

California Licensed Contractor

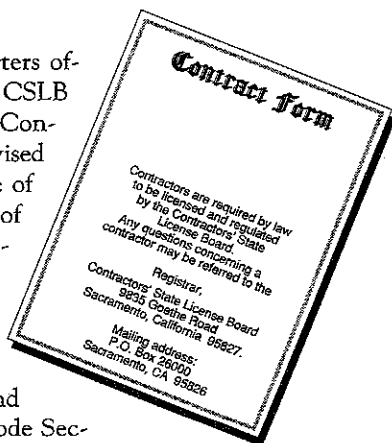
DAVID R. PHILLIPS, Registrar

Fall/Winter 1989

GEORGE DEUKMEJIAN, Governor

Important Notice ... CSLB Headquarters Move Requires Updating Your Contract Forms

The headquarters of the CSLB have moved. Contractors are advised to take notice of this change of address and update all written contract forms as required under Business and Professions Code Section 7030.



Licensed contractors are required to include a statement informing parties to the contract about the CSLB. The statement must be in at least 10-point type on all written contracts.

Contractors are required by law to be licensed and regulated by the Contractors' State License Board. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, 9835 Goethe Road, Sacramento, CA 95827. Mailing Address: P.O. Box 26000, Sacramento, CA 95826.

New Unit to Combat Unlicensed Contracting

A new unit to combat unlicensed contracting has been funded effective July 1, 1989. The unit is a demonstration project and for now, will operate only in southern California.

The unit will be administratively housed in the Southern Region Office of the CSLB (Norwalk), but investigators will be stationed in various locations throughout southern California.

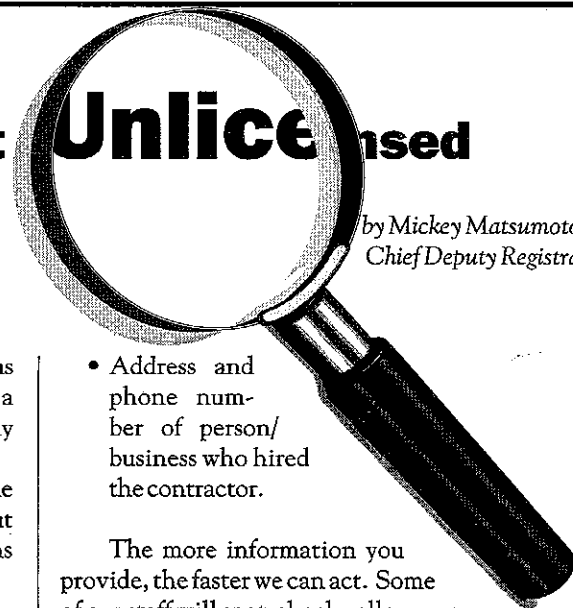
Since its sole purpose will be to investigate unlicensed contracting cases, the unit is anticipated to be much more responsive to industry concerns regarding unfair competition by contractors in the underground economy.

All licensed contractors, trade associations, labor organizations, and building departments in southern California are encouraged to provide leads to the new Unlicensed Activity Unit. In order for leads to receive attention of investigators, please provide the following information by phone or in writing:

- Full name of subject
- Business name
- Address and phone number
- Job site locations (where subject is contracting)
- Name of person/business who hired the contractor

Unlicensed

by Mickey Matsumoto, Chief Deputy Registrar



- Address and phone number of person/business who hired the contractor.

The more information you provide, the faster we can act. Some of our staff will spot-check yellow page directories, newspaper ads, etc., so please do not send in copies of these documents. We're looking for first-hand knowledge of an unlicensed contractor actively working on a project.

Call the Unlicensed Activity Unit at (213) 921-2020. Because this phone number is a general number for the entire regional office, you must specifically request to speak with someone in the Unlicensed Activity Unit. If you prefer to write, direct your information to: Unlicensed Activity Unit, 14714 Carmenita Road, Suite 400, Norwalk, CA 90650.

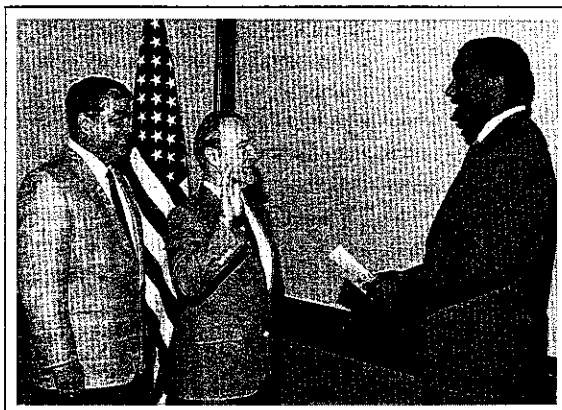
If the demonstration is effective in reducing unlicensed contracting in southern California, the Board intends to seek funding for a comparable unit to cover northern California.

Lighthart Joins CSLB as General Contractor Member

On October 3, 1989, Governor Deukmejian appointed Roger O. Lighthart of Los Angeles to one of the two B-Contractor seats on the CSLB. Lighthart replaces Alexander S. Rados of Newport Beach, who resigned.

Lighthart has been chief executive officer for the Lighthart Company since 1962. From 1956 to 1961, he was vice president of Gould and Lighthart, Inc.

Among his professional contracting interests, Lighthart is a member of several trade associations, including the Southern California Builder's Association and National Fire Sprinkler Association. He also serves on advisory boards for the City of Los Angeles and has played an instrumental part in the CSLB Expert Witness Program.



CSLB Chair Joe Valverde (left) observed as Department of Consumer Affairs Director Michael Kelley (right) administered the oath of office to Roger Lighthart at the Board's Strategic Planning Committee meeting in September 1989.

In addition to his general contractor work, Lighthart is a frequent prime contractor in the mechanical trades.

