

THE CALIFORNIA LICENSED CONTRACTOR

EDMUND G. BROWN JR., *Governor*

SPRING 1982

RICHARD B. SPOHN, *Director*

BOARD GAINS NONLICENSEE CITATION POWERS

As part of an effort begun last year to combat unlicensed contractor activity, the Contractors State License Board was instrumental in having legislation introduced to allow for citation of nonlicensees. On January 1, 1982, that legislation (carried by Assemblyman Costa in AB 465) became a part of the Contractors License Law.

It authorizes the Registrar of Contractors to issue citations to nonlicensees if "... upon inspection or investigation, either upon complaint or otherwise, the registrar has probable cause to believe that a person is acting in the capacity or engaging in the business of a contractor within this state without having a license in good standing to so act or engage, and the person is not otherwise exempted from the provisions of . . ." the Contractors License Law.

Such citations may contain order of abatement and civil penalties up to \$3,000. The law states that the Board must develop regulations covering the assessment of those civil penalties, giving due consideration to the

seriousness of the violation, the good faith of the person cited and any previous violations of the Contractors License Law.

On March 11, in a public hearing held in San Diego, board rules dealing with nonlicensee citations were unanimously adopted by the Board.

Board Rule 807 deals with criteria for evaluating the seriousness of a nonlicensee violation, and 807.1 contains recommendations for assessment of civil penalties.

The criteria for determining the seriousness of a nonlicensee violation and the recommendations for assessment of civil penalties were developed based on the Board's experience in enforcing Contractors License Law, which has included criminal investigations against nonlicensees.

Board Rule 807.1 allows for the probability that some nonlicensed contractors are ignorant of the law and are attempting in good faith to do quality work for the consumer. The Board expressed the belief that the good faith of an unlicensed person, although not an

excuse for the unlawful activity, should be considered when assessing civil penalties. Conversely, continued violations after warning or citation would not demonstrate good faith and should be taken into account when assessing penalties.

Both of these rules, although adopted by the Board, must still be approved by the Department of Consumer Affairs and the Office of Administrative Law. Presuming no problems with approval, the Board anticipates being able to begin writing nonlicensee citations sometime in June.

For your information, the complete text of Board Rules 807 and 807.1 follow:

807. Criteria to Evaluate the Gravity of a Violation of Business and Professions 7028.7.

Before assessing a civil penalty under Section 7028.7 of the Business and Professions Code, the Registrar shall give due consideration to the gravity of the violation, including, but not limited to, a consideration

(Continued on Page 7, Col. 1)

ADVERTISING—PRACTICALITY AND LAW

Staff members of the Contractors State License Board, assigned to tracking down nonlicensees, are finding that many advertisements for construction work which have no license number included belong to licensed contractors.

From inquiries the Board receives, it also appears that there are a significant number of contractors who include their license number in some types of advertising but not in others.

In many instances, improper advertising may occur simply because the contractor is not aware of advertising laws.

The Business and Professions Code requires that licensed contractors must include their license number in all contracts, subcontracts, calls for bid, and any type of advertising outlined by the Registrar of Contractors.

Contractors State License Board Rule 794.1 outlines the types of advertising in which a license number must be included as: "any card, contract proposal, sign, billboard, brochure, pamphlet, circular, newspaper, magazine, airwave transmission, and any form of directory under any listing denoting

"contractor" or any word or words of a similar import or meaning requesting any work for which a license is required . . ."

In addition, plumbing, well drilling and electrical sign contractors are required by the Contractors License Law to display their name, business address and license number on both sides of each commercial vehicle used in their business. The letters composing such signs must be at least 1½ inches in height.

Recently the Registrar of Contractors has adopted a policy that any other contractors who advertise on their vehicles must also include contractors license numbers.

This does not mean that licensees other than plumbing, well drilling and electrical sign contractors must advertise on their vehicles, only that if such advertising is used it must include a contractors license number.

As this is a new policy, the Registrar has stated he will allow contractors until January 1, 1983 to comply. The extension of time does not, however, apply to other forms of advertising, or to signs required on vehicles for contractors in those trades previously mentioned.

While it is important from a legal

standpoint for contractors to comply with any laws relating to their business operation, where advertising is concerned it is equally important from a practical standpoint. A license number is one of the primary means of identification a contractor's potential customers can use when making inquiries to the Contractors State License Board.

From both legal and practical standpoints, it should also be noted that contractors must operate their businesses and advertise only in the business name on record with the Board. A contractor whose license record is listed under Joe Doe Construction but who operates as XYZ Contracting, may end up in the unenviable position of having the Board inform a potential customer that there is no license for XYZ Contracting.

Using a license number and the correct business name in any type of advertising could conceivably mean the difference between acquiring the contract for a job or not. It will also prevent an otherwise legitimate contractor from receiving a warning or, in repeated instances, a citation imposing civil penalties from the Contractors State License Board.

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GOVERNOR**

**RICHARD B. SPOHN
DIRECTOR, CONSUMER AFFAIRS**

**JOHN F. MALONEY
REGISTRAR OF CONTRACTORS**

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LICENSE BOARD**

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Editor—Peggy L. Dawson

Letters to the editor, articles or information of interest to contractors, and suggestions for subject matter in future issues are welcome.

TO THE INDUSTRY:

In previous issues of this newsletter my comments to you have focused on plans for improving the quality of the Contractors State License Board's operations. In this issue I'd like to report on some results of one of those improvements.

In late 1980 an Application Investigation Unit was added to the Board's operation. Its purpose was to investigate new applications, and in some cases already issued licenses, for truthfulness of the applicant's statements.

Legislation effective January 1, 1980 mandated a percentage of applications be investigated, and the Board determined to investigate a minimum of 3% of all new applications. The unit was also given responsibility for investigation of original applications for issued licenses when possible irregularities were brought to our attention.

Several months were necessary to unify application investigation procedures and train deputies statewide, however, in the last few months we have been able to increase the percentage of new applications being investigated each month to about 6%. The time spent in developing investigation procedures and training has begun to pay off by preventing unqualified applicants from being issued contractors licenses, and in obtaining criminal prosecution of some licensees for originally falsifying their qualifications for licensure.

