



# THE CALIFORNIA LICENSED CONTRACTOR

RONALD REAGAN, Governor

SEPTEMBER 1973

JOHN T. KEHOE, Director



DR. CHARLES W. HOSTLER

Dr. Charles W. Hostler was appointed by Governor Reagan as the third public member of the Contractors State License Board on May 29, 1973. Hostler, 53, is President of the Hostler Investment Company in Newport Beach. He retired as a Colonel from the United States Air Force after twenty years of service.

Hostler received his Ph.D. in Political Science and Economics from Georgetown University. He received a Masters Degree in international affairs from Georgetown University in Washington, D.C. and a Masters Degree in Middle Eastern Studies from American University, Beirut, Lebanon; he was graduated from the University of California with a BA Degree in Administration.

Dr. Hostler is the author of a number of books and articles, including "Turkism and the Soviets" which has been translated and published in four countries.

Dr. Hostler is a Member of American Political Science Association, American Ordnance Association and Board of Governors of Middle East Institute. He is Vice President for International Operation, Sub-Terrain.

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## EMERGENCY LEGISLATION

Two bills were introduced in the current Session of the California Legislature as an emergency because of the profound effect 1972 legislation had on or would have upon contractors because of confusion, ambiguities or just plain economics. The bills were passed and became law. A special notification was prepared and mailed to the best available current list of contractors that could be obtained in the midst of the gigantic renewal program under way at the time the bills became law. Some licensees may not have received this notification. Also because of the brevity required in making the notification another and further explanation seemed desirable.

Senate Bill 609 was introduced to clarify Section 7030.5 of the Contractors License Law which required under Senate Bill 239 passed by the 1972 Legislature that all contractors include their license number on all construction contracts, subcontracts, calls for bids and advertising. Advertising

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## PENDING LEGISLATION

There are several bills presently pending before the current Session of the California Legislature which amend or add sections to the Contractors License Law or which directly affect the contractors' activities in other statutes. Two bills still pending were discussed at some length in the June 1973 issue of this publication. These bills are Assembly Bill 630 and Assembly Bill 150.

Assembly Bill 630 revises the definition of "Contractor" to include persons who do designated acts with respect to mobilehomes. The bill has cleared the Assembly floor and has been referred for consideration by the Senate. The bill is virtually unchanged since first introduced. For further information the reader should refer to the explanation of the bill in the June 1973 issue.



W. DANIEL LARSEN

W. Daniel Larsen was originally appointed by Governor Reagan on February 12, 1968 and served on the Board until October 31, 1972. He was again appointed on June 4, 1973. A General Building Contractor, he is Vice-President and Responsible Managing Officer of F. E. Young Construction Company, Inc., a General Building and General Engineering contractor. Dan Larsen, 45, has been in the construction business since 1951 after graduating from Berkeley with a Civil Engineering Degree. 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 Corps; Past President of the San Diego Chapter of Associated General Contractors; and, Past President of the University Club of San Diego. Dan and his lovely wife, Yvonne, reside in San Diego. They have two daughters, Christine and Charlene.

Assembly Bill 150, which was introduced by the Assembly Select Committee on Industrial Safety and others, has had several changes since its introduction, but most of the changes

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Board

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Department of Consumer Affairs.

## STATE OF CALIFORNIA

RONALD REAGAN, Governor

JOHN T. KEHOE, Director

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Assistant Regional Deputy

## EMERGENCY LEGISLATION

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was given the same meaning given to it by Section 7026.7 of the Contractors License Law which is quite broad and all inclusive and technically required a contractor to include his license number to appear on all advertising which could be construed to indicate to the casual reader that the person advertising had the legal right to act in the capacity of a contractor.

There was no question, by those people directly concerned with the requirement, for the license number to be included on construction contracts, subcontracts and calls for bid. However the possible broad application of advertising made it a matter of deep concern because of the prohibitive economic burden which could be imposed upon the average contractor as a result of the potential increased cost of all forms of advertising.

The provisions of Senate Bill 609 were simply to remove the meaning given to advertising by Section 7026.7 as it relates to Section 7030.5 and to substitute in its place that advertising under this section would be as prescribed by the Registrar. This was deemed to be a wise move because the Registrar in administering the Contractors License Law on a day to day basis is in the best position to determine which form of advertising should include the license number of the licensed contractor's advertising to accomplish the original intent of Senate Bill 239(1972).

Senate Bill 609 became law on July 1, 1973 and since Senate Bill 239 (1972) was also to become law on July 1, 1973 the effects is that Senate Bill 609 completely replaces Senate Bill 239(1972). Special guidelines regarding Senate Bill 239(1972) were established at the time the bill ap-

peared to be destined to become law and were published in the June 1973 issue of the California Licensed Contractor. Senate Bill 609 has negated these guidelines. Consequently all previous guidelines whether published in this bulletin or distributed otherwise should be completely disregarded as new guidelines are to be implemented pursuant to provisions of this bill.

