

CALIFORNIA - LICENSED - CONTRACTOR

DR. C. LANCE BARNETT, REGISTRAR

WINTER-SPRING 1998 -- "WORKERS' COMPENSATION" PETE WILSON, GOVERNOR

Report of the Registrar

As a contractor and a business owner, you know the importance of forming partnerships. General contractors develop business relationships with and hire subcontractors with whom they work well. Specialty contractors have preferences about jobs and Generals. Good working relationships help you perform your job more efficiently.

Like you, the Contractors State License Board recognizes the importance of developing and maintaining positive business relationships. Recently, I have spent many evenings attending important association gatherings, speaking to groups and meeting individual contractors to discuss CSLB's mission, its vision, and to hear your concerns. I plan to continue these outreach efforts and look forward to attending trade association meetings throughout the state.

The Board is reaching out to and teaming with other state agencies to eliminate illegal, unlicensed contracting. In this issue of the *California Licensed Contractor*, read about CSLB's tag team play with the California Department of Insurance. Our two agencies recently formed a strike force to combat unlicensed activity and fraudulent insurance activities after natural disasters. Also, relevant contracting and construction information from other state agencies — the Department of Industrial Relations and the Business, Housing, and Transportation Agency — is printed in this issue.

Both the Department of Insurance and the Department of Industrial Relations work with CSLB in the workers' compensation insurance arena. An informational article about workers' comp begins on page 3.

What about trade association partnerships? We asked associations to provide us with upcoming educational opportunities, so we could pass them along to you. The

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Tag Team Wrestles With Unlicensed Contracting After A Disaster

The Contractors State License Board and the California Department of Insurance teamed up for a series of news conferences in December at which consumers were urged to hire licensed contractors and were told about a joint strike force to combat contractor and insurance fraud after natural disasters.

Unlicensed contractors and fraudulent insurance workers who rip off consumers, especially after disasters, could be in for double trouble, CSLB warned. The two regulatory agencies will share fraud case information, combine field enforcement efforts, and share fraud indicators and suspicious activity.

"Consumers must be wary of unlicensed, dishonest contractors and insurance professionals who take advantage of them. A natural disaster can turn into a manmade one when consumers, anxious to get their property and lives back

to normal, panic and rush into repairs," warned CSLB Registrar Dr. C. Lance Barnett.

News conferences were held on December 18 and 19, 1997, in Los

Angeles, San Diego, the San Francisco Bay Area, and Sacramento. A sting of unlicensed contractors was held in El Nino ravaged Huntington Beach the day of the Los Angeles news conference, which resulted in one felony arrest and 20 citations to unlicensed contractors.



Registrar Dr. C. Lance Barnett and Insurance Commissioner Chuck Quackenbush at the Sacramento news conference

Travelers On The Road Again

The Contractors State License Board's special investigations units are busy getting the jump on Travelers, gangs of unlicensed, fraudulent contractors who move from town to town scamming consumers. Traveler leaders Mark Johnathon Cooper and James Albert Stanley were arrested by a CSLB special investigator and booked into Yolo County jail in December 1997, for theft by false pretense. George J. Stanley and two other members of "The Stanleys" were arrested in a CSLB special sting in January 1998 and were charged with defrauding a Garden Grove day care center and altering a check. Both "Stanley" groups were allegedly committing paving scams.

If you know of unlicensed activity, please contact the CSLB Underground Economy Enforcement Units at (916) 255-2924, Northern California, or (714) 994-7435, Southern California.

The Sting and Sweep Round-Up

Between September and December 1997, the Contractors State License Board conducted 30 stings and 45 sweeps throughout California, resulting in scores of citations. CSLB investigators report that many nonlicensees claim they cannot afford the license and other expenses of legally conducting business. That must not have been the motivating factor for one unlicensed contractor who drove up in a Jaguar to bid on a job at a Van Nuys sting house.

Recalcitrant nonlicensees are sometimes the target of CSLB stings. One such contractor, who several times slipped by CSLB

and local authorities, was caught and cited in a recent Lake County sting. He had been illegally and unsafely conducting a pile driving business on Clear Lake.

Before the ink was dry on the Governor's December 10, 1997, order declaring Orange County a disaster area, unlicensed contractors were out cutting illegal deals. An El Nino-driven storm in December left homes damaged and one Huntington Beach mobile home park under 2 1/2 feet of water. A sting, targeting unlicensed contractors who went after disaster victims at the mobile home park, brought one felony arrest and 20 citations.

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Board Briefs

California Licensed Contractor



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State of California

Pete Wilson
Governor

Marjorie M. Berte
Director, Department of
Consumer Affairs

Dr. C. Lance Barnett
Registrar of Contractors

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Hacob Jake

Shirvanian Public Member

Timothy Strader Public Member

Nina S. Tate B-Contractor

Joe Tavaglione B-Contractor

Lynette Blumhardt, Editor

CSLB Headquarters

9835 Goethe Road,
P.O. Box 26000
Sacramento, California 95826
Information:(800) 321-CSLB

Internet Address:
<http://www.cslb.ca.gov/>

Merge Ahead:

The Contractors State License Board adopted regulations to merge C-14 Metal Roofing into C-39 Roofing and C-43 Sheet Metal at its January 14, 1998, meeting. The next steps include review and approval by the California Department of Consumer Affairs and the Office of Administrative Law.

