

IN THE MATTER OF THE CLAIM	*	BEFORE SUN E. CHOI
OF RAHMAD HAWKINS,	*	AN ADMINISTRATIVE LAW JUDGE
CLAIMANT	*	OF THE MARYLAND OFFICE
AGAINST THE MARYLAND HOME	*	OF ADMINISTRATIVE HEARINGS
IMPROVEMENT GUARANTY FUND	*	
FOR THE ALLEGED ACTS OR	*	
OMISSIONS OF ROBERT BOSTICK,	*	
T/A WIN WIN HOME	*	
IMPROVEMENT,	*	OAH No.: LABOR-HIC-02-23-29545
RESPONDENT	*	MHIC No.: 23 (75) 76

\* \* \* \* \*

**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 22, 2023, Rahmad Hawkins (Claimant) filed a claim (Claim) with the Maryland Home Improvement Commission (MHIC)<sup>1</sup> Guaranty Fund (Fund) for reimbursement of \$22,596.39 for actual losses allegedly suffered as a result of a home improvement contract with Robert Bostick, trading as Win Win Home Improvement (Respondent).<sup>2</sup> On November 15, 2023,

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<sup>1</sup> The MHIC is under the jurisdiction of the Department of Labor (Department).  
<sup>2</sup> Md. Code Ann., Bus. Reg. §§ 8-401 to 8-411 (2015 & Supp. 2023). Unless otherwise noted, all references to the Business Regulation Article (Bus. Reg.) are to the 2015 Volume of the Maryland Annotated Code.

the MHIC issued a Hearing Order on the Claim. On November 15, 2023, the MHIC transmitted the matter to the Office of Administrative Hearings (OAH) for a hearing.

On March 7, 2024, I held an in-person hearing at the OAH in Hunt Valley, Maryland.<sup>3</sup> The Claimant was self-represented. Catherine Villareale, Assistant Attorney General, Department, represented the Fund.

After waiting fifteen minutes for the Respondent or the Respondent's representative to appear, I proceeded with the hearing. Applicable law permits me to proceed with a hearing in a party's absence if that party fails to attend after receiving proper notice.<sup>4</sup>

On December 22, 2023, the OAH sent a Notice of Hearing (Notice) to the Respondent by certified mail and first-class mail.<sup>5</sup> The Notice stated that an in-person hearing was scheduled for Thursday, March 7, 2024, at 9:30 a.m., at the OAH, in Hunt Valley, Maryland.<sup>6</sup> The Notice also advised the Respondent that failure to attend the hearing might result in "a decision against you." The United States Postal Service did not return the Notice to the OAH as undeliverable or for any other reason. The Respondent did not notify the OAH of any change of mailing address.<sup>7</sup> I determined that the Respondent received proper notice, and I proceeded to hear the captioned matter.<sup>8</sup>

The contested case provisions of the Administrative Procedure Act, the Department's hearing regulations, and the Rules of Procedure of the OAH govern procedure.<sup>9</sup>

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<sup>3</sup> Bus. Reg. §§ 8-407(a), 8-312.

<sup>4</sup> Code of Maryland Regulations (COMAR) 28.02.01.23A.

<sup>5</sup> Bus. Reg §§ 8-312(d), 8-407(a); COMAR 28.02.01.05C(1).

<sup>6</sup> COMAR 09.08.03.03A(2).

<sup>7</sup> COMAR 28.02.01.03E.

<sup>8</sup> COMAR 28.02.01.05.

<sup>9</sup> Md. Code Ann., State Gov't §§ 10-201 through 10-226 (2021 & Supp. 2023); 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 the compensable loss?

## SUMMARY OF THE EVIDENCE

### Exhibits

I admitted the following exhibits offered by the Claimant:

Clmt. Ex. A Homeowner/Contractor Agreement (Contract), FHA<sup>10</sup> 203(k) Rehabilitation Program, (pp. 1-3), May 27, 2021, with attachments:

- Bill Evans Home Team, Specification of Repairs, April 12, 2021
- House Pros Form/Proposal for \$121,630.00, May 22, 2021

Clmt. Ex. B - Invoices, order confirmations, delivery tickets, and payments, various dates, with attachments:

