

DARIA A. LOY-GOTO 6175
JOHN T. HASSLER 5311
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
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HEARINGS OFFICE
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 Contractors Licenses of) CLB 2014-123-L
)
ADON CONSTRUCTION, INC.,) SETTLEMENT AGREEMENT PRIOR TO
) FILING OF PETITION FOR DISCIPLINARY
and) ACTION AND BOARD'S FINAL ORDER
)
MICHAEL M. CHEN,)
)
Respondents.)

241042211

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(s), Respondent ADON CONSTRUCTION, INC. (hereinafter
"Respondent ADON"), and Respondent MICHAEL M. CHEN (hereinafter "Respondent
CHEN"), enter into this Settlement Agreement on the terms and conditions set forth below.

A. UNCONTESTED FACTS:

1. At all relevant times herein, Respondent ADON was licensed by the Contractors
License Board (hereinafter the "Board") as a general contractor under license number CT 16511.

The license was issued on or about March 7, 1991. The license will expire or forfeit on or about September 30, 2014.

2. At all relevant times herein, Respondent CHEN was licensed by the Board as a general contractor under license number CT 32769. The license was issued on or about March 1, 2013. The license will expire or forfeit on or about September 30, 2014.

3. At all relevant times herein, Respondent CHEN was the Responsible Managing Employee for Respondent ADON.

4. For purposes of this settlement agreement, the mailing address for Respondent ADON and Respondent CHEN (hereinafter collectively referred to as "Respondents"), is c/o Grant K. Kidani, Esq., 201 Merchant Street, Suite 2300, Honolulu, Hawaii 96813.

5. RICO received a complaint alleging that Respondents performed numerous solar photovoltaic installations on Oahu without the required C-13 (electrical contractor) license.

6. RICO alleges that, although Respondent Adon employs a C-13 licensee, from September 1, 2013 to May 12, 2014, a number of installations were performed on Oahu without C-13 oversight.

7. The foregoing allegations, if proven at an administrative hearing before the Board, would constitute violations of the following statute(s) and/or rule(s): Hawaii Revised Statutes ("HRS") § 444-17(12) and Hawaii Administrative Rules ("HAR") § 16-77-33(out of scope activity).

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

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B. REPRESENTATIONS BY RESPONDENTS:

1. Respondents are fully aware that Respondents have the right to be represented by an attorney and are represented by Grant Kidani, Esq.

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

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

4. Respondents being at all times relevant herein licensed as contractors by the Board acknowledge that Respondents are subject to penalties including but not limited to, revocation, suspension or limitation of the licenses 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. Respondents enter 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. Respondents agree that this Settlement Agreement is intended to resolve the issues raised in RICO's investigation in RICO No. CLB 2014-123-L.

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

C. TERMS OF SETTLEMENT:

1. Administrative Fine. Respondents agree to pay, jointly and severally, an administrative fine in the amount of TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) as follows:

- 1) \$2,500.00 at time of signing ;
- 2) \$2,500.00 by November 1, 2014;
- 3) \$2,500.00 by December 1, 2014; and
- 4) \$2,500.00 by January 1, 2015.

Payments shall be made by **cashier's check or money order made payable to "DCCA Compliance Resolution Fund"** and shall be mailed to the Regulated Industries Complaints Office, ATTN: John T. Hassler, Esq., 235 South Beretania Street, 9th Floor, Honolulu, Hawaii 96813.

2. Failure to Comply with Settlement Agreement. If Respondents fail to fully and timely comply with the terms of this Settlement Agreement as set forth in paragraph(s) C.1 above, Respondents' licenses shall be automatically revoked upon RICO's filing of an affidavit with the Board attesting to such failure. In case of such revocation, Respondents shall turn in all indicia of licensure to the Executive Officer of the Board within ten (10) days after receipt of notice of the revocation. In case of such revocation, Respondents understand Respondents cannot apply for new licenses until the expiration of at least five (5) years after the effective date of the revocation. Respondents understand that if Respondents desire to become licensed again, Respondents must apply to the Board for new licenses 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 Respondents violate any provision of the statutes or rules governing the conduct of contractors in the State of Hawaii, or if Respondents fail to abide by the terms of this Settlement Agreement.

4. Approval of the Board. Respondents agree 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 Respondents in the Board's usual and customary fashion pursuant to the Administrative Procedure Act, Respondents agree that neither Respondents nor any attorney that Respondents may retain, will raise as an objection in any administrative proceeding or in any judicial action, to the Board's proceeding against Respondents 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.

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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 Respondents to induce entry into this Settlement Agreement, and Respondents are 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: Kaneohe, Hawaii, 11/12/14.
(CITY) (STATE)

ADON CONSTRUCTION, INC.
Respondent

By: [Signature]
Its President

DATED: Kaneohe, Hawaii, 11/12/14.
(CITY) (STATE)

[Signature]
MICHAEL M. CHEN
Respondent

DATED: Honolulu, Hawaii, November 20, 2014.



DARRYL A. LOY-GOTO

JOHN T. HASSLER

Attorneys for Department of Commerce and
Consumer Affairs

APPROVED AS TO FORM:




GRANT K. KIDANI

Attorney for Respondents

IN THE MATTER OF THE CONTRACTORS LICENSES OF ADON CONSTRUCTION, INC.
AND MICHAEL M. CHEN; SETTLEMENT AGREEMENT PRIOR TO FILING OF
PETITION FOR DISCIPLINARY ACTION AND BOARD'S FINAL ORDER;
CASE NO(S). CLB 2014-123-L

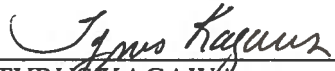
APPROVED AND SO ORDERED:
CONTRACTORS LICENSE BOARD
STATE OF HAWAII



RANDALL B. C. LAU
Chairperson **LEONARD K.P. LEONG**



GUY M. AKASAKI
~~Vice~~ Chairperson




TYRUS KAGAWA



NATHAN T. KONISHI



KENT MATSUZAKI



JOHN POLISCHECK, JR.
Vice Chairperson

GERALD YAMADA
CRAIG S. TAKAMINE

JAN 23 2015

DATE

ANACLETO "JOEY"
ALCANTARA, JR.



WILLIAM A. KAMAI



PETER H. M. LEE



ALDON K. MOCHIDA



DARYL SUEHIRO

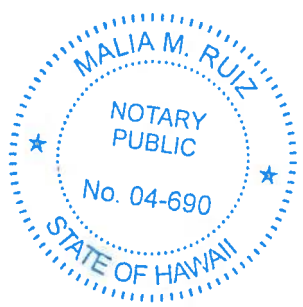


DANNY MATSUOKA

STATE OF Hawaii)
) SS.
COUNTY OF Honolulu)

On this 12th day of November 20 14, before me personally appeared Michael M. Chen, 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 10-page Settlement Agreement Prior to filing of Petition For Disciplinary Action + Board's Final order document dated November 11, 20 14 was acknowledged before me by Michael M. Chen this 12th day of November, 20 14, in the City of Kaneohe, in the County of Honolulu, in the State of Hawaii.



Malia M. Ruiz
Name: Malia M. Ruiz
Notary Public, State of Hawaii

My Commission expires: 12/05/2016