

THE STATE OF SOUTH CAROLINA
In the Supreme Court

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APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

S.C. SUPREME COURT

The Honorable Henry W. Brown
Special Referee

Unpublished Opinion No. 2022-UP-175
Filed April 20, 2022
Petition for Rehearing Denied May 19, 2022

Appellate Court Case No. 2019-000513
Trial Court Case No. 2014-CP-10-3881

Brown Contractors, LLC under S.C. Residential Builders License No. 20378,

.....Petitioner,

v.

Andrew Joseph McMarlin a/k/a Andrew Joseph McMarlin and Amy Salzhauer,

.....Respondents.

APPENDIX VOLUME II

/s Robert B. Varnado

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*Brown Contractors, LLC, under S.C. Residential Builders License No. 20378
v. Andrew Joseph McMarlin a/ka/ Andrew Joseph McMarlin and Amy Salzhauer*

INDEX TO APPENDIX – VOL. I

ORDERS

Order of Reference to Special Referee	1
Order	3
Order Denying Rule 59(e) motions	20
Order Awarding Attorneys' Fees	22

PLEADINGS

Amended Summons and Complaint	26
Amended Answer, Counterclaims and Third-Party Complaint	33
Reply	48

MOTIONS AND MEMORANDA OF LAW

Motion to Amend & Memorandum of Law	57
Plaintiff's Rule 59(e) Motion	71
Defendants' Rule 59 Motion filed May 11, 2018	97
Defendants' Motion for Attorneys' Fees May 25, 2018	104
Notice of Appeal	111

TRANSCRIPTS

Direct Examination of Jay Brown by Mr. Varnado	113
Cross Examination of Jay Brown by Mr. Lyles	155
Redirect Examination of Jay Brown by Mr. Varnado	242
Re-cross Examination of Jay Brown by Mr. Lyles	247
Examination by the Court	248
Further Redirect Examination by Mr. Varnado	256

Direct Examination of Amy Salhauer McMarlin by Mr. Lyles	258
Cross Examination of Amy Salhauer McMarlin by Mr. Varnado	366
Redirect Examination of Amy Salhauer McMarlin by Mr. Lyles	430
Examination by the Court	432
Direct Examination of Henry Salzlauer by Mr. Lyles	438

INDEX TO APPENDIX – VOL. II

Direct Examination of Henry Salzlauer by Mr. Lyles cont'd	501
Cross Examination of Henry Salzlauer by Mr. Varnado	516
Redirect Examination of Henry Salzlauer by Mr. Lyles	536
Examination by the Court	538
Direct Examination of Deborah Lee Winner by Mr. Varnado	539
Cross Examination of Deborah Lee Winner by Mr. Lyles	562
Direct Examination of Jay Brown by Mr. Lyles	564
Cross Examination of Jay Brown by Mr. Varnado	617

OTHER DESIGNATED MATERIALS

Plaintiff's Offer of Settlement	636
Defendants' Offer of Settlement	638
Plaintiff's Exhibit 1	640
Plaintiff's Exhibit 2	650
Plaintiff's Exhibit 3	653
Plaintiff's Exhibit 4	655
Plaintiff's Exhibit 5	656
Plaintiff's Exhibit 7	660
Plaintiff's Exhibit 8	664
Plaintiff's Exhibit 9	678

Plaintiff's Exhibit 10	700
Plaintiff's Exhibit 11	710
Defendants' Exhibit 5	714
Defendants' Exhibit 9	715
Defendants' Exhibit 29	720
Defendants' Exhibit 32	722
Defendants' Exhibit 33	762
Defendants' Exhibit 34	766
Defendants' Exhibit 35	767
Defendants' Exhibit 36	769
Defendants' Exhibit 37	774
Defendants' Exhibit 38	787
Defendants' Exhibit 39	789
Defendants' Exhibit 40	790
Defendants' Exhibit 58	810
Defendants' Exhibit 59	812
Defendants' Exhibit 60	813
Defendants' Exhibit 61	814
Defendants' Exhibit 62	815
Defendants' Exhibit 63	816
Defendants' Exhibit 64	818
Defendants' Exhibit 65	820
Defendants' Exhibit 66	827
Defendants' Exhibit 67	833

Defendants' Exhibit 68	835
Defendants' Exhibit 69	842
Defendants' Exhibit 70	845
Defendants' Exhibit 71	846
Defendants' Exhibit 72	848
Defendants' Exhibit 73	868
Defendants' Exhibit 74	886
Defendants' Exhibit 75	898
Defendants' Exhibit 76	899
Defendants' Exhibit 77	901
Defendants' Exhibit 78	902
Defendants' Exhibit 79	904
Defendants' Exhibit 80	905
RULE 242(e)	
Final Initial Brief of Brown Contractors, LLC	907
Final Initial Brief of Respondents	936
Final Reply Brief of Brown Contractors, LLC	945
Decision of Court of Appeals	954
Petition for Rehearing	960
Order Denying Petition for Rehearing	967
Certificate of Service	

1 A Yes.

2 MR. LYLES: I would like to move this into
3 evidence as Exhibit 134.

4 MR. VARNADO: I'm going to object. It's
5 hearsay. I don't think he can qualify it.

6 MR. LYLES: He can testify he paid the bill.

7 THE COURT: Not qualified in what respect?

8 MR. VARNADO: I think it's from AC Heating &
9 Air. It's to 1850 Flag, to Howard Brown. Howard Brown
10 needs to testify to it.

11 THE COURT: All right. He doesn't need to be
12 qualified in order to say I saw it and paid it, does
13 he?

14 MR. VARNADO: No. I mean, he could say that.

15 THE COURT: And I don't know that he was asked
16 an opinion about the work. So if it is -- since -- I
17 can take it as a document that he saw and paid for for
18 purposes of their claim for correcting the house.

19 MR. VARNADO: Yeah. And I would note that Mr.
20 Schweers testified yesterday that the units were old,
21 and that the --

22 THE COURT: I understand. I'll take it in
23 context of all the testimony, but it seems that it is
24 admissible as a description of the work done, and that
25 it was paid.

1 MR. VARNADO: That's fair.

2 MR. LYLES: And I'll just say that to the
3 extent it's already included in Howard's global
4 estimate, we don't want to get it twice. I just went
5 through Howard's estimate yesterday and I was not able
6 to find it, so if it is in there --

7 THE COURT: I'll take it as described. I'll
8 take it as described and for those purposes, and I
9 think what Rob has described is there's no objection to
10 it.

11 MR. VARNADO: That's fair.

12 THE COURT: I will acknowledge your objection
13 and accept it as to taking it beyond that.

14 MR. VARNADO: Thank you.

15 (DEFENDANT'S EXHIBIT NO. 134 ADMITTED INTO
16 EVIDENCE.)

17 BY MR. LYLES:

18 Q Do you know how much Mr. Jay Brown billed you
19 for mechanical work at your project?

20 A I would have to look at the cost sheet, but I
21 think it was in the neighborhood of 40 some odd
22 thousand dollars.

23 Q Do you know what he did for that \$44,000?

24 A I think he installed some new unit, and I know
25 that Amy was not getting satisfactory cooling and

1 heating in the spaces, and I think there was some
2 mechanics working on the -- you know, I think that's
3 better answered by Amy.

4 Q Okay.

5 A I just know that it was not working properly.
6 One girl's room was hot. One girl's room was cold.
7 The noise level in the house was substantial, that I
8 heard. But past that, I'm not a --

9 Q Okay. We looked at some correspondence in the
10 file that referenced a representation by Mr. Brown
11 sometime in the spring of 2013 that the cost to
12 complete the job had risen from 772 to 901. Do you
13 remember that?

14 A Yes.

15 Q Ultimately, you were billed a total of in
16 excess of 1.4 million dollars for the job?

17 A Okay.

18 Q Were you aware of that?

19 A I know it's -- I don't know the number
20 offhand. It's not a happy number to remember.

21 Q At what point did you realize that Mr. Brown
22 had significantly exceeded the outside number that was
23 on top of what he had originally estimated?

24 A Well, there's correspondence about that. I'm
25 not sure exactly of the date, but it was an ongoing

1 kind of a situation.

2 Q Okay. You -- if you turn your mind to the
3 early part of 2014, after Amy had moved her air
4 mattresses into the house; okay?

5 A That would have been 2013, not 2014.

6 Q She moved -- that's right. She moved in in
7 2013, but if you turn your attention to the early part
8 of 2014 --

9 A Okay.

10 Q -- when Mr. Brown was no longer working on the
11 job; all right?

12 A All right.

13 Q Okay. Did you have discussions with him about
14 settling out these issues once and for all, after you
15 had gotten his final billing?

16 A I'm trying to think if I did or I didn't. I
17 think that -- I don't know. I don't know if it was
18 with -- is this before he left the job?

19 Q After.

20 A After he left the job? In 20 --

21 Q '14. The lien was filed in March of 2014.

22 A In 2014, when the lien was filed, we sent him
23 the notice of stuff to correct, and I don't believe
24 there was any conversation subsequent to that.

25 Q Were you surprised to get the lien?

1 A Yes.

2 Q Why?

3 A The job was not finished, and the job was not
4 proper, and I think the lien was a faulty lien.

5 Q When you say "faulty," what do you mean?

6 A The job was not finished, and the job was not
7 functioning. This job was -- it was a defective
8 product that was -- if this were an automobile --

9 MR. VARNADO: I mean, Mr. Brown, can we --
10 let's not have a -- this isn't an automobile.

11 THE COURT: Hold on, hold on. Mr. Salzhauer,
12 the objection is to using examples that may not be
13 pertinent. Confine your testimony -- and I understand
14 your point, but confine your testimony to the house, if
15 you can.

16 A (Continuing) The house was -- the house as a
17 product was a defective product.

18 Q Okay.

19 A By the way --

20 THE COURT: Just hold on.

21 BY MR. LYLES:

22 Q Mr. Salzhauer, were you involved in the
23 decision to do the roof work at the house, the roof
24 repair work?

25 A Yes.

1 Q And what was your involvement in that?

2 A There was a leak and --

3 Q Where was the leak?

4 A Over a certain part of the house in Annie's
5 room -- or that part I'm not sure about, but there was
6 a leak and there was a question of what to do about the
7 leak. And Howard Brown went through substantial kind
8 of checking to find out where the -- you know, where
9 the leak is. He spoke to several roofers, and he came
10 to -- I'm not sure of the fellow's name, but he's a
11 highly regarded roofer in this area, and that fellow
12 spent some time at the job in looking at the roof, and
13 I spent some time learning about roofs. And the
14 problem here was -- what is that? It begins with a T.
15 Terne --

16 Q Terne metal?

17 A Terne metal. Terne metal has a lot of lead in
18 it, so they stopped producing terne metal. The roof is
19 a -- the problem roof was a terne metal roof. There
20 was -- the question was to replace it with an aluminum
21 roof or a copper roof. The aluminum roof, the panels
22 could not be made to follow the roof line. Putting in
23 the copper roof, the problem with the copper roof was
24 where the copper roof met another terne metal roof, the
25 electrolysis would have destroyed both roofs. Trying

1 to terminate the copper roof at a location that would
2 have required less roofing was almost as much -- or as
3 much money as continuing the copper roof, so they had
4 to do the whole roof in copper.

5 MR. LYLES: Okay, give me just a minute, if
6 you don't mind here. I'm going to go speak to Amy.

7 THE COURT: Sure.

8 (Whereas, a brief recess was taken.)

9 THE COURT: We're back on the record. We are
10 Continuing the direct examination of Mr. Salzhauer.

11 Mr. Salzhauer has asked to comment on a
12 question he was asked before. Mr. Salzhauer, do it in
13 a limited fashion, not -- dealing simply with what you
14 testified to before. And if someone -- if Mr. Varnado
15 objects, I want you to stop until we deal with the
16 objection.

17 A (Continuing) Very simple, I don't think these
18 photographs properly portray the issue with the roof.

19 THE COURT: Okay.

20 A (Continuing) Done.

21 THE COURT: Thank you. Rob, you all right
22 with that?

23 MR. VARNADO: Yes.

24 THE COURT: All right, Robert, proceed.

25 MR. LYLES: Sure.

1 BY MR. LYLES:

2 Q Just a few follow-up questions, and I'll turn
3 you over. Would you turn to Exhibit No. 21 for me?

4 A 21? I'm sorry.

5 Q Yes, sir. Do you recognize that email
6 exchange?

7 A Yes.

8 Q What is that -- or who is that email exchange
9 with?

10 A With Vuong from VLN.

11 Q Were you trying to get information from Vuong?

12 A Yes.

13 Q Backup and things such as that?

14 A Yes.

15 Q And then he responds to you on June 13th at
16 11:15 a.m.?

17 A May I read the --

18 Q Sure. You can read anything you want to.

19 A Okay. What's the question? I'm sorry.

20 Q This email exchange with Vuong, were you
21 trying to get from Vuong information about what he had
22 paid subcontractors and suppliers?

23 A Yes.

24 Q So that you could understand what you had been
25 billed?

1 A Yes.

2 Q And do you notice that in Vuong's response,
3 one of the things he tells you is that, and I quote,
4 "Just to be clear, I'm not required to supply any of
5 these items to you"?

6 A Yes.

7 Q Did you ever get those items from Vuong?

8 A We did.

9 Q Okay. He did send them to you?

10 A Yes. What he sent was his bills. I don't
11 recall exactly how much detail was in the bill.

12 Q Were you ever able to determine how much
13 overhead and profit he had added to bills that he had
14 then submitted to Jay?

15 A Yes. It was marked.

16 Q All right. Now, I'm going to show you a
17 series of emails that relate to the floor issue, and
18 just ask you if you can remember receiving these
19 emails.

20 (EMAIL MARKED DEFENDANT'S EXHIBIT NO. 135 FOR
21 I.D.)

22 BY MR. LYLES:

23 Q Let me show you what's been marked as Exhibit
24 135. You are shown as a recipient of that email. Do
25 you see that?

1 A Start at the top? Okay.

2 Q Yes, on June 24th, 2013.

3 A At 8:02 a.m.?

4 Q Yes, sir. Do you remember receiving that

5 email?

6 A Yes.

7 Q You do?

8 A Uh-huh.

9 Q Is Jay copied on that email?

10 A I have to look and see.

11 Q About the middle of the address line.

12 A Yes.

13 MR. LYLES: I'd like to move this into

14 evidence as Exhibit 135.

15 THE COURT: Rob?

16 MR. VARNADO: Sure.

17 THE COURT: 135 is admitted without objection.

18 June 24th, 2013, email.

19 (DEFENDANT'S EXHIBIT NO. 135 ADMITTED INTO

20 EVIDENCE.)

21 (EMAIL MARKED DEFENDANT'S EXHIBIT NO. 136 FOR

22 I.D.)

23 BY MR. LYLES:

24 Q Let me show you what's been marked as Exhibit

25 136 and ask you if you recognize that email?

1 A Yes.

2 Q That's an email exchange, towards the bottom,
3 from Amy to you; is that right?

4 A Yes.

5 Q And then it appears as though that email
6 exchange was forwarded to Jay Brown on August the 30th;
7 is that right?

8 A Yes.

9 MR. LYLES: I would like to move that into
10 evidence as No. 136.

11 MR. VARNADO: Without objection.

12 THE COURT: 136 is admitted without objection.

13 (DEFENDANT'S EXHIBIT NO. 136 ADMITTED INTO
14 EVIDENCE.)

15 (EMAIL MARKED DEFENDANT'S EXHIBIT NO. 137 FOR
16 I.D.)

17 BY MR. LYLES:

18 Q Mr. Salzhauer, let me show you what I've
19 marked as Exhibit 137 and ask you if you recognize that
20 email exchange?

21 A Let's see, which -- where am I looking, August
22 30th?

23 Q There's an email from you to Amy --

24 A Okay.

25 Q -- that seems to reference an email or is

1 above an email that Amy sent to you. Do you see that?

2 A Right.

3 Q And then it appears that those emails were
4 sent to Jay.

5 A Okay.

6 Q Do you see that?

7 A Yes.

8 Q Do you recognize that?

9 A Yes.

10 MR. LYLES: I'd like to move that into
11 evidence, Exhibit 137.

12 THE COURT: Rob?

13 MR. VARNADO: Yes, please.

14 THE COURT: All right, 137 is admitted without
15 objection.

16 (DEFENDANT'S EXHIBIT NO. 137 ADMITTED INTO
17 EVIDENCE.)

18 (EMAIL MARKED DEFENDANT'S EXHIBIT NO. 138 FOR
19 I.D.)

20 BY MR. LYLES:

21 Q Let me show you what I've marked as Exhibit
22 138 and see if you recognize that, Mr. Salzhauer, an
23 email exchange between Amy and Jay Brown?

24 A Which part of the email are you looking at?

25 Q Well, you've got one page, and so there's a

1 couple. There are some discussions about a meeting
2 below from Amy and Jay, and then you're copied on an
3 email from Amy to Jay that the same day, just a little
4 bit later.

5 A Okay.

6 Q Do you remember receiving that?

7 A Yes.

8 MR. LYLES: I'd like to move Exhibit 138
9 into evidence.

10 MR. VARNADO: Sure.

11 THE COURT: Admitted without objection.

12 (DEFENDANT'S EXHIBIT NO. 138 ADMITTED INTO
13 EVIDENCE.)

14 (EMAIL MARKED DEFENDANT'S EXHIBIT NO. 139 FOR
15 I.D.)

16 BY MR. LYLES:

17 Q Let me show you what I've marked as Exhibit
18 139, which is a series of emails beginning with Jay
19 Brown's email at 7:01 p.m. on September the 3rd, and
20 then followed by an email from Amy at 8:53 p.m. You
21 were copied on that. Do you remember receiving that?

22 A Yes.

23 MR. LYLES: I'd like to move Exhibit 139 into
24 evidence.

25 THE COURT: 139 is the September 3rd email?

1 MR. LYLES: Yes.

2 THE COURT: Rob, what is your --

3 MR. VARNADO: I don't have an objection.

4 THE COURT: All right. Now, I've got one
5 page, thanks, in the bottom, but I don't have --

6 MR. LYLES: One page.

7 THE COURT: -- any notification of whose text
8 this is.

9 MR. LYLES: It's above that line. It's from
10 Jay to Amy.

11 THE COURT: Okay. All right, thank you. 139
12 is admitted.

13 (DEFENDANT'S EXHIBIT NO. 139 ADMITTED INTO
14 EVIDENCE.)

15 MR. LYLES: I think that's all I've got for
16 Mr. Salzhauer.

17 THE COURT: Okay. Rob, are you ready to
18 proceed?

19 MR. VARNADO: Can we go off the record real
20 quick?

21 THE COURT: Yeah.

22 (Whereas, a brief discussion was held off the
23 record.)

24 THE COURT: Mr. Salzhauer, you are still under
25 oath, don't talk about your testimony with anybody.

1 A Yeah.

2 MR. VARNADO: Okay, thank you.

3 MR. LYLES: One more question.

4 FURTHER REDIRECT EXAMINATION

5 BY MR. LYLES:

6 Q Can you offer any -- have you seen a copy of
7 the mechanic's lien in this case?

8 A Yeah. Early on, yeah.

9 Q Do you know the amount of the mechanic's lien?

10 A It was 200 and --

11 MR. VARNADO: Six.

12 A (Continuing) Yeah, 200.

13 Q Do you have any opinions based upon your
14 review of the accounting as to whether or not that
15 amount was accurate or not?

16 A Well, I'm not an attorney. If a mechanic's
17 lien -- a mechanic's lien, if you're filing that on the
18 owner, and you're filing it because the owner didn't
19 pay your bill in an adequate fashion to satisfy that
20 invoice -- the Salzhauers paid enough to satisfy the
21 bills that were included on these invoices. So if
22 you're not allowed to file a mechanic's lien if you
23 paid the amount to cover the cost on the job, then it
24 was not correct. Mr. Brown was paid enough that he
25 could have paid his vendors, and there would have --

1 CHARLESTON, SOUTH CAROLINA, FRIDAY, NOVEMBER 10, 2017

2 9:12 A.M.

3 P R O C E E D I N G S

4 - - - - -

5 THE COURT: Okay. We are back on the record
6 in 2014-10-3881, Brown Contractors. We concluded
7 yesterday after we took the testimony of Miss Wenner --
8 no, actually, we concluded with Mr. Glaws; right?

9 MR. VARNADO: Yes.

10 THE COURT: Miss Wenner and Mr. Glaws, and
11 they were taken as part of the Plaintiff's case. And,
12 Robert, you're still presenting your case through Mr.
13 Salzhauer?

14 MR. LYLES: Yes.

15 THE COURT: All right. Continue with your
16 direct examination.

17 MR. LYLES: I think I had concluded my direct
18 examination.

19 THE COURT: All right. Rob, Mr. Salzhauer is
20 your witness for cross.

21 (Henry Salzhauer, having previously been duly
22 sworn, continues to testify as follows:)

23 CROSS-EXAMINATION

24 BY MR. VARNADO:

25 Q Mr. Salzhauer, I'm Rob Varnado. We've met --

1 A Yes, we have.

2 Q -- through the course of the days, and several
3 times before. So let me ask you, I think in your
4 deposition, which was taken on August 17th of last
5 year, you told me that you had never discussed Jay's
6 licensure status with Jay.

7 A That's correct.

8 Q All right. So Jay never made a false
9 representation to you about his licensure status
10 because he never made a representation to you about it?

11 A I never asked the question.

12 Q Okay. And you don't have -- and you told me
13 in this deposition you have no knowledge of his
14 corporate structure; is that correct?

15 A That's correct.

16 Q So again, he made no false representations
17 because you never brought it up, he never brought it
18 up; correct?

19 A Correct.

20 Q Okay.

21 A I assumed I was doing business with Jay Brown.

22 Q And during the -- you had -- how many times
23 have you talked with Jay? I think in your deposition
24 you told me you had five meetings with Jay, and you had
25 email correspondence with him, too?

1 A I don't know what I told you in respect to
2 meetings.

3 Q Okay. Do you remember how many meetings you
4 had?

5 A I don't.

6 Q Okay. Your testimony is that you did not --
7 Jay sent you a cost plus -- unlimited cost plus
8 contract; is that correct?

9 A He sent me the -- the contract that he sent
10 me --

11 Q He sent two.

12 A Okay. You have copies of those contracts. So
13 whatever they say, they say.

14 Q Okay. And you didn't sign them?

15 A Exactly.

16 Q And you told Amy not to sign them?

17 A Exactly.

18 Q But you didn't complain about the cost plus
19 basis until January or February the following year?

20 A That's not the case.

21 Q Okay.

22 A I --

23 Q When did you complain about it?

24 A I said I'm not going to sign these contracts,
25 and they don't represent our agreement.

1 Q You said that to Jay?

2 A Look, I don't remember the exact words I said.
3 But Jay never said anything to me, either, about not
4 getting a signed contract back.

5 Q I don't see -- you said you sent lots of
6 emails, but I don't see an email from you to Jay
7 complaining about the fact that this is a cost plus --
8 unlimited cost plus contract at all until 2014; is that
9 your understanding?

10 A I don't know if I -- if I ever sent him an
11 email before. Jay never got a signed contract back
12 from me. If he had any concerns about it, he should
13 have spoken up. I was going on the basis of a letter
14 that I had from Jay on Brown-Meihaus stationery which
15 outlined our terms.

16 Q And then that was -- your testimony is that
17 you had that. And then it was amended; right?

18 A Amended.

19 Q Orally?

20 A What kind of amendment?

21 Q It went up. You said that it went up to 772?

22 A That was in conversation with our daughter in
23 terms of taking this in or taking that out of the job
24 and coming to a final price. But the basic -- the
25 basic price was two parts, one part for Phase I and the

1 other part for Phase II. And each one of those parts,
2 there was a defined number for, let's call it, overhead
3 and profit. In one of them, it was six percent of the
4 job, and the other one I don't remember exactly what
5 percentage of the job it was.

6 Q So you think six percent overhead and profit
7 is fair for the job?

8 A It depends on the job and how it's let.

9 Q Okay. Mr. Salzhauer --

10 A There was no -- there was no risk on the part
11 of the contractor. All he was -- what he was doing was
12 managing the job. I've seen lots of work where a
13 project manager gets six percent for the job.

14 Q You said there was not a licensed contractor
15 on the job?

16 A That's correct.

17 Q You realize that Jay Brown has a South
18 Carolina specialty license; correct?

19 A I don't know what kind of license he has.

20 Q Okay. And you realize that Vuong Nguyen is a
21 contractor; correct?

22 A Look, I was looking to Jay Brown to run that
23 job.

24 Q But you said earlier that there was no
25 licensed contractor on the job, so I'm asking you if

1 you knew that Vuong Nguyen was a licensed contractor?

2 A I did not.

3 Q Okay. And did you know the same thing about
4 Cameron Glaws being a licensed contractor?

5 A If Cameron Glaws is a licensed contractor and
6 Vuong Nguyen is a licensed contractor, they don't know
7 their business. Otherwise, the house would not look
8 the way the house looks. Jay -- or Cameron was there
9 from June, early June, to the end of the job. The
10 results on that job speak for themselves.

11 Q Okay. If they speak for themselves, they
12 speak for themselves.

13 A Excuse me, can I ask a question?

14 Q No, you cannot. I'm sorry.

15 THE COURT: No.

16 A (Continuing) First time I've been shut up
17 since I was a little kid.

18 THE COURT: I'm sorry if I transmitted it in
19 that fashion.

20 BY MR. VARNADO:

21 Q Mr. Salzhauer, I'm trying to go through this
22 quickly, so forgive me. All right, I'm going to ask
23 you to turn to the Plaintiff's exhibit book to Exhibit
24 7, which is a long exhibit, and I'm going to ask you to
25 go to Brown 0693.

1 A Brown?

2 Q Yeah. The Bates label is 0693 at the bottom,
3 so it's about --

4 MR. VARNADO: It's towards the end, Robert.
5 It's the last three pages of that Exhibit 7.

6 BY MR. VARNADO:

7 Q Now, I'm going to represent that this has been
8 admitted into evidence and it is a -- the Jay Brown
9 Contractors, LLC, job estimates versus actual costs for
10 1850 Flag Street for all transactions, dated 9/12/14.
11 Have you seen this document before?

12 A No.

13 THE COURT: Rob, quickly, I've got 0692. This
14 is third from the last page in Exhibit 7.

15 MR. VARNADO: Well, I'm asking him to do 0693,
16 and I have 0693, 4 and 5.

17 THE COURT: All right, I've got it. I'm
18 sorry.

19 MR. VARNADO: That's fine.

20 BY MR. VARNADO:

21 Q So you were -- Mr. Salzhauer, you were the --
22 you were the bank, pretty much, for Amy's payments on
23 this; would you say that's correct?

24 A No. I was paying -- as an accommodation for
25 handling the paperwork, my office was paying the bills.

1 Amy was the bank.

2 Q Okay. But you were responsible for paying the
3 bills; correct?

4 A Correct.

5 Q Okay. And we heard the testimony from Miss
6 Wenner about how that would go. Do you disagree with
7 her on anything that she said?

8 A Yes.

9 Q What do you disagree with?

10 A In respect to getting timely payment out to
11 the contractors, I asked to get my -- to get responses
12 to the bills that came in in a timely way. I did not
13 get that. And there are many emails saying, so we
14 don't have this go-round again about timely payment,
15 please get me the answer to this in a timely way, and I
16 didn't get those responses.

17 Q Okay. Mr. Salzhauer, if you look at the job
18 estimates versus actual detail for 1850 Flag Street,
19 which is Brown 0693, 694 and 695, this is an exhibit
20 that's been admitted into evidence. It is a QuickBooks
21 sheet from Brown Contractors. It shows the -- an
22 estimated cost in the first column, an actual cost in
23 the second column, and a difference between the third
24 cost -- the third column is a difference between the
25 actual and estimated. Do you see that?

1 A I do.

2 Q Okay. All right. So the -- and then if you
3 look at the third page at the bottom of the columns,
4 you see the estimated cost was 50 -- was 543,130? It's
5 the bottom of the third page.

6 A The bottom of the third page?

7 Q Yeah, the last page in the exhibit, 7.

8 A I see page 3. Is that what I'm looking at?

9 Q No, you're looking at page 4.

10 A I should be looking at page 4?

11 Q 0695.

12 A Yeah, page 4, not page 3.

13 Q Okay. So it showed an estimate of --

14 A Excuse me. I'm correct, on page 4, not page
15 3?

16 Q Yes.

17 A Okay, thank you.

18 Q Okay. And it shows the total estimated cost
19 was 543,130. Do you see that?

20 A Yes.

21 Q And you see that the actual cost was
22 1,227,847?

23 A Correct.

24 Q Okay. And those were the numbers that -- I
25 mean, I think that we have established that you-all

1 paid roughly 1.227 million; correct?

2 A Wait a minute. This estimated cost number,
3 how was that -- how was that generated?

4 Q I'm saying that this is a job estimate versus
5 actual cost. So the five --

6 A Wait a minute, wait a minute.

7 THE COURT: Hold on.

8 A (Continuing) I'm trying to understand this.

9 THE COURT: I understand. You-all don't talk
10 over each other.

11 A (Continuing) I'm sorry.

12 THE COURT: Rob, I'm assuming he's asking for
13 clarification on your question. If you can clarify
14 that for purposes of his answer.

15 BY MR. VARNADO:

16 Q All right. Isn't the 543,130 number the first
17 number you-all got from Brown-Meihaus?

18 A We got lots of numbers from Brown-Meihaus.

19 Q Is it the first number --

20 A We got -- excuse me. We got the first number,
21 and then a second number. That's -- because of the way
22 the demolition was done, Amy had to start the second
23 phase at the same time she was starting the first
24 phase, so the estimated cost at that moment in time
25 should have been Phase I and Phase II. That was 700

1 and some odd thousand.

2 Q Whether it's 700 or 543, the 543,000 is where
3 this QuickBooks entry starts; correct?

4 A Look, I can't -- I don't know about the
5 QuickBooks. I'm telling you what I know from --

6 Q Yeah. Because you don't use QuickBooks;
7 correct?

8 A That's correct.

9 Q And so you had Miss Wenner input the data into
10 your continuation estimate?

11 A Exactly.

12 Q But I'm going to go through this QuickBooks
13 with you real quick.

14 A Yeah, but you -- you're picking a number that
15 has no relevance to the work.

16 THE COURT: Mr. Salzhauer, let me ask you to
17 do this. Just answer his questions.

18 A (Continuing) Okay.

19 THE COURT: I understand your point, and he's
20 just asking you what is on the face of this document.

21 A (Continuing) Okay.

22 THE COURT: Your answers are simply agreeing
23 or disagreeing with him on what's on the face of the
24 document.

25 A (Continuing) Okay.

1 BY MR. VARNADO:

2 Q Okay. So as you look at the, back to 0693,
3 the page -- oh, I see, this is a four-page document,
4 and I was looking on the second page. So, okay, do you
5 see that the decks and porches was estimated at 6,580?

6 A What page are you on now?

7 Q Second page, page 2, 0693.

8 A And where are you?

9 Q At the top.

10 A Okay.

11 Q 06 -- 0.6 -- 06.02.40, decks and porches; do
12 you see that?

13 A I do.

14 Q Okay. And the estimated cost was \$6,580?

15 A Correct.

16 Q And the actual cost was what?

17 A 14,900 some odd.

18 Q It's actually the number below that number,
19 sir. 19,724?

20 A Okay, I got it.

21 Q And they replaced a rotten deck; did you know
22 that?

23 A I'm not familiar with all of the work that
24 went on on the job.

25 Q Okay. The siding and exterior trim, three or

1 four down from the decks and porches; do you see that?

2 A I do.

3 Q Okay. So because the house was -- had a lot
4 of rotten members and trim, the estimated cost tripled
5 from 27,500 to 92,269.41. Do you have any reason to
6 doubt that?

7 A Look, I wasn't following the job, but I asked
8 for -- if you're trying to go from the estimated cost
9 to the actual cost, I always asked for -- if there was
10 an addition to the work, that it be added on to the
11 not-to-exceed price, and I never got that information.
12 That was the reason I came to, sometime in January and
13 February, insisting on getting that, and it was a hard,
14 long fight until I got it. And I asked for the
15 estimated cost at that moment in time to the end of the
16 job. The job was close enough to a moment in time
17 where that -- where it was feasible to give me that
18 number.

19 Q Okay, and I understand your position on that.
20 Now, returning to my questions. Do you see the
21 exterior carpentry number?

22 A Where are we?

23 Q We're in the same column. We're siding and
24 exterior trim, we're a few more down from that.

25 A Okay.

1 Q Okay, exterior carpentry. Do you see that?
2 A Yes.
3 Q The estimated cost is what?
4 A Zero.
5 Q And what was the actual cost?
6 A My eyes are not so good for this.
7 Q \$72,583?
8 A Yes.
9 Q And that was because of rot, do you know?
10 A I have no idea.
11 Q Okay. Go down to the next group of items, the
12 thermal and moisture protection.
13 A Yes.
14 Q Okay. Do you see the insulate, 07.02.00
15 insulate? Do you see that number?
16 A I do.
17 Q And the estimate was what?
18 A Read it for me.
19 Q 14,000.
20 A Help me out and please read those numbers. I
21 trust you will read the correct numbers.
22 Q And the actual cost was \$19,768?
23 A Yes.
24 Q Okay. The roofing estimate was what? Was
25 zero dollars? Underneath that.

1 A Okay.

2 Q And then the actual was 28,300?

3 A Okay.

4 Q The -- do you see gutter and downspout?

5 A Okay.

6 Q And it was also a zero dollar in the estimate?

7 A Okay.

8 Q And it went up to \$2,030?

9 A Okay.

10 Q Did you know about the adding the gutter and
11 downspout?

12 A If you're going to go through this -- the
13 answer is no. But if you're going to go through all
14 these line items, I trust you.

15 Q Okay. Well, we don't have very much further
16 to go.

17 A You're reading numbers that I have no
18 identification with.

19 Q Okay. The overhead doors, see the next line
20 item, 08, doors and windows?

21 A Yes.

22 Q And then you go down about four or five and
23 you find overhead doors?

24 A Yes.

25 Q Okay. And that was a zero in the estimate,

1 but the overhead doors actually came in what, 15,727?

2 A Okay.

3 Q So do you know what happened there?

4 A Absolutely not.

5 Q So Amy added the overhead doors, they weren't
6 a part of the original estimate?

7 A If Amy added something and we have emails that
8 indicated we added something, we intended to pay for
9 it.

10 Q Okay, that's fine. The operable windows is
11 next under the overhead doors.

12 A Okay.

13 Q It was 50,939 in the estimate, but it turned
14 out to be 60,045.59 in the actual cost, and that was
15 because she upgraded to impact windows.

16 A Okay.

17 Q Do you know that?

18 A Yes. I know she upgraded -- I don't know if
19 the job was let with impact windows or not, but I do
20 know that impact windows were installed. I'm not sure
21 if all of the windows that were bought and were
22 supposed to be impact windows are impact windows, that
23 I'm not sure about.

24 Q Okay. Then the -- do you see at the bottom of
25 the doors and windows, it says 08.07.10, finish

1 hardware, the finish hardware number?

2 A Yes.

3 Q Okay. And that was estimated at what, \$4,000?

4 A Okay. Will you please read the numbers?

5 Q Yeah, I'll be happy to.

6 A Thank you.

7 Q And then the actual cost was 31,916.94?

8 A Okay.

9 Q That was Courtney Bishop had ordered hardware
10 for Amy that was nine -- or eight times the cost,
11 roughly, of the allowance.

12 A If we ordered something in addition, we had
13 intentions of paying for something in addition.

14 Q Okay.

15 A But we did not have intentions of paying for
16 work that was done twice, or substandard work.

17 Q Go to the 09, finishes. Do you see that the
18 estimated cost was -- for the stucco was 6,800, for the
19 drywall was 7,500, for ceramic tile was 5,000, for the
20 marble -- I'm sorry, for the solid surface Corian was
21 zero.

22 MR. LYLES: Where are you, Rob? I'm sorry.

23 MR. VARNADO: I'm at the bottom of page 2,
24 finishes.

25 A (Continuing) I assume -- I don't know enough

1 about what -- but in respect to the Corian, Amy would
2 have to talk to the Corian and the granite. I don't
3 know.

4 Q So, but the actual cost for the drywall was
5 19,250. The actual cost for ceramic tile was --

6 A Excuse me. When you're saying the actual
7 cost, I don't know if that's a proper actual cost or an
8 improper actual cost.

9 Q Okay, that's fine. But I'm asking you --

10 A You're asking me --

11 THE COURT: You-all --

12 A -- the actual cost. I don't know if it's the
13 actual.

14 THE COURT: Rob, keep going if you want to,
15 but I follow the numbers on the page. I
16 understand his testimony that I can't tell you why
17 they increased, and he's telling you I can't verify
18 that they're accurate, and I've got that from both
19 sides. But if there's something else you -- I
20 mean, if you want to keep going with it, please do
21 so, because I'm not cutting you off. I'm just
22 letting you know I understand the three points
23 where we are.

24 MR. VARNADO: Okay. Bear with me one second,
25 then.

1 BY MR. VARNADO:

2 Q Mr. Salzhauer, do you know today how much
3 money you-all spent for the repair, the renovation, of
4 1850 Flag with Brown Contractors, LLC?

5 A You have bills that show that number. I don't
6 know the number in my head.

7 Q Okay. And I'm going to say that the
8 demolition of the house, the rotten wood, everything,
9 the painting, the things that Amy ordered, all came in
10 at 1,227.847, and that was the reason why it was the
11 cost overrun. Do you agree with that or disagree?

12 A No. I disagree. That's what was billed.
13 That's what was charged. Whether it was proper or not
14 is a whole different story.

15 Q But you're not able to talk about whether it's
16 proper or not, either, are you?

17 A In some cases, yes. In some cases, no.

18 Q Because everything -- you were in New York,
19 and everything you were hearing, you were hearing
20 through Amy; correct?

21 A No. I was hearing from Amy, and I was seeing
22 from results, and I was asking for numbers and never
23 got them.

24 Q Okay. And did you -- you told Miss Wenner
25 that you would pay the overhead and profit number that

1 you had stopped paying in May at the completion of the
2 project?

3 A No.

4 Q You never did?

5 A No, I never did. I told Jay at a moment in
6 time when the price was so and so, and he would -- the
7 overhead and profit number that he had billed was X, I
8 don't remember exactly, but that we would talk about
9 paying additional overhead and profit of the 85, over
10 the 85, or whatever number was in that letter, at the
11 conclusion of the job, depending upon how the job went.
12 At that moment in time, the job was not proceeding, it
13 was behind schedule, and the bills were running up.
14 And -- and the overhead and profit was supposed to be
15 for managing the work, and the work was not getting
16 managed.

17 Q That's your position?

18 A Exactly.

19 Q Do you think that the problem was Amy's here
20 in Charleston and she's dealing with the
21 subcontractors, she's directing subcontractors, she's
22 making changes, she doesn't like this, she doesn't like
23 that, and you're in New York and you're paying the
24 bills, and that's the disconnect?

25 A I don't think that's a fair representation of

1 the facts.

2 Q Bear with me one second. I'm going to step
3 out and see if I have more to go; okay?

4 A Okay.

5 THE COURT: Take your time.

6 (The deposition recessed briefly.)

7 MR. VARNADO: That's all the questions I have.

8 THE COURT: Robert?

9 REDIRECT EXAMINATION

10 BY MR. LYLES:

11 Q Mr. Salzhauer, do you believe that you were
12 over-charged, that you and Amy were over-charged for
13 this job by Jay Brown?

14 A Yes.

15 Q Significantly over-charged?

16 A Yes.

17 Q Rob asked you about the money that you paid.
18 I think that Roy -- Roy testified yesterday that
19 you-all paid a total of \$1,230,570. Do you remember
20 that number?

21 A If that's what the number is, that's what it
22 is.

23 Q And you believed that that is more than you
24 should have paid for this job?

25 A Yes.

1 Q If the job had been satisfactorily completed,
2 would you have demanded that you be repaid some of that
3 money?

4 A Probably not. There is obvious over-billing,
5 and the last bill for the overhead and profit is -- I
6 don't know if it's intentionally miscalculated, but
7 it's somewhere around 50 -- I think it's \$59,000.
8 There was \$177,000 billed in the final bill, and -- or
9 as a total, and the final bill was for 151, I think,
10 and that didn't give us credit for the 80,000 that had
11 already been paid, so there was 50 some odd -- or close
12 to \$60,000 of over-billing for that item.

13 Q If the house had been properly completed,
14 would you have brought a claim against Jay to address
15 those over-billing issues?

16 A No, but I would not have paid something that's
17 so blatant as that number.

18 Q Was the house properly completed in your
19 estimation?

20 A No.

21 Q Are you seeking to recover, you and Amy, the
22 cost associated with making the house right?

23 A Yes.

24 MR. LYLES: That's all the questions I've got.

25 A (Continuing) There's one other obvious bill.

1 The plumber, who -- the plumber's last bill, and this
2 was true with certain other people all left on the job.
3 The work was not finished, or, for example, the
4 plumbing did not work, and I think that was \$8,000. I
5 wouldn't have paid that.

6 Q Okay.

7 MR. LYLES: Henry?

8 THE COURT: No, I don't think I have anything.

9 MR. VARNADO: Okay. Thank you, Mr. Salzhauer.

10 THE COURT: All right, Robert, anybody else?

11 MR. LYLES: Jay Brown.

12 THE COURT: Okay. Mr. Brown, you're being
13 called as a witness.

14 (A brief recess was taken.)

15 (Jay Brown, having previously been duly sworn,
16 continues to testify as follows:)

17 DIRECT EXAMINATION

18 BY MR. LYLES:

19 Q Mr. Brown, just a few questions. Your lawyer
20 was asking Mr. Salzhauer a number of questions about
21 the Exhibit 7 in the Plaintiff's exhibits, and so I'll
22 ask you a few questions about that, too, so we
23 understand how these numbers came together.

24 First of all, if we go to the page that 0695,
25 which I think is page 4.

1 everybody would have been square, based on the costing
2 that I -- and the cash, checks, et cetera, that I
3 reviewed.

4 Q You have not been asked to assess that in this
5 case?

6 A From a legal standpoint. I have -- I mean,
7 that's one of the things we did, is I looked at -- I
8 was looking at how much money did we pay them in
9 comparison to costs, and the amount that's showed as
10 owing, the \$206,000, basically relates to Mr. Brown's
11 markup that he put on the work. There was adequate
12 cash funded on the job to pay any vendors that, based
13 on these records, that billed Mr. Brown.

14 MR. LYLES: Okay, I think that's all, Mr.
15 Strickland.

16 THE COURT: Thank you very much.

17 (Whereas, a brief recess was taken.)

18 (Deborah Lee Wenner, having been duly sworn,
19 testified as follows:)

20 DIRECT EXAMINATION

21 BY MR. VARNADO:

22 Q Can you please state your full name for the
23 record?

24 A Deborah Lee Wenner.

25 Q And how do you spell your last name?

1 everybody would have been square, based on the costing
2 that I -- and the cash, checks, et cetera, that I
3 reviewed.

4 Q You have not been asked to assess that in this
5 case?

6 A From a legal standpoint. I have -- I mean,
7 that's one of the things we did, is I looked at -- I
8 was looking at how much money did we pay them in
9 comparison to costs, and the amount that's showed as
10 owing, the \$206,000, basically relates to Mr. Brown's
11 markup that he put on the work. There was adequate
12 cash funded on the job to pay any vendors that, based
13 on these records, that billed Mr. Brown.

14 MR. LYLES: Okay, I think that's all, Mr.
15 Strickland.

16 THE COURT: Thank you very much.

17 (Whereas, a brief recess was taken.)

18 (Deborah Lee Wenner, having been duly sworn,
19 testified as follows:)

20 DIRECT EXAMINATION

21 BY MR. VARNADO:

22 Q Can you please state your full name for the
23 record?

24 A Deborah Lee Wenner.

25 Q And how do you spell your last name?

1 A W-E-N-N-E-R.

2 Q Okay. Miss Wenner, when you were working --
3 are you currently working for Jay Brown?

4 A No.

5 Q Okay. And when you were working for him, did
6 you have another surname, another name?

7 A Yes. I was married, and my last name was
8 Kahn, K-A-H-N.

9 Q So if we see emails or communications between
10 Miss Kahn and Mr. Salzhauer or Miss McMarlin, we know
11 that; right?

12 A Yes.

13 Q That's you?

14 A Yes.

15 Q So, if you don't mind, we'll call you Deborah.
16 Hank and Amy and Jay.

17 A Absolutely.

18 Q Okay, that's good. Can you just tell us
19 briefly about yourself. Where did you grow up? Where
20 did you go to high school? That sort of thing.

21 A Well, I grew up as a Navy brat. My dad is
22 retired Navy, so we traveled. We moved to South
23 Carolina middle school age-ish. I went to school here.
24 I've been here ever since. I've been married,
25 divorced, kids.

1 Q And what is your primary occupation -- well,
2 what was your primary occupation when you were working?

3 A I was a business professional. I did
4 accounting. I did different books for companies, et
5 cetera.

6 Q A lot of times lawyers call that a bookkeeper.
7 Would that be something that you would say you were?

8 A That was part of what I did, yes.

9 Q And how long had you worked in the
10 construction business?

11 A Well, over 10 years.

12 Q Okay. And Jay Brown was not your first rodeo
13 with construction; right?

14 A No, he was not.

15 Q So just briefly walk us through. Walk us
16 through your relevant construction history in terms of
17 bookkeeping and other business and accounting jobs.

18 A Well, all of the companies that I've worked
19 with, I used QuickBooks, so that is the program I'm
20 used to using. I was already accustomed to using
21 QuickBooks prior to that because I was a business owner
22 and had used that for many years. The first
23 construction company I was working with was the company
24 that Jay actually used to be a subcontractor for them.
25 They went out of business when the industry -- the real

1 estate market crashed. They went out, and I started
2 working for Jay not long after that.

3 Q That's roughly 2008, 2009?

4 A No. I was working for Jay prior to that,
5 prior to that.

6 Q Okay.

7 A And I'm trying to remember the exact dates,
8 but there were multiple companies. I wasn't just doing
9 books for Jay.

10 Q Okay. So you were a bookkeeper for separate
11 contractors including Jay?

12 A Yes.

13 Q Okay. And do you remember the McMarlin job?

14 A Yes.

15 Q And right now, when did you leave Jay --
16 before we go into the McMarlin job, when did you leave
17 Jay, and what are you doing these days?

18 A What am I doing? My mom has dementia.

19 Q Oh, okay. I'm sorry.

20 A And I primarily take care of my mother. I am
21 not working outside of the home. If I have any
22 bookkeeping jobs, I do them at home, just because it's
23 better for my mother.

24 Q Okay.

25 A As far as when I left Jay, it was July of '13

1 or '14.

2 Q Okay.

3 A That's a hard number to remember, but I know
4 it was July because it was summer and we had just got
5 back from vacation.

6 Q Well, it might be '14 because we know that the
7 McMarlin job was in 2012 and 2013; right?

8 A Okay.

9 Q All right. And you were there all during that
10 time?

11 A Yes.

12 Q Okay. And when I say "there," were you
13 working at Jay's office?

14 A Yes.

15 Q And his office is on the Isle of Palms?

16 A It was.

17 Q Okay. So, and you said you had been working
18 with Jay for a few years, even before 2008, 2009;
19 right?

20 A Yes.

21 Q Okay. So tell me about Jay's practice. So
22 what was his -- what was he building, mostly?

23 A Mostly, it was new construction. There were a
24 lot of remodelings in between. The primary, you know,
25 big jobs were new construction.

1 Q Would you say it was high-end residential?

2 A Yes, absolutely. We didn't do anything that
3 was not high-end, that I remember.

4 Q And what would be some of the -- what would be
5 some of the garden variety type jobs you would do in
6 terms of new construction and remodeling, over a
7 million dollars, things like that?

8 A Definitely over a million dollars.
9 Frequently, double and triple, quadruple that.

10 Q Oh, really?

11 A Yes.

12 Q And you had the acumen and the training in
13 order to handle the QuickBooks and send the QuickBooks
14 to the various clients; is that correct?

15 A Yes.

16 Q Okay. So, and what was -- what kind of
17 contract did Jay use when you worked for him to deal
18 with clients, both new construction and residential
19 remodeling?

20 A He had a standard contract that he had written
21 with an attorney's assistance.

22 Q And what was it, what kind of nature of the
23 contract? Was it cost plus? Was it guaranteed --

24 A Always cost plus. We never did any jobs that
25 were not cost plus.

1 Q So always cost plus with Jay?

2 A Yes.

3 Q And was the McMarlin job a cost plus job?

4 A Absolutely.

5 Q Okay. So why don't you tell me about the --
6 how you drafted the first bills. And I think that what
7 we did was, Jay I think pulled these two --

8 MR. VARNADO: And, Robert, I think you've got
9 these. I don't know.

10 BY MR. VARNADO:

11 Q But these are the invoices; is that correct?

12 A Yes.

13 Q Okay.

14 MR. VARNADO: And I think, Henry, you had
15 asked about these, and although we don't have
16 copies, I would like to go ahead and mark them as
17 exhibits.

18 THE COURT: I asked was there something
19 already in the record, and I think -- Robert, what's
20 your position on using those?

21 MR. LYLES: Tell me again what these are.

22 MR. VARNADO: These are the invoices and all
23 the backup for each invoice.

24 MR. LYLES: And those came out of Jay Brown's
25 files?

1 MR. VARNADO: Yeah.

2 MR. LYLES: Did she retrieve them?

3 MR. VARNADO: No, she didn't retrieve them.
4 Jay retrieved them.

5 MR. LYLES: Okay.

6 THE COURT: Is that the same or similar to
7 what was turned over to Mr. Strickland?

8 MR. VARNADO: Yeah. He said you talked to an
9 accountant. He got the records. He got all the
10 backup.

11 MR. LYLES: He talked to an accountant and got
12 the actual QuickBooks documents?

13 MR. VARNADO: And the backup he said.

14 MR. LYLES: The actual data?

15 THE COURT: What time do you need to review
16 those, if at all?

17 MR. LYLES: I just want to know where they
18 came from. I'm not sure where they came from. If
19 somebody wants to verify where they came from and what
20 they are.

21 MR. VARNADO: We can do that. I mean, maybe
22 we can mark them for identification and ask her about
23 it.

24 THE COURT: Mark them for identification, and
25 then so long as they are identified and

1 authenticated and Robert doesn't have an objection
2 and doesn't need time, we'll take them.

3 MR. VARNADO: I'm just going to go ahead and
4 put an exhibit sticker on each one, 20 and 21.

5 (INVOICES AND BACKUP MARKED PLAINTIFF'S
6 EXHIBIT NO. 20 AND ADMITTED INTO EVIDENCE.)

7 (INVOICES AND BACKUP MARKED PLAINTIFF'S
8 EXHIBIT NO. 21 AND ADMITTED INTO EVIDENCE.)

9 THE COURT: Again, Rob, those both purport to
10 be the invoices and the backup for the statements
11 and the invoices?

12 MR. VARNADO: Yes, sir.

13 THE COURT: Okay.

14 BY MR. VARNADO:

15 Q Okay. So we've marked Exhibit 20 and 21.
16 These are what Mr. Brown said they were. And is that
17 your -- are you familiar with these?

18 A Absolutely, very familiar.

19 Q Okay. And tell me how -- how you would
20 typically do a bill for a client, and then did you do
21 that for the McMarlins?

22 A Okay. The first part of the process of taking
23 in a new client, I would meet with them and we would go
24 over how the finances work, how we bill, how we get the
25 deposit. Every project had its own checking account,

1 et cetera, and I would explain the process of funding
2 that account, how to keep it funded during the interim
3 of the billing process, et cetera.

4 Q Did you meet with Miss McMarlin?

5 A Everything was over a phone and text.

6 Q Okay.

7 A I did not get to sit down with them, but
8 everything was reviewed verbally over the phone because
9 Mr. Salzhauer was in New York.

10 Q And Mr. Salzhauer was in New York and he's
11 paying the bills; right?

12 A Correct.

13 Q And so the bills are sent to Mr. Salzhauer and
14 Miss McMarlin; is that correct?

15 A Right.

16 Q Okay. And then what happened? Go on, if you
17 don't mind.

18 A Well, the invoices, the way the invoices are
19 generated, as bills would come in from whether they
20 were suppliers or a subcontractor, they would get put
21 into the folder for the job. They would then be
22 approved on a weekly basis by the project manager.
23 Then I would process them for payment. And then I
24 would create an invoice for the client. And may I --

25 Q Sure.

1 A That's pretty simple. So, I mean --

2 Q Will you show Mr. Brown, because he's the --

3 A Sure.

4 THE COURT: Do we have something that's
5 already marked that we can refer to?

6 MR. VARNADO: Sure, I think so. I think we
7 can use the Defendant's book.

8 THE COURT: If we need to, we can use what you
9 just referred to out of --

10 BY MR. VARNADO:

11 Q See the black book in front of you?

12 A Uh-huh.

13 Q Miss Wenner, can you open it up to Exhibit No.
14 83?

15 A All right. So that's invoice No. 63, is
16 that --

17 Q Yes, that's correct.

18 A Okay.

19 Q So you're just doing this by way of kind of
20 explaining what was going on; right?

21 A Right. After you would enter the invoices
22 into QuickBooks, then you can then generate an invoice
23 for the client. Again, because it was cost plus, we
24 would provide them the exact amount of whatever was
25 paid and to whom. And then behind it, we would supply

1 the copy of their invoice or their payment requisition,
2 whatever it was, accordingly. That was how we billed
3 most of the clients, and that is how we started billing
4 this job. But about two invoices or so in, we were
5 requested to submit it along with AIA documents, which
6 we did not typically use. One was a spreadsheet that
7 he sent.

8 Q Okay. So why don't you turn to Exhibit 84?
9 It's next in the book.

10 A Uh-huh.

11 Q Okay. So here's -- this is an AIA document,
12 and on the next page of 84 is a continuation sheet;
13 correct?

14 A Right. They work together.

15 Q Okay. So why don't you explain how -- how it
16 came to pass that you started to work on these two, and
17 who was responsible for that?

18 A Hank sent me an email in response to receiving
19 one of the invoices, saying that he would prefer to see
20 it in this type of format because it was easier for him
21 to manage and take control of, in his mind.

22 Q Okay. So actually, how did the -- the AIA
23 document, was that -- the AIA document on the front,
24 would that be something that you had and you were able
25 to use? Who sent that to you, or did you have it and

1 did you do it yourself?

2 A We didn't have the document itself. I
3 recreated the document for the purpose of using this
4 form.

5 Q Okay. So Hank wanted it?

6 A Yes.

7 Q And he wanted both of these documents?

8 A Yes. Because I had never used these or seen
9 these documents prior to that. I had never used them.

10 Q And then the continuation sheet, how did
11 that -- did he -- how did that come to pass?

12 A We had put in --

13 Q I mean, when I mean "come to pass," I want to
14 know -- and I'm sorry for interrupting you, Miss
15 Wenner. Did Hank send you a continuation sheet as a
16 go-by, or did you -- how did you come to use
17 continuation sheets?

18 A Again, he requested me to use this sheet. The
19 amount in the C column, that's directly from the
20 estimate. And then as payments would be -- were
21 requested, the current request is in E.

22 Q The E column, in Echo?

23 A Yes. And then after that invoice, the next
24 invoice, all of those totals would move into the column
25 D, and it would accumulate so that you knew how much

1 had been previously paid for that category, if there
2 was any current request for payment in that category.
3 And then the percentages, if you look further to your
4 right, you'll see the percentage of completion as far
5 as the ratio and payment to balance.

6 Q Okay. Did you understand that Jay sent a
7 contract to the Salzhauer/McMarlins?

8 A It was my understanding he sends a contract to
9 every client.

10 Q Okay. Did you actually -- did you handle the
11 contract? Did you see it?

12 A I've seen it, yes.

13 Q Did Miss McMarlin or Hank Salzhauer sign the
14 contract?

15 A I thought it had been signed, but I don't
16 remember seeing a signed copy, but we discussed the
17 contract on a regular basis.

18 Q Who? Who is "we"?

19 A Hank and I had talked about, you know, the
20 paperwork associated with the contract and, you know,
21 how it was -- because there was some confusion on the
22 billing. That's why he asked it to be put on here. He
23 didn't understand the QuickBooks version, so that's why
24 he asked me to put it on these AIA documents.

25 Q Okay. So what estimate did column C come

1 from? Did it come from an estimate, and which
2 estimate, do you know? I mean, sitting here today, are
3 you able to tell me which estimate it came from?

4 A There were multiple estimates because the job
5 changed as it progressed. It started as one estimate,
6 and then, as with most remodels, once you're into a
7 project, you find other problems that you can't
8 progress until it's fixed, that are unseen.

9 Q Okay. And what was your belief about talking
10 with Mr. Salzhauer about the cost plus contract? You
11 had mentioned that earlier. Can you discuss that
12 again?

13 A It was always understood. There was never any
14 variance of it being a cost plus contract. It was,
15 from beginning to end, a cost plus contract.

16 Q And what was the cost -- what was the plus?
17 The plus was how much percent, do you remember?

18 A I want to say it was 15.

19 Q Okay.

20 A I'm pretty sure it was 15 percent.

21 Q And the estimate, do we know that the estimate
22 in table C on this continuation sheet is an
23 approximation because they're all zero zero numbers on
24 the end? You know, they're not hard numbers, they're
25 an estimated number; right, zero, zero?

1 A Right. This estimate should agree with, at
2 some point, the QuickBooks estimate. At whichever
3 point this was created, it would have agreed with that.

4 Q So how much time did you spend importing your
5 QuickBooks stuff into the continuation sheet?

6 A Everything was manually done. And it took,
7 depending on the week, sometimes there may have been 10
8 bills, sometimes there were 50 bills. It just -- it
9 was a variation. I had to go through each line item
10 and put it into the right column, make sure it was
11 totaled, make sure it added and equaled the invoice
12 that was on the front, our QuickBooks invoice, make
13 sure everything added, and then we would send it via
14 email.

15 Q And this was to help Mr. Salzhauer; correct?

16 A Yes.

17 Q And that's the only time you remember doing
18 the QuickBooks sheet and AIA document?

19 A I have only used AIA documents for this one
20 job, ever.

21 Q Ever?

22 A Ever.

23 Q So the -- and as the items mounted up, you had
24 to add lines to the continuation sheet, I guess?

25 A Correct. Because, again, things were added,

1 and we had to have a space for them.

2 Q And how long would it take you to actually sit
3 down and transpose from the QuickBooks to these AIA
4 documents?

5 A Again, it varied on the week because of how
6 many invoices were to be paid. I would say probably
7 about an hour for each one, to go through and balance
8 them back out.

9 Q And then Mr. Salzhauer would call after each
10 one, or how would he -- what would be your typical way
11 of dealing with him?

12 A Typically, in the beginning, I would just
13 email it to him. He would receive that -- well, it was
14 actually sent to your assistant, and I don't remember
15 her name, I'm sorry.

16 MR. SALZHAUER: Valentina.

17 A (Continuing) Yes. So it was sent to her, and
18 then it was transferred over to him, and we would
19 normally receive a check. There wasn't a lot of
20 communication back and forth in the beginning, and then
21 we started getting questions, and then we started
22 having a delay in the payment that wasn't as quick as
23 it was in the beginning.

24 Q So when did the delays in the payments start?

25 A It was several months into the job. I mean,

1 we were probably getting a half to two-thirds done, and
2 we started, probably closer to the two-thirds, started
3 to have some delays in the process, which was causing
4 delays on the job.

5 Q And were you dealing, also, with Miss McMarlin
6 who is sitting here today?

7 A Once in a while, but normally when I was
8 dealing with her, it was because she needed copies.
9 She needed additional copies of things, which we
10 provided on a regular basis.

11 Q So you would make the copies to put in your
12 QuickBooks invoices to send to Hank; correct?

13 A Yes. They were scanned and emailed.

14 Q And Miss McMarlin would want copies, too?

15 A Yes.

16 Q Would she take them by email?

17 A Well, there were several different methods.
18 First I emailed them to her, and then she could not
19 find, you know, couldn't print them. Said she didn't
20 have a printer, so I supplied them on a disc at one
21 point, because she was asking for many invoices and --
22 a lot of papers. So I put them on a disc, and she said
23 I don't have a printer, I can't print it, can you print
24 them for me. So I did that, and, of course, that was a
25 very long process because that was a lot of paper and

1 invoices, and told her they were ready, she could pick
2 them up. And she asked me, no, I can't pick them up,
3 will you take them to my house, so I had to go drop
4 them off.

5 Q So this was -- was -- this job, was it
6 labor-intensive on your end?

7 A Yes.

8 Q Was it -- how would you compare it on a scale
9 of one of ten, with one being the least and ten being
10 the most labor-intensive that you've worked on with
11 Jay?

12 A Probably around an eight as far as the
13 constant back-and-forth, trying to re-explain and
14 re-provide the same information over and over and over
15 again.

16 Q Okay. And you put the subs' backup on each of
17 these documents; correct?

18 A Yes.

19 Q All right.

20 A In the order that they appeared on the
21 QuickBooks invoice.

22 Q All right. Okay, so it came to pass that Mr.
23 Salzhauer refused to pay the overhead and profit?

24 A Correct.

25 Q And when -- do you remember when that was,

1 basically?

2 A It was probably at least eight weeks before --
3 you know, seven to eight weeks before the job, what I
4 would consider, getting close to being done. He
5 refused to pay any more until the job was complete and
6 they had a CO.

7 Q Did he say it was because he had -- he had a
8 deal with Jay, or was that ever brought up to you?

9 A He was irritated with Jay. He said Jay wasn't
10 as responsive as he would like him to be. He would
11 send me an email and ask me to have Jay call him, and
12 he would. It was prompt. You know, he was busy. He
13 wasn't in the office. There were days I wouldn't see
14 him at all because he was on job sites and wasn't
15 checking his email constantly. But he just said that
16 he was no longer going to pay that until he was happy
17 and he had a CO, and that was that.

18 Q And he didn't say it was related to any deal
19 or any estimate that he received before?

20 A Not to me.

21 Q Okay.

22 A Not to me.

23 Q That's fair. And then after the CO was -- was
24 to be issued, what did Mr. Salzhauer tell you, or what
25 did he promise to pay?

1 A Well, he had said the whole time that he would
2 pay once the house was complete, and he did not.

3 Q He would pay the complete overhead and profit
4 and the complete bills that you would send him?

5 A Yes. That he would pay the rest of the amount
6 that they had agreed upon, which was documented, and
7 that he would pay -- he would make sure that
8 subcontractors would get paid. And he was telling the
9 subcontractors directly that he would make sure they
10 got paid.

11 Q So, explain that to me. Was that normal?

12 A No.

13 Q Okay.

14 A Typically, you don't -- the clients aren't
15 supposed to contact the subcontractors. That's why
16 you're the general contractor; you're the contact
17 point. You're supposed to be the person that contacts
18 the subs if there's an issue or a problem. You as the
19 builder and as the contractor are responsible for
20 paying your subs. We had to do that. So, no, it's
21 very unusual for a client to do that, and you don't
22 want a client to do that for a multitude of reasons.

23 Q Would you consider it that he was doing it on
24 purpose in order to undercut you?

25 A Yes. That's what it appeared to be, yes.

1 Q So every invoice had a subcontractor backup
2 attached to it every time; correct?

3 A Yes.

4 Q And it went to Mr. Salzhauer; correct?

5 A Yes.

6 Q And then -- and he was the one who was in
7 charge of paying?

8 A Yes.

9 Q And then he decided that he was angry at Jay
10 and he wasn't going to pay overhead and profit?

11 A Yes.

12 Q That's your understanding?

13 A Yes.

14 Q And that was based on your conversations with
15 him?

16 A Yes.

17 Q That's not from Jay. That's from Hank
18 Salzhauer; correct?

19 A Correct.

20 Q And that he promised to pay the overhead and
21 profit when the Certificate of Occupancy was issued?

22 A Yes.

23 Q And did he?

24 A No.

25 MR. VARNADO: Henry, I'm going to take just a

1 minute with Jay.

2 THE COURT: Okay.

3 BY MR. VARNADO:

4 Q We're going to step out, so just bear with us
5 one second, and then Mr. Lyles may have some questions
6 for you.

7 A All right.

8 (Whereas, a short recess was taken.)

9 MR. VARNADO: Miss Wenner, thank you. That's
10 all the questions I have for you at this time. Mr.
11 Lyles or Mr. Brown may have some additional questions.

12 CROSS-EXAMINATION

13 BY MR. LYLES:

14 Q So, now, Miss Wenner, it's your testimony that
15 you provided backup with every invoice that you sent to
16 Mr. Salzhauer?

17 A That's correct.

18 Q How much backup?

19 A What do you mean how much?

20 Q What did you send him? What did the backup --
21 what constituted the backup?

22 A The invoice that we received.

23 Q From whom?

24 A From the supplier or the subcontractor for
25 payment. So whatever the request for payment, whatever

1 format that was, that's what got attached.

2 Q And did you also send him the backup from the
3 subcontractor's invoice?

4 A The subcontractor's invoice?

5 Q Sure. Did the subcontractors, when they sent
6 you an invoice, did they provide you with backup?

7 A The subcontractors were labor-based.

8 Q Okay. So they would only invoice you for
9 their labor?

10 A Right. They typically had a contracted
11 amount, and the requisition had what they were -- what
12 the job was, how much they had been paid, how much they
13 were requesting this time, and how much is left on
14 their job so that they wouldn't get ahead of
15 themselves.

16 Q So the subcontractors that were being paid on
17 a labor basis had -- had fixed agreements with Brown
18 for the job?

19 A For the most part, yes. I mean, occasionally,
20 you might have somebody that charges, you know, a
21 random amount for something added to or, you know,
22 something like that; but, generally speaking, most of
23 the subcontractors had a price that they were working
24 from.

25 Q A fixed price?

1 The plumber, who -- the plumber's last bill, and this
2 was true with certain other people all left on the job.
3 The work was not finished, or, for example, the
4 plumbing did not work, and I think that was \$8,000. I
5 wouldn't have paid that.

6 Q Okay.

7 MR. LYLES: Henry?

8 THE COURT: No, I don't think I have anything.

9 MR. VARNADO: Okay. Thank you, Mr. Salzhauer.

10 THE COURT: All right, Robert, anybody else?

11 MR. LYLES: Jay Brown.

12 THE COURT: Okay. Mr. Brown, you're being
13 called as a witness.

14 (A brief recess was taken.)

15 (Jay Brown, having previously been duly sworn,
16 continues to testify as follows:)

17 DIRECT EXAMINATION

18 BY MR. LYLES:

19 Q Mr. Brown, just a few questions. Your lawyer
20 was asking Mr. Salzhauer a number of questions about
21 the Exhibit 7 in the Plaintiff's exhibits, and so I'll
22 ask you a few questions about that, too, so we
23 understand how these numbers came together.

24 First of all, if we go to the page that 0695,
25 which I think is page 4.

1 A Yes.

2 Q There's a reference under that column to
3 estimated cost, 543,130.20?

4 A Yes.

5 Q Can you point me to any proposal that you made
6 to Amy or Mr. Salzhauer with that being the estimated
7 price?

8 A In this book, the proposals in this book?

9 Q Anywhere you want to find it.

10 A I don't know where to look.

11 Q So as you're testifying today, you can't
12 present to me a proposal that you sent to them that
13 shows an estimated price of \$543,130?

14 A I could, but I don't know where it is.

15 Q I'll represent to you it's not an exhibit in
16 this trial.

17 A Okay.

18 Q Are there documents outside of this trial that
19 you think might reflect that estimate?

20 A We did a dozen estimates for her. That could
21 possibly very well be one of them. I would say one of
22 the 12 is.

23 Q But you can't point that to me -- after three
24 days of trial, you can't point me to an estimate that
25 you gave to her that's an exhibit in this case?

1 Q If the job had been satisfactorily completed,
2 would you have demanded that you be repaid some of that
3 money?

4 A Probably not. There is obvious over-billing,
5 and the last bill for the overhead and profit is -- I
6 don't know if it's intentionally miscalculated, but
7 it's somewhere around 50 -- I think it's \$59,000.
8 There was \$177,000 billed in the final bill, and -- or
9 as a total, and the final bill was for 151, I think,
10 and that didn't give us credit for the 80,000 that had
11 already been paid, so there was 50 some odd -- or close
12 to \$60,000 of over-billing for that item.

13 Q If the house had been properly completed,
14 would you have brought a claim against Jay to address
15 those over-billing issues?

16 A No, but I would not have paid something that's
17 so blatant as that number.

18 Q Was the house properly completed in your
19 estimation?

20 A No.

21 Q Are you seeking to recover, you and Amy, the
22 cost associated with making the house right?

23 A Yes.

24 MR. LYLES: That's all the questions I've got.

25 A (Continuing) There's one other obvious bill.

1 The plumber, who -- the plumber's last bill, and this
2 was true with certain other people all left on the job.
3 The work was not finished, or, for example, the
4 plumbing did not work, and I think that was \$8,000. I
5 wouldn't have paid that.

6 Q Okay.

7 MR. LYLES: Henry?

8 THE COURT: No, I don't think I have anything.

9 MR. VARNADO: Okay. Thank you, Mr. Salzhauer.

10 THE COURT: All right, Robert, anybody else?

11 MR. LYLES: Jay Brown.

12 THE COURT: Okay. Mr. Brown, you're being
13 called as a witness.

14 (A brief recess was taken.)

15 (Jay Brown, having previously been duly sworn,
16 continues to testify as follows:)

17 DIRECT EXAMINATION

18 BY MR. LYLES:

19 Q Mr. Brown, just a few questions. Your lawyer
20 was asking Mr. Salzhauer a number of questions about
21 the Exhibit 7 in the Plaintiff's exhibits, and so I'll
22 ask you a few questions about that, too, so we
23 understand how these numbers came together.

24 First of all, if we go to the page that 0695,
25 which I think is page 4.

1 A Yes.

2 Q There's a reference under that column to
3 estimated cost, 543,130.20?

4 A Yes.

5 Q Can you point me to any proposal that you made
6 to Amy or Mr. Salzhauer with that being the estimated
7 price?

8 A In this book, the proposals in this book?

9 Q Anywhere you want to find it.

10 A I don't know where to look.

11 Q So as you're testifying today, you can't
12 present to me a proposal that you sent to them that
13 shows an estimated price of \$543,130?

14 A I could, but I don't know where it is.

15 Q I'll represent to you it's not an exhibit in
16 this trial.

17 A Okay.

18 Q Are there documents outside of this trial that
19 you think might reflect that estimate?

20 A We did a dozen estimates for her. That could
21 possibly very well be one of them. I would say one of
22 the 12 is.

23 Q But you can't point that to me -- after three
24 days of trial, you can't point me to an estimate that
25 you gave to her that's an exhibit in this case?

1 A An estimate in this case? We went over them.
2 Do you want to --

3 Q I just want you to tell me if you can show me
4 a document where you estimated the cost of this work at
5 \$543,130.20, please show it to me. I just want to know
6 where this number came from. If it's there, it's
7 there.

8 A If it's in the book, but I don't know where to
9 look. Rob, do you have it?

10 MR. VARNADO: Well, this --

11 THE COURT: Hold on, whoa. Okay. Robert?

12 MR. LYLES: I'm fine with Mr. Barrineau (sic)
13 handing him a document.

14 MR. VARNADO: Varnado, but that's okay.

15 THE COURT: Either Varnado or Barrineau can
16 hand it to him.

17 MR. VARNADO: And if you knew Barrineau, you'd
18 know that was an insult. He's insulting me.

19 MR. LYLES: Not on purpose.

20 MR. VARNADO: That's a continuation sheet.

21 THE COURT: I know she didn't possibly get all
22 of that on the record, but in the response to the
23 question, Mr. Varnado has handed the witness a sheet.
24 Identify it, please. What's the Bates number in the
25 lower right-hand corner?

1 A (Continuing) 0083.

2 THE COURT: And that's out of exhibit what?

3 MR. VARNADO: It popped out of my book.

4 THE COURT: All right, we'll find it.

5 A (Continuing) 65?

6 MR. LYLES: Bates labeled document.

7 MR. VARNADO: It's not 65. It's a Bates
8 labeled document. It's one of the continuation sheets
9 that was testified about, but I can find another one.

10 THE COURT: So long as we can locate it in the
11 record later.

12 BY MR. LYLES:

13 Q Well, if you can read the Bates label number
14 on the bottom of that sheet?

15 A Yes. \$543,130.20.

16 THE COURT: In the right-hand corner there's a
17 number that's a name and four digits. What is it?

18 A (Continuing) Oh, Brown 0083.

19 THE COURT: Okay. Go ahead, Robert.

20 BY MR. LYLES:

21 Q Okay. Now, what you have referred to is a
22 continuation sheet that went with an AIA pay app?

23 A Correct.

24 Q Okay. And you heard yesterday Miss Wenner
25 testified that she put together those sheets for

1 billing purposes?

2 A Yes.

3 Q Okay. What I'm looking for is a document
4 where you communicated to these people an estimated
5 cost for this job of 543 and -- \$543,130.20.

6 A And once again, if it's out there, I don't
7 know where it is.

8 Q Okay. I don't, either.

9 A I will say it's a -- on this document Brown
10 0659, which is our QuickBooks --

11 Q Yeah.

12 A It's a -- the estimated cost is 543,130.20.

13 Q Okay, fair enough. And that estimated cost is
14 important to Mr. Varnado, Mr. V, because he wanted to
15 demonstrate with Mr. Salzhauer that the price had gone
16 up substantially, and so I'm just trying to find out
17 where it was represented that that's where we start,
18 and so that was why I was asking the question. Since
19 we're on the subject, if you will, turn to Exhibit 116
20 in this book, Defendant's Exhibit 116.

21 A (Witness complied with request of counsel.)

22 Q Okay. Now, you're at Exhibit 116; right?

23 A Yes.

24 Q And is that the last pay application that was
25 submitted to the Salzhauers by you?

1 A I -- I don't know. It's a -- I don't know the
2 application for payment.

3 Q Well, the date on the document is what?

4 A December the 9th, 2013.

5 Q Okay. Do you recall sending any bills to the
6 Salzhauers after that date?

7 A I don't recall.

8 Q And again, you heard Miss Wenner say she
9 prepared those documents; right?

10 A Yes.

11 Q Okay. If you will, look at the original
12 contract sum on that document, prepared by your office.

13 A The 999,944.96?

14 Q Yeah.

15 A Okay.

16 Q All right. And then you've got a number that
17 says, "Total Completed and Stored to Date, 1,357,528."
18 Do you see that?

19 A Yes.

20 Q Okay. Now, does that number correspond to the
21 number in this exhibit that Mr. Varnado is asking
22 about?

23 A With the actual cost?

24 Q Yeah.

25 A No, it does not.

1 Q Well, now, the --

2 A Oh, I'm sorry. That was from August. I need
3 to see December's. I've got your pay app. I don't
4 have ours.

5 Q Your invoice?

6 A The actuals versus estimate. I don't know
7 where that is in correspondence with this one.

8 MR. VARNADO: Is it the Exhibit 117?

9 BY MR. LYLES:

10 Q There's an invoice that's dated 12/9, Invoice
11 No. 181 for 50,674.27.

12 A Where is that at?

13 Q Exhibit 117.

14 A Yes, I see our invoice for \$50,674.27.

15 Q Okay. All right, so my question is, this is
16 the last bill that was sent to the Salzhauers, and I'm
17 trying to figure out how we get from the numbers on
18 this bill to the numbers that are in your QuickBooks?

19 A And what -- what's the date on that?

20 Q It would show, for example, your QuickBooks is
21 dated 9/12/14.

22 A Uh-huh.

23 Q Okay? And we've got -- you've got estimated
24 revenue, then you've got actual revenue, and you've got
25 a total number of 1,436,998.75.

1 A Okay.

2 Q I'm just trying to find out on this bill that
3 you sent to these people, where would they see that
4 number, 1,436,998?

5 A Well, they wouldn't, because this was dated in
6 August and this is a December bill.

7 Q Dated in --

8 MR. VARNADO: September.

9 A (Continuing) Sorry. September 12th, 2014.

10 Q Okay. And the bill is dated December of 2013?

11 A Right.

12 Q So there were additional amounts charged after
13 the last bill?

14 A Apparently so.

15 Q And they were never sent a bill for that
16 additional amount?

17 A I don't know.

18 Q Okay.

19 A There are still bills, even after CO, that
20 keep continue coming in, even for months after.

21 Q Okay. But you didn't send them to the
22 Salzhauers?

23 A I don't know.

24 Q But you filed a lien and sued them for them?

25 A I filed a lien for the amount that was owed at

1 the time.

2 Q At the time, March of 2014?

3 A Right.

4 Q Which included amounts that hadn't been billed
5 to the Salzhauers?

6 A Right.

7 Q Now, if we go back and look again at sort of
8 the first part of these pages, what's Bates labeled in
9 Exhibit 7, Plaintiff's Exhibit 7, as 693, let's take a
10 look at some of those numbers.

11 A Uh-huh.

12 Q Mr. Varnado was asking why those numbers went
13 up. Do you recall that?

14 A Yes, I do.

15 Q I would like to do the same thing. While
16 we're doing this, if you'll go back to Exhibit 8 here.
17 Okay, I've gotten in the habit of helping witnesses
18 find the documents. Okay, if we go back to Exhibit 8,
19 which is an exhibit that we had discussed lots in this
20 case. I think it's been represented that was the first
21 proposal sent to the Salzhauers. First item in your
22 exhibit, on page 693, I'm going back to your white
23 notebook, I just want to ask you some questions about
24 these numbers that Mr. Varnado was asking about.

25 A Yes.

1 Q He asked Mr. Salzhauer about the siding and
2 exterior trim number.

3 A Correct.

4 Q Do you see that?

5 A Yes.

6 Q And that number went from an estimated cost of
7 27,500?

8 A Yes.

9 Q To another \$94,269.41?

10 A Yes.

11 THE COURT: Which line item was that?

12 MR. LYLES: That's line item 060450.

13 MR. VARNADO: It's in the white notebook.

14 MR. LYLES: White notebook, Exhibit 7.

15 THE COURT: Okay, what's the --

16 MR. LYLES: Siding and exterior trim.

17 THE COURT: Siding, okay. Go ahead.

18 BY MR. LYLES:

19 Q So that number went up by \$66,769.41.

20 A Yes.

21 Q Do you see that?

22 A Yes.

23 Q Okay. My question is, did you install the
24 siding and exterior trim two or three times?

25 A No. Just -- this is demo two. This is a demo

1 price in this.

2 Q What's demo price?

3 A When we got our exploratory permit and then we
4 got into the house, and I showed Amy, when you start
5 pulling back siding, you see that the total band board
6 is rotten, you see that the windows have all failed,
7 that there's rot underneath each one, and you have
8 to -- we had to pull the siding and trim off of the
9 whole house.

10 Q And you didn't expect to have to do that?

11 A From this bid, no.

12 Q You did not?

13 A Did not.

14 Q All right. How much siding and trim did you
15 expect to have to pull off?

16 A Minimal. We were replacing windows and
17 porches on the left side, just enough to where you
18 could feather it back in.

