

Senator West SB 467 MHIC FAV.pdf

Uploaded by: Christopher West

Position: FAV

CHRIS WEST
Legislative District 42
Baltimore County

Judicial Proceedings Committee

Vice Chair, Baltimore County
Senate Delegation



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

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March 3, 2022

The Senate Education, Health, and Environmental Affairs Committee
The Honorable Paul G. Pinsky
2 West Miller Senate Building
Annapolis, MD, 21401

Re: SB 467 - Business Regulation - Home Improvement Commission - Award Limits

Dear Chairman Pinsky and members of the Committee,

Under current Maryland law, a homeowner may recover compensation from the Home Improvement Guaranty Fund for an actual loss that results from an act or omission by a licensed home improvement contractor, as found by the Maryland Home Improvement Commission (MHIC) or a court of competent jurisdiction. Following a valid claim under current Maryland law, MHIC may not award from the fund: more than \$20,000 to one claimant for acts or omissions of one contractor.

Senate Bill 467 simply raises the maximum possible amount awarded by the MHIC from \$20,000 to \$30,000. The maximum amount permitted from the guaranty fund hasn't been raised since 2008, and inflation since then has risen by 30%. Furthermore, the MHIC fund has a balance in excess of \$3 million.

Senate Bill 467 is a needed change that not only keeps pace with inflation but will also not inhibit MHIC funds.

I appreciate the Committee's consideration of Senate Bill 467 and would be happy to answer any questions the Committee may have.

1336 - Hearing Order.pdf

Uploaded by: Eric Johnson

Position: FAV



KEVIN KAMENETZ
County Executive

LAWRENCE M. STAHL
Managing Administrative Law Judge
JOHN E. BEVERUNGEN
Administrative Law Judge

April 17, 2014

Stanford G. Gann, Jr., Esq.
Levin & Gann, P.A.
502 Washington Avenue, 8th Floor
Towson, Maryland 21204

Jeffrey L. Forman, Esq.
Kauffman and Forman, P.A.
406 West Pennsylvania Avenue
Towson, Maryland 21204

Re: Baltimore County Uniform Code Enforcement Citation
Violation Location: 1336 Heather Hill Road, 21239
Citation/Case No.: 092652830

Dear Counsel:

Enclosed here within please find an Order entered by the undersigned in the above captioned matter.

In the event the decision rendered is unfavorable to any party, please be advised that any party may file with the Office of Administrative Hearings an appeal to the Baltimore County Board of Appeals within fifteen (15) days from the date of this Order; any such appeal requires the filing of a petition setting forth the grounds for appeal, payment of a filing fee of \$225.00 **AND** the posting of security in the amount of the penalty assessed. If you require additional information concerning filing an appeal, please feel free to contact our office at 410-887-3868.

Sincerely,

A handwritten signature in blue ink, appearing to read "JEB", is written over a faint blue circular stamp.

JOHN E. BEVERUNGEN
Administrative Law Judge
for Baltimore County

JEB:dlw
Enclosure

c: Glenn Berry, Code Inspections and Enforcement, Department of Permits, Approvals and Inspections, County Office Building, 111 West Chesapeake Ave., Towson, MD 21204

Office of Administrative Hearings for Baltimore County
105 West Chesapeake Avenue Suite 103
Towson, Maryland 21204

In the Matter of

Civil Citation No. 092652830

Eric Johnson
1336 Heather Hill Road
Baltimore, MD 21239
(Homeowner)

Jerry Ovdia
Ovdia, LLC, General Contractors
8813 Pikesville Road
Pikesville, MD 21208
(Respondent)

**FINDINGS OF FACT AND CONCLUSIONS OF LAW
FINAL ORDER OF THE ADMINISTRATIVE LAW JUDGE**

This matter came before the Administrative Law Judge on April 16, 2014 for a Hearing on a Citation for violations under the 2009 Edition of the International Residential Code in effect at the time work was performed under Building Permit No. B775302.

On March 7, 2014, pursuant to Section 3-6-205 of the Baltimore County Code (B.C.C.), Inspector Glenn Berry issued a Code Enforcement & Inspections Citation. The Citation was sent to the Respondent by 1st class mail to the last known address listed in the Maryland State Tax Assessment files.

The Citation proposed a civil penalty of Twelve Thousand Eight Hundred Dollars (\$12,800.00).

The following persons appeared for the Hearing: Eric Johnson (Homeowner), Stanford G. Gann, Jr., Esq., Levin & Gann, P.A., counsel for homeowner, Jerry Ovdia (Respondent), and Jeffrey L. Forman, Esq., Kauffman and Forman, P.A., counsel for Respondent. Also in attendance was Glenn Berry, Baltimore County Code Inspector/Enforcement Officer, Department of Permits, Approvals and Inspections.

This case arises out of a dispute between a home improvement contractor (Ovdia LLC) and a homeowner (Eric Johnson). The relationship between these two parties has soured and litigation has ensued. Baltimore County has issued a code enforcement citation concerning the work performed by Ovdia, and it has now become embroiled in this ugly controversy.

Mr. Berry, who has been a building inspector with Baltimore County for over 30 years, presented a list of items (shown on Attachment #1) which he believes constitute violations of the International Residential Code and the Baltimore County Building Code. Ovadia, through counsel, did not contest the validity of the list, and indicated they would like to remedy the deficiencies as soon as possible.

Based upon Mr. Berry's testimony and the documentation (including inspection reports) in his case file, I find that there exists on the premises known as 1336 Heather Hill Road multiple violations of the 2009 Edition of the International Residential Code with regard to construction work performed under Building Permit No. B775302, all as enumerated on Attachment #1 attached hereto, which is expressly incorporated herein by reference.

Having heard the testimony and evidence presented at the Hearing:

IT IS ORDERED by the Administrative Law Judge that a civil penalty be imposed in the amount of Twelve Thousand Eight Hundred Dollars (\$12,800.00).

IT IS FURTHER ORDERED that the Twelve Thousand Eight Hundred Dollars (\$12,800.00) civil penalty be suspended in its entirety on the following conditions:

1. Within ten (10) calendar days of the date hereof, Ovadia shall provide to Glenn Berry (with a copy to Stanford G. Gann, Jr., the owner's attorney) a "punch list" or remediation plan prepared by a licensed professional engineer for correcting the code violations described in Attachment # 1.
2. Within five (5) business days of receipt, Mr. Berry shall approve/disapprove (in his discretion) the remediation plan submitted by Ovadia.
3. Within 90 calendar days of plan approval, Ovadia shall complete, in a workman-like manner, all repairs required by the approved plan.
4. Final approval (for purposes of this code violation proceeding only) of the remediation work performed under the approved plan shall be determined in the sole discretion of Glenn Berry, who in inspecting the work may seek and rely upon the input of licensed design professional(s).

Each of the Respondent's obligations as detailed above shall be conditioned upon being provided access to the subject premises to complete the repairs. Such access shall be obtained through consultation between Ovadia's and Mr. Johnson's attorneys. Ovadia's obligations hereunder shall be excused if, through no fault of its own, it is not provided access to the premises or is hindered in any manner from completing the work identified in the accepted plan.

IT IS FURTHER ORDERED that if the subject property is not brought into compliance pursuant to this Order, the entire Twelve Thousand, Eight Hundred Dollars (\$12,800.00) civil penalty will be imposed against the Respondent.

ORDERED this 17th day of April, 2014

Signed: _____


JOHN E. BEVERUNGEN
Administrative Law Judge
for Baltimore County

JEB/dlw
Attachment

NOTICE: Pursuant to Section 3-6-301(a) of the Baltimore County Code, the Respondent or Baltimore County may appeal this order to the Baltimore County Board of Appeals within fifteen (15) days from the date of this order; any such appeal requires the filing of a petition setting forth the grounds for appeal, payment of a filing fee of \$225.00 AND the posting of security in the amount of the penalty assessed.

ATTACHMENT #1

CORRECTION NOTICE FOR 1336 HEATHER HILL ROAD

DATED 1/17/14

FLOOR:

R408.1 - Ventilation – provide ventilation under floors

R408.4 – Access – provide access to all under floor spaces

R502.9 – Fastening – fasten sub floor to comply with table 602.3(1)

R503.1.1 – Sub Floor Bearing – comply with code

R403.1.6 – Foundation Anchorage – attachment of floor system to foundation per code

R1001.11 – Framing Clearance – provide required clearance to combustible framing

Table

R602.3(1)-23 – Joist Connection – fasten joist above suspended concrete slab

Table

R602.3(1)-26 – Rim Joist Connection – fasten rim joist per code

WALLS:

R602.3(1)14 – Wall Fastening – nail bottom plates as required

R602.3 – Wall Design and Construction – studs to be continuous from sole plate to top plate and comply with this section

R602.6.1 – Drilling and Notching Top Plate – comply with code

DECK:

Table

R312 & R301.5 – Guard – Install to comply with section & table

Table

R502.2.2.1 – Deck Ledger Connection – comply with code

R703.8 – Deck Flashing – comply with code

R403.1.4.1 – Footings – verify footing in question

R502.6 – Beam Bearing – all beam members shall be continuous between bearing points

Baltimore County Council Bill 47-10 – guard rails shall not be constructed with horizontal rails as to create a ladder effect

STAIRS:

R311.7.4.1 – Raiser Height – raiser height of all stairs to comply with code

R311.7.7 – Handrails – install per code

R311.7.4.3 – Tread Profile – nosing to comply with code.

This does not preclude discovery of further violations from being added to this Correction Notice or subsequent Correction Notices from being issued.

1336 Mechanics lien filing.pdf

Uploaded by: Eric Johnson

Position: FAV

OVADIA, LLC
8813 Pikesville Road
Pikesville, Maryland 21208

Plaintiff

vs.

ERIC L. JOHNSON and
FIONA NEWTON, his wife
1336 Heather Hill Road
Baltimore, Maryland 21239

Defendant

* IN THE CIRCUIT COURT FOR
*
* BALTIMORE COUNTY

* Case No:

* 03-C-12-8259

* * * * *

PETITION TO ESTABLISH AND ENFORCE MECHANIC'S LIEN

COMES NOW OVADIA, LLC ("Ovadia"), the Plaintiff, by Jeffrey L Forman, Esquire and Kauffman and Forman, P.A., its attorneys, and petitions this Court to establish and enforce a mechanic's lien against certain real property and improvements owned by Eric L. Johnson and Fiona Newton, his wife, and for cause represents as follows:

1. Ovadia is a Maryland Limited Liability Company engaged in the business of providing construction and home improvement services.

2. Mr. Johnson and Ms. Newton, husband and wife, are the owners of certain property known as 1336 Heather Hill Road, Baltimore, Maryland 21239, which is a detached one story single family home, with a walk out basement. The property is also known as Baltimore County District 09, Account Number 0902652830. A copy of the SDAT printout is attached hereto as Exhibit 1.

3. From November 10, 2011 through August 6, 2012 (and ongoing), Ovadia supplied labor and materials to the Defendants for demolition of the existing sunroom of the house, the installation of an addition, the renovation of the kitchen, the living room and the dining room and the installation of a two story deck (being an enclosed deck which comes out from the basement

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BALTIMORE COUNTY
MAY 10 2012

and then has a deck coming out from the rear of the house - see photograph attached hereto as Exhibit 2). A copy of the contract between Ovadia and Mr. Johnson dated October 24, 2011 is attached hereto as Exhibit 3.

4. The work done on the project included the construction of a new building (the addition and the deck) as well as renovation to the existing building and improved the total value of the property by at least 15%.

