CALIFORNIA LICENSED CONTRACTOR NEWSLETTER

Quarterly Newsletter from the Contractors State License Board



Former Contractors Behind Anchored Tiny Homes Face 35 Felony Charges

Following investigations by the Contractors State License Board (CSLB) and Sacramento County District Attorney's Office, two brothers behind former company Anchored Tiny Homes have been charged with 35 felony counts related to unfinished accessory dwelling unit (ADU) projects.

Colton Paulhus and Austin Paulhus each face 33 counts of diversion of construction funds, one count of conspiracy to commit a crime, and one count of employee wage theft. Their charges come after CSLB investigated more than 200 consumer complaints across 18 California counties

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California Licensed Contractor Newsletter
is an official publication of the Contractors State License Board.

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Anchored Tiny Homes (CONTINUED FROM PAGE 1)

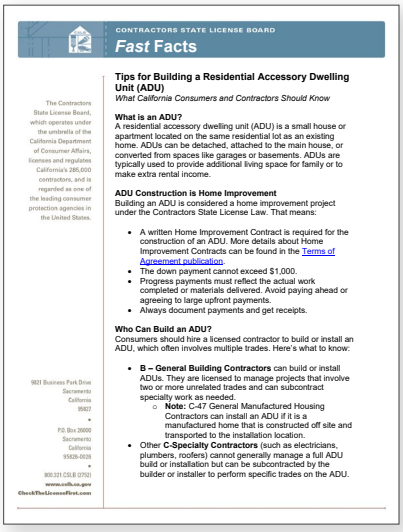
alleging abandoned ADU projects, unpaid subcontractors, payments in advance of work performed or often not performed, and funds paid by homeowners that were not used for the homeowners' projects. They are next due in court on January 12, 2027.

Due to the volume and severity of the allegations, CSLB pursued a criminal investigation against Anchored Tiny Homes and took the most serious administrative enforcement action available to the Board by **filing an accusation** with the California Attorney General's Office seeking revocation of its contractor's license. CSLB revoked Anchored Tiny Homes' license in November 2024.

After the revocation, CSLB continued to receive and investigate consumer complaints, and in collaboration with the Sacramento County District Attorney's Office, began referring cases for possible criminal charges in July 2025.

CSLB remains committed to protecting consumers from financial harm and ensuring integrity within California's construction industry. The Board's investigative and enforcement efforts play a critical role in reducing and preventing unlawful activity and unprofessional conduct in California's construction industry.

Contractors building ADUs must follow home improvement payment law restrictions regarding down payment and additional payments, known as progress payments. Down payments should never exceed $1,000 or 10 percent of the project's total cost, whichever is less. Any additional payments cannot exceed the value of the work performed or material delivered. CSLB's **Fast Facts: Tips for Building a Residential Accessory Dwelling Unit (ADU)** outlines other important information about ADUs.



CONTRACTORS STATE LICENSE BOARD
Fast Facts

Tips for Building a Residential Accessory Dwelling Unit (ADU)
What California Consumers and Contractors Should Know

What is an ADU?
A residential accessory dwelling unit (ADU) is a small house or apartment located on the same residential lot as an existing home. ADUs can be detached, attached to the main house, or converted from spaces like garages or basements. ADUs are typically used to provide additional living space for family or to make extra rental income.

ADU Construction is Home Improvement
Building an ADU is considered a home improvement project under the Contractors State License Law. That means:

- A written Home Improvement Contract is required for the construction of an ADU. More details about Home Improvement Contracts can be found in the Terms of Agreement publication.
- The down payment cannot exceed $1,000.
- Progress payments must reflect the actual work completed or materials delivered. Avoid paying ahead or agreeing to large upfront payments.
- Always document payments and get receipts.

Who Can Build an ADU?
Consumers should hire a licensed contractor to build or install an ADU, which often involves multiple trades. Here's what to know:

- **B – General Building Contractors** can build or install ADUs. They are licensed to manage projects that involve two or more unrelated trades and can subcontract specialty work as needed.
  - **Note:** C-47 General Manufactured Housing Contractors can install an ADU if it is a manufactured home that is constructed off site and transported to the installation location.
- Other **C-Specialty Contractors** (such as electricians, plumbers, roofers) cannot generally manage a full ADU build or installation but can be subcontracted by the builder or installer to perform specific trades on the ADU.

