

IN THE CIRCUIT COURT FOR MONTGOMERY COUNTY, MARYLAND

NICK MAFFEO t/a
SOUTHBRIDGE, LLC

:

:

v.

:

MARYLAND HOME IMPROVEMENT
COMMISSION

Civil No. 457502V

:

(In the matter of Gabriel Riley v. MHIC
Guaranty Fund for the Acts or Omissions
of Nick Maffeo t/a Southbridge, LLC)

:

ORDER

This matter having come before the undersigned Judge of this Court on May 7, 2019 on a Petition for Judicial Review of the Administrative Decision of the Maryland Home Improvement Commission ("MHIC") adopting the Office of Administrative Hearing's recommendation for Gabriel Riley's claim against the MHIC's Guaranty Fund, supporting memoranda of law having been filed by the parties, arguments having been heard, the record having been considered in its entirety, and the Judge having given his oral opinion; it is this 7th day of May, 2019, by the Circuit Court for Montgomery County, Maryland,

ORDERED, that the Petition for Judicial Review shall be, and hereby is **DENIED**; and it is further

ORDERED, that the decision of the Maryland Home Improvement Commission shall be, and hereby is **AFFIRMED**.

Signature on File

ENTERED

MAY 16 2019

Clerk of the Circuit Court
Montgomery County, Md.

Steven G. Salant, JUDGE
Circuit Court for
Montgomery County, Maryland

IN THE MATTER OF THE CLAIM
OF GABRIEL RILEY,
CLAIMANT
AGAINST THE MARYLAND HOME
IMPROVEMENT GUARANTY FUND
FOR THE ALLEGED ACTS OR
OMISSIONS OF NICK MAFFEO,
T/A SOUTHBRIDGE, LLC,
RESPONDENT

* BEFORE KATHLEEN A. CHAPMAN,
* AN ADMINISTRATIVE LAW JUDGE
* OF THE MARYLAND OFFICE
* OF ADMINISTRATIVE HEARINGS
*
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*
* OAH No.: DLR-HIC-02-17-33368
* MHIC No.: 17 (05) 652

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PROPOSED DECISION

STATEMENT OF THE CASE
ISSUES
SUMMARY OF THE EVIDENCE
PROPOSED FINDINGS OF FACT
DISCUSSION
PROPOSED CONCLUSIONS OF LAW
RECOMMENDED ORDER

STATEMENT OF THE CASE

On June 21, 2017, Gabriel Riley (Claimant) filed a claim (Claim) with the Maryland Home Improvement Commission (MHIC) Guaranty Fund (Fund) for reimbursement of \$37,746.00 in actual losses allegedly suffered as a result of a home improvement contract with Nick Maffeo, trading as Southbridge, LLC (Respondent).

I held a hearing on January 22, 2018 at the Office of Administrative Hearings (OAH) – Kensington, 10400 Connecticut Avenue, Suite 208, Kensington, Maryland. Md. Code Ann., Bus. Reg. § 8-407(e) (2015). The Claimant represented himself. Hope Sachs, Assistant Attorney General, Department of Labor, Licensing, and Regulation (Department), represented

the Fund. After waiting fifteen minutes for the Respondent or the Respondent's representative to appear, I proceeded with the hearing. Code of Maryland Regulations (COMAR) 28.02.01.23A.¹

The contested case provisions of the Administrative Procedure Act, the Department's hearing regulations, and the Rules of Procedure of the OAH govern procedure in this case. Md. Code Ann., State Gov't §§ 10-201 through 10-226 (2014 & Supp. 2017); COMAR 09.01.03; COMAR 28.02.01.

ISSUES

1. Did the Claimant sustain an actual loss compensable by the Fund as a result of the Respondent's acts or omissions?
2. If so, what is the amount of that loss?