5. The total amount of the labor and materials supplied to the Defendants on this job was \$136,343 of which \$24,682 is due and unpaid as of the date hereof.

6. The work was performed in a good and workmanlike manner and was accepted by Mr. Johnson and Ms. Newton.

7. There remains unpaid and owing the liquidated sum of \$24,682 for the work performed by the Plaintiff, which sum has been due and owing since May 6, 2012.

8. Pursuant to paragraph 5 (e), the Defendants further owe interest at the rate of 10% per annum on the unpaid balance. The pre-judgment interest is \$6.76 per diem.

9. Attached hereto as collective Exhibit 4 are the material papers consisting of the adjustments to the contract and the building permit showing the work that was performed on the project.

10. Attached hereto is an affidavit of Jerry Ovadia, the President of Ovadia, attesting to the facts set forth in this Petition and verifying the authenticity and accuracy of the documents attached hereto as exhibits, which exhibits are the material papers constituting the basis of the lien claimed.

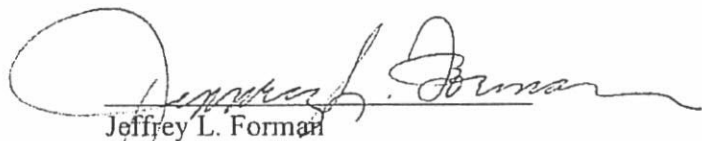
WHEREFORE, the Plaintiff prays that this Honorable Court:

A) Establish a mechanic's lien against the property known as 1336 Heather Hill Road, Baltimore, Maryland 21239, in the amount of \$24,682, plus interest, costs and attorneys fees;

B) Pass an Order requiring the Defendant to show cause, if any, why a final mechanic's lien upon the land and improvements described herein for the amount claimed should not be established;

C) Pass an Order after the mechanic's lien requested herein is established, enforcing the same and directing that the leasehold interest be sold unless the mechanic's lien is paid and satisfied on or before a date specified by this Court; and

D) Grant such other and further relief as the nature of this cause may require.



Jeffrey L. Forman
KAUFFMAN AND FORMAN, P.A.
406 W. Pennsylvania Avenue
Towson, Maryland 21204
410-823-5700

Letter to Maryland State Legislators, Addendum.pdf

Uploaded by: Eric Johnson

Position: FAV

Addendum to Letter to Maryland State Legislators

There are references below to photos and attachments most of which are not included. These were all included in the complaint that was filed with the MHIC all of which were lost by the MHIC. I may be able to provide this evidence upon request.

Baltimore County Building inspectors have found numerous building code violations in the work done by Ovadia. Administrative Judge Beverungen confirmed these code violations in his Order.

Schemes. Sworn testimony in depositions in Ovadia's bankruptcy showed that he had concocted a scheme to use a friend's MHIC licenses when he was afraid of losing his license. He then had his wife start a home improvement license. There appears to be no legal remedy for contractors operating under other licenses of families and friends.

Advertising. I found Mr. Ovadia in an advertisement on Angies List, an online referral and advertising platform. On Angies list Ovadia represented himself as Ovadia Contracting, LLC. All of his listings were for this entity. This was not the business that he was licensed with the MHIC and with which I signed the contract which is Ovadia, LLC. This is a violation of MHIC rules. He also advertised on signs and online without his MHIC number listed, also in violation of MHIC rules. He was never cited for this in spite of evidence produced.

Lead Paint Certification and Failures. Before I signed a contract with Ovadia I asked him if he was licensed and certified for lead paint abatement as required on my older home when he worked at my house. I also asked him if he was certified for lead paint as his advertisement on Angies List shows. His listing there said that he was Lead Safe Certified by the EPA. Ovadia has testified under oath that he was in fact not certified by the EPA. (Ovadia deposition #2 pg. 281) The number he has listed as his EPA Certification on Angies List is actually a Maryland Dept. of Environment Lead Paint Visual Inspectors License number for Jerry Ovadia that is expired. (Attachment 7) Ovadia was cited by the EPA for violation of the regulations. This is also a violation of MHIC requirements. According to the MHIC website, "contractors doing maintenance or renovation work in an owner occupied pre-1978 dwelling unit, the contractors need to exercise safe lead work practices since they can generate lead contaminated dust." Clearly Ovadia did not do so.

Ovadia's sworn testimony that he had taken state lead inspectors courses and employed a lead inspection company for his rental properties proved that he was well aware of the requirements and concerns about lead paint. Records from the Maryland Department of the Environment (Attachment 7) that I obtained through an MPIA request clearly show that Ovadia was licensed as both a Lead Visual Inspector and Lead Contractor. Therefore he cannot claim that he did not understand the regulations regarding lead paint. He must have understood that his listing of EPA certification on Angies List using his MDE number was fraudulent. (Ovadia deposition #1, pgs. 16-23, 105-110) (Ovadia deposition #2, pages 279 – 282)

It appears that Ovadia has done work that disturbs lead paint without taking proper precautions and has not notified his customers as he should have been about lead paint hazards. He has been putting many families, as well as his workers, at risk for years. The hazards he may have created may still exist around Maryland and may be poisoning children, pets, and families to this day. Further Ovadia has been representing himself as EPA lead certified and using his expired MDE certification as an EPA license deceiving customers like me to think he is correctly licensed and to get them to hire him.

Ovadia has no doubt exposed numerous Maryland residents including me and my family to the serious dangers of lead paint.

Failure to Provide Information about Workers and Subcontractors Information about employees and subcontractors should have been provided by Ovadia and employees who have hired workers to the DLLR and An MPIA request that I made to the DLLR has revealed that the DLLR has no records of any employees of Ovadia. (Attachment 11) So it is clear that there is a question about Ovadia's adherence to the 2009 Workplace Fraud Act and other legal requirements such as the Personal Responsibility and Work Opportunity Reconciliation Act.

The MHIC refused to investigate Ovadia's use of under-the-table workers. They have never investigated the workers/subcontractors for Ovadia. I would guess that the same problems found on my job would be found in numerous other jobs that Ovadia has done. On my house he had unlicensed, uninsured, laborers and subs working.

If in fact he did as he claims, it is shocking that Mr. Ovadia would hire unskilled and virtually unknown laborers to work at my house unsupervised doing shoddy work. This is particularly concerning because this work was done while my family had moved out and there are many valuable and personal items in my house.

Abusive Treatment. On many occasions Ovadia was verbally abusive and disrespectful, yelling at me and my wife, calling me names, jabbing fingers at me, threatening me, pounding on tables and shouting so much that spittle would fly out of his mouth onto me. This behavior is confirmed by emails in which Ovadia apologized to me, by independent witnesses, and by an email from his attorney warning him to not yell when he met with me. (Attachment 11) Throughout the job he attempted to bully me into accepting his work and into paying me more money.

Working with Jerry Ovadia was extremely stressful and difficult. I do not think any customer should ever be treated the way he treated me and my wife. In my opinion this behavior alone should disqualify him from being a home improvement contractor in the State of Maryland.

Lack of Concern for Building Codes. Ovadia showed little concern for the building codes and little understanding of building codes. I have attached the judge's order and the County lists of code violations.

When I asked about the lack of access to the crawl space under the pantry that he built and that is a code violation Ovadia said, "There's no crawl space, I filled with dirt." I said that there needs to be access. Ovadia said, "Who said?" "I said that John Bryan head of Permits and Planning for Baltimore County says there must be access. Ovadia says, "Ok let him come and do it."

When I mention that it is also a code violation to have no ventilation for the same crawl space Ovadia told me that that was the way he always builds houses and he pulled out his cell phone and showed me picture after picture of foundations he built with no ventilation.

When I said that by code a splice in a beam needs to be over a post. Ovadia said, "That's another bullshit code."

When I pointed out to him the problem with the flashing of the ledger boards he seemed to believe that the code was wrong. In his opinion, because there is pressure treated lumber used for the ledgers it is not needed. When I talked to him about it he said, "You don't need to have flashing over the ledger board, its pressure treated" He believes that if, in his opinion, the code is wrong he can ignore it. Of course he does not understand that the purpose of the ledger flashing is not simply to protect the ledger board (which is likely the most important safety factor in deck construction), but, as the ICC states, "Inhibiting water damage to a structure from intrusion into the building envelope is of primary importance." After he received a correction notice from the County because of the incorrect flashing material Ovadia replaced 1/2 of the flashing on the rear decks with vinyl, but left the rest, and did not install any flashing on the front deck.

This example shows the danger of Ovadia's construction process. At the same time that he thinks he knows better than the building codes and can build however he wants, he clearly does not understand the code nor does he understand the basic principles of building construction. (See 3. #9 above)

This is further shown by the lack of the use of the sill plate or any other attachment to the foundation. This sill plate that was in the architect's plan and is shown in the ICC's illustrations of building construction, (Attachment 26, pg 143) was simply left out in his construction of my house. He claimed, when asked, that a sill plate wasn't needed.

When I asked about the ledger at the corner of the house and said that it is a code violation Ovadia responded, "If it was a violation Rodney [the initial inspector] would have cited it." I asked if he was not going to fix anything unless its cited by the building inspectors even if it is in the building code. Ovadia said, "I am not going to read it", meaning the code.

Not only does Ovadia not follow building codes but he purposely disregards them.

14. Lack of Concern for My House. I asked about the code violation for the lack of nosing on rear deck stairs. Ovadia says, "I will put plywood here 3/4 inch to make it." Saying that he will put plywood on top of the deck stairs to make a nosing. When I asked if that's the right way to do it. Ovadia said, "Who says." I asked, "How will it look?" Ovadia said, "Who cares."

I asked Ovadia, "What will you fix?" Ovadia said, "I'll fix whatever is important." I asked what that is. Ovadia said, "Whatever is a code violation." Then he said, "To be honest, I don't want to fix anything here."

When asked about the use of inferior aluminum stock as trim he said, "You did not tell me this was a custom job."

When I complained about the lack of framing on the inside of the front door he said, "Who cares, no one will notice."

15. The Contract. Ovadia failed to provide within the contract, or as an addendum to the contract, the following notices as required under Maryland Code § 9-108.01.26.

- (1) Formal mediation of disputes between homeowners and contractors is available through the Maryland Home Improvement Commission;
- (2) The Maryland Home Improvement Commission administers the Guaranty Fund, which may compensate homeowners for certain actual losses caused by acts or omissions of licensed contractors; and
- (3) A homeowner may request that a contractor purchase a performance bond for additional protection against losses not covered by the Guaranty Fund.

In Ovadia's deposition #2 pgs 174 – 175 he states that he did not know of these requirements.

16. Unwillingness to Repair Defects. At the time Ovadia walked off the job and since that time I have asked him to finish his work and repair the construction defects. At the time he walked off the job in May, 2012 he said that he would not do any further work until I made the final payments at a "final settlement".

Ovadia does not seem to follow the regulations of the MHIC in any respect whether its regarding advertising, contracts, or in other way. He is not meeting the requirements of the MHIC regulations.

In my opinion the MHIC should not allow Jerry Ovadia, under any company or corporation, to be allowed to continue to do home improvement contracting in the State of Maryland. As shown by the work done on my house and statements that he has made, he is an immanent threat to the health and safety of the citizens of Maryland.

Homeowners in Maryland who are not as diligent and are not able to spend the necessary time and energy will likely never know of any hazards created by Ovadia's work.

Ovadia has produced many building code violations on my house. In my opinion he does not understand or does not respect building codes. He has admitted uses the same construction methods everywhere. He has admitted to illegal practices such as hiring under the table workers. The extent of the illegality of his operation is unknown without further investigation. As I have said, the MHIC should consider doing its own investigation and consider referring this case to investigative agencies such as the DLLR's Workplace Fraud Taskforce or the Commissioner of Labor and Industry.