In June of 1981 the Application Investigation Unit began using a procedure of written denial of applications for license in which investigation revealed deliberate falsification of experience, or financial solvency, etc. Previously, denial of a license was only accomplished after formal hearing through the Office of Administrative Hearings. The new procedure has proven to be more efficient in terms of time, and much less costly. Although an applicant who receives a written denial may request a hearing, in almost all cases applicants have accepted denials without the need of a formal hearing. During December 1981 and January and February of this year, the Board denied issuance of 144 licenses under this program.

Following such a denial the applicant may not reapply for a period of one year. In addition, the Board's records are noted so that if the applicant does reapply the application will undergo a thorough scrutiny, and in all probability will again be referred for field investigation prior to a determination on issuance.

A number of investigations of original applications for licenses already issued have also been conducted by the Application Investigation Unit, and the Attorney General's office has been contacted to determine what can be done legally to insure the most effective prosecution of persons who falsify applications on charges of perjury (a felony).

In one recent case, an application

investigation conducted by the Board resulted in the Sacramento District Attorney's office filing both perjury and forgery charges against the licensee who had falsified experience claims in his application for contractors license. The individual was arrested, jailed, and then released pending trial.

On March 12, in Sacramento Superior Court, he plead guilty and was convicted of 1 count of forgery. He was sentenced to 3 years probation and fined \$500. The Contractors Board is currently pursuing administrative action to revoke his license.

In this particular case a certificate in support of his experience was forged by the applicant, however, in other cases certificates in support of falsified experience have been found to be signed by licensed as well as nonlicensed persons. Because of this, the District Attorney's office has been asked to research the law as it relates to criminal prosecution of persons who sign false certificates of experience.

To date the Board has taken administrative action to suspend or revoke the license of any licensee who knowingly signed a falsified certificate of experience. In the future it is possible that licensees in such cases will also be subjected to criminal prosecution for perjury.

Results of the Application Investigation Unit's operation so far tend to indicate that an unacceptable number of applications for a contractor's license are falsified when they are accepted by the Board. The unit is presently in the process of conducting a random sample of applications for investigation to determine an overall percentage of falsified applications, and to develop profiles of violators. Remedies necessary to decrease the acceptance of falsified applications and criteria for selection of applications to be sent out for investigation will be developed from the results of this sample.

The unit will continue to investigate a percentage of new applications received each month, as well as other applications or already issued licenses which appear to contain irregularities. The impact these investigations are having on the overall quality of licensees is difficult to determine as yet, but I believe as time passes it will prove to be significant.

My feeling and belief is that while no qualified person should be restricted from receiving a license, and we need to do everything possible to speed up the process, we must apply as strong measures as possible to reduce and eventually eliminate false applications as well as any licensee who attests to that applicant falsely. It's much better to stop bad contracting practices at the beginning so all of us can move toward the quality and professionalism desired.

**John F. Maloney
Registrar of Contractors**

TO ARBITRATE OR NOT: THAT IS THE QUESTION

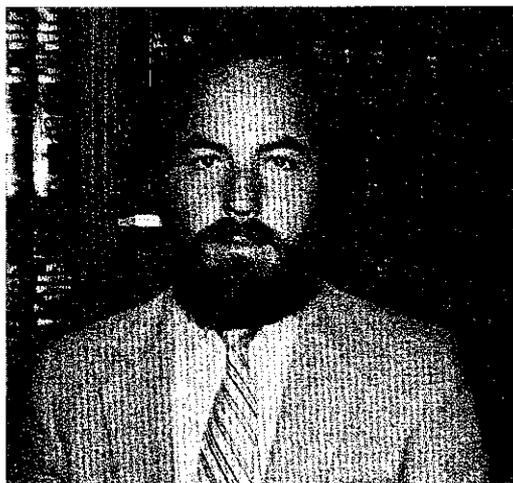
by Kenneth Grossbart, Attorney at Law

This article was originally printed in the November/December, 1981 issue of *Reeves Journal*. Kenneth Grossbart is an attorney at law, practicing in southern California's San Fernando Valley. Grossbart is an associate with the Law Offices of Sam K. Abdulaziz, which deals primarily with the field of construction law, both on a civil basis (between contractor, homeowner, subcontractor, prime contractor, etc.) and on a disciplinary basis when the Contractors State License Board pursues disciplinary action against a contractor licensee.

Arbitration, you've all seen it, some of you even have it written right into your contracts. But do any of you really know what it means? Do you know the benefits and problems of arbitrating your case as opposed to taking it through our courthouses?

There may be a variety of Arbitration clauses. However, a typical clause, as in the American Building Contractors Standard Form reads as follows:

"If at any time any controversy shall arise between contractor and owner with respect to any matters in question arising out of, or relating to, this agreement or the breach thereof, in which the parties do not properly adjust and determine, said



controversy shall be decided by arbitration administered by and in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then obtaining, unless the parties mutually agree otherwise. This agreement so to arbitrate shall be specifically enforceable under the prevailing arbitration law. The award rendered by the arbitrator shall be filed, and judgment may be entered upon it in any court having jurisdiction thereof."

The idea of arbitrating a dispute between parties has been around for some time, in fact, it is even codified in our California Code of Civil Procedure; however, the idea has become increasingly more popular, particularly in the field of construction, within the last few years.

One of the first things to note about an arbitration clause in a contract is that just because the clause is in your contract, it does not necessarily mean that your dispute has to be arbitrated. If the dispute is filed in the Municipal or Superior Court and no one makes an objection to it, then the matter would proceed within our court system. If a dispute is initially filed in our court system but the other side wishes to arbitrate it and there is an arbitration clause in the contract, his remedy would be to the courts to compel arbitration.

Turning to whether it is better to arbitrate or to take your case through the court systems. To better answer this question, let's look at some pros and cons to both arbitrating a case and taking it to the courts. The first item that I will address my attention to is what I call the informality. To have your case heard in our courthouses, all rules of evidence and etiquette are generally strictly

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COMMONLY ASKED QUESTIONS ABOUT PARTNERSHIPS

Please note: These questions and answers deal with Contractors License Law and CSLB licensing procedures. They do not deal with legal or financial aspects of partnership agreements. Questions of that nature should be addressed to an attorney.

