

FILED

JAN 09 2024

ADMINISTRATIVE HEARING PROCESS

CONSUMER PROTECTION DIVISION \*  
OFFICE OF THE ATTORNEY GENERAL \*

Proponent,

IN THE CONSUMER \*  
PROTECTION DIVISION \*  
OFFICE OF THE \*  
ATTORNEY GENERAL \*  
OF MARYLAND \*

v.

FINISH WERKS CUSTOM \*  
BUILDERS, INC., *et al.* \*

CPD No.: 22-008-351153 \*  
OAH No.: OAG-CPD-05-22-09896 \*

Respondents. \*

\* \* \* \* \*

### **FINAL ORDER**

Following consideration of the Proposed Decision issued by Administrative Law Judge Brian Zlotnick (the “ALJ”) on May 9, 2023 (the “Proposed Decision”), the Exceptions filed by the parties, the oral argument held on October 11, 2023 and the Request for Final Order submitted by the Home Builder Registration Unit (the “HBRU”), the Consumer Protection Division of the Office of the Attorney General (the “Agency”)<sup>1</sup> finds by a preponderance of the evidence that Finish Werks Custom Builders, Inc., Finish Werks Corp., and William Karl Woodward (collectively the “Respondents”) violated the Custom Home Protection Act, Md. Code Ann., Real Prop. §§10-501 through 10-509 (the “CHPA”), the New Home Deposits Act, Md. Code Ann., Bus. Reg. §§10-301 through 10-306 (the “NHDA”), and the Maryland Consumer Protection Act, Md. Code Ann., Com. Law §§13-101 through 13-501 (the “CPA”), and ORDERS the Respondents to cease and desist from violating the CHPA, NHDA, and the CPA; to take affirmative action pursuant to § 13-403(b)(1) of the CPA, as described herein; and to pay restitution, economic damages, civil penalties and costs as set forth herein.

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<sup>1</sup> The Consumer Protection Division acting in its capacity as a quasi-judicial agency is referred to herein as the “Agency,” while the Consumer Protection Division acting as the Proponent in the instant matter is referred to as “Proponent.”

### **Agency Findings**

1. The Agency hereby adopts and incorporates the Statement of Case, Summary of the Evidence, Proposed Findings of Fact, Discussion, and Proposed Conclusions of Law of the attached Proposed Decision issued by the ALJ on May 9, 2023, as if fully set forth herein, with the following modifications:

- a. On the second line of the Statement of the Case section on page 1, the words “Notice of Proposed Agency Action” are stricken and replaced with “Statement of Charges”;
- b. On line 3 of page 6 in the Proposed Decision, the phrase “and § 10-507(a)” is added after “10-305(b)”;
- c. On page 6, in the Proponent’s witness list, the word “Jara” is stricken and replaced with the name “Tara”;
- d. On page 6, line 12, the word “six” is stricken and replaced with the word “seven”;
- e. On page 27, the words “and remains in place to this day” are stricken from Finding of Fact 92;
- f. On page 29 in the last row of the table, the amount in the third column is changed from \$18,305 to \$18,255; the \$2,500 amount in the fifth column is changed to \$2,550; and the “Total Cost to Remedy All Defects” is changed from \$26,305.00 to \$26,255.00.
- g. On page 38, at the end of Finding of Fact 128, the following sentence is added: “The Webers also spent \$406.25 on legal assistance regarding their problems with Finish Werks Corp. (D. Weber Testimony).”;

- h. On page 44 in the last row of the table in Finding of Fact 133, the word "Paid" is stricken.
- i. On page 100, fourth line from the bottom of the page, the words "notice regarding a" are inserted between the words "a" and "list";
- j. On page 100, third line from the bottom of the page, the words "notice regarding" are inserted between the words "sufficient" and "waiver"; and
- k. On page 109, at the beginning of the Conclusions of Law section, the following is added:

**"A. Liability of Respondent Woodward**

1. Respondent Woodward is individually liable for the unfair and deceptive trade practices engaged in by Respondents Finish Werks Corp. and Finish Werks Custom Builders, Inc.

2. Respondent Woodward "participated directly in," "contributed to," and "helped to bring about" the unfair and deceptive trade practices in which Respondents Finish Werks Corp. and Finish Werks Custom Builders, Inc. engaged.

3. Respondent Woodward personally participated in the illegal acts, and knew or should have known of the illegal acts, and had the authority to control the illegal acts.

4. Respondent Woodward is personally liable for the violations of the CHPA, NHDA, and CPA committed by Respondents Finish Werks Corp. and Finish Werks Custom Builders, Inc.. *See, Consumer Protection Division v. Morgan*, 387 Md. 125, 176 (2005)."

The headings that follow in the Conclusions of Law section shall be one letter higher (i.e., B shall become C, C shall become D and D shall become E).

**Application**

2. The provisions of this Final Order shall apply to Respondents Finish Werks Corp. and Finish Werks Custom Builders, Inc., and their officers, agents, employees, assigns and successors.

3. The provisions of this Final Order also shall apply to Respondent William Karl Woodward and any business or business entity in which he currently, or in the future, has an ownership interest, has authority to control, or has the authority to establish policy.

4. The provisions of this Final Order shall apply to all of the Respondents' activities relating to the offer, sale, or construction of new homes, including custom homes, in the State of Maryland.

#### **Cease and Desist Provisions**

5. Respondents shall immediately cease and desist from violating the NHDA and the CHPA in connection with the offer, sale, and purchase of new homes, including custom homes.

6. Respondents shall hold in trust for the benefit of the consumer all money received in connection with the sale and purchase of new single-family residential units, including custom homes.

7. Respondents shall include in every contract to build new homes, including a custom home, the disclosures and certifications required by NHDA § 10-306 and CHPA §§ 10-505 and 10-506.

8. Respondents shall timely disburse payments to the subcontractors and suppliers of labor or materials to ensure that subcontractors and suppliers are paid within a reasonable period after the receipt from the buyer of consideration paid to satisfy the invoices and other claims.

9. Respondents shall provide consumers with a waiver of liens from all applicable subcontractors, suppliers, and materialmen relating to custom home contracts within a reasonable time, but in no instance greater than fourteen (14) days after the final payment for the goods or services they provided.



10. Respondents shall not make any false or misleading oral or written statements or other representations of any kind that have the capacity, tendency, or effect of deceiving or misleading consumers about holding consumers' payments in trust or in an escrow account.

11. Respondents shall not make any false or misleading oral or written statements or other representations of any kind that have the capacity, tendency, or effect of deceiving or misleading consumers about their rights to contact subcontractors, or their ability to pursue consequential damages.

12. Respondents shall not make any false or misleading oral or written statements or other representations of any kind that have the capacity, tendency, or effect of deceiving or misleading consumers, including but not limited to statements or representations relating to:

- a. their ability to complete the construction of consumers' homes;
- b. their ability to complete the construction of consumers' homes in a timely manner;
- c. protecting consumers' payments and deposits in an escrow account or with a surety bond or an irrevocable letter of credit; and
- d. their compliance with Maryland law.

13. Respondents shall not fail to state any material fact, the omission of which would deceive or tend to deceive consumers, including, but not limited to omissions relating to:

- a. their ability or willingness to complete the construction of new homes, including custom homes;
- b. holding consumers' payments in trust, or the protection of consumer payments in an escrow account or with a surety bond or an irrevocable letter of credit; and
- c. the refund of consumer payments.

14. Respondents shall not offer or sell any new home, including a custom home, unless they are willing and able to provide the new home.

15. Respondents shall not misrepresent their ability or willingness to deliver any consumer goods or services they offer to consumers including, but not limited to, new homes, including custom homes.

16. The Respondents shall not act as a home builder in Maryland unless they, or any entity through which they are operating, post a performance bond (the "Bond") with the Proponent, in a form acceptable to the Proponent, in the amount of \$700,000.00, that meets the following conditions:

- a. The Bond shall be issued by a surety licensed to do business in Maryland (the "Surety") and shall provide that Respondents and the Surety are held and firmly bound to consumers who suffer any damages or loss in connection with Respondents' home building activities.
- b. The Bond shall permit any consumer who suffers any damages or loss in connection with Respondents' home building activities to file a claim for their damages or loss with the Surety and, if the claim is not paid, to bring an action based on the Bond in a court of competent jurisdiction, and recover against the Surety any damages or loss suffered by the consumer in connection with Respondents' home building activities, as well as the costs of the legal action.
- c. The Bond shall also permit the Proponent to file a claim with the Surety for any damages or losses suffered by a consumer in connection with Respondents' home building activities and, if the claim is not paid, to bring an action based on the Bond, in a court of competent jurisdiction, and recover against the Surety any

damages or losses suffered by the consumer in connection with Respondents' home building activities, as well as the costs of the legal action.

- d. The Bond shall also permit the Proponent to file a claim with the Surety for costs and expenses it incurs in connection with its enforcement of this Final Order and, if the claim is not paid, to bring an action based on the Bond, in a court of competent jurisdiction, for the costs and expenses incurred by the Proponent in connection with its enforcement of this Final Order.
- e. Respondents shall provide the Proponent with a copy of the Bond and they shall maintain accurate records of any premium payments made on it or claims payments made from it. Commencing ninety (90) days from the date of this Final Order, and annually thereafter for the duration of the Bond, Respondents shall provide the Proponent copies of all such records maintained by them concerning the Bond.
- f. If a claim is filed with the Surety by the Proponent, notice shall be given to the Respondents by mailing a copy of the claim to the Respondents. Any notice to Respondents that is made under this or any other paragraph of this Final Order shall be made by mailing such notice, first class mail, postage prepaid, to Finish Werks Custom Builders, Inc. and Finish Werks Corp., 8600 Foundry St., Box 2053, Savage, Maryland 20763, and William Karl Woodward, 9375 Breamore Court, Laurel, Maryland 20723, or to such other address as Respondents may designate by written notice to the Agency and the Proponent.

In determining the amount of the Bond, the Agency has considered the severity of the violations, as discussed in the Findings of Fact, the more than \$700,000.00 that the consumers

lost due to Respondents' actions, the fact that restitution has not been paid to consumers, and the risk that future consumers will be harmed by the absence of a bond.

17. Respondents shall include in every contract or other agreement they enter into with consumers for any home building-related service the following information:

- a. a notice informing consumers of the name, address, and telephone number of the surety that provides the Bond required under paragraph 16 and informing consumers of their ability to file claims with the surety in the event that they suffer any damage or loss in connection with Respondents' offer or sale of home building services, and/or in connection with any of the Respondents' obligations under a contract for home building services.
- b. a notice informing consumers that if they have any complaint regarding Respondents' offer and sale of home building services and/or in connection with any of the Respondents' obligations under a contract for home building services, they may contact the Consumer Protection Division at 200 St. Paul Place, 16<sup>th</sup> Floor, Baltimore, MD 21202; (410) 576-6300 or toll free: (888) 743-0023.

18. From the date of this Final Order, the Respondents shall notify the Proponent of any home builder for whom they are working or with which they are associated as an owner, shareholder, partner, employee, subcontractor, or in any other capacity, within ten (10) days of establishing that employment or association.

19. From the date of this Final Order, the Respondents shall notify the Proponent of any contractual, employment or other business relationships they establish with landowners in connection with the construction of new homes, including custom homes, within ten (10) days of establishing that relationship.

20. From the date of this Final Order, if Respondents seek to undertake any home building activities in compliance with the provisions of this Final Order, Respondents shall provide the Proponent with records sufficient to verify the existence of each escrow account, surety bond, or letter of credit that they are maintaining to protect consumers' payments.

21. Respondents shall, within thirty (30) days from the date of this Order, provide the Proponent with a complete listing of new home building companies, businesses, or other entities with which they have been associated in any capacity, including owner, shareholder, partner, employee or subcontractor, during the past five years.

22. If the parties believe that due to changed circumstances any of the specific prohibitions or affirmative obligations that are imposed by this Final Order should be changed, they may petition the Agency to modify or amend this Order.

#### **Restitution and Economic Damages**

23. The Agency finds that consumers were harmed as a result of Respondents' unfair and deceptive trade practices in connection with the Respondents' offer and sale of new homes and that Respondents should be required to pay restitution. The Agency finds that Respondents harmed consumers when they took their payments, promised homes, and failed to complete their homes or delivered homes with significant defects. Respondents harmed consumers financially and denied them the homes they had promised, and then failed to refund their payments. Respondents also harmed consumers when they promised to hold consumers' payments in trust and misappropriated those funds for their own use.

24. Respondents shall be jointly and severally liable for payment of restitution to the Agency, within thirty (30) days of the entry of this Final Order, equal to the sum of all monies they owe consumers for (i) payments consumers made to the Respondents for home building

services that they failed to provide, and (ii) payments consumers made to Respondents to be held in trust that were not expended for the consumers' benefit (the "Restitution Amount"). The Restitution Amount that Respondents shall pay shall be at least \$452,360.26, and the following amounts shall be distributed to the following consumers from the Restitution Amount:

Carl Blazek	\$26,255.00
Daniel and Glenda Weber	\$118,821.64
Ronald and Kameela Berry	\$33,187.76
John and Monica Rosenquist	\$142,652.64
Laura Schindler and Edward Del Sordo	\$48,486.28
Moshe and Naomi Chinn	\$82,956.94
<b>Total</b>	<b>\$452,360.26</b>

25. For consumers harmed by Respondents' practices who are not listed in paragraph 24, Respondents shall be jointly and severally liable for payment to the Agency, as restitution, all other money that they have received from consumers for new homes, including custom homes, that they never built and any money that they received for work on a home that was not fully performed and paid for by the Respondents. The restitution amounts that consumers are owed under this paragraph shall be determined by the claims procedure set forth below.

26. In addition to the restitution Respondents must pay pursuant to paragraphs 24 and 25, Respondents shall be liable for payment of economic damages of \$271,879.77. This amount represents the additional costs incurred by Carl Blazek (\$58,825.00) (Blazek Testimony, CPD Ex. 4L), Daniel and Glenda Weber (\$44,342.25)(G. Weber and D. Weber Testimony; CPD Ex. 5L), Ronald and Kameela Berry (\$38,026.52)(Berry Testimony; CPD Ex. 6F, 6G), John and Monica Rosenquist (\$77,968.00)(Rosenquist Testimony; CPD Ex. 7F, 7I), Laura Schindler and

Edward Del Sordo (\$8,720.00)(Schindler Testimony; CPD Ex. 9M), and Moshe and Naomi Chinn (\$43,998.00)(Chinn Testimony; CPD Ex. 8T), in economic damages resulting from the Respondents' failure to complete their homes as promised. Respondents shall pay the economic damages required under the paragraph to the Agency no later than forty-five (45) days from the date of this Final Order.

27. The Respondents shall, within thirty (30) days of the date of this Final Order, provide the Proponent with a list of all consumers in Maryland with whom they have entered into contracts or other agreements to build new homes since January 1, 2014 (the "Consumer List").

a. For each consumer whose name is contained on the Consumer List, Respondents shall provide the following contact information:

- i. the consumer's first name;
- ii. the consumer's last name;
- iii. the consumer's address;
- iv. the consumer's telephone number; and
- v. the consumer's email address.

b. For each consumer whose name is contained on the Consumer List, Respondents shall provide the following information concerning the money collected from the consumer or the consumer's lending institution:

- i. the date(s) the consumer entered into a contract with Respondents Finish Werks Corp. or Finish Werks Custom Builders, Inc.;
- ii. the total amount the consumer or the consumer's lender paid Respondents;
- iii. an itemized list of all home builder services provided by Respondents in return for the money;
- iv. an itemized list of the amounts Respondents expended for home building services they provided for the consumer, including the date, amount and purpose of each payment; and
- v. any amount of money that has already been refunded to the consumer.

c. For each consumer whose name is contained on the Consumer List, Respondents shall provide the following information concerning the amounts they collected pursuant to any

escrow agreement:

- i. the total amount the consumer paid Respondents to be held in escrow;
- ii. an itemized list of each payment Respondents made from the amount in (i) for the consumer's benefit, including the date, amount and purpose of each payment; and
- iii. the balance of the amounts paid by the consumer to be held in escrow that were not expended on the consumer's behalf or returned to the consumer.

Respondents shall provide the Consumer List data to the Agency and the Proponent in both a paper format and in one or more Excel spreadsheet(s) or any other electronic format approved by the Proponent.

28. Respondents shall provide the Proponent with all cancelled checks, financial account statements, invoices, bills and other preserved business records that refer or relate to any payments outlined in the Consumer List pursuant to subparagraphs 27b.iv. and 27c.ii.

29. The Agency shall deposit the payments it receives from the Respondents for restitution and costs into an account (the "Restitution Account"). The Proponent may use the amounts deposited in the Restitution Account to pay restitution to consumers, as well as the costs of the claims process.

30. Upon receipt of adequate funds to distribute to injured consumers, the Proponent shall perform a claims process that will be conducted by a person or persons appointed by the Agency (hereinafter the "Claims Administrator"). The Claims Administrator may be an employee of the Agency or an independent claims processor. The purpose of the claims process will be to locate and pay restitution to all consumers who may be eligible to receive restitution under this Final Order. The claims process shall consist of identifying and locating each consumer who is eligible to receive restitution pursuant to this Final Order, gathering all information necessary to determine the amounts of restitution due to each consumer who is



eligible to receive restitution pursuant to this Final Order, and the mailing by the Claims Administrator of restitution payments to all such consumers.

31. The Respondents shall be liable for the costs of conducting the claims process. The Respondents shall cooperate with the Claims Administrator, including providing the Claims Administrator with access to any information they possess or control that would assist the Claims Administrator in performing the claims process.

32. If at any stage of the claims process it is determined that the restitution account will require additional payments to satisfy all consumer restitution due under this Final Order, and to pay the costs of the claims process, Respondents shall pay the Agency the additional money in the amount specified by the Proponent within thirty (30) days after being notified by the Proponent of the additional amount. If the Respondents disagree with the additional amount specified by the Proponent, the Respondents may request that the Agency review and determine the additional amount due.

33. Restitution shall first be distributed pro rata to consumers who received no payment from the Guaranty Fund; consumers who received no payment from the Guaranty Fund shall receive the lesser of the amount of restitution due or \$50,000. After distribution of up to \$50,000 pro rata to consumers who received no payment from the Guaranty Fund, restitution shall be distributed to consumers pro rata to cover the amounts that they did not receive from the Guaranty Fund pursuant to final orders to be issued by the Agency because of the \$500,000.00 overall cap. Restitution shall then be distributed to consumers pro rata to cover amounts that they did not receive from the Guaranty Fund pursuant to final orders issued by the Agency because of the \$50,000.00 per claim cap. Then restitution shall be distributed to consumers for any other amounts that they paid to Respondents for work that was not performed or paid for by

the Respondents. Then payments made by Respondents pursuant to paragraph 26 for damages shall be distributed pro rata to consumers who suffered economic damages. Finally, any funds remaining in the Restitution Account shall be used to reimburse the Guaranty Fund for payments the Fund made to consumers.

### **Civil Penalties**

34. The Respondents committed a violation of the CPA each time that they violated the NHDA or the CHPA, including each time the Respondents violated the trust created for the benefit of the buyer by NHDA § 10-301.1 and CHPA § 10-502. Based on the Findings of Fact and Conclusions of Law, the Respondents violated the NHDA at least 342 times and the CHPA at least 382 times. The Respondents committed a further 78 violations of the CPA according to the Findings of Fact by misleading consumers about the Respondents' compliance with Maryland law, their ability to complete homes, their ability to protect consumers' deposits and other payments; entering into contracts whose language conflicts with mechanics lien disclosures required by the CHPA; and by failing to state material facts to consumers, including failing to inform consumers that they were unwilling or unable to complete consumers' homes. The Respondents committed a total of 802 violations of the CPA.

35. Following consideration of the number of violations committed by the Respondents and the factors set forth in Md. Code Ann., Com. Law § 13-410(d): (1) the severity of the violation for which the penalty is assessed; (2) the good faith of the violator; (3) any history of prior violations; (4) whether the amount of the penalty will achieve the desired deterrent purpose; and (5) whether the issuance of a cease and desist order, including restitution, is insufficient for the protection of consumers, the Agency has determined that the Respondents

shall be jointly and severally liable for payment of a penalty for violations of the NHDA, CHPA and CPA.

36. A significant penalty is warranted under the factors established by § 13-410(d) of the CPA. The CHPA imposes special obligations upon a builder who collects deposits from consumers to provide protection for those deposits. CHPA §§ 10-502 and 10-504. The NHDA similarly imposes a special obligation upon a builder to hold deposits and other payments in escrow or to provide alternative security for consumers. NHDA §§ 10-301 and 10-301.1. The CHPA and NHDA impose an obligation on home builders to hold consumers' money in trust and to make payments in accordance with that trust. Failure to provide the required protection and violating that trust are serious violations of the law. In this case, the Respondents took deposits and payments from consumers, failed to escrow those payments or provide other protection for those deposits and payments, failed to use consumers' payments to pay subcontractors for their work, misappropriated consumer money, and caused additional expenses to consumers by failing to fulfill the contracts.

37. There was an absence of good faith on the part of the Respondents. The Respondents made representations to consumers that their deposits would be protected, that their homes would be completed, and that subcontractors would be paid, but as a result of Respondents' actions the consumers' homes were not completed and subcontractors for whom Respondents had received payment were not paid. Contrary to their legal obligation, Respondents used consumers' payments for purposes other than construction of the consumers' homes. At least six consumers incurred significant losses as a result of the failure of the Respondents to complete their homes. When confronted by consumers, Respondents admitted to failing in their legal obligations by failing to pay subcontractors or keep proper records of

consumers' projects, but did not rectify the situation. Instead, in at least one case, Respondents encouraged a consumer to pay a subcontractor to avoid a lien, despite that consumer having already paid Respondents for the work completed.

38. The Respondents do not have a history of prior violations, but that factor by itself does not militate against a significant penalty. The current violations are significant and caused consumers to incur significant losses, and Respondents have not returned any money to consumers.

39. Because of the nature of Respondents' deceptions, it is likely that the Respondents would engage in the same activities again if given the opportunity and a civil penalty is necessary as a deterrent.

40. Finally, the issuance of the cease and desist order by itself will not adequately protect the public. Respondents have shown a willingness to ignore their legal obligations and paying restitution merely puts Respondents back in the position they would have been in absent a violation.

41. The Respondents' violations worked together to inflict serious harm on consumers. The misleading representations about what the Respondents would do worked in tandem with the Respondents' failure to include statutorily required disclosures and notices, to misled consumers about the construction of their homes and their legal rights in connection with that construction. The Respondents then built upon those violations by failing to escrow consumer deposits and other payments as required by the CHPA and the NHDA. Having failed to properly escrow the funds, the Respondent then breached the trust by failing to pay suppliers and contractors in a timely manner and by instead using consumer payments for other purposes

prior to completion of the consumers' homes and payment of all outstanding suppliers and contractors.

42. For the reasons set forth above, the Respondents shall, no later than forty-five (45) days from the date of this Final Order, pay \$235,500.00 in civil penalties to the Agency for their violations of the CHPA, NHDA, and CPA, calculated as follows:

- a. \$1,000 for each of the three deposits that the Respondents failed to escrow or otherwise protect;
- b. \$1,000 for each of the sixteen instances in which the Respondents breached the trust by failing to timely pay a supplier or subcontractor;
- c. \$500 for each of the three-hundred and twenty-five times that the Respondents breached the trust by spending consumer deposit money prior to completion of the contract for purposes other than the payment of suppliers and subcontractors;
- d. \$750 for each of their thirty-two failures to include required disclosures and other provisions required by the CHPA;
- e. \$500 for each of their nine violations of the CPA by including provisions that prohibited the consumers from seeking consequential damages; and
- f. \$750 for each of the twenty-seven instances in which the Respondents made false or misleading statements to consumers by (a) prohibiting consumers from having direct contact with subcontractors, (b) misleading consumers concerning the Respondents' ability to complete the construction of the homes in a workmanlike and timely manner; (c) misleading consumers concerning the protection of their payments; and (d) misleading consumers concerning the Respondents' compliance with Maryland law.

### **Costs**

43. Pursuant to Md. Code Ann., Com. Law § 13-409, the Respondents are jointly and severally liable for the payment of all costs of the investigation of this matter and this proceeding, including costs to administer the claims process described herein. Within forty-five (45) days from the date of this Final Order, Respondents shall pay the Agency \$57,781.44 for its costs.

### **Application of Funds Received**

44. If there are insufficient funds received by the Agency to cover all payments due pursuant to this Final Order, the funds shall be applied first toward restitution, then applied toward economic damages, then applied toward costs, and finally applied toward civil penalties.

### **Notice to Respondents**

45. Pursuant to Md. Code Ann., Com. Law § 13-403, Respondents are hereby notified that if the Consumer Protection Division determines that Respondents have failed to comply with this Final Order within thirty (30) days following service of the Final Order, the Consumer Protection Division shall proceed with enforcement of the Final Order pursuant to Subtitle 4 of the CPA.

### **Appeal Rights**

46. A party aggrieved by the Findings of Fact and Conclusions of Law or this Final Order is entitled to judicial review of the decision as provided in Md. Code Ann., State Gov't §10-222. Generally, a petition for judicial review must be filed within thirty (30) days after the date of the order from which relief is sought. The time for filing a petition is regulated by Rule 7-203 of the Maryland Rules and the rules regulating judicial review of administrative agency decisions are set forth in Rules 7-201 through 7-210 of the Maryland Rules.

CONSUMER PROTECTION DIVISION  
OFFICE OF THE ATTORNEY GENERAL

Date: 1/9/2024

By:   
William D. Gruhn  
Chief

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CONSUMER PROTECTION  
DIVISION, OFFICE OF THE  
ATTORNEY GENERAL,  
PROPONENT

v.

WILLIAM KARL WOODWARD,  
FINISH WERKS CORP. AND FINISH  
WERKS CUSTOM BUILDERS, INC.,  
RESPONDENTS

\* BEFORE BRIAN ZLOTNICK,  
\* AN ADMINISTRATIVE LAW JUDGE  
\* OF THE MARYLAND OFFICE OF  
\* ADMINISTRATIVE HEARINGS

\* CPD CASE No.: 22-008-351153  
\* OAH No.: OAG-CPD-05-22-09896

\* \* \* \* \*

**PROPOSED DECISION**

STATEMENT OF THE CASE  
ISSUES  
SUMMARY OF THE EVIDENCE  
PROPOSED FINDINGS OF FACT  
DISCUSSION  
PROPOSED CONCLUSIONS OF LAW

**STATEMENT OF THE CASE**

On April 20, 2022, the Consumer Protection Division (CPD) of the Maryland Attorney General's Office (Proponent), filed a Notice of Proposed Agency Action against Finish Werks Corp., Finish Werks Custom Builders, Inc., and William Karl Woodward (Respondents) seeking to enjoin them from engaging in unfair or deceptive trade practices in the course of selling, offering, and providing new and custom home building services and to obtain relief for consumers victimized by the Respondents' alleged unfair or deceptive trade practices. Specifically, the CPD alleges multiple violations of the New Home Deposits Act (NHDA),<sup>1</sup> the

<sup>1</sup> Md. Code Ann., Real Prop. §§ 10-301 through 10-306 (2015)

Custom Home Protection Act (CHPA),<sup>2</sup> and the Maryland Consumer Protection Act (CPA),<sup>3</sup> in the course of the sale and construction of new and custom homes to Maryland consumers. The CPD seeks restitution and penalties. Md. Code Ann., Bus. Reg. § 4.5-308 (2015).<sup>4</sup>

This case was referred to the OAH on April 28, 2022. On May 12, 2022, the CPD filed Motions to Consolidate Guaranty Fund Claim Hearings with the Companion Disciplinary Proceeding<sup>5</sup> (Motion, or collectively Motions) in five related cases pending with the OAH involving claims against the Guaranty Fund.<sup>6</sup> Md. Ann. Code, Bus. Reg., § 4.5-705 (Supp. 2022). The CPD served copies of its Motions on each of the individuals (Consumers)<sup>7</sup> who filed claims against the Guaranty Fund as well as to the Respondents, who are parties to each of the Guaranty Fund cases. None of the five Consumers filed a response to the Motions; nor did the Respondents. On June 16, 2022, I granted the Motion. On June 21, 2022, the CPD filed a Motion to Consolidate (Motion-2) its enforcement action (OAH Case No. OAG-CPD-05-22-13241) to deny the Respondents' home builder registration application with the CPD's other regulatory enforcement matter (OAH Case No. OAG-CPD-05-22-09896) and each of the five Guaranty Fund cases. Motion-2 was filed a week before the June 28, 2022, remote prehearing conference (Conference) I conducted in which the CPD was represented by Assistant Attorneys General Ellen R. Schettino and Karen M. Valentine. William Karl Woodward, owner, president, and principal of Finish Werks, participated on his own behalf. Finish Werks Corp. and Finish Werks Custom Builders, Inc., were not represented by counsel at

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<sup>2</sup> Md. Code Ann., Real Prop. §§ 10-501 through 10-509 (2015 and Supp. 2022)

<sup>3</sup> Md. Code Ann., Com. Law §§ 13-101 through 13-501 (2013 and Supp. 2022)

<sup>4</sup> Unless otherwise noted, all references hereinafter to the Business Regulation Article are to the 2015 Replacement Volume of the Maryland Annotated Code.

<sup>5</sup> The disciplinary proceeding involved charges against Finish Werks Corp., Finish Werks Custom Builders, Inc., and William Karl Woodward (Respondents), owner and principal of both entities. Some of the five companion

the Conference. The Consumers represented themselves and Steven B. Isbister, Staff Attorney, Maryland Home Builder Guaranty Fund (Fund), represented the Fund. At the Conference, neither the Respondents, the Fund, nor the Consumers opposed Motion-2. On July 7, 2022, I granted Motion-2 and therefore heard all seven cases<sup>8</sup> in a single, consolidated hearing, but I am issuing a separate written decision in each case. As part of my July 7, 2022 Prehearing Conference Order and Report, I scheduled the first day of these proceedings for August 29, 2022, with subsequent hearing dates of August 30, 31, September 7, 8, 9, 12, 13, 14, 15, 16, 19, 20, 21, and 22, 2022.

On August 15, 2022, the Respondents filed a Motion for Continuance (Motion-3) of the scheduled proceeding. On August 15, 2022, the CPD filed a Response to Motion-3 agreeing to a brief postponement of the hearing to September 19, 2022. On August 19, 2022, I conducted a telephone prehearing conference (Conference-2) to address Motion-3. At Conference-2, Ms. Schettino represented the CPD. Mr. Woodward participated and was represented by Joseph Katz, Esquire, who also represented Finish Werks Corp. and Finish Werks Custom Builders, Inc. Consumers Carl Blazek, Laura Schindler, Monica and John Rosenquist and Ronald Berry represented themselves at Conference-2.<sup>9</sup> Mr. Isbister represented the Fund. After considering the CPD's, the Fund's, and the Consumers' arguments, and additional argument in support of Motion-3 by Mr. Katz, I granted Motion-3 on the record and in my August 19, 2022 Prehearing Conference Report and Order. At Conference-2, the parties agreed to the rescheduling of this matter to September 21, 22, 29, 30, October 3, 6, 24, 25, 28, 31, November 4, 21, 22,

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<sup>8</sup> (1) Regulatory CPD case – OAH case # OAG-CPD-05-22-09896

(2) Enforcement CPD case to deny registration – OAH case # OAG-CPD-05-22-13241

(3) Fund Case – Blazek Claim – OAH case # OAG-CPD-07-22-09936

(4) Fund Case – Weber Claim – OAH case # OAG-CPD-07-22-09927

(5) Fund Case – Berry Claim – OAH case # OAG-CPD-07-22-09904

(6) Fund Case – Rosenquist Claim – OAH case # OAG-CPD-07-22-09931

(7) Fund Case – Schindler Claim – OAH case # OAG-CPD-07-22-09915

<sup>9</sup> Claimant Daniel Weber did not participate in the Conference but prior to the Conference, he e-mailed ALJ Zlotnick's Assistant, Ethel Hines, to express his opposition to Motion-3.

December 1, 2, and 5, 2022. During the November 4, 2022 hearing, the parties agreed to schedule additional hearing days on December 14 and 15, 2022, January 26, 27, 31, February 1, 2, and 3, 2023. During the December 14, 2022 hearing, the parties agreed to schedule one additional hearing day on February 15, 2023.

The delegation of authority from the Proponent is to issue proposed Findings of Fact and Conclusions of Law. On September 21, 22, 29, 30, October 3, 6, 24, 25, 28, 31, November 4, 21, 22, December 1, 2, 5, 14, 15, 2022, January 26, 2023, and February 3, 2023, I held a hearing at the OAH in Hunt Valley, Maryland.<sup>10</sup> September 21, 2022, was the only day of the hearing in which I required all five Claimants to be present for the proceeding. For the remainder of the case, the CPD coordinated with the Claimants to schedule their appearance only on the days in which they testified during the CPD's regulatory case and on the days in which they presented their Fund cases. During the September 21, 2022 hearing, Claimants Schindler and Del Sordo requested to participate remotely during the regulatory and Fund portions of their case. I granted Claimants Schindler and Del Sordo's request to participate remotely throughout the entire portion of the hearing in which they would be testifying. The remaining Claimants either participated in-person at the OAH or remotely on all other days of this hearing in which they were testifying. Ms. Chinn, Ms. Schindler, Mr. Woodward, and counsel for the CPD, the Fund, and the Respondents agreed to participate remotely through the Webex video-conferencing portal for the following hearing dates: December 15, 2022, January 27, 31, February 1, 2, and 15, 2023, in accordance with Code of Maryland Regulations (COMAR) 28.02.01.20B(1). Ellyn R. Schettino and Karen Valentine, Assistant Attorneys General, represented the CPD. Steven B. Isbister, Staff Attorney, represented the Fund. Joseph L. Katz, Esquire and Eric S. Steiner,

Esquire, represented the Respondents. William Karl Woodward appeared for most of the hearing days, and when not present either Mr. Katz or Mr. Steiner represented him.

The contested case provisions of the Maryland Administrative Procedure Act, the CPD's procedural directives, and the OAH's Rules of Procedure govern procedure in this case. Md. Code Ann., State Gov't §§ 10-201 through 10-226 (2021); COMAR 02.01.02; COMAR 28.02.01.

### ISSUES

The issues are as follows:

(1) Whether the Respondents violated the NHDA by:

- a. Failing to place and maintain deposits paid by consumers in an escrow account or obtain a surety bond or irrevocable letter of credit to protect the deposits in violation of Md. Code Ann., Real Prop. § 10-301(a) (2015); and
- b. Failing to hold in trust for the benefit of the consumer money received in connection with the sale and purchase of new single-family residential units by failing to pay subcontractors and misappropriating money paid by consumers to the Respondents in violation of Md. Code Ann., Real Prop. § 10-301.1 (2015);

(2) Whether the Respondents violated the CHPA by:

- a. Entering into contracts to build custom homes and failing to place deposit funds in excess of 5% of the contract price in an escrow account or a corporate surety bond in violation of Md. Code Ann., Real Prop. § 10-504 (2015);
- b. Failing to accept check or draft payments from customers in the name of the escrow account in violation of Md. Code Ann., Real Prop. § 10-504(a)(3) (2015);
- c. Breaching the trust created by the Home Protection Act by failing to pay lawful claims to subcontractors or suppliers in connection with the custom home contracts in violation of Md. Code Ann., Real Prop. §§ 10-502 and 10-503 (2015); and
- d. Failing to comply with custom contract requirements and failing to include required disclosures in custom home contracts in violation of Md. Code Ann., Real Prop. §§ 10-505 and 10-506 (2015 & Supp. 2022);



(3) Whether the Respondents violated the CPA by:

- a. Engaging in unfair or deceptive trade practices in violation of Md. Code Ann., Real Prop. § 10-305(b) (2015); and
- b. Deceiving or misleading consumers and engaging in unfair or deceptive trade practices in violation of Md. Code Ann., Comm. Law §§ 13-301 and 13-303 (Supp. 2022).

