



# MANDATE

## Court of Special Appeals

Maryland Relay Service  
1-800-735-2268  
T/VOICE

No. 01976, September Term, 2017

Michael Crosby Jr.  
vs.  
Maryland Home Improvement Consumer  
Protection Division

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**JUDGMENT:** May 24, 2018: Order of Court, on its own motion, dismissing the appeal. MD Rule 8-602(a)(7).

June 26, 2018: Mandate issued.

From the Circuit Court: for BALTIMORE COUNTY  
003C17002118

### STATEMENT OF COSTS:

|                                 |       |
|---------------------------------|-------|
| <u>Appellant(s):</u>            |       |
| Lower Court Costs- .....        | 60.00 |
| Steno Costs of Appellant- ..... | 37.50 |
| Filing Fee of Appellant- .....  | 61.00 |

STATE OF MARYLAND, Sct:

I do hereby certify that the foregoing is truly taken from the records and proceedings of the said Court of Special Appeals. In testimony whereof, I have hereunto set my hand as Clerk and affixed the seal of the Court of Special Appeals, this twenty-sixth day of June 2018

### Signature on File

**COSTS SHOWN ON THIS MANDATE ARE TO BE SETTLED BETWEEN COUNSEL AND NOT THROUGH THIS OFFICE.**

MICHAEL CROSBY, JR., t/a  
CONSTRUCTION INTEGRATION  
GROUP, LLC

Petitioner,

v.

MARYLAND HOME IMPROVEMENT  
COMMISSION

Respondent.

\* \* \* \* \*

**ORDER**

IN THE CIRCUIT COURT

FOR

BALTIMORE COUNTY

CIVIL ACTION NO.:

03-C-17-002118 AA

Having called the above-captioned case for oral argument on October 31, 2017, and upon consideration of the petitioner Michael Crosby, Jr.'s failure to appear, it is this 1st day of November, 2017, by the Circuit Court for Baltimore County, hereby:

ORDERED, that the petitioner's Petition for Judicial Review in the above-captioned case is **DISMISSED** *for the reasons stated on the record.*

**Signature on File**

~~Circuit Court for Baltimore County~~  
Circuit Court for Baltimore County

*Clerk, send copies to  
all counsel of record;  
Pro se parties*

**True Copy Test**

JULIE L. ENSOR, Clerk

Per \_\_\_\_\_  
Assistant Clerk

**FILED NOV 06 2017**

**IN THE MATTER OF  
THE CLAIM OF CHRISTOPHER RILEY  
AGAINST THE  
MARYLAND HOME IMPROVEMENT  
GUARANTY FUND ON ACCOUNT OF  
ALLEGED VIOLATIONS OF  
MICHAEL CROSBY, JR.  
t/a CONSTRUCTION INTEGRATION  
GROUP, LLC**

**\* MARYLAND HOME  
IMPROVEMENT COMMISSION**

**\* Case No. 17 (75) 479**

\* \* \* \* \*

**FINAL ORDER**

On this **3<sup>RD</sup>** day of **February**, 2017, Panel B of the Maryland Home

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**Improvement Commission ORDERS that:**

1) Pursuant to Business Regulation Article, §8-408(b)(3)(i), Annotated Code of Maryland, the Claimant has provided the Commission with a copy of a final award in arbitration, dated August 4, 2016, with all rights of appeal exhausted, in which the arbitrator found on the merits that the conditions precedent to recovery, as set forth in Business Regulation Article, §8-405(a), Annotated Code of Maryland, have been met, and found that the Claimant sustained an actual loss of \$17,226.25.

2) The Commission directs payment of \$17,226.25 from the Home Improvement Guaranty Fund to the Claimant, Christopher C. Riley.

3) Pursuant to Business Regulation Article, §8-411(a), Annotated Code of Maryland, any home improvement licenses held by the Respondent, Michael Crosby, Jr., t/a Construction Integration Group, LLC, shall be Suspended, and the Respondent shall be ineligible for any home improvement licenses, until the Respondent has repaid any money paid from the Home Improvement Guaranty Fund pursuant to this Order, with 10 percent annual interest.

4) The records and publications of the Maryland Home Improvement Commission shall reflect this decision.

5) The payment to the Claimant from the Home Improvement Guaranty Fund shall be authorized thirty (30) days from the date of this Order. During the thirty (30) day period, any party may file an appeal of this decision to Circuit Court.