Q. *I have a friend who is a licensed contractor. We are thinking of forming a partnership. If we become licensed who will be held responsible by the Board if something goes wrong?*

A. In an administrative action to discipline a partnership license, each of the partners on the license is held responsible. Degrees of responsibility or discipline may vary depending on the circumstances of a particular case. If any partner is on other licenses, those licenses will also be brought into the action, but as a general rule of thumb all partners are responsible.

Q. *I have an individual license. Can I be the qualifying partner on a partnership license and keep my individual license too?*

A. Yes, if you own 20% or more of the partnership and include a statement certifying that fact in your application for partnership license. If you own less than 20%, you will have to inactivate your individual license to be allowed to qualify the partnership.

Q. *Can I qualify more than one partnership license?*

A. Yes, if there is a common ownership of at least 20% between the companies, i.e., if you or another partner (who is on each

license) owns 20% or more of each company.

To be allowed to keep your individual license active you must be the person who owns 20% of each company as there must a 20% common ownership among all licenses for which you qualify.

You may also be allowed to qualify more than one partnership license if the majority of the partners are the same. Remember, however, the 20% rule applies if you want to keep your individual license active.

Q. *Can I add (or remove) a partner on my partnership license?*

A. No. A partnership license is issued to an "entity" consisting of the partners listed on the original application. To add another partner, you will have to apply for a new license for the new entity. Removing a partner will result in cancellation of the partnership license as the entity which was originally licensed no longer exists.

Q. *My partner died, or is leaving the partnership. Can I continue to operate under the license number issued to the partnership?*

A. No. The license was for the partnership. You can write a letter to the Board requesting a continuance. The request must be made within 30 days of the death or disassociation to be considered. Continuances are granted for no more than one year.

If your partner has not died, only left, any continuance granted will be only to complete contracts already entered into or jobs in progress.

In any case, to continue operating after that year you will have to obtain a new license, or reactivate your individual license if it is inactive.

Q. *We have a partnership license qualified by a responsible managing employee (RME). The RME is leaving. Can one of the partners qualify for the license?*

A. Yes, if one of the partners has the necessary experience. You must notify the Board within 30 days of the RMEs leaving to avoid suspension of the license. If notified timely, you will be allowed 90 days from the date of the RMEs disassociation for the partner to qualify. An application to replace the RME should be filed as early as possible within that 90 days to allow time for processing and possible examination.

Q. *Will a partner who has not previously qualified a license, but has been on our partnership license for several years, have to take an examination to qualify the license now?*

A. Whether or not an examination will be required cannot be determined until after review of the application. Although the law allows the Registrar to waive an examination under certain circumstances, the authority is discretionary.

Several factors, such as the type and amount of the person's experience, the length of time he/she has been on the license, the license status during the same period of time, etc., will be taken into account in making the determination.

LETTERS

Due to the unusually large number of letters received in reply to Board Chairman, "Buzz" Wilms' comments in the last issue of this newsletter we are replacing our usual "Letters to the Editor" column with the following response from Mr. Wilms.

In the last issue of the Licensed Contractor, I detailed the goals the Board for this year. Those goals included curbing the unlicensed contractor, initiating methods for improved licensing and enforcement in the home improvement field, and speeding up the processing of applications.

In that article I also offered my personal opinion that, despite some problem with the idea, the Board should consider raising the dollar limit requiring a contractor's license from \$200 which was set in the 1930s to \$750 or so. My reasoning was that raising the limit would reduce the large number of small complaints that clog up our system allowing us to focus our limited resources on the larger dollar volume complaints. In no way was this idea intended to abandon the consumers, as they would still have access to small claims court.

My purpose in raising the issue was really as a trial balloon. It was a personal opinion, and I knew that many of my colleagues on the Board disagreed, but I wanted to know what you, the state's licensed contractors thought. Well I found out a number of things. First, a

lot of people read the Licensed Contractor, and a lot of them let me know what they thought. At the last count more than 30 letters and twice as many phone calls have been registered. While most of the comments indicated a high level of support for curbing the unlicensed contractor and for improving the home improvement field, all but a handful of them were opposed to the idea of raising the dollar limit for requiring a contractor's license. Most of the responses were thoughtful, and I want to share a number of them with you.

One of the arguments offered against raising the limit was that there are a lot of small contractors who thrive on small jobs, and this would work against their interests. For example, an electrical contractor from northern California wrote:

"It seems by your suggestion you are for the licensed contractor who is in business in a large scale big way, who indeed does not desire the small work. Well Mr. Wilms, I am a small licensed contractor who thrives on and needs all the small jobs I can get to survive and still provide my electrical services in a safe and legal manner . . . my feeling is that the \$200 limit should stay and if they desired to earn greater wages legally, then let them take the state exam and get their contractor's license like I did."

A second argument was that raising the dollar limit would promote unfair competition from the shoddy work of

unlicensed contractors who can work cheaper because they don't pay for bonds or license fees.

A painting contractor from southern California wrote:

"Raising the job dollar limit from \$200 to \$750 is a grave mistake. It would just invite more illegal activity. Many small contractors such as myself depend on small jobs. Raising the dollar limit would bring on unfair competition. It lets more fly-by-nighters enter the trade and because of this shoddy practice hurts all honest tradesmen."

The argument was continued by a contractor from northern California.

"It is inflation that puts us in a recession, and a recession that forces us to lower our rates to equal the unlicensed contractor which makes it extremely difficult to operate a legal business. It's like saying it's okay to violate the law a little bit but don't go for the big ones. The \$7,500 contract is also ten \$750 contracts."

A number of readers thought that raising the dollar limit would have the effect of downgrading the image of the industry. A southern California painting contractor wrote:

"At the same time it will make available to the 'hacks,' as they have been described, work that small contractors consider their bread and butter. Many small contractors rely on these small jobs in order to survive. We pay our dues, bonds, etc., and we

NOTICE

A new policy was adopted in February 1982 by the Registrar of Contractors concerning the refund of license application fees.

