



SAN DIEGO ROOFING CONTRACTORS ASSOCIATION

From the Vice President...

As 2020 kicks off, the Association will have it's first dinner meeting and educational program on Wednesday, February 12th, at the Butcher Shop Steakhouse.

The meeting will feature a presentation on the Asbestos Regulations. There have been many questions posed to the Association regarding the Asbestos Regulations and this will be a good time for you to attend and ask your specific questions pertaining to this topic.

The meeting flier will be available in the coming days, be sure to sign up for the first meeting of the year and learn more about Asbestos Regulations, it does affect both commercial and residential roofing contractors.

We would also like to announce that the 2020 Roger D. Urbach Scholarship Applications are now available. As you may know, we launched this new program last year with great success.

You can find the 2020 Scholarship Applications on our website, if you have any trouble downloading a Scholarship Application, please email the SDRCA office.

We are looking forward to another great year for the SDRCA, see you next month at the Dinner Meeting.

James Adams, SDRCA Vice President

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Upcoming Events

February 4 - 6
IRE, Dallas Texas

February 19th
SDRCA Dinner Meeting
Asbestos Regulations

Spring 2020
TRI Training in San Diego

June 7th—9th
Western Roofing Expo
Paris Hotel, Las Vegas

August 31st
SDRCA 54th Annual Golf Classic
Funding the Roger D. Urbach
Memorial Scholarship Program

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

Times, techniques and technology has changed, but the SDRCA Core Values, Code of Ethics, Mission and Vision Statement has not. The 2020 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 62 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.

"Don't Play Politics With Your Portfolio"

Jack Loehr, Edward Jones 6050 Santo Rd., Ste. 140, San Diego, CA 92124

You're probably aware this is an election year. During the next several months, the candidates will discuss issues that should greatly interest you as a citizen. But as an investor, how concerned should you be with the results of the presidential and congressional elections?

Maybe not as much as you might think. At different times, the financial markets have performed well and poorly under different administrations and when different parties have controlled Congress. And after all the votes are counted, outcomes in the investment markets can be unpredictable. Consequently, you'll be helping yourself greatly by *not* making big moves in your portfolio in anticipation of new legislation or political moves down the line.



Of course, that's not to say that nothing emerging from Washington could ever have an impact on your investment decisions. For example, if a future president and Congress decide to change the capital gains tax rate, it could affect some of your choices, such as which stocks and stock-based mutual funds you should buy, and how long you should hold them.

Overall, though, your investment results will ultimately depend on actions *you* can take, including these:

- *Making changes for the right reasons* – While the results of an election may not be a good reason to make changes in your investment portfolio, other factors can certainly lead you to take steps in this direction. For one thing, as you get closer to retirement, you may want to shift some – though certainly not all – of your investment dollars from more growth-oriented vehicles to more conservative ones. Conversely, if you decide, well in advance, that you might want to retire earlier than you originally thought, you may need to invest more aggressively, being aware of the increased risk involved.
- *Following a long-term strategy* – In pretty much all walks of life, there are no shortcuts to success – and the same is true with investing. You need to follow a long-term strategy based on your goals, risk tolerance and time horizon, and you need the patience and perseverance to keep investing in all markets – up, down and sideways.
- *Avoiding mistakes* – Many people think of an investment mistake as failing to “get in on the ground floor” of some company that ultimately grew to huge proportions. But it's pretty hard to become an early investor in companies like these, many of which start out as privately held businesses without any stockholders. Furthermore, companies with shorter track records can be much more unpredictable investments. However, you do want to avoid some real mistakes, such as chasing “hot” stocks. By the time you hear about them, they may already be cooling off, and they might not even be appropriate for your needs. Another mistake: failing to diversify your portfolio. If you only own one type of asset, such as growth stocks, you could take a big hit during a market downturn. Spreading your dollars over a wide range of investments can help lower your risk exposure. (However, diversification by itself can't guarantee a profit or protect against all losses.)

After Election Day, regardless of the outcome, you can help keep your portfolio on track by not playing politics with it.

This article was written by Edward Jones for use by your local Edward Jones Financial Advisor.

A Contractors Guide to Losing Your License

By Bruce D. Rudman, - Abdulaziz, Grossbart & Rudman

Having represented contractors in Contractors' State License Board ("CSLB") matters for almost for almost 24 years, I thought I would share some insight on the ways that a contractor can avoid losing their license. In my practice I come across contractors who get the same violations alleged against them, over and over again. This is particularly true with the failure to use registered salespersons.

There are obvious trends on types of claims being investigated above and beyond workmanship or claims of abandonment, the most common two complaints. Home Improvement Contracts remain the primary focus of the CSLB's investigations, though claims of unpaid subcontractors or suppliers still arise. The Contractors' Board has seemingly increased its enforcement actions and investigations on elder abuse claims, solar, and contracts involving PACE programs.