Criteria Reaffirmed:

"Criteria for Establishment of Specialty License Classifications" was reaffirmed by the Board at the January meeting. Criteria remain the same as those first adopted in 1990. For a copy of the criteria, please contact Joyce May, Licensing, Contractors State License Board, P.O. Box 26000, Sacramento, California 95826.

CSLB Calendar

CSLB Board Meetings:

April 23-24, 1998: Board Meeting, Riverside

June 10-11, 1998: Committee Meeting, Santa Rosa Area

July 22-23, 1998: Board Meeting, San Diego Area

Report of the Registrar

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response was impressive. Check out the "Contractor Education Corner" on page 3, and sign up for a seminar near you.

If you are a home improvement contractor, you are legally required to become CSLB certified by July 1, 2000. The certification program includes an open book examination. We ask your help on the upcoming home improvement certification program by filling out the questionnaire on the back page.

Birds Do It, "B"s Do It:

At the January meeting of the Contractors State License Board, members received a letter and explanation of the definition of what a "B" contractor can do effective January 1, 1998. New legislation changes the definition, and the explanation of Section 7057 of the Business and Professions code states:

"Sub-section (a) describes the broad definition of what a B - General Building Contractor is:

The main part of his/her business is to do or supervise all or any part of a project in connection with a structure that shelters people, animals or property and requires at least two unrelated building trades.

Sub-section (b) describes specifically the prime contracts or subcontracts a General Building Contractor may take:

Can take any prime contract or subcontract for a framing or carpentry project; or,

Can take any prime contract or subcontract that requires at least two unrelated building trades other than framing or carpentry (cannot count framing or carpentry as one of the two unrelated building trades); or,

Can take any prime contract or subcontract for any specialty project (even if less than two

trades) for which the General Building Contractor also holds the required specialty classification; or,

Can take any prime contract for any specialty project (even if less than two trades), if the General Building Contractor subcontracts with a licensed specialty contractor who holds the required specialty classification.

Cannot take any subcontract (a subcontract is when the B does not have a direct contractual relationship with the owner of property) for any single trade project and then subcontract with a licensed specialty contractor who holds the required specialty classification.

Sub-section (c) prohibits a General Building Contractor from taking a contract for any project that includes work under either a C-16 (Fire Protection) or C-57 (Well Drilling) classification unless the General Building Contractor holds the appropriate specialty classification or subcontracts with an appropriately licensed specialty contractor."

The letter and explanation were mailed to all California building departments and all B General Building Contractors. For a copy, contact Linda Morales, Licensing, CSLB, P.O. Box 26000, Sacramento, California 95826.

Home Improvement Contractors To Be Certified

Assembly Bill 1213 (Chapter 888, Miller) requires that CSLB establish a certification program for home improvement contractors by January 1, 1999. On and after July 1, 2000, a contractor cannot perform home improvement work unless he or she is certified as a home improvement contractor.

Home improvement certification

will be obtained by the passage of an open book exam by the qualifier for the license. The CSLB will send notices to licensees regarding the requirements of this new statute prior to January 1, 1999.

In the meantime, we want your input about the examination. Please complete and submit the questionnaire on the back page of this newsletter.

Questions And Answers About Workers' Compensation And Your Contractor's License

Q: Who needs to have workers' compensation insurance?

A: Contractors who employ workers (including Responsible Managing Employees), even on a part-time basis, must have workers' compensation insurance. Business and Professions Code Section 7125 states: "A Certificate of Workers' Compensation Insurance shall be issued and filed by one or more insurers duly licensed to write workers' compensation insurance in this state. A Certificate of Self-Insurance shall be issued and filed by the Director of Industrial Relations." The certificate must be filed with CSLB within 90 days of the effective date shown on the certificate. If a certificate is not submitted, the contractor is in violation of Business and Professions Code Sections 7125-7126 and is guilty of a misdemeanor.

Q: Who can file an "Exemption From Workers' Compensation" form in lieu of a Certificate of Insurance?

A: A contractor who does not have employees may file an exemption. Spouses and personnel listed on a license (excluding a Responsible Managing Employee) are not considered employees.

Q: How does one obtain an "Exemption From Workers' Compensation" form?

A: You may obtain a form by calling our toll-free number at (800) 321-CSLB.

Q: Does a contractor need to submit a Certificate of Insurance at the time the license is being renewed?

A: Quite often the Certificate expiration date is different than the actual license expiration date. The contractor does not need to submit a new certificate unless the current certificate on file has expired.

Q: When must a new certificate be submitted?

A: A new certificate is required when the current certificate has expired or if the policy number and/or carrier changes.

Q: What if a contractor hires employees for the first time?

A: The contractor must immediately obtain workers' compensation insurance and submit a Certificate of Insurance to CSLB within 90 days.

Q: Where can a contractor obtain workers' compensation insurance?

A: Approximately 300-400 insurance companies write workers' compensation insurance policies. Contact an insurance agent for further information.

Q: What if a contractor hires workers from an employment agency?

A: The contractor must have the employment agency provide a Certificate of Insurance to CSLB which is considered the Certificate Holder. The certificate must include the contractor's name and license number in the description of operation section.

Q: Why would a contractor receive an "Intent to Suspend" notice?

A: If a Certificate expires or a policy is canceled and a new certificate is not received by CSLB, an "Intent to Suspend" notice is sent to the licensee.