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*Joseph Tunney*  
**Chair - Panel B**

**CLAIMANTS**

Christopher C. and Anousheh Riley  
1319 Ridge Road  
Catonsville, Maryland 21228,

v.

**RESPONDENT**

Construction Integration Group, LLC  
6400 Baltimore National Pike #491  
Catonsville, Maryland 21228.

IN THE

CONSUMER PROTECTION DIVISION

OFFICE OF THE ATTORNEY GENERAL

STATE OF MARYLAND

CASE NO: 36-0046

**ARBITRATION DECISION**

**INTRODUCTION**

An Arbitration Hearing in the above-captioned matter was duly scheduled and held at 9:30 am on June 8, 2016, pursuant to the written agreement of the parties and upon written notice to each of them. The Hearing was held at the Claimants' home, in Catonsville, Maryland.

Present on behalf of Claimants: Christopher C. Riley and Anousheh Riley; Gerard G. Magrogan, Esquire, their attorney; and Sid Gorman, R.P. Gorman/Venice Contracting.

Present on behalf of Respondent: Michael Crosby, Jr., Owner.

All persons present and intending to testify or otherwise offer evidence were administered the oath and were duly sworn.

The parties each affirmed, under oath, their understanding that:

1. This Arbitration Proceeding is a voluntary method of resolving their dispute, in lieu of all other remedies and actions (including court action, except as may be involved in the limited rights of appeal which are referred to below), to which each party has agreed;
2. The Arbitrator is to serve as a neutral and is to evaluate impartially the testimony and such other evidence as each party may present;
3. Each party has been advised, prior to the day of the Hearing (see Notice of Hearing), that it is the duty of each such party to produce, at the time of the Hearing, any witnesses and all such evidence (verbal, documentary, or otherwise) as they would or could to support their respective contentions;
4. The Decision rendered by the Arbitrator will be guided by Maryland law and principles of equity, as applied to the facts established by the testimony and other evidence presented; and
5. The Decision rendered will be legally binding upon the parties, subject only to such limited rights of appeal as are specified in the Maryland Uniform Arbitration Act (Maryland Code, Courts & Judicial Proceedings, §§ 3-201 - 3-234).

Mr. Crosby also stated, under oath, that the Respondent/business:

- a) is operating under Maryland law as limited liability corporation, presently in good standing with the State of Maryland, the correct name of which is as shown above;
- b) is the proper party to the subject dispute and to this proceeding;
- c) would be the proper party against whom any adverse Decision rendered would be legally enforceable;
- and,
- d) that he is duly authorized to represent the named business in this proceeding.

The parties were each advised that should either party, intentionally or unintentionally, indicate that they are representing a corporation, limited liability company, or other entity which either never did or does not now exist, for whatever reason, that they may incur individual liability as a result thereof, should the Decision in this proceeding so warrant.

### NATURE OF CLAIM

Claimants contend that Respondent failed to complete renovations in their home at 1319 Ridge Road Catonsville, Maryland (the "Home"). Respondent also damaged the Home and caused other damage and construction defects. They are seeking payment of \$64,347.75.

Respondent contends that it did not damage the home, or cause other damage and construction defects. Claimants failed to pay outstanding balances or for additional change orders. It is seeking payment of \$16,450.50.

### TESTIMONY AND EVIDENCE

The parties offered oral testimony and documentary evidence in support of their respective contentions. The parties and the Arbitrator inspected the Home.

The parties do not dispute that on June 16, 2015, the parties contracted for renovations to the Home. The renovations were never completed.

#### The Claimants:

Claimants Christopher C. and Anousheh Riley testified that on June 16, 2015, the parties contracted for Respondent to perform renovations to the Home totaling \$125,000.00. The scope of work was detailed in the signed Proposal. To have the project start promptly, before the bank loan was finalized, Claimants paid Respondent a \$10,000.00 deposit, to be refunded out of the last bank draw. The renovations were to begin on or about July 28, 2015 and be completed on or about November 30, 2015.

On August 6, 2015, Claimants emailed Respondent about their disappointment that the renovations did not begin on July 28, 2015. Claimants emphasized that they wanted the project "done ASAP in a quality manner." Respondent replied that permits were not yet obtained, but were expected by August 10, and that the change from the original engineered truss system to stick built for the roof structure may save five days of construction. Respondent did not start the renovations until August 17, 2015. The project was not completed by November 30, 2015, or by Respondent's extended estimate of December 22, 2015.