### **SUMMARY OF THE EVIDENCE**

#### **Exhibits**

The exhibits I admitted on behalf of the CPD and the Claimants are listed in the attached Appendix. The Respondents did not present any exhibits.

#### **Testimony**

During the hearing, the Proponent presented testimony from the following six consumer witnesses: Carl Blazek, Ronald Berry, Glenda Weber, Daniel Weber,<sup>11</sup> John Rosenquist, Naomi Chinn, Laura Schindler.<sup>12</sup> The Proponent also presented the testimony of Gerald Whittaker, Administrator of the CPD's Home Builder Registration Unit, Jara Miles, Administrator of the CPD's Home Builder and Sales Representative Registration Unit, and Joshua Schafer, an investigator in the CPD.

The Respondents did not present any witnesses or testimony.

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<sup>11</sup> At the outset of the October 24, 2022 hearing, before Glenda Weber resumed her direct testimony as part of the CPD Regulatory cases, the CPD brought to the attention of the court that Ms. Weber may have violated the rule on witnesses by doing internet research on Finish Werks between October 6, 2022 (Ms. Weber's first day of testimony) and October 24, 2022, and discussing that research with Mr. Weber on October 23, 2022. On the record I had Ms. Weber testify under oath regarding the nature of her research. Ms. Weber indicated that she did not research anything related to her contract with Finish Werks. The Appellant's attorney, Mr. Steiner, moved to strike Ms. Weber's prior testimony and any future testimony. After considering the circumstances of Ms. Weber's actions and the parties' arguments regarding Mr. Steiner's Motion, I denied the Motion on the record and allowed Ms. Weber's prior testimony to stand and allowed her to continue to present testimony in this hearing. When Mr. Weber was called as a witness for the CPD on October 24, 2022, Mr. Steiner made a Motion to exclude his testimony based on

## **PROPOSED FINDINGS OF FACT**<sup>13</sup>

### **A. Parties**

1. Respondent Finish Werks Corp. is a Maryland corporation with its primary place of business in Savage, Maryland, in Howard County. (Whittaker Testimony; CPD Ex. 1G at 110). Respondent Finish Werks Corp. was registered with the Maryland Home Builders Registration Unit (Unit) under MHBR No. 7491 on March 25, 2015, and remained registered until June 1, 2017. (Whittaker Testimony; CPD Ex. 1H at 123, 126-27).

2. Respondent Finish Werks Corp. is a “home builder” that at all times relevant hereto has undertaken to erect or otherwise construct “new homes” as defined in the Home Builder Registration Act (HBRA)<sup>14</sup> and “custom homes” as defined in CHPA § 10-501. (See Whittaker Testimony; CPD Ex. 1H at 123, 126-27; CPD Exs. 4B, 5C, 10I; Wells Fargo Bank Records, Volume I, tab A).

3. Respondent Finish Werks Corp. enters into contracts with Maryland consumers to build new and custom homes in Maryland. (See Blazek Testimony; Glenda Weber (“G. Weber”) Testimony; Whittaker Testimony; CPD Exs. 4B, 5C, 10I at 992 - 1022).

4. Respondent Finish Werks Corp. enters into and performs custom home contracts and is also a “custom home builder” as defined in CHPA § 10-501. (*Id.*).

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<sup>13</sup> On January 26, 2023, while on the record, I permitted the CPD and the Respondents to submit Proposed Findings of Fact and Proposed Conclusions of Law and asked that it be submitted by February 14, 2023. On February 14, 2023, the CPD submitted Proposed Findings of Fact and Conclusions of Law and certified that copies of this submission were mailed to the Respondents’ attorney, Joseph L. Katz, Esquire. The Respondents did not submit Proposed Findings of Fact and Proposed Conclusions of Law. The CPD and the Respondents provided oral closing arguments on February 15, 2023, and at the conclusion of those closing arguments, I concluded the hearing by indicating that the record was now closed. I have carefully considered the CPD’s submission. To the extent that my Findings of Fact or Conclusions of Law differ from those proposed by the CPD, I either find the facts or my conclusions to be different from those submitted or disagree as to the relevance or necessity of the findings and conclusions. In accordance with the Administrative Procedure Act (APA) under Md. Code Ann., State Gov’t § 10-221(4) (2021), if I were issuing a final decision in this matter, I would be required to state a ruling for each proposed finding of fact submitted by a party to the case. However, that rule does not apply in this proposed decision. Md. Code Ann., State Gov’t § 10-220 (2021).

<sup>14</sup> Md. Code Ann., Bus. Reg. § 4.5-101 (2015).<sup>14</sup>

5. At all times pertinent, Respondent William Karl Woodward, a.k.a. Harris Woodward, was the owner, President, and principal of Respondent Finish Werks Corp. and was responsible for the company's home building operations in the State of Maryland. (Whittaker Testimony; CPD 5J at 106-07, 4P at 265; Wells Fargo Bank Records, Volume I, tab A-[Woodward identified as "Owner with Control of the Entity" and "Owner"]; *see* Schafer Testimony; Exs. 4B, 5C and 10I at 992-1022; Blazek Testimony; Glenda Weber Testimony).

6. Respondent Woodward signed contracts between consumers and Finish Werks Corp. and other documents related to the purchase of new and custom homes. (CPD Exs. 4B, 5C and 10I at 992-1022; 5B at 011 and 017-18, 5I at 104, 4A at 001, and 4P at 265).

7. Respondent Woodward was a signatory on Respondent Finish Werks Corp.'s Wells Fargo bank accounts ending in 1505, 4133 and 0127. (Wells Fargo Bank Records, Volume I, tab A; Schafer Testimony). On the signatory cards, Respondent Woodward identified himself as the "Owner with Control of the Entity" and "Owner" of Finish Werks Corp. (*Id.*).

8. Respondent Finish Werks Custom Builders, Inc. ("Finish Werks Custom Builders"), is a Maryland corporation with its primary place of business in Savage, Maryland, in Howard County. (Whittaker Testimony; CPD Exs. 1G 107, 11A at 011-012). Respondent Woodward signed the Articles of Incorporation for Respondent Finish Werks Custom Builders. (CPD Ex. 1G at 107).

9. Respondent Finish Werks Custom Builders was registered with the Unit under MHBR No. 7815 from September 27, 2016, December 1, 2018, and March 18, 2019, to June 1, 2021. (Whittaker Testimony; CPD Ex. 1H at 123-124). On the application to register as a home builder, Respondent Woodward electronically signed and submitted the application as the



10. Respondent Finish Werks Custom Builders is a “home builder” that at all times relevant hereto has undertaken to erect or otherwise construct “new homes” as defined in HBRA § 4.5-101 and “custom homes” as defined in CHPA § 10-501. (*See* Whittaker Testimony; CPD Exs. 1G at 107, 1H, 6B, 7B, 8D, 9C, 10G, 10H, Wells Fargo Bank Records, Volume I, tab A).

11. Respondent Finish Werks Custom Builders enters into contracts with Maryland consumers to build new and custom homes in Maryland. (*See* Berry Testimony; Chinn Testimony; Rosenquist Testimony; Schindler Testimony; Whittaker Testimony; CPD Exs. 6B, 7B, 8D, 9C, 10G, and 10H).

12. Respondent Finish Werks Custom Builders enters into and performs custom home contracts and is also a “custom home builder” as defined in CHPA § 10-501. (*Id.*).

13. At all times pertinent, Respondent Woodward was the owner, President and principal of Respondent Finish Werks Custom Builders and was responsible for the company’s home building operations in the State of Maryland. (Whittaker Testimony; CPD Ex. 1G at 107; CPD Exs. 1I, 7D, 7G, 8A at 004, 8G, 8H, 8M-O, 8Q, 8T, 8V, 8W, and 9I at 182-83 and 286-87; *see* Berry Testimony; Chinn Testimony; Rosenquist Testimony; Schindler Testimony; Wells Fargo Bank Records, Volume I, tab A – [Woodward identified as “Key Executive with Control of the Entity” and “Owner”]).

14. Respondent Woodward signed contracts between consumers and Finish Werks Custom Builders and other documents related to the purchase of new and custom homes. (CPD Exs. 6B, 7B, 8D, 9C, 10G and 10H; *see* CPD Exs. 6C at 47-48, 7B at 035, 8A at 003, 8I, 8L at 82, 9G at 105, 9I at 182-83 and 286-87).

15. Respondent Woodward was a signatory on Respondent Finish Werks Custom Builders’ Wells Fargo bank accounts ending in 0045, 5968, 5980, 7016, 8282 and 8751. (Wells Fargo Bank Records, Volume I, tab A). On the signatory cards, Respondent Woodward

identified himself as “Executive with Control of the Entity” and “Owner” of Finish Werks Custom Builders. (*Id.*).

16. The Consumers dealt directly with Respondent Woodward regarding the construction of their homes, including before, during, and after the signing of their contract, by cell phone, in person, or via email. (Berry Testimony and CPD Ex. 6D at 061-95 and 106-31; Blazek Testimony and CPD Ex. 4O; Chinn Testimony and CPD Ex. 8A at 003, 8B, 8F-H, 8M-O, 8Q, 8T, 8U, 8V, 8W, and 8Z at 200; Rosenquist Testimony and CPD Ex. 7D, 7E, 7G; Schindler Testimony and 9A, 9B, 9G, 9H at 148-53 and 176-79, 9I at 212-35, 242-48, 268-71, 289-301, and 9J; Weber Testimony and CPD Ex. 5A-B, 5E at 062, 5F, 5H, 5I at 103, 5J-K, 5M, 5P, 5R).

#### **B. Home Builder Registration Application**

17. On or about April 14, 2021, the Respondents submitted an application for renewal of Finish Werks Custom Builders’ registration. Respondent William Karl Woodward submitted the application under oath as President of Finish Werks Custom Builders. (CPD Ex. 11A; Whittaker Testimony).

18. In the renewal application, the Respondents failed to disclose legal proceedings as required under § 4.5-303 of the HBRA and on the form provided by the Unit, including:

- a. Williams Crane Service Inc. v. Finish Werks Custom Builders, Inc., Case no. D- 01-CV-20-009679 in the District Court for Howard County, filed on July 30, 2020. Affidavit judgment was entered against Finish Werks Custom Builders, Inc. in the amount of \$11,236.31 on November 2, 2020. A Satisfaction of Judgment was entered on December 3, 2020.
  - b. Classic Granite & Marble, Inc. v. Finish Werks Custom Builders, Inc., Case no. D-101-CV-21-007309 in the District Court for Howard County, filed on January 22, 2021.
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c. The Bartley Corporation v. Finish Werks Custom Builders, Inc., et al., Case no. D-101-CV-21-007706 in the District Court for Howard County, filed on February 22, 2021. Affidavit judgment was entered against Respondent Woodward in the amount of \$7,215.50 on April 26, 2021. On May 27, 2021, the judgment was vacated and the case was dismissed. (CPD Ex. 11A; Whittaker Testimony; CPD Ex. 12A; Miles Testimony).

### **C. Contract Language**

#### *Finish Werks Corp. contracts*

20. In at least five instances, the custom home contract Respondent Finish Werks Corp. entered into with the Consumers failed to identify to the extent known the names of the primary subcontractors who would be working on the custom home. (Whittaker Testimony; CPD Exs. 4B, 5C, 10I at 992-1022, and 11B).

21. In at least two instances, the custom home contract Respondent Finish Werks Corp. entered into with the Consumers failed to require the builder to deliver to the purchaser, within 30 days after each progress payment, a list of the subcontractors, suppliers, or materialmen who provided more than \$500 of goods or services to date and indicate which of them were paid by the builder. (Whittaker Testimony; CPD Exs. 4B, 5C, and 11B).

22. In at least three instances, the custom home contract Respondent Finish Werks Corp. entered into with the Consumers failed to adequately require that the custom home builder provide waivers of liens from all applicable subcontractors, suppliers, or materialmen within a reasonable time after the final payment for the goods or services they provide. (Whittaker Testimony; CPD Exs. 4B at 006, 5C at 034, 10I at 994, and 11B).

23. In at least three instances, the custom home contract Respondent Finish Werks Corp. entered into with the Consumers failed to include the "BUYER'S RISK UNDER

MECHANICS' LIEN LAWS" disclosure. (Whittaker Testimony; CPD Exs. 4B, 5C, 10I at 992-1022, and 11B).

24. In at least three instances, the custom home contract Respondent Finish Werks Corp. entered into with the Consumers failed to include the "CERTIFICATION BY BUILDER" concerning judgments. (Whittaker Testimony; CPD Exs. 4B, 5C, 10I at 992-1022, and 11B).

25. In at least three instances, the custom home contract Respondent Finish Werks Corp. entered into with the Consumers failed to include the "ESCROW ACCOUNT REQUIREMENT" notice. (Whittaker Testimony; CPD Exs. 4B, 5C, 10I at 992-1022, and 11B).

26. In at least three instances, the custom home contract Respondent Finish Werks Corp. entered into with the Consumers states: "Subcontractors The Buyer agrees that private communication with contractor subordinate to Builder will not be tolerated, and is necessary to avoid misunderstandings that may result." (Whittaker Testimony; CPD Exs. 4B at 006, 5C at 034, 10I at 994, and 11B).

27. In at least three instances, the custom home contract Respondent Finish Werks Corp. entered into with the Consumers contained a clause limiting or precluding the buyer's right to obtain consequential damages as a result of the sellers' breach or cancellation of the contract. (Whittaker Testimony; CPD Exs. 4B at 007-08, 5C at 035-36, 10I at 996, and 11B).

28. In at least three instances, the custom home contract Respondent Finish Werks Corp. entered into with the Consumers failed to expressly state that any and all changes that are to be made to the contract shall be recorded as "change orders" that specify the change in the work ordered and the effect of the change on the price of the house. Instead, the contract language attempted to limit which changes require a change order with language such as, "If

*Finish Werks Custom Builders contracts*

29. In at least three instances, the custom home contract Respondent Finish Werks Custom Builders entered into with the Consumers failed to identify to the extent known the names of the primary subcontractors who would be working on the custom home. (Whittaker Testimony; CPD Exs. 6B, 7B, 7E, 9C, and 11B).

30. In at least three instances, the custom home contract Respondent Finish Werks Custom Builders entered into with the Consumers failed to require the builder to deliver to the Purchaser, within 30 days after each progress payment, a list of the subcontractors, suppliers, or materialmen who provided more than \$500 of goods or services to date and indicate which of them were paid by the builder. (Whittaker Testimony; CPD Exs. 6B, 7B, 7E, 9C, and 11B).

31. In at least three instances, the custom home contract Respondent Finish Werks Custom Builders entered into with the Consumers failed to adequately require that the custom home builder provide waivers of liens from all applicable subcontractors, suppliers, or materialmen within a reasonable time after the final payment for the goods or services they provide. (Whittaker Testimony; CPD Exs. 6B, 7B at 009-10, 7E, 9C at 022-23, and 11B).

32. In at least three instances, the custom home contract Respondent Finish Werks Custom Builders entered into with the Consumers failed to include the "BUYER'S RISK UNDER MECHANICS' LIEN LAWS" disclosure. (Whittaker Testimony; CPD Exs. 6B, 7B, 7E, 9C, and 11B).

33. In at least three instances, the custom home contract Respondent Finish Werks Custom Builders entered into with the Consumers failed to include the "CERTIFICATION BY BUILDER" concerning judgments. (Whittaker Testimony; CPD Exs. 6B, 7B, 7E, 9C, and 11B).

34. In at least three instances, the custom home contract Respondent Finish Werks Custom Builders entered into with the Consumers failed to include the "ESCROW ACCOUNT REQUIREMENT" notice. (Whittaker Testimony; CPD Exs. 6B, 7B, 9C, and 11B).

35. In at least six instances, the custom home contract Respondent Finish Werks Custom Builders entered into with the Consumers states: "Subcontractors The Buyer agrees that private communication with contractor subordinate to Builder will not be tolerated, and is necessary to avoid misunderstandings that may result." (Whittaker Testimony; CPD Exs. 6B at 004, 7B at 009, 8D at 012, 9C at 022, 10G at 289, 10H at 324, and 11B).

36. In at least six instances, the custom home contract Respondent Finish Werks Custom Builders entered into with the Consumers contained a clause limiting or precluding the buyer's right to obtain consequential damages as a result of the sellers' breach or cancellation of the contract. (Whittaker Testimony; CPD Exs. 6B at 006, 7B at 011, 8D at 018-19, 9C at 024, 10G at 295-96, 10H at 330, and 11B).

37. In at least four instances, the custom home contract Respondent Finish Werks Custom Builders entered into with the Consumers failed to expressly state that any and all changes that are to be made to the contract shall be recorded as "change orders" that specify the change in the work ordered and the effect of the change on the price of the house. Instead, the contract language attempted to limit which changes require a change order with language such as, "A CO is executed when...any scope of work significantly differs from that in the SOV or...the cost of a major scope of work incrases [sic] by more than 10% from the original SOV amount." (CPD Exs. 7B at 008; 8D at 013; 9C at 021; *see also* CPD Ex. 6B at 003 – stating that "If changes significantly alter the character of the work, or add items, a Change Order ("CO")

#### **D. Protection of Consumer Money**

38. The Respondents collected advance payments, including deposits and other consideration, from the Consumers, or from construction loan mortgages paid on Consumers' behalf, in connection with contracts to construct the new homes. (CPD Exs. 4A, 4C, 5B, 5D, 5F, 5I, 6C, 7A, 7C, 8A, 8E, 8I, 8L, 8N at 092, 9F, 10J-10O; Schafer Testimony).

39. The Respondents deposited the advance payments in accounts controlled by Respondents Finish Werks Corp. and Finish Werks Custom Builders, and for which Respondent Woodward was a signatory. (CPD Exs. 10J-10O; Schafer Testimony; Wells Fargo Bank Records, Volume I tab A). The accounts were identified, and treated, as general operating accounts. (Ex. 4B at 008, 5C at 036, 6B at 007, 7B at 012, 9C at 025; 10I at 997; Schafer Testimony; Wells Fargo Bank Records; Volume I tab A). The contracts the Consumers entered into with Respondents provide that their deposits and other money be placed into "Finish Werks, General Operations ACCT." (Ex. 4B at 008, 5C at 036, 6B at 007, 7B at 012, 9C at 025, 10I at 997). The accounts were used to make payroll payments and pay bonuses over thirty times, as well as for purchases at grocery stores/supermarkets forty-six times, liquor stores fifty-five times, restaurants and convenience stores two hundred and nine times, for airline tickets and hotel stays twelve times, and child support payments three times. (Schafer Testimony; CPD Ex. 10P at 1319-1345, 1352, 1373-1377). The Respondents made payments for USAA Credit Card purchases for William Woodward from those accounts from November 23 2015 through December 16, 2019 totaling \$25,471.00. (CPD Ex. 10P). Numerous Citibank Loan payments on behalf of William Woodward were also made by the Respondents from a Finish Werks operating account from September 26, 2016 through September 26, 2019 totaling \$49,143.14. (CPD Ex. 10P). Additionally, the accounts were not separate escrow accounts for



each custom home contract that required the signature of both the Consumer and the home builder for any withdrawal. (Wells Fargo Bank Records, Volume I, tab A; Schafer Testimony).

40. The Respondents accepted deposits and other advance payments, some of which were in excess of 5% of the home purchase price, in the form of a check or draft that was not written in the name of an escrow account. (CPD Exs. 4A; 5B; 5D; 8A; 8D at 010; 10O; Blazek Testimony; G. Weber Testimony; Chinn Testimony; Schafer Testimony; Wells Fargo Bank Records).

41. The Respondents failed to either place or maintain deposits and other consideration paid by the Consumers or on their behalf in an escrow account, or obtain a surety bond or an irrevocable letter of credit to protect the deposits and other consideration paid. (Whittaker Testimony; *see* CPD Ex. 11A at 009-010; Schafer Testimony; Wells Fargo Bank Records).

42. The Respondents failed to hold the money they received from the Consumers in trust for the benefit of the Consumers. (CPD Exs. 10A-F, 10I; Blazek testimony and CPD Exs. 4E, 4O at 258; Weber testimony and CPD Exs. 5J at 105, 5L, 5K; Rosenquist Testimony; CPD Ex. 7F; Berry Testimony; CPD Ex. 6G; and Chinn Testimony).

43. The Respondents used money paid by the Consumers to Finish Werks Corp. and Finish Werks Custom Builders to pay for expenses not related to, or in connection with, the Consumers' custom home contracts, including for purchases at grocery stores, supermarkets, liquor stores, restaurants and convenience stores, and for airline tickets and hotel stays. (Schafer Testimony & CPD Ex. 10P; *see* Wells Fargo Bank Records).

44. In at least one instance, money received from one Consumer was used to make a



45. The Respondents received substantial progress payments from Consumers or from construction loan mortgages on the Consumers' behalf. (CPD Exs. 4C; 5D; 5F at 065—068; 5I at 101-102; 6C; 7C; 8E; 8I; 8K; 8N at 092; 9D; 10J—10O; Schafer Testimony, Blazek Testimony; G. Weber Testimony, Berry Testimony, Rosenquist Testimony, Chinn Testimony, Schindler Testimony). Respondents failed to use the progress payments to pay the subcontractors, suppliers, and materialmen within a reasonable period after receipt of payment from or on behalf of the Consumers. (CPD Exs. 4E; 4O at 258 ; 5J at 107; 5K ; 6G; 7F; 8T at 128—131; 10A-F, 10I; Blazek Testimony, G. Weber Testimony, Berry Testimony, Rosenquist Testimony, Chinn Testimony, Schindler Testimony). At least nine lawsuits were filed against the Respondents for failure to timely pay subcontractors, suppliers, and materialmen. (CPD Exs. 6G; 10A-F, 10I; *see* CPD Ex. 5L<sup>15</sup> at 142-167).

46. At least two Consumers who purchased custom homes received lien notices from subcontractors seeking payment for work that had been completed and for which the Consumers had directly or indirectly paid Respondent Finish Werks Corp. (CPD Exs. 10I; Weber testimony & CPD Ex. L; Blazek testimony & Ex. 4E at 57, 4O).

47. At least two actions to establish and enforce mechanics' liens were filed against the Consumers for work performed or materials supplied for a custom home being constructed pursuant to a contract between Respondent Finish Werks Corp. and a Consumer. (CPD Exs. 10I, Weber testimony & CPD Ex. 5L; Blazek testimony & Ex. 4E at 058-148 & 4O).

48. At least two Consumers who purchased custom homes received lien notices from subcontractors seeking payment for work that had been completed and for which those

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<sup>15</sup> This lawsuit names Finish Werks LLC as a defendant, along with Ray and Glenda Weber. Finish Werks Corp. is the entity that contracted with the Webers and was responsible for paying the subcontractors assigned to the Webers' contract with the funds provided to Finish Werks Corp. by the Webers. (CPD Ex. 5C; G. Weber Testimony).

Consumers had directly or indirectly paid Respondent Finish Werks Custom Builders.

(Rosenquist Testimony and CPD Ex. 7F; Berry Testimony and CPD Ex. 6G).

49. At least two actions to establish and enforce mechanics' liens were filed against the Consumers for work performed or materials supplied for a custom home being constructed pursuant to a contract between Respondent Finish Werks Custom Builders and a Consumer.

(*Id.*).

#### **E. Respondents' Statements and Representations**

50. The Respondents induced the Consumers to pay money to Respondents Finish Werks Corp and Finish Werks Custom Builders by promising to construct homes for them in a workmanlike and timely manner in accordance with their contracts. (*See* Blazek Testimony; Weber Testimony; Whittaker Testimony; CPD Exs. 4B, 5C and 10I at 992 – 1022; Berry Testimony; Chinn Testimony; Rosenquist Testimony; Schindler Testimony; CPD Exs. 6B, 7B, 8D, 9C, 10G, and 10H).

51. The Respondents failed to complete homes and, after stopping work, did not complete the promised work or refund payments made by the Consumers for the construction of their homes, despite their demands to complete the work or return the money. (CPD Ex. 10A-F; Blazek testimony & CPD Ex. 4O at 258 [“Finish Werks Corp. is insolvent.”]; Weber testimony and CPD Exs. 5J at 105 & 5K [Finish Werks Corp. is insolvent]; Berry Testimony; Chinn Testimony; Rosenquist Testimony; Schindler Testimony).

52. The Respondents represented to the Consumers, expressly or impliedly, that they would hold the Consumers' payments in trust for the benefit of the Consumers, when, in fact, they did not and, instead, the Respondents misappropriated the Consumers' monies. (*See* CPD

40 at 258; Weber testimony and CPD Exs. 5J at 105 & 5K [Finish Werks Corp. is insolvent]; Schafer Testimony and CPD Ex. 10P).

53. The Respondents represented to the Consumers, expressly or impliedly, that they were in compliance with Maryland law, including the CHPA, NHDA, and the CPA, when, in fact, they were not in compliance with these laws. (CPD Exs. 4B, 5C, 10I at 992-1022, 11B, 6B, 7B, 7E, 9C, 10P, and 10A-F; Schafer Testimony).

54. The Respondents failed to deliver to the Consumers, within 30 days after each progress payment, a list of subcontractors, suppliers, and materialmen who provided more than \$500 of goods or services, and indicate which of those had been paid by Finish Werks Corp. or Finish Werks Custom Builders. (Berry Testimony; Chinn Testimony; Rosenquist Testimony; Schindler Testimony; Blazek Testimony; Weber Testimony; CPD Ex. 7E).

55. The Respondents failed to provide the Consumers with waivers of liens from all applicable subcontractors, suppliers, or materialmen within a reasonable time after the final payment for the goods or services they provided. (Berry Testimony; Chinn Testimony; Rosenquist Testimony; Schindler Testimony; Blazek Testimony; Weber Testimony; CPD Ex. 7E).

56. The Respondents failed to inform the Consumers that their money would not be held in trust for the benefit of the Consumers. (Berry Testimony; Chinn Testimony; Rosenquist Testimony; Schindler Testimony; Blazek Testimony; Weber Testimony; CPD Ex. 7E).

57. The Respondents failed to inform the Consumers that the Respondents would misappropriate money paid by the Consumers to Finish Werks Corp. and Finish Werks Custom Builders. (Berry Testimony; Chinn Testimony; Rosenquist Testimony; Schindler Testimony; Blazek Testimony; Weber Testimony; CPD Ex. 7E).

58. The Respondents failed to inform the Consumers that they would not be provided, within 30 days after each progress payment, a list of subcontractors, suppliers, and materialmen who provided more than \$500 of goods or services, and indicate which of those had been paid by Finish Werks Corp. or Finish Werks Custom Builders. (Berry Testimony; Chinn Testimony; Rosenquist Testimony; Schindler Testimony; Blazek Testimony; Weber Testimony; CPD Ex. 7E).

59. The Respondents failed to inform the Consumers that they would not be provided with waiver of liens from all applicable subcontractors, suppliers, or materialmen within a reasonable time after the Respondents received final payment for the goods or services provided. (Berry Testimony; Chinn Testimony; Rosenquist Testimony; Schindler Testimony; Blazek Testimony; Weber Testimony; CPD Ex. 7E).

60. The Respondents' misrepresentations misled the Consumers. (Berry Testimony; Chinn Testimony; Rosenquist Testimony; Schindler Testimony; Blazek Testimony; Weber Testimony).

61. The facts the Respondents failed to disclose to the Consumers were material to the Consumers and their omission deceived or tended to deceive them. (Berry Testimony; Chinn Testimony; Rosenquist Testimony; Schindler Testimony; Blazek Testimony; Weber Testimony).

## **F. Facts Applicable to Consumers**

### **a. Facts Applicable to Carl and Leslie Blazek**

62. On or about July 28, 2015, Carl and Leslie Blazek ("the Blazeks") contracted with Respondent Finish Werks Corp. to construct a custom home on the Blazeks' lot at 7673

\$438,524.00. (CPD Exs. 4B; Blazek Testimony).<sup>16</sup> The custom home contract was ratified by Respondent Woodward for Finish Werks Corp. (CPD Ex. 4B at 009).

63. Additional changes were made to the scope of work during the course of construction and price overages were identified, which resulted in an increase in the final contract price to \$485,290.00.<sup>17</sup> (CPD Exs. 4B; Blazek Testimony). No price changes or changes to the scope of work were reflected by a change order (or even an agreement of the parties), but the Blazeks did receive an updated Statement of Values at some point during construction. (CPD Ex. 4P at 269-275; Blazek Testimony).

64. The following are the Blazeks' Payments to Finish Werks Corp. per the Contract:<sup>18</sup>

<b>Finish Works ACCT #</b>	<b>Purpose of Payment</b>	<b>Amount Paid</b>	<b>Date of Payment</b>	<b>Payment Method</b>
127	Deposit	\$25,000.00 <sup>19</sup>	6/25/2015	Personal Check
127	Draw -- 2 Blazek Property	\$101,920.00	7/30/2015	Wire Transfer
1505		\$315,000.00	8/18/2015	Wire Transfer
1505		\$23,000.00	9/4//2015	Wire Transfer
4133		\$9,991.00	11/20/2015	Personal Check
4133		\$10,379.00	3/11/2016	Personal Check
		<b>Total Paid</b>		
		<b>\$485,290.00</b>		

<sup>16</sup> Carl Blazek testified on behalf of the Blazeks.

<sup>17</sup> This is the total amount of payments made by the Blazeks to Finish Werks.

<sup>18</sup> CPD Ex. 4C; Blazek Testimony.

<sup>19</sup> Prior to entering into the Contract, the Blazeks paid Finish Werks three payments totaling \$29,750.00 (CPD Ex. 4A, CPD Blazek 001; CPD Ex. 4A, CPD Blazek 002; CPD Ex. 4A, CPD Blazek 003). Under the Schedule of Values, the first two payments, totaling \$4,750.00, are noted, but were not credited as payments towards the amount owed under the Contract. (CPD Ex. 4A, CPD Blazek 010). The \$25,000.00 payment is included in the Contract's draw schedule and therefore is included when calculating the total amount of payments made by the Blazeks to Finish Werks under the terms of the Contract. (CPD Ex. 4A, CPD Blazek 025).

65. The Blazeks selected Finish Werks Corp. as their builder because they wanted an energy efficient home and building a modular home such as those from Finish Werks Corp. was faster and less expensive than traditional stick-built homes. (Blazek Testimony).

66. The Blazeks purchased the lot on Waterwood Trail because they had always wanted a home with a view of the water. (Blazek Testimony). The Blazeks discussed with Respondents Woodward and Finish Werks Corp. having a one level home with wheelchair accessibility, due to Mr. Blazek's health conditions. (*Id.*). In addition, the Blazeks wanted their home to have a walk-out basement so that Mr. Blazek could use his electric wheelchair to go from the basement to their waterfront area and dock without encountering any stairs. (*Id.*). The plans for the Blazek home created by Respondents Woodward and Finish Werks Corp. incorporated these requests. (*Id.*).

67. The Contract the Blazeks entered into with Respondent Finish Werks Corp. provides that the Blazeks' money will be placed into "Finish Werks, General Operations ACCT" with the account number ending in 0127. (CPD Ex. 4B at 008).

68. Between April and June 2015, the Blazeks made three advance payments to Finish Werks, each by personal check, in the total amount of \$29,750.00, representing more than 5% of their Contract price. (CPD Ex. 4A). Respondent Finish Werks Corp. deposited the Blazeks' money in a Finish Werks Corp. checking account for which Respondent Woodward was a signatory. (*Id.*). At least one of the checks, in the amount of \$25,000.00, was deposited into the general operations account with the account number ending in 0127 for which Respondent Woodward was a signatory. (CPD Exs. 4A at 003; 10K; Schafer Testimony; Wells Fargo Bank Records).

which Respondent Woodward was a signatory. (CPD Exs. 4C at 027; 10K; Schafer Testimony; Wells Fargo Bank Records).

70. The modular home was set on the foundation at the Blazeks' site on or about October 15, 2015. (Blazek Testimony).

71. Pursuant to Schedule C of the Blazeks' Contract, Respondent Finish Werks Corp. opened a joint checking account ending in x1505 in its name, with Mr. Blazek and Respondent Woodward as signatories. (Wells Fargo Bank Records, Volume 1, tab A; Blazek Testimony).

72. Between August and September 2015, the Blazeks made, or had made on their behalf, two payments to Finish Werks Corp., by wire transfer, in the total amount of \$338,000.00. (CPD Ex. 4C at 029, 031). The Blazeks' payments were deposited into the joint Finish Werks Corp. account ending in x1505 for which Respondent Woodward was a signatory. (*Id.*). No subcontractors, suppliers, or materialmen were paid out of the account ending in x1505. (*Id.*).

73. Schedule C of the Blazek Contract required that the Blazeks give exclusive permission before funds were released from the joint account, and that both Finish Werks Corp. and the Blazeks be present for each draw disbursement. (CPD Ex. 4B at 025). Respondents Woodward and Finish Werks Corp. did not obtain permission from the Blazeks prior to every withdrawal they made. (Blazek Testimony). In addition, the Respondents made withdrawals from the account without the Blazeks' presence. (*Id.*). On July 1, 2016, the Respondents made a withdrawal from the account despite Mr. Blazek explicitly telling the Respondents not to make any more withdrawals from the account until the Respondents corrected defects and completed punch list items in the home. (Blazek Testimony; *See* Ex. 4C at 054).

74. By July 1, 2016, the Respondents had withdrawn all funds deposited by the Blazeks from the joint account. (Ex. 4C at 054; Blazek Testimony).



75. Between November 2015 and March 2016, the Blazeks made, or had made on their behalf, two payments to Finish Werks, by personal check, in the total amount of \$20,370.00. (Ex. 4C at 36 & 45). The Blazeks' payments were deposited into a Finish Werks Corp. account with the account number ending in 4133 for which Respondent Woodward was a signatory. (Ex. 10K; Schafer Testimony; Wells Fargo Bank Records).

76. The total amount paid by the Blazeks to the Respondents over the course of construction equaled \$485,290.00. (CPD Exs. 4A, 4C; Blazek Testimony). The Blazeks paid the full amount they owed under the contract and any additional amounts Finish Werks Corp. requested from them. (*Id.*).

77. The Blazeks did not obtain a loan to pay for the construction of their home but rather used their own money from years of saving. (Blazek testimony; *See* CPD Ex. 4C).

78. None of the payments received by Respondent Finish Werks Corp. from the Blazeks were accepted in the name of the escrow account. (*See* CPD Ex. 4A; 4C).

79. The Blazeks visited their lot the day the modules were set on the foundation and noticed that the foundation was set too deep in the ground, requiring numerous stairs on the outside of the home to get from the basement door to ground level and, therefore, could not be built as a walk-out basement as the Blazeks requested. (CPD Ex. 4N at 249—253; Blazek Testimony).

80. The Blazeks received their Use and Occupancy Permit on or about July 1, 2016. (Blazek Testimony).

81. Immediately upon taking occupancy, the Blazeks discovered multiple defects and examples of poor workmanship in their new home, including, among other issues, incorrectly



shower seat and door in the master bathroom. These defects were significant safety hazards for Mr. Blazek because of his limited mobility. (Blazek Testimony; CPD Exs. 4D, 4I, 4K, 4N, & 4O at 261-64).

