



# Bulletin

Volume XXII  
Fall/Winter  
2002  
Number 2

## In this Issue

Board Proposes Rules Changes	1
Governor Easley Appoints Carl E. Worsley, Jr.; Reappoints Larry D. Miller To Licensing Board	1
Free Arbitration Program For Residential Contractors	2
How Contract Savvy Are You?	2
Disciplinary Action	4

## Licensing Board Calendar

- General Contractors Licenses Expire**  
December 31, 2002
- New Year's Day/Board Office Closed**  
January 1, 2003
- Martin Luther King, Jr. Birthday/Board Office Closed**  
January 20, 2003
- Regular Board Meeting**  
January 22, 2003
- Regular Board Meeting**  
April 9, 2003
- Good Friday/Board Office Closed**  
April 18, 2003
- Memorial Day/Board Office Closed**  
May 26, 2003
- Independence Day/Board Office Closed**  
July 4, 2003

## Board Proposes Rules Changes

The Licensing Board began proceedings to amend certain rules contained in 21 NCAC 12, with an effective date of April 1, 2003. The Board previously conducted a public rule-making hearing October 9, 2002 in order to receive comment on proposed rules and amendments, which were published in the *North Carolina Register* on September 16, 2002. (Notice of rule-making proceedings containing rules subject matter was previously published July 15, 2002 in the *North Carolina Register*.)

Rule .0202 is amended to change current license classifications Building Contractor, Residential Contractor, Highway Contractor, Public Utilities Contractor, and PU(Water

Purification and Sewage Disposal). Amended .0503 (Renewal) will require an audited financial statement for renewal while a licensee is in bankruptcy. Amended .0701 (Improper Practice) changes notice requirements for charges of improper practice once a charge is referred to the review committee; and .0703 (Penalty Fee for Submittal of Bad Check) clarifies when a renewal fee is paid by a check returned for insufficient funds, the license is then treated as never having been renewed and certified funds will be required for subsequent license renewal.

Text of the proposed rules is printed on Page 10. The portion of the text with strike-through is deleted; new text is underlined.

## Governor Easley Appoints Carl E. Worsley, Jr., Reappoints Larry D. Miller To Licensing Board

Governor Michael Easley has appointed Carl E. "Pogie" Worsley, Jr. of Nags Head to the Licensing Board. Mr. Worsley's term began the date of his appointment, December 9, 2002 and his term expires December 31, 2005. Worsley, a native of Rocky Mount, served in the U. S. Coast Guard from 1973 to 1977 and was stationed on the outer banks. He has been building homes for more than 20 years, starting the Carl Worsley Company in Nags Head in 1987. He has served as past Regional Vice President of the North Carolina Home Builders Association and is a member of the Chamber of Commerce and Outer Banks Association of Realtors.

Governor Michael Easley has reappointed Larry D. Miller of Marion to serve a second 5-year term with the Licensing Board for General Contractors. Mr. Miller's term actually became effective January 1, 2002 and he currently serves as Vice-Chairman of the Licensing

Board. A general contractor for 21 years, Miller is President and owner of G.E.M. Constructors, Inc. Mr. Miller's company constructs commercial, institutional and industrial projects throughout the Southeast. Mr. Miller is a member of the National Association of State Contractor's Licensing Agencies (NASCLA) Examination Standards Committee, which recently drafted standards for proposed national competency examinations for contractors.

Public member Earl Jones, Greensboro, whose term expired December 31, 2001, won his November 5 bid for election to the North Carolina House of Representatives and will not seek reappointment to the Licensing Board. Mr. Jones begins his term in the North Carolina Legislature in January 2003, representing District 60 (Guilford) in the House of Representatives.

**NCLBGC Bulletin**

Published semi-annually as a service to general contractor licensees to promote a better understanding of the General Contractors Law (N.C.G.S. §§87-1 to 87-15.9) and to provide information of interest to all construction professionals.

**NORTH CAROLINA  
LICENSING BOARD for  
GENERAL CONTRACTORS**

3739 National Drive, Suite 225  
P.O. Box 17187  
Raleigh, NC 27619  
Telephone: (919) 571-4183  
Fax: (919) 571-4703  
Michael F. Easley, Governor

**BOARD MEMBERS**

J. Sam Pierce, Chairman  
*Cramerton*  
Larry D. Miller, Vice-Chairman  
*Marion*  
R. Kelly Barnhill, *Greenville*  
J. Ray Butler, *Winston-Salem*  
Robert P. Hopkins, P.E., *Raleigh*  
Earl Jones, *Greensboro*  
Graham T. Moore, *Fayetteville*  
Carolyn W. Thomasson, *Charlotte*

**ADMINISTRATION**

Mark D. Selph, *Secretary-Treasurer*  
Nancy G. Routh, *Associate Secretary-Treasurer*  
Joan C. Rice, *Finance/Administration*  
June M. Napier, *Administration/Exam Reviews*  
Frances W. McDonald, *Licensing Manager*  
Cherie Sutton, *License Renewal Manager*  
Stephanie Graham, *Licensing/Customer Service*  
Debbie Price, *Licensing & Records Specialist*  
Connie Bartlett, *Recovery Fund/Renewal Specialist*  
Brenda Thomas, *Reception/Information*  
Pam Tew, *Renewals*

**LEGAL**

Phyllis G. Jewell, *Dir./Legal Operations*  
Bailey & Dixon, L.L.P., *General Counsel*

**INVESTIGATIONS**

Glenn E. Lingafeldt, *Dir./Investigations/Field Operations*  
Linda Smith, *Field Inv/Eastern NC*  
Joel A. Macon, *Field Inv/ Coastal NC (SE)*  
Mike Brown, *Field Inv/Coastal NC (NE)*  
J. Michael Silver, *Field Inv/Western NC*  
Kenneth B. McCombs, *Field Inv/Central NC*  
Susan Dixon, *Complaints Administrator*

### Planning a Relocation or Move?

Please mail or fax your new address and telephone number to the Licensing Board (include your license number) at:

P.O. Box 17187  
Raleigh, NC 27619  
Fax: (919) 571-4703

**NC Bar Association Sponsors**

## Free Arbitration Program For Residential Contractors

**T**he Construction Law Section of the NC Bar Association is sponsoring a free public service for homeowners and builders to better resolve the differences of opinion relating to new home construction.

This arbitration program provides a method of intervening in disputes before parties resort to litigation or other complaint procedures. Discussions and settlement offers are confidential and not admissible in any subsequent civil proceeding, unless otherwise discoverable. The arbitrator may not be subpoenaed to appear in any subsequent, related proceeding.

The goal of this project is to facilitate an appropriate solution to a specific issue or

issues and to derive an optimal solution for the parties. In arbitration, the parties define the specific problems in advance of a meeting. The arbitrator—an impartial party—listens to each side's evidence, makes a decision and notifies the parties.

In order to bring this issue to a close, parties are encouraged to accept the arbitrator's decision, but are not required to do so. Before a party can begin presenting evidence, it must be decided on whether to have non-binding or binding arbitration. If the parties decide to bind themselves to the decision of the arbitrator, that decision is final and can be enforced in court.

For more information, call the NC Bar Association, 800/662-7407.

## How Contract Savvy Are You?

**L**ike projects and clients, no contracts are alike. Given all the variables, it's important to match your contract to your client, your job and the way you do business. Here's a rundown on the most common types of residential construction contracts.