Lighthart told the CLC editor, "As a contractor, I have played an active role before the Board for almost 20 years. Now, as a member, I will use my experience and understanding of the Board from the contractor's point of view to enhance the way the CSLB serves and is understood by contractors and consumers."

The appointment requires Senate approval and expires June 1, 1993.

Disciplinary Action, continued from page 2

NAME/STYLE	ADDRESS	LICENSE#	EFFECTIVE DATE	VIOLATION CONTRACTORS LAW
Boss Construction Inc.	39365 West Esplanade, San Jacinto, CA 92383	475204	6/1/89	7107, 7109, 7113, 7115 (7030, 7083, 7159), 7117.6, 7121.5
Brasher, Wayne Max	5606 Main St, Kelseyville, CA 95451	322640	6/9/89	7098, 7121, 7121.5, 7122.5
Byrne, Rich Construction	102 Jalisco Place, Davis, CA 95616	426034	6/9/89	7107, 7109, 7113, 7121
C.M.E. Contractors, Inc.	19671 Beach Bl, 4th Fl, Huntington Beach, CA 92648	399088	4/23/89	7108.5, 7121
C&E Construction	P.O.Box 669, Long Beach, CA 90801	475043	5/18/89	7107, 7110, 7113, 7117.6, 7121, 7121.5
California Sun Energy Productions Systems, Inc.	1540 West Glenoaks, Ste. 106, Glendale, CA 91201	484523	4/23/89	7098
Campos, Elias	6712 Lemp Av, North Hollywood, CA 91606	362631	6/18/89	7099.6, 7121
Carl's General Contracting Service	750 Calero St, Milpitas, CA 95035	270769	4/22/89	7098
Casey, Les Construction	2417 Pineridge Dr, Modesto, CA 95351	357134	4/22/89	7109, 7113, 7121
Castaniero Concrete	1503 7th St, Port Huene, CA 93030	401260	6/3/89	7109, 7113, 7115 (7018.5, 7159), 7121
Citrus Heights Glass	7531 Old Auburn Rd, Citrus Heights, CA 95610	431680	6/22/89	7109, 7110, 7113, 7114, 7115 (7030, 7159)
Coddaire Const.,	Box 565, Nicasio, CA 94946	336564	6/22/89	7107, 7108, 7111, 7113, 7120
Cornerstone Pools and Spas, Inc.	800 S. El Camino Real, Ste 210, San Clemente, CA 92672	486108	6/3/89	7107, 7109, 7113, 7115 (7167), 7116, 7120, 7121.5
Dean, James	129 Wills Rd, Roseville, CA 95678	318601	6/9/89	7109, 7115 (7159), 7098
Dean, Jim Construction Inc.	129 Wills Rd, Roseville, CA 95678	458132	6/9/89	7098, 7109, 7113, 7114, 7115 (7159), 7117(a), 7117.5, 7161
Designer Deck & Patio	209-A Morrissey Bl, Santa Cruz, CA 95062	432139	5/12/89	7098
Easter Sandblasting	P.O.Box 1532, Bakersfield, CA 93302	437515	4/27/89	7098
Easter Sandblasting Co.	P.O.Box 1532, Bakersfield, CA 93302	334887	4/27/89	7098
ESR Construction Co. (Union Builders Corporation, dba)	511 N. La Cienega Bl, #206, Los Angeles, CA 90048	500663	6/1/89	7106
Fiberglass Fabrications	P.O.Box 6352, Bakersfield, CA 93386	480787	4/27/89	7107, 7109, 7113, 7115 (7159), 7117.6, 7099.6
First Interstate Construction	P.O.Box 993, Windsor, CA 95492	418940	4/9/89	7122.5, 7123
Gennaro, Vincent	35491 Del Rey, Capistrano Beach, CA 92624	265911	5/11/89	7099.6, 7121.5
Golden Oak Insulation	P.O.Box 381, Visalia, CA 93279	296209	4/8/89	7109, 7113, 7115 (7159), 7121
Golden Pacific Builders, Inc.	314 Center St, Ste 207, Healdsburg, CA 95448	483405	4/9/89	7122.5, 7123
Golden Pacific Financial	314 Center St, Ste 207, Healdsburg, CA 95448	447441	4/9/89	7107, 7109, 7110, 7113, 7116, 7121, 7122.5, 7123
Golden State Development Corp.	1120 Crane, Menlo Park, CA 94025	463390	6/1/89	7107, 7109, 7110, 7116, 7121, 7121.5
Henderson, Michael	8482 Arvilla Pl, Westminster, CA 92683	338479	4/23/89	7098
Heritage Roofing	18032 Lemon St, #C, Yorba Linda, CA 92686	480167	4/27/89	7107, 7109, 7113, 7121
Herrezza Construction Co.	8623 Beverly Rd, Pico Rivera, CA 90660	400487	6/1/89	7099.6, 7107, 7108, 7109, 7110, 7111, 7115 (7028, 7159), 7116, 7117.5, 7119, 7121
Home Remodelers, Inc.	432 S. Pacific Coast Hwy, Redondo Beach, CA 90277	453689	4/13/89	7107, 7113
Horizon Roofing Inc.	4720 E. Washington Bl, City of Commerce, CA 90040	489213	4/23/89	7098
Indian Creek Villas Ltd, A California Limited Partnership	5753-G Santa Ana Cyn Rd., #6200, Anaheim, CA 92807	493172	4/23/89	7098
J & R Plumbing	4613-C Manhattan Beach Bl, Lawndale, CA 90260	452503	6/3/89	7107, 7113, 7116, 7117(a), 7121
La Porte Construction	610 West Graham Av, Lake Elsinore, CA 92530	355967	5/18/89	7122.5
Lee, Robert	73-260 El Pasco #B, Palm Desert, CA 92260	415017	5/18/89	7122.5
L Star	4102 E. 7th St, #104, Long Beach, CA 90804	490328	5/18/89	7122.5
Menlo Builders Inc.	1120 Crane St, Menlo Park, CA 94025	469510	6/1/89	7098
Millman Construction	4826 Freedom Bl, Aptos, CA 95003	361631	5/12/89	7098, 7122.5
Mixon Construction Co.	3704 Sweetwater Trail, Cool, CA 95614	343467	6/29/89	7109, 7111.1, 7113, 7121
National Roofing Company, Inc. The	5900 S. Eastern Av, Ste 154, City of Commerce, CA 90040	478774	4/23/89	7098
Oak Springs Enterprises, Inc.	610 West Graham, Lake Elsinore, CA 92530	464792	5/18/89	7099.6, 7121.5
Oak Springs Properties, Inc.	610 West Graham, Lake Elsinore, CA 92530	300173	5/18/89	7098
P C E Construction	P.O.Box 1541, Healdsburg, CA 95448	425200	4/9/89	7107, 7109, 7113, 7116, 7121, 7122.5, 7123
Pacific Energy Resources	16405 Kennedy Rd, Los Gatos, CA 95030	451355	4/22/89	7099.6, 7121.5