Contractors who do a lot of residential remodeling work know that PACE programs are primarily funding intended to all homeowners to contract for energy efficient improvements. These have been the subject of recent legislation limiting their use, but in the past there were abuses alleged of contractors and the lenders, by financing projects with homeowners with either little income or substandard credit, and no ability to pay for the work. These cases are a huge focus of the Contractors' Board, particularly where the homeowners are over 65.

This article need not touch on the obvious violations, like:

- *Entering into a contract, collecting a substantial sum up front and then doing no work;
- *Diversion of funds. This is not only where one takes money from their customer on the First Street project and then uses those funds to pay the subcontractor on a different project; it exists whenever one takes the customer's funds and uses them for a purpose other than why they were paid. Diversion of funds is not only a violation of the License Law, but it can be a crime.
- *Contracting outside of your license classification or contracting with an unlicensed person. A person does not have to be completely unlicensed to be unlicensed for the work that they are doing for you. A general building contractor cannot hire another "B" contractor to perform one trade. That is the same as hiring an unlicensed person. A "B" contractor cannot take a subcontract for only a roof. But, it happens all the time. Likewise, a "B" contractor cannot take a prime contract for only one trade other than framing and self-perform the work. A "B" contractor must do two trades, not counting framing (or only framing) or it must subcontract the work to a properly licensed specialty contractor.
- *Abandoning a project, which is probably the second most common allegation against a contractor after departure from trade standards. Abandoning a contract is simply refusing to perform the work when you are required to perform the work (which can include failure to honor a warranty). It could be that you walked off the job because the customer is not paying you. It could be the customer has kicked you off the job. Document these instances in writing. Do not use a text message to terminate any contract. Use a form of communication that is easily printed out and preserved, which can include an email.
- *Some contractors do not know that is a cause for discipline to enter into a settlement agreement that requires the customer to withdraw a CSLB complaint or refuse to file a complaint.

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Now, in addition to these causes for discipline, even where there are no workmanship or abandonment issues, the CSLB has a toolbox full of other charges they can assert arising out of a Home Improvement Contract. The most common of the non-workmanship claims are:

- *A noncompliant Home Improvement Contract that has been updated since the statutes were all revised in 2006 (they have been revised multiple times since but the last major revision was 2006) or failure to fill in the form- common omissions are the start and completion dates, or a proper payment schedule;
- *Failure to give the Three-Day Notice of Cancellation notices (there are technically two or three notices, depending upon your contract) and then waiting the three days to start work or obtaining a waiver if it is truly emergency work;
- *Taking in more money than allowed under the law. A contractor can legally take the lesser of 10% or \$1,000.00 as a down payment and then can never be ahead of their customer. **We see many contractors who will follow this particular rule and take a minimal down payment but then collect a huge payment upon "start of work."** That is not allowed. You are providing credit to your customer. You can get payments from a customer as often as they are willing to give you payments, but only after you have delivered value to them;
- *Failing to use registered salespeople. This is probably the most common violation. This rule goes beyond just the salesperson being registered, but they must be registered to your company. More importantly, there are contractors who have salespeople in training who send them out with registered salespeople. I have seen the CSLB chastise a contractor for doing this - though I see no legal violation so long as supervised by a registered salesperson or listed officer of the contractor, and, the trainee should never be the one to fill in or sign any contracts.
- *On the topic of salespeople, the Contractors' Board takes the position that change orders should be negotiated by a registered salesperson. I am not sure I agree with that concept, but certainly if it is a significant transaction, it cannot hurt to have a registered salesperson be the one to negotiate the change order.
- *The use of change orders is also something that is ignored. An argument can be made that a series of written communication such as emails or texts, which provide an owner with the additional scope of work, the cost, and the impact on the time, if accepted in writing constitutes a proper change order. But, where people also make mistakes, a change order is required not only every change to the contract or plans, even if just to document change in color, as any change from the contract or the plans, even if at no cost, must be memorialized in writing.

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*Elder Abuse. While there are bad contractors out there, I believe this may be the most single most overly and wrongly asserted charge. There are many senior citizens that can make their own decisions. But, because the regulating agencies have no jurisdiction over price, they will look hard at a transaction with someone over the age of 65, especially those where the charges seem higher than market rates for work to be performed. The CSLB will focus on the sales presentation, use of PACE programs, and the most asserted action, which is sometimes true, is selling someone something they do not need. As examples only, we have seen these situations: people sold a new roof even though they had a new roof put on three years ago; or a new furnace installed where the existing system is only a couple of years old or where the only thing actually needed is an inexpensive part;

*Misrepresentations. The most common we see are with regard to the PACE programs. Contractors have been accused of telling homeowners that it is a free government program, or misrepresenting the terms; solar systems are another area that has been investigated lately by the Contractors' Board for representations made in the sales process; the most common allegations are with regard to tax credits, rebates and the elimination of the electric bill.

The moral of the story is that in order to keep your license, you should have a proper contract, use registered salespeople when required to do so, properly describe the work to be performed, and then do the work that you contracted to do, use change orders when that work changes, collect the value of the work as you do it, and respond to warranty calls. The contractor that does these things will hopefully be in business for many years to com.