Section 7030.5 as provided for by Senate Bill 609, which is now law, is below recited for the benefit of those who are unaware of the law.

"Section 7030.5. Every person licensed pursuant to this chapter shall include his license number in:

- (a) all construction contracts;
- (b) subcontracts and calls for bid; and
- (c) all forms of advertising, as prescribed by the Registrar of Contractors, used by such a person."

In prescribing those situations in advertising wherein the license number is required, the Registrar of Contractors has purposely limited the number of situations so the law can be administered from the start with as little confusion and misunderstanding as possible. This does not mean that other requirements will not be added at a later date. As critical situations regarding contractor's advertising appear, additional guidelines will be prescribed. No additional requirements will be prescribed, however, without sufficient notice being given to all licensees through this publication or through special notices.

To start out, the Registrar has prescribed that the contractor's license number will only be required in the telephone directory yellow pages as follows:

1. All listings under the many variations of "Contractor" regardless of the size of print under the listing or any other limiting qualifications. There should be no question regarding this requirement for if the word "Contractor" appears in the heading, all listings will be required to contain the contractor's license number. In connection with listings under the heading "Contractor", if the listing indicates the reader should see an advertisement on the same page or on a different page, the license number need only appear in the advertisement rather than the listing. The number may appear in both the listing and the advertisement if the contractor wishes but the license number will only be

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## District Offices

El Monte, 11001 East Valley Boulevard  
DEAN HOYT, Supervising Deputy

La Cienega, 1945 So. La Cienega  
Boulevard, Los Angeles

SAM BENDER, Supervising Deputy

Van Nuys, 14411 Van Owen Street  
MEL COOPER, Supervising Deputy

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Santa Ana, 28 Civic Center Plaza,  
Room 360

DAVID R. PHILLIPS, Supervising Deputy  
Ventura, Room 102, 2590 East Main Street  
MARVIN LEFLER, Supervising Deputy

## EMERGENCY LEGISLATION

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required in either the listing or the advertisement.

2. All listings under other headings, if the heading itself indicates ability of those listed to contract or the listing or advertisement appearing under the heading suggests to the reader that the person listed has the right by law to act in the capacity of a contractor. Listings or advertisements which are solely for the purpose of selling a commodity whether it be houses, equipment, etc. do not require a license number to appear even though the person or firm advertising may be a licensed contractor. If the advertisement for the purpose of selling equipment, as an example, indicates the equipment can be installed or serviced by the advertiser then the license number must appear. There may be some questions regarding listings under headings other than "Contractor" which would require the contractor's license number. We have browsed through the yellow pages of a typical telephone directory and find the following which is by no means a complete list of Affected headings: **Antennas** (featuring master antenna systems); **Awnings**; **Burglar Alarm Systems**; **Carpets and Rugs, Dealers—New**; **Carpets and Rugs—Layers**; **Carpports**; **Concrete Breaking, Cutting and Sawing**; **Ditching Service**; **Doors**; **Drilling Companies**; **Elevators—Freight and Passenger**; **Elevators—Repairing**; **Fire Alarm Systems**; **Floor Laying, Refinishing and Resurfacing**; **Furnaces—Heating**; **Furnaces—Repairing and Cleaning**; **Glass—Auto, Plate, Window, Etc.**; **Home Repair and Maintenance**; **House Movers**; **Lighting Fixtures—Repairing and Maintenance**; **Linoleum Dealers**; **Linoleum Layers**; **Mobile Homes—Dealers**; **Paper Hangers**; **Patio Construction**; **Pipe Line Companies**; **Refrigeration Equipment—Commercial, Servicing**; **Sandblasting**; **Sheet Metal Work**; **Shower Doors and Compartments**; **Signs—Hanging Service**; **Signs—Maintenance and Repairing**; **Sprinklers—Garden and Lawn, Installation and Service**; **Vacuum Cleaning Systems**; **Water Heaters—Repairing**; **Water Well Drilling and Service.**

No method of advertising other than in the telephone directory yellow pages is required at this time, but be sure to watch for any possible changes in advertisement requirements in future California Licensed Contractor bulletins.

Senate Bill 906, the second emergency bill, was introduced to clarify ambiguities regarding the registration of home improvement salesmen. In the 1972 session of the legislature Senate Bill 432 was enacted into law and became effective on March 7, 1973. Senate Bill 432 provided for the registration of Home Improvement Salesmen and the regulation of them by the Contractors State License Board. In defining the Home Improvement Salesman in Section 7152 of the Contractors License Law the section was not completely clear in that a literal interpretation of the section seemed to require registration of sales persons who were not originally intended to be registered. Senate Bill 906 which became effective on June 26, 1973 removed the ambiguity and helped to eliminate any confusion which might have led to needless litigation or administrative actions.

Section 7152 as amended by Senate Bill 906 is as follows: (The portion of the section in italics was added by the bill.)

