

WENDY J. UTSUMI 6340
Regulated Industries Complaints Office
Department of Commerce and Consumer Affairs
State of Hawaii
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DEPT. OF COMMERCE
AND CONSUMER AFFAIRS
HONOLULU, HAWAII

DEPT. OF COMMERCE
AND CONSUMER AFFAIRS

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HEARINGS OFFICE

Attorney for Department of Commerce
and Consumer Affairs

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

DEPT. OF COMMERCE
AND CONSUMER AFFAIRS
2010 JAN 19 P 12:52
HEARINGS OFFICE

In the Matter of the Contractors' Licenses of) CLB 2008-23-L
)
INTEGRITY TILE & STONE, INC.;) SETTLEMENT AGREEMENT PRIOR TO
EDWARD H. LEWIS,) FILING OF PETITION FOR DISCIPLINARY
) ACTION AND BOARD'S FINAL ORDER
Respondents.)
)

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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 Respondents INTEGRITY TILE & STONE, INC., and
EDWARD H. LEWIS (hereinafter collectively "Respondents"), enter into this Settlement
Agreement on the terms and conditions set forth below.

A. UNCONTESTED FACTS:

1. At all relevant times herein, Respondent INTEGRITY TILE & STONE, INC.
("Respondent Integrity") was licensed by the Contractors License Board (hereinafter the "Board")
as a C-51 (Tile) specialty contractor under License Number C 24818. The license was issued on
or about December 3, 2003. The license expired on or about September 30, 2008.

2. At all relevant times herein, Respondent EDWARD H. LEWIS (“Respondent Lewis”) was licensed by the Board as a C-51 (Tile) specialty contractor under License Number C 24819. The license was issued on or about December 3, 2003. The license expired on or about September 30, 2008.

3. Respondents’ mailing address for purposes of this action is c/o Paul T. Yamamura, Esq., and Wesley D. Shimazu, Esq., Yamamura & Shimazu, Suite 1770 Central Pacific Plaza, 220 South King Street, Honolulu, Hawaii 96813.

4. RICO received a complaint alleging that Respondents exhibited poor workmanship relating to their tile work at Eva Adrienne Adams’ property located at 1918 Halakau Place, Honolulu, Hawaii 96821-2606 (the “Project”).

5. RICO alleges that Respondents failed to include the following information in the written contract for the Project: (1) your contractors’ license numbers and classification; (2) approximate percentage of work to be subcontracted; (3) a clear statement of the risk of loss of any payments made to a sales representative (printed in distinct capital letters next to the owners signature line); and (4) a provision explaining lien rights.

6. RICO acknowledges that the Project was financed through the City and County of Honolulu, Department of Community Services, Community Assistance Division (the “County”), and the County approved the final inspection report for the Project and authorized all payments to Respondents with the written approval of Ms. Adams.

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”) § 444-25.5(b)(1) (contracts shall contain all information required by administrative rule), and Hawaii Administrative Rules (“HAR”) §§ 16-77-71 and 16-77-75 (RME responsible for acts and omissions of contracting entity), 16-77-80 (contracts with homeowners shall contain the

license number and classification of licensed contractor; approximate percentage of work to be subcontracted; clear statement of risk of payments to a sales representative; lien rights), and 16-77-97 (workmanship shall conform to trade standards).

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

B. REPRESENTATIONS BY RESPONDENT:

1. Respondents are fully aware that Respondents have the right to be represented by counsel and are represented in this matter by Paul T. Yamamura, Esq., and Wesley D. Shimazu, 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 a contractor by the Board acknowledge that Respondents are 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. Respondents do not admit to violating any law or rule, but acknowledge that RICO has sufficient cause to file a Petition for Disciplinary Action against Respondents' licenses.

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 2008-23-L.

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

C. TERMS OF SETTLEMENT:

1. Administrative fine. Respondents, jointly and severally, agree to pay a fine in the amount of TWO THOUSAND FIVE HUNDRED AND NO/100 U.S. DOLLARS (\$2,500.00) with monthly payments of not less than TWO HUNDRED FIFTY AND NO/100 U.S. DOLLARS (\$250.00) starting with the first full calendar month following Board approval of this Settlement Agreement until the fine amount is paid in full.. 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, 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 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 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, Respondents understand Respondents cannot apply for a new license 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 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 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.

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: Honolulu Hi, 12/4/09.
(CITY) (STATE) (DATE)



EDWARD H. LEWIS
Respondent

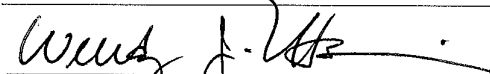
DATED: Honolulu Hi, 12/4/09.
(CITY) (STATE) (DATE)

INTEGRITY TILE & STONE, INC.

