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Regulated Industries Complaints Office  
Department of Commerce and Consumer Affairs  
State of Hawaii  
Leiopapa A Kamehameha Building  
235 South Beretania Street, Suite 900  
Honolulu, Hawaii 96813  
Telephone: 586-2660

DEPT. OF COMMERCE  
AND CONSUMER AFFAIRS

2016 MAY 20 P 3:31

HEARINGS OFFICE

2016 APR 26 A 9:48

DEPT. OF COMMERCE  
AND CONSUMER AFFAIRS  
STATE OF HAWAII

Attorney for Department of Commerce  
and Consumer Affairs

CONTRACTORS LICENSE BOARD  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
STATE OF HAWAII

In the Matter of the Contractor's License of ) CLB 2012-244-L & CLB 2013-514-L  
)  
XIANGFENG CAO, doing business as ) SETTLEMENT AGREEMENT PRIOR TO  
HUA XIA BUILDING & CONSTRUCTION,) FILING OF PETITION FOR DISCIPLINARY  
) ACTION AND BOARD'S FINAL ORDER  
Respondent. )

SETTLEMENT AGREEMENT PRIOR TO FILING OF PETITION  
FOR DISCIPLINARY ACTION AND BOARD'S FINAL ORDER

Petitioner, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS'  
REGULATED INDUSTRIES COMPLAINTS OFFICE (hereinafter "RICO" or "Petitioner"),  
through its undersigned attorney, and Respondent XIANGFENG CAO, doing business as  
HUA XIA BUILDING & CONSTRUCTION (hereinafter "Respondent"), enter into this  
Settlement Agreement on the terms and conditions set forth below.

A. UNCONTESTED FACTS:

1. At all relevant times herein, Respondent was licensed by the Contractors License Board (hereinafter the "Board") as a "B" general building contractor under license number BC 29228. The license was issued on or about August 21, 2008. The license will expire or forfeit on or about September 30, 2016.

2. Respondent's mailing address for purposes of this action is 2734 Kalihi Street, Honolulu, Hawaii 96819.

3. RICO received two (2) complaints alleging that Respondent exhibited poor workmanship, but the allegation could not be substantiated in one complaint and the other complaint was withdrawn after private resolution of the complainant's civil matters.

4. RICO alleges that Respondent's written homeowner contract form is missing items required by Hawaii law.

5. The foregoing allegations, if proven at an administrative hearing before the Board, would constitute violations of the following statute and/or rule: Hawaii Revised Statutes ("HRS") § 444-25.5 (disclosures required in written homeowner contracts) and Hawaii Administrative Rules ("HAR") § 16-77-80 (disclosures required in homeowner contracts).

6. The Board has jurisdiction over the subject matter herein and over the parties hereto.

**B. REPRESENTATIONS BY RESPONDENT:**

1. Respondent is fully aware that Respondent has the right to be represented by an attorney and voluntarily waives that right.

2. Respondent enters into this Settlement Agreement freely, knowingly, voluntarily, and under no coercion or duress.

3. Respondent is aware of the right to have a hearing to adjudicate the issues in the case. Pursuant to HRS § 91-9(d), Respondent freely, knowingly, and voluntarily waives the right to a hearing and agrees to dispose of this case in accordance with the terms and conditions of this Settlement Agreement.

4. Respondent being at all times relevant herein licensed as a contractor by the Board acknowledges that Respondent is subject to penalties including but not limited to, revocation, suspension or limitation of the license and administrative fines, if the foregoing allegations are proven at hearing.

5. Respondent does not admit to violating any law or rule, but acknowledges that RICO has sufficient cause to file a Petition for Disciplinary Action against Respondent's license.

6. Respondent enters into this Settlement Agreement as a compromise of the claims and to conserve on the expenses of proceeding with an administrative hearing on this matter.

7. Respondent agrees that this Settlement Agreement is intended to resolve the issues raised in RICO's investigation in RICO Case Nos. CLB 2012-244-L and CLB 2013-514-L.

8. Respondent understands this Settlement Agreement is public record pursuant to Hawaii Revised Statutes chapter 92F.

C. TERMS OF SETTLEMENT:

1. Administrative Fine. Respondent agrees to pay a fine in the amount of TWO THOUSAND FIVE HUNDRED AND NO/100 U.S. DOLLARS (\$2,500.00). Payment shall be made by **cashier's check or money order made payable to "DCCA - Compliance Resolution Fund"** and mailed to the Regulated Industries Complaints Office, Attn: Wendy J. Utsumi, Esq., 235 S. Beretania Street, 9<sup>th</sup> Floor, Honolulu, Hawaii 96813. Payment of the fine shall be due no later than thirty (30) days following Board approval of this Settlement Agreement.

2. Failure to Comply with Settlement Agreement. If Respondent fails to fully and timely comply with the terms of this Settlement Agreement as set forth in paragraph C.1 above, Respondent's license shall be automatically revoked upon RICO's filing of an affidavit with the Board attesting to such failure. In case of such revocation, Respondent shall turn in all indicia of the license to the Executive Officer of the Board within ten (10) days after receipt of notice of the revocation. In case of such revocation, Respondent understands Respondent cannot apply for a new license until the expiration of at least five (5) years after the effective date of the revocation. Respondent understands that if Respondent desires to become licensed again, Respondent must apply to the Board for a new license pursuant to and subject to HRS §§ 92-17, 436B-21, and all other applicable laws and rules in effect at the time.