"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. Officers of corporations licensed pursuant to this chapter, persons who qualify under Section 7068.1, *sales persons whose sales are all made pursuant to prior negotiations between the parties at a business establishment at a fixed location where goods or services are offered or exhibited for sale, and sales persons whose sales are all made pursuant to negotiations between the parties initiated by the prospective buyer at or to such business establishment shall not be considered home improvement salesmen.*

The effect of Senate Bill 906 is to eliminate the requirement of registration as a home improvement salesman for those people who sell to a buyer at a fixed location of business of a contractor when the sale is initiated

by the buyer or at or to the fixed location of the contractor's business. This is interpreted by the agency of the Contractors State License Board to mean that once a prospective buyer has initiated a negotiation by appearing at or telephoning the contractor's place of business, the person making the sale may then do whatever is necessary at the place of business, or at the job site to conclude the negotiations without being required to be registered.

The registration requirement is for those people who through door to door contacts or through telephone communication attempt to initiate home improvement sales. Persons who make most of their sales when initiated by the buyer at the place of the contractor's business, must register as home improvement salesmen if they, at any time, initiate sales at the prospective buyer's home whether by personal contact or by telephone.

All registered home improvement salesmen or prospective home improvement salesmen who have not received the pamphlet entitled "Provisions of the Contractor License Law Pertaining to the Home Improvement Business" may obtain one by writing or calling the nearest office of the Contractor State License Board.

## PENDING LEGISLATION

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are technical. The bill has cleared the Assembly and is now scheduled to be considered by the Senate. This bill provides for the appointment by the Governor of a seven member Occupational Safety and Health Standards Board, also known as the Industrial Safety Board, to adopt occupational safety and health standards at least as effective as the federal standards which were promulgated under Section 6 of the Federal Occupational Safety and Health Act of 1970 (OSHA). This bill, if it is passed and becomes law, will have a profound effect on the contracting activities of all California licensed contractors.

Assembly Bill 717 which was discussed in the last issue of this paper was dropped by its author in favor of Assembly Bill 1320 which is essentially the same. Assembly Bill 1320, coauthored by Assemblymen Ralph and Powers, amends Section 7071.11

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# BUSINESS MANAGEMENT FOR CONTRACTORS

Because of the importance of good business practices in conducting a successful contracting business, this agency is making available to all licensed contractors in serial form in this publication an elementary treatise on Business Management for Contractors. The material presented is not intended to be a complete text on the

subjects mentioned. With reference to payroll taxes and insurance, the State and Federal agencies concerned should be contacted. They will furnish complete printed instructions covering their requirements. The comments upon business management and finances cover those areas in which education appears to be most urgently

needed for the average contractor. If he will master and apply the principles which will be discussed, he should develop a sound and profitable business. A compilation of all the material which will be contained in this series of articles should make an excellent source of reference.

## CHAPTER I—PRINCIPLES OF MANAGEMENT

The average contractor is considered to be a good mechanic or technician. Prior to becoming a contractor, he, in most cases, worked as a journeyman for another contractor. He spent several years acquiring his skill and knowledge. However, upon entering business for himself, he has suddenly and without any experience or training, entered into the most severe type of competition—**MANAGEMENT COMPETITION**. *Businesses do not compete. Competition is between managements.*

It is obvious, therefore, that this average contractor has undertaken a difficult task. This lack of management experience is not a reflection upon his intelligence or ability, nor does it mean he cannot succeed.

If he is to succeed however, he must follow certain established principles.

There is no mystery concerning any of the principles which assure successful management. Big business has spent countless millions developing systems and methods by which to improve operations and profit. Most of these methods, boiled down, amount to nothing more than common sense.

The basic principles and many techniques used by big business to control operations and assist human judgment in management are not applicable *only* to big business. They may be applied to small business with equal effectiveness and ease and at little or no additional expense. Some of these principles and techniques are included in this book and it is sincerely recommended they be studied and applied in your business.

### THE SCOPE OF MANAGEMENT

The principle duties of management are to plan and direct the major activities of the company, coordinate the functions of personnel and train, direct and advise the key personnel of

the organization. In order to accomplish these objectives, it is necessary that management be fully informed at all times on all phases of the business-financial position, status of work in progress, performance of personnel, amount of inventories, condition of accounts receivable, etc.

It can be readily seen that the scope of management's responsibilities is very broad. His scope of responsibilities is equally large even in a small operation. In any size of operation it is essential that there be current and adequate records and reports. It is management's responsibility to see that these records and reports are established and maintained, that he fully understands their significance and takes proper action as required. A detailed discussion of important records and reports is covered later.

### PRINCIPLES OF MANAGEMENT

The most difficult transformation to be made when changing from an employee to ownership or management appears to be in *developing an objective viewpoint and in observing the basic Principles of Management*.