By: 

Its President
Respondent

DATED: Honolulu, Hawaii, DEC - 7 2009.



WENDY JUTSUMI
Attorney for Department of
Commerce and Consumer Affairs

APPROVED AS TO FORM:



PAUL T. YAMAMURA, ESQ.
WESLEY D. SHIMAZU, ESQ.
Attorney for Respondent

IN THE MATTER OF THE CONTRACTORS' LICENSES OF INTEGRITY TILE & STONE,
INC. and EDWARD H. LEWIS; SETTLEMENT AGREEMENT PRIOR TO FILING OF
PETITION FOR DISCIPLINARY ACTION AND BOARD'S FINAL ORDER;
CASE NO. CLB 2008-23-L

APPROVED AND SO ORDERED:
CONTRACTORS LICENSE BOARD
STATE OF HAWAII



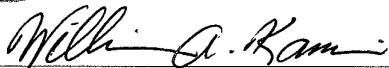
F. M. SCOTTY ANDERSON
Chairperson



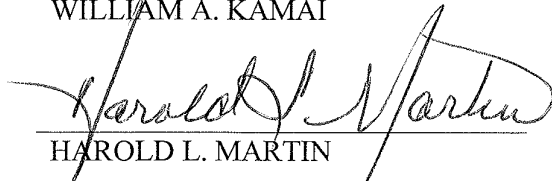
NEAL ARITA
Vice Chairperson



ERIC CARSON



WILLIAM A. KAMAI



HAROLD L. MARTIN



RONALD K. OSHIRO



DARYL SUEHIRO

JAN 14 2010

DATE

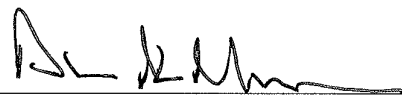
GUY M. AKASAKI



JOHN E. K. DILL



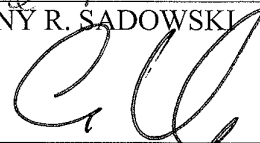
RANDALL B. C. LAU



ALDON K. MOCHIDA



DENNY R. SADOWSKI



GERALD YAMADA

STATE OF Hawaii)
CITY AND) SS.
COUNTY OF Honolulu)

On this 4th day of December, 2009, before me personally appeared Edward H. Lewis, to me known to be the person described and who executed the foregoing instrument and acknowledged the same as his her free act and deed. This 9-page SETTLEMENT AGREEMENT PRIOR TO FILING OF PETITION FOR DISCIPLINARY ACTION AND BOARD'S FINAL ORDER, dated December 4, 2009 was acknowledged before me by Edward H. Lewis, this 4th day of December, 2009, in the City of Honolulu, State of Hawaii.

Glenda L. Aleviado LS
Name: Glenda L. Aleviado
Notary Public, State of Hawaii

My commission expires: 10-10-2013

Doc. Date: December 4, 2009 # of Pages: 9 First Circuit

Notary name: Glenda L. Aleviado

LS

Doc Description: Settlement Agreement Prior to Filing of
Petition for Disciplinary Action and Board's Final Order

Glenda L. Aleviado 12-4-09
Signature Date

NOTARY CERTIFICATION

STATE OF Hawaii)
CITY AND) SS.
COUNTY OF Honolulu)

On this 4th day of December, 2009, before me personally appeared
Edward H. Lewis, to me known to be the person described,
and who executed the foregoing instrument on behalf of Integrity Tile & Stone, Inc.
as President, and acknowledged that he she executed the same as
his her free act and deed. This 9-page SETTLEMENT AGREEMENT PRIOR TO FILING OF
PETITION FOR DISCIPLINARY ACTION AND BOARD'S FINAL ORDER, dated
December 4th, 2009 was acknowledged before me
by Edward H. Lewis, this 4th day of
December, 2009, in the City of Honolulu,
State of Hawaii.

Glenda L. Azeviado LS
Name: Glenda L. Azeviado
Notary Public, State of Hawaii

My Commission expires: 10-16-2013

Doc. Date: December 4, 2009 # of Pages: 9 First Circuit

Notary name: Glenda L. Azeviado

LS

Doc Description: Settlement Agreement Prior to Filing of
Petition for Disciplinary Action and Board's Final Order

Glenda L. Azeviado 12-4-09
Signature Date

NOTARY CERTIFICATION