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MORE ON UNLICENSED CONTRACTORS



It appears that owners and their attorneys have now pushed a number of matters, which would be beneficial to the owners. This is based on a portion of the law that states that an owner can recover money from an unlicensed contractor even though the unlicensed contract did the work and did it well. The unlicensed contractor must "disgorge" any money that he or she received.

In 2006, the contractor contracted to build a retirement home. JC Master Builders, Inc. (JC) was the contractor with licenses issued in October 2002.

When the owner became concerned about JC's billing, he asked Cridlebaugh to provide invoices. When Cridlebaugh failed to provide them, the owner instructed him to stop work. Cridlebaugh, through JC, then filed a lien against the property. This went to litigation and a jury ultimately found against White (the property owner). However, White was permitted to recover compensation paid to the contractor while the contractor was unlicensed.

The court stated that section 7031(b) allows a person to "recover all compensation paid to the unlicensed contractor" unless there is substantial compliance. We are not sure that it is "absent substantial compliance," it appears to us that if the contractor is unlicensed, the contractor will have to give back everything that he received.

In this case, the court stated that when a qualifier becomes disassociated from the licensed entity, which is what happened here, he must be replaced within 90-days. If not, the contractor's license is suspended automatically.

In this case, there was no replacement. Cridlebaugh was not a licensed contractor. Therefore, White was entitled to recover all of the compensation paid to JC.



ADVERTISEMENTS

On a plumber's truck: "We repair what your husband 'fixed.'"

On a plumber's truck: "Don't sleep with a drip. Call your plumber."

On an electrician's truck: "Let us remove your shorts."

On a septic tank truck: "Caution - This truck is full of Political Promises."

On the gate of a nudist colony: "Clothed for the winter!"

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UNPAID WAGES TO EMPLOYEES

In this case, there were six laborers who worked for an unlicensed drywall contractor. The unlicensed contractor was Humberto Figueroa Drywall Company (Humberto). Humberto let his contractors license lapse. Sanders Construction Company (Sanders) was the general contractor. The question here is whether the employee of an unlicensed subcontractor can make a wage claim for wages against the general contractor.

As stated, Humberto's license had expired before June 2006. Sanders, the general contractor, continued to work with Humberto to complete the project. Because he was already paying Humberto, Sanders did not believe that he was responsible for payment to Humberto's workers. It is **Humberto's** workers that are in question.

In deciding the case, the court stated that there is a rebuttable presumption that a worker performing services for which a contractors license is required, or who is performing such services for a person who is required to obtain such a license, is an employee rather than an independent contractor.

Further, as to **Humberto's** liability, another statute states that no person engaged in the business or acting in the capacity of a contractor, may bring or maintain an action or recover in law or equity in any action for the collection of compensation for the performance of any act or contract where a license is required. Most significantly, Labor Code section 2750.5 operates conclusively to determine that the general contractor is the employer of not only its unlicensed subcontractors, but also those employed by the unlicensed subcontractors.



WHEN GRANDMA GOES TO COURT

Lawyers should never ask a Mississippi grandma a question if they aren't prepared for the answer.

In a trial, a Southern small-town prosecuting attorney called his first witness, a grandmotherly, elderly woman to the stand. He approached her and asked, "Mrs. Jones, do you know me?"

She responded, "Why, yes, I do know you, Mr. Williams. I've known you since you were a boy, and frankly, you've been a big disappointment to me. You lie, you cheat on your wife, and you manipulate people and talk about them behind their backs. You think you're a big shot when you haven't the brains to realize you'll never amount to anything more than a two-bit paper pusher. Yes, I know you."

The lawyer was stunned. Not knowing what else to do, he pointed across the room and asked, "Mrs. Jones, do you know the defense attorney?"

She again replied, "Why yes, I do. I've known Mr. Bradley since he was a youngster too. He's lazy, bigoted, and he has a drinking problem. He can't build a normal relationship with anyone, and his law practice is one of the worst in the entire state. Not to mention he cheated on his wife with three different women. One of them was your wife. Yes, I know him."

The defense attorney nearly died.

The judge asked both counselors to approach the bench and, in a very quiet voice said, "If either of you idiots asks her if she knows me, I'll send you both to the electric chair."



LAST CHANCE!!!

Collecting Your Money Through The Use Of Mechanic's Liens, Stop Notices, Bonds and Prompt Pay Laws A Half-Day Breakfast Seminar By Sam K. Abdulaziz

In today's economy, collecting your money is a necessity!!

Sam Abdulaziz is an acknowledged expert in the field of mechanic's liens, stop notices and bond rights. He has been giving lectures in this area for many years, and his book on the subject is updated annually. His lectures and workshops have been attended by **REGULATORS**, as well as **LEGISLATORS**, and have been approved for continuing education for attorneys. The lectures are spiced up with "**REAL WORLD**" examples just for contractors, subcontractors and material suppliers. At this very time Sam is representing many construction associations and exchanges before the California Law Revision Commission to make sure lien rights are not curtailed.

The mechanic's lien issue was an important part of Sam's successful argument to the California Supreme Court on the "Pay if Paid" clause. This will be discussed at the workshop.

This workshop is important for both the contractor and any members of the staff who are involved in handling collections, including liens, stop notices and bond rights. If you pick up just one pointer from Sam during this workshop, it will make your attendance worthwhile.

Any of you that have been to Sam's seminars know how informative and entertaining they are. Those who have not, do not know what they are missing.

The cost for the seminar is \$95.00 for the first person from each company and each additional person from the same company is only \$60.00. All of this must be prepaid. **Instructional materials and flow charts will be distributed. Both clerical personnel and contractors should attend.**

To register, please click on the link below and it will take you to the registration form. Please fill out the bottom portion of this form and send a check in the appropriate amount to: Abdulaziz, Grossbart & Rudman, P.O. Box 15458, North Hollywood, CA 91615-5458. Or you can fax your registration with Visa or MasterCard payment to us at (818) 760-3908. If you have questions, please contact us by email info@agrlaw.net or phone, (818) 760-2000. **Check-in and breakfast for each seminar will start at 8:30 a.m. and the seminar begins at 9:00 a.m. ***

DATES AND LOCATIONS

LONG BEACH, CALIFORNIA

October 6, 2009
HOLIDAY INN-LONG BEACH AIRPORT
2640 Lakewood Blvd., Long Beach, CA 90815

STUDIO CITY, CALIFORNIA

October 15, 2009
SPORTSMEN'S LODGE
12825 Ventura Blvd., Studio City, CA 91604

RIVERSIDE, CALIFORNIA

October 19, 2009
MISSION INN
3649 Mission Inn Ave., Riverside, CA 92501

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