

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

CHEYENNE PARTNERS, LLC,  
License No. 21-02-200984

Complaint No. 21-17-331584

and

JASON ALAN KITTS  
License No. 21-01-200308

Complaint No. 21-17-331585

Respondents.

CONSENT ORDER AND STIPULATION

CONSENT ORDER

Formal Complaints (numbers 21-17-331584 and 21-17-331585) were filed on August 11, 2017 charging Cheyenne Partners, LLC and Jason Alan Kitts (Respondents) with having violated sections 604(c), (d), (e), (g), and 2411(2)(c) of the Occupational Code, as amended, MCL 339.101 *et seq.*; Mich Admin Code, R 338.1534 and R 338.1535.

The parties have stipulated that the Board may enter this consent order and that the facts alleged in the Formal Complaints are not contested by Respondent, and the facts treated as true, constitute a violation of sections 604(c) and 2411(2)(c) of the Occupational Code; Mich Admin Code, R 338.1535. 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:

Respondents are FINED TWO THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$2,500.00) to be paid by check, money order or cashier's check made payable to the State of Michigan (with complaint numbers 21-17-331584 and 21-17-331585 clearly indicated on the check or money order), and shall be payable within sixty (60) days of the effective date of this order. Respondents are jointly and severally liable for paying the fine. The total fine owed on complaint numbers 21-17-331584 and 21-17-331585 is \$2,500.00. The timely payment of the fine shall be Respondents' responsibility. If Respondents fail to timely pay fine, their licenses shall be suspended. Respondents shall mail the fine to: Sanction Monitoring, Bureau of Professional Licensing, Legal Affairs Division – Compliance Section, Department of Licensing and Regulatory Affairs, P.O. Box 30189, Lansing, Michigan 48909.

Counts I, III, IV and V of each complaint (complaint numbers 21-17-331584 and 21-17-331585), alleging a violation of sections 604 (c), (d), (e), and (g) of the Occupational Code; Mich Admin Code R 338.1534 are DISMISSED.

If Respondents fail to timely pay the fine and must petition for reinstatement of their licenses, the petition shall be in accordance with section 411(5) of the Occupational Code. Under this provision, Respondents 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.

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

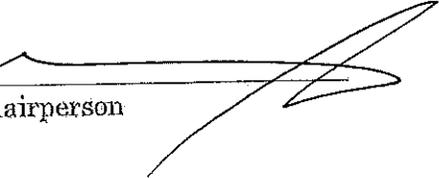
Respondents shall be responsible for the timely compliance with the terms of this consent order, including the timely filing of any documentation. Failure to comply within the time limitations provided will constitute a violation of this order.

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

This order shall be effective thirty (30) days from the date signed by the Chairperson or the Chairperson's designee, as set forth below.

Signed on 12/12/17

MICHIGAN BOARD OF RESIDENTIAL  
BUILDERS AND MAINTENANCE AND  
ALTERATION CONTRACTORS

By   
Chairperson

## STIPULATION

The parties stipulate as follows:

1. Respondents do not contest the allegations of fact and law in the complaints (numbers 21-17-331584 and 21-17-331585). Respondents understand that, by pleading no contest, they do not admit the truth of the allegations but agree that the Board may treat the allegations as true for resolution of the complaints and may enter an order treating the allegations as true.

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. Respondents understand and intend that, by signing this stipulation, they are waiving the right under the Occupational Code, rules promulgated under the Occupational Code, and the Administrative Procedures Act of 1969, as amended, MCL 24.201 *et seq.*, to require the Department to prove the charges set forth in the complaints 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 William Adcock, Mr. Adcock 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. William Adcock and the parties considered the following factors in reaching this agreement:

A. Respondents explained that they do restoration work on homes and that in this unique practice they interact with insurance carriers on behalf of the homeowners. They further explained that claims adjusters and insurance estimators do not often understand the practice of residential building.

B. In this case, the insurance carrier did not want to compensate the homeowner for two walls of the home untouched by the fire and water. Respondents explained that practically speaking, they could not leave these two walls standing, but instead had to demolish the entire structure.

C. Respondents represented that they negotiated with the homeowner's insurance carrier and increased the total benefit from approximately \$236,000 to approximately \$285,000.

D. Respondents stated that they covered the costs to repair the foundation after it was damaged during demolition.

E. Respondents asserted that they provided the homeowner an estimate for the expensed covered by the homeowner's \$50,000, but this estimate did not provide much detail on the listed expenses.

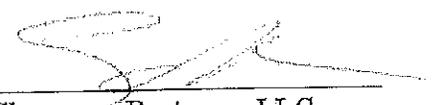
By signing this stipulation, the parties confirm that they have read, understand and agree with the terms of the consent order.