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New Penalties for Unlicensed Citation

AB 636 (Eastin) was signed by Governor Deukmejian on September 12, 1989 (Chapter 366) and will become effective on January 1, 1990.

This bill amends Section 7028 of the Business and Professions Code. As it exists, 7028 provides that a court shall impose on those convicted a fine of not less than \$100 nor more than \$2,000, or imprisonment, or both.

This bill provides instead that a court shall impose upon a person convicted a fine of 20% of the contract price, or \$4,500, whichever is greater.

This bill also amends Section 7028.2 B&P code which provides that all of the civil penalties assessed shall now stay with the local court or jurisdiction.

Finally, this bill amends Section 7099.85 B&P Code, which makes noncompliance of a CSLB nonlicensed citation a misdemeanor. On those citations referred to the prosecutor for non-compliance, the prosecutor shall keep in that court or local jurisdiction the CSLB-assessed civil penalties of from \$1,500 to \$4,500. (See related article on page 1.)

Questions concerning the implementation of AB 636 should be directed to Mickey Matsumoto, Chief Deputy Registrar at (916) 366-5192. ■

OSHA Accident Reporting Requirements

by Richard Stephens, Cal/OSHA

Robert W. Stranberg, chief of the California Division of Occupational Safety and Health, reminds employers that "Any workplace accident resulting in a serious injury, illness or a fatality must immediately be reported to Cal/OSHA."

Although reporting is the primary responsibility of the employer, Stranberg said, "Whenever police or fire personnel are called to the scene of a workplace accident, the Labor Code requires them to notify Cal/OSHA as well."

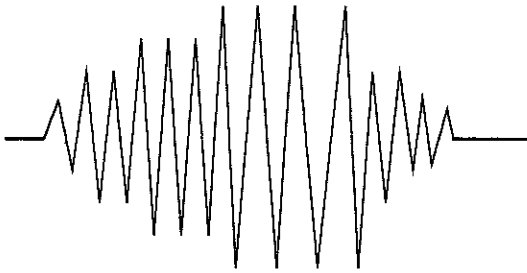
Stranberg noted that since the Division of Occupational Safety and Health resumed enforcement of private sector worker safety laws, there has apparently been some confusion regarding the state's "first responder" reporting requirements. As a result, the division has issued letters to appropriate police and firefighter organizations reminding them of this notification requirement.

Similarly, the division has notified local building permit issuance offices that for certain high hazard activities, permits must first be obtained from Cal/OSHA before the local agency may issue a construction permit. These activities include the construction of trenches or excavations that are five feet or deeper, and into which a person is required to descend; the construction or demolition of any building, structure, falsework or scaffolding more than three stories high; and the underground use of diesel engines in work in mines and tunnels.

Enforcement of the state's worker safety laws in the private sector was resumed by Cal/OSHA on May 1, 1989. The division, part of the California Department of Industrial Relations, has since been operating from 21 district office locations in Bakersfield, Concord, Covina, Fresno, Long Beach, Los Angeles, Modesto, Oakland, Redding, Sacramento, San Bernardino, San Diego, San Francisco, San Jose, San Mateo, Santa Ana, Santa Fe Springs, Santa Rosa, Van Nuys, Ventura and Vernon. ■

How the CSLB Responded to the October 17, 1989 Bay Area Earthquake

from David R. Phillips, Registrar of Contractors



When a disaster strikes, thoughts and actions are first directed toward the rescue and recovery of lives and property. This was the case the night of October 17 and the days following the San Francisco Bay Area earthquake. However, based on experience derived from the October 1, 1987 Whittier earthquake, and the more recent Hurricane Hugo in South Carolina, CSLB's response to prevent consumer fraud had to also take a high priority.

Disasters tend to bring out the best and worst in people. Acting in its consumer protection capacity, the CSLB did not want the worst to harm those most vulnerable, those who had already suffered significant losses as a result of the quake. CSLB did not want them to be taken advantage of by unscrupulous operators looking for large cash deposits, or by those offering to do repairs without a contractor's license or a contract.

On October 18, staff from CSLB headquarters in Sacramento delivered a press release and a consumer protection fact sheet to the State Office of Emergency Services. Media covering the state's response to the quake began publicizing the Board's message of caution throughout the seven counties whose residents were most heavily affected by the 7.1 magnitude earthquake.

At the same time the one-page "Don't Get Nailed" flyer and the Board's consumer booklet, "What You Should Know Before You Hire a Contractor" were being distributed to media, CSLB staff sent thousands of copies of both pieces to the 12 Disaster Assistance Centers, the American Red Cross centers, 85 building departments, the local governments of each affected jurisdiction, and the district offices of state legislators representing the areas.