### Fixed Price

Under this type of agreement, the contractor charges a fixed amount for the entire job. With any contract, you've got to define the project's scope and estimate

carefully. That's especially important for fixed-price contracts, which depend on absolutely accurate estimates. You've got to nail all job costs and factor in contingencies for jobsite theft, lost hardware, and other things you never expect to go wrong.

"I've never seen a job that didn't have contingencies, says custom builder John Piazza, who runs Piazza Construction in Mount Vernon, Wash. "We generally run 2 to 5 percent contingency per job."



And don't forget to pay yourself. "Draws shouldn't only include job costs," says Wayne Foley, a custom builder and president of W.M. Foley Construction in Great Falls, Va. "They should include part of the builder's compensation, too, because he's earning it as the project progresses."

"I base [my fee] on time," says Leon Sekunda, president of Seabreeze Construction in Gulf Breeze, Fla., who uses fixed-price contracts for 80 percent of his projects. "You can manage most clients in about five hours a week."

A fixed-fee contract places responsibility for unforeseen circumstances on the builder; the client pays for having that risk taken off his or her shoulders. If the client changes the scope or specs, the builder uses a change order to bill the client for each change. Fixed-fee contracts are good for projects in which the clients aren't likely to make many changes. They're also good for penny-pinching folks you don't want poring over your books (we'll get to them in a minute).

Sekunda, who does a mix of new construction and remodeling, won't use a fixed-fee contract for a remodeling job. However, remodeler Robert Criner, president of Criner Construction Co. in Yorktown, Va., swears by them. "I don't like to give the client any surprises," he says. "My contracts give us an out for unexpected things encountered on a job. However, I rarely take that out because it's worth large amounts of money to maintain the relationship with the client."

### Cost Plus

Under this type of agreement, the client pays the job cost plus a certain percentage to cover the contractor's fee and markup.

Cost-plus contracts are useful for projects in which you can't fully nail down the scope before the job starts or the clients are likely to make a lot of changes midstream. They effectively shift responsibility to the client.

That said, you could still be in for a mess of trouble if you use a cost-plus contract. Most clients who demand them are used to getting what they want at any price. They're willing to shell out for umpteen change orders and increased job costs. But look out—all those changes could cost you big-time in scheduling headaches, increased management and endless client negotiations.

Under a cost-plus agreement, clients get to review every cost associated with their job. Many builders don't want that hassle. "As soon as you go cost-plus, you have someone in your books and in your business," Foley says.

Clients who are unfamiliar with the construction business don't understand why builders have to charge certain margins to remain profitable. And many don't understand the costs associated with each charge.

"When a client makes a slight product change, they generally don't realize the work involves more than just swapping out a window, for instance," says Sekunda. "I have to meet with a manufacturer rep, meet with the framers to make sure the new window will fit, maybe redraw the plans, etc."

### Construction Management

Also known as a consulting contract, a builder uses this kind of

agreement when the client acts as his own general contractor. Construction management contracts can be extremely risky for builders and clients alike; even with a tightly defined scope, clients generally don't know what they're getting into when they opt to G.C. their own job or a portion of it. "Most times, they're not doing it for the glory of building their own house," Sekunda says. "They're doing it to save money."

Tom Stephani, president of William Thomas Homes in Crystal Lake, Ill., recommends doing construction management contracts on a fixed-price basis. That way, the fee for your services becomes a line item in the project's cost breakdown.

### Design

This type of contract ensures that you get paid for design and spec work even if the client decides to use another contractor. After an initial consultation, Criner has clients sign agreements to pay his company a fee (usually 2 percent of the job cost) for working up designs and specs for each job. If the client signs a contract with Criner, the design fee is waived. "A design contract protects me from giving away work for free," says the remodeler. "It also prequalifies people willing to hire me for their job."

(This article previously appeared in *North Carolina Builder* (November 2002) and is reprinted here by permission of the North Carolina Home Builders Association.)

## DEFINITIONS

**Consent Order:** An order of the Board resulting from an agreement between the Board and a licensee regarding the revocation or suspension of the license to practice general contracting, or the conditions, limitations or restrictions placed on that license. This is a method of resolving or settling disciplinary or contested cases in lieu of a disciplinary hearing.

**Revocation:** A Board action, which permanently terminates a license by effectively withdrawing that license to practice general contracting.

**Suspension:** A Board, action which inactivates a license to practice general contracting for a set period of time.

**Dismissal/Voluntary**

**Dismissal:** A Board action dismissing a contested case, resulting in no disciplinary action against the licensee or Respondent.

**Voluntary Surrender:**

A licensee's relinquishing or tendering of the license to practice general contracting, pending an investigation or other action by the Board.

**Admission of Violation:** A document signed by a licensee who admits to the stated violations, agrees not to repeat them, but acknowledges that the Board will use the document against the licensee prospectively should such action become necessary.

**Injunction:** A Superior Court order entered against an unlicensed contractor who is illegally practicing general contracting. Such an order stops the illegal practice and can be obtained by consent of a cooperating contractor or by default judgment; violation of the injunction is contempt of court.

**Code:** Provisions of the North Carolina State Building Code (Residential/Vol. VII and previous editions; General Construction/Vol. I).

# Disciplinary Action

(The following Board Orders and other Board disciplinary actions reported here are not a complete summary of all activity or a full representation of each case. Every effort is made for accuracy, but such is not guaranteed. Questions or requests for additional information about specific cases should be referred to the Board's Legal Section.)

## Final Decisions

**John Sadri Custom Homes, Inc.** (Mecklenburg County; 01C194) License No. 36104. A disciplinary hearing was held June 12, continued to August 15, 2002 and the Final Decision entered August 26, 2002. The Board found 10 serious code violations which should have been identified and corrected by John Sadri Custom Homes, Inc. before completion of the residence. The Board found that the actions of Respondent constitute incompetence and ordered License No. 36104 be suspended for 2 years, which suspension was immediately stayed.

**Randall M. Davis and Randall M. Davis, Qualifier** (Watauga County; 01C437) License No. 40446. On November 13, 2002, a disciplinary hearing was held and the Final Decision entered November 26, 2002 finding that License No. 40446 and Mr. Davis's ability to act as a qualifying party is suspended for a 2-year period, immediately stayed for 2 years during which time any violation of Chapter 87 of the NC General Statutes or the Board's Rules and Regulations would constitute grounds for immediate revocation of License No. 40446.

**Quality Interiors, Inc. and Brian Hippman, Qualifier** (Wake County; 01C260, 01C281 & 01C345) License No. 43148. A disciplinary hearing was conducted on November 13, 2002 and the Final Decision entered November 26, 2002. At hearing, the Board found that the actions of Quality Interiors, Inc. and Qualifier Brian Hippman constitute misconduct in the practice of general contracting; License No. 43148 was permanently revoked effective immediately and the ability of Brian Hippman to act as a qualifying party was also permanently revoked effective immediately.

**Stephen R. Baker and Stephen R. Baker, Qualifier** (Mecklenburg County; 01C235 & 01C439) License No. 29957. On November 13, 2002 a disciplinary hearing was held and the Final Decision entered November 26, 2002 finding that the actions of Mr. Baker both as licensee and as Qualifier constitute misconduct in the practice of general contracting; License No. 29957 was permanently revoked effective immediately and the ability of Stephen R. Baker to act as a qualifying party was also permanently revoked effective immediately.

