

DEPARTMENT OF INDUSTRIAL RELATIONS

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June 2, 2010

Jeffrey Smith, President
Lenders Constructions Services, LLC
6199 Tompkins Hill Road
Loleta, CA 95551

Attn.: Jeffrey Smith, President

RE: Application for Approval of Labor Compliance Program
LCP ID No. 2008.00581

Dear Mr. Smith:

In accordance with the provisions of Title 8, California Code of Regulations; section 16426(b), the application for an extended authority of Lenders Constructions Services, LLC Labor Compliance Program is hereby denied. This action is based on the determination that Lenders Construction Services, LLC has a conflict of interest since the principal, Jeffrey Smith, has an employment relationship with contractors that work on school construction projects funded in any part by the 2002 or 2004 School Construction Bond Acts and water related projects funded by Water Bond measures approved by the voters in the 2002 [Proposition 50] and 2006 [Proposition 84].

We would also like to call your attention to the current rulemaking proceeding to amend existing LCP regulations and adopt new regulations to implement the recent SBX2-9 legislation. Once these proposals become effective, they may significantly limit the manner in which awarding bodies may use third party LCPs to enforce state prevailing wage requirements. For additional information about these proposals, please visit our website at www.dir.ca.gov/lcp.asp.

If you have any questions about this determination, please contact me, at 415-703-5063.

Sincerely,

A handwritten signature in black ink that reads 'Nance S. Steffen'.

Nance S. Steffen, Special Assistant
to the Director of Industrial Relations

cc: Regional Manager, Division of Labor Standards Enforcement