

<p>IN THE MATTER OF THE CLAIM</p> <p>OF MARTHA WASHINGTON,</p> <p>CLAIMANT</p> <p>AGAINST THE MARYLAND HOME</p> <p>IMPROVEMENT GUARANTY FUND</p> <p>FOR THE ALLEGED ACTS OR</p> <p>OMISSIONS OF STEVEN CLAY,</p> <p>T/A UTR RENOVATION</p> <p>CORPORATION,</p> <p>RESPONDENT</p>	<p>* BEFORE KATHLEEN A. CHAPMAN,</p> <p>* AN ADMINISTRATIVE LAW JUDGE</p> <p>* OF THE MARYLAND OFFICE</p> <p>* OF ADMINISTRATIVE HEARINGS</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>* OAH No.: LABOR-HIC-02-22-06749</p> <p>* MHIC No.: 20 (75) 416</p>
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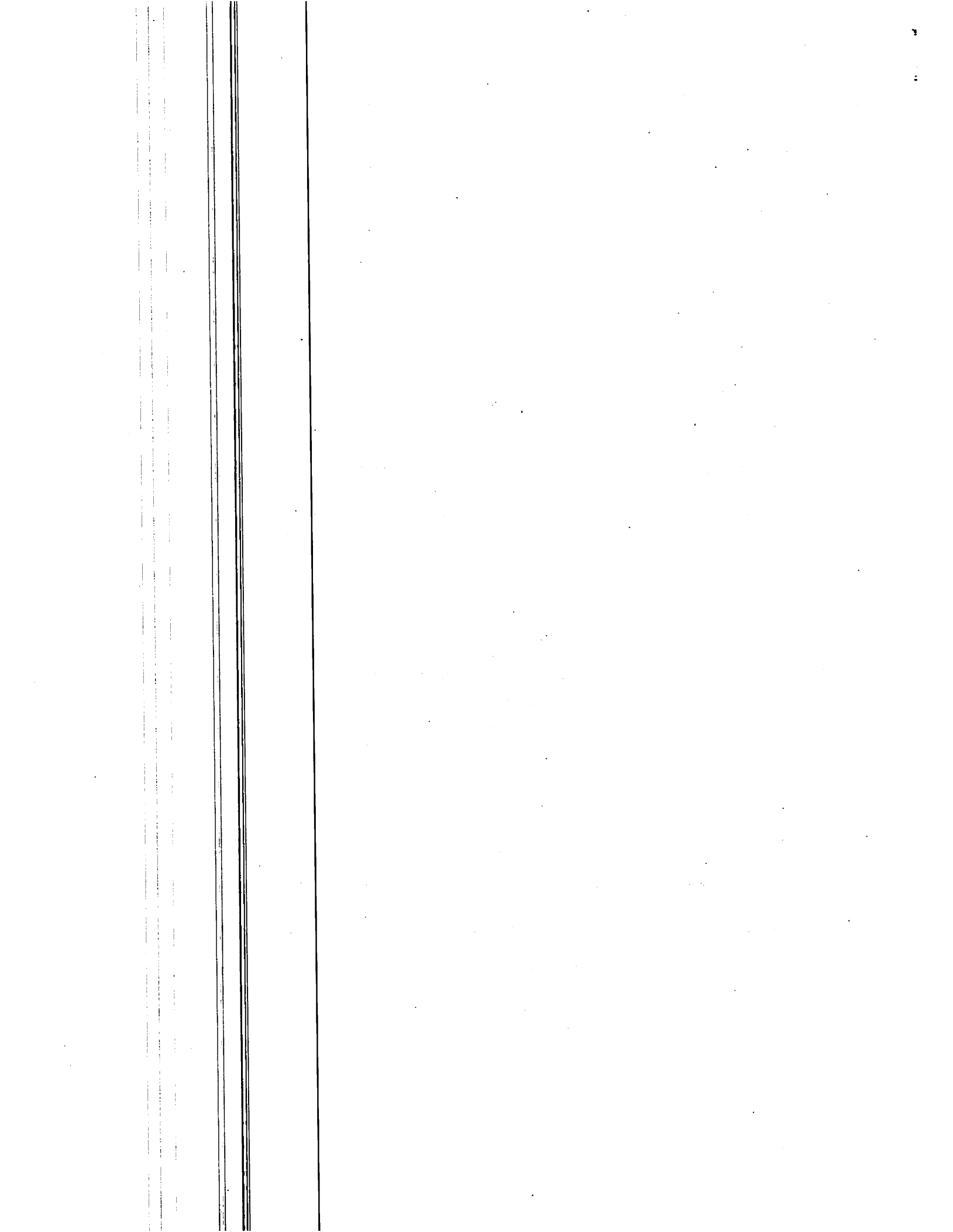
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PROPOSED DECISION

STATEMENT OF THE CASE
ISSUE
SUMMARY OF THE EVIDENCE
PROPOSED FINDINGS OF FACT
DISCUSSION
PROPOSED CONCLUSION OF LAW
RECOMMENDED ORDER

STATEMENT OF THE CASE

On March 3, 2021, Martha Washington (Claimant) filed a claim (Claim) with the Maryland Home Improvement Commission (MHIC) Guaranty Fund (Fund), under the jurisdiction of the Department of Labor (Department), for reimbursement of \$16,700.00 for actual losses allegedly suffered as a result of a home improvement contract with Steven Clay, trading as UTR Renovation, Corporation (Respondent). Md. Code Ann., Bus. Reg. §§ 8-401 to -



411 (2015 & Supp. 2022).¹ On March 16, 2022, the MHIC issued a Hearing Order on the Claim. On March 21, 2022, the MHIC forwarded the matter to the Office of Administrative Hearings (OAH) for a hearing.

On November 4, 2022, I held a hearing at the OAH in Hunt Valley, Maryland.² Bus. Reg. §§ 8-407(a), 8-312. Andrew Brouwer, Assistant Attorney General, Department, represented the Fund. The Claimant was self-represented. The Respondent was self-represented.

The contested case provisions of the Administrative Procedure Act, the Department's hearing regulations, and the Rules of Procedure of the OAH govern procedure. Md. Code Ann., State Gov't §§ 10-201 through 10-226 (2021); Code of Maryland Regulations (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

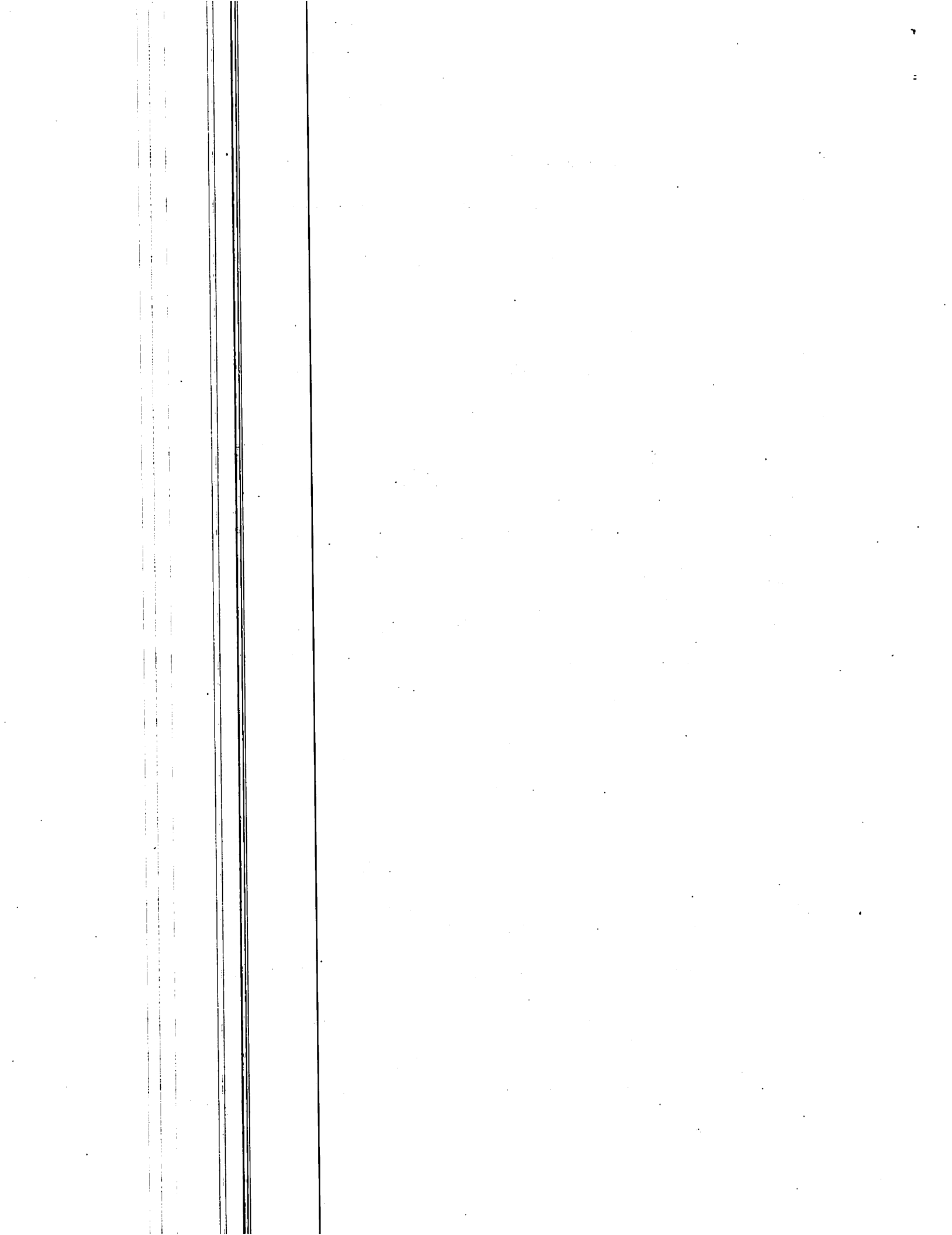
I admitted the following exhibits offered by the Claimant:

Clmt. Ex. 1 – Correspondence from Joseph Tunney, Chairman, MHIC, to the Respondent, with a copy of the Claim Form, March 5, 2022

Clmt. Ex. 2 – Notice of Hearing, April 5, 2022 (for the May 18, 2022 hearing date)

¹ Unless otherwise noted, all references hereinafter to the Business Regulation Article are to the 2015 Replacement Volume of the Maryland Annotated Code.

