



## Information on Alternatives in Lieu of Bond Requirements

**IMPORTANT:** A CASH DEPOSIT MUST REMAIN ON FILE WITH THE CONTRACTORS STATE LICENSE BOARD FOR A HOLDING PERIOD OF THREE YEARS AFTER THE EXPIRATION OF THE LICENSE PERIOD FOR WHICH THE CASH DEPOSIT WAS GIVEN. THIS WILL RESULT IN A HOLDING PERIOD OF MORE THAN THREE YEARS.

**NOTE:** IF THE BOARD IS NOTIFIED OF A COMPLAINT RELATIVE TO A CLAIM AGAINST THE CASH DEPOSIT, THE DEPOSIT SHALL NOT BE RELEASED UNTIL THE COMPLAINT HAS BEEN ADJUDICATED.

Cash Deposits are held because a claim may be brought against a cash deposit within three years (two years for bonds) after the expiration of the license period for which the cash deposit has been provided, or within three years (two years for bonds) of the date on which the Board inactivates the license, whichever occurs first.

### A CERTIFICATE OF DEPOSIT:

- Must be issued by a bank or savings and loan association doing business in this state;
- Must show the business name of the applicant or licensee;
- Must be made payable to the Contractors State License Board in the amount of Twelve Thousand Five Hundred Dollars (\$12,500);
- Must be issued for a period of not less than one year;
- Must be automatically renewable at each maturity date;
- Must state that any interest earned will be paid to the depositor; and
- Must have the signature of a bank representative on the face of the document.

A certificate of deposit will not be accepted when the word "Trustee" is included with the name of the payee.

**AN ASSIGNMENT OF A BANK SAVINGS ACCOUNT, A SAVINGS AND LOAN ASSOCIATION INVESTMENT CERTIFICATE OR SHARE ACCOUNT, OR A CREDIT UNION CERTIFICATE FOR FUNDS OR SHARE ACCOUNT** must be on a form approved by the Registrar of Contractors and be completed in accordance with instructions thereon. (Forms may be obtained from the Contractors State License Board.)

The bank savings account passbook, savings and loan association share account passbook or investment certificate, credit union certificate for funds or share account passbook must be delivered to the Registrar of Contractors with the assignment. The passbook or certificate:

- Must show the business name of the applicant or licensee;
- Must be assigned to the Contractors State License Board; and
- Must show the amount of Twelve Thousand Five Hundred Dollars (\$12,500).

The interest earned on the account must be paid to the assignor.

**CASH** deposited with the Contractors State license Board must be in the form of a cashier's check or bank certified check payable to the Contractors State License Board in the amount of Twelve Thousand Five Hundred Dollars (\$12,500). A personal or business check will not be accepted. For identification purposes, a cashier's check or bank certified check must show the name of the purchaser.

*Reference:* Sections 7071.6, 7071.8, 7071.12 of the *Business and Professions Code*. Sections 995.710, 995.720, 995.730, 995.740, 995.750, 995.760, 995.770 of the *Code of Civil Procedure*.