Previous oversight by the Contractors State License Board had permitted application fee refunds when, in fact, the application fee had been earned in the review process.

Under the new policy, refunds of application fees will no longer be available if the applicant fails to qualify, or the application for other reasons must be returned to the applicant and he/she decides not to pursue it.

This policy applies to application fees for original applications, supplemental applications, change of RME/O applications and home improvement salesman registrations.

Revised "rejection" (or return of application) forms have been produced, informing applicants of their ineligibility for refunds should they fail to qualify for license or to pursue the application for other reasons. These forms are now in use and will accompany any application returned by the Board to applicants in the future.

Refund requests from applicants whose applications were returned with the previous form, stating refund was available, will be honored by the Board.

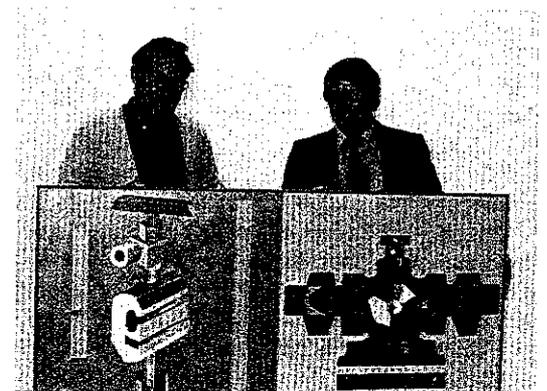
ASSOCIATIONS ADD TO CSLB OFFICE DECOR



Don Burns (left) and Doug Steimle make presentation from California Swimming Pool Industry to Registrar, John F. Maloney (right).

Shortly before the Contractors State License Board's move of its headquarters office location in 1980, Registrar John F. Maloney requested interested industry associations to send in pictures or other items which might be used in the new office. Specifically the request was for items which represented the various industry trades.

Board members, the Registrar and CSLB staff extend their thanks to those associations who responded. They have provided items which not only depict various aspects of the



Stephen J. Lehtonen (right) presents painting from the Plumbing, Heating, Cooling Contractors of California.

construction industry, but which have also enhanced CSLB's headquarters office decor.

In addition to the presentations pictured, CSLB has received representative wall hangings from the United Brotherhood of Carpenters and Joiners of America, California Landscape Contractors Association, the Peninsula Area Painting Industry Fund, the Hiway Carriers Association and the International Association of Plumbing and Mechanical Officials.

LETTERS (Continued)

operate within the law seeking to be bound by the requirements that afford a professional image. Allowing unlicensed operations in any instance only serves to downgrade an industry, it inevitably defeats the purpose of a license in the first place. Many are the effects of such a procedure, i.e., in facilitating the opportunity for unlicensed operators to encroach upon professional industries."

Other contractors also foresaw the possibility that if the dollar limit was raised, contractors who formally had been legal might begin operating illegally. A contractor from northern California wrote:

"I am a specialty contractor, C-29 classification, and have been licensed since 1949. My father before me in the same capacity since the licensing law was adopted. A good portion of my work is in contracts under \$750. At present I compete against the unlicensed contractor and handyman. If you enact such legislation then I might as well discontinue to be a licensed contractor and also work under the handyman category. My years as a legal licensed contractor will have been wasted."

Finally, a number of contractors and labor executives pointed out that raising the dollar limit would probably encourage unlicensed contractors. One labor official wrote me:

"Rather than encourage the exodus of licensed contractors, it would be better to penalize the unlicensed contractor. Perhaps in this way it would make it very unprofitable to be unlicensed."

As a result of this flood of letters and phone calls, Board members and I have learned how complex a seemingly simple increase in the dollar limit really could be. While I'm still not convinced that pencil and paper testing has much to do with insuring a contractor's competence, or that license bonding benefits anyone but bonding companies, these other arguments from our readers made good sense.

Raising the dollar limit could seriously hurt small contractors who rely mainly on small jobs. It would likely encourage unlicensed handymen who pay no fees and observe no laws to move into higher priced contracts, thus further hurting contractor business and compounding the Board's problems.

At its January meeting, the Board voted unanimously to drop the issue. Though some individuals in the industry would have censored me for raising the issue and made it clear they wished we had never brought it up, I want to use this example to remind them of the importance of free and open debate which is a cornerstone of democracy. Only in this way can we or any other public official make thoughtful and fair decisions.

I expect that future issues of the Licensed Contractor will continue to raise other controversial issues which will serve as a form of discussion. To those of you who took the time to write with your opinions, many thanks.

HAZARDS PINPOINTED BY STATE STUDIES

A portion of the 21 year-old auditorium roof of Antioch High School collapsed on March 25, 1980, while subject only to vertical dead loads. As a result of this failure, a restudy of public school buildings of the same construction type was conducted by the Office of the State Architect. A number of structures were found to be hazardous and have since been closed and/or are being strengthened.

The California Seismic Safety Commission also established an investigation committee as a result of that failure. The Committee's report of October 27, 1981 concluded, "There is a clear hazard from precast prestressed reinforced concrete construction of the type found at the Antioch School."

The Committee recommended that every registered architect, civil engineer and general contractor be made aware of the problem and advised of the need to examine all similar buildings which they may have designed or constructed. It was requested that appropriate state licensing boards assist in that effort, being careful, "to pinpoint the specific problems and not to condemn a product."

The specific problem in the Antioch High School design and construction related to the welded anchorage of the roof diaphragm to the roof beams which was intended to resist earthquake forces. The ends of the notched double-T roof members were welded to the roof beams and to each other to form the diaphragm. Long term creep and shrinkage, in combination with the welds, produced cracks at the ends of the double-T's which allowed them to fall.

Details of the construction and failure may be found in "Report of Investigations of Roof Collapse at Antioch High School on March 25, 1980" by the Office of the State Architect. Copies of the report may be obtained from the Office of the State Architect, P.O. Box 1079, Sacramento, CA 95805 for \$5.00 per copy. Check should be made payable to the Office of State Architect.

