

Maryland Home Improvement Commission
Business Meeting
Meeting Minutes

DATE: August 1, 2024

TIME: 10:00 AM

LOCATION: *(Teleconference via Google Meet)*

MEMBERS PRESENT: Wm. Bruce Quackenbush, Acting *Commissioner*
Heather Connellee, *Commissioner*
Lauren E. Lake, *Commissioner*
Chandler Loudon, *Commissioner*
Michael Shilling, *Commissioner*
I. Jean White, *Commissioner*

STAFF PRESENT: David Finneran, *Executive Director*
Deborah Irvin Cromwell, *Assistant Director*
Lance Franklin, *Licensing Supervisor*
Kimberly Rosenthal, *Administrative Officer*
Kenneth Sigman, *Assistant Attorney General*
Tenaea Thomas, *Panel Secretary*

MEMBERS ABSENT: Robert Altieri, *Commissioner*

Meeting Called to Order

The meeting was called to order at 10:00 a.m.

Resignation of Joseph Tunney, Chairman

Mr. Finneran informed the Commissioners of MHIC Commission Chair Joseph Tunney's resignation, which was effective June 12, 2024. Mr. Tunney has dedicated two decades of his career to serving as a Commissioner, and, for more than ten years, he served as Commission Chair. His extensive expertise and profound understanding of the home improvement industry have been invaluable in advancing our mission to safeguard Maryland homeowners. Mr. Tunney's contributions have significantly shaped our work and have left a lasting impact on our organization. The Commissioners extended their heartfelt best wishes to Mr. Tunney as he embarks on new endeavors.

Commissioner Quackenbush said that Commissioner Tunney worked with the Commission for at least twenty years and Commissioner Tunney took over as Chairman in later years. He will be deeply missed. Commissioner Quackenbush is sorry to see the Commission Chair resign.

Commission Vote for Acting Commissioner

Commissioner Shilling made a motion to elect Commissioner Quackenbush as Acting Commission Chairman. Commissioner Connellee seconded the motion. All Commissioners attending approved the motion.

Approval of the June 6, 2024 Minutes

Commissioner Shilling moved to approve the Minutes of the June 6, 2024, meeting, and Commissioner White seconded it. All Commissioners attending approved the motion.

Guaranty Fund Activity Report

The MHIC Guaranty Fund Activity Report dated July 23, 2024, is as follows:

Balance as of July 1, 2023	\$ 4,350,003.01
Receipts	\$ 2,024,804.81
Disbursements	
Claims	(\$2,363,910.32)
Refunds	(\$0.00)
Balance as June 30, 2024	<u>\$4,010,897.50</u>
Reserve	
FMIS Balance	\$4,010.897.50
Difference	\$0

MHIC Pro Rated Claims Report

MHIC - Prorated Claims August 1, 2024
Anticipated pro-rated claims
Expected to exceed \$250,000 in Guaranty Fund claims

Contractor O
October 25, 2021 (GF payout suspension)

The MD Consumer Protection Division has initiated administrative actions against this contractor in an effort to recover additional funds that may reimburse homeowners for their actual loss.

The Baltimore City Office of the Inspector General has initiated an investigation to address the criminal aspect of these cases.

65 (+2) total MHIC complaints - Latest complaint opened May 8, 2024

36 (+1) criminal charges filed by MHIC

31 total MHIC claims received

4 claims denied

2 remaining complaints – Homeowners failed to file claims to date

\$461,482.00 total potential claims.

All claims must be received by September 4, 2024

Contractor R
June 1, 2022 (Emergency Suspension)

\$239,750.38 in Guaranty Fund awards paid out.

Homeowners received 100% of their Guaranty Fund awards

Contractor U
October 17, 2022 (Emergency Suspension)

The MD Consumer Protection Division is in the early stage of its investigation of this contractor and is developing a strategy to address the large volume of homeowners with possible Guaranty Fund claims.