² The hearing originally went forward on May 18, 2022, but was continued at the request of the parties to engage in settlement discussions. When the parties were unable to resolve their differences, the case was reset for a hearing to take place on August 3, 2022. On this date, both the Assistant Attorney General and the Claimant's daughter were diagnosed with COVID and the hearing was postponed. The case was reset for a hearing to take place on October 3, 2022, but was postponed due to my documented medical leave.

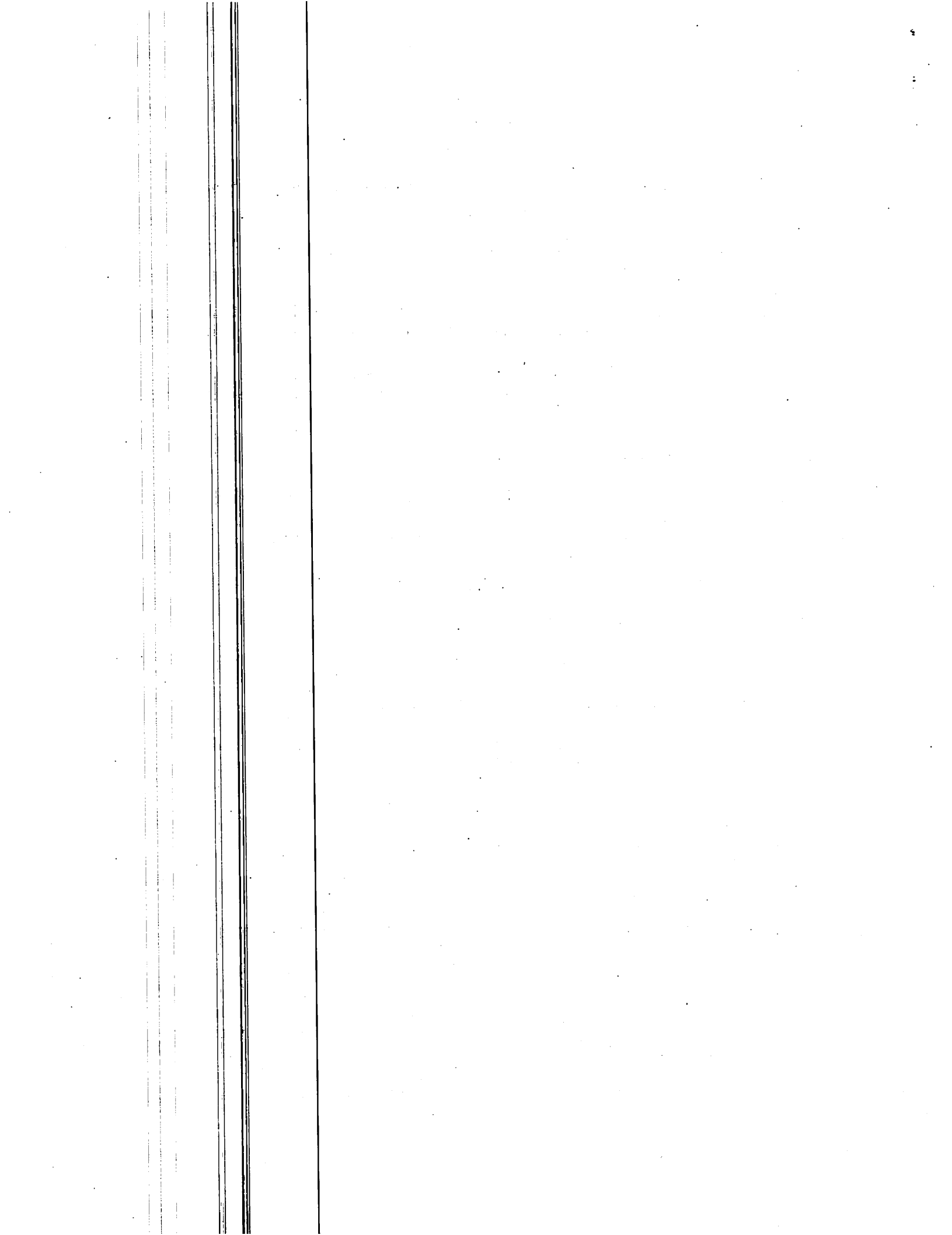


- Clmt. Ex. 3 – UTR Renovations contract, signed June 14, 2018
- Clmt. Ex. 4 – Five R & R General Contractors Receipts, three are undated and two are dated (October 4, 2018 and September 10, 2018)
- Clmt. Ex. 5 – PNC Bank Cashier's Check in the amount of \$4,000.00 made out to UTR Renovations, July 9, 2018
- Clmt. Ex. 6 – Department of Housing and Community Development, Division of Construction and Building Inspection, Permit No. COM2018-69328, issued July 18, 2018
- Clmt. Ex. 7 – Text messages between Nikia Harden, the Claimant's daughter, and Richard McKoy, doing business as R & R General Contractors, various dates in October, November, and December 2018
- Clmt. Ex. 8 – Notice of Code Enforcement, July 23, 2018
- Clmt. Ex. 9 – Color photograph of the first floor entrance showing the tiles and walls
- Clmt. Ex. 10 – Five color photographs of the third floor bathroom and window
- Clmt. Ex. 11 – Three color photographs of the third floor; one highlights trash left on site
- Clmt. Ex. 12 – Six color photographs of the second floor, including stairs
- Clmt. Ex. 13 – Nine color photographs of the first floor
- Clmt. Ex. 14 – Color photograph of the trash and supplies left behind
- Clmt. Ex. 15 – Color photograph of text messages between Ms. Harden and Mr. McKoy, November 27, 2018 and December 8, 2018

The Respondent offered no exhibits to be entered into evidence.

I admitted the following exhibits offered by the Fund:

- GF Ex. 1 – Hearing Order, March 16, 2022
- GF Ex. 2 – Notice of Hearing, May 19, 2022 (for the August 3, 2022 hearing date)
- GF Ex. 3 – Notice of Hearing, April 5, 2022 (for the May 18, 2022 hearing date)
- GF Ex. 4 – Home Improvement Claim Form, December 3, 2020; Correspondence from Joseph Tunney, Chairman, MHIC, to the Respondent, with a copy of the Claim Form, March 5, 2022
- GF Ex. 5 – Licensing information for the Respondent, as of April 26, 2022



- GF Ex. 6 – Affidavit of Thomas Marr, IV, April 29, 2022
- GF Ex. 7 – Notice of Hearing, September 28, 2022 (for the November 4, 2022 hearing date)
- GF Ex. 8 – Notice of Hearing, August 4, 2022 (for the October 3, 2022 hearing date)
- GF Ex. 9 – R&R General Contractors proposal, undated
- GF Ex. 10 – A copy of the Respondent's Maryland driver's license, issued date May 30, 2019

Testimony

The Claimant and her daughter, Nikia Harden, testified for the Claimant.

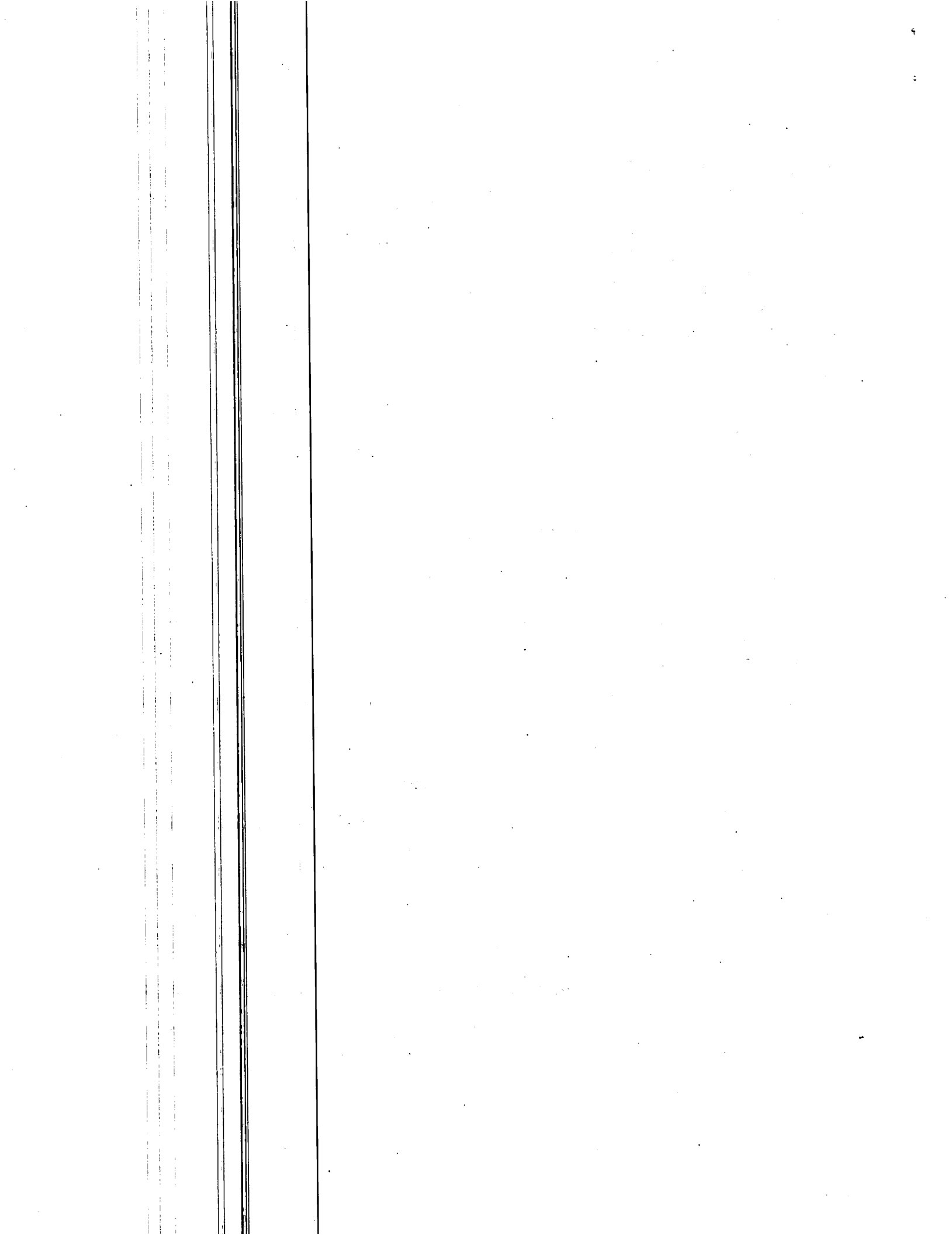
The Respondent testified and did not present other witnesses.