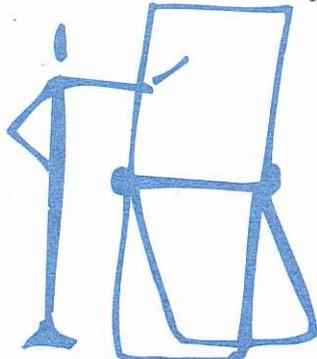
Q: What should a contractor do if he or she receives an "Intent to Suspend" or a "Suspension" notice?

A: Both notices inform the contractor that a cancellation has been received or the policy on record has expired. To reinstate the license, the contractor should notify his or her insurance agent and request a reinstatement notice or new Certificate of Insurance be sent to CSLB.

Contractor Education Corner

The contractor education corner has turned into the contractor education half-page. The Board received so many educational opportunities from nonprofit trade organizations that we are able to print only a handful here. Log onto our web site www.cslb.ca.gov or request a hard copy by faxing (916) 255-1395. If your organization is not represented, send your notice to CSLB, Public Affairs, P.O. Box 26000, Sacramento, CA 95826; (916) 255-1395 (fax).

Organization: Painting and Decorating Contractors of California
Event: New HUD Guidelines and recent DHS and OSHA regulatory changes
Audience: Lead related construction professionals
Date: June 25, 1998, Monterey Hilton, Monterey
Time: 8:30 a.m. - 4:30 p.m.
Fee: \$100 (\$45 for a copy of HUD Guidelines)
Contact: (916) 972-1055 — pre-registration is mandatory



Organization: North Coast Builders Exchange
Event: Contract Documentation Seminar
Audience: Contractors, administrative staff, any construction professional
Date: May 1, 1998
Time: 9 a.m. - noon
Fee: \$20 member; \$40 non-members
Contact: Lucy Lange
 (707) 542-9502, phone; (707) 542-2027, fax;
ncbememb@sonic.net for a complete seminar listing

Organization: Associated Builders & Contractors, Inc. — Golden Gate Chapter
Event: 1998 Management Education Seminar Series: full day, half day, and evening seminars on topics, such as project management and contract law
 Sacramento Inn and Pleasanton Hilton
Date: Seminars begin March 6 and are offered on different dates through December 4, 1998
Fee: Fee schedule for ABC members and non-members
Contact: (800) 748-6742, phone; (510) 829-5743, fax
www.abc.org/gate

The Contractors State License Board provides this list of contractor educational opportunities as a public service only. The Board makes no assurances or representations as the quality or accuracy of them.

Workers' Compensation Insurance

All employer-contractors (unless exempt) are required to present proof of workers' compensation insurance coverage as a condition of licensure, to maintain a license, to activate an inactive license, or to renew a license.

Contractors who do not have employees working for them are exempt from the requirement for workers' compensation insurance, but they are required to file a certification of this exemption with the Registrar. Neither the proof of coverage nor the exemption is required for an inactive license.

The following is excerpted from "Workers' Compensation Insurance, Chapter 25" of the *California Contractors License Law and Reference Book, 1996 Edition*.

WORKERS' COMPENSATION DEFINED:

The California Workers' Compensation law establishes a **no-fault insurance plan** purchased by the employer-contractor and supervised by the state to:

- limit the employer-contractor liability and avoid costly lawsuits, and
- guarantee that an injured worker receives prompt and complete medical treatment and specific benefits for job-related injury or illness, including rehabilitation if necessary.

An employer-contractor can be sued for damages if he or she has contributed to an employee's injury or death by willful physical assault, fraudulent concealment of the existence of the injury and its connection with employment, or defective product manufacture and distribution for employees' use by a third person.

EMPLOYER LIABILITY

An employer-contractor is **REQUIRED** to provide weekly benefit payments (indemnity) and necessary medical and hospital treatment to all of his or her employees for work-incurred injuries and illness. This liability of the employer extends to employed relatives on the same basis as any other employee. If the employer has one or more employees, even part-time, he or she is required to insure for Workers' Compensation claims. An "owner-operator" or "independent contractor" should consult an attorney to determine insurance liability and pay particular attention to Section 2750.5 of the Labor Code.

INSURANCE COVERAGE

The employer-contractor may provide insurance protection in either of two ways:

- by standard approved policy of workers' compensation insurance available through the State Compensation Insurance Fund or other licensed carrier; or
- by securing a permit from the Director of the State Department of Industrial Relations to become a self-insurer (Labor Code, 3700).

If a contractor carries compensation insurance, the compensation insurance company assumes the obligation of the contractor under the Workers' Compensation Laws, except for any penalty increase in award because of the contractor's serious and willful misconduct (Labor Code, 4553), and/or injury to an illegally employed person under 16 years of age (Labor Code, 4557).

The California Workers' Compensation Insurance laws are administered by the California Department of Industrial Relations through the Division of Industrial Accidents. For additional information, consult the white pages of your local telephone directory under the Government listings. If you do not find an entry under State of California, Department of Industrial Relations, Division of Industrial Accidents, you may contact the Division's Headquarters office at:

Department of Industrial Relations
Division of Workers' Compensation
Information and Assistance Bureau
P. O. Box 429003
San Francisco, California 94142

Disciplinary Actions from Nov. 1997 -- Dec. 1997

Note: Disciplinary actions do not include licenses suspended for failure to maintain required bonds. The following explanation may be helpful to identify causes of disciplinary action indicated by sections referenced in the table of Disciplinary Actions.