- Samsung Electronics, delivery ticket, December 31, 2021
- Floor & Decor, invoice and payment of \$112.23, month illegible, 14, 2022
- Ikea, order confirmation and payment of \$94.16, April 4, 2022
- The Home Depot, receipt for payment of \$168.54, January 13, 2022
- The Home Depot, order confirmation and total of \$5,090.39, November 14, 2021
- KOMFI HVAC,<sup>11</sup> invoice of \$150.00, July 27, 2022
- IKEA, receipt for payment of \$528.94, March 23, 2022
- A Touch of Brass of Ellicott City, invoice and payment of \$2,785.00, February 9, 2022
- The Home Depot, order, payment and delivery of three items, totaling \$955.17, April 6, 2022
- The Home Depot, order, payments, and delivery of various items, various dates
- Wayfair, invoice and payment of \$1,082.12, February 1, 2022
- Amazon, order confirmation and payment of \$743.53, January 23, 2022
- Amazon, order confirmation and payments totaling \$447.28, January 23-26, 2022
- Amazon, order confirmation and payment of \$450.68, February 21, 2022
- Amazon, order confirmation and payment of \$161.05, May 8, 2022

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<sup>10</sup> Federal Housing Administration.

<sup>11</sup> Heating, ventilation, and air conditioning.

- Amazon, order confirmation and payment of \$50.90, May 12, 2022
- Ideal Stone, LLC, invoice and payment of \$3,500.00, April 21 and 26, 2022

Clmt. Ex. C - Claimant's formal letter of termination of Contract to Respondent, July 5, 2022

Clmt. Ex. D - Breach of Contract Notice, July 27, 2022

Clmt. Ex. E - Ten photographs of the Respondent's work, undated<sup>12</sup>

Clmt. Ex. F - Bill Evans Home Team, Property Pictures and Comments – Draw #4 Pictures, April 10, 2022, with attachments:

- Lien Waiver and Release, net draw of \$4,509.00, April 10, 2022
- Draw Request of \$41,245.92, April 10, 2022
- Draw Rehabilitation Inspection Report, April 12, 2022
- Lien Release and Waiver, net draw of \$41,245.92, April 10, 2022
- Request for Acceptance of Changes in Approved Drawings and Specifications, Change Order #1 (-\$6,510.00), April 10, 2022
- Building Permits, various dates
- Bill Evans Home Team, invoice for Draw 4 and payment of \$275.00, April 7, 2022
- Bill Evans Home Team, Property Pictures and Comments – Draw #7 Pictures
- Final Building Permit, undated
- Rob Singletary & Weathers (Singletary & Weathers or subsequent contractor), Project for one additional first floor window \$650.00, January 27, 2023
- Mortgagor's Letter of Completion, January 30, 2023
- Draw Request of \$4,552.20, January 29, 2023
- Draw Rehabilitation Inspection Report, undated
- Lien Waiver and Release, new draw of \$4,552.20, January 29, 2023.
- Request for Acceptance of Changes in Approved Drawings and Specifications, (-\$275.00), January 29, 2023
- Request for Acceptance of Changes in Approved Drawings and Specifications, (-\$650.00), January 29, 2023
- Lien Waiver and Release, net draw \$585.00, January 29, 2023
- Final Building Permit, undated
- Duplicate of Singletary & Weathers, Project for one additional first floor window \$650.00, January 27, 2023
- Bill Evans Home Team, Invoice for Draw 7 final and payment of \$275.00, January 27, 2024
- Draw Request, November 16, 2022
- Singletary & Weathers Home Improvement (Singletary & Weathers or subsequent contractor) Lien Waiver and Release, \$6,291.00, November 16, 2022

<sup>12</sup> The record remained open until 4:30 p.m. on March 7, 2024, for the Claimant to submit this exhibit that he did not have at the hearing. He submitted the exhibit timely. I instructed Ms. Villareale to raise any objections she had to the exhibit by 4:30 p.m. on March 8, 2024. She did not object to the exhibit.

- Singletary & Weathers, Project, \$7,930.00, November 4, 2022
- Change Order #5, (\$8,030.00), November 16, 2022
- Singletary & Weathers, \$7,137.00, November 16, 2022
- Permit No.: COM2022-86133, issue date November 3, 2022
- Bill Evans Home Team Invoice, \$375.00, November 15, 2022
- Property pictures and comments – Draw #6 pictures, undated
- Draw Request, December 14, 2022
- Singletary & Weathers Lien Waiver and Release, \$2,155.50, December 13, 2022
- Request for acceptance of changes in approved drawings and specifications, (\$4,750.00), December 13, 2022
- Singletary & Weathers Lien Waiver and Release, \$4,275.00, December 13, 2022
- Singletary & Weathers project invoice, \$4,750.00, December 11, 2022
- Bill Evans Home Team invoice and payment of \$375.00, December 12, 2022
- Property pictures and comments – Draw #4 pictures, undated
- House Pros Lien Waiver and Release, \$4,509.00, April 10, 2022
- Draw request, April 12, 2022
- House Pros Lien and Waiver Release, \$41,245.92, April 10, 2022
- Request for acceptance of changes in approved drawings and specifications, (\$6,510.00), April 10, 2022
- Inspection notices, various dates
- Bill Evans Home Team, \$275.00, April 7, 2022
- Singletary & Weathers Project, \$24,990.00, July 18, 2022

