

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
BUREAU OF PROFESSIONAL LICENSING  
BOARD OF RESIDENTIAL BUILDERS AND  
MAINTENANCE AND ALTERATION CONTRACTORS

In the Matter of

BRUCE CHARLES HOLDER,  
License No. 21-01-166790

Complaint Nos. 21-17-332906  
(and 21-17-332424 consolidated)  
and 21-16-328659

Respondent.

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CONSENT ORDER AND  
STIPULATION

CONSENT ORDER

A formal complaint was filed on October 19, 2017, with complaint number 21-17-332906, charging Bruce Charles Holder (Respondent) with having violated sections 604(b), (c), (d), (e), (g), (l), 2411(2) (a), (b), (c) and (j) of the Occupational Code, MCL 339.101 *et seq.* and Mich Admin Code, R 338.1533(1) and 338.1551(2).

A first superseding formal complaint, with complaint number 21-16-328659, was filed on December 13, 2017 charging Bruce Charles Holder (Respondent) with having violated sections 604(b), (d), (e), (g), (h), 2411(2) (a), (c) and (d) of the Occupational Code, MCL 339.101 *et seq.* and Mich Admin Code, R 338.1533(1).

The parties have stipulated that the Board may enter this consent order and that the facts alleged in the October 19, 2017 formal complaint and the December 13, 2017 first superseding formal complaint are true and constitute violations of sections 604(c), (e), (g), (h), 2411(2) (a), (b), (c), (d) and (j) of the Occupational Code and Mich Admin Code, R 338.1533(1) and 1551(2). The Board has reviewed the

stipulation contained in this document and agrees that the public interest is best served by resolution of the outstanding complaints.

Accordingly, for these violations, IT IS ORDERED:

Respondent's license is REVOKED.

Respondent is FINED \$35,000.00 to be paid by check, money order or cashier's check made payable to the State of Michigan (with complaint numbers 21-17-332906 and 21-16-328659 clearly indicated on the check or money order), and shall be payable prior to petitioning for reinstatement. Respondent shall mail the fine to: Department of Licensing and Regulatory Affairs, Bureau of Professional Licensing, Enforcement Division, Compliance Section, P.O. Box 30189, Lansing, Michigan 48909.

Within 18 months of the effective date of this order, Respondent shall pay RESTITUTION in the amount of \$8,500.00 to J.M. and K.M.; \$10,000.00 to K.C. and M.J.; and \$15,000.00 to D.P. and M.S. Respondent shall mail restitution to J.M. and K.M.; K.C. and M.J.; and D.P. and M.S. at the addresses provided to Respondent in a separate document by the Department or Office of Attorney General, Licensing and Regulation Division at the time he signed this stipulation.

Respondent shall submit satisfactory written proof of timely restitution payment to the Department by mail, or other method acceptable to the Department.

Counts I and IV in the October 19, 2017 formal complaint (number 21-17-332906), alleging a violation of sections 604(b) and (d) of the Occupational Code, are DISMISSED. Counts I and II in the December 13, 2017 first superseding formal

complaint (number 21-17-328659), alleging a violation of sections 604(b) and (d) of the Occupational Code, are DISMISSED.

Respondent shall direct any communications to the Department that are required by the terms of this order to: Department of Licensing and Regulatory Affairs, Bureau of Professional Licensing, Enforcement Division – Compliance Section, P.O. Box 30670, Lansing, Michigan 48909.

If Respondent petitions for reinstatement of his license, the petition shall be in accordance with section 411(5) of the Occupational Code. Under this provision, Respondent shall file an application on a form provided by the department, pay the application processing fee, and file a petition to the department and the appropriate board stating reasons for reinstatement and including evidence that the person can and is likely to serve the public in the regulated activity with competence and in conformance with all other requirements prescribed by law, rule, or an order of the department or board.

Respondent may not file a petition for reinstatement until 3 years after the date of revocation.

Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.

If Respondent violates any term or condition set forth in this order, Respondent will be in violation of section 604(k) of the Occupational Code.

This order shall be effective on the date signed by the Chairperson or the Chairperson's designee, as set forth below.