In the interest of the public safety, all contractors and design professionals should take any steps necessary to examine buildings with the same type of construction with which they may have had professional involvement.

TO ARBITRATE OR NOT (Continued from Page 3)

adhered to, while in an arbitration hearing, you are in a much more relaxed surrounding and the arbitrator will generally relax most of the rules. The facts of one's case become quite important when one decides on whether they want the formality of a trial or the informality of an arbitration hearing.

The second, and probably the most glaring plus for arbitrating, is the time span between filing your action and getting to court. You've all heard and read that it can probably take sometimes up to five years until you can get your case heard in our Superior Court. What you have been reading and hearing is true; a Superior Court case which is a case that has a claim for \$15,000 or more, will most likely take you three to five years from the day you file your complaint until the day that you set foot into a courtroom to have your case heard. If your case is for less than \$15,000, you can file within our Municipal Court system which would take approximately a year until you get into court. Now, if you arbitrate the case, you can generally have your case heard by an arbitrator within two or three months after you file action.

A third difference between the two systems would be the appeal process. This is by far the most glaring problem with the arbitration procedure. If you arbitrate your case, there is virtually no right to appeal. The sole ground for appeal is bias or prejudice of the arbitrator. Cases taken to our Superior or Municipal Courts all carry with them the right of appeal for a variety of reasons other than bias or prejudice of the judge.

A fourth difference, and a plus for

arbitration, is cost. Cost would basically include attorney fees. Due to the lack of the discovery process and your standard pleading documents, the cost to arbitrate can be considerably less than going through our courts. An action filed in our courts entitles the parties to go through extensive discovery which can lead to large attorney's fees.

A few other differences between arbitrating and taking your case to a court would be that the court system gives you the option of a jury trial, where arbitration does not; a court trial is generally handled by a judge, where an arbitration hearing is generally presided over by an attorney, a contractor or an architect. Presumably the arbitrator is an expert or knowledgeable person in your field. If your case is in the court system, you should have an attorney; in arbitration, you may not need an attorney. Lastly, a new concept in arbitration is to have your case arbitrated at the construction site. This procedure is rare in a court case.

So, with the above knowledge in mind, what does one do? Do they arbitrate, or do they take their case through the court system? It's difficult to answer that question with just a blanket answer. Obviously, each case has certain facts upon it which would help an attorney or a contractor make their decision. The fact that one can have their dispute heard within a matter of two to three months is certainly enticing in our days of congested courts, however, if one had a complicated set of facts and issues that might necessarily lead to an appeal, then arbitration is definitely not the way to go.

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:

7071.11 Judgment or admitted claim against bond.	7112 Misrepresentation of a material fact on an application.	7122 Participation of licensee in violating Contractors Law.
7097 Suspension of additional licenses.	7113 Failure to complete a project for the price stated in the contract.	7122.5 Responsibility of Qualifying Person for acts committed by his principal.
7098 Revocation of additional licenses.	7113.5 Avoiding or settling for less than lawful obligations as a contractor through the various bankruptcy proceedings.	7123 Conviction of a Felony in connection with construction activities.
7107 Abandonment of a project without legal excuse.	7114 Aiding and abetting an unlicensed person.	7124 A plea of nolo contendere is considered a conviction.
7108 Diverted funds or property received for a specific job to other purposes.	7115 Failure to comply with the Contractors Law.	7154 Employment of unregistered home improvement salesman.
7109 Willfully disregarded plans and specifications, or has failed to complete the job in a good and workmanlike manner.	7116 Committing a willful or fraudulent act as a contractor.	7155 Participation in violation by a home improvement salesman.
7109.5 Violation of Safety Laws resulting in death or serious injury.	7117 Acting as a contractor out of namestyle.	7157 Model Home, kickback prohibition.
7110 Willful disregard and violation of building laws.	7117.5 Contracting with inactive licensee.	7159 Failure to comply with contract requirements.
7110.1 Violation of Section 206.5 of the Labor Code.	7118 Contracting with unlicensed person.	7161 False advertising.
7111 Failure to keep records and to make them available to a representative of the registrar.	7119 Failure to prosecute a job with diligence.	
	7120 Failure to pay for materials or services.	
	7121 Prohibition against associating with suspended or revoked licensees.	