The Fund presented no testimony.

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 99279.
2. In early June 2018, the Claimant did a Google search looking for contractors in her area to perform a home improvement contract after she suffered a water loss. The Respondent's home improvement company appeared in that search.
3. Soon thereafter, in early June 2018, the Claimant met with the Respondent and Richard McKoy. The three did a walk through of the work to be done at the Claimant's three-story home.
4. The Respondent told the Claimant that he was not able to perform the work, but Mr. McKoy, who the Respondent referred to as "his partner," was available to perform the work.
5. The Respondent learned of Mr. McKoy through his contact at a local business that assists contractors in pulling building permits. The owner/operator of that business asked the



Respondent to pull a building permit for Mr. McKoy, who is an unlicensed contractor who trades as R & R General Contractors, for a project unrelated to the Claimant's home.

6. The Respondent never informed the Claimant that Mr. McKoy was unlicensed.

7. On June 14, 2018, the Claimant entered into a written contract (Contract) with the Respondent's company "to furnish labor and materials for the refurbishment of" the Claimant's home. Clmt. Ex. 3. The written contract was under the Respondent's business name, address, phone number, and email address, and had the Respondent's signature. *Id.*

8. Mr. McKoy presented the Contract to the Claimant.

9. The Claimant believed Mr. McKoy was a licensed contractor based on the Respondent's representations to her and in light of the Contract provided to her by Mr. McKoy.

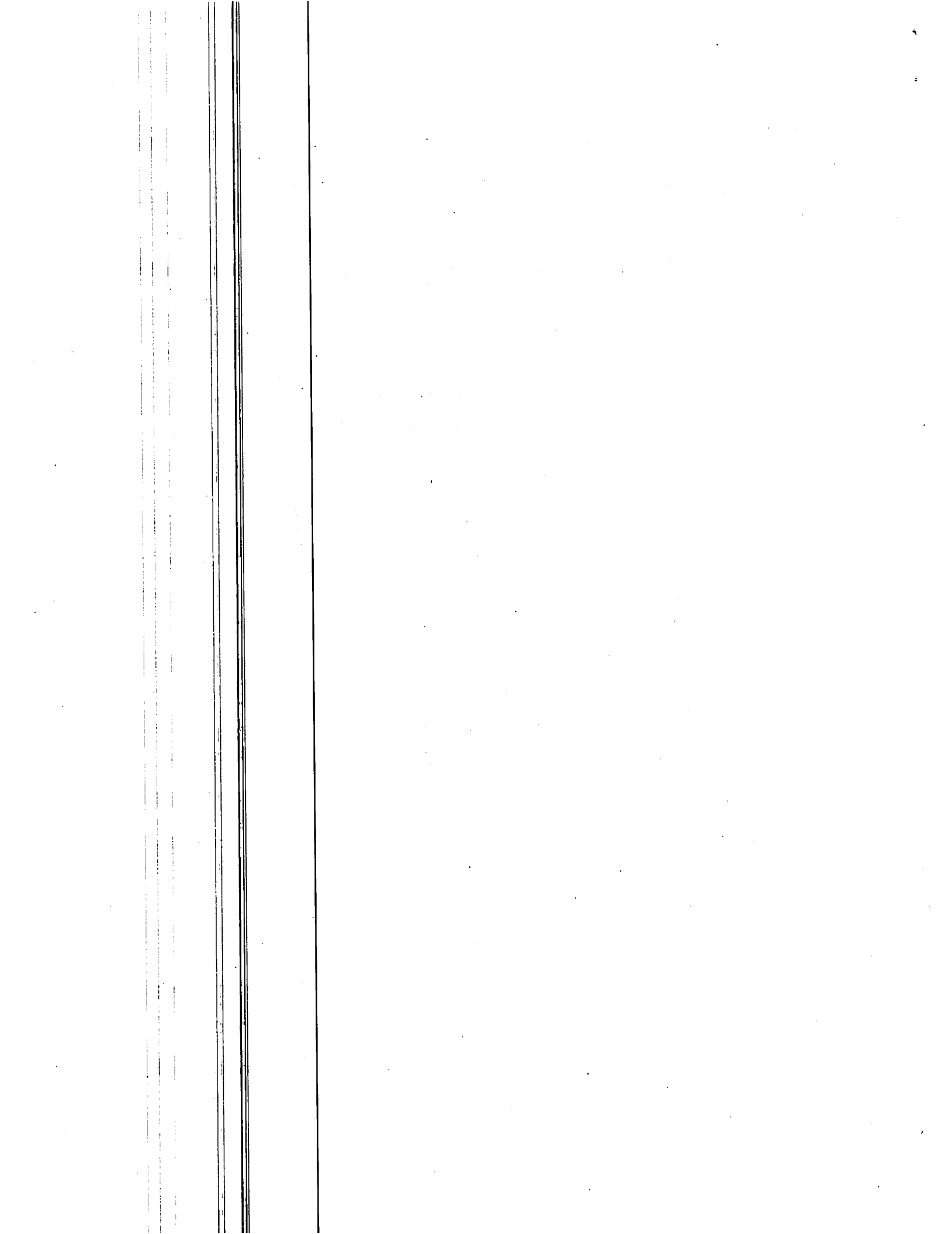
10. The agreed-upon scope of work, pursuant to the June 15, 2018 Contract, included:

- Demo third floor bathroom, sheetrock on walls and ceiling
- Reframe (B) wall of old wood in frame out with new 2x4s
- Fix all water lines in bathroom, as needed
- Install insulation throughout each floor, as needed
- Demo old wood in second floor bedroom, also change out 2x6 floor joists (2)
- Install new plywood on floor then new hard wood flooring
- Install new sheetrock on first, second, and third floor hallways and stairway
- Remove carpet on first floor and check floor to decide if it needs to be replaced
- Paint all walls and ceiling to owner color
- Install all new trim
- Install new light in hallways, as needed
- Remove window on second floor and replace all rotten wood and replace window
- Sand all floors and steps, stain and apply a polyurethane finish

Clmt. Ex. 3.

11. The original agreed-upon Contract price was \$13,800.00.

12. The draw schedule included the following payments: \$4,000.00 upon acceptance of the Contract (for material and labor, and to complete the bathroom); \$4,000.00 (for the completion of the sheetrock, lights, and paint); \$2,000.00 (for the completion of sand, stain, and poly floors); and \$3,800.00 (for the completion of the trim and clean-up).



13. On July 9, 2018, the Claimant paid Mr. McKoy \$4,000.00 via a PNC Bank Cashier's Check in the amount of \$4,000.00 made out to UTR Renovations, the Respondent's company.

14. Mr. McKoy gave the Respondent the cashier's check to cash, which he did, and the Respondent gave the cash to Mr. McKoy.

15. On July 18, 2018, the Respondent secured a building permit under his MHIC license number for the work outlined in the Contract for the benefit of Mr. McKoy.

16. The Claimant paid \$277.00 to cover the cost of the permit.

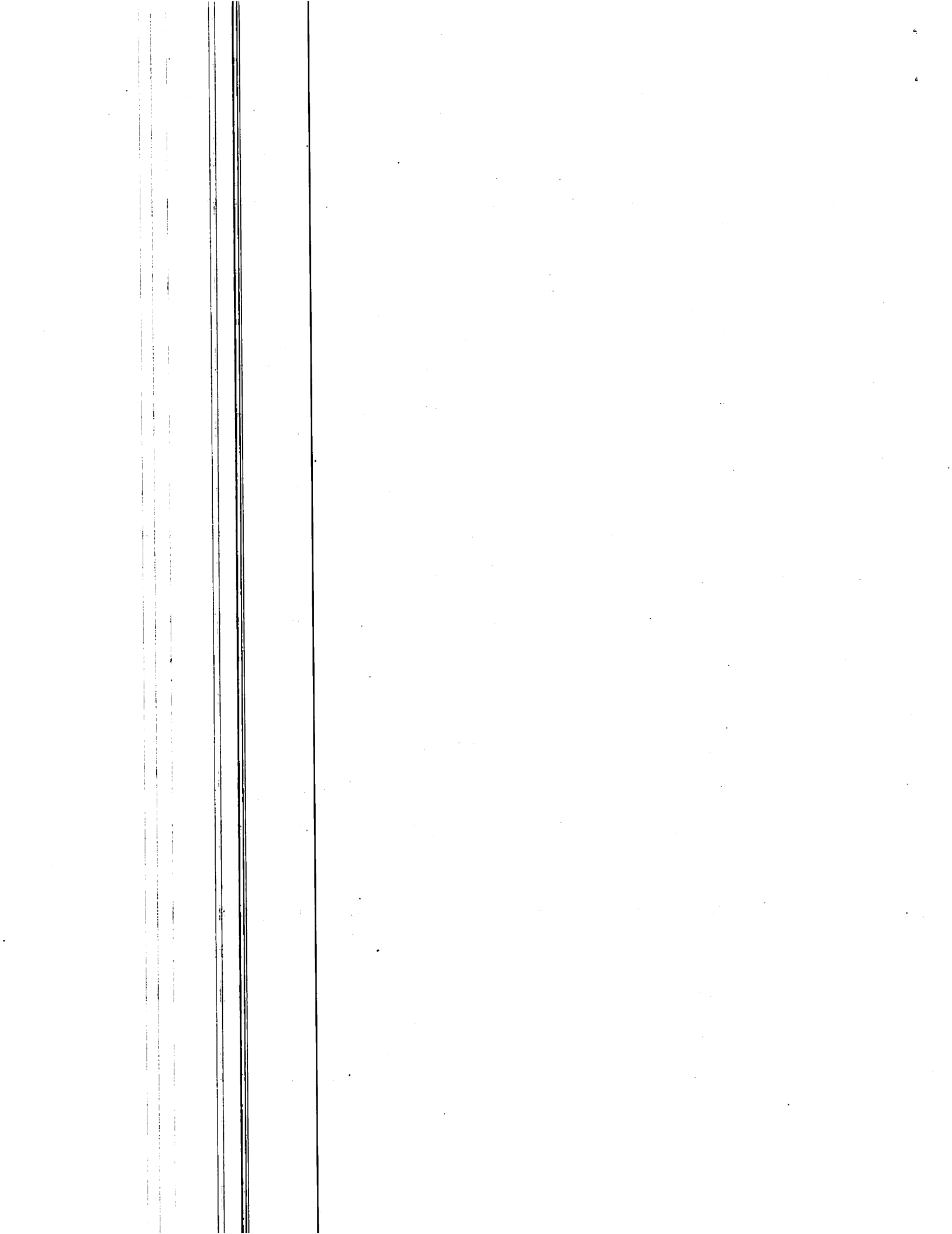
17. On or about July 2018, Mr. McKoy began work under the Contract.