SUMMARY OF THE EVIDENCE

Exhibits

I admitted the following exhibits on the Claimant's behalf:²

Clmt. Ex. 1 – Original Contract, signed May 8, 2016; Modified Contract, dated October 25, 2016

Clmt. Ex. 2 – Copies of cancelled checks, various dates and amounts³

Clmt. Ex. 3 – Application for Residential Building Permit, signed by the parties on June 2 and June 27, 2016; Montgomery County Department of Permitting Services, Online Services – Data Search, printout date: January 3, 2018

Clmt. Ex. 4 – Seventeen color photocopies of the electrical work performed by the Respondent, pictures taken by either the Claimant or Duane Wellman (current contractor) on November 20, 2016 or January 1, 2018

¹ A Notice of Hearing was mailed to the Respondent at the address of record by regular and certified mail on October 24, 2017, COMAR 09.08.03.03A(2), and not returned by the United States Postal Service as undeliverable. Applicable law permits me to proceed with a hearing in a party's absence if that party fails to attend after receiving proper notice. COMAR 28.02.01.23A. I determined that the Respondent had received proper notice, and proceeded to hear the captioned matter.

² Claimant Exhibits 4 through 7 contained typed or handwritten comments by either the Claimant or his current contractor, Duane Wellman, alleging certain code violations. The photographs were admitted into evidence on the basis that the comments made on the photos would not be accepted for the truth of the matter asserted.

³ *Infra*. Findings of Fact No. 8 (check numbers, dates, and amounts).

- Clmt. Ex. 5 – Three color photocopies of the framing work performed by the Respondent, pictures taken by either the Claimant or Mr. Wellman on November 20, 2016 or January 1, 2018; Email from the Respondent to the Claimant, dated June 22, 2016
- Clmt. Ex. 6 – Nine color photocopies of the plumbing work performed by the Respondent, pictures taken by either the Claimant or Mr. Wellman on November 20, 2016 or January 1, 2018
- Clmt. Ex. 7 – Twelve color photocopies of the HVAC work performed by the Respondent, pictures taken by either the Claimant or Mr. Wellman on November 20, 2016 or January 1, 2018
- Clmt. Ex. 8 – One color photocopy of the basement bathroom, picture taken by the Claimant on November 20, 2016
- Clmt. Ex. 9 – One color photocopy of an incomplete window installation, picture taken by either the Claimant or Mr. Wellman on January 1, 2018; email from the Respondent to the Claimant, dated August 31, 2016
- Clmt. Ex. 10 – Seven color photocopies of work performed (stairs, tile, and doors) by the Respondent, pictures taken by either the Claimant or Mr. Wellman on November 20, 2016 or January 1, 2018
- Clmt. Ex. 11 – Emails between the Claimant and the Respondent, dated November 30, 2016; Airpark Towing bill, dated December 2, 2016; Certification of Abandoned Vehicle, dated December 2, 2016
- Clmt. Ex. 12 – Contract with Wellman General Contracting & Home Improvement, LLC, dated November 17, 2017; two Change Orders, both dated January 18, 2018
- Clmt. Ex. 13 – Email from Mr. Wellman to the Claimant regarding his inspection of the work performed by the Respondent, dated January 3, 2018
- Clmt. Ex. 14 – Emails, text messages, and correspondence between the Claimant, the Claimant's wife, and the Respondent, from July 12, 2016 to November 18, 2016
- Clmt. Ex. 15 – Letter from the Claimant to the Respondent, dated November 23, 2016
- Clmt. Ex. 16 – MHIC Claim form, dated June 19, 2017; Leveille HIC, Inc. proposal, dated June 11, 2017

Clmt. Ex. 17 – Emails between the MHIC and the Claimant, dated May 3, 2017, May 4, 2017, August 4, 2017, and August 8, 2017

n/a – Typed summary regarding the sequence of events, undated⁴

n/a – Spreadsheet of alleged actual loss, undated

I admitted the following exhibits on behalf of the Fund:

Fund Ex. 1 – Notice of Hearing (Notice), dated October 24, 2018; two signed certified mailing receipts from the United States Postal Service confirming receipt of delivery of the Notice by the Claimant and the Respondent, respectively

Fund Ex. 2 – Hearing Order, dated October 17, 2017

Fund Ex. 3 – Respondent's Licensing History, printout date of January 18, 2018

Fund Ex. 4 – Letter from Kevin Niebuhr, Investigator, MHIC, to Respondent, dated August 8, 2017, with attached Home Improvement Claim, filed on June 21, 2017, and Agreement for Home Improvements and Renovations by Leveille HIC, Inc., dated June 11, 2017

No exhibits were offered into evidence on behalf of the Respondent.