REVOKED 4th QUARTER 1980-81

Namestyle	Address	License #	Date	Sections Violated
A Day Drywall	7693 Lovendes Circle, Buena Park, CA 90620	292057	5/14/81	7110
ABC Hardwood Floor Co.	8935 Rocketridge Rd., Lakeside, CA 92040	328386	4/23/81	7110, 7112, 7121
A D Builders Inc.	522 S. Garfield Ave., Monterey, CA 91754	303250	5/1/81	7109, 7113, 7121
Acostaco Masonry Const.	12435 Foothill Blvd., Sylmar, CA 91342	361757	4/22/81	7107, 7109, 7110, 7113, 7115 (7018, 7109, 7030, 7159), 7121, BR 760
Advance Builders	2601 El Coya, Modesto, CA 95351	328457	5/3/81	7109, 7110, 7113, 7116
Alba, Rick Construction	P.O. Box 178277, San Diego, CA 92117	335221	4/11/81	7110, 7112, 7121
Alcon Builders, Inc.	P.O. Box 2218, Napa, CA 94558	197895	4/3/81	7109, 7113
All-American Cement Masonry	5045 Bangor Street, Los Angeles, CA 90016	263827	5/7/81	7107, 7109, 7111, 7113, 7115 (BR 760, 7159) 7119
Allied Builders System (Remodeling Design, Inc. dba)	297 S. Waterman Ave., San Bernardino, CA 92408	262542	5/23/81	7109, 7113, 7121
Anderson, E. Stanley & Bruce T. Matthewson, A Joint Venture	341 S. Westgate, Los Angeles, CA 90049	364459	6/7/81	7098
Art Kraft Aluminum Mfr.	1247 San Marcos Blvd., San Marcos, CA 92069	215567	5/23/81	7107, 7113, 7115 (7018, 7019, 7030, 7058, 7159), 7121
Ashmore, Steven Vance	2030 E. St., Rio Linda, CA 95673	331137	4/3/81	7107, 7109, 7113, 7115, (7030, 7108, 7159)
Ashland, Inc.	31200 LaBaya Dr., #307, Westlake, CA 91361	377544	4/20/81	7098
Balcom Builders	4201 Topanga Cyn #156, Woodland Hills, CA 91364	367821	5/30/81	7098
Bergsma, John	766 Pollard Road, Los Gatos, CA 95030	292547	5/3/81	7107, 7108, 7110, 7113, 7115 (7018, 7019, 7030, 7030.5, 7159), 7120
Blue Fountain Pools, Inc.	1228 W. Collins, Orange, CA 93667	318121	4/1/81	7107, 7113, 7116, 7120, 7121
Bodine, Ivan P.	7340 Caminto Carlotta, San Diego, CA 92120	100416	4/23/81	7121, 7122.5
Branson, C. B. General Contractor	8269 Tanoak Way, Citrus Heights, CA 95610	321465	4/11/81	7122.5
Burchetti, Robert Donald	98 Caselli Ave., San Francisco, CA 94114	341584	4/11/81	7109, 7110, 7113, 7115 (7018, 7019, 7030, 7159), 7121
Busy Bee Painting & Decoration Co.	15722 Gale Ave., Hacienda Heights, CA 91745	294297	6/7/81	7098
CBS Construction	P.O. Box 743, Cathedral City, CA 92234	309461	5/23/81	7107, 7110, 7111, 7113, 7115 (7159), 7116
Carroll, Page General Building Contractor	971 Borden Rd., Space 2, San Marcos, CA 92009	308400	6/23/81	7107, 7113, 7115 (7028, 7159)
Caskey, Ray A. Builder	2904 Holt Way, Sacramento, CA 95825	285936	4/3/81	7107, 7109, 7111, 7113, 7120
Century Realty & Const. Co.	1026 W. Century Blvd., Los Angeles, CA 90044	334185	6/7/81	7098
Championship Tennis Courts, Inc.	2082 S.E. Bristol, #14, Santa Ana, CA 92707	274002	6/16/81	7109, 7113, 7115 (7028)
Charles, Jeffrey B.	9722 Amanita Ave., Tujunga, CA 91042	367694	4/11/81	7109, 7113, 7115 (7026.7, 7028, 7159)
Christie Roofing Co.	9448 Mission Blvd., Riverside, CA 92509	342442	4/11/81	7109, 7110, 7113, 7115 (7018, 7019, 7030, 7030.5, 7159)
Chuksal Builders	16610 Woodruff Ave., Bellflower, CA 90706	236190	5/7/81	7107, 7109, 7111, 7113, 7115 (7030, 7159)
Collins, Dennis B.	9551 Sabrina Ln., Elk Grove, CA 95624	383942	4/22/81	7098
Colwell Roofing Company	2440 E. 68th Street, Paramount, CA 90805	261924	6/23/81	7110, 7113, 7121
Conejo Patio & Fence	P.O. Box 3481, Thousand Oaks, CA 91359	333198	5/30/81	7107, 7108, 7113
Crown Roofing Company	14318 Califa St., Van Nuys, CA 91401	282561	4/7/81	7109, 7113, 7115 (7030.5)
Daehn's Construction	3450 Sawtelle, Los Angeles, CA 90066	337966	6/26/81	7107, 7110, 7111, 7113, 7115 (7159), 7120
Davis, Don Construction	40318 Dunlap Road, Dunlap, CA 93621	320354	5/17/81	7109, 7110, 7113
DeSmet Pools & Spas	11363 Stranwood Ave., Granada Hills, CA 91344	359608	5/7/81	7098
Dimitrios Co.	1117 56th St., Sacramento, CA 95819	298307	4/26/81	7107, 7109, 7111, 7115 (7159)
Doak, Richard P. Jr.	466 Castle Dr., Paradise, CA 95969	283231	5/7/81	7107, 7108, 7109, 7111, 7113, 7116, 7120
Dunwell Corporation	13914 Porto Rico, La Puente, CA 91746	345123	6/7/81	7098
Economy Remodelers	18442 Plymouth Dr., Castro Valley, CA 94546	280429	4/11/81	7107, 7109, 7110, 7113, 7114, 7115 (7159), 7117(b), 7120
Elephant Construction	121 Avenida San Diego, San Clemente, CA 92672	304676	5/7/81	7098
Farris, Ray	8055 Fawndale Rd., Redding, CA 96001	320715	6/27/81	7111, 7114, 7115, (7083), 7117, 7118
Fireguard Insulation (R & F Donohue Enterprises Inc. dba)	1443 Angie Court, Sec. #3, Modesto, CA 95351	339780	6/7/81	7107, 7109, 7113, 7115 (7159)
Florentine Marble, Inc.	971 Stockton Ave., San Jose, CA 95110	310114	6/17/81	7107, 7109, 7113, 7115 (7028, 7143, 7159, 7121)
G & C Construction Co.	1517 Heather Dr., Santa Rosa, CA 95401	314944	5/20/81	7107, 7108, 7109, 7111, 7113, 7120
Grant, M. A.	2259 W. Victoria, San Bernardino, CA 92410	300482	5/23/81	7122.5
Great Western Engineering Corporation	P.O. Box 3311, Industry, CA 91744	289229	6/7/81	7109, 7113, 7115 (7018), 7117, 7121
Heritage Remodelers	4042 Marshal Ln., Castro Valley, CA 94546	331339	5/3/81	7107, 7113, 7116, 7121
Hydro-Mechanical Co.	14107 Crenshaw Blvd., Hawthorne, CA 90250	248093	4/11/81	7098
Insulation Company, The (East Bay Icee Corp. dba)	P.O. Box 2774, 210 Lakeville St., Petaluma, CA 94952	352053	6/7/81	7098
Insultherm Insulation (Restrosystems, Inc. dba)	888 N. Winchester Blvd., San Jose, CA 95128	336863	6/7/81	7098
Insultherm Insulation of Contra Costa	1024 Shary Circle, Concord, CA 94520	337927	6/7/81	7098
Ironwood Construction	P.O. Box 683, Lotus, CA 95651	306850	6/7/81	7109, 7113
Jawhit Construction Co.	1060 62nd St., Oakland, CA 94608	374612	5/27/81	7098
Johnston Swimming Pools, Inc.	3423 Ocean View Blvd., Glendale, CA 91208	367596	5/30/81	7107, 7108, 7108.5, 7111, 7113, 7115 61590, 7120, 7121
Jordan, Don D.	620 Monardas Dr., Redding, CA 96001	325925	6/17/81	7071.11, 7115 (7083), 7116
Kallow, Diony	1765 Kaweam Dr., Pasadena, CA 91105	319012	6/7/81	7107, 7109, 7111, 7113, 7115 (7083), 7110
Kilroy, Clarence	3014 E. Whitton Ave., Phoenix, AR 85016	254340	5/7/81	7107, 7113, 7115 (7083)
London Development Co.	600 W. Shaw, #110, Fresno, CA 93704	322457	4/3/81	7109, 7113, 7115 (7030, 7030.5), 7116, 7121
Lujan, Isaac (Daniel J. Conner dba)	Box 183, Aguanga, Ca 92302	306567	4/3/81	7107, 7113, 7115 (7159), 7121
Maestas Concrete	28 Rinaldo Cr., Vallejo, CA 94590	282777	5/3/81	7110, 7115 (BR 760, 7028, 7159)
McCowan, James D.	1300 S. Mooney Blvd., #6, Visalia, CA 93277	335636	6/22/81	7122.5, 7098
Michael's Construction Co.	335 Bernardo Ave., Sunnyvale, CA 94086	310266	6/17/81	7098, 7110, 7111, 7115, (7083), 7121
Miner, Winfred Ray	P.O. Box 985, Lemon Grove, CA 92045	146513	4/10/81	7121, 7122.5
Moseley, Clifford & Co. J. V.	1443 Diamond St., Anderson, CA 96007	272257	5/7/81	7098
Moser, C. E.	1475 Anderson Lane, Santa Barbara, CA 93100	184867	4/20/81	7106