18. After the initial visit to the Claimant's home, the Respondent never returned to the property to monitor the progress of the work being performed by Mr. McKoy.

19. During the course of the project, the Claimant and Mr. McKoy also entered into five separate addendums to the Contract, which were written under Mr. McKoy's business name, including:

- October 4, 2018 – repair the first floor bedroom window (\$200.00);
- Undated – purchase and install two windows on the second floor (\$500.00);
- Undated – install new lighting and wiring for smoke detectors on the first floor (\$700.00);
- September 10, 2018 – install wood flooring on the first floor, including dining area, living room, and hallway; sand and stain the wood flooring; and install ceramic tile in the foyer. The Claimant agreed to purchase the flooring materials. (\$3,700.00); and
- Undated – repair second floor kitchen ceiling and third floor bathroom pipe (\$0).

See Clmt. Ex. 4.



20. Over the course of approximately three months, from mid-July through October 2018, Mr. McKoy performed the work envisioned by the Contract. When he left the premises in October 2018, the work was incomplete and done in an unworkmanlike manner, as follows:

First Floor Entrance – The floors were not sanded and stained, and the polyurethane finish was not applied. There are observable gaps in the flooring where it should be flush with walls. Dry rot is evident at the door jamb. The painting shows deep cracking. Clmt. Ex. 9.

First Floor – The floors were not sanded and stained, and the polyurethane finish was not applied. The lights were not replaced. An attempted repair of the rotten floor failed; the patch is causing the floor to cave in. There are observable gaps in the wood flooring where it should be flush with walls. Black liquid adhesive is visible on the wood floors. The paint is splotchy on the walls. The painting shows deep cracking. Clmt. Ex. 13.

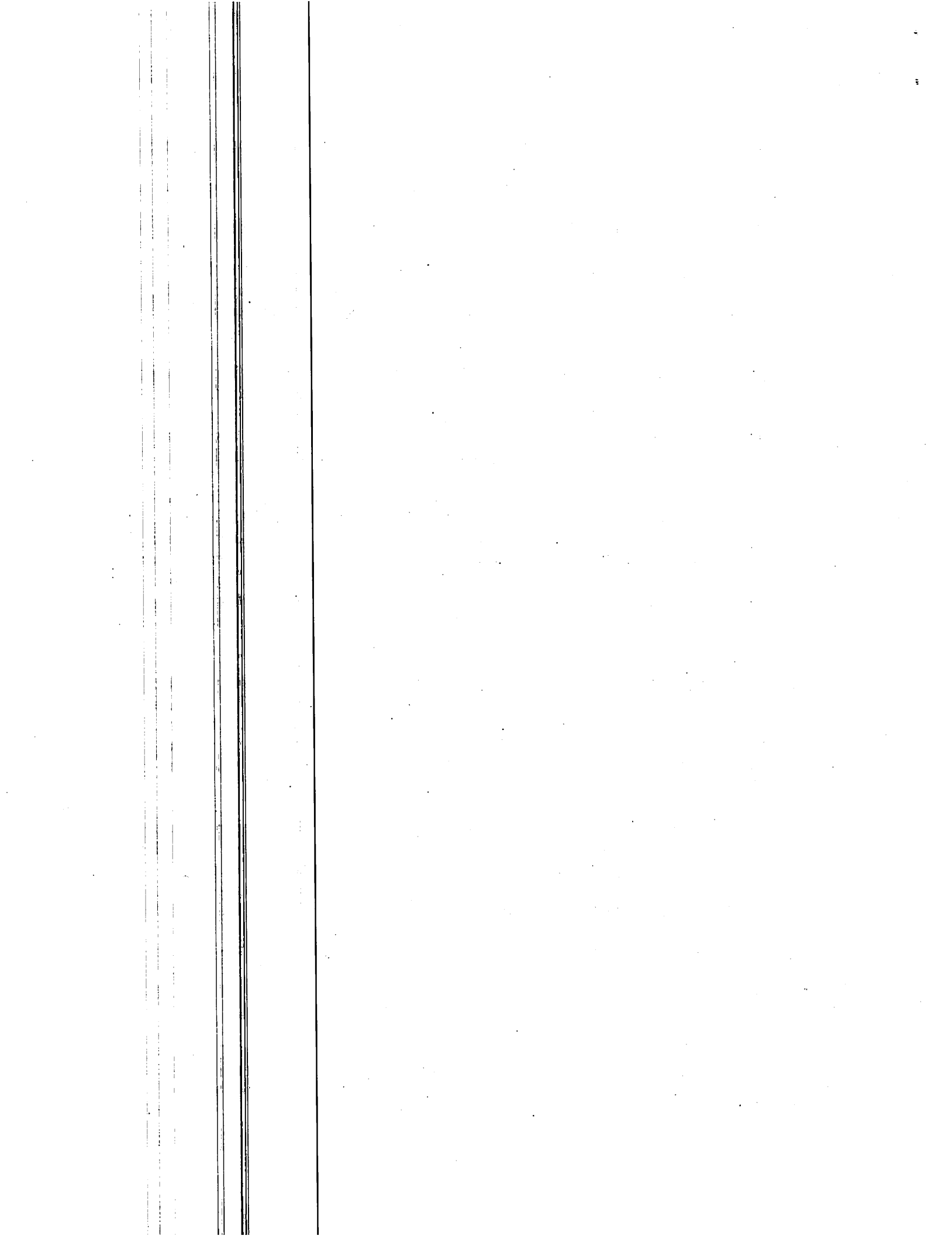
Second Floor – The floors were not sanded and stained, and the polyurethane finish was not applied. There is an observable gap in the wood flooring where it should be flush with the bathroom floor, near the bathroom entrance. The second floor bedroom floor is missing floor boards and you can see directly below to the first floor. The sheet rock was not applied to the bedroom walls, leaving the studs exposed. The stairs leading to the second floor are not sanded and stained, and the polyurethane finish was not applied. The second floor stairway lacks trim. The paint is splotchy on the walls. There is an open and obvious large hole in the second floor kitchen ceiling. Clmt. Ex. 12.

Third Floor Bathroom – The Contract called for sheetrock, a new window, new trim, and paint, however, Mr. McKoy failed to install new trim, paint, or a window. The Claimant also bargained for a galvanized tub, that was not provided. There are observable gaps in the flooring where it should be flush with walls or the tub. The floors were not sanded and stained, and the polyurethane finish was not applied. Dry rot is evident at the door jamb. Debris remained on site after Mr. McKoy left the job. Clmt. Ex. 10.

Third Floor – A vent cover was removed and never replaced. The floors were not sanded and stained, and the polyurethane finish was not applied. Baseboards were not removed and replaced. There is obvious dry rot at the point the old baseboard meets the wall, despite new painting of the wall. The third floor stairway lacks trim and some of the spindles.³ Debris remained on site after Mr. McKoy left the job. Clmt. Ex. 11.

21. The Claimant made several attempts to reach Mr. McKoy asking him to return to the home to finish the project, but he never did.

³ The Claimant did not explain or show whether the spindles were included in the Contract or the addendums, or whether she and Mr. McKoy agreed to include the removal or replacement of the spindles, or whether Mr. McKoy's actions caused the loss of some of the spindles.



22. The Claimant paid Mr. McKoy \$13,800.00 per the Contract, \$1,900.00 in accordance with the addendums,⁴ and \$277.00 for the permit, for a total of \$15,977.00.

DISCUSSION

The Respondent argues that he should not be held accountable for Mr. McKoy's unworkmanlike performance under the Contract since he, the Respondent, performed none of the work. Accordingly, the Respondent bears the burden to show he is an improper party to these proceedings by a preponderance of the evidence.⁵ COMAR 28.02.01.21K(1); (3). I will address this issue first.