Business and Professions Codes

- 490 Relationship of conviction of a crime to licensed activity
- 7018.5 Failing to provide notice to owner regarding lien provisions
- 7026.7 Advertising as a contractor without a license
- 7028 Acting in the capacity of a contractor without license
- 7029 Contracting as a joint venture without the required license
- 7029.5 Failing, as a plumbing, electrical sign or well drilling contractor, to display identification on business vehicles
7029.6, 7029.7
- 7030 Failing to include in a contract the notice that contractors are licensed by the Contractors State License Board
- 7030.5 Failing to fulfill the requirement that the contractor's license number be placed on all contracts, subcontracts, calls for bid, and other forms of advertising
- 7071.11 Judgment or admitted claim against bond
- 7083 Failing to report a change of address, namestyle, or personnel within 90 days
- 7085.6 Failing to comply with an arbitration award
- 7090.1 Failing to comply with civil penalty or "order to correct" in Registrar's citation
- 7097 Suspension of additional licenses
- 7098 Revocation of additional licenses
- 7099.6 Non-compliance with a final citation
- 7107 Abandonment of a project without legal excuse
- 7108 Diverted funds or property received for a specific job to other purposes
- 7109 Willfully disregarded plans and specifications, or failing to complete the job in a good and workmanlike manner
- 7109.5 Violation of Safety Laws resulting in death or serious injury
- 7110 Willful disregard and violation of building laws
- 7101.1 Violating Section 206.5 of the Labor Code
- 7111 Failing to keep records and to make them available to a representative of the Registrar
- 7111.1 Refusing to or failing to cooperate with deputy in investigation
- 7112 Misrepresentation of a material fact on an application
- 7113 Failing to complete a project for the price stated in the contract
- 7113.5 Avoiding or settling for less than lawful obligations as a contractor through the various bankruptcy proceedings
- 7114 Aiding and abetting an unlicensed person
- 7115 Failing to comply with the Contractors' Law
- 7116 Committing a willful or fraudulent act as a contractor
- 7117 Acting as a contractor out of namestyle
- 7117.5 Contracting with inactive license
- 7118 Contracting with unlicensed person
- 7119 Failing to prosecute a job with diligence
- 7120 Failing to pay for materials or services
- 7121 Prohibition against associating with suspended or revoked license
- 7122 Participation of license in violating Contractors Law
- 7122.5 Responsibility of Qualifying Person for acts committed by his/her principal
- 7123 Conviction of a Felony in connection with construction activities
- 7124 A plea of nolo contendere is considered a conviction
- 7154 Employment of unregistered home improvement salesman
- 7155 Participation in violation by a home improvement salesman
- 7157 Model Home kickback prohibition
- 7159 Failing to comply with contract requirements
- 7161(b) False advertising

Licenses Revoked

NAME	CITY	LIC #	DATE	SECTIONS VIOLATED
A ANDERSON ROOFING	ANAHEIM	698683	12/8/97	7085.6
A T L CONSTRUCTION CO	TEMECULA	619712	12/10/97	7090.1
ADVANCE BUILDERS	LIVERMORE/ MODESTO	578962	12/3/97	7083, 7107, 7109(a), 7109(b), 7113, 7115/7030, 7068.1, 7164, 7116, 7120, 7123, 7071.11, 7097, 7098
AFFORDABLE ROOFING	AZUSA	657142	11/19/97	7090.1
ALL SEASONS GRDNG. & LANDSCAPE	NO.HIGHLANDS	664163 606627	11/26/97	7090.1
ALLAN'S PLUMBING	DUBLIN	557403	11/26/97	7090.1
ALOHA TREE SERVICE	PLACENTIA	466874	12/11/97	7090.1
AMR CONSTRUCTION	SACRAMENTO	544780	11/21/97	7109, 7116

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Revocations (cont. from page 4)

