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

In the Matter of

.

MICHIGAN RESTORATION SPECIALIST INC. License No. 21-02-208220

Complaint No. 21-16-328481 CONSENT ORDER AND STIPULATION

CONSENT ORDER

A formal complaint was filed on December 7, 2016 charging Charles Allen Norris, Qualifying Officer for Michigan Restoration Specialist Inc. (Respondent) with having violated sections 2411(2)9a), 2411(2)(1), 2409, and 604(h) of the Occupational Code, 1980 PA 299, as amended, MCL 339.101 *et seq* and Mich Admin Code, R 338.1551(4).

The parties have stipulated that the Board may enter this consent order and that the facts alleged in the Formal Complaint are true and constitute a violations of sections 2411(2)(a), 2411(2)(1), 2409, and 604(h) of the Occupational Code, and Mich Admin Code, R 338.1551(4). The Board has reviewed the stipulation contained in this document and agrees that the public interest is best served by resolution of the outstanding complaint.

Accordingly, for these violations, IT IS ORDERED:

Respondent is FINED \$1,000 to be paid by check, money order or cashier's check made payable to the State of Michigan (with complaint number 21-16-328481 clearly indicated on the check or money order), and shall be payable within 180 days of the effective date of this order. The timely payment of the fine shall be Respondent's responsibility. 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.

Respondent 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 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 thirty days from the date signed by the Chairperson or the Chairperson's designee, as set forth below.

2/12/17 Signed on ____

., I. в.

> MICHIGAN BOARD OF RESIDENTIAL BUILDERS MAINTENANCE & ALTERATION CONTRACTORS

Chairperson, STIPULATION

The parties stipulate as follows:

1. The facts alleged in the complaint 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, 1969 PA 306, as amended, 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 John Kelly. Mr. Kelly 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. Kelly and the parties considered the following factors in reaching this agreement:

A. During a March 16, 2017 compliance conference,

Respondent acknowledged that he did not complete work at either the Morgan or Mason home, but explained that it was due, in part, to the fact that the homeowners demanded work and materials that far exceeded what the insurance payments covered. Respondent acknowledged that it was his responsibility to complete the work as contracted, however, he felt it was important to try to please the clients, even to his own financial detriment.

- B. During the compliance conference Respondent also stated that he attempted to complete the projects, but when he could not provide the extras the homeowners insisted on, he was not allowed back into the home.
- C. Charles Norris is the qualifying officer for Michigan Restoration Specialists and National Fire and Restoration. As such, the parties took into consideration that he is also jointly and severally responsible for the fines levied against both those entities and his individual license. (File numbers 21-16-328481, 21-15-327552 and 21-16-328482).

By signing this stipulation, the parties confirm that they have read,

understand and agree with the terms of the consent order.

AGREED TO BY:

Bridget K. Smith (P71318) Assistant Attorney General Attorney for Complainant Dated: -3-1(-1)

AGREED TO BY:

Charles Allen Norras Respondent

Dated: ______8---8--

Harvey Altus (P30846) Attorney for Respondent Dated: g - B - 17

Bureau of Professional Licensing Approved by:

Kîm Gaedeke, Director

LF: 2016-0156612-B\Michigan Restoration Specialists Inc., 328481\Pleasding - Occupational COS - 2017-07-20

STATE OF MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS BUREAU OF PROFESSIONAL LICENSING

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS BUREAU OF PROFESSIONAL LICENSING,

Complainant,

v

MICHIGAN RESTORATION SPECIALISTS INC., Complaint No. 21-16-328481 Charles Allen Norris, Qualifying Officer License No. 21-02-208220 BOARD: Residential

BOARD: Residential Builders Maintenance & Alteration Contractors

FORMAL COMPLAINT

Attorney General Bill Schuette, through Assistant Attorney General Bridget K. Smith, on behalf of Complainant Department of Licensing and Regulatory Affairs, Bureau of Professional Licensing, files this Formal Complaint against Respondent Michigan Restoration Specialists Inc., alleging upon information and belief 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, 1980 PA 299, as amended, Article 24; MCL 39.2401-2412.