Early on in my own investigations I noticed that the rim joists, which support the front bearing wall of the addition, were angled off of the foundation (See 3, #1 above). Ovadia tried to compensate for this error by patching some boards on to support it. He did this inadequate repair without consulting me or a structural engineer even though it is supporting a bearing wall. When I asked Ovadia about this problem during my investigations Ovadia said he did not know about it but would look into it. He never got back to me and never explained this problem. Clearly Ovadia and his carpenter knew about this problem, purposely hid it from me, and after I pointed it out to him he did nothing to correct it and showed no concern about the danger that might be created by this construction. He doesn't even acknowledge that it's a problem. There is a tremendous danger to the public of a contractor who knows about, but covers up and hides, serious building code violations and safety defects.

When Ovadia was questioned in the presence of the inspectors about the lack of connection of the subfloor to the walls (see 2. D above) he claimed that this is the way he always did this type of construction so that he could get all of his insulation done at the same time. He said that if the subfloor panels went down before building the walls, he would have to have the insulation for the floor space done before the walls were built and the insulation for the walls would thus have to be done at a different time. Therefore he did not ever attach the flooring to the walls in such a circumstance in order to save him the trouble and minor expense of doing insulation of the under floor space and the walls at different times. In my opinion this sort of construction method may threaten the structural integrity of every project that he has built in this way.

I believe that MHIC should investigate other projects that he has done. I am concerned that all over the State of Maryland there may be houses with serious construction defects built by Mr. Ovadia. Ovadia should be investigated about building practices that he has used on other projects.

As I said above, when I pointed out to Mr. Ovadia that by code he had to have ventilation and a crawl space under the floor of the addition he challenged that and pulled out his cell phone and flipped through numerous pictures where he said that he had never installed any ventilation in a crawl space and had done the work precisely as he had on my house. How many houses or additions have been built with these, and many other code violations? How many decks may have been built by Ovadia without correct attachment of deck ledger boards, the number one safety concern with deck construction?

Is it possible that this is the only house that he has done this sort of work? Is it possible that this is the only house that he will do this sort of work in the future?

Ovadia should be sanctioned for the work he had done at my house and he lose his license in order to prevent more work like this at other houses in the future.

The Most Serious Defects. In my opinion the most serious defects on this job known to date include the following:

- Use of 2" x 8" joists instead of required 2" x 12" joists for base framing of the addition that includes a cantilever
- Lack of any attachment of the addition to the foundation. No sill plates or fasteners of any kind.
- Footers for deck posts and other supports that do not meet code. Some as shallow as 6 inches and other problems with the footers.
- No connection of subflooring to walls. Gaps between subflooring and walls.
- Structural members constructed in contact with chimney in violation of code and creating a fire hazard.
- Insufficient support for a large ceiling beam installed in the living room.
- Insufficient and incorrect attachment of deck ledger boards. This is deck safety requirement #1.
- Lack of proper ventilation of ceilings/roofs.
- Lack of a crawl space and ventilation under the pantry.

2. Defects and Omissions in Work done by Ovadia. Below are listed construction defects and omissions should be investigated by the MHIC commission for work done improperly, and work not done, by Ovadia, LLC as well as other concerns that I have related to this work. This is not a complete list of all of the defects and omissions for the job done by Ovadia, LLC at 1336 Heather Hill Road

a. Failures in Adherence to Architect's Drawings. Ovadia did not follow the drawings/plans for the work submitted by Design Evolution Architecture and architect Ian Sokoloski for the construction without any agreement to do so and therefore he has abrogated the contract. These drawings are referred to in the contract for the work. There are numerous examples where Ovadia did not follow the architect's plans.

A copy of the drawings/plans are attached. (Attachment 2) I can supply a full architect's scale copy of the plans upon request or email a copy of the plans. Immediately below is a list of variances or omissions from the architect's drawings. In this list the first letter is for organization of this document, the letters and numbers that follow such as "A1.4" correspond to pages and reference numbers found in the architect's drawings.

A1.4, E1, & A5.2, E4 & E6 – 2" x 6" bearing plate at the cantilever doesn't exist. There is no apparent attachment of the addition to the foundation. There is no bearing or sill plate included in the construction per the architect's plan and standard building construction methods. The addition appears to simply rest on the foundations without any bolts or any other method of attachment to the foundation. One wall actually veers off the foundation. Code violation and safety hazard. (Attachment 20, #1A & B)

A1.4 - All floor joists and rim joists of addition to be 2" x 12". Instead of the 2" x 12" joists required in the architect's plans, Ovadia used 2" x 8" joists. (See Ovadia Deposition #1, pages 103 – 105, 138 – 147. Ovadia Deposition #2, pages 46 – 78 and 264 – 268. See Vlagogiannis Deposition, pages 75 – 89, and 190 – 193.) (Attachment 20, Page 1, d)

A5.2, E4 & E6 – $\frac{3}{4}$ inch plywood subfloor does not rest between joist and sole plate as outlined. Sub-floor plywood does not sit underneath the base plate of the exterior walls and interior bearing wall and not attached to rim joists or walls. There are large gaps between subfloor and joists and walls with subflooring extending up to 15 inches beyond the last supporting joist on east and west sides of addition. (Attachment 21, #10A)

A5.2, E4 & E6 – No MTL termite shields as per plans. (Attachment 20, #1B)

A5.2, E4 & E6 – No sole plate or anchor bolts attaching sole plate or any other part of the addition to the foundation. (Attachment 20, #1B)

A5.1, E1 - Most guard posts on decks notched and set inside edge of deck. Plan calls for no notching and posts on outside edge of deck. Most of the deck posts are notched at least 50% and some up to 75%. (Attachment 19, #1A & #2 A & B)

A3.1 – Meant to be $\frac{3}{4}$ inch joint filler at slab where it meets the wall of the house. Slab to slope to drain away from the house. No joint filler installed. Slab slopes to the house at the center of the slab with a depression in the center of the slab near the wall. (Attachment 21, #6B)

A5.1, D4 – Incorrect support for header for living room ceiling. Only one 2 x4 acting as support. Drawings call for 2 – 2"x4"s for support. One single 2" x 4" supports the header spanning the entire living room (19 feet) at one end. (Attachment 21, #8A & B)

A3.1, A5.2, E6. Front deck footer not built according to the plan. The front deck footer is less than 10 inches deep, not large enough, and is sloped at the bottom. (Attachment 21, #3A & B)

A1.2 - E1 - Blue stone landing required for steps. Gravel was used for landing at rear steps, mulch at front steps. (Attachment 21, #1B) (Attachment 21, page 1 #15)

A1.4 – 2" x 12" and 2" x 8" ledger. Installed 2" X 6" ledger for deck instead. Insufficient bolts installed. (Attachment 20, page 1, g) (Attachment 21, page 1, #16)

A3.1 & A5.2, E4, E6 – Poured concrete foundation not built according to plan. Built block foundation. (Attachment 20, #1B)

A2.2 - E1- Paint existing parging. Not done. (Attachment 21, #4B)

A5.2 – Install Drain tile w/filter fabric and gravel at new foundation. Not done. (Attachment 21, page 1, #3) (Ovadia Deposition #2, pages 269 – 271)

A2.1 - Remove existing shutters. This was not done. (Attachment 21, #1A)

CS, General Conditions, 8. All material shall be new and of the highest quality, the quality of the workmanship shall be the finest and highest obtainable in each particular trade. Workmanship shall be satisfactory to the owner, and his decision as to the acceptable quality shall be final." Numerous visible beams, posts and joists showing knots and other deformities. H, Most wood provided is not high grade, particularly posts, joists, rim joists etc. Workmanship was not acceptable. There are numerous examples of poor workmanship and poor materials. Add Photos if keep this item.

A1.4, E5. Ceiling joists in pantry to be 2" x 10" by plan but they are 2" x 8". Roof structure and soffit for pantry not built according to architects plan. Joists end at header blocking ventilation under roof. (Attachment 21, page 1, #10.) (Attachment 20, #7B)

A1.3, 11. Subfloor to be glued and nailed per manufacturers specifications. Durock sheets were glued to subfloor using incorrect material, i.e. Liquid Nails Heavy Duty Adhesive. (See the email in Attachment 12. In this email Ovadia states how he has constructed the floor.) According to the manufacturer, LN Heavy Duty is not an appropriate adhesive for attaching Durock to subfloor. (See the letter from manufacturer Azko Nobel and the Installation Guide for Durock also in Attachment 12.) According to the manufacturer Durock is

supposed to be laid in a bed of adhesive laid with a trowel. Azko Nobel, the Manufacturer of Liquid Nails says the "Heavy Duty" product is not meant to be used to secure floor panels.

3. Construction Defects and Omissions. There are numerous construction defects and omissions on the job. They are listed below.

1. Rim joists on front of addition angle out off the side of the foundation. The rim joists while supporting a bearing wall, do not sit directly on the foundation. Of course they are not on a sill plate either as there is no sill plate. (Attachment 20, #1B)
2. Ledger boards are not attached properly on front deck. There is no staggered bolt pattern. Also the bolts are inside of 2 inches from the edge of the ledger boards and rim joist. (Attachment 21, page 1, #4)
3. No ventilation for space under pantry. (Attachment 20, #1B)
4. No minimum 18" crawl space under pantry. (Attachment 20, #1B)
5. No access for crawl space under pantry. (Attachment 20, #1B)
6. Kitchen mid-wall joists and top plate notched without proper metal tie. (Attachment 4)
7. Kitchen wall studs not continuous from base plate to top plate. (Attachment 4)
8. No flashing of ledger boards of front deck and incorrect flashing on part of rear deck. (Attachment 21, #2A) (Attachment 18, # 5A & #5B)
9. Ventilation for kitchen roof insufficient. Insulation blocks ventilation from soffits. (Attachment 21, page 1, #10)
10. Missing joist hangers and nails in joist hangers. (Attachment 4)
11. Most joists are not seated properly in their hangers. According to Simpson Strong Tie (the hanger manufacturer) and their specifications, "Joist shall bear completely on the hanger seat..." Photos show gaps between joists and hanger seats and a few attempts to fill gaps with shims at the time of construction. (See attached Simpson Strong Tie, Important Information and General Notes, General Instructions for Installers, letter 'o' and accompanying email from Simpson Strong Tie in Attachment 13) (See Vlagogannis Deposition, pages 153, 154.) (Attachment 20, #8B)
12. Some joists are further away than 1/8 inch from the beam or ledger board they are attached to as required by the manufacturer. According to Simpson Strong Tie (the hanger manufacturer) and their specifications, "...the gap between the joist end and the header shall not exceed 1/8 inch..." Photos show gaps between joists and headers. (See attached Simpson Strong Tie, Important Information and General Notes, General Instructions for Installers, letter o and accompanying email from Simpson Strong Tie in Attachment 13) (Attachment 20, #5A & B)
13. Ledger boards are not attached properly on rear deck. No staggered bolt pattern. In 8 bays between 16" on center joists which could be examined there are a total of only bolts. On the narrow section of the deck the last bolt before end of a ledger is over 30" from the end of the ledger. (Attachment 18, #5B) (Attachment 20, #7A)
14. Insufficient beam below addition. Splices in beams are in mid span and not over posts. (Attachment 18, #2A) (Attachment 19, #3B) Footers for the beam posts below addition are not level or deep enough. (Attachment 20, #2B)
15. Beam splice not over post on rear deck. (Attachment 19, 4A)
16. Handrails on front and rear decks are incorrect size. H4