Clmt. Ex. G - American Arbitration Association Award of Arbitrator, \$45,643.90, March 22, 2022

I admitted the following exhibits offered by the Fund:

Fund Ex. 1 - MHIC Claim Form, June 22, 2023<sup>13</sup>

Fund Ex. 2 - Hearing Order, November 15, 2023

Fund Ex. 3 - Notice of Hearing, December 22, 2023

Fund Ex. 4 - The Respondent's Licensing History, print date March 6, 2024

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<sup>13</sup> The Claim form is dated May 9, 2023; however, the HIC received the Claim on June 22, 2023, as indicated in the Hearing Order.

## Testimony

The Claimant testified and did not present any other witness. Khalida Hawkins, the Claimant's wife, was present but did not testify. The Fund did not present the testimony of any witness.

## **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 89185. As of October 30, 2023, the Respondent's license has been suspended.
2. On May 27, 2021, the Claimant and the Respondent entered into a Contract to rehabilitate the Claimant's home (Contract) located on Harlem Avenue, in Baltimore, Maryland (home or property).
3. An FHA mortgage under Section 203(k) of the National Housing Act was approved for the Claimant to pay the sum of \$123,490.00 to the Respondent for completion of the work under the Contract. (Clmt. Ex. 1).
4. The scope of the work under the Contract included the following: repair masonry; secure the fascia wrap at the right side of the porch; purchase and install new vinyl siding and trim at the rear wall; replace approximately eighty linear feet of gutters at rear of the property and front porch; remove existing roof covering down to the sheathing of the main roof and the front porch; purchase and install approximately 1,470 square feet of new rubber roof at the main property and porch roof; repair column at the front of the property and related trim; replace windows and wrap exterior trim; purchase and install new basement and kitchen doors to include lockset and trim; purchase and install front exterior door with two side lines, includes removal of metal bars and stain glass sidelines; install closet doors up to sixty inches wide; install interior

doors up to thirty-two inches wide; evaluate improper support at basement beam to determine if a support post is required; frame second floor area to create a master bedroom with closet, a larger existing hall bathroom, and a new master bathroom, includes demolition of wall between two front bedrooms, and laundry area at the second floor hallway; frame kitchen door and cover with sheetrock; create new door to half bath in kitchen and seal; remove wall between front two bedrooms to create a master bedroom, includes relocation of electrical devices and repair of floor and ceiling; purchase and install new drywall throughout first and second floors, walls and ceilings; replace paneling and damaged areas, approximately 4,000 square feet; prime all walls and ceilings that were modified to make ready for paint, approximately 4,000 square feet; install new base and window case trim in living room only, approximately one hundred linear feet; purchase and install new handrail and railing with balusters to the basement stairs, includes modification of staircase to have proper width and slope to code; purchase and install new laminate wood flooring in kitchen and half bath; install ceramic with backer board, second floor master bathroom floors, tub and shower walls, approximately one hundred ten square feet; purchase and install glass shower door at master bathroom; purchase and install bathroom hardware kits and mirrors for two and a half bathrooms; demolish fixtures in second floor bathroom includes tub and cap drains and water lines, rough-in two new bathrooms on second floor, rough-in plumbing for kitchen sink and laundry room, includes waste, vent, and water lines; purchase and install kitchen sink, faucet, and sink drainage; install master bathroom fixtures, new bathroom off hallway; purchase and install new fifty gallon electric water heater; upgrade electric service cable and panel box to two hundred amps, and rough-in electric to code for the entire home; install outlets and switches throughout property; remove radiators, boiler, and supply lines; install new HVAC ducts on all three levels; install new two and a half ton AC<sup>14</sup>

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<sup>14</sup> Air conditioner.

system with 90K BTU 90% forced air furnace; install R-49 insulation in ceiling of second floor; remove kitchen cabinets, sinks, and appliances, twelve linear feet of base cabinets, includes a six foot island; install forty-two inch wall cabinets; install granite/quartz countertop in new kitchen; purchase and install new stainless steel appliances; clean, seal, and install water proofing paint at the basement foundation walls; remove debris throughout renovations; remove paneling; secure permits for building, electrical, plumbing, gas, and HVAC; secure drawings for layout, kitchen design, and load bearing walls.<sup>15</sup>

5. The original agreed-upon Contract price was \$123,490.00. The change orders were \$23,148.50. The total Contract price, including change orders, was \$146,638.50.