82. Although having received progress payments and been paid in full, Respondent Finish Werks Corp. never delivered to the Blazeks a list of subcontractors, suppliers, and materialmen who provided more than \$500 of goods or services and indicated which of those had been paid. (Blazek Testimony). Without this information, the Blazeks could not determine whether Respondent Finish Werks Corp. actually paid the subcontractors, suppliers, and materialmen who provided goods and services for the construction of the Blazeks' home. (*Id.*).

83. Respondent Finish Werks Corp. failed to provide the Blazeks with waivers of lien from all applicable subcontractors, suppliers, or materialmen within a reasonable time after the final payment for the goods or services they provided. (Blazek Testimony). Respondent Finish Werks Corp. never provided any waivers of liens to the Blazeks. (Blazek Testimony; CPD Ex. 4O at 256-57).

84. The Blazeks were told by some subcontractors that they had not been paid for work performed or materials supplied for the construction of the Blazeks' home and for which the Blazeks had paid Respondent Finish Werks Corp. (Blazek Testimony; CPD Ex. 4O at 256-64, & 4E).

85. On or about June 28, 2016, the Blazeks received from Universal Remodeling a notice of intent to claim a lien totaling over \$16,950.00 for work that had been performed but for which Finish Werks Corp. failed to pay Universal Remodeling. (Blazek Testimony; CPD Exs. 4E at 057, & 4O at 256-64).

86. On or about August 30, 2016, the Blazeks received from Southern Drywell, Inc. ("Southern Drywell") a Notice of Intent to Claim a Mechanics' Lien totaling \$16,875.00 for

work that had been performed but for which Finish Werks Corp. failed to pay to Southern Drywell; and, eventually, Southern Drywell filed for and obtained a mechanics' lien on the Blazeks' home despite the Blazeks having paid Finish Werks Corp. for the work. (Blazek Testimony; CPD Exs. 4E at 058-148; 4O at 256-64).

87. The Blazeks were also advised by Agape Plumbing that Respondent Finish Werks Corp. failed to pay them approximately \$5,000.00 for work and materials provided to construct the Blazek home. (CPD Ex. 4O at 261-64).

88. The Blazeks hired an attorney to assist them in attempting to resolve their issues with Respondent Finish Werks Corp., including addressing the defects and notices of liens the Blazeks received. (Blazek Testimony; *See* CPD Ex. 4O).

89. On or about September 2, 2016, the Blazeks, through counsel, wrote to the Respondents demanding resolution of the notices of liens the Blazeks received and releases of liens, and noting that the Blazeks found numerous construction defects that needed correction by Finish Werks Corp. (Blazek Testimony; CPD Ex. 4O at 256-57).

90. On November 8, 2016, Respondent Woodward advised the Blazeks via email that Respondent Finish Werks Corp. was insolvent. (Blazek Testimony; CPD Ex. 4O at 258). Respondent Woodward also acknowledged that Southern Drywell had not been paid, and advised the Blazeks that they should pay Southern Drywell, despite having already paid Finish Werks Corp. for the work. (Blazek Testimony; CPD Ex. 4O at 259).

91. On November 16, 2016, the Blazeks, through counsel, again wrote to the Respondents describing the poor workmanship at the Blazeks' home, requested that Finish Werks Corp. make the required repairs and completions of work, and demanded resolution of the

92. On November 18, 2016, Southern Drywell, Inc. filed a Petition to Establish and Enforce Mechanics' Lien and for damages. (Ex. CPD 4E at 059 – 148). A lien was established on the Blazeks' property and remains in place to this day. (*Id.*).

93. On November 16, 2016, and March 6, 2018, the Blazeks, through counsel, again wrote to Respondents describing the poor workmanship at the Blazeks' home, requested that Finish Werks Corp. make the required repairs and completions of work, and demanded resolution of the notices of liens. (Blazek Testimony; CPD Ex. 4O at 261-64).

94. Respondents Woodward and Finish Werks Corp. corrected some, but not all, of the defects in the Blazek home. (Blazek Testimony). Moreover, the attempt by the Respondents to correct some issues, such as the broken railing on the steps to the front porch, created other defects that required correction. (Blazek Testimony; CPD Ex. 4K at 188-89).

95. The Blazeks obtained an estimate from Pat Long Contracting & Home of \$28,500.00 to repair and complete the defective and incomplete work. (Blazek Testimony; Ex. 4L at 190- 191).

96. The Blazeks hired Precision Home Services LLC and Gutters Unlimited to correct some defects described in the Pat Long Contracting estimate, including, among other things, replacing defective gutters, reinstalling the shower seat and door in the master bathroom, correcting defects in the drywall throughout the home, and repainting the walls and ceilings. (Ex. 4L at 202—208). Precision Home Services LLC also corrected other defects in the home that were not included in the Pat Long Contracting estimate. (*Id.*).

97. Several defects still exist in the Blazek home, including, among other things, a broken railing on the steps to the front porch, gaps and/or bulges in the flooring, and no structural supports underneath the indoor stairs to the basement. These defects are significant

safety hazards that have diminished the Blazeks' ability to use and enjoy the home as intended.

(Ex. 4K at 188—189 & 4N at 241—248; Blazek Testimony).

98. The following is the Blazeks' cost to correct the Respondents' defects:

<b>Blazeks' Home Defect Costs</b>					
<b>Purpose of Payment</b>	<b>Contractor</b>	<b>Amount Paid</b>	<b>Date of Payment</b>	<b>Evidence of Payment</b>	<b>CPD Exhibit #</b>
Repair Shower door and seat that fell out of wall; repair cracked bathroom walls and ceiling	Precision Home Services	\$600.00	October 2020 – May 2021	Estimate, Checks	4L, CPD Blazek 204-206
Repair and Replace cracked bedroom ceiling	Precision Home Services	\$650.00	October 2020 – May 2021	Estimate, Checks	4L, CPD Blazek 204-206
Repair and Replace cracked living room ceiling and uneven drywall thickness	Precision Home Services	\$1,300.00	October 2020 – May 2021	Estimate, Checks	4L, CPD Blazek 204-206
Painting living and dining room walls, kitchen walls for walls that only had primer applied	Precision Home Services	\$700.00	October 2020 – May 2021	Estimate, Checks	4L, CPD Blazek 204-206
Replacement of buckling basement bathroom floor	Precision Home Services	\$1,000.00	October 2020 – May 2021	Estimate, Checks	4L, CPD Blazek 204-206
Repair kitchen ceiling due to roof leak	Precision Home Services	\$850.00	October 2020 – May 2021	Estimate, Checks	4L, CPD Blazek 204-206

Replace garage door and trim improperly attached	Precision Home Services	\$700.00	October 2020 – May 2021	Estimate, Checks	4L, CPD Blazek 204-206
Paint middle bathroom walls	Precision Home Services	\$400.00	October 2020 – May 2021	Estimate, Checks	4L, CPD Blazek 204-206
Replace garage ceiling lights that fell out	Precision Home Services	\$00.00 <sup>20</sup>	October 2020 – May 2021	Estimate, Checks	4L, CPD Blazek 204-206
Replacement of faulty gutters – improperly attached causing leaking downspouts	Gutters Unlimited, Inc.	\$1,800.00	11/11/2021	Invoice, Check	4L, CPD Blazek 207-208
Remaining defects cited in Pat Long Contracting Estimate <sup>21</sup>	Pat Long Contracting	\$18,305.00	2/25/2018	Estimate of \$23,605.00 <sup>22</sup> minus portion of estimate attributable to work performed by Precision Home Services: Drywall repairs and shower door (\$2,500); basement floor repair (\$1,000.00); and Gutter repair (\$1,800.00)	4L, CPD Blazek 190-191
<b>Total Cost to Remedy All Defects - \$26,305.00</b>					

<sup>20</sup> This is my estimate of the value for this repair based on Carl Blazek's testimony that Precision Home Services charged \$2,400.00 to address the overhead lights that fell out of the garage ceiling and to add additional electrical circuits in the garage. The addition of electrical circuits is outside the scope the Contract with Finish Werks. No evidence of the breakdown of the \$2,400.00 charge was provided, thus I am unable to make a determination as to the value of the replacement of the garage ceiling lights.

<sup>21</sup> Defects listed in this estimate that do not overlap with Precision Home Services estimate include: garage floor crack, garage stair step, back porch kick plate, basement steps handrail, unsecure basement steps, exterior handrail to basement, installing missing hangers under deck flooring, and repairing sliding doors.

<sup>22</sup> I deducted \$4,700.00 from the Pat Long Estimate because the original \$28,500.00 estimate included an estimate of \$6,500.00 to repair the gutters. As the gutters were replaced by Gutters Unlimited for \$1,800.00, the Pat Long Estimate for this repair is reduced by \$4,700.00 (\$6,500.00 - \$1,800.00). I also deducted \$195.00 for patching the garage floor because the Claimants never provided the Respondents with notice of that defect.

99. The Blazeks incurred other expenses totaling \$20,000 which they paid to an attorney to assist them in addressing the issues with Finish Werks. (CPD Ex. 4L at 203; Blazek Testimony).

100. Respondent Finish Werks Corp. failed to deliver to the Blazeks a list of subcontractors, suppliers, and materialmen who provided more than \$500 of goods or services, and indicate which of those had been paid. (Blazek Testimony). Without this information, the Blazeks could not determine how much of the money paid to Respondent Finish Werks Corp. was actually paid to subcontractors, suppliers, and materialmen, and how much was still being held by Respondent Finish Werks Corp. (*Id.*).

101. The Respondents did not inform the Blazeks that they would not deliver to the Blazeks a list of subcontractors, suppliers, and materialmen who provided more than \$500 of goods or services, and indicate which of those had been paid. (Blazek Testimony).

102. The Respondents failed to provide the Blazeks with waivers of lien from all applicable subcontractors, suppliers, or materialmen within a reasonable time after the final payment for the goods or services they provided. The Respondents never provided waivers of liens to the Blazeks. (Blazek Testimony).

**b. Facts Applicable to Daniel ("Ray") and Glenda Weber**

103. In or about July 2014, Ray and Glenda Weber ("the Webers"), began communicating with Respondents Finish Werks Corp. and Mr. Woodward about constructing a home on the Webers' lot at 7715 Locust Wood Road, Severn, Anne Arundel County, Maryland. (Glenda Weber ("G. Weber") Testimony; CPD Ex. 5A). The Webers describe themselves as environmentally conscious—Glenda Weber was a naturalist in her career before retirement—and

Testimony). The Webers told the Respondents that they wanted, among other things, a ductless HVAC system installed in their home, with a budget of approximately \$350,000.00. (CPD Ex. 5A at 001; G. Weber Testimony). In response, Respondent Woodward indicated that the Webers' project was "exactly, directly, right up our alley," and that Mr. Woodward was "a real fan of the minisplit movement." (*Id.*).

104. On or about October 8, 2015, the Webers contracted with Respondent Finish Werks Corp. to construct a custom home on the Webers' lot for the purchase price of \$347,469.00. (CPD Ex. 5C). The custom home contract was ratified by Respondent Woodward for Finish Werks Corp. (CPD Ex. 5C at 037). The contract included a schedule of values, which indicated what Finish Werks Corp. would provide pursuant to the contract, and the cost to the consumer for each line item. (CPD Ex. 5C at 038-43; G. Weber Testimony).

105. The custom home contract Respondent Finish Werks Corp. entered into with the Webers failed to expressly state that any and all changes that are to be made to the contract shall be recorded as "change orders" that specify the change in the work ordered and the effect of the change on the price of the house. Instead, the contract language attempted to limit which changes required a change order with language such as, "If changes significantly alter the character of the work or add items, a Change Order ("CO") will be executed. . . ." (CPD 5C at 033).

106. The custom home contract Respondent Finish Werks Corp. entered into with the Webers provides for the contract price to change based on some items that are identified as "Allowances" and the listed price is "a placeholder for the Buyers final selection, ... When an Allowance is finalized, a Change Order is executed." (CPD 5C at 033).

107. Between entering into the contract and February 2016, Finish Werks Corp. revised the contract price to include the carport, finished garage, a change in price for the modules, and



water connection to the meter, which resulted in a revised contract price of \$390,588.00. (CPD 5C at 052-57).

108. Neither the original schedule of values, nor its subsequent revisions, specified whether the HVAC system to be provided by Finish Werks Corp. would be a ductless system. (CPD Ex. 5C at 038-43 and 053-57). However, the Webers continually expressed their desire for a ductless system to Finish Werks Corp. and believed that Finish Werks Corp. would be installing a ductless system in the home. (CPD Exs. 5A, 5C, 5H at 098; G. Weber and Daniel Weber ("D. Weber") Testimony).

109. On or about April 2016, the Webers discovered that Finish Werks Corp. had installed a ducted HVAC system in the Weber home. (CPD Ex. 5H at 098; G. Weber Testimony). After discussion between the Webers and Finish Werks Corp. about the HVAC, the parties agreed that part of the ducted system would remain in place to service the attic, the rest of the ducted system would be removed at no cost to the Webers, and a ductless system would be installed for the first floor and basement. (*Id.*). These changes resulted in an increase of \$8,650 to the contract price of the home. (CPD Ex. 5I at 104, G. Weber Testimony).

110. Additional changes were made to the scope of work during the course of construction and price overages were identified, which, along with the changes made to the HVAC system, resulted in an increase in the final contract price to \$403,638.00. (CPD Exs. 5C, 5H at 097, 5I at 104; G. Weber Testimony). No other price changes were reflected by a change order (or even an agreement of the parties), including no other change orders were executed for Allowances. (G. Weber Testimony).

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Weber Contract Price			
Record of Agreement	Amount Agreed to Pay	Date of Agreement	CPD Exhibit #
Revised Schedule of Values	\$390,588.00	2/12/2016	5C, CPD Weber 057
Emails Confirming Cost of Addition of Concrete Slab to Carport	\$4,400.00	4/11/2016	5H, CPD Weber 097, 100
Change Order for Ductless HVAC	\$8,650.00	5/9/2016	5I, CPD Weber 103-104
<b>Webers' Total Contractual Obligation to Finish Werks</b>	<b>\$403,638.00</b>		

111. The contract the Webers entered into with Respondent Finish Werks Corp. provides that the Webers' money will be placed into "Finish Werks, General Operations ACCT". (CPD Ex. 5C at 036).

112. Between September 19, 2014, and October 8, 2015, the Webers made four advance payments to Finish Werks, all by personal check, in the total amount of \$72,929.00, representing more than 5% of their contract price. (CPD Exs. 5B at 010, 016, 020, 5D at 058, and 100; G. Weber Testimony; Schafer Testimony). Respondent Finish Werks Corp. deposited the Webers' money in Finish Werks Corp. checking accounts ending in x0127 and x5904, for which Respondent Woodward was a signatory. (*Id.*).

113. Between January and May 2016, the Webers made six payments to the Respondents, all by personal check, in the total amount of \$258,159.00. (CPD Exs. 5F, 5I, 100; G. Weber Testimony; Schafer Testimony.) On or about May 2, 2016, Glenda Weber met with Respondent Finish Werks Corp.'s project manager at the Weber construction site. (G. Weber Testimony). The project manager told Glenda Weber that Finish Werks Corp. needed additional funds to continue to do work on the project and requested payment in advance for the work to be done on the garage and carport. (*Id.*). At that time, no work had been done on the garage and only the

framing for the carport slab had been started. (*Id.*; *see also* Ex. 5H at 099-100). That day, Glenda Weber made a payment by check to Finish Werks in the amount of \$51,715.00. (CPD Ex. 5I at 101; G. Weber Testimony). The carport slab framing later failed at least one inspection and would eventually require correction by a third party at additional expense to the Webers. (*Id.*).

114. Respondent Finish Werks Corp. deposited the Webers' six personal checks into a Finish Werks Corp. checking account ending in x5904, for which Respondent Woodward was a signatory. (*Id.*).

115. The total amount paid by the Webers to Finish Werks Corp. over the course of construction equaled \$328,013.00. (CPD Exs. 5B, 5D, 5F, 5I; G. Weber Testimony.)

Weber Payments to Finish Werks Corp.					
Finish Werks Account #	Purpose of Payment	Amount Paid	Date of Payment	Payment Method	CPD Exhibit #
0127	Portion of pre-contract payments considered deposits to be credited under the Contract <sup>23</sup>	\$3,985.00	10/8/2015	Personal Check	5B, CPD Weber 010, 016, 020, and 043
5904	Draw 1 & 2	\$65,869.00	10/8/2015	Personal Check	5D, CPD Weber 058
5904	Incremental Deposit/Draw	\$35,000.00	1/31/2016	Personal Check	5F, CPD Weber 065
5904	House Modules	\$104,415.00	1/31/2016	Personal Check	5F, CPD Weber 066

<sup>23</sup> The Webers made three payments totaling \$7,060.00 to Finish Werks prior to entering into the Contract for new home construction. CPD Ex. 5B, CPD Weber 010 (\$2,000.00 check dated September 19, 2014 for "1<sup>st</sup> Payment on

5904	Anne Arundel County Building Permits and Fees	\$11,189.00	2/11/2016	Personal Check	5F, CPD Weber 067
5904	New Draw #4 Completion	\$32,815.00	2/14/2016	Personal Check	5F, CPD Weber 068
5904	Garage & Carport	\$51,715.00	5/2/2016	Personal Check	5I, CPD Weber 101
5904	Invoice and Change Order #1003	\$23,025.00	5/10/2016	Personal Check	5I, CPD Weber 104
<b>Total Paid to Finish Werks under the Contract:</b>		<b>\$328,013.00</b>			

116. Between May and August 2016, the Webers became concerned that the construction of their home had slowed considerably and requested to meet with Respondent Woodward at the property. (G. Weber Testimony.)

117. On or about August 18, 2016, Respondent Woodward met with the Webers at the construction site and advised them that Respondent Finish Werks Corp. was insolvent and would not complete construction of the home (CPD Ex. 5J; G. Weber Testimony). Items that were not completed included, among other things, the carport (including the correction of the slab framing), garage, plumbing, HVAC, sprinkler system, driveway, plus correction or repair of poor workmanship related to drywall, trim, windows, built-in bookshelves, stairs, and railings. (CPD Exs. 5J, 5K, 5P, 5O, 5Q; G. Weber Testimony, D. Weber Testimony).

118. Between late August 2016 and January 2017, the Webers communicated via email with Respondent Woodward and other Finish Werks representatives regarding the status of their project and, specifically, the accounting of the Webers' money received and spent by Respondent Finish Werks Corp. (CPD Ex. 5K at 113 & 123, 5M; *see* CPD Ex. 5K). Numerous

times via email, the Webers requested from the Respondents an accounting of their project, including a list of the subcontractors who worked on the Weber home, and an indication of which subcontractors had been paid. (CPD Ex. 5K at 113 & 121-22, 5M). Respondent Finish Werks Corp. admitted in its responses that it failed to pay subcontractors who had provided work or materials for the Webers' home, and on September 5, 2016, provided an informal list of subcontractors that Finish Werks had failed to pay, including: a. Agape Plumbing, owed \$1,891.00, b. Charles Klein and Sons, owed \$23,126.00, c. Puebla Construction, owed \$7,317.00, d. Premier Fire Protection, owed \$5,000.00, e. Southern Drywell, owed \$17,340.00, f. Jones of Annapolis, owed \$5,270.00, and g. SRO Electric, with no amount given by Respondent Finish Werks Corp. (CPD Ex. 5K at 113 & 123; *see* 5K). Respondent Finish Werks Corp. failed to include any invoices for the unpaid work. (CPD 5K & 5M; G. Weber Testimony). Respondent Finish Werks Corp. stated in an email response on November 23, 2016, that gathering documentation of project costs was "near impossible", and that "the accounting was poorly managed and...we do not have documentation of all payments made." (CPD Ex. 5K at 123; *see* also CPD 5K at 113; *see generally* CPD 5K & 5M).

119. On or about October 26, 2016, Respondent Woodward wrote to the Webers stating that Finish Werks Corp. was insolvent and therefore was terminating the Contract, the home remained unfinished, some subcontractors had not been paid, and that Finish Werks Corp. contacted the county permit office and requested that it be released from the permits for the project. (CPD Ex. 5J at 106-07; G. Weber Testimony). Respondent Woodward also sent the Webers a copy of the letter he sent on behalf of Finish Werks Corp. to the county permit office requesting to be released from the project permits. (*Id.*).

homeowner's insurance would not cover the home while it was being built. (G. Weber Testimony). The total cost for the builder's risk insurance was \$3,939.83. (CPD Ex. 5L at 169—188; G. Weber Testimony).

121. In or about August 2016, the Webers received a letter from Southern Drywell, Inc., advising them that Southern Drywell had not been paid \$17,340.00 for the installation of a septic system and rain garden on the Webers' property, work for which the Webers paid Finish Werks Corp. (CPD Ex. 5L at 127; G. Weber Testimony).

122. The Webers contacted David Jones from Southern Drywell and discovered that Mr. Jones also owned and operated Jones of Annapolis, another subcontractor who had not been paid by Respondent Finish Werks Corp. (CPD Ex. 5L at 128-35; G. Weber Testimony). The Webers eventually paid Southern Drywell \$20,350.00 for the work done by Southern Drywell and Jones of Annapolis, in order to avoid potential liens on the Webers' property. (*Id.*).

123. On or about September 2016, the Webers received from Charles A. Klein & Sons, Inc., a notice of intent to claim a lien for work that had been performed on the heating, cooling, and ventilation systems in the Webers' home, but for which Respondent Finish Werks Corp. had failed to pay. (CPD Ex. 5L at 136; G. Weber Testimony). The Webers had paid Finish Werks Corp. for this work. (*Id.*).

124. On or about November 2016, Charles A. Klein & Sons, Inc., filed a Petition to Establish and Enforce a Mechanics' Lien against the Webers. (CPD Ex. 5L at 137-70; G. Weber Testimony). The Webers paid Charles A. Klein & Sons, Inc., a total of \$16,040.00 to avoid a potential lien on the Webers' property. (*Id.*).

125. On or about December 2016, the Webers contacted Premier Fire Protection Services, LLC ("Premier"), who informed the Webers that Premier was owed \$5,000.00 for work done on the fire sprinkler system in the Webers' home and had not been paid by

Respondent Finish Werks Corp. (CPD Exhibit 5L at 189, 191-93 & 206—207; G. Weber Testimony). The Webers had paid Finish Werks Corp. for the work and materials. (*Id.*). The Webers paid a total of \$4,000.00 to Premier to avoid a potential lien on the Webers' property. (*Id.*).

126. In or about December 2016, the Webers contacted SRO, Inc., who informed the Webers that SRO Inc. was owed \$1,725.00 for electrical work done in the Webers' home, and had not been paid by Respondent Finish Werks Corp. (CPD Ex. 5L at 190 & 194—205; G. Weber Testimony). The Webers had paid Finish Werks Corp. for the work and materials. (*Id.*). The Webers paid a total of \$1,725.00 to SRO, Inc., to avoid a potential lien on the Webers' property. (*Id.*).

127. In or about December 2016, the Webers contacted Agape Plumbing, who informed the Webers that Agape Plumbing was owed \$1,821.00 for plumbing work done in the Webers' home, and had not been paid by Respondent Finish Werks Corp. (CPD Ex. 5L at 208- 09; G. Weber Testimony). The Webers had paid Finish Werks Corp. for the work and materials. (*Id.*). The Webers paid a total of \$1,821.00 to Agape Plumbing to avoid a potential lien on the Webers' property. (*Id.*).

128. The Webers paid a total of \$43,936.00 to Finish Werks Corp.'s subcontractors, suppliers and materialmen to avoid potential liens. (CPD Ex. 5L, CPD Weber 128-135, 170, 189, 190).

129. As a result of Respondent Finish Werks Corp.'s abandonment of their project, in addition to the \$43,936.00 the Webers paid to Finish Werks Corp.'s subcontractors to avoid potential liens being placed on their home, the Webers acted as their own general contractor

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130. The Webers paid over \$194,446.64 to complete the home, including, among other things, the builder's risk insurance, work on the HVAC system, roof, porch, plumbing, electrical, sprinkler system, drywall, built in bookshelves, railings, stairs, driveway, garage, carport, plus numerous repairs and corrections of poor workmanship by Finish Werks Corp. (CPD Exs. 5N, 5O, 5Q; D. Weber Testimony). One such repair involved repairing and replacing parts of the stairs from the first floor to the basement. (D. Weber Testimony; CPD Ex. 5Q at 350-353, 369). Another repair of poor workmanship involved extensive work to reinforce the south foundation wall, which was separating away from the rest of the foundation. (D. Weber Testimony; CPD Ex. 5Q at 327-328). This repair required that the completed deck on the home be disassembled and then reconstructed with different dimensions after the foundation was corrected, to accommodate the reinforcements around the south wall. (*Id.*).

131. Daniel Weber and his family spent 1,324 hours working on projects to complete the home, including grading, constructing the garage, installing flooring, interior carpentry, drywall finishing, and interior painting. (D. Weber Testimony; Ex. 5Q). Although Mr. Weber has experience in construction and carpentry, neither he nor his family members are professionals in those trades. (D. Weber Testimony). Mr. Weber indicated that a reasonable rate for the work done by Mr. Weber and his family, based on his experience, skill, and the professional rates listed for Finish Werks Corp. employees in Section 6(h) of the Webers' contract, would be \$40.00 per hour, amounting to a total value of \$52,960.00. for work performed by the Weber Family. (CPD Ex. 5C at 033; D. Weber Testimony).

132. Additionally, Finish Werks Corp. failed to secure the home to the foundation and failed to provide the Energy Star Certification/NGBS Certification, window guards, and chases, all of which will cost the Webers over \$5,291.00 to obtain, if they can be obtained. (CPD Ex. 5C at 38—39; D. Weber Testimony).

133. The following is the Webers' cost to correct the Respondents' defects:

Ray and Glenda Weber's Home Completion Costs and Other Losses					
Purpose of Payment	Contractor or Supplier	Amount Paid	Date of Payment	Evidence of Payment	CPD Exhibit #
<b>Modular Home Completion and Foundation Repair Costs</b>					
Modular Completion-Exterior and Interior of Home	R.M. Garhart & Sons	\$66,667.00	11/11/2016 - 3/22/2017	Personal Checks 1011, 1012, 1028, 1029, 1041, 1042, 1046	5N, CPD Weber 234-240, 241-243
Repair of Foundation Defect (See Garver's Construction estimate at 5N, CPD Weber 312)	R.M. Garhart & Sons	\$17,500.00	8/14/2021 8/24/2021 8/30/2021	Personal checks	5N, CPD Weber 313
Materials for Garhart's Correction of Basement Stair Framing	Lowe's, Home Depot, Office Max	\$193.65	2/20/2017-03/18/2017	Receipts	5N, CPD Weber 288-289
Materials used in foundation repair work	Home Depot, Harbor Freight, Lowe's	\$1,053.50	8/13/2021-9/24/2021	Receipts	5N, CPD Weber 314-317
Deck reconstruction required by foundation repairs	Fence & Deck Connection	\$846.50	9/3/2021 9/13/2021	Order Confirmations	5N, CPD Weber 318-319
Waterproofing material for deck rebuild	DecoSealers.com	\$205.00	8/31/2021	Order Confirmation	5N, CPD Weber 320
Labor of Weber Family on Foundation	Ray Weber (11 hrs.) and Whit Weber (11 hrs.)	\$880.00	6/1/2019		Ray Weber Testimony
Labor of Weber Family on Deck deconstruction and rebuild	Ray Weber (76 hrs.)	\$3,040.00	Aug. - Sept. 2021		Ray Weber Testimony
<b>Rough Grading and Septic System Costs</b>					
Storm Water Management	IDB Contracting	\$1,750.00	1/27/2018	Personal Check 151	5N, CPD Weber 215-217
Site Work-Engineering	Development Facilitators, Inc.	\$1,000.00	1/9/2018	Personal Check 150	5N, CPD Weber 218-225, 226
Site Work-Engineering	Development Facilitators, Inc.	\$475.00	3/12/2018	Personal Check 153	5N, CPD Weber 218-225, 226
Site Work-Engineering	Development Facilitators, Inc.	\$318.25	4/10/2018	Personal Check 1401	5N, CPD Weber 218-225, 229
Labor for Rough Grading	Ray Weber (120 hrs.) and Whit Weber (80 hrs.)	\$8,000.00	8/20/2016-10/22/2016		Ray Weber Testimony



Home Completion and Defect Repair Costs					
Materials to replace exterior handrail	Lowe's and Home Depot	\$76.81	4/23/2017-5/24/2017	Receipts	5N, CPD Weber 291-292
Labor of Weber Family to Replace Exterior Handrail	Ray Weber (6 hrs.)	\$240.00	Apr. - May 2017		Ray Weber Testimony
Modular Completion Exterior, Roof Leak Repair	Daniel's Services	\$600.00	5/17/2017	Cash \$125.00 and Personal Check 1062	5N, CPD Weber 232
Weber Family Labor Repairing Roof Leak	Ray Weber (3 hrs.)	\$120.00	5/1/2017		Ray Weber Testimony
Materials to Construct Skylights	Lowe's and Home Depot	\$92.60	12/13/2016	Receipts	5N, CPD Weber 290
Weber Family Labor to Replace Skylights	Ray Weber (7 hrs.)	\$280.00	Dec-16		Ray Weber Testimony
Weber Family Labor to Repair Stairwell Framing	Ray Weber (41 hrs.) and Whit Weber (3 hrs.)	\$1,760.00	Mar. - May 2017		Ray Weber Testimony
Weber Family Labor Repair Bookcase Wall	Ray Weber (96 hrs.)	\$3,840.00	Nov. 2016 - Jan. 2017		Ray Weber Testimony
Material Costs to Repair Gaps In Order to Pass Blower Door Test	Lowe's and Home Depot	\$373.88	4/17/2017 - 5/27/2018		5N, CPD Weber 284-287
Weber Family Labor to Repair Insulation Gaps	Ray Weber (98 hrs.)	\$3,920.00	Apr. - May 2017, Feb. 2018, May 2018, Nov. 2019		Ray Weber Testimony
Blower Door Test	Energy Services Group	\$500.00	6/5/2017, 06/07/2017	Visa Credit Card and Personal Check 1066	5N, CPD Weber 306-307
Interior paint	Sherwin Williams	\$197.81	12/02/2016-02/04/2017	Receipts	5N, CPD Weber 268
Weber Family Labor to Paint Interior	Ray Weber (69 hrs.), Glenda Weber (2 hrs.), Whit Weber (2 hrs.), and Rowan Weber (2 hrs.)	\$3,000.00	Nov. 2016 -		Ray Weber Testimony
Weber Family Labor to Install Loose Cabinets	Ray Weber (4 hrs.) and Whit Weber (4 hours)	\$320.00	Nov. 2017		Ray Weber Testimony
Weber Family Labor to Install Kitchen Countertop	Ray Weber (3hrs)	\$120.00	5/1/2017		Ray Weber Testimony
Completion and Repair Costs at Mateline					
Materials to Complete Flooring at Mateline	John Wilson's Lumber Company & Home Depot	\$199.53	4/22/2017-5/23/2017	Receipts	5N, CPD Weber 261-262, 283
Mateline Wall and Flooring Repair Materials	Home Depot and Lowe's	\$28.74	06/27/2020-01/07/2021	Receipts	5N, CPD Weber 310

Weber Family Labor Repairing Mateline Flooring	Ray Weber (40 hrs.)	\$1,600.00	Apr. - May 2017		Ray Weber Testimony
Weber Family Labor Repairing Mateline Wall and Ceiling	Ray Weber (22 hrs)	\$880.00	May 2017, January 2021		Ray Weber Testimony
Materials for Interior Handrail Repairs	Lowe's, Home Depot, John Wilson's Lumber Company	\$298.06	3/12/2017 - 5/22/2017	Receipts	5N, CPD Weber 269- 271
<b>Sprinkler System Costs</b>					
Fire Sprinkler System	Premiere Fire Protection Services	\$4,000.00	12/19/2016	Check 1021	5L, CPD Weber 189
<b>HVAC Costs</b>					
Materials for Missing Exhaust Ducting Installed by Ray Weber	Lowe's	\$31.93	2/27/2022	Receipt	5N, CPD Weber 321
Weber Family Labor to Install Exhaust Duct	Ray Weber (12 hrs.)	\$480.00	Feb. 2022		Ray Weber Testimony
<b>Electrical Costs</b>					
Electric Materials	CGH Electric	\$1,040.00	5/25/2017	Personal Check 1335	5N, CPD Weber 244- 245
Electric Receipts	CGH Electric	\$729.99	12/24/2016- 06/28/2017		5N, CPD Weber 276
Light Bulbs	CGH Electric	\$229.37	12/11/2016- 05/20/2017		5N, CPD Weber 282
Postage to cancel SRO's permit	USPS	\$13.18	3/18/2017		5N, CPD Weber 275
Weber Family Labor Assisting CGH Electric	Ray Weber (20 hrs)	\$800.00	Apr. - May 2017		Ray Weber Testimony
<b>Plumbing Costs</b>					
Plumbing Modular Tie- ins, Conduit to Garage	AGAPE Plumbing	\$1,550.00	12/20/2017, 12/21/2017	Personal Checks 1140, 1141	5N, CPD Weber 251
<b>Garage Completion Costs</b>					
Stone Base for Garage Slab	Stone Shooters, Inc.	\$640.00	6/5/2017	Personal Check 1070	5N, CPD Weber 252, 255
Pour Garage Concrete Slab	KEB Construction	\$5,500.00	07/11/2017, 07/16/2017, 07/19/2017	Personal Checks 1077, 1075, 1079, 1078, Lowe's receipt 06/09/2017	5N, CPD Weber 256- 257

Garage Finish-Lumber and Roof Truss	John S. Wilson Lumber Company	\$8,474.97	4/6/2017 (\$6,277.88) 5/1/17 (\$168.81) 9/29/2017 (\$2,561.71) 9/29/17 (\$195.81)	Personal Checks and Reimbursement Receipts	5N, CPD Weber 258, 263, 309
Garage Roof and Soffit	Daniel's Services	\$8,793.00	10/8/2017 (\$2,000.00) 10/22/2017 (\$5,325.00) 10/27/2017 (\$1,468.00)	Personal Checks	5N, CPD Weber 264-267
Crane Installation of Garage Roof Trusses	Weber-Jerman	\$590.00	10/22/2017	Cash	Ray Weber Testimony
Garage Electrical	CGH Electric	\$885.00	12/4/2017	Personal Check 1133	5N, CPD Weber 248-249
Garage Door Materials	Home Depot & Lowe's	\$3,220.29	10/31/2017, 11/10/2017	Checking Statement	5N, CPD Weber 301
Materials for Garage Windows and Entry Door	Second Chance	\$519.40	8/5/2017 (\$477.00, \$42.40)	Receipts	5N, CPD Weber 300
Cost of Making Copies of Garage Plans for Subcontractors	FedEx Office & Office Max	\$480.28	03/12/2017-03/28/2017		5N, CPD Weber 302-303
Materials for Construction of Garage	Home Depot and Lowe's Receipts	\$2,485.03	3/12/2017-12/29/2017	Receipts	5N, CPD Weber 291-299, 301-302, 304-305
Weber Family Labor Constructing Garage	Ray Weber (450 hrs.), Glenda Weber (30 hrs), Whit Weber (120 hrs.)	\$24,000.00	June 2017 - Dec. 2017		Testimony of Ray Weber
<b>Driveway Costs</b>					
Stone for Base of Driveway	Stone Shooters, Inc.	\$1,485.09	5/11/2017 (\$690.00), December 2020 (\$795.09)	Personal Check 1061	5N, CPD Weber 253, Ray Weber Testimony
<b>Contractually Promised Specifications Webers Never Obtained</b>					
Contractually Promised IECC Energy Star Certification		\$1,553.00			5C, CPD Weber 053, Ray Weber Testimony
Contractually Promised NGBS Silver or Gold Certification		\$2,990.00			5C, CPD Weber 053, Ray Weber Testimony
Contractually Promised Awning Window (Received 1 and not 2)		\$575.00			5C, CPD Weber 054, Ray Weber Testimony

Additional Payments					
Builder's Risk Insurance	Freedom Insurance	\$3,004.78	8/31/2016-5/3/2017	Personal Checks and Online Payments	5L, CPD Weber 169-188
Total Costs Paid to Complete Construction		\$194,446.64			

*c. Facts Applicable to John and Monica Rosenquist*

134. On or about November 16, 2017, John and Monica Rosenquist (“the Rosenquists”) contracted with Respondent Finish Werks Custom Builders<sup>24</sup> to construct a custom home on the Rosenquists’ lot at 8751 Susanna Lane,<sup>25</sup> Chevy Chase, Montgomery County, Maryland, for the purchase price of \$855,460.60. (CPD Ex. 7B; Rosenquist Testimony). The custom home contract was ratified by Respondent Woodward for Finish Werks. (CPD Ex. 7B at 012; Rosenquist Testimony<sup>26</sup>).