**The White Fox Construction Company, Inc.** (Caldwell County; 01C438) License No. 12954. A disciplinary hearing was held on December 11, 2002 and the Final Decision entered December 18, 2002 finding that the actions of The White Fox Construction Company, Inc. constitute misconduct in the practice of general contracting; License No. 12954 was suspended for 1 year, immediately stayed for 1 year during which time any violation of Chapter 87 of the NC General Statutes or the Board's Rules and Regulations would constitute grounds for immediate revocation of License No. 12954 or active suspension in the discretion of the Board.

## Revocations or Surrenders of License

**Craftsman Builders, Inc.** (Randolph County; 02C171 & 02C195) License No. 44738. On July 22, 2002, Joseph O. Strickland, President of Craftsman Builders, Inc., voluntarily surrendered the corporate license to the Board. The Board considers surrender of license as permanent revocation.

**Hank Glucker t/a Dependable Home Services** (Brunswick County; 01C246 and 01C301)

License No. 44899. On September 12, 2002, Hank Glucker surrendered his general contractors license to the Board. The Board considers surrender of license as permanent revocation.

**Miller Building Corporation** (New Hanover County; 02C140 & 02C365) License No. 2078. On October 24, 2002, Henry E. Miller, III, Chairman of Miller Building Corporation, voluntarily surrendered the corporate license to the Board. The Board considers surrender of license as permanent revocation.

**Paul J. Bowers t/a Paul Bowers Construction Co.** (Mecklenburg County, 02C90) License No. 8864. On November 14, 2002, Paul J. Bowers voluntarily surrendered his general contractors license to the Board. The Board considers surrender of license as permanent revocation.

## Consent Order (Licensees)

**P & J Contracting Company, Inc. and Qualifier, Pless Burnard Jones, Sr.** (Maryland; 01C382) License No. 25409. On August 14, 2002 the Board entered into a Consent Order in which P & J Contracting Company agreed to a 60-day license suspension, conditionally restored for 18 months with no active suspension. A violation of the Consent Order would necessitate a 60-day license surrender to the Board. Mr. Jones further agreed to allegations of improperly signing the name of a departed qualifier on renewal applications of P & J Contracting Company, Inc. for the previous 4 years.

**Paul W. Bryant t/a Bryant Custom Builders and Paul W. Bryant, Qualifier** (Perquimans County; 00C374) License No. 44362. The Board entered into a Consent Order on September 5,

2002 in which Mr. Bryant agreed to a 12-month license suspension, immediately and conditionally restored for 15 months, restricted to undertaking no new projects in excess of \$30,000 for 9 months; a violation of the Consent Order would necessitate a 12-month license surrender to the Board. Mr. Bryant further agreed to allegations of contracting as builder/designer and residential project manager while listing another company as contractor. The other company also appeared on building permit applications (without their knowledge), but the phone number and address matched those of Mr. Bryant. Mr. Bryant also failed to report certain financial information to the Board on his 2000 license renewal application.

**Associated Industrial Services, Inc. and Robert J. Fungaroli** (West Virginia; 01C318) License No. 49343. On September 5, 2002 a Consent Order was filed in which Associated Industrial Services, Inc. agreed to a 3-month license suspension, conditionally restored for 12 months with no active suspension. A Consent Order violation would require a 3-month license surrender to the Board. Mr. Fungaroli consented to his written examination results being revoked; he will not be allowed to sit for an examination until 90 days have passed. Mr. Fungaroli further agreed to allegations that Associated Industrial Services, Inc. submitted a written bid for hazardous materials removal and demolition of 3 housing projects using a license number at a time when Associated Industrial Services, Inc. was unlicensed as a general contractor in North Carolina.

**John Thomas Flynn and John Thomas Flynn, Qualifier** (Carteret County; 01C109) License No. 19446. A Consent Order was entered on September 13, 2002 by which Mr. Flynn agreed to a 12-month license suspension upon renewal, conditionally restored for 15 months, restricted to undertaking no new

projects in excess of \$30,000 for 2 months; and successfully completing a Level I Building Code Course. A violation of the Consent Order would necessitate a 12-month license surrender to the Board. Mr. Flynn further agreed to allegations that he misrepresented a project cost on a building permit application at a time when his license was invalid, that he exceeded his license limitation, violated sections of the NC Residential Building Code, Vol. VII, 1997 and failed to report certain financial information to the Board on his 2001 renewal application.

**Radian International, LLC** (California; 01C374) License No. 41578. On September 19, 2002 a Consent Order was entered in which Radian International, LLC agreed to a 12-month license suspension, immediately conditionally restored for 15 months, restricted to undertaking no new projects in excess of \$30,000 for 9 months; a violation of the Consent Order would require a 12-month license surrender to the Board. William E. Corbett, P.E., President, further agreed to allegations that Radian International, LLC had allowed an unlicensed entity to use its license number to bid on the demolition and removal of hazardous materials.

**Clary Construction Company** (Florida; 01C272) License No. 42670. A Consent Order was entered on November 13, 2002 in which Clary Construction Company agreed to a 12-month license suspension upon renewal of the license, immediately conditionally restored for 15 months, restricted to undertaking no new projects in excess of \$30,000 for 6 months; and successfully completing a Level I Building Code Course. A violation of the Consent Order would necessitate a 12-month license surrender to the Board. Mr. Clary, as President, further agreed with allegations of failing to inform the Board of a change in the way Clary Construction Company

conducted business in North Carolina, as well as committing violations of eight sections of the NC Residential Building Code, Vol. VII, 1997 in the construction of a residence.

**Zenac, Inc.** (Wake County; 01C182) License No. 42709. On November 14, 2002 a Consent Order was entered in which Zenac, Inc. agreed to a 90-day license suspension, conditionally restored for 12 months following a 30-day active suspension. A Consent Order violation would necessitate a 60-day license surrender to the Board. Mr. Zabrud, as President, further agreed with allegations of failing to report certain legal and financial information on Zenac, Inc.'s 2000 renewal application to the Board.

**Gregory Todd Benner t/a Advance Homes and Qualifier, Gregory Todd Benner** (Granville County; 02C41) License No. 39602. A Consent Order was entered on December 2, 2002 in which Mr. Gregory Todd Benner agreed to a 90-day license suspension, immediately conditionally restored for 6 months. A violation of the Consent Order would necessitate a 90-day license surrender to the Board. Mr. Benner further agreed with allegations that his father, Robert Benner, had signed the contract entered into by Advance Homes for the construction of a single-family dwelling, performed the construction and was compensated on a percentage of the net profits basis.

**Ted Holley and Qualifier, Ted Holley** (Chowan County; 01C443) License No. 37009. On December 9, 2002 a Consent Order was entered in which Mr. Holley agreed to a 90-day license suspension, immediately conditionally restored for 18 months with no active suspension; a Consent Order violation would necessitate a 90-day license surrender to the Board. Mr. Holley further agreed that on the 1999 license renewal application of another company he had falsely certified under oath that he was

both the qualifier for and either an officer or an employee of that other company, when in fact he was simply a subcontractor who supervised framing work for that company's construction projects.