Testimony

The Claimant testified in his own behalf and presented the testimony of his wife, Karene Riley.

No one testified on behalf of the Respondent or the Fund.

PROPOSED FINDINGS OF FACT

I find the following facts by a preponderance of the evidence:

1. At all times relevant to the subject of this hearing, the Respondent was a licensed home improvement contractor under MHIC license number 100295.

2. On May 8, 2016, the Claimant and the Respondent entered into a contract to renovate the Claimant's unfinished basement. The work included demolition and preparation of

⁴ The Claimant handed me the last two items with the exhibits, but the documents were not marked or offered into evidence. Since the documents were given to me, I will include them as a part of the record.

the site; framing and rough carpentry; plumbing (installation and purchase of materials); drywall and painting; HVAC⁵ relocation and construction of new AC ducting; electrical; permits (building, plumbing and electrical); plan designs and copies; and allowances (*i.e.* materials, appliances, windows, accessories, paint, trim, doors, and flooring (carpet, padding, and tiles)).

3. The contract stated that work would begin on or about May 16, 2016 and would be completed within approximately five weeks.

4. The contract included a performance and payment schedule, as follows:

Hallmarks	Date	Amount
1/3 deposit	May 8, 2016	\$10,000.00
Week #1: Framing/HVAC/all preliminary work/plan preparation for permitting	May 16, 2016	\$ 6,000.00
Week #2: Plumbing/electrical/permitting/inspection	June 6, 2016	\$ 6,000.00
Week #3: Inspection/insulation/drywall/drywall finishing	June 28, 2016	\$ 5,000.00
Week #4: Priming/painting/tile work/trim work/installation of vanity & toilet	June 8, 2016	\$ 4,000.00
Week #5: Finish molding/touch up painting/install carpet/cleaning/final inspections	June 15, 2016	\$ 4,000.00
Misc. allowance	n/a	\$ 500.00
Final payment	Upon completion	\$ 2,000.00
	TOTAL	\$37,500.00

Clmt. Ex. 1.

5. The original agreed-upon contract price was \$37,072.44.⁶

6. Though the Respondent and his crew began work on the project in earnest soon after the contract was signed, over the next several months (July through October 2016) progress

⁵ Heating, ventilation, and air conditioning.

⁶ See pages 5 and 8 of the original contract. (Clmt. Ex. 1.) The Claimant did not explain why there is a discrepancy in the agreed-upon contract price versus the total amount to be paid per the performance and payment schedule.

on the basement renovation waned. The Respondent offered excuses for his or his crew's absence or slow progress, including but not limited to the Respondent's mother's illness.

7. The contract was later modified on October 25, 2016 to reflect the status of the project and to include a variety of modifications which changed the scope of work (most notably carpeting was excluded and certain appliances were upgraded, added, or removed). This resulted in a change of the contract price to \$39,653.81.⁷

8. The Claimant paid the Respondent \$37,746.00, as follows:

Check no.	Date	Amount
1124	May 10, 2016	\$10,000.00
1126	May 26, 2016	\$ 6,000.00
1131	June 6, 2016	\$ 6,000.00
1136	June 28, 2016	\$ 5,000.00
1137	June 28, 2016	\$ 1,921.00
1150	August 23, 2016	\$ 3,000.00
1152	September 1, 2016	\$ 3,825.00
1167	October 27, 2016	\$ 2,000.00
	TOTAL	\$37,746.00

Clmt. Ex. 2.