NAME	CITY	LIC #	DATE	SECTIONS VIOLATED
ANDERSON CONST. & REPAIRS	BIG BEAR LAKE	633271	12/10/97	7090.1
ANDERSON BUILDING COMPANIES	ORANGE	621322	12/10/97	7109(a), 7110, 7113, 7115, 7030, 7159, 7097, 7098, 7121, 7121.5
APROIAN JOHN SPECIALTIES	SYLMAR	584841	12/1/97	7090.1
ARMOR ROOFING	YUBA CITY	648256	11/26/97	7090.1
ARROW ROOFING	SAN JOSE	387819	12/10/97	7097, 7098, 7121, 7121.5
B AND J PLUMBING CO	CULVER CITY	663511	12/1/97	7090.1
B C PAVING	ORANGE	690945	11/23/97	7085.6
BARRETT HENDERSON ROOFING CO	BRENTWOOD	680801	12/10/97	7097, 7098, 7121.5, 7122.5
BENAMATI & ARBUCKLE ROOFING	WILLOWS	670379	11/7/97	7121.5
BENAMATI & ARNOLD ROOFING	WILLOWS	709045	11/7/97	7121.5
BENCHMARK HOUSING GROUP INC	ROCKLIN	681434	11/21/97	7109(a), 7113, 7115, 7068, 7116, 7121, 7122.5
BUMBY PHILLIP G SERVICE	ROSEVILLE	561060	11/7/97	7122.5
BUMBY CARLA	ROSEVILLE	684762	11/7/97	7122.5
C & E ROOFING	LA MIRADA	636962	12/5/97	7085.6
C & E ROOFING	LA MIRADA	515112	12/5/97	7085.6
CAL CONTRACTORS UNLIMITED	SAN FRANCISCO	673139	12/10/97	7097, 7098, 7121.5
CAL STATE BUILDERS	SAN FRANCISCO	559942	12/10/97	7107, 7109(a), 7113, 7071.11, 7097, 7098, 7121.5
CAL-SIERRA FOAM SYSTEMS	ELVERTA	542468	11/26/97	7090.1
CALIFORNIA ROOF TOPS	RIVERSIDE	649908	12/10/97	7090.1
CALTON ROOFING	COSTA MESA	587704	11/19/97	7110, 7113, 7115, 7030(b), 7159, 7120, 7097, 7098, 7121.7121.5
CAPP TONY CONSTRUCTION	CAMARILLO	636197	12/17/97	7090.1
CARNER RICHARD OLIVER	BURBANK	657114	12/24/97	7090.1
CASTLE CONSTRUCTION COMPANY	WOODLAND HILLS	554583	7/31/97	7090.1
CHEROKEE PLASTERING	ATASCADERO	566523	12/18/97	7090.1
COATING CONCEPTS & ASSOCIATES	TORRANCE	557292	11/17/97	7090.1
COLIN CONCRETE CONSTRUCTION	CALABASAS	602846	12/3/97	7097, 7098, 7107, 7109(a), 7113, 7115, 7068.1, 7159
COLIN MASONRY	WINNETKA	726903	12/9/97	7090.1
CONCEPT CONSTRUCTION CO. (FORMERLY S L D CONSTRUCTION)	HUNTINGTON BEACH	580854	11/7/97	7107, 7109(a,b)
CONRAD DESIGN CONSULTANTS INC	MALIBU	402224	12/3/97	7028, 7107, 7113, 7120, 7114, 7123
COPPLE KEN PAINTING	WOODACRE	609449	11/26/97	7090.1
CUSTOM CREATIONS LTD.	MISSION HILLS	672220	11/5/97	7090.1
D. E. TILE	SAN DIEGO	577207	11/19/97	7090.1
DEVINCENTI	LOS ANGELES	611797	11/5/97	7090.1
DONCO CONSTRUCTION	HESPERIA	517401	11/19/97	7090.01
DUNIVANT CONSTRUCTION	BURBANK	641245	11/5/97	7090.1
E C POOL & SPA	WESTLAKE VILLAGE	674983	11/18/97	7090.1
EGLER TIM	CHESTER	641127	11/26/97	7090.1
EMBREY DEVELOPMENT & CONSTRUCTION CO	KINGSBURG	713792	11/21/97	498, 7112, 7097, 7098, 7121, 7121.5, 7122.5
EMBREY ROBERT J	KINGSBURG	316995	11/21/97	7097, 7098, 7122.5
ENVIRON-AIR SYSTEMS	SAN FRANCISCO	646984	12/3/97	7109(a), 7113, 7116, 7120, 7083
EXTERIOR EXPERTS INC	CHATSWORTH	703730	12/17/97	7090.1
FAMBRINI CONSTRUCTION CO	ANTIOCH	453766	11/26/97	7090.1
FANELLI CONSTRUCTION	BURBANK	659404	12/9/97	7090.1
FAR DEVELOPMENT	LAKE ARROWHEAD	626631	12/18/97	7090.1

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Wanted: Construction Industry Experts

The Contractors State License Board is looking for a few (hundred) good contractors to become CSLB Industry Experts! Qualified and trained Industry Experts use their expertise in rendering an official opinion that can be used by CSLB staff after a complaint is filed with the Board. The opinion becomes part of the decision-making process regarding whether or not a violation of law has occurred. Of greatest need right now are specialty contractors, especially roofing and swimming pool contractors.

Qualified contractors must have the following minimum qualifications:

- a current contractor's license;
- five years trade experience working with the tools of the trade;
- the ability to read contract project plans and specifications and understand blueprints as required;
- five years experience in estimating job costs. Must be familiar with current (6 months - 1 year) job and pricing costs for materials and labor;
- good report writing skills;
- ability to write a report to CSLB specifications;
- ability to verbally express findings and recommendations to CSLB staff and in a courtroom setting;
- ability to inspect a job site, write a credible report of findings, meet with CSLB staff, and appear to testify in a courtroom setting within CSLB time frames.

To qualify as an Industry Expert, contractors must not:

- have a record of prior disciplinary actions;
- have been convicted of a felony and or crime (misdemeanor or felony) that relates to a person's credibility as a witness (perjury, filing false documents, etc.);
- have been the subject of a construction-related restraining order;
- have an excessive number of construction-related complaints.

In general Industry Experts are paid \$50 to \$300 per job site inspection and report. If you are interested in becoming a CSLB Industry Expert, please contact a CSLB regional office: Northern Region at (916) 255-4027 or Southern Region at (714) 994-7430 and request an Industry Expert application form and information booklet. After applying, you are required to attend a one-day CSLB training session.



Labor Commissioner Debars Prevailing Wage Violators

California's prevailing wage laws represent a system for ensuring that the ability to obtain a public works contract is not based on paying a lower wage rate than the competitor. Under California law, all bidders are expected to use the same wage rates. This allows all contractors to start out on an even playing field when bidding against other contractors for the award of a public works project.

Contractors working on public works jobs must pay a wage rate determined by the Director of the Department of Industrial Relations. The prevailing wage is considered the most frequently occurring wage for a craft in a specific location. Each craft or sub-class has an established rate. Furthermore, contractors are required to maintain and submit certified payroll records which reflect the wages and employer contributions paid. Failure to abide by the state's public works laws can subject a contractor to civil penalties, debarment and criminal prosecution.

