7113, 7115, 7117(a) Indefinitely
T & D Painting & Decorating	6307 Pecan Ave., Orangevale	4-28-72	7107, 7113, 7116 Indefinitely
Taylor Paving & Concrete Company	1255 Bernal Ave., Burlingame	6-30-72	7108 for 90 days
Triple A Air Cond.	2321 Fullerton Rd., Rowland Heights	6-13-72	7107, 7109, 7110, 7113, 7115, 7116 Indefinitely
Turner-Orr's Construction Co.	11422 S. Broadway, Los Angeles	6- 1-72	7107, 7113, 7115, 7121 Indefinitely
Valena Construction	1563 Manzanita Ave., Santa Rosa	4-28-72	7109, 7110, 7113 for 30 days
Windsor, R. C., Landscape Contractor	1255 Post St., Rm. 605, San Francisco	6- 9-72	7113, 7113.5, 7116, 7120 Indefinitely
Zion Interiors	1134 Lomita Pl., Anaheim	5-12-72	7113.5 for 90 days

DENIED

Namestyle	Address	Date	Sections violated
Barrett, M. R. Construction Co.	12657 Parish Rd., San Diego	6-20-72	7069, 7069(a), 7112, 7115
Jolivet, John S.	681 Bowdoin St., San Francisco	5-24-72	7069(a), 7109, 7113, 7115
R & R Builders	6060 N. Poplar St., Fresno	6-23-72	7069(d)

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.

REGISTRATION—Continued

(Continued from page 1, col. 3)

whether oral or written, or contained in one or more documents, between a contractor and an owner or contractor and a tenant, regardless of the number of residence or dwelling units contained in the building in which the tenant resides, if the work is to be performed in, to, or upon the residence or dwelling unit of such tenant, for the performance of a home improvement and includes all labor, services, and materials to be furnished and performed thereunder.

Section 7152. "Home improvement salesman" is a person employed by a contractor licensed under this chapter, to solicit, sell, negotiate or execute home improvement contracts under which home improvements may be performed by the contractor. The provisions of this section do not apply to officers of corporations licensed pursuant to this chapter or to persons who qualify under Section 7068.1.

In determining whether or not a person is required to be registered as a home improvement salesman depends upon whether the contractor for whom he is a salesman is engaged or may become engaged in contracting to do home improvement work. A contractor is deemed to be a home improvement contractor if at any time in his business he does work as defined in Section 7151. Examples of contractors who would not be home improvement contractors are those who construct engineering projects where there are no improvements on residential property and contractors engaged in commercial work which involves no improvement to residential property.

A salesman who works for a contractor who engages in home improvement work would not be required to be registered if he sells contracts or projects for the contractor which are other than contracts for the improvement of residential property.

The new Home Improvement Business law makes it a misdemeanor for a person to engage in the occupation of a home improvement salesman without being registered and also makes it a cause for disciplinary action against the license of a home improvement contractor to employ a home improvement salesman who is not registered as such.

Applications to register as a home improvement salesman can be obtained

from any office of the Contractors' State License Board. In making application to register as a home improvement salesman, the person must indicate on the application the name and license number of the home improvement contractor for whom he intends to make home improvement sales. If a person is a salesman for more than one home improvement contractor, he must file a separate application for each home improvement contractor he is employed by. Applications are to be made in duplicate as the original application form will be filed in the registered home improvement salesman's file and the duplicate application form will be filed in the home improvement contractor's file which are maintained in the Sacramento Headquarters Office of the Contractors' State License Board.

Application fees for registration as a home improvement salesman are \$25. The fee is required for each application filed.

The registration expires on June 30 of each even numbered year and must be renewed prior to the time the registration would otherwise expire. The renewal fee for the two year period will be \$25. Failure to renew the registration prior to the expiration will result in the home improvement salesman being required to file a new Application For Registration As A Home Improvement Salesman with the \$25 fee.

RENEWAL—Continued

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reason, only a change in the licensee's address or a change from active to inactive or vice versa will be allowed on the 1973-75 renewal application.

Any licensee, who has had a legitimate change of name for the entity which is licensed, should request a change of name form from one of the offices of the Contractors' State License Board and submit this information independent of the renewal material. A problem which has more of an effect upon the legal operations of a licensed contractor than any problem for the agency (although clarifying the problem takes many man-hours) is the attempt of a licensed individual or licensed partnership to change his license to a corporation merely by adding "Inc., Incorporated or Corporation" to his namestyle. A person who obtains a contractor's license as an individual or a sole pro-

prietorship and subsequently incorporates must realize that the corporation is an entirely new entity and must be properly licensed to be able to conduct a contracting business as a corporation. The same would apply of a partnership which is licensed as a partnership and subsequently incorporates. The corporation is a new entity even though the same name, personnel and address exists for it as exists or existed for the partnership which in the meantime may have dissolved, leaving the corporation with a license they cannot use.