9. Despite performing work under the contract (including framing, electrical, HVAC, drywall, plumbing, insulation, and painting), the Respondent never obtained a building, plumbing, or electrical permit through either the Montgomery County Department of Permitting Services (MCDPS) or the Washington Suburban Sanitary Commission (WSSC) to perform the home improvement project at the Claimant's home. The Respondent also never submitted the plan design to the MCDPS for the renovation and did not pay the fee associated with the required filing.

⁷ See pages 12 and 14 of the modified contract. (Clmt. Ex. 1.)

10. In the modified contract, dated October 25, 2016, the Respondent falsely represented to the Claimant that both the MCDPS and the WSSC had inspected and approved his work at various points during the renovation.

11. After the modified contract was signed and the Claimant made his final payment of \$2,000.00, by mid-November 2016, the Respondent abandoned the project.

12. Once the Respondent left the job, the Claimant learned that the Respondent never obtained the requisite permits, and the installation of tile, doors, windows, and banister railing were clearly unworkmanlike.

13. On November 23, 2016, the Claimant sent a breach of contract letter to the Respondent detailing the items he believed to be incomplete or unworkmanlike at the time of the abandonment, including:

- Permits and fees (MCDPS/WSSC) – \$1,400.00
- Plan design fee (MCDPS) – \$1,250.00
- Window replacement (materials only) – \$746.00
- Window installation (labor only) – \$280.00
- Stair railing install (labor only) – \$731.25
- Stair railing (materials only) – \$198.00
- Floor tile in laundry room and office (labor only) – \$1,200.00
- Wet bar top installation (labor only) – \$216.00
- Laundry cabinets installation (labor only) – \$160.00
- Shelving for built-in bookcase (labor only) – \$250.00
- Vanity cabinet with top (materials only) – \$700.00
- Bathroom tile (materials only) – \$150.00
- Bathroom tile installation (materials only) – \$63.00
- Tub Curtin rod (materials only) – \$63.00
- Bathroom freestanding tub (materials only) – \$300.00
- Wet bar cabinets (materials only) – \$650.00
- Sink (materials only) – \$150.00
- Cabinet lighting (materials only) – \$125.00
- Panel Doors: Total of 5 @ \$105.00 each (materials only) – \$525.00
- Bathroom faucet (materials only) – \$175.00
- Bathroom Shower/Tub Faucet (materials only) – \$225.00
- Granite Wet Bar top (materials only) – \$400.00
- Laundry cabinets (materials only) – \$250.00
- Shelving for built-in bookcase (materials only) – \$125.00

- Plumbing for bathroom (labor only) – \$2,600.00
- Total – \$12,932.25

14. In the November 23, 2016 letter, the Claimant demanded the Respondent stop work on the project, remove his trailer and tools from the property, and await the scheduling of mediation through the MHIC to resolve the dispute.

15. The Respondent did not return to finish the project or attempt to resolve the dispute.

16. On June 19, 2017, the Claimant filed a Claim with the MHIC in the amount of \$56,429.64 to restore, repair, replace, or complete the work performed by the Respondent.

17. Attached to the Claim was a copy of an estimate prepared by Leveille HIC, Inc. (Leveille) in the amount of \$58,337.45.

18. On November 17, 2017, Duane Wellman of Wellman General Contracting and Home Improvements, LLC (Wellman), MHIC license number 125488, prepared an estimate in the amount of \$38,116.80⁸ to restore, repair, replace, or complete the work performed by the Respondent.

19. At the time the Wellman estimate was written, the drywall installed by the Respondent was still in place.

20. The Wellman estimate amount was contingent on whether, upon inspection by the MCDPS and the WSSC, any work performed by the Respondent required demolition and reinstallation, or repair.