On June 30, 2015, Respondent emailed Claimants that if they did not like its cabinet vendor they could purchase from other vendors. On October 15, 2015, Respondent emailed Claimants that they could shop for their own cabinets, but requested "As long as we can get something lined up in the next week or so we should be able to stay on target." On November 9, 2015, Respondent emailed requesting various selections required from Claimants to continue the project. Respondent also asked "are you ok with washing cost to tile vs the planned hardwood [?]"

In December of 2015, Respondent requested additional funds from Claimants, who questioned some of the charges. On December 14, 2015, Respondent emailed Claimants an audit of outstanding expenses and requested resolution of the outstanding costs before continuing work. The total due was \$27,821.10

(subject to a \$10,000.00 refund of the original deposit). On December 15, 2015, the parties traded emails disagreeing with each other's position on payment and completion of the project. Claimants contended they provided all selections necessary at the time and all the delays were due to Respondent. Claimants disputed some of the claimed overages. Respondent did not get Claimants' prior agreement to these costs. Claimants also requested an accurate timeline for completion. Respondent replied that selections have not been made and the change orders and extra costs must be resolved prior to any further progress.

On December 17, 2015, Respondent emailed Claimants saying it had "temporarily suspended further progress on the project but do not have any intentions of project abandonment." On February 17, 2016, with the project still uncompleted, the Claimants formally terminated Respondent.

Claimants stated that during the construction, a two-foot level (\$20.00) and landscape hose (\$40.00) were taken from the Home, and a trash can (\$50.00), hose sprayer (\$25.00) were damaged. Respondent used Claimants' vacuum cleaner (\$239.00) instead of a Shopvac and damaged it. Additionally, Respondent moved Claimants' loveseat (\$600.00), armchair (\$400.00), kitchen island (\$329.00) and carpet (\$150.00) out of the Home and left these items out in the rain. Although covered by plastic, these items were damaged. Claimants also contend that they are due an appliance credit of \$3,000.00 for the appliances they purchased on their own. Claimants agree that there is \$3,500.00 remaining on the siding change order, \$283.00 for the roof color change order, and \$456.00 for upgraded recess trims.

Sid Gorman, of R.P. Gorman/Venice Contracting testified that he prepared a Construction Contract ("Gorman Bid") to finish and/or correct defects left by Respondent when it stopped work. Items containing no costs (\$0.00) were observed but not included in the proposal. The total contract cost is \$43,393.00.

**1. Roof.** (A) Seal vent pipes, \$145.00. (B) Extend chimney, \$1,875.00. (C) Reset gutters at proper angle, \$375.00.

Mr. Gordon says discharge pipes lead into the gutter. The poor angle of the gutters, and the closeness of the pipes, allow the drainage to freeze, blocking the discharge.

**2. Flooring.** (A) Remove tiling, (B) Properly prepare under flooring, and (C) Install new tiles, \$13,900.00. (D) Tile master bath, \$3,455. (E) Remove flooring in two bedrooms and prepare flooring, \$685.00. (F) Install carpeting, \$2,655.00. (G) Install new trim throughout renovation, \$1,262.00.

Mr. Gordon says that the subflooring needed better preparation and leveling. The tiling chosen by Claimants is hard to install. If the concrete subflooring is not perfectly level, the size of the tiles makes it very difficult to lay the tiles level.

**3. Kitchen.** (A) Finish and reinstall cabinets, \$1,643.00. (B) Measure countertops, \$0.00. (C) Remove and reinstall appliances (due to new floor), \$1,125.00. (D) Rework plumbing under sink, \$433.00. (E) Properly seal old dryer vent hole, \$65.00.

**4. Master Bedroom.** (A) Install toilet, tub, vanity and lights, \$975.00.

**5. Electrical.** Various items are not completed. (Respondent's subcontractor, ABSOLUTE Systems Engineering, claims an outstanding balance of \$4,251.75 to be paid before completing these items.)

**6. HVAC.** Installation of media air cleaner. (Invoice from Perry Hall Heating and Air Conditioning Co., Inc., \$1,850.00. Not included in Gorman Bid total.)

