

News Release



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April 11, 2014

CSLB #14-11

CSLB Media Resource Links

1. [Video Interview with Rick Lopes, CSLB Chief of Public Affairs](#)
2. [Still Photos of Construction Site](#)

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Part of \$150 Million San Diego Construction Project Stopped after Sub-Contractor Cited for Not Having Contractors License

Contractors State License Board and Department of Industrial Relations fines total \$79,000

SACRAMENTO – Work on the drywall portion of the \$150 million, 45-story Pinnacle Towers construction project in downtown San Diego has stopped after the [Contractors State License Board](#) (CSLB) determined the sub-contractor hired for the work, Clayton Wall & Ceiling Systems Inc. (Clayton), is not properly licensed in the state of California.

On April 4, 2014, investigators with CSLB, [California Department of Industrial Relations \(DIR\)](#), and the [San Diego District Attorney's Office](#), responded to an industry lead and performed an unannounced inspection of the construction site at 1443 Island Avenue.

Primary contractor Pinnacle International Development Inc. (Pinnacle) (CSLB License #[818738](#)) contracted with Clayton on August 8, 2013 for the \$6.34 million drywall job. The company, based in Kelowna, British Columbia, applied for a California Contractors license on December 3, 2013. Investigators determined that drywall



Pinnacle Towers Construction Project in downtown San Diego

work began in January 2014, even though the company has not yet completed the licensing process.

CSLB issued an administrative citation to Clayton Wall & Ceiling Systems Inc. for acting in the capacity of a contractor ([Business and Professions Code 7028.7](#)) and a civil penalty of \$15,000.

“When it comes to contracting without a license the law is very clear,” said [CSLB Registrar Steve Sands](#). “You cannot enter a contract to work, or actually do any work until you’re licensed. There’s no gray area here.”

Clayton’s license application is on-hold until the fines are paid or until an appeal is heard. That will delay the company’s ability to work on the San Diego project, or any other project in the state. Pinnacle may face administrative action for contracting with a non-licensee.

DIR’s Division of Labor Standards Enforcement (DLSE), also known as the Labor Commissioner’s Office also cited Clayton for performing services without a valid state contractor license. Their civil fine is \$64,000.

The Labor Commissioner’s investigation of the business remains active. Among its wide-ranging enforcement responsibilities, the Labor Commissioner’s office inspects workplaces for wage and hour violations, adjudicates wage claims, enforces prevailing wage rates and apprenticeship standards in public works projects, investigates retaliation complaints, issues licenses and registrations for businesses and educates the public on labor laws.

“An employer operating without a license creates an unfair advantage over businesses that follow the rules,” said DIR Director Christine Baker. “This case shows how the Labor Commissioner’s Office works effectively with other state agencies to enforce the law and protect workers and business in California.”

“Scofflaws should know that state agencies are sharing information and finding violations that might have previously been overlooked,” said Labor Commissioner Julie A. Su. “In challenging economic times it’s important to protect honest businesses from being put at a competitive disadvantage, and workers from being given less than their earned wage.”

The Contractors State License Board operates under the umbrella of the [California Department of Consumer Affairs](#). More information and publications about hiring contractors are available on CSLB’s website or by calling (800) 321-CSLB (2752). You also can sign up for CSLB [email alerts](#). CSLB licenses and regulates about 300,000 contractors in California, and is regarded as one of the leading consumer protection agencies in the United States. In fiscal year 2012-13, CSLB helped recover nearly \$44 million in ordered restitution for consumers.

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