6. Work was to begin thirty days after the loan closing with the lender and was to be completed no later than 180 days from settlement, unless delayed beyond the Respondent's control (Clmt. Ex. 1).

7. The Respondent began work under the Contract in June 2021, and work progressed steadily.

8. The Claimant paid the Respondent a total of \$121,871.00 in installments also known as draws.

9. The Claimant and his wife anticipated moving into their home upon the Respondent's completion of the work under the Contract by December 2021.

10. On or about April 10, 2022, after the fourth draw,<sup>16</sup> the Respondent's work progress slowed down considerably as well as communications with the Claimant.

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<sup>15</sup> Clmt. Ex. A.

<sup>16</sup> Clmt. Ex. F.



11. April 29, 2022, was the last date that the Respondent worked at the Claimant's home; the Claimant's efforts to contact and resolve the dispute with the Respondent were unsuccessful.

12. On July 5, 2022, the Claimant formally terminated the Contract with the Respondent. The Respondent did not respond to the written termination of the Contract.<sup>17</sup>

13. On July 27, 2022, the Claimant formally notified the Respondent of the Respondent's breach of Contract and itemized the list of Respondent's work that needed to be corrected, repaired, or completed.<sup>18</sup>

14. The list consisted of the following:<sup>19</sup>

- Water damage to drywall on the first floor
  - Two bathrooms were inoperable because of lack of plumbing with no hot water
  - Flooring was not installed satisfactorily
  - Laundry room frame was too small to fit appliances
  - Jet tub was inoperable because of a leak
  - Three to four outlets were inoperable
  - Cabinets had no hardware pulls
  - Shelving was incomplete in the kitchen<sup>20</sup>
  - After payment for a window, it was not installed
  - Appliances were not fully installed or operable, such as the refrigerator
- water line was not connected, garbage disposal was not connected to the

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<sup>17</sup> Clmt. Ex. C.

<sup>18</sup> Clmt. Ex. D.

<sup>19</sup> Clmt. Ex. E.

<sup>20</sup> Clmt. Ex. D.

waste water line, and the dishwasher was not connected to a water supply line.

- Failure to repair defective HVAC system
- Damaged screen at left window in the master bedroom
- Pipes from radiators were not fully removed on the first level at living room window and kitchen window
- Ceiling and drywall were not fully repaired in rear bedroom closet with mirror door
- Front door was never ordered or installed
- Rear siding was never ordered or installed
- Dining room door required a transition piece as water entered when it rains and had not been repaired
- Flooring in dining room was left uneven because the underlayment was not properly placed
- Keys to kitchen and basement doors were outstanding
- After payment for window trim in living room, it was not installed
- Hole in basement concrete slab was not repaired
- Slow hot water pressure for master bath and vanity, near the entrance, was not installed
- Defective electrical installation
- Failed to remove construction debris and working material from property

15. The Respondent was required under the Contract to correct promptly any work of the Respondent or his subcontractors found to be defective or not complying with the terms of the Contract.

16. The Respondent did not make any offers to resolve the dispute.
17. The Claimant sought subsequent contractors to repair and/or complete the work performed by the Respondent under the Contract. They were licensed with the MHIC.
18. The Claimant paid for certain materials that the Respondent failed to purchase under the Contract and then paid again for the same materials in the amount of \$14,275.44. These materials were used by the subsequent contractor.<sup>21</sup>
19. The Claimant contracted with Singletary & Weathers to correct, repair, and complete the work under the Contract. Singletary & Weathers began work in November 2022 and finished in December 2022. The Claimant paid Singletary & Weather a total of \$24,990.
20. The Claimant paid a total of \$6,405.00 for a shower enclosure by Touch of Brass Glass Company and a kitchen countertop by Ideal Stone, LLC.
21. The Claimant paid KOMFI HVAC \$150.00 to connect the HVAC system.<sup>22</sup>
22. Although there remained work on the list that needed to be corrected, repaired, or completed, the Claimant did not obtain any other estimates from a subsequent contractor.
23. The Claimant and his wife were able to move into their home in December 2022, a year after their anticipated move in date.
22. In March 2023, the Claimant pursued arbitration pursuant to the Contract, but the Respondent failed to participate. The arbitration award was \$45,643,90, which included the Claimant's out-of-pocket costs and loss of use of the home. The arbitration award was not itemized.<sup>23</sup> Despite the award, the Respondent did not pay the Claimant any amount.