19 Q And did you provide them with the 27,500 --
20 excuse me. Did you price your estimate based on a
21 proposal from a subcontractor?

22 A No. This is just an estimate. And if you'll
23 notice how the zeroes, the 3,000, the 30,000 note,
24 they're basically round numbers. When I estimate
25 something, it's a general, this is probably what it's

1 going to cost.

2 Q So what square footage of siding and exterior
3 trim did you estimate you were going to have to remove
4 and replace at the house initially?

5 A This is -- because the entryway, we had to
6 demo the whole left side of the house, build two
7 porches, feather back in, like I said, the siding and
8 trim. And then whatever windows we had to pull out and
9 put back in, we had to demo the existing trim around
10 the windows. We had to come back and reflash, you
11 know, everything to put these windows back in.

12 Q Okay. My question is what square footage of
13 siding and exterior trim did you estimate to arrive at
14 an estimate of \$27,500?

15 A I didn't estimate it on a square footage
16 basis.

17 Q How did you estimate it?

18 A Just by -- I estimated it by looking at it.

19 Q Okay.

20 A Conservative number.

21 Q And did you price it, actual cost, by looking
22 at that, too, or is that actually numbers that were
23 given to you by subcontractors?

24 A The actual cost is the actual cost of what the
25 bills came in through the subcontractor.

1 Q So there's no way for us today to understand
2 how much siding and trim you estimated initially?

3 A No way to understand how I estimated?

4 Q No way for us to know.

5 A No.

6 Q Okay. So your initial estimate of 27,500 was
7 an eyeball estimate?

8 A Correct. Ballpark, eyeball, whatever you want
9 to call it.

10 Q How many square feet of siding and trim did
11 you put up ultimately?

12 A Square footage, I don't -- it's more linear
13 footage because they're boards --

14 Q That's how you pay your subs, on a linear
15 footage basis?

16 A No, I pay my subs based on their invoice.

17 Q How would they charge you?

18 A They're billing -- they charge me for the work
19 done.

20 Q They're charging you for the materials and for
21 their time?

22 A We buy materials from Southern Lumber and we
23 put them on the job based on the sub's estimate on what
24 it's going to put back on the house. And then when the
25 bills come in from both, that's what's calculated to

1 the 94,269.

2 Q Did your subs estimate that -- but you had no
3 subs's estimate when you provided the estimate to the
4 McMarlins?

5 A This right here? I had -- I believe I had
6 some. This was just the initial -- I didn't even have
7 a -- how this works is I get a set of plans and I put
8 it out to every subcontractor and supplier out there.
9 I need details for allowances. I need a plumbing
10 allowance -- I'm sorry, a plumbing detail that I can
11 send out to my suppliers so I can get numbers on them,
12 and I give it to the subcontractors, too, and get it
13 back in. I never had that at this time. This is just
14 when they were looking to buy the house. I can't --
15 from the street, the house looks likes it was okay. We
16 walked, there was some minimal damage. But once you
17 pull everything back and you get into it, you have
18 rotten walls, you have termite invasion, you have bad
19 electrical, you have bad HVAC, and that's how this
20 was -- what I'm telling you after this. This is just
21 the initial ballpark estimate.

22 Q Well, actually, what you're pointing to in the
23 book is in Exhibit 8, which is right behind a letter
24 from you to them giving them an estimate for this work.

25 A Yes.

1 Q Okay.

2 A Ballpark estimate.

3 Q Is the word "ballpark" anywhere on that
4 document?

5 A No.

6 Q Is there any reference in that document to the
7 fact that this is an estimate that is somehow qualified
8 or based upon limited information?

9 A No.

10 Q In fact, at the time you did this estimate,
11 you had already received the inspection report that was
12 done when she bought the house; right?

13 A Correct.

14 Q So you knew you were getting into an old
15 house; right?

16 A Oh, yes.

17 Q Okay. But there's nothing on this document to
18 suggest that it's somehow, again, qualified or limited
19 based upon the fact that apparently you just rode by in
20 an automobile and looked at it?

21 A Well, it's an estimate. An estimate is an
22 estimated price on what you think it's going to be.

23 Q Is an estimate different than a quote?

24 A Same thing.

25 Q Okay.

1 A Bid. I mean, there's no fixed bids in this
2 contract -- or in this, I'm sorry, this estimate.

3 Q As a contractor, do you -- when you consider
4 general pricing rules for a house, such as Amy's, and
5 you're thinking about siding, how do you -- is it
6 possible -- or do contractors estimate things like
7 siding cost on a square-foot basis?

8 A There's some -- we don't do it like that.
9 Contractors can.

10 Q Well, what did you -- how do you do it? I
11 guess there's --

12 A I bid it out, like I explained earlier. I
13 have a full set of detailed plans, and I send it out to
14 bid, and it takes normally two or three weeks to get
15 the numbers back in, and then we put it into a cost
16 control estimate, and then we sit down with a client
17 and give to them and they approve it and go over it.
18 That was never done here.

19 Q Okay. You did come up with a cost control
20 estimate?

21 A The estimate that we had?

22 Q Yeah. You came up with a cost control
23 estimate?

24 A Yes, this is -- like we just talked about,
25 this is just budgetary, ballpark numbers. The zeroes

1 you can -- there's no clear -- when I get -- when I get
2 numbers back from subcontractors and suppliers, they'll
3 have more decimal point numbers on them.

4 Q Okay. Well, let's go over to Exhibit 15,
5 then, since we want to talk about cost control
6 estimates. If you look at Exhibit 15, we have -- in
7 the document that's Bates labeled Salzhauer 1508,
8 that's a document that refers to a cost that says
9 "Brown Contractors Control Estimate." Is that the same
10 thing as a cost control estimate?

11 A Yes.

12 Q Okay. And this is a document that you are
13 contending is related to -- is based on more specific
14 subcontractor information?

15 A It doesn't -- it looks like we're getting a
16 couple of numbers in, yes.

17 Q Okay.

18 A Now, this is -- this is my numbers that I sent
19 out that weren't necessarily installed in the house.

20 Q Okay. Well, let's figure this out. Based on,
21 as shown on the cost control estimate, show me what the
22 siding number is on the cost control estimate. How do
23 we arrive at that?

24 A 27,5 -- I've got -- on 060410, I've got a
25 siding number of 23,000.

1 Q I think that's -- okay, that's siding, all
2 right.

3 A And I don't know, you could add the porch and
4 railing package. I don't know how -- we could add a
5 couple of these together to put it to this final
6 spreadsheet. But to answer your question, the 27,5 is
7 not --

8 Q Not what?

9 A In this estimate. I don't see it.

10 Q Okay. Well, you've got a siding number there
11 from Southern Lumber of 23,417; right?

12 A Yeah.

13 Q And that's just material?

14 A Material.

15 Q And how much material was that?

16 A I'm not sure. I mean, that's porch and
17 railing packages and exterior siding and window wrap
18 packages. We have ice & water shield. We have nails.
19 It's not all -- that's not just strictly siding.
20 There's a lot more other --

21 Q Okay. Because this --

22 A -- that's involved in it.

23 Q This is some references in here to ice & water
24 shield, too, so that's not a separate line item?

25 A It is. I don't know whether it's in this

1 estimate or not.

2 Q Okay. Where would we find the labor to
3 install the siding in your control estimate?

4 A I think we've got that in 062000.

5 Q 062000, is that finish carpentry?

6 A Correct.

7 Q Okay. So in the control estimate, that --
8 now, finish carpentry would include what?

9 A Interior trim, exterior trim and siding.

10 Q Okay.

11 A Finish work.

12 Q So in between the siding from Southern Lumber
13 and the finish carpentry number, that's about \$100,000.

14 A On the estimate, yes.

15 Q But that includes some interior work, too;
16 right?

17 A Yes.

18 Q Okay, and all of that is included in this
19 control estimate which shows a price of \$722,074?

20 A Totals up to that, yes.

21 Q Did you ever provide the Salzhauers with the
22 proposals or estimates that you received from
23 subcontractors for the work on this project before or
24 at the time it began?

25 A I'm not sure. I get them in -- I usually

1 produce a bid book, similar to this, and it's labeled,
2 you know, foundation, framing, siding, Southern Lumber,
3 and it gets pretty lengthy, about this size, too. And
4 I don't know whether they saw it or not.

5 Q Let's go down and look at the roofing number.
6 You've got 070400, and you have in this document, which
7 is your QuickBooks, you have a zero dollar estimate for
8 the roof; right?

9 A Correct.

10 Q And then Mr. Varnado said that jumped up
11 dramatically to \$26,300. Do you see that?

12 A Correct.

13 Q And what was the reason for that jump up?

14 A We replaced metal roofing and flashing, and I
15 don't know, it was just an old roof from a 1991 repair.
16 There was a lot of factors involved in that.

17 Q Okay. How much roof did you replace?

18 A The metal roof, I don't know if you've got
19 that picture, over Annie's --

20 Q Annie's room?

21 A Yeah. And when we redid the tower, as we're
22 calling it, it was basically a -- it was a Sealoflex,
23 if you want to act as a -- it had scuppers, so it was a
24 pond, and that's where the majority of the leaking was
25 occurring that was causing the rot. So what we did is

1 we replaced the whole top of the tower, we framed up
2 the top, and then we fiberglassed the whole top of it
3 just to waterproof it.

4 Q Okay.

5 A So all of that's in the roofing.

6 Q All right. Any more roof work that you can
7 recall?

8 A The awning that goes over to the right side of
9 the house above the porches, we -- there was
10 substantial rot damage behind that, so we had to take
11 the whole awning down. And then, the shed style roof,
12 had to replace that, and then the metal roof there.
13 And there was kind of a -- there was an elliptical to
14 it, so there was a little bit of cost involved in that
15 one.

16 Q Okay. So the roof number was \$26,300, that's
17 what ultimately it got to?

18 A Yes.

19 Q Okay. Now, if we can go back to Exhibit 8.

20 THE COURT: I'm sorry. What page were you on
21 when you said -- what's the Bates?

22 A (Continuing) What's what?

23 THE COURT: The Bates number.

24 MR. LYLES: 693.

25 MR. VARNADO: 693 of Plaintiff's.

1 THE COURT: All right.

2 MR. LYLES: Looking at the roof number.

3 THE COURT: Okay.

4 A (Continuing) Roofing, there's nothing there
5 for the roofing and that's what it ended up.

6 THE COURT: Okay. Go ahead. I'm getting too
7 many numbers. Keep going.

8 BY MR. LYLES:

9 Q Okay. Go back, if you will, to Exhibit No. 8.

10 THE COURT: Robert, can you give me one
11 minute?

12 MR. LYLES: Sure.

13 THE COURT: I'm sorry.

14 MR. LYLES: That's all right.

15 THE COURT: Okay, thank you.

16 MR. LYLES: Sure.

17 BY MR. LYLES:

18 Q If we go back, Mr. Brown, to Exhibit No. 8,
19 and we look at the first page of that exhibit, which is
20 your quote to the Salzhauers, I turn your attention to
21 sort of the middle of the page when you're listing, "As
22 building for Beau Clowney in the past, my suggest
23 materials will be," and then if you go down that list,
24 there's a reference there to 5V metal roofing, full
25 envelope of house wrapped and ice -- and Grace Ice &

1 Water Shield. Do you see that?

2 A Yes.

3 Q So you were contemplating using 5V metal
4 roofing at the time you did the proposal?

5 A If that's what was on the plan. I can't
6 remember. Yes.

7 Q And it's on your quote; right?

8 A I'm pretty sure 5V or standing seam went over
9 Andy's work-out room.

10 Q So you were contemplating, at least with
11 regard to Exhibit 8, doing some roofing work?

12 A Yes.

13 Q Okay. And so the reference there to the roof
14 number being estimated cost zero wouldn't be accurate,
15 would it?

16 A No, it would not.

17 Q You've also got a reference on that list, the
18 next line down is, "All decks are to be Ipe/ironwood.
19 Do you see that?

20 A Correct.

21 Q Were any Ipe or ironwood decks utilized at
22 this house?

23 A Yes.

24 Q Where was that?

25 A Front porch.

1 Q Anywhere else?

2 A I think the handrails were made out of Ipe,
3 not around the pool.

4 Q Okay. Your -- if we roll down to your Exhibit
5 7 again, still on page 693, you've got some other costs
6 down there I just want to ask you about. You've got
7 drywall. Do you see that, under finishes, 09.

8 A Yes.

9 Q And you've got \$7,500?

10 A Yes.

11 Q And that apparently went up to 19,250?

12 A Correct.

13 Q Why did that go up?

14 A We basically had to tear out all the drywall
15 because we were exposing the exterior walls and the
16 interior walls.

17 Q Okay. So how much drywall did you originally
18 estimate you were going to have to do?

19 A This was a replace on the interior, like in
20 the main body of the house, when we had to tear down
21 the walls and build them back. That's drywall just
22 going -- interior walls.

23 Q Okay. So is drywall priced on a
24 square-footage basis?

25 A Per-sheet basis.

1 Q Per-sheet basis, how many sheets were
2 initially estimated, do you know?

3 A I don't know.

4 Q And how many sheets were ultimately used, do
5 you know that?

6 A I do not, no.

7 Q But you did take down all the drywall on the
8 interior of the house?

9 A The majority of it, yeah.

10 Q Okay. Your plumbing number on the next page
11 40, which is 694, went from 8,000 to 31,245. Do you
12 see that?

13 A Yes.

14 Q And what was the reason for that increase?

15 MR. VARNADO: What was the plumbing number
16 again? I'm sorry.

17 A (Continuing) 15.01.00.

18 MR. VARNADO: Thank you.

19 A (Continuing) Increase, I don't know. I don't
20 have it in front of me.

21 Q What did you originally price?

22 A I bid it from the plans, so that was replacing
23 new bathrooms, per fixture, \$400 a fixture. If there's
24 four fixtures in the bathroom, then multiply that times
25 how many are in the bathroom -- how many bathrooms are

1 in the house.

2 Q So that's how we came up with 8,000?

3 A I assume, yes.

4 Q But we don't know how we went four times that
5 to get to the final number?

6 A This includes exterior stuff, too. I don't
7 know. It was all installed, whatever our plumber did
8 to install. I mean, it can go rough plumbing to
9 fixture installs and final installs.

10 Q Should you bill a client for the cost
11 associated with repairing improperly done work?

12 A No.

13 Q Okay. Do you know if that happened with the
14 plumbing?

15 A I'm not sure.

16 Q Or with the HVAC work?

17 A I'm not sure.

18 Q Okay. Your HVAC number went from 4,700 to
19 \$44,032. Do you see that?

20 A Uh-huh.

21 Q And why did that go up so much, do you know?

22 A Yes.

23 Q Why?

24 A So when we got in the house and we started
25 doing our demo, we saw the exposed duct from when the

1 house was built in '91. Well, rats, and it had come --
2 the mastic on it deteriorated underneath all the units,
3 and the rats had eaten all the insulation around all
4 the duct, and it just -- it needed to come out and be
5 replaced. So, that's a demo. That's the number from
6 our HVAC subs of pulling it out and replacing all the
7 ductwork, as well as some new units. I can't remember,
8 I think there might have been a wall unit in this
9 house, too, or I'm not sure on that.

10 Q And as I understood it, VLN at least retained
11 initially the HVAC subcontractor?

12 A For the exploratory demo.

13 Q Anything else?

14 A Plumber for the exploratory demo, and then the
15 electrical, too.

16 Q Who retained the HVAC contractor who went in
17 and actually reinstalled all the ductwork?

18 A That was me.

19 Q Okay.

20 A Yeah.

21 Q And who did that work?

22 A That was Timmy Motte's Mechanical. So these
23 initial -- we've been talking about these initial
24 subcontractors with Vuong, that was demo. We had to
25 have a permit to pull this stuff out, and then once we

1 got the house back to a normal state -- if it were a
2 new house, it would be framed up. And then our new
3 mechanical sub to start there and finish it off.

4 Q Let me show you, just to make sure I
5 understand --

6 MR. VARNADO: We've got a new document?

7 MR. LYLES: Yeah.

8 (VLN ESTIMATE MARKED DEFENDANT'S EXHIBIT NO.
9 141 FOR I.D.)

10 BY MR. LYLES:

11 Q I'm going to show you what I've marked for
12 identification as Exhibit 141, and it's a document, a
13 two-page document, that's referenced as Salzhauer --
14 Bates labeled Salzhauer 706 and 707. Do you see that?

15 A Yes.

16 Q Okay. This is, I think, an estimate from VLN
17 to you; is that right?

18 A Correct.

19 Q Okay. And do you recognize the work that he
20 has specified in there?

21 A Give me a second, let me read it.

22 Q Sure.

23 THE COURT: What's the exhibit number on this?

24 MR. VARNADO: 141.

25 THE COURT: Do you object?

1 MR. VARNADO: No, I don't.

2 THE COURT: Okay. Note that 141 is admitted
3 without objection.

4 MR. LYLES: Thank you.

5 (DEFENDANT'S EXHIBIT NO. 141 ADMITTED INTO
6 EVIDENCE.)

7 A (Continuing) Do you want me to go through it?

8 Q Well, I mean, it says what it says. I just
9 want to see if you recognize that exhibit.

10 A It's been years, but if that's what the price
11 he gave us was, this is.

12 Q Okay. And I guess my question is, do you know
13 whether or not Vuong or his subs actually performed
14 this work?

15 A Yes.

16 Q They did?

17 A Yes.

18 Q Okay.

19 A I don't know about all of it. They did remove
20 and relocate the rooftop units that was over this
21 turret, whatever you want to call it. They demoed out
22 the trunk line in the upstairs air handler. Added new
23 spiral duct, I know they had to get that fabricated,
24 take off the two runs on that. They had a bookshelf
25 going in there; we had to modify that spiral duct for

1 there. It looks like he connected some copper lines,
2 installed new condensating drain lines, new return.

3 Q Okay.

4 A Second floor, new duct connections to the
5 kitchen area, new toe vents at the counter, so...

6 Q They did all of that?

7 A It's has been a while. I don't know
8 specifically if he did that or Motte, or even sometimes
9 the kitchen guys will do some of these features.

10 Q I'll show you -- if we could mark this one.

11 (VLN INVOICE MARKED DEFENDANT'S EXHIBIT NO.
12 142 FOR I.D.)

13 MR. VARNADO: 142, it's a three-page document?

14 MR. LYLES: Yes.

15 THE COURT: Without objection?

16 MR. VARNADO: Without objection.

17 THE COURT: 142 is admitted without objection.

18 (DEFENDANT'S EXHIBIT NO. 142 ADMITTED INTO
19 EVIDENCE.)

20 BY MR. LYLES:

21 Q That appears to be some invoicing that VLN did
22 against that proposed \$15,000 number; is that right?

23 A Yes.

24 Q Okay, good deal.

25 (VLN INVOICE/CHANGE ORDER MARKED DEFENDANT'S

1 EXHIBIT NO. 143 FOR I.D.)

2 THE COURT: Rob, is 143 okay?

3 MR. VARNADO: Yes.

4 THE COURT: All right, admitted without
5 objection, 143.

6 (DEFENDANT'S EXHIBIT NO. 143 ADMITTED INTO
7 EVIDENCE.)

8 BY MR. LYLES:

9 Q On Exhibit 143, we have a proposal from VLN
10 that -- or an invoice from VLN that says change order?

11 A Right.

12 Q What does that mean?

13 A A change order is based on his original
14 estimate to me. So this, apparently, something has
15 come up where they changed it to a three-zone system
16 instead of -- new connections, new ducts, new wire
17 thermostat -- so it was a -- originally, it was a
18 single system; that's what he bidded on on this
19 estimate that he sent you, 141.

20 Q And that was for \$15,000?

21 A Correct.

22 Q Okay.

23 A And then, I don't know if that's when we were
24 talking about Amy, where we wanted it zoned out, where
25 we had master bedroom on a separate zone, and then the

1 girls' room on a separate zone, so that would be the
2 \$4,500 change to his estimate.

3 Q Okay. Now, his initial estimate was, that
4 I've seen, is \$15,000; right?

5 A Right.

6 Q Now, what you've got on your -- in the white
7 notebook, on Exhibit 7, page 694, you have estimated
8 costs of \$4,700. Why is there a difference between
9 what is shown on your QuickBooks as the estimated cost
10 and the estimate that Mr. Nguyen gave you?

11 A That was -- I don't know. That was my
12 original estimate, \$4,700, I assume. And then after we
13 demoed the whole house, this was kind of part -- he did
14 this as we were demoing, so this was not accounted for
15 there.

16 MR. VARNADO: When you say "he did this," can
17 you --

18 A (Continuing) Oh, I'm sorry. He did the -- he
19 produced the estimate --

20 Q Exhibit number what?

21 A Exhibit 141.

22 MR. VARNADO: Thank you.

23 BY MR. LYLES:

24 Q Okay.

25 A And it looks like he's -- so in this estimate

1 it looks likes he's adding, modifying to accommodate
2 the new floor plan, so I don't know if there was a new
3 mechanical that came in or what.

4 Q At some point in your testimony the other day,
5 I understood you to say that on a cost plus job a
6 change order would not be expected?

7 A A change order to the client. This is a
8 change order to me on his estimate. He was just
9 notating that it was changing from 15,000 and adding
10 4,500 to it, which would make it 19,5.

11 Q So as to change order -- references to change
12 orders are changes between what they told you the price
13 was going to be, to a new price?

14 A I assume, yes.

15 Q Because --

16 A Yeah, because these are -- his estimate was
17 12 -- 12 -- December 7th, '12, and this one is February
18 the 8th, '13.

19 Q Okay. Now, let me show you --

20 (INVOICE MARKED DEFENDANT'S EXHIBIT NO. 144
21 FOR I.D.)

22 MR. VARNADO: Without objection.

23 (DEFENDANT'S EXHIBIT NO. 144 ADMITTED INTO
24 EVIDENCE.)

25 BY MR. LYLES:

1 Q Let me show you what has been introduced as
2 Exhibit 144. And if you will, this is a -- is what is
3 reflected in Exhibit 144 different than what's
4 reflected in Exhibit 143?

5 A Installed, Goodman condenser unit -- yeah, so
6 that's the Goodman -- that's a condenser unit that's on
7 the roof, and then the three-zone system would be what
8 is in the house.

9 Q Okay.

10 A Yes.

11 Q So that's two units, two different units?

12 A No, it's a single unit, but the condenser is
13 on the roof and the three-zone system would be on the
14 unit in the house.

15 Q So for that total HVAC unit, that cost was
16 \$9,700?

17 A Correct, which is pretty good for a unit in a
18 house.

19 Q He doesn't put change order on invoice 144.
20 Is there any significance to that?

21 A I don't even know why he put it on 143. I
22 mean, he was just kind of letting us know that there
23 must have been a conversation where Amy wanted the
24 three-zone system.

25 THE COURT: Robert, I'm sorry, the 9,700 is a

1 combination of 143 and 144?

2 MR. LYLES: Yes, sir.

3 BY MR. LYLES:

4 Q And then we've got -- so we have for VLN on
5 the HVAC, and then we have 15,000 which was the
6 original estimate; right? And then we have the
7 additional 9,700; is that right?

8 A Yes, with a \$4,500 change to the original
9 15,000, not at the 19,5.

10 Q Okay. So if we've got 15,000, plus 9,700,
11 which is that new unit, that gives us a total of
12 24,700; right?

13 A No. He's billing -- this invoice, out of his
14 15,000, it looks like he's billing out of the -- his
15 5,200 out of the 15,000. That's what I would assume.
16 It just looks like this invoice from him from 2/8 is
17 different from 12/17, because he's pulling his -- he's
18 pulling -- basing it on his estimate on Exhibit 142.

19 Q Okay.

20 A And then on 144, he's just sending an invoice.

21 Q So the 5,200 is included in the 15, initial
22 15?

23 A Let me see. No. It looks like, his original
24 estimate, he's just removing and relocating the two,
25 five ton rooftop condensers. So this is adding a new 3

1 1/2 ton Goodman unit and a new three-zone system. So
2 this \$9,700 is not included in the 15, so this would be
3 a change, an addition to his original estimate.

4 Q So if we added that to the original 15, his
5 total would have been \$24,700?

6 A Okay.

7 Q Okay?

8 A Going off what you said, yes.

9 Q That's 15, plus 9,700?

10 A Sure.

11 Q So then the question that I have is, if we
12 look at VLN's work and the new unit that they added, we
13 have -- there's an additional almost \$20,000 in HVAC
14 actual costs in your QuickBooks numbers, because that,
15 the total cost for the HVAC, according to your numbers,
16 was 44,032.37.

17 A We're talking about VLN. Now, we add Timmy
18 Motte with M&S Mechanical come in.

19 Q What did they do?

20 A After we had Volkmar, the mechanical engineer,
21 come in, he had us modify some trunk lines and some
22 other things. So that's -- this 27 -- I'm sorry, this
23 \$44,032 is a combination of VLN and M&S Mechanical.

24 Q Now, were those trunk lines that had been
25 installed or modified already by VLN?

1 A I'm not sure.

2 Q Did Motte also charge for installing the two
3 dehumidifiers?

4 A I'm not sure. I think he -- I'm not sure.
5 One of the two did.

6 Q Okay.

7 A Actually, I'm pretty sure it was Timmy because
8 it was after the --

9 Q Volkmar?

10 A Yeah, Volkmar.

11 Q And you, of course, heard the testimony of Mr.
12 Schweers that neither of them work?

13 A I don't know if he said they didn't work.

14 Q Okay. He said what he said.

15 A Volkmar said they did work.

16 Q Did Volkmar install the dehumidifiers?

17 A He was -- I don't have his letter in front of
18 me. He didn't install them. He looked at them.

19 Q Okay. So he didn't call for them, he just
20 looked at them?

21 A This was after they were installed. He was
22 saying that everything was working properly.

23 Q Okay.

24 A At the time.

25 MR. VARNADO: That's Exhibit 23.

1 BY MR. LYLES:

2 Q All right. Now, the last number I wanted to
3 ask you about was the electrical number.

4 A Okay.

5 Q Which is on page 695. Your original
6 electrical number was \$12,000 and you say it went up to
7 \$44,478.50?

8 A Went up to 42,746.

9 Q Okay. Well, if you look at the line below
10 that --

11 A Oh, okay. I'm sorry. I don't know what the
12 1,700 -- \$1,732 is.

13 Q Okay. It went up from 12,000 to something in
14 the 40s; right?

15 A Sure.

16 Q What was the reason for that cost increase?

17 A We had to take down -- we had to gut the
18 majority of the old electrical in there.

19 Q You didn't anticipate that as part of your
20 original --

21 A No.

22 Q -- pricing on the job?

23 A I mean, we got in there and there was a bunch
24 of bad wiring and wire nuts, and you can see it on the
25 inspection report, so we replaced those.

1 Q Did you essentially replace all the wiring in
2 the house?

3 A Not all the wiring. The nanny's side of it,
4 we left that intact.

5 Q Okay. You saw the pictures during the week
6 that we've had here together of the wires being
7 penetrated by nails. Is that work that was done by
8 your company?

9 A A subcontractor, yes.

10 Q Okay. Who did that work?

11 A I don't know. We had -- one of the two
12 electricians.

13 Q Who was the subcontractor who did the -- who
14 actually put the nails in?

15 A There's no telling. It could be a drywall
16 nail, it could be a trim nail, it could be a
17 carpenter -- and then we did find -- do you have the
18 sheets?

19 MR. VARNADO: The sheets for what?

20 A (Continuing) The code. Is this an exhibit?

21 MR. VARNADO: No, it's not.

22 A (Continuing) Okay. So, I called Randy
23 Robinson, the Sullivan's Island inspector, yesterday.
24 He informed me --

25 Q Excuse me. I'm not -- don't tell me what Mr.

1 Robinson said.

2 THE COURT: Mr. Brown, I can hear testimony
3 of what other people have said if it's something you
4 acted on. But if you're trying to prove what the code
5 said with a call to someone else, I can't consider
6 that.

7 A (Continuing) Okay.

8 Q Were you out there when they covered up the
9 wiring in the walls?

10 A When they covered it up, yes.

11 Q So you were there when the drywall went up?

12 A I wasn't watching -- what was your question?

13 Q Sure. Were you there when they covered up
14 that wiring in the walls?

15 A With the drywall?

16 Q Yes.

17 A Yes.

18 Q And it did not dawn on you to install a
19 protector, nail protector, nail guard?

20 A It's not code to.

21 Q So that was a decision that was made by you?

22 A It was a decision made by me to what, cover it
23 up?

24 Q To not install the nail guards.

25 A Yes.

1 Q Okay. And then who made the decision on which
2 nails to use to either put up drywall or trim?

3 A That would be the trim carpenters. So these
4 guns, they run a 1 1/4 inch nail to a two-inch nail --
5 or 2 1/2 inch nail.

6 Q And who was the trim carpenter?

7 A That was Kenny Brinson, Marshview.

8 Q And who did he work for?

9 A He's got his own company. He had guys out
10 there.

11 Q Who did he work for on this job?

12 A I think it was Frank. I forget their name.
13 M&L Woodworking.

14 Q Okay. And then M&L was retained on this job
15 by who?

16 A By me.

17 Q So he worked directly for you, Mr. Brinson?

18 A He didn't work for me. He was a subcontractor
19 of M&L.

20 Q Okay.

21 A And I think he -- I think there was at some
22 point in that job where we retained him to finish up
23 some stuff on the end.

24 Q Did you check and confirm the length of nails
25 that he was going to use to put the trim up?

1 A No. But there's nothing to say you can't run
2 a two-inch nail. I mean, how long were the nails that
3 hit it?

4 Q I couldn't tell you. I just know they were
5 long enough to hit it.

6 A I can't tell you how long they were if I don't
7 see it. That could be a -- it could be a -- it could
8 be the smallest nail that could go in the gun, but
9 until you've got the nails and the board in here, I
10 can't tell you.

11 Q Would you agree with me that nails shouldn't
12 penetrate the electrical wiring?

13 A Well, of course.

14 Q Is there anything you can do to assure Miss
15 McMarlin and her husband that there's no other location
16 in that house where nails penetrate the electrical
17 wiring?

18 A I can't -- but I can honestly say that if it
19 hasn't burned down in four years, probably your house
20 is not going to burn down. Normally, this stuff
21 happens within weeks or a month.

22 MR. SALZHAUER: That's comforting.

23 A (Continuing) That's a common sense approach, I
24 guess.

25 MR. LYLES: Let me have just a couple of

1 minutes with these folks.

2 (Whereas, a brief recess was taken.)

3 BY MR. LYLES:

4 Q Mr. Brown, just very quickly going back
5 through, I showed you Exhibits 143 and 144 which
6 referenced a new 3 1/2 ton Goodman condenser unit, and
7 I think that your testimony was that those -- both of
8 those invoices related to one unit; is that right?

9 A I'm sorry. Which --

10 Q Exhibits 143 and 144.

11 A I don't know. This Goodman would have went on
12 the right side of the house to replace that one. I
13 don't know if it was on the main body or the one on the
14 right. I don't know where this one went.

15 Q Okay. All right. Do you know how many new
16 HVAC units you installed at the house during the
17 renovation?

18 A The existing ones were in the main body of the
19 house. We repaired those and added the two
20 dehumidifiers. And then I can't remember if there was
21 a wall in Andy's playroom -- just -- I'm sorry, it's
22 been a while.

23 Q Okay.

24 A But going off of his two invoices, right now I
25 look at this and I would say one.

1 Q Okay. And this, of course, is just VLN. We
2 haven't looked at Motte's invoices.

3 A Correct.

4 Q Do you have any recollection of Motte
5 installing a new unit?

6 A I don't -- I can't remember.

7 Q Now, I'm going to ask you --

8 MR. LYLES: Rob, this is Exhibits 5 and 6.

9 BY MR. LYLES:

10 Q I'm going to ask you, Mr. Brown, to turn and
11 look at Exhibit 6.

12 A Okay.

13 Q And you will see that Exhibit 6 was made an
14 exhibit to your deposition, which was taken on November
15 the 20th, 2015. Do you see that? And what I'm --
16 it's got that exhibit sticker that says 7 Brown
17 11/20/15.

18 A Okay.

19 Q And do you remember seeing that exhibit when I
20 took your deposition --

21 A I don't remember --

22 Q -- where I was discussing it?

23 A I don't remember seeing this.

24 Q And do you -- so you don't remember me and you
25 talking about it in your deposition?

1 A I remember us talking about it. I just don't
2 remember seeing this exact one.

3 Q And were you aware in May of 2015 that Mr.
4 Nguyen had demanded that his license no longer be
5 associated with Jay Brown Contracting?

6 A Was I aware of it at the time?

7 Q Yes.

8 A I can't -- I can't remember. But if it's --
9 this is like -- from this date, it looks like he pulled
10 it from the LLR.

11 Q Okay. But you don't know if you were aware of
12 that at the time or not?

13 A I'm not aware.

14 Q And did you know whether or not Miss Sweat
15 ever talked to you about that?

16 A I spoke with Miss Sweat prior to this, but,
17 no, not afterwards.

18 Q Okay. But you and I talked about this in your
19 deposition. You'll agree with that?

20 A Okay, yes.

21 Q Okay. All right. And then if you'll go back
22 and look at Exhibit 5, that appears to be a letter that
23 Mr. -- or that VLN, LLC, sent to the LLR. Would you
24 agree with that?

25 A I don't know if he sent it to the LLR or not.

1 Q Okay. It was also an exhibit to your
2 deposition?

3 A Okay, yes.

4 Q Do you see that -- did you know that in August
5 of 2012, that Mr. Nguyen had -- if I'm not saying his
6 name right, I apologize.

7 A That's okay.

8 Q After four years, that's my best shot.

9 MR. VARNADO: I think he's used to it.

10 A (Continuing) Try to spell it.

11 Q Were you aware in August of 2012 that Mr.
12 Nguyen was asking that the Certificate of Authorization
13 be removed as it relates to his license?

14 A I was not.

15 Q Okay.

16 A I really -- I don't understand this because
17 he's pulled permits after this for us.

18 Q Okay. But you had no idea that this was --

19 A No idea.

20 Q -- going on? And he just never -- he never
21 told you that?

22 A No, and I don't know why he would even do
23 this.

24 Q Did he know that you had pulled the permit for
25 the -- for Amy's house using his license?

1 A Did I know that he pulled that?

2 Q Did he know that?

3 A Yes. He was there with me.

4 Q When you pulled the permit?

5 A Me, him and Kat Kenyon went to the Town of
6 Sullivan's Island.

7 Q But he never spoke to you about this
8 communication with the LLR?

9 A Not at all.

10 Q Okay. But you and I did talk about it at your
11 deposition?

12 A What I remember, yes.

13 Q Okay.

14 THE COURT: Are you-all going to submit the
15 depositions of the parties? I mean, I think either
16 one of you is entitled to them regardless of --

17 MR. LYLES: I think I will, and I would like
18 to move to introduce these exhibits into evidence. And
19 then Mr. Brown was asked a question the other day
20 about, in his initial testimony, about claims made
21 against his license, and he said that he knew of none,
22 and I think that he did know about them. I think he
23 knew about the exhibit, Exhibit 7, and I know that he
24 knew, because of his deposition, about these efforts on
25 the part of VLN, and so I would move to introduce those

1 as exhibits.

2 THE COURT: Okay. Rob, comment on it. Let me
3 think, but give me your side of it before I --

4 MR. VARNADO: Well, you know, these are
5 definitely hearsay, and Mr. Nguyen could have been a
6 witness and isn't, so, and these are not copied to Jay.
7 I've been very good about admitting all sorts of
8 evidence, especially that bears Bates stamps or that
9 Jay was copied on, or back and forth. But these two, I
10 don't know.

11 Now, I agree with you that they're exhibits to
12 the deposition, and so if you want to see the
13 deposition, you'll see the exhibits, so...

14 THE COURT: Subject to what was said in the
15 deposition.

16 MR. VARNADO: Yeah, subject to what was said
17 in the deposition.

18 A (Continuing) May I respond to something you
19 asked me earlier?

20 THE COURT: No.

21 A (Continuing) Oh, sorry.

22 THE COURT: I think the rules allow a
23 deposition of a party or a managing agent to be used
24 for any purpose.

25 MR. VARNADO: That's true.

1 THE COURT: And I can take the deposition
2 simply because it's offered. I don't think you have to
3 have either side's agreement. So I will accept the
4 deposition of Mr. Brown, and if you want to put in
5 the --

6 MR. VARNADO: Might as well. Might as well.

7 THE COURT: Okay. Now, I think as far as
8 taking this letter as proof of what is stated in it,
9 that he in fact consciously pulled his license, I don't
10 think I can do that. I think it would be hearsay to
11 prove that he did this in the absence of his
12 authentication or verification. I think I -- you have
13 asked him what he knew about the circumstances, I've
14 heard his testimony. I think I probably should not
15 take either five or six based on the testimony here, or
16 take them as proof of the fact that he did in fact pull
17 it, unless this comes out of LLR. If this document was
18 produced in their file, I can take it as a document
19 that was in their file.

20 MR. LYLES: It was produced in response to a
21 FOIA request that we made to the LLR.

22 THE COURT: Rob, do you agree this is a
23 document from the LLR files?

24 MR. VARNADO: I don't know that.

25 MR. LYLES: I can provide the documentation of

1 that. I wouldn't have gotten these any other way.

2 THE COURT: Provide that, then I can take it
3 as something that was in the LLR files for whatever,
4 that they received it, it was in their file. And
5 whether it has any bearing on the existence of the
6 license or not, I'll take it into consideration under
7 those circumstances.

8 MR. VARNADO: That's fair. Let Robert get you
9 the FOIA response.

10 THE COURT: Yeah. If it's produced --

11 MR. VARNADO: If it's produced as part of the
12 FOIA, subject to the limitations you put on it,
13 then you can take it for whatever it's worth.

14 THE COURT: Take it for what it's worth, as a
15 document within LLR, okay. Does that handle it?

16 MR. LYLES: Yes.

17 THE COURT: Okay. Rob?

18 MR. VARNADO: Yes, sir.

19 THE COURT: All right. I will consider these
20 letters, assuming documentation is given to me showing
21 that it came from LLR and was in their file, and it
22 will mean that it was in the file. It won't be proof
23 that Mr. Vuong actually sent it and that was his
24 intent.

25 MR. LYLES: Okay.

1 THE COURT: All right.

2 MR. LYLES: I don't think I have any more
3 questions of Mr. Brown.

4 MR. VARNADO: I have some. It won't be long.
5 And then I know you'll have some, or maybe.

6 THE COURT: Maybe.

7 MR. VARNADO: Okay.

8 CROSS-EXAMINATION

9 BY MR. VARNADO:

10 Q Mr. Brown, seeing that it's 11:00 and we're
11 trying to wrap it up, can you -- you did some -- you
12 pulled some photographs from your laptop computer that
13 show the finished state of the house, and I'm going to
14 mark them as exhibit -- the next Plaintiff's exhibit.

15 A Those are actually during construction.

16 Q During construction?

17 A Yes.

18 (PHOTOGRAPHS MARKED PLAINTIFF'S EXHIBIT NO. 22
19 FOR I.D.)

20 BY MR. VARNADO:

21 Q Bear with me. It's a lengthy, composite
22 exhibit. So using Exhibit 22 and Exhibit 7, the job
23 estimates versus actual details for 1850 Flag, can you
24 just tell Mr. Brown what was going on with the house.
25 And you've heard the testimony now of Miss McMarlin and

1 you've heard the testimony of Mr. Salzhauer, you've
2 heard the testimony of Cameron Glaws, you've heard the
3 testimony of Miss Wenner, all of the witnesses, Howard
4 Brown. Can you just tell a little bit about the house
5 and what was going on with it?

6 A Yes. Just after everything I've heard, I just
7 want to say that when we originally met with Amy, it
8 was our full intent to get this done for as least
9 amount of money as we could. She closed on the house.
10 We started getting in there and pulling apart some of
11 the windows, and then we realized we had to do
12 exploratory work. So we pulled -- I pulled an
13 exploratory permit with the Town of Sullivan's Island
14 so we could take down, look what is inside the walls,
15 let's look at what we could see, so we started pulling
16 apart various items about the whole house.

17 Once we got in there, we realized it was just
18 severely damaged. The windows, probably 90 percent of
19 them had failed, that's allowing water penetration into
20 the house. They had a Tyvek wrap that was from '91
21 that was just completely deteriorated. The insulation
22 was soaked. It was then we assessed that, hey, we have
23 got a bigger problem here than what was in any original
24 bid estimate, whatever you want to call it. Went over
25 with Amy, we walked it. We had guys pulling off stuff

1 for weeks. As we're doing this, like I stated earlier,
2 band board rot, framing rot. It had to be repaired.

3 So when we pulled -- went and talked with
4 Randy with the Town of Sullivan's Island, he gave us
5 a -- once we pulled our permit, we put the house back
6 together. So it's -- we redid the framing. We pulled
7 every bit of exterior OSB off the house, replaced it
8 with CDX siding. We wrapped the whole house in --
9 instead of tar paper or Tyvek, we did an ice & water
10 shield, which is a Bituthene membrane.

11 I do -- I build on the islands for a reason.
12 There's a different element than with any other house.
13 You have to use stainless steel fasteners on all
14 exteriors. You have to use MP1, it's a type of caulk
15 that's a polyurethane, so the saltwater and the air and
16 the elements can't deteriorate this. I've gone behind
17 a lot of builders in the past and corrected their
18 stuff, too. They just didn't know, you know. Our
19 intent was to preserve this house as much as we could.
20 We did that.

21 We came back with all new electrical, all new
22 mechanical. We refixed the entire turret of the roof
23 that was basically a bathtub that was leaking,
24 penetrating all the way to the ground floor through the
25 wall systems. We had to get in there and jack up

1 joists. We had to replace any type of -- I'm a
2 structural guy. This stuff has to be put together
3 good. We used pressure treated wood, we used
4 galvanized nails for framing, we used AdvanTech
5 flooring, all the high elements.

6 Q Well, on your Exhibit 7 in the white notebook,
7 the -- it's a four-page document, job estimates versus
8 actual detail, and you'll see that on the second page,
9 page 2, job estimates versus actual detail from
10 QuickBooks, Brown 0693, the decks -- the -- let's see,
11 the decks and --

12 THE COURT: Exhibit 7?

13 MR. VARNADO: Yes, it's Exhibit 7.

14 THE COURT: I've got unpaid bills.

15 MR. VARNADO: Keep going to -- 0692 to -- it's
16 the last part of the Exhibit 7.

17 THE COURT: Okay.

18 MR. VARNADO: Back of that. So Robert and I
19 have been talking about that with him this week.

20 BY MR. VARNADO:

21 Q So the first group of, on page 2, the first
22 group of line items, or items, was that part of the --
23 and you'll see that the actual cost went up
24 dramatically. Was that the result of the -- what you
25 described?

1 MR. LYLES: Which number are you --

2 MR. VARNADO: 0963.

3 MR. LYLES: I see that, but which particular
4 line item are you looking at?

5 MR. VARNADO: Top ones.

6 MR. LYLES: Porches and decks?

7 MR. VARNADO: Yeah, and everything down that
8 whole group. I'm trying to move fast, Robert.

9 BY MR. VARNADO:

10 Q So that went up I think \$454,000?

11 A Yes. When -- as soon as we determined this
12 house was in a bad condition, this estimate went
13 completely out the window. I mean, it's going to --
14 unless you're the most ignorant person in the world,
15 it's going to escalate from the budgeted ballpark price
16 right then. So, we talked it over with Amy, it had to
17 be done. She talked with her dad, Hank. I don't
18 remember if I met with Hank on it, but I explained to
19 him it's in a bad state, we've got to get it to a good
20 state. Since we have everything gutted, we're
21 essentially building a new house now as much as we
22 could, so we're running -- that's when we progressed to
23 moving on to all new -- well, I wouldn't say all new
24 everything, but we got it back to a good state before
25 the finishes.

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20 state. Since we have everything gutted, we're
21 essentially building a new house now as much as we
22 could, so we're running -- that's when we progressed to
23 moving on to all new -- well, I wouldn't say all new
24 everything, but we got it back to a good state before
25 the finishes.

1 Q So you've heard them say that you promised
2 dates of completion?

3 A There's no contractor in the area could -- the
4 best ones cannot give you a date if you have to go
5 through this and you don't have control of the finishes
6 that are coming into the job. I had -- she's got
7 interior designers. We have tile showing up on the
8 job. We have Farrow & Ball paint. We don't have any
9 control over what it is. We don't have any control on
10 how much they spend on it. Courtney Bishop, interior
11 designer, is sending bills in the office. These guys
12 are telling us to pay, submit them and pay them, which
13 they did, but it is all elevated now. If you've got a
14 5,000 dollar tile budget and it goes up to 30,000, that
15 is beyond my control. We had no -- we had no idea how
16 much this was coming in at.

17 Q Well, let's just break it down. The first
18 part, the demo and everything you found in the demo
19 which required extra work, that would be on page 2 of
20 the job estimates versus actual details. And if you
21 look at the top, you see 454,019, right, was the cost
22 of that first group; correct? The decks and porches,
23 the cabinets, the paneling, the siding, exterior, all
24 came out.

25 A I'm not seeing your 454. Where is that? What

1 page?

2 Q Page 2, right there.

3 A Oh, 454.

4 Q Yeah.

5 A Right. Yeah, so this is getting -- that
6 explains it right there. I mean, this is -- you've got
7 cabinets. We have cabinetry. Mantels, we didn't pick
8 those out. The closet systems. She added her master
9 closet and we didn't even have a number to do that.
10 She was adding things. The majority of these additions
11 are -- additions to the actual cost are from stuff that
12 weren't even -- we didn't originally have a number on
13 it.

14 Q Okay. So, and then the -- is that the same
15 with the window number?

16 A Windows, we were originally going to -- we
17 were going to -- she wanted to repair the original
18 windows. There was no way. They had all failed.
19 Since we were going back with a new window, I suggested
20 that they need to be impact because it's rated to --
21 hurricane and storm rated, Dade County ratings that --
22 and plus you save about 15 percent of your insurance by
23 having your whole house done in an impact window and
24 door system.

25 Q I suggested, and when I was examining Hank,

1 that part of the problem was you had Amy here in
2 Charleston, correct, and she was coming to the job site
3 when you weren't there, or sometimes when Vuong wasn't
4 there, sometimes when he was, and she is directing the
5 sub-subs and the subs?

6 A Yes.

7 Q Okay. And she's adding things. She doesn't
8 like the layout of the things; is that fair?

9 A Not only that, changing things. Just the
10 amount -- if you look in this right here, we did nine
11 different colors for the existing floor that was put
12 down in 1991. Nine. My highest -- my biggest client
13 I've ever had, we've done three. So, these floors had
14 already been sanded by a couple of previous remodels.
15 Like Howard Brown explained, once you get to a point in
16 the tongue, you can't sand these things anymore. We
17 were at this point. So this was -- when we sanded it
18 down -- well, we did -- these were samples, and we
19 explained to her, this is it; after this, your floors,
20 you're not going to have a resanding issue -- you're
21 not going to be able to refinish these floors again,
22 they're going to have to be replaced. I suggested
23 replacing the entire house. No, didn't want to do
24 that.

25 Q Were you on the job every day or most every

1 day?

2 A It wasn't every day, but I was on it sometimes
3 three times a day. Maybe I've got -- my project
4 manager on the job, who is a general contractor, even
5 on all of these jobs, are fully competent on doing
6 this. We do the highest of high-end houses on the
7 island. I have bigger paperwork duties to do. I have
8 insurance to pay. We have payroll to sign. But the
9 amount that I was on this, it was -- I get -- let me
10 explain something to you. Construction workers start
11 at -- the majority of these guys live up 26. They beat
12 traffic. They get on the job at 7:00; they leave at
13 4:00. When clients come out to the houses, it's at
14 noon or it's at 5:00, after work. That's why you don't
15 see people on the job. That's what went on in this
16 case.

17 Amy was such a problem on this job, to the
18 end. I just -- I had to beg for subcontractors to just
19 stay and finish like I have never begged before. They
20 just didn't want to deal with her. And it was -- it
21 just got to a point towards the end -- and then to top
22 it off, not getting paid to be able to pay these guys
23 was the ultimate, you know. But we got it, we got a
24 CO, got it done, and then she was still having work
25 done on the house afterwards. And the biggest kick was

1 not getting the promised overhead and profit the day we
2 got the CO.

3 Q What was the promise that Hank --

4 A Hank and I agreement were -- and I think
5 Deborah attested to this. Hank, if you're so -- I
6 said, if you're so unsure about us on this job -- you
7 had faith in me at the beginning of this. If you're so
8 unsure, hold our profit to the end and pay us at the CO
9 date.

10 Q Did he promise that?

11 A Yes, he promised that. Did that get done, no.

12 Q Is that the reason why there's a lien?

13 A Yes. If he would have simply -- if the man
14 would have done what he said, paid us, we wouldn't be
15 in this situation.

16 Q Okay. So the -- I know -- we don't have to go
17 over it again, but that's the -- that's basically what
18 happened. You had Hank in New York who is trying to
19 have you redo the numbers and --

20 A He ran Deborah around like crazy. I mean,
21 I've never -- she's -- there were -- we had to talk her
22 down a couple of times off the ledge.

23 Q And then you have Amy who is here in
24 Charleston who is talking to subs, directing subs?

25 A Oh, yes. I mean -- yes.

1 Q Okay. And did you -- did you use good faith
2 when you billed them?

3 A The best faith. I run my office -- I run my
4 office, it's total transparency. That means they could
5 come in any time they want to. If Hank needs a
6 document, Deborah can email it to him right then. Just
7 so when it comes down to situations like this, as this
8 guy said yesterday, no fraud. You can't get to where
9 you're at doing things the wrong way.

10 Q And you've heard Hank say that he asked and
11 asked and asked for documents and he didn't get them.
12 What's your opinion --

13 A Hank would send out 12 emails a day. I'm in
14 the field. Construction guys are not sitting here at a
15 computer punching a button every day. Deborah is there
16 trying to pacify him as much as she could, and I think
17 she did a really good job at it. We went outside of
18 the realm of taking our billing from QuickBooks, which
19 we know, and then putting it into his AIA cost control
20 document, and signing it and expecting a check.

21 MR. VARNADO: I would like to move 22 in.
22 It's just the pictures of the house.

23 THE COURT: I assume that they are presented
24 as accurate representations?

25 MR. VARNADO: They are.

1 THE COURT: Conditions on the --

2 MR. VARNADO: They are.

3 THE COURT: Let me talk to the attorneys.

4 MR. LYLES: (To Ms. Salzhauer) I understand
5 the issue. I got it, I got it, I got it, but I don't
6 see any reason to object to introducing these. I got
7 another thing I want to say about them; okay? So
8 just --

9 MS. SALZHAUER: I just see pictures of another
10 house here. These are not my house.

11 MR. LYLES: Okay, fair enough. Fair enough.

12 THE COURT: If it's another house, I'll be
13 able to recognize if it's --

14 A (Continuing) That's not this house.

15 THE COURT: Mr. Brown, you're not being
16 questioned.

17 A (Continuing) Okay. Sorry.

18 THE COURT: You answer questions, and you
19 don't participate in the conversation between the
20 attorneys and me. Is that okay?

21 A (Continuing) Yeah. I'm sorry.

22 MR. VARNADO: This is another set of pictures
23 which I haven't put in, and that's the set of pictures
24 from your house.

25 THE COURT: Hold on, let's get the record

1 clear. Now, the other thing we're going to do, we have
2 marked as 22 those photographs, but we must have 30,
3 with no identification of what they are, and so someone
4 please mark them as A, B, C, D or something.

5 MR. VARNADO: Okay.

6 THE COURT: And we'll want Miss Sampson to
7 note that so that we have a record.

8 MR. VARNADO: Okay, we will do that.

9 THE COURT: Now, Robert, are you willing to
10 take them? Are you going to object to them?

11 MR. LYLES: What has been handed to me is this
12 stack of --

13 THE COURT: Yes.

14 MR. LYLES: And this is what's at issue?

15 THE COURT: Yes.

16 MR. LYLES: Okay. I have no objection to the
17 introduction --

18 MS. SALZHAUER: These aren't my house.

19 MR. LYLES: -- of these.

20 THE COURT: All right. And I understand.
21 Miss Salzhauser, do me the same favor I asked of Mr.
22 Brown. Let the court and the attorneys monitor this.

23 MS. SALZHAUER: I was only concerned because I
24 saw a stack --

25 THE COURT: Please let us handle this. I

1 understand your issue. Believe me, I do. But those
2 are accepted. You're not objecting to those pictures,
3 offered under the terms and the testimony presented.

4 MR. LYLES: Correct, Exhibit 22.

5 (PLAINTIFF'S EXHIBIT NO. 22 ADMITTED INTO
6 EVIDENCE.)

7 THE COURT: All right. Now, let's give those
8 to Miss Sampson to mark. But in some way or the other,
9 we need an index or a record.

10 MR. VARNADO: She has marked them, and at a
11 break I'll put A, B, C, D. Some of these are two, some
12 of these are one, but they just show the house.

13 THE COURT: I understand. A year from now, if
14 someone appeals this, and there are photographs that
15 are contested, oh, that photograph wasn't in evidence,
16 we're going to have a problem. I just don't want any
17 concern later as to the documents that were introduced
18 and used here today.

19 MR. VARNADO: I understand. All right.

20 BY MR. VARNADO:

21 Q Also, Mr. Brown, you pulled these 20 and 21?

22 A Yeah, for him.

23 Q And these represent copies with the backups?

24 A Yes. Our invoice, and then, as he requested,
25 every subcontractor invoice for the entire job is in

1 that right there (indicating).

2 THE COURT: All right, let me be clear. I
3 asked a question of the attorneys, is there a complete
4 audit accounting at the end of the job. I want to get
5 the record clear, I have not asked anybody to put
6 anything into evidence.

7 MR. VARNADO: That's fair.

8 THE COURT: Now, Rob, you have brought those
9 records.

10 MR. VARNADO: And I would like to move them
11 into evidence.

12 THE COURT: Do you need time -- I understand
13 that's a lot of data you've just gotten. How do you
14 want to deal with it?

15 MR. LYLES: I would like to ask some questions
16 about their origin.

17 THE COURT: Certainly. All right, they're
18 identified. You've moved them. I won't act on it
19 until I hear your questions --

20 MR. LYLES: Okay, fair enough.

21 THE COURT: -- and you've had a chance to deal
22 with them.

23 BY MR. VARNADO:

24 Q Okay. And then the last thing I want to ask
25 you about is the nail plate protection.

1 A Yes.

2 Q And you brought this document, did you not?

3 A Yes.

4 Q And you can't tell us about what Randy
5 Robinson told you.

6 A Okay.

7 Q But you can tell us about how you got this
8 document, I believe. You have to actually let Mr.
9 Brown make this decision, but I understand that you can
10 testify about how you got this document, and what it
11 shows and what you believe to be the --

12 THE COURT: Well, just ask him the question.
13 Robert has been real considerate with leading, and I'm
14 listening to it, understanding that, but let's let the
15 witness testify.

16 BY MR. VARNADO:

17 Q Okay. What is this document?

18 A All right. I understand -- listen, I'm very
19 concerned about a client's house burning down. I
20 wouldn't have suggested the sprinkler system --

21 THE COURT: What is that document? That's the
22 question.

23 A (Continuing) Okay, this an IRC document
24 stating that you do not need protective cable, you
25 don't need these guards, if --

1 THE COURT: What's the version of the IRC?

2 A (Continuing) This is '09 IRC. That's what we
3 were going by at the time, before it was -- they re-did
4 it in '15.

5 THE COURT: Okay. Is there another question?

6 MR. VARNADO: Yes, sir.

7 BY MR. VARNADO:

8 Q Can you explain what you understood the code
9 to be for the IRC, or what you understand the code to
10 be for needing nail guards?

11 A Yes. If -- sorry nail guards didn't get put
12 on there, but if there's a half-inch hole borne in a
13 2x4 stud, like it showed on Howard Brown's picture, the
14 code allows for, as long as the wire is 1 1/4 inch from
15 the outside of the face of the studs, then it's going
16 to give us a half-inch play where that is. That's the
17 code. So, they're not required.

18 Q Okay, I think that's all I have. Now, he may
19 have some redirect, and he may ask you questions about
20 those two documents.

21 A Sure.

22 Q And then Mr. Brown will ask you questions.

23 A Okay.

24 REDIRECT EXAMINATION

25 BY MR. LYLES:

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

IN THE COURT OF COMMON PLEAS

BROWN CONTRACTORS, LLC, under S.C.
Residential Builders License No. 20378

CASE NO: 2014-CP-10-3881

Plaintiff,

vs.

ANDREW JOSEPH MCMARLIN A/K/A
ANDREW JOSEPH MC MARLIN AND
AMY SALZHAUER

OFFER OF SETTLEMENT
S.C. CODE ANN. § 29-5-10(b)

Defendants,

ANDREW MCMARLIN AND AMY
SALZHAUER,

Third-Party Plaintiffs,

vs.

JAMES BROWN, IV AND BROWN-
MEIHAUS CONSTRUCTION, CO., LLC

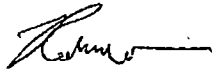
Third-Party Defendants.

TO: ROBERT T. LYLES, ESQUIRE, ATTORNEY FOR DEFENDANTS:

Pursuant to S.C. Code § 29-5-10(b), the Plaintiff Brown Contractors, LLC, by and through its undersigned attorneys, makes the following offer of compromise for settlement of the lien, exclusive of interests and costs, of Seventy-Five Thousand and No/100 (\$75,000.00) Dollars.

[Signature on following page]

BROWN & VARNADO, LLC

By: 

Robert B. Varnado
Alexis M. Wimberly
P.O. Box 1127
Mt. Pleasant, South Carolina 29465
Telephone: (843) 737-7300
Facsimile: (843) 654-5109
rvarnado@brown-varnado.com
awimberly@brown-varnado.com
Attorneys for Plaintiff

October 3, 2016
Mount Pleasant, South Carolina

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

BROWN CONTRACTORS, LLC, under S.C.
Residential Builders License No. 20378

Plaintiff,

vs.

ANDREW JOSEPH MCMARLIN A/K/A
ANDREW JOSEPH MC MARLIN AND
AMY SALZHAUER

Defendants,

ANDREW MCMARLIN AND AMY
SALZHAUER,

Third-Party Plaintiffs,

vs.

JAMES BROWN, IV AND BROWN-
MEIHAUS CONSTRUCTION CO., LLC,

Third-Party Defendants.

IN THE COURT OF COMMON PLEAS

CASE NO: 2014-CP-10-3881

**OFFER PURSUANT TO
S.C. CODE ANN. § 29-5-10, et. seq.**

YOU WILL PLEASE TAKE NOTICE that Pursuant to South Carolina Code Annotated §29-5-10 *et seq.*, ANDREW JOSEPH MCMARLIN and AMY SALZHAUER (“Defendants”) hereby submit an Offer of Settlement and will accept payment of the amount of Two Hundred Fifty Thousand and no/100 Dollars (\$250,000.00), exclusive of interest and costs, for the settlement of the mechanic’s lien and other claims of Plaintiff and in full satisfaction of the counterclaims and third-party claims asserted by Defendants in the above matter.

If this Offer of Settlement is not timely accepted, Defendant shall seek to recover from Plaintiff all amounts allowable by law.

Dated this 28 day of August, 2017.

LYLES & ASSOCIATES, LLC



Robert T. Lyles, Jr., Esquire
342 East Bay Street
Charleston, SC 29401
Phone: 843-577-5530
Fax: 843-577-7172
rtl@lylesfirm.com

*Counsel For Defendants Andrew McMarlin,
Amy Salzhauer, et al.*



South Carolina Department of Labor, Licensing and Regulation
Residential Builders Commission
 110 Centerville Drive • PO Box 11329 • Columbia, SC, 29211-1329
 Phone: 803-896-4696 • Fax: 803-896-4814 • www.llronline.com



Certificate of Authorization

Fees: License Fee - \$100.00

Make check payable to: LLR - Residential Builders Commission
 (Money Order or Cashier's Check Only Made Payable to SCRBC)

1. Licensee Information: This section must be answered by the business entity seeking a certificate. You must sign contracts, apply for permits, conduct business and advertise in the name that appears on your license card. This certificate authorizes the business entity to engage in a regulated profession or occupation.

Applicant/DBA: BROWN CONTRACTORS, LLC

Mailing Address: 103 PALM BLVD, SUITE 304 ISLE OF PALMS, SC 29451
Name in which entity will be conducting business

Business Address: SAME
PO Box/Street City State ZIP County

Business Telephone: 843 460 4401 City Isle of Palms State SC ZIP 29451 County Charleston

Fax Number: 843 242 0172 Federal ID # _____
For Corp, P, LLC, or LLP

Style of Business: Individual/Sole Proprietorship Partnership Corporation LLC LLP

Name of Owner/Principal Officer(s) JAMES BROWN Title OWNER

2. QUALIFYING PARTY INFORMATION: The applicant must have an individually licensed person to serve as a qualifying party at each branch and supervise the field and office building work or services provided from that branch. This must be a licensed home builder, licensed home inspector, or registered specialty contractor depending on the nature of the business entity's activities. The qualifying party may be in responsible charge of only one place of business at a given time.

Name of Qualifying Party WONG NAUYEN

Home Address: DANIEL ISLAND, SC 29409
Street City State ZIP County

Home Telephone: _____ License No. 20378

Date of Birth: _____ Email Address: _____

3. State of Original Incorporation: SOUTH CAROLINA Date: 04/14/2009
 (If other than South Carolina, corporations must be registered with South Carolina Secretary of State as a foreign corporation, and a copy of the registration certificate must be attached to Original submittal of this COA application form. All corporations shall complete the following.)

- (a) Date of Certification by SC Secretary of State 04/14/2009
- (b) South Carolina Tax No. _____
- (c) Registered Agent of Due Process JAMES BROWN
- (d) Address of Registered Agent Ms. Pleasant SC 29464

RECEIVED JUN 08 2012

4. **BACKGROUND INFORMATION:** To be answered by the license applicant and the primary qualifying party. Any question answered yes must be fully explained. Attach documents and/or a written explanation on a separate page for each "yes" answer by the applicant and qualifying party.

- A. Have you ever had a license, certification or registration cancelled, surrendered, revoked, suspended, restricted or disciplined by any federal or state authority or contracted without a proper license? If yes, list profession and jurisdiction: _____ Yes _____ No
- B. Is any investigation or disciplinary action currently pending against you or an organization of which you are or were an officer, principal, major shareholder or qualifying party? Yes _____ No
- C. Have you or an organization of which you are or were an officer, principal or major shareholder ever been issued a Cease and Desist Order for unauthorized practice? Yes _____ No
- D. Have you ever been arrested, charged, indicted or convicted for violation of any federal, state or local law (other than a minor traffic violation)? Yes _____ No (submit a state criminal history for out of state or SLED report for in state if answer is yes)
- E. Are you currently or have you ever been licensed or registered in any profession in any federal or state jurisdiction? Yes _____ No Jurisdiction: _____
- F. Within the last 5 years, have you or any business entity of which you are or were an officer, principal, major shareholder or qualifying party received any notice of any final judgement, liens or claims of any kind? Yes _____ No

5. **AFFIDAVIT OF QUALIFYING PARTY:**

I have read, understand and meet all criteria pertaining to the COA in which I qualify from Section 40-59-400 et seq. of the S. C. Residential Builders Commission Act and hereby agree to abide by these laws and codes. I hereby authorize the Residential Builders Commission to verify and investigate any and all information in this application. I understand that false or incorrect information provided by me may result in the denial of a COA and may be subject to appropriate civil and criminal proceedings

Wanda Rayson ... Project Manager ... June 6, 2012
Signature of Qualifying Party Title Date

Sworn and Subscribed before me this 6 day of June 2012
Debrah Morrison Bell My Commission Expires 4/12/2016 State of SC County of Dorchester
Notary Signature

5. **AFFIDAVIT OF OWNER/PRESIDENT OR AUTHORIZED COMPANY REPRESENTATIVE**

See Section 40-59-410(1) for further clarification. The qualifier(s) listed on this application is a full-time employee in a responsible management position with the applicant requesting this license. All statements contained herein are true and correct to the best of my knowledge. I further understand that false or incorrect information provided by me may result in the cancellation of or denial of a license issued pursuant to this application and may be subject to civil and criminal proceedings. I agree all information in this application may be verified and investigated. I have read, and I am familiar with the South Carolina Code of Laws and regulating residential building, specialty contracting or home inspecting and hereby agree to abide by such laws.

Wanda Rayson ... owner ... 6.6.12
Authorized Company Representative Title Date

Sworn and Subscribed before me this 6 day of June 2012
Debrah Morrison Bell My Commission Expires 4/12/2016 State of SC county: Dorchester
Notary Signature

NOTES:

- All licenses are renewable on July 1 of each year, regardless of when the license is issued.
- It is the firm's responsibility to notify this office of any changes of address or employment.
- All applicants must obtain an executed surety bond approved by the Commission in the sum of fifteen thousand dollars (\$15,000) in the firm's name according to Section 40-59-410 (B) (2).

Personal information provided in this application may be subject to public scrutiny or release under the S.C. Freedom of Information Act or other provisions of federal and state law.

*The disclosure of the social security number for identification purposes is authorized and mandated by state and federal statutes. The social security number is not subject to disclosure as public information.

AFFIDAVIT OF ELIGIBILITY

Pursuant to Section 8-29-10 SC Code of Law, ALL applicants for a South Carolina license after July 1, 2008 are required to complete and sign this Affidavit of Eligibility.

Section A: LAWFUL PRESENCE in the United States.

I, (please print your full name) JAMES L. BOON swear or affirm under penalty of perjury under the laws of the State of South Carolina that (check 1, 2 or 3 below):

1. I am a United States citizen or legal permanent resident eighteen years of age or older; or
2. I am not a US citizen but am lawfully present in the US as evidenced by one of the following
 - a. I am a qualified alien as defined in 8 U.S.C. sec 1641, eighteen years of age or older.
 - b. I am a nonimmigrant under the "Immigration and Nationality Act," Federal Public Law 82-414 as amended, eighteen years of age or older.
3. I am not physically present in the US under 8 U.S.C. sec 1621 (c) (2) (a) or employed in the US pursuant to 8 U.S.C. 1621 (c) (2) (a) (check either a or b below):
 - a. I am a US citizen, not physically present or employed in the United States.
 - b. I am a Foreign National, not physically present or employed in the United States.

If you selected either 3.a. or 3.b., you do not need to complete Section B, Skip to Section C.

Section B: Secure and Verifiable Document. This section must be completed if you checked number 1 or 2 in Section A.

1. Please check one of the following acceptable secure and verifiable documents. Complete documentation must be provided upon request only.

- Any South Carolina Driver License, South Carolina Driver Permit or South Carolina Identification Card, expired less than one year.
- Out-of-state issued photo Driver's License or photo identification card, photo driver's permit expired less than one year. State: _____
- Valid Temporary Resident Card
- Certificate of Naturalization with intact photo
- Certificate of (US) Citizenship with intact photo
- Other: (Name of verifiable document) _____

Social Security Number

2. Enter the state or the federal agency name where this secure and verifiable document was issued.

South Carolina
(If issued by a state agency, include both the state and agency name)

3. What is the secure and verifiable document number?

4. What is the expiration date of your secure and verifiable document?

(month/day/year)

(If you hold a document without an expiration date, such as a military ID or naturalization certificate, write N/A.)

Section C: Attestation.

- I understand that this sworn statement is required by law because I have applied for or hold a professional or commercial license regulated by 8 U.S.C. sec. 1621. I understand that state law requires me to provide proof that I am lawfully present in the United States. I may also be required to provide proof of lawful presence.
- I understand that in accordance with section 8-29-10 false statements made herein are punishable by law. I state under penalty of perjury that the above statements are true and correct.
- I am the person identified above and the information contained herein is true and correct to the best of my knowledge. I understand that under South Carolina law, providing false information is grounds for denial, suspension or revocation of a license, certificate, registration or permit.
- I understand that the above information must be disclosed to the Department of Labor, Licensing and Regulation upon request and is subject to verification.

James L. Brown IV
Signature

6.6.12
Date

JAMES L. BROWN IV

Please print your name as shown on your secure and verifiable document.

Professional License Type: ES

License Number (if already licensed): 43710

The South Carolina Code of Laws requires that every individual who applies for an occupational or professional license provide a social security or alien identification number for use in the establishment, enforcement and collection of child support obligations and for reporting to certain databanks established by law. Failure to provide your social security number for these mandatory purposes will result in the denial of your licensure application. Social security numbers may also be disclosed to other governmental regulatory agencies and for identification purposes to testing providers and organizations involved in professional regulation. Your social security number will not be released for any other purpose not provided for by law.

\$15,000 Bond

Aegle Security Insurance Company
300 International Parkway, Suite 184
Heathrow, FL 32746
Telephone 888-400-5505

Continuation Certificate

SC Residential Builders Commission
PO Box 11329
Columbia, SC 29211-1328

In accordance with the terms of the Bond or Statute, you are hereby given written notice of the continuation of the following bond:

Bond Number 1005
issued to JAMES L BROWN IV
in favor of SC Residential Builders Commission
described as Residential Builder - Wholesale

Continuation shall be effective on 10/12/2011 and expire on 10/11/2012.

This bond continues in force to the above expiration date provided that losses and recoveries on it and all endorsements shall never exceed the penalty set forth in the bond, no matter how long this bond is in force.

In witness whereof, Aegle Security Insurance Company has caused its corporate seal to be hereunto affixed this 4th day of October 2011.

By: [Signature]
Kimberly L. Slaughter, Attorney-in-Fact

Distribution Copy to:
JAMES L BROWN IV

SULLIVANS ISLAND, SC 29412

American Contracting Services, Inc.
8953 Glenway Ave.
Cincinnati, OH 45238

LICENSE BOND

BOND NUMBER: 51-4605

KNOW ALL MEN BY THESE PRESENTS that we

JAMES L. BROWN by Aegis Security Insurance Company, as Principal, and Aegis Security Insurance Company, a Surety Company, authorized to do business in the State of South Carolina, as Surety, are held and firmly bound unto the South Carolina Residential Builders Commission, State of South Carolina, as obligee in the sum of Fifteen Thousand Dollars (\$ 15,000.00) lawful money of the United States of America. We bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above bonded Principal has applied to the South Carolina Residential Builders Commission pursuant to Section 40-59-10 *et seq.* of the 1976 Code of Laws of South Carolina, as amended (the Act), to be granted an authorization to engage in residential construction as a

Residential Builder (\$15,000)
 Licensed Residential Specialty Contractor (H.V.A.C., plumber, or electrician) (\$10,000)
 Registered Residential Specialty Contractor (\$5,000); and

WHEREAS, the above bonded Principal is required in Section 40-59-220 of the Act to furnish the Commission with a good and sufficient surety bond as one method of complying with one of the conditions upon which the authorization is granted.

NOW, THEREFORE, the condition of this bond is such that if the above bonded Principal shall in all respects comply with the rules and regulations pertaining to Residential Construction Standards and Health and Safety requirements in this state, then this obligation shall be void; otherwise it is to remain in full force and effect.

This bond is in full force and effect as to the above statutory and regulatory obligations of the Principal for the license term of 10/12/2010 through 10/11/2011 unless renewed by continuation certificate; however, the Surety shall have the right to cancel this bond at any time by filing written notice with the South Carolina Residential Builders Commission of its intention to so cancel, giving at least thirty (30) days notice prior to the effective date of the cancellation. This provision, however, shall not operate to relieve, release or discharge the Surety from any claims already accrued or which shall accrue before the expiration of the thirty (30) day period.

Regardless of the number of years this bond may remain in force or the number of claims against this bond, the liability of the Surety shall not be cumulative and the aggregate liability of the Surety for any and all claims, suits or actions under this bond shall not exceed the sum of Fifteen Thousand Dollars (\$ 15,000.00) for any license year.

Claims may be initiated only through authorization by the Commission which must validate the claim and determine the amount of loss or damage. No complaint may be maintained to enforce any liability on this bond unless brought within eight (8) years after the event giving rise to the cause of action. No right of action shall accrue upon or by reason of this bond to or for the use or benefit of any one whatsoever other than the Commission.

Witness our hands and seal this 12th day of October, 2010.

Aegis Security Insurance Company
Name of Surety Company (Print)

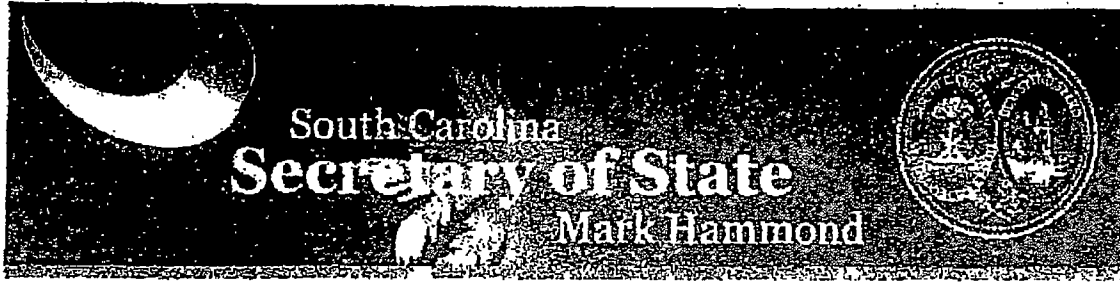
By: [Signature]
Signature of Surety (Attorney-in-Fact)

Approved SCRBC 2-9-05
Rev. effective 7/1/05

JAMES L. BROWN IV

Name of Principal (Print)

By: [Signature]
Signature of Principal



BROWN CONTRACTORS, LLC

*Note: This online database was last updated on 6/6/2012 6:01:28 PM.
See our Disclaimer.*

DOMESTIC / FOREIGN:	Domestic
STATUS:	Good Standing
STATE OF INCORPORATION / ORGANIZATION:	SOUTH CAROLINA Profit

REGISTERED AGENT INFORMATION

REGISTERED AGENT NAME:	JAMES BROWN
ADDRESS:	761 COLEMAN BLVD
CITY:	MT. PLEASANT
STATE:	SC
ZIP:	29464
SECOND ADDRESS:	SUITE 6
FILE DATE:	04/14/2009
EFFECTIVE DATE:	04/14/2009
DISSOLVED DATE:	//

Corporation History Records

CODE	FILE DATE	COMMENT	Document
Domestic LLC	04/14/2009	AT WILL	

Disclaimer: The South Carolina Secretary of State's Business Filings database is provided as a convenience to our customers to research information on business entities filed with our office. Updates are uploaded every 48 hours. Users are advised that the Secretary of State, the State of South Carolina or any agency, officer or employee of the State of South Carolina does not guarantee the accuracy, reliability or timeliness of such information, as it is the responsibility of the business entity to inform the Secretary of State of any updated information. While every effort is made to insure the reliability of this information, portions may be incorrect or not current. Any person or entity who relies on information obtained from this database does so at his own risk.



South Carolina
 Department of Labor, Licensing and Regulation
 Residential Builders Commission



110 Centerview Drive
 Post Office Box 11329
 Columbia, SC 29211-1329
 (803) 896-4696
 FAX: (803) 896-4814
 www.llronline.com

Nikki R. Haley
 Governor

Holly G. Pisark
 Director

June 12, 2012

BROWN CONTRACTORS LLC
 103 PALM BLVD SUITE 3A
 ISLE OF PALMS SC 29451

Your COA Certificate of Authorization Application cannot be processed completely for the following reason(s) that are checked below.

- Incorrect fee- Amount Due: \$ _____
- Application not signed.
- Application not notarized.
- Provide proof of Social Security number.
- Answer question # _____. Explain question # _____.
- Please remit a verification of your license from the state of _____.
- You must show at least one year of experience on your affidavit.
- Please complete the Affidavit of Eligibility (enclosed).
- A Completed signed and/or notarized Affidavit of Experience is required.
- Bond should be in your name only. Submit a rider changing the name on your bond.
- Bond is not signed.
- Need the Insurance companies seal on your bond.
- No bond was submitted. Enclosed is a revised copy of the bond we require.
- Need original bond along with the power of attorney.
- Need original Power of Attorney with Bond.
- Your license/registration has been expired for 3 years or more; please complete the enclosed application to be re-examined.
- Please provide documents of your payment agreement or settlement.
- Other- _____

Thank you,

Patrice Deas
 patrice.deas@llr.sc.gov



South Carolina
Department of Labor, Licensing and Regulation



Nikki R. Haley
Governor

Residential Builders Commission

Holly G. Pisarik
Director

110 Centerview Drive
Post Office Box 11329
Columbia, SC 29211-1329
(803) 896-4696
FAX: (803) 896-4814
www.llronline.com

January 8, 2013

BROWN CONTRACTORS LLC
103 PALM BLVD SUITE 3A
ISLE OF PALMS SC 29451

Your COA Certificate of Authorization Application cannot be processed completely for the following reason(s) that are checked below.

- Incorrect fee- Amount Due: \$ _____
- Incorrect application submitted, please remit enclosed application.
- Application not signed.
- Application not notarized.
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- Bond is not signed.
- Need the Insurance companies seal on your bond.
- The incorrect bond form was submitted. Enclosed is a copy of the bond form we require.
- Need the original bond along with the power of attorney.
- Need original Power of Attorney with Bond.
- Your license/registration has been expired for 3 years or more; please complete the enclosed application to be re-examined.
- Please provide documentation of an agreed upon payment plan between the two parties along with proof of payments being made or a Satisfaction of Judgment.
- Three reference letters are required detailing your work experience and character. These letters cannot be formatted form letters.
- Please submit exam score reports.
- SC Residential Builders Commission does not have an exam waiver agreement with the state you are licensed in.
- Items on your credit report need to be explained. Please pull your own Transunion credit report and call our office to discuss.
- Other- THE BOND MUST BE LISTED IN THE NAME OF THE COMPANY. PLEASE SUBMIT A RIDER TO CHANGE THE NAME FROM "JAMES L. BROWN IV" TO "BROWN CONTRACTORS LLC".

For regulations, forms and other applications, please log on to <http://www.llr.state.sc.us/PCO/ResidentialBuilders/> to obtain this information.