Some of the more important principles of management are explained below:

**Planning:** Efficient planning is one of the most important, but most neglected, phases of managerial responsibility. Careful organizing, planning and scheduling are the major requirements for the success of any business enterprise. It will be found that proper planning will assist greatly in individual performance, improve coordination and eliminate confusion.

**Controls:** Controls in business are the safety methods established to assure that the operation of the business does not stray from the planned course. Controls are established to guard against errors in human judgment

and to evaluate performance of personnel. It is essential that effective controls be established and be rigidly enforced.

**Decision:** Management has the specific duty to keep himself free from all possible routine or detail work in order to function most effectively. He should train and develop personnel to assume responsibilities and make decisions whenever and wherever possible. Effective management, therefore, requires that decisions be made at the lowest level practicable in the organization.

**Standardization:** In the interest of attaining maximum efficiency, it is important that standardized methods be established for operations which will be repeated from time to time. When the best method by which the work may be performed has been decided, it should be adopted as the pattern for subsequent, similar operations.

**Human Relations:** Management should always remember to consider each problem from the other person's point of view. The success or failure of a business depends largely upon the proper handling and treatment of the personnel.

**Cooperation:** Cooperation between individuals in any group must be encouraged by management, as their combined efforts, working toward a common goal, will produce far greater results than the combined total produced by each working as an individual. The spirit of cooperation is usually inspired by the conduct of managerial personnel themselves.

**Responsibility:** Each individual in an organization should be responsible for one or more phases of operation. He should be made to thoroughly understand exactly what his responsibilities are, be given the authority to

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## CHAPTER 1—PRINCIPLES OF MANAGEMENT

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carry them out and be held accountable for their execution. One of the most consistent failings of management is in neglecting to instruct personnel as to their responsibilities and delegating adequate authority to exercise these responsibilities.

**Communication:** Effective communication is an important part of any sound organization. All personnel are entitled to be advised upon any subjects which concerns them individually. It will be found that good communications improves morale and productivity.

**Executive Ability:** Executive ability can be realized to the fullest extent *only* when the executive is relieved of all unnecessary detail or routine work. When standards of performance are established, definite plans and policies formulated and adequate controls installed, the executive may direct his time and attention to those matters which are the exception to the normal operation. *Only* then is the executive able to make full use of his ability.

The above principles illustrate the broad scope of management's responsibilities as well as the necessity for inexperienced management to *convert his thinking from a detailed to an objective viewpoint*. Each of these principles apply to *all* businesses, regardless of size. Most of these principles, actually, are violated in most small businesses every day and the results are inefficient, confused and, probably, unprofitable business.

Do not make the common mistake of considering these principles to be theory which does not apply to you. Many members of management appear to feel, because these principles make common sense and represent facts of which they are aware, they are applying them, when actually the reverse is the truth. Management should periodically test his own performance in connection with the principles of management by reviewing his operations and asking himself, *honestly*, the following questions:

1. Has every phase of the operation been presented to each employee concerned in such a manner he clearly understands what he is doing and why?
2. Is each man in his right place?
3. Are circumstances such that each man can work with maximum effectiveness?

4. Is the task assigned each man such that after sufficient training he is capable of handling it?
5. Are all matters planned carefully in advance?
6. Are the best possible practices established as standards for all routine operations?
7. Is the business capable of rapid adjustment to changing conditions?
8. Is each employee directed by one supervisor only?
9. Has all duplication of effort been eliminated?
10. Has all overlapping in authority and responsibility been eliminated?

It is, of course, desired that management be able to answer "yes" to all of the above questions. If he finds that he is not sure, or cannot honestly answer "yes" he should immediately take whatever steps are necessary to be able to do so.

To be continued

## IMPORTANT COURT DECISION

In recent weeks the staff has received many inquiries concerning the status of Business and Professions Code section 7113.5 which provides, in part, that the avoidance or settlement for less than the full amount of the lawful obligations of a licensee incurred as a contractor by an adjudication in bankruptcy is cause for suspension or revocation of the contractor's license. A recent decision of the Court of Appeal held that section 7113.5 was unconstitutional in that it conflicted with the provisions of the Federal Bankruptcy Act. The Attorney General, the legal counsel for the Registrar, has petitioned the California Supreme Court for a hearing to determine whether the Court of Appeal's decision is correct and to clarify certain aspects of that Court's decision. Until the Supreme Court takes action on the petition for hearing, the Court of Appeal's decision is not in force. However, for the purposes of discussion, assuming that the Court of Appeal's decision should stand and until the Supreme Court decides or indicates otherwise, the Attorney General has advised the Reg-

istrar that section 7113.5 still authorizes disciplinary action so long as the penalty imposed is not revocation of the license. That is, the Registrar may still file disciplinary actions against contractors who violate the provisions of section 7113.5 and impose penalties of up to and including a one-year suspension of the license. It is the Attorney General's opinion that the Court of Appeal's decision held only that section 7113.5 was unconstitutional when used to *revoke* a license.