**Oliver's Construction Co., Inc. and Patricia Anne Oliver, Qualifier** (Johnston County; 01C267, 01C268 & 02C01) License Nos. 22968 & 32027. Dual Consent Orders were entered on December 10, 2002 in which licensees Oliver's Construction Co., Inc. and Patricia Anne Oliver agreed to similar discipline of 12-month license suspensions, immediately conditionally restored for 15 months, restricted to undertaking/qualifying no new projects in excess of \$30,000 for 8 months; and successfully completing a Level I Building Code Course. A violation of either Consent Order would necessitate a 12-month license surrender to the Board. Oliver's Construction Co., Inc. and Ms. Oliver deny several of the Board's contentions, but all agree on the above-stated discipline.

## Admissions of Violation (Licensees)

**W.C. Hare Construction Co., Inc.** (Wake County; 01C434) License No. 41409; Limited/Residential. On June 18, 2002 an Admission of Violation was filed in which Mr. Hare, President, admitted entering into a contract for the construction of a single-family dwelling for an estimated cost of \$240,000 pursuant to a cost-plus contract; the total construction cost ultimately was \$362,808, in excess of Respondent's then license limitation.

**L.G. Beaver Construction Company** (Rowan County; 01C310) License No. 34537. An Admission of Violation was entered on July 2, 2002 in which the President of L.G. Beaver Construction Company admitted violating five sections of the NC Residential Building Code, Vol.

VII, 1997 in the remodel of a single-family dwelling.

**Cary Residential Construction Co., Inc.** (Wake County; 01C333) License No. 31540. On July 3, 2002 an Admission of Violation was filed in which Cary Residential Construction Co., Inc. admitted violating three sections of the NC Residential Building Code, Vol. VII, 1997 while repairing a single-family dwelling.

**Stephen Lee Stokes** (Halifax County; 01C237) License No. 42577. An Admission of Violation was entered on July 3, 2002 in which Mr. Stokes admitted violating four sections of the NC Residential Building Code, Vol. VII, 1997 in the construction of a single-family dwelling.

**Ken Coffey Construction, L.L.C.** (New Hanover County; 01C97) License No. 43294. On July 8, 2002 an Admission of Violation was entered in which Ken Coffey Construction, L.L.C. admitted contracting to perform maintenance and hurricane clean-up and repair prior to becoming licensed as a Limited Liability Company (LLC), but also in an amount in excess of Ken Coffey Construction's (prior company) license limitation at that time.

**Omni Construction of Greensboro, Incorporated** (Guilford County; 01C247) License No. 20718. An Admission of Violation was entered on July 9, 2002 in which Omni Construction of Greensboro, Incorporated admitted obtaining a building permit to perform interior and exterior alterations to a restaurant for an amount of \$37,387.32 while holding a residential and S(Interior Construction) license.

**Mid-South Disaster Response** (Randolph County; 01C364) License No. 49629. On July 12, 2002 an Admission of Violation was entered in which Mid-South Disaster Response admitted submitting a proposal to repair fire damage to a home at a cost in excess of \$30,000 prior to becoming licensed.

**Woodwin Development, Inc.** (Guilford County; 01C287) License No. 34125; Limited/Building. An Admission of Violation was entered on July 15, 2002 in which Woodwin Development, Inc. admitted contracting for the construction of a single-family dwelling at an estimated cost of \$304,000, thereby exceeding their license limitation in 2001.

**Page Construction Company, Inc.** (Forsyth County; 01C459) License No. 10193. An Admission of Violation was entered on July 15, 2002 in which Page Construction Company, Inc. admitted constructing a single-family dwelling in 1994 containing two violations of the NC Residential Building Code, Vol. VII, 1993.

**Carla D. Lakins** (Guilford County; 01C211) License No. 42217. On July 18, 2002 an Admission of Violation was entered in which Ms. Lakins admitted contracting to construct a single-family dwelling which contained five violations of the NC Residential Building Code, Vol. VII, 1997.

**Accent Builders of Charlotte** (South Carolina; 02C23) License No. 34474. An Admission of Violation was entered on July 18, 2002 in which Accent Builders of Charlotte admitted failing to contact the appropriate local agency for necessary inspections on four residential constructions involving fire repairs and a home addition.

**Edward Broadus Hill, III** (New Hanover County; 01C55 & 01C411) License No. 15428. On July 18, 2002 an Admission of Violation was entered in which Mr. Hill admitted continuing to practice general contracting with an expired license and, further, entering into two contracts each at a cost in excess of \$30,000 as an unlicensed LLC.

**Mason Builders** (Northampton County; 01C324) License No. 39316. An Admission of Violation was entered on July 23, 2002 in which Mason Builders admitted providing an estimate for a sin-

gle-family dwelling at an estimated cost of \$259,434.

**Jacques J. (Jack) Tessier** (Carteret County; 01C229) License No. 35084; Limited/Building. On July 23, 2002 an Admission of Violation was entered in which Mr. Tessier admitted that his unlicensed corporation, Tessier Construction, Inc., contracted to construct a single-family dwelling on a "cost-plus" basis with a flat fee of \$35,000. The estimated cost of construction was \$308,572 and Mr. Tessier used his individual license number to secure the building permit.

**Tommy Gene Knight** (Chatham County; 01C305) License No. 29067; Limited/Building. An Admission of Violation was entered on July 23, 2002 in which Mr. Knight admitted contracting in the name of an unlicensed corporation for the construction of a single-family dwelling in an amount of \$262,000.

**Gregory Williams** (Mecklenburg County; 01C118 & 01C119) License No. 41953. On July 26, 2002 an Admission of Violation was entered in which Mr. Williams admitted continuing to act as a general contractor after his license became inactive in 2000 and remained inactive for 2001 due to his failure to renew.

**Steven D. Smith** (Wake County; 00C401) License No. 38425. An Admission of Violation was entered on July 29, 2002 in which Mr. Smith used his individual license number in applying for a building permit for the construction of a single-family dwelling; the contractor was listed as SD Smith Homes, Inc. Further, Mr. Smith failed to inform the Board that he had incorporated his business.

**Millennium Custom Builders, Inc.** (Mecklenburg County; 01C315) License No. 44215; Limited/Building. On August 5, 2002 an Admission of Violation was entered in which Millennium Custom Builders, Inc. admitted contracting for the construction

of a single-family dwelling for a price in excess of its license limitation at the time.

**Falling Water Custom Pools, Inc.** (Cabarrus County; 01C162, 01C163 & 01C254) License No. 48611. An Admission of Violation was entered on August 7, 2002 in which Falling Water Custom Pools, Inc. admitted that prior to becoming licensed, it provided an estimate and contracted for the construction of two in-ground pools costing in excess of \$30,000.

**J.R. Gillikin, General Contractor, Inc.** (Wake County; 01C37) License No. 10923. On August 12, 2002 an Admission of Violation was entered in which J.R. Gillikin, General Contractor, Inc. admitted obtaining a building permit to construct a pool house and swimming pool, but failed to include a building permit for a deck connecting the existing house to the pool house; the deck was subsequently built. Also during construction, Respondent constructed a concrete pad surrounding the swimming pool, but again failed to obtain a building permit, in violation of the NC Residential Building Code, Vol. VII, 1997.

**Old Field Builders, Inc.** (Cumberland County; 00C410) License No. 32030. An Admission of Violation was entered on August 19, 2002 in which Old Field Builders, Inc. admitted entering into an unlawful partnership arrangement with an unlicensed contractor which was to act as a developer and Old Field was to perform the construction work. Upon completion, the projects were to be sold and both parties would split the profits.