Signed on 19th 15, 2013

MICHIGAN BOARD OF RESIDENTIAL  
BUILDERS AND MAINTENANCE AND  
ALTERATION CONTRACTORS

By [Signature]  
Chairperson John F. Kelly  
Acting

STIPULATION

The parties stipulate as follows:

1. The facts alleged in the complaints are true and constitute a violation of the Occupational Code.
2. The Director of the Bureau of Professional Licensing, or her designee, must approve this consent order and stipulation before it is submitted to the Board for final approval.
3. Respondent understands and intends that, by signing this stipulation, he is waiving the right under the Occupational Code, rules promulgated under the Occupational Code, and the Administrative Procedures Act of 1969, MCL 24.201 *et seq.*, to require the Department to prove the charges set forth in the complaint by presentation of evidence and legal authority, and to present a defense to the charges. Should the Board reject the proposed consent order, the parties reserve the right to proceed to hearing.
4. This matter is a public record required to be published and made available to the public pursuant to section 11(1)(a) of the Michigan Freedom of Information Act, 1976 PA 442, as amended.


5. The Board may enter the above Consent Order, supported by Board conferee Ken Calverley. Mr. Calverley or an attorney from the Licensing and Regulation Division may discuss this matter with the Board in order to recommend acceptance of this resolution.

6. Mr. Calverley and the parties considered the following factors in reaching this agreement:


- A. Respondent wishes to resolve these matters without spending the time and expense of an administrative hearing.
- B. Respondent asserts that he failed his duties as a licensed residential builder to ensure that all aspects of his agreements with the homeowners in these cases were memorialized in writing.
- C. Respondent acknowledges that he should have done a better job tracking and accounting for the monies of his clients, but he specifically disavows any fraudulent taking of their monies.

By signing this stipulation, the parties confirm that they have read, understand and agree with the terms of the consent order.

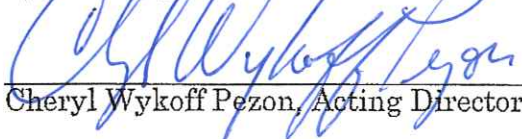
AGREED TO BY:

  
\_\_\_\_\_  
Timothy C. Erickson (P72071)  
Assistant Attorney General  
Attorney for Complainant  
Dated: 4/9/2018

AGREED TO BY:

  
\_\_\_\_\_  
Bruce Charles Holder  
Respondent  
Dated: 4-7-18

Bureau of Professional Licensing  
Approved by:

  
\_\_\_\_\_  
Cheryl Wykoff Pezon, Acting Director

4/12/18  
\_\_\_\_\_  
Date

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
BUREAU OF PROFESSIONAL LICENSING  
BOARD OF RESIDENTIAL BUILDERS AND  
MAINTENANCE AND ALTERATION CONTRACTORS

In the Matter of

BRUCE CHARLES HOLDER  
License Number: 21-01-166790,

Respondent.

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File Number: 21-16-328659

FIRST SUPERSEDING FORMAL COMPLAINT

The Michigan Department of Licensing and Regulatory Affairs, by Cheryl Wykoff Pezon, Acting Director, Bureau of Professional Licensing, complains against Respondent as follows:

1. The Michigan Board of Residential Builders and Maintenance and Alteration Contractors is an administrative agency established by the Occupational Code, MCL 339.101 *et seq.* Pursuant MCL 339.602, the Board is empowered to penalize licensees for violations of the Occupational Code.
2. "Good moral character" is defined in MCL 338.41 as "the propensity on the part of the person to serve the public in the licensed area in a fair, honest, and open manner."
3. "Incompetence" is defined in MCL 339.104(8) as "a departure from, or a failure to conform to, minimal standards of acceptable practice for an occupation."

4. Respondent is licensed as an individual residential builder in the state of Michigan.

5. In May 2014, Jeffrey and Kristi (Homeowners) entered into a contract with Liongold Homes, LLC to construct a new home for approximately \$630,000.

6. Respondent was the qualifying officer of Liongold Homes and the person responsible for completing Homeowners' project.

7. Respondent prepared the \$630,000 cost estimate for Homeowners' project and estimated completion by year's end 2014.

8. In January 2015, after repeated construction delays, Respondent abruptly ended his association with Liongold Homes, bringing Homeowners' construction project to a halt.