Thank you,

Patrice Deas
patrice.deas@llr.sc.gov



South Carolina
Department of Labor, Licensing and Regulation



110 Centerview Drive
Post Office Box 11329
Columbia, SC 29211-1329
(803) 896-4696
FAX: (803) 896-4814
www.llronline.com

Nikki R. Haley
Governor

Residential Builders Commission

Holly G. Pisarik
Director

January 16, 2013

BROWN CONTRACTORS LLC
103 PALM BLVD SUITE 3A
ISLE OF PALMS SC 29451

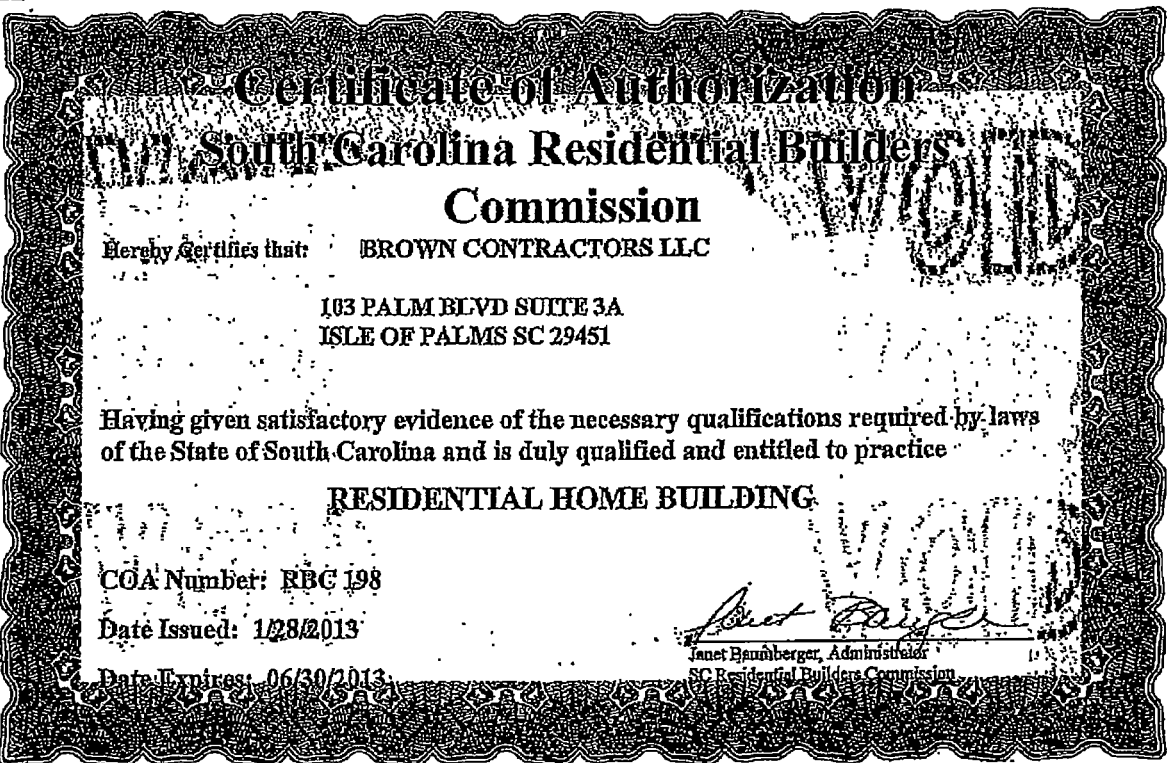
Your COA Certificate of Authorization Application cannot be processed completely for the following reason(s) that are checked below.

- Incorrect fee- Amount Due: \$ _____
- Incorrect application submitted, please remit enclosed application.
- Application not signed.
- Application not notarized.
- Provide proof of Social Security number.
- Answer question # _____. Explain question # _____.
- Please remit a verification of your license from the state of _____.
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- Other- PLEASE SUBMIT A RIDER TO CHANGE THE NAME ON THE BOND FROM "JAMES L BROWN IV" TO "BROWN CONTRACTORS LLC".

For regulations, forms and other applications, please log on to <http://www.llr.state.sc.us/POI/ResidentialBuilders/> to obtain this information.

Thank you,

Patrice Deas
patrice.deas@llr.sc.gov



Certificate of Authorization

South Carolina Residential Builders Commission

Hereby Certifies that: **BROWN CONTRACTORS LLC**

**103 PALM BLVD SUITE 3A
ISLE OF PALMS SC 29451**

Having given satisfactory evidence of the necessary qualifications required by laws of the State of South Carolina and is duly qualified and entitled to practice

RESIDENTIAL HOME BUILDING

COA Number: **RBC 198**

Date Issued: **1/28/2013**

Date Expires: **06/30/2013**

Janet Handberger
Janet Handberger, Administrator
SC Residential Builders Commission

Certificate of Authorization

South Carolina Residential Builders Commission

Hereby Certifies that: **BROWN CONTRACTORS LLC**

103 PALM BLVD SUITE 3A
ISLE OF PALMS SC 29451

Having given satisfactory evidence of the necessary qualifications required by laws of the State of South Carolina and is duly qualified and entitled to practice

RESIDENTIAL HOME BUILDING

COA Number: RBC 198

Date Issued: 5/14/2013

Date Expires: ~~06/30/2014~~

6/3/2015



Janet Baumberger, Administrator
SC Residential Builders Commission

Brown 0682

0651

Certificate of Authorization

South Carolina Residential Builders Commission

Hereby Certifies that: **BROWN CONTRACTORS LLC**

**103 PALM BLVD SUITE 3A
ISLE OF PALMS SC 29451**

Having given satisfactory evidence of the necessary qualifications required by laws of the State of South Carolina and is duly qualified and entitled to practice

RESIDENTIAL HOME BUILDING

COA Number: RBC 198

Date Issued: 4/16/2014

Date Expires: 06/30/2015



Janet Baumberger, Administrator
SC Residential Builders Commission

TOWN OF SULLIVAN'S ISLAND

RESIDENTIAL PERMIT

PO BOX 427 SULLIVAN'S ISLAND, SC 29482

Phone: 843-883-3198 FAX: 843-883-3009 http://sullivansisland-sc.com/

3

DATE ISSUED: 08/28/2012

PERMIT #: 2012- 2356

LOCATION 1850 FLAG ST

DISTRICT TAX MAP PARCEL#
5290900074

1850 FLAG ST

LOT ZONING DISTRICT
LT Q

OWNER: AMY SALZHAUER

TOTAL VALUATION
\$ 380,000

CONTRACTOR: 1747
BROWN CONTACTORS LLC
1316 THOMPSON
SULLIVANS ISLAND, SC 29482

PHONE: 843-460-4481

SUBCONTRACTOR ID/NAME

SUBCONTRACTOR TYPE

TYPE CONSTRUCTION: ADDITION

OCCUPANCY GROUP: SINGLE FAMILY

FEE CODE

FEE

BUILDING - GENERAL/ISSUE FEE

24.00

BUILDING - GENERAL/BUILDING PERMIT FEE

2,520.00

TOTAL PAID: 2,544.00

PAID IN FULL

TOTAL AMOUNT:

2,544.00

REMARKS:

PERMIT IS NOT CONSIDERED ISSUED UNTIL PERMIT IS PAID IN FULL.

BUILDING OFFICIAL

DATE

ZONING ADMINISTRATOR

DATE

CONTRACTOR/OWNER

DATE

ISSUED BY

DATE

TOWN OF SULLIVAN'S ISLAND

RESIDENTIAL PERMIT

PO BOX 427 SULLIVAN'S ISLAND, SC 29482

Phone: 843-883-3198 FAX: 843-883-3009 http://sullivanisland-sc.com/

DATE ISSUED: 07/25/2012

PERMIT #: 2012- 2309

LOCATION 1850 FLAG ST DISTRICT TAX MAP PARCEL# 5290900074

1850 FLAG ST LOT ZONING DISTRICT LT Q

OWNER: AMY & ANDY MCMARLIN

TOTAL VALUATION \$ 10,000

CONTRACTOR: 1747 BROWN CONTACTORS LLC 1316 THOMPSON SULLIVANS ISLAND, SC 29482

PHONE: 843-460-4481

SUBCONTRACTOR ID/NAME

SUBCONTRACTOR TYPE

TYPE CONSTRUCTION: BUILDING

OCCUPANCY GROUP: SINGLE FAMILY

<u>FEE CODE</u>	<u>FEE</u>
BUILDING - GENERAL/ISSUE FEE	24.00
BUILDING - GENERAL/BUILDING PERMIT FEE	115.00
TOTAL PAID: 139.00 **PAID IN FULL**	TOTAL AMOUNT: 139.00

REMARKS: EXPLORATORY

PERMIT IS NOT CONSIDERED ISSUED UNTIL PERMIT IS PAID IN FULL.

BUILDING OFFICIAL

DATE

ZONING ADMINISTRATOR

DATE

CONTRACTOR/OWNER

DATE

ISSUED BY

DATE

TOWN OF SULLIVAN'S ISLAND



P.O. BOX 427

SULLIVAN'S ISLAND, S.C. 29482

Certificate of Occupancy

Office of Zoning Administrator

This certificate issued pursuant to the requirements of Section 803 of the Zoning Ordinance of the Town of Sullivan's Island, Charleston County, South Carolina, certifying that at the time of issuance this structure was in compliance with the various requirements of the Town of Sullivan's Island regulating building construction or use, or in the case of a non-conforming structure in existence at the time of the enactment of the aforementioned Zoning Ordinance, that the non-conforming use can be maintained, renewed, changed or extended only in the manner specifically stated in this Certificate of Occupancy as being non-conforming with the Zoning Ordinance. This Certificate is issued subject to the conditions and safeguards set out below for the protection and safety of the occupants and the public.

Bldg. Permit No. 2012

Use Classification Remodel/Addition (new construction, alteration, repair, non-conforming use, etc.)

Owner: Contractor/Builder: Brown Contracting

Name Amy Salzhauer 2205 Middle Street Si 29482

Address 1850 Flag Street Building Address 1850 Flag Street

Sullivan's Island SC 29482 Sullivan's Island SC 29482

Applicant's name Amy Salzhauer TMS # 529-09-00-074

1850 Flag Street Type of building: Single Family Residence

Area/Block # Lot # Q

Special Conditions

By [Signature] Zoning Administrator

Date: Sep 13, 2013

POST IN A CONSPICUOUS PLACE

5

3.19.14
~~4~~

Return To:
BROWN & VARNADO LLC
P.O. Box 1127
Mt. Pleasant, SC 29465

STATE OF SOUTH CAROLINA) IN THE REGISTER OF DEEDS OFFICE
)
COUNTY OF CHARLESTON)

BROWN CONTRACTORS, LLC, under S.C.)
Residential Builders License No. 20378,)
)
Plaintiff,)

This lien relates to TMS #529-09-00-074

v.)

**NOTICE AND CERTIFICATE
OF MECHANIC'S LIEN**

ANDREW JOSEPH MCMARLIN A/K/A)
ANDREW JOSEPH MC MARLIN AND)
AMY SALZHAUER)
Defendants.)

TO: THE DEFENDANTS ABOVE-NAMED:

PLEASE TAKE NOTICE that the Plaintiff above-named, Brown Contractors, LLC, as a result of and by virtue of the attached Affidavit and Verified Statement of Account, does hereby claim a mechanic's lien on the real estate being situated and located in Charleston County and being more fully hereinafter described below ("Property"), said lien being in the amount of **TWO HUNDRED SIX THOUSAND FOUR HUNDRED TWENTY EIGHT AND 59/100 (\$206,428.59) DOLLARS**, plus interest, costs and reasonable attorneys' fees, for certain materials and services ("Materials, Services and/or Labor") furnished by Brown Contractors for construction and improvements situated on real property commonly known as 1850 Flag Street, Sullivans Island, South Carolina 29482("Property"). Such Materials, Services and/or Labor were directly authorized by Defendants, or by virtue of, in agreement with, and/or by the consent and knowledge of the Defendants, or by some person or agent having authority from, or rightfully acting for Defendants in authorizing the procurement or the furnishing of such Materials,

Services and/or Labor. The last of the Materials, Services and/or Labor was furnished within the last ninety (90) days from filing and service of this Mechanic's Lien.

The Property upon which this lien is attached is more particularly described as follows:

ALL that certain piece, parcel or lot of land together with the buildings and improvements thereon, situate, lying and being on Sullivans Island, Charleston County, South Carolina and being known as LOT "Q" of the resubdivision of Lot 207 and Lot "Q", Sullivans Island, as shown on Plat entitled: "PLAT OF THE RESUBDIVISION OF LOT 207 AND LOT "Q", SULLIVANS ISLAND, SOUTH CAROLINA" which said Plat was made by Sigma Engineers, Inc., and is dated October 10, 1973 and was duly recorded on May 24, 1974, in Plat Book V, at Page 64; said lot having such size, shape, dimensions, buttings and boundings and will by reference to the aforesaid plat more fully appear.

BEING the same property conveyed to Andrew Joseph McMarlin a/k/a Andrew Joseph Mc Marlin and Amy Salzhauer by deed of John W. Massey dated March 26, 2012 and recorded in the RMC Office for Charleston County in Book 0242, at Page 411.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

WHEREFORE, Brown Contractors claims a Mechanic's Lien upon the Property in the sum of TWO HUNDRED SIX THOUSAND FOUR HUNDRED TWENTY EIGHT AND 59/100 (\$206,428.59) DOLLARS, plus interest, costs and reasonable attorneys' fees for the payment of the indebtedness aforesaid and the cost of enforcing said lien upon the above-described real estate.

BROWN & VARNADO LLC

By: *Robert B. Varnado*
Robert B. Varnado, Esquire
103 Church Street (29464)
P.O. Box 1127
Mt. Pleasant, South Carolina 29465
(843) 737-7300
(843) 654-5109 fax
rvarnado@brown-varnado.com
ATTORNEYS FOR PLAINTIFF

SWORN TO AND SUBSCRIBED BEFORE ME
This 19th Day of March, 2014.

[Signature]
Notary Public for the State of South Carolina
My commission expires: 7/28/18



STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

IN THE REGISTER OF DEEDS OFFICE

BROWN CONTRACTORS, LLC, under S.C.)
Residential Builders License No. 20378,)

Plaintiff,)

v.)

ANDREW JOSEPH MCMARLIN A/K/A)
ANDREW JOSEPH MC MARLIN AND)
AMY SALZHAUER)

Defendants.)

AFFIDAVIT OF ACCOUNT

Total Amount Invoiced for Materials, Services and Labor furnished to the Property described in the attached Mechanic's Lien \$ 206,428.59

Amounts paid on invoices for the Property \$ 0.00


Total Due \$ 206,428.59

*Along with interest, costs and attorneys fees.

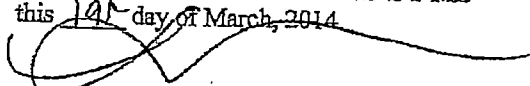
STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

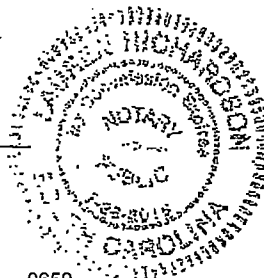
I HEREBY CERTIFY that the foregoing is a true and correct statement of account due to the Plaintiff Brown Contractors, LLC in connection with this Mechanic's Lien.

BROWN CONTRACTORS, LLC


Robert B. Varnado
Its Attorney in Fact

SWORN TO AND SUBSCRIBED BY ME
this 19th day of March, 2014


Notary Public for the State of South Carolina
My Commission Expires: 7/28/18



10:23 AM
08/18/14
Accrual Basis

J Brown Contractors, LLC
Unpaid Bills by Job

UNPAID BILLS
\$54,041.05
7

Type	Date	Num	All Transactions Source Name	Due Date	Aging
Bill	11/12/2013	111213*1850	BARRY LINGENFELTER	11/22/2013	269
Bill	11/18/2013	111813*1850	BARRY LINGENFELTER	11/28/2013	263
Bill	09/26/2013	S1076877*1850	BIRD DECORATIVE HARDWARE	10/06/2013	316
Bill	10/22/2013	S1077598*1850	BIRD DECORATIVE HARDWARE	11/01/2013	290
Bill	10/16/2013	WE101613*1850	CAMERON GLAWS	10/26/2013	296
Bill	10/16/2013	WE101613*1850	CAMERON GLAWS	10/26/2013	296
Bill	10/16/2013	WE101613*1850	CAMERON GLAWS	10/26/2013	296
Bill	10/16/2013	WE101613*1850	CAMERON GLAWS	10/26/2013	296
Bill	10/16/2013	WE101613*1850	CAMERON GLAWS	10/26/2013	296
Bill	10/23/2013	WE102313*1850	CAMERON GLAWS	11/02/2013	289
Bill	10/23/2013	WE102313*1850	CAMERON GLAWS	11/02/2013	289
Bill	10/23/2013	WE102313*1850	CAMERON GLAWS	11/02/2013	289
Bill	10/30/2013	WE103013*1850	CAMERON GLAWS	11/09/2013	282
Bill	10/30/2013	WE103013*1850	CAMERON GLAWS	11/09/2013	282
Bill	11/06/2013	WE110613*1850	CAMERON GLAWS	11/16/2013	275
Bill	11/06/2013	WE110613*1850	CAMERON GLAWS	11/16/2013	275
Bill	11/13/2013	WE111313*1850	CAMERON GLAWS	11/23/2013	268
Bill	11/13/2013	WE111313*1850	CAMERON GLAWS	11/23/2013	268
Bill	12/04/2013	1850	CAMERON GLAWS	12/14/2013	247
Bill	12/04/2013	1850	CAMERON GLAWS	12/14/2013	247
Bill	12/04/2013	1850	CAMERON GLAWS	12/14/2013	247
Bill	12/04/2013	1850	CAMERON GLAWS	12/14/2013	247
Bill	12/04/2013	1850	CAMERON GLAWS	12/14/2013	247
Bill	10/03/2013	100313*1850	CAROLINA FIBERGLASS LLC	10/13/2013	309
Bill	10/17/2013	10490*1850	COASTAL PLUMBING & GAS	10/27/2013	295
Bill	11/11/2013	10644*1850	COASTAL PLUMBING & GAS	11/21/2013	270
Bill	09/17/2013	1294	DISHER CABINETS, INC.	09/27/2013	325
Bill	10/05/2013	1883*1850	FOUR CORNERS	10/15/2013	307
Bill	10/05/2013	1884*1850	FOUR CORNERS	10/15/2013	307
Bill	11/07/2013	1956*1850	FOUR CORNERS	11/17/2013	274
Bill	11/20/2013	1983*1850	FOUR CORNERS	11/30/2013	261
Bill	10/01/2013	585-13*1850	JOHN E WADE, JR.	10/11/2013	311
Bill	11/26/2013	288226*1850	KOLBE GALLERY OF CHARLESTON	12/06/2013	255
Bill	10/15/2013	AM-10003*1850	LINKED AV, LLC	10/25/2013	297

10:23 AM
 08/18/14
 Accrual Basis

J Brown Contractors, LLC Unpaid Bills by Job

Type	Date	Num	All Transactions Source Name	Due Date	Aging
Bill	11/12/2013	5167*1850	M & S MECHANICAL, INC.	11/22/2013	269
Bill	11/25/2013	5188*1850	M & S MECHANICAL, INC.	12/05/2013	256
Bill	12/04/2013	120413*1850	M-L WOODWORKS, LLC	12/14/2013	247
Bill	10/08/2013	232442*1850	MOLUF'S	10/18/2013	304
Bill	10/08/2013	100813*1850	NATHANIEL GATHERS	10/18/2013	304
	09/27/2013	14*1850	PASSION MASONRY	10/07/2013	315
Bill	10/07/2013	32*1850	PASSION MASONRY	10/17/2013	305
Bill	10/16/2013	20*1850	PASSION MASONRY	10/26/2013	296
Bill	10/21/2013	102113*1850	PELICAN IMPROVEMENTS, LLC	10/31/2013	291
Bill	09/30/2013	010811*1850	SOUTHERN LUMBER	10/30/2013	292
Bill	10/08/2013	011981*1850	SOUTHERN LUMBER	10/31/2013	291
Bill	10/10/2013	012442*1850	SOUTHERN LUMBER	10/31/2013	291
Bill	10/15/2013	013032*1850	SOUTHERN LUMBER	10/31/2013	291
Bill	10/15/2013	013021*1850	SOUTHERN LUMBER	10/31/2013	291
Bill	10/15/2013	13021*1850	SOUTHERN LUMBER	10/31/2013	291
Bill	10/15/2013	13032*1850	SOUTHERN LUMBER	10/31/2013	291
Bill	10/16/2013	013214*1850	SOUTHERN LUMBER	10/31/2013	291
Bill	10/16/2013	13214*1850	SOUTHERN LUMBER	10/31/2013	291
Bill	11/01/2013	015611*1850	SOUTHERN LUMBER	11/30/2013	261
Bill	11/20/2013	018067*1850	SOUTHERN LUMBER	11/30/2013	261
Bill	08/20/2013	6129*1850	TILE & STONE DESIGN STUDIO	08/30/2013	353
Bill	09/30/2013	1*1850	TOMAS GUAJARDO	10/10/2013	312
Bill	09/30/2013	2*1850	TOMAS GUAJARDO	10/10/2013	312
Bill	09/28/2013	15937*1850	TRASH GURL	10/08/2013	314
Bill	11/09/2013	16878*1850	TRASH GURL	11/19/2013	272
Bill	10/08/2013	1*1850	VICENTE GUERRERO HERNANDEZ	10/18/2013	304
Bill	10/08/2013	1*1850	VICENTE GUERRERO HERNANDEZ	10/18/2013	304
Bill					

TOTAL

10:23 AM
08/18/14
Accrual Basis

J Brown Contractors, LLC
Unpaid Bills by Job
All Transactions

<u>Amount</u>	<u>Open Balance</u>
1,230.50	
260.00	\$ 1,490.50
837.48	
810.46	\$ 1,647.94
840.00	
1,435.00	
1,190.00	
16.80	
67.69	
1,400.00	
1,155.00	
1,400.00	
210.00	
700.00	
700.00	
560.00	
980.00	
210.00	
1,295.00	
1,365.00	
9.21	
34.22	
30.13	\$ 13,598.05
1,000.00	\$ 1,000.00
8,335.64	
212.50	\$ 8,548.14
1,500.00	\$ 1,500.00
775.86	
1,377.52	
2,429.53	
1,600.16	\$ 6,183.07
400.00	\$ 400.00
215.70	\$ 215.70
4,914.02	\$ 4,914.02

10:23 AM
 08/18/14
 Accrual Basis

J Brown Contractors, LLC
Unpaid Bills by Job
 All Transactions

<u>Amount</u>	<u>Open Balance</u>
250.00	
1,270.00	\$ 1,520.00
900.00	\$ 900.00
1,467.71	\$ 1,467.71
500.00	\$ 500.00
1,350.00	
1,650.00	
975.00	\$ 3,975.00
500.00	\$ 500.00
27.17	
241.90	
8.89	
17.03	
7.26	
7.26	
17.03	
29.61	
29.61	
183.61	
260.10	\$ 829.47
1,091.41	\$ 1,091.41
800.00	
1,000.00	\$ 1,800.00
485.04	
375.00	\$ 860.04
700.00	
400.00	\$ 1,100.00
<u>54,041.05</u>	<u>54,041.05</u>
T <u>54,041.05</u>	<u>54,041.05</u>

J Brown Contractors, LLC

9/12/2014 12:00 PM

Register: 1850 FLAG 9221

From 06/01/2012 through 09/12/2014

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
08/11/2012	1000	SOUTHERN LUMB...	-split-		796.34	X		-796.34
08/11/2012	1001	TRASH GURL	20000 - Accounts Paya...		1,125.00	X		-1,921.34
08/15/2012			BROWN OPERATIN...	LOAN TO OP...		X	250.00	-1,671.34
08/17/2012			12000 - Undeposited F...	Deposit		X	25,000.00	23,328.66
08/23/2012	16754	VLN LLC	20000 - Accounts Paya...		4,800.00	X		18,528.66
08/24/2012	1002	VLN LLC	50000 - Cost of Goods ...		2,400.00	X		16,128.66
08/28/2012	1003	TOWN OF SULLIV...	-split-		3,756.20	X		12,372.46
09/06/2012	1004	SOUTHERN LUMB...	-split-		5,683.67	X		6,688.79
09/06/2012	1005	TRASH GURL	20000 - Accounts Paya...		160.00	X		6,528.79
09/13/2012	1006	SOUTHERN LUMB...	-split-		555.25	X		5,973.54
09/13/2012	1007	VLN LLC	20000 - Accounts Paya...		3,000.00	X		2,973.54
09/20/2012	1008	TRASH GURL	20000 - Accounts Paya...		927.60	X		2,045.94
09/20/2012	1009	A & R SHEET MBT...	20000 - Accounts Paya...		682.77	X		1,363.17
09/20/2012	1010	SOUTHERN LUMB...	-split-		2,228.88	X		-865.71
09/20/2012	1011	VLN LLC	20000 - Accounts Paya...		5,000.00	X		-5,865.71
09/25/2012			12000 - Undeposited F...	Deposit		X	31,392.15	25,526.44
09/26/2012			12000 - Undeposited F...	Deposit		X	10,606.37	36,132.81
09/27/2012	1012	VLN LLC	20000 - Accounts Paya...		5,800.00	X		30,332.81
10/04/2012	1014	SOUTHERN LUMB...	-split-		1,794.40	X		28,538.41
10/04/2012	1115	VLN LLC	20000 - Accounts Paya...	VOID:		X		28,538.41
10/05/2012	1013	VLN LLC	20000 - Accounts Paya...		5,000.00	X		23,538.41
10/11/2012	1016	SOUTHERN LUMB...	-split-		879.97	X		22,658.44
10/11/2012	1017	TRASH GURL	20000 - Accounts Paya...		375.00	X		22,283.44
10/11/2012	1018	VLN LLC	20000 - Accounts Paya...		3,800.00	X		18,483.44
10/18/2012	1019	MT. PLEASANT LO...	20000 - Accounts Paya...		78.00	X		18,405.44
10/18/2012	1020	SOUTHERN LUMB...	-split-		4,592.67	X		13,812.77
10/18/2012	1021	TRASH GURL	20000 - Accounts Paya...		600.00	X		13,212.77
10/24/2012			12000 - Undeposited F...	Deposit		X	21,825.79	35,038.56
10/25/2012	1022	SOUTHERN LUMB...	-split-		1,106.99	X		33,931.57
10/25/2012	1023	TRASH GURL	20000 - Accounts Paya...		750.00	X		33,181.57
10/25/2012	1024	VLN LLC	20000 - Accounts Paya...		5,600.00	X		27,581.57
11/01/2012	1025	SOUTHERN LUMB...	-split-		2,483.49	X		25,098.08
11/02/2012	1026	CS ISLAND INTERI...	20000 - Accounts Paya...		360.00	X		24,738.08
11/09/2012			12000 - Undeposited F...	Deposit		X	31,032.68	55,770.76
11/09/2012	1027	TRASH GURL	20000 - Accounts Paya...		1,125.00	X		54,645.76
11/09/2012	1028	VLN LLC	20000 - Accounts Paya...		10,049.56	X		44,596.20
11/09/2012	1029	CS ISLAND INTERI...	50000 - Cost of Goods ...		495.00	X		44,101.20
11/13/2012			BROWN OPERATIN...	Funds Transfer	5,000.00	X		39,101.20
11/15/2012	1030	CONTRACTOR NA...	20000 - Accounts Paya...		169.80	X		38,931.40
11/15/2012	1031	SOUTHERN LUMB...	-split-		5,870.58	X		33,060.82

J Brown Contractors, LLC

9/12/2014 12:00 PM

Register: 1850 FLAG 9221

From 06/01/2012 through 09/12/2014

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
01/10/2013	1067	VLN LLC	20000 - Accounts Paya...		16,000.00	X		31,842.67
01/10/2013	1068	SIGNATURE KITC...	20000 - Accounts Paya...	50% DEPOSIT	9,984.75	X		21,857.92
01/14/2013			12000 - Undeposited F...	Deposit		X	33,366.87	55,224.79
01/14/2013			BROWN OPERATIN...	INV 65	22,362.94	X		32,861.85
01/14/2013			BROWN OPERATIN...	INV 69	10,536.93	X		22,324.92
01/14/2013			BROWN OPERATIN...	INV 73	4,352.20	X		17,972.72
01/14/2013			BROWN OPERATIN...	INV 23	4,094.63	X		13,878.09
01/14/2013			BROWN OPERATIN...	INV 31	1,383.44	X		12,494.65
01/14/2013			BROWN OPERATIN...	INV 43	2,846.84	X		9,647.81
01/14/2013			BROWN OPERATIN...	INV 54	4,047.73	X		5,600.08
01/17/2013			12000 - Undeposited F...	Deposit		X	59,951.58	65,551.66
01/18/2013	1069	CS ISLAND INTERL...	20000 - Accounts Paya...		17,208.50	X		48,343.16
01/18/2013	1070	BARRY LINGENFE...	20000 - Accounts Paya...		4,000.00	X		44,343.16
01/18/2013	1071	CONTRACTOR NA...	20000 - Accounts Paya...		198.45	X		44,144.71
01/18/2013	1072	FOUR CORNERS	20000 - Accounts Paya...		118.32	X		44,026.39
01/18/2013	1073	LINKED AV, LLC	20000 - Accounts Paya...		8,602.10	X		35,424.29
01/18/2013	1074	SOUTHERN LUMB...	-split-		7,390.21	X		28,034.08
01/18/2013	1075	VLN LLC	20000 - Accounts Paya...		1,300.00	X		26,734.08
01/24/2013	1076	BARRY LINGENFE...	20000 - Accounts Paya...		3,000.00	X		23,734.08
01/24/2013	1077	CONTRACTOR NA...	20000 - Accounts Paya...		383.88	X		23,350.20
01/24/2013	1078	KOLBE GALLERY ...	20000 - Accounts Paya...		2,345.03	X		21,005.17
01/24/2013	1079	MOLUF'S	20000 - Accounts Paya...		2,798.41	X		18,206.76
01/24/2013	1080	SOUTHERN LUMB...	-split-		1,933.03	X		16,273.73
01/24/2013	1081	TRASH GURL	20000 - Accounts Paya...		375.00	X		15,898.73
01/24/2013	1082	VLN LLC	20000 - Accounts Paya...		7,548.40	X		8,350.33
01/30/2013	1083	BARRY LINGENFE...	20000 - Accounts Paya...		5,000.00	X		3,350.33
01/30/2013	1084	CONTRACTOR NA...	20000 - Accounts Paya...		255.84	X		3,094.49
01/30/2013	1085	FOUR CORNERS	20000 - Accounts Paya...		691.03	X		2,403.46
02/05/2013			12000 - Undeposited F...	Deposit		X	45,996.55	48,400.01
02/05/2013	1086	CHARLESTON LT...	50000 - Cost of Goods ...		5,002.43	X		43,397.58
02/07/2013	1087	C.A.M.B. STUCCO, ...	20000 - Accounts Paya...		3,900.00	X		39,497.58
02/07/2013	1088	COASTAL PLUMBL...	20000 - Accounts Paya...		6,368.00	X		33,129.58
02/07/2013	1089	CONTRACTOR NA...	20000 - Accounts Paya...		82.46	X		33,047.12
02/07/2013	1090	MOLUF'S	20000 - Accounts Paya...		305.21	X		32,741.91
02/07/2013	1091	SOUTHERN LUMB...	-split-		2,322.62	X		30,419.29
02/07/2013	1092	SOUTHERN LUMB...	-split-		3,131.57	X		27,287.72
02/07/2013	1093	VLN LLC	20000 - Accounts Paya...		11,500.00	X		15,787.72
02/14/2013	1094	VLN LLC	20000 - Accounts Paya...		13,000.00	X		2,787.72
02/15/2013	1095	EUGENE'S MARBL...	50000 - Cost of Goods ...		350.00	X		2,437.72
02/21/2013	1096	ARMONDO RICO	20000 - Accounts Paya...		90.00	X		2,347.72

J Brown Contractors, LLC

9/12/2014 12:00 PM

Register: 1850 FLAG 9221

From 06/01/2012 through 09/12/2014

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
04/16/2013	1134	COASTAL PLUMBI...	20000 - Accounts Paya...		1,085.00	X		47,840.31
04/16/2013	1135	CONTRACTOR NA...	20000 - Accounts Paya...		1,168.36	X		46,671.95
04/16/2013	1136	CS ISLAND INTERL...	20000 - Accounts Paya...		2,973.00	X		43,698.95
04/16/2013	1137	FOAM INSULATIO...	20000 - Accounts Paya...		8,420.00	X		35,278.95
04/16/2013	1138	FOUR CORNERS	20000 - Accounts Paya...		4,917.07	X		30,361.88
04/16/2013	1139	KERSHAW PAINTI...	20000 - Accounts Paya...		3,000.00	X		27,361.88
04/16/2013	1140	M-L WOODWORK...	20000 - Accounts Paya...		8,007.00	X		19,354.88
04/16/2013	1141	PALMETTO EXTE...	20000 - Accounts Paya...		3,476.05	X		15,878.83
04/16/2013	1142	THE HARDWOOD ...	20000 - Accounts Paya...		8,796.78	X		7,082.05
04/16/2013	1143	VLN LLC	20000 - Accounts Paya...		5,180.00	X		1,902.05
04/24/2013	1144	ARMONDO RICO	20000 - Accounts Paya...		50.00	X		1,852.05
04/24/2013	1145	M-L WOODWORK...	20000 - Accounts Paya...		1,500.00	X		352.05
05/01/2013			12000 - Undeposited F...	Deposit		X	76,553.90	76,905.95
05/01/2013	1146	ARMONDO RICO	20000 - Accounts Paya...		160.00	X		76,745.95
05/01/2013	1147	BELLA VISTA TILE	20000 - Accounts Paya...		3,845.00	X		72,900.95
05/01/2013	1148	CAROLINA FIBER...	20000 - Accounts Paya...		4,275.00	X		68,625.95
05/01/2013	1149	CONTRACTOR NA...	20000 - Accounts Paya...		508.08	X		68,117.87
05/01/2013	1150	DARYL SMITH DR...	20000 - Accounts Paya...		11,700.00	X		56,417.87
05/01/2013	1151	ELLIOTT VICTORY	20000 - Accounts Paya...		1,320.00	X		55,097.87
05/01/2013	1152	FOUR CORNERS	20000 - Accounts Paya...		9,239.46	X		45,858.41
05/01/2013	1153	JOBSITE CLEANU...	20000 - Accounts Paya...		160.00	X		45,698.41
05/01/2013	1154	KERSHAW PAINTI...	20000 - Accounts Paya...		10,000.00	X		35,698.41
05/01/2013	1155	M-L WOODWORK...	20000 - Accounts Paya...		14,603.00	X		21,095.41
05/01/2013	1156	SOUTHERN LUMB...	-split-		1,156.85	X		19,938.56
05/01/2013	1157	THE HARDWOOD ...	20000 - Accounts Paya...		10,821.48	X		9,117.08
05/01/2013	1158	TRASH GURL	20000 - Accounts Paya...		450.00	X		8,667.08
05/01/2013	1159	CONTRACTOR NA...	20000 - Accounts Paya...		58.37	X		8,608.71
05/03/2013	1160	VLN LLC	20000 - Accounnts Paya...		5,700.00	X		2,908.71
05/06/2013			BROWN OPERATIN...	REIMB ACME...	417.00	X		2,491.71
05/15/2013	1161	ARMONDO RICO	20000 - Accounts Paya...		240.00	X		2,251.71
05/15/2013	1162	FOUR CORNERS	20000 - Accounts Paya...		327.50	X		1,924.21
05/15/2013	1163	THE HARDWOOD ...	20000 - Accounts Paya...		930.00	X		994.21
05/16/2013	1164	B & F CONSTRUCT...	20000 - Accounts Paya...		15,680.00	X		-14,685.79
05/16/2013	1165	C.A.M.B. STUCCO, ...	20000 - Accounts Paya...		3,900.00	X		-18,585.79
05/16/2013	1166	CONTRACTOR NA...	20000 - Accounts Paya...		197.32	X		-18,783.11
05/16/2013	1167	CS ISLAND INTERL...	20000 - Accounts Paya...		13,171.25	X		-31,954.36
05/16/2013	1168	FOAM INSULATIO...	20000 - Accounts Paya...	VOID:		X		-31,954.36
05/16/2013	1169	KERSHAW PAINTI...	20000 - Accounts Paya...		13,000.00	X		-44,954.36
05/16/2013	1170	M-L WOODWORK...	20000 - Accounts Paya...		9,641.00	X		-54,595.36
05/16/2013	1171	SOUTHERN LUMB...	-split-		1,514.07	X		-56,109.43

J Brown Contractors, LLC

9/12/2014 12:00 PM

Register: 1850 FLAG 9221

From 06/01/2012 through 09/12/2014

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Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
06/21/2013	1209	BARRY LINGENFE...	20000 · Accounts Paya...		520.00	X		29,908.87
06/21/2013	1210	CAMERON GLAWS	20000 · Accounts Paya...		2,175.30	X		27,733.57
06/21/2013	1211	MOLUFS	20000 · Accounts Paya...		11,163.66	X		16,569.91
06/21/2013	1212	SOUTHERN LUMB...	-split-		146.42	X		16,423.49
06/21/2013	1213	VLN LLC	20000 · Accounts Paya...		600.00	X		15,823.49
06/21/2013	1214	LOWCOUNTRY ST...	50000 · Cost of Goods ...	INV 1768	3,700.00	X		12,123.49
06/21/2013			BROWN OPERATIN...	reimb for ck #2...	420.00	X		11,703.49
06/27/2013	1215	B & F CONSTRUCT...	20000 · Accounts Paya...		1,172.00	X		10,531.49
06/27/2013	1216	BIRD DECORATIV...	20000 · Accounts Paya...		97.72	X		10,433.77
06/27/2013	1217	CAMERON GLAWS	20000 · Accounts Paya...	VOID:		X		10,433.77
06/27/2013	1218	CS ISLAND INTERL...	20000 · Accounts Paya...		5,169.55	X		5,264.22
06/27/2013	1219	M-L WOODWORK...	20000 · Accounts Paya...	STAINLESS S...	1,025.00	X		4,239.22
06/27/2013	1220	SOUTHERN LUMB...	-split-		678.50	X		3,560.72
06/27/2013	1221	CAMERON GLAWS	20000 · Accounts Paya...		2,380.32	X		1,180.40
07/05/2013	1222	ARMONDO RICO	20000 · Accounts Paya...		400.00	X		780.40
07/05/2013	1223	McGREGOR JORD...	20000 · Accounts Paya...		85.00	X		695.40
07/09/2013			12000 · Undeposited F...	Deposit		X	57,186.20	57,881.60
07/10/2013	1224	A & R SHEET MET...	20000 · Accounts Paya...		3,827.43	X		54,054.17
07/10/2013	1225	B & F CONSTRUCT...	20000 · Accounts Paya...		1,137.50	X		52,916.67
07/10/2013	1226	BIRD DECORATIV...	20000 · Accounts Paya...		9,536.05	X		43,380.62
07/10/2013	1227	CAMERON GLAWS	20000 · Accounts Paya...		2,765.90	X		40,614.72
07/10/2013	1228	ELLIOTT VICTORY	20000 · Accounts Paya...	LABOR FOR ...	48.00	X		40,566.72
07/10/2013	1229	KERSHAW PAINTL...	20000 · Accounts Paya...		5,000.00	X		35,566.72
07/10/2013	1230	M-L WOODWORK...	20000 · Accounts Paya...		2,300.00	X		33,266.72
07/10/2013	1231	MOLUFS	20000 · Accounts Paya...		4,352.32	X		28,914.40
07/10/2013	1232	SOUTHERN LUMB...	-split-		1,759.90	X		27,154.50
07/11/2013	1233	ARMONDO RICO	20000 · Accounts Paya...		260.00	X		26,894.50
07/11/2013	1234	CAMERON GLAWS	20000 · Accounts Paya...		2,859.93	X		24,034.57
07/11/2013	1235	CED - CHARLESTON	20000 · Accounts Paya...		3,154.10	X		20,880.47
07/11/2013	1236	CORTNEY BISHOP...	20000 · Accounts Paya...		579.92	X		20,300.55
07/11/2013	1237	CS ISLAND INTERL...	20000 · Accounts Paya...		4,522.70	X		15,777.85
07/11/2013	1238	FOUR CORNERS	20000 · Accounts Paya...		818.34	X		14,959.51
07/11/2013	1239	M-L WOODWORK...	20000 · Accounts Paya...		1,275.00	X		13,684.51
07/11/2013	1240	SOUTHERN LUMB...	-split-		84.28	X		13,600.23
07/11/2013	1241	TOMAS GUAJARDO	20000 · Accounts Paya...		1,700.00	X		11,900.23
07/12/2013	1242	TILE & STONE DE...	50000 · Cost of Goods ...		1,043.77	X		10,856.46
07/18/2013	1243	ARMONDO RICO	20000 · Accounts Paya...		220.00	X		10,636.46
07/18/2013	1244	CAMERON GLAWS	20000 · Accounts Paya...		2,936.69	X		7,699.77
07/18/2013	1245	CORTNEY BISHOP...	20000 · Accounts Paya...		2,654.34	X		5,045.43
07/18/2013	1246	SIGNATURE KITC...	20000 · Accounts Paya...		2,656.11	X		2,389.32

J Brown Contractors, LLC

9/12/2014 12:00 PM

Register: 1850 FLAG 9221

From 06/01/2012 through 09/12/2014

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Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
08/29/2013	1284	WINDWARD SHUT...	20000 - Accounts Paya...		1,710.14	X		11,951.42
08/29/2013	1286	ARMONDO RICO	20000 - Accounts Paya...		700.00	X		11,251.42
08/30/2013	1285	ARMONDO RICO	20000 - Accounts Paya...		300.00	X		10,951.42
09/11/2013	1287	ARMONDO RICO	20000 - Accounts Paya...		28.00	X		10,931.42
09/12/2013	1288	HUROCRAFT, INC	20000 - Accounts Paya...		2,500.00	X		8,431.42
09/12/2013	1289	M & S MECHANIC...	20000 - Accounts Paya...		8,000.00	X		431.42
09/13/2013	1290	CAMERON GLAWS	20000 - Accounts Paya...		5,006.90	X		-4,575.48
09/13/2013	1291	DAN O'HANLEY	20000 - Accounts Paya...		775.00	X		-5,350.48
09/23/2013			12000 - Undeposited P...	Deposit		X	74,733.64	69,383.16
09/23/2013	1292	ANN CAMERON	20000 - Accounts Paya...		850.00	X		68,533.16
09/23/2013	1293	COASTAL PLUMBL...	20000 - Accounts Paya...		9,875.00	X		58,658.16
09/23/2013	1294	DALTILE	20000 - Accounts Paya...	VOID:		X		58,658.16
09/23/2013	1295	GLASS ETC	20000 - Accounts Paya...		1,681.75	X		56,976.41
09/23/2013	1296	GUTTERPROS, LLC	20000 - Accounts Paya...		2,030.00	X		54,946.41
09/23/2013	1297	JAY BROWN	20000 - Accounts Paya...	LOWES 9/3/13	77.59	X		54,868.82
09/23/2013	1298	MOLUF'S	20000 - Accounts Paya...		785.15	X		54,083.67
09/23/2013	1299	SOUTHERN LUMB...	-split-		407.13	X		53,676.54
09/23/2013	1300	TRASH GURL	20000 - Accounts Paya...		375.00	X		53,301.54
09/23/2013	1301	ARMONDO RICO	20000 - Accounts Paya...		470.00	X		52,831.54
09/23/2013	1302	BARRY LINGENEE...	20000 - Accounts Paya...		7,901.00	X		44,930.54
09/23/2013	1303	CAMERON GLAWS	20000 - Accounts Paya...		9,213.85	X		35,716.69
09/23/2013	1304	GLASS ETC	20000 - Accounts Paya...		6,201.05	X		29,515.64
09/23/2013	1305	M & S MECHANIC...	20000 - Accounts Paya...		82.50	X		29,433.14
09/23/2013	1306	MOLUF'S	20000 - Accounts Paya...		12,088.35	X		17,344.79
09/23/2013	1307	MT. PLEASANT LO...	20000 - Accounts Paya...		93.00	X		17,251.79
09/23/2013	1308	NATHANIEL GATH...	20000 - Accounts Paya...		500.00	X		16,751.79
09/23/2013	1309	PALMETTO SURF...	20000 - Accounts Paya...		909.00	X		15,842.79
09/23/2013	1310	SOUTHERN LUMB...	-split-		333.74	X		15,509.05
09/23/2013	1311	VLN LLC	20000 - Accounts Paya...		300.00	X		15,209.05
09/23/2013	1312	WORLD GRANITE ...	20000 - Accounts Paya...		949.12	X		14,259.93
09/24/2013	1313	DALTILE	20000 - Accounts Paya...		364.09	X		13,895.84
09/26/2013	1314	BIRD DECORATIV...	20000 - Accounts Paya...		405.60	X		13,490.24
09/26/2013	1315	CAMERON GLAWS	20000 - Accounts Paya...		4,235.00	X		9,255.24
09/26/2013	1316	JOHN GRIFFITHS ...	20000 - Accounts Paya...		3,589.50	X		5,665.74
09/26/2013	1317	NATHANIEL GATH...	20000 - Accounts Paya...		1,950.00	X		3,715.74
09/26/2013	1318	TRASH GURL	20000 - Accounts Paya...		450.00	X		3,265.74
09/26/2013	1319	VOLKMAR CONSU...	20000 - Accounts Paya...		504.75	X		2,760.99
09/26/2013	1320	DAN O'HANLEY	50000 - Cost of Goods ...	INV 635764	440.00	X		2,320.99
10/02/2013	1321	DALTILE	50000 - Cost of Goods ...		171.44	X		2,149.55
10/03/2013	1322	CAMERON GLAWS	20000 - Accounts Paya...		2,000.00	X		149.55

11:57 AM
09/12/14

J Brown Contractors, LLC
Job Profitability Detail for 1850 FLAGG ST
All Transactions

	Act. Cost	Act. Revenue	(\$ Diff.
Service			
01 GENERAL REQUIREMENTS			
01.00.10 ARCH/ENGR/SURV	1,802.64	1,802.64	0.00
01.00.20 DESIGN	2,675.00	2,675.00	0.00
01.00.30 PERMITS & INSURANCE	2,544.00	2,544.00	0.00
01.00.50 BUSINESS LICENSE	1,212.20	1,212.20	0.00
01.00.65 BID EXPENSE	150.00	150.00	0.00
01.00.70 PROJECT MANAGEMENT	10,675.00	25,675.00	15,000.00
01.00.80 LABORERS	1,650.00	3,690.00	2,040.00
01.03.10 TEMPORARY TOILETS	1,500.00	1,660.00	160.00
01.04.00 TRASH REMOVAL	11,449.30	11,824.30	375.00
01.05.20 PUNCH LIST- ALLOWANCES	26,115.06	26,115.06	0.00
01.05.30 CLEAN	10,312.59	10,312.59	0.00
01.06.20 EQUIPMENT EXPENSE	2,720.00	3,020.00	300.00
01.06.30 EQUIPMENT RENTAL	2,100.00	1,800.00	-300.00
01.09.00 MISCELLANEOUS EXPENSES	2,512.09	2,512.09	0.00
01.10.00 ADMINISTRATIVE / ACCOU	11,022.95	11,400.00	377.05
01.11.00 OVERHEAD & PROFIT	0.00	186,782.46	186,782.46
Total 01 GENERAL REQUIREMENTS	88,440.83	293,175.34	204,734.51
02 SITE CONSTRUCTION			
02.00.60 DEMOLITION	14,400.00	14,400.00	0.00
02.02.50 SOIL POISON	3,476.05	3,476.05	0.00
Total 02 SITE CONSTRUCTION	17,876.05	17,876.05	0.00
04 MASONRY			
04.01.20 FOUNDATION BLOCK.	3,516.00	3,516.00	0.00
Total 04 MASONRY	3,516.00	3,516.00	0.00
05 METALS			
05.01.00 STRUCTURAL METAL	682.77	682.77	0.00
Total 05 METALS	682.77	682.77	0.00
06 WOOD AND PLASTICS			
06.01.00 WOOD FRAMING	69,218.96	69,189.35	-29.61
06.01.05 BAND BOARD	2,000.00	2,000.00	0.00
06.01.10 POOL DECK	5,836.23	5,836.23	0.00
06.01.20 FASTNERS, NAILS, SCREW	7,115.04	7,144.66	29.61
06.01.50 WOOD TRUSSES	322.19	322.19	0.00
06.02.00 INTERIOR TRIM	24,246.06	24,246.06	0.00
06.02.40 DECKS & PORCHES			
17.05.02.40	4,740.00	4,740.00	0.00
05.02.40 DECKS & PORCHES - Other	14,984.81	14,984.81	0.00
Total 06.02.40 DECKS & PORCHES	19,724.81	19,724.81	0.00
06.02.50 PORCH & RAILING PACKAG	6,923.42	6,923.42	0.00
06.04.00 CABINETS	30,877.81	47,276.31	16,398.50
06.04.10 PANELLING	1,883.69	8,098.69	6,215.00
06.04.50 SIDING & EXTERIOR TRIM	94,269.41	72,951.36	-21,318.05
06.04.70 CABINETRY & MANTLE	1,350.00	1,350.00	0.00
06.09.00 CLOSET	5,322.73	5,322.73	0.00
06.10.00 ROUGH CARPENTRY	21,422.00	21,422.00	0.00
06.20.00 EXTERIOR CARPENTRY	72,583.72	72,683.72	0.00
06.30.00 INTERIOR CARPENTRY	90,923.00	90,923.00	0.00
Total 06 WOOD AND PLASTICS	454,019.07	455,314.52	1,295.45
07 THERMAL AND MOISTURE PROTECT			
07.01.00 FLASHING & WATERPROOF	4,621.25	4,621.25	0.00
07.02.00 INSULATE - F/W/P	19,768.00	19,768.00	0.00
07.04.00 ROOFING	26,300.00	17,300.00	-9,000.00
07.05.00 MEMBRANE ROOFING	6,822.00	6,822.00	0.00
07.05.50 GUTTER & DOWNSPOUT	2,030.00	2,030.00	0.00
07.80.00 FLASHING AND SHEET MET	0.00	4,519.56	4,519.56
Total 07 THERMAL AND MOISTURE PROTECT	59,641.25	55,060.81	-4,480.44
08 DOORS AND WINDOWS			

11:57 AM
09/12/14

J Brown Contractors, LLC
Job Profitability Detail for 1850 FLAGG ST
All Transactions

	Act. Cost	Act. Revenue	(\$) Diff.
08.01.50 SCREEN DOORS	3,807.05	3,807.05	0.00
08.02.00 EXTERIOR DOORS	241.90	241.90	0.00
08.02.20 INTERIOR DOORS	14,323.09	14,323.09	0.00
08.03.00 OVERHEAD DOORS	15,727.08	15,727.08	0.00
08.06.00 OPERABLE WINDOWS	60,045.59	60,045.59	0.00
08.06.10 FIXED WINDOWS	215.70	0.00	-215.70
08.07.00 MISCELLANEOUS HARDWARE	2,588.09	2,588.09	0.00
08.07.10 FINISH HARDWARE			
17.08.07.10	69.00	69.00	0.00
08.07.10 FINISH HARDWARE - Other	31,918.94	32,255.46	338.52
Total 08.07.10 FINISH HARDWARE	31,985.94	32,324.46	338.52
08.08.50 FIXED GLASS	1,681.75	1,681.75	0.00
Total 08 DOORS AND WINDOWS	130,616.19	130,739.01	122.82
09 FINISHES			
09.01.70 STUCCO	14,550.00	14,550.00	0.00
09.02.50 DRYWALL	19,250.00	19,250.00	0.00
09.03.10 CERAMIC TILE	10,237.30	10,489.11	251.81
09.03.60 MARBLE / SLATE / GRAN	12,198.45	12,198.45	0.00
09.03.90 SOLID SURFACES (CORIAN	8,800.00	8,800.00	0.00
09.06.10 ACOUSTICAL CEILING	16,680.43	25,680.43	9,000.00
09.05.50 WOOD FLOORING	33,490.00	33,490.00	0.00
09.09.00 PAINTING			
17.09.09.00	4,686.74	4,686.74	0.00
09.09.00 PAINTING - Other	68,897.74	68,897.74	0.00
Total 09.09.00 PAINTING	73,584.48	73,584.48	0.00
09.09.50 WALL COVERINGS	2,735.73	2,735.73	0.00
09.30.00 TILING	18,462.11	18,462.11	0.00
09.60.00 FLOORING			
17.09.60.00	3,589.50	3,589.50	0.00
09.60.00 FLOORING - Other	6,539.78	6,539.78	0.00
Total 09.60.00 FLOORING	10,129.28	10,129.28	0.00
Total 09 FINISHES	220,118.78	229,370.59	9,251.81
10 SPECIALTIES			
10.02.50 FIREFIGHTING DEVICES	417.00	417.00	0.00
10.06.70 SHELVING	2,615.00	2,615.00	0.00
10.07.00 PLANTATION SHUTTERS	3,420.29	3,420.29	0.00
10.08.30 GLASS SHOWER DOOR	6,973.69	6,201.05	-772.64
Total 10 SPECIALTIES	13,426.18	12,653.34	-772.84
11 EQUIPMENT			
11.09.30 KITCHEN EQUIPMENT	23,574.60	23,574.60	0.00
Total 11 EQUIPMENT	23,574.60	23,574.60	0.00
13 SPECIAL CONSTRUCTION			
13.02.04	5,135.25	5,135.25	0.00
13.09.30 INSECT SCREENING	775.00	775.00	0.00
Total 13 SPECIAL CONSTRUCTION	5,910.25	5,910.25	0.00
15 MECHANICAL			
15.01.00 PLUMBING	31,245.50	31,245.50	0.00
15.02.00 PLUMBING FIXTURES	35,506.08	35,506.08	0.00
15.03.50 GAS PIPING SYSTEM	2,100.00	2,100.00	0.00
15.08.00 HVAC	44,032.37	44,032.37	0.00
15.09.00 SPRINKLER SYSTEM	9,420.64	9,420.64	0.00
Total 15 MECHANICAL	122,304.59	122,304.59	0.00
16 ELECTRICAL			
16.01.00 ELECTRICAL			
17.16.01.00	1,732.50	1,732.50	0.00
16.01.00 ELECTRICAL - Other	42,746.00	42,746.00	0.00

11:57 AM
09/12/14

J Brown Contractors, LLC
Job Profitability Detail for 1850 FLAGG ST
All Transactions

	<u>Act. Cost</u>	<u>Act. Revenue</u>	<u>(\$)</u> Diff.
Total 16.01.00 ELECTRICAL	44,478.50	44,478.50	0.00
16.01.10 ELECTRICAL ROUGH IN MA	1,817.48	1,817.48	0.00
16.02.00 INTERIOR LIGHT FIXTURE	11,303.99	11,303.99	0.00
16.05.00 ALARM SYSTEM	8,602.10	8,602.10	0.00
16.06.00 STEREO SYSTEM	20,618.82	20,618.82	0.00
Total 16 ELECTRICAL	<u>86,820.89</u>	<u>86,820.89</u>	<u>0.00</u>
Total Service	1,226,847.45	1,436,998.76	210,151.31
No Item	1,000.00	0.00	-1,000.00
TOTAL	<u>1,227,847.45</u>	<u>1,436,998.76</u>	<u>209,151.31</u>

BID BEFORE
CHANGES

ACTUAL JOB COST
~~ACTUAL JOB COST~~

11:58 AM
09/12/14

J Brown Contractors, LLC
Job Estimates vs. Actuals Detail for 1850 FLAGG ST
All Transactions

Service	Est. Cost	Act. Cost	(\$ Diff.	Est. Revenue	Act. Revenue	(\$ Diff.
01 GENERAL REQUIREMENTS						
01.00.10 ARCH/ENGR/SURV	0.00	1,802.64	1,802.64	0.00	1,802.64	1,802.64
01.00.20 DESIGN	0.00	2,675.00	2,675.00	0.00	2,675.00	2,675.00
01.00.30 PERMITS & INSURANCE	2,544.00	2,544.00	0.00	2,544.00	2,544.00	0.00
01.00.60 BUSINESS LICENSE	1,212.20	1,212.20	0.00	1,212.20	1,212.20	0.00
01.00.65 BID EXPENSE	1,100.00	150.00	-950.00	1,100.00	150.00	-950.00
01.00.70 PROJECT MANAGEMENT	10,000.00	10,675.00	675.00	10,000.00	25,675.00	15,675.00
01.00.80 LABORERS	6,000.00	1,650.00	-4,350.00	6,000.00	3,690.00	-2,310.00
01.03.10 TEMPORARY TOILETS	1,000.00	1,500.00	500.00	1,000.00	1,650.00	650.00
01.04.00 TRASH REMOVAL	6,000.00	11,449.30	6,449.30	5,000.00	11,824.30	6,824.30
01.05.20 PUNCH LIST- ALLOWANCES	0.00	26,115.06	26,115.06	0.00	26,115.06	26,115.06
01.05.30 CLEAN	3,500.00	10,312.59	6,812.59	3,500.00	10,312.59	6,812.59
01.06.20 EQUIPMENT EXPENSE	0.00	2,720.00	2,720.00	0.00	3,020.00	3,020.00
01.06.30 EQUIPMENT RENTAL	0.00	2,100.00	2,100.00	0.00	1,800.00	1,800.00
01.09.00 MISCELLANEOUS EXPEN..	0.00	2,512.09	2,512.09	0.00	2,512.09	2,512.09
01.10.00 ADMINISTRATIVE / ACCOU	3,000.00	11,022.95	8,022.95	3,000.00	11,400.00	8,400.00
01.10.30 PLAN REVIEW	993.00	0.00	-993.00	993.00	0.00	-993.00
01.11.00 OVERHEAD & PROFIT	30,000.00	0.00	-30,000.00	30,000.00	186,782.46	156,782.46
Total 01 GENERAL REQUIREMENTS	64,349.20	88,440.83	24,091.63	64,349.20	293,176.34	228,826.14
02 SITE CONSTRUCTION						
02.00.60 DEMOLITION	12,000.00	14,400.00	2,400.00	12,000.00	14,400.00	2,400.00
02.02.50 SOIL POISON	0.00	3,476.05	3,476.05	0.00	3,476.05	3,476.05
Total 02 SITE CONSTRUCTION	12,000.00	17,876.05	5,876.05	12,000.00	17,876.05	5,876.05
03 CONCRETE						
03.04.00 TURN KEY FOUNDATION	3,516.00	0.00	-3,516.00	3,516.00	0.00	-3,516.00
Total 03 CONCRETE	3,516.00	0.00	-3,516.00	3,516.00	0.00	-3,516.00
04 MASONRY						
04.01.20 FOUNDATION BLOCK.	0.00	3,516.00	3,516.00	0.00	3,516.00	3,516.00
Total 04 MASONRY	0.00	3,516.00	3,516.00	0.00	3,516.00	3,516.00
05 METALS						
05.01.00 STRUCTURAL METAL	2,750.00	682.77	-2,067.23	2,750.00	682.77	-2,067.23
Total 05 METALS	2,750.00	682.77	-2,067.23	2,750.00	682.77	-2,067.23
06 WOOD AND PLASTICS						
06.01.00 WOOD FRAMING	22,000.00	69,218.96	47,218.96	22,000.00	69,189.35	47,189.35
06.01.05 BAND BOARD	0.00	2,000.00	2,000.00	0.00	2,000.00	2,000.00
06.01.10 POOL DECK	0.00	5,836.23	5,836.23	0.00	5,836.23	5,836.23
06.01.20 FASTNERS, NAILS, SCREW	0.00	7,115.04	7,115.04	0.00	7,144.65	7,144.65
06.01.50 WOOD TRUSSES	0.00	322.19	322.19	0.00	322.19	322.19
06.02.00 INTERIOR TRIM	6,500.00	24,246.06	17,746.06	6,500.00	24,246.06	17,746.06
06.02.40 DECKS & PORCHES						
17.06.02.40	0.00	4,740.00	4,740.00	0.00	4,740.00	4,740.00

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10:28 AM
08/11/14

J Brown Contractors, LLC
Unpaid Bills Detail
As of August 11, 2014

Type	Date	Num	Due Date	Aging	Open Balance
ARMONDO RICO					
Bill	9/18/2013	512203*2662	9/28/2013	317	120.00
Total ARMONDO RICO					120.00
B & F CONSTRUCTION					
Bill	8/20/2013	774*2662	8/30/2013	346	2,950.00
Bill	9/16/2013	794*2662	9/26/2013	319	2,750.00
Bill	10/10/2013	835*2662	10/20/2013	295	6,152.50
Bill	10/10/2013	834*2662	10/20/2013	295	2,400.00
Bill	7/31/2014	3310 JASP BAL	8/10/2014	1	2,000.00
Total B & F CONSTRUCTION					16,252.50
BARRY LINGENFELTER					
Bill	11/12/2013	111213*1850	11/22/2013	262	1,230.50
Bill	11/18/2013	111813*1850	11/28/2013	256	260.00
Bill	8/1/2014	3310jasper	8/11/2014		11,535.00
Bill	8/1/2014	3310jasper elec	8/11/2014		50,234.00
Total BARRY LINGENFELTER					63,259.50
BIRD DECORATIVE HARDWARE					
Bill	9/26/2013	S1076877*1850	10/6/2013	309	837.48
Bill	10/22/2013	S1077598*1850	11/1/2013	283	810.46
Bill	7/31/2014	s10788220gord	8/10/2014	1	24,033.53
Total BIRD DECORATIVE HARDWARE					25,681.47
CAMERON GLAWS					
Bill	10/16/2013	WE101613*1850	10/26/2013	289	1,549.49
Bill	10/23/2013	WE102313*1850	11/2/2013	282	3,955.00
Bill	10/30/2013	WE103013*1850	11/9/2013	275	910.00
Bill	11/6/2013	WE110613*1850	11/16/2013	288	1,260.00
Bill	11/13/2013	WE111313*1850	11/23/2013	261	1,190.00
Bill	12/4/2013	1850	12/14/2013	240	2,733.56
Total CAMERON GLAWS					11,598.05
CAROLINA FIBERGLASS LLC					
Bill	10/3/2013	100313*1850	10/13/2013	302	1,000.00
Total CAROLINA FIBERGLASS LLC					1,000.00
COASTAL PLUMBING & GAS					
Credit	9/30/2013	BACKCHARGE...			-237.62
Bill	10/17/2013	10490*1850	10/27/2013	288	8,335.64
Bill	11/11/2013	10644*1850	11/21/2013	263	212.50
Total COASTAL PLUMBING & GAS					8,310.52
GREGGER					
Bill	8/5/2014	S2507878POL...	8/15/2014		6,626.85
Total GREGGER					6,626.85
CS ISLAND INTERIORS, LLC					
Bill	11/27/2012	1018*2608	12/7/2012	612	62.50
Total CS ISLAND INTERIORS, LLC					62.50
DAN O'HANLEY					
Bill	9/11/2013	635752*2662	9/21/2013	324	792.00
Total DAN O'HANLEY					792.00
DBC CONSTRUCTION SERVICES, LLC					
Credit	4/11/2013	BUS LIC REIMB			-192.84
Bill	10/17/2012	101712*POOL	10/27/2012	653	1,150.00
Bill	8/11/2014	GORDON -RO...	8/21/2014		24,000.00
Total DBC CONSTRUCTION SERVICES, LLC					24,957.16
DISHER CABINETS, INC.					
Bill	9/17/2013	1294	9/27/2013	318	1,500.00
Total DISHER CABINETS, INC.					1,500.00
FOUR CORNERS					
Bill	10/5/2013	1883*1850	10/15/2013	300	775.86

10:28 AM

08/11/14

**J Brown Contractors, LLC
Unpaid Bills Detail
As of August 11, 2014**

Type	Date	Num	Due Date	Aging	Open Balance
Bill	10/5/2013	1884*1850	10/15/2013	300	1,377.52
Bill	10/19/2013	1915*2662	10/29/2013	286	2,098.93
Bill	11/7/2013	1956*1850	11/17/2013	267	2,429.53
Bill	11/20/2013	1983*1850	11/30/2013	254	1,600.16
Total FOUR CORNERS					8,282.00
FRANCOIS & CO.					
Bill	7/9/2014	693170*GORD...	7/19/2014	23	6,710.00
Total FRANCOIS & CO.					6,710.00
GRANDSCAPES, LLC					
Bill	10/3/2013	2415*2662	10/13/2013	302	600.00
Total GRANDSCAPES, LLC					600.00
JAY BROWN					
Bill	5/10/2013	REIMB*957	5/20/2013	448	376.50
Bill	8/30/2013	REIMB*2662	9/9/2013	336	64.56
Bill	9/18/2013	REIMB*2662	9/28/2013	317	915.61
Bill	11/7/2013	REIMB*2662	11/17/2013	267	228.90
Total JAY BROWN					1,585.57
JOHN E WADE, JR.					
Bill	10/1/2013	585-13*1850	10/11/2013	304	400.00
Total JOHN E WADE, JR.					400.00
KOLBE GALLERY OF CHARLESTON					
Bill	9/26/2013	6435*2662	10/6/2013	309	890.87
Bill	11/26/2013	287529*2662	12/6/2013	248	1,488.01
Bill	11/26/2013	288226*1850	12/6/2013	248	215.70
Total KOLBE GALLERY OF CHARLESTON					2,594.58
LINKED AV, LLC					
Bill	10/15/2013	AM-10003*1850	10/25/2013	290	4,914.02
Bill	7/16/2014	mr10002-1302	7/26/2014	16	10,542.56
Total LINKED AV, LLC					15,456.58
M-L WOODWORKS, LLC					
Bill	12/4/2013	120413*1850	12/14/2013	240	900.00
Total M-L WOODWORKS, LLC					900.00
M & S MECHANICAL, INC.					
Bill	11/12/2013	5167*1850	11/22/2013	262	250.00
Bill	11/25/2013	5188*1850	12/5/2013	249	1,270.00
Total M & S MECHANICAL, INC.					1,520.00
MOLUF'S					
Bill	10/8/2013	232442*1850	10/18/2013	297	1,467.71
Total MOLUF'S					1,467.71
NATHANIEL GATHERS					
Bill	10/8/2013	100813*1850	10/18/2013	297	500.00
Total NATHANIEL GATHERS					500.00
PASSION MASONRY					
Bill	9/27/2013	14*1850	10/7/2013	308	1,350.00
Bill	9/27/2013	15*2662	10/7/2013	308	2,400.00
Bill	10/7/2013	32*1850	10/17/2013	298	1,650.00
Bill	10/16/2013	20*1850	10/26/2013	289	975.00
Bill	11/20/2013	30*2662	11/30/2013	254	1,550.00
Total PASSION MASONRY					7,925.00
PELICAN IMPROVEMENTS, LLC					
Bill	10/21/2013	102113*1850	10/31/2013	284	500.00
Total PELICAN IMPROVEMENTS, LLC					500.00
SCE&G					
Credit	4/3/2014				-59.73

10:28 AM

08/11/14

J Brown Contractors, LLC
Unpaid Bills Detail
 As of August 11, 2014

Type	Date	Num	Due Date	Aging	Open Balance
Total SCE&G					-59.73
SIGNATURE KITCHENS & BATHS					
Bill	8/29/2013	6177*957	9/8/2013	337	4,476.37
Total SIGNATURE KITCHENS & BATHS					4,476.37
SOUTHERN LUMBER					
Credit	2/28/2013	971284c*7			-389.37
Credit	3/29/2013	975307C*7			-386.91
Credit	8/15/2013	994375C*2662			-130.20
Credit	7/31/2014	049287 gordon			-75.71
Bill	7/16/2013	989911*957	7/31/2013	376	219.38
Bill	7/23/2013	991020*957	7/31/2013	376	52.02
Bill	9/18/2013	999126*2662	9/30/2013	315	174.98
Bill	9/18/2013	999060*2662	9/30/2013	315	1,021.64
Bill	9/12/2013	998252*2662	9/30/2013	315	83.61
Bill	9/30/2013	010811*1850	10/30/2013	285	27.17
Bill	10/8/2013	011981*1850	10/31/2013	284	241.90
Bill	10/4/2013	011654*2662	10/31/2013	284	318.22
Bill	10/16/2013	013214*1850	10/31/2013	284	29.61
Bill	10/10/2013	012442*1850	10/31/2013	284	8.89
Bill	10/15/2013	013032*1850	10/31/2013	284	17.03
Bill	10/15/2013	013021*1850	10/31/2013	284	7.26
Bill	10/15/2013	13021*1850	10/31/2013	284	7.26
Bill	10/15/2013	13032*1850	10/31/2013	284	17.03
Bill	10/16/2013	13214*1850	10/31/2013	284	29.61
Bill	10/25/2013	014425*2662	10/31/2013	284	33.76
Bill	11/1/2013	015611*1850	11/30/2013	254	183.61
Bill	11/12/2013	017021*2662	11/30/2013	254	485.93
Bill	11/20/2013	018067*1850	11/30/2013	254	260.10
Bill	12/11/2013	020616*2662	12/31/2013	223	270.68
Bill	12/9/2013	020188*2662	12/31/2013	223	225.26
Total SOUTHERN LUMBER					2,732.76
SUNBELT RENTALS					
Deposit	1/8/2014				440.94
Total SUNBELT RENTALS					440.94
THE HARDWOOD FLOORING & TILE GUYS, LLC					
Bill	9/27/2013	838*2662	10/7/2013	308	1,675.00
Bill	11/8/2013	859*2662	11/18/2013	266	4,258.65
Total THE HARDWOOD FLOORING & TILE GUYS, LLC					5,933.65
TILE & STONE DESIGN STUDIO					
Bill	8/20/2013	6129*1850	8/30/2013	346	1,091.41
Total TILE & STONE DESIGN STUDIO					1,091.41
TOMAS GUAJARDO					
Bill	9/14/2013	091413*2662	9/24/2013	321	2,000.00
Bill	9/17/2013	091713*2662	9/27/2013	318	350.00
Bill	9/20/2013	092013*2662	9/30/2013	315	800.00
Bill	9/30/2013	1*1850	10/10/2013	305	800.00
Bill	9/30/2013	2*1850	10/10/2013	305	1,000.00
Total TOMAS GUAJARDO					4,950.00
TRASH GURL					
Bill	2/19/2013	11663*2300	3/1/2013	528	375.00
Bill	7/22/2013	14397*957	8/1/2013	375	375.00
Bill	9/28/2013	15937*1850	10/8/2013	307	485.04
Bill	10/19/2013	16449*2662	10/29/2013	286	375.00
Bill	11/9/2013	16878*1850	11/19/2013	265	375.00
Bill	11/16/2013	17112*2662	11/26/2013	258	375.00
Total TRASH GURL					2,360.04
VICENTE GUERRERO HERNANDEZ					
Credit	10/21/2013	1445*1850			-1,084.86
Bill	10/8/2013	1*1850	10/18/2013	297	700.00
Bill	10/8/2013	1*1850	10/18/2013	297	400.00

10:28 AM

08/11/14

J Brown Contractors, LLC
Unpaid Bills Detail
As of August 11, 2014

Type	Date	Num	Due Date	Aging	Open Balance
Total VICENTE GUERRERO HERNANDEZ					15.14
VLN LLC					
Credit	4/9/2014	035732*1302			-463.16
Bill	7/24/2013	2992*957	8/3/2013	373	3,050.00
Bill	7/26/2013	4000*957	8/5/2013	371	300.00
Bill	7/30/2013	2993*957	8/9/2013	367	4,275.00
Bill	8/18/2013	4002*957	8/28/2013	348	1,200.00
Bill	9/19/2013	4013*2662	9/29/2013	316	300.00
Bill	9/20/2013	4016*2662	9/30/2013	315	750.00
Total VLN LLC					9,411.84
WILLIAM SMITH FIREPLACES					
Bill	10/28/2013	WSF-9917*2662	11/7/2013	277	1,394.00
Bill	10/28/2013	WSF-9919*2662	11/7/2013	277	4,361.50
Total WILLIAM SMITH FIREPLACES					5,755.50
TOTAL					245,719.91

11:54 AM
09/12/14

J Brown Contractors, LLC
Customer Balance Detail
All Transactions

Type	Date	Num	Account	Class	Amount	Balance
1850 FLAGG ST						
Payment	8/14/2012	5438	11000 - Accounts R...		-25,000.00	-25,000.00
Invoice	9/12/2012	23	11000 - Accounts R...		31,392.15	6,392.15
Payment	9/19/2012	5447	11000 - Accounts R...		-31,392.15	-25,000.00
Invoice	9/21/2012	31	11000 - Accounts R...		10,606.37	-14,393.63
Payment	9/26/2012	6449	11000 - Accounts R...		-10,606.37	-25,000.00
Invoice	10/15/2012	43	11000 - Accounts R...		21,825.79	-3,174.21
Payment	10/24/2012	5470	11000 - Accounts R...		-21,825.79	-25,000.00
Invoice	11/5/2012	54	11000 - Accounts R...		31,032.58	6,032.58
Payment	11/5/2012	5471	11000 - Accounts R...		-31,032.68	-25,000.10
Invoice	11/13/2012	59	11000 - Accounts R...		0.00	-25,000.10
Invoice	12/3/2012	63	11000 - Accounts R...		35,750.73	10,750.63
Payment	12/10/2012	5477	11000 - Accounts R...		-35,750.73	-25,000.10
Invoice	12/10/2012	65	11000 - Accounts R...		171,449.20	146,449.10
Payment	12/14/2012	5483	11000 - Accounts R...		-171,449.20	-25,000.10
Invoice	12/14/2012	69	11000 - Accounts R...		80,783.16	55,763.06
Payment	1/2/2013	5484	11000 - Accounts R...		-80,783.16	-25,000.10
Invoice	1/4/2013	73	11000 - Accounts R...		33,366.87	8,366.77
Payment	1/14/2013	5509	11000 - Accounts R...		-33,366.87	-25,000.10
Invoice	1/14/2013	74	11000 - Accounts R...		89,951.58	34,951.48
Payment	1/18/2013	5502	11000 - Accounts R...		-59,951.58	-25,000.10
Invoice	1/29/2013	80	11000 - Accounts R...		45,996.55	20,996.45
Payment	2/5/2013	5503	11000 - Accounts R...		-45,996.55	-25,000.10
Invoice	2/15/2013	83	11000 - Accounts R...		75,965.54	50,965.44
Payment	2/28/2013	5506	11000 - Accounts R...		-75,965.54	-25,000.10
Invoice	3/11/2013	99	11000 - Accounts R...		50,472.72	25,472.62
Invoice	4/3/2013	109	11000 - Accounts R...		88,036.99	113,509.61
Payment	4/16/2013	5527	11000 - Accounts R...		-50,472.72	63,036.89
Payment	5/1/2013	5554	11000 - Accounts R...		-76,553.90	-13,517.01
Invoice	5/6/2013	119	11000 - Accounts R...		114,373.86	100,856.85
Payment	5/17/2013	5556	11000 - Accounts R...		-99,456.55	1,401.30
Invoice	6/4/2013	130	11000 - Accounts R...		78,874.67	80,275.97
Payment	6/12/2013	5565	11000 - Accounts R...		-88,586.67	11,689.30
Invoice	6/26/2013	137	11000 - Accounts R...		88,351.78	80,041.08
Payment	7/9/2013	5670	11000 - Accounts R...		-57,186.20	-2,854.88
Invoice	7/22/2013	151	11000 - Accounts R...		110,990.31	133,845.19
Payment	7/26/2013		11000 - Accounts R...		-96,513.31	37,331.88
Invoice	8/6/2013	155	11000 - Accounts R...		86,024.98	123,356.86
Payment	8/15/2013	5592	11000 - Accounts R...		-74,804.33	48,552.53
Invoice	9/4/2013	161	11000 - Accounts R...		98,293.67	144,846.20
Invoice	9/16/2013	165	11000 - Accounts R...		12,962.19	157,808.39
Payment	9/23/2013		11000 - Accounts R...		-74,733.64	83,074.75
Invoice	10/14/2013	170	11000 - Accounts R...		83,317.80	166,392.55
Payment	10/25/2013	5621	11000 - Accounts R...		-9,143.23	157,249.32
Credit Memo	11/14/2013	175	11000 - Accounts R...		-1,495.00	155,754.32
Invoice	12/9/2013	181	11000 - Accounts R...		50,674.27	206,428.59
Total 1850 FLAGG ST					206,428.59	206,428.59
TOTAL					206,428.59	206,428.59

LAST ONE

9

J Brown Contractors, LLC

103 Palm Blvd
Suite 3A
Isle of Palms, SC 29451

Invoice

Date	Invoice #
12/9/2013	181

Bill To
1850 FLAGG ST

JEFF WAS PAID
ON

Description	Amount
TRASH REMOVAL: TRASH GURL #15709	75.00
CABINETS: DISHER CABINETS #1294	1,500.00
MISCELLANEOUS EXPENSES: VLN #4014	300.00
FINISH HARDWARE: BIRD DECORATIVE HARDWARE #S1076877	837.48
PLUMBING FIXTURES: MOLUF'S #0232442	1,467.71
DRYWALL: NATHANIEL GATHERS 10/9/13	500.00
INTERIOR TRIM: SOUTHERN LUMBER #012442	8.89
STEREO SYSTEM: LINKED AV #AM-10003	4,914.02
INTERIOR TRIM: SOUTHERN LUMBER #013032	17.03
WOOD FRAMING: SOUTHERN LUMBER #013021	7.26
WOOD FRAMING: SOUTHERN LUMBER #013032	17.03
PUNCH LIST- ALLOWANCES: CLAYTON HUGHES WE101613	840.00
PUNCH LIST- ALLOWANCES: KENNY BRINSON WE101613	1,435.00
PROJECT MANAGEMENT: CAMERON GLAWS WE101613	1,190.00
MISCELLANEOUS EXPENSES: ROYALL ACE HARDWARE 10/14/13	16.80
MISCELLANEOUS EXPENSES: ROYALL ACE HARDWARE 10/15/13	67.69
FASTNERS, NAILS, SCREWS: CNT #013214	29.61
CLEAN: PASSION MASONRY #20	975.00
ADMINISTRATIVE / ACCOUNTING	200.00
SPRINKLER SYSTEM: COASTAL PLUMBING & GAS #10490	8,335.64
CLEAN: PELICAN #102113	500.00
FINISH HARDWARE: BIRD DECORATIVE HARDWARE #S1077598	810.46
PUNCH LIST- ALLOWANCES: KENNY BRINSON WE1012313	1,480.00
PUNCH LIST- ALLOWANCES: CLAYTON HUGHES WE102313	1,155.00
PROJECT MANAGEMENT: CAMERON GLAWS WE102313	1,400.00
ADMINISTRATIVE / ACCOUNTING	200.00
PUNCH LIST- ALLOWANCES: CAMERON GLAWS WE103013	210.00
PUNCH LIST- ALLOWANCES: CLAYTON HUGHES WE103013	700.00
ADMINISTRATIVE / ACCOUNTING	200.00
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #015611	183.61
PROJECT MANAGEMENT: CAMERON GLAWS WE110613	700.00
PUNCH LIST- ALLOWANCES: CLAYTON HUGHES WE110613	560.00
ADMINISTRATIVE / ACCOUNTING	200.00
SCREEN DOORS: FOUR CORNERS #1956	2,429.53
Total	