17. Tread spacing inconsistent on front deck steps. H4
18. Stair landing has 2" x 4" board turned face down and acting as a supporting joist. This 2" x 4" also is cut and not hung with a joist hanger. H
19. Holes on posts drilled in the wrong place on back deck. Holes filled with dowels and some sort of
20. green glue. (See Vlagogannis Deposition, pages 109, 110) (Heyn,*1, #21)
21. Bolts for notched posts close to edge of posts. Some within ½" of edge. Architect's design calls for no notched posts. H4
22. Insufficient or no nailing of base plates of walls to joists in addition. No visible nailing of base plates to joists where walls have been removed for investigation. In lengths as much as 32 inches there is no appearance of any nails. H4
23. Gaps around door latch hardware in front door. (Attachment 23, #7A)
24. Bolts over tightened .
25. Deck guard post warped. H4
26. Screened porch "Dry Snap" system leaks through light fixture, at edges and at interior guttering. Water drips onto porch floor and puddles on porch. Screened porch was meant to be dry below deck. Light fixture rusted. Incorrect flashing material for Dry Snap system, not compatible with pressure treated lumber so it will degrade quickly over time. Also there are gaps between flashing and wood. (Heyn,*1, #7A, 12B)(Attachment 23, #6A)
27. Footer for front deck stairs is not deep enough. H4
28. Footer for back lower deck stairs is not deep enough. (Attachment 24, #4A)
29. 2" x 4" framing for screens on screen porch installed improperly. Inconsistent installation design. For
30. example in one case a single 8 foot vertical 2" x 4" is pieced together with 4 pieces of 2" x 4" making up the length instead of using a single piece of wood. Some horizontal 2" x 4"s butted to the 2" x 4"s on the side some extend all the way to the posts. (Attachment 22, #20B) H4
31. Screening on porch improperly framed. Screen framing not miter joined and goes outside porch posts and joists. Not flush with posts, allows water to get in. (Attachment 22, #11A)
32. Screen door hung improperly, shimmed and scrapes on floor. (Attachment 22, #9B)
33. Screening on the porch was improperly installed. Some is flush with the inside of the porch framing some is flush with the outside. Porch screening meant to be aligned with the outside of the porch. Stairs were installed before the screening making it impossible to install screening on the outside in the area of the stairs. As Vlagogannis testified, "the stairs were in the way". When I complained about the screening being on the inside Ovdia changed some of the screening and some screening ended up inside and some ended up outside. (Vlagogannis Deposition, pages 55 – 59) (Attachment 22, #11B, #12A)(Attachment 23, #5B)
34. Excessive and inconsistent gaps between deck boards at sides and ends. Some gaps are over ½ inch. (Attachment 22, #3B)
35. Excessive and inconsistent gaps at posts where posts meet decking. (Attachment 22, #7B)
36. Railing along long narrow portion of deck is crooked. (Attachment 22, #4B)
37. Rim joist cut short and glued back together on northeast side of deck. Part of reattached piece has
38. fallen out leaving a gap. In sworn testimony carpenter has agreed that he cut the beam short and glued the piece back in. (Ovdia Deposition #2, pages 221-224) (Vlagogannis Deposition, pages 61 – 63 and 141) (Attachment 22, #8A)

39. Sliding glass door set back from outside wall. Is inconsistent with other sliding glass door which is flush with outside wall. Also setting back the door created a 7" sill that holds water. Wide sill creates drainage and moisture problem. (Attachment 23, #8B)
40. Crooked deck stairs back deck. First flight of deck stairs angles away from deck. Poor workmanship. Top board at top of deck stairs on back deck angled to match crooked stairs. (Attachment 22, #8B, #9A)
41. Decking boards mainly nailed instead of screwed, not predrilled, excessive nailing, nails driven too deep, and nailed too close to edges of boards causing cracking of deck boards and unsightly appearance. (Attachment 22, #3A, #6B)
42. Deck boards curve up at the edges so water pools on deck boards. (Attachment 22, #22A)
43. Bolts stick out up to 3 inches on the outside of the deck beam at stairs and in other areas. Irregular bolting pattern. (Attachment 22, #2B)(Attachment 23, #5A)
44. Mixed use of screws and nails attaching balusters on front porch. Wood not pre-drilled for screws and too close to the end. Wood crushed and split. (Attachment 23, #4B)
45. Cracks throughout kitchen floor. H4
46. Lighting system and its controls for living, dining room, and kitchen not functioning properly. 3 lighting system control panels not working. No coordination of systems. (Attachment 5) H4
47. Master light panels not level.
48. Kitchen cabinet drawer has a random drill hole in it. (Vlagogannis Deposition, pages 106, 107) H4
49. Hole in bedroom wall made by electrician when installing conduit outside back bedroom. Hole needs to be repaired, walls painted. (Attachment 23, #6B)
50. Uneven floor between kitchen and dining area. Kitchen floor higher than dining room floor. (Vlagogannis Deposition, pages 69 - 70, 99 - 101) (Attachment 22, #20A)
51. Baseboard in kitchen, dining, and living room areas not installed. H4
52. Kitchen valence lights, uplights, not installed as in electrical design. (Attachment 5) H4
53. Exterior front and pantry exterior doors have oil stains around the door knobs making them unfinishable. Need to replace doors. (Heyn*, #16A)
54. Trim inside closet door in living room not installed. (Attachment 22, #14A, #14B)
55. Baseboard trim in living room has bad miter joint leaving a gap. (Attachment 22, #22B)
56. Drywall on basement ceiling finished poorly with ridges and bumps. H
57. . Mixed use of screws and nails on deck flooring. H4
58. Pantry shelves unsightly. Unfinished edges and ends. (Attachment 22, #19B)
59. Front door trim missing on side of front door. Door hinges set inside drywall. (Vlagogannis Deposition, page 133) (Attachment 22, #16B)
60. Bad cuts in base cabinets in kitchen. Visible cuts in cabinets. (Attachment 22, #19A)

61. Kitchen Cabinets installed upside down causing the closing devices to be at the bottom of the cabinet. (Attachment 22, #17B, #18A)
62. Living/dining room walls and ceiling need painting.
63. Insufficient and incorrect ledger attachments at addition where it attaches to house rim joist. No bolts or not enough bolts, not attached in correct spacing and pattern. No apparent attachment of kitchen addition ledger board/rim joist to the foundation of house where addition meets house at opening to dining room. H4
64. Joists and beams not resting directly on supporting posts. H4
65. Insufficient or missing bolts supporting rear stair landing. H4
66. Incorrect construction on south side corner section of deck. There is a single beam for unsupported ledger extending out from the side of the house. Single ledger for large back deck extended beyond the corner of the house and supported only by attachment to beam that is built incorrectly. Baltimore County Deck Construction Guide says "Warning: Do not attach deck ledger to overhanging floor system" (Attachment 24, #6B, #8A)
67. Improper cut through plates with incorrect strapping where vent pipe goes through in south kitchen wall. Code violation. (Attachment 28, #15) (Photo 70, 70A) (Attachment 18)
68. Large gaps where deck railings meet walls. (Attachment 22, #4A)
69. Uneven and unsightly nailing on outside of deck joists. Excessive nailing and irregular nailing. Poor workmanship. (Attachment 23, #4A)
70. Ledger boards for front deck are insufficient. Requires a minimum of 8". Installed are 6". H4
71. Deck post bolt within ½ inch of the edge of the post. H4
72. Unfinished soffits are missing "J" channel at the wall. H4
73. Oil stain around front and pantry exterior door knobs apparently from oil in knob mechanisms being transferred to doors during installation. (Attachment 22, #16A)
74. Knobs for patio screened door mounted improperly. They extend beyond the wood frame hanging over the edge. Poor workmanship, unsightly. H4
75. Latches for sliding screens not attached to new sliding glass doors installed by Ovadia. H4
76. Under cabinet lighting in kitchen is not installed properly. Needs repair.
77. Footers for deck support posts in rear not poured properly. They include construction debris such as bricks, are not deep or wide enough, and have voids within them. Footers cannot contain bricks or other debris. Footers cannot have holes in them. (Attachment 24, #3A & #3B)
78. Slab for the screened porch is poured improperly. Slab has voids underneath and is not consistent and even and does not sit on the ground. H4
79. Screening hanging loose off of screen doors and doors falling apart. H4
80. Horizontal kitchen cabinet handles not level, vertical kitchen cabinet handles not plumb to vertical. (Vlagogannis Deposition, pages 101 – 103) (Attachment 22, #17A) (Email in Attachment 11 shows discussion about cabinet handles and promise to fix by Ovadia)
81. Framing members are less than 2" from the chimney including in the living room wall, the ceiling and walls in the pantry and kitchen, and the floor in the pantry and kitchen. Code violation. H4

82. Poor and uneven workmanship at foundation corner. (Attachment 24, #6A)
83. Insufficient nosing for deck stairs at the rear deck. H4
84. There is no evidence of appropriate flashing being applied to windows, walls, and door frames as required. H4

MHIC Problems and What Legislators Can do To Fix T

Uploaded by: Eric Johnson

Position: FAV

MHIC Problems and What Legislators Can Do to Fix Them

Here are the problems that I believe need to be fixed with the functioning of the MHIC and Maryland Laws and Regulations:

1. Contractors should not be allowed to escape responsibility for their bad work by suing homeowners. The cost to defend yourself is prohibitive for homeowners when taking into consideration the costs of litigation. This gives an incentive to contractors to sue. If I had had any idea what it would cost me I should have simply paid off the contractor and walked away. This is not right.

2. Contractors should not be allowed to avoid any investigation by the MHIC by suing homeowners. It is ridiculous for the MHIC to delay any action against a contractor for litigation to play out. As in my case it can take years. In the meantime the homeowner has no money from the Guaranty Fund to make repairs to their house. And the contractor can continue to operate and cause further damage to the citizens of Maryland. It is absolutely astonishing that a contractor who says, "Building codes are bullshit" and acts out that statement, should be allowed by the MHIC to continue to operate in the State of Maryland.

3. The MHIC needs to hold contractors accountable. It appears that the MHIC believes that in most cases the paltry Guaranty Fund payouts are sufficient to protect homeowners. The MHIC seems to have little interest in investigating bad contractors or enforcing their own rules and regulations. When I raised the issue of numerous building code violations on my house I was told that correcting that was up to the County. Of course the County had no interest in enforcing building codes that I found as that was an indictment of their own inspectors. In any event County officials do not have the ability to remove an MHIC license.

4. The MHIC seems to have neither the manpower nor the interest in actually protecting the homeowners of Maryland. They have few investigators and little interest in investigating. I gave them evidence of numerous infractions of Maryland and MHIC law, rules, and regulations by Ovadia, many of which have MHIC fines and penalties associated with them, yet they have never taken any action. They know that Ovadia thinks building codes are bullshit and they know that he does not follow building codes. Yet they do nothing to protect Marylanders.

5. The max payment under the Guaranty Fund of \$20,000 is totally insufficient. Perhaps this was a significant amount many, many years ago when the MHIC was founded, but now, many if not most home improvement jobs are worth far more. \$50,000 for a new kitchen is average. Legal fees alone can quickly wipe any payment from the Fund.

6. The MHIC requires that contracts include a clause notifying homeowners that they can request that contractors offer insurance (a bond) to homeowners. However my contractor left this out of the contract, and there was no penalty from the MHIC for leaving it out. A bond would have saved me. But the contractor doesn't really need to include this because the MHIC does not penalize them for doing so. Again, no teeth. The MHIC should push harder with this clause and make leaving the clause out of any contract an instant loss in any dispute with a contractor and a heavy fine. Or they should make leaving this clause out a cause for immediate loss of license.