**K & K Realty & Construction, Inc.** (Carteret County; 98C251) License No. 29974. On September 5, 2002 an Admission of Violation was entered in which K & K Realty & Construction, Inc. contracted for the construction of a duplex for a cost of \$210,000. Seven sections of the NC Resi-

dential Building Code, Vol. VII, 1997 were violated.

**Byard Andrew Moses** (Macon County; 02C246) License No. 14708; Limited/Residential. An Admission of Violation was entered on September 24, 2002 in which Mr. Moses admitted contracting for the construction of a single-family dwelling for a total project cost of \$499,000, thereby exceeding his license limitation.

**Stanley N. Robinson** (Henderson County; 00C213) License No. 14073. On September 24, 2002 an Admission of Violation was entered in which Mr. Robinson admitted violating the NC Residential Building Code, Vol. VII, 1993 in failing to install the required felt underlayment in the construction of a single-family dwelling.

**Standard Building Company, Inc.** (Iredell County; 02C21) License No. 35018. An Admission of Violation was entered on September 27, 2002 in which Standard Building Company, Inc. admitted violating four sections of the NC Residential Building Code, Vol. VII, 1997 in the construction of a single-family dwelling.

**Paul L. Separk t/a Krapes Construction** (Durham County; 02C252) License No. 42090. On September 27, 2002 Krapes Construction admitted contracting to design and construct a single-family dwelling for a cost of \$203,000. The contract was signed by Respondent, however the Zoning Permit Authorization listed Krapes Construction, LLC as the contractor, and Paul L. Separk signed as the Applicant/Authorized Agent.

**Tri-Square Construction, Inc.** (Mecklenburg County; 02C27) License No. 22075. An Admission of Violation was entered on September 27, 2002 in which Tri-Square Construction, Inc. admitted failing to obtain the required building permit prior to beginning the remodel of an existing basement of a single-family project.

**James Larry Greer** (Ashe County; 02C89) License No. 46586. On October 1, 2002 an Admission of Violation was entered in which Mr. Greer admitted contracting to assume responsibility as general contractor on the construction of a single-family dwelling in which there were four violations of the NC Residential Building Code, Vol. VII, 1997.

**Michael D. Zehia t/a The Zehia Company** (Wake County; 02C109) License No. 24987. An Admission of Violation was entered on October 8, 2002 in which The Zehia Company admitted submitting a bid using their license number, but in the name of an unlicensed entity for construction work on a public county building where the base bid was \$299,875.

**Benjamin Enterprises, Inc.** (Wake County; 02C228) License No. 47483. On October 21, 2002 an Admission of Violation was entered in which Benjamin Enterprises, Inc. admitted participating in two joint ventures with an unlicensed corporation for the up-fit of retail space in two malls, filing four building permit applications for tenant up-fit work in local malls and submitting three bids for construction work in local malls.

**Shiloh-General Contractors t/a Philip Anthony Beauchamp** (Davie County; 01C400) License No. 35049. An Admission of Violation was entered on November 4, 2002 in which Respondent admitted contracting to convey a single-family dwelling having a weather stripping violation of the NC Residential Building Code, Vol. VII, 1997.

**Errol E. McDonald** (Gaston County; 02C12) License No. 29095. On November 13, 2002 an Admission of Violation was entered in which Mr. McDonald admitted that his unlicensed entity, McDonald Contractors, provided an estimate for repairs of a single-family dwelling using his individual licensee number; Mr. McDonald subsequently per-

formed the repairs. Further, Mr. McDonald violated the NC Residential Building Code, Vol. VII, 1997 in that he failed to secure the appropriate building permits before commencing construction, identified himself as "McDonald Contractors" in his contractor's response without notifying the Board that he was operating under an assumed name and failed to report certain required legal information to the Board on license renewal applications.

**GNJ Home Improvements & Repair, Inc.** (Pitt County; 02C53) License No. 48465. An Admission of Violation was entered on December 9, 2002 in which GNJ Home Improvements & Repair, Inc. admitted that an unlicensed entity, GNJ Home Improvements, Inc., contracted to perform remodeling and repairs and to erect a garage to a single-family dwelling, which contract was signed by Respondent's qualifier. Respondent violated the NC Residential Building Code, Vol. VII, 1997 in that it did not obtain a building permit prior to beginning construction and required inspections were not requested.

**Vincent Scott Harris t/a Scott's Construction Co.** (Wilkes County; 02C134) License No. 40938. On December 20, 2002 an Admission of Violation was entered in which Vincent Scott Harris t/a Scott's Construction Co. admitted that he contracted to perform renovations and repairs on a multi-family dwelling, but violated the NC Residential Building Code, Vol. VII, 1997 in failing to secure a building permit before beginning construction, alteration or repairs, and in failing to call for the required inspections.

## Unlicensed Contractor Cases—Injunctions

**Default Judgment:** Permanent Injunctions were obtained by entry of a Default Judgment in Wake County Superior Court against each of the unlicensed contractors listed below for

practicing general contracting in an amount of \$30,000 or more, in violation of N.C.G.S. §87-13. In some instances, the Sheriff was unable to locate the contractors and/or Certified Mail was not delivered, but the Board effected service either by newspaper publication or through the Secretary of State; nevertheless, the contractors were enjoined from further practice of general contracting (including bidding) in an amount of \$30,000 or more until such time as he/she becomes licensed by the Board.

**Donnie J. Howard d/b/a Howard Enterprises** (Brunswick County; 01C269). Howard Enterprises submitted a proposal to a church for the construction of an addition at a cost of \$50,000. Default Judgment was entered August 19, 2002.

**Ron Akers d/b/a Rock Solid Builders** (Harnett County; 01C239). Rock Solid Builders contracted to construct a room on a home for a price of \$31,350. Default Judgment was entered August 19, 2002.

**Buck Gibson d/b/a Caveman Construction** (Edgecombe County; 01C262). Caveman Construction submitted three proposals to renovate a house for a total price of \$38,450. Default judgment was entered August 19, 2002.

**KCI Development, Inc.** (California; 01C236). KCI Development, Inc. undertook to up-fit a retail store where the cost of construction was approximately \$200,000. Default Judgment was entered August 19, 2002.

**H. Frank Farris** (Davidson County; 01C290). Mr. Farris submitted two proposals to construct a sunroom and patio for a total price of \$31,900 and undertook the project. Default Judgment was entered August 19, 2002.

**John E. Bulluck d/b/a TRA-CO** (Edgecombe County; 01C326). TRA-CO submitted a proposal to renovate a house for a price of \$35,900. Default Judgment was entered August 19, 2002.

**Garry B. Thomas d/b/a Thomas Custom Builders** (Forsyth County; 01C275). Thomas Custom Builders contracted to construct a single-family dwelling for a price

of \$61,500. Default Judgment was entered August 19, 2002.

**Alan H. Williams d/b/a Sawhorse Construction Co.** (New Hanover County; 01C332).

Defendant contracted to renovate a home for a price of \$46,638 and also misrepresented himself as a licensed general contractor by using a number belonging to another. Default Judgment was entered August 20, 2002.

**Lee Barnes d/b/a Lee Barnes' Home Improvement** (Edgecombe County; 01C257). Lee Barnes' Home Improvement contracted to construct a home for a price of \$115,670. Default Judgment was entered August 20, 2002.