**7. Finishing Work.** (A) Sheetrock repair, \$1,465.00. (B) Replace trim, \$896.00. (C) Square and trim walls, \$0.00. (D) Trim out window in breezeway, \$568.00. (E) Repainting, \$4,365.00. (F) Replace broken French doors, \$3,555.00. (G) Finish front patio from demolition of column, \$655.00. (H)/(I) Box in and seal ejector pump and pipe, \$210.00. (J) Ejector pipe stop valves, \$0.00. (K) Vent plumbing vents, \$378.00. (L) Secure cold water line in laundry room and outside, \$298.00. (M) Secure water supply lines in laundry, \$235.00. (N) Raise dryer vent access, \$175.00. (O) Install doors in closet,

bedroom and laundry room, \$450.00. (P) Trim exterior furring strips and grading, \$0.00. (Q) Reinstall closet doors after floor repair, \$75.00. (R) Insulate or move supply lines in attic, \$300.00.  
8. Siding. (A) Caulking, \$650.00. (B) Expose and seal cleanout, \$175.00. (C) Vent gable vents into attic, \$350.00.

Claimants contend that Respondent breached their contract by attempting to charge for changes and/or extras that they did not approve, and then refusing to complete the project. Respondent left items unfinished or in a defective condition, and caused other damage. They claim the following damages: Gorman Bid, \$43,393.00; Perry Hall invoice, \$1,850.00; ABSOLUTE invoice, \$4,251.75; Appliance credit, \$3,000.00; Stolen or damaged items, \$1,853.00; and return of initial deposit, \$10,000.00, for a total of \$64,347.75.

#### The Respondent:

Michael Crosby, Jr. testified that he is the owner of Respondent. On June 16, 2015, Respondent and Claimants entered into the Proposal. The Proposal details the scope of work to be performed. The Proposal includes the following: "You understand that the installation beginning and completion dates on the reverse side are approximate dates and are subject to change." "Any work not specifically noted in this contract will require an additional fee and a separate contract or change order." "Owner will be responsible for removing all contents from the affected areas if any." and "No other work will be completed other than what is specifically stated above. Design changes and additions to this contract are permitted and may be subject to an additional charge. If changes are needed, all must be agreed upon by the seller and the buyer in a written change order signed by both parties."

Respondent responds to Mr. Gordon's invoice as follows:

1. Roof. (A) Seal vent pipes and (B) Extend chimney: These would have been resolved prior to completion or after a punch list. (C) Reset gutters: An option would be to put the drainage pipes in the wall to drain at the base of the Home. This is not a part of the Proposal and the gutter angle is fine.
2. Flooring. (A) Remove tiling, (B) Properly prepare under flooring, and (C) Install new tiles: Respondent contends that the rustic look tiling was not manufactured to be level and has natural design imperfections. ~~The tiles come concave, convex and twisted. The underfloor is the original slab and no underfloor preparation was included in the Proposal. Claimants changed the floating/engineered hardwood floor in the Proposal to tile. The original hardwood was to "be installed over the existing slab." The floating floor would have smoothed out the unevenness of the concrete. As Mr. Gordon admitted, this tile over concrete is a difficulty. The bank inspector approved the flooring. The Proposal allows a \$3.00 per square foot cost for the flooring. The additional cost for the change to tile was \$3,339.00. Although Respondent agreed to "washing cost to tile vs the planned hardwood," Respondent was agreeing to forego the additional labor involved in laying the tile, not to forego the additional cost of the tile.~~ (D) Tile master bath, (E) Remove and prepare flooring in two bedrooms, and (F) Install carpeting: These would have been resolved prior to completion. (G) Install new trim throughout renovation: These would have been resolved prior to completion or after a punch list. The trim needs final touchup, not replacement.
3. Kitchen. (A) Finish and reinstall cabinets: Claimants were to select cabinets from Respondent's vendor, but choose IKEA instead. Respondent had to pick up the cabinets from IKEA and installed 90% of them. Respondent agrees to a cabinet credit of \$2,730.00. Flooring does not need to be replaced, so no reinstallation necessary. (B) Measure countertops: This would have been resolved prior to completion. (C) Remove and reinstall appliances: Flooring does not need to be replaced, so no reinstallation necessary. (D) Rework plumbing under sink: The Proposal specifically excludes repairing or replacing



existing waste or supply lines in the Home. (E) Properly seal old dryer vent hole: Respondent patched this hole. It may have been made by drywall workers who thought the dryer was going back in the same place.

