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Regulated Industries Complaints Office
Department of Commerce and Consumer Affairs
State of Hawaii
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PROF & VOCATIONAL
LICENSING DIVISION

DEPT. OF COMMERCE
AND CONSUMER AFFAIRS

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DEPT OF COMMERCE
& CONSUMER AFFAIRS
STATE OF HAWAII

HEARINGS OFFICE

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) CLB 2005-467-L
Contractors' Licenses of)
)
RAINBOW ROOF MAINTENANCE) SETTLEMENT AGREEMENT PRIOR TO
COMPANY, INC. and MICHAEL J.) FILING OF PETITION FOR DISCIPLINARY
RONEY,) ACTION AND BOARD'S FINAL ORDER
)
)
Respondents.)
)

DEPT. OF COMMERCE
AND CONSUMER AFFAIRS
2007 AUG 27 P 4: 06
HEARINGS OFFICE

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

Respondents RAINBOW ROOF MAINTENANCE COMPANY, INC. and MICHAEL J.

RONEY (hereinafter collectively "Respondents"), and the Department of Commerce and
Consumer Affairs, through its Regulated Industries Complaints Office (hereinafter "RICO"),
through its undersigned attorney, enter into this Settlement Agreement on the terms and
conditions set forth below.

A. UNCONTESTED FACTS:

1. Respondent RAINBOW ROOF MAINTENANCE COMPANY, INC. (hereinafter
"Rainbow Roof") is licensed by the Contractors License Board (hereinafter the "Board") as a

contractor under License Number CT 16132. Said license was issued on August 21, 1990 and currently has an expiration date of September 30, 2008.

2. Respondent MICHAEL J. RONEY is licensed by the Board as a contractor under License Number CT 22200. Said license was issued on October 15, 1999 and currently has an expiration date of September 30, 2008. Respondent Roney is the responsible managing employee (RME) of Respondent Rainbow Roof.

3. The last known address for Respondents is REDACTED INFORMATION

4. RICO alleges that Respondents entered into a contract with Nick Barry for roofing repairs at the Barry's residence in the City and County of Honolulu, State of Hawaii. The contracting business of Respondent Rainbow Roof is not under the direct management of a principal RME. Respondent Rainbow Roof permitted an unlicensed person to have direct management of the contracting business. Respondents' contract with Mr. Barry was not signed or initialed by Respondent Roney and did not include the information required by Hawaii Revised Statutes ("HRS") § 444-25.5 and Hawaii Administrative Rules ("HAR") § 16-77-80. The work completed pursuant to the contract was not performed in a workmanlike manner and did not conform to trade standards. Respondents failed to complete the work required under the contract and failed or refused to prosecute the project to completion with reasonable diligence.

5. The foregoing allegations, if proven, would constitute violations of the following statutes governing the conduct of contractors licensed in the State of Hawaii: HRS § 444-17(9) (when the licensee being a corporation permits any officer or employee of the corporation who does not hold a license to have the direct management of the contracting business thereof); HRS

§ 444-17(11) (failure of a licensee to complete in a material respect any construction project or operation for the agreed price if the failure is without legal excuse); HRS § 444-17(13) (wilful failure or refusal to prosecute a project or operation to completion with reasonable diligence); HRS § 444-25.5 (failure to make required disclosures); HAR § 16-77-70 (the contracting business of a contracting entity shall be under the direct management of a principal RME); HAR § 16-77-71 (a principal RME shall be primarily responsible for the direct management of the business of the contracting entity and shall be familiar with all contracts, see that all contract provisions are carried out, and sign or initial all contracts); HAR § 16-77-80 (written contract shall include the date work is to commence and the number of days for completion and a provision explaining the lien rights of the parties); and HAR § 16-77-97 (licensees shall perform all work in a workmanlike manner and workmanship shall conform to trade standards.)

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

B. REPRESENTATIONS BY RESPONDENT:

1. Respondents are represented by Harvey J. Lung, Esq.
2. Respondents enter into this Settlement Agreement freely and voluntarily and under no coercion or duress.
3. Respondents have been informed of their right to have a hearing to determine the issues in RICO's investigation. Pursuant to HRS § 91-9(d), Respondents voluntarily waive their right to a hearing and agree to a disposition 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 they are subject to penalties including but not limited to, revocation, suspension or limitation of their licenses and civil fines, if the foregoing violations are proven at hearing.