7. Home improvement contractors can easily jump from one home improvement entity to another. They can operate under anyone else's MHIC license including that of friends and family members. Ovadia investigated both in anticipation of losing his license. He never lost his license so he did not have to do this. This is well known in the home improvement industry.

8. The MHIC should accept the judgement of a Maryland court and not require that homeowners also go through an administrative hearing. This should be illegal under the doctrine and principle of Res Judicata enshrined in the 7th amendment of the U.S. Constitution. Besides, it's just and unfair burden on homeowners. I mean a jury in Maryland can't be trusted to make a fair judgement? An additional OAH hearing is necessary? That's ridiculous and illegal.

9. The administrative hearing process is not fair. In my case I was up against an experienced attorney. Yet the judge in the case, continually cited me for not following proper legal procedures and at times even threatened to throw out my case. If a homeowner is going to have to represent themselves then there needs to be a process that does not require counsel, or counsel should be appointed. In addition, the MHIC was also represented by counsel and they also fought me in an attempt to keep the Guaranty Fund from being charged. Why is the MHIC allowed to have their own attorney fighting the citizens of Maryland when they try to get restitution? This is 2 attorneys against my none. There is no circumstance under which it would make sense for a homeowner to hire an attorney when the limit of any claim is \$20,000. A couple of phone calls = \$1000 with most attorneys.

10. The Mechanic's Lien law needs to be changed. It is simply too easy for a contractor to sue a homeowner and not worth it to fight. I would never do it again. I would simply pay the contractor anything they demand instead of losing thousands in a court fight. You may win, but you will lose.

11. A contractor should not be able to escape any penalty from the MHIC by declaring bankruptcy. First the MHIC could fight the contractor in bankruptcy court. Second, the MHIC could explicitly change the nature of the Guaranty Fund re- payment by the contractor into something more in the nature of a fine which would make it impossible for a contractor to get it removed by bankruptcy court. The MHIC is only encouraging contractors to declare bankruptcy and allowing them to escape all responsibility for their misdeeds. In my case the contractor payed no penalty, no fine, and was not cited at all by the MHIC.

12. Fines for violations of MHIC regulations are tiny. And they are never, as far as I can tell, ever enforced. These should be much, much higher and they should be enforced.

Unfortunately there is no organized lobby for homeowners. I expect that nothing will ever be done to help us. I am sure that I am not the only one.

This story only touches the surface of what is wrong with the home improvement industry in the State of Maryland. I have discovered many more problems, too numerous to even be mentioned here, where my goal is to address the problems with the MHIC.

Sincerely,
Eric Johnson
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MHIC State Senate Hearing.pdf

Uploaded by: Eric Johnson

Position: FAV

Statement in support of SB467

Eric Johnson

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I am writing in support of SB467. This bill would increase the limit for payment from the MHIC Guaranty Fund from \$20,000 to \$30,000. This increase, although hardly enough, is a start to make the MHIC work better for the citizens of Maryland. My story will illustrate the shortcomings of this and other MHIC policies.

I hired a licensed contractor to do an addition on my family home. There were over 20 building code violations found by a judge at an administrative hearing. Each of these building code violations threatened the health and safety of my family. Each of these building code violations reduced the value of our home. When I demanded repairs the contractor walked off the job leaving our house an unfinished, dangerous mess.

Instead of doing repairs the contractor sued **me** to force the final payment of the contract and placed a lien on my house. I had to defend myself by countersuing. After a long legal battle that cost my family over \$200,000 in legal fees, and a 2 week trial, a jury of Marylanders awarded my wife and I \$130,000. The contractor promptly declared bankruptcy and I got nothing.

Shortly after the contractor sued me, I filed a case with the MHIC. The MHIC refused to do anything to help me or even investigate. They stated that they would do nothing to help me until the court case was over. So for 7 years the MHIC did nothing and this contractor continued to do his bad work.

Finally after 7 years, and a victory in court, the MHIC said I still had to go to the MHIC for an OAH hearing in order to make my claim from the Guaranty Fund. This violates the legal principle of Res Judicata which is enshrined in the 7th Amendment of the U.S. Constitution. This principle says that any case that has been decided in another court, and more specifically, decided by a jury, is barred from relitigating the case. This policy of the MHIC not only violates Res Judicata and the U.S. Constitution, but it places an unfair burden on the homeowners of Maryland who have to file multiple lawsuits in order to win one single claim, even after winning in another court.

Since I could no longer afford a lawyer for my OAH hearing, I had to take a month off of work to prepare and litigate another 2 week trial. At the hearing I was attacked by my contractor's lawyer and, believe it or not, a lawyer for the state of Maryland, who did everything she could to keep me from getting a single penny from the Guaranty Fund. The judge repeatedly threatened to throw out my case because I had trouble following strict legal procedures. (I'm not a lawyer).

In spite of all that I got a judgement of \$66,000. After waiting another 16 months, I finally received \$20,000 from the Guaranty Fund. Obviously the \$30,000 that would be allowed under SB647 is an improvement, but it is still woefully inadequate.

The DLLR has a policy that requires contractors to have assets equivalent to the maximum payout of \$20,000. It is my understanding that the DLLR claims that any increase such as the one in SB467 would make it too difficult for contractors to get a license. However the overall limit for one contractor is actually \$100,000. Why does the DLLR complain about a \$30,000 limit but is happy with the overall \$100,000 limit?

The fact that claims can actually go to \$100,000 puts the lie to the idea put out by the DLLR that there is an absolute necessity of an equivalency between the max amount of a single Guaranty Fund claim and the net worth of a contractor.

If claims can actually go to \$100,000 then by the logic of the DLLR the contractor should be required to show assets of \$100,000 not only \$20,000.

Taking it the other way around, if the Guaranty Fund will pay up to \$100,000 when a contractor is only showing 20K in assets as the law states now, then why would \$30k or \$40K or even \$100K not be possible for a single claim?

Is there any evidence that a company that gets its license with \$20,000 in assets would not pay a judgement of 30, 40, or even 100,000 dollars or is this just a made up argument by the DLLR? Contractors would be willing to lose their license to avoid paying?

The current evidence is actually that the DLLR is sitting on a pile of money that they would rather keep than give to people like me who have been devastated by unscrupulous and corrupt contractors.

This bill we are considering today is hardly all that is needed to improve the MHIC. My story demonstrates some of the ways the MHIC is an utter failure at protecting the citizen's of Maryland from bad contractors.

On their website the MHIC states, "the commission investigates complaints by homeowners and prosecutes violators of home improvement law and regulations" This is a lie. Representatives of the MHIC have told me that they **only** investigate a contractor if there are many complaints. My contractor was found to have made over 20 building code violations on my house. He also said to inspectors that he "always builds houses like that." In sworn court testimony he was proved to have said that "building codes are b.s."

I had to hire an expert building engineer, and pay him thousands, to prove that my contractor built my addition with over 20 building code violations. It is not surprising that no other homeowners didn't do the same. I have no doubt that dozens of other Marylanders have houses, additions, and renovations built by my contractor that have serious building code

violations. My contractor said he did it! But the MHIC says they will not investigate, they will not do anything unless multiple citizens file a complaint. To the MHIC I say "BS."

Over the years of complaints that I made, the MHIC said that they would do something only **after** the court cases were all over. But did they? No, but I did. I found out that even though my contractor advertised as being lead paint certified by the MDE and the EPA he was neither and contaminated my house with lead paint. I investigated and found that he had violated Maryland labor laws and I brought these findings to the Workplace Fraud Unit and they cited him. I investigated and found that he violated numerous laws and regulations. I brought all this to the attention of the MHIC. Did they prosecute him as they say they do on their website? No, they did nothing.

The actual policy of the MHIC, as I was told by a former MHIC insider, is to do as little as possible. Their policy is to not only avoid conflicts with contractors but to bend over backwards to help them. Their policy is to abandon their own reason for being which is to help Maryland homeowners.

I have submitted documents that can corroborate my story. Much more is available upon request and I would be happy to discuss this topic with anyone.

The contractor that I have been talking about is still licensed in the State of Maryland, no doubt continuing to undermine the safety and security of Marylanders under a new business he started in his wife's name. And, believe it or not, he did not even pay the MHIC back the \$20,000 as required. And they didn't even try to make him. He got off scot free.

Ovadia - contract.pdf

Uploaded by: Eric Johnson

Position: FAV

AGREEMENT

THIS AGREEMENT dated 24th day of October, 2011, by and between **OVADIA, LLC**, whose main office is at 8813 Pikesville Road, Pikesville, Maryland 21208 (hereinafter the "**Builder**"), and Eric Johnson now residing at 1336 Heater Hill road Towson Maryland (collectively referred to herein the singular as the "**Owner**").

WITNESSETH

MHIC # 98274

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and adequacy of which is acknowledged by each of the parties, and in further consideration of the promises, agreements, warranties and representations set forth hereinafter, the parties intending to be legally bound, hereby promise, warrant and agree as follows.

1. **The Property.** The Owner represents and warrants to the Builder that the Owner holds¹: (a) fee simple title; or (b) leasehold title to property (the "**Property**") located in Baltimore County, Maryland, with an address of 1336 Heater Hill road, Towson, Maryland 21211, pursuant to the recorded deed attached hereto as Exhibit A. The Owner further warrants that Owner has the full right and authority to enter into this Agreement without resort to any approval or consents of any third party, including but not limited to any lien holder.

2. **Construction.** The Owner engages and hires the Builder and the Builder accepts such engagement by the Owner to construct those improvements, additions and repairs to the existing structure located on the Property (the "**Dwelling**") for and on behalf of the Owner substantially in accordance with the Contract Documents consisting of those certain Plans, dated 12-17-10, prepared by design evolution architecture, a licensed architect chosen by Owner (the "**Architect**"), and containing 12 pages (the "**Plans**"), a copy of which have been reviewed and approved by the Owner and are attached hereto as Exhibit B, incorporated herein by reference. All work, materials and labor required in order to improve the Dwelling and the Property in accordance with the scope outlined in the Plans and Specs (hereinafter defined) to be performed by the Builder under the terms of this Agreement are hereinafter collectively referred to as the "**Work**". The Owner acknowledges that the Owner has not only chosen the Architect but has also reviewed and is entirely satisfied with the Plans and Specs for the improvement of the Dwelling. The Owner acknowledges that the Builder is relying upon the expertise of the Architect and/or engineer that drafted and prepared the Plans and any specifications accompanying the Plans (the "**Specs**", a copy of which is attached hereto as Exhibit C) to assure that all of the Work is structurally sound and properly designed in accordance with all prevailing codes, ordinances, laws, statutes, rules and regulations (collectively hereinafter the "**Law**"). The Owner acknowledges and agrees that the Owner is not relying upon the Builder to discover or uncover any flaws or weaknesses in the Plans and Specs. Notwithstanding the foregoing, should the Builder discover any problems with the Plans or Specs, the Builder shall immediately call such problems to the attention of the Owner and may halt construction until such time as the problem is clearly identified and resolved. Any cost to modify and correct the Plans and Specs or any Work which may have to be redone because of design defects in the Plans and Specs or violations of Law shall be borne by the Owner who may or may not have recourse against the Architect. Attached hereto as Exhibit D, is a schedule of the primary subcontractors whom the Builder intends to use in the partial performance of the Work. The Builder reserves the right to substitute other subcontractors for the entities or parties listed on Exhibit D upon reasonable notice to the Owner.