The Attorney General has further advised this office that all disciplinary actions previously taken by the Registrar pursuant to section 7113.5 which impose a penalty of less than a revocation of the contractor's license are not affected in any way by the Court's decision. The procedures involved in reinstating the suspended license and/or complying with the terms of the decision remain the same as that imposed as a result of disciplinary action taken for any other cause specified in the Business and Professions Code.

With one exception, the situation is no different where the previous disciplinary action involved revocation of the contractor's license pursuant to section 7113.5. The difference is that a contractor who has had his license revoked for a violation of section 7113.5 will not be required to establish that all discharged debts have been satisfied. Therefore, an application for license by a previously revoked contractor may still be denied and a statement of issues hearing scheduled pursuant to sections 7069 and 7069(a). Upon a proper showing, the Registrar may order the license granted. The requirements of section 7071.8 imposing a disciplinary bond would remain applicable.

## DR. CHARLES W. HOSTLER

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Irrigation Company; Member, Board of Directors, Wynn Oil Company; Member, Board of Directors, Patent Development Corporation; Chairman, Board of Directors, Irvine National Bank; and Member, Advisory Board of Directors, Imperial Trust, Phoenix, Arizona.

## DISCIPLINARY ACTIONS TAKEN SECOND QUARTER, 1972-73—SUSPENDED

Namestyle	Address	Date	Sections violated and suspension time
Aadco Construction	14844 Dunnet Ave., La Mirada	12- 8-72	7113, 7115, 7120 Indefinitely
Allied Construction Co.	819 E. Homestead Rd., Sunnyvale	12- 8-72	7109 for 20 days
All State Heating and Construction	520 S. Second St., San Jose	12-29-72	7107, 7108, 7110, 7115, 7116, 7116.2, 7159, Indefinitely
B and C Landscaping	9750 Tullock Ct., Bloomington	12-28-72	7109, 7113 for 30 days
Bay Area Construction Co.	2901 Gillet Ave., Concord	10-26-72	7114 for 60 days
Beach City Construction, Inc.	2520 Southwood Dr., Dallas, Texas	10-27-72	7107, 7113 for 30 days
Bowman, R. Electric Co.	633 Olive, Novato	12- 7-72	7107, 7113, 7121 for 90 days
Bradley, R. N.	440 Hanover Ave., Oakland	10- 3-72	7110, 7115, 7119, 7159 for 60 days
Burger, Frank	615 19th St., Santa Monica	12- 6-72	7107, 7109, 7113, 7120, 7121 for 90 days
Cal-Mar Mechanical Corporation	6029 Venico Blvd., Los Angeles	11-29-72	7113.5, 7115, 7117(a), 7120, 7121 Indefinitely
Caple Bros Masonry	2645 St. James Pl., Altadena	11-30-72	7115, 7117(a) for 30 days
Commercial Construction Co.	645 Van Ness Ave., San Francisco	12-12-72	7122.5 for 5 days
Connors, James T.	715 Plaza Ave. No. 60, Sacramento	10-20-72	7113.5 for 30 days
Custom Cabana Inc.	650 Ave. K, Calimesa	12-29-72	7107, 7109, 7113 for 30 days
Four Star Plumbing	10730 Coloma, Loma Linda	12- 6-72	7112 for 20 days
Gattozzi, Paul J. Home Improvement Co.	3308 Garvin Ave., Richmond	12- 7-72	7109, 7111, 7113 Indefinitely
Glover, Dick	2742 W. Orangethorpe, Suite A-2, Fullerton	12- 6-72	7107, 7113, 7120 Indefinitely
Hale, J. F. Landscaping	Box 165, Joshua Tree	10- 3-72	7112 for 10 days
Hoefler, Harry	Mi Wuk Village	10-11-72	7122.5 for 45 days
Hoefler, Harry General Contractor, Inc.	Mi Wuk Village	10-11-72	7107, 7113, 7119, 7120 for 45 days
Kline Enterprises	3101 Orthello Way, Santa Clara	12-29-72	7107, 7113, 7115, 7117 Indefinitely
Kresge, Thomas B.	614 N. Gretna Green, Los Angeles	12-27-72	7122.5 for 360 days
Lamb Construction Co.	P.O. Box 5005, Gardon Grove	10-18-72	7120 Indefinitely
McGinnis, Daniel H.	10636 Mary Bell Ave., Sunland	10-18-72	7107, 7113, 7119, 7120 for 45 days
Medallion Roofing Company	10961 Danube St., Granada Hills	12-19-72	7114, 7115, 7121 for 15 days
Medallion Roofing Company Inc.	10961 Danube St., Granada Hills	12-19-72	7112 for 15 days
Pena Interiors	P.O. Box 5022, Redwood City	12- 5-72	7113.5 Indefinitely
Piskulic, Rudy A.	1312 E. Gutierrez St., Santa Barbara	12-19-72	7109, 7115 for 6 mo.
Reeves Roofing Co.	6100 Sepulveda No. 303, Van Nuys	10-28-72	7122.5 for 30 days
S & G Construction Co., Inc.	10806 Ventura Blvd., N. Hollywood	11-17-72	7107, 7109, 7111, 7113, 7115, 7119 for 30 days
Slater's Coast Landscape Co.	30658 Calle Chueca, San Juan Capistrano	12-20-72	7107, 7113 Indefinitely
Smith, Eeply L. Jr.	2520 Southwood Dr., Dallas, Texas	10-27-72	7122.5 for 30 days
Specialty Concrete Co.	1307 87th Ave., Oakland	12- 7-72	7107, 7108, 7109, 7120 Indefinitely
Stein, Lawrence	310 N. Rennell Ave., San Dimas	12-20-72	7113.5 for 90 days
Stinson, Happy Alfred	56178 Agnes, Hollywood	10- 8-72	7115, 7117 Indefinitely
Strong, D. S.	4923 Corbin Dr., San Jose	10- 3-72	7111, 7115 for 60 days
Swithenbank, Robert C.	575 Walnut Ave., Walnut Creek	10- 3-72	7113.5, 7122.5 for 30 days
Tarzana Roofing Co.	19101 Lanark St., Reseda	10-28-72	7107, 7113, 7121, for 30 days
Terlizzi, Michele R.	13731 Rushmore Ln., Tustin	12- 6-72	7110, 7113, 7120 Indefinitely
Walter, James Company	7155 N. Figueroa St., Los Angeles	12- 7-72	7109, 7110, 7111, 7113, 7116, 7119 for 6 mo.

