Maryland Home Improvement Commission

Business Meeting

Meeting Minutes

DATE: December 7, 2023

TIME: 10:00 AM

LOCATION: ***(Teleconference via Google Meet)***

MEMBERS PRESENT: Joseph Tunney, *Chairman*

Robert Altieri, *Commissioner*

Heather Connellee*, Commissioner*

Lauren E. Lake, *Commissioner*

Chandler Louden, *Commissioner*

Michael Newton*, Commissioner*

Michael Shilling, *Commissioner*

Wm. Bruce Quackenbush*, Commissioner*

STAFF PRESENT: David Finneran, *Executive Director*

Deborah Irvin Cromwell, *Assistant Director*

Lance Franklin*, Licensing Supervisor*

Kimberly Rosenthal, *Administrative Officer*

Kenneth Sigman*, Assistant Attorney General*

Tenaea Thomas*, Panel Secretary*

MEMBERS ABSENT: I. Jean White, *Commissioner*

# **Meeting Called to Order**

The meeting was called to order at 10:03 a.m.

# **Approval of the October 5, 2023 Minutes**

Commissioner Shilling moved to approve the Minutes of the December 5, 2023, meeting, and Commissioner Newton seconded it. All Commissioners approved.

# **Guaranty Fund Activity Report**

The MHIC Guaranty Fund Activity Report dated October 24, 2023, is as follows:

Balance as of July 1, 2022 $ 4,350,003.01

Receipts $ 428,244.04

Disbursements

Claims ($706,632.99)

Refunds ($0)

Balance as of September 30, 2023 $4,071,614.06

Reserve

FMIS Balance $3,966,703.26

Difference $104,910.80

Please note that the “Receipts” amount of $428,244.04 includes electronic licensing receipts of $104,910.80 for the month of September that were not posted into FMIS until the month of October 2023.

**MHIC - Prorated Claims December 7, 2023**

**Anticipated pro-rated claims**

**Expected to exceed $250,000 in Guaranty Fund claims**

**Contractor O**

**October 25, 2021 (GF payout suspension)**

The MD Consumer Protection Division has initiated administrative actions

against this contractor in an effort to recover additional funds that may

reimburse homeowners for their actual loss.

The Baltimore City Office of the Inspector General has initiated an investigation to address the criminal aspect of these cases.

59 total MHIC complaints - Latest complaint opened November 21, 2023

24 criminal charges filed by MHIC.

28 total MHIC claims received.

3 claims denied.

$620,437.00 in claims to date. Five additional claims expected to be filed.

**Contractor R**

**June 1, 2022 (Emergency Suspension)**

Guaranty Fund reimbursements recovered, and expected to be recovered, by the MD Consumer Protection Division are expected to cover substantially all homeowner claim awards.

46 total MHIC complaints - Latest complaint opened March 29, 2023

34 total MHIC claims received.

1 claim denied.

$265,393.45 in claims to date.

**Contractor U**

**October 17, 2022 (Emergency Suspension)**

The MD Consumer Protection Division is in the early stage of its investigation of this contractor and is developing a strategy to address the large volume of homeowners with possible Guaranty Fund claims.

159 total MHIC complaints - Latest complaint opened October 25, 2023

71 total MHIC claims received.

$ 1,766,356.12 claim received.

**Contractor V**

**Voluntary Termination February 10, 2023**

Multiple State agencies have initiated investigations against this contractor. The investigations include criminal and financial crimes.

36 total MHIC complaints - Latest complaint opened August 3, 2023

17 criminal charges filed by MHIC

33 total MHIC claims received.

$3,311,074.07 in claims to date. Every homeowner has filed a Claim.