5. Respondents admit that they have violated HRS § 444-25.5 (failure to make required disclosures); § 16-77-71 (a principal RME shall sign or initial all contracts); and HAR § 16-77-80 (written contract shall include the date work is to commence and the number of days for completion and a provision explaining the lien rights of the parties).

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 Case No. CLB 2005-467-L.

C. TERMS OF SETTLEMENT:

1. Administrative fine. Respondents agree to pay a fine in the total amount of SEVEN THOUSAND AND NO/100 DOLLARS (\$7,000.00). Said payment shall be made by **Cashier's Check or Money Order made payable to "State of Hawaii - Compliance Resolution Fund"** and mailed to the Regulated Industries Complaints Office, Attn: Patrick K. Kelly, Esq., 235 S. Beretania Street, 9th Floor, Honolulu, Hawaii 96813. Payment of the fine shall be due at the time this fully executed Settlement Agreement is returned to RICO.

2. 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 by conduct other than that which is the subject matter of this Settlement Agreement, or if Respondents fail to abide by the terms of this Settlement Agreement.

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

4. 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 they nor any attorney that they may retain, will raise as an objection in any administrative proceeding or in any judicial action, to the Board's proceeding against them on the basis that the Board has become disqualified to consider the case because of its review and consideration of this Settlement Agreement.

5. 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.

6. 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.

7. 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, 8/2/07.

RAINBOW ROOF MAINTENANCE COMPANY,
INC.


By: Steven Mann
Its President

DATED: Honolulu, Hawaii, 8/2/07.

Michael J. Roney
MICHAEL J. RONEY
Respondent

AUG - 7 2007

DATED: Honolulu, Hawaii, _____.



PATRICK K. KELLY
Attorney for Department of Commerce and
Consumer Affairs

APPROVED AS TO FORM:



HARVEY J. LUNG
Attorney for Respondents

IN THE MATTER OF THE CONTRACTORS' LICENSES OF RAINBOW ROOF
MAINTENANCE COMPANY, INC. AND MICHAEL J. RONEY; SETTLEMENT
AGREEMENT PRIOR TO FILING OF PETITION FOR DISCIPLINARY ACTION AND
BOARD'S FINAL ORDER; CASE NO. CLB 2005-467-L

IN THE MATTER OF THE CONTRACTORS' LICENSES OF RAINBOW ROOF
MAINTENANCE COMPANY, INC. AND MICHAEL J. RONEY; SETTLEMENT
AGREEMENT PRIOR TO FILING OF PETITION FOR DISCIPLINARY ACTION AND
BOARD'S FINAL ORDER; CASE NO. CLB 2005-467-L


APPROVED AND SO ORDERED:
CONTRACTORS LICENSE BOARD
STATE OF HAWAII



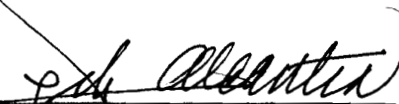
JADY T. ARISUMI
Chairperson

AUG 24 2007

DATE



F. M. SCOTTY ANDERSON
Vice Chairperson



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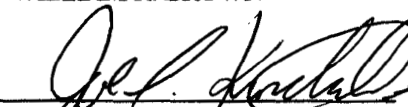
NEAL ARITA



WILLIAM R. BROWN



ERIC CARSON



JOSEPH S. KINDRICH, II

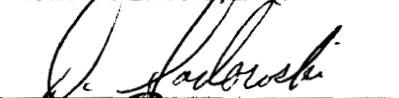


RANDALL B. C. LAU

AUDREY E. J. NG, ESQ.




RONALD K. OSHIRO



DENNY R. SADOWSKI



THOMAS B. VINCENT

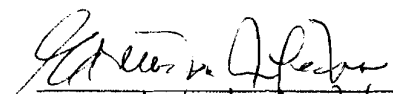


GERALD YAMADA

PVL 07/05/07

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

On this 2nd day of August, 2007, before me personally appeared
MICHAEL J. RONEY, to me known to be the person described and who executed the foregoing
instrument on behalf of RAINBOW ROOF MAINTENANCE COMPANY, INC. and himself
and acknowledged the same as his free act and deed.


Name: Erlinda H. Pedro
Notary Public - State of Hawaii

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My commission expires: NW-10, 2010