

**Maryland Home Improvement Commission
Public Business Meeting Minutes**

DATE: February 1, 2018

TIME: 10:00 a.m.

PLACE: 500 N. Calvert Street, Baltimore, Maryland 21202

MEMBERS PRESENT: Robert A. Altieri
Sachchida Gupta
Lawrence Helminiak
William B. Quackenbush, Jr.
Jeffrey Ross
Michael Shilling
Andrew Snyder
Joseph Tunney, Chairman
I Jean White

MEMBERS ABSENT: John Hart, Assistant Attorney General

DLLR OFFICIALS AND
STAFF PRESENT: Susan Cherry, Assistant Attorney General
Deborah Irvin-Cromwell, Assistant Executive Director
David R. Finneran, Executive Director
Lance Franklin, Licensing Supervisor
Thomas Marr IV, Chief Investigator
John T. Papavasiliou, Deputy Commissioner
Kimberly Rosenthal, Administrative Officer
Kimberly S. Ward, Assistant Attorney General

Call to Order

Chair Joseph Tunney called the meeting to order at 10:06 a.m.

Approval of the December 7, 2017 Minutes

The Minutes of the December 2, 2017, Commission meeting were approved.

Guaranty Fund Activity Report

The MHIC Guaranty Fund Activity Report dated January 17, 2018 is as follows:

| | |
|---------------------------------|-----------------------|
| Balance as of July 1, 2017 | \$ 2,250,506.03 |
| Receipts | \$ 569,702.24 |
| Interest | -0- |
| | |
| Disbursements | |
| Claims | (\$392,793.85) |
| Refunds | (\$5,992.00) |
| Balance as of December 30, 2017 | <u>\$2,250,506.03</u> |
| FMIS Balance | \$2,370,422.22 |
| Difference | \$51,070.20 |

Commissioner White asked about the interest that is collected on the Guaranty Fund. Mr. Papavasiliou informed the Commission that the Maryland Home Improvement Commission is not an interest bearing account. Mr. Altieri explained that it's not uncommon for the Commission not to have an interest bearing account given the amount in the Fund. The Maryland Home Improvement Commission and the Maryland Real Estate Commission are the two Commissions that have a Guaranty Fund and neither of their governing statutes provides for interest on the Fund.

Review of Exam Results

Below is the examination statistics summary for the month of December 2017 and January 2018.

December 2017

| Home Improvement | Candidates | | | |
|-------------------------|-------------------|---------------|---------------|---------------|
| | Tested | Passed | Failed | Pass % |
| Contractor | 110 | 78 | 32 | 71% |
| Contractor Spanish | 67 | 36 | 0 | 54% |
| Salesperson | 75 | 54 | 21 | 72% |
| Salesperson Spanish | 0 | 0 | 0 | 0 |
| TOTAL | 252 | 168 | 84 | 67% |

January 2018

| | | | | |
|---------------------|------------|------------|-----------|------------|
| Contractor | 143 | 106 | 37 | 74% |
| Contractor Spanish | 64 | 26 | 38 | 41% |
| Salesperson | 85 | 66 | 19 | 78% |
| Salesperson Spanish | 0 | 0 | 0 | |
| TOTAL | 292 | 198 | 94 | 68% |

Maryland Home Improvement Stats

Mr. Finneran introduced the new Maryland Home Improvement Stat report. This report will be submitted at each Commission meeting.

| December 2017 | |
|---|---------------|
| LICENSING ACTIVITY | |
| Current Licenses Total | 30,316 |
| <i>Contractor/Salesperson</i> | 15,968 |
| <i>Salesperson</i> | 3,223 |
| <i>Contractor/Salesperson (Corp/Part)</i> | 10,037 |
| <i>Applications Approved</i> | 85 |
| <i>Applications Denied</i> | 1 |
| COMPLAINTS RECEIVED | |
| Complaints Received | 60 |
| <i>Licensed</i> | 47 |
| <i>Unlicensed</i> | 13 |
| Pending Show Cause Hearings | 35 |
| Waiting to be sent to OAH | 26 |
| Pending Hearing/Decision at OAH | 65 |
| Mediation | 25 |
| Investigations Closed | 106 |
| CLAIMS | |
| New Claims Received | 39 |
| Total Open Claims | 215 |