Staff also reached out to the State Attorney General's Office to provide consumer fraud prevention material, as well as to the State Savings and Loan Commissioner, the Insurance Commissioner, and the Department of Social Services, to provide them with direct or indirect quake relief information.

With the assistance of the Bureau of Language Services in the State Department of Social Services, the "Don't Get Nailed" flyer was translated into Spanish, Chinese and Vietnamese and forwarded to newspapers, and radio and television stations that use those languages.

Anticipating the need for home and business owners to borrow money to repair their buildings, we also made the material available to the Bank of America, Wells Fargo Bank, First Interstate Bank, and Security Pacific Bank. We reasoned that providing consumer protection information to their borrowers before they completed loans for repair would also protect the

Disciplinary Action, continued from page 3

NAMESTYLE	ADDRESS	LICENSE#	EFFECTIVE DATE	VIOLATION CONTRACTORS LAW
R & B Buildings	P.O.Box 1626, Lower Lake, CA 95457	447672	6/9/89	7107, 7113, 7121
R & R Builders	15708 Index St, Granada Hills, CA 91344	354593	6/18/89	7107, 7113, 7115 (7159), 7121
Relcon	2521 N. Grand, #F, Santa Ana, CA 92705	368893	5/18/89	7122.5
Rogers Excavating (Thomas Bridges Rogers, dba)	1332 Flood Rd. Winterhaven, CA 92283	257350	4/27/89	7098
San Diego Energy Exchange (Solar Contractors Inc., dba)	9188 Chesapeake Dr, San Diego, CA 92123	464938	4/17/89	7121
Seaberg Construction	3360 Sweetwater Trail, Cool, CA 95614	448711	4/20/89	7109, 7111, 7113, 7116
Solar People, Inc., The	725 E. Romie Lane, Salinas, CA 93901	471517	6/9/89	7099.6, 7109, 7110, 7111.1, 7113, 7115 (7158, 7159), 7116, 7120, 7121, 7123
Spikee Construction	4102 E. 7th St, #104, Long Beach, CA 90804	522557	5/18/89	7122.5
Stanley, Guy R.	5944 Winton Wy, Wilton, CA 95388	281654	4/20/89	7099.6
Sunset Pools & Spas	P.O.Box 2463, Fontana, CA 92334	310952	6/3/89	7107, 7113, 7115 (7030, 7167), 7116, 7120, 7121
Thomas, Danny L.	10409 Jimenez St, Lakeview Terrace, CA 91342	358175	6/23/89	7107, 7109, 7113, 7115 (7159), 7117(a)
Tri Star Roofing Inc.	72B Rickenbacker Cir, Livermore, CA 94550	508112	6/1/89	7108, 7113, 7116, 7120, 7121
Turner's Landscape Services	9156-B Jackson Rd, Sacramento, CA 95826	443175	6/29/89	7109, 7113, 7115 (7083, 7159), 7154, 7121
Vale, Tony	160 Mesa Av, Newbury Park, CA 91320	277997	5/18/89	7109, 7113, 7115 (7030, 7159), 7121.5
Vicari Construction Vicari Electric	2608 Los Feliz Wy, Carmichael, CA 95608	326672	6/1/89	7099.6, 7109, 7113, 7115 (7030, 7159), 7121.5
Yucaipa Valley Paving Co	P.O.Box 547, Yucaipa, CA 92399	434499	6/23/89	7113, 7115 (7030), 7117(a), 7120, 7121.5
20th Century Concrete	3736 Moonbeam Dr, Sacramento, CA 95827	463000	4/23/89	7109, 7113, 7115 (7030)

LICENSES SUSPENDED

NAMESTYLE	ADDRESS	LICENSE#	EFFECTIVE DATE	VIOLATION CONTRACTORS LAW
All Craft Construction	571 N. Greece Rd, Hilton, NY, 14468	346605	4/22/89 - Indef.	7099.6, 7121
Alliance Construction Development Incorporated	9714 S. Main St., Los Angeles, CA, 90003	489960	5/28/89 - 30 days	7097, 7098
Baxter & Jones Homes	P O Box 4548, Clearlake, CA, 95422	475342	5/12/89 - 180 days	7107, 7108, 7111, 7114, 7116, 7161, 7121
Benjamin, Larry Alan	4353 Sun Valley Dr, Palo Cedro, CA, 96073	385227	5/12/89 - 180 days	7115 (7068.1), 7121, 7122.5
Canru Construction Company	1918 S. Business Center Dr., #108, San Bernardino, CA, 92408	289180	5/19/89 - Indef.	7099.6, 7121
Day Star Development	920 East Avenue Q-4, Palmdale, CA, 93550	471242	6/1/89 - Indef.	7099.6, 7121.5
Gunderlock, Kurt D. Construction Co.	P O. Box 7000-376, Redondo Beach, CA, 90377	415371	4/13/89 - 15 days	7122
Imperial Roofing Co	1846 N. Batavia, Orange, CA, 92665	412001	6/23/89 - 15 days	7107, 7113
Karr Roofing Co.	235 Dawson Dr., Camarillo, CA 93010	436364	6/1/89 - Indef.	7099.6, 7121.5
Morelos General Builder	1469 Elwood Av, Pomona, CA, 91768	456923	4/28/89 - Indef.	7099.6, 7121
Shows, James B.	9714 S. Main St. Los Angeles, CA, 90003	428489	5/28/89 - 30 days	7110, 7113, 7115 (7159)
Younger, Herbert Allan	620 S. Gertruda St, Redondo Beach, CA, 90277	395725	4/13/89 - 15 days	7097, 7098, 7122.5

security of the money they were lending.