3. **Access to the Work Site; Commencement Source of Funds.** The Owner shall provide the Builder with unrestricted access to the work site in, on and about which the Work is to be performed at all times during the term of this Agreement and until such time that the Builder completes the Work.

4. **Substantial Completion.** Subject to the adjustments and the terms of Section 10(c) as provided for hereinafter, the Builder shall achieve substantial completion of the Dwelling substantially in accordance with the Plans and Specs within one hundred twenty (120) days of the Commencement Date (the "**Substantial Completion Date**").

5. The Contract Price and Progress Payments.

¹ Check one or the other box.

(a) The Owner shall pay to the Builder for the Work, which includes all labor, materials, equipment and services necessary to complete the Work in accordance with the Plans and Specs the sum of one hundred and nine thousand Dollars (\$109000; the “**Contract Price**”), which shall be payable as the Work progresses as follows:

(i) \$18000 (herein the “**Deposit**, generally one third of the Contract Price) has been paid in cash herewith, the receipt of which the Builder acknowledges.

(ii) Additional draw payments credited against the Contract Price shall be made as follows (the “**Draw Schedule**”):

- (1) Upon completion of the demolition and footing \$19000
- (2) Upon completion of concrete slab and framing \$18000
- (3) Upon completion of ruff inn plumbing and electric \$18000
- (4) Upon completion of insulation drywall and paint \$18000

(iii) \$18000, which is the remaining unpaid balance of the total Contract Price shall be paid to the Builder by the Owner upon Substantial Completion, five Thousand Dollars (\$5,000.00), a holdback (the “**Holdback**”) in the event that there exists a written “punch list” prepared by the Owner in concert with the Builder listing those items that need to be completed or corrected by the Builder (the “**Punch List**”). The balance of the Contract Price less the Holdback shall be paid by the Owner to the Builder in cash or by certified or bank cashier’s check at the time of Substantial Completion of the Work. The Owner shall give unrestricted access to the work site to the Builder, as may be required by the Builder, in order to complete the Punch List within a reasonable time. Upon completion of the Punch List, the Owner shall immediately pay the Holdback to the Builder in cash, by cashier’s or certified check or by check drawn against a Maryland banking institution in immediately available funds.

\$109000 TOTAL CONTRACT PRICE

(b) The Builder shall make applications to the Owner for progress payments, from time to time, in accordance with the schedule set forth above and upon completion of each stage of the Work. Each application for payment shall contain a certification from the Builder that the payment is proper and that the Builder has completed such part of the Work for which payment has been requisitioned in accordance with the Plans and Specs. Upon timely request of Owner, Builder shall deliver to Owner within thirty (30) days of each progress payment, a written notice containing a list of any major subcontractor, supplier and materialman (who provided at least \$5,000.00 worth of goods or services as of a date reasonably close to the date of the notice) and indicating that such subcontractor, supplier or materialman, as the case may be, was paid as of the date of immediately prior application for payment. The Builder shall obtain a final written release and waiver of liens from each major subcontractor, materialmen and supplier who has been paid in full by the Builder, within a reasonable time after such payment.

(c) The Builder shall use the funds received from the Owner pursuant to the terms of Sub-sections (ii) and (iii) above for the purposes of completing the Work. The Builder shall not be obligated to pay any interest on any funds received from the Owner on account of the Contract Price. As the Work progresses the Builder shall apply the funds received from the Owner for payment of subcontractors, materialmen and laborers, office overhead and salaries.

(d) In addition to the Contract Price, the Owner shall be responsible for the costs of any surveys, legal description of the Property, permits, licenses, fees, applications fees and connection charges, special assessments or fees, utility costs, cost of providing copies of the Plans and Specs to any governmental authority, and all other sums required by any governmental authorities for the right and consent to perform the Work (collectively all of the forgoing are hereinafter referred to as the “**Fees and Charges**”).

(e) If the Owner fails to timely pay any sums of money due within fifteen (15) days of invoice therefor from the Builder, then, in addition to all other rights of the Builder for breach of this Agreement, the sums owed by Owner shall bear interest from the date first due until the date paid to the Builder at the rate of ten percent (10%) per annum.

6. **Financial Viability.** The Owner represents to the Builder that the Owner is financially viable and has the wherewithal to

obtain and maintain the availability of the Funds Source, which when aggregated with the Owner's readily available funds are sufficient to pay the Contract Price and the Fees and Charges in a timely manner and as they accrue.

7. *The Work and Change Orders.*

(a) Except to the extent as the same may be amended by written change orders (as hereinafter provided for), the Work shall be completed substantially in accordance with the Plans and Specs. The Work shall not include any other items, features or structures or anything which is indicated in the Plans and Specs as either "optional items" or as items "for display purposes only," or are listed on the Builder's list of optional items which may have been delivered by the Builder to the Owner prior to the execution of this Agreement.

(b) Each party acknowledges that Plans and Specs as well as the terms of a contract can not anticipate every possible occurrence and in many cases it is necessary and appropriate to adjust and modify not only the Plans and Specs and the scope of the Work but also the Substantial Completion Date and the other terms of this Agreement. Each party shall not unreasonably refuse to execute any reasonable Change Order that may be requested by the other party. Notwithstanding anything herein to the contrary, the Builder shall have the right and authority to make minor field changes to the Plans and Specs, provided they are consistent with the improvements of the Dwelling, when such changes are mandated by field and actual on site considerations and do not involve adjustment in the Contract Price or extension of the Substantial Completion Date. The Builder shall inform the Owner of such minor changes within a reasonable time after they are made.

(c) If the Owner has selected an optional item and Builder for reasons beyond its reasonable control shall be unable or fail to procure such item or cannot for structural or other reasons include such optional item in the Work, then the Owner's only remedy shall be to accept a refund of the monies paid by the Owner to the Builder for the optional item, if any, or in the event the optional item is included in the Contract Price for the Property, to receive a credit therefore at settlement.

(d) The Builder shall have the right, in the event of the unavailability of materials or items shown in the Plans and Specs, to substitute, with the approval of the Owner, comparable materials or items in lieu thereof.

8. *Mechanic's Lien Notice.* ATTACHED HERETO AS EXHIBIT E, IS A NOTICE TO OWNER OF THE RISKS TO A BUYER UNDER THE MECHANICS' LIEN LAW OF THE STATE OF MARYLAND.

9. *The Landscaping.*

(a) The Builder shall not be obligated to perform any landscaping of the Property unless the same is part of the scope of the Work and expressly set forth and made a part of the Plans and Specs. If the scope of the Work includes landscaping, then the landscaping for the Property, and any sidewalks, driveways, and walkways, shall be: (i) in substantial conformance to the landscape plan which shall be part of the Plans and the Specs; and (ii) completed in a timely manner, weather and soil conditions permitting. The Builder may remove any trees now on the Property which, in the Builder's sole discretion, should be removed to facilitate completion of the Work or the landscaping or grading of the Property. The Owner acknowledges that the Builder will not be responsible for damage to or loss of any tree located on the Property, caused by the loss or damage to the root system or trunk as a result of excavation and construction required for the Work.

(b) The grading of the Property and the location and ground elevation of any improvements included in the scope of the Work and of any driveways and walkways and of any trees to be planted by the Builder as part of the landscaping plan included in the Plans and Specs may be determined by the Builder in its sole discretion, provided that the location, elevation and grading will not violate any applicable set back or similar governmental requirements or any restrictive covenants applicable to the Property.

10. *Construction and Force Majure.*

(a) The Builder will use acceptable industry standards in the construction of the Dwelling and performance of the Work and shall complete the construction of the Work in a good and workmanlike manner, substantially in conformance with the Plans and Specs. The Builder shall direct and supervise the progress of the Work.

(b) The Builder shall be responsible for all construction means, methods, techniques, sequences and procedures and for coordinating all phases of the completion of the Work with all suppliers, subcontractors and laborers.

(c) The Builder shall not be liable to the Owner for any delay in commencing or completing construction of the Work or the landscaping due to causes beyond the Builder's control including, but not limited to any of the following: theft, vandalism, adverse or unusual weather conditions, fire, storm, or other casualty, labor or supplier strike, material shortage or non-availability in a timely manner, delay occasioned by special back ordered materials or material discontinuance, dispute with or act or omission of any lender or governmental authority (including the failure or refusal to issue or give any necessary permit or other approval), dispute with or act or omission of any other supplier of labor or materials. The Substantial Completion Date and the completion of the landscaping (if it is part of the scope of the Work) may be extended, at the Builder's option and at its sole discretion, by the length of any delay of the nature described in this subparagraph (c).

11. **Warranty.**

(a) Builder warrants to Owner for a period of ninety (90) days from the date Owner takes possession of the Work that the Work: (i) is free from defective and faulty materials and workmanship; (ii) was constructed according to sound construction and engineering standards and the Plans and the Specs; (iii) was constructed in a good and workmanlike manner; and (iv) is fit for habitation. Owner acknowledges that Owner understands and anticipates that any new construction is subject to settlement of the structure, which may result in non-structural cracks in block, cement and other construction materials within normal parameters and tolerances in the industry.

(b) Except as expressly provide in this Agreement, the Builder makes no further warranties, express or implied, in respect to the Work. Builder shall, however, assign to the Owner any and all warranties the Builder may have received from manufacturers of any components, appliances, systems, and equipment installed as part of the scope of the Work.

12. **Concealed Conditions.** If conditions are encountered on the Property which are (i) subsurface or otherwise concealed; or (ii) are unknown at the time the Agreement was executed which are of an unusual nature (such as underground water, rock conditions, uncommon or hazardous soil conditions or some similar natural or man made anomaly), the Builder may terminate this Agreement upon written notice to the Owner unless the parties are able to agree in writing, pursuant to a Change Order to adjust the Contract Price and the Substantial Completion Date to offset and account for the additional costs or time delay that the Builder will incur to overcome or solve any such unusual or unanticipated condition. Owner acknowledges that as the fee simple or leasehold owners of the Property, they are familiar therewith and thus Owner represents and warrants to Builder that to the best of Owner's knowledge, information and belief, after due inquiry, there are no hazardous wastes or materials in, on or about the Property and the Property does not contain fill, hydric soils or rock which may require unusual or extra site preparation in order to support or allow for completion of the Work.

13. **Insurance.**

(a) The Builder shall obtain and maintain throughout the term of this Agreement insurance which shall protect the Builder from claims which may arise out of or result from the Builder's performance or operations under this Agreement and for which the Builder may be legally liable, whether such performance be by the Builder or a subcontractor of the Builder or anyone employed by the Builder, including

(i) workmen's' compensation insurance, for all the Builder's employees (which shall not include employees of sub-contractors, independent contractors, material men or suppliers); and

(ii) claims for damages because of bodily or personal injury, sickness or disease or death of any person other than Builder's employees; and

(iii) claims for damages to property which are sustained (A) by any person or entity as a result of any negligent or wanton action or omission by the Builder or (B) by any other person or entity caused as a result of any negligent act or omission or wanton action of anyone acting as an agent of or on behalf of the Builder.

(b) The Owner shall obtain and maintain throughout the term of this Agreement owner's liability and casualty insurance protecting the Owner from and against any damages, injuries, losses and expenses which the Owner may sustain as a result of

any of its Owner's actions or performance of any of its obligations under this Agreement and for which the Owner may be legally liable, whether such actions be by the Owner or any outside contractor of the Owner or anyone employed by the Owner.

(c) The Owner shall obtain and maintain throughout the term of this Agreement insurance protecting against damage, destruction, vandalism and loss to or of the Work or any portion thereof on a replacement cost basis. This insurance shall be on an all risk policy form and shall insure against the perils of fire and extended coverage and physical damage or loss to from theft, vandalism, malicious mischief, collapse, demolition, and debris removal.

