

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

In the Matter of

NORTHTOWN CONSTRUCTION, INC.

License No. 21-02-210220

Complaint Nos. 21-17-331436 & 21-17-331446

and

MICHAEL J. YOUNG

License No. 21-01-202029

Complaint Nos. 21-17-331437 & 21-17-331447

CONSENT ORDER AND  
STIPULATION

CONSENT ORDER

Formal complaints (numbers 331436 and 331437) were filed on May 23, 2017 charging Northtown Construction, Inc. and Michael J. Young (Respondents) with having violated sections 604(b), (c), (d), (e), (g), (h), 2404a, 2411(2)(a), (b), and (c) of the Occupational Code, as amended, MCL 339.101 *et seq.* and Mich Admin Code, R 338.1536 and R 338.1551(2).

Formal complaints (numbers 331446 and 331447) were filed on May 23, 2017 charging Respondents with having violated sections 604(b), (c), (d), (e), (g), (h), 2404a, 2411(2)(a) and (b) of the Occupational Code, as amended, MCL 339.101 *et seq.* and Mich Admin Code, R 338.1536 and R 338.1551(2).

The parties have stipulated that the Board may enter this consent order and that the facts alleged in the Formal Complaints are true and constitute a violation

of sections 604(c), (e), (g), (h), 2404a and 2411(2)(a) of the Occupational Code and Mich Admin Code, R 338.1536 and R 338.1551(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 complaint.

Accordingly, for these violations, IT IS ORDERED:

Respondents are FINED SIX THOUSAND 00/100 DOLLARS (\$6,000.00) to be paid by check, money order or cashier's check made payable to the State of Michigan (with complaint numbers 21-17-331436, 21-17-331437, 331446 and 331447 clearly indicated on the check or money order), and shall be payable within 60 days of the effective date of this order. Respondents are jointly and severally liable for paying the fine. If Respondents fail to timely pay fine, their licenses shall be suspended. The timely payment of the fine shall be Respondents' responsibility. Respondents 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.

Counts I, II, VII & VIII in both complaint number 331436 and complaint number 331437, alleging a violation of sections 604(b), (d), 2411(2)(b) and (c) of the Occupational Code, are DISMISSED.

Counts I, II, & VII in both complaint number 331446 and complaint number 331447, alleging a violation of sections 604(b), (d), 2411(2)(b) of the Occupational Code, are DISMISSED.

If Respondents 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.

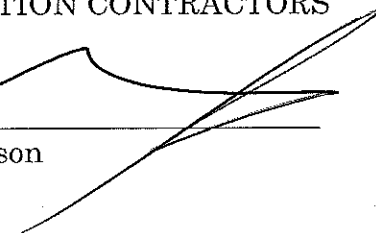
If Respondents violate any term or condition set forth in this order, Respondents will be in violation of section 604(k) of the Occupational Code.

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 9/2/17

MICHIGAN BOARD OF RESIDENTIAL  
BUILDERS AND MAINTENANCE  
ALTERATION CONTRACTORS

By \_\_\_\_\_  
Chairperson



## 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. 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, 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 Sidney Browne, Jr.
6. Mr. Browne and the parties considered the following factors in reaching this agreement:


A. At the Board's June 13, 2017 meeting, the Board approved three consent orders resolving complaint numbers 324300, 327619, 327646, 330649, and 330650, which had been filed against Respondents.

B. Respondents represented that, in the instant cases, they became overwhelmed with the operation of the business and relied too much on subcontractors to perform the contracts.


C. On May 19, 2017, Respondents' attorney provided the homeowners from complaints 331436 and 331437 with a \$7,000 check drawn from the attorney's trust account to refund the homeowners' \$7,000 deposit.


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: 7/11/17

AGREED TO BY:

  
\_\_\_\_\_  
Northtown Construction, Inc.  
By: Michael John Young  
and Michael John Young, Respondent  
Dated: 7/11/17

  
\_\_\_\_\_  
Charles R. Cuzydlo (P48503)  
Attorney for Respondents  
Dated: 7/11/17

Bureau of Professional Licensing  
Approved by:

  
\_\_\_\_\_  
Kim Gaedeke, Director

Date

07/13/2017

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

In the Matter of

NORTHTOWN CONSTRUCTION, INC.

License No. 21-02-210220

Complaint No. 21-17-331446

Respondent.

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 Northtown Construction, Inc., Respondent, upon information and belief alleges as follows:

1. Beginning on July 6, 2015, Respondent was licensed as a Residential Builder and/or Maintenance and Alteration Contractor pursuant to Article 24 of the Occupational Code, MCL 339.2401-2412, and has been continually licensed.
2. Section 604(b) of the Code subjects a licensee to sanction for "fraud, deceit, or dishonesty in practicing an occupation."
3. Section 604(c) of the Code subjects a licensee to sanction for violating a rule of conduct of an occupation.

4. 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.

