



MFC NEWS

“Building Understanding”

MFC will find out the truth about buildings and answer the hard questions.

Spring 2014

Volume 9 Issue 2

What’s New at MFC...

Myles Corcoran Arbitrated two matters in March, one private and one for the CSLB.

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He also became a member and took a 3 day course in March from the American Rainwater Catchment Systems Association (ARCSA).

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Daniel Alcocer completed part II of the Cabrillo College Residential Electrical Course in March.

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He also attended The Educational Community for Homeowners (ECHO) chapter meetings in both March and April.

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April 1 was MFC’s Birthday Celebrating 24 years in business!

What’s Wrong in this Photo?



~Answer: Bag of rusty water to stop water damage

Wisdom Corner

New Law – CSLB Can Administratively Sanction Fraudulent License Use

By Ken Gorman, Esq.

Effective January 1, 2014 the Contractors State License Board has expanded powers which allow the board to take administrative action against any licensed or unlicensed contractor who commits any violation that constitutes fraudulent use of a contractor’s license. The new law, Business and Professions Code § 7114.2, gives the board power to take disciplinary action against a qualifier and an unlicensed entity they are qualifying. The action may be taken when the qualifier is not actively involved in the construction activities of the license they are representing. A qualifier is the individual who has met the exam and experience requirements to hold the license being used to build. Before the Legislature gave the CSLB this power, only DAs were enforcing fraudulent license activity cases.

~Read more next page

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Under Business and Professions Code § 7068.1, also newly enacted, the DA can prosecute these actions as misdemeanors which have sentences of up to six months in jail and fines of up to \$5,000. These are in addition to the administrative penalties that CSLB can impose.

As part of their program to publicize the zeal of enforcement, the CSLB periodically sends out emails regarding stings and prosecution of unlicensed and/or of fraudulent contracting and licensing that often contain criminal sentencing. This new tool not only gives the CSLB license-sanctioning power it didn't have previously, it makes clear that licensees risk getting their license suspended or revoked if people working under their license commit fraud. While "name only" contracting was never advisable, the risks now are even greater.

Editor's Note: This law is attempting to stop the practice of one licensee selling his/her license for use by one or multiple companies without being actively involved in the construction. Therefore, those companies were operating, in effect, without a licensed contractor.



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Quote of the Day

"It is not the beauty of a building you should look at; it's the construction of the foundation that will stand the test of time."

~ David Allan Coe



About MFC News

MFC News is the e-zine published quarterly by the Editorial team at: Myles F. Corcoran Construction Consulting, Inc. (MFC) located in Santa Cruz, California. It is circulated to our colleagues in the construction and construction-related fields. Visit our website www.mfcbuild.com for more information and testimonials.

Please help us make this a "Construction Community" endeavor by sending us your feedback, comments, wisdom, and ideas for future issues. Call 831-476-4502 or email us at: mfcnews@mfcbuild.com