## DISCIPLINARY ACTIONS TAKEN SECOND QUARTER, 1972-73—REVOKED

Namestyle	Address	Date	Sections violated
A and D Construction Inc.	1534 E Edinger Suite 5, Santa Ana	10-26-72	7113.5, 7120
A & E Associates, Inc. dba Commercial Construction Company	645 Van Ness Ave., San Francisco	12-12-72	7120
A & E Associates Inc. dba Commercial Construction Company & C.L. Wold dba C.L. Wold Construction Co. JV	645 Van Ness Ave., San Francisco	12-12-72	7098
Alan Builders	3831 Orangewood Ave., Garden Grove	10-28-72	7107, 7113, 7120
Alexander Roofing Co.	14228 Don Julian, La Puente	12-21-72	7113.5
Als Electric Company	13112 Montague St., Arleta	11-16-72	7107, 7113, 7113.5
Appleton Construction Co.	P.O. Box 213, Cotati	12-28-72	7122.5
Asphalt Paving Inc. dba Pacific Paving Co.	614 Gretna Green, Los Angeles	12-27-72	7120
Atkinson, Robert P., Southern Electric Co.	P.O. Box 26035, Los Angeles	11-16-72	7122.5
Banner Plastering Company	485 W. Orchard, Rialto	10-13-72	7107, 7113
Banley, Edward J.	4060 Sherry Ct., Pleasanton	11-17-72	7071.11
Brandon, W. I. Co.	P.O. Box 1530, Tahoe City	12- 5-72	7107, 7109, 7113
Brown, James J.	1415 Valley View, Glendale	11-17-72	7107, 7113, 7114, 7115, 7117
Buz Plumbing	5354 Amigo Ave., Tarzana	11-29-72	7114, 7122.5
Cal Neva Insulation Co.	P.O. Box 1651, Medford, Ore.	12-21-72	7107, 7113
Cirillo, Joseph	1435 Van Wix Ave., La Puente	11-19-72	7108, 7115, 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 wilful or fraudulent act as a contractor.
		7116.2	False advertising.
7109	Wilfully disregarded plans and specifications, or has failed to complete the job in a good and workmanlike manner.	7117	Acting as a contractor out of namestyle.
7110	Wilful disregard and violation of building laws.	7118	Contracting with unlicensed person.
7110.1	Violation of Labor Code.	7119	Failure to prosecute a job with diligence.
7111	Failure to keep records and to make them available to a representative of the registrar.	7120	Failure to pay for materials or services.
7112	Misrepresentation of a material fact on an application.	7121	Prohibition against associating with suspended or revoked licenses.
7113	Failure to complete a project for the price stated in the contract.	7122	Participation of licensee in violating Contractors' Law.
7113.5	Avoiding or settling for less than lawful obligations as a contractor through the various bankruptcy proceedings.	7122.5	Responsibility of Qualifying Person for acts committed by his principal.
7114	Aiding and abetting an unlicensed person.	7123	Conviction of a Felony in connection with construction activities.
		7124	A plea of nolo contendere is considered a conviction.



