



# CONTRACTORS STATE LICENSE BOARD

## ENFORCEMENT COMMITTEE MEETING SUMMARY REPORT

### Enforcement Committee Meeting Summary Report

#### A. Call to Order, Roll Call, Establishment of Quorum, and Chair's Introduction

Enforcement Committee Chair Rodney Cobos called the meeting of the Contractors State License Board (CSLB) to order on Friday, April 11, 2025, at 9:57 a.m., via Webex teleconference. A quorum was established.

##### Committee Members Present

Rodney Cobos, Chair  
Miguel Galarza  
Amanda Gallo  
Thomas Ruiz  
Jacob Lopez

##### CSLB Staff Present

David Fogt, Registrar  
Cindy Kanemoto, Interim Chief Deputy Registrar  
Steve Grove, Chief of Enforcement  
Katherine White, Chief of Public Affairs  
David Gower, Public Affairs Supervisor  
Michael Jamnetski, Special Projects Manager  
Robin Williams, Executive Analyst  
Amy Lawrence, Television Specialist  
Natalie Watmore, Information Officer

##### Department of Consumer Affairs (DCA) Staff Present

John Kinn, DCA Legal Counsel

#### B. Public Comment Session for Items Not on the Agenda and Future Agenda Item Requests *(Note: Individuals may appear before the board to discuss items not on the agenda; however, CSLB's board can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.4(b), 11125.7(a)).*

##### Committee Member Comment:

There was no comment.

##### Public Comment:

Andrea Montano explained that they attended the meeting as an advocate for contractor fraud victims and recommended creating a coordinated civil and criminal enforcement task force, forming a rapid response legal assistance team to help victims of fraud, and more active collaboration between investigators and prosecutors.



Roy Porter expressed concern about the lengthy complaint investigation process. Porter stated speeding up investigation timelines will help CSLB's public image, noting that they have incurred substantial emotional and legal costs.

*DCA Legal Counsel John Kinn intervened during Porter's comments to ensure no details of an active investigation were shared, reminding participants of statutory limitations.*

Aida Urizar, a member of the Alliance of Californians for Community Empowerment (ACCE), shared information about a 2021 home improvement scam involving BD Construction Inc. They noted their family lost \$82,000 and that total losses from the scam may exceed \$6 million where contractors worked with lenders to push financing on homeowners. Urizar noted their concerns with the pace of CSLB investigations and the lack of bilingual staff providing services to the Spanish speaking community.

*Counsel Kinn intervened during Urizar's comments to ensure no details of an active investigation were shared, reminding participants of statutory limitations.*

Beto Uriostegui said they are a former licensed contractor who has been put out of business. They said they have lost over half a million dollars in the last four years due to multiple contractors. The commenter said there is a lack of oversight by CSLB regarding qualifying individuals to become licensed and suggested a potential deterrent would be additional monitoring.

### **C. Review and Discussion of Consumer-Filed Complaint Handling Strategies**

Chair Cobos noted that Chief of Enforcement Steve Grove would be discussing this item.

Chief Grove presented an overview of how consumer complaints are currently managed by CSLB, noting that in fiscal year 2024-25, the Intake and Mediation Centers received 9,317 total complaints, settled 31 percent of complaints, and paid more than \$11.7 million in restitution. Chief Grove noted that CSLB attempts to resolve the dispute and make the consumer financially whole, when appropriate. They added one of the goals of the Intake and Mediation Centers (IMC) is to resolve or transfer complaints to an investigative center within 60 days. Chief Grove then noted that in 2024-25, the investigative centers had 4,245 total complaints with 1,493 referred to a legal action and 398 referred for criminal prosecution. Chief Grove explained that the objective of investigative centers is to investigate complaints, not to settle. However, settlements can happen.

Chief Grove then provided some background on the creation of the Multiple Offender Unit (MOU) in 2023. The MOU addresses contractors who routinely receive a large number of complaints – resulting in high caseloads and excessive aged cases. Chief Grove noted complaints against contractors who have more than 10 open complaints



are referred directly to the MOU, bypassing the IMCs, and all complaints against a specific contractor are assigned to a single investigator.

Chief Grove noted that five licenses have been revoked with 17 accusations pending while two cases have been referred to criminal prosecution.

Committee Member Comment:

There was no comment.

