

# Stop Notice Instructions

## 1) Who May File:

In general, everything said about mechanics' liens or preliminary notice requirements and the time for filing applies to stop notices.

With the exception of an original contractor on a public works job or on a private job with no construction lender, anyone entitled to a mechanics' lien is also entitled to file a Stop Notice. (CC Sec. 3158-3159).

## 2) Who to Serve:

The stop notice is served on the owner, construction lender or any other person holding construction funds. (CC Sec. 3103).

If a payment bond has been recorded, then withholding by the owner or construction lender pursuant to the stop notice becomes optional, except for a Bonded Stop Notice, served upon the construction lender by an original contractor. (CC Sec. 3161-3162)

## 3. Bond Required with Stop Notice filed on Lender:

In order to make withholding of funds mandatory by the construction lender, the stop notice must be bonded 1-1/4 times the amount of the claim (CC Sec. 3083).

Request for Notice of Election - If serving the Stop Notice on a lender, you must include a self-addressed stamped envelope for the lender to notify you if a payment bond has been recorded on the job. If a payment bond has been recorded, the lender is not required to recognize the Stop Notice and your recourse will be with the bonding company. The bottom of the Stop Notice must be signed in the "Request for Notice of Election" box.

## 4. How to Serve Stop Notice (CC Sec. 3083):

- A. Personal service,
- B. Registered mail, or
- C. Certified mail.

*Private Works NOTE: The stop notice must be served on the manager or other responsible officer or person at the office of the construction lender at the branch where the construction funds are being administered. (CC Sec. 3083). If the job involves use of a joint control agency, a stop notice should also be filed there as well, because there will be funds at both locations.*

*Public Works NOTE: On State jobs, the notice should be filed with the director of the department which let the contract. In the case of any other public work, it should be filed with the disbursing officer making payments under the contract.*

## 5. Contents of a Stop Notice:

- A. The name and address of the claimant;
- B. Signed and verified by claimant or their agent;
- C. Kind of labor, services, equipment or materials furnished;
- D. Name of person to whom labor, services,

equipment or materials furnished; and

E. Amount already furnished and the total amount agreed to be furnished. (CC Sec. 3103).

*NOTE: The form also provides for the amount due to you on the project.*

## 6. Suit:

A. May not be filed within the first ten days after service of Stop Notice, but must be filed no later than 90 days after expiration of the Lien period (Civil Code Sec. 3172).

B. Notice of suit must be given within 5 days after commencement. (CC Sec. 3172).

C. Cannot be brought to trial until 90 days after the lien period expires. (CC Sec. 3172).

D. The court may exercise discretionary dismissal if the suit is not brought to trial within 2 years. (CC Sec. 3173).

E. Stop notice suits may be consolidated, and the owner and lender may compel claimants to implead in one action. (CC Sec. 3175).

### Stop Notice

CALIFORNIA CIVIL CODE SECTION 3103

**Entity that disburses funds for the work of improvement.  
is Owner/Lender or Public Body**

NOTICE TO: \_\_\_\_\_  
(If Private Job - file with responsible officer or person at office or branch of construction lender administering the construction funds or with the owner - CIVIL CODE SECTIONS 3156 - 3175)  
(If Public Job - file with office of controller, auditor, or other public disbursing officer whose duty it is to make payments under provisions of the contract - CIVIL CODE SECTIONS 3179 - 3214)

Prime Contractor: Original Contractor  
Sub Contractor: (If Any): Subcontractor  
Owner or Public Body: Owner(s)/Public Body/Tenants  
Improvement known as: Description of Jobsite  
County of County of Jobsite, State of California. Your Company Name Claimant, a Legal status of your company (such as a Corporation)

furnished certain labor, service, equipment or materials used in the above described work of improvement. The name of the person or company by whom claimant was employed or to whom claimant furnished labor, service, equipment, or materials is Your Customer

The kind of labor, service, equipment, or materials furnished or agreed to be furnished by claimant was:  
**Description of labor, service, equipment or materials**

Total value of labor, service, equipment, or materials agreed to be furnished.....\$	_____
Total value of labor, service, equipment, or materials actually furnished is.....\$	_____
Credit for materials returned, if any.....	\$ _____
Amount paid on account, if any.....	\$ _____
Amount due after deducting all just credits and offsets.....	\$ <u>Stop Notice Dollar Amount</u>

**YOU ARE HEREBY NOTIFIED** to withhold sufficient monies held by you on the above described project to satisfy claimant's demand in the amount of \$ Stop Notice Dollar Amount and in addition thereto sums sufficient to cover interest, court costs and reasonable costs of litigation, as provided by law.