Any change in the personnel of a partnership also requires a new license to be issued to the new partnership even though the name may remain the same. Examples can be cited: (1) A & B form a partnership and become licensed. Later C is added as a partner. It is then a partnership of A & B & C and consequently a new entity which must obtain a new license. (2) A & B & C is a partnership licensed by this agency. C decides to leave the partnership. A & B remain as a different partnership and consequently must obtain a new license. (3) A & B is a licensed partnership. B decides to leave the partnership and A takes on C as a new partner. A new license must be obtained by A & C. We could go on and on with examples but suffice to say that any change in the partners of a partnership requires a new license.

A change in the personnel of a corporation is not as complicated as in a partnership. Any change in the personnel of a corporation with the exception of the qualifying person, either RME or RMO, has no effect on the license. The license is issued to the corporation, which is a distinct entity in itself and is not issued to any of the people making up the personnel of the corporation. Any change in the personnel of a corporation, other than the qualifying person, requires an Application To Change Officers of Corporation to be filed. This form is obtainable from any office of the board and should be submitted to this agency's headquarters office independent of the renewal material.

A change in the responsible managing employee of an individual, partnership or corporation or the change in the responsible managing officer of a corporation requires an Application To Replace Responsible Managing Employee/Officer form to

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RENEWAL—Continued

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be submitted. This also must be done independently of the renewal application. It should be remembered that the person who qualifies a license whether he is the individual, a qualifying partner, a responsible managing officer or responsible managing employee must sign the renewal application. Failure of the person qualifying the license to sign the renewal application will result in the license being renewed under ipso facto suspension and the suspension being effective until an Application To Replace Responsible Managing Employee/Officer filed and the person qualified or re-qualified, or it may result in the rejection of the application in the case of an individual failing to sign or a qualifying partner failing to sign. It is suggested that if the person qualifying a license is dissociated, this information be submitted to Sacramento Headquarters Office immediately and necessary steps taken to replace him.

It is strongly suggested that the renewal of licenses be accomplished as soon after receipt of the renewal applications as possible. Any problems with the application can then be corrected prior to the June 30th deadline.

INDUSTRIAL SAFETY

Increasing accidents on construction projects, resulting in serious injury to employees and in many instances death, are matters of grave concern to contractors, employees and governmental officials.

Such concern was strongly evidenced by Chairman Jack Fenton and the Select Committee of the Assembly for Industrial Safety during the past year while holding hearings throughout the State.

While the Division of Industrial Safety is the regulatory agency re: safety, the Contractors' State License Board is the Agency that may suspend or revoke a contractor's license for violation of Safety and Labor Laws.

There are two Sections in the Contractors License Law, 7109.5 and 7110 (Chapter 9, Division 3 of the Business and Professions Code), that are all encompassing with respect to violation of Safety and Labor Laws. These Sections recite as follows:

BEWARE THE UNLICENSED CONTRACTOR

Among the areas of unlicensed activity that are most difficult to regulate in both the consumer interests and in the interests of the construction industry are the service categories, such as air-conditioning, heating and ventilating, plumbing and refrigeration servicing and certain specialty items, such as awnings, patio doors, shower doors, sprinkler systems, and tub enclosures.

Manufacturers of many of the specialty items advertise in the classified sections of the telephone directories, and some refer to both sales and installation and quote "free estimates".

Under provisions of our Contractors License Law an unlicensed person who advertises in a directory under a listing of contractor can be convicted of a misdemeanor. The telephone directory advertising we are discussing, however, in most instances does not include the term "contractor" in the listing.

Contractors who service and maintain air-conditioning and other mechanical equipment and those who manufacture and install specialty items and have complied with the licensing requirements of the State of California should insist that the telephone directory advertising they pur-

chase spell out that they are State licensed contractors. Their ads should specify that they are State licensed, so the consumer public can be alerted to the benefits of contracting with those persons and firms who are acting lawfully. The need for this identification is even more important to building and remodeling contractors licensed by the Board who are looking for specialty contractors in new areas where they have not had prior projects.

The average do-it-yourself homeowner probably is unaware of the licensing requirements of the State of California. Licensees of the Board, however, should continually be aware of the need of a license and should keep in mind that under Sections 7114 and 7118 of our license law, a licensee who aids and abets an unlicensed person, or who knowingly enters into a contract with an unlicensed contractor, can have his State contractor's license suspended or revoked. Further, pursuant to Section 125 of the Business and Professions Code, it is a misdemeanor to act as an agent or partner of an unlicensed person, or to allow such person, use of a license.

Violation of Safety Orders

7109.5. Violation of any safety provision in, or authorized by Division 5 (commencing with Section 6300) of the Labor Code resulting in death or serious injury to an employee constitutes a cause of disciplinary action.