The State Labor Commissioner has the authority to investigate violations of the prevailing wage law on construction projects of \$1,000 or more involving public funds. If it is found that the contractor willfully violated the prevailing wage laws or had the intent to defraud the public, the Labor Commissioner may deny the contractor future opportunities to

bid on or accept public works projects. Contractors found in violation of the state's public works laws on at least two occasions may face debarment.

As of November 1997, the Division of Labor Standards Enforcement debarred four contractors in violation of the law. The Division has notified awarding bodies throughout the state of its action. Anyone who knows that one of the debarred contractors is working on a public works project is encouraged to contact the Public Works Unit at (916) 263-2892.

Excerpts from the California Labor Code and the California Code of Regulations are available in booklet form to acquaint public awarding bodies with their responsibilities under the state's prevailing wage law, including apprenticeship obligations. The booklet also serves as a useful reference for contractors who undertake public works projects.

If you have any questions regarding the prevailing wage laws or want a copy of the booklet, you should contact one of the Public Information units of the Division of Labor Standards Enforcement. The local telephone numbers can be found in the white pages of your telephone directory under the State of California, Department of Industrial Relations, Division of Labor Standards Enforcement.

--Submitted by the California Department of Industrial Relations

Kudos to Granite Rock Company



Granite Rock Company, a Watsonville-based licensed contractor and producer of sand, rock and gravel aggregates, could have sat back and basked in the glory of receiving the prestigious Malcolm Baldrige National Quality Award in 1992. Instead, the 98-year-old company continues to improve its operation using a "total quality" business approach and was named one of the "100 best companies to work for" in *Fortune* magazine's January 12, 1998 issue. They ranked number 23 based on employee surveys that evaluated "trust in management, pride in work/company, and camaraderie." Congratulations to Granite Rock Company!

Revocations (cont. from page 5)

NAME	CITY	LIC #	DATE	SECTIONS VIOLATED
FIFE J CONSTRUCTION	SAN DIEGO	545962	12/10/97	7090.1
FLOOR BROKERS	BURLINGAME	681198	12/4/97	7090.1
FULL PHASE CONSTRUCTION COMPANY	SHERMAN OAKS	674189	12/17/97	7090.1
G P CONTRACT CORP	CARMEL	629523	12/10/97	7107, 7113, 7115, 7030(a), 7030.5, 7068.1, 7159/7117.5(b), 7117.5, 7097, 7098, 7121, 7121.5, 7122.5
GALBALLY BRIAN CONSTRUCTION	ANDERSON SC	358296	12/24/97	7090.1
GOLD STAR BUILDERS	ORANGE	374210	12/3/97	7109(a), 7109(b), 7113, 7115, 7071.11, 7159(a), 7097, 7098, 7121, 7121.5
HAAS CONSTRUCTION	EL SOBRANTE	339683	12/10/97	7107, 7109(a), 7113, 7097, 7098, 7121, 7121.5
HANOVER ELECTRIC	ROSEVILLE	539829	11/7/97	7107, 7113, 7071.11
HANSEN SPECIALTIES CO INC.	UPLAND	688328	11/5/97	7090.1
HEGEL'S CONCRETE SERVICES	REDLANDS	702773	11/19/97	7090.1
HENDERSON ROOFING CO INC	ANTIOCH	458994	12/10/97	7109(a), 7113, 7097, 7098, 7121.5, 7122.5
HILL STAN CONSTRUCTION	PALMDALE	505663	12/17/97	7090.1
HOLLINGSWORTH DAVID	WOODLAND HILLS	6183733	11/7/97	7090.1
HOOD ARTIST LEE	SAN DIEGO	499509	12/10/97	7090.1
INDUSTRIAL COMMERCIAL RESIDENTIAL	COSTA MESA	557749	12/23/97	7090.1
J & J ELECTRIC	CANYON COUNTRY	704833	12/1/97	7090.1
J T CONSTRUCTION	LOMITAS	688801	11/26/97	7085.6
JOE'S CONSTRUCTION	OAKLAND	649859	11/26/97	7090.1
JOHNSON CONTRACTING	THOUSAND OAKS	5460294	11/18/97	7090.1
JOHNSTON STEVEN C CONTRACTING	THOUSAND OAKS	546029	12/1/97	7090.1
JOJO'S FLOORING	TUJUNGA	619302	12/10/97	7107, 7109(a), 7113, 7115/7030(a), 7159/7117.6, 7097, 7098, 7121, 7121.5
JONES ROOFING	PETALUMA	504090	11/19/97	7109(a), 7113, 7097, 7098, 7121.5
KALDAWI, JOHN A	VAN NUYS	527347	12/31/97	490, 7123, 7097, 7098, 7121, 7121.5
KNAAN ISRAEL	SHERMAN OAKS	564228	12/1/97	7090.1
KONOCTI FIRE PROTECTION	KELSEYVILLE	435449	11/26/97	7090.1
LABOY ASSOCIATES	LOS ANGELES	601966	11/18/97	7090.1
LAZARUS DEVELOPMENT COMPANY, INC	MC CLOUD	641387	12/17/97	7107, 7109(a), 7110, 7113, 7115/7030(a), 7159, 7097, 7098, 7121, 7121.5
LEE'S CARPET INC	GARDEN GROVE	475448	12/1/97	7090.1
M P BURNS	CAPISTRANO BEACH	401235	11/19/97	7097, 7098, 7121.5, 7122
M & M ENGINEERING & AIR CONDITIONING	LA VERNE	415405	12/10/97	7090.1
MAGIC CONSTRUCTION	NORTH HILLS	575628	12/17/97	7090.1
MARATHON ROOFING	SAN JOSE	676960	11/7/97	7121.5
MARATHON ROOFING INC	SAN JOSE	712274	11/7/97	7107, 7109, 7113
MARTINEZ CONSTRUCTION	SAN DIEGO	692838	11/19/97	7090.1
MATT HENDERSON ROOFING	ANTIOCH	423312	12/10/97	7097, 7098, 7121.5, 7122
MC CLAIN HARRY W.	FALLBROOK	285134	11/19/97	7090.1
MC FALL MASONRY	LEONA VALLEY	476151	11/18/97	7090.1
MORGAN'S PLUMBING & SEWER REPAIR	SAN JOSE	671950	11/26/97	7090.1
NELSON CLYDE COMPANY	SOUTH LAKE TAHOE	345921	11/26/97	7090.1
NEPTUNE OVERHEAD DOORS	CAMARILLO	700289	11/5/97	7090.1
PACIFIC RESTORATION	FRESNO	688321	11/26/97	7090.1
PACIFIC CONSTRUCTION	LOS ANGELES	541514	12/1/97	7090.1