**Note: This article was issued as a press release in October 2026.*

A Message from CSLB Board Chair, Alan Guy



Dear Contractors and Industry Stakeholders,

While CSLB works day in and day out to protect California consumers, it's also looking out for the state's contractors. That dual commitment has been especially evident in recent months.

One clear example is CSLB's investigation into Anchored Tiny Homes. That investigation, and the resulting felony arraignments, are highlighted in this issue. The actions CSLB took reflected its role not only in safeguarding consumers, but also in upholding a fair, competitive, and trustworthy construction industry for responsible licensees.

CSLB's work extends far beyond enforcement. Our team continues disaster recovery outreach in communities still rebuilding from the devastating Southern California fires, ensuring survivors have accurate and timely information and aren't taken advantage of during vulnerable times. In early October, CSLB leaders participated in a Disaster Recovery Forum held in Los Angeles as part of its education efforts.

As part of our commitment to expanding opportunities in the construction industry, CSLB supported Construction Inclusion Week in October and participated in the Women in Construction Conference in September. Both events highlighted the importance and benefits of a construction career and ways to encourage more people to join the industry.

In this issue, you will also learn about CSLB's new online application process for sole owner license applicants. This change will make it faster and easier for future contractors to enter the field and begin their careers with confidence.

Together, these initiatives reflect CSLB's broader mission: protecting the public and supporting a thriving, ethical construction industry. I am honored to serve as your Board Chair and look forward to collaborating with you more in the coming months.

Sincerely,



Alan Guy, Board Chair
Contractors State License Board
"B" Contractor Member



HOT TOPICS

Multi-State Sting and Sweep Effort Protects Consumers

The Contractors State License Board (CSLB) recently completed a combined 39 separate stings and sweeps resulting in 73 enforcement actions across the state, part of a coordinated, multi-state initiative organized by the National Association of State Contractors Licensing Agencies (NASCLA). California was one of 15 states that participated in the effort to crack down on unlicensed activity and protect consumers.

CSLB partnered with local law enforcement to conduct enforcement operations, known as stings and sweeps, to combat unlicensed activity and address compliance. Unlicensed individuals often seek to take advantage of consumers by offering services without the legally required licenses or workers' compensation insurance, leaving homeowners responsible for any accidents or damages that occur.

"Unlicensed activity often crosses state lines and NASCLA's coordinated effort sends a unified message about the consequences and risks of unlicensed activity," said CSLB Registrar David Fogt. "CSLB will continue to advance consumer protection and we are grateful for our partners who share in our mission to protect consumers."

CSLB conducted stings, which are undercover operations, in three counties. During the three undercover stings, investigators contacted suspected unlicensed individuals through advertisements. The individuals arrived at designated locations to bid on various projects ranging from $1,100 to $35,000 for various construction projects. As a result, 25 misdemeanor Notices to Appear in criminal court citations for unlicensed contracting and illegal advertising were issued, 10 administrative citations were filed, and six individuals will be referred to district attorney's offices for review and possible prosecution for contracting without a license.

California laws prohibit unlicensed contractors from bidding and/or contracting on any project that



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Sting Effort

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requires a building permit or where employee labor is used, or when the project is valued at $1,000 or more in combined labor and material costs.

CSLB conducted sweep operations in 18 counties. These operations included 182 site visits, 11 cases referred to local district attorneys, 13 licensee citations, six non-licensee citations, and two Letters of Admonishment. Separately, CSLB also issued 11 stop work orders and 20 advisory notices.

Individuals that received citations were provided with information to encourage licensure and compliance.

For more information about CSLB or to report suspected unlicensed activity, visit **cslb.ca.gov** or call 1-800-321-CSLB (2752).

**Note: This article was issued as a press release in November 2026.*

New Online Application for Sole Owners Now Available



CSLB now offers a new online application for people applying for their first contractor license as a sole owner. This online option makes the process easier and faster.