J Brown Contractors, LLC

103 Palm Blvd
 Suite 3A
 Isle of Palms, SC 29451

Invoice

Date	Invoice #
12/9/2013	181

Bill To
1850 FLAGG ST

Description	Amount
TRASH REMOVAL: TRASH GURL #16878	375.00
PLUMBING: COASTAL PLUMBING & GAS #10644	212.50
CHANGE ORDER - ELECTRICAL: BARRY LINGENFELTER 11/12/13	1,230.50
HVAC: M & S MECHANICAL #5167	250.00
PROJECT MANAGEMENT: CAMERON GLAWS WE111313	980.00
PUNCH LIST- ALLOWANCES: CLAYTON HUGHES WE111313	210.00
ADMINISTRATIVE / ACCOUNTING	200.00
CHANGE ORDER - ELECTRICAL: BARRY LINGENFELTER 11/18/13	260.00
FINISH HARDWARE: FOUR CORNERS #1983	1,600.16
INTERIOR TRIM: SOUTHERN LUMBER #018067	260.10
ADMINISTRATIVE / ACCOUNTING	200.00
HVAC: M & S MECHANICAL #5188	1,270.00
PUNCH LIST- ALLOWANCES: CLAYTON HUGHES WE112713 & WE120413	1,295.00
PROJECT MANAGEMENT: CAMERON GLAWS WE112713 & WE120413	1,365.00
MISCELLANEOUS EXPENSES ROYALL ACE HARDWARE 11/14/13	9.21
MISCELLANEOUS EXPENSES: ROYALL ACE HARDWARE 11/27/13	34.22
MISCELLANEOUS EXPENSES: ROYALL ACE HARDWARE 11/26/13	30.13
INTERIOR TRIM: M-L WOODWORKS 12/4/13	900.00
OVERHEAD & PROFIT (\$44,064.58 * 15%)	6,609.69
Total	\$50,674.27

JB

J Brown Contractors, LLC

103 Palm Blvd
 Suite 3A
 Isle of Palms, SC 29451

Invoice

Date	Invoice #
10/14/2013	170

Bill To
1850 FLAGG ST

Description	Amount
CERAMIC TILE: TILE & STONE DESIGN STUDIO #6129	1,091.41
HVAC: M & S MECHANICAL #4836	82.50
PLUMBING FIXTURES: MOLUF'S #0230551	35.26
CLEAN: ARMONDO RICO #512201	280.00
PROJECT MANAGEMENT: CAMERON GLAWS WE091113	1,190.00
EXTERIOR CARPENTRY: KENNY BRINSON WE091113	1,120.00
TILING: CLAYTON HUGHES WE091113	1,400.00
MISCELLANEOUS EXPENSES: HUGHES LUMBER 9/10/13	55.90
MISCELLANEOUS EXPENSES: ROYALL ACE HARDWARE 9/6/13	53.58
MISCELLANEOUS EXPENSES: LOWES 9/9/13	93.00
MISCELLANEOUS EXPENSES: ROYALL ACE HARDWARE 9/10/13	55.62
MISCELLANEOUS EXPENSES: HUGHES LUMBER 9/11/13	40.66
INTERIOR TRIM: RODRIGO ESPARZA	825.00
TRASH REMOVAL: TRASH GURL #15674	375.00
MARBLE / SLATE / GRANITE: WORLD GRANITE 9/12/13	949.12
FINISH HARDWARE: MT PLEASANT LOCK SERVICE 9/12/13	93.00
INTERIOR TRIM: SOUTHERN LUMBER #998338	224.98
PLUMBING FIXTURES: MOLUF'S #0231094	9,043.43
PLUMBING FIXTURES: MOLUF'S #0231095	3,426.52
TRASH REMOVAL: TRASH GURL #15709	75.00
ELECTRICAL: BARRY LINGENFELTER #8	5,125.00
GLASS SHOWER DOOR: GLASS ETC #1421	2,571.45
GLASS SHOWER DOOR: GLASS ETC #1420	3,629.60
MARBLE / SLATE / GRANITE: PALMETTO SURFACING #08-7467	909.00
ELECTRICAL: BARRY LINGENFELTER 9/17/13	2,776.00
INTERIOR TRIM: SOUTHERN LUMBER #998908	112.13
PROJECT MANAGEMENT: CAMERON GLAWS WE091813	1,400.00
PUNCH LIST- ALLOWANCES: KENNY BRINSON WE091813	1,260.00
TILING: CLAYTON HUGHES WE091813	1,225.00
MISCELLANEOUS EXPENSES: LOWES 9/17/13	88.99
MISCELLANEOUS EXPENSES: ROYALL ACE HARDWARE 9/18/13	46.01
MISCELLANEOUS EXPENSES: 84 LUMBER #2407-76251	126.38
MISCELLANEOUS EXPENSES: SPECTRUM PAINT #803220180	44.71
MISCELLANEOUS EXPENSES: CHARLESTON LIGHTING #2007962	189.00

Thank you for your business.	Total
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J Brown Contractors, LLC

103 Palm Blvd
Suite 3A
Isle of Palms, SC 29451

Invoice

Date	Invoice #
10/14/2013	170

Bill To
1850 FLAGG ST

Description	Amount
DRYWALL: NATHANIEL GATHERS 9/18/13	500.00
CLEAN: ARMONDO RICO #512202	190.00
ADMINISTRATIVE / ACCOUNTING	200.00
EQUIPMENT EXPENSE: VLN #4014	300.00
CHANGE ORDER *** FLOORING: JOHN GRIFFITHS HARDWOOD FLOORS #4105	3,589.50
DRYWALL: NATHANIEL GATHERS 9/23/13	1,950.00
ARCH/ENGR/SURV: VOLKMAR CONSULTING SERVICES, LLC #14462	504.75
FINISH HARDWARE: BIRD DECORATIVE HARDWARE #S1076825	405.60
ROUGH CARPENTRY: CAMERON GLAWS WE092513	1,085.00
ROUGH CARPENTRY: KENNY BRINSON WE092513	1,400.00
ROUGH CARPENTRY: CLAYTON HUGHES WE092513	1,400.00
DRYWALL: NATHANIEL GATHERS 9/23/13	350.00
ADMINISTRATIVE / ACCOUNTING	200.00
EXTERIOR CARPENTRY: SERIOUS BUSINESS PAINTING #635764	440.00
CLEAN: PASSION MASONRY #14	1,350.00
TRASH REMOVAL: TRASH GURL #15937	485.04
CHANGE ORDER - PAINTING: TOMAS GUAJARDO #1	800.00
CHANGE ORDER - PAINTING: TOMAS GUAJARDO 9/30/13	1,000.00
INTERIOR TRIM: SOUTHERN LUMBER #010811	27.17
ARCH/ENGR/SURV: JOHN B WADE, JR #585-13	400.00
CERAMIC TILE: DAL TILE #Y10962139B	171.44
INTERIOR CARPENTRY: CAMERON GLAWS WE100213	1,155.00
INTERIOR CARPENTRY: KENNY BRINSON WE100213	1,400.00
INTERIOR CARPENTRY: CLAYTON HUGHES WE100213	1,400.00
ADMINISTRATIVE / ACCOUNTING	200.00
MEMBRANE ROOFING: CAROLINA FIBERGLASS 10/3/13	1,000.00
CABINETS: FOUR CORNERS #1883	775.86
SCREEN DOORS: FOUR CORNERS #1884	1,377.52
CLEAN: PASSION MASONRY #32	1,650.00
CHANGE ORDER - PAINTING: VICENTE GERNADEZ #1	400.00
PAINTING: VICENTE HERNANDEZ #1	700.00
EXTERIOR DOORS: SOUTHERN LUMBER #011981	241.90
DRYWALL: NATHANIEL GATHERS 10/8/13	500.00
PROJECT MANAGEMENT: CAMERON GLAWS WE100913	1,155.00

Thank you for your business.	Total
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J Brown Contractors, LLC

103 Palm Blvd
Suite 3A
Isle of Palms, SC 29451

Invoice

Date	Invoice #
10/14/2013	170

Bill To
1850 FLAGG ST

Description	Amount
INTERIOR CARPENTRY: KENNY BRINSON WE100913	1,400.00
TILING: CLAYTON HUGHES WE100913	1,400.00
MISCELLANEOUS EXPENSES: ROYALL ACE HARDWARE 10/9/13	20.58
MISCELLANEOUS EXPENSES: LOWES 9/23/13	5.35
CERAMIC TILE: DAL TILE Y109139355	16.68
MISCELLANEOUS EXPENSES: RODRIGO ESPARZA	555.00
CERAMIC TILE: DAL TILE #Y109062139B	100.80
MISCELLANEOUS EXPENSES: LOWES 9/30/13	28.65
MISCELLANEOUS EXPENSES: SPECTRUM PAINT #803220729	6.17
ADMINISTRATIVE / ACCOUNTING	200.00
OVERHEAD & PROFIT (\$72,450.26 * 15%)	10,867.54
Thank you for your business.	Total \$83,317.80
Page 3	

J Brown Contractors, LLC

103 Palm Blvd
 Suite 3A
 Isle of Palms, SC 29451

Invoice

Date	Invoice #
9/16/2013	165

Bill To
1850 FLAGG ST

Description	Amount
PLUMBING FIXTURES: MOLUF'S #0229581	169.91
PAINTING: SPECTRUM PAINT #803219023	72.56
PLUMBING FIXTURES: MOLUF'S #0230061	615.24
PLUMBING FIXTURES: MOLUF'S #0230060	-136.06
CLEAN: ARMONDO RICO #437649	400.00
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #996275	17.03
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #996874	109.61
CLEAN: LOWES 9/3/19	77.59
ADMINISTRATIVE / ACCOUNTING	200.00
CLEAN: ARMONDO RICO #437650	320.00
INTERIOR TRIM: SOUTHERN LUMBER #997038	90.39
PUNCH LIST- ALLOWANCES: CLAYTON HUGHES WE090413	980.00
PUNCH LIST- ALLOWANCES: KENNY BRINSON WE090413	1,190.00
PUNCH LIST- ALLOWANCES: CAMERON GLAWS WE090413	1,085.00
DRYWALL: NATHANIEL GATHERS 9/4/13	400.00
PAINTING: RODRIGO ESPARZA	825.00
PAINTING: SPECTRUM PAINT #803219538	45.84
PUNCH LIST- ALLOWANCES: ROYALL ACE HARDWARE 9/3/13	23.40
PUNCH LIST- ALLOWANCES: ROYALL ACE HARDWARE 9/3/13	22.76
PUNCH LIST- ALLOWANCES: ROYALL ACE HARDWARE 9/3/13	12.34
PUNCH LIST- ALLOWANCES: ARMONDO RICO CK #1057	350.00
GUTTER & DOWNSPOUT: GUTTER PRO'S #3363	2,030.00
INTERIOR TRIM: SOUTHERN LUMBER #997447	181.77
TILING: DAL TILE #Y108897733A	364.09
INSECT SCREENING: SERIOUS BUSINESS #629500	775.00
ADMINISTRATIVE / ACCOUNTING	200.00
WALL COVERINGS: ANN CAMERON #417832	850.00
OVERHEAD & PROFIT (\$11,271.47 *15%)	1,690.72
Thank you for your business.	
Total	\$12,962.19

J Brown Contractors, LLC

103 Palm Blvd
 Suite 3A
 Isle of Palms, SC 29451

Invoice

Date	Invoice #
9/4/2013	161

Bill To
1850 FLAGG ST

Description	Amount
SOLID SURFACES (CORIAN); EURO CRAFT #2098	2,500.00
PAINTING: KERSHAW PAINTING #9	5,000.00
HVAC: M & S MECHANICAL #4701	8,000.00
DESIGN: MCGREGOR JORDAN #58	180.00
CERAMIC TILE: MEL CER TILE #99318	198.49
FASTNERS, NAILS, SCREWS: SOUTHERN LUMBER #992869	85.13
TRASH REMOVAL: TRASH GURL #14743	375.00
PORCH & RAILING PACKAGE: SOUTHERN LUMBER #993122	483.79
CERAMIC TILE: DAL TILE #Y108675693	251.81
TILING: CORTNEY BISHOP DESIGN #4920	442.79
DRYWALL: NATHANIEL GATHERS 8/6/13	300.00
PLUMBING FIXTURES: MOLUF'S #0228791	256.28
PLUMBING FIXTURES: MOLUF'S #0228790	1,130.84
CHANGE ORDER - PAINTING: CORTNEY BISHOP DESIGN #4923	1,061.74
ADMINISTRATIVE / ACCOUNTING	200.00
CLEAN: ARMONDO RICO #437646	320.00
INTERIOR CARPENTRY: CLAYTON HUGHES WE080713	1,575.00
INTERIOR CARPENTRY: KENNY BRINSON WE080713	1,225.00
INTERIOR CARPENTRY: CAMERON GLAWS WE080713	1,400.00
MISCELLANEOUS EXPENSES: ROYALL ACE HARDWARE 8/5/13	6.50
MISCELLANEOUS EXPENSES: LOWES 8/5/13	58.70
MISCELLANEOUS EXPENSES: LOWES 8/5/13	40.61
MISCELLANEOUS EXPENSES: ROYALL ACE HARDWARE 8/1/13	49.87
MISCELLANEOUS EXPENSES: ROYALL ACE HARDWARE 8/1/13	58.56
MISCELLANEOUS EXPENSES: ROYALL ACE HARDWARE 7/31/13	32.83
MISCELLANEOUS EXPENSES: LOWES 8/1/13	58.13
PUNCH LIST- ALLOWANCES: AAA BATH TUB REGLAZING #662079	49.50
TILING: THE HARDWOOD FLOORING & TILE GUYS #823	10,595.88
WOOD FRAMING: SOUTHERN LUMBER #993237	69.65
ADMINISTRATIVE / ACCOUNTING	200.00
ACCOUSTICAL CEILING: SOUTHERN LUMBER #993630	72.27
MARBLE / SLATE / GRANITE: TILE & STONE DESIGN STUDIO #6109	225.00
EQUIPMENT RENTAL: VLN #2997	300.00
INTERIOR CARPENTRY: CAMERON GLAWS WE081413	1,295.00
Total	

J Brown Contractors, LLC

103 Palm Blvd
Suite 3A
Isle of Palms, SC 29451

Invoice

Date	Invoice #
9/4/2013	161

Bill To
1850 FLAGG ST

Description	Amount
INTERIOR CARPENTRY: KENNY BRINSON WE081413	1,330.00
INTERIOR CARPENTRY: CLAYTON HUGHES WE081413	1,400.00
PUNCH LIST- ALLOWANCES: THE HOME DEPOT #1118-282795	64.71
CERAMIC TILE: DAL TILE #Y108699847	219.42
CERAMIC TILE: DAL TILE #Y108675693	251.81
CLEAN: ARMONDO RICO #437647	240.00
STUCCO: CAMB STUCCO 8/14/13	550.00
CABINETRY & MANTLE: M-L WOODWORKS 8/14/13	1,350.00
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #994184	36.97
INTERIOR DOORS: FOUR CORNERS #1774	1,423.62
FINISH HARDWARE: BIRD DECORATIVE HARDWARE #S1075619	475.36
SOLID SURFACES (CORIAN): JOHN MAKO #474427	2,300.00
ADMINISTRATIVE / ACCOUNTING	200.00
FIXED GLASS: GLASS ETC #1405	1,681.75
TRASH REMOVAL: TRASH GURL #14963	375.00
MISCELLANEOUS HARDWARE: BIRD DECORATIVE HARDWARE #S1075675	1,357.44
CERAMIC TILE: TILE & STONE DESIGN STUDIO #8212	1,981.78
MISCELLANEOUS HARDWARE: BIRD DECORATIVE HARDWARE #S1075754	611.75
MISCELLANEOUS HARDWARE: BIRD DECORATIVE HARDWARE #S1075756	618.90
PAINTING: TOMAS GUAJARDO 8/7/13	1,300.00
PAINTING: TOMAS GUAJARDO 8/7/13	800.00
PAINTING: TOMAS GUAJARDO 8/7/13	790.00
MARBLE / SLATE / GRANITE: COASTAL SURFACES, INC #82013	280.00
CHANGE ORDER - PAINTING: RODRIGO ESPARZA	825.00
ADMINISTRATIVE / ACCOUNTING	200.00
INTERIOR CARPENTRY: CLAYTON HUGHES WE082113	1,330.00
INTERIOR CARPENTRY: KENNY BRINSON WE082113	1,120.00
INTERIOR CARPENTRY: CAMERON GLAWS WE082113	1,295.00
CLEAN: ARMONDO RICO #437648	300.00
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #995562	12.32
PLUMBING FIXTURES: BIRD DECORATIVE HARDWARE #S1075960	838.15
PLANTATION SHUTTERS: WINDWARD SHUTTERS #2932F	1,710.14
PLUMBING: COASTAL PLUMBING #10318	9,875.00
FINISH HARDWARE: BIRD DECORATIVE HARDWARE #S1075962	101.14
Total	

J Brown Contractors, LLC

103 Palm Blvd
Suite 3A
Isle of Palms, SC 29451

Invoice

Date	Invoice #
8/5/2013	155

Bill To
1850 FLAGG ST

Description	Amount
FINISH HARDWARE: BIRD DECORATIVE HARDWARE #S1071346.001	4,511.93
CHANGE ORDER - FINISH HARDWARE: MT PLEASANT LOCK SERVICES 7/5/13	69.00
INTERIOR TRIM: FOUR CORNERS #1737	1,805.77
INTERIOR CARPENTRY: CAMERON GLAWS WE072413	1,435.00
PUNCH LIST- ALLOWANCES: CLAYTON HUGHES WE072413	1,400.00
MISCELLANEOUS EXPENSES: ROYALL ACE HARDWARE 7/19/13	21.26
MISCELLANEOUS EXPENSES ROYALL ACE HARDWARE 7/18/13	37.93
INTERIOR CARPENTRY: KENNY BRINSON WE072413	840.00
CHANGE ORDER - DECKS & PORCHES: THE HARDWOOD FLOORING GUYS #813	4,740.00
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #990760	36.54
DECKS & PORCHES: TOMAS GUAJARDO 7/23/13	3,300.00
DECKS & PORCHES: TOMAS GUAJARDO 7/23/13	3,200.00
DECKS & PORCHES: TOMAS GUAJARDO 7/23/13	1,600.00
DECKS & PORCHES: TOMAS GUAJARDO 7/23/13	3,600.00
DRYWALL: NATHANIEL GATHERS 7/23/13	1,100.00
STERBO SYSTEM: LINKED AV #AM-10002	15,000.00
PAINTING: KERSHAW PAINTING #10	5,000.00
TILING: TILE & STONE DESIGN STUDIO #6094	1,284.94
HVAC: SEEGER HVAC #1364	1,300.00
WALL COVERINGS: CORTNEY BISHOP DESIGN #48814	1,885.73
SHELVING: M-L WOODWORKS 7/24/13	2,615.00
CLEAN: ARMONDO RICO #437643	400.00
ADMINISTRATIVE / ACCOUNTING	200.00
CLOSET: SOUTHERN LUMBER #991300	98.24
INTERIOR LIGHT FIXTURES: CED #1053721	1,051.37
FINISH HARDWARE: BIRD DECORATIVE HARDWARE #S1075012	338.52
CLOSET: SOUTHERN LUMBER #991541	49.49
INTERIOR TRIM: SOUTHERN LUMBER #991759	190.97
CHANGE ORDER - ELECTRICAL: BARRY LINGENFELTER 7/30/13	242.00
ELECTRICAL: BARRY LINGENFELTER #7	5,000.00
CHANGE ORDER - PAINTING: TOMAS GUAJARDO 7/31/13	600.00
MARBLE / SLATE / GRANITE: TILE & STONE DESIGN STUDIO #8155	854.27
CERAMIC TILE: TILE & STONE DESIGN STUDIO #8138	1,284.94
FINISH HARDWARE: BIRD DECORATIVE HARDWARE #S1075093	1,800.00
Thank you for your business.	Total
Page 1	

J Brown Contractors, LLC

103 Palm Blvd
 Suite 3A
 Isle of Palms, SC 29451

Invoice

Date	Invoice #
8/5/2013	155

Bill To
1850 FLAGG ST

Description	Amount
CLEAN: ARMONDO RICO #437645	400.00
TILING: MELCER TILE #99225	129.41
INTERIOR CARPENTRY: CAMERON GLAWS WE073113	1,505.00
INTERIOR CARPENTRY: KENNY BRINSON WE073113	1,260.00
INTERIOR CARPENTRY: CLAYTON HUGHES WE073113	1,400.00
MISCELLANEOUS EXPENSES: BUCK LUMBER #7268	161.12
MISCELLANEOUS EXPENSES: ROYALL ACE HARDWARE 7/30/13	8.59
MISCELLANEOUS EXPENSES: ROYALL ACE HARDWARE 7/3/13	8.65
INTERIOR TRIM: SOUTHERN LUMBER #992142	63.66
PAINTING: TOMAS GUAJARDO 7/31/13	1,500.00
PAINTING: TOMAS GUAJARDO 7/31/13	1,200.00
ADMINISTRATIVE / ACCOUNTING	200.00
TEMPORARY TOILETS: TRASH GURL #14571	75.00
OVERHEAD & PROFIT (74,804.33 * 15%)	11,220.65
Thank you for your business.	Total \$86,024.98

Page 2

J Brown Contractors, LLC

103 Palm Blvd
Suite 3A
Isle of Palms, SC 29451

Invoice

Date	Invoice #
7/22/2013	151

Bill To
1850 FLAGG ST

Description	Amount
PORCH & RAILING PACKAGE: A & R SHEET METAL #113662	3,622.73
FINISH HARDWARE: BIRD DECORATIVE HARDWARE #S1073974	97.72
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #987208	174.56
EXTERIOR CARPENTRY: ROYALL ACE HARDWARE 6/21/13	35.75
PLUMBING FIXTURES: MOLUF'S #0226260	4,352.32
DESIGN: CS ISLAND INTERIORS #1055	250.00
EXTERIOR CARPENTRY: ROYALL ACE HARDWARE 6/24/13	23.73
INTERIOR TRIM: SOUTHERN LUMBER #987505	510.80
PAINTING: KERSHAUW PAINTING #8	5,000.00
EXTERIOR CARPENTRY: ROYALL ACE HARDWARE 6/25/13	10.84
INTERIOR CARPENTRY: B & F CONSTRUCTION #726	1,172.00
PUNCH LIST- ALLOWANCES: ELLIOTT VICTORY WE062513	48.00
EXTERIOR CARPENTRY: CAMERON GLAWS WE062613	1,080.00
EXTERIOR CARPENTRY: JOHN SWEAT WE062613	1,230.00
INTERIOR CARPENTRY: M-L WOODWORKS WE062613	1,025.00
CLEAN: ARMONDO RICO #437633	160.00
DECKS & PORCHES: A & R SHEET METAL #113794	204.70
ADMINISTRATIVE / ACCOUNTING	200.00
FINISH HARDWARE: BIRD DECORATIVE HARDWARE #S1074238	9,536.05
INTERIOR TRIM: SOUTHERN LUMBER #988014	23.17
INTERIOR LIGHT FIXTURES: CED-CHARLESTON #1053721	3,154.10
DECKS & PORCHES: SOUTHERN LUMBER #988208	623.88
PORCH & RAILING PACKAGE: SOUTHERN LUMBER #988213	623.21
INTERIOR TRIM: SOUTHERN LUMBER #988211	366.20
EXTERIOR CARPENTRY: B & F CONSTRUCTION #733	1,137.50
DECKS & PORCHES: SOUTHERN LUMBER #988543	141.21
CLEAN: ARMONDO RICO #437635	240.00
ADMINISTRATIVE / ACCOUNTING	200.00
INTERIOR TRIM: FOUR CORNERS #1723	512.86
INTERIOR TRIM: FOUR CORNERS #1722	305.48
EXTERIOR CARPENTRY: M-L WOODWORKS #PUNCH 7/3/13	2,300.00
INTERIOR CARPENTRY: CAMERON GLAWS WE070313	1,225.00
PUNCH LIST- ALLOWANCES: ROYALL ACE HARDWARE 6/27/13	28.14
PUNCH LIST- ALLOWANCES: LOWES 7/3/13	42.76

Total

J Brown Contractors, LLC

103 Palm Blvd
 Suite 3A
 Isle of Palms, SC 29451

Invoice

Date	Invoice #
7/22/2013	151

Bill To
1850 FLAGG ST

Description	Amount
INTERIOR CARPENTRY: CORRECTION FOR UNDERPAYMENT FOR CAMERON GLAWS	385.00
INTERIOR CARPENTRY: JOHN SWEAT WE070313	1,085.00
DESIGN: MCGREGOR JORDAN #45	85.00
ACCOUSTICAL CEILING: THE HARDWOOD FLOORING GUYS #804 ****CHANGE ORDER****	1,000.25
FASTNERS, NAILS, SCREWS: SOUTHERN LUMBER #988889	85.13
CLEAN: ARMONDO RICO #437638	260.00
INTERIOR LIGHT FIXTURES: CORTNEY BISHOP DESIGN #509	579.92
CABINETS: CS ISLAND INTERIORS #1026	3,279.70
CABINETS: CS ISLAND INTERIORS #1030	1,243.00
INTERIOR CARPENTRY: M-L WOODWORKS WE071013	1,275.00
FLASHING & WATERPROOFING: ROYALL ACE HARDWARE 7/8/13	93.30
HVAC: ROYALL ACE HARDWARE 7/10/13	4.87
CERAMIC TILE: ROYALL ACE HARDWARE 7/8/13	31.76
INTERIOR CARPENTRY: CAMERON GLAWS WE071013	1,050.00
INTERIOR CARPENTRY: CLAYTON HUGHES WE071013	840.00
INTERIOR CARPENTRY: JOHN SWEAT WE071013	840.00
PAINTING: TOMAS GUAJARDO WE071113 ****CHANGE ORDER****	1,700.00
ADMINISTRATIVE / ACCOUNTING	200.00
TRASH REMOVAL: TRASH GURL #14172	375.00
PORCH & RAILING PACKAGE: SOUTHERN LUMBER #989354	83.91
CERAMIC TILE: TILE & STONE DESIGN STUDIO #8103	1,043.77
TEMPORARY TOILETS: TRASH GURL #14206	75.00
FINISH HARDWARE: BIRD DECORATIVE HARDWARE #S1074639	1,482.24
PAINTING: CORTNEY BISHOP DESIGN #4875	2,654.34
STUCCO: CAMB STUCCO 7/16/13	1,500.00
PORCH & RAILING PACKAGE: SOUTHERN LUMBER #989920	25.62
CLOSET: M-L WOODWORKS PUNCH ****CHANGE ORDER****	5,175.00
KITCHEN EQUIPMENT: SIGNATURE KITCHENS & BATH #6043	2,656.11
EQUIPMENT RENTAL: VLN #2987	300.00
ELECTRICAL ROUGH IN MATERIALS: CORTNEY BISHOP DESIGN #4877	829.48
INTERIOR CARPENTRY: CAMERON GLAWS WE071713	1,330.00
INTERIOR CARPENTRY: CLAYTON HUGHES WE071713	1,505.00
MISCELLANEOUS EXPENSES: LOWES	34.98
MISCELLANEOUS EXPENSES: ROYALL ACE HARDWARE	46.19
	Total

J Brown Contractors, LLC

103 Palm Blvd
Suite 3A
Isle of Palms, SC 29451

Invoice

Date	Invoice #
6/26/2013	137

B# To
1850 FLAGG ST

Description	Amount
PLANTATION SHUTTERS: WINDWARD SHUTTERS #2932D	1,710.15
INTERIOR CARPENTRY: CAMERON GLAWS WE052813	402.50
PUNCH LIST- ALLOWANCES: ROYALL ACE HARDWARE 5/29/13	13.09
INTERIOR TRIM: FOUR CORNERS #1664	2,805.77
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #983944	816.59
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #983946	103.91
PLUMBING: MOLUF'S #0225180 ****CHANGE ORDER****	3,090.00
FASTNERS, NAILS, SCREWS: CNT #298988-1	49.64
INTERIOR TRIM: SOUTHERN LUMBER #984446	155.71
INTERIOR CARPENTRY: CAMERON GLAWS WE060413	840.00
EXTERIOR CARPENTRY: B & F CONSTRUCTION #701	857.50
INTERIOR TRIM: SOUTHERN LUMBER #984789	418.74
CLEAN: ARMONDO RICO #437628	160.00
TRASH REMOVAL: TRASH GURL #13482	375.00
ADMINISTRATIVE / ACCOUNTING	200.00
FASTNERS, NAILS, SCREWS: SOUTHERN LUMBER #985137	-99.20
WOOD FRAMING: SOUTHERN LUMBER #985093	382.98
PLUMBING FIXTURES: MOLUF'S #0225375	185.98
FINISH HARDWARE: BIRD DECORATIVE HARDWARE #S1073618	10,165.80
PUNCH LIST- ALLOWANCES: LOWES 6/10/13	50.42
PUNCH LIST- ALLOWANCES: ELLIOTT VICTORY WE060413	420.00
INTERIOR CARPENTRY: CAMERON GLAWS WE061113	900.00
TEMPORARY TOILETS: TRASH GURL #13622	75.00
INTERIOR TRIM: FOUR CORNERS #1684	182.28
CLEAN: ARMONDO RICO #437630	180.00
CLEAN: ARMONDO RICO #437630	80.00
HVAC: DORCHESTER HEATING & AIR 6/12/13 ****CHANGE ORDER****	4,905.00
DRYWALL: DARYL SMITH DRYWALL 6/12/13	500.00
PAINTING: KERSHAW PAINTING #7	5,000.00
INTERIOR TRIM: SOUTHERN LUMBER #985889	222.90
PLUMBING FIXTURES: MOLUF'S #0225692	6,429.37
PLUMBING FIXTURES: MOLUF'S #0225693	4,734.29
INTERIOR CARPENTRY: B & F CONSTRUCTION #718	1,155.00
INTERIOR CARPENTRY: M-L WOODWORK WE061213	2,400.00
Thank you for your business.	Total
Page 1	

J Brown Contractors, LLC

103 Palm Blvd
 Suite 3A
 Isle of Palms, SC 29451

Invoice

Date	Invoice #
6/26/2013	137

Bill To
1850 FLAGG ST

Description	Amount
PLUMBING FIXTURES: MOLUP'S #0226003	-466.78
WOOD FRAMING: BUCK LUMBER 6/18/13	174.79
INTERIOR CARPENTRY: JOHN SWEAT WE061913	990.00
INTERIOR CARPENTRY: M-L WOODWORKS #PUNCHLIST	2,675.00
INTERIOR TRIM: SOUTHERN LUMBER #986727	147.90
INTERIOR CARPENTRY: CAMERON GLAWS WE061913	840.00
FASTNERS, NAILS, SCREWS: ACE HARDWARE 5/28/13	23.13
FASTNERS, NAILS, SCREWS: ACE HARDWARE 6/19/13	49.87
PUNCH LIST- ALLOWANCES: ACE HARDWARE 6/19/13	34.00
ELECTRICAL: BARRY LINGENFELTER 06/19/13 ****CHANGE ORDER****	520.00
EQUIPMENT RENTAL: VLN #2968	600.00
ADMINISTRATIVE / ACCOUNTING	200.00
CLEAN: ARMONDO RICO #437631	80.00
MARBLE / SLATE / GRANITE: LOWCOUNTRY STONE SOLUTIONS #1768	3,700.00
OVERHEAD & PROFIT (\$59,436.33 * 15%)	8,915.45
Thank you for your business.	Total \$68,351.78

J Brown Contractors, LLC

103 Palm Blvd
 Suite 3A
 Isle of Palms, SC 29451

Invoice

Date	Invoice #
6/4/2013	130

Bill To
1850 FLAGG ST

Description	Amount
TRASH REMOVAL: TRASH GURL #12802	375.00
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #980313	605.25
FASTNERS, NAILS, SCREWS: CNT #297197-1	98.69
FASTNERS, NAILS, SCREWS: CNT #297230-1	98.69
INTERIOR TRIM: FOUR CORNERS #1626	327.50
STUCCO: CAMB STUCCO CK #1165	3,900.00
CLEAN: ARMONDO RICO #437620	160.00
INTERIOR CARPENTRY: CK #1170	6,832.00
ADMINISTRATIVE / ACCOUNTING	200.00
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #981073	142.14
LABORERS: ELLIOTT VICTORY 5/7/13	330.00
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #981229	71.08
EQUIPMENT RENTAL: VLN #2944	600.00
CLEAN: ARMONDO RICO #437622	80.00
WOOD FRAMING: SOUTHERN LUMBER #981434	520.80
WOOD FLOORING: THE HARDWOOD FLOORING GUYS #783 *****CHANGE ORDER*****	930.00
INTERIOR CARPENTRY: B & F CONSTRUCTION #677	3,150.00
WOOD FRAMING: SOUTHERN LUMBER #981582	190.09
CABINETS: CS ISLAND INTERIORS #1030	4,972.00
CABINETS: CS ISLAND INTERIORS #1026	8,199.25
INTERIOR CARPENTRY: CK #1170	2,809.00
ADMINISTRATIVE / ACCOUNTING	200.00
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #982160	1,398.98
PUNCH LIST- ALLOWANCES: B & F CONSTRUCTION #684	3,167.50
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #982628	498.02
INTERIOR CARPENTRY: M-L WOODWORKS #8	2,604.50
CLEAN: ARMONDO RICO #437623	160.00
ADMINISTRATIVE / ACCOUNTING	200.00
STUCCO: CAMB STUCCO CK #1178	3,200.00
INTERIOR CARPENTRY: M-L WOODWORKS #10*****CHANGE ORDER*****	300.00
INTERIOR CARPENTRY: M-L WOODWORKS #9	3,100.00
TEMPORARY TOILETS: TRASH GURL #13351	75.00
CLEAN: ARMONDO RICO #437626	170.00
PUNCH LIST- ALLOWANCES: B & F CONSTRUCTION #692	1,837.50
Thank you fer your business.	Total

J Brown Contractors, LLC

103 Palm Blvd
Suite 3A
Isle of Palms, SC 29451

Invoice

Date	Invoice #
6/4/2013	130

Bjll To
1850 FLAGG ST

Description	Amount
KITCHEN EQUIPMENT: SIGNATURE KITCHENS #5480/5683	10,933.74
PAINTING: KERSHAW PAINTING #6	5,000.00
ADMINISTRATIVE / ACCOUNTING	200.00
DRYWALL: DARYL SMITH DRYWALL 5/30/13 *****CHANGE ORDER*****	950.00
OVERHEAD & PROFIT (68,586.67 * 15%)	10,288.00
Thank you for your business.	Total \$78,874.67

J Brown Contractors, LLC

103 Palm Blvd
 Suite 3A
 Isle of Palms, SC 29451

Invoice

Date	Invoice #
5/6/2013	119

Bill To
1850 FLAGG ST

Description	Amount
PAINTING: KERSHAW PAINTING #3	3,000.00
PAINTING: KERSHAW PAINTING #2	2,000.00
HVAC: VLN #2890	3,000.00
STEREO SYSTEM: LINKED AV #AM-10002	704.80
GAS PIPING SYSTEM: VLN #2896	2,100.00
PAINTING: KERSHAW PAINTING #1	3,000.00
FASTNERS, NAILS, SCREWS: CNT #295326-1	58.37
PAINTING: KERSHAW PAINTING #4	10,000.00
TEMPORARY TOILETS: TRASH GURL #12379	75.00
TRASH REMOVAL: TRASH GURL #12430	375.00
DRYWALL: DARYL SMITH DRYWALL 4/15/13	11,700.00
EXTERIOR CARPENTRY: M-L WOODWORKS #4	2,205.00
INTERIOR TRIM: FOUR CORNERS #1586	1,270.27
ADMINISTRATIVE / ACCOUNTING	200.00
FIREFIGHTING DEVICES: ACME TOOLS #1874199	417.00
FASTNERS, NAILS, SCREWS: CNT #296149-1	214.21
CERAMIC TILE: BELLA VISTA TILE #1303-271	3,845.00
INTERIOR CARPENTRY: B & F CONSTRUCTION #657	12,530.00
CLEAN: ARMONDO RICO #437616	50.00
ADMINISTRATIVE / ACCOUNTING	200.00
MEMBRANE ROOFING: CAROLINA FIBERGLASS 4/24/13	4,000.00
INTERIOR CARPENTRY: M-L WOODWORKS #5	4,614.00
MEMBRANE ROOFING: CAROLINA FIBERGLASS 4/25/13	275.00
FASTNERS, NAILS, SCREWS: CNT #296648-1	191.88
WOOD FRAMING: SOUTHERN LUMBER #979075	728.94
EQUIPMENT EXPENSE: VLN #2933	600.00
WOOD FLOORING: THE HARDWOOD FLOORING GUYS #763	4,857.98
FASTNERS, NAILS, SCREWS: CNT #296805-1	101.99
CLEAN: ARMONDO RICO #437618	160.00
INTERIOR TRIM: FOUR CORNERS #1616	2,760.31
PORCH & RAILING PACKAGE: SOUTHERN LUMBER #979559	275.55
WOOD FRAMING: SOUTHERN LUMBER #979583	-22.27
INTERIOR CARPENTRY: M-L WOODWORKS #6	9,284.00
CLEAN: JOBSITE CLEANUP #3168	160.00
Total	

J Brown Contractors, LLC

103 Palm Blvd
Suite 3A
Isle of Palms, SC 29451

Invoice

Date	Invoice #
5/6/2013	119

Bill To
1850 FLAGG ST

Description	Amount
LABORERS: ELLIOTT VICTORY 24 HOURS @ \$35/HR X 4 WORKERS	3,360.00
ADMINISTRATIVE / ACCOUNTING	200.00
WOOD FLOORING: THE HARDWOOD FLOORING GUYS #766	5,963.50
PAINTING: KERSHAW PAINTING #5	5,000.00
OVERHEAD & PROFIT (\$99,455.53 * 15%)	14,918.33
Total	\$114,373.86

J Brown Contractors, LLC

103 Palm Blvd
Suite 3A
Isle of Palms, SC 29451

Invoice

Date	Invoice #
4/3/2013	109

Bill To
1850 FLAGG ST

Description	Amount
ELECTRICAL ROUGH IN MATERIALS: BARRY LINGENFELTER 2/19/13	248.00
SPRINKLER SYSTEM: COASTAL PLUMBING #9688	1,085.00
CLEAN: ARMONDO RICO #437603	80.00
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #972679	360.33
FASTNERS, NAILS, SCREWS: CNT #293667-1	101.22
FASTNERS, NAILS, SCREWS: CNT #293640-1	100.61
WOOD TRUSSES: CNT #293721-1	322.19
CLEAN: ARMONDO RICO #437604	80.00
EXTERIOR CARPENTRY: M-L WOODWORKS #7	1,240.00
WOOD FRAMING: SOUTHERN LUMBER #973051	184.35
WOOD FRAMING: SOUTHERN LUMBER #973042	351.84
WOOD FRAMING: SOUTHERN LUMBER #973235	203.11
ADMINISTRATIVE / ACCOUNTING	200.00
PUNCH LIST- ALLOWANCES: HOME DEPOT 2/19/13	430.09
PUNCH LIST- ALLOWANCES: LOWES 2/11/13	66.71
PUNCH LIST- ALLOWANCES: VLN #2898	1,560.00
WOOD FRAMING: SOUTHERN LUMBER #973543C	-270.74
WOOD FRAMING: SOUTHERN LUMBER #973438	129.70
SIDING & EXTERIOR TRIM: FOUR CORNERS #1588	1,280.22
HVAC: VLN #2900	2,100.00
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #973963	1,285.06
POOL DECK: BARRY LINGENFELTER 3/20/13	198.00
ELECTRICAL ROUGH IN MATERIALS: BARRY LINGENFELTER 3/20/13	740.00
STUCCO: CAMB STUCCO 3/20/13	1,500.00
CLEAN: ARMONDO RICO #437605	20.00
EXTERIOR CARPENTRY: M-L WOODWORKS #2	2,290.00
FASTNERS, NAILS, SCREWS: CNT #294285-1	263.66
PAINTING: KERSHAW PAINTING 3/20/13	3,000.00
ADMINISTRATIVE / ACCOUNTING	200.00
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #974142	31.77
INTERIOR TRIM: FOUR CORNERS #1522	3,332.21
FLOORING: THE HARDWOOD FLOORING GUYS #744	6,539.78
FASTNERS, NAILS, SCREWS: CNT# 294485-1	42.32
FASTNERS, NAILS, SCREWS: CNT #294464-1	114.85
Thank you for your business.	
Total	

J Brown Contractors, LLC

103 Palm Blvd
Suite 3A
Isle of Palms, SC 29451

Invoice

Date	Invoice #
4/3/2013	109

Bill To
1850 FLAGG ST

Description	Amount
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #974350	70.55
FASTNERS, NAILS, SCREWS: CNT #294578-1	103.08
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #974552	462.79
CABINETS: CS ISLAND #1035	2,487.00
CABINETS: CS ISLAND #1035	486.00
EQUIPMENT EXPENSE: VNL #2905	920.00
EXTERIOR CARPENTRY: M-L WOODWORKS #3	3,765.00
PROJECT MANAGEMENT	10,000.00
SOIL POISON: PALMETTO EXTERMINATING #687926	3,476.05
INTERIOR DOORS: FOUR CORNERS #1495	1,584.86
FASTNERS, NAILS, SCREWS: CNT #294860-1	122.33
FASTNERS, NAILS, SCREWS: CNT #294844-1	233.45
SIDING & EXTERIOR TRIM: SOUTHERN LUMBER #975133	62.41
FASTNERS, NAILS, SCREWS: CNT #295037-1	36.84
INTERIOR TRIM: FOUR CORNERS #1561	4,505.09
FASTNERS, NAILS, SCREWS: CNT #295105-1	158.25
CLEAN: ARMONDO RICO #437609	80.00
SIDING & EXTERIOR TRIM: FOUR CORNERS #1563	470.89
ROUGH CARPENTRY: M-L WOODWORKS #3	4,242.00
FASTNERS, NAILS, SCREWS: CNT #295182-1	93.58
INTERIOR TRIM: SOUTHERN LUMBER #975910	186.55
ADMINISTRATIVE / ACCOUNTING	200.00
EQUIPMENT EXPENSE: VLN #2911	600.00
INTERIOR TRIM: FOUR CORNERS #1567	232.90
WOOD FLOORING: THE HARDWOOD FLOORING GUYS #755	2,257.00
ADMINISTRATIVE / ACCOUNTING	200.00
MEMBRANE ROOFING: CAROLINA FIBERGLASS 4/8/13	1,547.00
WOOD FRAMING: B & F CONSTRUCTION #641	140.00
INSULATE - F/W/P: ENERGY FOAM INSULATION #23599	8,420.00
OVERHEAD & PROFIT (\$76,533.90 * 15%)	11,483.09
Thank you for your business.	
Total	\$88,036.99

VOLKMAR CONSULTING SERVICES, LLC

Environmental • Facilities • Materials

PO BOX 2485 • GOOSE CREEK • SOUTH CAROLINA • 29445
(843) 718-1032 • FAX (843) 718-1033
INFO@VOLKMAR.CONSULTING.COM

Performed By T. Volkmar 8/16/2013
Checked By RCY
Report Date 9/17/2013

Client Brown Contractors
103 Palm Boulevard
Isle of Palms, South Carolina 29451
Attention: Mr. Jay Brown
Project 1850 Flag Street
Project No. 13-2010
Project Location Sullivan's Island, South Carolina

Observations

Volkmar Consulting Services, LLC (VCS) visited the subject site on 8/16/2013. At the time of our site visit the residence was under construction. The purpose of our visit was to visually observe the second floor heating, ventilation, and air conditioning (HVAC) system operation relative to the adequacy of the air conditioning. Our observations and conclusions are listed below:

Mr. Thomas E. Volkmar, PE visited the site on 8/16/2013 and observed the approximate 1,600 square foot second floor living space. Exposed ventilation piping with registers were observed in the common hallway and the southern room. The remaining space contained registers at both the ceiling level and floor levels. The southern room was observed to contain a sloped ceiling and was measured to encompass approximately 200 square feet. The air handler was observed in the attic space and consisted of a Goodman ARUF SmartFrame 4 ton unit. The attic also contained an Altra Aire 70H dehumidification unit. Closed cell insulation foam was noted in the attic space observed.

During our visit we conducted observations, collected photographs, conducted limited physical air quality measurements using a Fluke model 971 unit, and collected measurements of the space using a Bosch laser.

VCS also conducted limited ACCA Manual J load calculations relative to the second floor space. The load calculations account for several factors in which the exact data was unavailable; however, engineering judgments were made based on our observations. Factors such as insulation values, sizing of walls, types of building materials, use of space, and additional factors are accounted for in the calculations. The calculations yielded a resultant energy requirement. Based on our limited assessment and understanding of the project, the second floor appears to have an adequately sized unit for the intended purpose. The attached dehumidification unit will also assist in the proper operation of the HVAC unit, if properly controlled.

The placement of vents and returns was not quantitatively evaluated but was qualitatively evaluated. The placement of an additional vent in the southern room is recommended to account for the increased load requirements of the space. The eastern room has a vent located adjacent to the air handling unit. Consideration of the installation of an exposed duct with additional vents may provide better distribution of the conditioned air in this area.

This report is intended for the use of Brown Contractors and is subject to the contractual terms agreed to for this project. Reliance on this document by any other party is forbidden without the express written consent of VCS, and that party's acceptance of mutually agreeable terms and conditions. Use of this report for purposes beyond those reasonably intended for Brown Contractors and VCS will be at the sole risk of the user.



Thomas E. Volkmar, PE
President / Principal Engineer
SC Registration Number: 27827

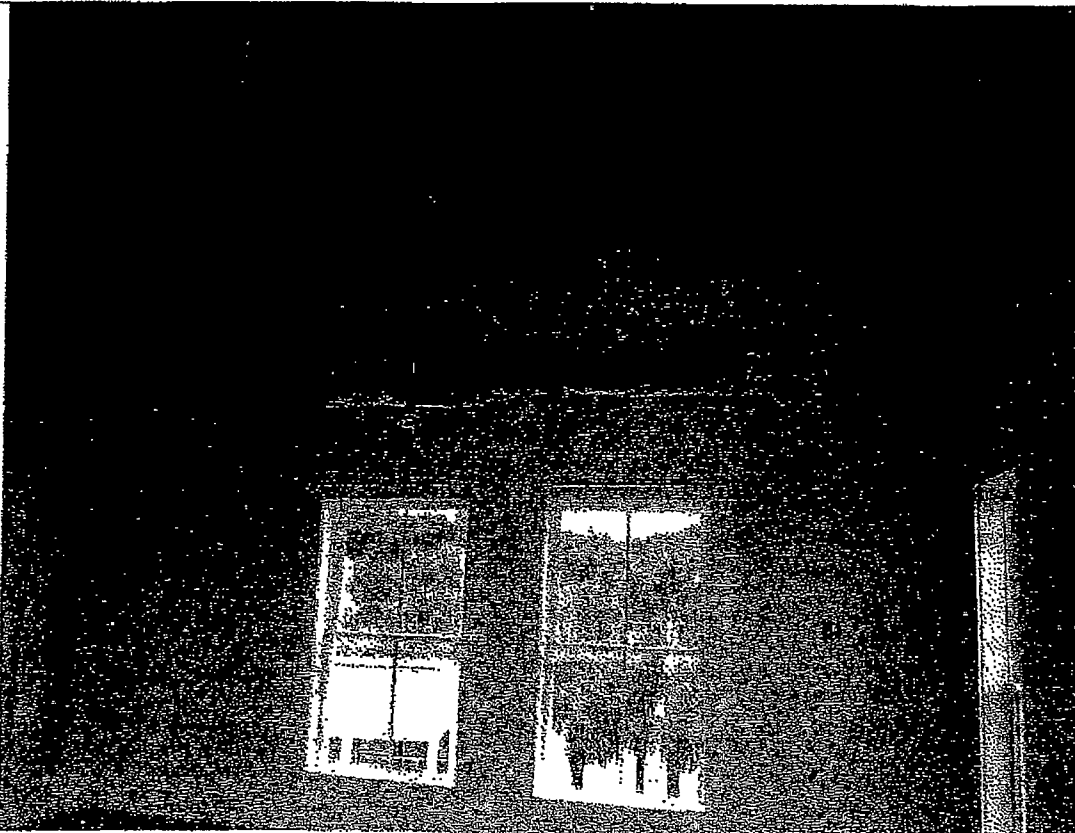
PHOTOGRAPH 1



DESCRIPTION
SECOND FLOOR HALL
WITH EXPOSED
VENTILATION PIPING.

DATE PHOTOGRAPH
OBTAINED: 8/16/2013

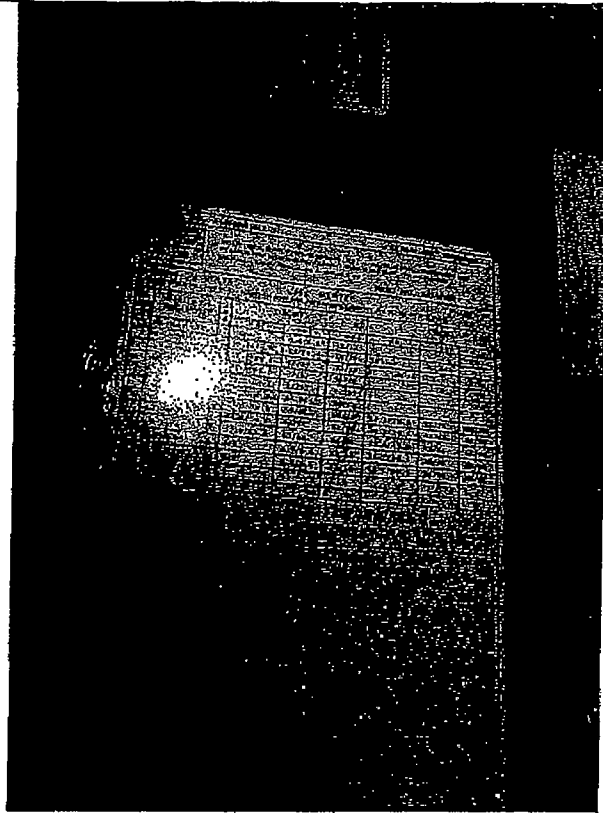
PHOTOGRAPH 2



DESCRIPTION
SECOND FLOOR
SOUTHERN ROOM
WITH EXPOSED
VENTILATION PIPING.

DATE PHOTOGRAPH
OBTAINED: 8/16/2013

PHOTOGRAPH 3



DESCRIPTION
HVAC AIR HANDLING
UNIT SPECIFICATION
TAG LOCATED IN THE
ATTIC SPACE

DATE PHOTOGRAPH
OBTAINED: 8/16/2013

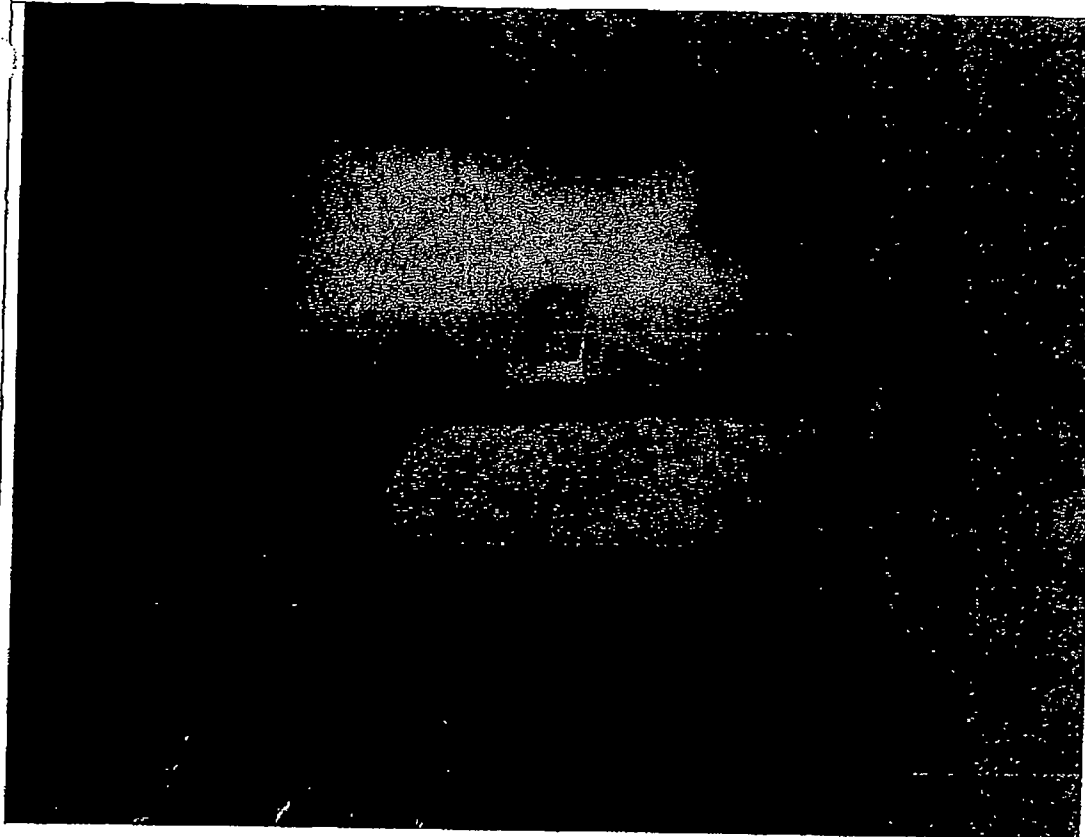
PHOTOGRAPH 4



DESCRIPTION
OBSERVED
DEHUMIDIFICATION
UNIT IN THE ATTIC
SPACE

DATE PHOTOGRAPH
OBTAINED: 8/16/2013

PHOTOGRAPH 5

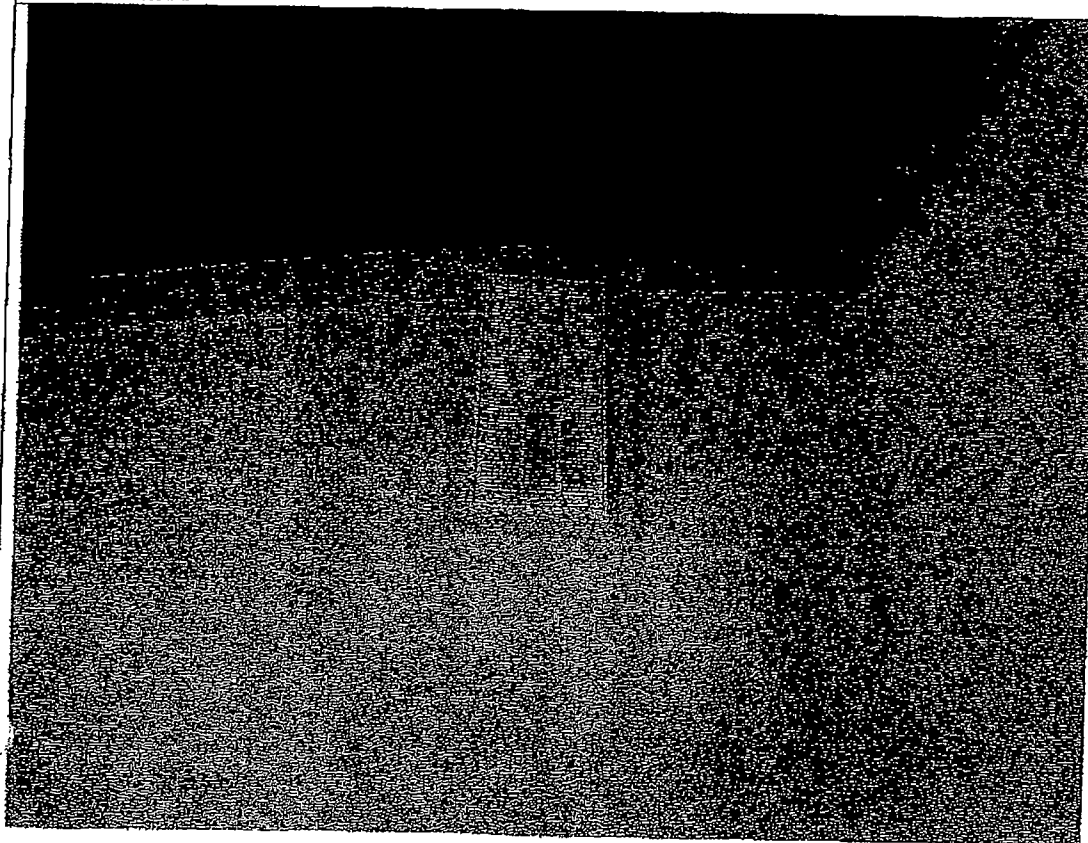


DESCRIPTION

VIEW OF ATTIC SPACE
CONTROLLER AND
CLOSED CELL
INSULATION.

DATE PHOTOGRAPH
OBTAINED: 8/16/2013

PHOTOGRAPH 6

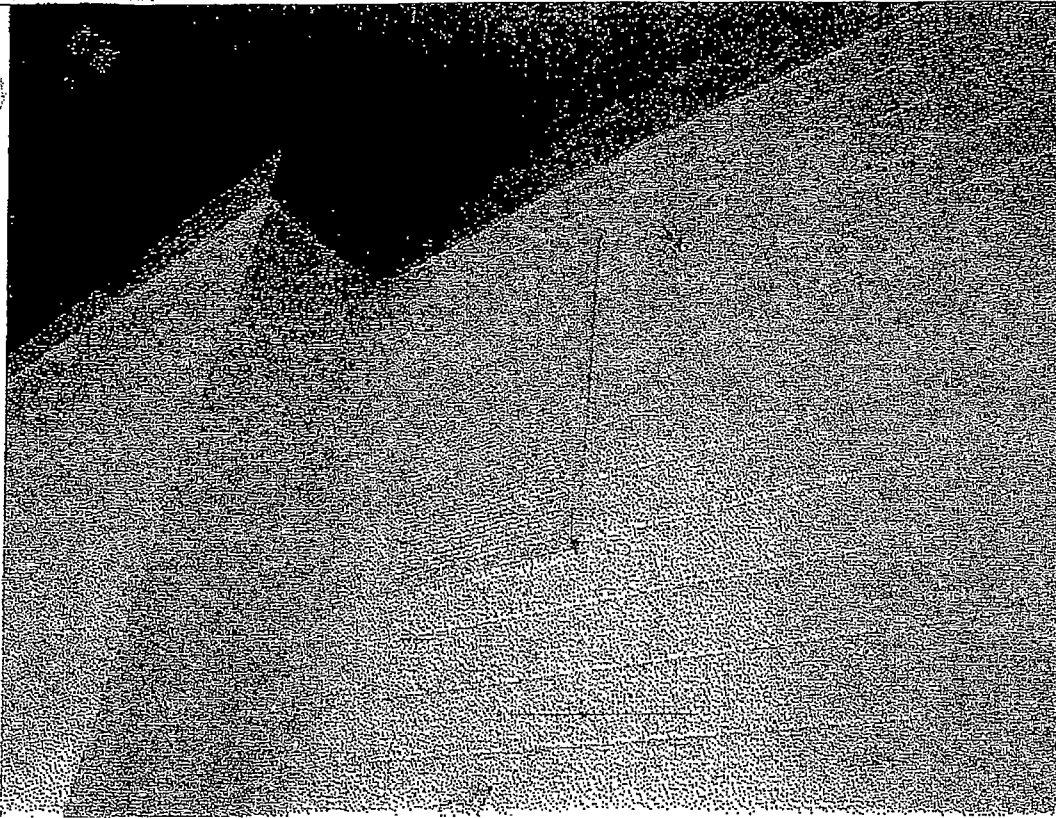


DESCRIPTION

VIEW OF EASTERN
ROOM VENT.


DATE PHOTOGRAPH
OBTAINED: 8/16/2013

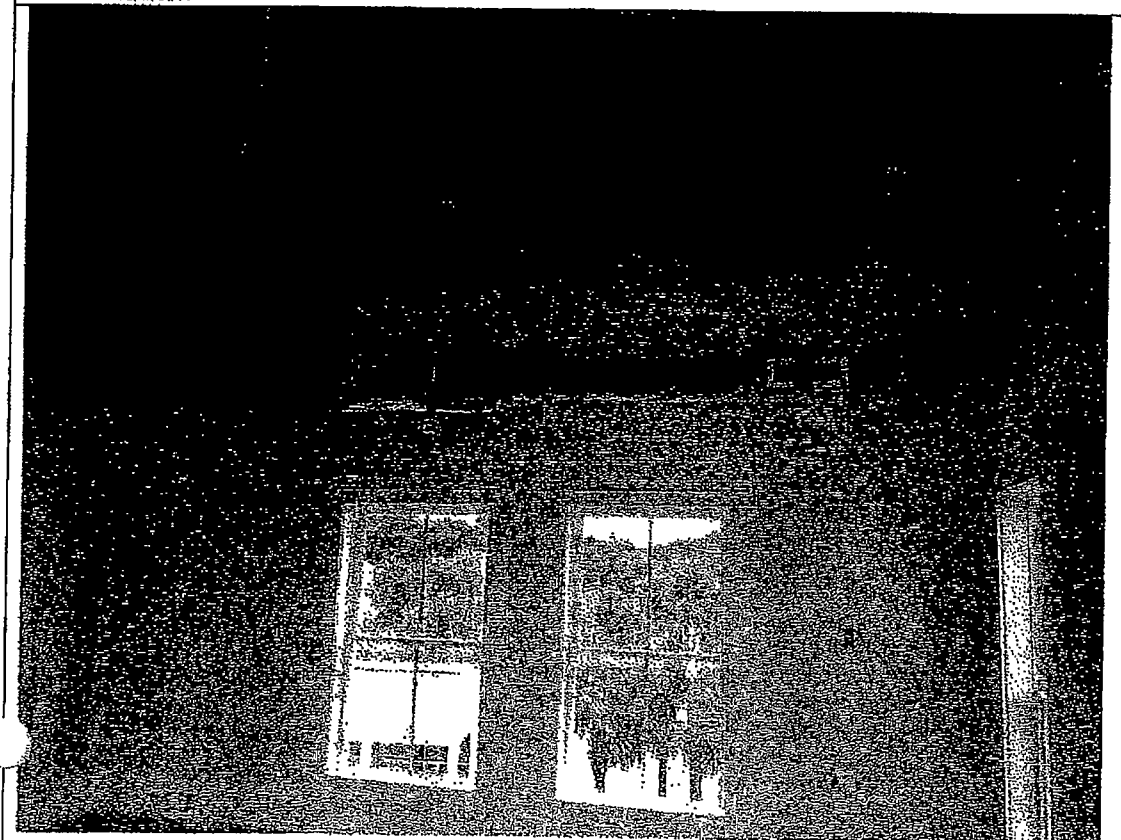
PHOTOGRAPH 7

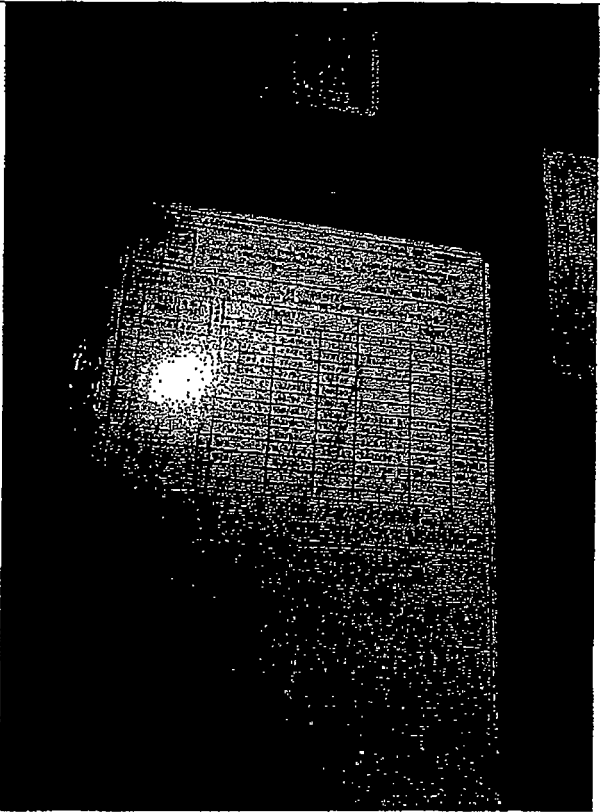



DESCRIPTION
VIEW OF SECOND
FLOOR RETURN.

DATE PHOTOGRAPH
OBTAINED: 8/16/2013

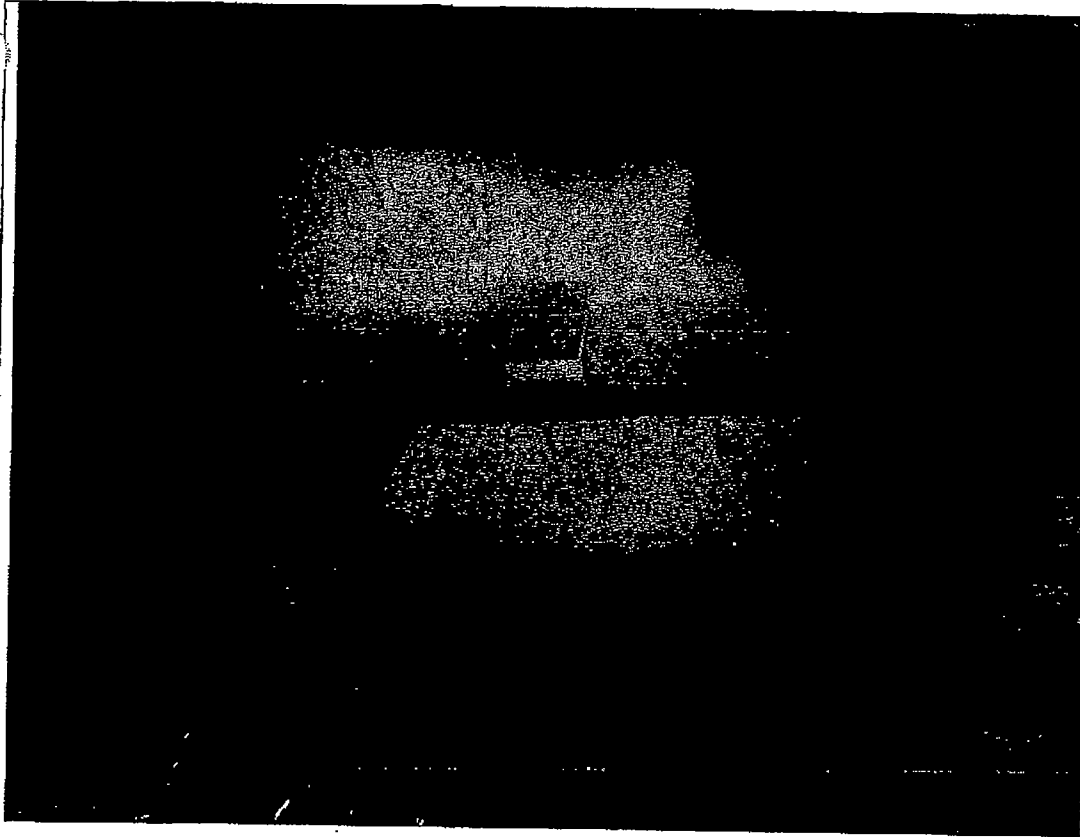
PHOTOGRAPH 1	DESCRIPTION
	SECOND FLOOR HALL WITH EXPOSED VENTILATION PIPING
	DATE PHOTOGRAPH OBTAINED: 8/16/2013

PHOTOGRAPH 2	DESCRIPTION
	SECOND FLOOR SOUTHERN ROOM WITH EXPOSED VENTILATION PIPING
	DATE PHOTOGRAPH OBTAINED: 8/16/2013

PHOTOGRAPH 3	DESCRIPTION
	HVAC AIR HANDLING UNIT SPECIFICATION TAG LOCATED IN THE ATTIC SPACE
DATE PHOTOGRAPH OBTAINED: 8/16/2013	

PHOTOGRAPH 4	DESCRIPTION
	OBSERVED DEHUMIDIFICATION UNIT IN THE ATTIC SPACE
DATE PHOTOGRAPH OBTAINED: 8/16/2013	

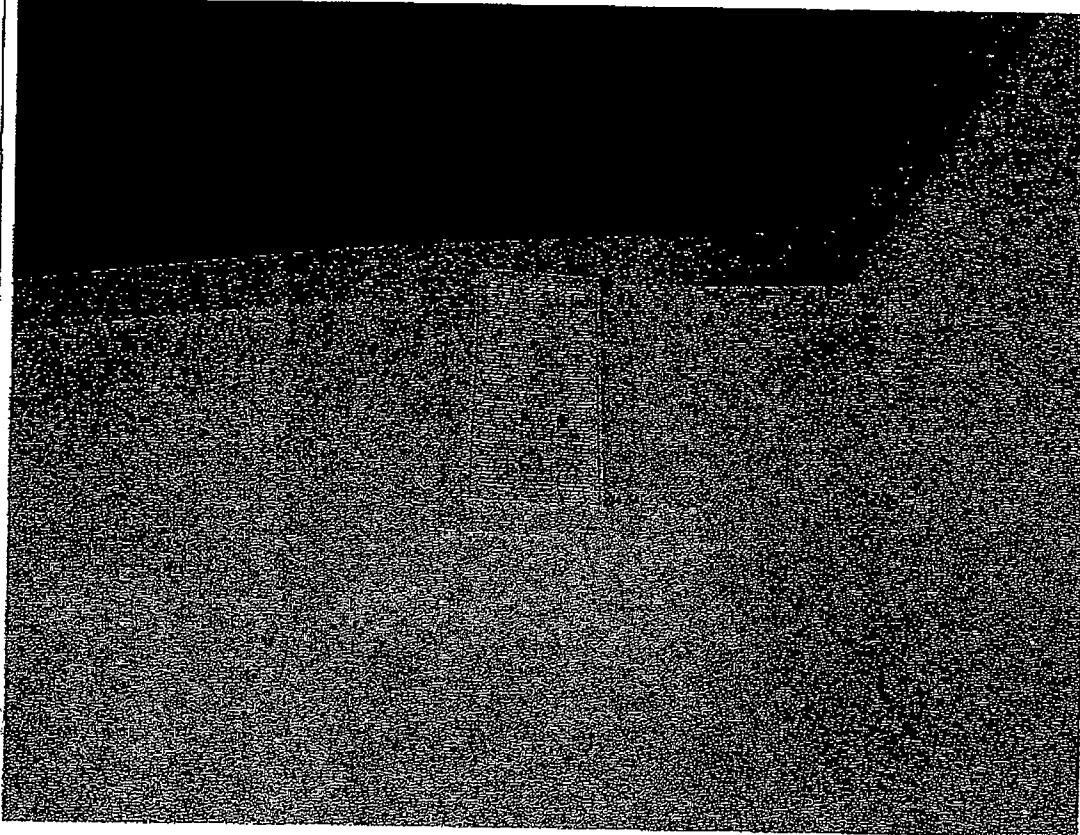
PHOTOGRAPH 5



DESCRIPTION
VIEW OF ATTIC SPACE
CONTROLLER AND
CLOSED CELL
INSULATION.

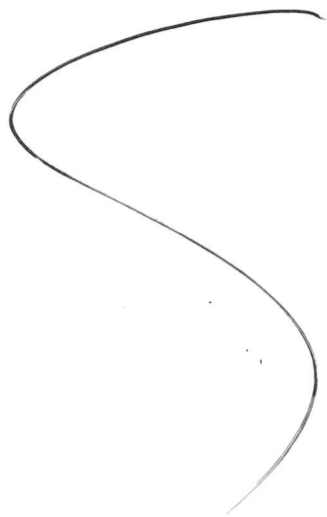
DATE PHOTOGRAPH
OBTAINED: 8/16/2013

PHOTOGRAPH 6



DESCRIPTION
VIEW OF EASTERN
ROOM VENT.

DATE PHOTOGRAPH
OBTAINED: 8/16/2013



**THIS CONTRACT IS SUBJECT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT,
SOUTH CAROLINA CODE SECTIONS 15-48-10, ET SEQ.**

COST PLUS PERCENTAGE CONTRACT



THE OWNER:

AMY MCMARLIN

THE PROJECT ADDRESS:
1850 FLAGG STREET
SULLIVAN'S ISLAND

THE CONTRACTOR:

BROWN ATLANTIC, LLC

ADDRESS:
P.O. BOX 651
SULLIVAN'S ISLAND, SC 29482

This agreement (the "Contract") is made this 2ND day of September, 2014 and is by and between Brown Atlantic, LLC (the "Contractor") and Amy McMarlin (the "Owner"). The Contractor and Owner hereby agree as follows.

1. The Work. The Contractor agrees to Manage and/or Perform the work described on Exhibits as follows:
 - Exhibit "A" Job Estimate
 - Exhibit "B" Plumbing Items
 - Exhibit "C" Owner's Punch List Items
 - Exhibit "D" Additional Punch List Items
 - Exhibit "E" Contractor's Punch List Items
 - Exhibit "F" Inspector's Punch List Items

These are attached hereto and incorporated herein by reference (the "Work"). Owner and Contractor understand that there may be duplication of specific items between lists and those said duplicates will be discarded from the scope of work. The Contractor agrees to use his best efforts to complete the Work within a reasonable period of time from the issuance of a valid building permit for the Work (the "Work Term"). The Contractor shall procure the necessary permits for the Work. The Contractor accepts the relationship of trust and confidence established between his company and the Owner by this Agreement. The Contractor covenants with the Owner to furnish its best skill and judgment in discharging its obligations pursuant to this Contract; to furnish efficient business administration and supervision; to use its best efforts to furnish at all times an adequate supply of workers and materials; and to perform the work in an expeditious, economical and workmanlike manner. The Contractor may in its discretion use subcontractors for any portions of the work and shall use licensed subcontractors as required by applicable law.

2. Contract Amount. The Contract Amount shall be the sum of the Punch List Items chosen by the Owner for Contractor to complete plus 32 percent of the Cost of the Work. For the purposes of this Contract, the phrase "Cost of the Work" shall be all items of cost and expense incurred by the Contractor in the performance of this Contract or execution of the Work (including any changes to the Work implemented pursuant to the terms of this Contract), including but not limited to costs and expenses of labor, materials for construction, equipment and fixtures, field engineering, sales taxes, workmen's compensation insurance, social security, liability insurance, job overhead and general overhead expenses, and all other expenses directly connected with the execution of the Work. Attached is Contractor's Estimate, Exhibit "E" which has amounts for particular trades and tasks. The following rates shall apply to the Cost of the Work for the Contractors' own forces:

**THIS CONTRACT IS SUBJECT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT,
SOUTH CAROLINA CODE SECTIONS 15-48-10, ET SEQ.**

- a. Labor Rates are \$25.00 per hour
- b. Carpenter are \$35 per hour
- c. Design and Management Rates are \$65.00 per hour

In addition the Owner will have the right to delete certain Punch List Items as desired and/or request additional items not included on the Punch Lists be priced. Owner may opt to or decline having additional work performed.

3. **Payment of Contract Amount.** The Owner shall pay to the Contractor the Contract Amount as follows:
 - a. **Deposit.** Upon execution of this Contract, the Owner shall pay to the Contractor an amount equal to 20 percent of the Contract Amount.
 - b. **Progress Payments.** The Contractor may submit requests for payment no more frequently than every two weeks. Each request for payment shall be in an amount that is the sum of (1) the Cost of the Work for which the Contractor is seeking payment, and (2) 32 percent of (1). Requests for payment shall be in writing and shall contain a detailed explanation of the Cost of the Work for which the Contractor is seeking payment. The Owner shall pay the Contractor's requests for Progress Payments within 5 days of receipt.
 - c. **Final Payment.** Upon Substantial Completion of the Work the Contractor may submit to the Owner a request for Final Payment. For purposes of this Contract, the phrase "Substantial Completion" means that the Work is sufficiently complete so that the Owner can occupy or utilize the Work for its intended use. "Substantial Completion" does not mean that all punch list work is complete. The request for Final Payment shall be in an amount that is the sum of (1) the Cost of the Work for which the Contractor is seeking payment, and (2) 32 percent of (1). The request for Final Payment shall be reduced by the amount of the Deposit. The request for Final Payment shall be in writing and shall contain a detailed explanation of the Cost of the Work for which the Contractor is seeking payment. The Owner shall pay the Final Payment amount within 5 days of receipt.
4. **Changes to the Work.** Changes to the Work shall be in writing and signed by the Owner and the Contractor (or the authorized representative of either). Changes to the Work may include changes to the scope of the Work as well as to the Work Term. The Owner and the Contractor recognize and agree that the Contractor may encounter unknown or latent conditions, conflicts in the design of the Work, or other unanticipated occurrences that may necessitate additional Work. The Owner and Contractor further recognize and agree that the property may be deemed by the applicable building authority or any other governmental entity or representative to be in such a condition as to require that certain components of the Project (whether part of the Work or not) be brought up to current building codes or other applicable standards. The Owner and the Contractor agree to negotiate in good faith all changes necessitated by all such occurrences. Owner will have the right to delete certain Punch List Items as desired and/or request additional items not included on the Punch Lists be priced. Owner may opt to or decline having additional work performed
5. **Non-Payment.** Notwithstanding anything contained elsewhere in this Contract to the contrary, in the event that a Progress or Final Payment is not delivered by the Owner to the Contractor timely and fully as provided herein, the Contractor may assess interest at a rate of percent compounded annually. If a Progress or Final Payment is not delivered by the Owner to the Contractor within 10 days of becoming due, the Contractor may at its election cease work, terminate this Contract, and/or remove from the Project all materials, equipment, fixtures, and other items procured by the Contractor for the Project for which the Owner has

**THIS CONTRACT IS SUBJECT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT,
SOUTH CAROLINA CODE SECTIONS 15-48-10, ET SEQ.**

not paid. The Contractor may also pursue any and all other remedies it may have at law or at equity.

6. General Provisions

- a. **Governing Law.** Any dispute relating in any way to this Contract or the Work of this Contract shall be governed by South Carolina law.
- b. **Arbitration.** Any dispute relating in any way to this Contract or the Work of this Contract shall be submitted to binding arbitration, pursuant to the South Carolina Uniform Arbitration Act, South Carolina Code Sections 15-48-10, et seq. Any such arbitration shall be conducted before a single arbitrator at a location within Charleston County, South Carolina. If the Owner and Contractor cannot agree on a single arbitrator, they shall each select one arbitrator, the two arbitrators shall select a third arbitrator, and the third arbitrator shall be the sole arbitrator. If the Contractor and the Owner still cannot agree on an arbitrator, either party may commence an action in the South Carolina Court of Common Pleas in Charleston County and request that the Court select an arbitrator and enforce arbitration. The costs and expenses of the sole arbitrator, including, if necessary, the costs of obtaining a venue for arbitration, shall be borne equally by the parties.
- c. **Attorneys Fees and Legal Expenses.** Other than as set forth in Paragraph 6.b. (related to arbitrator expenses), in the event of a dispute related to this Contract or the Work of this Contract, each party shall be responsible for its own attorneys' fees and legal expenses except as otherwise provided for by South Carolina laws related to mechanics' liens.
- d. **Severability.** If any provision or portion of this Contract shall be found to be void, invalid, or otherwise unenforceable for any reason, the remaining parts of this Contract shall be deemed valid and enforceable to the greatest extent possible.

This Contract is executed as of the date first written above.