14. **Remedies.**

If for any reason the Owner: (i) fails to make any payment required by this Agreement in full on or before its due date, (ii) fails to pay the Builder after Substantial Completion of the Work in accordance with the terms of this Agreement, (v) interferes with or delays the completion of the Work or Builder's obligations hereunder, or (vi) otherwise defaults in any of the Owner's obligations under this Agreement, then, at the option of the Builder: (X) The Builder may cease performance of the Work at the sole risk and cost of the Owner until such time as the Owner remedies the Owner's breach; (Y) The Builder may terminate this Agreement at the sole risk and expense of the Owner, in which event the Builder will have the right to retain the deposit and all other moneys paid by the Owner to the Builder pursuant to this Agreement and demand from and be paid by the Owner an additional amount as liquidated damages (the "Liquidated Damages"), not as a penalty; and provided that the Owner signs a full release of the Builder from this Agreement and any liability to Owner, the Owner will thereupon be relieved of any further liability hereunder at law and in equity and Owner shall be entitled to receive in return any monies which the Owner may have paid in excess of the Liquidated Damages; or (Z) the Builder, at its election, may avail itself of any remedies or rights which it may have under this Agreement or at law or in equity.

15. **Risk of Loss.** The Owner shall have the risk of loss of damage to any of the Work by reason of fire or other casualty not caused by the Builder until the date of settlement or the delivery of possession of the Work to the Owner, whichever shall first occur.

16. **Possession.** Entry into the Dwelling prior to Owner's acceptance of the completed Work may expose the Owner and/or its invitees to unsafe conditions and therefore any such unauthorized entry shall be at the sole risk of the Owner. The Owner may inspect Work in the company of a representative of the Builder at reasonable times during the course of construction as may be agreed to with the Builder, and upon completion of the Work and prior to its acceptance by the Owner, at a time designated by the parties, which shall be not more than two (2) days prior Builder's turning over the Dwelling upon completion of the Work to the Owner. The full right to use the Plans and Specs during the course of completion of the Work shall be assured to the Builder by the Owner and the Architect shall so agree prior to commencement of the Work. Builder shall have the right to retain one full set of copies of the Plans and Specs even after completion of the Work, and may use them for other construction work of the Builder provided that no such construction shall be predicated on an exact duplicate of the Plans within three (3) miles of the Property.

17. **Settlement.**

(a) Possession of the Dwelling shall be fully restored to the Owner and the Builder shall withdraw and remove all of the Builder's tools, equipment, supplies and materials from the Property on the settlement date (as hereinafter provided for). The settlement date under this Agreement will take place at any time within fifteen (15) days after the Substantial Completion of the Work, on a date and at a time and place selected by the Builder. The Builder will give the Owner not less than seven (7) days prior notice of the date, time and place of the settlement and its date.

(b) On the settlement date the Owner shall pay to the Builder the unpaid balance of the Total Contract Price and all other sums that may be due hereunder, the Builder will execute and deliver to the Owner an assignment of any and any of the Builder's right, title and interest in the Work, all assignable manufacturer warranties and restore possession of the Dwelling to the Owner (in the event the same were vacated during completion of the Work) free of liens and encumbrances.

(c) Any dues, assessments, or other charges of any community or homeowner's association will the sole obligation of the Owner and are not included in the Contract Price.

18. **Miscellaneous Provisions.**

(a) Neither party shall assign this Agreement or its obligations hereunder to any third party without the written consent of both parties hereto.

(b) Any notices required or permitted by this Agreement will be considered sufficient if delivered by commercial overnight delivery service (e.g. Fed Ex) or sent by certified mail to the party entitled to receive the notice at the address of that party set forth above. If a notice is sent by certified mail, it shall be deemed to have been given on the second business day after it is deposited in the United States mail.

(c) Time shall be of the essence of this Agreement and all its provisions.

(d) This Agreement and the exhibits hereto contain the complete and final understanding between the parties and neither party shall be bound by any representations, promises, statements or agreements not set forth herein. This Agreement may not be modified except by written document signed by the parties hereto.

(e) The Owner warrants to the Builder that the Owner has not used the services of any broker, agent or finder in connection with this Agreement. Owner covenants to indemnify the Builder from and against the claim of any broker requesting or demanding a commission on account of the transaction set forth in this Agreement. The warranties set forth in this Sub-section shall survive settlement and the delivery of the Work and the Dwelling to the Owner.

(f) In the event there is more than one person constituting the Owner in this Agreement, then all such parties constituting the Owner shall be individually and severally bound by and liable under the terms of this Agreement and this Agreement shall be binding on each of them, jointly and severally, and on their respective heirs, legal representatives, successors and assigns.

(g) Deletion: if basement work is not done \$14000 will be subtracted from the contract price.
If living room work is not done \$5000 will be subtracted from the contract price.
If screen room under deck is not done \$3000 will be subtracted from the contract.

IN WITNESS WHEREOF the parties have signed sealed and delivered this Agreement as of the date first above written.

WITNESS:

OWNER

_____(SEAL)

_____(SEAL)

ATTEST

**BUILDER
OVADIA, LLC.**

By: _____(SEAL)
Jerry Ovadia, Managing Member

EXHIBIT E

NOTICE TO THE OWNER OF MECHANIC'S LIEN RISKS

BUYER'S RISK UNDER MECHANICS' LIEN LAWS

UNLESS THE BUILDER PAYS EACH SUBCONTRACTOR, MATERIALMAN, OR SUPPLIER, THE SUBCONTRACTOR, MATERIALMAN, OR SUPPLIER MAY BECOME ENTITLED TO PLACE A LIEN AGAINST YOUR PROPERTY IN ORDER TO ENSURE PAYMENT TO THE SUBCONTRACTOR, MATERIALMAN, OR SUPPLIER FOR SERVICES RENDERED OR GOODS DELIVERED ON OR TO YOUR HOME. THIS COULD MEAN THAT YOUR HOME COULD BE SOLD TO SATISFY THE LIEN. YOUR BUILDER IS REQUIRED BY LAW TO GIVE YOU PERIODIC REPORTS THAT LIST THE SUBCONTRACTORS, SUPPLIERS, AND MATERIALMEN WHO HAVE PROVIDED GOODS OR SERVICES TO YOUR CUSTOM HOME, AND TO INDICATE WHETHER THEY HAVE BEEN PAID. IF AT ANY TIME YOU HAVE ANY QUESTIONS OR CONCERNS ABOUT WHETHER A SUBCONTRACTOR HAS BEEN PROPERLY PAID YOU SHOULD DISCUSS THEM WITH YOUR BUILDER, THE SUBCONTRACTOR AND YOUR FINANCING INSTITUTION.

ACKNOWLEDGEMENT OF RECEIPT

THE UNDERSIGNED OWNERS ACKNOWLEDGE RECEIPT OF A COPY OF THE FOREGOING NOTICE OF THE OWNER'S RISK UNDER THE MECHANICS' LIEN LAWS OF THE STATE OF MARYLAND on this ____ day of _____, 2009.

WITNESS

OWNER

WITNESS

OWNER

EXHIBIT C

Specifications Index

DATE: 10-13-11

I. GENERAL CONDITIONS

A. Permits, Bonds, Insurance, Warranties

1. Building and other permits to be paid by the owner.
2. Builders' risk insurance to be carried and paid for by ovadia LLC.

II. LOT PREPARATIONS

A. Lot Preparation

1. Clearing

- (a) Trees, shrubs and debris will be removed from within the limits of clearing as defined on the final site plan.
- (b) All areas beyond the limits of clearing will remain in as is condition.
- (c) Tree preservation: It is the intention of ovadia llc. to make every effort to preserve all trees selected for preservation within the limits of clearing. However in the event any trees do die during or after construction, ovadia llc. is not responsible for their removal. Any trees which must be removed after clearing will be charged as an extra to the client. **(Note: Tree near addition may be lost.)**

2. Dirt filling or hauling N/A

- (a) Contract is based on a balanced lot- filling or hauling of dirt will be done as an extra to the client.

3. Excavation

- (a) To be done per site plan; dirt will be stored on lot and used in backfill and site grading.
- (b) Rock clause; contract is based on normal earth conditions; if rock, spring water, or any unusual conditions or obstacles are encountered during any required excavation work or earth movement work, all related earth work as well as extra construction will be charged as an extra to the client.
- (c) Earthwork or construction caused by subgrade conditions not indicated on the site plan dated **october 2011** will be charged as an extra to the client

B. Lot finishes

1. Patio: Size: 16'x20'. Material: 4" concrete slab over 4" gravel.

2. Deck Size: 16'x20' rectangle in back and 13'x5'-4" rectangle in front

Materials.

(1) Structural members: 2"x12" joists @16" o/c over 6"x6" pt wood post for back deck and 2"x6" joists @16" o/c over 4"x4" pt post.

(2) Deck surface: 5/4"x6" pt

(3) Handrails: 2/16" S.S. @3-3/4" o/c wire guard railing @36" high with 4"x4" wood pt post

Stairs: 12 stapes 36" width, 10" min tread and 7-3/4" max riser. 36"x36" landing.

3. Balcony size: 32' - 5" x 3' - 6" rectangle

Materials.

(1) Structural members: 2"x8" joists @16" o/c with 2"x12" support anchored to existing masonry wall and two 6"x6" pt wood post.

(2) Deck surface: 5/4"x6" pt

(3) Handrails: 2/16" S.S. @3-3/4" o/c wire guard railing @36" high with 4"x4" wood pt post.

4. Landscaping

Ovadia llc shall not be obligated to perform any landscaping of the Property

III. HOUSE CONSTRUCTION

A. Excavation , Backfill & Demolition

1. To be done per site plan, dirt will be stored on lot for backfill.

2. Rock Clause. (II 3b).

3. remove existing back left side sun room down to the foundation. Remove sun Room Steps. Remove 9' window in dining room and the wall below to the floor level. Remove the kitchen window and take off brick wall to size of 6' sliding patio door. Remove living room front window and side one near the chimney. Remove living Room wall paneling. Remove kitchen Cabinets. Remove kitchen walls include baring Wall. Remove dining interior door. Demo 36" wide basement wall behind stapes. Demo basement wall between room and utility.

B. Footing and foundation walls

1. Footings: **Per plans**

(a) Materials: **Concrete**

(b) Length: **Per plans**

(c) Width: **Per plans**

(d) Depth: **Per plans**

2. Foundation walls

(a) Materials: **CMU Block**

(b) Height (from top of slab to top of wall): **Per plans**

(c) Thickness: **Per plans**

(d) Reinforcements: **Per plans**

C. Framing 21'x12' addition:

1. Joists: **2"x12"**

2. Plywood decking: **3/4" T&G**

3. Wall construction: **2"x4"**

4. Roof construction

(a) Structure: **11 7/8" TJI @16" o/c per plan**

(b) Plywood: **3/4" rated sheathing**

D. Framing basement 17'x17' room.

Three perimeter walls construction: **2"x4"**

Install wood support beam in basement on top existing foundation
Walls to support first

Floor joists (Size will be specified by structural engineer).

E. Framing dining/living room:

Install main wood support beam for roof joists in between living and dining room.

(Size will be specified by structural engineer).