**John Huber, Jr.** (Pitt County; 01C234). Mr. Huber contracted to repair a flood damaged home for a price of \$25,900 and a change order increased the contract price to an amount in excess of \$30,000. Default Judgment was entered August 20, 2002.

**Christopher Plummer** (McDowell County; 01C329). Mr. Plummer obtained a building permit as "agent" to construct a log home for an estimated cost of \$275,000 and then served as general contractor for the project. Default Judgment was entered August 20, 2002.

**Soundview Construction Inc.** (New Hanover County; 02C54). Soundview Construction Inc. submitted four proposals to repair a hurricane-damaged home where the total project cost exceeded \$30,000 and thereafter undertook construction. Default Judgment was entered October 2, 2002.

**Ruben Delvalle d/b/a Delvcorps Builders** (Onslow County; 01C491). Delvcorps Builders contracted to construct an addition onto an existing home for a cost of \$57,113.62 and thereafter submitted a second contract with a revised cost of \$70,438.62. The homeowners made an advance payment in the amount of \$42,835.21, but no work was ever performed. Default Judgment was entered October 10, 2002.

**Charles E. Shull d/b/a One Stop Home Improvements** (Rowan County; 01C415). One Stop Home Improvements contracted to repair a home for a cost of \$17,159.60 and undertook construction, but thereafter submitted an estimate for additional repairs in the amount of \$21,494.80, followed by additional estimates and invoices in varying amounts. Default Judgment was entered October 10, 2002.

**James Simpson d/b/a U Save Roofing, Siding & Windows** (Mecklenburg County; 01C477). U Save Roofing, Siding & Windows contracted to remodel a home for a cost of \$40,575 and thereafter undertook construction. Default Judgment was entered October 10, 2002.

**Robert Johnston d/b/a AJ & R Painting** (Cumberland County; 01C416). AJ & R Painting provided a proposal to repair and renovate an existing home for a price of \$84,275 and later contracted to repair and renovate the home for \$33,760. Default Judgment was entered October 10, 2002.

**Consent Orders of Unlicensed Contractors:** Permanent Injunctions were obtained by entry of a Consent Order in Wake County Superior Court concerning each of the following unlicensed contractors who practiced general contracting in an amount of \$30,000 or more, in violation of N.C.G.S. §87-13, but who admitted to their wrongdoing, paid court costs and service fees and cooperated with the Board in the matter.

**Jedco Company, Inc.** (Franklin County; 02C38). Jedco Company, Inc. contracted to renovate an existing home for a cost in excess of \$30,000, but contended they were within the law since their proposal included amounts quoted directly to the homeowner by subcontractors. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on June 24, 2002.

**David Johnson d/b/a All Seasons Home Improvements** (Sampson County; 01C482). All Seasons Home Improvements contracted to construct a room addition onto an existing home

for a cost in excess of \$30,000. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on June 24, 2002.

**Leon Witherspoon** (Forsyth County; 01C418). Mr. Witherspoon undertook construction where the cost exceeded \$30,000. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on July 29, 2002.

**Beauchamp Building Company, Inc. d/b/a Beauchamp Builders, Inc.** (Davie County; 02C02).

Beauchamp Builders, Inc. entered into two contracts for the sale of a new home, including improvements and an addition, where the cost exceeded \$400,000. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on July 29, 2002.

**Tessier Construction, Inc.** (New York; 01C422). Tessier Construction, Inc. contracted for construction of a new home at an estimated cost of \$250,000, rather than contracting in the corporate owner's personal name in which he was licensed to practice general contracting. A permanent injunction was obtained in Wake County Superior Court against Tessier Construction, Inc. by entry of a Consent Order on July 15, 2002.

**Milton Warren, Jr.** (Greene County; 02C47). Mr. Warren allegedly contracted to construct a home for a price in excess of \$30,000 and later stipulated to the findings in this case. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on July 29, 2002.

**David Moody d/b/a 4M Service Group** (Pitt County; 02C29). 4M Service Group submitted bid-proposals to construct a carport, concrete parking pad/driveway and to install a drainage ditch, fencing and sod for amounts in excess of \$30,000. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on July 29, 2002.

**H & S Homes, L.L.C. d/b/a Horton Homes** (Georgia; 01C490). Horton Homes contracted for the sale of a modular home, including delivery, erection, electric hookup, installation of a heat pump, construction of footings, a concrete driveway, a wooden deck and interior finishing for a total price of \$91,424. Horton Homes failed to secure a surety bond for the erection of the modular home. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on July 29, 2002.

**Jeff Patterson d/b/a J.P. Enterprises** (Johnston County; 02C51). J.P. Enterprises contracted to construct a garage for a price of \$24,751. Subsequent change orders increased the total cost to \$39,126. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on July 29, 2002.

**Retail Builders** (Ohio; 02C03). Retail Builders submitted a bid to up-fit retail space for a price in excess of \$30,000 and then hired a licensed general contractor to perform the work. A permanent injunction was obtained in Wake County Superior Court against Retail Builders for submitting a bid in excess of \$30,000; (by entry of a Consent Order on August 9, 2002).

**Randy Seaman and Glenn Ormison d/b/a G&R Construction and Classic Custom Pools & Spas** (Dare County; 01C255). Defendants submitted a proposal to construct a pool and concrete deck for a price in excess of \$30,000. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on August 19, 2002.

**Terry Edge and Mark Hall d/b/a E & H Construction** (Mecklenburg County; 02C04). Defendants entered into two contracts to construct additions to an existing home for a total price in excess of \$30,000. A permanent injunction was entered in Wake County Superior Court by entry of a Consent Order filed on September 17, 2002.

**Carolina Wrecking, Inc.** (South Carolina; 01C358). Carolina Wrecking submitted a bid to demolish and remove hazardous materials from apartments where the bid price exceeded \$30,000. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order filed on September 17, 2002.

**Newsite, Inc.** (Mecklenburg County; 02C31). Newsite, Inc. submitted a "Proposal/Contract" to patch, pave, seal and stripe an asphalt parking lot for a price in excess of \$30,000. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order filed on September 17, 2002.

**Foster Baucom** (Cabarrus County; 01C298). Mr. Baucom paid material suppliers and subcontractors in connection with a project for which a licensed general contractor had secured a building permit at an estimated cost of \$70,000. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on October 3, 2002.

**Jerry Coker** (Wayne County; 01C446). Mr. Coker obtained a building permit to repair a fire-damaged home for a cost of \$29,000. Change orders, however, increased the total paid to an amount in excess of \$30,000. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on October 24, 2002.

**Steve Wynne d/b/a S&K Remodeling** (Martin County; 02C164). S&K Remodeling submitted eight bids ranging from \$31,430 to \$67,100 for the rehabilitation of substandard dwellings. A permanent injunction was obtained in Wake County Superior Court by the entry of a Consent Order on November 4, 2002.

**Jeffrey D. Kirby** (Alamance County; 02C233). Mr. Kirby obtained a building permit as owner/builder to construct a personal residence for an estimated cost of \$60,000. Before completion of the construction, he listed

the property for sale. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on November 4, 2002.

**Don Chandler d/b/a Don Chandler Construction** (Surry County; 02C204). Don Chandler Construction submitted a proposal for a construction project at a cost of \$154,134.41. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on November 19, 2002.