Violation of Laws

7110. Willful or deliberate disregard and violation of the building laws of the state, or of any political subdivision thereof, or of the minimum painting standards adopted pursuant to Section 37040 of the Health and Safety Code, or of Sections 8505 or 8556 of this code, or of the safety laws or labor laws or compensation insurance laws or Unemployment Insurance Code of the state, or violation by any licensee of any provision of the Health and Safety Code or Water Code, relating to the digging, boring, or drilling of water wells constitutes a cause for disciplinary action.

Section 7110 has been in the law for many years. Historically, Section

7109.5 is actually an Agency law. The Registrar, Leo Hoschler, concerned with serious injury and deaths among contractor's employees, was instrumental as long as eight years ago in drafting and placing before the legislature the bill that enacted Section 7109.5.

With respect to death or serious injury incurred in violation of state law, the Registrar will maintain a continuing policy of filing disciplinary actions for suspension or revocation of a license.

You are reminded that in the event you incur discipline as a contractor, pursuant to Section 7071.8 of the Contractors License Law, prior to reinstatement of your license, you must file a disciplinary bond ranging from \$7,500 to \$25,000.

The disciplinary bond must be maintained for two years in addition to the regular \$2,500 contractor's license bond.

It is the responsibility of all parties concerned with construction activities, employers, labor and regulatory agencies to be continually alerted to the necessity for "job safety."

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IS A CONTRACTOR'S LICENSE REQUIRED?

There are basically two steps which must be taken in order to determine whether a person is doing work which requires a license. The first step is to decide whether a person is acting in a way that would bring him within the meaning of the Contractors' License Law. If, after the first step, a judgment has been made that a person is covered by the Contractors' License Law, then the second step must be taken to determine if the person's actions are exempt from the licensing requirements.

Under Section 7026 of the Business and Professions Code, a contractor is defined as "any person, who undertakes to or offers to undertake to or purports to have the capacity to undertake to or submits a bid to, or does himself or by or through others, construct, alter, repair, add to, subtract from, improve, move, wreck or demolish any building, highway, road, parking facility, railroad, excavation or other structure, project, development or improvement, or to do any part thereof, including the erection of scaffolding or other structures or works in connection therewith or the installation of a mobilehome upon a site for the purpose of human habitation or human occupancy". This definition is quite broad and any person who acts in a way that would bring him within that definition, must have a contractor's license, unless he comes within one of the exemptions.

The exemptions to the Contractors' License Law are found in Sections 7040-7053 of the Business and Professions Code. These exemptions are covered in detail below.

1. Authorized representatives of the U.S. Government, of the State of California, or any incorporated town, county, irrigation district, reclamation district or other municipal or political corporation or subdivision of the state is not required to have a license.

2. Officers of the court when acting in their official capacity are not required to have a license.

3. Public utilities which operate under the regulation of the State Railroad Commission and do construction, maintenance and development work incidental to their own business are exempt from the licensing requirements.

4. A license is not required for construction or repair work which is incidental to the discovering or producing of petroleum or gas, or the drilling, testing, abandoning or other operation of any petroleum or gas well, when such work is performed by an owner or lessee.

5. A license is not required of persons who own property and build or improve structures on that land if such persons do the work themselves or through their own employees with wages as their sole compensation. If such building or improvement was undertaken for purposes of sale, the exemption is lost and the person must be licensed. If an owner of property contracts with licensed contractors for the building or improvement of structures on his land, that person does not need a license.

6. Except for the installation and erection of mobilehome accessory buildings and structures, a license is not required to sell or install any finished products (finished products do not include installed carpets), materials or articles of merchandise, which do not become a fixed part of the structure nor is a license required of material-men or manufacturers furnishing finished products, materials or articles of merchandise if such persons do not install or contract for the installation of such items.

7. Except for the installation of a mobilehome upon a site for the purpose of living there, and the installation and erection of mobilehome accessory buildings and structures, a

license is not required for the construction, alteration, improvement or repair of personal property.

8. A license is not required for construction, alteration, improvement or repair which is carried on within the limits and boundaries of any land belonging to the Federal Government.

9. A license is not required where the work on one project is less than \$100. The price of labor, materials and all other items is used in determining whether the \$100 limit is reached. This exemption does not apply where the work of construction is only a part of a larger operation or when the person advertises in any way which would indicate to the public he is a contractor.

10. A license is not required for any construction incidental to the construction and repair of irrigation and drainage ditches of regularly constituted irrigation districts, reclamation districts or to farming, dairying, or stock or poultry raising, or clearing or other work upon the land in rural districts for fire prevention purposes. Drilling, digging or otherwise constructing or repairing water wells does require a license.

11. A license is not required of a licensed architect or a registered civil or professional engineer acting solely in his professional capacity or to a licensed structural pest control operator acting within the scope of his license.

12. A license is not required of a person who only furnishes materials or supplies without making them into, or using them in, the work of a contractor.

13. Except for the agents and salesmen engaged in the home improvement business as defined in Article 10 of the Contractors' License Law, a person who works as an employee with wages as his sole compensation is not required to have a license.