9. After leaving Liongold Homes, Respondent persuaded Homeowners to terminate their building contract with Liongold Homes and, instead, enter into an agreement with him to finish the construction of their home.

10. Homeowners agreed to hire Respondent based on several untrue and misleading representations made by Respondent, such as the following:

a. That Respondent had extensive construction experience and had built more than 200 homes as the owner of his own construction business;

b. That Respondent was now working for another building company, Mike Miller Building Company, LLC;

- c. That Respondent had conducted a walk-through of the unfinished project with Mike Miller, the owner of Mike Miller Building, LLC and confirmed the cost-to-complete estimate;
- d. That Respondent could complete Homeowners' project in five to six weeks.

11. In February 2015, Homeowners executed a costly buyout of their contract with Liongold Homes and agreed to hire Respondent to finish construction of their home.

12. On February 18, 2015, Respondent provided Homeowners with a written cost-to-complete estimate for their project totaling \$139,260.

13. The terms of the agreement between Respondent and Homeowners called for Respondent to continue the construction of their home and finish the project according to the original plans and specifications. Homeowners agreed to pay all the subcontractors directly and to pay Respondent a \$10,000 builder's fee at the conclusion of construction.

14. Respondent failed to provide Homeowners with a written contract reflecting this agreement and to have it signed by all parties.

15. Based on Respondent's representation that he was working with Mike Miller Building, LLC, Homeowners had their attorney prepare a contract between themselves and Mike Miller Building, LLC. However, when Homeowners asked Mike



Miller to sign the contract, he denied being in business with Respondent and refused to sign the contract.

16. Mike Miller also denied ever conducting a walk-through of the unfinished project with Respondent or verifying Respondent's cost-to-complete estimate.

17. Contrary to the agreement with Homeowners, Respondent failed to complete Homeowners' home in five to six weeks. In fact, Respondent failed to complete the home in five *months*.

18. Respondent failed to properly protect and store materials that were delivered to the jobsite, resulting in the loss of costly building materials, including tile for the kitchen, a garbage disposal, and a laundry sink. Homeowners were obliged to repurchase these items.

19. Although the parties had agreed that Respondent would receive \$10,000 upon completion of the project, Respondent repeatedly requested "draws" on this amount totaling \$6,500. Homeowners disbursed the funds in good faith, hoping that doing so would keep their project moving along.

20. Respondent repeatedly disregarded Homeowners' selection of materials and, instead, installed materials he thought were acceptable. For example:

- a. Homeowners selected a limestone fireplace mantel for their home. Respondent hired a friend (his "trim guy") to construct a wooden fireplace mantel instead. Homeowners were charged by the hour for construction of this custom mantel.

- b. Homeowners selected materials and a design for their closet furnishings from a closet organizer manufacturer. Respondent dismissed Homeowners' selections and, instead, had his "trim guy" build a custom closet with hourly labor.
- c. Homeowners selected stained beadboard paneling for the ceiling of their covered porch. Respondent installed the beadboard paneling but painted it instead of staining it, ruining the aesthetic value and negating the purpose for which the homeowners selected the more expensive ceiling material.
- d. Homeowners selected recessed can lighting. Respondent installed fixture boxes instead, forcing Homeowners to purchase numerous expensive light fixtures.
- e. Homeowners selected a particular style of spindle and newel post for their staircase. Respondent installed completely different materials.
- f. Homeowners selected a particular style of crown moulding. Respondent installed a completely different style.

21. On July 2, 2015, after repeated cost overruns and requests by Homeowners for an accurate budget projection, Respondent emailed Homeowners another, revised cost-to-complete estimate totaling \$91,650.

22. On or about July 4, 2015, Respondent requested \$2,000.00 from Homeowners for "construction supplies." Respondent stated he would keep a separate accounting of how this money was spent and apply any money left over to his builder's fee.

23. On July 5, 2015, Homeowners provided Respondent the requested \$2,000.00. Respondent kept the money and failed to provide receipts for the "construction supplies" or an accounting of how the money was spent.