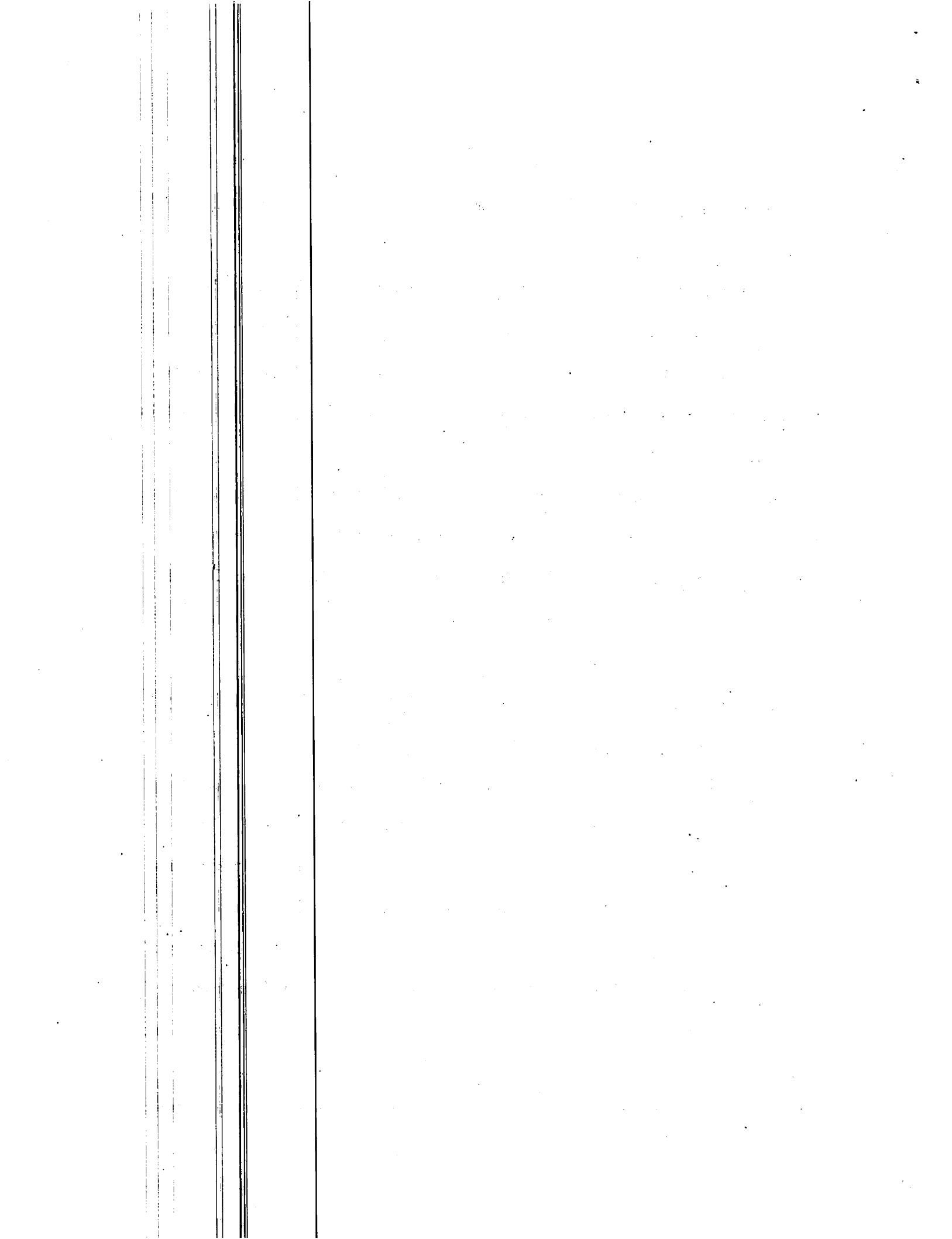
In response, the Fund and the Claimant argue that the Claimant is eligible to recover compensation from the Fund "for an actual loss that results from *an act or omission* by a licensed contractor." Bus. Reg. § 8-405(a) (Supp. 2022) (emphasis added); *see also* COMAR 09.08.03.03B(2) ("The Fund may only compensate claimants for actual losses . . . incurred as a result of misconduct by a licensed contractor.").

The Respondent was a licensed home improvement contractor at the time Mr. McKoy entered into the Contract with the Claimant.

The credible evidence supports a finding that the Respondent met with the Claimant and Mr. McKoy in July 2018 for the purpose of bidding on a home improvement project. The Claimant testified without challenge that she googled the Respondent's company looking for a home improvement company. When she scheduled the appointment, Mr. McKoy appeared with the Respondent. I also found the Claimant's testimony credible and supported by the totality of the record, that the Respondent told her Mr. McKoy was his business partner. Despite the Respondent's claim that "he thought they [the Claimant and Mr. McKoy] knew each other" and

⁴ \$500.00 + \$200.00 + \$700.00 + \$500.00 (cash payment) = \$1,900.00.

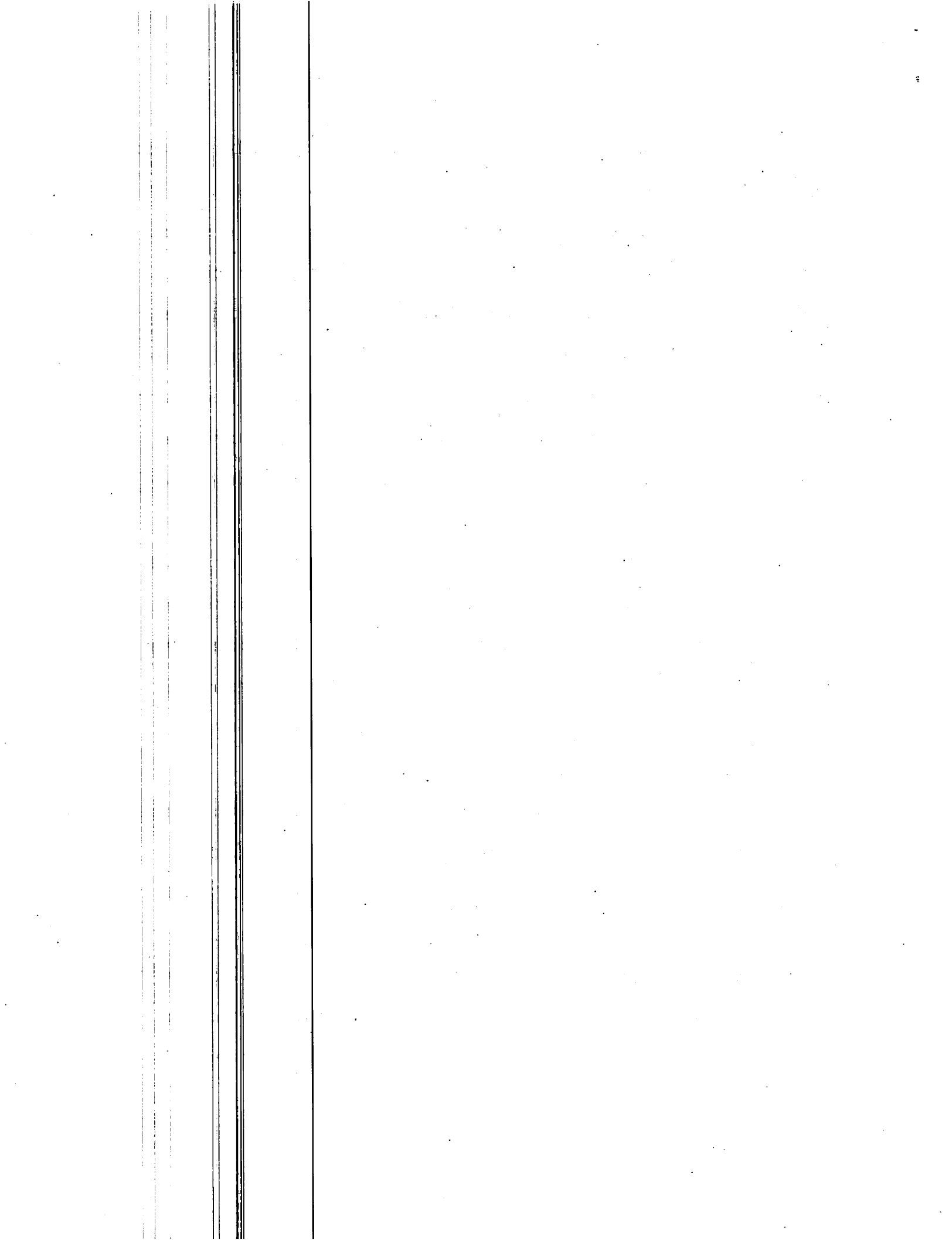
⁵ The Claimant retains the burden of proving eligibility pursuant to section 8-405(a) of the Business Regulation and COMAR 09.08.03.03B(2), as discussed below.



this is why he agreed to be peripherally involved, his claim was completely debunked by his own testimony. The Respondent testified that he learned of Mr. McKoy through a local business contact by the name of Sarah Bennett. According to the Respondent, Ms. Bennett asked him to pull a building permit in Mr. McKoy's name, so that Mr. McKoy could engage in a home improvement project despite his lack of licensure. This is the same scenario presented in this case, but for the fact that Ms. Bennett was not the intermediary. Here, the Respondent acted as the intermediary between the Claimant and Mr. McKoy. I find the facts more likely than not that the Respondent invited Mr. McKoy to the project because the two men had a prior history via their mutual acquaintance, Ms. Bennett. Conversely, there is no evidence, credible or otherwise, to suggest that the Claimant knew Mr. McKoy prior to July 2018.

Likewise, the credible evidence supports a finding that the Claimant was never aware of Mr. McKoy's licensure status. Here, the Respondent acknowledged during cross-examination that he never conversed with the Claimant to confirm or disprove his suspicion that she knew or should have known about this critical fact. In other words, he never specifically informed the Claimant that Mr. McKoy was unlicensed. The Respondent, on the other hand, knew Mr. McKoy was unlicensed prior to meeting at the Claimant's home.

