

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE DEPARTMENT OF LABOR AND INDUSTRY

In the Matter of Jerry A. Stinson,
individually, and d/b/a Stinson Exteriors

**FINDINGS OF FACT,
CONCLUSIONS AND
RECOMMENDATION**

This matter came on for a prehearing conference before Administrative Law Judge Eric L. Lipman on January 19, 2007, at the Office of Administrative Hearings in Minneapolis.

Christopher M. Kaisershot, Assistant Attorney General, 445 Minnesota Street, Suite 1200, St. Paul, Minnesota, 55101-2130, appeared on behalf of the Minnesota Department of Labor and Industry (Department). There was no appearance by, or on behalf, of Jerry A. Stinson, individually, and d/b/a Stinson Exteriors (Respondent), 901 – 22nd Avenue, Northeast, Minneapolis , MN 55418. The hearing record closed on January 19, 2007.

STATEMENT OF THE ISSUES

1. Whether the Respondent performed work negligently, or in breach of contract, in violation of Minn. Stat. § 326.91, subd. 1(4) (2006)?
2. Whether the Respondent engaged in a fraudulent, deceptive or dishonest practice by failing to obtain the required inspections in violation of Minn. Stat. § 326.91, subd. 1(2) (2006) and Minn. R. 2891.0040, subp. 1(H) (2006)?
3. Whether Respondent displayed incompetence, untrustworthiness, and financial irresponsibility by failing to satisfy a September 2, 2005 judgment, in violation of Minn. Stat. § 326.91, subd. 1(6) (2006)?
4. Whether Respondent failed to respond to the Department's information requests in violation of Minn. Stat. § 45.027, subds.1.a and 7(a)(3) (2006)?
5. Whether it is appropriate to take disciplinary action against the residential building contractor license held by the Respondent.

Based on the evidence in the hearing record, the Administrative Law Judge makes the following:

FINDINGS OF FACT

1. On December 8, 2006, a Notice of and Order for Hearing, Order for Prehearing Conference, and Statement of Charges (Notice of Hearing) in this matter was mailed to Jerry A. Stinson, by first class mail to the following address: 901 – 22nd Avenue, Northeast, Minneapolis, MN 55418.^[1] The Notice of Hearing indicated that a Prehearing Conference would be held in this matter on January 19, 2007.^[2]

2. The Notice and Order for Hearing in this matter includes the following statements:

Respondent's failure to appear at the prehearing conference or bearing may result in a finding that Respondent is in default, that the Department's allegations contained in the Statement of Charges may be accepted as true, and that its proposed disciplinary action may be upheld.

....

Pursuant to Minn. Stat. § 45.027, subd. 6 (2004), Respondent may be subject to a civil penalty not to exceed \$10,000 per violation upon a final determination that Respondent violated any law, rule or order related to the duties and responsibilities entrusted to the Commissioner.^[3]

3. No one appeared at the January 19, 2007, prehearing conference on behalf of Respondent. No prehearing request was made for a continuance, nor did anyone file a Notice of Appearance on behalf of Respondent.

4. The Notice and Order for Hearing alleges that:

- (a) On July 1, 1996, the Department issued Respondent a residential building contractor's license, No. 20069652, which terminated on May 11, 2001. On April 21, 2004, Respondent reinstated his license, which remained valid until March 31, 2005.
- (b) Respondent agreed to perform certain remodeling work at the home of Cheryl and Tom Wasylik in Crystal, Minnesota. Notwithstanding the fact that Respondent was paid in full for this work, Respondent failed to finish the work, and portions of the work that he did complete were defective.
- (c) Respondent obtained a building permit from the City of Crystal in order to complete the work, yet the Respondent has failed to obtain the requisite inspections.

- (d) The Department sent Respondent information requests on April 4, 2005 and April 22, 2005. Respondent failed to provide a response to the information requests.
- (e) On September 2, 2005, Cheryl and Tom Wasylik obtained a \$4,384 judgment against Respondent in Hennepin County Conciliation Court (Case No. 05-07-13025). Respondent has failed to satisfy that judgment.

5. The allegations contained in the Notice and Order for Hearing are deemed proven and are incorporated into these Findings by reference.

Based on these Findings of Fact, the Administrative Law Judge makes the following:

CONCLUSIONS

1. The Administrative Law Judge and the Commissioner of Labor and Industry have jurisdiction in this matter pursuant to Minn. Stat. §§ 14.50, 45.027 and 326.91, and Executive Order 193.^[4]

2. Respondent received due, proper and timely notice of the charges against him and of the time and place of the prehearing conference. This matter is, therefore, properly before the Commissioner and the Administrative Law Judge.