[Download a PDF Copy of A Contractor's Guide to Losing Your License](#)

Bruce Rudman has been practicing in the area of California construction law for 20 years. He is an acknowledged expert in the area of contractor's licensing and has represented hundreds of contractors over the years before the Contractor's State License Board. Bruce has been published on numerous occasions and is a respected speaker on Construction Law, including licensing and contract requirements, Mechanic's Liens and other construction related issues and remedies.

Abdulaziz, Grossbart & Rudman provides this information as a service to its friends & clients and it does not establish an attorney-client relationship with the reader. This document is of a general nature and is not a substitute for legal advice. Since laws change frequently, contact an attorney before using this information.

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NEWS RELEASE

For Immediate Release

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California Labor and Workforce Development Agency Launches Employment Status Law Resource Website for Workers and Employers

AB 5 set to take effect on January 1, 2020

SACRAMENTO—California Labor and Workforce Development Agency Secretary Julie Su today announced the release of a new resource website to provide resources and information to workers and employers on the Employment Status Law, or AB 5, which is set to take effect January 1, 2020.

The website, [Labor.ca.gov/EmploymentStatus](https://labor.ca.gov/EmploymentStatus), is a one-stop shop for online resources for workers and employers, and the Labor Agency and its departments, including the Employment Development Department, Labor Commissioner's Office, Cal/OSHA, and Division of Workers' Compensation, are coordinating the information and services about this new law and its enforcement.

“Misclassification, or labeling a worker as an independent contractor when they should be an employee, undermines businesses who play by the rules and basic worker protections like minimum wage, paid sick days, and the safety of workplaces,” said Secretary Su. “This website is meant to be a resource for California’s workers and employers to ensure a smooth implementation of the law.”

AB 5, by Assemblymember Lorena Gonzales (D-San Diego) was signed into law by Governor Gavin Newsom in September. The new law addresses employment status when a worker is claimed to be an independent contractor. AB 5 generally requires the application of the “ABC test” to determine if workers in California are employees or independent contractors for purposes of the Labor Code, the Unemployment Insurance Code, and the Industrial Welfare Commission (IWC) wage orders. AB 5 provides exceptions to the ABC test for specified instances where certain requirements are met.

The [Labor.ca.gov/EmploymentStatus](https://labor.ca.gov/EmploymentStatus) portal includes information on the ABC test, and also has [Frequently Asked Questions](#) (FAQ) about AB 5 and other resources to assist workers and businesses seeking additional information about misclassification, employee protections, and employer obligations.

The website additionally contains information on labor laws and employee rights, including links on how to file a wage claim or retaliation complaint, report a health and safety violation, or apply for workers' compensation, unemployment or disability benefits. Employers who visit the portal will be able to find information to assist them in determining the employment status of their workers and understanding their legal obligations as employers, including information regarding workplace health and safety laws, wage and hour laws, workers' compensation obligations, and payroll tax requirements.

International Roofing Expo



The 2020 International Roofing Expo will be held in Dallas, TX, on February 4th through the 6th.

[YOU CAN REGISTER HERE!](#)

Air Vent Ask The Experts Seminar

Air Vent will be hosting 33 seminars in different cities across the county. To see a full list of cities, click the link below.

<http://airvent.com/index.php/ask-the-expert-seminars>

There is also a video on youtube, video link below.

https://www.youtube.com/watch?v=D_RZkPUEKrg

Notice of Emergency License Renewal Fee Increase

Through Abdulaziz, Grossbart & Rudman, the SDRCA has been informed that Phil Vermeulen, of Contractors Licensing Center, has reported on the emergency license renewal fee increase.

You can review Phil's article on this subject matter by clicking through this link;

[*Download a PDF Copy of CSLB's Emergency License Renewal Fee Increase Will Commence February 1, 2020*](#)

Roger D. Urbach Memorial Scholarship Program

The purpose of the Scholarship Program is to grant multiple scholarships of various amounts each year to SDRCA members, members' immediate family, members' employees, and immediate family of members' employees in memory of Roger D. Urbach, founder of Urbach Roofing and past President of the SDRCA.

The fund will be largely supported through the SDRCA golf tournament, therefore the amount of available funds depends greatly on the financial success of the golf event. However, individual or company donations are certainly welcome.

A donation submission form is available on the following page and the SDRCA will recognize those who have contributed unless otherwise specified.

Thank you to those who have donated to the 2020 Scholarship Fund

Dan Dallenbach
James Robyn, Executive Director SDRCA
Fred Martin, Martin Roofing
Bob Piva, Bob Piva Roofing

2020 Scholarship Applications are now available, [click here!](#)

Welcome New Member



Thank You to the 2020 Advocate Sponsors

Diamond



Emerald



Pearl



The SDRCA wishes to Thank our contributing Sponsors. The ability to bring ongoing, valuable educational, social and professional benefits and training is dependent upon our sponsors. We look forward to the new sponsorships and training opportunities 2019 will bring our members.

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