2. At all times relevant to this Complaint, Michigan Restoration Specialists, Inc. was licensed pursuant to Article 24 of the Code with Charles Norris listed as the qualifying officer. 3. Section 2411(2)(a) of the Code requires the Board to penalize a licensee for abandonment without legal excuse of a contract, construction project, or operation engaged in or undertaken by the licensee.

4. Section 2411(2)(l) of the Code requires the Board to penalize a licensee for failing to satisfy judgments or liens or failing to pay an obligation as it becomes due in the ordinary course of business.

5. Section 604(h) of the Code requires the Board to penalize a licensee for violation of any provision of this act or a rule promulgated under the act for which a penalty is not otherwise prescribed.

6. Section 2409 of the Code requires a licensee to report a change of name or address to the Department within 30 days after the change occurs.

7. Mich Admin Code, R 338.1551(4) provides that if a complaint is justified by the local building inspector, the builder or contractor shall correct the complaint within a reasonable time.

8. Section 514 of the Code authorizes the Board to assess penalties against licensees under section 602 of the Code based on an administrative law hearings examiner's hearing report.

ALLEGATIONS

9. On May 22, 2015, Lonnie Morgan contracted with Respondent, through Mr. Norris, to complete numerous repairs to his home following a kitchen fire.

10. Mr. Morgan, through his insurance company, made payments of \$47,078.43, \$755.00 and \$40,717.12 to Respondent pursuant to the contract.

11. Respondent failed to complete the work in accordance with the contract.

12. On December 3, 2015, American Wall Systems, one of Respondent's subcontractors, placed a lien on the Morgan property based on Respondent's failure to pay \$7579.00.

13. Mr. Morgan made several attempts to get Mr. Norris to complete the work that he had contracted for, but Respondent failed to complete the project.

14. On January 5, 2016 and January 16, 2016, a building inspector for the City of Detroit completed an inspection of the Morgan home. The inspection confirmed that the work was not completed in accordance with the approved work list and building permit.

15. As of the date of this complaint, Respondent corporation has failed to complete the unfinished work.

16. On April 11, 2016, as part of the Department investigation, the Department's Investigator attempted to contact Respondent at the address of record for Michigan Restoration Specialists, Inc. An individual answered the door and advised that Michigan Restorations had moved seven or eight weeks prior and left no forwarding address. Respondent failed to update the address with the Department within 30 days of that change.

<u>COUNT I</u>

17. Respondent's conduct as described above constitutes abandonment without legal excuse of a contract, construction project or operation engaged in or undertaken by the licensee, contrary to section 2411(2)(a) of the Code, in violation of section 604(h) of the Code.

COUNT II

18. Respondent's conduct as described above constitutes a failure to pay an obligation as it becomes due in the ordinary course of business, contrary to section 2411(2)(1) of the Code, in violation of section 604(h) of the Code.

COUNT III

19. Respondent's conduct as described above constitutes a failure to report a change of address, contrary to section 2409 of the Code and in violation of section 604(h) of the Code.

COUNT IV

20. Respondent's conduct as described above constitutes failure to correct a complaint within a reasonable time contrary to Mich Admin Code, R 338.1551(4) in violation of section 604(h) of the Code.

WHEREFORE, Complainant, Department of Licensing and Regulatory Affairs, hereby commences proceedings pursuant to the Administrative Procedures Act of 1969, PA 306, as amended, MCL 24.201-328 and the Occupational Code, *supra*, to determine whether disciplinary action should be taken by the Department

of Licensing and Regulatory Affairs, pursuant to the Occupational Code, for the reasons set forth herein.

Any written response shall be submitted to the Bureau of Professional Licensing, Department of Licensing and Regulatory Affairs, P.O. Box 30670, Lansing, Michigan, 48909, with a copy to the undersigned assistant attorney general.

Respectfully submitted,

BILL SCHUETTE Attorney General

Bridget K. Smith (P71318) Assistant Attorney General Licensing & Regulation Division 525 W. Ottawa, 3rd Floor, Wms Bldg. P.O. Box 30758 Lansing, Michigan 48909 (517) 373-1146

Dated: December 7, 2016

LF: 2016-0156612-B/Michigan Restoration Specialists Inc., 328481/Complaint - Formal - 2016-12-07