OWNER:

BROWN ATLANTIC, LLC
CONTRACTOR:

Signature



Signature

Printed Name

EDWARD BROWN

Printed Name

BROWN ATLANTIC

Exhibit "A"

P.O. Box 651
Sullivan's Island, SC 29482
843-209-9710

TO: Amy McMarlin
1850 Flagg Street
Sullivan's Island, SC 29482

JOB DESCRIPTION
Establishing a package consisting of Benchmark's Inspection Report, Home Owner's Punch List, Contract's Punch List, and Trade Contractors' Estimated Costs to make the necessary repairs to the residential home located at 1850 Flagg Street Sullivan's Island, SC 29482.

ITEMIZED ESTIMATE: TIME AND MATERIALS	AMOUNT
Complete Paint Package as Required	18,000.00
Electrical	6,000.00
Finish Flooring 3,500 sq.ft. 2.25	7,875.00
Painting of Cabinets	8,000.00
Plumbing	3,040.00
Punch List Items-Composed of:	60,000.00
Owner's Punch List	
Builder's Punch List	
Contractor's Punch List	
Materials Allowance	20,000.00
Permit Fees	2,603.36
Project Management	40,165.88
We are waiting on the Mechanical Engineer to prepare the scope of work in order to have consistent estimates to correct/fix the HVAC System.	
TOTAL ESTIMATED JOB COST	165,684.24

This is an estimate only, not a contract. This estimate is for completing the job described above, based on our evaluation. It does not include unforeseen price increases or additional labor and materials which may be required should problems arise.

PREPARED BY _____
Jodi Dixon
Brown Atlantic, LLC
410-428-9694

September 2, 2014
DATE

VLN LLC
Vuong Nguyen
Daniel Island, SC 29492

South Carolina Department of Labor , Licensing and Regulations
110 Centerview Dr.
Columbia, SC. 29210
803.896.4300

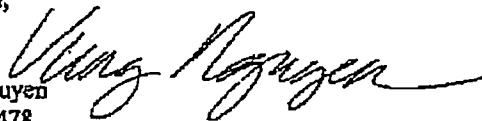
August 10, 2012

Attention Ms Mack,

Please have Brown Contractors (Jay Brown) certificate of authorization remove from my account as soon as possible. My Residential Builders License number is RBB20378.

Thank you,

Vuong Nguyen
843.259.1478



BROWN MEIHAUS

FINE CUSTOM HOMES

Andy and Amy,

As promised I broke down the construction process of the house as it were to be completed in stages. Below is segmented pricing and what is included. The quote is based on the highest quality of construction and the finest materials.

Main house:	\$490,000	↓
Rear house:	\$60,000	
Guest cottage:	\$30,000	
All decks and railings:	\$50,000	
Fixed project management fee and accounting:	\$55,000	←
Totals	\$685,000	

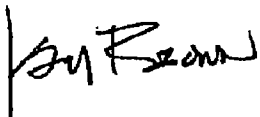
As a incentive, any savings coming in below the above amount will be divided 50/50.
Project duration will be five months, you will be given a project fast track scheduling sheet.

As building for Beau Clowney in the past my suggest materials will be:

- Anderson 400 storm series windows and doors (for Impact rating add \$32k)
- All siding pre primed and finished with a oil based Aura paint with a 20 yr warrantee
- All exterior fasteners are stainless steel. All windows and doors will have copper pans and flashing
- Stucco to be tabby
- 3 gas Renaii water heating systems
- 5 V metal roofing. Full envelope of house wrapped with Grace Ice and Water shield.
- All decks are to be IPE/ Iron wood
- Mahagony entry doors
- Interior floors are to be Heart Pine to match existing
- Granite surfaces
- Stainless Steel appliances

I will be happy to introduce you to all of our supplier designers who will help you out with the selection process.
We offer a 5 year home warrantee on all of our homes.

Sincerely,



Brown-Meihaus Construction Co.
Bid Template

1850 Flag Street, Sullivan's Island

Andy & Amy McMarlin

\$684,197.⁴⁹

3 MONTHS

01 GENERAL REQUIREMENTS	BID	CONTRACTOR INFO
01.00.10 ARCH/ENGR/SURV		
01.00.30 PERMITS & INSURANCE		
01.00.40 DEVELOPMENT EXPENSE		
01.00.50 SMALL TOOLS		
01.00.60 BUSINESS LICENSE		
01.00.65 BID EXPENSE		
01.00.70 PROJECT MANAGEMENT	89,504.02	
01.00.80 LABORERS		
01.00.90 SUPERVISOR	12,800.00	
01.02.50 VEHICLE EXPENSE		
01.03.00 BURY LP GAS TANK		
01.03.10 TEMPORARY TOILETS	375.00	
01.03.20 TEMPORARY POWER	500.00	
01.03.21 TEMPORARY WATER	150.00	
01.03.25 TEMPORARY PHONES		
01.03.30 POWER DEPOSIT		
01.04.00 TRASH REMOVAL	3,000.00	Trash Girl
01.05.20 PUNCH LIST- ALLOWANCES	8,000.00	Final Punch
01.05.25 WARRANTY WORK		
01.05.30 CLEAN	2,900.00	Picky Clean
01.05.40 SCAFFOLDING		
01.06.20 EQUIPMENT EXPENSE		
01.06.30 EQUIPMENT RENTAL		
01.07.00 TAP FEES		
01.07.25 IMPACT FEES		
01.07.50 TRAVEL EXPENSES		
01.08.00 DEPOSITS		
01.08.50 TEMPORARY LODGING		
01.09.00 MISCELLANEOUS EXPENSES		
01.10.00 ADMINISTRATIVE / ACCOUNTING	2,600.00	
02 SITE CONSTRUCTION		
02.00.00 SITEWORK	2,500.00	
02.00.60 DEMOLITION	12,000.00	
02.00.70 STORM SEWER		
02.00.75 WATER SYSTEM		
02.00.80 SANITARY SEWER		
02.01.00 CLEAN & GRUB		
02.02.00 EXCAVATE & BACKFILL		
02.02.30 TOP SOIL		
02.02.50 SOIL POISON	2,000.00	underhouse
02.06.00 DRIVEWAY	600.00	
02.06.50 ROAD WORK		
02.06.60 BARGE EXPENSES		

Mudans & Doors - 6 weeks

02.07.10 FENCING	450.00	
02.07.50 DOCKS / BOARDWALKS		
02.07.60 MAILBOX	75.00	
02.08.00 LANDSCAPE	3,000.00	
03. CONCRETE		
03.02.00 FOOTING STEEL		
03.02.30 PILINGS	4,860.00	
03.03.00 FOOTINGS	3,200.00	allowance
03.03.20 FILL CELLS	2,100.00	
03.03.30 CONCRETE SLABS	2,100.00	
03.03.40 STAMPED CONCRETE		
03.04.00 TURN KEY FOUNDATION		
04. MASONRY		
04.01.00 MORTAR / SAND		
04.02.10 BRICK MASONRY	1,600.00	pavers to new stairs
04.02.20 FOUNDATION BLOCK		
04.02.50 SIERRA STONE		
04.03.00 FIREPLACE BLOCK		
05. METALS		
05.01.00 STRUCTURAL METAL	2,500.00	allowance
05.02.00 METAL STAIRS		
05.02.10 STEEL JOIST DECKING		
05.05.00 MISCELLANEOUS METAL		
05.05.40 SIMPSON STRAPS PA18		
05.05.80 BOLTS & LAGS		
06. WOOD AND PLASTICS		
06.01.00 WOOD FRAMING	66,085.00	Frame/siding package
06.01.20 FASTNERS, NAILS, SCREWS	4,200.00	Stainless
06.01.50 WOOD TRUSSES		
06.01.60 DECORATIVE TRUSSES & BRACKETS		
06.02.00 INTERIOR TRIM - Material	13,649.00	
06.02.50 PORCH & RAILING PACKAGE	Inc	
06.02.70 LATTICE & LOUVER PACKAGE	Inc	
06.04.00 CABINETS	48,000.00	
06.04.10 PANELLING		
06.04.50 SIDING & EXTERIOR TRIM	34,000.00	
06.04.70 CABINETS & MANTLE		
06.08.00 COMMISSIONING OF WOOD, PLASTICS, AND COMPOSITES		
06.10.00 ROUGH CARPENTRY	37,300.00	Frame
06.20.00 FINISH CARPENTRY	26,000.00	Interior trimout
07. THERMAL AND MOISTURE PROTECT		
07.00.50 MOLD - MILDEW PROTECTION	1,700.00	forticell
07.01.00 FLASHING & WATERPROOFING	3,800.00	copper flashing
07.02.00 INSULATE - F/W/P	2,700.00	closed cell foam
07.03.00 SHINGLE ROOFING		
07.04.00 ROOFING	4,380.00	
07.05.00 MEMBRANE ROOFING		
07.06.00 SCHEDULES FOR THERMAL AND MOISTURE PROTECTION		

07.06.50 GUTTER & DOWNSPOUT		
07.08.00 COMMISSIONING OF THERMAL AND MOISTURE PROTECTION		
07.09.00 CAULKING		
07.10.00 DAMPPROOFING AND WATERPROOFING	5,600.00	
07.20.00 THERMAL PROTECTION		
07.30.00 STEEP SLOPE ROOFING		
07.40.00 ROOFING AND SIDING PANELS		
07.60.00 FLASHING AND SHEET METAL		
07.70.00 ROOF AND WALL SPECIALTIES AND ACCESSORIES		
07.80.00 FIRE AND SMOKE PROTECTION		
07.90.00 JOINT PROTECTION		
08 DOORS AND WINDOWS		
08.01.50 SCREEN DOORS		
08.02.00 EXTERIOR DOORS—Branon Sapele	7,400.00	
08.02.20 INTERIOR DOORS	inc.	
08.03.00 OVERHEAD DOORS	5,200.00	
08.06.00 OPERABLE WINDOWS	51,986.73	83,659.15 Impact Anderson
08.06.10 FIXED WINDOWS		
08.06.20 WINDOW PROTECTION		
08.06.30 CABINET GLASS		
08.07.00 MISCELLANEOUS HARDWARE		
08.07.10 FINISH HARDWARE	5,300.00	
08.07.50 DUMMY KNOBS		
08.08.50 FIXED GLASS	3,748.00	frameless shower glass
09 FINISHES		
09.01.00 MAINTENANCE OF FINISHES		
09.01.70 STUCCO	4,650.00	
09.02.50 DRYWALL	5,600.00	
09.03.10 CERAMIC TILE	12,400.00	
09.03.60 MARBLE / SLATE COUNTERTOPS	17,300.00	
09.03.80 PLASTICLAMINATE		
09.03.90 SOLID SURFACES (CORIAN)		
09.05.00 COMMON WORK RESULTS FOR FINISHES		
09.05.10 ACCOUSTICAL CEILING		
09.05.50 WOOD FLOORING		
09.06.00 SCHEDULES FOR FINISHES		
09.06.50 RESILIENT FLOORING		
09.06.60 GYP-CRETE FLOORS		
09.07.00 SPECIAL FLOORING		
09.08.00 COMMISSIONING OF FINISHES		
09.09.00 PAINTING	56,000.00	
09.09.50 WALL COVERINGS		
09.20.00 PLASTER AND GYPSUM BOARD		
09.30.00 TILING	19,442.64	
09.50.00 CEILINGS		
09.60.00 FLOORING	16,092.10	
09.70.00 WALL FINISHES		
09.80.00 ACOUSTIC TREATMENT		
09.90.00 PAINTING AND COATING	6,600.00	Cabinet Paint

10 SPECIALTIES		
10.01.80 TOILET PARTITIONS		
10.02.00 SPIRAL STAIRCASE		
10.02.30 DISAPPEARING STAIRWAY		
10.02.50 FIREFIGHTING DEVICES		
10.03.30 PREFABRICATED FIREPLACE		
10.03.50 FLAG POLES		
10.04.10 DIRECTORY & BULLETIN BOARDS		
10.04.20 PAINTED SIGNS		
10.05.36 AWNINGS		
10.06.70 SHELVING		
10.07.00 PLANTATION SHUTTERS	5,500.00	
10.08.00 TOILET & BATH ACCESSORIES		
10.08.10 MEDICINE CABINETS	1,500.00	allowance
10.08.20 MIRRORS		
10.08.30 GLASS SHOWER DOOR	1,000.00	allowance
11 EQUIPMENT		
11.09.30 KITCHEN EQUIPMENT		
	12,000.00	allowance
12 FURNISHINGS		
12.01.00 FURNITURE, FIXTURES, EQUIPMENT		
12.02.00 BLINDS & SHADES		
12.04.00 CARPET		
13 SPECIAL CONSTRUCTION		
13.02.00 POOL		
13.03.00 LAKES & PONDS		
13.05.00 BRIDGES & DOCKS		
13.06.00 FRONT ENTRY GATE		
13.09.30 INSECT SCREENING		
14 CONVEYING SYSTEMS		
14.02.40 ELEVATORS		
15 MECHANICAL		
15.01.00 PLUMBING		
15.02.00 PLUMBING FIXTURES	16,050.00	
15.02.50 CULTURED MARBLE TOPS	3,000.00	Allowance
15.03.00 VANITY TOP W/ INTEGRAL BOWL		
15.03.50 GAS PIPING SYSTEM		
15.05.00 RETAINING WALL	870.00	
15.08.00 HVAC		
15.09.00 SPRINKLER SYSTEM	3,500.00	
16 ELECTRICAL		
16.01.00 ELECTRICAL		
16.02.00 INTERIOR LIGHT FIXTURES	17,350.00	
16.03.00 EXTERIOR LIGHT FIXTURES	5,000.00	allowance
16.04.00 VACUUM SYSTEM	3,000.00	allowance
16.05.00 ALARM SYSTEM		
16.06.00 STEREO SYSTEM	1,500.00	
GRAND TOTAL	\$ 686,197.49	

Invoice 6

APPLICATION AND CERTIFICATION FOR PAYMENT AIA DOCUMENT G702 PAGE ONE OF 3

TO OWNER: Henry Salzhauer APPLICATION NO: 8

STREET ADDRESS: 1650 Flagg St. PERIOD TO: 1/23/12

COUNTY: Sullivan's Island CONTRACT DATE: 1/23/12

STATE: South Carolina

FROM CONTRACTOR: Brown Contractors, LLC

Distribution to:
 OWNER
 INSPECTOR
 LENDER

CONTRACTOR'S APPLICATION FOR PAYMENT
 Application is made for payment, as shown below, in connection with the Contract. Confirmation Sheet, AIA Document G703, is attached.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that correct payment shown herein is now due.

1. ORIGINAL CONTRACT SUM	\$	<u>548,139.20</u>
2. Net change by Change Orders	\$	<u>24,033.75</u>
3. CONTRACT SUM TO DATE (Line 1 ++ 2)	\$	<u>582,183.43</u>
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$	<u>302,058.82</u>
5. RETAINAGE:		
a. N/A % of Completed Work (Column D + E on G703)	\$	<u>0.00</u>
b. N/A % of Stored Material (Column F on G703)	\$	<u>0.00</u>
Total Retainage (Lines 5a + 5b or Total in Column I of G703)	\$	<u>0.00</u>
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$	<u>302,058.82</u>
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line B from prior Certificate)	\$	<u>130,607.82</u>
8. CURRENT PAYMENT DUE	\$	<u>171,449.20</u>
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 8 less Line 7)	\$	<u>286,198.61</u>

CONTRACTOR: Brown Contractors, LLC

By: _____ Date: _____

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

AIA DOCUMENT G702 - APPLICATION AND CERTIFICATION FOR PAYMENT - 1995 EDITION (AIA) G192 THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVE., WASHINGTON, DC 20004-2426 Users may obtain validation of this document by requesting a completed AIA Document D401 - Certification of Document's Authenticity from the Licensee.



CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

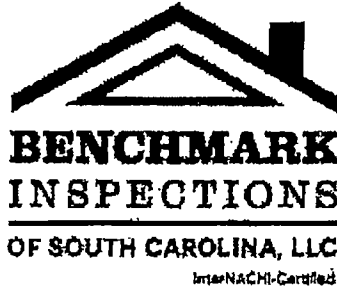
In tabulations below, amounts are stated to the nearest dollar.

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)		H BALANCE TO FINISH (C-G)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		\$	%	
1	PERMITS & INSURANCE	2,544.00	2,544.00		-	2,544.00	100%	-
2	PLAN REVIEW	893.00	-		-	-	0%	893.00
3	BUSINESS LICENSE	1,212.20	1,212.20		-	1,212.20	100%	-
4	BID EXPENSE	1,400.00	150.00		-	150.00	14%	850.00
5	PROJECT MANAGEMENT	10,000.00	-		-	-	0%	10,000.00
6	LABORERS	6,000.00	-		-	-	0%	6,000.00
7	TEMPORARY TOILETS	1,000.00	535.00		-	535.00	54%	465.00
8	TRASH REMOVAL	5,000.00	5,212.50		-	5,212.50	104%	(212.50)
9	CLEAN	3,500.00	200.00		-	200.00	6%	3,300.00
10	ADMINISTRATIVE / ACCOUNTING	3,500.00	1,400.00	200.00	-	1,600.00	46%	1,900.00
11	OVERHEAD / PROFIT	20,000.00	17,033.76	22,362.84	-	39,396.60	197%	(19,396.60)
12	DEMOLITION	12,000.00	14,400.00		-	14,400.00	120%	(2,400.00)
13	TURKEY FOUNDATION	3,516.00	-		-	-	0%	3,516.00
14	STRUCTURAL METAL	2,760.00	882.77		-	882.77	25%	2,877.23
15	WOOD FRAMING	22,000.00	40,848.30	5,103.23	-	45,951.53	209%	(23,951.53)
16	INTERIOR TRIM	6,500.00	-		-	-	0%	6,500.00
17	PORCH & RAILING PACKAGE: STAINLESS STEEL	3,000.00	-		-	-	0%	3,000.00
18	POOL DECK: PRESSURE TREATED	9,216.00	5,638.23		-	5,638.23	61%	3,577.77
19	CABINETS	30,000.00	-		-	-	0%	30,000.00
20	BIDDING & EXTERIOR TRIM	27,500.00	-	28,054.15	-	28,054.15	102%	(1,545.85)
21	DECKS & PORCHES: IPE & STAINLESS	6,660.00	-		-	-	0%	6,660.00
22	ROUGH CARPENTRY	27,000.00	27,795.00		-	27,795.00	103%	(795.00)
23	INTERIOR CARPENTRY	50,000.00	-		-	-	0%	50,000.00
24	FLASHING & WATERPROOFING	5,000.00	677.00	878.83	-	1,555.83	31%	3,444.17
25	INSULATE - FWMP	14,000.00	-	11,348.00	-	11,348.00	81%	2,652.00
26	MEMBRANE ROOFING	800.00	-		-	-	0%	800.00
27	FLASHING & SHEET METAL: BEDROOM 2 ONLY	4,500.00	-		-	-	0%	4,500.00
28	SCREEN DOORS	1,100.00	-		-	-	0%	1,100.00
29	EXTERIOR DOORS: ALUMINUM CLAD	22,010.00	-		-	-	0%	22,010.00
30	INTERIOR DOORS	7,000.00	-		-	-	0%	7,000.00
31	OPERABLE WINDOWS: PHASE 1 & 2 IMPACT	60,838.00	-	57,700.56	-	57,700.56	95%	(3,137.44)
32	FINISH HARDWARE	4,000.00	-		-	-	0%	4,000.00
33	STUCCO	6,800.00	-		-	-	0%	6,800.00
34	DRYWALL	7,800.00	-		-	-	0%	7,800.00
35	CERAMIC TILE	5,000.00	-		-	-	0%	5,000.00
36	MARBLE / BLATE / GRANITE	12,000.00	4,932.08		-	4,932.08	41%	7,067.92
37	WOOD FLOORING	10,500.00	-	18,481.52	-	18,481.52	176%	(7,981.52)
38	PAINTING	45,000.00	1,300.00		-	1,300.00	3%	43,700.00
39	TILING	8,500.00	-		-	-	0%	8,500.00
40	SHELVING	1,500.00	-		-	-	0%	1,500.00
41	MEDICINE CABINETS	1,500.00	-		-	-	0%	1,500.00
42	MIRRORS	1,500.00	-		-	-	0%	1,500.00
43	GLASS SHOWER DOOR	1,700.00	-		-	-	0%	1,700.00
44	KITCHEN EQUIPMENT	16,000.00	-		-	-	0%	16,000.00
45	FURNITURE, FIXTURES, EQUIPMENT, FIRE LADDERS	750.00	-		-	-	0%	750.00
46	PLUMBING	8,000.00	-		-	-	0%	8,000.00
47	PLUMBING FIXTURES	7,000.00	-		-	-	0%	7,000.00
48	GAS PIPING SYSTEM	3,020.00	-		-	-	0%	3,020.00
49	HVAC	4,700.00	800.00		-	800.00	17%	3,900.00
50	ELECTRICAL	12,000.00	1,500.00		-	1,500.00	13%	10,500.00
51	INTERIOR LIGHT FIXTURES	7,500.00	-		-	-	0%	7,500.00
52	EXTERIOR LIGHT FIXTURES	5,200.00	-		-	-	0%	5,200.00
53	ALARM SYSTEM	3,900.00	-		-	-	0%	3,900.00
54	DESIGN	-	380.00	540.00	-	920.00	#DIV/0!	(920.00)
55	PUNCHLIST ALLOWANCES	-	833.00	148.30	-	981.30	#DIV/0!	(981.30)
56	FASTENERS, NAILS & SCREWS	-	551.68	204.79	-	756.47	#DIV/0!	(756.47)
57	BAND BOARD	-	2,000.00	-	-	2,000.00	#DIV/0!	(2,000.00)
58	OVERHEAD DOOR	-	-	15,727.08	-	15,727.08	#DIV/0!	(15,727.08)
59	ACOUSTICAL CEILING	-	-	9,000.00	-	9,000.00	#DIV/0!	(9,000.00)
	TOTALS	543,130.20	130,607.62	171,449.20	\$ -	302,056.82	56%	241,073.38

Users may obtain validation of this document by requesting of the licensee a completed AIA Document D401 - Certification of Documents Authenticity

2013

General Summary



Benchmark Inspections of South Carolina

**915 Royall Ave.
Mt. Pleasant, SC 29464
843-801-8867**

Customer
Amy McMarlin

Address
1850 Flag Street
Sullivan's Island SC 29482

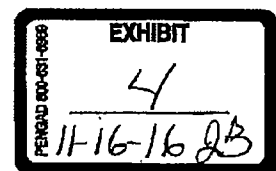
The following items or discoveries indicate that these systems or components do not function as intended or adversely affects the habitability of the dwelling; or warrants further investigation by a specialist, or requires subsequent observation. This summary shall not contain recommendations for routine upkeep of a system or component to keep it in proper functioning condition or recommendations to upgrade or enhance the function or efficiency of the home. This Summary is not the entire report. The complete report may include additional information of concern to the customer. It is recommended that the customer read the complete report.

1. Roofing

1.1 Flashings

Repair or Replace

The roof drip edge flashing is significantly bent and disfigured at portions of the rear and rear left roof. Recommend contractor further evaluate the flashing and repair or replace all that is damaged.



1. Roofing



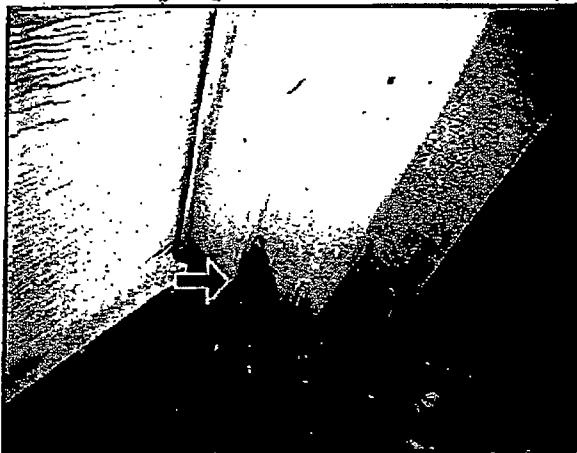
1.1 The roof drip edge flashing is significantly bent and disfigured at portions of the rear and rear left roof.

2. Exterior

2.0 Wall Cladding Flashing and Trim

Repair or Replace

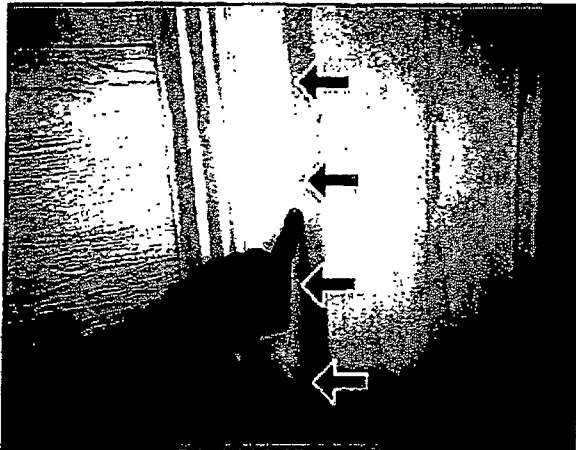
(1) Wood rot observed at the lower portions of the garage door trim (4 areas) Recommend contractor evaluate the garage door trim and repair or replace as necessary.



2.0 Wood rot observed at the lower portions of the garage door trim (4 areas)

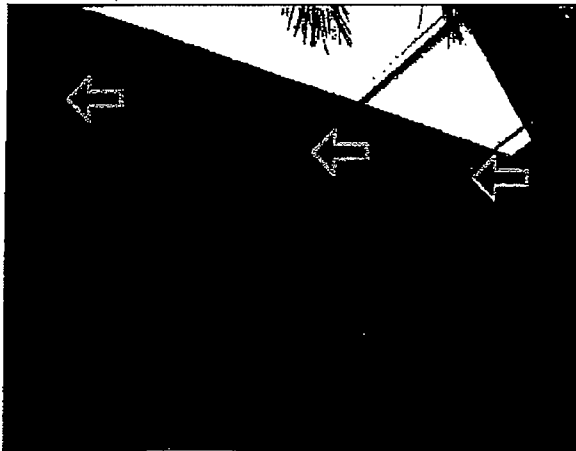
(2) There is no backing rod with caulk sealant where stucco meets garage door wood trim. Recommend contractor install proper backing rod and caulk to reduce future damage.

2. Exterior



2.0 There is no backing rod with caulk sealant where stucco meets garage door wood trim.

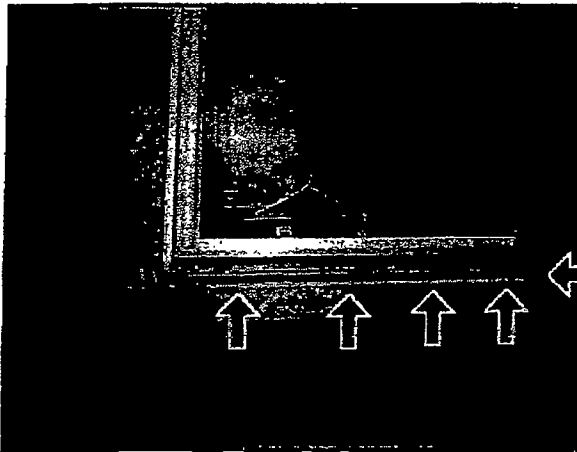
(3) Discoloration and black streaks observed at the wood lap siding on the left side of the structure. While this damage is cosmetic, the repair cost should be considered due to the amount of damage. Recommend contractor take corrective action to eliminate the cause of the streaking then perform touch up painting to a quality finish



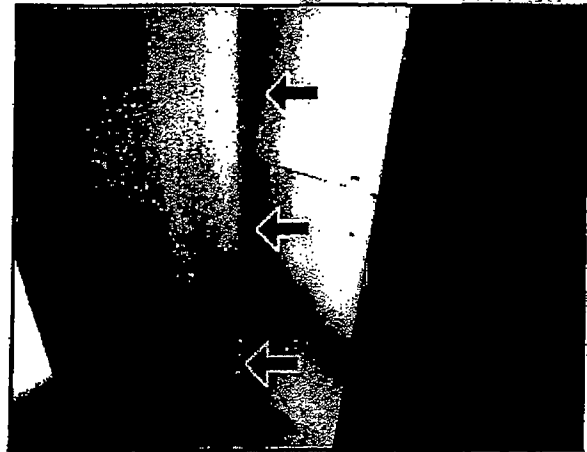
2.0 Discoloration and black streaks observed at the wood lap siding on the left side of the structure.

(4) Painting and caulking tasks are incomplete. Caulk sealant is absent at and around doors and windows, several siding butt joints to trim are not yet caulked, many nail holes are not yet sealed. Bare wood observed at laundry vent trim on left side of structure, the exterior screen porch entry door, and but not limited to the front steps grip railing. Recommend contractor evaluate the exterior and complete ALL exterior caulking & painting tasks to a quality finish.

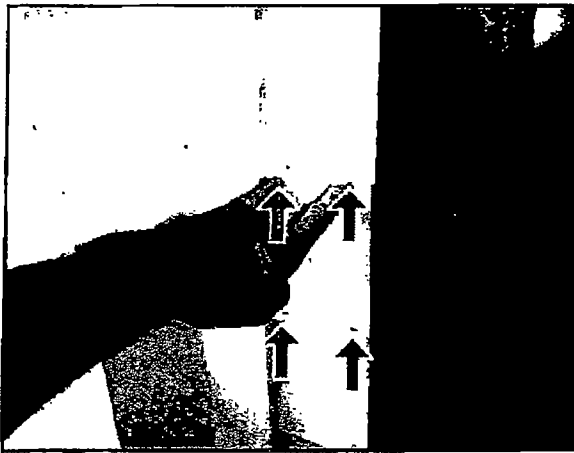
2. Exterior



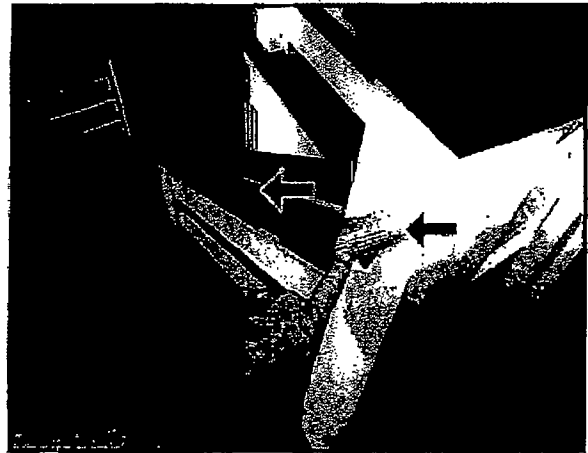
2.0 Painting and caulking tasks are incomplete. Caulk sealant is absent at and around doors and windows



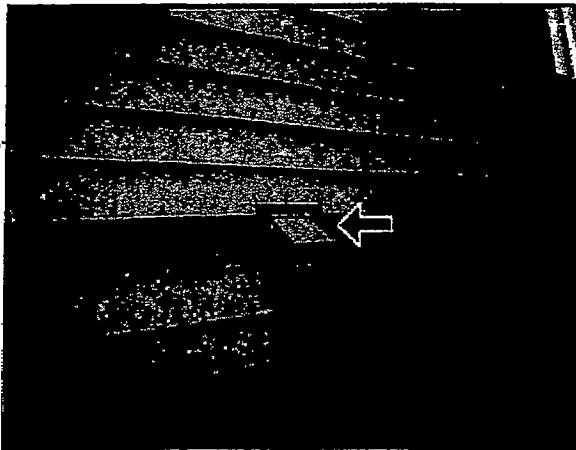
2.0 caulking tasks are incomplete - several siding butt joints to trim are not yet caulked



2.0 many nail holes are not yet sealed.



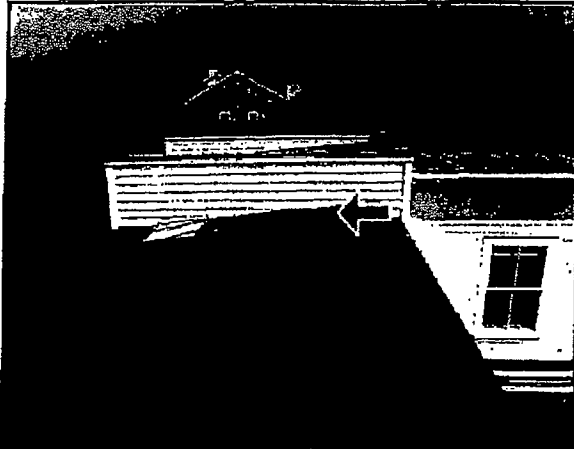
2.0 Bare wood observed at front steps grip railing.



2.0 Bare wood observed at laundry vent trim on left side of structure

2. Exterior

(5) Siding extends too close to the roof surface at the rear left portion of the structure. Recommend contractor repair - provide minimum 1" clearance of siding from roof to reduce wicking moisture and future wood rot.



2.0 Siding extends too close to the roof surface at the rear left portion of the structure.

2.1 Doors (Exterior)

Repair or Replace

(1) Weatherstripping installation is incomplete at the three double doors on the front porch, and at the master bedroom balcony entry door. Recommend contractor install the weatherstripping as intended for a proper weather tight seal



2.1 Weatherstripping installation is incomplete at the three double doors on the front porch, and at the master bedroom balcony entry door.

(2) The living room rear right exterior door operation is restricted at the threshold and is difficult to open. Recommend contractor adjust this exterior door for ease of operation.

2. Exterior



2.1 The living room rear right exterior door operation is restricted at the threshold and is difficult to open.

(3) The front screen porch mahogany screen door is not yet installed at the door opening. Recommend contractor Install the door and door hardware as intended - Verify proper operation.



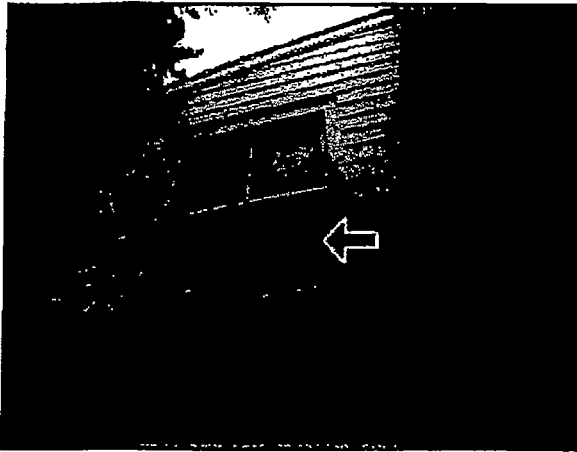
2.1 The front screen porch mahogany screen door is not yet installed at the door opening.

2.2 Windows

Repair or Replace

Window screens are missing at all window locations. Recommend contractor install the window screens at all applicable windows.

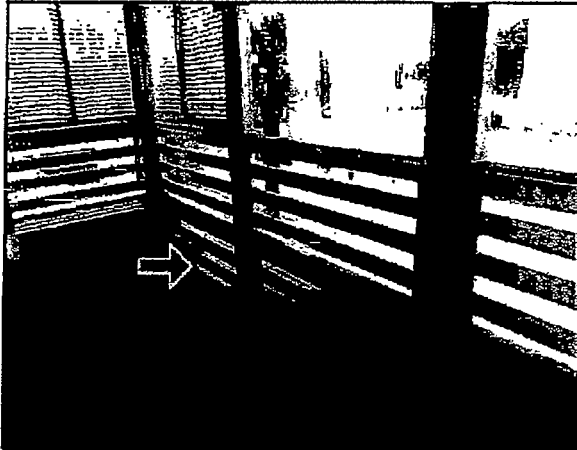
2. Exterior



2.2 Window screens are missing at all window locations.

2.3 Decks, Balconies, Stoops, Steps, Areaways, Porches, Patio/Cover and Applicable Railings Repair or Replace

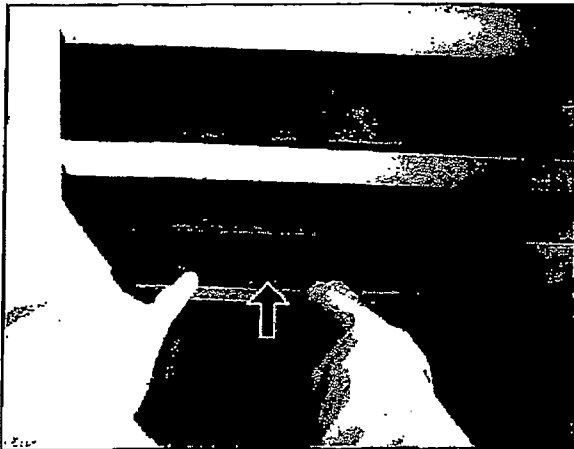
(1) The front porch does not appear to be adequately sloped to effectively drain water. Deck slope should have a minimum 1/4" slope per 4 feet. The lower deck rail is close to the floor and does not have weep hole drains. Recommend contractor evaluate the screen porch floor slope - Verify minimum slope recommendations, otherwise take corrective action to provide appropriate slope. Consider drilling holes in the lower rail to provide weep drains.



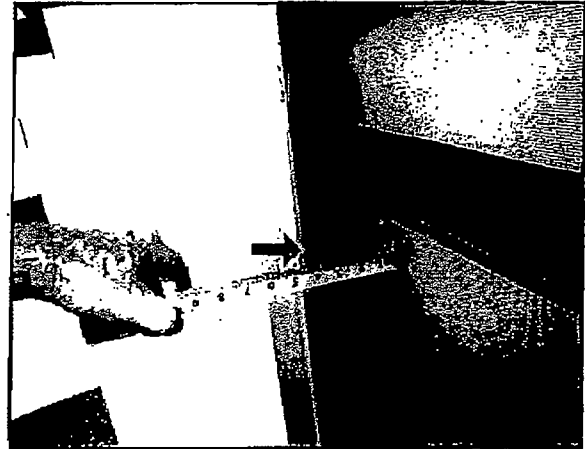
2.3 The front porch does not appear to be adequately sloped to effectively drain water. Deck slope should have a minimum 1/4" slope per 4 feet.

(2) The 1st stair tread above the 1st landing is loose at the front entry stairs. Spacing at the stairway upper level landing rail post exceeds 4" safety standards. Recommend contractor secure the loose stair tread and take corrective action to eliminate the large gap at the rail post - Safety concern.

2. Exterior

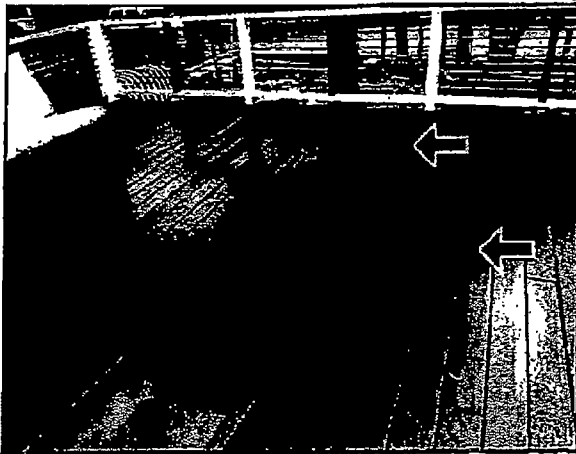


2.3 The 1st stair tread above the 1st landing is loose at the front entry stairs.



2.3 Spacing at the stairway upper level landing rail post exceeds 4" safety standards.

(3) The finish deck stain at the rear right appears to be two different types of stain material and colors. Although a cosmetic concern it should be noted. Consult with the paint contractor and verify the stains are of the same batch & mixture - Repair as necessary.



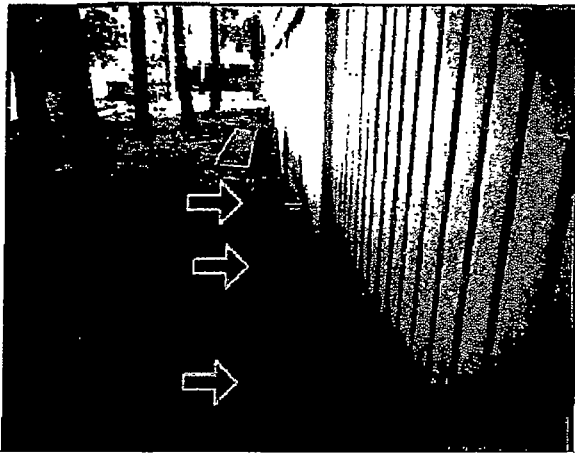
2.3 The finish deck stain at the rear right appears to be two different types of stain material and colors.

2.4 Vegetation, Grading, Drainage, Driveways, Patio Floor, Walkways and Retaining Walls (With respect to their effect on the condition of the building)

Repair or Replace

(1) There is minor erosion from roof rain run off @ the left side (facing front). This area does not appear to drain water away from home and needs landscaping and drainage corrected. Have landscape contractor further evaluate and take corrective action to improve site drainage in this area. Consider gravel installation at the roof drip lines and / or installing gutters to direct roof rain run off further from the structure.

2. Exterior



2.4 There is minor erosion from roof rain run off @ the left side (facing front). This area does not appear to drain water away from home and needs landscaping and drainage corrected.

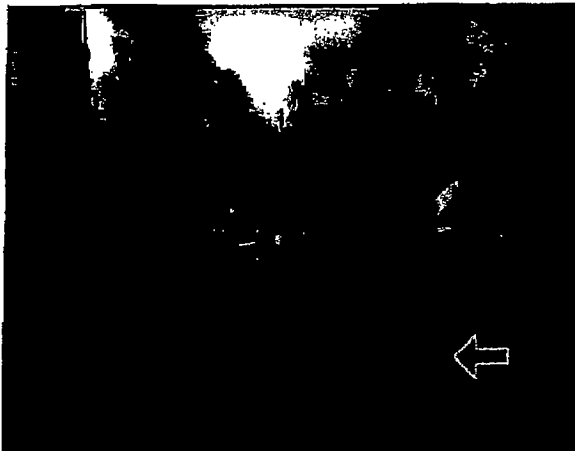
(2) Shrubbery at the rear of the house is in direct contact with the structure. No significant damage to the structure due to this condition at time of inspection. Recommend contractor trim the shrubbery. Maintain a minimum 12" to 16" clearance of shrub growth from the structure to reduce exterior damage.



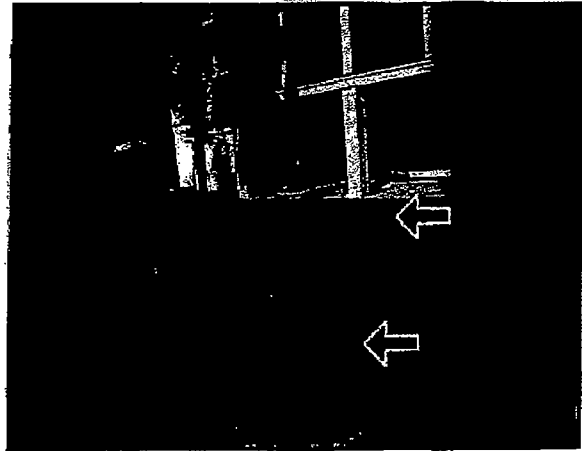
2.4 Shrubbery at the rear of the house is in direct contact with the structure. No significant damage to the structure due to this condition at time of inspection.

(3) Ground cover is incomplete at the side and rear yard, gravel installation at the front driveway was incomplete at time of inspection. Landscape contractor was present at time of inspection performing various tasks. Recommend landscape contractor complete driveway gravel, & ground cover installation, as well as all other landscape tasks in his contract.

2. Exterior



2.4 Ground cover is incomplete at the side and rear yard



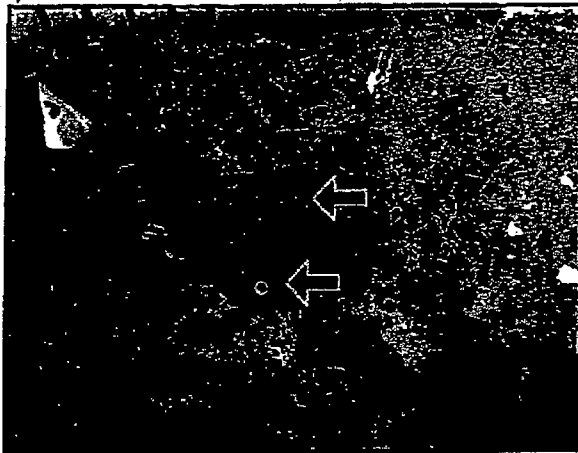
2.4 gravel installation at the front driveway was incomplete at time of inspection.

2.6 Other

Repair or Replace

(1) Fence installation is incomplete at time of inspection. Sub contractors were present performing fence installation tasks during the inspection. Recommend contractor complete all fence installation tasks - Verify proper operation of all fence gates and proper installation of the fence components.

(2) The irrigation system installation is incomplete, I did not fully inspect, test or operate the irrigation system. Recommend contractor evaluate and verify proper operation of the irrigation system.



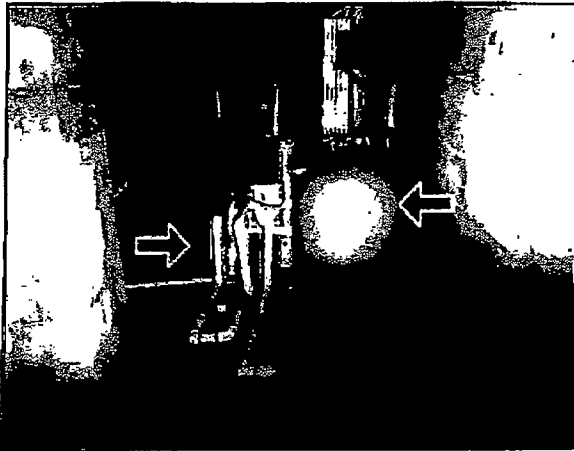
2.6 The irrigation system installation is incomplete, I did not fully inspect, test or operate the irrigation system.



2.6 I did not fully inspect, test or operate the irrigation system.

(3) The pool & its associated components were not inspected. Recommend pool contractor evaluate the pool & components - Verify proper operations.

2. Exterior



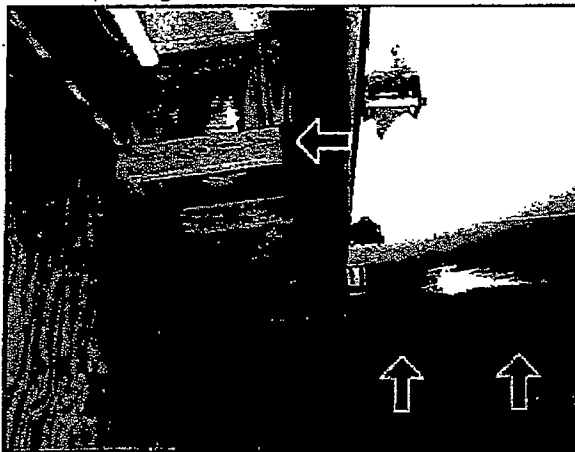
2.6 The pool & its associated components were not inspected.

3. Garage

3.1 Garage Walls (including Firewall Separation)

Repair or Replace

(1) The air duct chase @ the lower level garage ceiling area is not covered with sheetrock or other finish covering. Recommend contractor install the finish covering for a quality finish.



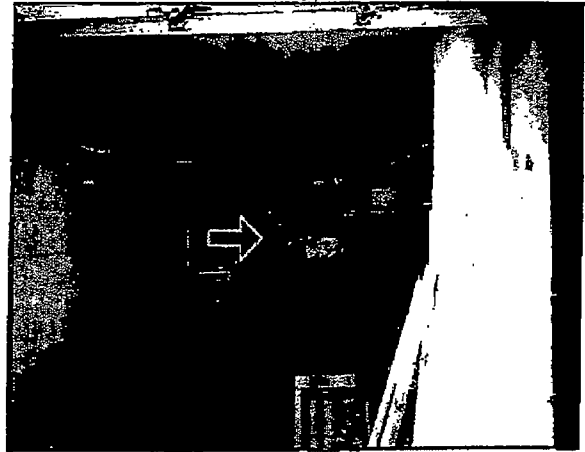
3.1 The air duct chase @ the lower level garage ceiling area is not covered with sheetrock or other finish covering.

(2) A hole is present in the wood wall next to the garage auto opener controls. Many portions of the garage walls were covered by stored items so the lower level area could not effectively be fully inspected. Recommend contractor repair the hole in the wall and any other defects that may be identified after the stored items are cleared out.

3. Garage



3.1 A hole is present in the wood wall next to the garage auto opener controls.

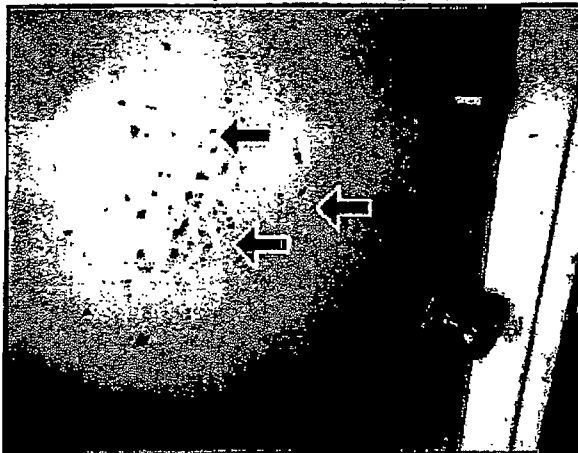


3.1 Many portions of the garage walls were covered by stored items so the lower level area could not effectively be fully inspected.

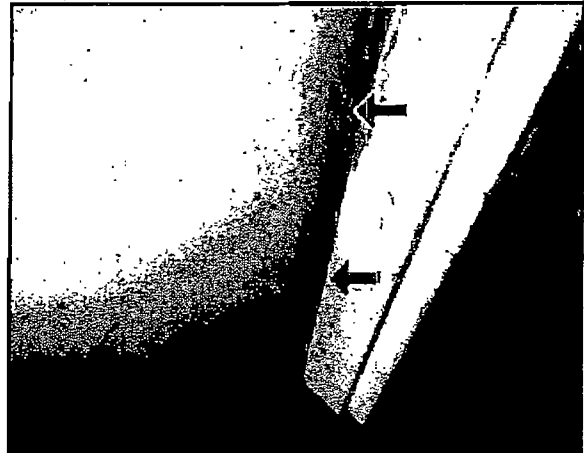
3.4 Occupant Door (from garage to inside of home)

Repair or Replace

The metal door from lower level to the house is rusting, & the door jamb paint condition is worn. Weatherstripping is torn / damaged Recommend contractor prep and paint this door & trim to a quality finish and then replace the damaged / torn weatherstripping.



3.4 The metal door from lower level to the house is rusting



3.4 Weatherstripping is torn / damaged @ metal door from lower level to the house.

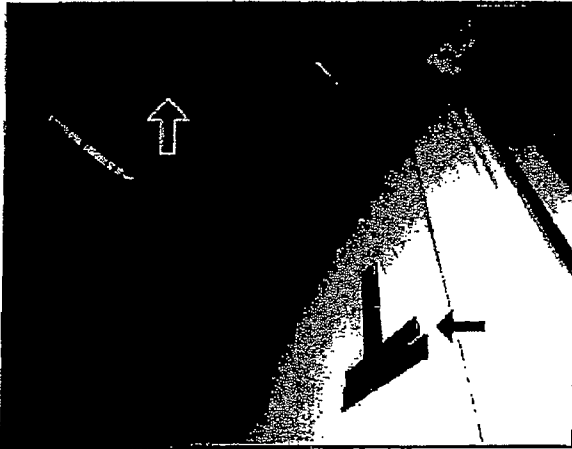
4. Interiors

4.0 Ceilings

Repair or Replace

The upper level wood ceiling needs finish paint / stain coating. Touch up ceiling stain is needed at the upstairs front right room. Paint contractor present at time of inspection performing various painting tasks at time of inspection. Recommend paint contractor complete this painting task to a quality finish as well as any other ceiling painting tasks that may need to be addressed.

4. Interiors

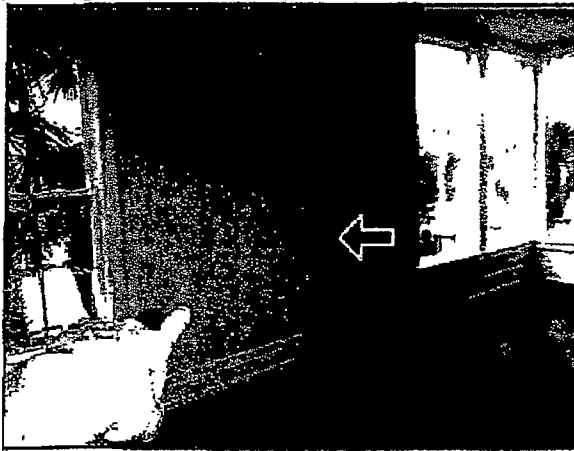


4.0 The upper level wood ceiling needs finish paint / stain coating.

4.1 Walls

Repair or Replace

(1) Wall paint covering is incomplete at the living room right side wall and painters were present in the master bathroom & upstairs front left bathroom performing various painting tasks at time of inspection. Minor paint drips and cosmetic concerns observed in various locations throughout the home, I do not attempt to list them all in this report. Recommend paint contractor complete the painting task to a quality finish and address all cosmetic concerns as necessary.



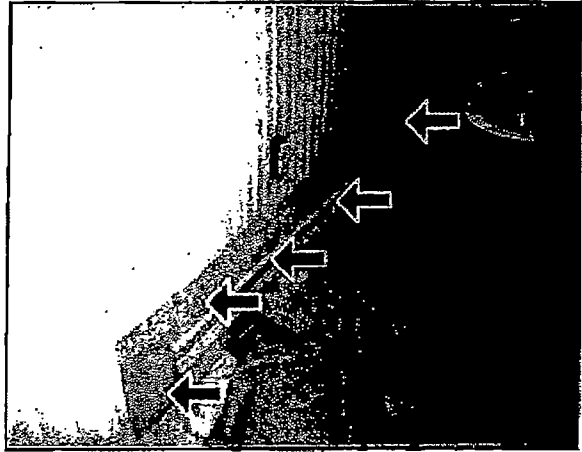
4.1 Wall paint covering is incomplete at the living room right side wall

(2) Wall tile installation is incomplete at the master bathroom area. Recommend tile contractor evaluate and complete the tile installations.

4. Interiors



4.1 Wall tile installation is incomplete at the master bathroom area.



4.1 Wall tile installation is incomplete at the master bathroom area.

4.2 Floors

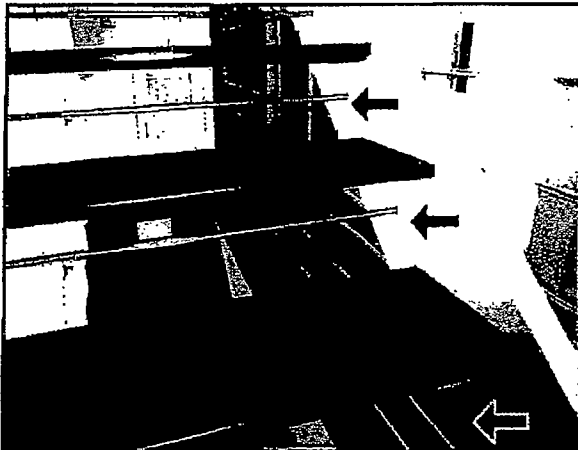
Repair or Replace

Floor coverings had minor paint splatters in various locations of the house. Paint contractor & cleaning contractors were present at time of inspection performing clean up tasks. Recommend the sub contractors complete the clean up tasks to your approval.

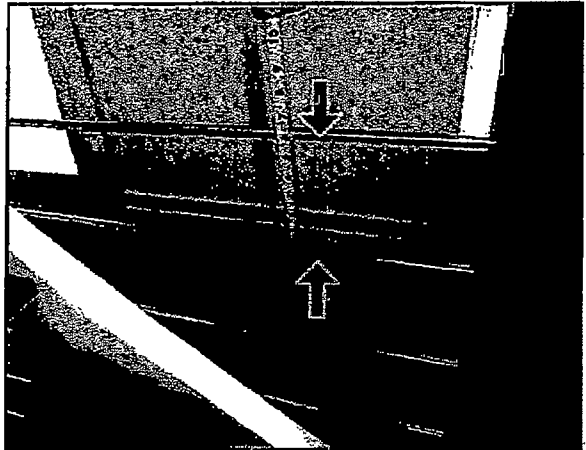
4.3 Steps, Stairways, Balconies and Railings

Repair or Replace

(1) There were no riser boards at the stairway to the upper level which may present a trip hazard and the spacing at the rail exceeds 4" minimum standards. Safety concern - Recommend contractor take corrective action as necessary.



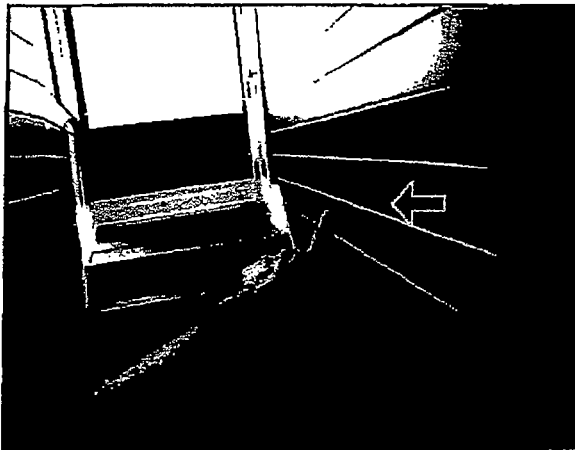
4.3 There were no riser boards at the stairway to the upper level which may present a trip hazard



4.3 the spacing at the rail exceeds 4" minimum standards.

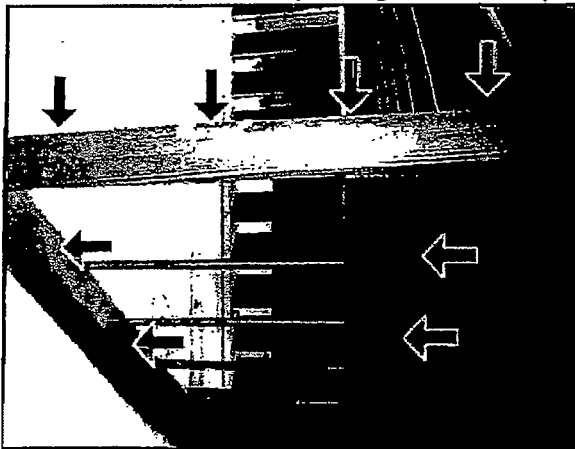
(2) There is no grip rail at the steps to the work out / exercise room @ left side of the structure. Recommend contractor install appropriate grip rail for increased safety.

4. Interiors



4.3 There is no grip rail at the steps to the work out / exercise room @ left side of the structure.

(3) Paint stain is incomplete at the guard railing and post at the upper level. Recommend paint contractor complete this painting task and any others he may identify.



4.3 Paint stain is incomplete at the guard railing and post at the upper level.

4.4 Counters and Cabinets (representative number)

Repair or Replace

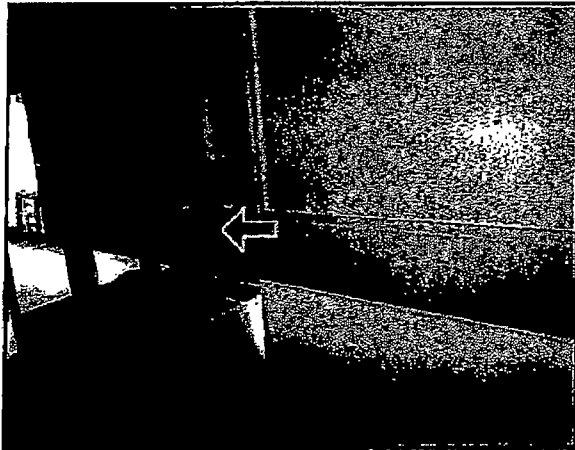
(1) Many of the cabinet drawer and door knob handles are not yet installed in various locations of the home. Several cabinet shelves are not yet installed as intended. Recommend contractor install the shelving as intended & handle knobs for ease of operations.

4. Interiors



4.4 Many of the cabinet drawer and door knob handles are not yet installed in various locations of the home.

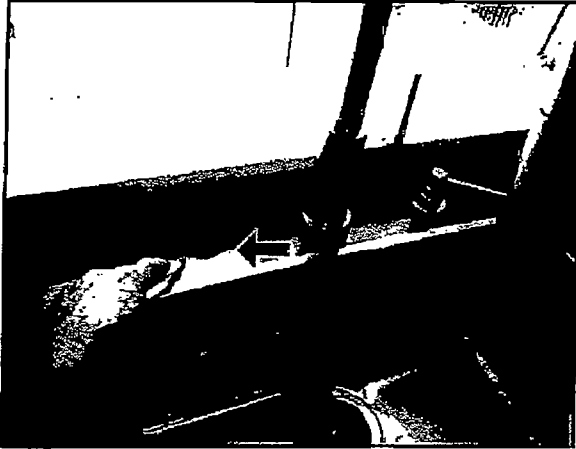
(2) The upper cabinet door at left of the kitchen prep sink does not fully close as intended. Recommend contractor evaluate this cabinet door and adjust it for proper operations.



4.4 The upper cabinet door at left of the kitchen prep sink does not fully close as intended.

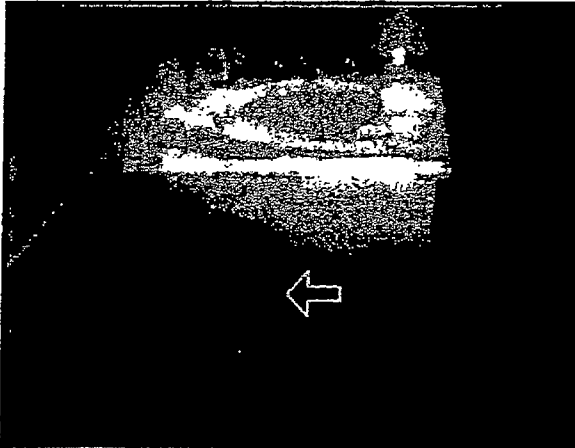
(3) Hole @ wood countertop left of the prep sink faucet and hole opening at the kitchen granite countertop needs a cover or the specialty fixture that the hole is intended for. Recommend contractor evaluate and repair.

4. Interiors



4.4 Hole @ wood countertop left of the prep sink faucet and hole opening at the kitchen granite countertop needs a cover or the specialty fixture that the hole is intended for.

(4) One Vanity cabinet door is not yet installed at the rear left bathroom. Recommend contractor install this cabinet door as intended.



4.4 One Vanity cabinet door is not yet installed at the rear left bathroom.

4.5 Doors (representative number)

Repair or Replace

Door knobs are absent at the upstairs front left bedroom closet doors. Recommend contractor install the door knobs at these closet doors for ease of operation.

4.6 Windows (representative number)

Repair or Replace

(1) Crank handle is absent at the downstairs hall bathroom window. Recommend contractor install the handle as intended - then verify proper operations.

4. Interiors



4.6 Crank handle is absent at the downstairs hall bathroom window.

(2) The window sash balance is detached on the right side window of the upper level front right room. Recommend contractor secure the sash balance as intended and verify proper operations.



4.6 The window sash balance is detached on the right side window of the upper level front right room.

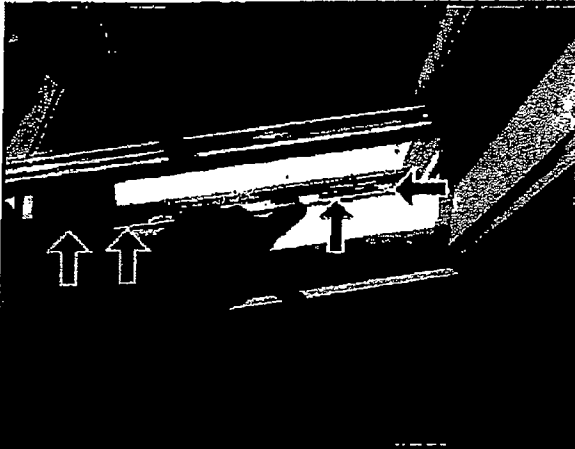
(3) Several windows are difficult to operate, most significantly at the upstairs front right room rear window and two windows in the living room area. Recommend contractor evaluate the windows, adjust and lubricate for ease of operations.

4. Interiors



4.6 Several windows are difficult to operate, most significantly at the upstairs front right room rear window and two windows in the living room area.

(4) Trash and debris observed at several of the window sash sills. Cleaning contractors present at time of inspection. Recommend cleaning contractors evaluate & clean ALL the windows as necessary



4.6 Trash and debris observed at several of the window sash sills.

6. Plumbing System

6.1 Plumbing Water Supply, Distribution System and Fixtures

Repair or Replace

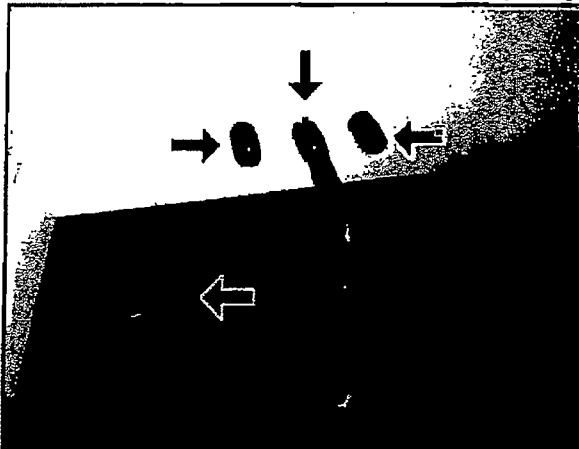
(1) The laundry sink faucet does not recoil when the flex extension is operated. Recommend plumber evaluate this fixture and repair it for proper operation.

6. Plumbing System



6.1 The laundry sink faucet does not recoil when the flex extension is operated.

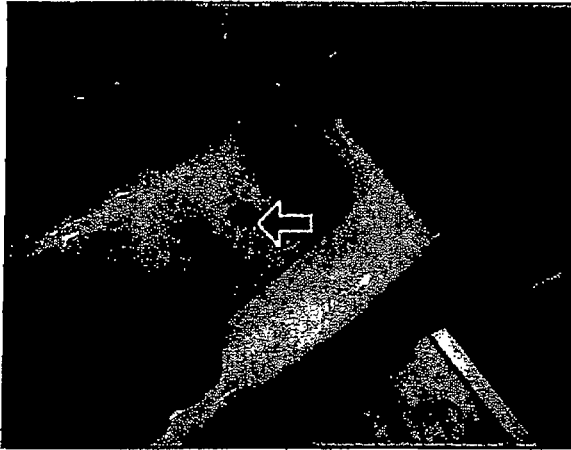
(2) The downstairs hall bathroom fixture installation is incomplete, I did not test or operate the sink fixture. Recommend plumber evaluate and properly complete the fixture installation. Have contractor verify the absence of leaks along with proper operation & installation of the sink fixture.



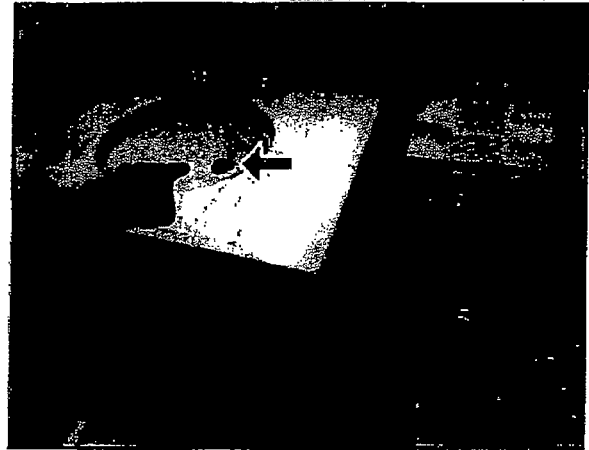
6.1 The downstairs hall bathroom fixture installation is incomplete, I did not test or operate the sink fixture.

(3) Tub stopper is absent and the sink stopper does not make a good seal when closed @ the Nanny bathroom. Recommend plumber install the appropriate tub stopper & adjust the sink stopper for a proper seal when closed.

6. Plumbing System

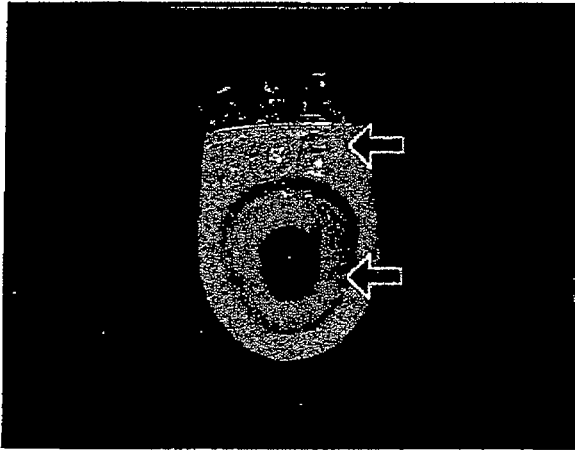


6.1 Tub stopper is absent @ the Nanny bathroom.



6.1 sink stopper does not make a good seal when closed @ the Nanny bathroom.

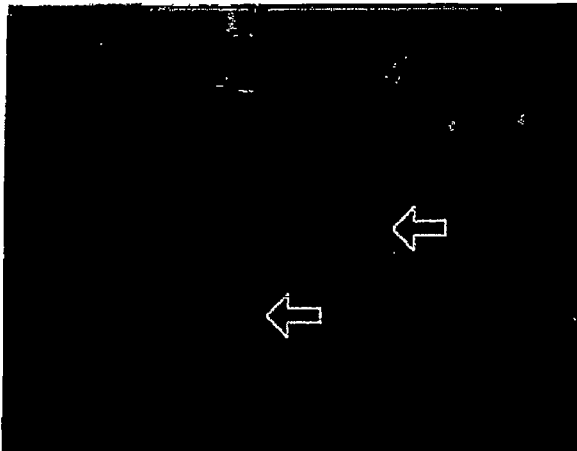
(4) The toilet seat is absent at the master bathroom toilet. Recommend plumber install the appropriate seat & cover for the toilet fixture.



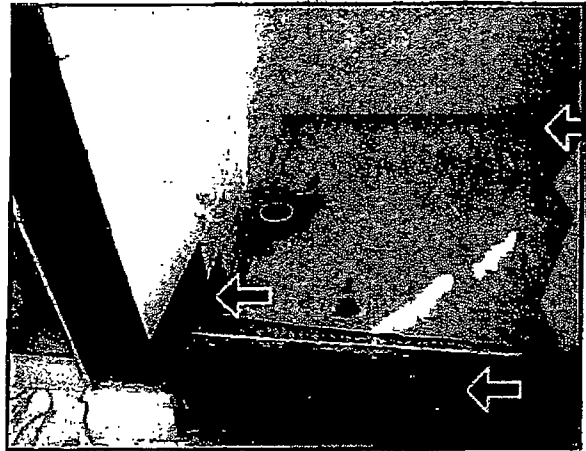
6.1 The toilet seat is absent at the master bathroom toilet.

(5) The master bathroom stall shower fixture installation is incomplete, the tile and grout installation is incomplete, and there is no shower surround at this bath fixture. Recommend plumber complete these tasks, then have contractor verify proper operations, & the absence of leaks.

6. Plumbing System

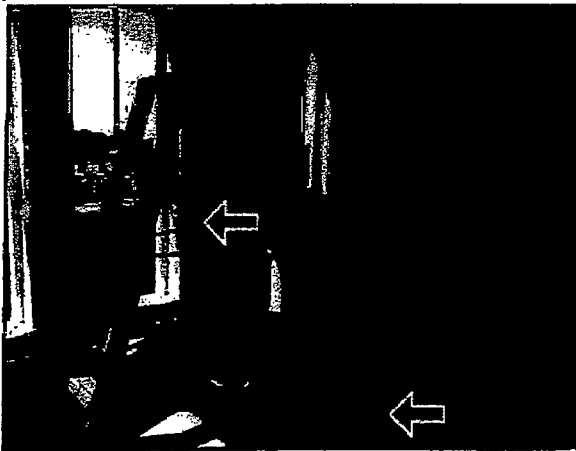


6.1 The master bathroom stall shower fixture installation is incomplete



6.1 The master bathroom stall shower tile and grout installation is incomplete, and there is no shower surround at this bath fixture.

(6) The whirlpool tub was not operated or tested due to painters present in this area at time of inspection. The whirlpool tub has no removable access panel for servicing the whirlpool motor if needed. Recommend contractor verify proper operation of this fixture and install an appropriate access panel.



6.1 The whirlpool tub was not operated or tested due to painters present in this area at time of inspection. The whirlpool tub has no removable access panel for servicing the whirlpool motor if needed.

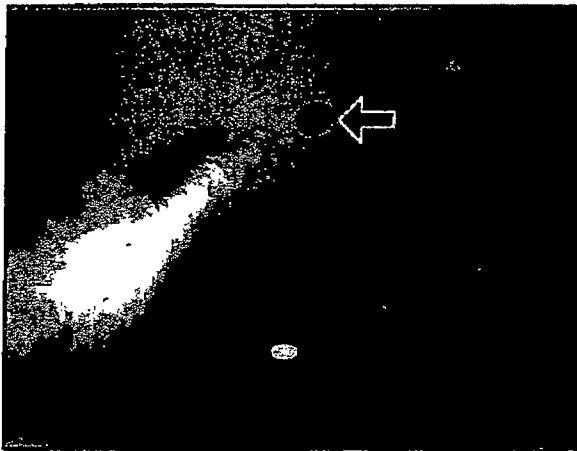
(7) The master bathroom right side sink fixture installation is incomplete at time of inspection. I did not test or operate this fixture. Recommend plumber complete the sink fixture installation then verify proper operations and the absence of leaks.

6. Plumbing System



6.1 The master bathroom right side sink fixture installation is incomplete at time of inspection. I did not test or operate this fixture.

(8) The house is fitted with a sprinkler system. Sprinkler head installations is incomplete at several areas. I do not attempt to identify all that are missing & I did not fully inspect or test the sprinkler system. Recommend appropriate contractor evaluate and complete the fire sprinkler system installation.



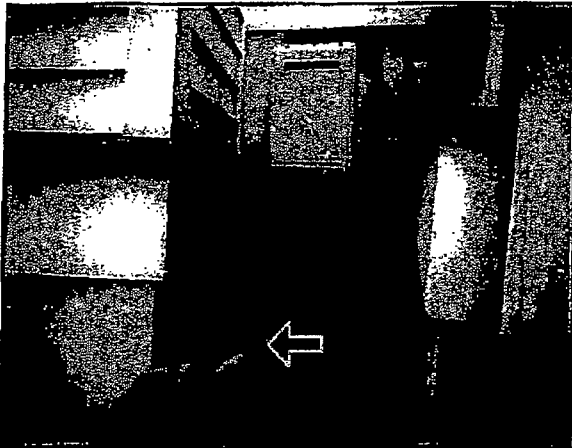
6.1 The house is fitted with a sprinkler system. Sprinkler head installations is incomplete at several areas.

6.2 Hot Water Systems, Controls, Chimneys, Flues and Vents

Repair or Replace

Both tankless water heater relief lines terminate too high from the ground and may present a scald hazard. Relief lines should terminate with a downward pitch, approximately 6 to 8 inches from the finish grade. Recommend contractor evaluate and repair.

6. Plumbing System

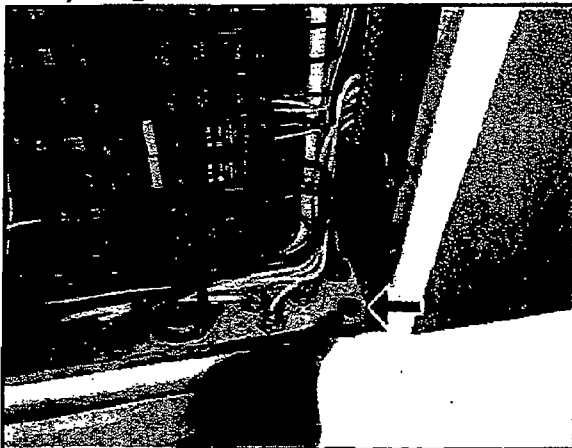


6.2 Both tankless water heater relief lines terminate too high from the ground and may present a scald hazard.

7. Electrical System

7.1 Service and Grounding Equipment, Main Overcurrent Device, Main and Distribution Panels Repair or Replace

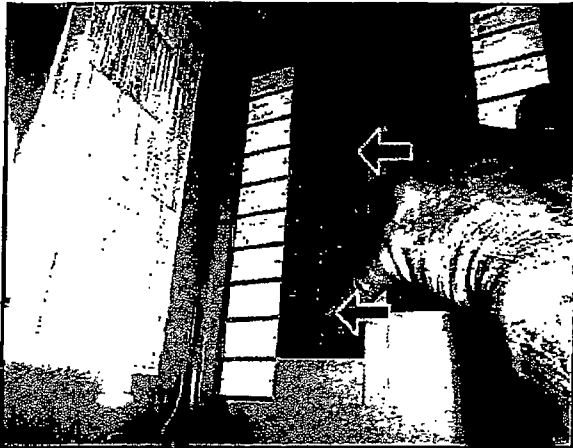
(1) Hole in bottom of panel A needs a cover. Recommend electrician install an appropriate cover at this opening.



7.1 Hole in bottom of panel A needs a cover.

(2) Two circuits are not yet identified at the 125 amp sub panel in the lower level. Recommend electrician evaluate and properly identify these circuits.

7. Electrical System



7.1 Two circuits are not yet identified at the 125 amp sub panel in the lower level.

7.3 Connected Devices and Fixtures (Observed from a representative number operation of ceiling fans, lighting fixtures, switches and receptacles located inside the house, garage, and on the dwelling's exterior walls)

Repair or Replace

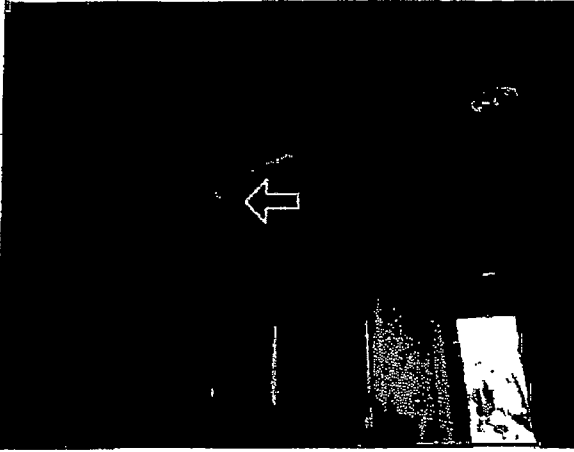
(1) The recess light over the bath tub is not a covered fixture as required at the Nanny bathroom on left side of the house. Recommend electrician provide a proper covered fixture at this location.



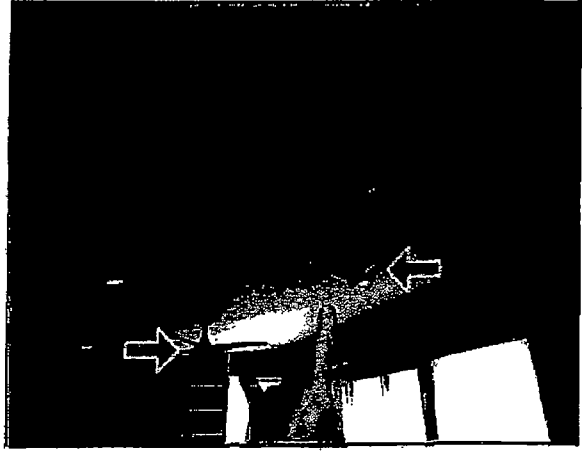
7.3 The recess light over the bath tub is not a covered fixture as required at the Nanny bathroom on left side of the house.