135. On or about August 3, 2018, the parties to the contract agreed to a change order adding \$22,855.80 to the contract price, resulting in a total contract price of \$878,316.40. (CPD Ex. 7B at 035; Rosenquist Testimony).

John and Monica Rosenquist Contract Price			
Record of Agreement	Amount Agreed to Pay	Date of Agreement	CPD Exhibit #
Unsigned Copy of Contract Ratified by Consumer through Deposit Payment on 11/21/2017 <sup>27</sup>	\$855,460.60	11/16/2017	7B, CPD Rosenquist 007, 023, 032
Allowance Changes	\$22,855.80	8/3/18	7B, CPD Rosenquist 035

<sup>24</sup> For the Rosenquist Finding of Facts section, Finish Werks Custom Builders will be referred to as Finish Werks.

<sup>25</sup> This property is also known as 8727 Jones Mill Road. (Rosenquist Testimony).

<sup>26</sup> John Rosenquist testified on behalf of the CPD’s case.

<sup>27</sup> John Rosenquist testified that though the copy of the agreement in CPD Exhibit 7B, CPD Rosenquist 007-034 listing a “Total Purchase Price” of \$855,460.60 only bears the signature of Harris Woodward for Finish Werks, it is the initial contract that the Rosenquists agreed to enter into with Finish Werks in November 2017. (Rosenquist

Rosenquists' Total Contractual Obligation to FW:	\$878,316.40		
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136. Prior to engaging the services of Finish Werks, the Rosenquists hired an architect to create plans and drawings for their “dream” home. (Rosenquist Testimony).

137. On or about January 5, 2017, and August 28, 2017, the Rosenquists made two advance payments to Finish Werks, both by personal check, in the total amount of \$6,850.00. (CPD Ex. 7A; Rosenquist Testimony). These advance payments were for creating modular plans and drawings based on the Rosenquists’ architectural plans and drawings. (*Id.*).

138. The Rosenquist home was to be two and a half stories, made up of a modular foundation assembled on site, four modules, and a garage and greenhouse/solarium that were to be stick built on site. (Rosenquist Testimony). In addition, the Rosenquists requested several modifications to the home related to wheelchair accessibility, because the Rosenquists planned to stay in the home well into their old age and knew from caretaking for at least one of their parents that accessible spaces made aging in place much easier. (*Id.*).

139. On or about April 18, 2017, the Rosenquists made a payment to Finish Werks via PayPal in the amount of \$1,500.00 for a “final” design, including multiple revisions to the modular drawings. (CPD Ex. 7A at 005).

140. Finish Werks deposited the Rosenquist advance payments in a Finish Werks checking account for which Respondent Woodward was a signatory. (CPD Ex. 10M; Rosenquist Testimony).

141. The contract the Rosenquists entered into with Finish Werks provides that the Rosenquists’ money will be placed into “Finish Werks, General Operations ACCT.” (CPD Ex. 7B at 012).

142. On or about November 21, 2017, Tradition Title, LLC, made an advance payment on behalf of the Rosenquists in the total amount of \$110,985.00, which was deposited into Finish



Werks' checking account ending in 5968, for which Respondent Woodward was a signatory. (CPD Ex. 7C; 10M; Schafer Testimony; Well Fargo Bank Records, Volume I tab A).

143. In or about April 2018, Finish Werks broke ground on the Rosenquists' property and began prepping the site for installation of the modules, which included installing the foundation for the home and greenhouse. (Rosenquist Testimony).

144. The Rosenquists expected to move into their new home by September 2018, because Respondent Woodward told the Rosenquists that construction would take approximately five months after breaking ground. (Rosenquist Testimony).

145. On or about May 1, 2018, the Rosenquists made a payment by personal check to Finish Werks, in the amount of \$5,816.00 for the plumbing permit. (CPD Exhibit 7C AT 045 & 10M; Rosenquist Testimony). Finish Werks deposited the Rosenquists' payment into Finish Werks Custom Builders' checking account ending in x5980, for which Respondent Woodward was a signatory. (*Id.*).

146. Finish Werks set the modules on the house foundation in or about early May 2018. (Rosenquist Testimony).

147. After the modules were set, Mr. Rosenquist visited his lot frequently. (Rosenquist Testimony).

148. On May 7, 2018, the Rosenquists' lender made a payment by wire transfer on behalf of the Rosenquists to Icon Legacy Custom Modular Homes LLC, the modular manufacturer hired by Finish Werks to build the modules for the Rosenquists' home, in the amount of \$171,540.60, for partial payment of the amount due for the modules pursuant to the Rosenquist contract with Finish Werks. (CPD Ex. 7C at 048; Rosenquist Testimony).

drain tiles that were either not installed yet or were installed improperly, water was funneled toward the house and the basement flooded with water and mud. (Rosenquist Testimony). Finish Werks did not attempt to remediate the problem for approximately three weeks, despite having been promptly notified of the flood by the Rosenquists. (*Id.*). In that time, the Rosenquists shoveled and power washed the mud and sediment out of the basement themselves, along with a worker they hired, in order to speed up the remediation efforts. (*Id.*).

150. After the flood, Mr. Rosenquist learned from a contractor hired by Finish Werks that the drain tiles were improperly set and would need to be reset. (Rosenquist Testimony). Extensive work around the foundation of the home, which required the use of heavy earth moving equipment, was needed in order to reset the drain tiles. (*Id.*).

151. When Finish Werks attempted to reset the drain tiles, they cracked a foundation wall for the greenhouse/solarium and caused the south wall of the house foundation to bulge inward. (Rosenquist Testimony). Finish Werks replaced the greenhouse foundation wall and corrected the bulging foundation wall inside the home. (*Id.*).

152. In or about September 2018, the Rosenquists discovered that Finish Werks provided incorrect dimensions for the greenhouse foundation walls to Superior Walls, the manufacturer of the greenhouse foundation walls. (Rosenquist Testimony). This mistake created problems with structural stability of the greenhouse, and the county inspector refused to approve the inspection of greenhouse walls until the structural issues were remedied. (*Id.*).

153. Finish Werks failed to remedy the structural issues until January 2019, which delayed the progress of the project by four months and resulted in only three windows being installed in the greenhouse, rather than the four windows originally planned. (Rosenquist Testimony).

154. Between May 7, 2018, and April 2019, the Rosenquists' lender made eleven payments to Finish Werks on behalf of the Rosenquists, all by wire transfer, in the total amount of \$685,149.45, which were deposited into Finish Werks' checking account ending in x5980, for which Respondent Woodward was a signatory. (CPD Ex. 7C at 048-059; Rosenquist Testimony).

155. The Rosenquists were not notified by their lender, Respondents Woodward, or Finish Werks, when Finish Werks requested a draw or what work the draw was purportedly covering. (Rosenquist Testimony).

156. The total amount paid by or on behalf of the Rosenquists to or on behalf of Finish Werks pursuant to their contract equaled \$801,950.45. (CPD Exs. 7A, 7C & 10M).

John and Monica Rosenquist Payments to Finish Werks					
FW Account	Purpose of Payment	Amount Paid	Date(s) of Payment	Payment Method	CPD Exhibit #
5968	Deposit to Builder	\$110,985.00 <sup>28</sup>	11/21/2017	Check from Tradition Title, LLC	7C, CPD Rosenquist 044, 047
5980	Plumbing Permit	\$5,816.00	5/1/2018	Personal Check	7C, CPD Rosenquist 045
5980	Draw	\$171,540.60	5/7/2018	Wire Transfer	7C, CPD Rosenquist 048
5980	Draw	\$199,833.40	5/7/2018	Wire Transfer	7C, CPD Rosenquist 049
5980	Draw	\$22,855.80	8/16/2018	Wire Transfer	7C, CPD Rosenquist 050
5980	Draw	\$75,549.65	9/7/2018	Wire Transfer	7C, CPD Rosenquist 051
5980	Draw	\$42,810.00	10/17/2018	Wire Transfer	7C, CPD Rosenquist 052
5980	Draw	\$42,075.00	11/9/2018	Wire Transfer	7C, CPD Rosenquist 053
5980	Draw	\$44,000.00	1/9/2019	Wire Transfer	7C, CPD Rosenquist 054
5980	Draw	\$19,380.00	1/31/2019	Wire Transfer	7C, CPD Rosenquist 055
5980	Draw	\$40,880.00	2/12/2019	Wire Transfer	7C, CPD Rosenquist 056

<sup>28</sup> The Rosenquists made three payments totaling \$8,350.00 to Finish Werks prior to entering into their home construction Contract in November 2017. (See CPD Ex. 7A, CPD Rosenquist 001 (\$3,000.00 check to Finish Werks dated January 5, 2017), CPD Ex. 7A, CPD Rosenquist 005 (Invoice from Finish Werks for \$1,500.00 marked "Paid" dated April 19, 2017), CPD Ex. 7A, CPD Rosenquist 002 (\$3,850.00 check to Finish Werks dated August 28,



5980	Draw	\$16,275.00	3/11/2019	Wire Transfer	7C, CPD Rosenquist 057
5980	Draw	\$9,950.00	4/9/2019	Wire Transfer	7C, CPD Rosenquist 058
<b>Total Paid to FW Under Contract:</b>		<b>\$801,950.45</b>			

157. In early 2019, the Rosenquists sold their previous home; however, Respondents Woodward and Finish Werks had not finished building the Rosenquists' new home, forcing the Rosenquists and their adult daughter to move in with a family friend for approximately three months and then in a camper on the construction site for approximately three more months. (Rosenquist Testimony). In addition, the Rosenquists had to put most of their belongings into storage from approximately February 2019 until September 2019, which cost the Rosenquists a total of \$11,239.87. (CPD Ex. 7I at 339-40; Rosenquist Testimony).

158. By April of 2019, work on the project by Finish Werks had slowed considerably. Finish Werks' project manager advised the Rosenquists that work had slowed because he received only a small portion of the draws being paid to Finish Werks Custom Builders and, therefore, he struggled to pay for the work needed to complete the home. (Rosenquist Testimony).

159. The Rosenquists requested an in-person meeting with Respondents Woodward and Finish Werks Custom Builders to address the slow progress of construction. (Rosenquist Testimony). On April 12, 2019, Mr. Rosenquist, Respondent Woodward, Paul Martin, Sam Giordano, and Jonathan Rose, an attorney and friend of Mr. Rosenquist, met at the build site. (*Id.*). Although Mr. Rose is an attorney, Mr. Rosenquist did not hire Mr. Rose to represent him, and Mr. Rose attended the meeting merely as a friend to Mr. Rosenquist. (CPD Ex. 7D; Rosenquist Testimony).

160. At the April 12, 2019 meeting, the parties present discussed the progress of the build and the status of the project's accounting. (CPD Ex. 7D; Rosenquist Testimony). Mr. Rosenquist presented to Respondent Woodward a form from the Rosenquists' lender authorizing

loan draws to be released to Mr. Rosenquist, rather than Finish Werks Custom Builders. (*Id.*). Respondent Woodward signed the form. (*Id.*). Mr. Rosenquist also requested documentation on how project funds were spent, including a list of subcontractors who were owed money, which Respondent Woodward agreed to provide. (Rosenquist Testimony; *see* CPD Ex. 7D).

161. By April 28, 2019, the Rosenquists had not received a project accounting from Respondent Woodward, and Mr. Rosenquist sent an email to Respondent Woodward repeating the request. (CPD Ex. 7D; Rosenquist Testimony).

162. As of April 30, 2019, approximately twelve (12) months after Finish Werks broke ground on the project, the home was not completed, and the Rosenquists believed that Finish Werks had abandoned the project. (CPD Ex. 7D; Rosenquist Testimony). Additionally, the Rosenquists had not received the list of the subcontractors who had completed work on their home despite having requested the list multiple times, and despite having paid Finish Werks Custom Builders over \$800,000.00. (*Id.*).

163. The Rosenquists hired an attorney to assist them in addressing their issues with Respondents Woodward and Finish Werks and paid the attorney a total of \$16,000.00 for his assistance. (Rosenquist Testimony).

164. On or about May 31, 2019, the Rosenquists, through their attorney, wrote to Respondents Woodward and Finish Werks, requesting an accounting of the project and noting that Respondent Finish Werks Custom Builders had failed to perform its obligations under the contract or be responsive, and demanding resolution of the failure to complete the construction of the home. (CPD Ex. 7E at 063 — 066).

165. On or about June 21, 2019, the Rosenquists and their attorney met in person with

of the project, and Respondent Woodward and his attorney agreed to provide an accounting by July 3, 2019. (*Id.*).

166. Neither the Rosenquists nor their attorney received an accounting from Respondent Woodward after the June 21, 2019 meeting. The Rosenquists' attorney sent another letter repeating the requests and demands for the third time on July 26, 2019. (CPD Ex. 7E at 067 — 069; Rosenquist Testimony). Neither the Rosenquists nor their attorney received the requested information from Respondent Woodward or Finish Werks. (*Id.*).

167. The Rosenquists never received an accounting of their project from Respondents Woodward and Finish Werks. (Rosenquist Testimony).

168. The Rosenquists never received from Respondents Woodward and Finish Werks a list of subcontractors who had provided more than \$500.00 of goods or services, and indicating which subcontractors had been paid. (Rosenquist Testimony).

169. The Rosenquists never received any waivers of liens from Respondents Woodward and Finish Werks. (Rosenquist Testimony).

170. Finish Werks failed to complete the construction of the Rosenquists' home. After April 30, 2019, no further work on the Contract was performed by Finish Werks. (Rosenquist Testimony; *see* CPD Ex. 7H).

171. Respondent Woodward did not tell the Rosenquists that he had declared a previous company, Finish Werks Corp., insolvent. (Rosenquist Testimony).

172. Respondent Woodward did not tell the Rosenquists that he and Finish Werks Corp. did not complete another consumer's home due to insolvency. (Rosenquist Testimony).

173. Respondent Woodward did not tell the Rosenquists that he and Finish Werks Corp. did not complete punch list items in another consumer's home due to insolvency. (Rosenquist Testimony).

174. Respondent Woodward did not tell the Rosenquists that at least two prior customers of Finish Werks Corp. were sued by unpaid subcontractors for work the subcontractors did at the direction of Finish Werks Corp. (Rosenquist Testimony).

175. Respondent Woodward did not tell the Rosenquists that Finish Werks Corp. had been sued by unpaid subcontractors for payment of work done at the direction of Finish Werks Corp. (Rosenquist Testimony).

176. Respondents Woodward and Finish Werks did not tell the Rosenquists that they would not protect the Rosenquists' money. (Rosenquist Testimony).

177. Respondents Woodward and Finish Werks did not tell the Rosenquists that they would not hold the Rosenquists' money in trust and, in fact, would use the money for costs unrelated to the Rosenquists' project. (Rosenquist Testimony).

178. Respondents Woodward and Finish Werks did not tell the Rosenquists that they would not provide a list of subcontractors, suppliers, and materialmen who had provided at least \$500 of goods or services and indicate who had been paid. (Rosenquist Testimony).

179. Respondents Woodward and Finish Werks did not tell the Rosenquists that they would not provide waivers of liens. (Rosenquist Testimony).

180. In or about August 2019, the Rosenquists received a notice of intent to claim a lien from Builder Services Group, Inc. t/a Carroll Insulation ("Carroll Insulation") for work that had been performed but for which Finish Werks had failed to pay Carroll Insulation; and, ultimately Carroll Insulation filed an action to enforce a mechanic's lien against the Rosenquists. The Rosenquists paid a total of \$5,250 to the attorney for Carroll Insulation to settle the claim and prevent any potential liens on the home. (CPD Ex. 7F at 070—152; Rosenquist Testimony).

for work completed on January 25, 2019, and March 5, 2019, at the direction of Finish Werks, and for which the Rosenquists had paid Finish Werks, were overdue and unpaid. (CPD Ex. 7F at 153—156; Rosenquist Testimony).

182. Mr. Rosenquist was approached by B. McCall Plumbing & Heating (“B. McCall”), the plumbing subcontractor hired by Finish Werks, for payment of \$5,000.00 the subcontractor stated he was owed. B. McCall stated it would withhold the plumbing inspection sticker, which would prevent the Rosenquists from obtaining their final use and occupancy permit, until the Rosenquists remitted payment. The Rosenquists paid B. McCall \$5,000.00 and received the plumbing inspection sticker from the subcontractor. (CPD Ex. 7F at 167-169; Rosenquist Testimony).

183. The Rosenquists hired CPM General Contracting LLC (“CPM”), owned by Paul Martin, to complete construction of their home. (CPD Ex. 7H at 176-203; Rosenquist Testimony). The Rosenquists opened a debit account for Mr. Martin to use to purchase supplies and pay for work done on the home, and regularly deposited money into the account to cover the costs Mr. Martin charged to the account. Additionally, the Rosenquists directly paid some costs to complete the home. (CPD Ex. 7H at 204-273; 275; 277-309; Rosenquist Testimony).

184. The total cost to complete the Rosenquists’ home, including, among other things, the flooring, countertops, drywall, siding, gutters, porches, grading, and driveway, is \$225,192.59. (CPD Ex. 7H; Rosenquist Testimony).

185. The Rosenquists did not receive solar panels on their home, as promised in their contract with Finish Werks. (CPD Ex. 7H at 324—338; Rosenquist Testimony). The solar panels and installation are estimated to cost \$25,000. (*Id.*).

186. The following is the Rosenquists' cost to correct the Respondents' defects:

John and Monica Rosenquist's Home Completion Costs					
Purpose of Payment	Contractor or Supplier	Amount Paid	Date of Payment	Evidence of Costs	CPD Exhibit #
Materials	Aggregate Transport Corp./ The Stone Store	\$4,956.66	10/7/2019 - 10/18/2019	Invoices	7H, CPD Rosenquist 258- 259
Materials	AK Electrical, Inc.	\$9,800.00	7/12/2019 - 8/5/2019	Invoices	7H, CPD Rosenquist 306- 307
Stairs Materials	Carrero Floors	\$3,000.00	7/5/2019	Invoice, Check	7H, CPD Rosenquist 219- 220
Materials and Labor	Paul Martin/CPM General Contracting	\$113,398.00	4/22/2019- 10/18/2019	Proposal, Invoices, 25 Checks	7H, CPD Rosenquist 176- 203, 303-309
Materials for Walls	Capitol Building Supply	\$448.15	6/11/2019	Invoice, USAA Debit Card	7H, CPD Rosenquist 221, 313
Materials	CAS Engineering	\$950.00	11/26/2019	Invoice	7H, CPD Rosenquist 265- 266
PVC Piping Materials	Ferguson Ent	\$2,965.19	6/12/2019 - 10/10/2019	USAA Debit Card,	7H, CPD Rosenquist 313, 321, 322-323
Fuses Material	FIC Corp	\$29.38	8/30/2019	USAA Debit Card	7H, CPD Rosenquist 321
Materials	Gen Stone	\$2,168.00	5/17/2019	USAA Debit Card	7H, CPD Rosenquist 312
Energy Test for Occupancy Permit	Jay Hall Associates	\$800.00	10/24/2019	Invoice, Check 3861	7H, CPD Rosenquist 249, 309
Boundary Survey for Driveway	Kris Consultants, LLC	\$800.00	8/29/2019	Invoice, USAA-Check 3852	7H, CPD Rosenquist 250
Ceiling Tile Materials	Lowe's	\$644.08	5/24/2019 - 7/8/2019	Receipts	7H, CPD Rosenquist 234- 235
Permitting	MCG DPS	\$162.22	8/8/2019	USAA Debit Card	7H, CPD Rosenquist 319
Driveway Labor and Materials	Myers Paving, Co.	23,845.17	11/4/2019 - 12/7/2019	Invoices, PenFed CU Checks	7H, CPD Rosenquist 260- 264
Materials	Northeastern Supply Inc.	\$483.63	6/14/2019 - 7/23/2019	USAA Debit Card	7H, CPD Rosenquist 313, 319

Materials and Equipment Rental	Rentals Unlimited	\$3,973.15	8/3/2019 - 8/28/2019	Invoices, USAA Debit Card	7H, CPD Rosenquist 239-241, 319, 321
Painting Materials	Sherwin Williams	\$365.78	6/14/2019- 8/22/2019	Receipts, USAA Debit Card	7H, CPD Rosenquist 280, 290, 313, 317, 319, 320
Solar Panels Owed Under Contract		\$25,000.00		Per contract allowance	7H, CPD Rosenquist 324-338
Equipment Rental	Sunbelt Rentals	\$567.68	10/2/2019	USAA Debit Card	7H, CPD Rosenquist 252-256, 323
Materials	The Home Depot	\$9,638.50	5/7/2019 - 9/25/2019	John Rosenquist Testimony about 25 Transactions, USAA Debit Card	7H, CPD Rosenquist 310-323
Roofing Materials	The Roof Center	\$831.49	5/15/2019	Invoices, USAA Debit Card	7H, CPD Rosenquist 267-268, 310, 313
HVAC Materials and Labor	TMS	\$5,961.50	5/24/2019	Invoices, USAA-Check 3939	7H, CPD Rosenquist 214-218
Drywall and Trim Material and Labor	TW Perry	\$4,941.79	5/15/2019 - 8/8/2019	Invoices, 14 USAA Debit Card	7H, CPD Rosenquist 204-214, 310, 312-313, 315, 316-321
Dumpster Rental	Waste Management Dumpster	\$1,089.34	7/2/2019	Invoice, USAA-Check 3934	7H, CPD Rosenquist 232
Permitting	WSSC	\$2,102.00	8/5/2019	USAA-Check 3937, 3938	7H, CPD Rosenquist 307
<b>Total Costs to Complete Home</b>		<b>\$219,018.59</b>			

187. The Rosenquists paid \$40,478.13 in extension fees and additional interest on their construction loan. (CPD Ex. 7I at 341).

188. The Rosenquists experienced financial and marital strain because of their experience with the Respondents. They described the experience as traumatic and suffered post-traumatic stress disorder-like responses when revisiting their experience with the Respondents. (Rosenquist Testimony).



**d. Facts Applicable to Ronald and Kameela Berry**

189. On or about July 27, 2016, Ronald and Kameela Berry ("the Berrys") began communicating with Respondent Finish Werks Custom Builders Inc.<sup>29</sup> about constructing a new home on a lot the Berrys purchased on Defense Highway in Gambrills, Maryland. (Berry Testimony; *see* CPD Ex. 6A at 001).

190. Prior to entering into the custom home contract, the Berrys paid Finish Werks \$3,000.00 for modular floor plans, which was included in the calculation of the ultimate contract price. (CPD Ex. 6B at 010; Berry Testimony).

191. On or about March 23, 2017, the Berrys contracted with Finish Werks to construct a custom home on the Berrys' lot known as Lot C Defense Highway, Gambrills, Anne Arundel County, Maryland, for the price of \$738,120.00. (CPD Ex., 6B at 002—026). The custom home contract was ratified by Respondent Woodward for Finish Werks. (*Id.*). Changes and upgrades were later made to the scope of work under the contract, which raised the contract price to \$847,541.68. (CPD Ex. 6D at 106—116; Berry Testimony).

Ronald Berry's Contract Price			
Record of Agreement	Amount Agreed to Pay	Date of Agreement	CPD Exhibit #
Initial Contract Price	\$738,120.00	3/24/2017	6B, CPD Berry 002
Contract Changes Reflected in "Actual Difference" Column in Revised Schedule of Values	\$47,425.68	7/5/18	6D, CPD Berry 116; See 6D, CPD Berry 106-116
Solar PV (11.05)	\$11,328.00 <sup>30</sup>		6D, CPD Berry 113
Siding (12.06)	\$7,950.00		6D, CPD Berry 113
Hardwood Flooring (13.13)	\$17,808.00		6D, CPD Berry 114
Tile Flooring (13.14)	\$9,540.00		6D, CPD Berry 114



Countertops (13.15)	\$4,240.00		6D, CPD Berry 114
Custom Bathroom #1 (13.17)	\$6,360.00		6D, CPD Berry 114
Custom Bathroom #2 (13.18)	\$4,770.00		6D, CPD Berry 114
<b>Berry's Total Contractual Obligation to FW:</b>	<b>\$847,541.68</b>		

192. The Berrys chose their lot in order to be close to family, work, and good schools for their two young children. (Berry Testimony). The Berrys selected Finish Werks as their builder because they were interested in the speed and cost effectiveness that Finish Werks offered with modular construction. *Id.*

193. The contract the Berrys entered into with Finish Werks provides that the Berrys' money will be placed into a "Finish Werks, General Operations ACCT" with the account number ending in 5968. (CPD Ex. 6B at 007).

194. Between September 2017 and April 2018, six payments were made by, or on behalf of, the Berrys in the total amount of \$496,720.22, most of which were deposited into a Finish Werks' checking account with account number ending in 8751 for which Respondent Woodward was a signatory. (CPD Exs. 6C & 10J; Berry Testimony; Schafer Testimony). However, the wire transfers dated February 6, 2018, and February 7, 2018, were initially deposited in the Finish Werks' checking account ending in 5968, as was directed in the Berry contract, but were immediately transferred to the account ending in 8751. (CPD Wells Fargo Excerpt tab 3 at 95 of 214 (PDF 4672305) & 68 of 155 (PDF 4671829); Schafer Testimony).

195. By late January 2018, Finish Werks had built the foundation for the home. (Berry Testimony). In or around February 2018, the home modules were set on the foundation at the Berrys' lot. (*Id.*). After the modules were set on the foundation, Mr. Berry stopped by the lot weekly to check on construction progress. (*Id.*).

196. Once set on the foundation, Finish Werks told the Berrys that the home would be ready by June 2018. (Berry Testimony).

197. In or about March 2018, Mr. Berry became concerned about the pace of construction, and offered to pay for some of the cosmetic work out-of-pocket so that Finish Werks could move the project along quickly enough with the extra money from bank draws, with Finish Werks reimbursing the Berrys for their out-of-pocket costs at the end of construction. (CPD Ex. 6D at 058—063; Berry Testimony). Respondents Woodward and Finish Werks agreed to the arrangement, and the Berrys proceeded to pay for certain scopes of work themselves. (*Id.*).

198. In or around April 15, 2018, the Berrys expressed to the Respondents their continued concern that construction had slowed significantly, if not stopped, despite the financial arrangements they had made with Finish Werks the prior month. (CPD Ex. 6D at 065—069; Berry Testimony). Respondent Woodward indicated that Finish Werks had fallen behind on the site work. (CPD Ex. 6D at 064 & 072). On or about April 25, 2018, Respondent Woodward informed Mr. Berry that he had hired a new site work contractor and things would “get moving again, in earnest”. (CPD Ex. 6D at 072).

199. By May of 2018, the pace of construction had not picked up and, therefore, on May 21, 2018, Mr. Berry contacted his lender to request that he be informed of any draw requests made by the Respondents, prior to the release of any funds. (CPD Ex. 6D at 102; Berry Testimony).

200. After receiving at least six (6) progress payments and over \$496,720.22 by July 5, 2018, Finish Werks had not provided the Berrys a list of subcontractors, suppliers, and materialmen who provided more than \$500.00 of goods or services. Finish Werks had not indicated which of those subcontractors, suppliers and materialmen had been paid. (CPD Ex. 6C

Finish Werks was actually paid to subcontractors, suppliers, and materialmen, and how much was still being held by Finish Werks. (Berry Testimony).

201. In or about May 2018, in order to further address the slow pace of construction, Mr. Berry hired a crew of workers to begin completing the interior of the home, with the knowledge and agreement of Finish Werks. (Berry Testimony). Mr. Berry paid the workers out-of-pocket, with the expectation that he would later be reimbursed by Finish Werks. (CPD Ex. 6E at 196—247 & 260-261; Berry Testimony). Mr. Berry received only two reimbursement checks from or on behalf of Finish Werks covering two weeks of the labor provided by his crew, despite paying for the crew to work for several months. (CPD Ex. 6C at 048, 6E at 251—253; Berry Testimony).

202. In or about August 2018, and after at least two stop work orders were issued by the county, the Berrys stopped payments directly from their bank to Finish Werks and received the remainder of the loan money to make payments to Finish Werks and contractors as the Berrys saw fit. (CPD Ex. 6D at 128; Berry Testimony).

203. On or about September 7, 2018, a payment was made to Finish Werks by the Berrys in the amount of \$20,000.00 which was deposited into the Finish Werks' checking account with account number ending in 8751 for which Respondent Woodward was a signatory. (CPD Ex. 6C at 039; 10J; Berry Testimony; Schafer Testimony).

204. On October 11, 2018, subcontractor Allied Well Drilling issued invoice 29371 to Finish Werks in the amount of \$14,230.50 for work at the Berrys' property. (Ex. 6G at 822).

205. On October 17, 2018, the Berrys made a payment to Finish Werks by wire transfer in the amount of \$37,975.00, which was deposited into the Finish Werks' checking account with account number ending in 8751. (CPD Ex. 6C at 040; 10J; Berry Testimony).

206. As of October 2018, Finish Werks had not delivered to the Berrys a list of subcontractors, suppliers, and materialmen who provided more than \$500.00 of goods or services, and indicate which of those had been paid. (Berry Testimony). The Berrys could not determine how much of the money paid to Finish Werks was actually paid to subcontractors, suppliers, and materialmen, and how much was still being held by Finish Werks.

207. In or about December 2018, the Berrys received from Allied Environmental Services, Inc. t/a Allied Well Drilling a notice of intention to claim a lien for invoice 29371 in the amount of \$14,230.50. (Ex. 6G at 783 – 791).

208. On or about January 2, 2019, Allied Environmental Services, Inc. t/a Allied Well Drilling filed a Petition to Establish and Enforce Mechanics' Lien and other causes of actions against the Berrys and Finish Werks. (Ex. 6G at 792 – 868).

209. The Berrys entered into a Stipulation Agreement to resolve the legal proceeding and avoid a potential lien on their property. (Ex. 6G at 864 – 871; Berry Testimony). Pursuant to the agreement, the Berrys paid Allied Environmental Services, Inc. a series of payments totaling \$14,230.50. (*Id.*).

210. Finish Werks did not provide the Berrys a list of subcontractors, suppliers, and materialmen who provided more than \$500 of goods or services, and indicate which of those had been paid. (Berry Testimony).

211. Respondents Finish Werks and Woodward did not notify the Berrys that Finish Werks would not provide the Berrys, every thirty (30) days, a list of subcontractors, suppliers, and materialmen who provided more than \$500 of goods or services, and indicate which of those had been paid. (Ex. 6B at 004; Berry Testimony).

payment for the goods or services they provided. The Respondents never provided waivers of liens to the Berrys. (Berry Testimony).

213. Finish Werks and Mr. Woodward did not notify the Berrys that Finish Werks would not provide the Berrys with waivers of lien. (Berry Testimony).

214. The Berrys paid Finish Werks a total of \$615,775.22. (CPD Ex. 6C; 10J).

Ronald Berry's Payments to Finish Werks Custom Builders Inc.					
FW ACCT	Purpose of Payment	Amount Paid	Date of Payment	Payment Method	CPD Exhibit #
	Pre-contract Payments for "Architect/Design Fee; Preliminary Modular Order" Paid to Finish Werks and Credited Towards Contract <sup>31</sup>	\$3,000.00	Prior to 3/24/2017		6B, CPD Berry 010
8751	10% Deposit	\$97,052.00	9/20/17	Brennan Title Company Check 58508	6C, CPD Berry 031
8751	Draw 1	\$107,796.78	2/6/18	Wire Transfer	6C, CPD Berry 032
8751	Draw 2	\$185,968.00	2/7/18	Wire Transfer	6C, CPD Berry 033
8751	Draw 3	\$17,500.00	2/15/18	Wire Transfer	6C, CPD Berry 034
8751	Draw 4	\$31,115.44	2/28/18	Wire Transfer	6C, CPD Berry 035
8751	Change Orders	\$15,512.00	3/2/18	Bahati Research Group, LLC <sup>32</sup> Check 195	6C, CPD Berry 036
8751	Draw 5	\$41,776.00	4/25/18	Wire Transfer	6C, CPD Berry 037
8751	Draw 6	\$63,831.00	7/5/18	Wire Transfer	6C, CPD Berry 038
	Labor Reimbursement from FW to Berry	-\$5,751.00	7/6/18	Check from Finish Werks	6C, CPD Berry 048
8751	Site Work	\$20,000.00	9/7/18	Bahati Research Group, LLC Check 222	6C, CPD Berry 039
8751	Site Work	\$37,975.00	10/17/18	Wire Transfer	6C, CPD Berry 040, 041
Total Paid to Finish Werks under Contract:		\$615,775.22			

<sup>31</sup> The Contract's Schedule of Values includes \$3,000.00 in pre-Contract work and fees as part of the calculation of the Total Purchase Price of the home. (See CPD Ex. 6A, CPD Berry 010 ("Modular Floorplan (02.02) . . . \$3,000.00")). Ronald Berry testified that he paid that amount prior to the parties entering into the Contract. (Testimony of Berry).

<sup>32</sup> Bahati Research Group LLC is a company owned by Mr. Berry. (Testimony of Berry)



215. The Berrys paid \$264,954.22 to other contractors and suppliers to complete the home, including plumbing, HVAC, and electricity connections and hook ups, installing flooring, drywall, appliances, countertops, and fireplaces, completing bathrooms, grading the property, repairing the septic tank, and building the porch and deck. (CPD Ex. 6E; Berry Testimony).