4. **Master Bedroom.** (A) Install toilet, tub, vanity and lights: These would have been resolved prior to completion.

5. **Electrical.** Various items not completed: These would have been resolved prior to completion.

6. **HVAC.** Installation of media air cleaner: This would have been resolved prior to completion.

7. **Finishing Work.** (A) Sheetrock repair, (B) Trim Replacement, and (C) Square and trim walls: These would have been resolved prior to completion or after a punch list. (D) Trim out window in breezeway: Wood should have been used as lentil instead of sheetrock. (E) Repainting: This would have been resolved prior to completion or after a punch list. Touchup needed, not complete repainting. (F) Replace broken French doors: Respondent denies breaking door. Additionally, the cost for the doors is only \$600.00. (G) Finish front patio: There was some brick work left from the demolition of a column. The demolition was added to the Proposal due to a change in the roof design, and was performed without cost to Claimants. Finishing off the brickwork was never agreed to. (H)/(I) Box in and seal ejector pump and pipe: Ejector pump does not need boxing in. (J) Ejector pipe stop valves. (K) Vent plumbing vents. (L) Secure cold water line in laundry room and outside. (M) Secure water supply lines in laundry: Pipe is accessible and this is a simple fix. (N) Raise dryer vent access: Location of vent is normal, and Mr. Gorman agrees. (O) Install doors in closet, bedroom and laundry room. (P) Trim exterior furring strips and grading: Grading not in Proposal. (Q) Reinstall closet doors after floor repair: Floor replacement not needed. (R) Insulate or move supply lines in attic: Needs pipe wrap and insulation.

8. **Siding.** (A) Caulking: The siding is installed as per manufacturer's instructions and does not need additional caulking. Mr. Gorman agrees. (B) Expose and seal cleanout: This is the original cleanout, not included in proposal. (C) Vent gable vents into attic.

Claimants never told Respondent, during the construction, about any items taken from the Home. The cleaning crew may have used Claimants' vacuum, but it still works. The loveseat, armchair and carpet were moved out of the Home because they were in the construction area. The Proposal requires "Owner will be responsible for removing all contents from the affected areas if any." Respondent first covered them in plastic and then covered them with a tarp. The kitchen island is only \$199.00 at IKEA.

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In December of 2015, Respondent requested Claimants pay for add-ons and overages, so Respondent could continue construction. These included: \$3,500.00 remaining on the siding change order, \$283.00 for the roof color change order, and \$456.00 for upgraded recess trims. Additionally, the upgrade from manufacturer flooring to the tiling caused a material cost overage of \$3,339.00. Respondent did not charge for the extra labor for the tiling. Respondent agrees the Claimants are entitled to an appliance credit of \$3,000.00, a cabinet material credit of \$2,730.00, and a return, from the final draw, of their \$10,000.00 deposit. Claimants refused to pay for the outstanding costs, disputing the amount and telling Respondent to take it out of the \$10,000.00 deposit. With payment, Respondent would have finished the project, although four weeks late.

The Proposal amount, and bank loan amount, is \$125,000.00. Respondent has been paid \$100,397.50 from the bank, leaving \$24,602.50 to complete the Proposal. The outstanding amounts for add-ons and changes total \$7,578.00. Claimants are entitled to credits of \$15,730.00. Therefore, Respondent seeks payment of \$16,450.50 ( $\$24,602.50 + \$7,578.00 - \$15,730.00$ ) to finish the project.

## FINDINGS AND DECISION

The Arbitrator makes the following findings as to the above issues. Claimants have the burden of proving that Respondent failed to complete renovations in the Home and/or damaged the Home and/or caused other damage and construction defects. There is no dispute that Respondent failed to complete the renovations. There is no dispute that Claimants failed to pay all outstanding balances or for some change orders. Each side claims the other's breach of contract caused the stoppage of work.

Each side has the burden of proving that they are entitled to damages from the other's breach of the contract. Claimants had an obligation to promptly pay for change orders and add-ons. While they did do so at first, they stopped when Respondent became less communicative about costs and timelines. Respondent had an obligation to record change orders and ensure Claimants were informed of, and agreed to, changes in costs and timelines. Respondent became less communicative when Claimants stopped paying for change orders and add-ons. The Arbitrator finds, based on a totality of the evidence, that each side bears some responsibility for the breaching of the contract, and each side has suffered damages due to the breach.