Public Comment:

Aida Urizar expressed some concerns about the statistics asking why have only five licenses been revoked, why have only two complaints been referred for criminal prosecution, and what is the timeline for this process.

Andrea Montano emphasized the importance of refining how CSLB defines and measures success in complaint handling. They provided suggestions including expanding the Board's performance indicators beyond basic metrics like open or closed cases. Instead, they proposed evaluating outcomes in relation to the severity of damage. Montano also suggested a financial hardship triage into CSLB's digital systems to prioritize complaints from severely impacted consumers and to create a cross-jurisdictional enforcement task force to address inconsistent responses across counties.

**D. Review and Discussion Regarding Alternative Dispute Resolution**

Chair Cobos provided a brief overview of the arbitration process at CSLB, noting that arbitration is when disputing parties submit their differences to a neutral third-party professional who makes a final award for financial damages, if any. CSLB will pay for the hearing, the arbitrator and one state-appointed expert witness if necessary. Chair Cobos noted only contractors in good standing with CSLB qualify to participate in arbitration.

Karen Smith, president of the Arbitration and Mediation Conciliation Center (AMCC), CSLB's arbitration provider, gave an in-depth presentation on the program. They explained the two types of arbitration, including mandatory (for disputes up to \$25,000) and voluntary (for \$25,000–\$50,000).

They emphasized that arbitration is not enforcement or restitution but a neutral process. AMCC's arbitration panel includes professionals from both legal and construction backgrounds, with ongoing recruitment and refinement to improve quality. Smith expressed interest in more training for new CSLB staff and praised existing collaboration with CSLB investigators and legal teams.

Smith also noted that video conferencing, e-delivery, and broad document submission options have improved efficiency. In addition, Smith noted the possibility of increasing



the voluntary arbitration limit from \$50,000 to \$100,000 to reflect inflation and the cost of modern home improvements.

Smith shared some statistics, noting AMCC processed 410 awards totaling nearly \$5 million in 2024, the average turnaround time from case intake to award was 41 days., and AMCC has maintained a 4.88/5.0 satisfaction score based on evaluations submitted prior to award issuance. They added that arbitration decisions are binding and private, with less than 0.5 percent being contested or vacated.

Chair Cobos thanked Smith for their presentation.

Committee Member Comment:

There was no comment.

Public Comment:

Andrea Montano returned for additional public comment, following Karen Smith's presentation. They expressed strong support for the arbitration program and emphasized that many consumers are unaware of this option until they face serious disputes. Montano recommended enhancing public awareness of the arbitration process through marketing, social media, and educational outreach — particularly at Scam Stopper seminars. They suggested promoting arbitration alongside other preventative measures, such as educating the public on minimum down payments and contract best practices.

**E. Review and Discussion Regarding Unlicensed Contracting Enforcement**

Chief Grove gave an overview of the focus on current Strategic Objective 2.2, which addresses online false advertising including through social media. They explained that the goal is to increase proactive enforcement and consumer awareness and that it will be necessary to identify how much illegal advertising is taking place, the methods used, and the geographic areas. This requires hiring a consultant to conduct a study.

As part of this effort, Chief Grove noted staff are working with Sacramento State University's Population Research Center (PRC) and DCA to finalize a contract. The study would include development of an electronic survey in English and Spanish to determine what resources are needed to improve public education on the benefits of hiring licensed contractors, an assessment of the approximate number of unlicensed contractors in California, including those operating in declared disaster areas. The final electronic report, including data analysis and strategic recommendations, is expected later in 2025.

Committee Member Comment:

There was no comment.



**CSLB**

## COMMITTEE MEETING SUMMARY

### Public Comment:

Andrea Montano stated that while unlicensed contracting is a critical enforcement priority, licensed contractors committing mass fraud often cause even greater financial and emotional harm due to their larger project scope and perceived legitimacy. They suggested balancing resources between responding to both. She advocated for enhanced enforcement of Business and Professions Code sections 7108 (diversion of construction funds) and 7120 (misuse of construction funds) and proposed the creation of emergency asset preservation orders and business continuity emergency programs.

Davi Rodrigues asked CSLB to address the community of artists (muralists) that the commenter states are evading contractors law and requested CSLB focus on that demographic with outreach efforts.

Aida Urizar asked CSLB to focus on home improvement salespersons who are in the community and making sure they are registered with CSLB.

### **F. Adjournment**

*The meeting adjourned at 10:50 a.m.*