F. Roofing

1. Felt paper: **15 lb.**

2. Ice and water shield: **30 lb 3'** from the gutters per code.

3. Shingles: **CertainTeed**

(a) Type: **fiberglass XT25**

(b) Guarantee: **25 years**

4. Gutters and down spouts

(a) Materials: **5" seamless aluminum; 032 gauge**

(b) Color: **White**

G. Exterior doors and windows

1. Front entrance way supply by owner.
2. back basement steel door (\$150 allowance)
3. side pantry steel door (\$150 allowance)
4. back patio door: **Off family room**
 - (a) Size: **9'0" x 6'8" sliding glass door (\$1000 allowance)**
 - (b) Materials: **vinyl**
 - (c) Glass: **Insulated**
 - (d) Screens: **Yes**
5. back patio door: **Off dining area, sliding glass door**
 - (a) Size: **6'0" x 6'8" (\$600 allowance)**
 - (b) Materials: **vinyl**
 - (c) Glass: **Insulated**
 - (d) Screens: **Yes**
4. Window units:
 - (a) 3 kitchen double hung windows total size of 90" x 42" (\$570 allowance).
 - (b) 3 clerestory picture Windows total size of 120" x 24" (\$500 allowance).
 - (c) casement/ picture window size 108" x 56" (\$970 allowance).

H. Exterior wall surfaces

1. Brick façade:

Take off 6' wide back brick wall for patio door.
front of living room to raise up window wall with existing from back wall.
2. Siding:
 - (a) Locations: back exterior wall and side addition wall.
 - (b) Materials: Hardi plank 8-1/4"

I. Heating, venting & air conditioning system (HVAC): **by the owner**

J. Electrical wiring system

1. Amperage: Electrical contractor will increase to 200A
2. Panel(s): One
 - (a) Location: Existing

- (b) Description: Electrical contractor will increase panel size
- 3. Wiring: All insulated copper
- 4. Receptacles and switches in addition and basement new 17'x17' room .
 - (a) Duplex, grounded: Outlets
 - (b) Quantity: As per code
 - (c) G.F.I.: new kitchen Outlets as required per electric Code
 - (d) Color: white
- 5. Receptacles and switches exterior and through house.

Replace twenty existing outlets.

Install six new outlets one in each room.

Install three outlets in basement.

Install three outlets under deck.

Exterior waterproof outlets: As per code

- 6. Fixtures:
 - Dining room: 8 recessed lights.
 - Kitchen: 6 recess lights.
 - Pantry: 2 recess lights.
 - Basement new room: 8 recess lights.
 - Screen room under deck: one light fixture (\$10).
 - One exterior light over front pantry door. (\$10).
 - One exterior light between two patio doors (\$10).
 - Rewire two attic lights.

K. Interior Plumbing System for Kitchen

- (a) Water Supply copper: Sink, dishwasher, Ice maker and disposal connections.
- (b) Waste Water and vent: pvc

L. Insulation

- 1. Exterior walls R-13 Batt insulation
- 2. ceiling: **R-value: R-38**
 - (a) Batts: **yes**
 - (3. Air-Seal system: **Yes**
- 3. Floor R-30

M. Drywall all new walls and living room walls

- 1. Normal conditions: **1/2" gypsum board**

N. Interior paint: all new drywall.

1. Standards include

- (a) Manufacturer: Sherwin Williams or similar.
- (b) Walls and ceilings: primer and two flat coats
- (c) Painted trim and doors:

O. Flooring: over new kitchen addition and old kitchen (350 sqf)

Hardwood floor to match existing as possible.

(in the event that the owner will like to install ceramic tiles the allowance

Will be up to \$1 for Sqf of tile).

P. Interior doors and trim

- 1. Interior doors: 5 six panel doors (\$60 allowance for one door)
- 2. Trim chart: base molding around kitchen dining room and basement new room.

Q. Screen room: 16'x20' under new deck over new patio.

2"x4" frame the perimeter with screen and two screen doors.

R. Miscellaneous:

1. Pantry: install selves and coat hooks (supply by the owner)

2. Kitchen cabinets:

- (a) Install kitchen cabinets only, per plan (supply by owner)
- (b) Connect appliances (supply by owner)
- (c) Any molding or special work will be added to the contract price.

Ovadia - Court Final Judgement.pdf

Uploaded by: Eric Johnson

Position: FAV

Document Name: **Open Court Proceeding**

January 30, 2017 Hon. Dennis M. Robinson, Jr. Trial resumed from 1/27/17. Testimony taken. Trial not concluded; to resume on 1/31/17 at 9:30am.

Doc No./Seq No.: **99/0**

File Date: **01/31/2017** Entered Date: **01/31/2017** Decision:

Document Name: **Open Court Proceeding**

January 31, 2017 Hon. Dennis M. Robinson, Jr. Trial resumed from 1/30/17. Testimony taken. Trial not concluded; to be continued 2/1/17 at 9:15am.

Doc No./Seq No.: **100/0**

File Date: **01/17/2017** Entered Date: **02/01/2017** Decision:

Party Type: **Defendant** Party No.: **1**

Document Name: **Corrected notice of Designation of Video Deposition References*
Filed by DEF001-Johnson, DEF002-Newton**

Doc No./Seq No.: **101/0**

File Date: **01/17/2017** Entered Date: **02/01/2017** Decision:

Party Type: **Defendant** Party No.: **2**

Document Name: **Motion in Limine*
Filed by DEF002-Newton, DEF001-Johnson**

Doc No./Seq No.: **102/0**

File Date: **01/17/2017** Entered Date: **02/01/2017** Decision:

Party Type: **Plaintiff** Party No.: **1**

Document Name: **Motion to Quash Duces Tecum Subpoena***

Doc No./Seq No.: **103/0**

File Date: **02/01/2017** Entered Date: **02/01/2017** Decision:

Document Name: **Open Court Proceeding**

February 1, 2017. Hon. Dennis M. Robinson. Trial resumed from 1/31/17. Testimony taken. Trial not concluded; to be continued 2/2/17 at 9:30am.

Doc No./Seq No.: **104/0**

File Date: **02/02/2017** Entered Date: **02/02/2017** Decision:

Document Name: **Open Court Proceeding**

February 2, 2017 Hon. Dennis M. Robinson, Jr. Trial resumed from 2/1/17. Jury Instructed. Closing arguments heard. Trial to continue 2/3/17 at 9:15am.

Doc No./Seq No.: **105/0**

File Date: **02/03/2017** Entered Date: **02/03/2017** Decision:

Document Name: **Open Court Proceeding**

February 3, 2017 Hon. Dennis M. Robinson, Jr. Jury trial resumed from 2/2/17. Jury started deliberations. Trial deliberations to be continued on 2/6/17.

Doc No./Seq No.: **106/0**

File Date: **02/06/2017** Entered Date: **02/07/2017** Decision:

Document Name: **Open Court Proceeding**

February 6, 2017 Hon. Dennis M. Robinson, jr. Jury deliberations resumed from 2/3/17. Verdict of the jury as to question 1: do you find by a preponderance of the evidence that Ovadia LLC is liable to Eric Johnson for breach of contract that is the subject of this case, that is, do you find that Ovadia LLC breached the contract and that Eric Johnson did not materially breach the contract? Answer-Yes. As to question 2: do you find by a preponderance of the evidence that Jerry Ovadia or Ovadia LLC was negligent in the construction of the home addition that is the subject of this case? Answer-Yes. As to question 3: do you find by a preponderance of the evidence that Jerrv Ovadia or Ovadia LLC negligently misrepresented

material facts to Mr. and Mrs Johnson in connection with the home addition that is the subject of this case? Answer-Yes. As to question 4: do you find by a preponderance of the evidence that Jerry Ovadia or Ovadia LLC committed unfair and deceptive trade practices and violated the consumer protections afforded to Mr. or Mrs. Johnson with regard to the home addition that is the subject of this case? Answer-Yes. As to question 5: do you find by clear and convincing evidence that Jerry Ovadia or Ovadia LLC defrauded the Johnsons or either of them in connection with the home addition that is the subject of this case? Answer-No. As to question 6: Not applicale. As to question 7: state whether you find that both Jerry Ovadia and Ovadia LLC committed the acts or omissions set forth in each of those questions? Answer-Yes. As to question 8: Not Applicable. As to question 9: What amount of damages, if any do you find for Mr. and Mrs. Johnson? Answer-\$130,000.00. As to question 10: do you find that the damages set forth in question #9 are the same for each claim? Answer-Yes. As to question 11: Not Applicable. As to question 12: do you find that Mr. Johnson defamed Ovadia LLC? Answer-Yes. As to question 13: what amount of damages, if any do you find for Ovadia LLC? Answer-zero. As to question 14: do you find that Mr. Johnson abused process against Ovadi LLC? Answer-No As to question 17: do you find that Mr. Johnson acted with malice toward Ovadia LLC? Answer-Yes. Per verbal order of the court, punitive damages against Ovadia LLC, in favor of Eric Johnson, et al is \$0.00. Judgment to be entered.

Doc No./Seq No.: **107/0**

File Date: **02/08/2017** Entered Date: **02/08/2017** Decision:

Document Name: **Exhibits Filed**

Doc No./Seq No.: **108/0**

File Date: **02/08/2017** Entered Date: **02/08/2017** Decision:

Document Name: **Exhibits Filed**

Doc No./Seq No.: **109/0**

File Date: **02/06/2017** Entered Date: **02/08/2017** Decision:

Document Name: **Court Exhibits Entered**

Doc No./Seq No.: **110/0**

File Date: **02/10/2017** Entered Date: **02/10/2017** Decision: **Ruled**

Document Name: **Post-trial order regarding filing of oppositions for mechanic's lien and for atty's fees**

This is an electronic case record. Full case information cannot be made available either because of legal restrictions on access to case records found in Maryland Rules, or because of the practical difficulties inherent in reducing a case record into an electronic format.

SB467 MCRC Testimony 2022.pdf

Uploaded by: Isadora Stern

Position: FAV

**Testimony to the Senate Education, Health, and Environmental Affairs Committee
SB 467: Business Regulation-Home Improvement Commission-Award Limits
Position: Favorable**

March 3, 2022

The Honorable Paul Pinsky, Chair
Senate Education, Health, & Environmental Affairs Committee
2 West, Miller Senate Office Building
Annapolis, MD 21401
cc: Members, Education, Health, & Environmental Affairs Committee

Chair Pinsky and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances economic rights and financial inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are here today in strong support of SB 467. The bill increases the award limits available to consumers through the Home Improvement Commission. The Maryland Home Improvement Commission (MHIC) licenses and regulates home improvement contractors, subcontractors, and salespeople. MHIC also investigates complaints against home improvement contractors and can award damages to homeowners in cases of poor workmanship or failure to improve a contract.

Today, the maximum that a homeowner can recover for shoddy or incomplete work is \$20,000. This was often an adequate sum of money decades ago but both housing prices and the cost of home improvement projects have increased dramatically in recent years.

Due to the COVID-19 pandemic, increased demand for home improvement projects coupled with supply chain issues led to a scarcity of lumber and other materials for projects. As a result, many home improvement projects now cost 15-20% more than they would have three years ago and prices are unlikely to fall. The amount consumers can recover for incomplete work should be commensurate with the average costs of home improvement projects.

In the past, MCRC has worked with homeowners in Maryland who lost [their retirement nest eggs](#), hundreds of thousands of dollars to contractors who started and failed to complete work on their homes. This unscrupulous contractor took advantage of dozens of middle and upper income Marylanders, wiping out their savings.

While SB 467 wouldn't be able to fully restore the losses of some Maryland homeowners, for many working families, it would cover the costs of a moderate remodel and would also keep damages in line with current costs. For all these reasons, we support SB 467 and ask for a favorable report.

Best,

Marceline White, Executive Director

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Maryland Consumer Rights Coalition, Inc is a 501(c)(3) nonprofit organization and your contributions are tax deductible to the extent allowed by law.