## DISCIPLINARY ACTIONS TAKEN SECOND QUARTER, 1972-73—REVOKED—Continued

City Service	P.O. Box 1120, Hemet	11-30-72	7107, 7109, 7113
Clinton, R. H.	3606 Coldwater Canyon, Studio City	12- 6-72	7109, 7110, 7116, 7119
Consolidated Electric Company	4545 Santa Monica Blvd., Los Angeles	10-28-72	7098, 7121
Covington, Oleta M.	11112 Santa Clara St., Lamont	10- 8-72	7109, 7113, 7115
Curl, M.L.	P.O. Box 899, Clearlake Highlands	10-12-72	7071.11, 7113, 7120
Custom Exteriors	431 S. Cypress, La Habra	12-28-72	7107, 7113, 7113.5, 7120
D. W. International Precision Built Pools	12623 Byron Ave., Granada Hills	11-30-72	7112, 7122.5
Estes, Gene Enterprises	1677 Garden Highway, Sacramento	12-12-72	7098
Garrett, William E.	4011 Hillburn Rd., Bakersfield	12-14-72	7115
Georgia Carpet Mills	47 E. 8th St., National City	11-16-72	7107, 7113, 7113.5
Golden & Golden	4312 Mt. Alamagosa, San Diego	12- 8-72	7098
Golden State Contractor	2119 Wall St., Joplin, Mo.	12-17-72	7109, 7113, 7115
Glen, J. W., Lathing and Plastering	2300 Q St., Rio Linda	11- 9-72	7109, 7113
Gray, Richard L., Enterprises Inc., dba Gray Construction Co.	23520 Berton St., Woodland Hills	10-27-72	7109, 7113, 7115, 7121
Hafer & Mason	9751 Klingerman St., S. El Monte	12-17-72	7113.5
Haggard, E. G.	4545 Santa Monica Blvd., Los Angeles	10-28-72	7107, 7113, 7113.5, 7114, 7120
House-crete Systems	9812 Cayuga Ave., Arleta	10- 6-72	7107, 7109, 7113, 7115, 7117, 7120, 7159
Impact Sign Contractors	2037 Old Middlefield, Mountain View	11-16-72	7115
L. W. Drywall and Painting Inc.	3624 W. McKinley, Phoenix, AZ	11-12-72	7120
Lace, Richard	19592 Waterbury Lane, Huntington Beach	12-22-72	7107, 7113, 7120
Larey, Clyde H.	5465 Valley Ridge Ave., Los Angeles	12- 6-72	7109, 7110, 7111, 7120
Mills, Roger E.	2317 E. Norwich, Fresno	10-16-72	7110, 7115
Morris, Sidney R.	24326 Burbank Blvd., Woodland Hills	11-16-72	7107, 7109, 7113, 7115, 7117, 7120
Nava, Ernesto	P.O. Box 215, Hayward	11-16-72	7109, 7113, 7115, 7117
Nunley, Paul W., dba Tri-County Builders	2515 Santa Clara No. 208, Alameda	12- 7-71	7109, 7113, 7115, 7116
Oka Brothers	279 E. Cotati Ave., Cotati	10-18-72	7107, 7108, 7113, 7121
Ortega Bros, Inc.	8807, Baldwin St., Oakland	12-28-72	7107, 7109, 7110, 7113, 7116
Sadler, Ross dba Custom Cote of Calif.	P.O. Box 213, Cotati	11-29-72	7109, 7113, 7115, 7116
San Francisco Glass Co.	P.O. Box 1097, San Luis Obispo	12-28-72	7122.5
San Luis Mechanical	4091 A State St., Santa Barbara	12-14-72	7113.5
Santa Barbara Trade Services	5262 Lincoln Ave., Cypress	11-30-72	7113.5
Serra Vista Pools	1396 Shafter Ave., San Francisco	11-30-72	7107, 7109, 7113, 7115, 7120, 7159
Shallow, Marshall J.	P.O. Box 5246, Long Beach	12-14-72	7110
Shur Roofing Co.	3512 E. Belmont Ave., Fresno	10-21-72	7110, 7113.5
State Wide Builders	P.O. Box 4946, Walnut Creek	12- 8-72	7107, 7108, 7109, 7110, 7111, 7113, 7119, 7120
Tile by Bob, Inc.	661 Clintwood, La Puente	10- 3-72	7113.5
Trans-Pacific Construction Co.	2640 N. Main St., Walnut Creek	11- 8-72	7114, 7117, 7120
Tri State Development Co.	5337 Hammill Rd., El Monte	10-27-72	7113.5
Tribbey, Jon	5437 Laurel Canyon, N. Hollywood	11-12-72	7107, 7113, 7115, 7120
United Building & Wrecking Co.	19308 Leaside, Glendora	11-18-72	7107, 7113, 7120
Valley Pool Construction	P.O. Box 3725, Van Nuys	11-30-72	7122.5
Van Nuys Roofing Company	6722 Kraft, N. Hollywood	12-21-72	7108, 7120
Vanover, Ed Roofing	P.O. Box 614, Lower Lake	11-24-72	7107, 7109, 7113, 7115
Walker, Wes Const. Co.	516 Parkwood, Anaheim	12- 9-72	7107, 7108, 7113, 7115
Watson, C. W. Co.	626A W. California, Glendale	11-17-72	7107, 7113, 7120
Weis, Harry C.	4115 Shane Ave., Oakland	10-27-72	7122.5
Weyerker, Chester H.	701 Tejon, Colton	12- 7-72	7110, 7113.5, 7116, 7117
Wilms, John A dba Wilms Elec.	8201 Tommy Dr., San Diego	11-24-72	7107, 7109, 7113
York Concrete Const.		11-12-72	7112