**Frank W. Thornton** (Florida; 02C205). Mr. Thornton obtained a building permit as owner/builder to construct a personal residence for an estimated cost of \$35,700 and undertook construction. After the final inspection, the property was listed for sale at a price of \$96,500. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on November 19, 2002.

**Joe Braxton d/b/a Joe Braxton Construction** (Pitt County; 02C36). Joe Braxton Construction contracted to rehabilitate a home for a cost of \$66,635, plus change orders which increased the total price to \$74,125. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on November 19, 2002.

**Charles Ron Boss** (Cabarrus County; 01C215). Mr. Boss undertook construction of a home, hired and paid subcontractors, paid for materials and called for inspections. Prior to completion of the house, however, he listed the property for sale at a price of \$214,900. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on November 19, 2002.

**William L. Robinson d/b/a County-Wide Home Improvements & Construction, Inc.** (New Hanover County; 01C282). County-Wide Home Improvements & Construction, Inc. used a number to practice general contracting which was not a valid

number issued by the Licensing Board. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on November 19, 2002.

**Alliance Retail Construction Inc.** (Pennsylvania; 02C229). Alliance Retail Construction Inc. submitted four bids to up-fit commercial shopping mall space for prices in excess of \$30,000, acted as a construction manager and hired a licensed general contractor to perform the work. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on November 19, 2002.

**David G. Inman d/b/a David Inman Construction and d/b/a R&D Construction Co. Inc.** (Surry County; 01C489 & 02C157). Defendant contracted to construct a home for a price of \$107,619 and misrepresented himself as a licensed general contractor. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on November 19, 2002.

**MICCO, L.L.C.** (Michigan; 02C12). MICCO, L.L.C. submitted a bid to renovate a hotel for a sum of \$1,177,789. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on November 22, 2002.

**Van Ron Co. of New York, LLC** (New York; 02C07). Defendant contracted to renovate a hotel for a sum of \$850,208 and assigned the contract to a licensed general contractor. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on November 22, 2002.

**Cut-Right, Inc.** (Mecklenburg County; 02C99). Cut-Right, Inc. contracted to construct a room addition onto a home for a cost of \$43,200. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on December 11, 2002.

**International Reupholstery Corporation of America d/b/a IRCA** (Arizona; 02C114). IRCA submitted a bid to renovate a hotel for a sum of \$816,210. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on December 16, 2002.

**Jamie Sanders d/b/a JS Drafting & Construction** (Cumberland County; 02C18). JS Drafting & Construction contracted with a church for a sum of \$170,000. A permanent injunction was obtained in Wake County Superior Court by entry of a Consent Order on December 16, 2002.

**Other:** The unlicensed contractor cases below were resolved with the Board by other means:

**Charles Dwayne Tinsley d/b/a Unlimited Home Resources** (Lincoln County; 01C421). The Board's motion for summary judgment was allowed, and Charles Dwayne Tinsley d/b/a Unlimited Home Resources was enjoined "from further practice of general contracting in North Carolina until such time, if ever, that he is properly licensed" by a Superior Court Order entered August 22, 2002.

**Southern Showcase Housing, Inc.** (Guilford County; 01C99). Daniel M. Lonergan signed an Affidavit of Admission in his capacity as Senior Vice President of Southern Showcase Housing, Inc. The Affidavit, which was filed in the Board offices on October 24, 2002, stated that Southern Showcase Housing, Inc. inadvertently engaged in general contracting without first obtaining a surety bond in the sale, delivery, and hiring of subs to set-up, tie-down and connect utilities for the erection of a modular home. In its sworn Affidavit, Southern Showcase assured the Board that it will not erect any modular building [in NC] in the future without first either being properly licensed or obtaining a surety bond insuring compliance with the regulations of the State Building Code covering installations of modular buildings.

# Board Proposes Rules Changes

continued from page 1

## .0202 Classification

(a) A general contractor must be certified in one of five classifications. These classifications are:

(1) Building Contractor. This classification covers all ~~types of~~ building construction activity including but not limited to: commercial, industrial, institutional, and all ~~types of~~ residential building construction; ~~covers~~ parking decks; all site work, grading and paving of parking lots, driveways, sidewalks, curbs, gutters, and septic water and wastewater systems which are ancillary to the aforementioned ~~types of construction; structures and improvements;~~ and covers the work done under the specialty classifications of S(Concrete Construction), S(Insulation), S(Interior Construction), S(Masonry Construction), S(Roofing), S(Metal Erection), and S(Swimming Pools).

(2) Residential Contractor. This classification covers all ~~types of~~ construction activity pertaining to the construction of residential units which are required to conform to the residential building code adopted by the Building Code Council pursuant to G.S. 143-138; ~~covers~~ all site work, driveways, sidewalks, and septic water and wastewater systems ancillary to the aforementioned ~~construction; structures and improvements;~~ and ~~covers~~ the work done as part of such residential units under the specialty classifications of S(Insulation), S(Masonry Construction), S(Roofing), and S(Swimming Pools).

(3) Highway Contractor. This classification covers all ~~types of~~ highway construction activity including but not limited to: grading, paving of all types, installation of exterior artificial athletic surfaces, relocation of public and private utility lines ancillary to the principal project, bridge construction and repair, parking decks, sidewalks, curbs, gutters and storm drainage. Includes installation and erection of guard rails, fencing, signage and ancillary highway hardware; covers paving and grading of airport and airfield runways; taxiways, and aprons, including the installation

of signage, runway lighting and marking; and covers work done under the specialty classifications of S(Boring and Tunneling), S(Concrete Construction), ~~S(Marine Construction) and S(Railroad Construction).~~ ~~If the contractor limits his activity to grading and does no other work described herein, upon proper qualification the classification of H(Grading and Excavating) may be granted.~~ S(Marine Construction), S(Railroad Construction), and H(Grading and Excavating).

(4) Public Utilities Contractor. This classification includes those whose operations are the performance of construction work on septic water and wastewater systems and on the subclassifications of facilities set forth in G.S. 87-10(3). The Board may issue a license to a public utilities contractor that is limited to any of the subclassifications set forth in G.S. 87-10(3) for which the contractor qualifies. ~~Within appropriate subclassifications, a~~ A public utilities contractor license covers work done under the specialty classifications of S(Boring and Tunneling), PU(Communications), PU(Fuel Distribution), PU(Electrical—Ahead of Point of Delivery), and S(Swimming Pools).

(5) Specialty Contractor. This classification ~~shall embrace that type of~~ covers all construction operation and performance of contract work outlined as follows:

(A) H(Grading and Excavating). Covers the digging, moving and placing of materials forming the surface of the earth, excluding air and water, in such a manner that the cut, fill, excavation, grade, trench, backfill, or any similar operation can be executed with the use of hand and power tools and machines commonly used for these types of digging, moving and material placing. Covers work on earthen dams and the use of explosives used in connection with all or any part of the activities described in this Subparagraph. Also includes clearing and grubbing, and erosion control activities.

(H) PU(Water Purification and Sewage Disposal). Covers the performance of

construction work on septic water and wastewater systems, water and wastewater treatment facilities and ~~covers~~ all site work, grading, and paving of parking lots, driveways, sidewalks, and curbs and gutters which are ancillary to such construction of water and wastewater treatment facilities. Covers the work done under the specialty classifications of S(Concrete Construction), S(Insulation), S(Interior Construction), S(Masonry Construction), S(Roofing), and S(Metal Erection) as part of such work on water and wastewater treatment facilities.