(2) The ceiling fans in the exercise / work out room and in the downstairs rear right room did not turn ON when prompted at switch controls. Recommend electrician evaluate and repair - Verify proper operations

7. Electrical System



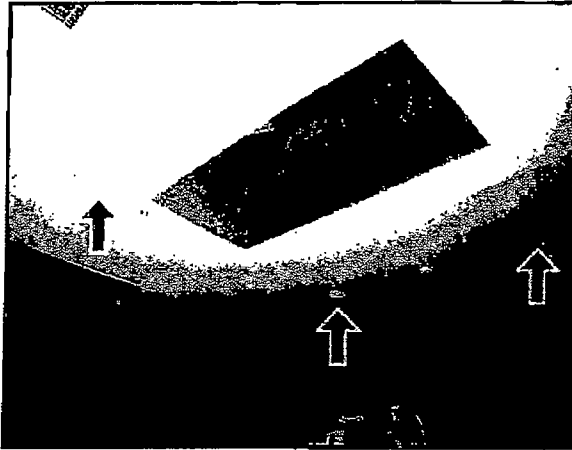
7.3 The ceiling fans in the exercise / work out room and in the downstairs rear right room did not turn ON when prompted at switch controls.



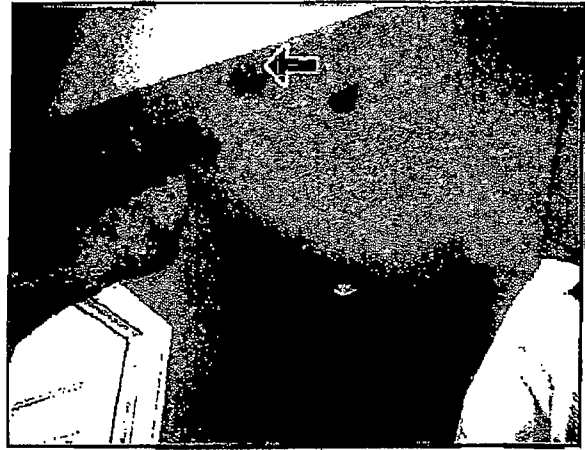
7.3 The ceiling fans in the exercise / work out room and in the downstairs rear right room did not turn ON when prompted at switch controls.

(3) Bulbs are not yet installed or not operational at all recess light fixtures in the master bathroom walk in closet, the rear left nanny room, the rear left bedroom, the rear left bathroom, the rear left hallway, and but not limited to some pendent lights at the upstairs hallway. Recommend electrician install appropriate bulbs at these fixtures and any others he may identify.

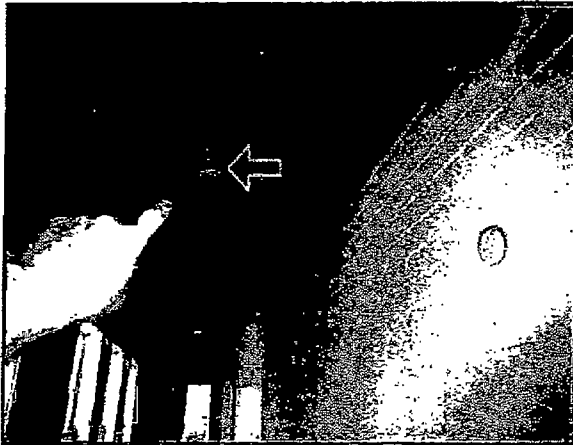
7. Electrical System



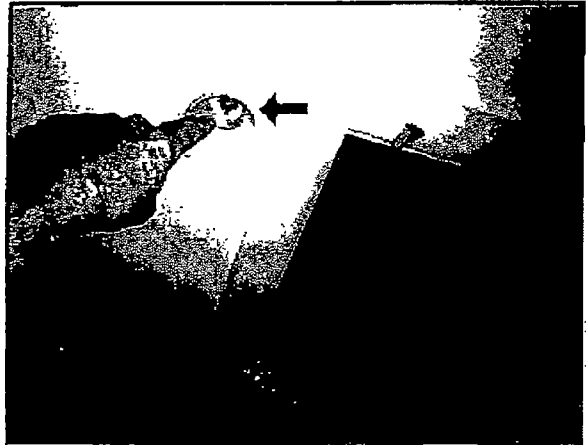
7.3 Bulbs are not yet installed at all recess light fixtures in the master bathroom walk in closet,



7.3 Bulbs are not yet installed or not operational at rear left hallway



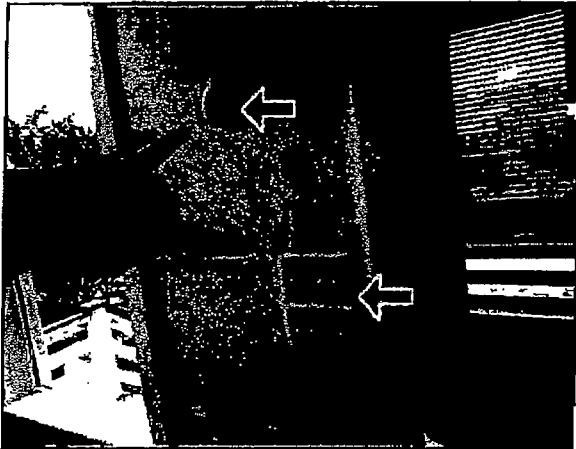
7.3 Bulbs are not yet installed or not operational at upstairs hallway



7.3 Bulbs are not yet installed or not operational at nanny room

(4) Numerous switches operate nothing, likely those switches are intended for devices not yet installed. Recommend electrician install the fixtures as necessary and verify switch operations after they are installed.

7. Electrical System



7.3 Numerous switches operate nothing, likely those switches are intended for devices not yet installed.

(5) Branch wire in attic area over master bathroom closet is not properly secure & contained - This wire is HOT! Recommend electrician properly contain the wire in a junction box that is secured to the structure



7.3 Branch wire in attic area over master bathroom closet is not properly secured & contained - This wire is HOT!

(6) Junction box does not have a cover at the attic area over the master bathroom walk in closet. Recommend electrician install an appropriate cover at this junction box.

7. Electrical System

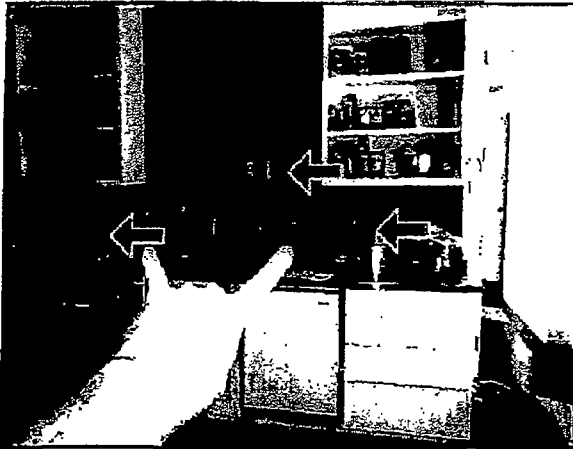


7.3 Junction box does not have a cover at the attic area over the master bathroom walk in closet.

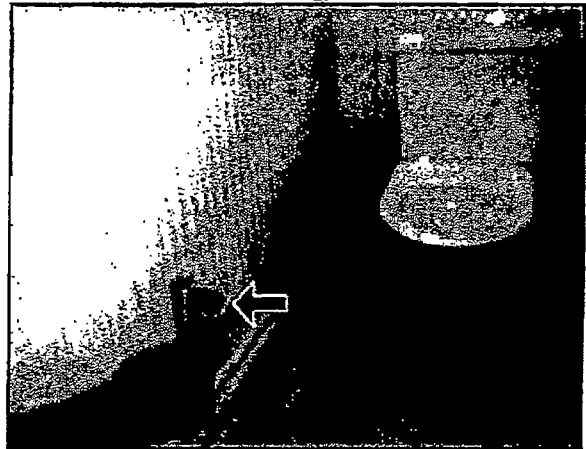
7.4 Polarity and Grounding of Receptacles within 6 feet of Interior plumbing fixtures, all receptacles in garage, carport and exterior walls of inspected structure

Repair or Replace

The outlet at the front of the sink, right & left of sink in the exercise / work out room are not GFCI outlets. Outlet in toilet area of the master bathroom is not GFCI protected. Recommend electrician install GFCI outlets at these areas for increased safety & to meet current standards.



7.4 The outlet at the front of the sink, right & left of sink in the exercise / work out room are not GFCI outlets.



7.4 Outlet in toilet area of the master bathroom is not GFCI protected.

7.7 Smoke Detectors

Repair or Replace

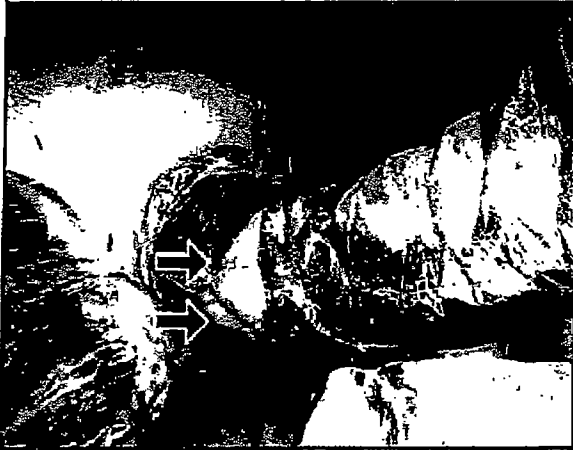
There are no smoke detectors at the hallways and bedrooms. Recommend contractor install the smoke detectors for increased safety.

8. Heating / Central Air Conditioning

8.3 Distribution Systems (including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units and convectors)

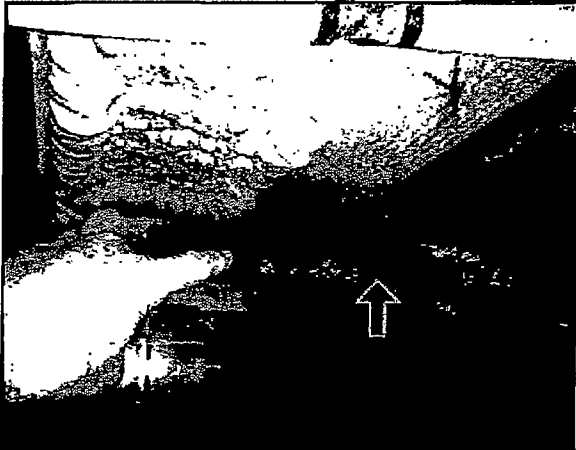
Repair or Replace

(1) Branch duct insulation wrap is torn at one duct in the attic area over the Nanny room & at one area in the attic over the master bathroom closet area. Recommend contractor mastic tape then mastic seal the ripped insulation wrap for improved energy efficiency.



8.3 Branch duct insulation wrap is torn at one duct in the attic area over the Nanny room & at one area in the attic over the master bathroom closet area.

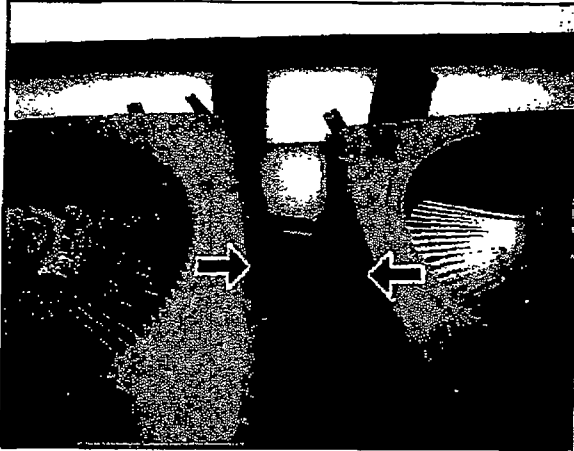
(2) Branch duct air flow is restricted @ one duct at the attic area over the master bathroom. Recommend contractor evaluate the ductwork and adjust it for improved air flow.



8.3 Branch duct air flow is restricted @ one duct at the attic area over the master bathroom.

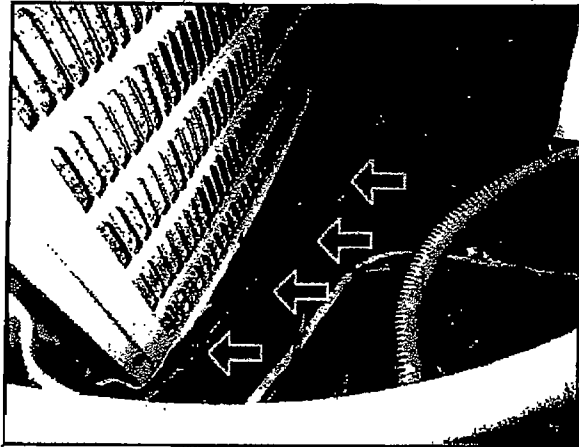
(3) The two outside units installed by each other are installed too close to one another. Manufacturer recommends a minimum 12" separation between the systems. A qualified licensed HVAC (Heat/Ventilation/Air conditioning Contractor) should inspect further and repair as needed.

8. Heating / Central Air Conditioning

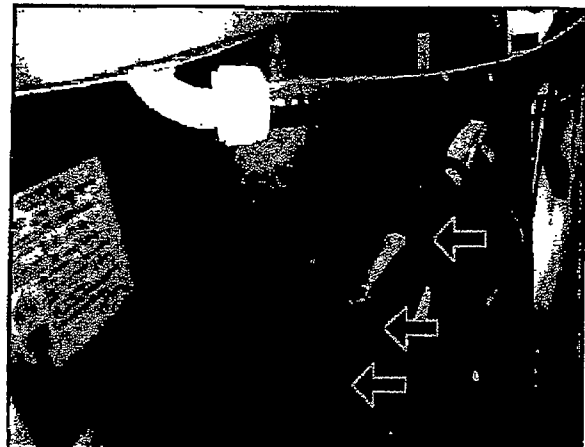


8.3 The two outside units installed by each other are installed too close to one another. Manufacturer recommends a minimum 12" separation between the systems.

(4) Exterior refrigerant pipe insulation is torn, worn, and incomplete in areas. Recommend contractor evaluate the pipe insulation and repair or replace it.



8.3 Exterior refrigerant pipe insulation is torn, worn, and incomplete in areas.



8.3 Exterior refrigerant pipe insulation is torn, worn, and incomplete in areas.

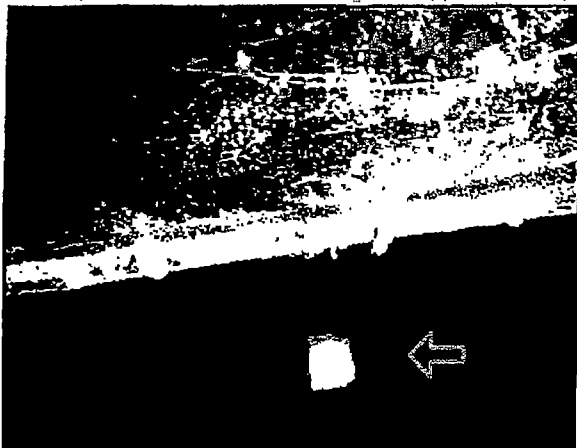
8.5 Chimneys, Flues and Vents (for fireplaces, gas water heaters or heat systems)

Repair or Replace

(1) The chimney does not have a cap, rain may enter the chimney flue and deteriorate components. Recommend contractor install an appropriate chimney cap to reduce moisture entry.

(2) Both chimney liners were partially visible and appeared good, but due to the restricted visibility I could not inspect for cracks. I recommend a licensed chimney sweep clean and inspect for safety.

8. Heating / Central Air Conditioning



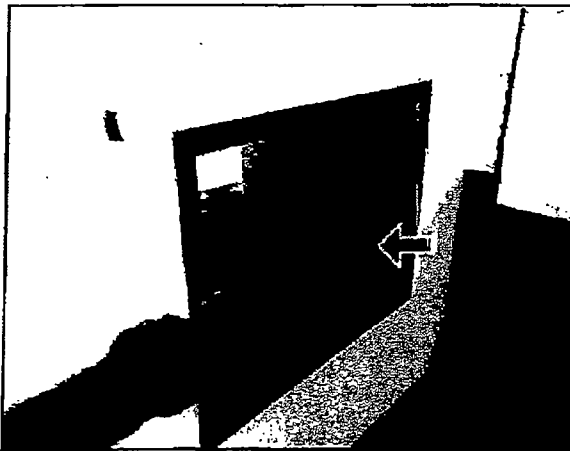
8.5 Both chimney liners were partially visible and appeared good, but due to the restricted visibility I could not inspect for cracks.

8.6 Solid Fuel Heating Devices (Fireplaces, Woodstove)

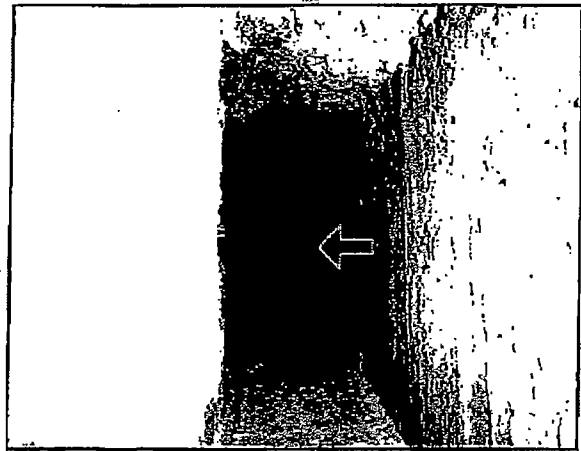
Repair or Replace

The downstairs fireplace has no front screen covers, the clean out flue is partially restricted by masonry debris, and the clean out damper is rusted shut & not operational. Recommend fireplace contractor address these concerns and any other concerns he may identify.

8. Heating / Central Air Conditioning



8.6 The downstairs fireplace has no front screen covers



8.6 The downstairs fireplace clean out flue is partially restricted by masonry debris



8.6 The downstairs fireplace clean out damper is rusted shut & not operational.

8.8 Cooling and Air Handler Equipment

Repair or Replace

(1) The air handler system in the lower level was not accessible at time of inspection, stored items restricted its access so I was unable to inspect it. Recommend contractor evaluate this air handler and verify no concealed concerns.

8. Heating / Central Air Conditioning



8.8 The air handler system in the lower level was not accessible at time of inspection, stored items restricted its access so I was unable to inspect it.

(2) The condensate discharge lines at the front left air conditioner stand terminates too high off the ground and both condensate discharge pipes terminate too close to the structure. Ponding water at the house wall foundation is not advisable or recommended. Recommend contractor evaluate the discharge pipes, install extensions and terminate further from the structure.



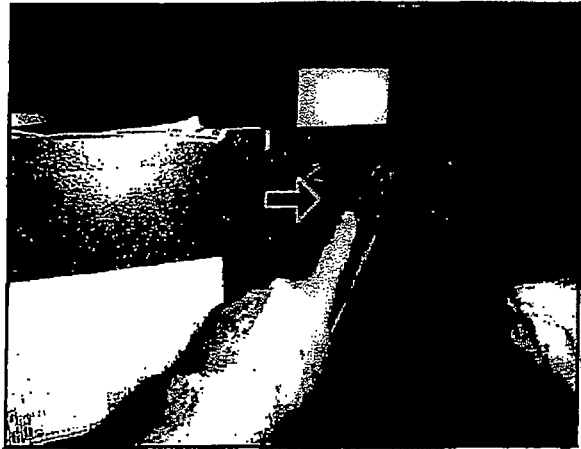
8.8 The condensate discharge lines at the front left air conditioner stand terminates too high off the ground and both condensate discharge pipes terminate too close to the structure.

(3) Squeeze connector is absent at the air handler wire casing penetration in the attic area over the Nanny room. Refrigerant pipe insulation does not fully extend to the air handler casing, & the overflow pan has rust stains indicating a prior condensate discharge problem. Recommend contractor evaluate the air handler, repair these concerns and any others he may identify.

8. Heating / Central Air Conditioning



8.8 Squeeze connector is absent at the air handler wire casing penetration in the attic area over the Nanny room.



8.8 Refrigerant pipe insulation does not fully extend to the air handler casing,



8.8 the overflow pan has rust stains indicating a prior condensate discharge problem.

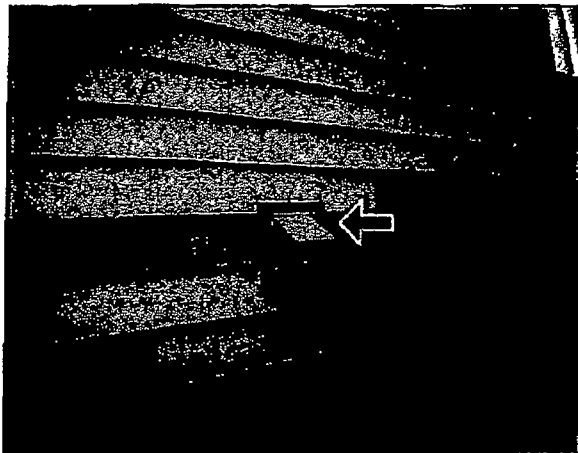
9. Insulation and Ventilation

9.4. Venting Systems (Kitchens, Baths and Laundry)

Repair or Replace

The laundry vent at the front left terminates too close to the exterior condenser units. This may promote accumulated lint debris at the coil fins which will reduce unit efficiency and service life. Recommend a minimum 8 foot clearance of the laundry vent discharge from the condenser units. Have contractor evaluate and repair.

9. Insulation and Ventilation



9.4 The laundry vent at the front left terminates too close to the exterior condenser units. This may promote accumulated lint debris at the coil fins which will reduce unit efficiency and service life.

Home inspectors are not required to report on the following: Life expectancy of any component or system; The causes of the need for a repair; The methods, materials, and costs of corrections; The suitability of the property for any specialized use; Compliance or non-compliance with codes, ordinances, statutes, regulatory requirements or restrictions; The market value of the property or its marketability; The advisability or inadvisability of purchase of the property; Any component or system that was not observed; The presence or absence of pests such as wood damaging organisms, rodents, or insects; or Cosmetic items, underground items, or items not permanently installed. Home inspectors are not required to: Offer warranties or guarantees of any kind; Calculate the strength, adequacy, or efficiency of any system or component; Enter any area or perform any procedure that may damage the property or its components or be dangerous to the home inspector or other persons; Operate any system or component that is shut down or otherwise inoperable; Operate any system or component that does not respond to normal operating controls; Disturb insulation, move personal items, panels, furniture, equipment, plant life, soil, snow, ice, or debris that obstructs access or visibility; Determine the presence or absence of any suspected adverse environmental condition or hazardous substance, including but not limited to mold, toxins, carcinogens, noise, contaminants in the building or in soil, water, and air; Determine the effectiveness of any system installed to control or remove suspected hazardous substances; Predict future condition, including but not limited to failure of components; Since this report is provided for the specific benefit of the customer(s); secondary readers of this information should hire a licensed inspector to perform an inspection to meet their specific needs and to obtain current information concerning this property.

Prepared Using HomeGauge <http://www.HomeGauge.com> : Licensed To John Boensch



INSPECTION AGREEMENT

THIS IS A LEGALLY BINDING CONTRACT PLEASE READ IT CAREFULLY

Address of Structure to be Inspected: 1850 Flag Street Sullivan's Island SC
29482

Inspection Fee: \$ 225.00

Client requests a visual inspection of the structure identified at the above address by Benchmark Inspections of South Carolina

1. hereinafter collectively referred as the "Company" and Client hereby represents and warrants that all approvals necessary have been secured for the Company's entrance on to the property.

Client warrants that (a) Client has read this Agreement carefully, (b) Client understands the Client is bound by all the terms of this Agreement, and (c) Client will read the entire Inspection Report and follow every recommendation for repairs, maintenance, safety or further evaluation by a specialist. Furthermore, Client agrees that if such action is not undertaken and documented that the Company shall be held harmless for any subsequently alleged defects or deficiencies regarding that specific component/system or condition.

3. **CONFIDENTIAL REPORT:** Client understands that the inspection and the Inspection Report are performed and prepared for Client's sole, confidential use. Client agrees that Client will not transfer, disseminate or otherwise disclose any part of the Inspection Report to any other persons. The ONLY exceptions to this non-disclosure are as follows: (a) one copy may be provided to the current Seller (b) one copy may be provided to the Real Estate Agent directly representing Client and/or Client's lending institution for the use in the Client's transaction only. (c) one copy may be provided to the Attorney directly representing Client. **IN THE EVENT THAT ANYONE OR ANY ENTITY CLAIMS DAMAGES AS A RESULT OF THE RELIANCE UPON THE INSPECTION REPORT, AND SEEKS RECOMPENSE FOR SAID DAMAGES FROM THE COMPANY,** Client agrees to indemnify, defend, and hold Company and/or Inspector harmless from any third party claims arising out of Client's unauthorized distribution of the Inspection Report, including, but not limited to, any claims caused by the alleged negligence, breach of contract, fraud, misrepresentation, or any other theory of liability of the company.

4. Company agrees to perform a limited visual inspection of the structure at the above address and to provide Client with a written opinion as to the apparent general condition of the structure's components and systems, including identification of significant observable deficiencies, as they exist at the time of the inspection. The inspection will be performed in a manner consistent with the

Standards of Practice of the American Society of Home Inspectors (ASHI). A copy of these standards is attached to the Inspection Agreement

SCOPE OF INSPECTION: The inspection only includes those systems and components expressly and specifically identified in the inspection report. Any area, which is not exposed to view, is concealed, is inaccessible because of soil, walls, floors, Carpets, ceilings, furnishings or any other thing, or those areas/items, which have been excluded is not included in this inspection. The inspection does not include any destructive testing or dismantling. In addition to the other LIMITATIONS provisions in this Agreement, Client agrees to assume all the risk for all conditions which are concealed from view at the time of the inspection or exist in any area excluded from inspection by the terms of this agreement. Maintenance and other items may be discussed but will NOT form a part of the inspection report. The following areas/items, systems and components are among those NOT INCLUDED in the scope of inspection:

5. Code or Zoning Violations/ Permit Research/ Building value appraisal/ADA compliance/ Repair cost estimates/ System or component installation/ Adequacy of efficiency of any system component/ prediction of life expectancy of any item/ Latent or concealed defects/ Structural, geological, soil, wave action or hydrological stability, survey, engineering, analysis or testing/ Soil condition/ Termites or other Wood Destroying Organisms, rodents or other pests/ Dry rot or fungus or the damage from or relating to the preceding/ Asbestos, radon gas, lead paint, mold, urea formaldehyde, toxic or flammable chemicals, water or air quality, PCB's or other toxins, electromagnetic fields, underground storage tanks, proximity to toxic waste sites, Sick Building Syndrome or other environmental or health hazards/ Spas/ hot tubs/ Swimming pools/ Saunas/ Steam baths/ Fountains or other types of or related systems or components/ Water softener or purifiers/ Private water or sewage systems/ Seawalls, docks, davits, boat lifts or other marine equipment/ Radio controlled devices/ Telephone and cable television wiring and service/ Automatic gates/ Elevators/ Lifts/ Dumbwaiters/ Thermostatic or time clock controls/ Radiant heat systems/ Furnace heat exchanger/ Solar heating systems/ Heat pump recovery units/ Gas appliances such as fire pits, barbecues, heaters, lamps, and pool heaters/ Main gas shut off valve/ Gas leaks/ Seismic or hurricane safety/ Flood zone determination/ Previous flood history/ Boundaries/ Easements or right of way/ Freestanding appliances and buildings and sheds/ Security system/ Fire safety/ Sprinkler Systems/ Low voltage and landscape lighting systems/ Personal property/ Items specifically noted as excluded in the inspection report/ Odors & noise or any adverse condition that may affect the desirability of the property/ Proximity of railroad tracks or airplane routes/ Unique or technically complex systems or components.

If inspection is desired in any of the areas/items, systems or components listed above, then Client shall contact the appropriate professionals. (Some of the above items may be included in this inspection for additional fees-check with your inspector)

If your inspector recommends consulting other specialized experts, client must do so at client's expense.

6. **CLIENT UNDERSTANDS THAT THE INSPECTION AND THE INSPECTION REPORT DO NOT, IN ANY WAY, CONSTITUTE A/ AN: (1) GUARANTEE, (2) WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, (3) EXPRESS OR IMPLIED WARRANTY, OR (4) INSURANCE POLICY. ADDITIONALLY, NEITHER THE INSPECTION NOR THE INSPECTION REPORT IS SUITABLE FOR ANY REAL ESTATE TRANSFER DISCLOSURES THAT MAY BE REQUIRED BY LAW.**

7. The written report to be prepared by Company shall be considered the final and exclusive findings of Company of the structure. Client understands and agrees that Client will not rely on any oral statements made by the inspector prior or subsequent to the issuance of the written Inspection Report. Client further understands and agrees Company reserves the right to modify the inspection report for a period of time that shall not exceed two business days after the inspection report has first been delivered to the Client.

LIMITATION ON LIABILITY: It is agreed that the Company, its employees, officers, owners, and heirs, are not in anyway insurers of the property inspected and that payments for the inspection services provided herein are based solely upon the value of those services, and it is not the intention of the parties that the Company assume responsibility: (1) for any loss occasioned by malfeasance or misfeasance in the performance of the services under this Agreement, (2) for any loss or damage sustained through burglary, theft, robbery, fire or other cause, or (3) for any liability on the part of the Company by virtue of this Agreement or because of the relationship hereby established. If there shall, notwithstanding the above provision, at any time be, or arise, any liability on the part of the Company by virtue of this Agreement, or because of the relationship hereby established, whether due to the negligence, omission, breach of contract, misrepresentation of the Company or otherwise, such liability is, and shall be limited to, a sum equal to the price charged for the inspection service, which sum shall be paid and received as liquidated damages. Such liability is herein set forth as liquidated damages and not as a penalty, and this liability shall be complete and exclusive. **THE COMPANY MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AND ANY SUCH WARRANTY IS SPECIFICALLY EXCLUDED AND DISCLAIMED.**

DISPUTES: Client understands and agrees that any claim for failure to accurately report the visually discernible conditions at the subject property, shall be made in writing and reported to the Inspector within ten business days of discovery. Client further agrees that, with exception of emergency conditions, Client or Client's agents, employees or independent contractors will make NO alterations, modifications or repairs to the claimed discrepancy prior to a re-inspection by the Inspector. Client understands and agrees that any failure to notify the Inspector as stated above shall constitute a waiver of any and all claims for said failure to accurately report the condition in question.

ARBITRATION: It is agreed that any dispute, controversy, interpretation or claim, including claims for, but not limited to, breach of contract, any form of negligence, fraud or misrepresentation arising out of, from or related to, this contract or arising out of, from or related to, the inspection or inspection report, shall be submitted to final and binding arbitration under the Rules and Procedures of the Expedited Arbitration of Home Inspection Disputes of Construction Arbitration Services, Inc. The decision of the arbitrator appointed hereunder shall be final and binding and judgment on the award may be entered in any court of competent jurisdiction.

CLIENT UNDERSTANDS AND AGREES THAT IN ANY SUCH ARBITRATION, ALL OF THE LIMITATIONS OF LIABILITY PROVISIONS OF THIS AGREEMENT SHALL APPLY.

Any legal action, including the arbitration proceeding more specifically described above, including, but not limited to, those proceedings involving claims sounding in tort or contract, against the Company, or its officers, agents or employees, must be brought within one (1) year from the date of the inspection, or same will be deemed waived and forever barred. Time is expressly of the essence herein. This time period may be shorter than otherwise provided for by law. It is agreed and understood that the arbitrator, in rendering any decision above, is to apply the laws of the State of South Carolina.

ATTORNEY'S FEES: The prevailing party in any dispute arising out of this agreement, the inspection, or Report(s) shall be awarded all reasonable attorney's fees, arbitrator fees and other costs.

Client understands and agrees that if he or she is not present at the time of the inspection or do not sign this Inspection Agreement that this Agreement will become part of the Inspection Report, and therefore delivery of the Inspection Report to the Client (by mail, in person or via internet) will constitute acceptance of ALL the terms and conditions of this Agreement.

14. **SEVERABILITY:** If any portion of this Agreement is found to be invalid or unenforceable by any court or arbitrator the remaining terms shall remain in full force and effect between the parties.

PAYMENT: Payment is expected when the report is delivered. A 10% late fee (per month) will be charged for all late payments.
15. All costs, including but not limited to, collections, liens & legal fees to recover past due payments will be added to the customer final bill. A \$50.00 fee will be added to all returned checks.

ENTIRE CONTRACT: This Agreement represents the entire agreement between the parties. No oral agreements, understandings or representations shall change, modify or amend any part of this agreement. No change or modification shall be enforceable against any party unless such changes or modifications are in writing and signed by the parties. This Agreement shall be binding upon and inure to the parties hereto and their spouses, heirs, executors, administrators, successors, assigns and representatives of any kind whatsoever.

I have read, understand and agree to all the terms and conditions of this contract and to pay the fee listed above.

Dated _____ Signature of Client: _____
(One signature binds all)

Printed Name of Client: _____

Dated _____ For the Company John Boensch

October 16, 2014

Amy Salzhauer
1850 Flag Street
Sullivans Island, SC 29482

Ref: HVAC Evaluation
1850 Flag Street

Amy,

Pursuant to your request, I visited your home located at 1850 Flag Street on Sullivans Island on August 15, 2014 and again on September 16, 2014. The purpose of my visits was to survey the installed HVAC systems and comment on the overall installation and suitability for the application.

It is my understanding that you experienced difficulties in dealing with your general contractor during construction and you believe that there may have been two different HVAC contractors involved on the project. Please note that I do not have enough information to determine who may have made certain decisions concerning the HVAC (size, layout, zoning, controls, etc.). Rather, this report will outline my opinions of the systems as installed and the degree to which I feel they will satisfy your expectations.

The following is a description of observations made at the individual systems:

First Floor Main House:

During both of my visits, this system was experiencing functional issues. Ice was observed forming on the suction line at both the condenser and air handler – it is likely the evaporator coil was iced up as well. The auxiliary drain pan at the air handler (located under the house) was full of water, but the float switch was not disabling the unit (water collecting in the pan appears to be draining out the auxiliary drain pan line). This is indicative of a unit that has a refrigerant leak or was incorrectly charged at commissioning. As a result, the first floor was unable to maintain the thermostat setting. Due to the longstanding water, the system has become unsanitary.

There are two return grilles stacked on top of one another serving the downstairs. It is unclear as to whether this was the original design intension or if the upper return was added. The two are connected via a 10 inch flex duct that appears to be inadequate to provide full benefit of the upper return.

There is no air conditioning vent in the powder room off of the Kitchen

The supply in the Laundry Room has a toe-space termination but there are no cabinets.

Second Floor Main House

The air handler (located in the attic) serves three zones and has a bypass damper. It is extremely congested around the air handler to the point that airflow is compromised and zone dampers are inaccessible. Note: I did observe an area in the attic that would have allowed for an uncongested installation.

The auxiliary drain pan was full of water (and the air handler was sweating on the exterior), but the float switch was not deactivating the system (it appears water is draining out the auxiliary drain pan line). Ductwork close to the air handler was saturated and dripping in the attic.

This system was described to be "noisy". There is a large section of exposed, uninsulated metal ductwork that runs primarily in the hallway. This type of ductwork tends to be noisy, but in this situation, it is exacerbated by the zoning system that can direct a disproportional amount of air to the zone. It was observed that, even with the exposed duct zone "off", the system as a whole was still noisy.

There was an attempt to add a dehumidifier to this system; however, the method in which it was controlled rendered it ineffective. Additionally, the dehumidifier does not appear to be functional.

There is no air conditioning vent in the Master Bedroom toilet room (may not be needed).

Thermostat in Master Bedroom is recessed into shelving (and clothes were stacked in front).

Guest House

The auxiliary drain pan was dry but showed evidence of significant standing water in the past.

The system appears to be oversized for the application. This was supported by the occupant stating that the system seems to short-cycle. This is also likely contributing to the humid feel in the space and the overall noise of the system.

The ductwork serving the Playroom (under the house) is disproportionately long compared to the bedroom area (in attic). Combined with the short-cycling described above, this results in little air flow to the exercise area.

There was an attempt to add a dehumidifier to this system; however, the method in which it was controlled rendered it ineffective. Additionally, the dehumidifier does not appear to be functional.

There is no air conditioning vent in the bathroom.

In summary, all three of the systems have significant issues and, in my opinion, need to be replaced. To accommodate my recommendations, various duct modifications will be required along with the relocation and/or addition of system components. Please note that I recommend that your selected mechanical contractor perform a Manual J load calculation to determine the final size of each system.

My recommendations are as follow:

First Floor Main House

- Remove and dispose of condenser, air handler, auxiliary drain pan, thermostat and all other ancillaries.
- Air handler supports and ductwork will require modifications to accommodate new air handler.
- Install TRANE XV18 split system complete with compatible Experion air handler, new Wi-fi thermostat, auxiliary drain pan and all necessary ancillaries.
- Install Honeywell DR90 dehumidifier in conjunction with above.
- Coordinate with cabinet contractor to complete supply run in Laundry room or provide floor register.
- Increase size of transfer duct between two returns.
- Install supply in Powder Room off of Kitchen.

Second Floor Main House

- Remove and dispose of condenser, air handler, auxiliary drain pan, thermostats, zone damper, bypass damper, zone board and all other ancillaries.
- Significant ductwork modifications will be required to relocate and accommodate new air handler.
- Install TRANE XV18 split system complete with compatible Experion air handler, new thermostats (with Wi-fi capabilities), zone dampers and panel, auxiliary drain pan and all necessary ancillaries. Air handler to be relocated to area above Master Bathroom and ductwork modified to accommodate. New zone dampers to be positioned such that they are accessible. There will be no bypass duct/damper with this configuration.
- If accessible, install manual balancing dampers on supply runs to each of the children's rooms.
- Locate thermostat serving children's rooms to central hallway between the two rooms.
- Locate thermostat serving the Master Bedroom on an available wall in MB (not recessed into shelves).
- Install Honeywell DR90 dehumidifier in conjunction with above.

Guest House

- Remove and dispose of condenser, air handler, auxiliary drain pan, thermostat and all other ancillaries.

- Ductwork will require modifications to accommodate new air handler and two-zone system.
- Install TRANE XV18 split system complete with compatible Experion air handler, new thermostats (with Wi-fi capabilities), zone dampers and panel, auxiliary drain pan and all necessary ancillaries. Zone dampers to be positioned such that they are accessible and divide the air flow into two zones (one serving the duct that runs down to under the house and serves the Playroom and the other to ductwork serving the bedroom areas. There will be no bypass duct/damper with this configuration.
- Install Honeywell DR90 dehumidifier in conjunction with above.
- Install supply in Bathroom.

Again, size of equipment should be verified by the installing contractor via a Manual J load calculation for each system.

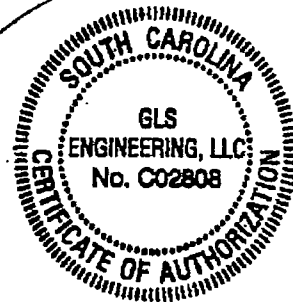
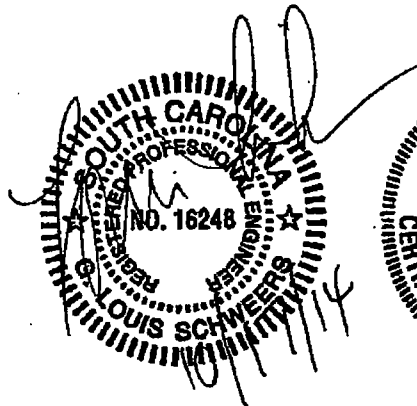
The above may not completely resolve noise issues with the upstairs system related to the uninsulated exposed metal ductwork. This is an architectural feature and is prone to resonate noise. There is a possibility that the exposed ductwork could be lined, but all ductwork would have to be replaced and upsized to do that.

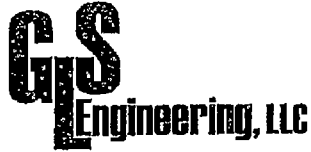
Please do not hesitate to contact me if you have any questions or if I can assist you in any other way.

Sincerely,



Louis Schweers, PE





Invoice

GLS Engineering, LLC
4365 Dorchester Road, Suite 211
North Charleston, SC 29405
Phone (843) 881-4803

Invoice No.: 214

Invoice Date: 8/26/2015

Reference:
HVAC Evaluation
1850 Flag Steet

Bill To:
Amy Salzhauer
via email

Date	Service	Time	Rate	Amount
8/28/2014	Review documents from Robert Lyles	0.75	185.00	138.75
8/29/2014	Meeting with Robert Lyles	0.75	185.00	138.75
9/16/2014	Site Visit	3.5	185.00	647.50
10/16/2014	Prepare Report	3.33	185.00	616.05
3/3/2015	Onsite meeting with Howard Brown	1.5	185.00	277.50
3/9/2015	Onsite meeting with Howard, Bobby and Keith	1.75	185.00	323.75

Note: Time includes travel to and from our North Charleston Office

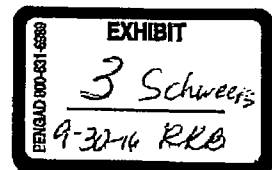
Total: \$2,142.30

Total Due on Receipt

Please make check payable to:

GLS Engineering, LLC
4365 Dorchester Road, Suite 211
North Charleston, SC 29405

GLS Engineering EIN:
33-1074102



9/16/14

Two Main House condensers are not accessible for ~~service~~ service

- Vented surrounding does not appear to be readily removable
- second unit has ice on suction line

Guest House condenser not accessible for service

- surround not readily removable
- bad suction line insulation

Downstairs

① set @ 74°, temp 77°

→ taps to below w/ @ 10° flex duct

Returns 24x18 & 30x18 to a 18x12 Return Duct

No A/C vent in powder room off of kitchen

no noise complaints for downstairs system

Ice on suction line @ AHU

Aux pan full of water

appears to be draining out Aux Drain Pan Drain Line



Upstairs

3 zones (all satisfied)

Return

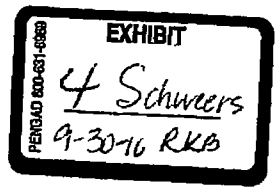
2 returns

No A/C vent in MB toilet room (may not be needed)

Low-metal duct in hallway does not appear to be lined

With "Metal Pipe" zone OFF, still a lot of noise through returns & registers (mostly velocity noise) but still a good bit of noise through from metal pipe.

Aux pan full of water (appears to be draining out auxiliary drain line)



Sweet House

Amy says is loud often

24x36 Return

No ^{AC} vent in bathroom (probably needed)

feelt humid

Manny indicated the unit "short cycles"

Behn

Exhibit 1

Roy Strickland, CPA/CFE, CFE, MAFF

EDUCATION:

The Citadel
Charleston, South Carolina
B.S. Business Administration, 1985
Honors: Magna Cum Laude
Phi Kappa Phi

**LICENSES &
ASSOCIATIONS:**

Certified Public Accountant licensed in
South Carolina and Virginia
Certified in Financial Forensics
Certified Fraud Examiner
Master Analyst in Financial Forensics
Member: South Carolina Association of CPAs
Member: American Institute of Certified Public Accountants
Member: Association of Certified Fraud Examiners
Member: National Association of Certified Valuation Analysts

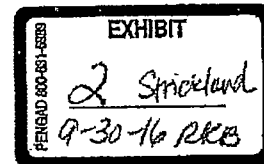
**PROFESSIONAL
EXPERIENCE:**

Partner: Dixon Hughes Goodman LLP
Public Accounting Practice
Charleston, South Carolina, 1991-Present

Manager: Arthur Andersen & Co.
Public Accounting Practice
Columbia, SC and Greensboro, NC, 1985-1991

**CIVIC
ORGANIZATIONS:**

Past chairman and current member of the Board of Trustees of
Pinewood Preparatory School
Past chairman Summerville YMCA
Former adjunct instructor at The Citadel
Member of the Board of Directors of Florence Crittenton Programs of
South Carolina



INVOICE DETAIL	TOTAL PER INVOICE:	TOTAL PER QB VENDOR:	VARIANCE:	Notes:
84 LUMBER	126	-	126	
AAA BATH TUB	50	-	50	
A&R Sheetmetal	4,510	4,510	-	
ACME TOOLS	417	417	-	
Ann Cameron	850	850	-	
Administrative and Accounting	11,400	11,023	377	Deborah Kahn listed as consultant, not paid EE taxes
Armondo Rico	5,830	5,480	350	
B&F Construction, LLC	34,788	25,147	9,641	
Barry R Lingenfelter	39,965	39,965	-	
BELLA VISTA TILE	3,845	3,845	-	
BIRD DECORATIVE HARDWARE	33,989	33,650	339	
Buck Lumber	336	-	336	
CAMB STUCCO	2,050	14,550	(12,500)	
CAMERON GLAWS	29,193	82,038	(52,846)	1099 Contractor - carpentry, painting (\$35/hr per Inv. WE082113 & QB detail)
Carolina Fiberglass, LLC	6,822	6,822	-	
Charleston LTG and INT	5,191	5,002	189	
Chip Dukes Estimating	150	150	-	
CLAYTON HUGHES	23,135	-	23,135	Employee per QB, no bills entered for 1850 Flagg
CNT Supply	6,714	6,819	(105)	
COURTNEY BISHOP DESIGN	7,454	7,454	-	
Coastal Plumbing and Gass	25,876	25,876	-	
COASTAL SURFACES, INC	280	280	-	
CS. Island Interiors, LLC	59,368	60,372	(1,005)	
CED CHARLESTON	4,205	4,205	-	
DA TILE	1,376	536	841	
DARYL SMITH	13,150	13,150	-	
DISHER CABINETS	1,500	1,500	-	
DORCHESTER HEATING AND AIR	4,905	-	4,905	not in QB
ELLIOTT VICTORY	4,158	2,118	2,040	
Eugene's Marble and Granite	670	670	-	
EUROCRAFT	6,500	6,500	-	
FERGUSON ENTERPRISES	1,516	1,516	-	
Foam Insulation Company	19,768	19,768	-	
Four Corners Woodworking, LLC	41,107	41,107	-	
GLASS ETC	7,883	9,741	(1,858)	
Graphical Speaking INC	88	88	-	
Gutter Pros	2,030	2,030	-	
HUGHES LUMBER	97	-	97	
Heyco Metals INC	4,520	-	4,520	7 Conquest - Bryant 9674 (account in QB)-error??
Jobsite cleanup	280	280	-	

EXHIBIT
 3. Strickland
 9/30/16 RKB

0770

INVOICE DETAIL	TOTAL PER INVOICE	TOTAL PER QB VENDOR	VARIANCE	Notes
JOHN SWEAT	4,145	-	4,145	not in QB
JOHN MAKO	2,300	-	2,300	not in QB
JOHN GRIFFITHS	3,590	3,590	-	
JOHN WADE	400	400	-	
KENNY BRINSON	17,745	-	17,745	1099 contractor, carpentry, construction
Kershaw Painting, LLC	56,000	56,000	-	
Kolbe Gallery	75,773	75,988	(216)	
Linked AV, LLC	29,221	29,221	-	
LOWCOUNTRY STONE SOLUTIONS	3,700	3,700	-	
Lowe's	1,165	481	683	
M and S Mechanical, LLC	10,223	10,223	-	
MCGREGGOR JORDAN	265	265	-	
MELCER TILING	328	328	-	
M-L Woodworks	53,360	63,001	(9,641)	
Moluf	37,438	37,438	-	
Mt Pleasant Lock Service	240	240	-	
NATHANIEL GATHERS	6,100	4,850	1,250	
Palmetto Exterminators	3,476	3,476	-	
PALMETTO SURFACING	909	909	-	
PASSION MASONRY	3,975	3,975	-	
PELICAN	500	500	-	
Project Management	15,000	-	15,000	Cameron Glaws, Kenny Brinson
RODRIGO ESPARZA	3,030	-	3,030	Not in QB
Royal Ace Hardware	1,180	-	1,180	
SERIOUS BUSINESS PAINTING	1,215	-	1,215	
SEEGER HVAC	1,300	1,300	-	
signature	23,575	23,575	-	
South Carolina Lightning Protection	5,135	5,135	-	
Southern Lumber	124,439	120,989	3,450	
SPECTRUM PAINT	169	-	169	
Stucco	12,500	-	12,500	
TILE AND STONE STUDIO	7,766	7,766	-	
The Hardwood Flooring and Tile Guys	72,108	71,974	134	
The Home Depot	495	-	495	
TOMAS GUAJARDO	22,700	22,700	-	
Town of Sullivan's Island	3,756	3,756	-	
Trash Gurl	13,184	12,949	235	
VLN Building, LLC	211,049	209,449	1,600	
VINCENT GERMANDEZ	1,100	15	1,085	
VOLKMAR CONSULTING SERVICES	505	505	-	
WINDWARD SHUTTERS	3,420	3,420	-	

074

INVOICE DETAIL	TOTAL PER INVOICE:	TOTAL PER QB VENDOR:	VARIANCE:	Notes:
WORLD GRANITE	949	949	-	
Vendors on QB, not invoices:				
BROWN & VARNADO, LLC		1,000	(1,000)	
DAN O'HANLEY		1,215	(1,215)	
IML CONSTRUCTION, LLC		3,516	(3,516)	
JAY BROWN		723	(723)	
MIKE MCINTOSH		4,905	(4,905)	
TOTAL INVOICE:	\$ 1,251,516	\$ 1,227,884	\$ 23,632	
TOTAL COSTS PER QB REPORT:	(1,227,884)			
VARIANCE:	\$ 23,632			

Reconciliation:

Other Additions (In QB, but not Invoiced):

Brown & Varnado, LLC	1,000
Camb Stucco	12,500
CNT Supply	105
CS. Island Interiors, LLC	1,005
Dan O'Hanley	1,215
Glass Etc	1,858
IML Construction, LLC	3,516
Jay Brown	723
Kolbe Gallery	216
M-L Woodworks	9,641
Mike McIntosh	4,905
Subtotal	\$ 36,682

Adjustments (All Billed through Cameron Glaws):

Project Mgmt	(15,000)
Clayton Hughes	(23,135)
Cameron Glaws	52,846
Kenny Brinson	(17,745)
Subtotal	\$ (3,034)

Other Reductions (Invoiced, but not in QB):

84 Lumber	(126)
AAA Bathtub	(50)
Administrative and Accounting	(377)
Armondo Rico	(350)
B&F Construction, LLC	(9,641)
Bird Decorative Hardware	(339)
Buck Lumber	(336)
Charleston LTG and INT	(189)
Daltile	(841)
Dorchester Heating & Air	(4,905)
Elliott Victory	(2,040)
Hughes Lumber	(97)
Heyco Metals Inc	(4,520)
John Sweat	(4,145)
John Mako	(2,300)
Lowe's	(683)
Nathaniel Gathers	(1,250)
Rodrigo Esparza	(3,030)
Royall Ace Hardware	(1,180)
Serious Business Painting	(1,215)
Southern Lumber	(3,450)
Spectrum Paint	(169)
Stucco	(12,500)
The Hardwood Flooring and Tile Guys	(134)
The Home Depot	(495)
Trash Gurl	(235)
VLN Building, LLC	(1,600)
Vincent Hernandez	(1,085)
Subtotal	\$ (57,280)

Variance \$ **(23,632)**

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

VLN BUILDERS, INC.)

Plaintiff(s))

vs.)

BROWN CONTRACTORS, LLC et al.,)

Defendant(s))

IN THE COURT OF COMMON PLEAS

CIVIL ACTION COVERSHEET

2016-CP - 10- 435

Submitted By: Patrick J. McDonald
Address: Buist Byars & Taylor, LLC
652 Coleman Blvd.
Suite 200
Mt. Pleasant, SC 29464

SC Bar #: 16921
Telephone #: 843.856.4488
Fax #: 843.491.5143
Other: _____
E-mail: patrick.mcdonald@buistbyars.com

NOTE: The coversheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for the use of the Clerk of Court for the purpose of docketing. It must be filled out completely, signed, and dated. A copy of this coversheet must be served on the defendant(s) along with the Summons and Complaint.

DOCKETING INFORMATION (Check all that apply)

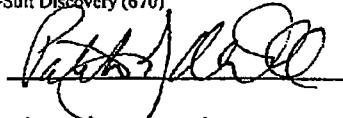
**If Action is Judgment/Settlement do not complete*

- JURY TRIAL demanded in complaint. NON-JURY TRIAL demanded in complaint.
- This case is subject to ARBITRATION pursuant to the Court Annexed Alternative Dispute Resolution Rules.
- This case is subject to MEDIATION pursuant to the Court Annexed Alternative Dispute Resolution Rules.
- This case is exempt from ADR. (Proof of ADR/Exemption Attached)

NATURE OF ACTION (Check One Box Below)

- | | | | |
|--|--|---|--|
| <p>Contracts</p> <ul style="list-style-type: none"> <input type="checkbox"/> Constructions (100) <input type="checkbox"/> Debt Collection (110) <input type="checkbox"/> General (130) <input checked="" type="checkbox"/> Breach of Contract (140) <input type="checkbox"/> Fraud/Bad Faith (150) <input type="checkbox"/> Failure to Deliver/Warranty (160) <input type="checkbox"/> Employment Discrim (170) <input type="checkbox"/> Employment (180) <input type="checkbox"/> Other (199) _____ | <p>Torts - Professional Malpractice</p> <ul style="list-style-type: none"> <input type="checkbox"/> Dental Malpractice (200) <input type="checkbox"/> Legal Malpractice (210) <input type="checkbox"/> Medical Malpractice (220) Previous Notice of Intent Case #
20 <u>-NI-</u> <input type="checkbox"/> Notice/ File Med Mal (230) <input type="checkbox"/> Other (299) _____ | <p>Torts - Personal Injury</p> <ul style="list-style-type: none"> <input type="checkbox"/> Conversion (310) <input type="checkbox"/> Motor Vehicle Accident (320) <input type="checkbox"/> Premises Liability (330) <input type="checkbox"/> Products Liability (340) <input type="checkbox"/> Personal Injury (350) <input type="checkbox"/> Wrongful Death (360) <input type="checkbox"/> Assault/Battery (370) <input type="checkbox"/> Slander/Libel (380) <input type="checkbox"/> Other (399) _____ | <p>Real Property</p> <ul style="list-style-type: none"> <input type="checkbox"/> Claim & Delivery (400) <input type="checkbox"/> Condemnation (410) <input type="checkbox"/> Foreclosure (420) <input type="checkbox"/> Mechanic's Lien (430) <input type="checkbox"/> Partition (440) <input type="checkbox"/> Possession (450) <input type="checkbox"/> Building Code Violation (460) <input type="checkbox"/> Other (499) _____ |
| <p>Inmate Petitions</p> <ul style="list-style-type: none"> <input type="checkbox"/> PCR (500) <input type="checkbox"/> Mandamus (520) <input type="checkbox"/> Habeas Corpus (530) <input type="checkbox"/> Other (599) _____ | <p>Administrative Law/Relief</p> <ul style="list-style-type: none"> <input type="checkbox"/> Reinstate Drv. License (800) <input type="checkbox"/> Judicial Review (810) <input type="checkbox"/> Relief (820) <input type="checkbox"/> Permanent Injunction (830) <input type="checkbox"/> Forfeiture-Petition (840) <input type="checkbox"/> Forfeiture-Consent Order (850) <input type="checkbox"/> Other (899) _____ | <p>Judgments/Settlements</p> <ul style="list-style-type: none"> <input type="checkbox"/> Death Settlement (700) <input type="checkbox"/> Foreign Judgment (710) <input type="checkbox"/> Magistrate's Judgment (720) <input type="checkbox"/> Minor Settlement (730) <input type="checkbox"/> Transcript Judgment (740) <input type="checkbox"/> Lis Pendens (750) <input type="checkbox"/> Transfer of Structured Settlement Payment Rights Application (760) <input type="checkbox"/> Confession of Judgment (770) <input type="checkbox"/> Petition for Workers Compensation Settlement Approval (780) <input type="checkbox"/> Other (799) _____ | <p>Appeals</p> <ul style="list-style-type: none"> <input type="checkbox"/> Arbitration (900) <input type="checkbox"/> Magistrate-Civil (910) <input type="checkbox"/> Magistrate-Criminal (920) <input type="checkbox"/> Municipal (930) <input type="checkbox"/> Probate Court (940) <input type="checkbox"/> SCDOT (950) <input type="checkbox"/> Worker's Comp (960) <input type="checkbox"/> Zoning Board (970) <input type="checkbox"/> Public Service Comm. (990) <input type="checkbox"/> Employment Security Comm (991) <input type="checkbox"/> Other (999) _____ |
| <p>Special/Complex /Other</p> <ul style="list-style-type: none"> <input type="checkbox"/> Environmental (600) <input type="checkbox"/> Automobile Arb. (610) <input type="checkbox"/> Medical (620) <input type="checkbox"/> Other (699) _____ <input type="checkbox"/> Sexual Predator (510) <input type="checkbox"/> Pharmaceuticals (630) <input type="checkbox"/> Unfair Trade Practices (640) <input type="checkbox"/> Out-of State Depositions (650) <input type="checkbox"/> Motion to Quash Subpoena in an Out-of-County Action (660) <input type="checkbox"/> Pre-Suit Discovery (670) | | | |

FILED
2016 JUN 27 PM 1:13
CLERK OF COURT
JULIE A. ARISTON

Submitting Party Signature: 

Date: 1.13.16

Note: Frivolous civil proceedings may be subject to sanctions pursuant to SCRPC, Rule 11, and the South Carolina Frivolous Civil Proceedings Sanctions Act, S.C. Code Ann. §15-36-10 et. seq.

Effective January 1, 2016, Alternative Dispute Resolution (ADR) is mandatory in all counties, pursuant to Supreme Court Order dated November 12, 2015.

SUPREME COURT RULES REQUIRE THE SUBMISSION OF ALL CIVIL CASES TO AN ALTERNATIVE DISPUTE RESOLUTION PROCESS, UNLESS OTHERWISE EXEMPT.

Pursuant to the ADR Rules, you are required to take the following action(s):

1. The parties shall select a neutral and file a "Proof of ADR" form on or by the 210th day of the filing of this action. If the parties have not selected a neutral within 210 days, the Clerk of Court shall then appoint a primary and secondary mediator from the current roster on a rotating basis from among those mediators agreeing to accept cases in the county in which the action has been filed.
2. The initial ADR conference must be held within 300 days after the filing of the action.
3. Pre-suit medical malpractice mediations required by S.C. Code §15-79-125 shall be held not later than 120 days after all defendants are served with the "Notice of Intent to File Suit" or as the court directs.
4. Cases are exempt from ADR only upon the following grounds:
 - a. Special proceeding, or actions seeking extraordinary relief such as mandamus, habeas corpus, or prohibition;
 - b. Requests for temporary relief;
 - c. Appeals
 - d. Post Conviction relief matters;
 - e. Contempt of Court proceedings;
 - f. Forfeiture proceedings brought by governmental entities;
 - g. Mortgage foreclosures; and
 - h. Cases that have been previously subjected to an ADR conference, unless otherwise required by Rule 3 or by statute.
5. In cases not subject to ADR, the Chief Judge for Administrative Purposes, upon the motion of the court or of any party, may order a case to mediation.
6. Motion of a party to be exempt from payment of neutral fees due to indigency should be filed with the Court within ten (10) days after the ADR conference has been concluded.

Please Note: You must comply with the Supreme Court Rules regarding ADR. Failure to do so may affect your case or may result in sanctions.

STATE OF SOUTH CAROLINA)

IN THE COURT OF COMMON PLEAS

COUNTY OF CHARLESTON)

CASE NO. 2016-CP-10- 435

VLN BUILDERS, LLC,)

Plaintiff,)

SUMMONS

(Jury Trial Demanded)

vs.)

BROWN CONTRACTORS, LLC; JAY L.)
BROWN, INDIVIDUALLY; AND)
BROWN-GLAWS, LLC,)

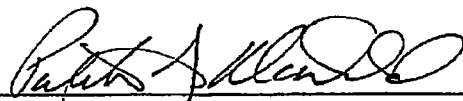
Defendants.)

FILED
2016 JAN 27 PM 1:21
JULIE J. ARMSTRONG
CLERK OF COURT

TO: THE ABOVE-NAMED DEFENDANTS

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action a copy of which is herewith served upon you, and to serve a copy of your Answer upon the undersigned attorneys at 652 Coleman Boulevard, Suite 200, Mt. Pleasant, South Carolina 29464, within thirty (30) days from service hereof, exclusive of the day of such service; and, if you fail to answer the Complaint within the time aforesaid, judgment by default will be rendered against you, and the Plaintiff in this action will apply to the Court for the relief demanded.

Mt. Pleasant, SC
January 13, 2016


Patrick J. McDonald
SC Bar No. 16921
Buist, Byars & Taylor, LLC
652 Coleman Blvd., Suite 200
Mt. Pleasant, South Carolina 29464
(843) 856-4488
Patrick.mcdonald@buistbyars.com

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

VLN BUILDERS, LLC,

Plaintiff,

vs.

BROWN CONTRACTORS, LLC; JAY L. BROWN, INDIVIDUALLY; AND BROWN-GLAWS, LLC,

Defendants.

IN THE COURT OF COMMON PLEAS

CASE NO. 2016-CP-10- 435

COMPLAINT

(Jury Trial Demanded)

FILED
2016 JAN 27 PM 1:21
JULIE J. ARMSTRONG
CLERK OF COURT

TO: THE ABOVE-NAMED DEFENDANTS

The Plaintiff, VLN Builders, LLC, complaining on the above-named Defendants would respectfully show unto this Court as follows:

JURISDICTIONAL ALLEGATIONS

1. Plaintiff, VLN Builders, LLC (hereinafter, the "Plaintiff") is a limited liability Company organized and existing under the laws of the state of South Carolina and licensed to do business in Charleston County.
2. Upon information and belief, Brown Contractors, LLC (hereinafter, "Brown Contractors"), is a limited liability company organized and existing under the laws of the state of South Carolina and licensed to do business in Charleston County.
3. Upon information and belief, Jay L. Brown (hereinafter, "Brown"), is an individual who resided in Charleston County and was engaged in the practice of designing, developing, constructing, selling and management of properties and homes in Charleston County.
4. Upon information and belief, Brown-Glaws, LLC (hereinafter, "Brown-

Glaws”), is a limited liability company organized and existing under the laws of the state of South Carolina and licensed to do business in Charleston County.

5. This matter arises out of the design, construction and management of properties and homes located in Charleston County.

6. This Honorable Court has jurisdiction over all subject matter alleged herein and over all parties hereto, and venue is proper in this forum.

FACTUAL ALLEGATIONS

7. Plaintiffs hereby incorporate the allegations of the foregoing paragraphs as if fully restated herein.

8. Plaintiff entered into a Joint Management Agreement (hereinafter, the “Agreement”, and attached as *Exhibit A*) with Defendant Brown Contractors whereas all proceeds arising from management fees were to be split fifty percent (50%) each between Defendant Brown Contractors and Plaintiff and to be paid in full within fifteen (15) days of receipt by Defendant Brown Contractors to the Plaintiff.

9. At all times relevant hereto, Defendant Brown Contractors was engaged in the practice of designing, developing, constructing and selling properties and homes in Charleston County.

FOR A FIRST CAUSE OF ACTION (Breach of Contract as to Defendants Brown Contractors and Brown)

10. Plaintiff hereby incorporates the allegations of the foregoing paragraphs as if fully stated herein.

11. The Agreement entered into by the parties is an enforceable contract between and among the parties supported by mutual and valid consideration.

12. Defendants Brown Contractors and Brown breached the Agreement with Plaintiff by

failing to adhere to the stipulations of the Agreement to split proceeds with the Plaintiff.

13. As a direct and proximate result of the breach of the contract and the failure to comply with the Agreement, the Plaintiff has suffered actual damages.

14. Plaintiff is informed and believes it is entitled to judgment against Defendants Brown Contractors and Brown in an amount in excess of \$10,000.00, prejudgment interest as to Plaintiff, and the costs of this action all in an amount to be determined by the trier of fact.

**FOR A SECOND CAUSE OF ACTION
(Breach of Contract Accompanied by Fraudulent Act
as to Defendants Brown Contractors and Brown)**

15. Plaintiff hereby incorporates the allegations of the foregoing paragraphs as if fully stated herein.

16. Defendants Brown Contractors and Brown breached their contract with Plaintiff by refusing to split proceeds as per the Agreement.

17. Defendants Brown Contractors and Brown breached the agreement without justification.

18. As a direct and proximate result of Defendants Brown Contractors and Brown's fraudulent acts, Plaintiff sustained actual damages.

19. Plaintiff is informed and believes it is entitled to judgment against Defendants Brown Contractors and Brown for actual damages in an amount in excess of \$10,000.00, prejudgment interest as to Plaintiff, and the costs of this action all in an amount to be determined by the trier of fact.

**FOR A THIRD CAUSE OF ACTION
(Negligent Misrepresentation as to Defendants Brown Contractors and Brown)**

20. Plaintiff hereby incorporates the allegations of the foregoing paragraphs as if fully stated herein.

21. In every contract, there is a duty of good faith and fair dealing between the contracting parties.

22. The Defendants Brown Contractors and Brown made false representations regarding their good faith in their agreement to split proceeds with the Plaintiff.

23. Defendants Brown Contractors and Brown owed Plaintiff a duty of care to see that they communicated truthful information to Plaintiff.

24. Defendants Brown Contractors and Brown breached their duty of truthful communication by failing to exercise due care as alleged herein.

25. Defendants Brown Contractors and Brown negligently misrepresented information as to their agreement to split proceeds with the Plaintiff.

26. Plaintiff justifiably relied, to its detriment, on these misrepresentations made by Defendants Brown Contractors and Brown.

27. As a direct and proximate result of all Defendants' misrepresentations, Plaintiff sustained actual damages.

28. Plaintiff is informed and believes it is entitled to judgment against the Defendants Brown Contractors and Brown for actual damages in an amount in excess of \$10,000.00, prejudgment interest as to Plaintiff, and the costs of this action all in an amount to be determined by the trier of fact.

**FOR A FOURTH CAUSE OF ACTION
(Fraud as to Defendants Brown Contractors and Brown)**

29. Plaintiffs hereby incorporate the allegations of the foregoing paragraphs as if fully stated herein.

30. Defendants Brown Contractors and Brown's aforementioned representations were false.

31. Defendant Brown Contractors and Brown's aforementioned representations were material.

32. Defendants Brown Contractors and Brown knew of the representation's falsity or acted in reckless disregard of its truth or falsity.

33. Plaintiff intended that the representations be acted upon in its Agreement to split proceeds with the Defendants Brown Contractors and Brown.

34. Plaintiff was ignorant of the representations' falsity.

35. Plaintiff relied on Defendants Brown Contractors and Brown's false representations.

36. Plaintiff had a right to rely on Defendants Brown Contractors and Brown's representations.

37. As a direct and proximate result of Defendants Brown Contractors and Brown's fraudulent acts, Plaintiff sustained actual damages.

38. Plaintiff is informed and believes it is entitled to judgment against Defendants Brown Contractors and Brown for actual damages in an amount in excess of \$10,000.00, prejudgment interest as to Plaintiff, and the costs of this action all in an amount to be determined by the trier of fact

**FOR A FIFTH CAUSE OF ACTION
(Unjust Enrichment/ Quantum Meruit as to Defendants Brown Contractors and Brown)**

39. Plaintiffs hereby incorporate the allegations of the foregoing paragraphs as if fully stated herein.

40. Plaintiff has conferred a financial benefit to Defendants Brown Contractors and Brown by Defendants Brown Contractors and Brown retaining the proceeds it agreed to split with the Plaintiff.

41. Proceeds were to be split equally between the Plaintiff and Defendants Brown

Contractors and Brown.

42. Defendants Brown Contractors and Brown failed to split proceeds with Plaintiff as per the Agreement.

43. Defendants Brown Contractors and Brown realized the benefits of retaining proceeds owed to Plaintiff, thus resulting in unjust enrichment of Defendants Brown Contractors and Brown to Plaintiff's detriment.

44. Defendants Brown Contractors and Brown are required to reimburse Plaintiff for proceeds retained by Defendants Brown Contractors and Brown. Plaintiff is informed and believe it is entitled to judgment against Defendants Brown Contractors and Brown for actual damages in an amount in excess of \$10,000.00, prejudgment interest as to Plaintiff, and the costs of this action all in an amount to be determined by the trier of fact.

**FOR A SIXTH CAUSE OF ACTION
(Alter Ego and Successor Liability as to All Defendants)**

45. Plaintiffs hereby incorporate the allegations of the foregoing paragraphs as if fully stated herein.

46. As a result of the Joint Management Agreement with Plaintiff, Defendant Brown used funds received by Defendant Brown Contractors to start the company, Brown-Glaws, LLC.


47. The Defendants are required to reimburse Plaintiff for proceeds retained by Defendants Brown Contractors and Brown. Plaintiff is informed and believe it is entitled to judgment against all of the Defendants for actual damages in an amount in excess of \$10,000.00, prejudgment interest as to Plaintiff, and the costs of this action all in an amount to be determined by the trier of fact.

WHEREFORE, the Plaintiff prays that judgment be entered in its favor and against the above-named Defendants for the following relief:

- a. Actual damages in an amount in excess of 10,000.00;
- b. Pre-judgment and post-judgment interest;
- c. Attorney's fees;
- d. Trial by jury;
- e. Fees, expenses and costs associated with having to litigate this action; and
- f. Any equitable or legal relief that the Court may deem just and proper.

Respectfully submitted,

BUIST, BYARS & TAYLOR, LLC



Patrick J. McDonald
SC Bar No. 16921
Buist, Byars & Taylor, LLC
652 Coleman Blvd., Suite 200
Mt. Pleasant, South Carolina 29464
(843) 856-4488
Patrick.mcdonald@buistbyars.com
Attorney for the Plaintiff

Mt. Pleasant, SC
January 12, 2016

EXHIBIT A





VLN Builders, LLC

107 Beresford Creek St Daniel Island, SC 29492 (o)843.259.1478 (f)843.849.5896
vnquyen@homesc.com

JOINT MANAGEMENT AGREEMENT

Brown Contractors, LLC ("Brown") and VLN, LLC ("VLN") hereby agree that on any projects on which Brown is the primary contracting party, all proceeds arising from management fees shall be split fifty percent (50%) each between Brown & VLN, to be paid in full within 15 days of receipt by Brown or VLN as the case may be. Signed this 25 day of June, 2013


Brown Contractors, LLC
By: Jay L. Brown
Its: Managing Member


VLN, LLC
By: Vuong Nguyen
Its: Managing Member


Witness

Sworn to and Subscribed Before Me,

This 25 Day of June 2013

Signed: 
Notary Public of South Carolina.

My Commission Expires: April 12, 2016

**BUIST
BYARS &
TAYLOR** LLC
ATTORNEYS AT LAW

652 Coleman Blvd., Suite 200
Mount Pleasant, SC 29464
T 843.856.4488 F 843.856.0613 W buistbyars.com

January 13, 2016

AMANDA C. TAYLOR
PARALEGAL
Amanda.taylor@buistbyars.com

The Honorable Julie J. Armstrong
Charleston County Clerk of Court
100 Broad Street, Suite 266
Charleston, SC 29401

*Re: VLN Builders, Inc. v Brown Contractors, LLC; Jay L. Brown, Individually;
and Brown-Glaws, LLC
Case No. 2016-CP-10-_____
Client File No.: 1002.0001*

Dear Ms. Armstrong:

Enclosed please find an original and one (1) copy of the Civil Action Coversheet, Summons and Complaint in the above-referenced matter along with the filing fee in the amount of \$150.00.

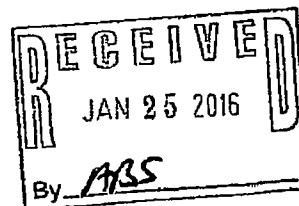
Kindly file the originals and return the file-stamped copies to us in the return envelope provided. Should you have any questions, please feel free to contact me directly at 843.284.1461.