AGREED TO BY:

  
Timothy C. Erickson (P72071)  
Assistant Attorney General  
Attorney for Complainant

Dated: 11/16/2017

AGREED TO BY:

  
Cheyenne Partners, LLC  
By: Jason Alan Kitts  
Respondent

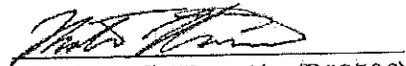
Dated: 11-16-2017



Jason Alan Kitts

Respondent

Dated: 11-16-2017



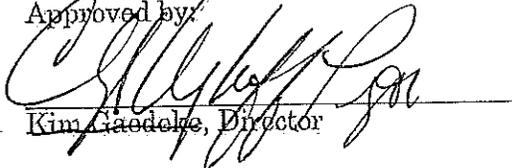
Matthew C. Herstein (P68596)

Attorney for Respondent

Dated: 11/16/17

Bureau of Professional Licensing

Approved by:



Kim Gaedele, Director

Acting

Date 11/16/17

LF: 2017-0188559-B/Choyenne Partners LLC, 331584/Consent order - 2017-10-23

STATE OF MICHIGAN  
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FORMAL COMPLAINT

NOW COMES Attorney General Bill Schuette, through Timothy C. Erickson, Assistant Attorney General, on behalf of the Department of Licensing and Regulatory Affairs, Bureau of Professional Licensing, Complainant, pursuant to the Occupational Code, as amended, MCL 339.101 *et seq*, and its rules promulgated thereunder, and files this Formal Complaint against Cheyenne Partners, LLC, Respondent, upon information and belief alleges as follows:

1. The Board of Residential Builders and Maintenance and Alteration Contractors is an administrative agency established under Article 24 of the Occupational Code, MCL 339.2401 *et seq*.
2. Beginning on June 16, 2011, Respondent was licensed as a Residential Builder Company pursuant to Article 24 of the Code, and has been continually licensed.
3. Respondent is a Michigan for-profit limited liability company with resident agent Jason Kitts.

4. Section 604(c) of the Code subjects a licensee to sanction for violating a rule of conduct of an occupation.

5. Section 604(d) of the Code subjects a licensee to sanction who demonstrates a lack of good moral character, meaning "the propensity on the part of the person to serve the public in the licensed area in a fair, honest, and open manner," as defined by MCL 338.41.

6. Section 604(e) of the Code subjects a licensee to sanction who commits an act of gross negligence.

7. Section 604(g) of the Code subjects a licensee to sanction who demonstrates incompetence.

8. Section 2411(2)(c) of the Code subjects a licensee to sanction for failing "to account for or remit money coming into the person's possession that belongs to others."

9. Mich Admin Code, R 338.1534 requires a licensee to "keep and maintain a complete, accurate set of books and records."

10. Mich Admin Code, R 338.1535 requires a licensee, upon notice of the Department, to "submit within 30 days sworn financial statement showing the licensee's current financial status."

11. Section 514 of the Code authorizes the Board to sanction licensees based on an administrative law hearing examiner's hearing report.

12. Section 602 of the Code requires the Board to sanction licensees who have violated the Code.

## FACTUAL ALLEGATIONS

13. In or around April 2016, Veronica Banks' home and garage sustained fire and water damage.

14. On or about April 27, 2016, Ms. Banks met with Respondent for the first time to talk about her property. Respondent indicated that the project to partially demolish and rebuild Ms. Banks' property could be completed within six months.

15. On or about May 13, 2016, Ms. Banks entered into a contract with Respondent to partially demolish and rebuild this damaged property.

16. In or around May through September 2016, Ms. Banks communicated with Respondent about the agreed-upon work, including but not limited to prices, timelines, plans, ordering materials and the involvement of engineers and insurance adjusters. Ms. Banks expressed concerns that the project would not be completed on schedule.

17. On or about September 15, 2016, Ms. Banks paid \$50,000 to Respondent as a down payment for the complete project.

18. In or around September and October 2016, Ms. Banks asked for an accounting of the monies paid to Respondent, including invoices and receipts. Respondent failed to provide the requested items or an accounting of the \$50,000.

19. On or about October 5, 2016, Respondent demolished Ms. Banks' entire house and garage. Respondent damaged the foundation during demolition.

20. In or around October and November, 2016, Ms. Banks terminated her relationship with Respondent.

21. Ms. Banks filed a complaint with the Department of Licensing and Regulatory Affairs on or about January 13, 2017.

22. On April 25, 2017, Complainant asked for Respondent to provide a copy of the contract, details of the work performed and completed, and an accounting of all money received and disbursed in connection with Respondent's contract with Ms. Banks. Respondent failed to provide any documentation or an accounting of the \$50,000 paid by Ms. Banks.

#### COUNT I

23. Respondent's conduct, as described above, constitutes a failure to keep and maintain a complete, accurate set of books and records, contrary to Mich Admin Code, R 338.1534, in violation of section 604(c) of the Code.

#### COUNT II

24. Respondent's conduct, as described above, constitutes a failure to submit sworn financial statements, contrary to Mich Admin Code, R 338.1535, in violation of section 604(c) of the Code.

#### COUNT III

25. Respondent's conduct, as described above, constitutes a lack of good moral character in violation of section 604(d) of the Code.

COUNT IV

26. Respondent's conduct, as described above, constitutes gross negligence in violation of section 604(e) of the Code.

COUNT V

27. Respondent's conduct, as described above, constitutes incompetence in violation of section 604(g) of the Code.

COUNT VI

28. Respondent's conduct, as described above, constitutes a failure to account for money coming into a person's possession that belongs to others, in violation of section 2411(2)(c) of the Code.

WHEREFORE, Complainant, Department of Licensing and Regulatory Affairs, hereby commences proceedings pursuant to the Administrative Procedures Act of 1969, as amended, MCL 24.201-328 and the Occupational Code, *supra*, to determine whether disciplinary action should be taken by the Department of