3. Possible Further Sanction. The Board, at its discretion, may pursue additional disciplinary action as provided by law to include further fines and other sanctions as the Board may deem appropriate if Respondent violates any provision of the statutes or rules governing the conduct of contractors in the State of Hawaii, or if Respondent fails to abide by the terms of this Settlement Agreement.

4. Approval of the Board. Respondent agrees that, except for the representations, agreements and covenants contained in Paragraphs C.5, C.6, C.7, and C.8 below, this Settlement Agreement shall not be binding on any of the parties unless and until it is approved by the Board.

5. No Objection if Board Fails to Approve. If the Board does not approve this Settlement Agreement, does not issue an order pursuant thereto, or does not approve a lesser remedy, but instead an administrative hearing is conducted against Respondent in the Board's usual and customary fashion pursuant to the Administrative Procedure Act, Respondent agrees that neither Respondent nor any attorney that Respondent may retain, will raise as an objection in any administrative proceeding or in any judicial action, to the Board's proceeding against Respondent on the basis that the Board has become disqualified to consider the case because of its review and consideration of this Settlement Agreement.

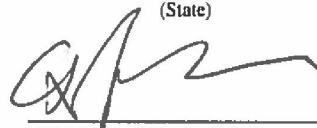
6. Any Ambiguities Shall be Construed to Protect the Consuming Public. It is agreed that any ambiguity in this Settlement Agreement is to be read in the manner that most completely protects the interests of the consuming public.

7. No Reliance on Representations by RICO. Other than the matters specifically stated in this Settlement Agreement, neither RICO nor anyone acting on its behalf has made any representation of fact, opinion or promise to Respondent to induce entry into this Settlement Agreement, and Respondent is not relying upon any statement, representation or opinion or promise made by RICO or any of its agents, employees, representatives or attorneys concerning the nature, extent or duration of exposure to legal liability arising from the subject matter of this Settlement Agreement or concerning any other matter.

8. Complete Agreement. This Settlement Agreement is a complete settlement of the rights, responsibilities and liabilities of the parties hereto with respect to the subject matter hereof; contains the entire agreement of the parties; and may only be modified, changed or amended by written instrument duly executed by all parties hereto.

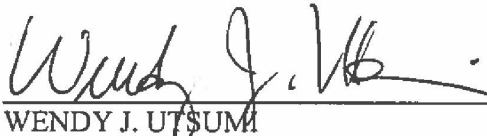
IN WITNESS WHEREOF, the parties have signed this Settlement Agreement on the date(s) set forth below.

DATED: HONOLULU, HAWAII, APR 18 2016  
(City) (State) (Date)



\_\_\_\_\_  
XIANGFENG CAO  
Respondent

DATED: Honolulu, Hawaii, APR 26 2016





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WENDY J. UTSUMI  
Attorney for Department of Commerce  
and Consumer Affairs

IN THE MATTER OF THE CONTRACTOR'S LICENSE OF XIANGFENG CAO, DOING  
BUSINESS AS HUA XIA BUILDING & CONSTRUCTION; SETTLEMENT AGREEMENT  
PRIOR TO FILING OF PETITION FOR DISCIPLINARY ACTION AND BOARD'S FINAL  
ORDER: RICO CASE NO(S). CLB 2012-244-L & CLB 2013-514-L

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APPROVED AND SO ORDERED:  
CONTRACTORS LICENSE BOARD  
STATE OF HAWAII

  
\_\_\_\_\_  
GUY M. AKASAKI  
Chairperson

  
\_\_\_\_\_  
JOHN POLISCHECK, JR.  
Vice Chairperson

  
\_\_\_\_\_  
TYRUS KAGAWA

  
\_\_\_\_\_  
NATHAN T. KONISHI

  
\_\_\_\_\_  
LEONARD K. P. LEONG

  
\_\_\_\_\_  
KENT MATSUZAKI


\_\_\_\_\_  
DARYL SUEHIRO

PVL 05/29/15

MAY 20 2016

\_\_\_\_\_  
DATE

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ANACLETO "JOEY"  
ALCANTARA, JR.

  
\_\_\_\_\_  
WILLIAM A. KAMAI

  
\_\_\_\_\_  
PETER H. M. LEE

  
\_\_\_\_\_  
DANNY T. MATSUOKA

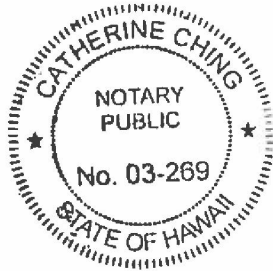
  
\_\_\_\_\_  
ALDON K. MOCHIDA

\_\_\_\_\_  
LESLIE ISEMOTO

STATE OF HAWAII )  
 ) SS.  
CITY AND COUNTY OF HONOLULU )

On this 18<sup>th</sup> day of April, 2016, before me personally appeared XIANGFENG CAO, to me known to be the person described, and who executed the foregoing instrument and acknowledged that he/she executed the same as his/her free act and deed.

This 6-page SETTLEMENT AGREEMENT PRIOR TO FILING OF PETITION FOR DISCIPLINARY ACTION AND BOARD'S FINAL ORDER document dated **UNDATED AT TIME OF NOTARIZATION**, 2016 was acknowledged before me by XIANGFENG CAO this 18<sup>th</sup> day of April, 2016, in the City and County of Honolulu, in the State of Hawaii.



Catherine Ching  
Name: CATHERINE CHING  
Notary Public, State of Hawaii  
My Commission expires: MAY 18, 2019