# **Review of MHIC Statistics**

|  |  |
| --- | --- |
| **SEPTEMBER 2023** | |
| **LICENSING ACTIVITY** |  |
| **Current Licenses Total** | 39,045 |
| *Contractor/Salesperson* | 20,008 |
| *Salesperson* | 2,905 |
| *Contractor/Salesperson (Corp/Part)* | 15,252 |
| *Applications Approved* | 240 |
|  |  |
| **COMPLAINTS RECEIVED** | |
| **Complaints Received** | **139** |
| *Licensed* | 92 |
| *Unlicensed* | 47 |
| PendingShow Cause Hearings | **20** |
| Waiting to be sent to OAH | **200** |
| Pending Hearing/Decision at OAH | **176** |
| Mediation | 19 |
|  | |
| **Claims** | |
| Total Open Claims | **602** |
| New Claims Received | **20** |
| Small Claims Paid Out | **7** |

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| |  |  | | --- | --- | | **OCTOBER 2023** | | | **LICENSING ACTIVITY** |  | | **Current Licenses Total** | 39,316 | | *Contractor/Salesperson* | 20,104 | | *Salesperson* | 2,957 | | *Contractor/Salesperson (Corp/Part)* | 15,367 | | *Applications Approved* | 236 | |  |  | | **COMPLAINTS RECEIVED** | | | **Complaints Received** | **135** | | *Licensed* | 76 | | *Unlicensed* | 59 | | PendingShow Cause Hearings | **16** | | Waiting to be sent to OAH | **152** | | Pending Hearing/Decision at OAH | **198** | | Mediation | 51 | |  | | | **Claims** | | | Total Open Claims | **573** | | New Claims Received | **37** | | Small Claims Received | **3** |      |  |  | | --- | --- | | **NOVEMBER 2023** | | | Pending Potential MHIC Claims | **$9,785,626.51 (to be amended)** |  **Review of the October 2023 & November 2023 PSI Results** Below is the examination statistics summary for the month of October 2023 & November 2023  October 2023 | | | | | |
| **Home Improvement** | | **Candidates Tested** | **Passed** | **Failed** | **Pass %** |
| Contractor | | 210 | 144 | 66 | 69% |
| Contractor Spanish | | 161 | 74 | 87 | 46% |
| Salesperson | | 121 | 80 | 41 | 66% |
| Salesperson Spanish | | 0 | 0 | 0 |  |
| **TOTAL** | | **492** | **298** | **194** | **61%** |
| November 2023 | | | | |
| **Home Improvement** | **Candidates Tested** | **Passed** | **Failed** | **Pass %** |
| Contractor | 138 | 84 | 54 | 61% |
| Contractor Spanish | 137 | 67 | 70 | 49% |
| Salesperson | 88 | 55 | 33 | 63% |
| Salesperson Spanish | 0 | 0 | 0 |  |
| **TOTAL** | **363** | **206** | **157** | **57%** |

# **CITATION REPORT**

There were no citations issued in October 2023 or November 2023. There is currently one citation being reviewed.

**Russ Glickman Declaratory Ruling Request**

Commissioner Quackenbush made a motion to move in part and deny in part the petition for declaratory ruling and to issue the declaratory ruling in accordance with the draft considered by the Commission in administrative session. Commissioner Altieri seconded the motion. All were in favor and the motion was passed.

# **Comments from the Chairman and the Commissioners**

Commissioner Altieri asked Mr. Finneran why the anticipated claims amount was omitted from the Guaranty Fund Balance report. Mr. Finneran explained that the anticipated claims figure was not included because it was not accurate. The amount is now included in the November pending potential MHIC amount. Commissioner Altieri said that the idea of the anticipated claims was to show the large claims and not necessarily the small claims. Mr. Finneran said that the anticipated large claims would be around $1 million. Chair Tunney explained to Commissioner Altieri that Mr. Finneran is working on calculating a Total Anticipated Claims amount.

Mr. Tunney wished everyone happy holidays. He looks forward to seeing everyone in the new year.

**Comments from the Director**

Mr. Finneran wished everyone a Happy New Year. Currently MHIC is trying to hire an Administrator for the Investigators.

# **Adjournment**

The meeting was adjourned at 10:27 a.m.

### Chair’s Signature: \_\_\_\_Signature on File Date: February 2, 2023

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