O'Connor, Jeremiah F.	15314½ Proctor Ave., City of Industry, CA 91745	343440	6/7/81	7107, 7109, 7111, 7113, 7115 (7083, 7159), 7117, 7119
Oak Hill	3423 Ocean View Blvd., Glendale, CA 91208	327928	5/30/81	7098
Odyssey Pool Construction Co.	23128 Wildwood Rd., Newhall, CA 91321	320710	5/7/81	7107, 7110, 7119
P&D Roofing Contractors Inc.	1150-B Compass Way, Mt. View, CA 94040	249405	5/7/81	7110, 7115 (7083)
Palmer, Cal Printing	1240 E. Avenue S, Apt. 156, Palmdale, CA 93550	368948	5/30/81	7107, 7109, 7113, 7115 (7159)
Par-A-Dise Const.	6249 Lucky John Road, Paradise, CA 95969	323410	5/7/81	7109, 7113, 7115 (7083), 7116, 7117(a), 7121
Parenti & Sons Roofing	1650 Charlemont Ave., Hacienda Heights, CA 91745	347596	5/17/81	7107, 7108, 7109, 7111, 7113, 7116, 7117(a)
Parenti & Sons Roofing	1650 Charlemont Ave., Hacienda Heights, CA 91745	347596	5/23/81	7107, 7108, 7113, 7115 (7030, 7030.5, 7159), 7117
Patti-Co.	1327 Morning Glory, Vista, CA 92083	323146	5/23/81	7098, 7121
Perez, Adolfo D.	1868 Whitehurst Dr., Monterey Park, CA 91754	294675	5/1/81	7122.5
Pyramid Construction Co.	913 W. 73 St., Los Angeles, CA 90044	284015	6/7/81	7107, 7109, 7111, 7113, 7115 (7083), 7119
Riviera Realty & Const. Inc.	13330 Hwy 20, Clearlake, CA 95423	333317	4/7/81	7107, 7113
Ross Pools	1978 Camwood Ave., Rowland Heights, CA 91784	302487	5/23/81	7107, 7110, 7111, 7113, 7121
Rubin, Sandy General Contractor	31200 La Baya Dr., #307, Westlake Village, CA 91361	286425	4/20/81	7107, 7109, 7113
S.A.R. Inc.	440 W. Colorado, Ste. 107, Glendale, CA 91204	347751	4/20/81	7098
Sai & Ceas Const.	601 Pennsylvania Ave., San Francisco, CA 94107	318959	6/7/81	7071.11, 7107, 7113, 7115 (7018, 7019, 7030, 7159), 7119
Schmandt, Charles K.	P.O. Box 1208, 115 W. Figueroa, Santa Barbara, CA 93102	327233	5/30/81	7109, 7111, 7113
Seaside Construction Co.	2166 Vista St., Oceano, CA 93445	278531	4/11/81	7107, 7108, 7109, 7113, 7120
Simko Homes	Rt. 1, Box 1778, Meadow Vista, CA 95722	285040	5/10/81	7107, 7113, 7115 (7028)
Solartec Corporation	8250 Vickers St., Space D, San Diego, CA 92111	333511	4/10/81	7109, 7113, 7115 (7068.1), 7116, 7121
Southwest Builders	15117 Ventura Blvd., Sherman Oaks, CA 91403	142843	5/23/81	7107, 7108, 7109, 7111, 7113, 7115 (7159), 7119
Sun Builders	926 So. Bristol, Santa Ana, CA 92703	273626	5/15/81	7107, 7109, 7111, 7115 (7083, 7159), 7117
Sundance Const. Company	1650 Oregon St., Ste. 225, Redding, CA 96001	336456	5/10/81	7109, 7110, 7113, 7115 (7159)
Sunkist Pools, Inc.	700 Harbor Blvd., Belmont, CA 94002	223248	5/15/81	7107, 7108, 7108.5, 7109, 7110, 7113, 7115, (7167), 7110, 7120
Tri-Point Const. Inc.	8269 Tanoak Way, Citrus Heights, CA 95610	297844	4/11/81	7107, 7108, 7109, 7110, 7111, 7113, 7116, 7120
Udkoff, Norman S.	250A Red Rock Way, San Francisco, CA 94131	168200	5/15/81	7098, 7122.5
V.M.A. Const. Co., Inc.	7969 Engineer Rd., Ste. 201, San Diego, CA 92111	341266	4/11/81	7122.5
Vernon Homes	P.O. Box 1611, Cambria, CA 93428	281163	5/30/81	7111, 7114, 7115 (7076), 7117, 7120
W General Cont.	2339 23rd Ave., Sacramento, CA 95822	308101	4/22/81	7109, 7113
Walton, Dick Electric Co.	243 E. Acacia, Salinas, CA 93901	250192	5/3/81	7109, 7110, 7113
West Valley Home Insulation (The M. Howard Corp. dba)	2518 Seaboard Ave., San Jose, CA 95131	337242	6/7/81	7098
Wheaton & Sons	2125 Rawley St., Ramona, CA 92065	277300	5/27/81	7107, 7109, 7110, 7113, 7115 (7019, 7030, 7030.5), 7119
Williamson, Henry	7120 Ranchito Ave., Van Nuys, CA 91405	272669	5/15/81	7107, 7108, 7110, 7113, 7115 (7030, 7059, 7159), 7117, 7120
Zeis, Robert	3365 Calle La Veta, San Clemente, CA 92672	257152	5/7/81	7107, 7108, 7113