Applicants can fill out the form online and pay their fees electronically. There is a 2.3 percent credit card processing fee for paying online. After submitting the application, applicants receive confirmation and a copy for their records.

The online application can be found on the CSLB website in the Alerts section or on the Applicants page. The **application landing page** also includes helpful information about how the process works and answers to common questions.

This online form is only for new sole owner license applications. It should not be used by people who already have a license and want to add a classification or replace their qualifying individual.

Before starting, CSLB encourages applicants to read the information and **Frequently Asked Questions** on the landing page so they know what they need.

For more details about contractor licensing, visit the CSLB website at **cslb.ca.gov**.

CSLB HOT TOPICS

Legislative Corner

Below is recently signed legislation that may affect your business. These bills take effect January 1, 2027, unless otherwise noted.

Senate Bill 342 (Umberg) allows contractors who were not duly licensed during the entire period of a public works, commercial, institutional, common interest development, or multifamily residential (four or more units) construction contract to bring and maintain a civil action to recover compensation for construction work performed while they were duly licensed for that specific work. Contractors are still prohibited from recovering compensation for residential construction work unless they were duly licensed at all times during the performance of that work.

Senate Bill 1263 (McGuire) clarifies that a contractor can engage in debris removal that includes hazardous materials on residential or commercial property after a natural disaster, including muck-out (soil removal) and ash-out, if they hold an A – General Engineering Contractor license, a B – General Building Contractor license, a C-12 Earthwork and Paving classification, a C-21 Building Moving/Demolition classification, or a C-49 Tree and Palm Classification (limited to tree service and tree removal only). Additionally, the bill requires contractors to have passed CSLB's Hazardous Substance Removal Certification examination and comply with HAZWOPER requirements established by the Department of Industrial Relations before providing debris removal after a disaster. More details can be found in CSLB's **Fast Facts: Disaster Debris Removal**.

Construction Inclusion Week, October 12–16, 2026

The Contractors State License Board (CSLB) was proud to support Construction Inclusion Week, which took place October 12-16, 2026. Every year, this week brings attention to the importance of creating a respectful and welcoming construction industry. We invite you to watch this short video about CSLB's commitment to supporting fairness, equal opportunity, and positive workplaces across the industry **here**.



UPCOMING MEETINGS AND WORKSHOPS

BOARD & COMMITTEE MEETINGS

CSLB Quarterly Board Meeting (South San Francisco, CA)
December 14, 2026 | Time: 1:00 p.m.

LICENSING WORKSHOPS (VIRTUAL)

December 4 | 10:00 a.m. – 12:00 p.m.
Get Licensed to Build Workshop

Diciembre 17 | 10:00 a.m. – 12:00 p.m.
Workshop Para Que Obtenga Licencia Para Construir

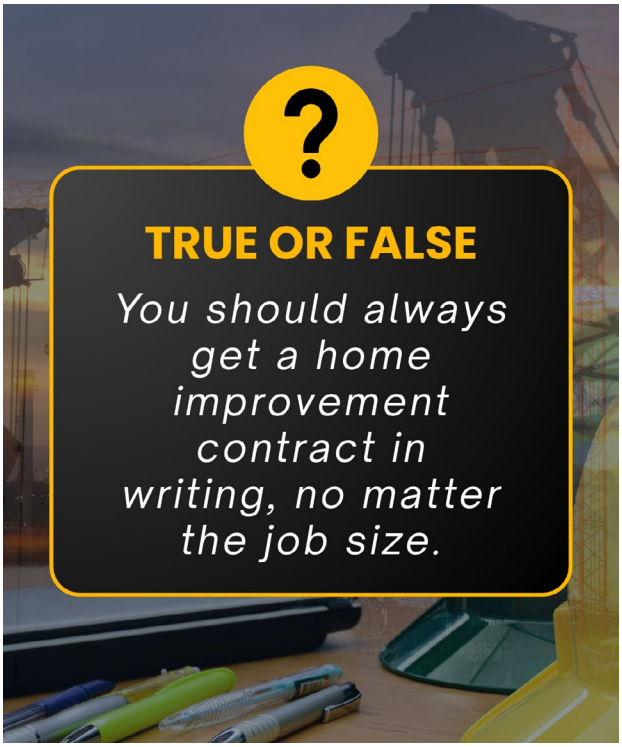
January 1 | 10:00 a.m. – 12:00 p.m.
Get Licensed to Build Workshop