Ronald Berry's Home Completion Costs					
Purpose of Payment	Contractor or Supplier	Amount Paid	Date of Payment	Evidence of Payment	CPD Exhibit #
<b>Lumber, Framing, Roofing Costs</b>		<b>\$11,217.95</b>			
Framing and Siding Materials	84 Lumber	\$10,201.12	6/8/2018-11/6/2018	American Express Charges	6E, CPD Berry 324-327
Materials	ABC Supply Co	\$85.86	6/27/2018	American Express Charges	6E, CPD Berry 325
Materials	JF Johnson Lumber	\$324.78	10/3/2018 - 10/5/2018	Invoices and American Express Charges	6E, CPD Berry 158-159, 327
Materials	The Roof Center	\$606.19	8/22/2018 - 9/10/2018	Invoices and American Express Charges	6E, CPD Berry 187-189, 325-326
<b>Countertops, Flooring, Cabinets, Fixtures, and Appliances</b>		<b>\$20,845.39</b>			
Materials and Installation of Kitchen and Bathroom Countertops	Classic Granite and Marble, Inc.	\$7,061.91	8/6/2018 - 9/6/2018	Contract, Receipt, and American Express Charges	6E, CPD Berry 162-163, 325-326
Appliances	Contractors Direct	\$3,529.31	5/12/2018 - 5/17/2018	American Express Charges	6E, CPD Berry 324
Tile	Floor and Décor	\$7,903.38	4/3/2018 - 9/16/2018	American Express Charges	6E, CPD Berry 324-326
Flooring Materials	Floorlife	\$1,674.19	5/18/2018	American Express Charge	6E, CPD Berry 324
Tile	Morris Tile Distributors	\$218.47	8/22/2018	American Express Charge	6E, CPD Berry 325
Kitchen Cabinet Materials	Reico Kitchen and Bath	\$264.58	11/29/2018	Receipt	6E, CPD Berry 161
Bathroom Fixtures	Thos Sommerville Co.	\$193.55	9/10/2018	American Express Charge	6E, CPD Berry 328

<b>Electrical Work</b>		<b>\$13,400.00</b>			
Install Electrical Outlets, Light Fixtures, Switches, Ceiling Fans, Electrical Circuits,	Deshaies Electrical Services, LLC	\$13,400.00	8/22/2018 - 1/1/2019	Invoices and Receipt	6E, CPD Berry 133-147
<b>HVAC Work</b>		<b>\$4,125.00</b>			
HVAC Work	AP Mathews	\$125.00	12/19/2018	American Express Charge	6E, CPD Berry 328
HVAC Work	JC Campos Heating & Cooling	\$4,000.00	1/10/2019	Check	6E, CPD Berry 148
<b>Landscaping and Walkways</b>		<b>\$8,610.78</b>			
Stone for Walkway and Entrance	Harting & Sons	\$146.28	10/13/2018	Check	6E, CPD Berry 150
Stone for Entrance	International Stoneworks	\$134.50	1/7/2019	American Express Charge	6E, CPD Berry 330
Seed and Straw Backyard (See 6D, CPD Berry 111, "Stabilization (05.21) ... Seed/Straw/Fertilize")	Oasis Landscape Group	\$1,730.00	11/18/2019	Contract	6E, CPD Berry 191
Tilling, grading, fluff soil (See 6E, CPD Berry 111, "Fine Grading (05.20) ... Spread of Top Soils")	Oasis Landscape Group	\$6,600.00	11/18/2019	Contract	6E, CPD Berry 191
<b>Fireplaces and Sprinklers</b>		<b>\$5,993.30</b>			
Electric Fireplaces	North County Fire	\$2,293.30	8/25/2018	Receipt	6E, CPD Berry 179-180
Sprinkler System Final Payment	Premier Fire Protection	\$3,700.00	1/10/2019	Check	6E, CPD Berry 154
<b>Driveway</b>		<b>\$13,600.00</b>			
Completion of Driveway	Petro's Paying (Reduced from \$22,000.00 to the remaining amount of allowance for driveway, See 6D, CPD Berry 111 "Driveway (05.24)")	\$13,600.00	08/07/2018 - 9/21/2018	Estimate and Checks	6E, CPD Berry 262, 263-269
<b>Well Costs</b>		<b>\$9,440</b>			
Drill, Install Well System	Allied Environmental	\$9,440.00 <sup>33</sup>	10/11/2018	Invoice	6G, CPD Berry 864-867

<sup>33</sup> Reduced from \$14,230.50 to the total allowances and accountings for Well work in Contract. (See CPD Ex. 6E, CPD Berry 111 ("Well Water (05.19) ... Drill Water Well and Head - Depth TBD ... A ... \$7,080.00"; CPD Ex.



<b>Gutters, Garage, Porch</b>		<b>\$6,400.00</b>			
Gutters	Kevin Payne	\$3,000.00	9/29/2018	Check	6E, CPD Berry 152
Porch and Garage Work	Pedro Ibanez	\$3,400.00	9/8/2018	Check	6E, CPD Berry 249
<b>Painting</b>		<b>\$3,259.89</b>			
Painting	LIH Build	\$2,997.75	10/6/2018	Check	6E, CPD Berry 153
Painting Materials	Sherwin Williams	\$262.14	8/26/2018 - 11/9/2018	American Express Charges	6E, CPD Berry 325- 327
<b>General Building Materials</b>		<b>\$31,325.41</b>			
Materials	ACE Hardware	\$32.17	8/25/2018	American Express Charge	6E, CPD Berry 325
Materials	Harbor Freight	\$357.19	08/24/2018 - 11/11/2018	American Express Charges	6E, CPD Berry 325- 327
Materials	Home Depot.com	\$45.43	1/14/2019	American Express Charge	6E, CPD Berry 330
Materials	Lowe's 2018 (Bowie location)	\$2,067.80	6/5/2018 - 10/17/2018	American Express Charges	6E, CPD Berry 324- 327
Materials	Lowe's 2019 (Bowie and Severn locations)	\$134.64	1/14/2019 - 2/4/2019	American Express Charges	6E, CPD Berry 330
Materials	The Home Depot 2018 (Annapolis and Bowie locations)	\$19,070.55	5/23/2018 - 12/23/2018	American Express Charges	6E, CPD Berry 324- 328
Materials	The Home Depot 2019 (Annapolis, Bowie, Hyattsville locations))	\$1,087.16	1/5/2019 - 3/31/2019	American Express Charges	6E, CPD Berry 330- 332
Materials	Tractor Supply Co.	\$37.08	1/12/2019	American Express Charge	6E, CPD Berry 331
Materials	Amazon.com (less purchases of Spare Fan (\$105.99), Mailbox (\$87.88), Wireless Router (\$178.79) that exceed scope of contract)	\$8,493.39	4/5/2018 - 2/13/2019	Receipts	6E, CPD Berry 271- 322

Labor		\$95,359.50			
Labor Costs Paid by Berry that Finish Werks Had Agreed to Reimburse <sup>34</sup>	Jose Cruz and Herson Diaz	\$95,359.50 <sup>35</sup>	5/17/2018 - 1/5/2019	Labor Agreement, Timesheets, Checks	6E, CPD Berry 196-248, 252-253, 260-261
Exterior Work Done by Finish Werks' Subcontractor Remodel Werks		\$21,612.00			
Pond Work, Grading Work	Remodel Werks (Total of \$25,000.00 less 3,388.00 paid to Berry for Labor Reimbursement on 6/21/2018)	\$21,612.00	6/21/2018 - 4/1/2019	Checks	6E, CPD Berry 181-185, 251
Contractually Promised Specifications Berry Never Received		\$19,765.00			
Solar PV (11.05)		\$11,328.00			6D, CPD Berry 113
Performance/Green Certification (03.03) Energy Star Certified, NGBS Gold or Silver Certified, tax credit promised		\$4,130.00			6D, CPD Berry 110
IECC Certification (03.04) IECC 2015 Verification, Energy Star Certified		\$590.00			6D, CPD Berry 110
R-19 Foil Faced (fire retard.) batts in wall (14.04)		\$2,714.00			6D, CPD Berry 114
Handrail Basement Stairs (14.07)		\$295.00			6D, CPD Berry 114

<sup>34</sup> See CPD Ex. 6D, CPD Berry 061 (email from Harris Woodward to Ronald Berry confirming "our conversation" and "our Global Goal" to "Use Ron's out of pocket cash to furnish/install scopes of work (siding, flooring, tile). FW will receive from . . . draw payments for these completed scopes of work already paid for by Ron. . . FW will reimburse these differences, as construction progresses/nears completion . . .").

<sup>35</sup> Total of \$97,797.50 in checks to Jose Cruz and Herson Diaz less \$400.00 for the value of work performed that week on Mr. Berry's rental property at 453 Newton in the September 7, 2018 check (see CPD Ex. 6E, CPD Berry 218), and less \$2,038.00 for the check dated November 2, 2018 that included an indeterminate amount for work on Mr. Berry's rental property (see CPD Ex. 6E, CPD Berry 234).

Whole House Cleaning(17.04)		\$708.00		6D, CPD Berry 115
Total Costs Paid to Complete Construction		\$264,954.22 <sup>36</sup>		

216. The Berrys received their occupancy permit for the home on February 4, 2019. (CPD Ex. 6H).

217. Finish Werks did not complete the construction of the Berrys' home. Finish Werks reimbursed the Berrys a total of \$9,139.50. Finish Werks did not reimburse the Berrys for the remainder of their out of pocket expenses to complete construction of the home in violation of their agreement. (CPD Ex. 6C at 048, 6E at 251; Berry Testimony).

218. As a result of the Respondents' failure to complete construction of the home by September 19, 2018, the Berrys had to extend their construction loan twice, in September 2018 and March 2019, and incurred loan extension fees and extra interest payments totaling \$14,100.07. (CPD Exs. 6F at 623-634 & 6J at 887—901; Berry Testimony).

219. The Berrys signed a lease through June 24, 2018 on an apartment to live in while their home was being constructed, because the Berrys expected to move in to their new home in June 2018. (CPD Ex. 6F at 669-706; Berry Testimony). When the home was not finished in June 2018, the Berrys signed a series of short term leases for the same apartment, lasting through September 2018, for a total cost of \$5,864.00. (CPD Ex. 6F at 707-782; Berry Testimony). When the home was not finished in September 2018, the Berrys moved in with family. (Berry Testimony).

220. Beginning in May of 2017, the Berrys paid for storage of household items while

after their home was not completed in June 2018, and paid these costs monthly through May 2019, for a total cost of \$2,057. (CPD Ex. 6F at 636, Berry Testimony).

221. The Berrys incurred additional expenses totaling \$48,582.25, including \$14,230.50 which they paid to subcontractors to settle potential claims against their property, and \$16,005.45 to Anne Arundel County for various permitting costs. (Ex. 6G at 869 – 871; 6J at 883-887; Berry Testimony)

222. The Berrys' experience with the Respondents caused them significant financial and emotional harm. The Berrys were forced to spend money that they had saved for their children and a significant portion of their retirement savings to pay for completing the home that the Respondents were paid to construct. (Berry Testimony).

*e. Facts Applicable to Naomi and Moshe Chinn*

223. In 2020, Moshe and Naomi Chinn ("the Chinns") decided to build a new home for their family on a lot located at 11700 Gainsborough Rd. in Potomac, Maryland. (Chinn Testimony; *see* CPD Ex. 8A at 009). The Chinns chose to build a new home because they could not find a suitable home in their preferred neighborhood, where their extended family was located. (Chinn Testimony). The Chinns chose Finish Werks Custom Builders<sup>37</sup> as their builder because the Chinns were interested in the speed of modular building and the energy efficient, "Zero Energy Homes," that Finish Werks advertised it builds. (CPD Ex. 8Q at 100; Chinn Testimony).

224. Prior to entering into the custom home contract with Finish Werks, between August and September 2020, the Chinns made two advance payments to Finish Werks, all by

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<sup>37</sup> Finish Werks Custom Builders will be referred to as Finish Werks for the remainder of the Chinns Facts section.



personal check, in the total amount of \$83,928.66,<sup>38</sup> representing more than 5% of their contract price. (CPD Ex. 8A; 8D at 010; Chinn Testimony). The Chinns made these payments prior to signing a contract with Finish Werks because Respondent Woodward told the Chinns it was necessary to lock in the then-current pricing from Icon, the modular home manufacturer. (Chinn Testimony).

225. On or about February 2, 2021, the Chinns contracted with Finish Werks to construct a custom home on the Chinns' lot at 11700 Gainsborough Road, Potomac, Maryland, for the purchase price of \$1,354,176.85. (CPD Ex. 8D generally; 8D at 009-10, 020). The custom home contract was ratified by Respondent Woodward for Finish Werks. (CPD Ex. 8D at 020).

226. On or about January 22, 2021, a provision was added to the Chinns contract providing that the "Builder shall not exceed \$1,400,000.00 for all costs of construction". (CPD Ex. 8D at 014). This provision was added because the Chinns were concerned about the cost of the project increasing beyond the contract price and the contingency fund stated in the contract, and wanted assurance that their project would not go over budget. (Chinn Testimony). The Chinns requested that many line items in the Statement of Values in the contract be changed from allowances to fixed costs, in order to minimize the potential for the project to go over budget. (Chinn Testimony; *see* CPD Ex. 8D at 022—030).

Moshe and Naomi Chinn Contract Price			
Record of Agreement	Amount Agreed to Pay	Date of Agreement	CPD Exhibit #
Total Purchase Price in Initial Contract	\$1,354,176.85 <sup>39</sup>	2/2/2021	8D, CPD Chinn 010, 014, 043

<sup>38</sup> The Chinns also made a payment of \$1,010.00 to Finish Werks on July 29, 2020, but this amount was for a consultation fee and was not a payment toward the purchase price of the home and is not noted or credited in the

Change Order/Invoice			
-Adding WSSC Fees, Bandjoist Membrane costs (+\$10,695.03)			
-Removing Appliances Allowance (-\$31,000.00)	-\$20,304.97	8/19/2021	8N, CPD Chinn 085
<b>Chinn's Total Contractual Obligation to FW:</b>	<b>\$1,333,871.88</b>		

227. On or about February 16, 2021, Finish Werks broke ground at the Chinns' lot and began digging and constructing the foundation. (CPD Ex. 8Z at 185-87; Chinn Testimony).

228. The contract the Chinns entered into with Finish Werks provides that the Chinns' money will be placed into "Finish Werks, General Operations ACCT." (CPD Ex. 8D at 011).

229. On or about March 2, 2021, the Chinns made an advance payment to Finish Werks, by personal check, in the total amount of \$55,000.00 for site prep. (CPD Ex. 8E at 049; Chinn Testimony).

230. In or about early March 2021, the Chinns learned that Montgomery County did not approve the plans for the home submitted by Finish Werks because the home plans exceeded a height limitation in place for the Chinns' neighborhood. (Chinn Testimony; CPD Ex. 8F). At that time, Finish Werks had already dug the foundation on the lot and the home modules were already being built by the modular manufacturer. (CPD Ex. 8Z at 188-192; Chinn Testimony). As a result, Finish Werks had to remove the foundation pieces already in place, and dig the foundation deeper into the ground so that the modules, once in place, would not exceed the height limit.<sup>40</sup> (CPD Ex. 8Z at 192-93; Chinn Testimony).

231. On or about March 18, 2021, the Chinns made an advance payment to Finish Werks, by wire transfer, in the amount of \$561,346.84. (CPD Ex. 8E at 050; Chinn Testimony).

<sup>40</sup> The incorrect height of the home in the initial plans submitted to Montgomery County was due to a mistake by Dewberry, the civil engineer the Chinns hired to do the site plans. (CPD Ex. 8F; Chinn Testimony). Dewberry did not charge the Chinns for the work to correct the site plans, but refused to pay the costs of digging the foundation deeper, because Finish Werks had begun the work with unapproved plans. (CPD Ex. 8F at 060.)

232. The modules for the Chinns' home were set on the foundation over several days, from March 23, 2021, to March 26, 2021. (CPD Ex. 8Z at 196—208; *see* CPD Ex. 8Z at 194-95; Chinn Testimony). After the modules were set on the foundation, Finish Werks realized that one of the modules was not set correctly, and was offset from the surrounding modules by approximately four inches (Chinn Testimony; *see* CPD Ex. 8Z at 181-184, 201). This caused some of the items installed by the modular manufacturer on the inside of the home to be misaligned, and also created a four-inch overhang on the outside of the home. (*Id.*; CPD Ex. 8Z at 222). Finish Werks had to remove and reinstall numerous items that were installed by the modular factory, including all of the kitchen cabinets, in order to line up the interior of the misaligned module to the other modules of the home (Chinn Testimony). Finish Werks failed to correct the four-inch overhang on the exterior of the home that was created by the misaligned module, and the overhang still exists today. (CPD Ex. 8Z at 181-184, 201; Chinn Testimony).

233. On or about May 30, 2021, the home experienced major flooding in the basement after heavy rain in the area. (CPD Ex. 8Z at 223—242; Chinn Testimony). The force of the water and mud that entered the basement cracked basement window wells, broke basement window glass panes, filled the window wells and the basement with water and mud, and ruined building materials being stored in the basement (*Id.*). At the time, the home did not have gutters, or window well covers on the basement window wells. (Chinn Testimony; *see* CPD Ex. 8Z at 218). Prior to the rain, the project manager hired by Finish Werks, Kevin Grimes of Aspect Contracting, expressed to the Chinns and to Finish Werks his concern about flooding in or around the home, because there were no gutters or window well covers on the home to funnel rain falling on the roof away from the home. (Chinn Testimony).



anyone out to assist the Chinns in cleaning the water and mud out of the basement. (Chinn Testimony). The Chinns and their family shoveled out most of the water and mud from the basement themselves. (Chinn Testimony; *see* CPD Ex. 8Z at 231—232, 237).

235. In or about June 2021 Respondents Woodward and Finish Werks assured the Chinns that they would take care of the issues with the flooding and that it would not happen again. (Chinn Testimony). However, the home experienced another flood on or about July 2, 2021, and more minor leakage on numerous other occasions, even after Finish Werks had installed the gutters on the home at the end of July 2021. (CPD Ex. 8Z at 243—261; Chinn Testimony). Eventually, an extra sump pump was installed in the home to address the ongoing water leakage issues in the basement. (CPD Ex. 8Z at 263—270; Chinn Testimony). In addition, Naomi Chinn's father, Dennis Berman, paid for work to correct a culvert in front of the house, which helped rainwater drain away from the home. (CPD Ex. 8Z at 262, Chinn Testimony).<sup>41</sup>

236. Between April and August 2021, the Chinns made five payments to Finish Werks, all by personal check, in the total amount of \$529,954.32 (CPD Exs. 8I; 8L; 8N at 092; Chinn Testimony).

237. During the course of construction, and with the agreement of Finish Werks, the Chinns began paying for some materials for the home, such as appliances, flooring, tile, and fixtures, on behalf of Finish Werks, with the understanding that they would be credited for the amounts they spent in this manner (Chinn Testimony; *see* CPD Ex. 8K). Finish Werks created an online spreadsheet to track the costs paid out of pocket by the Chinns, which the Chinns updated with each purchase they made. (CPD Ex. 8K; Chinn Testimony).

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<sup>41</sup> This work was outside the scope of the Finish Werks contract, and the cost for the work is not included in the cost to complete chart.

238. On or about August 19, 2021, the Chinns received a change order/invoice from Finish Werks, which did not give the Chinns credit for approximately \$83,520 of work and supplies that they paid for out of pocket. (CPD Ex. 8N at 084—085; Chinn Testimony). The Chinns requested that Finish Werks adjust their invoice to accurately reflect the costs the Chinns had paid themselves, and also expressed concern about making a draw payment to Finish Werks while work they had already paid for had not been completed, such as the back deck and kitchen cabinets. (CPD Ex. 8N at 090; Chinn Testimony).

239. In September, October, and November 2021, some subcontractors hired by Finish Werks approached the Chinns and informed them that Finish Werks was not paying the subcontractors. (CPD Ex. 8O at 097 and 8T; Chinn Testimony; *see* 8Q). The Chinns were frustrated with the delays and difficulty they were experiencing with Respondents Woodward and Finish Werks on their project, and felt the only option to get the project moving was to pay the subcontractors directly to complete the work needed to get the use and occupancy permit and complete the home. (Chinn Testimony; *see* CPD Ex. 8P; 8S; 8U at 135). The Chinns made several payments directly to subcontractors for work completed on the home at the direction of Finish Werks. (CPD Ex. 8P; 8S; 8U at 135; Chinn Testimony).

240. On August 26, 2021, the Chinns asked Respondent Woodward to provide them with release of liens from all subcontracts that worked on their home. (CPD Ex. 8O at 093-094). Respondent Woodward stated that most subcontractors had not finished work but promised partial releases (CPD Ex. 8O at 093; Chinn Testimony). The Chinns never received partial or full lien releases from Finish Werks. (Chinn Testimony).

241. By October 2021, the Chinns' construction was past the completion deadline and

air that the inspector conducting the blower door test could not get an accurate reading during the test, and had to estimate the air leakage, which was estimated to be three times the maximum allowed leakage (*Id.*).

242. During an inspection on or about October 19, 2021, Naomi Chinn pleaded with the inspector to give the home a 'conditional pass' so that the Chinns would not lose their mortgage loan, which was contingent on passing inspections. (Chinn Testimony). The inspector gave the home a 'conditional pass' but required that the home pass the blower door and duct testing before receiving a final use and occupancy permit. (CPD Ex. 8R at 107; Chinn Testimony).

243. Finish Werks attempted to seal the leaks in the home to pass the blower door test, but were unsuccessful. (CPD Ex. 8Z at 271; Chinn Testimony). In order to pass the blower door test, the Chinns paid \$12,315.00 to AeroBarrier to seal the home by blowing an aerosolized glue substance into the home to seal the air leaks. (CPD Ex. 8Q at 106; Chinn Testimony). All surfaces in the home had to be covered for this work, and the Chinns later learned that this kind of air sealing is typically done before any finishing items like fixtures, countertops, and flooring are installed in a home. (CPD Ex. 8Z at 276—277; Chinn Testimony). Because the air sealing was done after items like the countertops, cabinets, fixtures, and flooring were installed in the Chinn home, and despite those items being covered by plastic, some item surfaces now have a tacky glue-like film on them. (Chinn Testimony).

244. On or about October 24, 2021, after the home was sealed by AeroBarrier, the home passed the blower door test at 2.73 ACH, or air changes per hour, where the maximum ACH allowed is 3. (CPD Ex. 8Q at 104; Chinn Testimony).

245. On or about November 3, 2021, the Chinns had radon testing done in the home, because they were told by several neighbors that radon was an issue in their area. (Chinn

Testimony; *see* CPD Ex. 8Z at 278). The testing showed high radon levels, and so the Chinns had to pay \$629.00 to Radon Resolvers to correct the issue in the home. (CPD Ex. 8X at 161; 8Z at 278).

246. In or about November 2021, the Chinns met with representatives from Finish Werks and Aspect Contracting, whom Finish Werks had hired to do project management and finishing in the home, to discuss the incomplete or poor workmanship of much of the finishing work throughout the home, including among other things, missing trim, buckling or cracking walls, incorrectly installed flooring, separated stair treads, and damaged kitchen cabinets. (Chinn Testimony). Finish Werks agreed to correct the poor workmanship, and corrected some of the work, but the majority of incomplete finishing work or poor workmanship throughout the home remains uncorrected. (CPD Ex. 8Z at 273, 281—286, 288—340; Chinn Testimony). The Chinns received oral estimates from several contractors totaling \$70,600.00 for correcting the incomplete or poor workmanship throughout the home. (CPD Ex. 8X at 170—171; Chinn Testimony).

247. The amounts paid by the Chinns to Finish Werks over the course of construction total \$1,226,914.82. (CPD Exs. 8A; 8D at 010; 8E at 049—050; 8I; 8L; 8N at 092; 8U at 135; Chinn Testimony).

<b>Moshe and Naomi Chinn Payments to Finish Werks</b>				
<b>Purpose of Payment</b>	<b>Amount Paid</b>	<b>Date of Payment</b>	<b>Payment Method</b>	<b>CPD Exhibit #</b>
Down Payment For Home	\$80,613.66	9/10/2020	Personal Check 291	8A, CPD Chinn 002-003
Start Up Draw/Demo Site Prep	\$55,000.00	3/2/2021	Personal Check 251	8E, CPD Chinn 049
Icon Payment	\$561,346.84	3/18/2021	Wells Fargo Wire Transfer Deposit into FW account ending 7016	8E, CPD Chinn 050
Invoice	\$100,902.37	4/9/2021	Personal Check 253	8I, CPD Chinn 070
Next Payment Installment	\$144,051.95	5/10/2021	Personal Check 256	8I, CPD Chinn 071
Finish Werks Invoice	\$114,000.00	6/1/2021	Personal Check 260	8L, CPD Chinn 081
Invoice #7	\$121,000.00	6/20/2021	Personal Check 262	8L, CPD Chinn 082
Invoice	\$50,000.00	8/26/2021	Personal Check 265	8N, CPD Chinn 092
<b>Total Paid to FW Under Contract:</b>	<b>\$1,226,914.82<sup>42</sup></b>			

248. Additionally, the cost to complete the Chinn's home is \$189,914.00, which includes payments to a variety of subcontractors, suppliers, and materialmen, including, among other things, flooring (\$30,980.00), solar panels (\$39,952.00), kitchen appliances (\$31,000.00), bathroom tiles and fixtures (\$9,101.00), civil engineer work (\$16,023.00), electrical work (\$4,200), Pepco install fee (\$2,952.00), and Washington gas install fee (\$3,581.00). (CPD Exs. 8C; 8J; 8K at 074—079; 8M at 083; 8Q; 8U at 135; Chinn Testimony; CPD Ex. 10L).

<sup>42</sup> This total amount of payments does not include payments made by the Chinn's to Finish Werks prior to the contract. Naomi Chinn testified that she and her husband paid a total of \$10,495.00 to Finish Werks prior to entering into a new home construction contract: (1) \$1,500.00 for "Planning" in March 2020 through a PayPal transaction (*see* CPD Ex. 8U, CPD Chinn 135); (2) \$1,500.00 for "Planning" in May 2020 through a PayPal transaction (*see Id.*); (3) \$1,010.00 for "Consultation Fee" by a personal check on July 29, 2020. (*see* CPD Ex. 8A, CPD Chinn 001); (4) \$3,315.00 for "Icon down payment engineering" by a personal check on August 30, 2020 (*see Id.*); and (5) \$3,170.00 for "Consultation Fees" by a PayPal transaction on January 16, 2021 (*see* CPD Ex. 8U, CPD Chinn 135). Under the Schedule of Values incorporated into the contract, the Chinn's have already received credit towards the contract totaling \$4,815.00 for "Finals Drawing & Order . . . - \$1,500.00" and "Deposit toward Engineering . . . - \$3,315.00." Thus, these pre-contract payments should not be included in calculating the Chinn's total payments to Finish Werks under the contract.



Moshe and Naomi Chinn Home Completion Costs					
Purpose of Payment	Contractor or Supplier	Amount Paid	Date of Payment(s)	Evidence of Costs <sup>43</sup>	CPD Exhibit #
Solar	Sustainable Energy Solutions	\$39,952.00 <sup>44</sup>	1/19/2021	Invoice	8C, CPD Chinn 007
Flooring on First Level	Carpet and Vacuum Expo	\$15,530.00 <sup>45</sup>	4/23/2021	Invoice	8J, CPD Chinn 072
Flooring in Attic	Carpet and Vacuum Expo	\$4,940.00 <sup>46</sup>	6/1/2021	Invoice	8J, CPD Chinn 073
Replace Stained and Incorrectly Installed Carpets in Bedrooms	Carpet and Vacuum Expo	\$8,670.00 <sup>47</sup>	7/20/2022	Proposal	8X, CPD Chinn 166
Repair Uneven Subfloor Under Vinyl on First Level	Carpet and Vacuum Expo	\$1,740.00	7/20/2022	Proposal	8X, CPD Chinn 167
Bathroom, tile & fixtures		\$9,911.00	May 2021	Chinns' 11/14/2021 Payment Table	8N, CPD Chinn 090; 8U, CPD Chinn 135; See generally 8K, CPD Chinn 074-088
Electric Utilities Connection	Pepco	\$2,952.00 <sup>48</sup>	August 2021	Chinns' 11/14/2021 Payment Table	8N, CPD Chinn 090; 8U, CPD Chinn 135

<sup>43</sup> Naomi Chinn testified concerning each of these payments or estimates.

<sup>44</sup> The Contract's Allowance for solar was \$46,140.55, leaving \$6,188.55 of this Allowance amount unused. (See CPD Ex. 8D, CPD Chinn 026; CPD Ex. 8C, CPD Chinn 007).

<sup>45</sup> The Contract's Allowance for installation of Custom Flooring was \$25,000.00, leaving \$9,470.00 of this Allowance amount unused. (See CPD Ex. 8D, CPD Chinn 027; CPD Ex. 8J, CPD Chinn 072).

<sup>46</sup> The \$4,940.00 the Chinns paid to Carpet and Vacuum Expo to install flooring in the attic should not be tabulated under the Custom Flooring Allowance, but rather under the \$31,250.00 Allowance for Completion of the attic. (See CPD Ex. 8D, CPD Chinn 028-029, "(15) Attic/Cape Code Completion . . . '3rd Floor' Allowance for Full Scope of Work . . . A . . . \$31,250.00 . . . Flooring (15.09) . . . Incl[.]").

<sup>47</sup> Naomi Chinn testified that the payments of \$8,670.00 and \$1,740.00 to repair defects in the carpeting and subflooring, respectively, are costs to repair or replace construction defects that were caused by Finish Werks. (See Chinn Testimony; CPD Ex. 8X, CPD Chinn 166, 167). Therefore, these payments should not be included in the calculation of any Allowance amounts under the contract. (See CPD Ex. 8D, CPD Chinn 013 ¶ 5e ("Right to Reject Work. Buyer may reject Work that does not conform to the Contract. . . Costs of correcting such rejected Work shall

Gas Utility Connection	Washington Gas	\$3,587.00 <sup>49</sup>	August 2021	Chinns' 11/14/2021 Payment Table	8N, CPD Chinn 090; 8U, CPD Chinn 135
Fireplace Repair	MCP Chimney & Masonry	\$169.00	9/2/2021	Chinns' 11/14/2021 Payment Table	8U, CPD Chinn 135
Sump pump	PH Plumbing, LLC	\$750.00	9/14/2021	Receipt for Check	8P, CPD Chinn 099
Water filter installation	PH Plumbing, LLC	\$2,500.00		Chinns' 11/14/2021 Payment Table	8U, CPD Chinn 135
3 Shower Doors	Lowe's	\$1,500.00	9/15/2021	Chinns' 11/14/2021 Payment Table	8U, CPD Chinn 135
Estimate to Repair Two Misaligned Shower Doors		\$500.00			8X, CPD Chinn 170
Electrical Repairs to Pass Inspection	Nelson's Consulting LLC	\$4,200.00	9/20/2021	Personal check 269, Chinns' 11/14/2021 Payment Table	8P, CPD Chinn 098; 8U, CPD Chinn 135
PVC and Dryer Piping Materials for Modern Foundations and Aspect Contracting, Inc	The Home Depot	\$150.00		Chinns' 11/14/2021 Payment Table	8U, CPD Chinn 135
Seeding and Soil	Santiago, a subcontractor of Aspect Contracting, Inc.	\$7,000.00	October 2021	Chinns' 11/14/2021 Payment Table	8U, CPD Chinn 135
Silt Fence Removal and Final Grading	Santiago, a subcontractor of Aspect Contracting, Inc.	\$4,400.00	October 2021		8U, CPD Chinn 135
Driveway Materials and Labor	Modern Foundations	\$6,500.00			8U, CPD Chinn 135
Painting Supplies for Aspect Contracting, Inc.	The Home Depot	\$400.00	10/14/2021 - 10/18/2021	Chinns' 11/14/2021 Payment Table	8U, CPD Chinn 135
Supplies for Aspect Contracting, Inc.	The Home Depot	\$365.00	10/14/2021 - 10/18/2021	Chinns' 11/14/2021 Payment Table	8U, CPD Chinn 135
Concrete Walkway to Front Door	S. Reyes Concrete	\$1,800.00	10/18/2021	Chinns' 11/14/2021 Payment Table	8U, CPD Chinn 135
Air Sealing After Failed Blower Door Test	Mid Atlantic Aero Barrier	\$12,315.00	10/25/2021	Invoice	8Q, CPD Chinn 106
Replace light switches	The Home Depot	\$256.00		Chinns' 11/14/2021 Payment Table	8U, CPD Chinn 135

<sup>49</sup> \*The Contract's Schedule of Values indicates an Allowance of \$2,500.00 for the scope of work "Gas Utilities (01.06) . . . Reconnect Washington Gas service[.]" (See CPD Ex. 8D, CPD Chinn 022). However, this scope of work does not fit the Contract's definition of Allowance, which is "for the Buyer's final selection . . . ." (CPD Ex. 8D, CPD Chinn 013) (emphasis added).



Finish Screened Porch <sup>50</sup>	Jim Moran	\$2,000.00	11/10/2021	Receipt for Check	8S, CPD Chinn 123; 8R, CPD Chinn 109, 111
Replacement Cost of Washing Machine		\$1,250.00			
Deck Railings		\$4,000.00			
Connect Pipe for Radon Remediation	Radon Resolvers	\$629.00	12/5/2021	Receipt for Check	8X, CPD Chinn 161
Interior Drywall Repairs	Eduardo	\$2,250.00	7/15/2022	Zelle Transaction Record	8X, CPD Chinn 169
Repairs to Interior Steps and Handrails	Inver Sanchez	\$3,675.00	8/10/2022	Quote	8X, CPD Chinn 168
Repairs to Interior Trim on First Floor, Repair Cracked Ceiling Trim, Repair Drywall and Ceiling Cracks Throughout Home, Repair Stairs and Stairwells, Paint Damaged or Unfinished Interior Walls		\$30,000.00			8X, CPD Chinn 170
Civil Engineer Costs	DewBerry	\$16,023.00			8M, CPD Chinn 083
<b>Total Cost to Complete Chinns' Home and Repair Defects:</b>		<b>\$189,914.00</b>			

249. In or about November 2021, the Chinns were advised that Modern Foundations, a subcontractor hired by Finish Werks to do work on the Chinns' home, including digging the foundation deeper to address the home height issue, had not been paid \$35,590.00 owed to them for that work (CPD Ex. 8T at 129; Chinn Testimony; *see* CPD Ex. 8T at 128—130, 132—133).

<sup>50</sup> "Screened Porch" is only listed as an option with no price attributed to it in the Contract's Schedule of Values.

250. In or about December 2021, the Chinns were advised that Aspect Contracting, a subcontractor hired by Finish Werks to work on the Chinns' home, had not been paid \$8,408.00 owed to them for that work (CPD Ex. 8T at 131; Chinn Testimony).

251. Respondent Woodward did not tell the Chinns that he had declared a previous company, Finish Werks Corp., insolvent. (Chinn Testimony).

252. Respondent Woodward did not tell the Chinns that he and Finish Werks Corp. did not complete a consumer's home due to insolvency. (Chinn Testimony).

253. Respondent Woodward did not tell the Chinns that he and Finish Werks Corp. did not complete punch list items in another consumer's home due to insolvency. (Chinn Testimony).

254. Respondent Woodward did not tell the Chinns that at least two prior customers of Finish Werks Corp. were sued by unpaid subcontractors for work the subcontractors did at the direction of Finish Werks Corp. (Chinn Testimony).

255. Respondent Woodward did not tell the Chinns that Finish Werks Corp. had been sued by unpaid subcontractors for payment of work done at the direction of Finish Werks Corp. (Chinn Testimony).

256. Respondents Woodward and Finish Werks did not tell the Chinns that they would not provide a list of subcontractors, suppliers, and materialmen who had provided at least \$500 of goods or services and indicate who had been paid. (Chinn Testimony).

257. Respondents Woodward and Finish Werks did not tell the Chinns that they would not provide waivers of liens. (Chinn Testimony).