3. Respondent is in default as a result of his failure, without the ALJ's prior consent, to appear at the scheduled prehearing conference.

4. Pursuant to Minn. R. 1400.6000, a contested case may be decided adversely to a party who defaults. On default, the allegations of and the issues set forth in that Notice of and Order for Hearing and Prehearing Conference or other pleadings may be taken as true or deemed proved without further evidence.

5. Based upon the facts set out in the Notice of Hearing, Respondent failed to complete work in breach of contract in violation of Minn. Stat. § 326.91, subd. 1(4) (2006).

6. Based upon the facts set out in the Notice of Hearing, Respondent engaged in a fraudulent, deceptive or dishonest practice by failing to obtain the required inspections in violation of Minn. Stat. § 326.91, subd. 1(2) (2006) and Minn. R. 2891.0040, subp. 1(H) (2006).

7. By failing to satisfy a Conciliation Court judgment, Respondent has demonstrated incompetence, untrustworthiness or financial irresponsibility in violation of Minn. Stat. § 326.91, subd. 1(6) (2006).

8. By failing to respond to the Department's request for information, Respondent has violated the free access provisions of Minn. Stat. § 45.027, subd. 1(a) (2006).

9. Minn. Stat. § 326.91 empowers the Commissioner to take disciplinary action against the Respondent, as a result of the Respondent's violations of Minn. Stat. §§ 45.027, subd. 1(a) and 326.91, subd. 1(2), (4) and (6).

10. Pursuant to Minn. Stat. § 45.027, subd. 11, the Commissioner may impose a disciplinary sanction upon a contractor for misconduct during a period of licensure, provided that the proceeding is instituted by the Department "within two years after the license was last effective"

11. The imposition of a disciplinary action against Respondent is in the public interest.

Based upon these Conclusions, and for the reasons explained in the accompanying Memorandum, the Administrative Law Judge makes the following:

RECOMMENDATION

Based upon these Conclusions, the Administrative Law Judge recommends that disciplinary action be taken against Jerry A. Stinson, individually, and d/b/a Stinson Exteriors.

Dated: February 1, 2007

s/Eric L. Lipman

ERIC L. LIPMAN

Administrative Law Judge

Reported: Taped, One tape
No transcript prepared

NOTICE

This report is a recommendation, not a final decision. The Commissioner of the Minnesota Department of Labor and Industry will make the final decision after a review of the record. The Commissioner may adopt, reject or modify the Findings of Fact, Conclusions, and Recommendations. Under Minn. Stat. § 14.61, the final decision of the Commissioner shall not be made until this Report has been made available to the parties to the proceeding for at least ten days. An opportunity must be afforded to each party adversely affected by this Report to file exceptions and present argument to the Commissioner. Parties should contact Scott Brener, Commissioner, Department of Labor and Industry, 443

Lafayette Road North, St. Paul, MN 55155-4307, or call the Department at (651) 284-5005, to learn about the procedure for filing exceptions or presenting argument.

Under Minn. Stat. § 14.62, subd. 1, the agency is required to serve its final decision upon each party and the Administrative Law Judge by first class mail or as otherwise provided by law. If the Commissioner fails to issue a final decision within 90 days of the close of the record, this report will constitute the final agency decision under Minn. Stat. § 14.62, subdivision 2a. In such a case, the Commissioner must then return the record to the Administrative Law Judge within 10 working days to allow the Judge to determine the discipline to be imposed. The record closes upon the filing of exceptions to the report and the presentation of argument to the Commissioner, or upon the expiration of the deadline for doing so. The Commissioner must notify the parties and the Administrative Law Judge of the date on which the record closes.

^[1] See, Affidavit of Ann Kirlin (December 8, 2006).

^[2] Notice and Order for Hearing, at 1.

^[3] Notice and Order for Hearing, at 4, ¶ 1 and 6, ¶ 10.

^[4] See, State of Minnesota Department of Administration Reorganization Order No. 193 (April 4, 2005) ("The responsibilities of the Department of Commerce as set forth in Minnesota Statutes 2004, sections 326.83 through 326.992, and Chapter 327A in relation to Residential Contractors and Remodelers are transferred to the Department of Labor and Industry").