After the walk-through, the record further shows that Mr. McKoy presented the Claimant with the Contract. The Contract was written under the Respondent's business name, address, phone number, and email address, and had the Respondent's signature. Clmt. Ex. 3. While the Respondent claims that the Contract is dubious – asserting that anyone can forge his business information and signature by accessing his business website – the Fund exposed the insincerity of the Respondent's position when it asked him to compare his signature on the Contract with that of his Maryland driver's license. *See* GF Fund #10. When the two signatures were

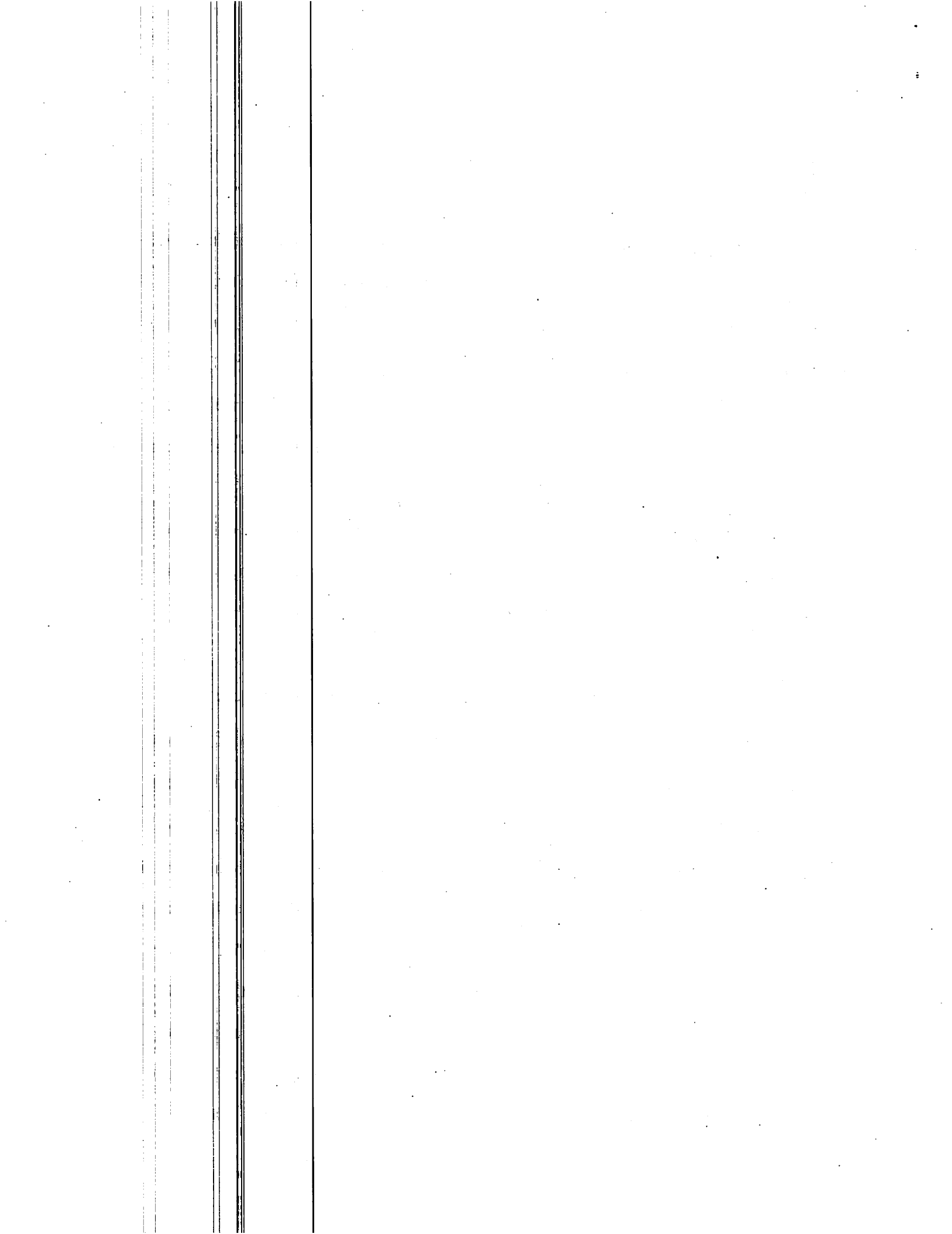


compared, and appeared to be similar, the Respondent stated that he had no idea how Mr. McKoy would know how to impersonate his signature.

Additionally, the credible evidence unequivocally shows that the Respondent knew Mr. McKoy had entered into Contract with the Claimant, masquerading as the Respondent's company, when the Claimant handed Mr. McKoy a cashier's check made out to the name of the Respondent's company and Mr. McKoy had the Respondent cash the check for him. If the Respondent were truly concerned about the optics of this transaction, at that moment he could have communicated his concern to the Claimant and told Mr. McKoy to cease and desist, but he did neither.

Furthermore, perpetuating the false impression that Mr. McKoy was his associate, the Respondent acquired a building permit to allow Mr. McKoy to perform a home improvement project at the Claimant's home. The building permit is made out in the name of the Respondent's company.

Black's Law defines the term "omission" as "1. A failure to do something; esp., a neglect of duty <the complaint alleged that the driver had committed various negligent acts and omissions>. 2. The act of leaving something out <the contractor's omission of the sales price rendered the contract void>." *Black's Law Dictionary* 1311 (11th ed. 2019). As noted above, the record is replete with many examples of how the Respondent failed to be honest in his interactions with the Claimant by leaving out a critical piece of information, *i.e.* that Mr. McKoy was unlicensed, before she bargained for the home improvement project to be performed by Mr. McKoy. Moreover, the Respondent's actions cemented the belief in the Claimant's mind that Mr. McKoy was indeed his business partner and licensed to perform the home improvement project. The enabling feature for this scenario to occur was the Respondent's action to secure a building permit for Mr. McKoy. To an unsuspecting, unfamiliar consumer, these "acts" or

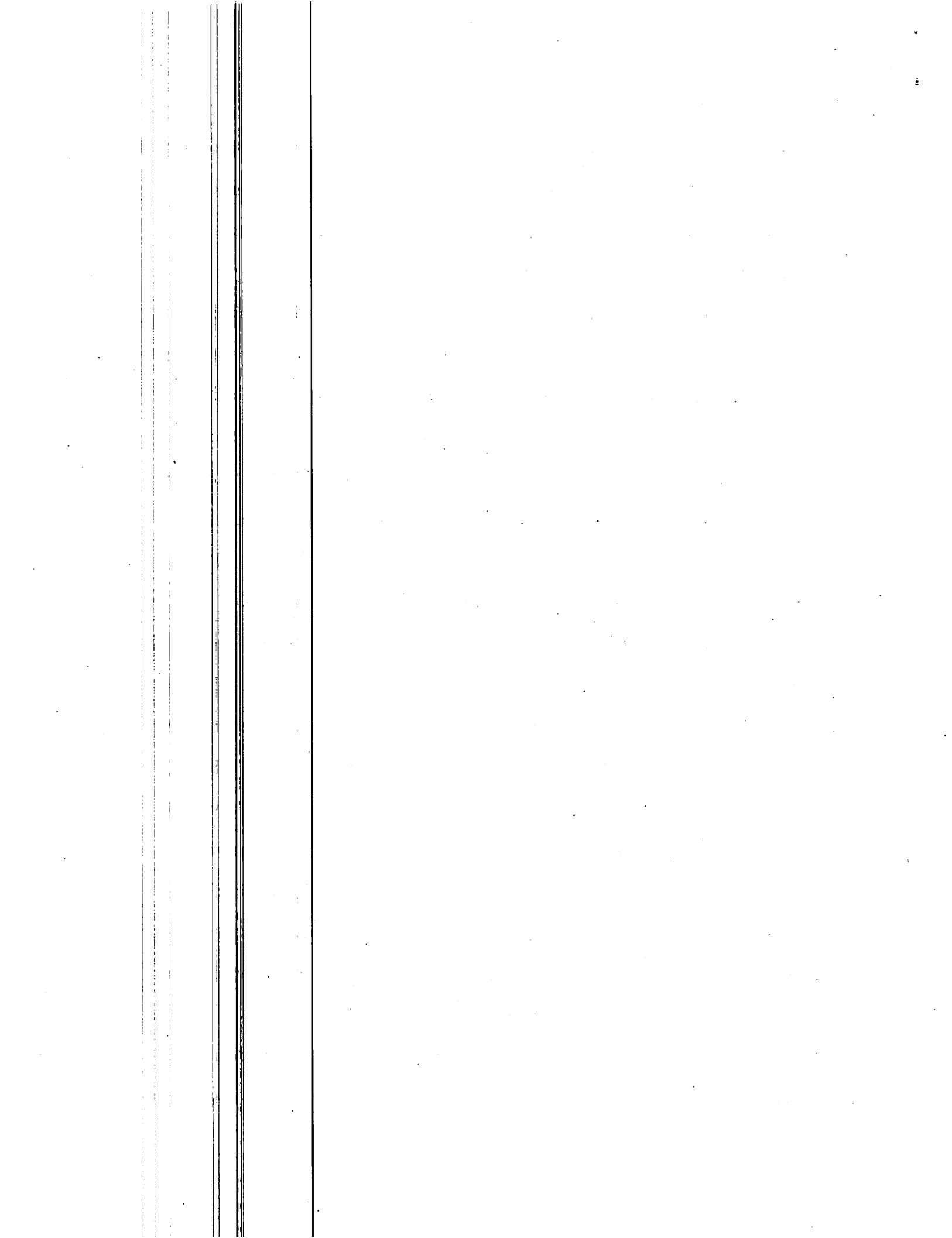


“omissions” directly contributed to the Claimant entering into a home improvement contract with a person she believed was the Respondent’s business partner. Accordingly, I conclude the Respondent failed to carry his burden of proving he is the improper party and he bears responsibility for Mr. McKoy’s poor workmanship

Regarding whether there is an actual loss, the Claimant has the burden of proving the validity of the Claim by a preponderance of the evidence. Bus. Reg. § 8-407(e)(1); State Gov’t § 10-217; COMAR 09.08.03.03A(3). 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. *Coleman v. Anne Arundel Cnty. Police Dep’t*, 369 Md. 108, 125 n.16 (2002). “[A]ctual loss’ means the costs of restoration, repair, replacement, or completion that arise from an unworkmanlike, inadequate, or incomplete home improvement.” Bus. Reg. § 8-401. 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. Bus. Reg §§ 8-405(g), 8-408(b)(1) (2015 & Supp. 2022). The Claimant resides in the home that is the subject of the claim or does not own more than three dwellings. *Id.* § 8-405(f)(2) (Supp. 2022). The parties did not enter into a valid agreement to submit their disputes to arbitration. *Id.* §§ 8-405(c), 8-408(b)(3) (2015 & Supp. 2022). The Claimant is not a relative, employee, officer, or partner of the Respondent, and is not related to any employee, officer, or partner of the Respondent. *Id.* § 8-405(f)(1) (Supp. 2022).