Sincerely,



Amanda C. Taylor
Paralegal to Patrick J. McDonald

/act
Enclosures



OK

5438

Amy L. Salzhauer
589 Broadway
New York, NY 10012

TO BANK
AMERICA'S MOST CONVENIENT BANK
1-1387-280

8/14/2012

PAY TO THE ORDER OF Brown Contractors, LLC \$ ****25,000.00**

Twenty-Five Thousand and 00/100 DOLLARS

Brown Contractors, LLC
103 Palm Blvd, Suite 3A
Isle of Palms, SC 29451

MEMO 12

[Signature]
AUTHORIZED SIGNATURE

⑈005438⑈ ⑈025013573⑈ 7920725442⑈

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Amy L. Salzhauer 589 Broadway New York, NY 10012		TO BANK AMERICA'S MOST CONVENIENT BANK 1-1867-260	5447 9/19/2012
PAY TO THE ORDER OF Brown Contractors, LLC		\$ **31,392.15	Security Features: Details on back ED
Thirty-One Thousand Three Hundred Ninety-Two and 15/100 ***** DOLLARS			
Brown Contractors, LLC 103 Palm Blvd, Suite 3A Isle of Palms, SC 29451		 AUTHORIZED SIGNATURE	
MEMO 23			
⑈ 005447⑈ ⑆ 026013673⑆ 7920725442⑈			

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 ReturnReasonDescription:
 ECEItemSeqNum: 203326900333981

Print this page

Board: Residential Builders

G HOWARD BROWN
PO BOX 651
SULLIVANS ISLAND, SC 29482

Associated Businesses:

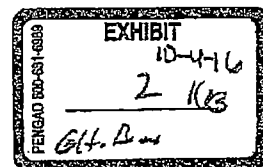
- BROWN ATLANTIC LLC


Status: PENDING BOARD REVIEW
License number: 6122
License type: Home Builders
Expiration: 09/30/2016
First Issuance Date: 07/12/1999
Bond on file expires: 06/30/2017

Board Public Action History:

View Orders	View Other License for this Person
No Orders Found	

[File a Complaint against this licensee](#)



Amy L. Salzhauer 589 Broadway New York, NY 10012		TO BANK AMERICA'S MOST CONVENIENT BANK 1-1887-260	5449 9/21/2012
PAY TO THE ORDER OF Brown Contractors, LLC	\$ 10,606.37		SECURITY FEATURES: DISCO on back EP
Ten Thousand Six Hundred Six and 37/100	DOLLARS		
MEMO 31	Brown Contractors, LLC 103 Palm Blvd, Suite 3A Isle of Palms, SC 29451	 AUTHORIZED SIGNATURE	
⑈005449⑈ ⑈026013673⑈ 7920725442⑈			

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Branch/Teller: 0004/0402 09/25/2012 14:54:43	

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 CheckNum: 5449
 DIN: 530015396
 ReturnReasonDescription:
 ECEItemSeqNum: 203326900336225

5470

Amy L. Salzhauer
589 Broadway
New York, NY 10012

TD BANK
AMERICA'S MOST CONVENIENT BANK
1-888-250

10/24/2012

PAY TO THE ORDER OF Brown Contractors, LLC \$ 21,826.79

Twenty-One Thousand Eight Hundred Twenty-Five and 79/100 DOLLARS

Brown Contractors, LLC
103 Palm Blvd, Suite 3A
Isle of Palms, SC 29451

MEMO 31

Amy L. Salzhauer
AUTHORIZED SIGNATURE

⑈005470⑈ ⑆026013673⑆ 7920725442⑈

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PostDate: 20121106
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FOR DEPOSIT ONLY
Brown Contractors
00600422

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Charleston, SC 29406
Phone: 843-529-5800
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11/06/2012 11:33:05

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DIN: 527340396
ReturnReasonDescription:
ECEItemSeqNum: 203331100359031

<p>Amy L. Salzhauer 689 Broadway New York, NY 10012</p>		<p>TO BANK AMERICA'S MOST CONVENIENT BANK 1-1367-260</p>		<p>5471</p>
<p>PAY TO THE ORDER OF Brown Contractors, LLC</p>		<p>11/6/2012</p>		<p>Secure Journal. Deposit on bank. ED</p>
<p>Thirty-One Thousand Thirty-Two and 68/100</p>		<p>\$ **31,032.68</p>		
<p>Brown Contractors, LLC 103 Palm Blvd, Suite 3A Isle of Palms, SC 29451</p>		<p>_____ DOLLARS</p>		
<p>MEMO 54</p>		<p><i>[Signature]</i> AUTHORIZED SIGNATURE</p>		
<p>⑈005471⑈ ⑆0260136731⑆ 7920725442⑈</p>				

Account: 7920725442
Amount: 31,032.68
PostDate: 20121109
Tran_ID: 564977396
CheckNum: 5471
DIN: 564978436
ReturnReasonDescription:
ECEItemSeqNum: 203331400011410

<p>>>253271945<< First Federal Charleston, SC 29406 Phone: 843-529-5800 Bus Date: 11/09/2012</p>		<p>DEPOSIT ONLY Brown Contractors LLC 0060019221</p>
<p>Branch/Teller 0004/0402 11/09/2012 11:55:10</p>		

Account: 7920725442
Amount: 31,032.68
PostDate: 20121109
Tran_ID: 564977396
CheckNum: 5471
DIN: 564978436
ReturnReasonDescription:
ECEItemSeqNum: 203331400011410

5477

Amy L. Salzhauer
689 Broadway
New York, NY 10012

TD BANK
AMERICA'S MOST CONVENIENT BANK
(1-867-260)

12/8/2012

PAY TO THE ORDER OF Brown Contractors, LLC \$ **35,750.73

Thirty-Five Thousand Seven Hundred Fifty and 73/100 DOLLARS

Brown Contractors, LLC
103 Palm Blvd, Suite 3A
Isle of Palms, SC 29461

MEMO 5

[Signature]
AUTHORIZED SIGNATURE

⑈005477⑈ ⑆026013673⑆ 7920725442⑈


Account: 7920725442
Amount: 35,750.73
PostDate: 20121210
Tran_ID: 515535661
CheckNum: 5477
DIN: 515536271
ReturnReasonDescription:
ECEItemSeqNum: 203334506247857

FOR DEPOSIT ONLY
Brown Contractors
0062090221

>>253271945<<
First Federal
Charleston, SC 29406
Phone: 843-529-5800
Bus Date: 12/10/2012

Branch/Teller 0004/0403
12/10/2012 12:09:47

Account: 7920725442
Amount: 35,750.73
PostDate: 20121210
Tran_ID: 515535661
CheckNum: 5477
DIN: 515536271
ReturnReasonDescription:
ECEItemSeqNum: 203334506247857

Amy L. Salzhauer 599 Broadway New York, NY 10012		TD BANK AMERICA'S MOST CONVENIENT BANK 1-1387-260	5483 12/10/2012
PAY TO THE ORDER OF Brown Contractors, LLC	\$ **171,449.20		Deposit on Back Security Features. Deposit on Back.
One Hundred Seventy-One Thousand Four Hundred Forty-Nine and 20/100 *****			
Brown Contractors, LLC 103 Palm Blvd, Suite 3A Isle of Palms, SC 29461		DOLLARS	
MEMO 6	 AUTHORIZED SIGNATURE		
⑈005483⑈ ⑆026043673⑆ 7920725442⑈			

Account: 7920725442
 Amount: 171,449.20
 PostDate: 20121214
 Tran_ID: 557669581
 CheckNum: 5483
 DIN: 557670781
 ReturnReasonDescription:
 ECEItemSeqNum: 203334900004563

	0060099121 FOR Deposit Only Brown Contractors
>>253271945<< First Federal Charleston, SC 29406 Phone: 843-529-5800 Bus Date: 12/14/2012	
Branch/Teller 0004/0404 12/14/2012 10:19:26	

Account: 7920725442
 Amount: 171,449.20
 PostDate: 20121214
 Tran_ID: 557669581
 CheckNum: 5483
 DIN: 557670781
 ReturnReasonDescription:
 ECEItemSeqNum: 203334900004563

5484

Amy L. Salzhauer
589 Broadway
New York, NY 10012

-TB BANK
AMERICA'S MOST CONVENIENT BANK
1-1887-289

12/21/2012

PAY TO THE ORDER OF Brown Contractors, LLC \$ **80,783.16

Eighty Thousand Seven Hundred Eighty-Three and 16/100 DOLLARS

Brown Contractors, LLC
103 Palm Blvd, Suite 3A
Isle of Palms, SC 29451

MEMO 6

[Signature]
AUTHORIZED SIGNATURE

⑈005484⑈ ⑆026013673⑆ 7920725442⑈

Account: 7920725442
 Amount: 80,783.16
 PostDate: 20130102
 Tran_ID: 535804526
 CheckNum: 5484
 DIN: 535805456
 ReturnReasonDescription:
 ECEItemSeqNum: 203300211353755

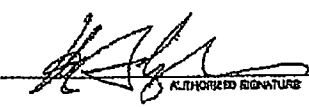
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 First Federal
 Charleston, SC 29406
 Phone: 843-529-5800
 Bus Date: 01/02/2013

Branch/Teller 0004/0402
01/02/2013 12:32:21

FOR DEPOSIT ONLY
 Brown Contractors LLC
 006 009 9221

Account: 7920725442
 Amount: 80,783.16
 PostDate: 20130102
 Tran_ID: 535804526
 CheckNum: 5484
 DIN: 535805456
 ReturnReasonDescription:
 ECEItemSeqNum: 203300211353755

Amy L. Salzhauer 589 Broadway New York, NY 10012		TO BANK AMERICA'S MOST CONVENIENT BANK 1-1387-280	5500 1/10/2013
PAY TO THE ORDER OF <u>Brown Contractors, LLC</u>		\$ **33,366.87	Security Features: Detail on back.
Thirty-Three Thousand Three Hundred Sixty-Six and 87/100 *****		DOLLARS	
MEMO 8		Brown Contractors, LLC 103 Palm Blvd, Suite 3A Isle of Palms, SC 29451	
 AUTHORIZED SIGNATURE			
⑈005500⑈ ⑆026013893⑆ 7920725442⑈			

Account: 7920725442
 Amount: 33,366.87
 PostDate: 20130114
 Tran_ID: 519725286
 CheckNum: 5500
 DIN: 519727076
 ReturnReasonDescription:
 ECEItemSeqNum: 203301400074230

⑆ 482 01/14/2013	>>253271945<< First Federal Charleston, SC 29406 Phone: 843-529-5800 Bus Data: 01/14/2013	11:01:11 DEPOSIT ONLY Brown Contractors 0060099221
Branch/Teller 0004/0402 01/14/2013 12:29:51		

Account: 7920725442
 Amount: 33,366.87
 PostDate: 20130114
 Tran_ID: 519725286
 CheckNum: 5500
 DIN: 519727076
 ReturnReasonDescription:
 ECEItemSeqNum: 203301400074230

5502

Amy L. Salzhauer
 508 Broadway
 New York, NY 10012

TD BANK
 AMERICA'S MOST CONVENIENT BANK
 1-1307-260

1/14/2013

PAY TO THE ORDER OF Brown Contractors, LLC \$ **59,951.58

Fifty-Nine Thousand Nine Hundred Fifty-One and 58/100 DOLLARS

Brown Contractors, LLC
 103 Palm Blvd, Suite 3A
 Isle of Palms, SC 29451

MEMO: 8

AUTHORIZED SIGNATURE

①

①00550 2① ①026013673① 7920725442①

Account: 7920725442
 Amount: 59,951.58
 PostDate: 20130117
 Tran_ID: 550872281
 CheckNum: 5502
 DIN: 550874226
 ReturnReasonDescription:
 ECEItemSeqNum: 203301700192016

For deposit only
 Branch/Account
 006008 99221

>>253271945<<
 First Federal
 Charleston, SC 29406
 Phone: 843-529-5800
 Bus Date: 01/17/2013

Branch/Teller 0004/0404
 01/17/2013 14:43:34

Account: 7920725442
 Amount: 59,951.58
 PostDate: 20130117
 Tran_ID: 550872281
 CheckNum: 5502
 DIN: 550874226
 ReturnReasonDescription:
 ECEItemSeqNum: 203301700192016

5503

Amy L. Salzhauer
689 Broadway
New York, NY 10012

TD BANK
AMERICA'S MOST CONVENIENT BANK
1-1887-280

1/29/2013

PAY TO THE ORDER OF Brown Contractors, LLC \$ 45,996.55

Forty-Five Thousand Nine Hundred Ninety-Six and 55/100 DOLLARS

Brown Contractors, LLC
103 Palm Blvd, Suite 3A
Isle of Palms, SC 29451

MEMO 8

[Signature]
AUTHORIZED SIGNATURE

⑈005503⑈ ⑆026013673⑆ 7920725442⑈

Account: 7920725442
Amount: 45,996.55
PostDate: 20130205
Tran_ID: 540439661
CheckNum: 5503
DIN: 540440731
ReturnReasonDescription:
ECEItemSeqNum: 203303600149210


⑈005503⑈ ⑆026013673⑆ 7920725442⑈

>>253271945<<
First Federal
Charleston, SC 29406
Phone: 843-529-5800
Bus Date: 02/05/2013

Branch/Teller 0004/0409
02/05/2013 11:54:21

DEPOSIT ONLY
 BROWN CONTRACTORS LLC
 0060094001

Account: 7920725442
Amount: 45,996.55
PostDate: 20130205
Tran_ID: 540439661
CheckNum: 5503
DIN: 540440731
ReturnReasonDescription:
ECEItemSeqNum: 203303600149210

Amy L. Salzhauer 589 Broadway New York, NY 10012		TD BANK AMERICA'S MOST CONVENIENT BANK 1-1367-260	5506 2/20/2013
PAY TO THE ORDER OF <u>Brown Contractors, LLC</u>		\$ 75,965.54	Security Features. Details on back.
<u>Seventy-Five Thousand Nine Hundred Sixty-Five and 54/100</u> *****		DOLLARS	
Brown Contractors, LLC 103 Palm Blvd, Suite 3A Isle of Palms, SC 29461.		 AUTHORIZED SIGNATURE	
MEMO 8			
⑈005506⑈ ⑆0226013⑆ 7920725442⑈			

Account: 7920725442
 Amount: 75,965.54
 PostDate: 20130226
 Tran_ID: 514345991
 CheckNum: 5506
 DIN: 514346281
 ReturnReasonDescription:
 ECEItemSeqNum: 203305700006063

405 02262013	FOR DEPOSIT ONLY <i>Brown Contractors</i> 0050699281
>>253271945<< First Federal Charleston, SC 29406 Phone: 843-529-5800 Bus Data: 02/26/2013	
Branch/Teller 0004/0405 02/26/2013 11:51:28	

Account: 7920725442
 Amount: 75,965.54
 PostDate: 20130226
 Tran_ID: 514345991
 CheckNum: 5506
 DIN: 514346281
 ReturnReasonDescription:
 ECEItemSeqNum: 203305700006063

5527
 TD BANK
 AMERICA'S MOST CONVENIENT BANK
 1-1867-280
 3/12/2013
 Amy L. Salzhauer
 589 Broadway
 New York, NY 10012
 PAY TO THE ORDER OF Brown Contractors, LLC \$**50,472.72
 Fifty Thousand Four Hundred Seventy-Two and 72/100 DOLLARS
 Brown Contractors, LLC
 403 Palm Blvd, Suite 3A
 Isle of Palms, SC 29451
 MEMO # 12
 AUTHORIZED SIGNATURE

Per AS Post Manager 3/20
 5502
 5502
 5502
 5502

⑈005527⑈ ⑆028013673⑆ 9920725442⑈

Account: 7920725442
 Amount: 50,472.72
 PostDate: 20130416
 Tran_ID: 570358156
 CheckNum: 5527
 DIN: 570358871
 ReturnReasonDescription:
 ECEItemSeqNum: 203310600156027

FOR DEPOSIT ONLY
 Brown Contractors
 0060099221

⑈⑈005527⑈⑈

>>253271945<<
 First Federal
 Charleston, SC 29406
 Phone: 843-529-5800
 Bus Data: 04/16/2013

Branch/Teller 0004/0404
 04/16/2013 12:27:22

Account: 7920725442
 Amount: 50,472.72
 PostDate: 20130416
 Tran_ID: 570358156
 CheckNum: 5527
 DIN: 570358871
 ReturnReasonDescription:
 ECEItemSeqNum: 203310600156027

5554

ck. Mass

Amy L. Salzhauer
589 Broadway
New York, NY 10012

TD BANK
AMERICA'S MOST CONVENIENT BANK
1-888-260

5/1/2013

PAY TO THE ORDER OF Brown Contractors, LLC \$ ****76,553.90**

Seventy-Six Thousand Five Hundred Fifty-Three and 90/100 DOLLARS

Brown Contractors, LLC
103 Palm Blvd, Suite 3A
Isle of Palms, SC 29451

MEMO 8

[Signature]
AUTHORIZED SIGNATURE

⑈0055⑈ ⑆026013673⑆ 7920725442⑈

Account: 7920725442
Amount: 76,553.90
PostDate: 20130503
Tran_ID: 539726526
CheckNum: 5554
DIN: 639727266
ReturnReasonDescription:
ECEItemSeqNum: 203312300418919

401-050310013

>>253271945<<
First Federal
Charleston, SC 29406
Phone: 843-529-5800
Bus Date: 05/03/2013

Branch/Teller 0004/0401
05/03/2013 11:49:02

FOR DEPOSIT ONLY
Brown Contractors
006 0000000001

Account: 7920725442
Amount: 76,553.90
PostDate: 20130503
Tran_ID: 539726526
CheckNum: 5554
DIN: 639727266
ReturnReasonDescription:
ECEItemSeqNum: 203312300418919

5556

Amy L. Satzhauser
589 Broadway
New York, NY 10012

TO BANK
AMERICA'S MOST CONVENIENT BANK
1-1867-260

5/16/2013

PAY TO THE ORDER OF Brown Contractors, LLC \$ **99,455.55

Ninety-Nine Thousand Four Hundred Fifty-Five and 55/100 DOLLARS

Brown Contractors, LLC
103 Palm Blvd, Suite 3A
Isle of Palms, SC 29451

MEMO 8

Amy L. Satzhauser
AUTHORIZED SIGNATURE

⑈005558⑈ ⑆026013673⑆ 7920725442⑈

Account: 7920725442
Amount: 99,455.55
PostDate: 20130517
Tran_ID: 504958351
CheckNum: 5556
DIN: 504959926
ReturnReasonDescription:
ECEItemSeqNum: 203313700397035

404 05172013

>>253271945<<
First Federal
Charleston, SC 29406
Phone: 843-529-5800
Bus Date: 05/17/2013

Branch/Teller 0004/0404
05/17/2013 12:30:37

FOR DEPOSIT ONLY
Brown Contractors LLC
006 0099 221

Account: 7920725442
Amount: 99,455.55
PostDate: 20130517
Tran_ID: 504958351
CheckNum: 5556
DIN: 504959926
ReturnReasonDescription:
ECEItemSeqNum: 203313700397035

5565

Amy L. Salzhauer
589 Broadway
New York, NY 10012

TO BANK
AMERICA'S MOST CONVENIENT BANK
1-1987-250

6/5/2013

PAY TO THE ORDER OF Brown Contractors, LLC \$ ****68,586.67**

Sixty-Eight Thousand Five Hundred Eighty-Six and 67/100 DOLLARS

Brown Contractors, LLC
103 Palm Blvd, Suite 3A
Isle of Palms, SC 29451

Amy L. Salzhauer
AUTHORIZED SIGNATURE

MEMO 2.4

⑈005565⑈ ⑈026013673⑈ 7920725442⑈

Account: 7920725442
Amount: 68,586.67
PostDate: 20130607
Tran_ID: 567828436
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DIN: 567830076
ReturnReasonDescription:
ECEItemSeqNum: 203315800555248

⑈005565⑈

>>253271945<<
First Federal
Charleston, SC 29405
Phone: 843-529-5800
Bus Date: 06/07/2013

Branch/Teller 0004/0404
06/07/2013 14:29:34

FOR DEPOSIT ONLY

Brown Contractors
0060099221

Account: 7920725442
Amount: 68,586.67
PostDate: 20130607
Tran_ID: 567828436
CheckNum: 5565
DIN: 567830076
ReturnReasonDescription:
ECEItemSeqNum: 203315800555248

5570

Amy L. Salzhauer
 539 Broadway
 New York, NY 10012

TO BANK
 AMERICA'S MOST CONVENIENT BANK
 1-1867-280

7/16/2013

PAY TO THE ORDER OF Brown Contractors, LLC \$ **57,186.20

Fifty-Seven Thousand One Hundred Eighty-Six and 20/100 ***** DOLLARS

Brown Contractors, LLC
 103 Palm Blvd, Suite 3A
 Isle of Palms, SC 29451

MEMO 2.4

A. Salzhauer
AUTHORIZED SIGNATURE

⑈005570⑈ ⑈026013673⑈ 7920725442⑈

Account: 7920725442
 Amount: 57,186.20
 PostDate: 20130708
 Tran_ID: 532745376
 CheckNum: 5570
 DIN: 532745511
 ReturnReasonDescription:
 ECEItemSeqNum: 203318900368628

⑈005570⑈ ⑈026013673⑈ 7920725442⑈

>>253271945<<
 First Federal
 Charleston, SC 29406
 Phone: 843-529-5800
 Bus Date: 07/08/2013

Branch/Teller 0004/0404
07/08/2013 12:16:51

FOR DEPOSIT ONLY
 Brown Contractors LLC
 806 0099221

Account: 7920725442
 Amount: 57,186.20
 PostDate: 20130708
 Tran_ID: 532745376
 CheckNum: 5570
 DIN: 532745511
 ReturnReasonDescription:
 ECEItemSeqNum: 203318900368628

Climg

5589

Amy L. Salzhauer
689 Broadway
New York, NY 10012

TD BANK
AMERICA'S MOST CONVENIENT BANK
1-1887-280

7/24/2013

PAY TO THE ORDER OF Brown Contractors, LLC \$ **96,513.31

Ninety-Six Thousand Five Hundred Thirteen and 31/100 DOLLARS

Brown Contractors, LLC
103 Palm Blvd, Suite 3A
Isle of Palms, SC 29451

MEMO
Inv. 151 without item 11-14477

[Signature]
AUTHORIZED SIGNATURE

⑈005589⑈ ⑆026013673⑆ 7920725442⑈

Account: 7920725442
Amount: 96,513.31
PostDate: 20130726
Tran_ID: 513213376
CheckNum: 5589
DIN: 513214046
ReturnReasonDescription:
ECEItemSeqNum: 203320700008610

⑈005589⑈ ⑆026013673⑆ 7920725442⑈

>>253271945<<
First Federal
Charleston, SC 29406
Phone: 843-529-5800
Bus Date: 07/26/2013

Branch/Teller 0004/0402
07/26/2013 10:33:25

FOR DEPOSIT ONLY
Brown Contractors
0060069674

Account: 7920725442
Amount: 96,513.31
PostDate: 20130726
Tran_ID: 513213376
CheckNum: 5589
DIN: 513214046
ReturnReasonDescription:
ECEItemSeqNum: 203320700008610

5592

Amy L. Salzhauer
589 Broadway
New York, NY 10012

TO BANK
AMERICA'S MOST CONVENIENT BANK
1-1387-280

8/15/2013

PAY TO THE ORDER OF Brown Contractors, LLC \$ **74,804.33

Seventy-Four Thousand Eight Hundred Four and 33/100 DOLLARS

Brown Contractors, LLC
103 Palm Blvd, Suite 3A
Isle of Palms, SC 29451

[Signature]
AUTHORIZED SIGNATURE

MEMO
Inv.1551 without item 11=11,220.65

⑈005592⑈ ⑆026013673⑆ 7920725442⑈

Account: 7920725442
Amount: 74,804.33
PostDate: 20130816
Tran_ID: 549084116
CheckNum: 5592
DIN: 549085071
ReturnReasonDescription:
ECEItemSeqNum: 203322800425318

400 00-440013

>>253271945<<
First Federal
Charleston, SC 29406
Phone: 843-529-5800
Bus Date: 08/16/2013

Branch/Teller 0004/0409
08/16/2013 15:04:53

FOR DEPOSIT ONLY

006009922

[Signature]

Account: 7920725442
Amount: 74,804.33
PostDate: 20130816
Tran_ID: 549084116
CheckNum: 5592
DIN: 549085071
ReturnReasonDescription:
ECEItemSeqNum: 203322800425318

5617

Amy L. Salzhauser
 585 Broadway
 New York, NY 10012

TO BANK
 AMERICA'S MOST CONVENIENT BANK
 1-1367-260

9/20/2013

PAY TO THE ORDER OF Brown Contractors, LLC \$ 74,733.64

Seventy-Four Thousand Seven Hundred Thirty-Three and 64/100 DOLLARS

Brown Contractors, LLC
 103 Palm Blvd, Suite 3A
 Isle of Palms, SC 29451

MEMO
Inv. 161

[Signature]
AUTHORIZED SIGNATURE

②5

6567
5805
65516
570

CLING ✓

①005617① ①026013673① 7920725442①

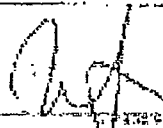
Account: 7920725442
 Amount: 74,733.64
 PostDate: 20130923
 Tran_ID: 523467991
 CheckNum: 5617
 DIN: 523468526
 ReturnReasonDescription:
 ECEItemSeqNum: 203326610746152

Brown Contractors
FOR DEPOSIT ONLY
0060099201

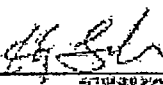
>>253271945<<
 First Federal
 Charleston, SC 29406
 Phone: 843-529-5800
 Bus Date: 09/23/2013

Branch/Teller 0004/0402
09/23/2013 10:40:18

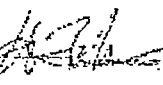
Account: 7920725442
 Amount: 74,733.64
 PostDate: 20130923
 Tran_ID: 523467991
 CheckNum: 5617
 DIN: 523468526
 ReturnReasonDescription:
 ECEItemSeqNum: 203326610746152

Amy L. Salzhauer 1298 Avenue New York, NY 10027		TD BANK AMERICAN EXPRESS BANK 100-01	5485
PAY TO THE ORDER OF <u>Kara Barnett</u>		\$ 4,250.00	4/12/13
Four Thousand Two Hundred Fifty and 00/100		DOLLARS	
Kara Barnett 131 East Bay Street Charleston, SC 29401			
MEMO 85 East Bay Street rent for Jan			
⑆005485⑆ ⑆0280136716⑆ 7920725442⑆			

#5485 1/07 \$4,250.00

Amy L. Salzhauer 1298 Avenue New York, NY 10027		TD BANK AMERICAN EXPRESS BANK 100-01	5504
PAY TO THE ORDER OF <u>Kara Barnett</u>		\$ 4,250.00	3/04
Four Thousand Two Hundred Fifty and 00/100		DOLLARS	
Kara Barnett 131 East Bay Street Charleston, SC 29401			
MEMO 85 East Bay Street rent for Febr 2013			
⑆005504⑆ ⑆0280136716⑆ 7920725442⑆			

#5504 3/04 \$4,250.00

Amy L. Salzhauer 1298 Avenue New York, NY 10027		TD BANK AMERICAN EXPRESS BANK 100-01	5508
PAY TO THE ORDER OF <u>Kara Barnett</u>		\$ 4,250.00	3/14
Four Thousand Two Hundred Fifty and 00/100		DOLLARS	
Kara Barnett 131 East Bay Street Charleston, SC 29401			
MEMO 85 East Bay Street rent for March			
⑆005508⑆ ⑆0280136716⑆ 7920725442⑆			

#5508 3/14 \$4,250.00

Salzhauer 005724



Amy Salzhauer <amy.salzhauer@gmail.com>

(no subject)

1 message

Henry Salzhauer <henry@benjaminpartners.com>

Tue, Mar 12, 2013 at 11:04 AM

To: Jay Brown <jaylbrown@me.com>

Cc: "Amy McMarlin (Amy@post.harvard.edu)" <Amy@post.harvard.edu>

I need to have a phone call with you and Amy about the billing

In line with that, this job seems to have gotten to a Time and Material basis with no regards to the pricing you gave us. That was not the intention.

I may be mistaken about that and that is what I want to discuss.

Also Please have Deborah set this last requisition up against the projected cost to the end of the job, so we know where we are. Deborah and you may know, but I don't. Also, I am not agreeing that the cost projections are correct.

It is imperative that Amy sits down with you, with the cost projection for the entire job that you had estimated and that you show where the changes and extra work are that have taken it to the present cost.

Next

I do expect the schedule of completion agreed to by each of the contractors certainly by the end of this week.

Hank

5/21/2014

Gmail - (no subject)



Amy Salzhauer <amy.salzhauer@gmail.com>

(no subject)

1 message

Henry Salzhauer <henry@benjaminpartners.com>

Thu, Mar 14, 2013 at 3:35 PM

To: Jay Brown <jaylbrown@me.com>

Cc: "Amy McMarlin (Amy@post.harvard.edu)" <Amy@post.harvard.edu>

Jay

Again, please have Deborah set the last requisition up against the projected finished total costs so that I can understand it.

Is Coleman B'lv'd still alive?

Hank

0811

Salzhauer - 002780



Amy Salzhauer <amy.salzhauer@gmail.com>

(no subject)

1 message

Henry Salzhauer <henry@benjaminpartners.com>

Fri, Mar 22, 2013 at 12:39 PM

To: Jay Brown <jaylbrown@me.com>

Cc: "Amy McMarlin (Amy@post.harvard.edu)" <Amy@post.harvard.edu>, Henry Salzhauer <henry@benjaminpartners.com>

Jay

A reminder that it has been about 2 weeks since I asked for the requisition to come in a form that is relevant to the cost of the job.

Hank



Amy Salzhauer <amy.salzhauer@gmail.com>

RE: A few items needed from Jay

1 message

Henry Salzhauer <henry@benjaminpartners.com>
To: Amy Salzhauer <amy.salzhauer@gmail.com>

Mon, May 13, 2013 at 10:15 AM

Amy

This is good

Also, you might tell Jay about your conversation with Deborah and ask him to get her to do the print outs quickly.
dad

—Original Message—

From: Amy Salzhauer [mailto:amy.salzhauer@gmail.com]

Sent: Monday, May 13, 2013 9:42 AM

To: Jay Brown; Beau Clowney; Henry Salzhauer; andy mcmartin; Cortney Bishop; Kate Campbell

Subject: A few items needed from Jay

Hi, Jay!

I wanted to remind you about a few open items:

1. You were going to check the angle of the slope of the porch to see that it is built according to Beau's plan. I would like you to schedule a time with beau or Kate to do this.
2. You were going to send to Beau and myself the name of the substance you are proposing to use on the base moldings where the Sheetrock was not put up straight to bridge those gaps. Again, I would ask that Kate or beau see the specifics of the issue (for example in Annie's and Amelia's rooms).
3. I asked Deborah for hard copies of the information we discussed last week so that I can mark them up for you as you asked. What I did not see on the disc are the backup pieces of information from Vaughan: his pays stubs to his workmen, the cancelled checks from the his company to the HVAC company and roofer, the backup on the materials ordered, and any other items you think might be useful.

Thank you,

Amy

Please excuse any undue brevity or typing errors: this was typed on a telephone. Thank you.

5/26/2014

Gmail - RE: So disappointed

61



Amy Salzhauer <amy.salzhauer@gmail.com>

RE: So disappointed

1 message

Henry Salzhauer <henry@benjaminpartners.com>

Wed, Oct 2, 2013 at 4:23 PM

To: Amy Salzhauer <amy.salzhauer@gmail.com>, Jay Brown <jaylbrown@me.com>, Cameron Glaws <cmglaws@gmail.com>

Jay

Your actions seem to show you have abandoned the job.
This sure isn't the Jay of the references we got.

Hank

—Original Message—

From: Amy Salzhauer [mailto:amy.salzhauer@gmail.com]

Sent: Wednesday, October 02, 2013 4:10 PM

To: Jay Brown; Henry Salzhauer; Cameron Glaws

Subject: So disappointed

Okay. So....beyond the broken promises in the past of when the house would be ready, last week we all said that things would be in shape for me to at least move in mattresses in time for the start of my mother in law's visit today.

What a disappointment. Jay, you should come and see—and be embarrassed. The house isn't even cleaned, it is totally filled with dust—apparently they only did the bathrooms. Now Armando seeing me trying to start to mop myself is working on the floors. But there is no way we can stay here. I don't even know what to do.

Please excuse any undue brevity or mistakes: this was typed on a cell phone.



Amy Salzhauser <amy.salzhauer@gmail.com>

Re: Update

1 message

Jay Brown <jaylbrown@me.com>

Fri, Oct 25, 2013 at 11:02 AM

To: Henry Salzhauser <henry@benjaminpartners.com>, Amy Salzhauser <amy.salzhauer@gmail.com>, Cameron Glaws <cmglaws@gmail.com>

We are meeting out there at 9:00 am on Monday with all the powers to be. The HVAC guys will be there. Adam has his painters there for the interior today ready for her move in on Wednesday. Adam advised he will move to the exterior when all interior is complete and be done by Friday. Hank we have nearly completed the punch list other than things that are trickling in, and they will be completed when they arrive.

Everyone of my clients are extremely happy. The problems occur when changes are added to the job that will drive up the price on a cost plus job and the client doesn't convey this to the paying member.

I have not had any legal problems other than us liening a property for non payment. I do have a license, as well as Brown Contractors residential and a commercial also . I would be happy to forward you copies and and you can go to the SCLLR website for proof.

On Oct 25, 2013, at 6:06 AM, Henry Salzhauser <henry@benjaminpartners.com> wrote:

Jay

What's up?

I have not gotten any response from you either. We are trying to get this job satisfactorily finished without the alternatives that are open to us, but you are making it very hard.

We understand that you have had several very unhappy people recently who have had to bring in the lawyers.

Don't you realize that you have a license that you put in jeopardy when you proceed in this manner?

Hank

—Original Message—

From: Amy Salzhauser [mailto:amy.salzhauer@gmail.com]

Sent: Thursday, October 24, 2013 7:24 PM

To: Henry Salzhauser; andy mcmarlin; Jay Brown; Cameron Glaws

Subject: Update

Dad,

You wanted to know what happened on the job today and if I heard from Jay.

Nothing at all happened. And no I did not hear from Jay.

Please excuse any undue brevity or mistakes: this was typed on a cell phone.

Jay Brown

J. Brown Contractors

103 Palm Blvd, Suite 3a

Isle of Palms, SC 29451

JayL.Brown@me.com

843.242.8355 o

0815

Salzhauer - 004441



Amy Salzhauer <amy.salzhauer@gmail.com>

1850 Flagg Final Balance

1 message

Jay Brown <jaylbrown@me.com>

Thu, Jan 9, 2014 at 12:01 PM

To: Henry Salzhauer <henry@benjaminpartners.com>

Cc: Brett Ford <coastalplumbinggas@yahoo.com>, Amy Salzhauer <amy.salzhauer@gmail.com>, Cameron Glaws <cmglaws@gmail.com>, Cortney Bishop <cortneybishop@me.com>, Sara Kibbey <skibbey@benjaminpartners.com>

Hank, House is completely done other than few remaining punch items, which we will corrected. The certificate of occupancy was issued on September 13, 2013. You have one year warrantee on everything from that date. I have met with all subcontractors and discussed with them. You will not be charged for anything on our end. As explained before, we can't warrantee anything the homeowner purchased or installed outside our scope. Below is past due the amounts you owe and the dates of the invoices. All are seriously past due as noted.

SUBCONTRACTOR INVOICE DATE AMOUNT

SUBCONTRACTOR	INVOICE DATE	AMOUNT
BARRY LINGENFELTER	11/12/13	\$1,490.00
BIRD HARDWARE	9/26/13	1,647.94
CAMERON GLAWS	10/16/13	13,598.05
CAROLINA FIBERGLASS	10/13/16	1,000.00
COASTAL PLUMBING AND GAS	10/17/13	8,548.14
DISHER CABINETS	9/17/13	1,500.00
FOUR CORNERS	10/05/13	6,183.07
JOHN WADE	10/01/13	400.00
KOLBE WINDOWS	11/26/13	215.70
LINKED AV	10/15/13	4,914.02
M&S MECHANICAL	11/12/13	1,520.00
M-L WOODWORKS	12/14/13	900.00
MOLUF'S PLUMBING SUPPLY	10/08/13	1,467.71
PASSION MASONRY	9/27/13	3,975.00
SOUTHERN LUMBER	9/30/13	829.47
TILE AND STONE DESIGN	8/20/13	1,091.41
THOMAS GUAJARDO	9/30/13	1,800.00
TRASH GIRL	9/28/13	860.04
VINCENTE HERNANDEZ	10/08/13	1,100.00
BROWN CONTRACTORS	4/03/13	152,041.05

A credit will be issued to you for the wood kitchen counter top, reclaimed pine handrails, and any corrections that were necessary on our part.

Please advise

Jay Brown


5/27/2014


Gmail - 1850 Flagg Final Balance

J. Brown Contractors
103 Palm Blvd, Suite 3a
Isle of Palms, SC 29451
JayLBrown@me.com
843.242.8355 o
843.242.8172 f
843.460.4481 c

WWW.BROWNCONTRACTORS.ME

2 attachments

 **1850CO.pdf**
64K

 **Brown_Logo_2_NoShadow.pdf**
339K



Amy Salzhauer <amy.salzhauer@gmail.com>

Re:

1 message

Cameron Glaws <cmglaws@gmail.com>
 To: Henry Salzhauer <henry@benjaminpartners.com>
 Cc: Amy Salzhauer <amy.salzhauer@gmail.com>

Tue, Jan 28, 2014 at 8:17 AM

Sure thing, here is the previously sent email, along with the attachment:

Hank,

Hope you're doing well. I am forwarding you the balance statement sent out by Jay to the subs. I'm hoping you would be willing to settle with me outside of whatever balance you have with Brown Contractors, and I can in turn report this credit to them, to be reflected in their balance.

You will find in my statement that I had no original estimate as I was simply hired by Jay on a hourly basis. You would have to confirm with Brown contractors if there was some sort of project management or contingency line item that my services fell under in his bid.

If you are curious as to the particulars of where all monies paid and owed to me throughout the project were spent, Deborah still has copies of all my invoices, which I believe she has sent you at some point. (Generally about 50% paid my employees, 25% materials, 25% my service fees.) I'm sure Amy will still stand by the craftsmanship of my workers in particular [Clayton, Kenny], as well as vouch for their daily presence and overall positive impact on the project. (see 'master and girls' bathrooms tile, etc.)

You will notice on my attached statement that another invoice is falling under '90 days delinquent' each week. Let's get this little thing cleaned up, and I will be glad to tend to any remaining matters at the house that may be hung up on subs getting paid. Neither you nor Brown contractors will receive anymore invoices for my services concerning further action on this job.

On Tue, Jan 28, 2014 at 5:09 AM, Henry Salzhauer <henry@benjaminpartners.com> wrote:

: Cameron

: You sent me an email last week. I was out of town and did not respond. I can't find it on my computer.

: Would you please send it again.

: The original one did not copy Amy. Since she is very much in this picture, please copy her. And please copy her on any mail you send to me.

Cameron Glaws
 Tongue and Groove Woodworks/
 The Osceola Development Group
 843.810.4015
 cmglaws@gmail.com

Salzhauer - 004720

Salzhauer - 004721

Unsettled Balance for Cameron Glaws, on 1850 Flag St

Neither an original estimate nor any additional charges are applicable to the outstanding balance due to Cameron Glaws, project manager for this project. The current unpaid balance with corresponding invoice dates remains as follows:

10/16 - \$3,869.49 (-\$2,000.00 PAID by Brown Contractors)
10/23 - \$5,027.57
10/30 - \$980.00
11/6 - \$1,260.00
11/13 - \$1,190.00
11/20 - \$980.00
12/4 - \$2,733.56

TOTAL - \$14,040.62

All work performed by, and subcontractors hired under Cameron, was done in a workmanlike manner, reasonably consistent with the best practices of the trade. A lien waiver is in hand and will be submitted upon receipt of outstanding balance.

Cameron Glaws



Amy Salzhauer <amy.salzhauer@gmail.com>

RE: Cameron Glaws Work Summary, 1850 Flagg

1 message

Henry Salzhauer <henry@benjaminpartners.com>
To: Henry Salzhauer <henry@benjaminpartners.com>
Cc: Amy Salzhauer <amy.salzhauer@gmail.com>

Tue, Feb 4, 2014 at 10:20 AM

Cameron

Please conclude with Jay's accounting where this payment gets placed in the payment schedule and send me that resolution so we can keep our accounts straight.

To make the bookkeeping easier, we are sending

\$7,877.06

Hank

From: Henry Salzhauer
Sent: Tuesday, February 04, 2014 10:11 AM
To: Henry Salzhauer
Subject: FW: Cameron Glaws Work Summary, 1850 Flagg

From: Cameron Glaws [mailto:cmglaws@gmail.com]
Sent: Tuesday, February 04, 2014 9:08 AM
To: Henry Salzhauer
Subject: RE: Cameron Glaws Work Summary, 1850 Flagg

My address is

Cameron Glaws
637 Schooner Rd
Charleston SC 29412

On Feb 3, 2014 9:04 PM, "Henry Salzhauer" <henry@benjaminpartners.com> wrote:

Cameron

I still need the information for the payment so I can get it to you tomorrow.

Hank

0820

Salzhauer - 004755

From: Cameron Glaws [mailto:cmglaws@gmail.com]
Sent: Monday, February 03, 2014 5:31 PM
To: Henry Salzhauer
Subject: Re: Cameron Glaws Work Summary, 1850 Flagg

Quite right. My goal was not to back you into some sort of corner, I understand that the most important thing to you is get this stuff on paper. Let me know your thoughts after you get a chance to review the whole email.

Cameron

On Mon, Feb 3, 2014 at 4:48 PM, Henry Salzhauer <henry@benjaminpartners.com> wrote:

Cameron

You should know that the lien was not the motivating component in this payment.

Amy feels that you and your people are on the up and up.

Some time ago, I asked for this accounting from you, but maybe I wasn't clear enough. For that I apologize.

You have seen in all of my writing that I do not want to hold up payment from people who were "picking up the pieces" and correcting work poorly performed by those who came before them. What I am asking for is an understanding of what that correcting work is valued at.

If the lien were the issue for me, I would have bonded the lien and things would have just sat still.

Hank

From: Cameron Glaws [mailto:cmglaws@gmail.com]
Sent: Monday, February 03, 2014 4:39 PM
To: Henry Salzhauer
Subject: Re: Cameron Glaws Work Summary, 1850 Flagg

Hank,

Thank you for your willingness to cooperate, clearly I don't need to rely on a lien for protection, and so will not be pursuing one.

My address is

Cameron Glaws

0821

Salzhauer - 004756

5/27/2014

Gmail - RE: Cameron Glaws Work Summary, 1850 Flagg

637 Schooner Rd
Charleston SC 29412

I will submit the paperwork that reflects a balance deduction to Deborah in Jays office when check is received.

Cameron

On Feb 3, 2014 4:30 PM, "Henry Salzhauer" <henry@benjaminpartners.com> wrote:

Cameron

I have not had a chance to review this, but will send a check for half of what you say is owed tomorrow.

I want to make sure that the money goes to you and is not mixed with any funds for Jay, so to whom do I make out the check, and give me the address to which it gets sent.

When you have the money, please let Jay know so that the bookkeeping stays in order.

Hank

From: Cameron Glaws [mailto:cmglaws@gmail.com]
Sent: Monday, February 03, 2014 4:14 PM
To: Henry Salzhauer
Subject: Cameron Glaws Work Summary, 1850 Flagg

Hank,

As discussed, I will try to paint a picture for you in this email to give you as comprehensive a description as possible of what you have paid for me to do on the job and for what you still owe me.

I was engaged with this project from approximately June 6, 2013, and continued work until the date of my final invoice on December 4th. Upon arrival, it was my duty to coordinate (schedule, initiate, supervise, scrutinize, approve/ disapprove, monitor, and so forth) the execution of every facet of the project, i.e. project manager. Many items were at different phases of completion at that time, and continued to be so in an overlapping fashion throughout my entire presence, as one would expect with a large home construction project.

Throughout my time there, I coordinated the individual trades toward completion of their respective tasks while ushering the project along in *constant* communication with the client, interior designer, builder, architect, vendors, town officials, utilities, laborers, and of course trades. It became quite clear there was substantial work in need of completion for me to complete that fell outside the realm of any currently contracted sub, for which I would need

Salzhauer - 004757

to provide service from my own subcontracted workers. These were skilled tradesmen that I have used quite consistently throughout my years, pay directly, provide tools and materials for, and invoice for their time along with my own on a single weekly invoice. Throughout my six months, there were usually anywhere from 1 to four of my guys on site, although usually it was my two best fellows, Clayton and Kenny, for whom I expect Amy, Courtney, Jay, and all the rest can vouch quite well for as their work always spoke for itself.

The 'meat and potatoes' of this email I suppose is to establish the nature of my guys work, whether routine or remedial, and what necessitated their presence in the first place, while providing hard numbers for you to 'see what you have paid for.'

As mentioned before, there are so many duties on a job like this fall between the cracks of responsibility for any particular trade. Example: Installing the master Jacuzzi Tub. The plumbers will run the lines and make the necessary connections, as well as install finish hardware, the electricians will size, connect, test the power and proper function, but somebody has to actually carry that thing up three flights of stairs and drop it into the framed opening. This is where my guys would come in.

Another example for the need for my men would be to replace previously disposed subs - after Vuong's crew was gone, my guys had to pick up where their hammers dropped. When we all made the mutual decision to relive Terrance from tile work, Clayton finished the final two bathrooms. Instances like these most usually transferred what monies would have gone to the previous subs to now be used to pay the new ones, resulting in no net cost overrun. If you believe that any previously disposed of sub received more than he was due, that must be between yourself and Jay when you are scrutinizing cost over runs for any particular line item. With the following rundown of my men's completed tasks, you should have all information you need to justify any due recourse from Brown Contractors when comparing numbers, and the need to hold my payment should no longer be necessary. The following list will attempt to be as detailed as is necessary. With so many small tasks that go into any one day's work, it would be impossible to include every last minute detail. Rather I will describe the essential tasks that made up the majority of my men's work.

Keep in mind A LOT more work than just this list was being done at the same time, this is just for the guys I paid directly.

Routine:

My guys were the first to arrive and last to leave. It was our duty to open the house daily for all tradesmen to access, and secure the site at the day's end. They were also in charge to cleaning daily and keeping the worksite safe. Among their other general duties was to be available to assist trades with completion of particular tasks outside their normal skill (a drywall guy needs a stud moved, an HVAC guy needs a chase built out, etc.)

Outside of the routine, my men were assigned specific tasks, the completion of which followed this general timeline:

JUNE TOTAL INVOICED - \$6,250.32 —PAID IN FULL

Alot of punch work was done at this time, as I was newly introduced and wanted to scour the project for anything overlooked until then.

- Removal of old infrastructure under house, water and power lines

- Spot touch spray foam insulation in newly necessitated areas due to trade work

- ordering and installing ipe post caps

- fastening accessories like vent hoods, etc on the building exterior

- running general exterior punch items

0823

Salzhauer - 004758

-exterior trim work

Again, a lot generalized punch work that amounted to tedious but necessary tasks

The trades were all heavily involved at this time too, which necessitated a lot of work from my guy's end in accommodating them

JULY TOTAL INVOICED - \$16,292.68 PAID IN FULL

As punchwork continued into July, we transitioned into a lot of finish skilled carpentry. I can recall much of our work arising from changes along the way concerning style, as well as undertaking a lot of interior work that wasn't under the trim crew's umbrella. Things like:

-Building out the Kid's bunk area

Installing exterior rails, steps

-installing specially notched frieze boards through the house at all wall/ ceiling junctions to complete the transition from the existing sheetrock seam..this was quite labor intensive. One of those things in a retrofit projects that you have no idea you'll encounter at the onset of the project but are critical for the final look of the house

-Clayton began to tile the kitchen backsplash toward the end of this month.

-I hired my sheetrockers to do some patchwork behind trades. Very common

During this time, my crew really evolved into the main labor force on the jobsite, handling just about every project that came up over a spectrum of expertises

AUGUST/ TOTAL INVOICED - \$17,910.64 PAID IN FULL

SEPTEMBER TOTAL INVOICED - \$17,915.19 PAID IN FULL

Clayton was running tile nearly this entire time. He tiled the girls bath, which included mosaics, complex angles, irregular transitions, and even more fun stuff. Following the girls bath He tiled the master, which was one of the most complex tile jobs I have ever seen. This work lasted through all sept. and even a bit into Oct.

Meanwhile, Kenny handled things from the carpentry side, he did several custom closet cabinet built ins throughout the house as well as other custom projects, all the while handling the punch work that trickled down to him.

We also ran sheetrock in the garage at this time

OCTOBER TOTAL INVOICED - \$18,493.52 \$10,616.46 PAID, \$7,877.06 DELINQUENT

During October we focused heavily on Homeowner Punch. We constantly were making lists and reconciling them against lists that Amy would make to put a bow on any last items sticking out. These could be things like curtain rods, cabinet pulls. We have some very lengthy and detailed lists that I'm sure Amy still has saved via email too for this time period that described work completed. Too tedious for this email as I am trying to just give you a general picture but it can easily be referenced if need be.

NOVEMBER/ DECEMBER TOTAL INVOICED - \$6,163.56, DELINQUENT

5/27/2014

Gmail - RE: Cameron Glaws Work Summary, 1850 Flagg

Continued, but scaled back finishing. Necessity for my guys became more sparse, albeit there were still many items that fall in the same boat as October, of which record exists still per email conversations, etc.

I have reviewed my notes of specific tasks throughout these months, and will suggest credits for the following:

\$500 for remedial installation work done to the pool deck in June, labor

\$500 for miscellaneous punch up items when we first got on the job, cleaning up behind others earlier work

\$200 replacing poorly installed PT steps around pool area

\$50 re-setting ipe hand rails in June on stairway to pool deck, labor

\$500 for general sheetrock patches that could have been avoided with better trade care

\$250 re-fabrication of heart pine rail section on top of stairs that went missing at demo

\$100 miscellaneous damaged exterior siding repairs

If Amy has items to add to this list, for which she feels need be reimbursed for work done by MY crew, I'd be glad to evaluate and weigh in. I assure you, however, that an OVERWHELMING percentage of work done by me was first time, essential, routine, per plans, requested, ordered, non-remedial. Again, if some percentage of this you feel was paid for to subs previously whom did not fulfill obligations, I could neither know of or could help that. My opinion, matter as little as it may, is that that is certainly not the case. This is my honest evaluation.

In addition to those credits for remedial work done by my crew, I believe I can be of some help to you by suggesting others to Jay dealing with your overall balance with him. This would include things like the

\$800 - heart pine hand rails that weren't reinstalled,
\$1600 wood counter top damaged by the plumbers,

I would be glad to cross reference with any list Amy may have.

Well Hank, this describes where your money went and where it is due. I feel that with this information you should not need feel that my unpaid balance would be rendered unrecoverable if you are indeed due recourse. It stands at \$14,040.62. I'm running out of time concerning my legal protections as mentioned in previous emails, but I trust from your Jan 31 email that this should be what you need.

Cameron Glaws
Tongue and Groove Woodworks/

The Osceola Development Group
843.810.4015
cmglaws@gmail.com-

5/27/2014

Gmail - RE: Cameron Glaws Work Summary, 1850 Flagg

Cameron Glaws
Tongue and Groove Woodworks/

The Osceola Development Group
843.810.4015
cmglaws@gmail.com

6/22/2014

Gmail - RE: 1850 Flagg Street Paint Contract

22



Amy Salzhauer <amy.salzhauer@gmail.com>

RE: 1850 Flagg Street Paint Contract

1 message

Henry Salzhauer <henry@benjaminpartners.com>
To: Jay Brown <jaylbrown@me.com>
Cc: Amy Salzhauer <amy.salzhauer@gmail.com>

Wed, Aug 7, 2013 at 9:59 AM

Jay

This contract includes the porch work for which this requisition includes money for a different contractor to do the same work

Hank

—Original Message—

From: Jay Brown [mailto:jaylbrown@me.com]
Sent: Wednesday, August 07, 2013 9:50 AM
To: Henry Salzhauer
Subject: 1850 Flagg Street Paint Contract

Hank, here is Adams paint contract. Let me know if you need anything else. Thanks

5/22/2014

Gmail - FW: 1850 Flagg Street Paint Contract



Amy Salzhauer <amy.salzhauer@gmail.com>

FW: 1850 Flagg Street Paint Contract

1 message

Henry Salzhauer <henry@benjaminpartners.com>
To: Amy Salzhauer <amy.salzhauer@gmail.com>

Wed, Aug 7, 2013 at 9:58 AM

—Original Message—

From: Jay Brown [mailto:jaylbrown@me.com]
Sent: Wednesday, August 07, 2013 9:50 AM
To: Henry Salzhauer
Subject: 1850 Flagg Street Paint Contract

Hank, here is Adams paint contract. Let me know if you need anything else. Thanks

2 attachments

 **Brown Contractors 18th Flag st Sullivans Paint Invoice #8.doc**
37K

 **ATT00001.txt**
1K

Salzhauer - 003316

<https://mail.google.com/mail/u/0/?ui=2&ik=a542a30ac6&view=pt&q=jay%20brown&qe=true&search=query&th=140591246dc4e557&siml=140591246dc4e55f>

1/1

KERSHAW PAINTING, LLC

Adam L. Kershaw

1131 Sharon Ct. Mt. Pleasant, S.C. 29464

(843)830-6535



Brown Contractors

06/25/13

18th Flag Street

Sullivan's Island

Int/Ext Quote

Exterior Work Details:

- Pressure Wash House
- Putty all nails and any imperfections
- Sand all areas smooth with orbital sanders
- Prime all trim and spot prime any putty on siding
- Caulk all areas needed on house
- Apply two coats of finish paint on all surfaces
- Porch work and decks are included with job

Interior Work Details:

- Putty all imperfections on trim with interior spackle
- Sand all trim with orbital sanders
- Prime all trim and drywall
- Apply first coat of finish paint on trim
- Caulk all trim and point up any areas on trim needed
- Apply final coat to all trim
- Sand all drywall smooth
- Apply first coat of finish paint to all drywall
- Point up any areas needed
- Apply last coat to all drywall

Note: Painters will perform work to contractors liking

(Interior and Exterior price with materials and labor \$55,000)

(Paint Materials \$10,000)

Total Price on Job \$65,000

KERSHAW PAINTING, LLC

Adam L. Kershaw

1191 Sharon Ct. Mt. Pleasant, S.C. 29484

(843)830-6595

Draw #8

Balance on job is \$32,000 and Asking for \$5,000

5/23/2014

Gmail - RE: 1850 Flagg Street Paint Contract



Amy Salzhauer <amy.salzhauer@gmail.com>

RE: 1850 Flagg Street Paint Contract

1 message

Henry Salzhauer <henry@benjaminpartners.com>
To: Jay Brown <jaylbrown@me.com>
Cc: Amy Salzhauer <amy.salzhauer@gmail.com>

Wed, Aug 7, 2013 at 9:59 AM

Jay

This contract includes the porch work for which this requisition includes money for a different contractor to do the same work

Hank

—Original Message—

From: Jay Brown [mailto:jaylbrown@me.com]
Sent: Wednesday, August 07, 2013 9:50 AM
To: Henry Salzhauer
Subject: 1850 Flagg Street Paint Contract

Hank, here is Adams paint contract. Let me know if you need anything else. Thanks



Amy Salzhauer <amy.salzhauer@gmail.com>

FW: 1850 Flagg Street Paint Contract

1 message

Henry Salzhauer <henry@benjaminpartners.com>

Wed, Aug 7, 2013 at 10:21 AM

To: Amy Salzhauer <amy.salzhauer@gmail.com>, Jay Brown <jaylbrown@me.com>

Please show the deduct on the painters numbers

—Original Message—

From: Jay Brown [mailto:jaylbrown@me.com]
Sent: Wednesday, August 07, 2013 10:01 AM
To: Henry Salzhauer
Subject: Re: 1850 Flagg Street Paint Contract

Yes, we are deducting it from Kershaw's numbers. Just getting the job done faster.
On Aug 7, 2013, at 9:59 AM, Henry Salzhauer <henry@benjaminpartners.com> wrote:

- > Jay
- > This contract includes the porch work for which this requisition
- > includes money for a different contractor to do the same work Hank

> —Original Message—

- > From: Jay Brown [mailto:jaylbrown@me.com]
- > Sent: Wednesday, August 07, 2013 9:50 AM
- > To: Henry Salzhauer
- > Subject: 1850 Flagg Street Paint Contract

- > Hank, here is Adams paint contract. Let me know if you need anything
- > else. Thanks



Amy Salzhauer <amy.salzhauer@gmail.com>

RE: VLN

1 message

Henry Salzhauer <henry@benjaminpartners.com>

Thu, Jun 13, 2013 at 11:24 AM

To: vuong nguyen <vnnguyen@homesc.com>

Cc: Jay Brown <jaylbrown@me.com>, Amy Salzhauer <amy.salzhauer@gmail.com>, Henry Salzhauer <henry@benjaminpartners.com>

Vuong

I never deny a contractor a right to a profit.

Please send the items as discussed by Fed EX

At this point, I don't want to get into a "he says, she says".

I would like to understand more about what I am talking, before I talk further.

This job is months, not weeks, behind in finish, and I hope what is finished is well done.

When I get the Fed Ex I'll be in a position to have a more informed conversation.

Hank

—Original Message—

From: vuong nguyen [mailto:vnnguyen@homesc.com]

Sent: Thursday, June 13, 2013 11:15 AM

To: Henry Salzhauer

Cc: Jay Brown

Subject: Re: VLN

Hank

With all do respect sir I have nothing to prove regarding the quality of work my company provided. We did a great job on this project. Our bid on this job was much lower in price than all the other bids as well which is why we got the job in the first place. I am unclear as to what you are referring to when you say " the results speak for themselves " you are correct when you say you were not here and as I see it you are not only attacking my credibility as a contractor but my integrity as well. This all based on second hand information from whom I can only assume. Since you do not feel the need to reach out to me to have a discussion this is what I am willing to do for you out of respect for Mr Jay Brown. First, I will send lien releases from myself, the plumber, the HVAC company and the roofers. I will also provide to you my cost for the mechanical, roofing and plumbing. If you would like to see my profit on this job I will be happy to show you if need be. Just to be clear I am not required to supply any of these items to you. I do not think my right to make a profit on a job has anything to do with the reason you are over budget or whatever the problem is that you are having. If you would like to discuss the actual reasons for that situation from my professional point of view I would welcome the conversation.

Vuong L. Nguyen

VLN LLC

843-259-1478

vnnguyen@homesc.com

Sent from my iPhone

On Jun 12, 2013, at 4:30 PM, Henry Salzhauer <henry@benjaminpartners.com> wrote:

> Please send me the bills that the subcontractors submitted to you for the work on this job. I have repeatedly asked for them and they were supposed to have been sent last week. I am sure you must have them. Can you please send them by overnight Fed Ex tomorrow as Jay said you were doing last week.

0833

Salzhauer - 003011

5/22/2014

Gmail - RE: VLN

> At that point we can have a conversation. When we have that conversation, I want Jay on the phone with us since you are his subcontractor.
> I was not there during this work, so I want to be fair to you about it, but the results, to my understanding speak for themselves. I would like to be proved wrong.

> Hank

>

>

> —Original Message—

> From: vuong nguyen [mailto:vnnguyen@homesc.com]

> Sent: Wednesday, June 12, 2013 3:51 PM

> To: Henry Salzhauer

> Cc: Jay Brown

> Subject: VLN

>

> Hank,

> I would appreciate it if you would call me directly to discuss any issues or uncertainties you may have regarding me or the way I have conducted business. My phone number is 843-259-1478. I would be more than happy to meet with you in person or have a conversation via phone to put you at ease and answer your questions regarding 1850 Flag St. I am unclear on why you would suggest that I am less than honest or feel as though I am "not good for Jay in the future going forward". Please do me the courtesy of giving me a call at your earliest convenience so that we can all move past this in a positive manner.

>

> V/R

> Vuong L. Nguyen

> VLN LLC

> 843-259-1478

> vnnguyen@homesc.com

>

> Sent from my iPhone

0834

Salzhauer - 003012



Amy Salzhauer <amy.salzhauer@gmail.com>

RE: draw status

1 message

Henry Salzhauer <henry@benjaminpartners.com>
To: Jay Brown <jaylbrown@me.com>
Cc: Amy Salzhauer <amy.salzhauer@gmail.com>

Fri, Sep 13, 2013 at 10:33 AM

Jay

There are several things going on here.

One is:

We want to pay all of the vendors who rightfully deserve to be paid.

Two is:

The plumber and the HVAC contractor who picked up the work from the originals deserve to be paid and not left out to dry because of the prior work, but there is no reason for us to be paying twice for the same work.

There seems to have been little or no supervision of the work done by the original contractors.

We expect this payment to be from a back charge that you make to the original contractor. We will front the payment, but expect the money back.

Three is:

We want to know all of the trades and work by line item that is completely finished and for which we can expect no more billing, the exception being some minor small item under, let's say \$500.

Four is:

We want waiver of liens from all of the vendors on the job.

Five is:

Why is the entire plumbing job twice the finish estimate which you gave me when you were projecting the final costs to completion?

There were no changes except splitting the guest and nanny bathroom

Six is:

Amy still has not seen the HVAC report. As far as Amy can tell the current state of this system is not acceptable.

Seven is:

The painting on the job is not complete and part of what is done is not acceptable .

Eight is:

You were supposed to get answers to the questions I had yesterday so we could get that payment out to you.

That is one part of this letter.

The next part is:

We expect you to get the CO today and not further hold us back.

Your final payment is a matter for discussion as we said in our meeting, I believe it was in February.

If you do not want to get it, please let me know. I hope you are not going to take that step because that will completely change our relationship.

It's too bad that you did not have Cameron on the job from the beginning because if you had, we would not be having this conversation now and you would have had a happy customer.

From: Jay Brown [mailto:jaylbrown@me.com]
Sent: Thursday, September 12, 2013 4:44 PM
To: Henry Salzhauer
Cc: Amy Salzhauer
Subject: Re: draw status

0836

Salzhauer - 003996

5/26/2014

Gmail - RE: draw status

Thanks Hank, I'll be on it first thing tomorrow.

We passed all mechanical inspections today and would like to get these guys in the house. There is still punch left to do and it can get accomplished even while occupied. I am willing to call in for a Certificate of Occupancy and get them in there if 75% of the profit holdings are funded. The last 25% will be funded when the final punch list is complete. If the remaining supplies show up tomorrow, we can accomplish this next week and do a punch walkthrough with Amy. Landscaping should be finished next week also.

Thanks

On Sep 12, 2013, at 2:21 PM, Henry Salzhauer <henry@benjaminpartners.com> wrote:

Jay

My last email and yours crossed in the "mail"

I will be out of my office tomorrow, working from home. But if you send the information in the way in which I requested it, the check can be drawn tomorrow from my office and sent since I will be in touch with the office on line.

Regards to that nice son of yours.

Hank

From: Jay Brown [mailto:jaylbrown@me.com]
Sent: Thursday, September 12, 2013 2:16 PM
To: Henry Salzhauer
Cc: Deborah Kahn (deborahkahn@icloud.com); Amy Salzhauer; Cortney Bishop; Cameron Glaws
Subject: Re: draw status

I can at 7:00 am tomorrow when I get to the office. I am picking up my son now.

Thanks

Sent from my iPhone

On Sep 12, 2013, at 1:44 PM, Henry Salzhauer <henry@benjaminpartners.com> wrote:

Please list the items with a \$ amount next to each referring where
Salzhauer - 003997

5/26/2014

Gmail - RE: draw status

possible to the invoice # or numbers from the vendor and the check will be forthcoming today.

From: Jay Brown [mailto:jaybrown@me.com]
Sent: Thursday, September 12, 2013 1:38 PM
To: Henry Salzhauer
Cc: Deborah Kahn (deborahkahn@icloud.com); Amy Salzhauer; Cortney Bishop; Cameron Glaws
Subject: Re: draw status

SEE BELOW, PLEASE OVERNIGHT CHECK TO CONTINUE JOB GOING. THANKS

On Sep 12, 2013, at 12:10 PM, Henry Salzhauer <henry@benjaminpartners.com> wrote:

Please tell me the items that are the ones to which you are referring. M&S, MCGREGOR JORDAN, MELCER TILE, DAL TILE, ALL CORTNEY BISHOP DESIGNS, MOLUFS, PUNCHOUT CARPENTERS, ACE HARDWARE, LOWES, HOME DEPOT, NEW STUCCO TOP COAT COLOR, CLOSET BUILT INS, 4 CORNERS INTERIOR DOORS, BIRD HARDWARE SELECTIONS, JOHN MAKO FOR STAINLESS TOPS, MEDICINE CABINETS, TILE AND STONE DESIGN STUDIO, GUEST AND NANNY GUEST SAND AND REPAINT (INCLUDING CEILING), SHOWER GRANITE, WINWARD SHUTTERS, WALNUT TOP FROM EUROCRAFT.

This job has been properly paid all along, but not properly produced. NO OVERHEAD AND PROFIT HAS BEEN PAID SINCE MAY, REACHING \$70K.

Please let me know the answers to the questions I gave you which are most of the money items.

Refer to the items by the item number on your requisition and that will make it easier for us to get it done. SEE ABOVE ITS PRETTY CLEAR. I AM COPYING COURTNEY AND CAMERON ON THIS IF

Salzhauer - 003998

YOU HAVE ANY DESIGN QUESTIONS WE CAN CLARIFY.
THANKS

Hank

From: Jay Brown [mailto:jaylbrown@me.com]
Sent: Thursday, September 12, 2013 12:02 PM
To: Henry Salzhauer
Subject: Re: draw status

Hank, real quick, the majority of this invoice is material selections from designers, appliance installers, punch materials. You have \$400 dollars in your account! All need to be paid tomorrow.

On Sep 12, 2013, at 11:24 AM, Henry Salzhauer <henry@benjaminpartners.com> wrote:

Jay

I will send you the questions but some months back, you had reviewed all of the projected costs and told me that the work would be completed for that amount or less. Since then the costs have continued to mount. I'm also not sure without talking to Amy about the quality of what has been done.

It also seems to be that the trades done come when they are supposed to and that all of them have been paid to the extent that they are ahead of the work installed.

To start with

Painting- contract which you sent me was for 65. It is now up to 69 with this last draw and the work is not finished LEFT PORCH SAND, PAINT AND FINISH, CEILINGS ALSO

HVAC- was supposed to be finished at 35. What was done for the 8 additional NEW DUCTWORK UNDER HOUSE, VENT THE KITCHEN HOOD THROUGH THE ROOF, RUN DRYER VENTS,

Salzhauer - 003999

5/26/2014

Gmail - RE: draw status

INSTALL RETROFITS FOR GRILLS

Plumbing-Tell me about it.

Now go back to my first paragraph

Hank

From: Jay Brown [mailto:jaylbrown@me.com]
Sent: Thursday, September 12, 2013 11:12 AM
To: Henry Salzhauer
Cc: Deborah Kahn; Amy Salzhauer
Subject: Re: draw status

Hank, we are shooing for final inspections by tomorrow. I need this paid to continue at the pace we are for getting a CO. Subs are expecting checks tomorrow. We are at the final week, and delays can serious hurt us! Email me the questions you have and I will answer them promptly.

On Sep 12, 2013, at 10:39 AM, Henry Salzhauer <henry@benjaminpartners.com> wrote:

We need a conversation with Jay to explain items on this request.

They are over by a lot what were supposed to be final estimated costs.

Amy will be travelling today, but she will be at my house tomorrow.

When is Jay available?

Hank

From: Deborah Kahn [mailto:deborahkahn@icloud.com]

Salzhauer - 004000

5/26/2014

Gmail - RE: draw status

Sent: Thursday, September 12, 2013 10:31 AM
To: Henry Salzhauer
Subject: draw status

Hank,

I have been off for a few days. Can you please tell me the status of the draw request?

Thank you,
Deborah

0841

Salzhauer - 004001



Amy Salzhauer <amy.salzhauer@gmail.com>

Re: draw status

1 message

Jay Brown <jaylbrown@me.com>

Fri, Sep 13, 2013 at 12:07 PM

To: Henry Salzhauer <henry@benjaminpartners.com>

Cc: Amy Salzhauer <amy.salzhauer@gmail.com>, Deborah Kahn <deborahkahn@icloud.com>

On Sep 13, 2013, at 10:33 AM, Henry Salzhauer <henry@benjaminpartners.com> wrote:

Jay

There are several things going on here.

One is:

We want to pay all of the vendors who rightfully deserve to be paid.

GOOD

Two is:

The plumber and the HVAC contractor who picked up the work from the originals deserve to be paid and not left out to dry because of the prior work, but there is no reason for us to be paying twice for the same work. THERE WAS NO UNFINISHED WORK, JUST ADDITIONAL WORK THAT WAS ADDED SUCH AS NEW REGISTERS, RENAI WATER HEATERS, PLUMBING FIXTURES AND RELOCATION CHANGE ORDERS. PLEASE EXPLAIN IN WRITING WHAT WAS PAID FOR TWICE AND I WILL REFUND THE AMOUNTS TO YOU.

There seems to have been little or no supervision of the work done by the original contractors. THERE WAS MORE THAN MANAGEMENT AND SUPERVISION BY THE PROJECT MANAGERS AS WELL AS MYSELF.

We expect this payment to be from a back charge that you make to the original contractor. We will front the payment, but expect the money back. NO PROBLEM

Three is:

We want to know all of the trades and work by line item that is completely finished and for which we can expect no more billing, the exception being some minor small item under, let's say \$500. SEE JOB COSTS AND VENDOR SUMMARY DATED 9/13/13

Four is:

5/26/2014

Gmail - Re: draw status

We want waiver of liens from all of the vendors on the job. WE HAVE THE MAJORITY OF THEM FOR YOU AND WILL TURN THEM OVER TO YOU AT THE END OF THE JOB.

Five is:

Why is the entire plumbing job twice the finish estimate which you gave me when you were projecting the final costs to completion? AMY ADDED A RESIDENTIAL SPRINKLER SYSTEM, RENAI WATER HEATERS, CHANGE ORDERS DUE TO PLUMBING RELOCATIONS, ETC.

There were no changes except splitting the guest and nanny bathroom NO, SEE ABOVE

Six is:

Amy still has not seen the HVAC report. As far as Amy can tell the current state of this system is not acceptable. HVAC ENGINEER THOMAS VOLKMAR IS PREPARING THE REPORT AND I WILL FORWARD TO YOU WHEN IT COMES

Seven is:

The painting on the job is not complete and part of what is done is not acceptable . ALL PAINTING WILL BE COMPLETE MINE AND AMYS STANDARDS.

Eight is:

You were supposed to get answers to the questions I had yesterday so we could get that payment out to you. EMAILED TO YOU

That is one part of this letter.

The next part is:

We expect you to get the CO today and not further hold us back. NOT TODAY, WAITING ON TRADES TO INSTALL FIXTURES THAT ARE ARRIVING TODAY. INSPECTOR HAS ISSUES WITH EXISTING CLOSED IN WALLS IN THE GARAGE WITH THE AIR CONDITIONERS.

Your final payment is a matter for discussion as we said in our meeting, I believe it was in February. LETS DISCUSS IT BECAUSE WE FINAL PAYMENT TO ISSUE YOU A CO. MY OFFER YESTERDAY WAS MORE THAN GENEROUS.

If you do not want to get it, please let me know. NOBODY WANTS TO GET THE CO MORE THAT THIS GROUP. WE ARE AT THE

0843

Salzhauer - 004003

5/26/2014

Gmail - Re: draw status

LAST WEEK OF IT TILL FINISHING.I hope you are not going to take that step because that will completely change our relationship. HANK, OUR RELATIONSHIP CHANGED MONTHS AGO, BUT WE WILL GET THROUGH IT.

It's too bad that you did not have Cameron on the job from the beginning because if you had, we would not be having this conversation now and you would have had a happy customer. CAMERON IS HANGING ON BY A THREAD, IF WE COULD HAVE TAKEN THE ARCHITECTS PLANS (THATS WHAT YOU PAY THEM A GOOD AMOUNT FOR) AND PRICED AND IMPLEMENTED EXACTLY WHAT WAS ON THOSE, WITH MINIMAL CHANGES AND HAD DESIGN DECISIONS TO US AT THE BEGINNING STAGES OF THE JOB THIS HOUSE WOULD HAVE BEEN HANDED OVER TO YOU MANY MONTHS AGO YOU AND I WOULD BE A HAPPY CUSTOMER AND A HAPPY BUILDER. I WILL SAY THAT YOU WILL HAVE THE HOUSE THAT WAS PROMISED, QUALITY AND DURABILITY ON PRODUCTS USED. AS PROMISED, WE WILL WARRANTEE ALLTRADESMEN AND EQUIPMENT THAT WAS PURCHASED THROUGH US. JUST A THOUGHT, HOPE ALL THIS HELPS.

From: Jay Brown [mailto:jaylbrown@me.com]
Sent: Thursday, September 12, 2013 4:44 PM
To: Henry Salzhauer
Cc: Amy Salzhauer
Subject: Re: draw status

Thanks Hank, I'll be on it first thing tomorrow.

We passed all mechanical inspections today and would like to get these guys in the house. There is still punch left to do and it can get accomplished even while occupied. I am willing to call in for a Certificate of Occupancy and get them in there if 75% of the profit holdings are funded. The last 25% will be funded when the final punch list is complete. If the remaining supplies show up tomorrow, we can accomplish this next week and do a punch walkthrough with Amy. Landscaping should be finished next week also.

Thanks

On Sep 12, 2013, at 2:21 PM, Henry Salzhauer <henry@benjaminpartners.com> wrote:

0844

Salzhauer - 004004

5/26/2014

Gmail - RE: AP AGING FOR FLAG



Amy Salzhauer <amy.salzhauer@gmail.com>

RE: AP AGING FOR FLAG

1 message

Henry Salzhauer <henry@benjaminpartners.com>

Mon, Sep 16, 2013 at 11:08 AM

To: Jay Brown <jaylbrown@me.com>, "Deborah Kahn (deborahkahn@icloud.com)" <deborahkahn@icloud.com>

Cc: Amy Salzhauer <amy.salzhauer@gmail.com>

Please relate these costs to the requisition by line item in the requisition

From: Jay Brown [mailto:jaylbrown@me.com]

Sent: Friday, September 13, 2013 11:02 AM

To: Henry Salzhauer

Subject: Fwd: AP AGING FOR FLAG

Please list the items w/ possible to the invoice # will be forthcoming today

} where re check

D70

Begin forwarded message:

From: Deborah Kahn <deborahkahn@icloud.com>

Subject: AP AGING FOR FLAG

Date: September 13, 2013 11:00:00 AM

To: Jay Brown <jaylbrown@me.com>

LYLES & LYLES, LLC
ATTORNEYS AT LAW
342 East Bay Street
P.O. Box 773 (29402)
Charleston, South Carolina 29401
Telephone: (843) 577-7730
Facsimile: (843) 577-7172

Robert T. Lyles, Jr.
Member

Direct: (843) 735-5560
E-mail: rtl@lylesfirm.com

January 27, 2016

Via Email

Robert B. Varnado, Esq.
103 Church Street
Mount Pleasant, SC 29464-4359

Re: *Brown Contractors, LLC vs. Andrew McMarlin, Amy Salzhauser, et al.*
Case No: 2014-CP-10-3881

Dear Rob:

I am in writing in anticipation of our mediation which is scheduled to take place this Thursday, January 28, at John Massalon's office. This letter is intended to convey a demand to Brown Contractors, LLC for a complete and timely resolution of all matters pending between our clients.

As you know, it is my belief that the mechanic's lien filed by Mr. Brown is invalid as is his claim for payment. The law in South Carolina is abundantly clear that a contractor who is not properly licensed has no right to bring a claim for payment. That would include a mechanic's lien action. There is recent case law on that and I do not believe that there are any facts of which I am aware which would support Brown's contention that he was properly licensed.

In addition, it is irrefutable that Brown left Amy and Andy's home in an incomplete condition and numerous deficiencies in his work have been discovered and are in the process of being repaired. The photographs and documentary evidence to those deficiencies is exhaustive; but, in summary, the costs associated with Howard Brown's completion and repair will total approximately \$315,621.00. In addition to that, Amy and Andy have incurred the cost of \$56,900.00 to replace the HVAC system which was improperly designed and installed by Brown and his people. This does not include the numerous costs Amy and Andy have incurred as a result of several moves necessitated by Brown's failure to complete the project in a timely manner.

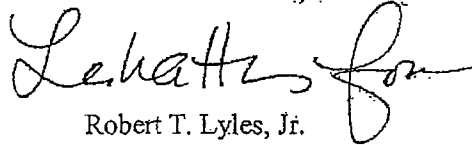
Amy and Andy will present to a jury a claim for damages related to the repair of incomplete and defective work totaling \$372,521.00, which does not include loss of use (costs associated with moving and rental) or attorneys fees (related to the defense of the mechanic's lien action and incurred in the prosecution of the Unfair Trade Practices Act claim against Brown). They will accept that sum in full settlement of all claims pending between them and Brown and a

complete and final dismissal with prejudice of all actions pending between them. If a settlement is not reached at mediation, this demand will be withdrawn.

I look forward to your response and to seeing you on Thursday, January 28.

Very truly yours,

LYLES & LYLES, LLC

A handwritten signature in cursive script, appearing to read "Lyles for", written in dark ink.

Robert T. Lyles, Jr.

RTL/bt

cc: Amy Salzhauer (*Via E-Mail*)
Andy McMarlin (*Via E-Mail*)

LYLES & LYLES, LLC
ATTORNEYS AT LAW
342 East Bay Street
Charleston, South Carolina 29401
Telephone: (843) 577-7730
Facsimile: (843) 577-7172

Robert T. Lyles, Jr.
Member

Direct: (843) 735-5560
E-mail: rtl@lylesfirm.com

March 14, 2017

VIA EMAIL AND U.S. MAIL

Robert B. Varnado, Esq.
103 Church Street
Mt. Pleasant, SC 29464-4359

Re: *Brown Contractors, LLC vs. Andrew McMarlin, Amy Salzhauer, et al.*
Case No: 2014-CP-10-3881
File No. 293-14001

Dear Rob:

I am attaching eighteen (18) supplemental pages of documents from Brown Atlantic labeled Brown_Atlantic_000871-000888. In November, Brown Atlantic sent supplemental information which reflected a total cost of \$361,877.56 to complete the various McMarlin punchlists. That information was provided to you at the Brown deposition and was also sent to you November 23 bates-labeled Brown Atlantic 000849-000870.

The total concerned me because it was substantially more than the total of \$165,684.24 reflected on the first Brown Atlantic initial proposal dated September 2, 2014 which was sent to you on October 15, 2014 and was first bates-labeled Brown Atlantic 000281. Because of that I asked Brown Atlantic to summarize the basis of the increase so that you and I could understand the reason for the increase. That summary information is attached hereto as Brown Atlantic 000886-000888.

In addition to providing some insight into the reason for the increase, you will also note that in these documents is a document entitled "FS-001" (Brown_Atlantic_000872). The items listed on FS-001 are items being addressed by Brown Atlantic that relate to defective work of Jay Brown which have been discovered as part of Brown Atlantic's work and which were not included on the original punchlists.

In addition to those items, it has recently been determined that the metal roof was defectively installed by Jay Brown. The defective installation has led to water infiltration and damage to property. Joe Wells was initially hired to assess the roof and develop a scope and cost to repair. Because of an illness in his company, Joe was unable to complete that as expected. Howard then retained Sid Glasgow who inspected the roof and has done a scope and cost to repair. Sid's estimate (#FS-014.1) totals \$34,141.00, with his alternative, but does not include

Robert B. Varnado, Esq.
March 14, 2017
Page 2

certain related work, such as repair of deteriorated framing materials. Adding that to Howard's price and including the cost to complete the excluded work results in a total roof repair price of \$52,020.00 which is reflected at the bottom of document (Brown_Atlantic_000888). If you and Jay want to inspect the roof, please let me know. Please consider this a supplementation of our prior discovery responses.

As always, if you, Jay or anyone on your behalf wishes to visit and inspect the house, please make those arrangements through my office.

Very truly yours,

LYLES & LYLES, LLC



Robert T. Lyles, Jr.

RTL/ccm

Enclosures

cc (via email, w/ encl.): Mrs. Amy Salzhauer

BROWN ATLANTIC

Exhibit "A"

P.O. Box 651
Sullivan's Island, SC 29482
843-209-9710

TO: Amy McMarlin
1850 Flagg Street
Sullivan's Island, SC 29482

JOB DESCRIPTION
Establishing a package consisting of Benchmark's Inspection Report, Home Owner's Punch List, Contractor's Punch List, and Trade Contractors' Estimated Costs to make the necessary repairs to the residential home located at 1850 Flagg Street Sullivan's Island, SC 29482.

ITEMIZED ESTIMATE: TIME AND MATERIALS	AMOUNT
Complete Paint Package as Required	18,000.00
Electrical	6,000.00
Finish Flooring 3,500 sq.ft. 2:25	7,875.00
Painting of Cabinets	8,000.00
Plumbing	3,040.00
Punch List Items-Composed of:	60,000.00
Owner's Punch List	
Builder's Punch List	
Contractor's Punch List	
Materials Allowance	20,000.00
Permit Fees	2,603.36
Project Management	40,165.88
We are waiting on the Mechanical Engineer to prepare the scope of work in order to have consistent estimates to correct/fix the HVAC System.	
TOTAL ESTIMATED JOB COST	165,684.24

This is an estimate only, not a contract. This estimate is for completing the job described above, based on our evaluation. It does not include unforeseen price increases or additional labor and materials which may be required should problems arise.

PREPARED BY _____
Jodi Dixon
Brown Atlantic, LLC
410-428-9694

September 2, 2014
DATE

FS-001

ESTIMATE #FS-001		Project Cost Estimate:	\$233,482.81
Customer Information		Date:	13-Jan-2017
Amy Salzhauser & Andy McMarlin		*Revised*	
1850 Flegg Street			
Sullivan's Island, SC 29482			
Project Information			
ID	Area	Labor & Materials Estimate	SubTotals
01A	1st Floor Deck: Labor	Labor: Complete 1st Floor Deck Punch List Items [Demo Existing Porch, Remove Handrails, Reframe New with Slope 1/4" Fall per 12" per Code, Sheetrock, Picture Frame New EPAI Decking with Stainless Nails]	\$12,700.00
01B	1st Floor Deck: Materials	Materials: Complete 1st Floor Deck Punch List Items [Demo Existing Porch; Remove Handrails, Reframe New with Slope 1/4" Fall per 12" per Code, Sheetrock, Picture Frame New EPAI Decking with Stainless Nails]	\$9,000.00
02A	2nd Floor Deck: Labor	Labor: Complete 2nd Floor Deck Punch List Items [Remove 5-6 Runs of Siding for Flashing, Re-work Walls and Penetrated Areas where Stair System is causing leaking, Paint All Flooring when Repairs are Done & Install Siding]	\$5,825.00
02B	2nd Floor Deck: Materials	Materials: Complete 2nd Floor Deck Punch List Items [Remove 5-6 Runs of Siding for Flashing; Re-work Walls and Penetrated Areas where Stair System is causing leaking, Paint All Flooring when Repairs are Done & Install Siding]	\$3,750.00
03	Flooring	Replace Hardwood Floors in Kitchen + Living Room, Refinish All other Existing Floors and Stairs	\$39,558.25
04	Cabinetry	Reface + Repaint All Cabinetry throughout House	\$14,187.50
05A	Structural Work	Repair Structural Beam to Annie's Bedroom Wall	\$13,750.00
05B	Structural Work	Electrical Repairs Needed after Structural Repairs	\$4,375.00
05C	Structural Work	Utility Repairs Needed after Structural Repairs	\$4,562.50
06	Paint: Interior	Prep/Prime/Tape/Paint Interior Rooms + Trim	\$30,750.00
07	Paint: Exterior	Prep/Pressure Wash/Prime/Paint Exterior + Trim	\$23,375.00
08	General/Misc. Items	3 Men x 8 Hours per Day x 15 Days (to complete remaining items not referenced above)	\$18,875.00
SubTotal of Labor & Materials:			\$178,506.25
Brown Atlantic Overhead & Profit:			\$44,626.56
Brown Atlantic Project Management:			\$10,350.00
Total of Estimate:			\$233,482.81
Scope of Work: This Job Proposal Total Includes the following:			
Estimate to Complete Remaining Items on Owner's Punch Lists			
(Items located on: Owner's Punch List, Plumbing, Electrical, Paint Punch List, and Home Inspector's Punch List)			
Thank You for Your Business!			
X			
Signature:		Date:	
X			
Signature: Howard Brown - President of Brown Atlantic		Date:	13-Jan-17



Glasgow Roofing Co., Inc.
P. O. Box 40158
N. Charleston, SC 29423-0158
(843) 572-3490
(843) 569-0902 (fax)

March 1, 2017

Mr. Howard Brown
Brown Atlantic General Contractors
PO Box 651
Sullivans Island, SC 29482

howardbrownatlantic@gmail.com

RE: 1850 Flag Street
Sullivans Island, SC

Mr. Brown:

We are pleased to quote you pricing for reroofing of the upper arched roof on the above referenced project. Our proposal includes the following work.

Metal Roof Panels

- Remove and dispose of the existing terne metal panels, flashing and underlayment.
- Full layer of high temp rubberized underlayment.
- 16oz standing seam copper roof panels in continuous lengths. 17" wide with 1" tall seams.
- Eave, rake, head and sidewall flashing.

Excluded from our price is:

- Replacement of damaged or deteriorated wood blocking, decking or nailers.
- Removal and replacement of existing gutter or siding on vertical walls.
- Waterproofing masonry chimney.