258. Respondents Woodward and Finish Werks failed to deliver to the Chinns the home for which they contracted, and have not returned any money to the Chinns. (Chinn Testimony).

*f. Facts Applicable to Edward Del Sordo and Laura Schindler*

259. In or about October 2017, Edward Del Sordo and Laura Schindler (Del Sordo/Schindler) decided to build a new home to address Schindler's health concerns. (Schindler Testimony). Schindler was diagnosed with late-stage Lyme disease in 2015, and also discovered later that she had Chronic Inflammatory Response Syndrome ("CIRS") from a genetic mutation that makes her immune system unable to remove mycotoxins in the body from mold exposure. (CPD Ex. 9G at 096—097, 9H at 152; Schindler Testimony). The home in which they were living at the time contained substantial amounts of mold which was making Schindler sick. (Schindler Testimony). Del Sordo/Schindler were not able to find an existing home they were confident had no mold, and so they decided that building a new home was their best option for creating a healthy environment for Schindler (*Id.*).

260. Del Sordo/Schindler chose Finish Werks Custom Builders<sup>51</sup> as their builder because a modular home, like the ones Finish Werks offered, are built in a controlled environment at a factory which minimizes potential for mold growth, versus stick built homes which are built on site and are exposed to weather. (Schindler Testimony).

261. Prior to entering into the custom home contract with Finish Werks between November 2017 and January 2018, Del Sordo/ Schindler made three advance payments to Finish Werks, all by PayPal, in the total amount of \$3,250.00. (CPD Ex. 9E at 070—072; Schindler Testimony). Schindler paid the amounts to Katherine Woodward's (Respondent Woodward's wife) PayPal account at the direction of Respondent Woodward. (*Id.*)

262. Also prior to entering into the custom home contract, as early as October 15, 2017, Del Sordo/Schindler discussed with Respondents Woodward and Finish Werks several

special features they wanted in their home to minimize the potential for mold growth, including, among other things, large overhangs and gutters, downspouts that empty 6 feet from the house, no carpeting, water-proof vinyl plank flooring, and a whole house dehumidifier. (CPD Ex. 9A at 001; Schindler Testimony). Respondent Woodward indicated to Del Sordo/Schindler that Finish Werks could accommodate those requests. (Schindler Testimony).

263. On or about March 10, 2018, Del Sordo/Schindler contracted with Finish Werks to construct a custom home on the Del Sordo/Schindler lot at 403 Sherwood Road, Cockeysville, Baltimore County, Maryland, for the purchase price of \$445,485.38. (CPD Ex. 9C at 020; Schindler Testimony). The custom home contract was ratified by Respondent Woodward for Finish Werks. (CPD Ex. 9C at 025-26; Schindler Testimony).

264. Although the initial modular specification sheet in Del Sordo/Schindler's contract included Formica countertops in the kitchen and marble vanity tops in the bathrooms, Del Sordo/Schindler chose to eliminate those items from the modular order and instead install quartz countertops in the home. (CPD Ex. 9C at 041-042; 9I at 263-264; Schindler Testimony). Respondents Woodward and Finish Werks were aware of and agreed to the change as early as October 16, 2017, and included an allowance for countertops in the contract. (CPD Ex. 9A at 011; 9C at 033; 9G at 119; Schindler Testimony).

265. The custom home contract Finish Werks entered into with Del Sordo/Schindler did not state that any and all changes that are to be made to the contract shall be recorded as "change orders" that specify the change in the work ordered and the effect of the change on the price of the house. Instead, the contract language attempted to limit which changes require a change order with language such as, "A CO [change order] is executed when...any scope of work significantly differs from that in the SOV [statement of values]...or...the cost of a major

scope of work increases by more than 10% from the original SOV amount.” (CPD Ex. 9C at 021).

266. The custom home contract Finish Werks entered into with Del Sordo/Schindler provides that “When a CO is requested the Builder has the right to stop all work until both parties agree, *before the work is done*, and accept the written CO.” (CPD Ex. 9C at 021, emphasis added).

267. The custom home contract Finish Werks entered into with Del Sordo/Schindler provides for the contract price to change based on some items that are identified as “Allowances” and the listed price is “a placeholder for the Buyers final selection... In addition, Buyer is entitled to receive notice if the Builder’s reimbursable costs will exceed the Allowance by more than 10%.” (CPD Ex. 9C at 021).

268. At the time Del Sordo/Schindler signed the contract with Finish Werks, they expected to move into the home by September 2018 based on time estimates provided to Del Sordo/Schindler by Respondent Woodward. (Schindler Testimony).

269. The contract Del Sordo/Schindler entered into with Finish Werks provides that the Del Sordo/Schindler’s money will be placed into “Finish Werks, General Operations ACCT.” (CPD Ex. 9C at 025).

270. Less than a week after entering into the contract, Del Sordo/Schindler made an advance payment, by personal check, to Finish Werks in the amount of \$23,954.00, representing more than 5% of their contract price. (CPD Ex. 9E at 073; Schindler Testimony). Finish Werks deposited Del Sordo/Schindler’s money in a Finish Werks checking account ending in 5968, for which Respondent Woodward was a signatory. (CPD Ex. 10N; Wells Fargo Bank Records;

271. Between May and August 2018, Del Sordo/Schindler made four payments to Finish Werks in the total amount of \$187,514.22. (CPD Ex. 9E at 074; 9F at 082—083; 10N; Schafer Testimony).

272. The total amount paid by Del Sordo/Schindler to Finish Werks over the course of construction equaled \$214,718.22. (CPD Ex. 9E at 070—074; 9F at 082—083; 10N; Wells Fargo Bank Records; Schafer Testimony).

<b>Laura Schindler and Edward Del Sordo Payments to Finish Werks Custom Builders</b>				
<b>Purpose of Payment</b>	<b>Amount Paid</b>	<b>Date(s) of Payment</b>	<b>Payment Method</b>	<b>CPD Exhibit #</b>
Permits/Simplex Downpayment	\$23,954.00 <sup>52</sup>	3/16/18	Personal Check 183	9E, CPD Schindler & Del Sordo 073
Superior Walls	\$7,500.00	5/9/18	Personal Check 238	9E, CPD Schindler & Del Sordo 074
Draw	\$43,621.51	7/16/18	Wire Transfer	9F, CPD Schindler & Del Sordo 076-079, 082-083
Draw	\$23,078.49	7/16/18	Wire Transfer	9F, CPD Schindler & Del Sordo 076-079, 082-083
Draw	\$103,314.22	7/20/18	Wire Transfer	9F, CPD Schindler & Del Sordo 076-079, 082-083
Draw	\$10,000.00	8/16/18	Wire Transfer	9F, CPD Schindler & Del Sordo 076-079, 082-083
<b>Total Paid to FW Under Contract:</b>	<b>\$211,468.22</b>			

<sup>52</sup> Prior to entering into the Contract on March 10, 2018, Laura Schindler and Edward Del Sordo sent Finish Werks three payments through PayPal transactions totaling \$3,250.00. (See CPD Ex. 9E, CPD Schindler & Del Sordo 070 (\$1,000.00 payment to Katherine Woodward, Harris Woodward's wife, on November 6, 2017); CPD Ex. 9E, CPD Schindler & Del Sordo 071 (\$750.00 payment to Katherine Woodward on December 8, 2017); CPD Ex. 9E, CPD Schindler & Del Sordo 072 (\$1,500.00 payment to Katherine Woodward on January 31, 2018)). Under the Schedule of Values incorporated into the contract, Laura Schindler and Edward Del Sordo received credits towards the contract totaling \$5,000.00 for payments or deposits already made, including "CREDIT Deposits (Factory Finals & Permit Sets) . . . \$3,500.00" and for "Factory Carrier Deposit . . . \$1,500.00[.]" (See CPD Ex. 9C, CPD Schindler & Del Sordo 030-031). Thus, the payments made before the formation of the Contract should not be included in calculating Laura Schindler and Edward Del Sordo's total payments to Finish Werks under the contract.



273. On or about July 20, 2018, the Respondents delivered and set the modular portions of the home on its foundation, but failed to properly weatherize and seal the unfinished home. (CPD Ex. 9G at 130—135; 9H at 136—147; Schindler Testimony).

274. The lot experienced heavy rains in the days after the home was set, and rain infiltrated the unfinished home, causing mold to grow in numerous places, requiring extensive remediation and causing significant delays in construction. (CPD Ex. 9H at 136—147, 158—180; Schindler Testimony).

275. Despite being aware of the rain infiltration at least as early as July 25, 2018, and after having numerous discussions with Del Sordo/Schindler in the weeks following about correcting the water infiltration and preventing mold growth, Finish Werks delayed taking proper steps to remediate the mold and remove wet materials from the home, thus allowing mold to grow in the home, and ultimately failed to complete remediation. (CPD Ex. 9H at 148—153, 9I at 184—229, 302—317; Schindler Testimony).

276. On or about August 1, 2018, Finish Werks presented a change order/invoice to Del Sordo/Schindler reflecting an increase in the home price of \$20,757.00. (CPD Ex. 9I at 181—183; Schindler Testimony). Del Sordo/Schindler requested documentation of the cost increases included in the change order, and had numerous discussions with Respondents Woodward and Finish Werks about whether the costs in the change order were justified. (CPD Ex. 9I at 227-228, 230-239, 242-301; Schindler Testimony).

277. Del Sordo/Schindler engaged an attorney, Tom Baker, to assist them in dealing with the issues related to the construction of their home, and paid Baker \$1,500.00 for his services. (CPD Ex. 9M at 708; Schindler Testimony). With the assistance of their attorney, Del



the work in the change order was justified, at a total of \$5,775.00, but did not agree that any other amount in the change order was justified. (CPD Ex. 9I at 244—245).

Laura Schindler and Edward Del Sordo Contract Price			
Record of Agreement	Amount Agreed to Pay	Date of Agreement	CPD Exhibit #
Initial Contract Price	\$445,485.38	3/10/2018	9C, CPD Schindler & Del Sordo 020, 036, 045
Change Order Terms Agreed to by Schindler and Del Sordo	\$5,775.00 <sup>53</sup>	8/9/2018	9I, CPD Schindler & Del Sordo 182-183, 244-245
Schindler and Del Sordo's Total Contractual Obligation to FW:	\$451,260.38		

278. On or about August 10, 2018, Del Sordo/Schindler agreed to release a \$10,000 draw from their loan to Finish Werks for work done prior to the water infiltration and mold damage but not including set crew costs, “as an act of good faith, and without waiving any of [their] legal or equitable rights”. (CPD Ex. 9I at 295; Schindler Testimony; *see* 9F at 083; 9I at 293—301).

279. Finish Werks stopped working on the home in early August 2018. (Schindler Testimony; *see* CPD Ex. 9H at 154—155, 9J at 332).

280. Del Sordo/Schindler hired a different attorney to continue assisting them with the issues related to the construction of their home. (Schindler Testimony). Del Sordo/Schindler paid an initial retainer of \$10,000.00 to the attorney, but only incurred \$7,220.00 in actual charges from the attorney. (CPD Ex. 9M at 711; Schindler Testimony).

<sup>53</sup> On August 1, 2018, Finish Werks sent Laura Schindler and Edward Del Sordo a Change Order with cost increases totaling \$20,757.00. (*See* CPD 9I, CPD Schindler & Del Sordo 181-183). On August 9, 2018, Laura Schindler and Edward Del Sordo responded to the Change Order with a letter agreeing that they were responsible paying for a total of \$2,616.00 in additional costs: \$900.00 for demolition work, \$2,214.00 for lot clearing, \$600.00 for stakeout costs, a credit of \$1,983.00 for a cheaper slit fence, and \$4,044.00 for the deletion of lally columns and addition of steel beams. (*See* CPD Ex. 9I, CPD Schindler & Del Sordo 244-245). As there is evidence of an agreement by the parties to these prices and scope of work changes, they should be reflected in the contractual owed price.

281. On or about August 17, 2018, Del Sordo/Schindler's attorney sent a letter to Respondents Woodward and Finish Werks, summarizing the disputes between the parties, and requesting the parties engage in mediation to resolve the disputes. (CPD 9J at 328—336; Schindler Testimony). Respondent Woodward contacted the attorney for Del Sordo/Schindler and stated that he would meet with the attorney and Del Sordo/Schindler without a mediator present. (CPD Ex. 9J at 339). However, despite repeated requests to mediate the dispute by Del Sordo/Schindler and their attorney, Respondents Woodward and Finish Werks failed to engage in any mediation process. (CPD Ex. 9J at 337—343, Schindler Testimony).

282. On or about September 6, 2018, approximately six (6) months after entering into the contract with Finish Werks, Del Sordo/Schindler, through their attorney, terminated their contract with Finish Werks, and requested their advanced payments back. (CPD Ex. 9J at 348—349; Schindler Testimony).

283. Finish Werks failed to complete the construction of the Del Sordo/Schindler's home and failed to return their advanced payments. (Schindler Testimony; *see* CPD Ex. 9L).

284. Del Sordo/Schindler never received from Respondents Woodward and Finish Werks a list of subcontractors who had provided more than \$500.00 of goods or services, and indicating which subcontractors had been paid. (Schindler Testimony).

285. Del Sordo/Schindler never received any waivers of liens from Respondents Woodward and Finish Werks. (Schindler Testimony).

286. Respondent Woodward did not tell Del Sordo/Schindler that he had declared a previous company, Finish Werks Corp., insolvent. (Schindler Testimony).

287. Respondent Woodward did not tell Del Sordo/Schindler that he and Finish Werks

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288. Respondent Woodward did not tell Del Sordo/Schindler that he and Finish Werks Corp. did not complete punch list items in another consumer's home due to insolvency. (Schindler Testimony).

289. Respondent Woodward did not tell Del Sordo/Schindler that at least two prior customers of Finish Werks Corp. were sued by unpaid subcontractors for work the subcontractors did at the direction of Finish Werks Corp. (Schindler Testimony).

290. Respondent Woodward did not tell Del Sordo/Schindler that Finish Werks Corp. had been sued by unpaid subcontractors for payment of work done at the direction of Finish Werks Corp. (Schindler Testimony).

291. Respondents Woodward and Finish Werks did not tell Del Sordo/Schindler that they would not provide a list of subcontractors, suppliers, and materialmen who had provided at least \$500.00 of goods or services and indicate who had been paid. (Schindler Testimony).

292. Respondents Woodward and Finish Werks did not tell Del Sordo/Schindler that they would not provide waivers of liens. (Schindler Testimony).

293. Del Sordo/Schindler received their Use and Occupancy permit in or about March 2019. (Schindler Testimony).

294. The cost to complete their home is \$288,278.44<sup>54</sup> including, among other things, tearing out and replacing mold damaged drywall and insulation, replacing steel columns in the basement,<sup>55</sup> and completing the roof, siding, gutters, garage, deck, HVAC, plumbing, electrical,

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<sup>54</sup> Del Sordo/Schindler were promised a "Panasonic Spot ERV" in their contract with Finish Werks, for a cost of \$738.00. (CPD Ex. 9C at 032). Del Sordo/Schindler did not know what an ERV system was until Respondent Woodward explained the concept, and then understood it to be a system that brings in outdoor air to the entire home, which is what they received from Pipco. (Schindler Testimony). Del Sordo/Schindler paid to have Pipco install an ERV system in the home at a cost of \$4,700.00. (CPD Ex. 9L at 605—606; Schindler Testimony).

<sup>55</sup> The basement initially failed inspection because the steel columns installed by Finish Werks could not properly support the weight of the steel beam installed in the basement ceiling. (Schindler Testimony). Francis Schindler, Laura Schindler's father and a registered home builder, purchased new steel beams from Reisterstown Lumber Company to replace the ones installed by Finish Werks so that the home could pass inspection, and Del Sordo/Schindler reimbursed Mr. Schindler for the cost of the beams. (Schindler Testimony; CPD Ex. 9L at 415, 500).

grading, and interior of the home. (CPD Ex. 9J at 344-345; 9K at 372—382; 9L; Schindler Testimony).

Laura Schindler and Edward Del Sordo's Home Completion Costs					
Purpose of Payment	Contractor or Supplier	Amount Paid	Date of Payment(s)	Evidence of Costs <sup>56</sup>	CPD Exhibit #
Mold Remediation	ARC Construction Services	\$12,165.00	10/10/2018 - 1/4/2019	Credit Card 3350; Mastercard Credit Card 4092; Visa Credit Card 0833	9L, CPD Schindler & Del Sordo 376-382
Tarp for Roof Leak	Arocon Roofing & Construction, LLC	\$550.00	12/13/2018	Target Credit Card 3984	9L, CPD Schindler & Del Sordo 550
Propane to Heat/Dry Interior of Home	Baltimore Welding Supply	\$1,885.30	1/8/2019 - 2/25/2019	Invoices, Visa Credit Card 0833	9L, CPD Schindler & Del Sordo 448-449, 624, 626
Mold Inspections	LIFE Seeds, Inc.	\$3,590.00	12/26/2018 - 4/30/2019	Invoice, Checks	9L, CPD Schindler & Del Sordo 372-375
Labor to Remove Wet Material from Home	Michael Jones	\$1,150.00	12/1/2018 - 12/13/2018	Checks	9L, CPD Schindler & Del Sordo 527-537
Mold Testing and Remediation	Mold Busters, LLC	\$1,460.00	8/6/2018	Invoice, Credit Card	9J, CPD Schindler & Del Sordo 344
Drywall Installation	Northern Contracting Company, LLC	\$7,325.00 <sup>57</sup>	2/12/2019 - 3/7/2019	Proposal, Checks	9L, CPD Schindler & Del Sordo 482-484
Storage Rental for Materials During Remediation	Pods	\$633.01	10/10/2018 - 12/14/2018	Invoices, Barclay Mastercard 4225	9L, CPD Schindler & Del Sordo 544-549
Dehumidifier Rental	Rental Works	\$1,620.00	12/22/2018 - 2/6/2019	Invoice, Visa Credit Card 0833	9L, CPD Schindler & Del Sordo 409-410, 621, 628, 630

<sup>56</sup> Laura Schindler testified about each of the payments, estimates, or other costs in this table.

<sup>57</sup> Laura Schindler wrote two checks to Northern Contracting Company, totaling 8,625.00 to install drywall in her home once mold remediation had been completed. (See CPD Ex. 9L, CPD Schindler & Del Sordo 482). However, the check for \$1,300.00 dated March 7, 2019, specified that it was for "2nd payment Garage drywall." (See CPD Ex. 9L, CPD Schindler & Del Sordo 484). Laura Schindler testified that she believed she had been entitled to drywall in her garage under her contract with Finish Werks. (See Laura Schindler testimony). However, the Schedule of Values in her contract did not appear to reflect an agreement that the interior of the garage would be finished with drywall. (See CPD Ex. 9C, CPD Schindler & Del Sordo 035 ("(16) Garage/Car Port . . . Drywall (16.13) . . . N/A . . . \$0.00")). Therefore, only Laura Schindler's \$7,325.00 payment for drywall to be installed in the main house should be included in the costs to complete construction of Laura Schindler and Edward Del Sordo's home. (See CPD Ex. 9L, CPD Schindler & Del Sordo 483).

Materials	Ace Hardware	\$69.97	3/15/2018 - 12/31/2018	Barclay Mastercard 4225, Visa Credit Card 0833, Visa Credit Card 7983	9L, CPD Schindler & Del Sordo 613, 636, 667, 694,
Materials, Fixtures	Amazon	\$1,071.39	11/27/2018 - 3/13/2019	Receipts, Mastercard Credit Card 4092, Visa Credit Card 0833	9L, CPD Schindler & Del Sordo 546-572
Repair and Paint Drywall	Angel Romero	\$7,150.00	1/1/2019 - 3/2/2019	Personal Checks	9L, CPD Schindler & Del Sordo 430-435
Plumbing Labor and Materials	Atlantic Mechanical	\$12,125.00	11/7/2018 - 3/12/2018	Invoices; Mastercard Credit Card 4092; Visa Credit Card 0833; Visa Credit Card 5812	9L, CPD Schindler & Del Sordo 436-445
Driveway Labor and Materials	Barnes Paving and Trucking, Inc.	\$6,685.00 <sup>58</sup>	3/25/2019	Invoice	9L, CPD Schindler & Del Sordo 450
Water and Sewer Utility Connections	Burgemeister- Bell, Inc / BFMD / Ben Franklin Plumbing	\$15,030.00 <sup>59</sup>	10/19/2018 - 12/19/2018	Invoices, Receipt	9L, CPD Schindler & Del Sordo 411-414
Rough Grading, Concrete Porch, Garage, Footers for Deck	BluePrint Concrete	\$14,000.00	9/22/2018 - 10/13/2018	Invoices, Checks	9L, CPD Schindler & Del Sordo 451-457
Labor and Materials for Garage	Building Works, Ltd.	\$14,781.00	10/10/2018 - 10/26/2018	Contracts, Checks	9L, CPD Schindler & Del Sordo 458-469

<sup>58</sup> The Contract's Schedule of Values indicates an Allowance of \$4,305.00 for the scope of work "Driveway (05.24) . . . Gravel Driveway . . . A . . . \$4,305.00." (See CPD Ex. 9C, CPD Schindler & Del Sordo 030). Laura Schindler and Edward Del Sordo obtained an asphalt driveway at a cost of \$6,685.00. (See CPD Ex. 9L, CPD Schindler & Del Sordo 450).

<sup>59</sup> The Contract's Schedule of Values indicates an Allowance of \$2,812.00 for the scope of work "Main water and



Insulation Replacement in Home, Additional Insulation in Garage, Additional Insulation in Basement to Code	Carroll Insulation / USI	\$6,693.00 <sup>60</sup>	2/4/2019 - 3/25/2019	Invoices, Receipts, Visa Credit Card 0833	9L, CPD Schindler & Del Sordo 515-521
Dumpster	Clipper City Container	\$1,345.00	9/18/2018 - 1/23/2019	Target Credit Card 3984	9L, CPD Schindler & Del Sordo 650, 653, 654
Dumpster	Cockeys Enterprise	\$975.00	2/15/2019 - 3/22/2019	Account Statement, Visa Credit Card 0833	9L, CPD Schindler & Del Sordo 470
Electrical Labor and Materials, Repair Electrical Defects in Home	DeLuca Electrical, Inc.	\$7,975.00	3/20/2019 - 5/10/2019	Checking Withdraw Statements, Receipts	9L, CPD Schindler & Del Sordo 476-479
Survey Required for Occupancy	Dietz Surveying	\$300.00	5/10/2019	Invoice, Check	9L, CPD Schindler & Del Sordo 480-481
Energy Star Certification Promised Under Contract and Not Received		\$1,107.00 <sup>61</sup>		Contract Schedule of Values	9C, CPD Schindler & Del Sordo 029
HVAC Labor and Materials	Eric's Mechanical Services, LLC	\$12,960.00	12/31/2018 - 1/17/2019	Signed Proposal, Checking Withdraw Statements	9L, CPD Schindler & Del Sordo 485-489
Father's Builder's License, Insurance, Material and Equipment for Adding Required Structural Support in Basement	Francis Schindler	\$3,226.34	9/29/2018 - 1/23/2019	Checks; Reisterstown Lumber Receipt	9L, CPD Schindler & Del Sordo 498-501; 415
Temporary Toilets	Gotugo Port-A-Pot	\$996.80	9/20/2018 - 3/7/2019	Payment Confirmations, Target Credit Card 3984	9L, CPD Schindler & Del Sordo 502-509
Kitchen and Bath Countertops	Granite Discounter	\$3,532.00	11/7/2018 - 2/19/2019	Contract, Receipt, Check, Mastercard Credit Card 4092	9L, CPD Schindler & Del Sordo 510-514, 682

<sup>60</sup> Some portion of this payment is for the addition of installation in the garage, however under Laura Schindler and Edward Del Sordo's contract with Finish Werks, the garage would not have received insulation. (See CPD Ex. 9C, CPD Schindler & Del Sordo 035 ("(16) Garage/Car Port . . . Insulation (16.12) . . . N/A . . . \$0.00")). Therefore, as adding insulation is an upgrade from the home they were to have received, there should be a reasonable reduction in the amount of this payment that counts towards calculation of Laura Schindler and Edward Del Sordo's costs to complete construction of their home.

<sup>61</sup> See CPD Ex. 9C, CPD Schindler & Del Sordo 029 ("Performance/Green Certifications (03.03) . . . Energy Star Certified . . . \$1,107.00")).



Final House Cleaning	Jessica Sacalxot	\$200.00	3/15/2019	Check	9L, CPD Schindler & Del Sordo 522
Labor and Materials for Interior Trim	JT Carpentry, LLC	\$10,500.00	1/22/2019 - 2/23/2019	Contract, Checks	9L, CPD Schindler & Del Sordo 523-526
Welding Column in Basement	Lee's Welding	\$375.00	3/8/2019	Visa Credit Card 0833	9L, CPD Schindler & Del Sordo 635
Materials, Fixtures	Lowe's	\$23,625.17	9/8/2018 - 4/15/2019	Receipts, Visa Credit Card 0833, Mastercard Credit Card 4092, Visa Credit Card 7983, Lowe's Credit Card	9L, CPD Schindler & Del Sordo 580-602, 613, 628-630, 634-635, 637- 639, 657, 667, 671-672, 675, 682, 686
Labor and Materials for Deck	Maryland Deck Builders	\$25,978.00	3/18/2019 - 5/20/2019	Proposal, Checks	9L, CPD Schindler & Del Sordo 471-474
Labor and Materials for Siding, Gutters, Replace Missing Shingles	Mr. Parks' (written out to Jeong Joo, Mr. Parks' Wife)	\$17,123.00	11/20/2018	Personal Check 105	9L, CPD Schindler & Del Sordo 540
Landscaping	Natural Concerns Landscape Contractors	\$9,377.50	10/17/2018 - 6/7/2019	Proposal, Invoice, Mastercard Credit Card 4092, Visa Credit Card 7983	9L, CPD Schindler & Del Sordo 490-497
ERV Installation for HVAC	Pipco Air Conditioning & Heating Company	\$4,700.00	6/1/2022	Invoice, Receipt	9L, CPD Schindler & Del Sordo 605-606
Blower Door Testing	Pennyman Energy	\$250.00	3/25/2019	Personal Check 128	9L, CPD Schindler & Del Sordo 541-542
Garage Door Installation	PP Automatic Doorz	\$160.00	3/15/2019	Visa Credit Card 0833	9L, CPD Schindler & Del Sordo 636
Lighting Fixtures	Rexel	\$57.70	2/27/2019	Visa Credit Card 0833	9L, CPD Schindler & Del Sordo 634
Solar PV System Allowance Under Contract and Not Received		\$27,060.00 <sup>62</sup>		Contract Schedule of Values	9C, CPD Schindler & Del Sordo 032

Sonnen Battery Energy Storage Allowance Under Contract and Not Received		\$12,300.00 <sup>63</sup>		Contract Schedule of Values	9C, CPD Schindler & Del Sordo 032
Shower Enclosure	Supply.Com	\$1,461.00	1/9/2019	Credit Card	9L, CPD Schindler & Del Sordo 603; 9L, CPD Schindler & Del Sordo 264
Materials and Fixtures	The Home Depot	\$7,281.87	9/8/2018 - 3/21/2019	Visa Credit Card 0833, Target Credit Card 3984, Mastercard Credit Card 4092, Visa Credit Card 7983	9L, CPD Schindler & Del Sordo 573-579, 613, 614, 617, 628, 629, 630, 634, 635, 636, 637, 639, 645, 663, 664, 667, 671, 672, 675, 678, 686
Sprinkler System	Townhouse Sprinklers, Inc.	\$7,200.00 <sup>64</sup>	1/12/2019 - 3/15/2019	Invoice, Checks	9L, CPD Schindler & Del Sordo 551-554
Bathroom Vanity, Replacement Light Fixtures	Wayfair	\$2,228.39	1/29/2019 - 3/20/2019	Visa Credit Card 7983, Visa Credit Card 0833	9L, CPD Schindler & Del Sordo 555-563
Total Costs Paid to Complete Construction		\$288,278.44			

295. The delays caused by Respondent Finish Werks Custom Builders' failure to remediate the mold or complete the home caused Schindler to suffer significant health and career related setbacks—she was ill and bedridden because she was living in a home with mold while the new home was being completed and, due to her continued poor health, she could not accept a full time faculty position at the university where she worked. (Schindler Testimony).

<sup>63</sup> See CPD Ex. 9C, CPD Schindler & Del Sordo 032 ("Battery Storage and Backup(11.08) . . . Sonnen Battery Energy Storage . . . A . . . \$12,300.00").

<sup>64</sup> The Contract's Schedule of Values indicates an Allowance of \$6,765.00 for the scope of work "(9) Fire Sprinkler . . . Main System (09.01)." (See CPD Ex. 9C, CPD Schindler & Del Sordo 031). However, this scope of work does not fit the Contract's definition of Allowance, which is "for the Buyer's final selection. . . ." (CPD Ex. 9C, CPD Schindler & Del Sordo 021) (emphasis added).

## DISCUSSION

### Introduction

The CPD charged the Respondents with violating provisions of the NHDA, the CHPA, and the CPA. I first address the matter of Respondent Woodward's individual liability, followed by a discussion of the alleged violations of the NHDA, the CHPA, and the CPA.

For the reasons explained below, I conclude that Respondent Woodward is individually liable for each of the unfair or deceptive trade practices engaged in by Respondent Finish Werks Corp. and Respondent Finish Werks Custom Builders, Inc. Under Maryland law, it is unnecessary to "pierce the corporate veil" to hold an officer of a corporation responsible for violations of the CPA. Additionally, Respondent Woodward's participation in the acts constituting violations of the NHDA and CHPA was both highly engaged and personal. This does not represent the type of situation where the existence of a corporate entity can be interposed to try to insulate individuals from their personal responsibility.

In *Hartford Accident & Indem. Co. v. Scarlett Harbor Assocs.*, 109 Md. App. 217, 265 (1996), the Appellate Court of Maryland<sup>65</sup> held that "a CPA violation is in the nature of a tort action; it is a legal wrong that is not equivalent to a breach of contract." In Maryland, officers and agents of a corporation "are personally liable for torts which they personally commit, or which they inspire, participate in . . . contribute[] to or help[] to bring about." *Tedrow v. Deskin*, 265 Md. 546, 550-51 (1972). In *Tedrow*, the Supreme Court of Maryland<sup>66</sup> observed that the plaintiff had alleged that the corporate officers and agents had "express or implied knowledge" that the odometer had been rolled back in the car that the dealership sold to the Plaintiff, *Tedrow*, 265 Md. at 551, and held that the trial court erred in granting summary judgment for the owners

of the dealership in light of the plaintiff's allegations. *Metromedia Co. v. WCBM Maryland, Inc.*, 327 Md. 514 (1992) (officer of corporation could be held liable for wrongdoing undertaken based upon his decision).

The Supreme Court of Maryland reaffirmed its holding that the CPD may hold individuals jointly and severally liable for restitution for the CPA violations of corporations when the CPD proves that (1) the individual participated directly in or had authority to control the deceptions and misrepresentations, and (2) the individual had knowledge of the practices. *Consumer Prot. Div. v. Morgan*, 387 Md. 125, 176 (2005).

The same standard applies to cases brought by the Federal Trade Commission against perpetrators of unfair or deceptive trade practices. Federal courts have held that officers of corporations are liable if they "participated directly in" the unfair or deceptive trade practices or had the authority to control them. *FTC v. Amy Travel Serv., Inc.*, 875 F.2d 564, 573 (7th Cir. 1989).<sup>67</sup> This standard is satisfied if the officers "knew or should have known" of the practices. *Amy Travel*, 875 F.2d at 574. The *Amy Travel* court also stated, "the degree of participation in business affairs is probative of knowledge." *Id.*

It is clear that Respondent Woodward "participated directly in," "contributed to," and "helped to bring about" all the violations by the corporate Respondent of the NHDA, CHPA, and CPA. The evidence of Respondent Woodward's participation in the violations of the NHDA, CHPA, and CPA is overwhelming. Respondent Woodward was not only the owner, president, and principal of Respondent Finish Werks Corp. and Finish Werks Custom Builders, Inc., but he also personally participated in all aspects of the construction transactions with the consumers,

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<sup>67</sup> Although *FTC v. Amy Travel Serv., Inc.* was overturned in *Federal Trade Commission v. Credit Bureau Center, LLC*, 973 F.3d 764 (7th Cir. 2019), the negative treatment of *Amy Travel Serv.* related to the award of restitutionary relief by the Federal Trade Commission (FTC) under the Federal Trade Commission Act (FTCA). The Court in *Federal Trade Commission v. Credit Bureau Center* still held that the principal was individually liable under the FTCA for the contractors' fraudulent marketing scheme. Therefore, the standard applied for establishing liability of principals of corporations in *Amy Travel* remains valid.

executed documents on behalf of Respondent Finish Werks Corp. and Finish Werks Custom Builders, Inc., was involved in the construction process, received payments from the consumers on behalf of the Respondents, signed contracts between the consumers and the Respondents, and was a signatory on Respondent Finish Werks Corp., and Finish Werks Custom Builders, Inc.'s Wells Fargo Banking accounts.

Respondent Woodward personally participated in the acts described in the Findings of Fact, knew or should have known of the illegal acts that occurred, and had the authority to control those illegal acts. It follows that he is liable for the violations committed by Respondent Finish Werks Corp. and Finish Werks Custom Builders, Inc.

#### Relevant Law

The CPD asserts that the Respondents are home builders as defined by the Maryland Home Builder Registration Act (HBRA). Section 4.5-101(g) of the HBRA defines a "home builder" as follows, in pertinent part:

#### **§ 4.5-101. Definitions.**

(a) *In general.* — In this title the following words have the meanings indicated.

....  
(g) *Home builder.* — (1) "Home builder" means a person that undertakes to erect or otherwise construct a new home.

(2) "Home builder" includes:

(i) a custom home builder as defined in § 10-501 of the Real Property Article;

(ii) a new home builder subject to § 10-301 of the Real Property Article;

(iii) the installer or retailer of a mobile home or an industrialized building intended for residential use; and

(iv) a person that enters into a contract with a consumer under which the person agrees to provide the consumer with a new home.

Md. Code Ann., Bus. Reg. § 4.5-101(g) (2015).

Section 10-501 of the CHPA defines a custom home builder and related terms as follows:

**§ 10-501. Definitions.**

- (a) *In general.* — In this subtitle, the following words have the meanings indicated:
- (b) *Buyer.* — “Buyer” means any person who seeks or enters into a contract for the construction of a custom home.
- (c) *Custom home.* — “Custom home” means a single-family dwelling constructed for the buyer’s residence on land currently or previously owned by the buyer.
- (d) *Custom home builder.* — “Custom home builder” means any person who seeks, enters into, or performs custom home contracts.
- (e) *Custom home contract.* — “Custom home contract” means any contract entered into with the buyer, with a value equal to or greater than \$20,000, to furnish labor and material in connection with the construction, erection, or completion of a custom home. A custom home contract does not mean an agreement for work to be done by a licensed home improvement contractor and subject to the provisions of the Maryland Home Improvement Law.
- (h) *Person.* — “Person” includes an individual, corporation, business trust, statutory trust, estate, partnership, association, 2 or more persons having a joint or common interest, or any other legal or commercial entity.

Md. Code Ann., Real Prop. § 10-501 (2015).