Enero 15 | 10:00 a.m. – 12:00 p.m.
Workshop Para Que Obtenga Licencia Para Construir

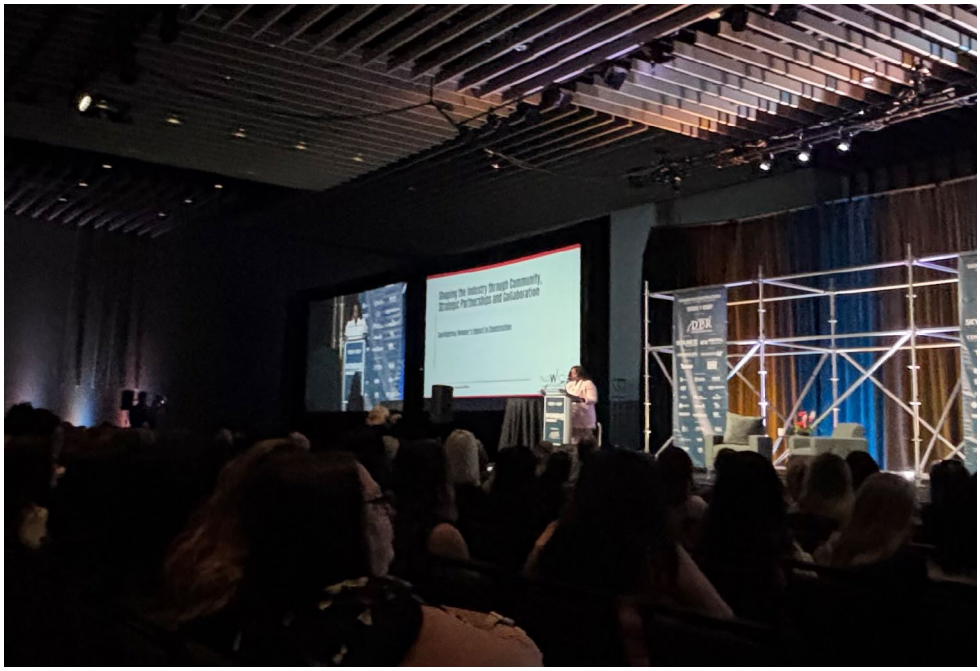
Workshops take place every first Friday of the month in English, and every third Friday of the month in Spanish. To register, visit **cslb.ca.gov** and click the banner at the top of the page.

Las talleres tienen lugar el primer viernes de cada mes en inglés y el tercer viernes de cada mes en español. Visita **cslb.ca.gov** y haz clic en la bandera en la parte superior de la página para registrarte.

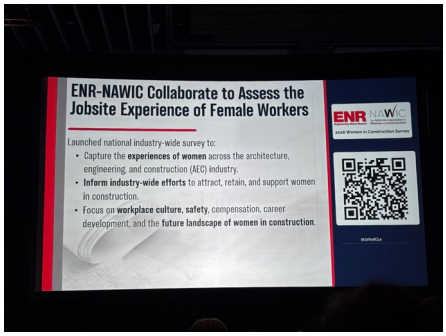




Women in Construction Conference Looks at Ways to Encourage More to Join Industry







With women making up only about 10 percent of the construction industry, the 2026 Women in Construction conference expanded upon ideas on how to support women currently in the industry and how to encourage others to join the field.

About 1,500 people attended this year's conference, held September 9 and 10 at the SAFE Credit Union Convention Center in Sacramento and organized by the Sacramento Regional Builders Exchange (SRBX) and Construction Industry Education Foundation (CIEF). Among the attendees were a number of high schools so students could learn about opportunities in the construction industry.

Amy Trask, former CEO of the Las Vegas Raiders, gave the opening keynote address while leaders with the National Association of Black Women in Construction and National Association of Women in Construction shared industry insights. Workshops were held across both days, highlighting leadership, collaboration, and the future of construction.