160 total MHIC complaints - Latest complaint opened February 22, 2024
92 (+2) total MHIC claims received
2 claims denied
\$ 1,739,859.63 total potential claims to date
Claims closing date – December 31, 2024

Commissioner Shilling made a motion to make Contractor U's Claims closing date December 31, 2024 and Commissioner White seconded the motion. All Commissioners attending approved the motion.

Contractor V
Voluntary Termination February 10, 2023

Multiple State agencies have initiated investigations against this contractor. The investigations include criminal and financial crimes.

36 total MHIC complaints - Latest complaint opened August 3, 2023
16 criminal charges filed by MHIC
29 total MHIC claims received
\$851,139.91 total claim exposure to date
One homeowner has failed to file a claim
Claims closing date – February 3, 2025

Commissioner White made a motion to make Contractor V's Claims closing date February 3, 2025 and Commissioner Shilling seconded the motion. All Commissioners attending approved the motion.

Contractor W

Emergency Suspension June 6, 2023

25 total MHC Complaints – Latest complaint opened on January 3, 2024

19 Claims to date

One claim denied

17 Criminal charges filed by MHC

\$314,921.43 total claim exposure

Review of MHIC Statistics

MAY 2024	
LICENSING ACTIVITY	
Current Licenses Total	40,863
<i>Contractor/Salesperson</i>	20,738
<i>Salesperson</i>	3,075
<i>Contractor/Salesperson (Corp/Part)</i>	16,114
<i>Applications Approved</i>	272
COMPLAINTS RECEIVED	
Complaints Received	122
<i>Licensed</i>	89
<i>Unlicensed</i>	33
Pending Show Cause Hearings	20
Waiting to be sent to OAH	188
Pending Hearing/Decision at OAH	253
Mediation	3
CLAIMS	
Total Open Claims	636
New Claims Received	37
Small Claims Received	5

JUNE 2024

LICENSING ACTIVITY	
Current Licenses Total	40,991
<i>Contractor/Salesperson</i>	20,782
<i>Salesperson</i>	3,084
<i>Contractor/Salesperson (Corp/Part)</i>	16,178
<i>Applications Approved</i>	206
COMPLAINTS RECEIVED	
Complaints Received	102
<i>Licensed</i>	66
<i>Unlicensed</i>	37
Pending Show Cause Hearings	28
Waiting to be sent to OAH	188
Pending Hearing/Decision at OAH	225
Mediation	0
CLAIMS	
Total Open Claims	601
New Claims Received	38
Small Claims Received	3

Review of the June 2024 & July 2024 PSI Results

Below are the examination statistics summary for the month of June 2024 & July 2024.

June 2024

Home Improvement	Candidates Tested	Passed	Failed	Pass %
Contractor	159	110	49	69%
Contractor Spanish	132	61	71	46%
Salesperson	124	87	37	70%
Salesperson Spanish	1	0	1	0%
TOTAL	416	258	158	62%

July 2024

Home Improvement	Candidates Tested	Passed	Failed	Pass %
Contractor	141	87	54	62%
Contractor Spanish	118	53	65	45%
Salesperson	82	53	29	65%
Salesperson Spanish	1	1	0	100%
TOTAL	342	194	148	57%

CITATION REPORT

There were no Citations for June 2024

There were no Citations for July 2024

Comments from the Acting Chairman

Commissioner Connellee thanked Acting Commission Chairman Quackenbush for taking over the Acting Chairman position.

Comments from the Executive Director

Mr. Finneran informed the Commissioners that the move to Charles street will be late September or October 2024. The MHIC is working hard on Scanning, Shredding and taking care of business.

Acting Commission Chairman Quackenbush asked Mr. Finneran if the Commission would continue to conduct its meetings virtually. Mr. Finneran stated he believes so because of the virtual meetings are going smoothly and there will be limited parking at the Commission's new office location.

Adjournment

The meeting was adjourned at 10:37 a.m.

Chair's Signature: _____

Date: _____