As outlined in Finding of Fact 20, every element of Mr. McKoy’s work was unworkmanlike and the value of services received by the Claimant was zero. The pictures in evidence demonstrate a remarkable level of incompetence by Mr. McKoy in performing even the

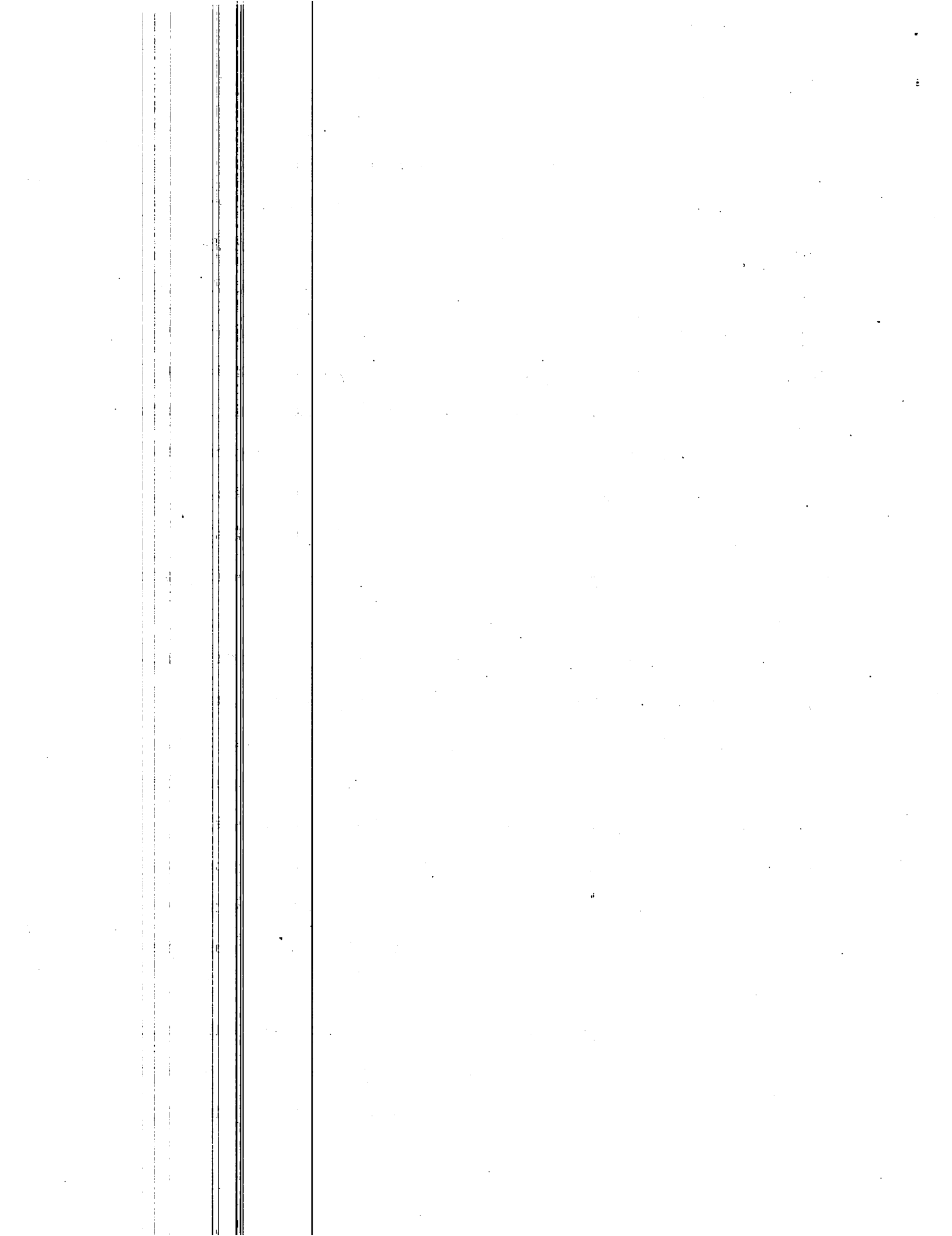


most basic of aspects of the home improvement project. The credible evidence also demonstrates that Mr. McKoy left the Claimant's home in far worse condition than he found it. And the Respondent concurred with this assessment. After the HIC Claim was filed, the Respondent visited the Claimant's home. After viewing the work performed by Mr. McKoy, the Respondent agreed that the work was "a mess" and he acknowledged that it would necessitate a "complete gut" to fix. 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. Bus. Reg. § 8-405(e)(3) (Supp. 2022); 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.

The Respondent acknowledged during his testimony that the Claimant paid the full value of the Contract, the cost for the permit, as well as several payments in relationship to the addendum work; this, despite the fact that the Claimant was not able to find all of her payment receipts and frequently paid cash. On the topic of cash, the Claimant's demeanor as she testified was powerful and sincere as she recalled how she treated Mr. McKoy and his crew with generosity and kindness. She stated that she oftentimes fed the crew and opened her house to them. She also did not mince words when she said that most, if not all, of her payments to Mr. McKoy were by cash. Since this issue is not in dispute, I find that it is more likely than not the Claimant paid a total of \$15,977.00 to Mr. McKoy.

While the Claimant also presented testimony and asked for reimbursement in the amount of \$3,700.00 for flooring, she did not establish any proof of payment for the flooring. This is not to suggest that I did not find her testimony credible that she purchased flooring and Mr. McKoy



installed the flooring – he did according to the pictures in evidence – but I have no basis upon which to award the Claimant \$3,700.00 for flooring. That said, the Respondent did not challenge the Claimant’s testimony that she paid \$500.00 toward additional work envisioned by the addendums.

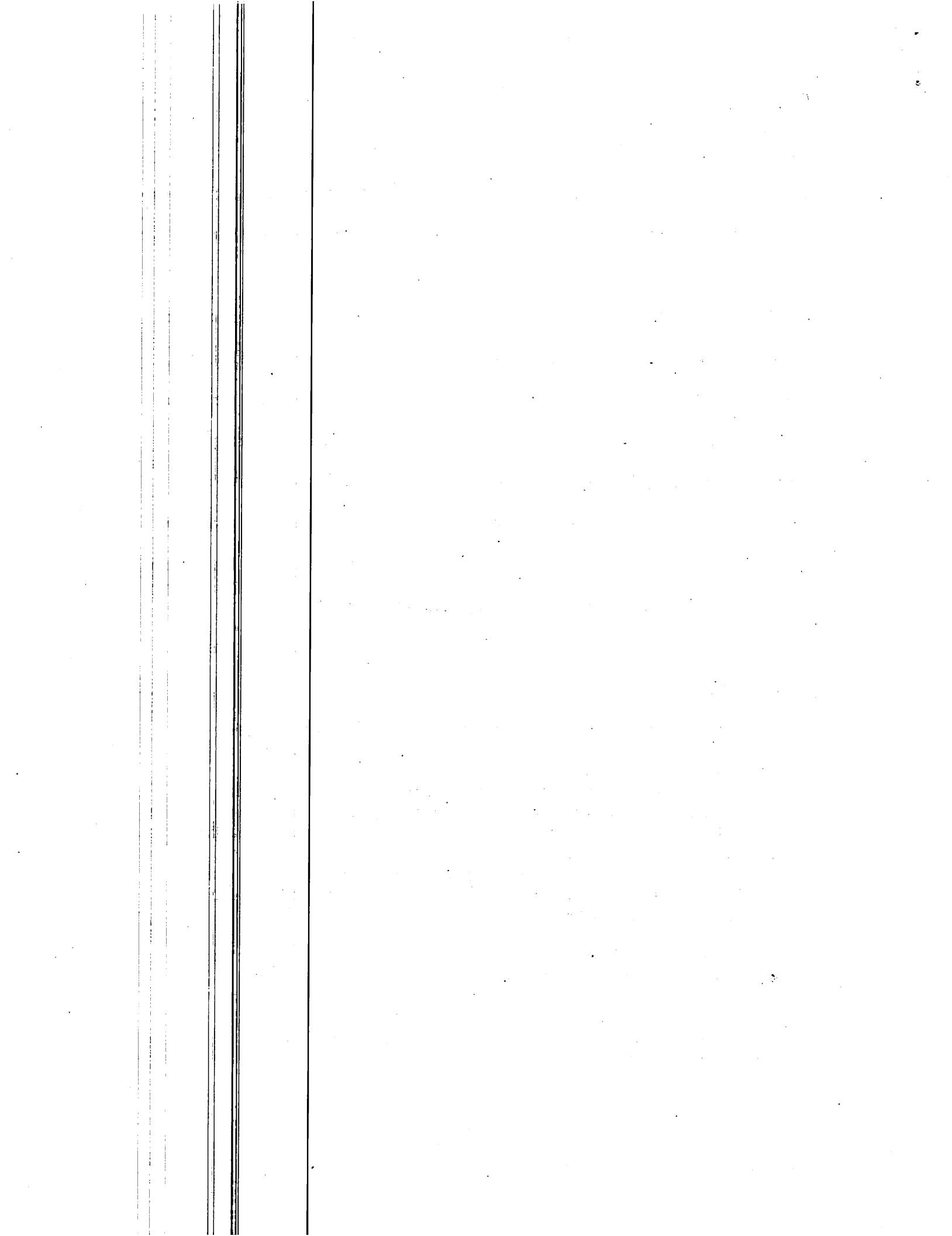
Similarly, the Claimant did not present any testimony or evidence to show the cost for rehabilitating the work performed by Mr. McKoy. However, the Respondent testified that in order to repair and rehabilitate Mr. McKoy’s performance under the Contract, each element of the work must be demolished and redone. The Respondent also indicated that in order to perform the terms and conditions of the Contract, a more appropriate cost would have been \$40,000.00; as opposed to \$13,800.00. The Respondent emphasized that he would never have bid this project for less than \$40,000.00; but after adding up the items contained within the scope of the Contract, the Respondent came up with an approximate cost of \$29,225.00.

