

Since 1957...



**SAN DIEGO ROOFING CONTRACTORS ASSOCIATION**

## *From the President...*

I hope everyone had a happy and safe holiday season. As we enter the New Year we are looking forward to more informative and educational dinner meetings starting with this month on January 14<sup>th</sup>. Bob Craig and Norb Lohse, of LOHSE2 will be presenting a program entitled "Cool Roofing Problems and Solutions". This will be a good opportunity to hear what they say and also to for the rest of us share what we are experiencing whit concerns to this issue.

On January 26<sup>th</sup> the SDRCA is scheduled, through its Build A Roof Program, the installation of a fully adhered TPO roof system over iso and gypsum board for the Deputy Sheriffs Association. There are four buildings of 24 squares each and we are looking for volunteers to do the installation. I know that everyone is swamped right now but your participation will be greatly appreciated. Contact Gary Gilmore at RSG or James Robyn at the SDRCA if you can spare some men for the day.

Besides the dinner meeting this year we also are looking forward to the annual SDRCA golf tournament. All you manufacturers and suppliers out there should start getting on corporate for sponsorship. We may be moving the tournament to spring time. We need as much participation as possible, this is how the SDRCA is able to raise the funds needed to continue with the programs that we provide for the roofing community.

Fred Bouman, SDRCA President

## Inside this Issue:

- SDRCA Vision 2014
- Cool Roof Condensation?
- New BOD for 2015
- Membership Dues Reminder
- **\*\*NEW\*\***, Monthly Safety Corner
- Mechanic Lien Interest Rates

## *Upcoming Events*

January 14  
Condensation, From an  
Architectural View

January 26th Build A Roof

February 24-26, IRE  
New Orleans

May 20, Diner Meeting, TBA

August 19, Dinner Meeting, TBA

November 11  
Annual Meeting

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**The San Diego Roofing Contractors' Association (SDRCA) has been serving the Roofing Industry for over forty years.**

**Times, techniques and technology has changed, but the SDRCA Core Values, Code of Ethics, Mission and Vision Statement has not.** The 2014 Board of Director Team is committed and dedicated to serving our members and this association with new education, resources, training and savings for the purpose of helping our members continue a tradition of profitability and professionalism in our industry.

**It is the intent of this Association to establish and maintain professional standards and practices in the Roofing Industry through education and public awareness.** Our members are committed to excellence and they use the benefits offered by the Association to help obtain this goal. The SDRCA encourages you to become fully aware of the potential problems of dealing with an unlicensed, uninsured roofer.

The SDRCA was formed in 1957 to preserve and promote the art of roofing application. SDRCA members recognize that after 52 years of innovation in roofing technology and Application, the following goals are as meaningful and relevant today as they were yesterday and will be tomorrow.

The SDRCA remains a strong supporter of open competition and the free enterprise system; indeed, this competitive environment led to the success of its members. SDRCA members recognize that the perpetuation of such a healthy business environment is greatly influenced by their own professional conduct. The SDRCA supports the following practices, and encourages them in its members.

#### **SDRCA Member Code of Ethics:**

1. To conduct my business in an ethical manner, so that I will reflect credit and confidence by the public in our industry as well as my own business.
2. To consider my vocation worthy and dignified and thus affording a distinct opportunity to serve society.
3. To hold that the exchange of my goods and service for a fair profit is legitimate and ethical, provided all parties in the exchange are benefited.
4. To elevate the standards of my vocation by exercising a high degree of care in the execution of all work, and correct any defective work as a direct challenge to my ability and integrity.
5. To protect and defend the public from fraudulent and unethical practices affecting our industry.
6. To cooperate with the association in its effort to better conditions in the industry, so that public, management, capital and labor will all mutually benefit.
7. To operate my business in accordance with the rules and regulations of constituted authority at all levels and in a manner which will leave no doubt as to my loyalty to my country and its ideals and fundamental principals.

#### **The SDRCA Mission Statement:**

The mission of the San Diego Roofing Contractors' Association is to establish and maintain professional standards and practices in the roofing industry through education and public awareness.  
Adopted January 1997

***To elevate...To protect and defend...To cooperate...so that all benefit.***

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## **WHAT IS THE CORRECT PREJUDGMENT INTEREST RATE ON A MECHANIC'S LIEN?**

By Milene C. Apanian, Abdulaziz, Grossbart & Rudman

In October of 2014, the California Court of Appeal considered the proper prejudgment interest rate allowed to claimants on a Mechanic's Lien foreclosure action against a property owner in Palomar Grading & Paving, Inc. v. Wells Fargo Bank, N.A.

The lawsuit was one of a number of cases which made its way through the judicial system because of the "Great Recession" impacting the Inland Empire region, including Riverside and San Bernardino counties. The appeal arose from financial difficulties encountered in the construction of a Kohl's department store in Beaumont. Sometime during the construction, the money dried up and the general contractor refused to pay the subcontractors for work they had performed at the Kohl's project. Four subcontractors recorded Mechanic's Liens and filed lawsuits to foreclose upon those liens. Three of the subcontractors, including Palomar Grading & Paving ("Palomar"), obtained judgments foreclosing upon the Mechanic's Liens. The property owners, Kohl's and Wells Fargo (the successor to the construction lender Wachovia Bank), appealed the judgment to foreclose. The consolidated appeals addressed ten (10) separate legal issues related to Mechanic's Liens, but the Appellate Court only authorized for publication the decision addressing the prejudgment interest rate.