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<sup>21</sup> Clmt. Ex. B.

<sup>22</sup> *Id.*

<sup>23</sup> Clmt. Ex. G.

## DISCUSSION

### Burden of Proof and Legal Framework

The Claimant has the burden of proving the validity of the Claim by a preponderance of the evidence.<sup>24</sup> To prove a claim by a preponderance of the evidence means to show that it is “more likely so than not so” when all the evidence is considered.<sup>25</sup> In this matter, the Claimant bears the burden to show that he sustained an actual loss compensable by the Fund as a result of the Respondent’s acts or omissions.

An owner may recover compensation from the Fund “for an actual loss that results from an act or omission by a licensed contractor.”<sup>26</sup> “[A]ctual loss’ means the costs of restoration, repair, replacement, or completion that arise from an unworkmanlike, inadequate, or incomplete home improvement.”<sup>27</sup>

### Analysis

For the following reasons, I find that the Claimant has proven eligibility for compensation.

By statute, certain claimants are excluded from recovering from the Fund altogether. In this case, there are no such statutory impediments to the Claimant’s recovery. The Claim was timely filed, there is no pending court claim for the same loss, and the Claimant did not recover the alleged losses from any other source.<sup>28</sup> The Claimant resides in the home that is the subject of the Claim and does not own more than three dwellings.<sup>29</sup> The Claimant submitted the dispute to arbitration before seeking recovery from the Fund.<sup>30</sup> The Claimant is not a relative, employee,

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<sup>24</sup> Bus. Reg. § 8-407(e)(1); State Gov’t § 10-217 (2021); COMAR 09.08.03.03A(3).

<sup>25</sup> *Coleman v. Anne Arundel Cnty. Police Dep’t*, 369 Md. 108, 125 n.16 (2002).

<sup>26</sup> Bus. Reg. § 8-405(a) (Supp. 2023); *see also* COMAR 09.08.03.03B(2) (“The Fund may only compensate claimants for actual losses . . . incurred as a result of misconduct by a licensed contractor.”).

<sup>27</sup> Bus. Reg. § 8-401.

<sup>28</sup> Bus. Reg. §§ 8-405(g), 8-408(b)(1) (2015 & Supp. 2023).

<sup>29</sup> *Id.* § 8-405(f)(2) (Supp. 2023).

<sup>30</sup> *Id.* §§ 8-405(c), 8-408(b)(3) (2015 & Supp. 2023); *see* Clmt. Ex. G.

officer, or partner of the Respondent, and is not related to any employee, officer, or partner of the Respondent.<sup>31</sup>

The Respondent was a licensed home improvement contractor at the time the Respondent entered into the Contract with the Claimant.<sup>32</sup> The Claimant did not unreasonably reject good faith efforts by the Respondent to resolve the Claim since the Respondent made no such offers to resolve the dispute.<sup>33</sup>

The Claimant testified that this home needed complete rehabilitation and renovation. The scope of the work involved was significant.<sup>34</sup> The Claimant relied on the Respondent's representations and promises that the work under the Contract would be completed and paid the Respondent a significant amount of the Contract.<sup>35</sup>

After entering into the Contract with the Respondent, the Claimant explained that in the beginning, there were no issues.<sup>36</sup> However, the Claimant explained that after the fourth draw, the Respondent essentially abandoned the work under the original Contract.<sup>37</sup> Despite the Claimant's efforts to engage the Respondent, the Respondent ignored the Claimant's attempts to communicate and resolve the dispute.<sup>38</sup> The Respondent ultimately ceased communicating with the Claimant and abandoned the work under the Contract.

The Claimant provided detailed testimony and photographs of the quality of the Respondent's work.<sup>39</sup> A list of the defects of the Respondent's work was provided by the Claimant via testimony and exhibits.

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<sup>31</sup> *Id.* § 8-405(f)(1) (Supp. 2023).

<sup>32</sup> Proposed Findings of Fact (FOF) No. 1.

<sup>33</sup> *Id.* § 8-405(d) (Supp. 2023).