Maryland Home Improvement Commission Citation Report

Mr. Finneran introduced the Citation report for December 2017 and January 2018

| DECEMBER 2017 | | | | | |
|----------------------|----------------------------|--|---------------------|-----------------|----------------------|
| <i>Citation #</i> | <i>Total \$ Amount</i> | <i>Violations</i> | <i>Investigator</i> | <i>Due Date</i> | <i>Citation Date</i> |
| 645 | \$1,500.00 | Y-01 | Niebuhr | 2/6/17 | 12/8/17 |
| 646, 647, 648 | \$6,500.00 | N-01, O-01, S-01, W-01, X-01, Y-01, Z-01, AA-01, BB-01 | Corbin | 2/10/18 | 12/11/17 |
| 649 | \$3,500.00 | X-01, Y-01 & BB-01 | Corbin | 2/10/18 | 12/12/17 |
| 650 | \$3,500.00 | X-01, Y-01 & BB-01 | Corbin | 2/10/18 | 12/12/17 |
| 651 | No Citation Issued | | Corbin | | |
| 652 | Duplicate of 653 Voided | | | | |
| 653 | \$3,500.00 | D-01, L-01 & Y-01 | Miller | 3/10/18 | 12/29/17 |

| JANUARY 2018 | | | | | |
|---------------------|------------------------|-------------------|---------------------|-----------------|----------------------|
| <i>Citation #</i> | <i>Total \$ Amount</i> | <i>Violations</i> | <i>Investigator</i> | <i>Due Date</i> | <i>Citation Date</i> |
| 654 | 1,000.00 | N-01, R-01 | Niebuhr | 3/24/18 | 1/23/18 |
| 655 | 3,500.00 | Y-01, BB-01, A-01 | Corbin | 3/30/18 | 1/26/18 |

Thomas Marr, Chief Investigator for the Commission, explained to the Commissioners the Citation process and the unlicensed complaint process from the investigators' perspective. Mr. Altieri asked if the money that is collected from the Citations goes into the Guaranty Fund. Mr. Papavasiliou informed him that a portion is used to cover the costs of expert witness testimony and the remainder goes into the General Fund. After a lengthy discussion regarding the Citation process, Chair Tunney

determined that the discussion would be tabled and continued at a later date. Chair Tunney thanked Mr. Marr for coming to the meeting and providing his insight regarding civil citations.

Surety Bond Report

Mr. Finneran introduced the new Surety Bond report to the Commissioners for December 2017 and January 2018.

| <i>Date</i> | <i>Bond Amount</i> | <i>Claim Number</i> |
|--------------------------|--------------------|---------------------|
| December 27, 2017 | \$20,000.00 | 121-2017 |
| January 11, 2018 | \$1,165.00 | 791-2017 |
| January 18, 2018 | \$7,000.00 | 425-2015 |
| January 31, 2018 | \$2,328.00 | 568-2017 |
| January 31, 2018 | \$3,300.00 | 1275-2016 |

Maryland Pools Payout

Mr. Finneran informed the Commissioners that Robert Spero t/a Maryland Pools, Inc., license was suspended on June 9, 2015. The last claim appeals period expiration is March 24, 2018. The company has 20 claims. The company is bankrupt and there have been no appeals.

\$100,000 Guaranty Fund Payouts

Mr. Finneran informed the Commission of the following prorated claims

| Contractor | Suspended Date |
|--|-----------------------|
| Contractor A March 24, 2018- last claim appeals period expiration Total Claims-20 Total Claim award \$249,316.60 Prorated payout 40.11% | June 9, 2015 |
| Contractor B Claims period closed December 16, 2017 15-Claim forms received on or before closing date. | June 16, 2016 |

Contractor C **February 1, 2017**
15-Open complaints Last one received February 27, 2017. The Commissioners set a closed date to August 1, 2018. The Commission will not be able to accept any other claims after the August 1st date.

Contractor D **June 29, 2017**
18-Open complaints Last one received November 14, 2017

Contractor E **June 29, 2017**
21-Open complaints Last one received November 14, 2017

Contractor F (New) **December 21, 2017**
7-Open complaints Last one received November 24, 2017

PSI Contract Award

Mr. Finneran informed the Commissioners that on January 1, 2018, PSI was awarded a new five year contract as the testing facility for MHIC.

Legislative Update

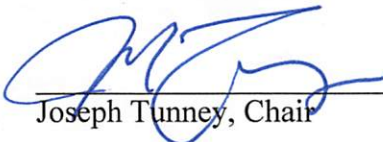
Mr. Papavasiliou informed the Commissioners that on July 1, 2018 the Maryland Home Improvement Commission will be a Special Fund Board. He also stated that in fiscal year 2019 the budget will allow for two additional staff members to the MHIC.

Comments from Chair


Chair Tunney stated that he enjoyed the meeting and likes the new reports and items that are being presented to the Commissioners. Ms. White added that she also likes the new reports.

Adjournment

The meeting was adjourned at 11:19 a.m.



Joseph Tunney, Chair



David Finneran, Executive Director