⁸ The Wellman estimate included the cost of materials and installation of carpet; however, the Claimant testified that carpeting had been removed from the October 25, 2016 modified contract with the Respondent. Therefore, I reduced the amount of the Wellman estimate by \$2,718.00 (\$40,834.80 - \$2,718.00 = \$38,116.80).

21. On January 3, 2018, Mr. Wellman inspected the basement after removing the drywall and discovered that the Respondent's installation of framing, electrical and HVAC were not according to code.

22. Mr. Wellman prepared two change orders for the removal and replacement of plumbing installed by the Respondent that was unworkmanlike, in the amount of \$1,485.00, and the removal and replacement of the HVAC installed by the Respondent that was unworkmanlike, in the amount of \$1,150.00.

23. With the addition of the two change orders, the Wellman estimate is \$40,751.80.

24. The Claimant's actual loss is \$38,843.99.

DISCUSSION

In this case, the Claimant has the burden of proving the validity of his claim by a preponderance of the evidence. Md. Code Ann., State Gov't § 10-217 (2014); COMAR 09.08.03.03A(3). "[A] preponderance of the evidence means such evidence which, when considered and compared with the evidence opposed to it, has more convincing force and produces . . . a belief that it is more likely true than not true." *Coleman v. Anne Arundel Cty. Police Dep't*, 369 Md. 108, 125 n.16 (2002) (quoting *Maryland Pattern Jury Instructions* 1:7 (3d ed. 2000)).

An owner may recover compensation from the Fund "for an actual loss that results from an act or omission by a licensed contractor." Md. Code Ann., Bus. Reg. § 8-405(a) (2015);⁹ *see also* COMAR 09.08.03.03B(2) ("actual losses . . . incurred as a result of misconduct by a licensed contractor"). Actual loss "means the costs of restoration, repair, replacement, or completion that arise from an unworkmanlike, inadequate, or incomplete home improvement."

⁹ Unless otherwise noted, all references to the Business Regulation Article hereinafter cite the 2015 Replacement Volume of the Maryland Annotated Code.

Bus. Reg. § 8-401. For the following reasons, I find that the Claimant has proven eligibility for compensation.

There is no dispute that the Respondent was a licensed home improvement contractor at the time he entered into the contract with the Claimant.

The Claimant contends that he received no value from the work performed by the Respondent. In support thereof, the Claimant presented estimates from two separate contractors detailing the work required to complete the renovation of his basement. The Leveille estimate was \$58,337.45 and the Wellman estimate was \$40,834.50. Clmt. Exs. 12 and 16. The Claimant also offered into evidence numerous photographs detailing what he and his wife believed to be extensive code violations. Clmt. Exs. 4-10. The Claimant testified that Mr. Wellman supplied many of the photographs that were admitted into evidence with Mr. Wellman's comments explaining the exact nature of the code violations. Clmt. Exs. 4-7. According to the Claimant, Mr. Wellman sent him the pictures as an attachment to an email on January 3, 2018, after Mr. Wellman removed the drywall and discovered framing, electrical, plumbing, and HVAC code violations. Clmt. Ex. 13. Mr. Wellman also stated that he was sending the Claimant two change orders to cover the cost of removal and reinstallation of the affected items. Clmt. Ex. 12.

In addition, both the Claimant and his wife stressed that the code violations presented immediate and severe safety concerns for their family. Even without being licensed contractors themselves, both witnesses were stunned by the shoddy and unsafe electrical work. The Claimant also stated that he was not aware of the severity of the situation (*i.e.* the latent defects in the framing, electrical, plumbing, and HVAC) until such time that he discovered the Respondent failed to obtain the requisite permits. Finally, the Claimant remarked that several more photographs illustrate the "extreme poor workmanship" in the installation of bathroom tiles, doors, windows, and banister railing. Clmt. Exs. 8-10.

The Claimant testified that he is seeking reimbursement from the Fund in the amount of \$80,992.75, which is significantly higher than the amount listed in his Claim. The Claimant explained that the higher figure is comprised of the monies paid to the Respondent (\$37,746.00), the cost to tow the Respondent's trailer from the Claimant's driveway (\$100.00), and the Wellman estimate per the spreadsheet (\$43,146.75).

