



The Contractors State License Board, which operates under the umbrella of the California Department of Consumer Affairs, licenses and regulates California's 300,000 contractors, and is regarded as one of the leading consumer protection agencies in the United States.

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A CONSUMER GUIDE TO USING THE SMALL CLAIMS COURT

What is a small claims court?

Small claims court is a local court where disputes are resolved quickly and inexpensively, without the need for attorney representation. In small claims court, the rules are simplified, and the hearing is informal. Attorneys are generally not allowed. You don't need to be a United States citizen to file or defend a case in small claims court.

Why consider small claims court?

CSLB investigates complaints against contractors and addresses violations of contractors' state license law. CSLB may take disciplinary action against a license if the charges are proven by clear and convincing evidence, however that, does not guarantee restitution to those who filed a complaint.

If you are an individual considering legal action to recover damages of \$10,000 or less, you may want to file in small claims court. If your damages are more than \$10,000, you may wish to consult an attorney.

How to name defendants

For a small claims court judgment to be enforced, you must correctly name all of the defendants (those being sued). If a defendant is improperly identified in a judgment, you can request a corrected judgment.

Use the "Instant License Check" on CSLB's website to locate the contractor's name and license number. Also, note the business name, a DBA (doing business as) name if there is one, and any personnel listed for each license. Identify the type of business entity under which your contractor holds a license – sole owner, partnership, corporation, limited liability company, or joint venture.

Others you can name as defendants

You can also name other individuals as defendants who were associated with the project when the damage occurred, including:

- Those who are no longer part of the business
- Personnel listed on the license
- Home improvement salespersons
- Construction site supervisors
- The surety company that carries the contractor's license bond

If you include the surety company in your claim, you must prove that you have a right to file against the bond (Business and Professions Code section §7071.5). If you are a homeowner, you must prove that you are the homeowner contracting for home improvements made to your personal family residence, the damages you are claiming, and that the damages claimed arose out of violations of contractors' state license law. The court can order the surety to pay up to \$6,500 relative to all claims against the defendant (Code of Civil Procedure § 116.220(c)).

Notifying defendants

Each named defendant must be properly served or notified of the lawsuit. For more information about naming and notifying defendants, see the Department of Consumer Affairs publication *The Small Claims Court—A Guide to its Practical Use*, chapters “How Do You Name the Defendant?” and “How Do You Notify the Defendant of Your Claim?” at www.dca.ca.gov/publications.

Enforcement of a small claims court judgment

CSLB's Judgment unit can provide services to help you enforce a small claims court judgment if it is final, and substantially related to the construction activities of the licensed contractor. The unit cannot collect a judgment for you or force a contractor to pay, but it can suspend the contractor's license until the judgment has been satisfied. A contractor cannot legally work with a suspended license.

If CSLB receives satisfactory proof of an unsatisfied final judgment within 90 days of the date it became final, CSLB will notify the contractor that he or she has 90 days from that date to pay the judgment. After 90 days, CSLB will suspend the license until the judgment is paid. If CSLB receives proof of an unsatisfied final judgment that is 91 days or older, the license is immediately suspended until paid.

CSLB cannot suspend the license if the contractor files bankruptcy or obtains a discharge of debts from the bankruptcy court. In that case, collecting from the contractor's surety company may be your only recourse. You may wish to consult with an attorney to ensure you have explored all legally available methods of collecting on your judgment.

To notify CSLB of an unpaid final judgment, complete CSLB's "[Judgment Suspension Request Form](#)" with all requested documentation and sent to: Contractors State License Board Judgment Unit, P.O. Box 26000, Sacramento, CA 95826. The judgment must properly identify the contractor and be both monetary and construction-related.

Additional Information

California Courts: <http://www.courts.ca.gov/1008.htm>

Department of Consumer Affairs: <http://www.dca.ca.gov/publications/>