As to Claimants specific allegations, Respondent did not dispute that many of the repairs and/or completions were necessary. Respondent would like the opportunity to complete the Proposal, and contends that many of the allegations are of a "punch list" type. However, the Arbitrator finds that the relationship of the parties has deteriorated to the point that requiring Respondent to complete the project would not be appropriate. The Arbitrator finds the following repairs and/or completions are not in dispute as being necessary, although Respondent has disputed the extent or costs of some of these items:

1. **Roof.** (A) Seal vent pipes and (B) Extend chimney.
2. **Flooring.** (D) Tile master bath, (E) Remove and prepare flooring in two bedrooms, (F) Install carpeting, and (G) Install new trim throughout renovation.
3. **Kitchen.** (A) Finish cabinets, (B) Measure countertops, and (E) Seal old dryer vent hole.
4. **Master Bedroom.** (A) Install toilet, tub, vanity and lights.
5. **Electrical.** Various items to be completed by electrician.
6. **HVAC.** Installation of media air cleaner.
7. **Finishing Work.** (A) Sheetrock repair, (B) Trim Replacement, (C) Square and trim walls, (D) Trim out window in breezeway, (E) Painting touchup, (H) Seal ejector pump, (I) Box in pipe, (J) Ejector pipe stop valves, (K) Vent plumbing vents, (L) Secure cold water line in laundry room and outside, (O) Install doors in closet, bedroom and laundry room, (P) Trim exterior furring strips, and (R) Insulate supply lines in attic.
8. **Siding** (C) Vent gable vents into attic.

There is also no dispute as to Claimants owing for the siding change order, roof color change order, and upgraded recess trims, but being entitled to an appliance credit, a cabinet material credit, and a return of their \$10,000.00 deposit.

The Arbitrator makes the following findings as to the disputed issues:

1. **Roof gutters.** The Arbitrator finds that the angle of the gutter is within acceptable limits, although there is a small bend that can be remedied. The slow drip from the discharge pipes allow the drainage to freeze, blocking the discharge. Claimants did not want the discharge pipes coming down the outside of the Home. Although running the pipes inside the wall or other alternatives may resolve the problem, these options are outside the scope of the Proposal and not the responsibility of the Respondent. The Arbitrator finds that the fair and reasonable cost to secure or reset the gutter at the bend is \$150.00.

**2. Flooring.** The problem with the flooring is evident, and may be a result of the diminishing cooperation between the parties towards the end of the construction. What started out as a working relationship, as evidenced by the many emails and texts, slowly became more adversarial as each side became frustrated with the other. The flooring was changed from a floating type to tile. Respondent contends it was willing to waive the increased labor cost of installing the tiles, and that Claimants misinterpreted the offer as waiving the full extra costs. Claimants believe the full cost was waived, but provided no explanation why the Respondent would absorb this extra cost. This issue would have been prevented had Respondent, as required by the Proposal, prepared a written change order for Claimants' approval. When the parties' relationship was good, the lack of a written change order was not a problem. When the relationship suffered, the lack of written documentation became a problem. The Arbitrator finds, based on a totality of the evidence, that Respondent's position - waiving just the labor costs of the upgrade to the flooring - is more reasonable, even if this was not clearly communicated to Claimants. The Arbitrator also notes that Respondent did not provide any invoice or other documentation showing the increased cost of the tiles over the hardwood flooring.

The Arbitrator finds that the Proposal (section K) specifically provided for "floating engineered flooring" and that "This new engineered hardwood will be installed over the existing slab." When the hardwood was changed by Claimants to tile, no change order was prepared to provide for any subfloor preparation by Respondent. The Arbitrator finds that Respondent was negligent in failing to inform Claimants that the new flooring would require subfloor preparation or would not lay level. The preparation would have been an additional cost and Claimants would have had to approve it. If the Claimants had not approved the change, Respondent would not have been responsible for the uneven floor. The Arbitrator finds that, due to Respondent's failure to inform Claimants of the need for subfloor preparation, it is responsible for repairing the floor in the places where it is raised or hollow, but that a total removal and replacement is not warranted. There is no estimate for this repair from either party. Also, any cost to prepare the subfloor would be outside the scope of the Proposal and would have been charged to Claimants as a change order. Therefore, the cost must be balanced between what Respondent is responsible for and what it is not, and partially offset by the additional cost of the tile. The Arbitrator finds that, based on a totality of the evidence, including the full cost of floor replacement (\$13,900) and the additional cost of the tiles not paid by Claimants (\$3,339), the fair and reasonable net cost for this repair is \$6,000.00.