I am persuaded by the record that the Claimant sustained an actual loss as a result of an unworkmanlike, inadequate, or incomplete home improvement project. Both estimates in evidence include labor and materials to remove and replace the drywall installed by the Respondent to ascertain what, if anything, could be salvaged after the Claimant learned the Respondent did not submit a plan design to the MCDPS and, more crucially, did not obtain the requisite permits (building, plumbing, or electrical) from the MCDPS or the WSSC. While the Fund agreed with the Claimant that the Respondent failed to complete the project, the Fund was disinclined to agree with the Claimant that the work performed on the framing, electrical, plumbing, and HVAC was unworkmanlike because he failed to present expert testimony to corroborate this contention. I disagree. A closer review of the Wellman email, photographs, and change orders demonstrates unequivocally that the work performed by the Respondent was unworkmanlike. First, Mr. Wellman is a licensed contractor. Second, in his initial estimate, dated November 1, 2017, Mr. Wellman wrote, "Note: At this point framing for this basement has been completed. If inspector finds it is not done by code we will have to bring framing up to code. Change order will be needed." Clmt. Ex. 12. He also wrote, "Note: Insulation is currently present and has been completed. If inspector finds it is not done by code we will have to install insulation and bring up to code. Change order will be needed." *Id.* Similarly, he wrote, "Note: Ducts in basement are currently present. If inspector finds HVAC not done by code we will have to install new ducts and bring up to code. Change order will be needed." *Id.* He further wrote,

“NOTE: ELECTRICAL HAS BEEN COMPLETED BY PREVIOUS CONTRACTOR. IT WILL BE INSPECTED BY COUNTY INSPECTOR. IF WORK NEEDS TO BE DONE TO BRING INTO COMPLIANCE CHANGE ORDER WILL BE NEEDED.” *Id.* (emphasis in original). Finally, Mr. Wellman wrote, “NOTE: SOME PLUMBING HAS BEEN COMPLETED BY PREVIOUS CONTRACTOR. IT WILL BE INSPECTED BY COUNTY INSPECTOR. IF WORK NEEDS TO BE DONE TO BRING INTO COMPLIANCE CHANGE ORDER WILL BE NEEDED.” *Id.* (emphasis in original). Third, on January 3, 2018, Mr. Wellman wrote an email to the Claimant attaching several photographs “of the work needed to be done.” Clmt. Ex. 13. Mr. Wellman also wrote, “Following this email, I will send the change orders for these items.” *Id.* Fourth, as promised, Mr. Wellman issued two change orders, both dated January 18, 2018, corroborating his statements in the email. Fifth, the change orders cover the cost of plumbing reconfiguration and HVAC work. Clmt. Ex. 12. Even though the email and change orders lacked Mr. Wellman’s MHIC license number, the internal references between the documents more than adequately support Mr. Wellman’s opinions on workmanship.

The overwhelming weight of the evidence is that the Claimant received practically no value from the Respondent on his basement renovation. The Respondent not only performed work that was unworkmanlike, but he hid his poor workmanship behind drywall that needed to be removed when he failed to obtain the requisite permits. Mr. Wellman had a duty to obtain inspections after-the-fact, and those inspections underscored the need to redo the framing, electrical, plumbing, and HVAC, and start anew on all tangible items associated with those items. The Claimant demonstrated, too, that the installation of bathroom tiles, doors, windows, and banister railing needed to be redone. As such, the Claimant is eligible for compensation from the Fund.

Having found eligibility for compensation, I must determine the amount of the Claimant's actual loss and the amount, if any, that the Claimant is entitled to recover. The Fund may not compensate a claimant for consequential or punitive damages, personal injury, attorney fees, court costs, or interest. Bus. Reg. § 8-405(e)(3); COMAR 09.08.03.03B(1). MHIC's regulations provide three formulas to measure a claimant's actual loss, depending on the status of the contract work. COMAR 09.08.03.03B(3).