## .0503 Renewal of License

(a) Form. ~~An A licensee's~~ A licensee's application for renewal requires the ~~holder of a valid license licensee~~ licensee to set forth whether there were any changes made in the status of the licensee's business during the preceding year and also requires the ~~holder licensee~~ licensee to give a financial statement for the business in question. The financial statement need not be prepared by a certified public accountant or by a qualified independent accountant but may be completed by the ~~holder of a license licensee~~ licensee on the form itself. ~~However, the~~ (b) The Board may require a ~~license holder licensee~~ licensee to submit an audited financial statement if there is any evidence indicating that the ~~license holder licensee~~ licensee may be unable to meet ~~his its~~ its financial obligations. ~~Except as provided herein, evidence of financial responsibility shall be subject to approval by the Board in accordance with the requirements of Rule .0204 of this Chapter.~~ A licensee may be required to provide evidence of continued financial responsibility satisfactory to the Board should circumstances render such evidence necessary, and shall if there are indications that the licensee is insolvent, financially unstable, or unable to meet its financial responsibilities. Except as provided herein, evidence of financial responsibility shall be subject to approval by the Board in accordance with the requirements of Rule .0204 of this

# Board Proposes Rules Changes

Chapter. A licensee shall provide the Board with a copy of any bankruptcy petition filed by the licensee within 30 days of its filing. A licensee in bankruptcy shall provide to the Board an audited financial statement with a classified balance sheet as part of any application for renewal.

~~(b)~~ (c) Display. The certificate of renewal of license granted by the Board, containing the signatures of the Chairman and the Secretary-Treasurer, must be displayed at all times by the licensee at his place of business.

## **.0701 Improper Practice**

(a) Preferring Charges. Any person who believes that any licensed general contractor is in violation of the provisions of G.S. 87-11 may prefer charges against that person or corporation by setting forth in writing those charges and swearing to their authenticity. The charges are to be filed with the Secretary-Treasurer of the Board at the Board's address in Rule .0101 of this Chapter.

(b) Preliminary or Threshold Determination.

(1) A charge, properly filed, ~~is~~ shall be initially referred to the review committee.

(2) The review committee ~~is~~ shall be a committee made up of the following individuals:

- (A) one member of the Board, and
- (B) the legal counsel of the Board, and
- (C) the Secretary-Treasurer.

(3) The review committee ~~is~~ shall be specifically delegated the responsibility of determining, prior to a full-scale hearing, whether or not a charge is unfounded or trivial. The decision of the review committee ~~is~~ shall be final.

(4) Once a charge is referred to the review committee, a written notice of and detailed explanation of the charge ~~is~~ shall be forwarded to the person or corporation against whom the charge is made and a response is requested of the person or corporation so charged to show compliance with all lawful

requirements for retention of the license. Notice of the charge and of the alleged facts or alleged conduct shall be given ~~personally or by registered mail, return receipt requested.~~ by first class mail to the last known address of the person or corporation.

(5) If the respondent denies the charge brought against him, then, ~~in the sole discretion of the review committee,~~ the review committee may direct that a field investigation ~~may~~ be performed by an investigator retained by the Board.

(6) After all preliminary evidence has been received by the review committee, it ~~makes~~ shall make a threshold determination of the charges brought. From the evidence, it ~~recommends~~ shall recommend to the Board that:

(A) The charge be dismissed as unfounded or trivial;

(B) When the charge is admitted as true by the respondent, the Board accept the respondent's admission of guilt and order the respondent not to commit in the future the specific act or acts admitted by him to have been violated and, also, not to violate any of the acts of misconduct specified in G.S. 87-11 at any time in the future; or

(C) The charge, whether admitted or denied, be presented to the full Board for a hearing and determination by the Board on the merits of the charge in accordance with the substantive and procedural requirements of the provisions of Section .0800 of this Chapter and the provisions of G.S. 87-11.

(7) Notice of the threshold determination of the review committee shall be given to the party against whom the charges have been brought and the party preferring the charge within ten days of the review committee's decision. Though it is not forbidden to do so, the review committee ~~is~~ shall not be required to notify the parties of the reasons of the review committee in making its threshold determination.

(c) Board Determination. The ~~Board,~~ Board, ~~in its discretion,~~ Board may choose to

hold a hearing on the merits of any disputed charge. After a hearing, in accordance with the hearing requirements of Section .0800 of this Chapter, the Board shall make a determination of the charge in light of the requirements of G.S. 87-11.

## **.0703 Penalty Fee For Submittal Of Bad Check**

(a) ~~In addition to making the check good, any person, firm or corporation submitting to the Board a check which is subsequently returned to the Board because of insufficient funds at or no account in a bank will be charged any penalty fee allowed by statute for processing the check. The Board shall charge any fee or penalty allowed by law if a check submitted to the Board by any person is subsequently returned due to insufficient funds at or no account in a bank.~~

(b) Until such time as the payor of the bad check has made the check good and paid the prescribed ~~penalty fee,~~ the payor will not be eligible to take an examination, review an examination, obtain a license or have his license renewed.

(C) Any license which has been issued ~~or renewed~~ based on the payment of a check which is subsequently returned to the Board for reasons stated in (a) of this Rule will be declared invalid until such time as the payor has made the check good and paid the prescribed fee. The invalidity shall commence from the date of issuance of the license or renewal.

(d) Payment to the Board for making good such bad check and for the prescribed fee shall be made in the form of a cashier's check or money order.

(e) All examination, license and license renewal applications provided by the Board shall contain information in a conspicuous place thereon clearly advising the applicant of ~~the~~ any applicable bad check ~~penalty fee.~~



Post Office Box 17187  
Raleigh, NC 27619

PRESORTED  
STANDARD  
U.S. POSTAGE  
**PAID**  
RALEIGH, NC  
Permit No. 1230

# NASCLA National Association of State Contractors Licensing Agencies

PO Box 14941 • Scottsdale, AZ 85267 • FAX (480) 948-4117

## IF YOU NEED INFORMATION ON CONTRACTOR'S LICENSING IN OTHER STATES, YOU NEED A COPY OF THE CONTRACTOR'S STATE LICENSING INFORMATION DIRECTORY.

The 2003 edition identifies over 150 state agencies that regulate the construction industry. The directory summarizes the pre-qualification, licensing, examination and bonding requirements. Information, regarding reciprocity, license classifications, incorporating and fees, is also included. The 2003 edition will be available February 2003.

PLEASE SEND \_\_\_\_\_ books at \$36.95 each \$ \_\_\_\_\_

**SHIPPING OPTIONS (Please select one):**

- Media Mail (4th Class)—Include \$1.50 for first book, and 50 cents for each additional book. \_\_\_\_\_
- Priority Mail—Include \$4.00 for first book, and \$1.00 for each additional book. \_\_\_\_\_

**TOTAL ORDER** \$ \_\_\_\_\_

**SHIP TO:** Name \_\_\_\_\_

Firm \_\_\_\_\_

Address \_\_\_\_\_

City & State \_\_\_\_\_ Zip \_\_\_\_\_

Business Phone \_\_\_\_\_

**METHOD OF PAYMENT:**

- check enclosed to NASCLA
- Visa
- Mastercard
- FAX orders to (480) 948-4117

Card # \_\_\_\_\_ Expiration Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Name on Card (please print) \_\_\_\_\_

Signature \_\_\_\_\_