## DENIED

Brandon, Wilbur Louis	P.O. Box 1530, Tahoe City	12- 5-72	7069(a)
Burke, Construction Company	10 Quail Way, San Anselmo	12-20-72	7102, 7108, 7113.5, 7115, 7116, 7120
Capital Builders	3427 Harian St., Oakland	12-8-72	7069(a), 7069(b), 7070, 7113.5, 7115
Chilton, Virgil D. dba Consolidated Const. Co.	2508 Walnut Ave., Manhattan Beach	12-20-72	7102
Dave's Plumbing	3 Troy Ct., Petaluma	12-20-72	7069(a), 7108, 7112, 7113.5, 7115
Dise, Murphy Painting & Decorating	2077 Jackson St., San Francisco	11-15-72	7069(a), 7112

## AGENCY-MANAGEMENT SURVEY

At long last the Contractor's State License Board, through the long past and continued efforts of the Board, the Registrar and Staff and with the valuable special interest of John T. Kehoe, Director of the Department of Consumer Affairs, and elements of the Construction Industry, labor and management, is able to hire sorely needed additional field Deputy Registrars and clerical personnel to service the heavy volume of rising consumer complaints which have resulted in a complaint backlog exceeding 10,000.

The management survey of the Contractors' State License Board by the firm of Arthur Andersen Co. has been concluded. A tentative and preliminary report was submitted on or about May 18, 1973 with the final report fol-

lowing approximately one month later.

In order that we might effectively reduce the backlog of the pending 10,843 investigations and decrease the case load of each field Deputy to a desirable 60 cases per man, the Andersen Co. suggested a 6 month, 12 month and an 18 month program. Each program was based on increased help scaled proportionately higher to the shorter periods.

Director Kehoe and Registrar Hoschler agreed that we would try to reduce the backlog in the 12 month period. In order to do that, a budget augmentation was approved totaling \$799,261.00 to hire 32 Deputy Registrars and 17 clerical personnel. The plan provides that 13 of the 32 Deputies who will be in a new class

designated Deputy Registrar of Contractors Trainee—sort of an apprentice Deputy. An examination will be held for this new class on September 22, 1973. We are now actively recruiting for prospective trainee employees in hopes that a large number of young people who can meet the entrance specifications might be interested in the job and perhaps a career in civil service. The target date for hiring is October 1, 1973, provided we have an eligible list by that time.

The Registrar believes the Agency has achieved more progress in gaining employee needs during the past year than in any of the ten previous years. The entire public will benefit again THANKS to Director Kehoe and all others in the Construction Industry, labor and management, who put forth their efforts in our behalf.

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### PENDING LEGISLATION

*Continued from page (3), column 3, bottom*

of the Contractors License Law to require the reduction of a contractor's cash deposit in amounts paid in good faith by the Registrar of Contractors on a claim against the cash deposit without the necessity of the claimant commencing an action in court against the cash deposit. The bill also specifies that there is sufficient basis for a good faith payment by the Registrar on a claim against a cash deposit when there is a verified claim not contested by the licensee, when there is a judgment against the licensee or when there is an admitted claim. Both this

bill and Assembly Bill 717 before it was dropped, were amended to allow for claims by labor for wages and fringe benefits through the Office of the Labor Commissioner. This amendment to Assembly Bill 1320 provides that the Labor Commissioner shall hold hearings concerning wage and fringe benefit claims against a contractor's cash deposit. Upon a finding by the Labor Commissioner that the wages or fringe benefits should be paid to the claimant, he shall notify the Registrar of Contractors of his findings and the Registrar shall then make the payment to the claimant from the contractor's cash deposit. As explained in the previous issue, any reduction of a required bond or cash

deposit because of a paid claim against the bond or cash deposit results in the license for which the bond or cash deposit is filed, becoming suspended.

Assembly Bill 1221 introduced by Assemblyman McCarthy requires the licensing of journeymen plumbers by the Contractors' State License Board before journeymen plumbers can engage in plumbing and makes it unlawful for journeymen plumbers to engage in plumbing unless they comply with all requirements. This bill, if passed will require all journeymen plumbers to be licensed before they can be employed by licensed plumbing contractors or before they can engage in plumbing as employees for people other than licensed contractors.