Under these circumstances, I find that none of the following regulatory formulas are appropriate in this case:

(a) If the contractor abandoned the contract without doing any work, the claimant’s actual loss shall be the amount which the claimant paid to the contractor under the contract.

(b) If the contractor did work according to the contract and the claimant is not soliciting another contractor to complete the contract, the claimant’s actual loss shall be the amount which the claimant paid to the original contractor less the value of any materials or services provided by the contractor.

(c) 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)(a)-(c). Accordingly, I shall apply a unique formula to measure the Claimant's actual loss.

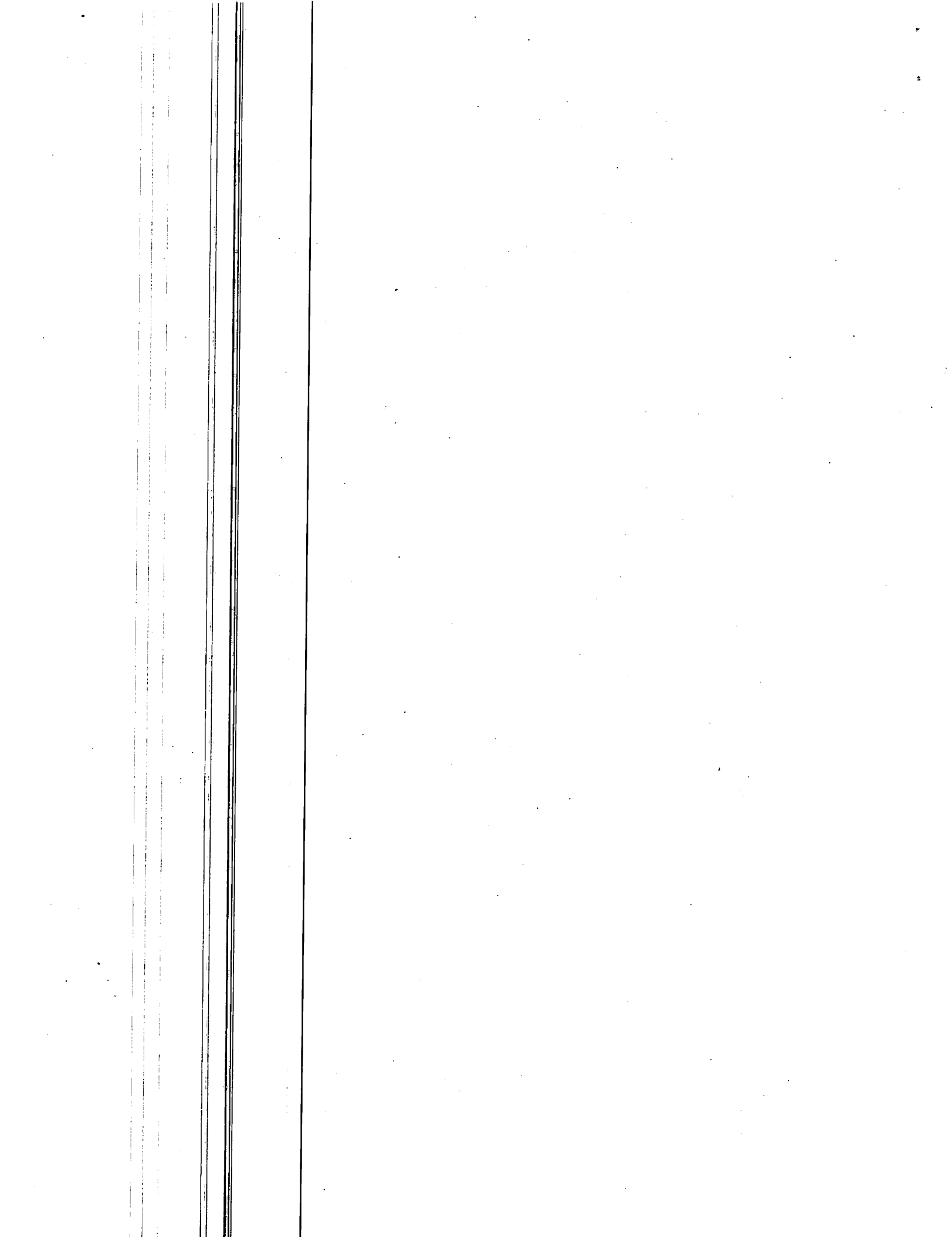
Based on the Respondent's testimony, which I found to be sincere and credible, it is clear that Mr. McKoy significantly underbid the project. I also find it reasonable to conclude, based on the Claimant's testimony and corroborated by the Respondent, that it will cost the Claimant at least the same amount of money she paid to Mr. McKoy to have the work redone. Therefore, I shall propose an award from the Fund in the amount of what she paid Mr. McKoy, or \$15,977.00.

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.⁶ Bus. Reg. § 8-405(e)(1), (5) (Supp. 2022); COMAR 09.08.03.03B(4). In this case, the Claimant's actual loss is equal to the amount paid to the Respondent and less than \$30,000.00. Therefore, the Claimant is entitled to recover her actual loss of \$15,977.00.

PROPOSED CONCLUSIONS OF LAW

I conclude that the Claimant sustained an actual and compensable loss of \$15,977.00 as a result of the Respondent's acts or omissions. Md. Code Ann., Bus. Reg. §§ 8-401, 8-405 (2015 & Supp. 2022); COMAR 09.08.03.03B(3)(a)-(c). I further conclude that the Claimant is entitled to recover that amount from the Fund.

⁶ 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").



RECOMMENDED ORDER

I RECOMMEND that the Maryland Home Improvement Commission:

ORDER that the Maryland Home Improvement Guaranty Fund award the Claimant \$15,977.00; 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;⁷ and

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

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

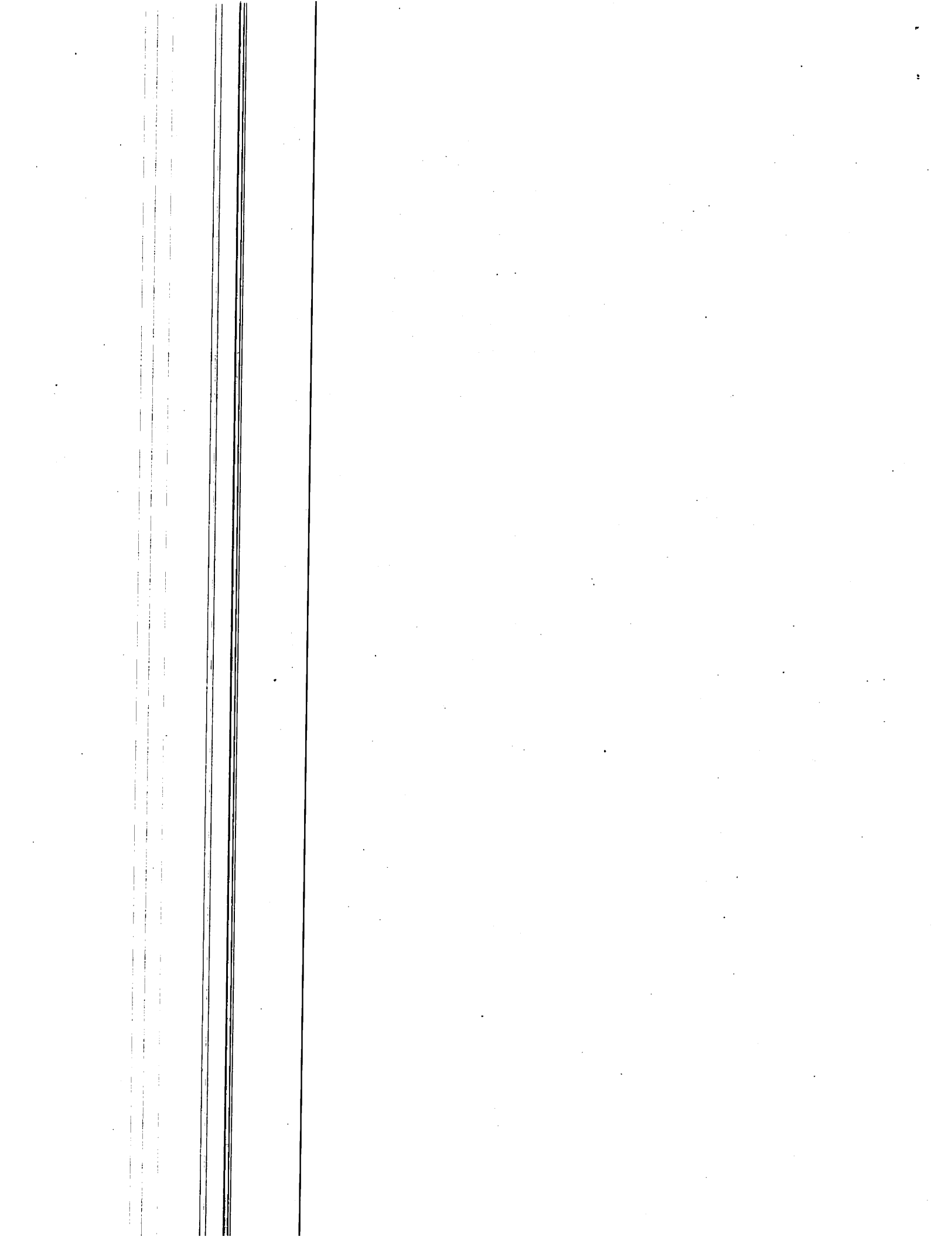
December 29, 2022
Date Order Mailed

Kathleen A. Chapman

Kathleen A. Chapman
Administrative Law Judge

KAC/sh
#202501v1A

⁷ See Md. Code Ann., Bus. Reg. § 8-410(a)(1)(iii) (2015); COMAR 09.08.01.20.



PROPOSED ORDER

WHEREFORE, this 14th day of February, 2023, 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.

Joseph Tunney

Joseph Tunney

Chairman

Panel B

***MARYLAND HOME IMPROVEMENT
COMMISSION***