Because we did not want to overwhelm the northern district and branch offices of the CSLB with requests from the quake-affected areas, for the first time in CSLB history, we installed a toll-free telephone number to respond to requests for license information and for our consumer protection publications. Since the phone service went into effect on October 23, staff have responded to more than 150 calls a day from the 415 and 408 area code dialing areas. (The toll-free number is only accessible from the northern California area codes of 209, 408, 415, 707, and 916.)

While staff outreach efforts have concentrated on northern California media, building departments, and

local jurisdictions, we expect that there will be some additional benefits as those unaffected by the quake hear our fraud prevention message. The CSLB program to help people prevent home repair and improvement problems by dealing only with licensed contractors has received a timely boost with the assistance of numerous public and private agencies. More than 40,000 copies of the "What You Should Know Before You Hire a Contractor" book and 50,000 copies of the "Don't Get Nailed" earthquake damage repair flyer have been distributed throughout the Bay Area. We hope that people take advantage of our consumer protection information before a contract is signed and before money for repair changes hands. ■

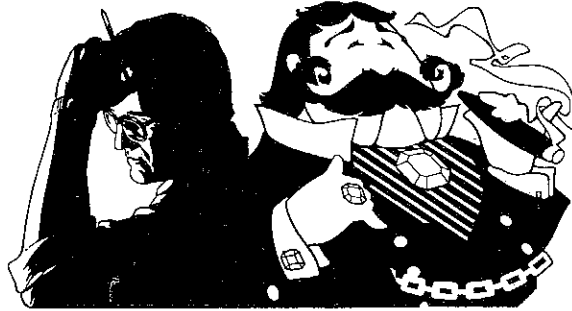
The Importance of Knowing Who is Qualifying Your License

by Mickey Matsumoto, Chief Enforcement Deputy

Recently, a reputable corporation (we'll call it the Robert Smith Corporation) had its license revoked even though the officers had no knowledge or participation in the acts which led to the license revocation of the person who had qualified the corporation. How did this occur? Let's analyze the case in detail.

John Doe formed ABC Corporation and was the qualifier as well as the principal officer of the corporation. ABC Corporation was properly licensed by the Board. When Robert Smith established a construction corporation, he needed a qualifier and arranged to have John Doe be an officer in the Robert Smith Corporation, and to also qualify the license. Board laws permit Doe to be the Responsible Managing Officer (RMO) for Smith in situations like these, as Doe has common ownership of at least 20% of the equity of the firm for which Doe acts in a qualifying capacity (California Business and Professions Code Section 7068.1). The Board issued a license to the Robert Smith Corporation. The two corporations functioned without incident as separately licensed contractors.

A few years later, ABC Corporation violated several Board laws and had its licensed disciplined. Doe, Qualifying Officer of ABC, appealed but lost. The license belonging to ABC was revoked. Doe was notified in writing. Robert Smith Corporation was also notified, because Doe was the qualifier for the Smith Corporation license. Robert Smith received the notice, but did nothing about it because he had no part in the



incident that led to ABC being revoked. Smith also did nothing about removing Doe from the Smith Corporation license.

This proved to be a big mistake, because the law (B&P §7098) states in part that "...when any license has been revoked following a hearing...any additional license issued...for which the licensee furnished qualifying experience...may be revoked by the registrar without further notice." Because Smith did nothing about replacing Doe as qualifier, the licenses of both ABC Corporation and Robert Smith Corporation were revoked. Even though Smith was not culpable, his corporation license was revoked. His recourse: (1) wait for one year, reapply for his old corporation license, and pay a surety for a disciplinary bond, or (2) apply for a new license under a new corporation or as a sole proprietor or partnership. Either alternative will cost money.

This problem could have been easily avoided if

Smith knew the law and recognized that the problem could have been resolved by replacing Doe as qualifier as soon as it was learned that Doe's licensure was being revoked. The Board allows individuals 90 days to replace qualifiers, so it would have been a simple matter for Smith to either qualify the license himself or find another qualifier within the 90 day period. Since Smith was not culpable in the action against Doe's license, he would have no difficulty in keeping the Smith Corporation active by simply replacing the qualifier.

In this particular case, Smith did not replace the qualifier because he thought the action against Doe did not affect the Smith Corporation license. The explanations given ranged from lack of knowledge of the law, to lack of time because he was too busy with construction work.

Both are understandable excuses, but are not mitigating. The bottom line is that the Robert Smith Corporation license is now revoked and future inquiries from the public will show that the license was revoked. This is especially unfortunate, because the public may rely upon that information to decide if it wishes to contract with Smith.

The sad part of this story is that Smith was only guilty of one thing...not knowing enough about contractors' laws. The moral of this true story is, anytime you receive anything that even remotely looks like a legal action, call the Board for clarification and instructions. Smith didn't and lost his license. ■

C-16 Required for Fire Protection Systems Installation

by Bob Berrigan, Licensing Deputy

Assembly Bill 3841 (Eastin) added Section 7026.12 to the Business & Professions Code (Contractors License Law) effective on January 1, 1990. This new law provides that beginning January 1, 1990 all fire protection systems, including chemical systems, shall be installed only by contractors holding the Fire Protection license classification (C-16).

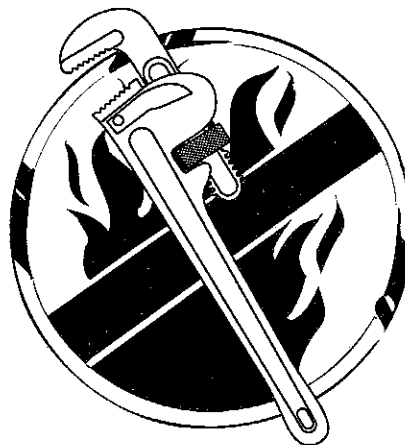
The Contractors State License Board, in cooperation with representatives from industry, has formulated the following policy in an effort to provide the affected industry members with a common point of reference for compliance with the legislation.