[continued on page 7]

Revocations (cont. from page 6)

NAME	CITY	LIC #	DATE	SECTIONS VIOLATED
PAMA HOME CORP.	SACRAMENTO	447703	11/21/97	7109(a), 7113, 7115/7068(d), 7097, 7098, 7121, 7122.5
PARTINGTON WILLIAM E	CULVER CITY	622031	11/5/97	7090.1
PEARSON TRUCKING & RIGGING INC	BREA	168681	12/10/97	7090.1
PERFECT COVER ROOFING SYSTEMS INC	COSTA MESA	622516	11/19/97	7107, 7109(b), 7110, 7113, 7115, 7068.1, 7159, 7120, 7097, 7098, 7121.5, 7122
PERM-O-GLAZE INC	BEVERLY HILLS	258512	11/19/97	7090.1
PERRY DUANE C.	SANTA CLARITA	563713	12/1/97	7090.1
PERRY'S GLASS	LAKE ELSINORE	575088	12/10/97	7090.1
PROJEX	CARMEL	600354	12/10/97	7097, 7098, 7121.5
Q PAINTING	SEPULVEDA	600714	12/17/97	7090.1
QUALITY REMODELING SERVICE	SANTA ANA	600914	11/26/97	7085.6
R C M CONSTRUCTION	AZUSA	601366	12/10/97	7090.1
RAINIER ELECTRIC	ESCONDIDO	357295	12/15/97	7097, 7098, 7121, 7121.5
RAINIER ELECTRIC & SERVICE CO INC DBA RESCUE ELECTRIC SERVICE INC	ESCONDIDO	689511	12/15/97	7097, 7098, 7121, 7121.5
RAINIER ELECTRIC & SERVICE CO INC	ESCONDIDO	520151	12/15/97	7115/7030(b)(1), 7030(b)(2), 7159, 7161(b), 7097, 7098, 7121, 7121.5
REED'S CONSTRUCTION COMPANY	GALT	676156	11/26/97	7090.1
RESCUE ELECTRIC SERVICE INC	ESCONDIDO	618077	12/15/97	7097, 7098, 7121, 7121.5
RESIDENTIAL DESIGN & GENERAL CONTRACTING	CAMBRIA	357224	12/29/97	7090.1
RICHARD CHRIS CONSTRUCTION	ENCINO	518194	11/10/97	7085.6
RIDGETOP BUILDERS INC	OAKLAND	691936	11/26/97	7090.1
RODRIGUEZ & SON PAINTING	WALNUT CREEK	475118	11/26/97	7090.1
RON'S SOUTH BAY PAINTING	GARDENA	690629	11/13/97	7085.6
ROOF LIFE ROOFING CO INC	SAN JOSE	530604	12/10/97	7107, 7109(a), 7113, 7097, 7098, 7121, 7121.5, 7122
RUSSEK PHILLIP	CORONA	448982	12/1/97	7090.1
SANTA BARBARA SEWER & DRAIN	SANTA BARBARA	644269	12/24/97	7090.1
SERNA CONSTRUCTION	CHICO	468498	12/4/97	7090.1
SIERRA VIEW MASONRY	ROSEVILLE	635169	11/26/97	7090.1
SOUTHERN CALIFORNIA LANDSCAPE CONSTRUCTION	ANAHEIM	697384	11/21/97	7107, 7109(a), 7110, 7110(1689.7), 7115, (7030, 7159,a,c,d,e,f,g,j,k), 7116, 7120, 7071.11, 7097
SPECIAL ELECTRIC CO	OAKLAND	649674	11/26/97	7090.1
T & J CONSTRUCTION	HACIENDA HEIGHTS	698037	12/5/97	7085.6
TANNENBAUM MARK	SAN DIEGO	674226	12/30/97	7090.1
TROPICAL POOLS & SPAS	BANGOR, MI	615758	11/19/97	7090.1
UGARTE GENERAL CONSTRUCTION	NORTH HILLS	550998	12/10/97	7090.1
UNIVERSAL SIDINGS INC	SAN RAMON	699988	12/15/97	7090.1
VALADEZ CONCRETE	FRESNO	601338	11/26/97	7090.1
VALLEY BUILDING MATERIALS CO.	CHATSWORTH	289786	11/7/97	7090.1
VITAL C ONSTRUCTION	LAS VEGAS NV	441558	12/10/97	7090.1
W G BOSMANS	CARMICHAEL	329151	12/3/97	7107, 7109(a), 7113, 7115, 7030, 7159
WALLACE R V INC	SANTA ANA	631758	11/5/97	7090.1
WANG HSAO-SIU	EL MONTE	531795	12/10/97	7090.1
WEATHERGUARD VINYL SIDING	DUBLIN	600677	11/26/97	7090.1
WIMER & SONS ROOFING	STOCKTON	634567	11/19/97	7109(a), 7113, 7097, 7098, 7121, 7121.5, 7122.5