One of the workshops offered was "What Gen Z wants: A look at the employment priorities of students entering the California construction industry." The speaker encouraged the group to divide up into generations—Baby Boomer, Generation X, Millennials, and Generation Z— to see the similarities and differences from what they expect in the construction industry. It led to a valuable conversation on ways to attract

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CSLB Continues Disaster Outreach to LA County Fire Survivors

Nearly two years since the Eaton and Palisades fires destroyed thousands of homes in Los Angeles County, CSLB continues its outreach to ensure that survivors are not scammed as they continue to rebuild and recover.

On October 5, CSLB participated in the California Mortgage Bankers Association's Disaster Recovery Forum, held at the California Science Center in Los Angeles. The need to provide information to survivors timely and educate the public about disaster resources before another one occurs was particularly pertinent. CSLB reminded those at the forum about how any reconstruction or repairs in a declared disaster area must follow home improvement law, which restricts down payments to $1,000 or 10 percent of the total project cost, whichever is less. Progress payments must not exceed the actual value of work already completed or on materials that have been delivered to your home.





Once the event opened to the public, California Housing and Homelessness Agency Secretary Tomiquia Moss shared the opening message about what the State of California has done so far for survivors, which includes the California Housing Finance Agency (CalHFA) Disaster Rebuilding Assistance Program that launched in October.

Following the opening remarks, survivors visited tables from CSLB, CalHFA, Department of Insurance, Department of Financial Protection and Innovation, Small Business Administration, Los Angeles County Regional Planning and Department of Building and Safety, Foothill Catalog Foundation, and Southern California Edison, industry representatives and mortgage/lending providers, to get resources and guidance as they continue to rebuild.

Women in Construction Conference (CONTINUED FROM PAGE 8)

women and men into the industry, given that there are thousands of construction management positions open but fewer construction management graduates.

Real estate broker Barbara Corcoran (of ABC's "Shark Tank") shared the closing keynote and provided insights about how she was able to get ahead in a male-dominated field and the risks she took to achieve her success.

While this year's event was two days, next year's conference in Sacramento will be back to one day on September 9, 2027. This is not due to demand but rather that the first Women in Construction conference through the Southern California Builders Exchange will be held February 10, 2027, in Long Beach.



What **Projects** Can a "B" General Building Contractor Perform?

Business and Professions Code section 7057 defines a "B" General Building contractor as someone whose principal contracting business is in connection with "any structure built, being built, or to be built for the support, shelter, and enclosure of persons, animals, chattels or movable property of any kind, requiring in its construction the use of at least two unrelated building trades or crafts, or to do or superintend the whole or any part thereof."

The **"B" General Building contractor** license is the most common contractor license classification in California. As a result, CSLB often receives questions about what jobs a B General Building licensee can legally perform. More details can be found in CSLB's **Fast Facts publication**.

(CONTINUED ON PAGE 11)

Q&A: "B" General Building Contractor (CONTINUED FROM PAGE 10)

Q1. **When can a "B" General Building contractor enter a prime or subcontract?**

They can enter a prime or sub-contract for a framing or carpentry project and self-perform the work. They can also enter a prime or sub-contract for two or more separate and unrelated trades and self-perform the work (framing and carpentry cannot count as one of the trades).

Q2. **When can a "B" General Building contractor not enter a prime or subcontract?**

"B" cannot enter a prime contract for any project involving trades other than framing or carpentry unless: the prime contract requires at least two other, unrelated building trades or crafts; or the "B" contractor holds the appropriate license classification or subcontracts with an appropriately licensed specialty contractor to perform the work.

Q3. **Can a "B" General Building contractor enter a project including C-16 Fire Protection or C-57 Well Drilling?**

Only if the "B" contractor holds the specialty license or they subcontract with the appropriately licensed specialty contractor.

Q4. **Can a "B" General Building contractor perform asbestos abatement work?**

Generally no. Only if they hold a C-22 Asbestos Abatement specialty license or an asbestos certification and are registered with the Department of Industrial Relations' Division of Occupational Safety and Health. Otherwise, they need to subcontract with an appropriately licensed contractor.