A. All underground water supply piping downstream of the system shut-off valve or the fire department connection, which serves only fire sprinkler or wet standpipe systems, shall be considered part of the fire protection system and shall be installed by the Fire Protection Contractor (C-16).

B. Underground water supply piping not considered part of the fire protection system shall be installed by contractors classified in accordance with the following:

1. In the public domain: General Engineering Contractor (A), or Pipeline Contractor (C-34).
2. Water supply piping from any source within the private sector, including right-of-ways: General Engineering Contractor (A), Pipeline Contractor (C-34), Plumbing Contractor (C-36), or Fire Protection Contractor (C-16).

C. The control valve at the point of connection to the fire protection system may be installed by the



contractor providing the underground water supply piping.

Plumbing contractors (C-36) and Fire Extinguishing Contractors (C-61) will need to obtain a C-16 license classification prior to January 1, 1990 in order to contract for fire protection work after that date.

At the April 1989 meeting, the Contractors Board adopted the following procedures through which a C-36 or C-61 license can be reclassified to include a C-16 license classification on an existing license:

I. Submit an acceptable additional class application along with the proper fee to CSLB prior to January 1, 1990,

II. Qualify through the provisions of either (A) or (B) as follows: (NOTE: Individuals not meeting the following requirements will be required to pass the C-16 trade examination).

(A) Experience - In accordance with Board Rule

825, a C-36 license may be reclassified to include a C-16 license classification if the license holder submits an application showing that the qualifier has four (4) years of experience performing Fire Protection (C-16) work as a journeyman, foreman, supervising employee, or contractor. A list of fire protection projects for the past four years should be submitted with the application.

(B) Combination of Experience and Training - Board Rule 826 states: "The Registrar may determine that an applicant who does not have the specific experience required in Section 825 has some comparable knowledge, training, and or experience." Accordingly, a C-36 license may be reclassified upon submission of both of the following:

(1) Proof that the qualifier for the license has successfully completed a CSLB-approved course of instruction on Fire Protection Systems.

(2) Show sufficient comparable experience related to the Fire Protection Classification (C-16).

Please remember to enclose the required certificates of experience to document the above experience and the \$50.00 application fee. All applications will be processed promptly. Applicants will receive a new pocket license showing the C-16 classification has been added to the license.

Anyone desiring application forms or further information should write to:

Bob Berrigan
Licensing Deputy
P.O. Box 26000
Sacramento, CA 95826 ■

Building Departments to Reap Benefits of Data Base Link

by Bob Christensen, Special Assistant to the Registrar

In 1983, the CSLB/CALBO Liaison Committee was formed. The CSLB was represented by the Registrar and his staff assistant. CALBO (California Building Officials) was represented by a select committee appointed by the CALBO President, consisting of five or six chief building inspectors from various areas of the state. Meetings were held two to three times a year.

The impetus for such a liaison was two recent appellate court decisions, both of which went against local building jurisdictions and were termed "deep pocket lawsuits." One was against the City of Inglewood, where a building permit was issued to a nonlicensed contractor. Section 7031.5 of the Business and Professions Code requires a license to obtain a building permit. In the City of Inglewood case, after extensive problems with poor workmanship, the nonlicensed contractor abandoned the project. The owners held the city responsible, as did the courts.

The second case was in the County of Marin, where a permit was issued without verification of workers' compensation insurance coverage. Section 3800 of the Labor Code requires this verification. There was an accident; a worker was badly injured, and there was no workers' compensation. The injured party sued the County of Marin and was awarded a substantial settlement.

In the two appellate court decisions it was affirmed that compliance with Section 7031.5, B&P Code and Section 3800, Labor Code are considered mandatory duties of local jurisdictions. The jurisdictions, (CALBO), needed the tools to verify licensure and workers' compensation coverage. The verification of workers' compensation coverage meant requiring the licensed contractor to bring proof of coverage to each building department in which they secured a permit.

The first liaison meetings in 1984/85 were dedicated to exploring ways to help CALBO in its efforts

to enforce state laws and better protect the public and its members. Several projects were completed by the CSLB during the first two years, including installation of microfilm license records, microfiche readers, random sample permit investigations to determine the falsification rate of the sworn workers' compensation exemption, and distribution of License Law and Reference Books.

In 1988, legislation was sponsored by CSLB to make workers' compensation coverage a condition of licensure. CSLB could then have released that information as well as license status information to local jurisdictions. The legislation failed, however, and the jurisdictions have continued to work on their own to gather the proof of workers' compensation coverage.

In 1986, Sacramento County was ready to begin computerized permit issuance. The data they had on hand were county data only, which included tax roles, property and parcel numbers, business licenses, and flood plain information. They entered their own workers' compensation information, but lacked license data. Because of the close proximity and convenience of the Sacramento County building department to CSLB as a pilot program, CSLB began providing a daily tape of the CSLB license data base. This gave the local jurisdiction all CSLB license data within 24 hours of current status.

The information aided Sacramento County in its regulation of building permits and proper licenses. Contractors who for years had pulled permits to do certain projects such as water heater exchanges, now were turned down because of improper classification. On several occasions, owner builder permits were being applied for with the same person doing the roofing work. It became apparent this person was not licensed and led to an investigation by CSLB.

In the beginning, 30% of the permit applicants were turned down because of license problems,

ranging from expired, suspended for no bond, or just out-of-class. Gradually as contractors realized the jurisdiction had up-to-date CSLB data on their computer terminal screens, the applicants made sure their licenses were in good order before appearing at the permit counter.

In 1988, two items which have been anxiously anticipated since the beginning of the Liaison Committee became reachable. AB 4310 (Eastin) provided for plastic pocket licenses to make contractor identification easier; and the funding was made available for the computer data base on license status to link up with at least six or more building departments. The CSLB hopes to link up via modem with building departments which can share the license information with smaller jurisdictions in their immediate area.