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**3. Kitchen.** The Arbitrator finds that replacing the whole floor is not warranted, so the appliances, cabinets and closet doors do not need to be removed and reinstalled. The Arbitrator also finds that the Proposal specifically excludes repairing or replacing existing waste or supply lines in the Home. This item is outside the scope of the Proposal and not the responsibility of the Respondent.

**7. Finishing Work.** Respondent contends the cost for the French doors is only \$600.00. The Proposal states "total budget for all 3 patio doors will be \$2,500." Claimants are entitled to a reasonable amount for the doors and labor. The Arbitrator finds that the fair and reasonable cost for this repair is \$1,500.00. The Arbitrator finds the demolition of the porch column resulted from a change order. No provision for finishing the brickwork was included. This item is outside the scope of the Proposal and not the responsibility of the Respondent. Boxing in the ejector pump is outside the scope of the Proposal and not the responsibility of the Respondent. The water supply lines in the laundry room should be secured. The Arbitrator finds that the fair and reasonable cost for this repair is \$100.00. Although Claimants' laundry appliances would be better served by a higher vent access, Mr. Gordon agreed that the position is a normal installation.

**8. Siding.** Mr. Gordon agreed, after discussing the siding installation with Mr. Crosby, that caulking the siding was not required. The Arbitrator finds that the original cleanout was covered by the renovations. Extending and sealing the cleanout is outside the scope of the Proposal and not the responsibility of the Respondent.

The Arbitrator finds that there is insufficient evidence that Respondent is responsible for the missing two-foot level or landscape hose, or the damaged trash can or hose sprayer. There is insufficient evidence that Respondent used, and damaged beyond repair, Claimants' vacuum cleaner. No information on the current state of the vacuum, or any receipt or other indication of the brand, model or cost of the vacuum was provided. It is undisputed that Respondent moved Claimants' loveseat, armchair, kitchen island and carpet out of the Home. ~~The Arbitrator finds that Claimants were responsible for clearing the~~ construction area. Once Respondent removed the items, it became responsible for the reasonable protection of the items. The photographic evidence shows that Respondent wrapped the items (except for the kitchen island) in plastic and covered them with a tarp. The Arbitrator finds there is sufficient evidence that Respondent took reasonable precautions to protect these items. Therefore, no award for damages is appropriate. Although there is sufficient evidence of damage to the kitchen island, there is a factual dispute as to its retail cost. The Arbitrator will award the \$199.00 cost proposed by Respondent.

Mr. Gordon's invoice does not break down the details of the individual items as to materials and man-hours. For example, the cost for carpeting and padding (item 2. F.) is \$2,655.00, but it is unknown what brand and style carpeting is represented nor how much the carpet costs. Based on a totality of the evidence, including Mr. Gordon's invoice and Respondents responses, the Arbitrator finds the following amounts are fair and reasonable concerning the repairs and/or completions that are not in dispute:

1. Roof. (A) Seal vent pipes, \$145.00. (B) Extend chimney, \$1,875.00.
2. Flooring. (D) Tile master bath, \$3,455.00. (E) Remove flooring in two bedrooms and prepare flooring, \$685.00. (F) Install carpeting. The Proposal states "This new carpeting will be selected by the owner from samples provided by the contractor." Claimants never selected the carpeting, but their choice would have been limited. Respondent contends that the carpeting it would have offered would cost \$1,800.00. The Arbitrator finds that this is a fair and reasonable cost. (G) Install new trim throughout renovation. The Respondent contends the trim needs finishing not replacing. The Arbitrator finds that the fair and reasonable cost for this repair is \$750.00.
3. Kitchen. (A) Finish cabinets. Mr. Gordon's cost for reinstalling and finishing the cabinets is \$1,643.00. As the Arbitrator found above that replacing the whole floor is not warranted and the cabinets do not need to be removed and reinstalled, only the finishing work is appropriate. The Arbitrator finds that the fair and reasonable cost for this repair is \$750.00. (E) Seal old dryer vent hole, \$65.00.
4. Master Bedroom. (A) Install toilet, tub, vanity and lights, \$975.00.