A bond (CIVIL CODE SECTION 3083) is/is Not attached. (Bond required with Stop Notice served on construction lender on private jobs - bond not required on public jobs or on Stop Notice served on owner on private jobs).

Date: Date executed Name of Claimant: Your Company Name

By: Your Signature

**VERIFICATION**

**Official Capacity of Signatory**

I, the undersigned, state: I am the \_\_\_\_\_ of the claimant named in the foregoing Stop Notice; I have read said claim of Stop Notice and know the contents thereof, and I certify that the same is true of my own knowledge. I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

**City where document is executed**

Executed on Date, at \_\_\_\_\_, State of California.

Your Signature

**REQUEST FOR NOTICE OF ELECTION**  
(Private Works Only)

If an election is made not to withhold funds pursuant to this Stop Notice by reason of a payment bond having been recorded in accordance with Sections 3235 or 3162, please send notice of such election and a copy of the bond within 30 days of such election in the enclosed preaddressed stamped envelope to the address of the claimant shown above. This information must be provided by you under Civil Code Sections 3159, 3161 or 3162.

Signed: Your Signature

# Stop Notice

CALIFORNIA CIVIL CODE SECTION 3103

NOTICE TO: \_\_\_\_\_

(If Private Job - file with responsible officer or person at office or branch of construction lender administering the construction funds or with the owner - CIVIL CODE SECTIONS 3156 - 3175)

(If Public Job - file with office of controller, auditor, or other public disbursing officer whose duty it is to make payments under provisions of the contract - CIVIL CODE SECTIONS 3179 - 3214)

Prime Contractor: \_\_\_\_\_

Sub Contractor: (If Any): \_\_\_\_\_

Owner or Public Body: \_\_\_\_\_

Improvement known as \_\_\_\_\_

County of \_\_\_\_\_, State of California.

\_\_\_\_\_ Claimant, a \_\_\_\_\_ furnished certain labor, service, equipment or materials used in the above described work of improvement. The name of the person or company by whom claimant was employed or to whom claimant furnished labor, service, equipment, or materials is \_\_\_\_\_

The kind of labor, service, equipment, or materials furnished or agreed to be furnished by claimant was:

Total value of labor, service, equipment, or materials agreed to be furnished.....	\$ _____
Total value of labor, service, equipment, or materials actually furnished is.....	\$ _____
Credit for materials returned, if any.....	\$ _____
Amount paid on account, if any.....	\$ _____
Amount due after deducting all just credits and offsets.....	\$ _____

**YOU ARE HEREBY NOTIFIED** to withhold sufficient monies held by you on the above described project to satisfy claimant's demand in the amount of \$ \_\_\_\_\_ and in addition thereto sums sufficient to cover interest, court costs and reasonable costs of litigation, as provided by law.

A bond (CIVIL CODE SECTION 3083) \_\_\_\_\_ attached. (Bond required with Stop Notice served on construction lender on private jobs - bond not required on public jobs or on Stop Notice served on owner on private jobs).

Date: \_\_\_\_\_ Name of Claimant: \_\_\_\_\_

By: \_\_\_\_\_

## VERIFICATION

I, the undersigned, state: I am the \_\_\_\_\_ of the claimant named in the foregoing Stop Notice; I have read said claim of Stop Notice and know the contents thereof, and I certify that the same is true of my own knowledge. I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on \_\_\_\_\_, at \_\_\_\_\_, State of California.

## REQUEST FOR NOTICE OF ELECTION

(Private Works Only)

If an election is made not to withhold funds pursuant to this Stop Notice by reason of a payment bond having been recorded in accordance with Sections 3235 or 3162, **please send notice** of such election and a copy of the bond within 30 days of such election in the enclosed preaddressed stamped envelope to the address of the claimant shown above. This information must be provided by you under Civil Code Sections 3159, 3161 or 3162.

Signed: \_\_\_\_\_