Q5. **Can a "B" General Building contractor perform roofing projects?**

A "B" General Building contractor may contract for projects that include roofing. However, they must subcontract to a C-39 roofing contractor if the roofing is a standalone contract—not included in a larger project that includes two or more unrelated trades such as home construction, room addition, or remodeling.

In Case You Missed It!

Here are the highlights from CSLB's September Quarterly Board Meeting

On September 2-3, 2026, CSLB held its quarterly board meeting in Las Vegas, Nevada. Here are some of the highlights:

REGISTRAR UPDATES

Registrar David Fogt shared progress from CSLB's Industry Stakeholder Meeting in August, including next steps to take on reciprocity policy, concerns about qualifiers overseeing multiple licenses, and strategies to address rising consumer complaints.

LEGISLATIVE UPDATES

The Board reviewed the status of several bills at the end of the 2025–26 legislative session. The Board voted to support AB 1707, which would transfer administration of the Electrician Certification Unit to CSLB in 2028. Updates were also shared on accessory dwelling unit related legislation and continued work on home improvement contract protections.

ENFORCEMENT PROGRAM HIGHLIGHTS

CSLB presented its Enforcement Modernization and Consumer Protection Plan. The effort focuses on addressing repeat offenders, improving public disclosure of violations, and strengthening coordination with the Attorney General's Office. Staff highlighted major enforcement cases, including actions involving unlicensed contracting, abandonment, and post disaster fraud.

LICENSING AND TESTING ACHIEVEMENTS

Licensing staff reported strong application volume, with more than 12,000 submissions between May and July. CSLB administered more than 60,000 exams in the past year and continues expanding Spanish exam availability and digitizing exam booklets. The Applicant Survey shows high customer satisfaction and strong support for online licensing tools.

INFORMATION TECHNOLOGY UPDATES

Staff discussed the new online application system that launched in June with more details available in this issue. CSLB is also upgrading its internal help desk system and preparing to transition to a modernized statewide address system, which will improve communication and scheduling across departments.

BUDGET AND ADMINISTRATION

CSLB ended the fiscal year with a strong financial position, generating a budget surplus and maintaining more than eight months of reserves. Staff reported increased revenue, growth in active licenses, and high processing volumes across cashiering, mailroom, and document scanning units. Administration also noted progress on hiring, onboarding improvements, and the Biennial Language Survey.

PUBLIC AFFAIRS AND OUTREACH

Public Affairs highlighted disaster recovery outreach following fires, new videos and educational resources, and continued growth in social media engagement. CSLB also participated in statewide Senior Scam Stopper seminars and responded to various media inquiries. The Public Information Center generally maintained board-set wait time goals, with increased calls involving licensing questions and application status updates.

Board Member Miguel Galarza Warns Seniors About Contractor Scams

Miguel Galarza, who has served on the CSLB Board since 2020, presented a Senior Scam Stopper℠ seminar on October 24 in Santa Clara. The event, hosted by Assemblymembers Alex Lee and Patrick Ahrens, educated seniors about what to do before hiring a contractor to work on a home improvement project and how to avoid getting scammed.

Member Galarza shared information about the importance of hiring licensed contractors, recognizing warning signs of contractor fraud, and avoiding common scams. After making his presentation, Member Galarza answered audience questions and also spoke to seniors one-on-one.



This event was held in partnership with the **California Department of Financial Protection and Innovation**, the **Bureau of Household Goods and Services**, and **CalPrivacy**. The seminar is part of CSLB's ongoing commitment to consumer education and helping Californians avoid contractor-related fraud.

CSLB Recent Videos

Visit our YouTube page at **www.youtube.com/ContractorsBoard** to watch all CSLB videos, including the most recent videos listed below.

CLICK HERE



Contractors State License Board's Leadership

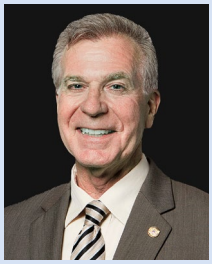
Board officer terms run from July 1 of one year through June 30 of the following year.