SUSPENDED 4th QUARTER 1980-81

Name/Style	Address	License #	Date	Sections Violated
Bundy, Kenneth D. Construction	Star Route Odonovan Rd., Creston, CA 93432	288544	6/7/81	7109, 7110, 7113, 7115 (7090), 7121 30 days
Carlo's Construction	1045 West Street, Hollister, CA 95023	282282	5/7/81	7109, 7113, 7115 (7028) Indef.
Golden, John Montie	3600 Strand, Manhattan Beach, CA 90266	303351	5/27/81	7107, 7109, 7110, 7113, 7115 (7018, 7019, 7030, 7159) 90 days
Greystone Builders	480 5th Street, San Francisco, CA 94107	272290	4/11/81	7107, 7110, 7115, (7018, 7019, 7030, 7030.5, 7159) 30 days
Harris, Raymond Gerald	P.O. Box 2233, Newport Beach, CA 92663	353468	5/7/81	7107, 7109, 7110, 7113, 7117(a) 30 days
Heilman, Howard H. Jr.	6431 Pleasant Valley Rd., Placerville, CA 95667	163679	5/7/81	7108, 7108.5, 7109, 7110, 7113, 7118, 7119, 7120 60 days
Inman, D. A. General Contractor	14026 Twin Peaks Rd., Poway, CA 92064	283475	6/16/81	7122.5 10 days
Inman Development, Inc.	1409 Opel Street, San Diego, CA 92109	336268	6/16/81	6122.5 10 days
Mac-D Drywall & Painting Co.	1490 Fremont St., Santa Clara, CA 95051	350578	5/7/81	7109.5, 7110 60 days
Oldham Construction Co.	1326 H St., Ste. 21, Bakersfield, CA 93301	212890	5/30/81	7122.5 30 days
Peyakov, Rudy R.	Star Rt. 2, Santa Ysabel, CA 92070	294896	5/3/81	7107, 7109, 7113, 7119 30 days
Phoenix Properties, Inc.	17 Richard Ct., Orinda, CA 94563	263458	6/27/81	7109, 7110, 7113, 7117, 7119 45 days
Russell's Excavating	4235 Delores Ave., Atascadero, CA 93422	320988	5/23/81	7109, 7113, 7115 (7028) 30 days
Smith, Peter	13455 Ventura Blvd., #204, Sherman Oaks, CA 91423	310539	6/25/81	7113 180 days
Smith, Peter Inc.	13455 Ventura Blvd., Suite 204, Sherman Oaks, CA 91423	375292	4/3/81	7097 Indef.
Tiedeman Construction	P.O. Box 1251, Lafayette, CA 94549	310724	4/11/81	7109, 7110, 7113, 7115 (7018, 7019, 7030, 7159) 60 days
Verluis, Joseph Harold	12643 Cometa Ave., Sylmar, CA 91342	352575	5/10/81	7108, 7109, 7111, 7115 (7018, 7030), 7120 60 days
White, Thomas Tadd	2176 W. Fremont St., Stockton, CA 95203	253682	6/17/81	7107, 7113, 7115 (7159) 120 days

CITATION (Continued from Page 1)

of whether the cited person did one or more of the following:

1. Falsely represented that he/she was licensed.
2. Failed to perform work for which money was received.
3. Executed or used any false or misleading documents in order to induce a person to enter into a contract or to pay money.
4. Made false or misleading statements in order to induce a person to enter into a contract or pay money.
5. Failed to apply funds which were received for the purpose of obtaining or paying for services, labor, materials, or equipment.

6. Performed work that was potentially hazardous to the health, safety, or general welfare of the public.
7. Performed work in violation of the building laws, safety laws, labor laws, compensation insurance laws, or unemployment insurance laws.
8. Performed work that did not meet acceptable trade standards for good and workmanlike construction.
9. Was convicted of a crime in connection with the violation.
10. Committed any act which would be cause for disciplinary action against a licensee.
11. Committed numerous or repeated violations.

807.1 Recommended Assessment of Civil Penalties

Before assessing a civil penalty under Section 7028.7 of the Business and Professions Code, due consideration shall be given to the good faith of the person cited and the history of previous violations or warnings.

Where there is no history of previous violations or warnings and where the violation was not grave as defined by the criteria in Section 807, the recommended minimum civil penalty shall be \$200 and the recommended maximum civil penalty shall be \$1,000. Where there is a history of previous violations or warnings or where the violation is grave as defined by the criteria in Section 807, the recommended maximum civil penalty shall be \$3,000.