24. Respondent grossly and negligently underestimated the cost to complete Homeowners' house by thousands of dollars in both the February and July estimates, as shown by the following representative examples of estimated versus actual expenditures:

| Item               | Estimate 2/18   | Estimate 7/2    | Actual           |
|--------------------|-----------------|-----------------|------------------|
| Porch columns      |                 | \$800           | \$1,887          |
| Concrete           | \$3,200         | \$4,950         | \$7,694          |
| Paint              | \$15,500        | \$16,500        | \$22,375         |
| Electrical         | \$4,000         | \$4,000         | \$7,782          |
| Plumbing           | \$17,000        | \$20,000        | \$22,162         |
| Circular Staircase |                 | \$2,500         | \$4,948          |
| Hardware           | \$2,000         | \$800           | \$3,832          |
| Cleaning           | \$500           | \$400           | \$4,055          |
| Stone              | \$2,860         | \$3,000         | \$8,000          |
| Trim               | \$13,500        | \$5,500         | \$32,621         |
| <b>TOTAL:</b>      | <b>\$58,348</b> | <b>\$58,450</b> | <b>\$115,356</b> |

25. Instead of the estimated \$140,000, Homeowners spent approximately \$250,000 to complete their home, without any change requests or alterations in the original plans, specifications, or scope of work.

26. At the end of July or early August 2015, Homeowners learned that Respondent had obtained a quote from a painter in May for \$18,375 to paint only the interior of Homeowners' house. However, the cost of painting provided to Homeowners on the July 2 cost-to-complete estimate was only \$16,500. Homeowners ultimately had to pay more than \$22,000 for both the interior and exterior painting.

27. On August 3, 2015, when Homeowners confronted Respondent about this discrepancy, Respondent provided no explanation but, instead, abandoned the

uncompleted projected. As a result, Homeowners were forced to hire contractors and complete the construction of their home themselves.

28. On March 7, 2016, Homeowners filed a Statement of Complaint with the Department.

COUNT I

Respondent's conduct, as described above, evidences fraud, deceit, or dishonesty in practicing an occupation, in violation of MCL 339.604(b).

COUNT II

Respondent's conduct, as described above, evidences a lack of good moral character, in violation of MCL 339.604(d).

COUNT III

Respondent's conduct, as described above, evidences gross negligence in the practice of an occupation, in violation of MCL 339.604(e).

COUNT IV

Respondent's conduct, as described above, evidences incompetence, in violation of MCL 339.604(g).

#### COUNT V

Respondent's conduct, as described above, evidences a failure to ensure that all agreements and changes to agreements between a builder, or contractor, and the customer are in writing and signed by the parties, contrary to Mich Admin Code, R 338.1533(1), in violation of MCL 339.604(h).

#### COUNT VI

Respondent's conduct, as described above, evidences abandonment without legal excuse of a contract, construction project, or operation engaged in or undertaken by the licensee, in violation of MCL 339.2411(2)(a).

#### COUNT VII

Respondent's conduct, as described above, evidences a failure to account for or remit money coming into the person's possession that belongs to others, in violation of section MCL 339.2411(2)(c).

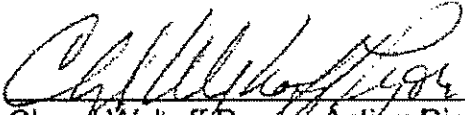
#### COUNT VIII

Respondent's conduct, as described above, evidences a willful departure from or disregard of plans or specifications in a material respect and prejudicial to another, without consent of the owner, in violation of MCL 339.2411(2)(d).

The Formal Complaint previously executed against Respondent on May 17, 2017, is WITHDRAWN and replaced in full by this First Superseding Formal Complaint.

RESPONDENT IS NOTIFIED that, pursuant to MCL 339.508(2), Respondent has 15 days from the date of receipt of this Complaint to notify Complainant in writing of Respondent's decision to negotiate a settlement of this matter, to demonstrate compliance with the Occupational Code, or to request an administrative hearing. Written notification of Respondent's selection shall be submitted to Cheryl Wykoff Pezon, Acting Director, Bureau of Professional Licensing, Department of Licensing and Regulatory Affairs, P.O. Box 30670, Lansing, MI 48909. If Respondent fails to submit the required notification to the Department within 15 days, this matter shall proceed to an administrative hearing.

Dated: 12/13/17

  
Cheryl Wykoff Pezon, Acting Director  
Bureau of Professional Licensing

Attachment

llc