In evaluating the proper interest rate for Mechanic's Lien claims, the Court of Appeal distinguished between interest allowed pursuant to the California Constitution and that allowed by statute for breach of contract. The Court determined that under the California Constitution Article XV, Section 1, the interest rate for the "Forbearance of any money, goods, or things in action, or on accounts after demand shall be seven percent (7%) per annum," and that "things in action" includes the right to foreclose on a Mechanic's Lien.

The opinion finds that the Constitutional default rate of seven percent (7%) per annum should apply to prejudgment interest on a Mechanic's Lien against a non-contracting innocent owner. The Court reasoned that the owner of the property had no contract with Palomar and that the Mechanic's Lien was a result of the imposition of the Mechanic's Lien laws (Constitutional and statutory) and not one of contract. Therefore, the statutory default rate of ten percent (10%) per annum, which is used for breach of contract cases pursuant to Civil Code §3289(b), if the contract does not stipulate a legal rate of interest, should not apply to innocent non-contracting owners.

However, the Court of Appeal clarified that the decision applied only to "innocent" owners who, even though they did not breach their own contracts, nonetheless wound up with their property subject to a Mechanic's Lien, and that the decision does not address culpable contract breaching owners.

Therefore, remember that the determination of the proper prejudgment interest rate is a factual analysis contingent on the property owner's actions and/or inactions, and requires a detailed evaluation. Sometimes a seven percent (7%) interest rate will apply, other times a ten percent (10%) per annum might be appropriate. It depends on the unique circumstances of each project.

[Download a PDF Copy of What is the Correct Prejudgment Interest Rate on a Mechanic's Lien Dispute Against an Owner; 7% or 10%?](#)

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## Certified Contractor Program

The SDRCA Certified Contractor Member Program is now in affect. Please send in an overview of your safety program, information on education and/or trainings you performed in 2014, and any information on charitable projects you are currently involved with or completed in 2014.

At that time the SDRCA will send you your marketing packets to use as you see fit.

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### January Dinner Meeting

## Cool Roofing Problems & Solutions

**Presented By: Bob Craig & Norb Lohse**

**There are “underlying” risks inherent with cool roof membranes. This presentation will describe these issues and propose options to avoid the imminent problems and reduce potential exposure.**

**If you are involved in the design and or installation of new and re-roofing, this is one event you should not miss.**

Bob Craig is a Project Manager at LOhSE2 and has 25 years experience in the Architectural industry. The past 12 years he has worked as a consultant specializing in investigating and designing exterior walls, decks, slabs, plaza waterproofing, below grade waterproofing, and roofing systems. His responsibilities also include analyzing building moisture and leakage problems, assessing, repairing and renovating structures, and field monitoring for quality assurance.

Mr. Lohse’s background includes a wide variety of areas related to architecture, construction and forensics. His more than 40 years in the industry include site development; design/build working on single, multi-residential, shopping centers, office buildings, industrial, public facilities, and many other commercial building types. For the past 25 years he has been heavily involved in construction defect and personal injury cases either as a plaintiff or defense expert.

*This meeting will offer 1 meeting attendance credit for SDRCA Certified Roofing Contractor Members*

### Table Tops Available

#### **San Diego Roofing Contractors Association**

Wednesday, January 14th, 5:00 PM Social Hour, 6:00 PM Dinner & Program

SDG&E Energy Innovation Center  
4760 Claremont Mesa Blvd., San Diego, CA 92117

[Download Registration Form Here](#)

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## Membership Dues

Thank you to those members who have sent in their renewals. If your membership renewal date is January 1, please send in the renewal fees at this time.

Did you know the SDRCA has a monthly installment program? If you would like to use this method of paying dues, please contact the SDRCA office.

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## SAFETY CORNER

By Dan Dallenbach, Roofmaster Products

Thank you to James Hawthorne and the ABC Supply Company, Inc. team in National City for hosting the 4th Safety Day of 2014 on Tuesday, December 16th. Although the welcome rainy weather made attendance a little lighter than usual, over 8 contractors visited the informal session at their convenience from 10:00 AM to 2:00 PM to discuss and review safety products, Cal-OSHA job site requirements and the proper use of fall arrest, fall restraint and roofing safety equipment. SDRCA Contractor members in attendance were Premium Roof Services, Shake Shingle & Roll Roofing, and RC Roofing.

ABC Supply provided pizza and refreshments, while Roofmaster displayed various safety products and literature from manufacturers such as Guardian Safety and Garlock Safety Equipment. Copies of the "Cal-OSHA Pocket Guide of the Construction Industry", Roofing Project and Job Site Safety inspection forms and Job Site Safety Equipment checklists were provided to all participants.

The first safety day of 2015 will be announced in the February issue of the Rooftop Reporter.

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## 2015 SDRCA BOD & OFFICERS

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## Thank You to the 2015 Advocate Sponsors

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The SDRCA wishes to Thank our contributing Sponsors. The ability to bring ongoing, valuable educational, social and professional benefits and training is dependant upon our sponsors. We look forward to the new spon-

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#### 2014 Board of Directors

**Fred Bouman**, President  
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**Eric Richardson**, Sec/Tres.  
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#### SDRCA Contact Information

PO Box 1328  
Solana Beach, CA 92075  
888-825-0621 Phone/Fax  
ed@sdrc.com  
www.SDRCA.com