In this case, the Respondent performed some work under the contract, and the Claimant has retained other contractors to complete or remedy that work. Accordingly, the following formula appropriately measures the Claimant's actual loss:

If the contractor did work according to the contract and the claimant has solicited or is soliciting another contractor to complete the contract, the claimant's actual loss shall be the amounts the claimant has paid to or on behalf of the contractor under the original contract, added to any reasonable amounts the claimant has paid or will be required to pay another contractor to repair poor work done by the original contractor under the original contract and complete the original contract, less the original contract price. If the Commission determines that the original contract price is too unrealistically low or high to provide a proper basis for measuring actual loss, the Commission may adjust its measurement accordingly.

COMAR 09.08.03.03B(3)(c).

Thus, I calculate the Claimant's loss as follows:¹⁰

Amount Claimants paid Respondent	\$ 37,746.00
Plus Wellman estimate	<u>+ 40,751.80</u>
	\$ 78,497.80
Less Respondent's original contract price	<u>- 39,653.81</u>
	\$ 38,843.99

The Business Regulation Article, however, caps a claimant's recovery at \$20,000.00 for acts or omissions of one contractor, and provides that a claimant may not recover more than the amount paid to the contractor against whom the claim is filed. Bus. Reg. § 8-405(e)(1), (5);

¹⁰ The Fund argued that the amount paid to Wellman was \$43,146.75. This figure is listed on the spreadsheet prepared by the Claimant of his alleged actual loss. The spreadsheet was never offered into evidence. While my calculation and that of the Claimant and the Fund is different, the end result is the same – the Claimant is only entitled to the maximum reimbursable amount from the Fund.

COMAR 09.08.03.03B(4), D(2)(a). In this case, the Claimant's actual loss of \$38,843.99 exceeds \$20,000.00.

Therefore, the Claimant's recovery is limited to \$20,000.00. Bus. Reg. § 8-405(e)(1); COMAR 09.08.03.03D(2)(a).

PROPOSED CONCLUSIONS OF LAW

I conclude that the Claimant has sustained an actual and compensable loss of \$20,000.00 as a result of the Respondent's acts and omissions. Md. Code Ann., Bus. Reg. §§ 8-401, 8-405 (2015); COMAR 09.08.03.03B(3)(C). I further conclude that the Claimant is entitled to recover that \$20,000.00 from the Fund. Bus. Reg. § 8-405(e)(1); COMAR 09.08.03.03D(2)(a).

RECOMMENDED ORDER

I **RECOMMEND** that the Maryland Home Improvement Commission:

ORDER that the Maryland Home Improvement Guaranty Fund award the Claimant \$20,000.00; and

ORDER that the Respondent is ineligible for a Maryland Home Improvement Commission license until the Respondent reimburses the Guaranty Fund for all monies disbursed under this Order, plus annual interest of ten percent (10%) as set by the Maryland Home Improvement Commission;¹¹ and

ORDER that the records and publications of the Maryland Home Improvement Commission reflect this decision.

Signature on File

February 14, 2018
Date Proposed Decision Issued

KAC/da
171928v1A

K
Kathleen A. Chapman
Administrative Law Judge *du*

¹¹ See Md. Code Ann., Bus. Reg. § 8-410(a)(1)(iii) (2015); COMAR 09.08.01.20.

PROPOSED ORDER

WHEREFORE, this 12th day of April, 2018, Panel B of the Maryland Home Improvement Commission approves the Recommended Order of the Administrative Law Judge and unless any parties files with the Commission within twenty (20) days of this date written exceptions and/or a request to present arguments, then this Proposed Order will become final at the end of the twenty (20) day period. By law the parties then have an additional thirty (30) day period during which they may file an appeal to Circuit Court.

Bruce Quackenbush

***Bruce Quackenbush
Panel B***

MARYLAND HOME IMPROVEMENT COMMISSION