The Respondents were clearly custom home builders; that is, they sought to enter into or perform custom home contracts, which are contracts entered into with a buyer, having a value equal to or greater than \$20,000, to furnish labor and material in connection with the construction, erection, or completion of a custom home. A custom home is a single-family dwelling constructed to be the buyer’s residence on land currently or previously owned by the buyer. The transactions between the Respondents and the Blazeks, the Webers, the Berrys, the Rosenquists, the Chinns, and the Schindler/Del Sordos all fit this definition.

Thus, the Respondents were homebuilders under section 4.5-101(g)(2)(i) of the HBRA because the statute includes persons who are custom builders as defined in section 10-501 of the CHPA; they were also home builders under section 4.5-101(g)(1) of the HBRA because they



were persons that undertook to erect or otherwise construct a new home. The term “person” encompasses both individuals and business entities. Md. Code Ann., Real Prop. § 10-501(h).

The CPD argued that the Respondents, as home builders, violated the NHDA in several ways: first, by failing to maintain or place deposits and other consideration paid by the Consumers in an escrow account; second, by failing to obtain a surety bond or an irrevocable letter of credit to protect the Consumers’ deposits and payments; and third, by breaching the trust created for the benefit of the Consumers by failing to pay subcontractors within a reasonable period of time after receiving payments from the Consumers and by misappropriating money paid by the Consumers to Finish Werks Corp. and Finish Werks Custom Builders, Inc. The CPD also argued that the Respondents violated the CHPA accepting deposits/advance payments in excess of five percent of the home purchase price in the form of a check or draft that was not written in the name of an escrow account and entering into contracts with the Consumers that lacked required elements, including disclosures, identification of primary subcontractors, provision of waivers of liens, and certification notices. All of these violations of the NHDA and the CHPA also constitute violations of the CPA, contends the CPD.

I first review the relevant portions of the law, beginning with the NHDA.

The NHDA requires that “[a]ny sum of money received by a vendor or builder in connection with the sale and purchase of a new single-family residential unit shall be held in trust for the benefit of the purchaser.” Md. Code Ann., Real Prop. § 10-301.1. The NHDA also states that “any conduct that fails to comply with this subtitle is an unfair or deceptive trade practice within the meaning of [the CPA].” Md. Code Ann., Real Prop. § 10-305.

The CHPA has similar provisions; it provides that “[a]ny consideration received by a

connection with the custom home contract shall be consistent with the trust.” Md. Code Ann., Real Prop. § 10-502. It also establishes a presumption of appropriation:

[T]he failure of a custom home builder to pay or cause to be paid the lawful claims of any person furnishing labor or material, including fuel, within a reasonable period after the receipt from the buyer of consideration paid to satisfy the claims, shall create a rebuttable presumption that the consideration received by the custom home builder has been used or appropriated in violation of the trust established by this subtitle.

Md. Code Ann., Real Prop. § 10-503.

Additionally, the CHPA requires certain information be included in the custom home contract. Specifically, a custom home contract must include “a draw schedule . . . on a separate sheet of paper and that shall be separately signed by the buyer and the custom home builder,” and must also “[i]dentify to the extent known the names of the primary subcontractors who will be working on the custom home.” Md. Code Ann., Real Prop. § 10-505(1) and (2).

Finally, the CHPA provides that any conduct that fails to comply with that subtitle, or any breach of trust created by that subtitle, is “[a]n unfair or deceptive trade practice within the meaning of the [CPA].” Md. Code Ann., Real Prop. § 10-507 (Supp. 2022).

With regard to violations of the CPA, Md. Code Ann., Com. Law § 13-301 states that “[u]nfair, abusive, or deceptive trade practices” include:

- “False, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind which has the capacity, tendency, or effect of deceiving or misleading consumers” (Md. Code Ann., Com. Law § 13-301(1) (Supp. 2022));
- “Failure to state a material fact if the failure deceives or tends to deceive” (Md. Code Ann., Com. Law § 13-301(3) (Supp. 2022)); and
- “Use by a seller, who is in the business of selling consumers realty, of a contract related to the sale of single family residential consumer realty, including condominiums and town houses, that contains a clause limiting or precluding the buyer’s right to obtain consequential damages as a result of the seller’s breach or cancellation of the contract.

Section 13-303 of the CPA prohibits such practices with regard to the “sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer services” or the “offer for such sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer services.” Md. Code Ann., Com. Law § 13-303 (Supp. 2022).

### Analysis

The CPD offered the testimony of Gerald Whittaker, Administrator of the CPD’s Home Builder Registration Unit, and Joshua Schafer, a CPD investigator. In addition, seven consumer witnesses testified regarding their interactions with the Respondents and the details of their contracts, the subsequent construction or lack thereof, and their efforts to recover lost payments and, in some cases, to get partially built homes completed or completed homes corrected of defects.

Mr. Whittaker testified regarding his responsibilities in the Home Builder Registration Unit, which includes review of home builder registration applications and Home Builder Guaranty Fund claims, as well as of home building contracts. He noted that Respondent Woodward signed the renewal application for registration of Respondent Finish Werks Custom Builders, Inc. on April 13, 2021 as the principal of the entity. Mr. Whittaker also explained the definition of a custom home, noting that contracts for such homes must include a draw schedule and identify known primary subcontractors. He further testified that he reviewed the six custom home contracts at issue in this case and found that five of the six failed to identify primary subcontractors (Blazek, Weber, Berry, Rosenquist and Schindler/Del Sordo); two of the six failed to provide a list of subcontractors paid at least \$500.00 (Blazek and Weber); five of the six failed to provide at least a sufficient waiver of liens by subcontractors, suppliers and material

Schindler/Del Sordo); five of the six failed to provide certification by the builder of no judgements against it (Blazek, Weber, Berry, Rosenquist and Schindler/Del Sordo); five of the six failed to provide escrow account disclosures (Blazek, Weber, Berry, Rosenquist and Schindler/Del Sordo); all six contained language limiting or precluding the consumers from obtaining consequential damages (Blazek, Weber, Berry, Rosenquist, Schindler/Del Sordo, and Chinn); and all six contained language precluding the consumers from any contact with subcontractors (Blazek, Weber, Berry, Rosenquist, Schindler/Del Sordo, and Chinn).

In his testimony, Mr. Whittaker explained that in Respondent Woodward's April 13, 2021 renewal application, Respondent Woodward answered that escrow accounts are not applicable because the Respondents do not receive payment in excess of 5% of the home contract price with regard to new home contracts, however, that was not the case with the Respondents' contracts with the consumers involved in this instant matter. The Blazeks paid the Respondents a total of \$29,750.00 in advance payments made between April 2015 and June 2015 prior to entering into a contract with the Respondents on June 28, 2015, for a total purchase price of \$438,524.00. Thus, the Respondents accepted more than five percent of the Blazeks' total contract price in advance payments prior to execution of the contract. Similarly, the Webers made advance payments totaling \$69,854.00 to the Respondents between July 2015 and prior to their execution of the contract on October 8, 2015. The Weber's contract price was \$403,638.00; therefore, their advance payments were in excess of five percent of that contract price. The Chinns also made advance payments to the Respondents totaling \$83,928.66 prior to entering into a contract with the Respondents on February 2, 2021 for the purchase price of \$1,354,176.85. The Chinns' advance payments were in excess of five percent of their total contract price.

Mr. Whitaker also testified that Respondent Woodward falsely indicated in his April 2021 renewal application that he does not have any lawsuits or criminal proceedings that were pending or filed on or after January 1, 2001 that relate to the principal's activities as a builder. Mr. Whitaker then described several legal actions involving the Respondents' activities as a builder that were pending or filed on or after January 1, 2001 (CPD Exs. 10C, 10E, and 10F).

During cross examination, Mr. Whitaker acknowledged that an escrow account is an account designated for a specific purpose. Mr. Whitaker also indicated that when viewing the Blazek contract language that the buyer and builder agreed to create a joint checking account to function as a holding account where funds equal to the project amount will be deposited. Yet, as Mr. Whitaker also pointed out, this contract lacked the statutory required escrow definition. The facts above clearly indicate that these "joint" accounts were far from escrow accounts in that monies that flowed into these accounts were disbursed for purposes outside of the scope of those contracts and were often disbursed without permission from the "buyer" as required by the Respondents' contracts with the Consumers. Further, many of the subcontractors and material men hired to complete work under these contracts were not paid by the Respondents from the funds provided by the Consumers as evidenced by the numerous liens filed by those vendors.

Mr. Schafer testified in detail regarding his investigation of the complaints against the Respondents. As part of his investigation, he reviewed the court cases brought against the Respondents. Mr. Shafer discussed the case filed by Allied Environmental Services, a subcontractor employed by the Respondents, for payment of services it provided to the Respondents in the amount of \$3,816.00. (CPD Ex. 10A). Mr. Shafer also discussed the following cases filed by other subcontractors against the Respondents.<sup>68</sup>

- Crane Rental Company, Inc. – for payment of \$17,301.00 from the Respondents – A Notice of Dismissal without Prejudice was filed by Crane Rental Company with the court on April 15, 2021 (CPD Ex. 10D).
- The Bartley Corporation – for payment of \$5,000.00 from the Respondents (CPD Ex. 10E)
- Williams Crane Services, Inc. – for payment of \$8,268.00 from the Respondents (CPD Ex. 10F)

Mr. Schafer also introduced into evidence the Petition for Mechanic's Lien filed by Charles A. Klein & Sons, Inc. against David and Rose Kaush and the Respondents for work performed on behalf of the Respondents for a home construction contract between the Respondents and the Kaushes. (CPD Ex. 10I).

Mr. Schafer indicated that in an effort to investigate the funds received by the Respondents from the Consumers who testified in this matter, a subpoena was issued to Wells Fargo Bank which resulted in the production of eight binders of the Respondents' bank records. He listed the payments made by the Blazeks, Webers, Berrys, Chinns, Rosenquists, and Schindler/Del Sordos and each of the Respondents' Wells Fargo bank accounts that those payments were deposited to in a series of charts. (CPD Exs. 10J, 10K, 10L, 10M, 10N, and 10O. Those charts also contained information regarding payments made by the Consumers to various subcontractors to either correct or complete the work performed by the Respondents. The payments made by the Berrys to the Respondents went into account #s 8751. The Blazek payments went into account #s 127, 1505, and 4133. The Chinns payment of \$561,346.84 was wired into the Finish Werks account #7016. The Rosenquist payments made to the Respondents went into account #s 5968 and 5980. The Schindler/Del Sordo payments went into account #s 5968 and 8262. The Weber payments to the Respondents went into account #s 127 and 5904.

Mr. Schafer then reviewed the Respondents' Wells Fargo Bank records contained in those eight binders and created a chart to plot the path of the Consumers' payments to the Respondents. (CPD Ex. 10P). Mr. Schafer indicated that \$99,966.17 from Respondents' account



#s 0127, 5968 and 5904 paid Katherine Woodward's Visa charge card account from May 21, 2015 through December 26, 2019. (CPD Ex. 10P). Another \$3,886.26 was used for Maryland Child Support on-line payments from account #0127 from June 3, 2016 through August 15, 2016. (CPD Ex. 10P). A total of \$13,280.75 were withdrawn as ATM transactions from account #s 0045, 0127, 5968, 5904, 4133, and 7016 from March 15, 2019 through December 30, 2019. (CPD Ex. 10P). The Respondents purchased groceries through debit card purchases made from account #s 0127, 5968, 5980, 8751, and 5904 from May 23, 2016 through August 28, 2019 totaling \$851.96. (CPD Ex. 10P). The Respondents made various retail purchases from account #s 0045, 0127, 5968, 5980, 8282, 5904, 4133, 7016 from November 16, 2015 through November 25, 2019, totaling \$12,840.50 (CPD Ex. 10P). The Respondents made alcohol purchases from account #s 0045, 0127, 5968, 5980, 5904, and 4133 from August 10, 2015 through November 8, 2019 totaling \$1,509.39. The Respondents made personal food/dining out purchases from account #s 0045, 0127, 5968, 5980, 8751, 5904, and 7016 from April 20, 2015 through December 19, 2019 totaling \$3,544.35. (CPD Ex. 10P). Also, the Respondents made convenience store purchases from account #s 0045, 0127, 5968, 5980, 8751, and 7016 from March 8, 2016 through December 3, 2019 totaling \$1,694.04. (CPD Ex. 10P). Regarding travel/lodging, the Respondents made purchases from account #s 0127, and 5968 from October 30, 2015 through February 21, 2019 totaling \$3,637.89 (CPD Ex. 10P). The Respondents made payments for USAA Credit Card purchases for William Woodward from account #s 0127, and 5968 from November 23 2015 through December 16, 2019 totaling \$25,471.00. (CPD Ex. 10P). Numerous Citibank Loan payments on behalf of William Woodward were made by the Respondents from account # 5968 from September 26, 2016 through September 26, 2019

totaling \$9,948.29. (CPD Ex. 10P). The Respondents also made payments on a loan with Kabbage Inc. from account #s 0127 and 5968 from July 27, 2016 through February 13, 2017 totaling \$19,561.50. (CPD Ex. 10P). The Respondents made payments on behalf of William Woodward to Central Loan Administration from account # 5968 from October 28, 2019 through December 26, 2019 totaling \$4,414.43. (CPD Ex. 10P). Lastly, Mr. Schafer documented that the Respondents made payments to WF Direct Pay from account #s 5968, and 5904 from December 28, 2015 through December 30, 2019 totaling \$218,441.67.

Mr. Schafer then testified regarding his analysis of the Wells Fargo bank accounts, explaining that there was evidence of Consumer money moving between the various accounts. Mr. Schafer identified in those bank records numerous instances of payments from the Consumers to one of the Respondents' accounts associated with that particular Consumer and then evidence of the Respondents transferring that exact amount into a different account controlled by the Respondents. For instance, on January 18, 2018, the Respondents withdrew the Berrys' 2<sup>nd</sup> draw payment of \$15,000.00 from account # 5968 and then deposited that \$15,000.00 on January 18, 2018 into account #8751. (Excerpts from Wells Fargo Bank Records – tab 3). Another sequence indicated that a wire payment of \$185,968.00 from the Berrys was deposited into account #5968 on February 7, 2018, then on February 8, 2018, \$185,968.00 was withdrawn from account #5968 and deposited into account #8751 on February 8, 2018. (Excerpts from Wells Fargo Bank Records – tab 3). Mr. Schafer went on to describe at least nine other scenarios in which funds were moved between accounts by the Respondents. I find this movement of the Consumers' payments from one account to another makes it difficult to track their payments and whether those payments went toward completion of their respective contracts and was evidence of deceptive practices by the Respondents.

During cross examination, Mr. Schafer admitted that he is not an accountant and that he made no determination whether the transactions he listed in his charts regarding the Respondents' Wells Fargo bank accounts were valid business deductions or transactions. Regardless, the evidence presented in those charts is overwhelming that funds from those accounts were used for purposes outside of valid business deductions or transactions. Using those funds for groceries, travel expenses, payment of personal credit card debts and loans for Mr. Woodward and Ms. Woodward, alcohol and dining purchases, child support payments, and ATM cash withdrawals, clearly falls outside the scope of valid business deductions or transactions made for the purpose of completing the construction of the Consumers' homes.

In addition to Mr. Whittaker and Mr. Schafer, the Blazeks, Berrys, Webers, Rosenquists and Chinns all testified that due to the Respondents' failure to pay subcontractors and material men from the funds they paid the Respondents, they were each forced to either settle liens filed against them by those vendors or pay off those debts to avoid having liens filed against them.

Based on the evidence presented to me, I conclude that the CPD has met its burden and has shown that the Respondents committed all of the violations it alleged. The evidence is clear, convincing, and unrefuted.

Specifically, I conclude that the Respondents violated the NHDA by failing to hold consumers' money in trust for the benefit of the purchaser of new homes by failing to maintain deposits and other consideration paid by the Consumers in an escrow account. Additionally, the Respondents failed to obtain a surety bond or an irrevocable letter of credit to protect the Consumers' deposits and payments. The Respondents also violated the Consumers' trust by failing to pay subcontractors within a reasonable period after receipt of payments from the

Blazeks, Webers, and Chinns in excess of 5% of their respective home purchase prices in the form of a check or draft which was not written to be deposited into an escrow account. All of these violations of the Consumers' trust were unfair or deceptive trade practices in violation of the CPA. Md. Code Ann., Real Prop. §§ 10-301; 10-301.1; and 10-305.

Regarding the CHPA, the Respondents accepted deposits and other advance payments from the Blazeks, Webers, and Chinns in excess of 5% of their respective home purchase prices in the form of a check or draft which was not written to be deposited into an escrow account and failed to place those funds into an escrow account. The Respondents also failed to obtain surety bond or an irrevocable letter of credit to protect those deposits and payments. Further, the Respondents failed to place those funds in an escrow account that required signatures from the Consumers and the Respondents for any withdrawal. Again, the Respondents' failure to pay subcontractors, material men and suppliers within a reasonable period after receipt of Consumers' funds resulted in all of the Consumers being forced to either pay those vendors themselves or be faced with liens on their properties. The Respondents further breached the trust created for the benefit of the buyer by misappropriating money paid by the Consumers to the Respondents countless times by moving those payments between accounts and then using those funds for hundreds of purchases outside the scope of completing the construction of their custom homes. The Respondents also failed to include the following statutorily required disclosures and provisions:

- A list of subcontractors that the Respondents anticipated would work on the Contracts
- Provide the Consumers within 30 days of each progress payment a list of subcontractors, suppliers, and material men who provided more than \$500.00 of goods and services and whether those vendors had been paid by the Respondents
- Provide the Consumers with waivers of liens from all applicable subcontractors, suppliers, or materialmen within a reasonable time after the final payment for the goods or services they provided
- Notices regarding a buyer's risk under mechanic lien laws

- Certification by the Respondents regarding legal judgments
- An escrow account notice

The Respondents' violation under the CHPA constituted unfair or deceptive trade practices.

Md. Code Ann., Real Prop. §§ 10-501; 10-502; 10-503; 10-504; 10-505; 10-506; and 10-507.

As noted above, violations of these provisions of the NHDA and CHPA also constitute violations of the CPA, pursuant to section 10-305 of the NHDA and 10-507 of the CHPA.

Specifically, unfair, abusive, or deceptive trade practices are prohibited by section 13-303 of the CPA. These practices include false or misleading oral or written statements that may deceive or mislead consumers and a failure to state a material fact if that failure deceives or tends to deceive. Md. Code Ann., Com. Law § 13-301(1) and (3). The Consumers testified, often emotionally, regarding their belief that the Respondents would protect the funds they had paid, comply with consumer protection laws, and build their homes according to the contracts they had signed. One after another, the Consumers spoke of the high regard they had for Respondent Woodward, their trust in him, and their faith in his assurances even when construction was delayed or not occurring at all. They recounted their understanding, based on implied or explicit representations by the Respondents, that their funds would be managed properly and returned if required.

Finally, I note that the harm caused by the Respondents' violations of the law goes well beyond the financial. The Consumers testified compellingly about emotional stress, illnesses, marriages strained, the instability experienced by both the Consumers themselves and, in some cases, their children, time lost from work, employment implications, time lost with their children and families, and the deep disappointment they experienced not only because they did not get the home they had envisioned and contracted for, but also because their ability to trust others was

## Relief

In its Statement of Charges, the CPD asks that specific relief be granted, including a cease and desist order pursuant to section 13-403 of the CPA to prohibit the Respondents from further violating the NHDA, CHPA, and the CPA; payment of restitution pursuant to section 13-403(b) of the CPA; and civil penalties and costs pursuant to section 13-409 and 13-410. The authority delegated to the OAH did not include the recommendation of proposed relief. COMAR 02.01.02.04B.<sup>69</sup> Furthermore, the Order Granting Hearing and Notice of Hearing for this case specifically states: "The [CPD] is delegating its authority to [the OAH] to conduct a contested case hearing and to render proposed findings of fact and conclusions of law. . . . The [CPD] shall make the final Findings of Fact and Conclusions of Law, shall be responsible for determining the appropriate relief and shall enter a Final Order." Therefore, I am without authority to address the request for relief or recommend any sanctions or penalties.<sup>70</sup> The CPD will issue an appropriate order consistent with its final Findings of Fact and Conclusions of Law.

## **PROPOSED CONCLUSIONS OF LAW**

### **A. Violations of the Custom Home Protection Act**

1. The contracts for the construction of homes between the Respondents and at least six Consumers are for single-family dwellings constructed for the Consumer's residence on land currently or previously owned by the Consumer and, thus, are "custom home contracts" for the construction of "custom homes" as defined at CHPA §10-501.

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<sup>69</sup> COMAR 02.01.02.04B provides as follows:

Scope of Authority Delegated. Unless the Agency notifies the parties of a different delegation, the authority delegated shall issue proposed findings of fact and proposed conclusions of law, but not recommend proposed relief.

<sup>70</sup> This does not apply to the five Fund cases in which I will be recommending the amount of any award each Claimant is entitled to.



2. In at least three instances, the Respondents accepted deposits and other advance payments in excess of 5% of the home purchase price in the form of a check or draft which was not written in the name of an escrow account, in violation of CHPA § 10-504.

3. In at least three instances, the Respondents failed to either place or maintain deposits and other consideration paid by the Consumers in excess of 5% of the home purchase price in an escrow account, or to obtain a surety bond or an irrevocable letter of credit to protect the deposits and other consideration paid, in violation of CHPA § 10-504. Additionally, Respondents failed to place or maintain deposits and other payments paid by the Consumers in excess of 5% of the home purchase price in separate escrow accounts that required the signature of both the Consumers and Respondents Finish Werks Corp. or Finish Werks Custom Builders for any withdrawal, in violation of CHPA § 10-504.

4. The Respondents breached the trust created for the benefit of the buyer by CHPA §§ 10-502 and 10-503 by failing to pay subcontractors, suppliers, and materialmen within a reasonable period after receipt of payment from the Consumers in at least sixteen instances, and by misappropriating the money paid by the Consumers to Finish Werks Corp. and Finish Werks Custom Builders at least three hundred twenty-five times.

5. In at least thirty-two instances, the Respondents failed to include in their contracts for custom homes statutorily required disclosures and provisions, in violation of CHPA §§ 10-505 and 10-506, including:

- a. A list of subcontractors that Respondents anticipated would be working on the project, as required by CHPA § 10-505(2);
- b. A requirement that the builder deliver to the purchaser within 30 days after

who provided more than \$500 of goods or services, and indicate which of those had been paid by the builder, as required by CHPA § 10-505(5);

- c. A requirement that the builder provide waivers of liens from all applicable subcontractors, suppliers, or materialmen within a reasonable time after the final payment for the goods or services they provide, as required by CHPA § 10-505(6);
- d. Proper notices regarding a buyer's risk under mechanic lien laws, as required by CHPA § 10-506(a);
- e. A certification by the builder regarding judgments, as required by CHPA § 10-506(b); and
- f. An escrow account notice, as required by CHPA § 10-506(c).

6. The Respondents' violations of the CHPA constitute unfair or deceptive trade practices under Title 13 of the Commercial Law Article pursuant to CHPA §10-507(a).

#### **B. Violations of the New Home Deposits Act**

1. The Respondents failed to place or maintain deposits and other consideration paid by the Consumers in an escrow account, and failed to obtain a surety bond or an irrevocable letter of credit to protect the deposits and other consideration paid, in violation of NHDA § 10-301.

2. The Respondents breached the trust created for the benefit of the buyer by NHDA § 10-301.1(a) by failing to pay subcontractors within a reasonable period after receipt of payment from the Consumers in at least sixteen instances, and by misappropriating the money paid by the Consumers to Finish Werks Corp. and Finish Werks Custom Builders at least three hundred twenty-five times.

3. Each violation of the NHDA stated above is also an unfair or deceptive trade practice prohibited by the CPA, pursuant to NHDA §10-305(b).

**C. Violations of the Consumer Protection Act**

1. The new home building services the Respondents offered and sold the Consumers are consumer goods and services pursuant to §13-101(d)(1) of the CPA because they are used for personal, family, or household purposes.

2. The Respondents are merchants as defined by §13-101(g)(1) of the CPA.

3. The Respondents engaged in unfair and deceptive trade practices in connection with the offer or sale of consumer goods and services that are generally prohibited by §13-303(1) and (3) of the CPA.

4. In at least nine instances, The Respondents committed deceptive trade practices as defined in CPA § 13-301(13) and prohibited by § 13-303 of the CPA when they entered into contracts with the Consumers for the construction of custom homes with provisions precluding the buyer's right to obtain consequential damages.

5. In at least twenty-seven instances, the Respondents made false and misleading statements, that had the capacity, tendency, or effect of deceiving or misleading the Consumers, and are deceptive trade practices prohibited by § 13-303 of the CPA, as defined in § 13-301(1) of the CPA, when they: (a) entered into contracts with consumers for the construction of custom homes with provisions prohibiting direct contact with subcontractors, which is inconsistent with the mechanics' lien law disclosure required by CHPA § 10-506(a); (b) misled consumers concerning their ability to complete the construction of the custom homes in a workmanlike and timely manner; (c) misled consumers concerning their ability to protect their payments; and (d)

6. In at least forty-two instances, the Respondents failed to state material facts, the omission of which deceive or tend to deceive consumers, and are deceptive trade practices prohibited by § 13-303 of the CPA, as defined in § 13-301(3) of the CPA, when they failed to inform the Consumers that the Respondents: (a) would not complete the construction of their homes; (b) would not protect their payments and deposits in an escrow account or with a surety bond or an irrevocable letter of credit; (c) would not hold their payments and deposits in trust; (d) would not timely pay subcontractors and suppliers; (e) would not provide an appropriate list of subcontractors after each progress payment; (f) would not provide waivers of liens; and (g) would misappropriate consumer money paid to Finish Werks Corp. and Finish Werks Custom Builders.

7. In their offer and sale of new home goods and services to the Consumers, the Respondents engaged in unfair trade practices.

8. The Respondents' illegal new home building practices have caused and are likely to continue to cause substantial injury to the Consumers.

9. The Consumers who purchased the Respondents' goods and services could not have known that the Respondents were violating Maryland law or that they would not provide purchased new home building goods and services, and therefore could not reasonably avoid their injuries.

10. The injuries that the Consumers have suffered as a result of the Respondents' acts and omissions are not offset by any benefit to the Consumers or to competition, and are unfair trade practices that violate § 13-303 of CPA.

11. The Respondents' misrepresentations concerning (1) their ability to complete the construction of the Consumers' homes, (2) their ability to complete the construction of the Consumers' homes in a timely manner, (3) the protection of Consumer money, and (4) their

compliance with Maryland law, had the capacity, tendency or effect of deceiving or misleading the Consumers and are unfair or deceptive trade practices, as defined in CPA § 13-301(1) and prohibited by CPA § 13-303.

12. The Respondents' failure to inform the Consumers that they would not (1) complete the construction of their homes, (2) protect their payments and deposits in the manner promised in their contracts, and (3) refund their payments and deposits, are omissions of material facts, the omission of which deceived or tended to deceive consumers, and constituted unfair or deceptive trade practices as defined in CPA § 13-301(3) and prohibited by CPA § 13-303.

13. The Respondents' illegal home building practices set forth above, including taking substantial payments from the Consumers that they failed to hold in trust, and instead, misappropriated for their own uses, caused substantial injury to the Consumers. The Consumers could not reasonably avoid the injuries caused by the Respondents in that they did not know the Respondents were acting illegally and would wrongfully convert their payments. The Respondents' illegal practices did not provide any benefit to consumers or competition.

#### **D. Relief**

I recommend that the Consumer Protection Division issue an appropriate order consistent with my proposed findings of fact and conclusions of law.

May 9, 2023  
Date Proposed Decision Issued

*Brian Zlotnick*

Brian Zlotnick  
Administrative Law Judge

### **NOTICE OF RIGHT TO FILE EXCEPTIONS**

A party aggrieved by this proposed decision may file exceptions thereto and request an opportunity to present oral argument. Such exceptions and any request for argument must be made within thirty (30) days from the date of this proposed decision. COMAR 02.01.02.21. The written exceptions and request for argument, if any, should be directed to Clerk, Administrative Hearings, Consumer Protection Division, 200 St. Paul Place, 16<sup>th</sup> Floor, Baltimore, Maryland 21202. The Office of Administrative Hearings is not a party to any review process, either administrative or judicial.

#### **Copies Mailed To:**

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CONSUMER PROTECTION	*	BEFORE BRIAN ZLOTNICK,
DIVISION, OFFICE OF THE	*	AN ADMINISTRATIVE LAW JUDGE
ATTORNEY GENERAL,	*	OF THE MARYLAND OFFICE OF
PROPONENT	*	ADMINISTRATIVE HEARINGS
v.	*	
WILLIAM KARL WOODWARD;	*	CPD CASE No.: 22-008-351153
FINISH WERKS CORP.; and FINISH	*	OAH No.: OAG-CPD-05-22-09896
WERKS CUSTOM BUILDERS, INC.,	*	
RESPONDENTS	*	

\* \* \* \* \*

#### APPENDIX - FILE EXHIBIT LIST<sup>71</sup>

The exhibits I admitted on behalf of the CPD are listed in the attached Appendix. The Respondents did not introduce any exhibits into evidence.

CPD/GF Exhibit Number	Exhibit Description	Bates Number
<b>Enforcement Preliminary Exhibits (Volume 1)</b>		
1A	Statement of Charges filed April 20, 2022	CPD 001-013
1B	Petition for Hearing filed April 20, 2022	CPD 014-015
1C	Order Granting Hearing and Notice of Hearing	CPD 016-051
1D	<ul style="list-style-type: none"> <li>Notice of Proposed Agency Action to Finish Werks Custom Builders, Inc., and William Karl Woodward, filed 4/20/2022</li> <li>Request for Hearing filed 5/25/2022</li> </ul>	CPD 052-071
1E	<u>Affidavits of Service on Respondents:</u> <ul style="list-style-type: none"> <li>Joshua Schafer Affidavit of Service on William Karl Woodward, on 4/26/2022</li> <li>Zanobia Jones Affidavits of Service showing mailing to</li> </ul>	CPD 072-095

1F	Prehearing Conf. Report and Order and Ruling on Motion for Continuance dated 8/19/2022	CPD 096-106
1G	SDAT Listings and corporate documents	CPD 107-122
1H	Whittaker Affidavit of Registration History of Finish Werks Corp. and Finish Werks Custom Builders, Inc.	CPD 123-136
1I	William Karl Woodward identification document dated 03/13/2019	CPD 137
<b>Guaranty Fund Preliminary Exhibits (Volumes 2 &amp; 3)</b>		
2A	<ul style="list-style-type: none"> <li>• Blazek Order Granting Hearing and Notice of Hearing</li> <li>• Notice to Guaranty Fund Claimants</li> <li>• Jones' Affidavit of Service</li> <li>• Whittaker Affidavit of affirming Claim Form filing, Mediation and Builder Registration History</li> </ul>	GF 001-093
2B	<ul style="list-style-type: none"> <li>• Weber Order Granting Hearing and Notice of Hearing</li> <li>• Notice to Guaranty Fund Claimants</li> <li>• Jones' Affidavit of Service</li> <li>• Whittaker Affidavit of affirming Claim Form filing, Mediation and Builder Registration History</li> </ul>	GF 094-200
2C	<ul style="list-style-type: none"> <li>• Berry Order Granting Hearing and Notice of Hearing</li> <li>• Notice to Guaranty Fund Claimants</li> <li>• Jones' Affidavit of Service</li> <li>• Whittaker Affidavit of affirming Claim Form filing, Mediation and Builder Registration History</li> </ul>	GF 201-299
2D	<ul style="list-style-type: none"> <li>• Rosenquist Order Granting Hearing and Notice of Hearing</li> <li>• Notice to Guaranty Fund Claimants</li> <li>• Jones' Affidavit of Service</li> <li>• Whittaker Affidavit of affirming Claim Form filing, Mediation and Builder Registration History</li> </ul>	GF 300-405
2E	<ul style="list-style-type: none"> <li>• Schindler/Del Sordo Order Granting Hearing and Notice of Hearing</li> <li>• Notice to Guaranty Fund Claimants</li> <li>• Jones' Affidavit of Service</li> <li>• Whittaker Affidavit of affirming Claim Form filing, Mediation and Builder Registration History</li> </ul>	GF 406-499
3	<ul style="list-style-type: none"> <li>• NAHB Performance Guidelines, Fifth Edition</li> </ul>	GF 500-578
<b>Carl and Leslie Blazek (Volume 4)</b>		
4A	Checks from Blazek to Finish Werks dated April 20, May 18, and June 25, 2015	CPD Blazek 001-003

4B	Contract of sale of new home, dated July 28, 2015	CPD Blazek 004-026
4C	<ul style="list-style-type: none"> <li>• Wire transfer from Blazek to Finish Werks dated July 30, 2015</li> <li>• Finish Werks business checking account statements, dated August 31, 2015 - November 30, 2015</li> <li>• Check from Blazek to Finish Werks dated November 20, 2015</li> <li>• Finish Werks business checking account statements, dated December 31, 2015 - March 31, 2016</li> <li>• Check from Blazek to Finish Werks dated March 11, 2016</li> <li>• Finish Werks business checking account statements, dated April 30, 2016 - July 31, 2016</li> </ul>	CPD Blazek 027-054
4D	Letter dated June 16, 2016, from Finish Werks to Blazek	Blazek 055-056
4E	<ul style="list-style-type: none"> <li>• Notice of Lien: Universal Remodeling, LLC, dated June 28, 2016</li> <li>• Notice of Lien: Southern Drywall, Inc., dated August 30, 2016</li> <li>• Certified copy of <i>Southern Drywall, Inc. v. Leslie Blazek, et al.</i>, Circuit Court for Anne Arundel County, Case No. C-02-CV-16-003525</li> </ul>	CPD Blazek 057-148
4I <sup>72</sup>	Email dated November 30, 2017, from Blazek to Finish Werks	CPD Blazek 156
4K <sup>73</sup>	Index and photographs	CPD Blazek 159-189
4L <sup>74</sup>	<ul style="list-style-type: none"> <li>• Pat Long Contracting &amp; Home Inspection Construction Bid Form</li> <li>• Beltway Builders, Inc. proposal</li> <li>• Brewer's Services job estimate</li> <li>• Consumer summary of costs</li> <li>• Precision Home Services LLC invoice and payments</li> <li>• Gutters Unlimited Inc. invoice and payments</li> <li>• Photographs</li> </ul>	CPD Blazek 190-194, 202-216
4M	<ul style="list-style-type: none"> <li>• Blazek check dated June 25, 2015</li> <li>• Professional Building Systems Inc. contract drawings dated July 9, 2015</li> <li>• Home Depot garage design and cost breakdown</li> </ul>	CPD Blazek 217-237
4N	Photographs	CPD Blazek 238-253