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5. Electrical. ABSOLUTE Systems Engineering's claim is \$4,251.75. This must be paid by Claimants to have the electrical work completed.
6. HVAC. Installation of media air cleaner, \$1,850.00.
7. Finishing Work. (A) Sheetrock repair, (B) Replace trim, (C) Square and trim walls, and (D) Trim out window in breezeway. The total amount of Mr. Gordon's invoice for these items is \$2,929.00. The Arbitrator finds that the fair and reasonable cost for these repairs is \$2,100.00. (E) Repainting. The Arbitrator finds that finish work and touchup needs to be performed, but complete repainting is not required. The Arbitrator finds that the fair and reasonable cost for this repair is \$2,000.00. (H) Seal ejector pump, and (I) Box in pipe, \$210.00. (K) Vent plumbing vents, \$378.00. (L) Secure cold water line in outside wall of laundry room, \$298.00. (O) Install doors in closet, bedroom and laundry room, \$450.00. (P) Trim exterior furring strips, The Arbitrator finds that the fair and reasonable cost for this repair is \$50.00. (R) Insulate supply lines in attic, The Arbitrator finds that the fair and reasonable cost for this repair is \$150.00.
8. Siding. (C) Vent gable vents into attic, \$350.00.

Claimants are entitled to an appliance credit of \$3,000.00, a cabinet material credit of \$2,730.00, and a return of their \$10,000.00 deposit.

The total of all damages detailed above is \$46,067.75. This would bring Claimants to full completion of the Proposal and all other claimed damages.

Respondent is entitled to the undisputed amounts above the Proposal cost Claimants owe for the siding change order (\$3,500.00), roof color change order (\$283.00), and upgraded recess trims (\$456.00). The additional cost of the tiles not paid by Claimants (\$3,339) was already factored into the award for the flooring. Because Respondent is compensating Claimants for the completion of the Proposal, and providing credits for their purchases, it is entitled to the unpaid amount of the Proposal cost of \$125,000.00. Respondent has been paid \$100,397.50 from the bank, leaving \$24,602.50 to complete the Proposal's full cost of \$125,000.00. The total of all amounts detailed above is \$28,841.50. This would bring Respondent to full completion of the Proposal and all other claimed damages.

Offsetting the amount due Respondent (\$28,841.50) with the amount due Claimants (\$46,067.75) leaves a balance due to Claimants of \$17,226.25. It is anticipated that Claimants will receive the \$24,602.50 remaining in their bank loan when the repairs/completions are finished. This will bring Claimants' total compensation to \$41,828.75.

The testimony and evidence in this Proceeding having been duly considered, the Decision in this Arbitration Proceeding is that both sides have proven that they are entitled to monetary awards from the other. Each side's claim for an award is partially Granted. Balancing out the awards, Respondent is Ordered to pay directly to Claimants the sum of \$17,226.25, within thirty (30) days from the date of this Arbitration Decision. Respondent is further Ordered to provide Claimants, within thirty (30) days from the date of this Arbitration Decision, copies of warranties on all appliances or other components installed in the Home by Respondent and the IKEA receipts for the crown molding.

This Decision is determinative of all the claims that either party may have against the other arising out of the subject transaction, known or which reasonably should have been known by them at the time of this Hearing, whether or not asserted herein. Jurisdiction over the parties hereto (including but not limited to the right to reconvene the Hearing), and over the subject matter hereof, is reserved in the undersigned Arbitrator until the terms of this Decision have been fully complied with. Failure to comply with the terms of this Decision may result in the implementation of enforcement proceedings in the appropriate Circuit Court of the State of Maryland.

Dated this 4<sup>th</sup> day of August, 2016, \_\_\_\_\_  
Hy David Rubenstein  
Chief Arbitrator

I, Alice Katsianos, do hereby certify that I sent copies of this decision and appeal rights to both parties, Claimant and Respondent, on this 4<sup>th</sup> day of August, 2016, by certified mail.

## Signature on File

\_\_\_\_\_  
Alice Katsianos  
Arbitration Clerk  
Office of the Attorney General  
200 St. Paul Place, 16th Floor  
Baltimore, Maryland 21202