With more building departments able to bring up on screen current license status on contractors, liability concerns associated with permit issuance diminish. Perhaps some day even the needed workers' compensation information will be found in the CSLB files. For now, however, local jurisdictions will be able to regulate the permit issuance to contractors properly licensed in the proper class for the project involved and identify nonlicensed contractors when repeated owner builder permits reveal identities.

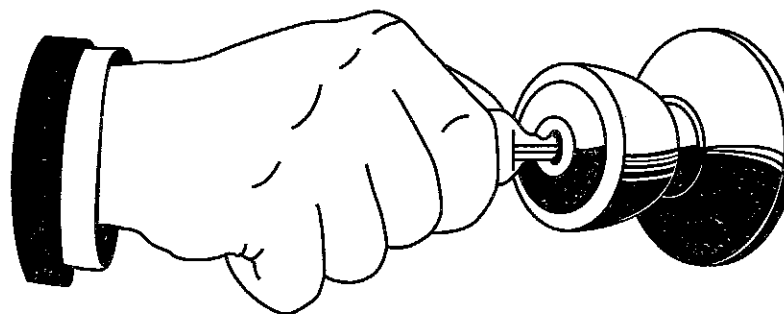
The day will come in the not-too-distant future when building department staff can run a contractor's plastic pocket license through a reader and get license class, status and workers' compensation verification from the magnetic strip on the back of the card. Compare this to the old paper pocket license which disintegrates within six to eight months from constant handling and wallet-deterioration. CSLB is coming into the 21st Century; we hope to share the benefits with CALBO officials who are responsible to help enforce state regulations. ■

Dual Locksmith Licenses required for some... single for all

by Teresa Diehl, Bureau of Collection and Investigative Services

In 1986, Governor Deukmejian signed Senate Bill 1540 providing for the Bureau of Collection and Investigative Services to regulate the locksmith industry and requiring all locksmiths to be licensed by the State of California. The license is in addition to other state, city, or county licenses that may already be required by law.

A locksmith is defined as a person other than a key duplicator, who installs, repairs, opens, and modifies locks, and who makes keys for locks. The purpose of this law is to prevent people with criminal backgrounds from operating locksmith businesses. Because the public has a tendency to trust locksmiths when they are providing security for their personal property, it is important to make sure the locksmiths are properly licensed. Additionally, li-



censing protects your business.

It is unlawful to hire an unlicensed locksmith. A locksmith who is installing locks that become a permanent part of a structure, and when such installation, including material and labor exceeds \$300,

will be required to possess a contractors license. Many contractors subcontract locksmith services or install locks themselves. In either case, please make sure you or the person you hire has the required licenses. If you have any questions or would like more information, please contact: Bureau of Collection and Investigative Services, 1920 20th Street, Sacramento, CA 95814 (916) 739-3028 ■

Unlicensed Contractors Stung

"I'm Frank Chisholm with the Contractors State License Board. Do you have a contractor's license?"

The words drained the color from the face of the husky man with his hair pulled back in a pony-tail.

"What is this, some kind of a sting?" he asked.

That's exactly what it was.

The man had run afoul of an undercover operation run by Chisholm, an investigator for the licensing board, and Gene Bell, chief of the board's San Jose office. Their sting was part of a continuing crackdown they say they hope will improve consumers' chances of getting an honest deal when they have work done on their homes or businesses.

At any time, Bell said, his office — which covers Santa Clara, Santa Cruz, Monterey and San Benito counties — has 350 complaints against contractors, many of whom take hundreds or thousands of dollars up front and never come back to do the work.

The sting is targeting unlicensed contractors in particular because consumers have little chance of redress when they are ripped off by them.

Last week, police in Hollister arrested two men who allegedly bilked elderly owners of mobile homes in Santa Cruz and San Benito counties for earthquake repairs that they did not perform properly or at all. Bell said the suspects who are unlicensed, have a long history of abuses with his department.

"We've heard that a lot of people are coming out of the woodwork because of the earthquake," Bell said.

Chisholm and Bell set up shop at a rented home in a modest Milpitas subdivision. Then, posing as private citizens, they called local handymen and contractors and invited them to bid on work. As leads, they used newspaper classified sections, which are full of such ads.

The pony-tailed man was one of six who responded this day. All were cited for operating without a license.

This man, who lives in Campbell, did not have a contractor's license, although he bid more than \$2,000 to repair some minor earthquake damage and to repaint a home in Milpitas. Anyone who submits a bid for more than \$300 must have a contractor's license.

The man had broken at least two laws, Chisholm said — contracting without a license and advertising for contracting work without a license. He had compounded the offense by asking for an excessive down payment.

After running a check to make sure there were no warrants for his arrest, Chisholm issued a citation that requires the man to appear in court on the charges. The charges are criminal misdemeanors with maximum penalties of six months in jail and a \$1,000 fine. But non-licensed contractors may be charged with a felony if they list a phony license number.

Among other things, the law requires that contractors' license numbers appear on their business cards.

Chisholm said the crackdown seems to be having an impact.

"There used to be times when we'd have one guy at the door while we were citing another guy in the kitchen. Now, it's hard to set up appointments. And a lot more ads now list a contractor's license number."

Probably his most nonproductive sting occurred a while back, Chisholm said, after he caught the husband in a husband-wife contracting team.

"The wife got so angry that she called everybody who had an ad in the newspaper and told them not to come to the address we were at. Boy, did that dry up business!"

by Ed Pope, Mercury News Consumer Writer
reprinted with permission from the San Jose Mercury News

Bell cautioned that people must be careful when dealing with any contractor, but they have more safeguards with one who is licensed, because the department can provide mediation and arbitration of disputes.