<sup>34</sup> FOF No. 4.

<sup>35</sup> FOF No. 8.

<sup>36</sup> FOF No. 7.

<sup>37</sup> FOF No. 11.

<sup>38</sup> FOF Nos. 8-11 and 13.

<sup>39</sup> FOF Nos. 11 and 12; Clmt. Ex. E.

The Claimant had no other option but to hire subsequent contractors to correct and/or finish the work under the Contract.<sup>40</sup> The Claimant testified that all the work, provided by subsequent contractors, was within the scope of the original Contract. The subsequent contractors were able to correct and/or finish some of the work under the Contract. The Claimant added that he could not get all the defective work corrected and did not obtain additional estimates.

I found the Claimant's testimony sincere, credible, and detailed. Additionally, there was no evidence to contradict what the Claimant established by his testimony and exhibits. I thus find that 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.<sup>41</sup> MHIC's regulations provide three formulas to measure a claimant's actual loss, depending on the status of the contract work.

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).

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<sup>40</sup> FOF Nos. 16-18.

<sup>41</sup> Bus. Reg. § 8-405(e)(3) (Supp. 2023); COMAR 09.08.03.03B(1).

In applying the formula, the Fund recommended an award of \$21,052.94, which represents the Claimant's actual loss due to the Respondent's unworkmanlike, inadequate, and incomplete home improvement. I agree. The Claimant's payments to the Respondent totaled \$121,871.00.<sup>42</sup> The reasonable amounts the Claimant paid for materials and to subsequent contractors to repair and/or complete the original Contract was \$45,820.44. The original Contract price with change orders was \$146,638.50. In summary,

Claimant's payment to the Respondent	\$121,871.00
Cost of materials paid by the Claimant	+ \$14,275.44
Cost to complete work by Singletary & Weathers	+ \$24,990.00
Cost of shower enclosure and kitchen countertop	+ \$6,405.00
Cost of HVAC connection	+ \$150.00
Total reasonable costs for materials and subsequent contractors to correct and/or complete the original Contract	= \$45,820.44
Grand total	= \$167,691.44
Less the total Contract price and change orders	- \$146,638.50
Actual Loss	= \$21,052.94

Effective July 1, 2022, a claimant's recovery is capped at \$30,000.00 for acts or omissions of one contractor, and a claimant may not recover more than the amount paid to the contractor against whom the claim is filed.<sup>43</sup> In this case, the Claimant's actual loss is less than

<sup>42</sup> FOF No. 8.

<sup>43</sup> Bus. Reg. § 8-405(e)(1), (5) (Supp. 2023); COMAR 09.08.03.03B(4). On or after July 1, 2022, the increased cap is applicable to any claim regardless of when the home improvement contract was executed, the claim was filed, or the hearing was held. See *Landsman v. MHIC*, 154 Md. App. 241, 255 (2002) (explaining that the right to compensation from the Fund is a "creature of statute," these rights are subject to change at the "whim of the legislature," and "[a]mendments to such rights are not bound by the usual presumption against retrospective application").

the amount paid to the Respondent and less than \$30,000.00. Therefore, the Claimant is entitled to recover their actual loss of \$21,052.94.

**PROPOSED CONCLUSIONS OF LAW**

I conclude that the Claimant has not sustained an actual and compensable loss of \$21,052.94 as a result of the Respondent's acts or omissions.<sup>44</sup> I further conclude that the Claimant is entitled to recover \$21,052.94 from the Fund.<sup>45</sup>

**RECOMMENDED ORDER**


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

**ORDER** that the Maryland Home Improvement Guaranty Fund award the Claimant \$21,052.94; 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;<sup>46</sup> and

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

April 30, 2024  
Date Decision Issued

  
Sun E. Choi  
Sun E. Choi  
Administrative Law Judge

SEC/kh  
#210613.

<sup>44</sup> Md. Code Ann., Bus. Reg. §§ 8-401, 8-405 (2015 & Supp. 2023); COMAR 09.08.03.03B(3)(c).

<sup>45</sup> COMAR 09.08.03.03B(3)(C).

<sup>46</sup> See Md. Code Ann., Bus. Reg. § 8-410(a)(1)(iii) (2015); COMAR 09.08.01.20.



**PROPOSED ORDER**

***WHEREFORE, this 2<sup>nd</sup> day of August , 2024, 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.***

***J Jean White***

***I Jean White***

***Panel B***

***MARYLAND HOME IMPROVEMENT  
COMMISSION***