CALIFORNIA HOUSING POLICY COUNCIL LOOKS AT IMPROVING CONSTRUCTION

The first meeting of the California Housing Policy Council, held on December 1, 1997, centered on three issues critical to improving California's construction industry: (1) school facility finance reform and developer fees; (2) meeting regional housing needs: enforcement of the state housing element and local growth control initiatives; and (3) construction defect litigation.

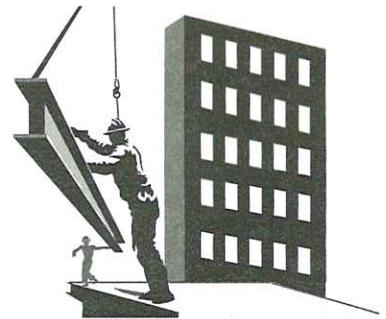
The Council, created by Governor Wilson's Executive Order W-160-97 which focuses state government efforts on housing construction and affordability, is chaired by Business, Transportation and Housing Agency Secretary Dean R. Dunphy.

School facility finance reform is a concern to Governor Wilson, who formally presented his school facility finance reform proposal during his State of the State Address on January 7, 1998 and initiated discussion of the topic at construction industry roundtables in 1992 and 1996.

During the California Housing Policy Council meeting, Marian Bergeson, the Governor's Cabinet Secretary for the Office of Child Development and Education, urged all interest groups to work together in order to achieve sweeping school facility reform this legislative year. The Council also heard testimony regarding housing reform and construction defect litigation.

The next Council meeting is tentatively scheduled to be held in Los Angeles during the latter part of March or early April.

— Submitted by Mark Gursky, Special Assistant to the Secretary of the Business, Transportation and Housing Agency (BT&H). For further information regarding the Housing Policy Council, please call BT&H at (916) 323-5400.



What's In A Name?

Does your current business name match the business name on your contractor's license? If not, you may lose clients.

Consider this: When you apply for your contractor's license, you choose a business name to put on your application. That name becomes part of your Contractors State License Board record. As your company grows, you use a second, maybe more appropriate, business name, which you put on business cards and other advertising. When potential customers check with CSLB to verify your license, they look for your advertised business name. However, CSLB still has the original name on record.

Unable to find a match, potential clients decide not to hire you thinking you are unlicensed.

Avoid unnecessary questions and problems by ensuring that the business name you use every day is the business name on file with CSLB. To check, just call the toll-free telephone number at (800) 321-CSLB or log onto the Internet at www.cslb.ca.gov.

To update your business name style, simply send a letter including your license number, new business name, and your signature to CSLB, License Modification, P.O. Box 26000, Sacramento, California 95826.

CSLB's Licensed Contractor Survey

Return your survey by April 10, 1998 to: CSLB, Attn: TAAS Survey Team, P.O. Box 26000, Sacramento, CA 95826 or fax to (916) 255-3816.

As of July 1, 2000, a contractor will be required to have a Home Improvement Certificate to conduct any home improvement work. Prior to January 1, 1999, the CSLB will send out a study booklet that will contain an application and open-book examination required for certification. Please answer the following questions regarding the new law requiring Home Improvement Certification.

Section 7151 of the Business and Professions Codes defines home improvement as :

the repairing, remodeling, altering, converting, or modernizing of, or adding to, residential property and shall include, but not be limited to, the construction, erection, replacement, or improvement of driveways, swimming pools, including spas and hot tubs, terraces, patios, awnings, storm windows, landscaping, fences, porches, garages, fallout shelters, basements, and other improvements of the structures or land which is adjacent to a dwelling house. "Home improvement" shall also mean the installation of home improvement goods or the furnishing of home improvement services... "home improvement goods or services"... include but are not limited to, carpeting, texture coating, fencing, air conditioning or heating equipment, and termite extermination. Home improvement goods include goods which are to be so affixed to real property as to become a part of real property whether or not severable therefrom.

1. Have you ever worked in the home improvement area, as defined above?

Yes	No
-----	----
2. During 1997 did you work in the home improvement area?

Yes	No
-----	----
3. The law will require certification of home improvement contractors by July 1, 2000. Do you plan to get certified and work in the home improvement area?

Yes	No
-----	----
4. Do you have access to the Internet?

Yes	No
-----	----
5. Please circle all that apply. Would you use the Internet to conduct business with the CSLB to:
 - a. change your business address
 - b. change your company's corporate officers
 - c. change your status of license to inactive
 - d. pay your renewal fees
6. If you take the home improvement certification examination how would you prefer to take the examination? (Please circle only one response.)
 - a. on the Internet
 - b. at your office or home and mail in the answer sheet
 - c. at one of the CSLB statewide Computer Assisted Testing centers
 - d. on the CSLB Automated Phone Response System



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