4O	Wechsler affidavit and attachments	CPD Blazek 254-264
4P	<ul style="list-style-type: none"> <li>• Invoice from Finish Werks dated May 15, 2015</li> <li>• Permit plans dated June 18, 2015</li> <li>• Site surveys undated</li> <li>• Site grading plan dated March 17, 2015</li> <li>• Additional permit documents</li> <li>• Construction schedule of values</li> </ul>	CPD Blazek 265-281
<b>Glenda and Daniel (Raymond) Weber (Volume 5)</b>		
5A	Emails dated July 2, 2014, to October 19, 2014 between Webers and Finish Werks	CPD Weber 001-009
5B	Checks, invoices, and emails dated between Webers and Finish Werks between September 19, 2014, and September 30, 2015	CPD Weber 010-031
5C	<ul style="list-style-type: none"> <li>• Contract dated October 8, 2015</li> <li>• Email dated February 12, 2016 from Finish Werks to Webers with attachment</li> </ul>	CPD Weber 032-057
5D	Weber check to Finish Werks dated October 8, 2015	CPD Weber 058
5E	Emails dated January 13-15, 2016, between Webers and Finish Werks	CPD Weber 059-064
5F	<ul style="list-style-type: none"> <li>• Weber checks to Finish Werks dated January 31, 2016, February 11, 2016, and February 14, 2016</li> <li>• Emails dated February 10-21, 2016 between Webers and Finish Werks</li> </ul>	CPD Weber 065-077
5G	<ul style="list-style-type: none"> <li>• RWC limited warranty</li> </ul>	CPD Weber 078-096
5H	Emails dated April 8-11, 2016, between Webers and Finish Werks	CPD Weber 097-100
5I	<ul style="list-style-type: none"> <li>• Weber checks to Finish Werks dated May 2, 2016, and May 10, 2016</li> <li>• Finish Werks change order dated May 9, 2016</li> </ul>	CPD Weber 101-104
5J	<ul style="list-style-type: none"> <li>• Letter dated October 17, 2016 from Webers to Finish Werks</li> <li>• Letter dated October 17, 2016, from Finish Werks to County permit center</li> <li>• Letter dated October 26, 2016, from Finish Werks Corp to Webers</li> </ul>	CPD Weber 105-107
5K	Emails dated June 14, 2016, to November 26, 2016, between Webers and Finish Werks	CPD Weber 108-126
5L	<ul style="list-style-type: none"> <li>• Letter dated August 23, 2016, from Southern Drywell, Inc. to Webers</li> <li>• Emails dated December 6-20, 2016, between Webers and Jones of Annapolis, Inc.</li> </ul>	CPD Weber 127-210

	<ul style="list-style-type: none"> <li>• Invoices from Jones of Annapolis, Inc. and Southern Drywell, Inc.</li> <li>• Weber checks to Southern Drywell, Inc.</li> <li>• Charles A. Klein &amp; Sons, Inc. Notice of Intention to File a Lien</li> <li>• Certified copy of <i>Charles A. Klein &amp; Sons, Inc. v. Daniel L. Weber, Jr., et al.</i>, Circuit Court for Anne Arundel County, Case No. C-02-CV-16-003461</li> <li>• Weber check to attorney for Charles A. Klein &amp; Sons</li> <li>• Tapco/Freedom insurance builders risk policy documents, invoices, checks, and receipts</li> <li>• Weber checks to Premier Fire Protection Services, Inc.</li> <li>• Weber checks to SRO, Inc.</li> <li>• Emails dated December 5-20, 2016 between Webers and Premier Fire Protection Services, Inc.</li> <li>• Emails dated December 13-22, 2016 between Weber and Finish Werks subcontractor SRO, Inc.</li> <li>• Jones of Annapolis, Inc. invoices</li> <li>• Premier Fire Protection Services, Inc. invoices</li> <li>• Agape Plumbing invoice and payment</li> <li>• Weber check to Ward Pratz &amp; Associates dated August 30, 2016</li> </ul>	
5M	Emails dated September 19, 2016 - January 11, 2017, between Weber and Finish Werks	CPD Weber 211-214
5N	<ul style="list-style-type: none"> <li>• IDB Contracting, LLC estimate, receipt, and payment</li> <li>• Development Facilitators Inc. contract, invoices, and payments</li> <li>• Daniel's Services invoice and payment</li> <li>• R.M. Garhart and Sons contract, invoice, and payments</li> <li>• CGH Electric invoice and payment</li> <li>• Letter from Weber to SRO, Inc. dated March 20, 2017</li> <li>• CGH Electric invoice and payment</li> <li>• Agape Plumbing invoice and payments</li> <li>• Stone Shooters, Inc. invoices and check payments</li> <li>• KEB Construction payments</li> <li>• John S. Wilson Lumber Company invoices and payments</li> <li>• Refund check from John S. Wilson Lumber Company to Weber</li> <li>• Daniel's Services invoices and payments</li> <li>• Miscellaneous receipts from Sherwin Williams, Lowe's, Home Depot, Office Max, and Second Chance</li> <li>• Energy Services Group, Inc. receipt and payment</li> <li>• Centennial Surety Associates, Incorporated invoice and receipt</li> </ul>	CPD Weber 215-321
5O	Superior Walls Builder Guideline Booklet excerpt and	CPD Weber 322-

5Q <sup>75</sup>	Photographs	CPD Weber 327-376
<b>Ronald and Kameela Berry (Volume 6)</b>		
6A	Finish Werks price schedule dated July 27, 2016	CPD Berry 001
6B	<ul style="list-style-type: none"> <li>Contract dated March 24, 2017</li> <li>Draw schedule dated July 5, 2017</li> <li>Consumer summaries of changes to schedule of values</li> </ul>	CPD Berry 002-029
6C	<ul style="list-style-type: none"> <li>Brennan Title Company check to Finish Werks dated September 20, 2017</li> <li>Lender wire transfers and Berry checks to Finish Werks dated February 6, 7, 15, 28, March 2, April 25, July 5, September 27, and October 17, 2018</li> <li>Berry bank account statement dated October 5 - November 6, 2018</li> <li>Berry lender closing disclosure statement dated August 21, 2017</li> <li>Berry lender disbursement authorization instructions dated March 27, 2017</li> </ul>	CPD Berry 030-049
6D	<ul style="list-style-type: none"> <li>Emails dated March 22 - 29, 2018 between Berry and Finish Werks</li> <li>Emails dated April 15 - 25, 2018 between Berry and Finish Werks</li> <li>Emails dated May 18, 2018, between Berry and Finish Werks</li> <li>Email on May 23, 2018, from Berry to Finish Werks</li> <li>Email on May 30, 2018, from Berry to Finish Werks</li> <li>Emails dated May 21, 2018, through January 7, 2019, between Berry and Lender</li> <li>Emails dated February 16 - July 6, 2018, between Berry and Finish Werks</li> <li>BGE contract dated February 22, 2018</li> <li>Email dated August 1, 2018, from Lender</li> <li>Email dated December 12, 2018, from Finish Werks to Berry</li> </ul>	CPD Berry 050-131
6E	<ul style="list-style-type: none"> <li>Consumer summary of costs to complete home</li> <li>Deshaies Electrical Services, LLC invoice and receipts</li> <li>Berry checks to: <ul style="list-style-type: none"> <li>JC Campos Heating &amp; Cooling</li> <li>Harting and Sons</li> <li>Kevin Payne</li> <li>LIH Build</li> </ul> </li> </ul>	CPD Berry 132-622

<sup>75</sup> Documents, consisting of four pages without Bates numbers, were marked as CPD Exhibit 5R for identification purposes but were not offered or admitted into evidence.



	<ul style="list-style-type: none"> <li>○ Premiere Fire Protection Services</li> <li>○ Economy Propane</li> <li>• The J.F. Johnson Lumber Co. receipts</li> <li>• Bay Engineering, Inc. invoice</li> <li>• Reico Kitchen &amp; Bath proposal</li> <li>• Classic Granite &amp; Marble Inc. contract and receipt</li> <li>• Floor and Décor receipts</li> <li>• North Country Fire estimate</li> <li>• Berry checks to Remodel Werks LLC</li> <li>• The Roof Center receipts</li> <li>• Central Sod Farms, Inc. receipt</li> <li>• Oasis Landscape Group contract</li> <li>• Berry checks to Jose Cruz</li> <li>• Berry check to Herson Diaz</li> <li>• Berry check to Pedro Ibanez</li> <li>• Remodel Werks LLC reimbursement checks to Berry</li> <li>• Emails dated between June 21 and 28, 2018 from Berry to Finish Werks</li> <li>• Jose Cruz labor agreement and fee schedule</li> <li>• Petro's Paving estimate and Berry checks to Petro's Paving</li> <li>• Summary of expenditures at Amazon.com, December 18, 2018 – February 13, 2019</li> <li>• Receipts from Amazon.com dated December 18, 2018 – February 13, 2019</li> <li>• Summary of credit card expenditures from February 1 - December 31, 2018</li> <li>• Summary of credit card expenditures from January 1 - 12, 2019</li> <li>• American Express statements dated January 18, 2018 – March 18, 2019</li> <li>• Summary of expenditures paid with checking account from March 22, 2018 - February 21, 2019</li> <li>• Checking account statements dated November 1, 2017 - March 29, 2019</li> </ul>	
6F	<ul style="list-style-type: none"> <li>• Letter dated August 17, 2018, from lender to Berry</li> <li>• Loan modification and extension agreement dated September 17, 2018, and check dated September 18, 2018</li> <li>• Loan modification and extension agreement dated March 14, 2019</li> <li>• Letter dated May 2, 2019 from Lender to Berry</li> <li>• Public Storage invoice dated May 12, 2017</li> <li>• Credit card statements dated January 18, 2018 and January</li> </ul>	CPD Berry 623-782

	<ul style="list-style-type: none"> <li>• The Point at Crofton rental agreements dated January 2, 2018, June 11, 2018, and July 30, 2018</li> </ul>	
6G	<ul style="list-style-type: none"> <li>• Allied Well Drilling Notice of Intention to File a Lien dated December 20, 2018</li> <li>• Berry check to Allied Environmental Services dated February 13, 2019</li> <li>• Berry check to Allied Environmental Services dated August 14, 2020</li> </ul>	CPD Berry 783-871
6H	Certificate of Occupancy dated February 4, 2019	CPD Berry 872
6J <sup>76</sup>	<ul style="list-style-type: none"> <li>• Berry checks to Anne Arundel County dated November 9, 2017, December 28, 2017, October 5, 2018, and December 20, 2018</li> <li>• Berry checks to lender dated January 8, 2018 – March 8, 2019</li> <li>• Berry checks to lender dated September 18, 2018 – March 14, 2019</li> </ul>	CPD Berry 883-901
<b>John and Monica Rosenquist (Volume 7)</b>		
7A	<ul style="list-style-type: none"> <li>• Rosenquist checks to Finish Werks dated January 5, 2017, and August 28, 2017</li> <li>• Finish Werks price schedule dated January 5, 2017</li> <li>• Finish Werks invoice and receipt dated April 18, 2017</li> </ul>	CPD Rosenquist 001-006
7B	<ul style="list-style-type: none"> <li>• Contracts dated November 16, 2017, and March 6, 2017</li> </ul>	CPD Rosenquist 007-043
7C	<ul style="list-style-type: none"> <li>• Tradition Title LLC check to Finish Werks dated November 21, 2017</li> <li>• Rosenquist check to Finish Werks dated May 1, 2018</li> <li>• Lender settlement statement dated November 21, 2017</li> <li>• Wire transfer requests dated May 7, August 16, September 7, October 17, November 9, 2018</li> <li>• Draw tickets dated January 9 and 31, February 12, March 11, and April 9, 2019</li> <li>• Lender summary of draws from November 21, 2017 – April 9, 2019</li> <li>• Lender record of disbursements from May 7, 2018 - April 9, 2019</li> </ul>	CPD Rosenquist 044-060
7D	Emails dated April 28 - 30, 2019 between Rosenquist and Finish Werks	CPD Rosenquist 061-062
7E	Letters dated May 31, 2019, and July 26, 2019, from Rosenquist attorney to Finish Werks	CPD Rosenquist 063-069
7F	<ul style="list-style-type: none"> <li>• Builder Services Group Inc. d/b/a Carroll Insulation Notice of Intention to File Mechanic's Lien</li> </ul>	CPD Rosenquist 070-173

<sup>76</sup> Documents that were pre-marked as CPD Exhibit 6I were not offered or admitted into evidence.

	<ul style="list-style-type: none"> <li>• Certified copy of <i>Builder Services Group, Inc. v. Monica M and John B. Rosenquist</i>, Circuit Court for Montgomery County, Maryland Case No. 472856V</li> <li>• Carroll Insulation invoices and payment to attorney for Carroll Insulation dated November 12, 2019</li> <li>• Alliance Structural Engineers, Inc. invoices, emails, and service agreement</li> <li>• Waste Management invoice dated May 2, 2019</li> <li>• B McCall Plumbing &amp; Heating invoice and Finish Werks payments dated May 11, 2018, October 15, 2018, November 2 and 13, 2018, and January 16, 2019</li> <li>• Freemire &amp; Associates Inc. price quote dated April 25, 2018</li> </ul>	
7G	Emails dated April 28 - 30, 2019 between Rosenquist and Finish Werks	CPD Rosenquist 174-175
7H <sup>77</sup>	<ul style="list-style-type: none"> <li>• CPM General Contracting proposal and invoices</li> <li>• TW Perry receipts</li> <li>• Trumbull Mechanical Services, Inc. invoices</li> <li>• Carrero Floors proposal and payment</li> <li>• Capitol Building Supply receipt</li> <li>• AK Electrical Inc. invoices</li> <li>• Waste Management invoice</li> <li>• Better Basement Solutions LLC invoice</li> <li>• Lowe's receipts</li> <li>• Northeastern Supply receipt to PH Plumbing</li> <li>• Rentals Unlimited, Inc. invoice</li> <li>• WSSC invoice to PH Plumbing</li> <li>• Montgomery County Department of Permitting Services receipt</li> <li>• R.E. Michel Company, LLC receipt</li> <li>• PH Plumbing LLC invoices and email to Finish Werks</li> <li>• Jay Hall &amp; Associates, Inc. invoice</li> <li>• Kris Consultants, LLC invoice</li> <li>• FIC Corporation invoice and receipt</li> <li>• Sunbelt Rentals, Inc. rental agreement and invoice</li> <li>• Aggregate Transport Corp. invoice</li> <li>• Credit card statement from October 2019</li> <li>• Myers Paving proposals and invoices</li> <li>• CAS Engineering invoice</li> <li>• The Roof Center order summary</li> <li>• Miscellaneous Sherwin Williams and Home Depot receipts</li> </ul>	CPD Rosenquist 176-268, 275, 277-338

	<ul style="list-style-type: none"> <li>• Rosenquist checks to: <ul style="list-style-type: none"> <li>○ Paul Martin</li> <li>○ Myers Paving</li> <li>○ B McCall Plumbing &amp; Heating</li> <li>○ Washington Gas</li> <li>○ Greenstein, DeLorme &amp; Luchs</li> <li>○ Citizen One</li> <li>○ Citizens Bank</li> <li>○ AK Electrical</li> <li>○ Waste Management</li> <li>○ WSSC</li> <li>○ TMS, Inc.</li> <li>○ PH Plumbing</li> <li>○ Kris Consultants LLC</li> <li>○ Jay Hall &amp; Associates, Inc.</li> </ul> </li> <li>• Debit card statements dated April 15 - October 16, 2019</li> <li>• Innovative Electric proposal</li> </ul>	
7I	<ul style="list-style-type: none"> <li>• PODS Enterprises, LLC account statement</li> <li>• Lender mortgage transaction history from September 30, 2017 through September 18, 2019</li> </ul>	CPD Rosenquist 339-344
<b>Moshe and Naomi Chinn (Volume 8)</b>		
8A	Chinn checks to Finish Werks dated July 29, 2020, August 30, 2020, and September 10, 2020	CPD Chinn 001-003
8B	Emails dated January 4, 2021 – January 20, 2021, between Chinn and Finish Werks	CPD Chinn 004-006
8C	Sustainable Energy Systems, LLC proposal and receipt	CPD Chinn 007-008
8D	Contract dated February 2, 2021	CPD Chinn 009-048
8E	<ul style="list-style-type: none"> <li>• Chinn check to Finish Werks dated March 2, 2021</li> <li>• Chinn wire transfer to Finish Werks dated March 18, 2021</li> </ul>	CPD Chinn 049-050
8F	<ul style="list-style-type: none"> <li>• Text messages dated March 3 - 4, 2021 between Chinn and Finish Werks</li> <li>• Emails dated March 3 - 4, 2021 between Finish Werks and Dewberry</li> <li>• Emails dated March 11 - 12, 2021 between Finish Werks and Montgomery County</li> <li>• Emails dated March 11 - 13, 2021 between Dewberry, Chinn, and Finish Werks</li> <li>• Modern Foundations, Inc. invoice dated March 25, 2021</li> </ul>	CPD Chinn 051-062
8G	Emails dated March 16 - 17, 2021 between Chinn, Finish Werks, and Montgomery County	CPD Chinn 063-067

8H	Emails dated April 2, 2021, between Chinn and Finish Werks	CPD Chinn 068-069
8I	Chinn checks to Finish Werks dated April 9, 2021, and May 10, 2021	CPD Chinn 070-071
8J	Carpet & Vacuum Expo invoices dated April 23, 2021, and June 1, 2021	CPD Chinn 072-073
8K	Shared spreadsheet of Chinn purchases of fixtures and materials	CPD Chinn 074-080
8L	Chinn checks to Finish Werks dated June 1, 2021, and June 20, 2021	CPD Chinn 081-082
8M	Emails dated June 19 - 22, 2021 between Chinn and Finish Werks	CPD Chinn 083
8N	<ul style="list-style-type: none"> <li>Email dated August 7, 2021 from Finish Werks to Chinn</li> <li>Finish Werks invoice to Chinn dated August 19, 2021</li> <li>Home Depot receipt dated April 21, 2021</li> <li>Emails dated August 19 - 25, 2021 between Chinn and Finish Werks</li> <li>Chinn check to Finish Werks dated August 26, 2021</li> </ul>	CPD Chinn 084-092
8O	Emails dated August 19, 2021 - November 8, 2021, between Chinn, Modern Foundations Inc., and Finish Werks	CPD Chinn 093-097
8P	<ul style="list-style-type: none"> <li>Chinn check to Aspect Contracting, Inc. dated September 20, 2021</li> <li>Chinn check to Nelson's Consulting, LLC dated September 20, 2021</li> <li>Pablo Henriquez invoice and receipt dated September 14, 2021</li> </ul>	CPD Chinn 098-099
8Q <sup>78</sup>	<ul style="list-style-type: none"> <li>Email dated October 15, 2021 from Chinn to Finish Werks</li> <li>Emails dated October 22 - 23, 2021 between Berman and Finish Werks</li> <li>Modern Foundations Inc. invoice dated September 13, 2021</li> <li>Air Sealing Solutions blower door test result</li> <li>Montgomery County blower door test results dated October 24, 2021</li> <li>Mid Atlantic AeroBarrier invoice dated October 25, 2021</li> </ul>	CPD Chinn 100-104, 106
8R	<ul style="list-style-type: none"> <li>Use and Occupancy Certificate dated October 19, 2021</li> <li>ICON construction documents dated September 29, 2020</li> <li>Montgomery County blower door test result dated December 6, 2021</li> </ul>	CPD Chinn 107-122
8S	Jim Moran receipt dated November 10, 2021	CPD Chinn 123

8T <sup>79</sup>	<ul style="list-style-type: none"> <li>• Emails dated November 9 - 13, 2021 between Chinn, Finish Werks and Aspect Contracting Inc.</li> <li>• Emails dated November 8 - 15, 2021 between Chinn, Finish Werks and Modern Foundations, Inc.</li> <li>• Emails dated December 9, 2021 - February 14, 2022, between Chinn, Finish Werks and Aspect Contracting Inc.</li> <li>• Email dated January 7, 2022, between Chinn and Modern Foundations, Inc.</li> </ul>	CPD Chinn 124-131, 134
8U	<ul style="list-style-type: none"> <li>• Project accounting statement dated November 14, 2021</li> <li>• Email dated November 21, 2021 from Chinn to Finish Werks</li> <li>• Email dated December 14, 2021 from Chinn to Finish Werks</li> <li>• Email dated December 20 - 21, 2021 from Chinn to Finish Werks and ICON</li> </ul>	CPD Chinn 135-145
8V	Emails dated January 4, 2022 - February 11, 2022, between Chinn and Finish Werks	CPD Chinn 146-147
8W	<ul style="list-style-type: none"> <li>• Emails dated February 13 - 17, 2022 between Chinn and Finish Werks</li> <li>• Emails dated March 4 - 11, 2022 between Chinn and Finish Werks</li> </ul>	CPD Chinn 148-160
8X	<ul style="list-style-type: none"> <li>• Radon Resolvers receipt</li> <li>• Pepco Home Performance Energy Assessment</li> <li>• Carpet &amp; Vacuum Expo proposal</li> <li>• Inver Sanchez proposal</li> <li>• Chinn payment to Eduardo</li> <li>• List of Home Repairs with estimated costs</li> </ul>	CPD Chinn 161-171
8Z <sup>80</sup>	Photographs	CPD Chinn 181-184
<b>Laura Schindler and Edward F. Del Sordo (Volume 9)</b>		
9A	Emails dated October 12 - 17, 2017 between Schindler and Finish Werks	CPD Schindler & Del Sordo 001-014
9B	Emails dated March 8 - 10, 2018 between Schindler and Finish Werks re: material pricing	CPD Schindler & Del Sordo 015-019
9C	Contract dated March 10, 2018	CPD Schindler & Del Sordo 020-047
9D	Construction documents dated December 9, 2017	CPD Schindler & Del Sordo 048-069

<sup>79</sup> Portions of what had been marked as CPD Exhibit 8T with Bates numbers CPD Chinn 132-133 were not offered or admitted into evidence.

<sup>80</sup> Documents that were pre-marked as CPD Exhibit 8Y were not offered or admitted into evidence.



9E	<ul style="list-style-type: none"> <li>• Schindler electronic payment to Finish Werks dated November 6, 2017, December 28, 2017, and January 31, 2018</li> <li>• Schindler checks to Finish Werks dated March 16, 2018 and May 9, 2018</li> <li>• Letter dated August 17, 2018, from Schindler attorney to Finish Werks</li> <li>• Letter dated August 27, 2018, from Schindler attorney to Finish Werks</li> <li>• Letter dated September 6, 2018, from Schindler's attorney to Finish Werks</li> </ul>	CPD Schindler & Del Sordo 070-075
9F	<ul style="list-style-type: none"> <li>• Emails dated August 10 - 15, 2018 between Schindler and lender</li> <li>• Lender transaction history dated August 15, 2018</li> <li>• Lender draw schedule dated July 19, 2018 with photographs</li> <li>• Lender transaction history dated March 11, 2021</li> </ul>	CPD Schindler & Del Sordo 076-089
9G	<ul style="list-style-type: none"> <li>• Emails dated March 8 - 23, 2018 between Schindler and Finish Werks</li> <li>• Schindler doctors' letters</li> <li>• Emails dated May 7, 2018, between Schindler and Finish Werks</li> <li>• Foundation drawing dated May 11, 2018</li> <li>• Emails dated May 7 - 9, 2018 between Schindler, lender, and Finish Werks</li> <li>• Lender draw schedule dated May 9, 2018</li> <li>• Emails dated between June 1 and July 20, 2018, between Schindler and Finish Werks</li> <li>• Construction photographs</li> </ul>	CPD Schindler & Del Sordo 090-135
9H	<ul style="list-style-type: none"> <li>• Emails dated between July 23 and 26, 2018, from Schindler to Finish Werks</li> <li>• Text messages exchanged July 25, 2018 - August 5, 2018, between Schindler and Finish Werks</li> <li>• Construction photographs</li> <li>• Text messages July 27, 2018, from Schindler to Finish Werks</li> <li>• Emails dated July 27 - 30, 2018 between Schindler and Finish Werks</li> <li>• Construction photograph</li> </ul>	CPD Schindler & Del Sordo 136-180
9I	<ul style="list-style-type: none"> <li>• Email August 16, 2018, from Schindler to Finish Werks</li> <li>• Email August 1, 2018, from Finish Werks to Schindler</li> <li>• Change Order to Contract of Sale of new home dated August 1, 2018</li> </ul>	CPD Schindler & Del Sordo 181-318

	<ul style="list-style-type: none"> <li>• Emails dated August 7 - 8, 2018 between Schindler, lender, and Finish Werks</li> <li>• Finish Werks explanation of Change Order</li> <li>• Letter dated August 8, 2018, from Schindler to Finish Werks</li> <li>• Letter dated August 9, 2018, from Schindler to Finish Werks</li> <li>• Emails dated August 10, 2018, between Schindler, lender, and Finish Werks with attachments: <ul style="list-style-type: none"> <li>◦ Simplex Homes Construction Estimate and Finish Specifications dated December 18, 2017</li> <li>◦ Simplex Homes Invoice dated July 10, 2018</li> </ul> </li> <li>• Emails dated August 10 - 13, 2018 between Schindler, lender, and Finish Werks</li> <li>• Finish Werks checks to subcontractors: <ul style="list-style-type: none"> <li>◦ Weaver Precast Inc.</li> <li>◦ Farm + Home Excavating</li> <li>◦ Dietz Surveying dated</li> <li>◦ Suburban Tree Experts</li> <li>◦ Emmanuel Tree Experts</li> <li>◦ Engineered Steel, Inc.</li> <li>◦ Weaver Precast Inc.</li> <li>◦ Iron Stag Crane Service</li> </ul> </li> <li>• The Bartley Corporation proposal dated June 13, 2018</li> <li>• Emails dated August 10 - 15, 2018 between Schindler, lender, and Finish Werks</li> <li>• Construction photographs</li> </ul>	
9J	<ul style="list-style-type: none"> <li>• Emails exchanged August 10 - 16, 2018 between Schindler, lender, and Finish Werks</li> <li>• Letter dated August 17, 2018, from Schindler's attorney to Finish Werks</li> <li>• Email dated August 22, 2018, from Schindler's attorney to Finish Werks</li> <li>• Letter dated August 27, 2018, from Schindler's attorney to Finish Werks</li> <li>• Emails dated August 30 - 31, 2018 between Schindler's attorney, Schindler, and Finish Werks</li> <li>• Mold Busters LLC invoice, data sheet, and inspection report dated August 15, 2018</li> <li>• Letter dated September 6, 2018, from Schindler's attorney to Finish Werks</li> <li>• Emails dated September 6 - 7, 2018 between Schindler's attorney, Schindler, and Finish Werks</li> <li>• Emails dated September 14 - 25, 2018 between Schindler and Finish Werks</li> </ul>	CPD Schindler & Del Sordo 319-354
9K	<ul style="list-style-type: none"> <li>• LIFE Seeds Inc.: Mold Inspection report, invoices, and payments</li> </ul>	CPD Schindler & Del Sordo 355-408

	<ul style="list-style-type: none"> <li>• ARC Construction Services, Inc.: proposal, invoices, and receipts</li> <li>• EMSL Analytical, Inc. mold sample analyses dated December 24, 2018</li> <li>• Emails dated November 6 - 15, 2018 between Schindler, Owens Corning, and Simplex Homes</li> <li>• Photographs</li> </ul>	
9L	<ul style="list-style-type: none"> <li>• Rental Works receipts</li> <li>• Burgemeister-Bell, Inc. proposal and receipt</li> <li>• Reisterstown Lumber Company receipt</li> <li>• Construction photographs</li> <li>• Text message exchange between September 13, 2018 - October 19, 2019, between Schindler and Angel Romero</li> <li>• Schindler checks to Angel Romero</li> <li>• Atlantic Mechanical contract change order, and receipts</li> <li>• Baltimore Welding Supply Co. receipts</li> <li>• Barnes Paving and Trucking Inc. receipt</li> <li>• Blueprint Concrete LLC contract and payments</li> <li>• Buildingworks Ltd. contract and payments</li> <li>• Cockey's Enterprises Inc account statement</li> <li>• Maryland Deck Builders proposal and payments</li> <li>• DeLuca Electric, Inc. estimate and payments</li> <li>• Dietz Surveying invoice and payment</li> <li>• Northern Contracting Company, LLC. proposal and payments</li> <li>• Eric's Mechanical Services, LLC proposal and payments</li> <li>• Natural Concerns, Inc. invoices and payments</li> <li>• Schindler checks to Francis Schindler</li> <li>• Gotugo receipts and terms &amp; conditions</li> <li>• Granite Discounter Inc. proposal and payment</li> <li>• USI Carroll Insulation contracts and receipts</li> <li>• Schindler check to Jessica Sacalxot</li> <li>• JT Carpentry, LLC contract and payment</li> <li>• Schindler checks to Michael Jones</li> <li>• Text message exchange November 6 - 19 between Schindler and Mr. Park</li> <li>• Schindler check to Jeong Joo</li> <li>• Pennyman Energy LLC receipt and payment</li> <li>• PODS Enterprises, LLC invoice payments</li> <li>• Arocon Roofing and Construction LLC receipt</li> <li>• Townhouse Sprinklers, Inc. contract and payments</li> </ul>	CPD Schindler & Del Sordo 409- 707

	<ul style="list-style-type: none"> <li>• Lowe's receipts</li> <li>• Supply.com invoice</li> <li>• PIPCO proposal and payment</li> <li>• Credit card statements closing August 28 - December 28, 2018 and January 28 - February 25, 2019</li> <li>• Bank card statement closing March 28, 2019</li> <li>• Credit card statements closing September 25 - December 25, 2018, and January 25 - March 25, 2019</li> <li>• Credit card statements closing January 7 - April 7, 2019</li> <li>• Credit card statements closing November 7, 2018 - January 7, 2019</li> <li>• Credit card statements closing October 11, 2018 - January 11, 2019</li> </ul>	
9M	<ul style="list-style-type: none"> <li>• Schindler check dated August 7, 2018</li> <li>• Bank card statement closing August 28, 2018</li> </ul>	CPD Schindler & Del Sordo 708-713
<b>Joshua Schafer (Volume 10)</b>		
10A	Certified copy of <i>Allied Environmental Services, Inc. t/a Allied Well Drilling v. Finish Werks Custom Builders, Inc., et al.</i> , District Court for Anne Arundel County, Case No. D-07-CV-22-008327	CPD Schafer 001-023
10B	Certified copy of <i>David Schuman, et al. v. Harris Woodward, et al.</i> , Circuit Court for Howard County, Case No. C-13-CV-19-000179	CPD Schafer 024-113
10C	Certified copy of <i>Classic Granite &amp; Marble, Inc. v. Finish Werks Custom Builders, Inc.</i> , District Court for Howard County, Case No. D-101-CV-21-007309	CPD Schafer 114-155
10D	Certified copy of <i>Crane Rental Company, Inc. v. Finish Werks Custom Builders, Inc.</i> , District Court for Prince George's County, Case No. 0502-0015963-2020	CPD Schafer 156-208
10E	Certified copy of <i>Bartley Corporation v. Finish Werks Custom Builders, Inc., et al.</i> , District Court for Howard County, Case No. D-101-CV-21-007706	CPD Schafer 209-243
10F	Certified copy of <i>Williams Crane Service, Inc. v. Finish Werks Custom Builders, Inc.</i> , District Court for Howard County, Case No. D-101-CV-20-009679	CPD Schafer 244-285
10G	Contract dated June 7, 2019, between Finish Werks Custom Builders, Inc. and Charles Hardman and Bonnie Hardman	CPD Schafer 286-320
10H	Contract dated November 4, 2019, between Finish Werks Custom Builders, Inc. and James and Yvonne Reichlin	CPD Schafer 321-352
10I	Certified copy of <i>Charles A. Klein &amp; Sons v. Kausch, et al.</i> , Circuit Court for Baltimore County, Case No. 03-C-16-011527	CPD Schafer 353-1275

10J	Chart of Payments to Finish Werks and Costs to Complete - Ronald Berry	CPD Schafer 1276-1279
10K	Chart of Payments to Finish Werks and Costs to Complete – Carl & Leslie Blazek	CPD Schafer 1280
10L	Chart of Payments to Finish Werks and Costs to Complete – Moshe & Naomi Chinn	CPD Schafer 1281-1282
10M	Chart of Payments to Finish Werks and Costs to Complete – John & Monica Rosenquist	CPD Schafer 1283-1288
10N	Chart of Payments to Finish Werks and Costs to Complete – Laura Schindler & Edward Del Sordo	CPD Schafer 1289-1298
10O	Chart of Payments to Finish Werks and Costs to Complete – Raymond & Glenda Weber	CPD Schafer 1299-1305
10P <sup>81</sup>	Charts of Transactions from Finish Werks Wells Fargo accounts	CPD Schafer 1306-1345, 1352-1377
	Tab 3 from Excerpts of Wells Fargo Records Binder <sup>82</sup>	15 Pages, single sided
<b>Gerald Whittaker (Volume 11)</b>		
11A	Finish Werks Custom Builders, Inc. online registration application	CPD Whittaker 001-017
11B	Summary of contract disclosures review	CPD Whittaker 018

<b>Jara Miles (Volume 12)</b>		
12	E-mails between Ms. Miles and Mr. Woodward, October 20, 2021 to November 22,	CPD Miles

**CPD Exhibits of Wells Fargo Bank Records  
Admitted Through Joshua Schafer on February 3, 2023**

<b>Volume No.</b>	<b>Tab No.</b>	<b>PDF Title</b>	<b>Description</b>
1	A	N/A	Signature Cards & Addendums
	B	N/A	Business Records Declaration dated Feb. 26, 2020
	1	4672492	Checks & Debits acct. no. x0045
	2	4672118	Checks & Debits acct. no. x0127
	3	4672309	Checks & Debits acct. no. x5968
	4	4672313	Checks & Debits acct. no. x5980
2	5	4672306	Checks & Debits acct. no. x8282
	6	4672495	Checks & Debits acct. no. x8751
	7	4672491	Deposits acct. no. x0045
	8	4672493	Deposits acct. no. x0127
	9	4672301	Deposits acct. no. x5968
	10	4762315	Deposits acct. no. x5980
	11	4672119	Deposits acct. no. x8282
	12	4672121	Deposits acct. no. x8751
	13	4672116	Statements acct. no. x0045
	14	4672110	Statements acct. no. x0127
3	15	4672305	Statements acct. no. x5968
	16	4672117	Statements acct. no. x5980
	17	4671831	Statements acct. no. x8282
	18	4671829	Statements acct. no. x8751
4	C	N/A	Business Records Declaration dated Feb. 28, 2020
	19	4707415	Checks & Debits acct. no. x0045
	20	4707478	Checks & Debits acct. no. x0127
	21	4707331	Checks & Debits acct. no. x4133
	22	4707406	Checks & Debits acct. no. x5904
5	23	4707337	Checks & Debits acct. no. x5968
	24	4707424	Checks & Debits acct. no. x5980
	25	4707414	Checks & Debits acct. no. x7016
6	26	4707333	Checks & Debits acct. no. x8282
	27	4707327	Checks & Debits acct. no. x8751
	28	4707317	Deposits acct. no. x0045
	29	4707329	Deposits acct. no. x0127
	30	4707315	Deposits acct. no. x1505



	31	4707255	Deposits acct. no. x4133
	32	4707410	Deposits acct. no. x5904
	33	4707324	Deposits acct. no. x5968
	34	4707263	Deposits acct. no. x5980
	35	4707481	Deposits acct. no. x7016
	36	4707261	Deposits acct. no. x8282
	37	4707336	Deposits acct. no. x8751
	38	4707330	Deposits acct. no. x9001
	39	4707179	Statements acct. no. x0127
	40	4707187	Statements acct. no. x1505
7	41	4707238	Statements acct. no. x4133
	42	4707114	Statements acct. no. x5904
	43	4706692	Statements acct. no. x5968
	44	4707183	Statements acct. no. x5980
	45	4707257	Statements acct. no. x8282
8	46	4707189	Statements acct. no. x8751
	47	4707259	Statements acct. no. x9001
	48	4707247	Statements acct. no. x0045
	49	4707250	Statements acct. no. x7016

Tab 3<sup>83</sup>

Excerpts from Wells Fargo Bank Records