Also, unlicensed contractors often do not carry worker's compensation insurance, which leaves the homeowner or business owner at risk if someone is injured on the job.

Unlicensed contractors generally cannot get city building permits. That can affect the resale of a home if the work is not inspected and is later found not to meet the building code standards.

"We can usually persuade a licensed contractor to bring the work up to code," Bell said.

To obtain a state license renewable every two years, contractors must have the equivalent of four years' journeyman, foreman, supervisor, or contractor experience, pay a \$300 application and test fee, and pass a test.

There are around 250,000 licensed contractors in the state, but there are at least that many more operating without licenses.

"A lot of them are a part of the underground economy, and they don't want anybody to know what they're doing," said Bell, "especially the Internal Revenue Service."

Editor's Note: Since this article appeared, Frank Chisholm has left the CSLB for a position with the State Lottery Commission. We wish Frank all the success he enjoyed in his years with the CSLB. Gene Bell continues to supervise the San Jose District Office operations. ■

Fiber Phobia Under Attack by CSLB

In September 1989, State Assemblywoman Jackie Speier (D-San Francisco/San Mateo Counties) announced the release of a state consumer guide book that she said is designed "to combat asbestos fiber phobia" in California. Fiber phobia is the irrational fear of fiber — in this instance, asbestos fiber.

Speier said the 12-page book, "A Consumer Guide to Asbestos," is the "cornerstone" of the Contractors State License Board's new information program for consumers concerned about asbestos materials in their homes. The program is the result of 1988 legislation (AB 2999) by Assemblywoman Speier.

Speier stated, "Two months ago the United States Environmental Protection Agency announced a near total ban on the processing, importation, and use of asbestos products in this country. Unfortunately, the EPA ruling has refueled fiber phobia, the fear that microscopic fibers released from aging asbestos products are agents of death lurking in the air we breathe."

The Assemblywoman warned that "Fiber phobia is dangerous to our health when it panics people into careless removal of asbestos-containing materials" from homes and other buildings. Speier emphasized that, as stated in the guide book, asbestos material in good condition should be left in place,

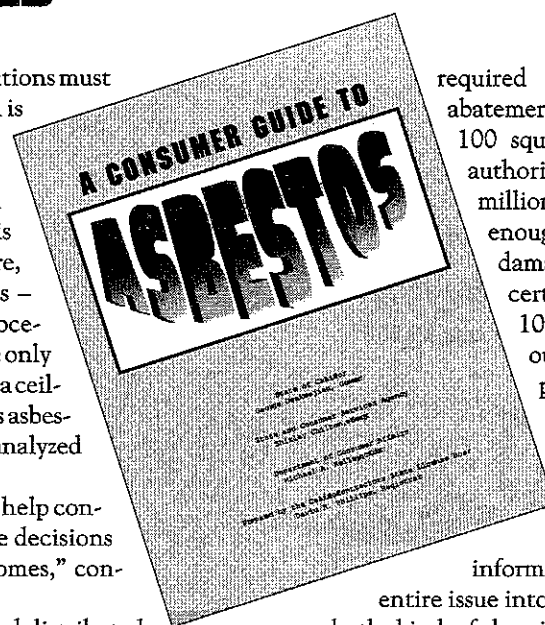
while special safety precautions must be followed if the material is disturbed by repair or remodeling work.

"If you have material in your home and think it is asbestos, but you're not sure, treat it as if were asbestos — follow the proper work procedures," added Speier. "The only certain way to determine if a ceiling or insulation contains asbestos is to have the material analyzed by a laboratory."

"This guide book will help consumers make safe and sane decisions about asbestos in their homes," concluded Speier.

The guide, written and distributed by the CSLB, contains information on asbestos diseases, laws, safe work practices, and advice on how to contract out for professional asbestos services.

Registrar David R. Phillips noted his concern with the statutory limitation of the Board's authority over asbestos-related work. "State law sets a 100-square foot minimum work area as the threshold at which registration and asbestos certification are



required to perform an asbestos abatement job. A work area less than 100 square feet falls outside our authority. If only a few parts per million of friable asbestos fibers are enough to cause irreversible damage and even death, then certainly anything less than 100 square feet of asbestos ought to be recognized for its potential danger to people handling and breathing asbestos fibers. This new CSLB publication provides both consumers and contractors with the

information needed to put the entire issue into its proper perspective and make the kinds of planning, analysis and contracting decisions necessary to deal properly with asbestos."

Copies of the booklet are available from each of the CSLB's local offices throughout California. Persons wishing to obtain a copy are advised to send a self-addressed mailing label with the written request to CSLB, P.O. Box 26000, Sacramento, CA 95826. ■

Nine Months from HQ Groundbreaking to Ribbon Cutting

Nine months later, on November 16, 1989, CSLB Chair Joe Valverde and Consumer Affairs Director Michael Kelley cut the ribbon for CSLB's new headquarters' building dedication. The new building at 9835 Goethe Road (1/2 mile east of Bradshaw and 1/2 mile south of Highway 50) provides a more comfortable and secure environment for managing the Board's statewide licensing and consumer complaint programs. See the article, **Important Notice**, on page 1, regarding the Board's change of address and the requirement to update contractor forms.



Board members and participants in the construction of the new CSLB headquarters broke ground on a blustery February 1, 1989. From left, those who braved the cold were, Dennis Neeley (Grubb & Ellis), Kevin Ramos (Weyerhaeuser Mortgage), Mike Newey (Grubb & Ellis), Tom Hauser, Jack Kimmel, Gary Kimmel (all of Kimmel Construction Inc.), David Phillips (Registrar), Larry Waller (Weyerhaeuser Mortgage), William Hughes (Havlick & Hughes, Architects), and Board Members Steve Lazarian (Chair), Jack Fenton, and Jim Frayne.



Photos by Steve Kolb



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