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

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

7. Section 604(h) of the Code subjects a licensee to sanction who “[v]iolates a provision of this act or a rule promulgated under this act for which a penalty is not otherwise prescribed.”

8. Section 2404a of the Code requires a licensee to “provide information relating to his or her individual license and to any license issued that person as a qualifying officer of another entity” in the contract.

9. Section 2411(2)(a) of the Code requires the Board to penalize a licensee for “[a]bandonment without legal excuse of a contract, construction project, or operation engaged in or undertaken by the licensee.”

10. Section 2411(2)(b) of the Code subjects a licensee to sanction for “[d]iversion of funds or property received for prosecution or completion of a specific construction project or operation, or for a specified purpose in the prosecution or completion of a construction project or operation, and the funds or property

application or use for any other construction project or operation, obligation, or purposes.”

11. Mich Admin Code, R 338.1536 prohibits “[a]cceptance or performance of a contract procured by a salesperson not licensed under a builder or contractor, or acceptance or performance of a contract, other than the sale of real property, procured by anyone not licensed under the act . . . .”

12. Mich Admin Code, R 338.1551(2) requires a licensee to “reply to the department within 15 days from receipt of the complaint and shall confirm or deny the justification of the complaint.”

13. Section 602 of the Code authorizes the Board to sanction licensees who have violated the Code.

#### FACTUAL ALLEGATIONS

14. Michael John Young (license number 21-01-202029) is the resident agent of Respondent.

15. In or around July 2016, Pat McKnight, an agent of Respondent, procured a contract between \_\_\_\_\_ and Respondent. Mr. McKnight was not licensed as a residential builder or maintenance and alteration contractor or as a salesperson under a builder or contractor.

16. Mr. McKnight worked for Respondent procuring contracts on Respondent’s behalf without possessing a license.



17. On or about July 28, 2016, Respondent, through Mr. McKnight, contracted with Ms. to replace her roof and install a storm door for the sum of \$7,000.

18. The contract does not include Respondent's licensing information or the licensing information of Michael John Young.

19. Ms. paid to Respondent a deposit of \$5,000 on or about August 26, 2016.

20. In or around September 2016, Respondent performed work on Ms. home, including on the roof, but he did not complete the agreed-upon work.

21. On or about September 15, 2016, Ms. t contacted Respondent about completing the agreed-upon work. Respondent agreed to finish the job, but never returned to Ms. home to complete the work.

22. Ms. filed a complaint with the Department of Licensing and Regulatory Affairs on or about December 27, 2016.

23. On February 16, 2017, the Department mailed a Notice to Respondent to Respondent. As of the date of this Formal Complaint, Respondent has failed to respond to the Notice to Respondent.

#### COUNT I

24. Respondent's conduct, as described above, constitutes fraud, deceit, or dishonesty in practicing an occupation violation of section 604(b) of the Code.

COUNT II

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

COUNT III

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

COUNT IV

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

COUNT V

28. Respondent's conduct, as described above, constitutes a failure to include license information in the contract, contrary to section 2404a of the Code, in violation of section 604(h) of the Code.

COUNT VI

29. 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, in violation of section 2411(2)(a) of the Code.

COUNT VII

30. Respondent's conduct, as described above, constitutes diversion of funds or property received for prosecution or completion of a specific construction project or operation, in violation of section 2411(2)(b) of the Code.

COUNT VIII

31. Respondent's conduct, as described above, constitutes "[a]cceptance or performance of a contract procured by a salesperson not licensed under a builder or contractor, or acceptance or performance of a contract, other than the sale of real property, procured by anyone not licensed under the act . . . ." contrary to Mich Admin Code, R 338.1536 in violation of section 604(c) of the Code.

COUNT IX

32. Respondent's conduct, as described above, constitutes failure to "reply to the department within 15 days from receipt of the complaint and shall confirm or deny the justification of the complaint contrary to Mich Admin Code, R 338.1551(2) in violation of section 604(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

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

Respectfully submitted,

**BILL SCHUETTE**  
Attorney General

By 

\_\_\_\_\_  
Timothy C. Erickson (P72071)  
Assistant Attorney General  
Licensing & Regulation Division  
P.O. Box 30758  
Lansing, MI 48909  
Phone (517) 373-1146; Fax (517) 241-1997

Dated: May 23, 2017

LF: 2017-0181252-B/ Northtown Construction, (Res Bldr) 331446/Formal Complaint – 2017-05-23

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

In the Matter of

NORTHTOWN CONSTRUCTION, INC.

License No. 21-02-210220

Complaint No. 21-17-331436

Respondent.

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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 Northtown Construction, Inc., Respondent, upon information and belief alleges as follows:

1. Beginning on July 6, 2015, Respondent was licensed as a Residential Builder and/or Maintenance and Alteration Contractor Company pursuant to Article 24 of the Occupational Code, MCL 339.2401-2412, and has been continually licensed.
2. Section 604(b) of the Code subjects a licensee to sanction for "fraud, deceit, or dishonesty in practicing an occupation."
3. Section 604(c) of the Code subjects a licensee to sanction for violating a rule of conduct of an occupation.