ALAN GUY
Board Chair
Governor Appointee
"B" Contractor Member



RODNEY M. COBOS
Board Vice Chair
Assembly Appointee
Public Member



JOËL BARTON
Board Secretary
Senate Appointee
Public Member



MIGUEL GALARZA
Governor Appointee
"B" General Contractor Member



AMANDA GALLO
Governor Appointee
Public Member



JACOB LOPEZ
Senate Appointee
Public Member



DIANA LOVE
Governor Appointee
Senior Citizen Organization Member



MICHAEL MARK
Governor Appointee
Labor Organization Member



HENRY NUTT III
Governor Appointee
"C" Specialty Contractor Member



STEVEN PANELLI
Senate Appointee
Building Official Member



OMAR T. PASSONS
Governor Appointee
Public Member



JOSEF PRECIADO
Governor Appointee
Public Member



JAMES RUANE
Governor Appointee
"C" Specialty Contractor Member



THOMAS J. RUIZ
Assembly Appointee
Public Member



DAVID R. FOGT
Registrar of Contractors

CSLB License Revocations

For a full list of the CSLB's revoked licensees from 2026 and prior years, please visit cslb.ca.gov/RevokedLicenses

CONTRACTORS STATE LICENSE BOARD
LICENSES REVOKED FROM 10/01/2026 TO 10/31/2026

BUSINESS NAME	LICENSE NUMBER	REVOKED
A & E GLAZING INC	1088786	10/30/2026
A TO Z FINISH CARPENTRY	1090239	10/09/2026
ALPINE LANDSCAPE CONSTRUCTION	932929	10/09/2026
ALPINE STOVE & FIREPLACE	1068832	10/16/2026
ARZOLA PAINTING INC	1122211	10/14/2026
CAVE MAN MASONRY	627100	10/01/2026
COVENANT BUILDING AND REMODELING	1109760	10/29/2026
COVENANT CREATIONS	846632	10/07/2026
D T ENTERPRISES	912453	10/29/2026
DE ARMAN J COLE	HIS 112791 SP	10/01/2026
ELEVATE BUILDERS INC DBA ELEVATE DESIGN AND BULD GROUP	978136	10/16/2026
ENERGY BUILDERS INC	929247	10/30/2026
FAIRWAY PLUMBING & ROOTER	923669	10/01/2026
FIRE ZONE EXTERIORS AND FENCE	968871	10/14/2026
FIRST CHOICE ROOFING CONSTRUCTION & CONSULTING INC DBA 1ST CHOICE ROOFING	1071012	10/20/2026
FUSE ELECTRIC	942748	10/16/2026
GARAGE DOOR GUY THE	1113438	10/29/2026
GOLD ROCK CONCRETE SERVICES	1109176	10/14/2026
GOLDEN COAST ROOFING	1081954	10/20/2026
GONZALEZ EDWARD ARMANDO	HIS 86436 SP	10/09/2026
HUBERMAN MICHAEL	464070	10/01/2026
HUNTINGTON LAKE TREE SERVICE LLC	1015502	10/08/2026
KC LANDSCAPING	1113728	10/30/2026
KOTA CONSTRUCTION LLC	1063901	10/01/2026
KOTA CONSTRUCTION LLC	1063901	10/16/2026
LAND X LANDSCAPE CONSTRUCTION INC	1047241	10/07/2026
LANKRY DAVID	HIS 104225 SP	10/29/2026
M G C CONSTRUCTION	797630	10/29/2026

Additional information regarding the basis for the license revocation may be obtained through the complaint disclosure feature available on CSLB's **Check A License** web page.

Contact CSLB

HEADQUARTERS OFFICE

CONTACT INFORMATION

Location:
9821 Business Park Drive
Sacramento, CA 95827

Mailing Address:
P.O. Box 26000
Sacramento, CA 95826

24-Hour Licensing and Consumer Information:
(800) 321-CSLB (2752)

Public inquiries:
cslbinfo@cslb.ca.gov

Licensing inquiries:
licensing@cslb.ca.gov

CSLB Public Affairs Office

Report Unlicensed Activity:
Statewide Investigative Fraud Team

Hours of Operation:
Monday through Friday
8:00 a.m. to 5:00 p.m. Pacific Time
(closed holidays)

Additional Contact Information

ADDITIONAL REMINDERS

- Industry Expert Program
- Report Unlicensed Activity
- Revoked Licenses List