4. 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.

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

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

7. Section 604(h) of the Code subjects a licensee to sanction who “[v]iolates a provision of this act or a rule promulgated under this act for which a penalty is not otherwise prescribed.”

8. Section 2404a of the Code requires a licensee to “provide information relating to his or her individual license and to any license issued that person as a qualifying officer of another entity” in the contract.

9. Section 2411(2)(a) of the Code requires the Board to penalize a licensee for “[a]bandonment without legal excuse of a contract, construction project, or operation engaged in or undertaken by the licensee.”

10. Section 2411(2)(b) of the Code subjects a licensee to sanction for “[d]iversion of funds or property received for prosecution or completion of a specific construction project or operation, or for a specified purpose in the prosecution or completion of a construction project or operation, and the funds or property

application or use for any other construction project or operation, obligation, or purposes.”

11. 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.”

12. Mich Admin Code, R 338.1536 prohibits “[a]cceptance or performance of a contract procured by a salesperson not licensed under a builder or contractor, or acceptance or performance of a contract, other than the sale of real property, procured by anyone not licensed under the act . . . .”

13. Mich Admin Code, R 338.1551(2) requires a licensee to “reply to the department within 15 days from receipt of the complaint and shall confirm or deny the justification of the complaint.”

14. Section 602 of the Code authorizes the Board to sanction licensees who have violated the Code.

#### FACTUAL ALLEGATIONS

15. Michael John Young (license number 21-01-202029) is the resident agent of Respondent.

16. In or around July 2016, Pat McKnight, an agent of Respondent, procured a contract between Smith and Respondent. Mr. McKnight was not licensed as a residential builder or maintenance and alteration contractor or as a salesperson under a builder or contractor.

17. Mr. McKnight worked for Respondent procuring contracts on Respondent's behalf without possessing a license.

18. On or about July 21, 2016, Respondent, through Mr. McKnight, contracted with the Smiths to remove some concrete, grade and slope land, and replace concrete for the sum of \$14,000.

19. The contract does not include Respondent's licensing information or the licensing information of Michael John Young.

20. The Smiths paid Respondent a deposit of \$7,000 on or about August 3, 2016 and it was deposited or cashed by Respondent on or about August 5, 2016.

21. Between August and October 2016, the Smiths contacted Respondent and Pat McKnight inquiring about the commencement of the project, but were met with excuses.

22. Respondent never completed any work.

23. On or about November 18, 2016, the Smiths, through counsel demanded that Respondent refund their deposit of \$7,000. Respondent failed to return the deposit.

24. The Smiths filed a complaint with the Department of Licensing and Regulatory Affairs on or about December 28, 2016. On or about February 10, 2017, the Department mailed a Notice to Respondent to Respondent. On or about February 13, 2017, a representative of the Department called Respondent and left a message requesting a return call. As of the date of this Formal Complaint, Respondent has failed to respond to the Notice to Respondent.



COUNT I

25. Respondent's conduct, as described above, constitutes fraud, deceit, or dishonesty in practicing an occupation violation of section 604(b) of the Code.

COUNT II

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

COUNT III

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

COUNT IV

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

COUNT V

29. Respondent's conduct, as described above, constitutes a failure to include license information in the contract, contrary to section 2404a of the Code, in violation of section 604(h) of the Code.

COUNT VI

30. 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, in violation of section 2411(2)(a) of the Code.

COUNT VII

31. Respondent's conduct, as described above, constitutes diversion of funds or property received for prosecution or completion of a specific construction project or operation, in violation of section 2411(2)(b) of the Code.

COUNT VIII

32. 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.

COUNT IX

33. Respondent's conduct, as described above, constitutes "[a]cceptance or performance of a contract procured by a salesperson not licensed under a builder or contractor, or acceptance or performance of a contract, other than the sale of real property, procured by anyone not licensed under the act . . . ." contrary to Mich Admin Code, R 338.1536 in violation of section 604(c) of the Code.

COUNT X

34. Respondent's conduct, as described above, constitutes failure to "reply to the department within 15 days from receipt of the complaint and shall confirm or deny the justification of the complaint contrary to Mich Admin Code, R 338.1551(2) in violation of section 604(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 Licensing and Regulatory Affairs, pursuant to the Occupational Code, for the reasons set forth herein.

Respectfully submitted,

BILL SCHUETTE  
Attorney General

By



\_\_\_\_\_  
Timothy C. Erickson (P72071)  
Assistant Attorney General  
Licensing & Regulation Division  
P.O. Box 30758  
Lansing, MI 48909  
Phone (517) 373-1146; Fax (517) 241-1997

Dated: May 23, 2017

LF: 2017-0181359-B/Norhtown Construction, (Res Bldr) 331436/Formal Complaint – 2017-05-23