We propose to complete the above-described work including labor, material, tax and insurance for: **\$32,310.00**

- Alternate No. 1:
- Rerail existing plywood decking on the perimeter of the flat roof.
 - Install copper eave drip per the attached sketch.
 - Prime copper and strip in with 2 layers of fabric set in foundation coat.
 - Complete detail with one finish coat white in color.

We propose to complete the above-described Alternate for: **\$1,831.00**

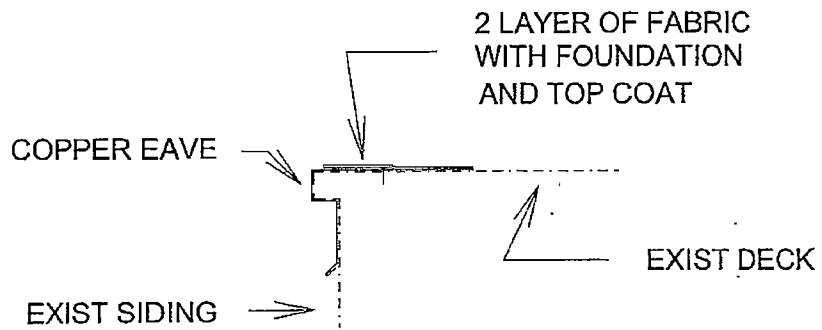
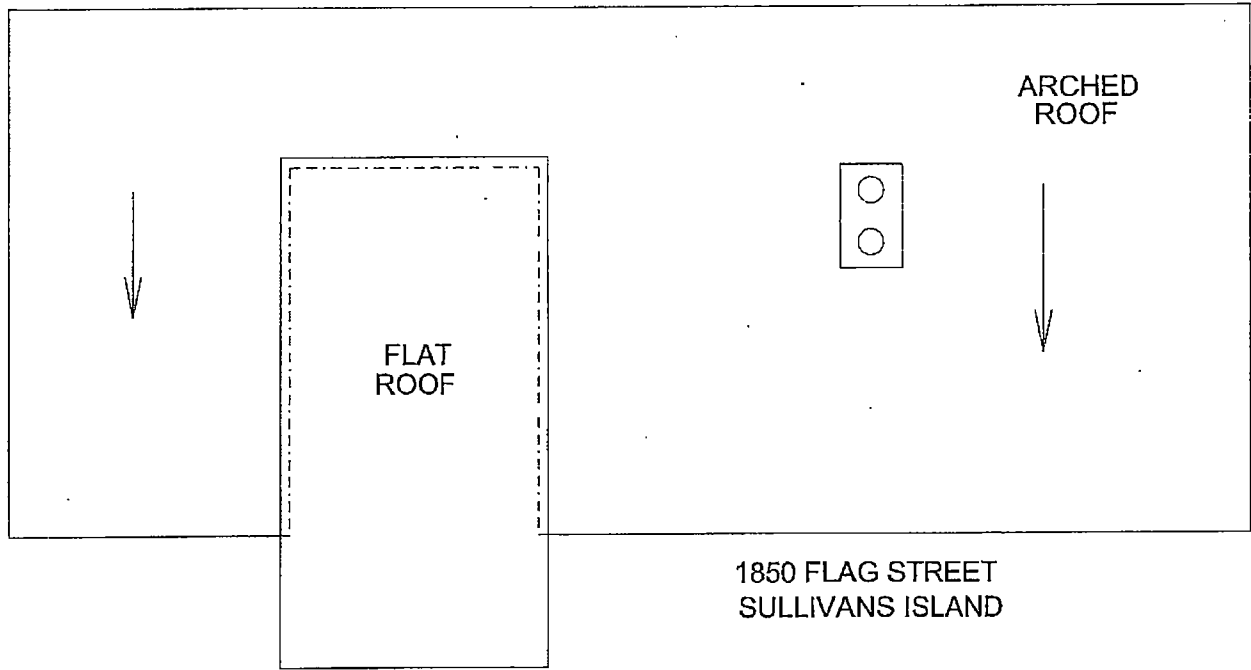
Thank you for the opportunity to quote you on your project and if you have any questions in regards to our proposal please do not hesitate to call. (843) 224-0975

Sincerely,

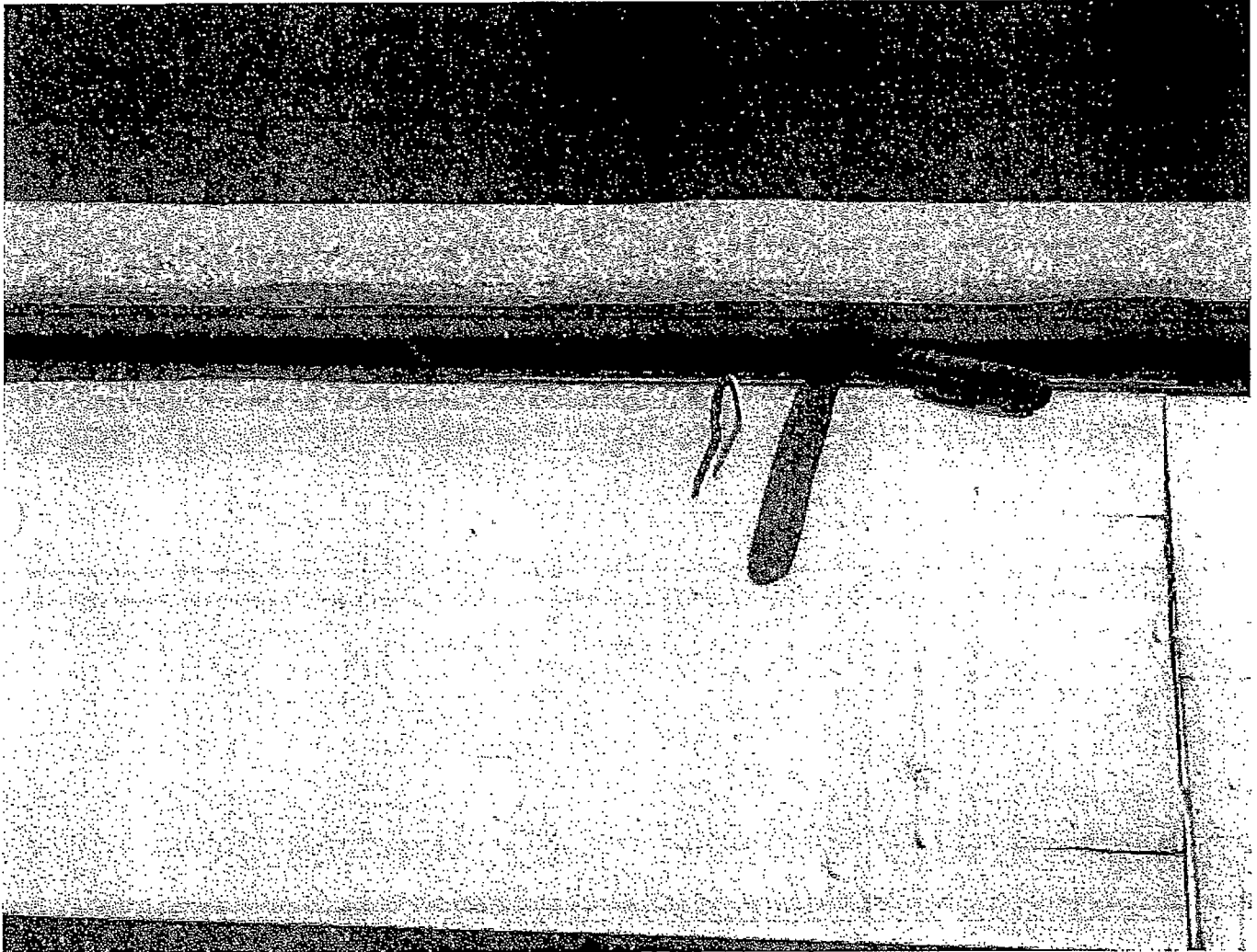
GLASGOW ROOFING CO., INC.

Sid Glasgow

Sid Glasgow
SG: lsm









PO Box 651*Sullivan's Island*SC*29482

McMarlin

ESTIMATE: #FS-014.1

Re-Roofing of Upper Arched Roof

JOB PROPOSAL #FS-014.1		Project Cost Estimate:	\$42,676.25
Customer Information		Date:	1-Mar-2017
Amy Salzhauer & Andy McMarlin			
1850 Flagg Street			
Sullivan's Island, SC 29482			
Project Information			
Re-Roofing of Upper Arched Roof			
Labor: Glasgow Roofing Co., Inc			
ID	Description: Metal Roof Panels		
01	Remove and Dispose of the Existing Teme Metal Panels, Flashing and Underlayment		
02	Full Layer of High Temp Rubberized Underlayment		
03	16 Oz Standing Seam Copper Roof Panels in Continuous Lengths--17" Wide with 1" Tall Seams		
04	Eave, Rake, Head and Sidewall Flashing		
			Metal Roof Total: \$32,310.00
Alternate No. 1			
ID	Description: Alternate No. 1 Option		
01A	Renail Existing Plywood Decking on the Perimeter of the Flat Roof		
02A	Install Copper Eave Drip per the Attached Sketch		
03A	Prime Copper & Strip in with 2 Layers of Fabric Set in Foundation Coat		
04A	Complete Detail with One Finish Coat [Color: White]		
			Alt No 1 Total: \$1,857.00
Metal Roof & Alt No 1 Total:			\$34,141.00
Brown Atlantic Overhead & Profit:			\$8,535.25
Total of Estimate #FS-014.1:			\$42,676.25
Note: This Job Proposal includes the following: Brown Atlantic O.P. (Overhead & Profit) & Licensing and Insurance.			
ITEMS EXCLUDED FROM THIS ESTIMATE			
1) Replacement of Damaged or Deteriorated Wood Blocking, Decking or Nailers			
2) Removal and Replacement of Existing Gutter or Siding on Vertical Walls			
3) Waterproofing Masonry Chimney			
Thank You for Your Business!			
Signature: X			Date:
Amy Salzhauer or Andy McMarlin-Homeowners of 1850 Flagg St.			
Signature: X			Date: 1-Mar-2017
Howard Brown- President of Brown Atlantic			



PO Box 651*Sullivan's Island*SC*29482

McMarlin

ESTIMATE: #FS-014.2

Estimate for Repairs Excluded on #FS-014.1

JOB PROPOSAL #FS-014.2		Project Cost Estimate:	\$9,343.75
Customer Information		Date:	1-Mar-2017
Amy Salzhauer & Andy McMarlin			
1850 Flagg Street			
Sullivan's Island, SC 29482			
Project Information			
Estimate to Complete Repairs Excluded on #FS-014.1			
Labor: Brown Atlantic			
ID	Labor Description		
01	Replacement of Damaged or Deteriorated Wood Blocking, Decking or Nailers		
02	Removal and Replacement of Existing Gutter or Siding on Vertical Walls		
03	Waterproofing Masonry Chimney		
04	Caulk, Prep, Paint New Siding		
			Labor Total:
			\$4,513.75
Materials: Misc. Vendors			
ID	Materials		
01M	Materials for Remove and Replace Damaged Wood Blocking, Decking or Nailers		
02M	Materials to Remove and Replace of Existing Gutter or Siding on Vertical Walls		
03M	Materials for Waterproofing Masonry Chimney		
04M	Materials to Caulk, Prep, Paint New Siding		
05M	Permit for Sullivan's Island		
06M	Port-a-Let Rental		
			Materials Total:
			\$2,961.25
			Labor & Materials Total:
			\$7,475.00
			Brown Atlantic Overhead & Profit:
			\$1,868.75
			Total of Estimate #FS-014.2:
			\$9,343.75
Note: This Job Proposal includes the Following: Brown Atlantic O+P (Overhead & Profit) & Licensing and Insurance			
This is an Estimate for the Excluded Items on Estimate #FS-014.1			
Thank You for Your Business!			
Signature: X		Date:	
Amy Salzhauer or Andy McMarlin-Homeowners of 1850 Flagg St.			
Signature: X		Date: 1-Mar-2017	
Howard Brown- President of Brown Atlantic			

General Summary



Benchmark Inspections of South Carolina

915 Royall Ave.
Mt. Pleasant, SC 29464
843-801-8867

Customer
Amy McMarlin

Address
1850 Flag Street
Sullivan's Island SC 29482

The following items or discoveries indicate that these systems or components do not function as intended or adversely affects the habitability of the dwelling; or warrants further investigation by a specialist, or requires subsequent observation. This summary shall not contain recommendations for routine upkeep of a system or component to keep it in proper functioning condition or recommendations to upgrade or enhance the function or efficiency of the home. This Summary is not the entire report. The complete report may include additional information of concern to the customer. It is recommended that the customer read the complete report.

1. Roofing

1.1 Flashings

Repair or Replace

The roof drip edge flashing is significantly bent and disfigured at portions of the rear and rear left roof. Recommend contractor further evaluate the flashing and repair or replace all that is damaged.

NO REPAIR - Same condition as stated in original report.

2. Exterior

2.0 Wall Cladding Flashing and Trim

Repair or Replace

(1) Wood rot observed at the lower portions of the garage door trim (4 areas) Recommend contractor evaluate the garage door trim and repair or replace as necessary.

SATISFACTORY REPAIR

(2) There is no backing rod with caulk sealant where stucco meets garage door wood trim. Recommend contractor install proper backing rod and caulk to reduce future damage.

UNSATISFACTORY - Stucco is in same condition as stated in the original report.

(3) Discoloration and black streaks observed at the wood lap siding on the left side of the structure. While this damage is cosmetic, the repair cost should be considered due to the amount of damage. Recommend contractor take corrective action to eliminate the cause of the streaking then perform touch up painting to a quality finish

UNSATISFACTORY - Streaking is in same condition as stated in the original inspection. Recommend contractor take corrective action to eliminate the cause of the streaking then perform touch up painting to a quality finish

(4) Painting and caulking tasks are incomplete. Caulk sealant is absent at and around doors and windows; several siding butt joints to trim are not yet caulked, many nail holes are not yet sealed. Bare wood observed at laundry vent trim on left side of structure, the exterior screen porch entry door, and but not limited to the front steps grip railing. Recommend contractor evaluate the exterior and complete ALL exterior caulking & painting tasks to a quality finish.

UNSATISFACTORY & INCOMPLETE - Several siding butt joints to trim at the screen porch area are not yet caulked, Screen porch to house entry door trim is not caulk sealed. Stain on painted siding & incomplete painting by screen porch screen door presents a cosmetic concern at the siding and trim. These areas should be touched up for a quality finish. Paint touch up not limited to these areas - See streaking @ left side. Recommend paint contractor apply a quality caulk sealant to these areas and any others he may identify at the exterior. Clean & perform exterior paint touch up tasks for a quality exterior paint finish.

(5) Siding extends too close to the roof surface at the rear left portion of the structure. Recommend contractor repair - provide minimum 1" clearance of siding from roof to reduce wicking moisture and future wood rot.

UNSATISFACTORY - Siding at roof is in same condition as stated in the original report. Recommend contractor repair - provide minimum 1" clearance of siding from roof to reduce wicking moisture and future wood rot.

2.1 Doors (Exterior)**Repair or Replace**

(1) Weatherstripping installation is incomplete at the three double doors on the front porch, and at the master bedroom balcony entry door. Recommend contractor install the weatherstripping as intended for a proper weather tight seal.

UNSATISFACTORY - The master bedroom balcony entry door is missing the bottom weatherstripping and also the 5 point door latch system is not operating properly. Recommend contractor repair.

(2) The living room rear right exterior door operation is restricted at the threshold and is difficult to open. Recommend contractor adjust this exterior door for ease of operation.

NOT INSPECTED

(3) The front screen porch mahogany screen door is not yet installed at the door opening. Recommend contractor install the door and door hardware as intended - Verify proper operation.

SATISFACTORY - The door installation is complete. Door bumper guard is not present.

(4) Metal door pan extends above the finish floor. The sharp edge metal presents a safety concern & the gap at the floor joint presents a cosmetic concern @ the front left screen porch to house entry door. Recommend contractor further evaluate and repair.

2.2 Windows

Repair or Replace

(1) Window screens are missing at all window locations. Recommend contractor install the window screens at all applicable windows.

SATISFACTORY

(2) Label has not yet been removed from the master bathroom window. Cleaning windows is typically done by the contractor at the end of construction. Although a cosmetic concern this detail should be addressed since the area is difficult to access.

2.3 Decks, Balconies, Stoops, Steps, Areaways, Porches, Patio/Cover and Applicable Railings

Repair or Replace

(1) The front porch does not appear to be adequately sloped to effectively drain water. Deck slope should have a minimum 1/4" slope per 4 feet. The lower deck rail is close to the floor and does not have weep hole drains. Recommend contractor evaluate the screen porch floor slope - Verify minimum slope recommendations, otherwise take corrective action to provide appropriate slope. Consider drilling holes in the lower rail to provide weep drains.

UNSATISFACTORY - Inadequate slope & no weep holes. Screen porch floor is in same condition as stated in the original report. Recommend contractor take corrective action as necessary.

(2) The 1st stair tread above the 1st landing is loose at the front entry stairs. Spacing at the stairway upper level landing rail post exceeds 4" safety standards. Recommend contractor secure the loose stair tread and take corrective action to eliminate the large gap at the rail post - Safety concern.

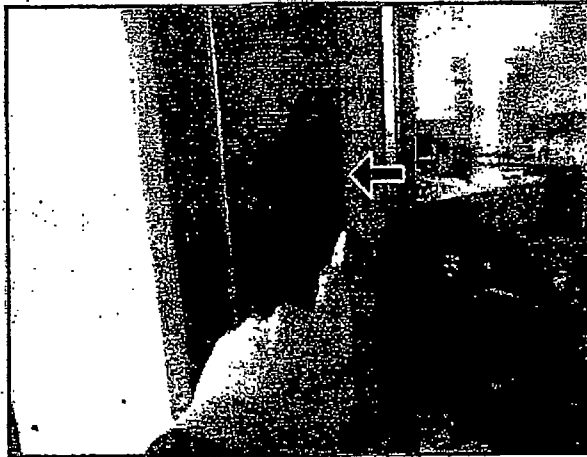
UNSATISFACTORY - Spacing at the stairway upper level landing rail post exceeds 4" safety standards.

(3) The finish deck stain at the rear right appears to be two different types of stain material and colors. Although a cosmetic concern it should be noted. Consult with the paint contractor and verify the stains are of the same batch & mixture - Repair as necessary.

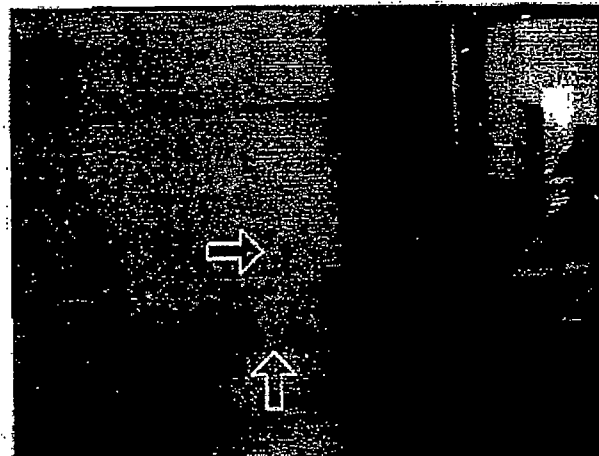
UNSATISFACTORY - Same condition as stated in original report.

(4) It has been brought to my attention that there was a documented leak from the balcony area over the screen porch. Owner stated that the contractor made repairs with a roof sealant application to the balcony decking after leak was identified. No visible leak at time of inspection. Recommend client monitor the area for any future leaks.

2.4 Vegetation, Grading, Drainage, Driveways, Patio Floor, Walkways and Retaining Walls (With



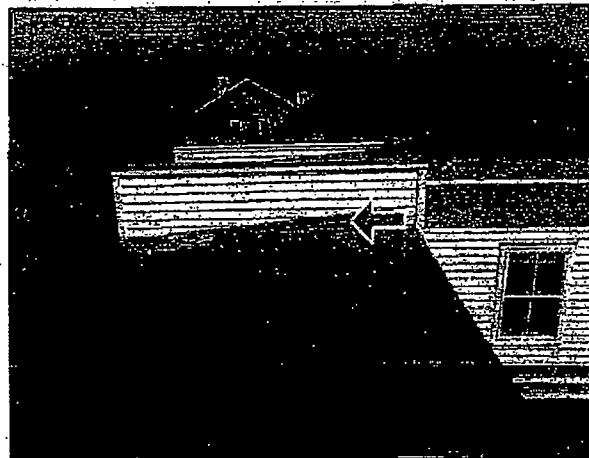
2.0 Item 11(Picture) Screen porch to house entry door trim is not caulk sealed.



2.0 Item 12(Picture) Stain on painted siding & incomplete painting by screen porch screen door presents a cosmetic concern at the siding and trim.

2.0 (5) Siding extends too close to the roof surface at the rear left portion of the structure. Recommend contractor repair – provide minimum 1" clearance of siding from roof to reduce wicking moisture and future wood rot.

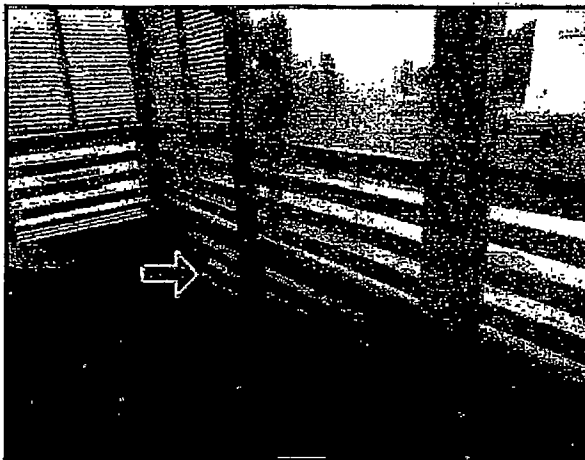
UNSATISFACTORY – Siding at roof is in same condition as stated in the original report. Recommend contractor repair – provide minimum 1" clearance of siding from roof to reduce wicking moisture and future wood rot.



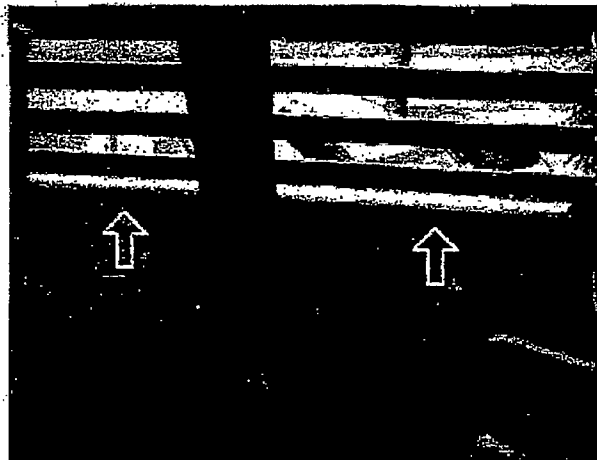
2.0 Item 13(Picture) Siding extends too close to the roof surface at the rear left portion of the structure.

2.3 (1) The front porch does not appear to be adequately sloped to effectively drain water. Deck slope should have a minimum 1/4" slope per 4 feet. The lower deck rail is close to the floor and does not have weep hole drains. Recommend contractor evaluate the screen porch floor slope - Verify minimum slope recommendations, otherwise take corrective action to provide appropriate slope. Consider drilling holes in the lower rail to provide weep drains.

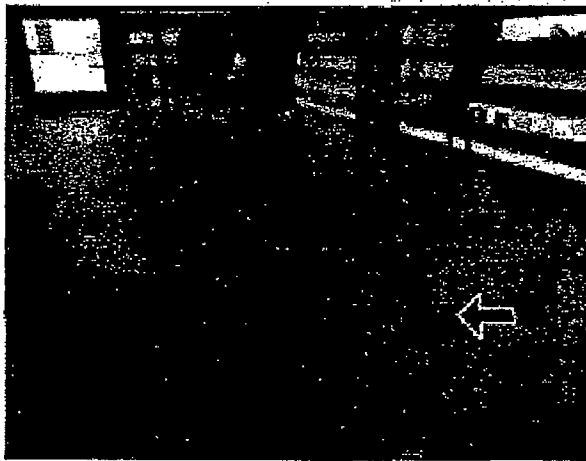
UNSATISFACTORY - Inadequate slope & no weep holes. Screen porch floor is in same condition as stated in the original report. Recommend contractor take corrective action as necessary.



2.3 Item 1(Picture) The front porch does not appear to be adequately sloped to effectively drain water. Deck slope should have a minimum 1/4" slope per 4 feet.



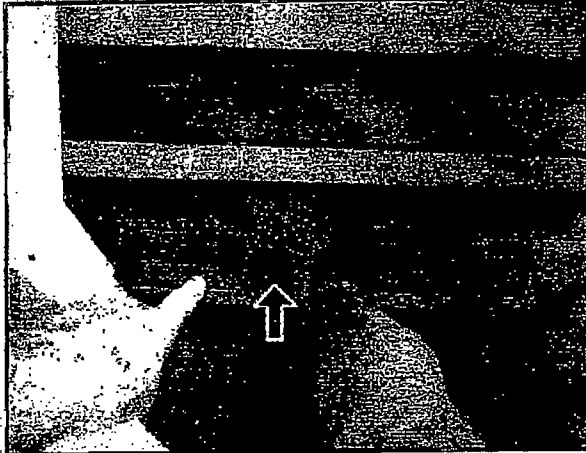
2.3 Item 2(Picture) UNSATISFACTORY - Inadequate slope & no weep holes. Screen porch floor is in same condition as stated in the original report.



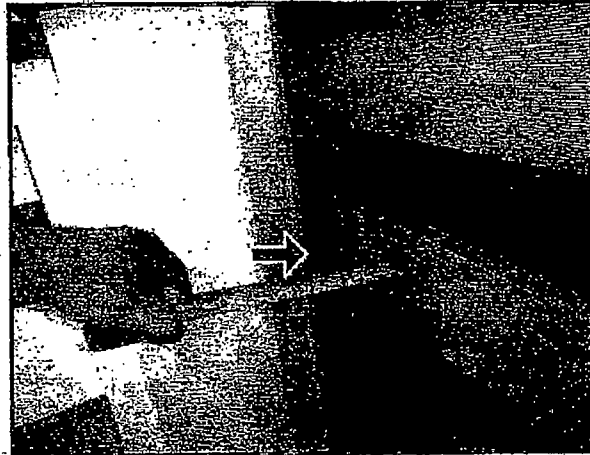
2.3 Item 3(Picture) UNSATISFACTORY - Inadequate slope & no weep holes. Screen porch floor is in same condition as stated in the original report.

2.3 (2) The 1st stair tread above the 1st landing is loose at the front entry stairs. Spacing at the stairway upper level landing rail post exceeds 4" safety standards. Recommend contractor secure the loose stair tread and take corrective action to eliminate the large gap at the rail post - Safety concern.

UNSATISFACTORY - Spacing at the stairway upper level landing rail post exceeds 4" safety standards.



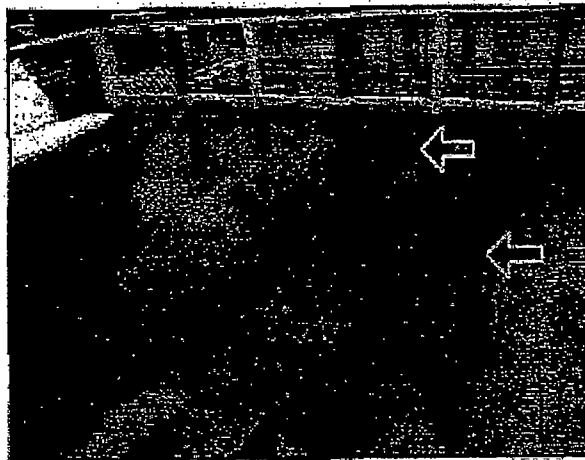
2.3 Item 4(Picture) The 1st stair tread above the 1st landing is loose at the front entry stairs.



2.3 Item 5(Picture) Spacing at the stairway upper level landing rail post exceeds 4" safety standards.

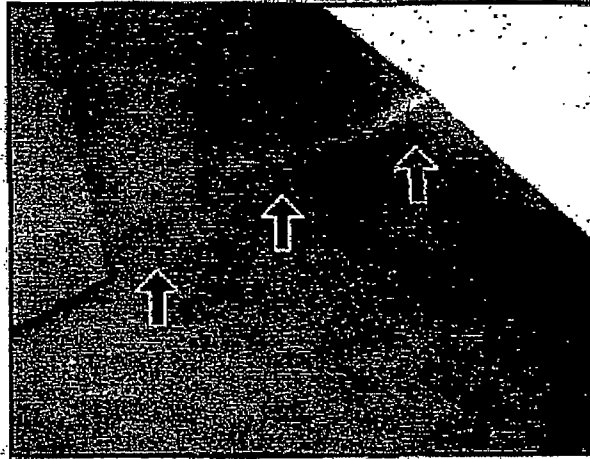
2.3 (3) The finish deck stain at the rear right appears to be two different types of stain material and colors. Although a cosmetic concern it should be noted. Consult with the paint contractor and verify the stains are of the same batch & mixture - Repair as necessary.

UNSATISFACTORY - Same condition as stated in original report.



2.3 Item 6(Picture) The finish deck stain at the rear right appears to be two different types of stain material and colors.

2.3 (4) It has been brought to my attention that there was a documented leak from the balcony area over the screen porch. Owner stated that the contractor made repairs with a roof sealant application to the balcony decking after leak was identified. No visible leak at time of inspection. Recommend client monitor the area for any future leaks.



2.3 Item 7(Picture) there was a documented leak from the balcony area over the screen porch. Owner stated that the contractor made repairs with a roof sealant application to the balcony decking after leak was identified. No visible leak at time of inspection.

0860

#	Items	Exhibit "A"	FS-001	Comments	References
1	Complete Paint Package as Required	\$18,000.00		Original Proposal	
1a	Item Added on #FS-001: Paint Entire Exterior and Interior of House				
	Interior: Sand, Prime, Apply (2) Coats of Paint		\$30,750.00	Re-Paint Interior: Sand/Prime/Paint-- Walls/Ceilings/Trim: \$30,750.00 *Brown Atlantic contacted Adam Kershaw (of Kershaw Painting, LLC) on multiple occasions and Adam has been unable to find time in his company's schedule to re-do/and or complete the items listed on the various Punch Lists.	9/16/2013 Email-Subject: DAD HERE IS MY EMAIL TO JAY DRAFT: Seven-- "ALL Painting Will Be Complete Mine and Amys Standards"
	Exterior: Sand, Prime, Apply (2) Coats of Paint		\$23,375.00	Re-Paint Exterior: Sand/Prime/Paint-- Siding & Trim	10/21/2013 Email-Subject: Punch List/Finish Sched Exterior Paint Punch List on "Waiting List"
2	Electrical	\$6,000.00		Original Proposal	
3	Finish Flooring 3,500 sq.ft. 2.25	\$7,875.00		Original Proposal	
3a	Item Added on #FS-001: Replace Hardwoods in Kitchen+ Living Room and Re-Finish Existing Floors + Stairs				
	*Replace Existing Heart Pine Floors in Kitchen+Living Room-- *Re-Finish All Other Existing Hardwood Floors & Stairs		\$39,556.25	Finish Floors: Upon inspection of the Heart Pine Floors in the Kitchen+Living Area--Brown Atlantic discovered that the floors have been over-sanded so much that the hardwoods are in poor condition and lack the usual thickness found in a Heart Pine Board. The amount of \$39,556.25 is for the following: Remove Existing Hardwood Floors in the Kitchen+Living Area and Replace with NEW! Heart Pine Floors. This total also includes Re-Finishing All other Existing Hardwood Floors/Stairs.	10/21/2013 Email-Subject: Punch List/Finish Sched
4	Painting of Cabinets	\$8,000.00		Original Proposal	
4a	Item Added on #FS-001: Re-Face + Re-Paint All Cabinetry in Kitchen, Pool House + Bathroom Vanities				
	Re-Face, Sand, Prime + Apply (2) Coats of Paint to Cabinetry in: Kitchen, Pool Room and Bath Vanities		\$14,187.50	Painting of Cabinets: "Estimate A" was originally quoted in late 2014 with the Scope of Work as follows: Sand and Apply (2) Coats of Paint to All of the Cabinets in the Kitchen, Pool House and Bathroom Vanities. --Upon further examination of the Kitchen Cabinets, Brown Atlantic discovered that the Cabinets were Not Primed before being Painted. In an Attempt to come up with a Cost Effective Solution, Brown Atlantic REVISED the Scope of Work. Revised Scope of Work: Option A: Remove Existing Paint from Cabinets, Sand, Prime and Apply (2) Coats of Paint to Cabinets. Or Option B: Remove the Front Face of the Existing Cabinets, Sand the 3 Part Box of the Cabinet Structure, Install a New Front Faces for the	10/21/2013 Email-Subject: Punch List/Finish Sched
5	Plumbing	\$3,040.00		Original Proposal	
6	Punch List Items-Composed of: Owner's Punch List Builder's Punch List Contractor's Punch List	\$60,000.00		Original Proposal Owner's Punch List Builder's Punch List Contractor's Punch List	
6a	Item Added on #FS-001: 1st Floor Deck Repairs				
	Labor: 1st Floor Deck Repairs		\$12,700.00	1st Floor Deck Punch List Items (Demo Existing Porch, Remove Handrails, Reframe New with Slope 1/4" Fall per 12" per Code, Sheetrock, Picture Frame New EPAI Decking with Stainless Nails)	*10/21/2013 Email: Porch Slope *Items #6 and #271 on Owners Punch List
	Materials: First Floor Deck Repairs		\$9,000.00	Atlantic estimates around \$12,700 in Labor and \$9,000 in Materials to Completely Repair the noticable Slope of the 1st Floor Front Porch. **This issue was Not repaired by Jay Brown or any of his subs.**	*5/6/2014 Benchmark Inspections Report: Pages #7 & #28-29 2.3 Decks, Balconies, Stoops, Steps...etc Evaluation by Inspector= UNSATISFACTORY in
6b	Item Added on #FS-001: 2nd Floor Deck Repairs				

	Labor: 2nd Floor Deck Repairs		\$5,625.00	2nd Floor Deck: Complete 2nd Floor Deck Punch List Items [Remove 5-6 Runs of Siding for Flashing, Re-work Walls and Penetrated Areas where Stair System is Leaking, Paint All Flooring. When Repairs are Complete, Install Siding] *Brown Atlantic estimates around \$5625 in Labor and \$9,750 in Materials to Completely Repair the Leaks Due to Water Damage. **This Issue was Not repaired by Jay Brown or any of his subs.**	*5/6/2014 Benchmark Inspections Report: Pages #6 & #24 2.0 Wall Cladding Flashing and Trim Evaluation by Inspector= UNSATISFACTORY in reference to *5/6/2014 Benchmark Inspections Report: Pages #7 & #30 2.3 Decks, Balconies, Stoops, Steps...etc Evaluation by Inspector= UNSATISFACTORY in
	Materials: 2nd Floor Deck Repairs		\$3,750.00		
6c	Item Added on #FS-001: Complete Remaining Punch List Items				
	Labor to Complete Misc. Remaining Items on Punch Lists		\$16,875.00	Complete the General/Misc. Items Remaining on Punch List can be completed in an efficient manner (the ones not specifically referenced here): \$16,875 *Brown Atlantic estimates that the remaining items on the Punch Lists can be completed by: (3) Men Working (8) Hour Days in (15) Days.	
7	Materials Allowance	\$20,000.00		Original Proposal	
8	Permit Fees	\$2,603.36		Original Proposal	
9	Item Added on #FS-001				
	Structural Beam Repairs		\$13,750.00	Structural Work: This Issue was Not Discovered when the Original Proposal was Submitted in January of 2015. This Amount is an Estimate Based Off of Brown Atlantic's Initial Review of the Issue. Brown Atlantic Defers to the Opinion of Beau Clowney's Office and Will Work with Beau Clowney's Office to Complete the Structural Repairs per Their Specifications. As of now, Brown Atlantic estimates:	
	Electrical Repairs		\$4,375.00		
	Utility Repairs		\$4,562.50	*Repairs to Structural Beam in Annie's Bedroom Wall: \$13,750 *Electrical Repairs: \$4,375 (Needed after Structural Repairs to Beam)	
10	**ADDITIONAL ITEMS** Roof Repairs				
10a	Remove & Replace Existing Tern Roof		\$32,310.00	#FS-014.1: Glasgow Roofing Co., Inc. (Bid Dated March 01 2017) We are pleased to quote you pricing for re-roofing of the upper arched roof on the above referenced project. Our proposal includes the following work: Metal Roof Panels *Remove and dispose of the existing tern metal panels, flashing and underlayment *Full layer of high temp rubberized underlayment *16oz standing seam copper roof panels in continuous lengths, 12" wide with 1" tall seams *Eave, rake, head and sidewall flashing We propose to complete the above-described work including labor, material, tax and insurance	09/16/2013 E-mail: Membrane Roofing Increased 250%, Roofing is at \$26,300--Red Roof/Hydrostop is a Colossal Mistake--V.N.L.L.C. Invoice #2845, Invoice #2865, Invoice #2879 01/25/2017 E-mail: RE: Also see attachments included with 01/25/2017 e-
			\$1,831.00	Alternate No. 1 *Renal existing plywood decking on the perimeter of the flat roof. *Install copper eave drip per the attached sketch *Prime copper and strip in with 2 layers of fabric set in foundation coat. *Complete detail with one finish coat white in color. We propose to complete the above-described Alternate for \$1,831.00	03/03/2017 E-mail: Glasgow Roofing Co. Estimate Also see attachments included with 03/03/2017 e-
10b	Items Excluded from Glasgow Roofing				
	Labor Costs		\$4,513.75	#FS-014.2: Brown Atlantic Estimate to Complete Repairs Excluded on #FS-014.1 Labor Costs to Complete Repairs * Replacement of Damaged or Deteriorated Wood Blocking, Decking or Nailers * Removal and Replacement of Existing Gutter or Siding on Vertical Walls * Waterproofing Masonry Chimney * Caulk, Prep, and Paint New Exterior Siding	
	Material Costs		\$2,961.25	Material Costs to Complete Repairs	

0880

			<ul style="list-style-type: none"> * Materials to remove and replace Damaged Wood Blocking, Decking or Nailers * Materials to Remove and Replace Existing Gutter or Siding on Vertical Walls * Materials to Waterproof Masonry Chimney * Materials to Caulk, Prep and Paint, Replaced Exterior Siding * Permit for Town of Sullivan's Island * Rental of Port-a-Let
			Note: Tern Metal Roof is No Longer Available in the Residential Construction Market
	SubTotal:	\$125,518.36	\$178,506.25
	B-A O+P:	\$40,165.88	\$44,626.56
	B-A Project Management	\$0.00	\$10,350.00
	Total of Estimate:	\$165,684.24	\$233,482.81

Exhibit A Total: \$165,684.24

FS-001 Total: \$233,482.81

Ex A+FS Total: \$399,167.05

Roof Repairs Total: \$52,020.00

Revised TOTAL: \$451,187.05

0867

LYLES & LYLES, LLC
ATTORNEYS AT LAW
342 East Bay Street
Charleston, South Carolina 29401
Telephone: (843) 577-7730
Facsimile: (843) 577-7172

Robert T. Lyles, Jr.
Member

Direct: (843) 735-5560
E-mail: rtl@lylesfirm.com

March 31, 2017

VIA ELETRONIC AND U.S. MAIL

Robert B. Varnado, Esq.
103 Church Street
Mount Pleasant, SC 29464-4359

Re: *Brown Contractors, LLC vs. Andrew McMarlin, Amy Salzhauer, et al.*
Case No: 2014-CP-10-3881

Dear Rob:

I have been advised that recent work at Amy's home has revealed electrical life-safety issues in the walls as well as concerns about plumbing installation. Both issues are code violations. I have attached pictures which are bates labeled Salzhauer 5726 to 5742.

Amy has asked Howard to develop a price to repair these conditions and as soon as I receive it will forward it to you.

Very truly yours,

LYLES & LYLES, LLC



Robert T. Lyles, Jr.

cc: Amy Salzhauer (Via E-Mail)

0869



Rev. of. Mass. R1

Salzhauer_005726

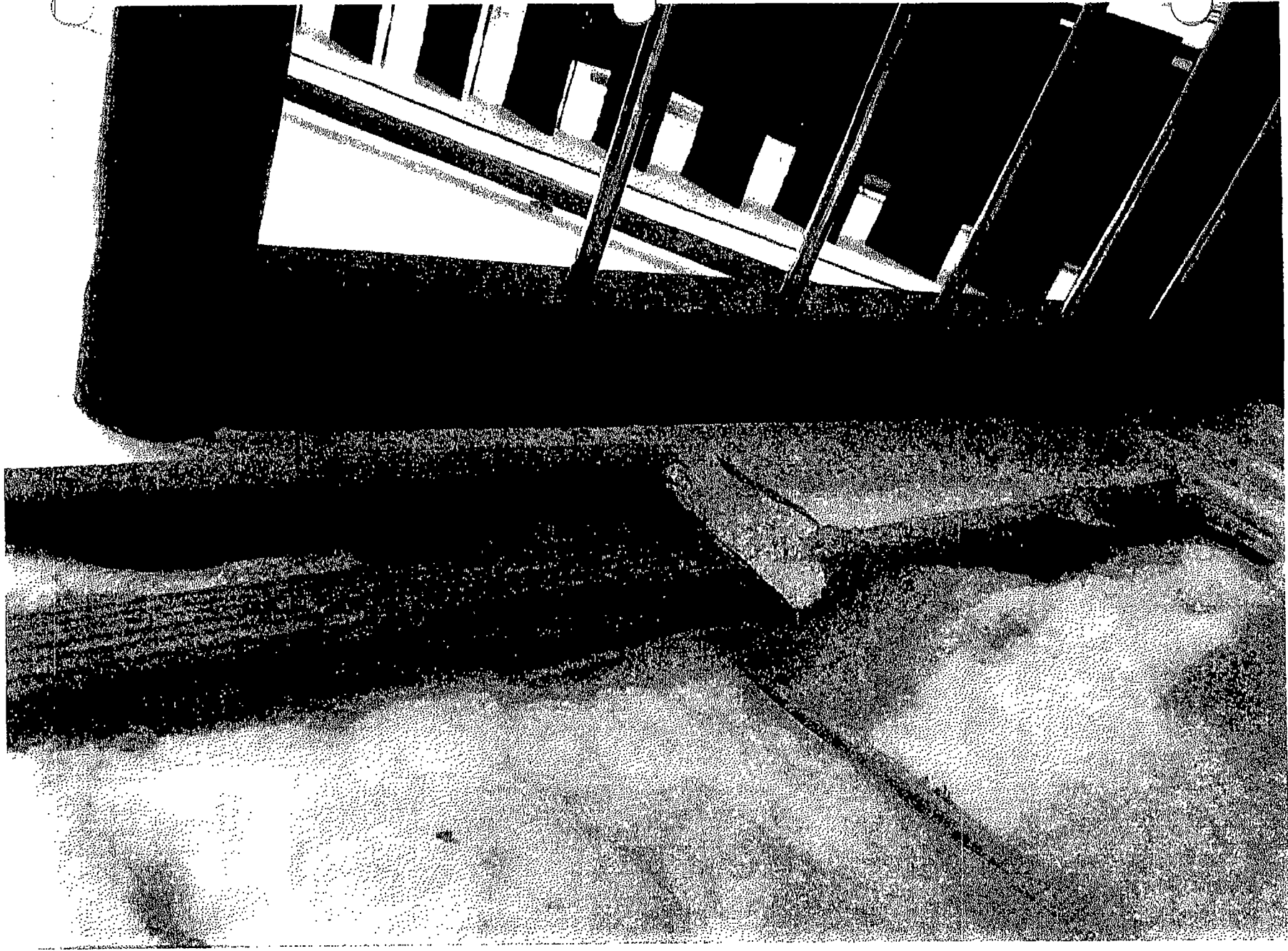
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See loc. 100

Salzhauer_005727



0871



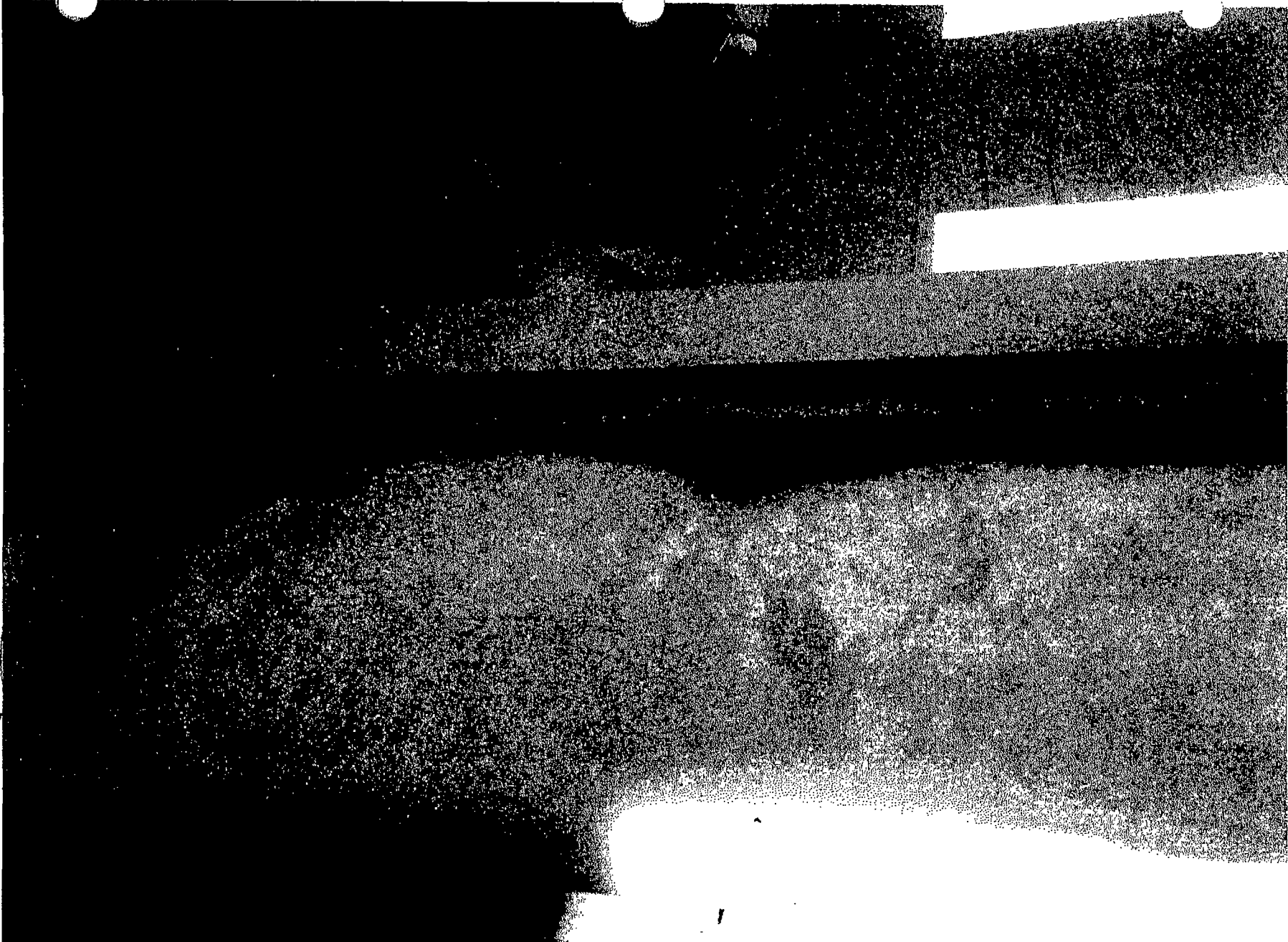
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Salzhauer_005729

0873



Salzhauer_005730

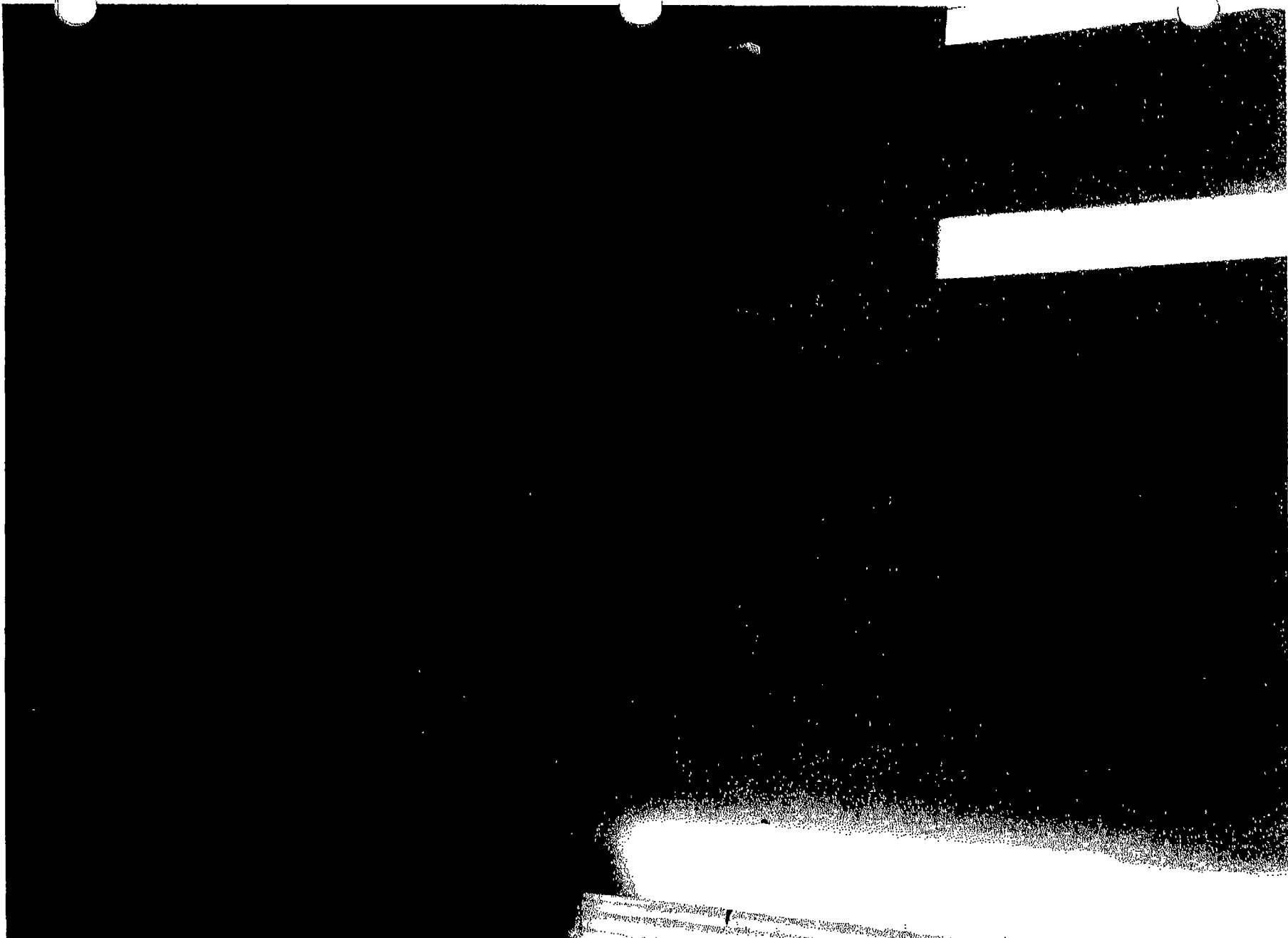


0874

FILE

Salzhauer_005731

0875



Salzhauer_005732

0876



Salzhauer_005733

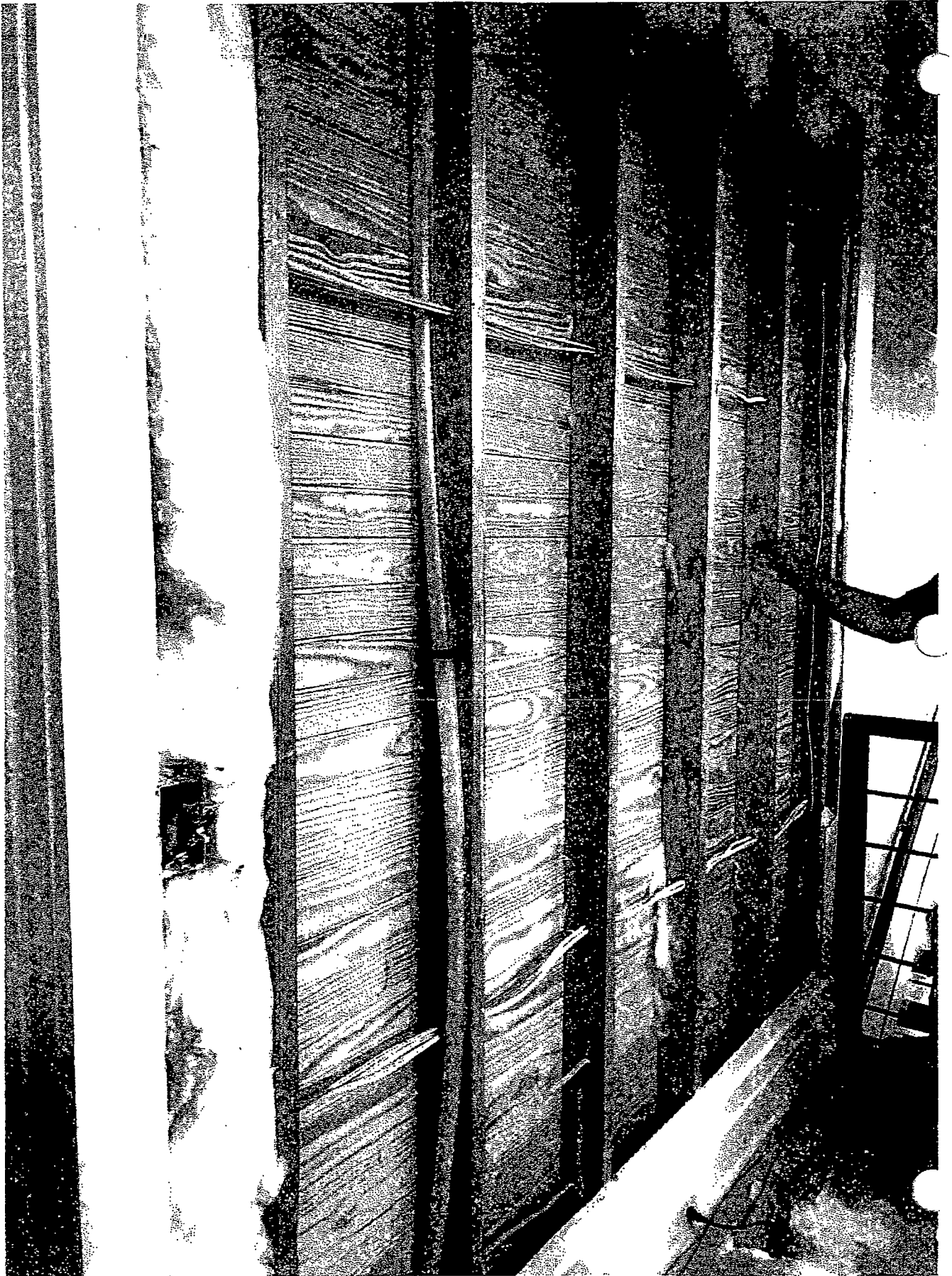
0877



Salzhauer_005734

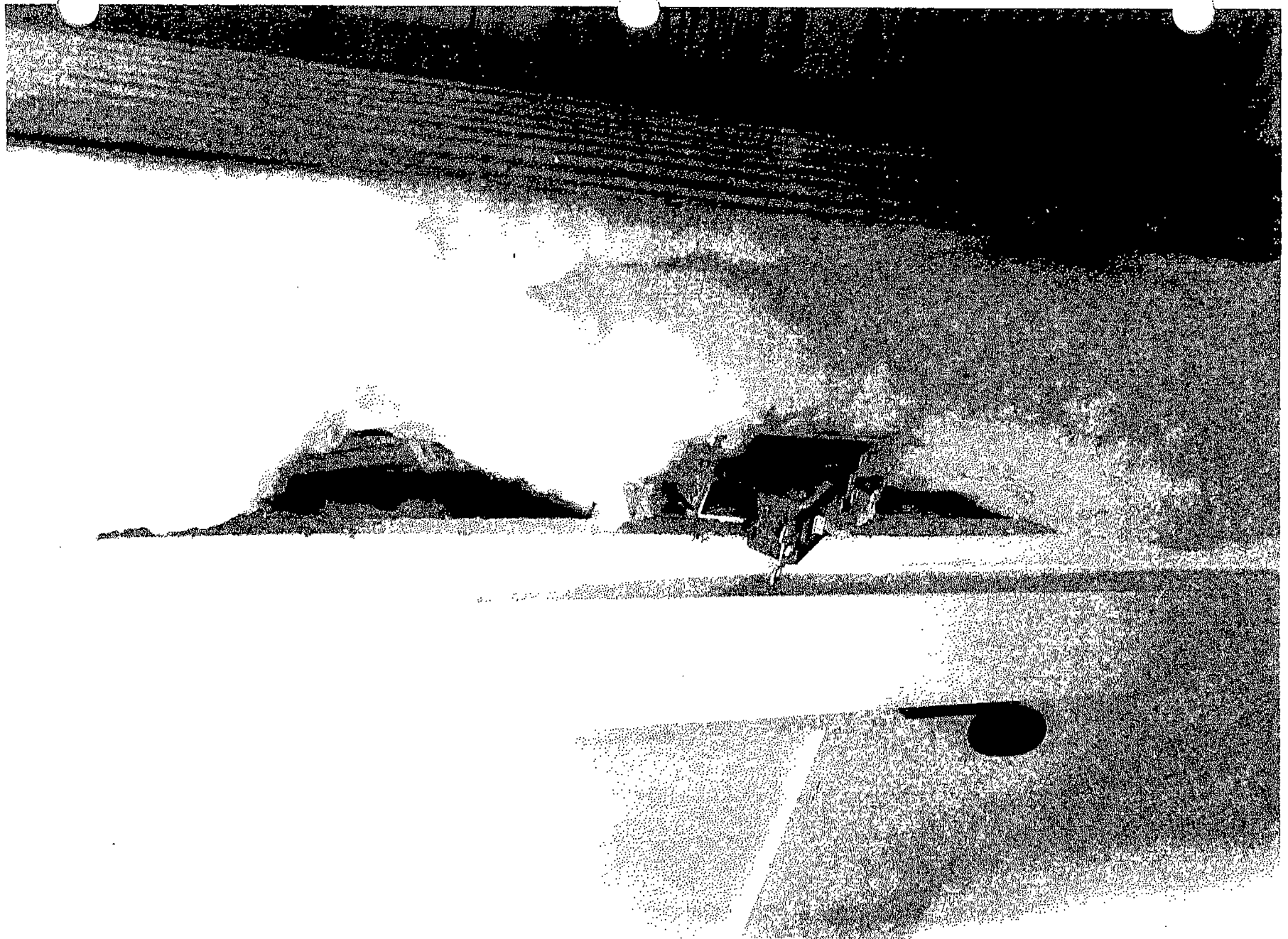








0882



Salzhauer_005739





0884

Salzhauer_005741



0885

Salzhauer_005742

LYLES & LYLES, LLC
ATTORNEYS AT LAW
342 East Bay Street
Charleston, South Carolina 29401
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Robert T. Lyles, Jr.
Member

Direct: (843) 735-5560
E-mail: rtl@lylesfirm.com

May 3, 2017

VIA ELECTRONIC AND U.S. MAIL

Robert B. Varnado, Esq.
103 Church Street
Mount Pleasant, SC 29464-4359

Re: *Brown Contractors, LLC vs. Andrew McMarlin, Amy Salzhauer, et al.*
Case No: 2014-CP-10-3881

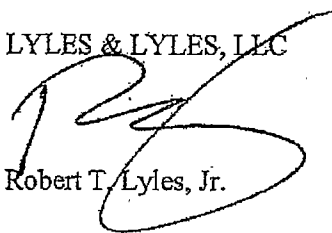
Dear Rob,

There are two issues I need to bring to your attention. First, we are waiting on Howard to give us a start date for the roof work which was referenced in prior correspondence. If you and Jay want access please advise and coordinate with my office.

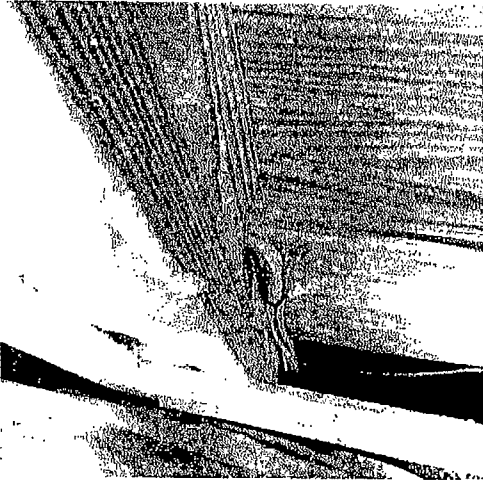

Second, during some recent work defects and code violations were found to exist in some of the interior walls. Copies of pictures of those conditions are enclosed bates labeled as Brown Atlantic 000889-000899. Howard has supplemented his estimate with #FS-016 which is the cost to investigate the extent of these problems so a scope of repair can be developed to repair them. A copy of that is enclosed as well. Again, if you and Jay want to inspect the conditions please coordinate with my office.

Very truly yours,

LYLES & LYLES, LLC




Robert T. Lyles, Jr.

cc: Amy Salzhauer (Via E-Mail)


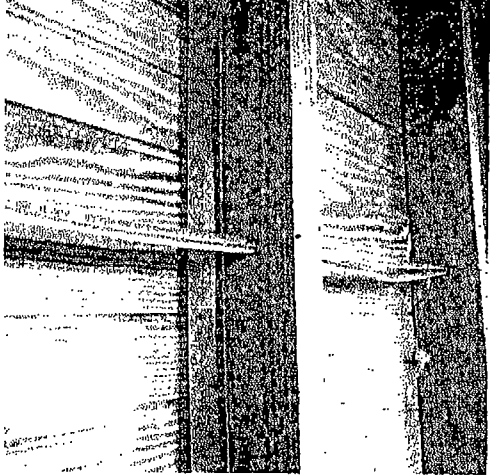
#	PHOTO	DATE	COMMENTS on PHOTO
3942		22-Mar-17	<p>ISSUES</p> <ul style="list-style-type: none"> *Missing: Protector Plate for Wires *Insulation=R-13: Wrong Type [NOT Soundproof] <p>[View: Lower Section of Wall--Near Baseboard]</p>
3943		22-Mar-17	<p>ISSUES</p> <ul style="list-style-type: none"> *Missing: Protector Plate for White + Yellow Wires <p>[View: Lower Section of Wall-Near Baseboard]</p>

0887

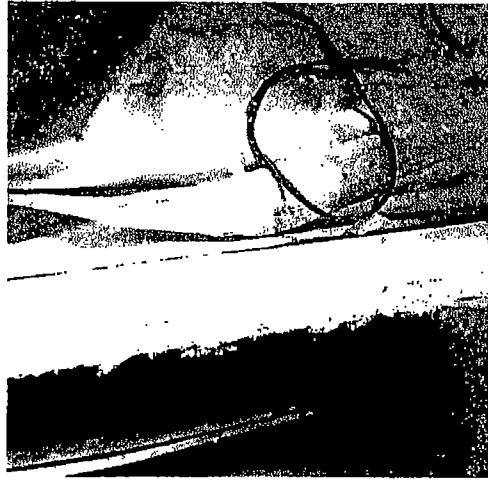
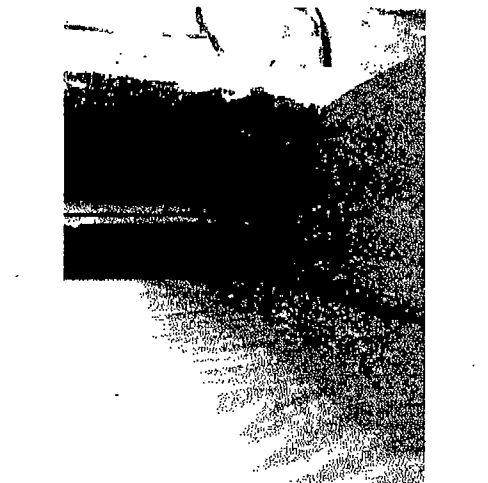
8880

#	PHOTO	DATE	COMMENTS on PHOTO
3944		22-Mar-17	ISSUES *Missing: Protector Plate for White+Yellow Wires [View: Lower Half of Wall]
3945		22-Mar-17	ISSUES *Missing: Protector Plates for Wires *Insulation=R-13: Wrong Type [NOT Soundproof] [View: Lower Half of Wall]

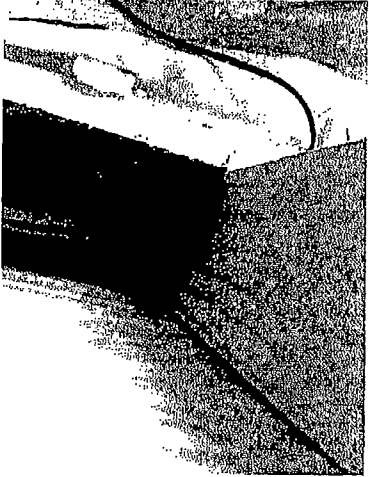
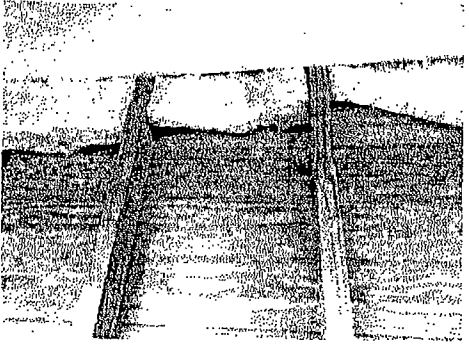
6880

#	PHOTO	DATE	COMMENTS on PHOTO
3946		22-Mar-17	ISSUES *Missing: Electrical Protector Plates [View: Center Portion of Wall Facing Stairwell]
3947		22-Mar-17	ISSUES *Missing: Electrical Protector Plates [View: Close Up of Center Portion of Wall]

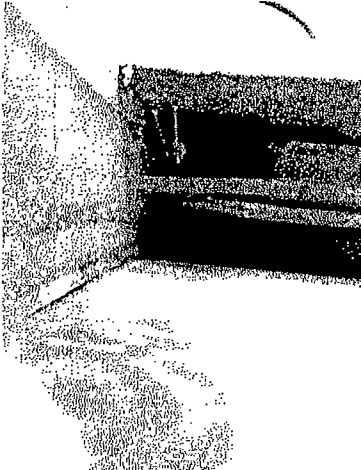

0890

#	PHOTO	DATE	COMMENTS on PHOTO
3948		22-Mar-17	<p>ISSUES</p> <ul style="list-style-type: none"> *Wrong Size Nails Used to Install Baseboard *Nail Length is too Long-- *Notice Distance between Nails and Electrical Wiring [View: Cavity Behind Existing Baseboard]
3949		22-Mar-17	<p>ISSUES</p> <ul style="list-style-type: none"> *Wrong Size Nails Used to Install Baseboard *Nail Length is too Long-- *Notice Distance between Nails and Electrical Wiring [View: Cavity Behind Existing Baseboard-Close Up]

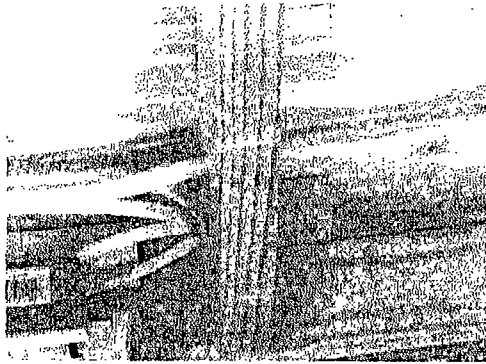

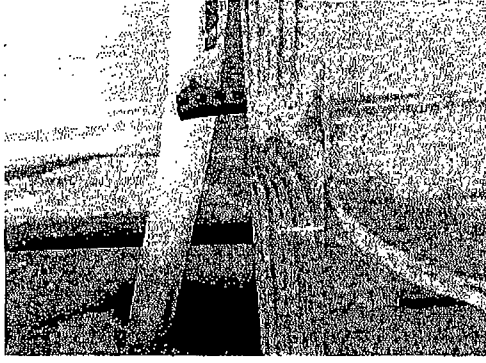
0891

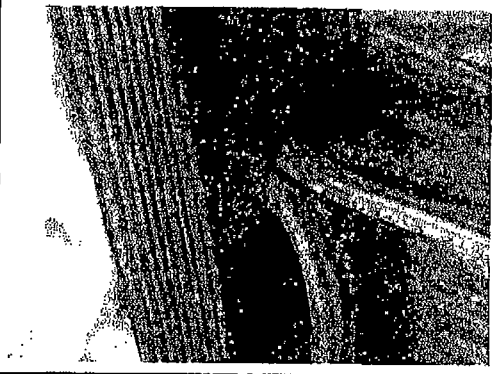

#	PHOTO	DATE	COMMENTS on PHOTO
3950		22-Mar-17	<p>ISSUES</p> <ul style="list-style-type: none"> *Wrong Size Nails Used to Install Baseboard *Nail Length is too Long-- *Nail Pierced Coating of Electrical Wire <p>[View: Cavity Behind Existing Baseboard-Close Up 2]</p>
3951		22-Mar-17	<p>ISSUES</p> <ul style="list-style-type: none"> *Insulation=R-13: Wrong Type [NOT Soundproof] *Jay Brown Crew Installed Type R-13 [Plans called for Soundproof Insulation] <p>[View: Upper Section of Wall--Near Ceiling]</p>

0892

#	PHOTO	DATE	COMMENTS on PHOTO
3954		22-Mar-17	<p>ISSUES</p> <ul style="list-style-type: none"> *Wrong Size Nails Used to Install Baseboard *Nail Length is too Long-- *Nails too Close to Electrical Wires <p>[View: Cavity Behind Existing Baseboard-Close Up 3]</p>
3956		22-Mar-17	<p>ISSUES</p> <ul style="list-style-type: none"> *Missing: Protector Plate for Electrical Wires <p>COMMENTS Re: PLUMBING INSTALL</p> <ul style="list-style-type: none"> *Plumber: Installed Protector Plate for Pipes ✓ *Plumber: Installed Foam Insulation around Pipe ✓ <p>[View: Cavity Behind Existing Baseboard-Close Up 4]</p>



0893

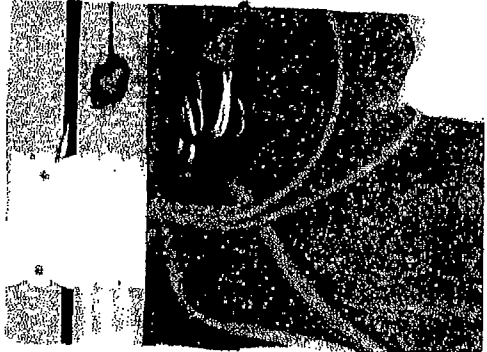

#	PHOTO	DATE	COMMENTS on PHOTO
3959		22-Mar-17	<p>ISSUES</p> <p>*Missing: Protector Plate for Duplex Outlet [Blue Box] [View: Lower Section of Wall-Close Up-1]</p>
3960		22-Mar-17	<p>ISSUES</p> <p>*Missing: Protector Plate for Duplex Outlet [Blue Box] [View: Lower Section of Wall-Close Up-2]</p>
3961		22-Mar-17	<p>ISSUES</p> <p>*Missing: Protector Plate for Electrical Wires [View: Lower Section of Wall-Close Up-3]</p>

#	PHOTO	DATE	COMMENTS on PHOTO
3962		22-Mar-17	ISSUES *Missing: Protector Plate for Electrical Wires [View: Lower Section of Wall-Close Up of Stud]
3964		22-Mar-17	ISSUES *Missing: Protector Plate for Electrical Wires [View: Lower Portion of Wall--Near Baseboard]

0894

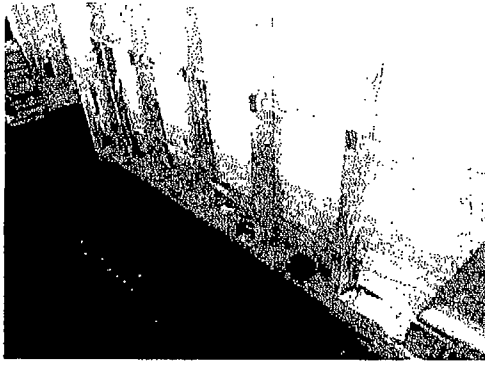
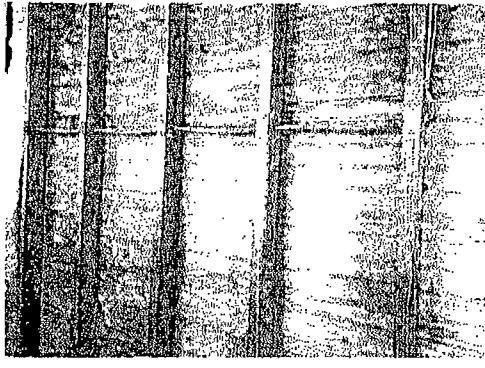
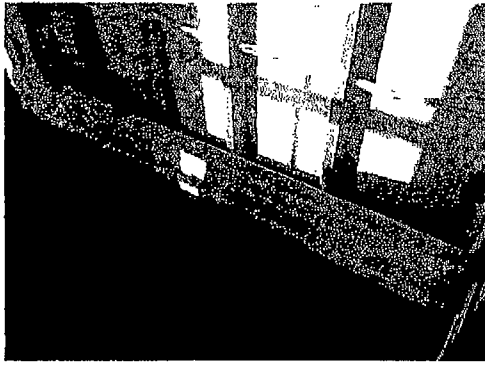
0895

#	PHOTO	DATE	COMMENTS on PHOTO
3973		22-Mar-17	ISSUES *Damages: Electrical Wires Pierced by Nail *Cause: Wrong Length Nail Used to Secure Drywall [View: Nail Piercing Electrical Wire Coating]
3985		22-Mar-17	ISSUES *Damages: Electrical Wire Pierced by Nail *Electrician Will Replace Wire [View: Electrical Wire Coating Pierced by Nail]

#	PHOTO	DATE	COMMENTS on PHOTO
3969		23-Mar-17	<p>CARMONA ELECTRICAL REPAIRS *Replaced Wires Damaged by Nails *Installed Electrical Protector Plate *Installed New Junction Box [View: Close Up of Wall Section]</p>
3970		23-Mar-17	<p>CARMONA ELECTRICAL REPAIRS *Replaced Wires Damaged by Nails *Installed Electrical Protector Plate [View: Lower Section of Wall-Close Up of Stud]</p>

0896

0897

#	PHOTO	DATE	COMMENTS on PHOTO
3971		23-Mar-17	<p>CARMONA ELECTRICAL REPAIRS *Installed New Electrical Protector Plates *Electrician Replaced Wires Damaged by Nails *Installed New Duplex Outlet Boxes [View: Lower Section of Wall]</p>
3972		23-Mar-17	<p>CARMONA ELECTRICAL REPAIRS *Installed Electrical Protector Plates to Studs [View of Upper Section of Wall]</p>
3989		28-Mar-17	<p>FINAL REPAIRS to WALL *Electrical Repairs Complete *Trim Repairs Complete [New Baseboard Installed] *Guy Hired to Install Bookcases to Finish Out Wall [View: Wall Between Stairwell and Master Bedroom]</p> <p style="text-align: right;">Brown Atlantic 000899/L&L</p>

LYLES & LYLES, LLC
ATTORNEYS AT LAW
342 East Bay Street
Charleston, South Carolina 29401
Telephone: (843) 577-7730
Facsimile: (843) 577-7172

Robert T. Lyles, Jr.
Member

Direct: (843) 735-5560
E-mail: rtl@lylesfirm.com

July 5, 2017

VIA ELETRONIC AND U.S. MAIL

Robert B. Varnado, Esq.
103 Church Street
Mount Pleasant, SC 29464-4359

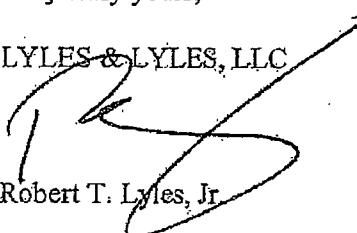
Re: *Brown Contractors, LLC vs. Andrew McMarlin, Amy Salzhauer, et al.*
Case No: 2014-CP-10-3881

Dear Rob,

Enclosed herewith are documents relating to excessive deflection found at Amy Salzhauer's home. First is a document produced by Empire Engineering, bates labelled Salzhauer 005743 and then I have enclosed an estimate from Brown Atlantic dated 6/30/2017 and bates labeled L&L/Brown Atlantic 000900. Please consider this is a supplementation of our discovery responses and we will seek to add this to the sums we want to collect from Jay Brown. Also, advise if you or Jay wish to review the condition prior to Howard Brown implementing the repair.

Very truly yours,

LYLES & LYLES, LLC


Robert T. Lyles, Jr.

RTL/sw
Enclosures (as stated above)
cc: Amy Salzhauer (Via E-Mail)

LYLES & ASSOCIATES, LLC

ATTORNEYS AT LAW
342 East Bay Street
Charleston, South Carolina 29401
Telephone: (843) 577-7730
Facsimile: (843) 577-7172

Robert T. Lyles, Jr.
Member

Direct: (843) 735-5560
E-mail: rtl@lylesfirm.com

September 7, 2017

VIA ELECTRONIC AND U.S. MAIL

Robert B. Varnado, Esq.
103 Church Street
Mount Pleasant, SC 29464-4359

Re: *Brown Contractors, LLC vs. Andrew McMarlin, Amy Salzhauer, et al.*
Case No: 2014-CP-10-3881

Dear Rob,

As trial approaches I want to be clear about the damages Amy and Andy will seek to recover against your clients in this case.

As reflected in my letter of March 14, 2017, and supported by documents bates labeled Brown Atlantic 871 to 888, the cost for the work of Howard Brown totaled \$451,187.05 as of March 14, 2017. This includes the HVAC replacement (\$56,900.00) and the roof repair work of Glasgow (\$52,020.00).

Added to that is the repair work associated with the deflection issue which is related to documents bates labeled Brown Atlantic 900 and which totals \$65,031.25.

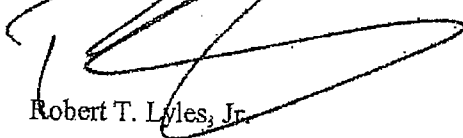
In addition, Amy's loss of use number, which is supported in part by documents bates labeled Salzhauer 5724 to 5725, is \$50,000.00

Amy and Andy will also seek the recovery of attorneys fees which will be made by post-trial motion and will total between \$75,000 and \$100,000.

The damages my clients will claim at trial total \$666,218.30. They will also seek the recovery of punitive/treble damages and reserve the right to amend these totals based upon the evidence at trial.

Very truly yours,

LYLES & ASSOCIATES, LLC



Robert T. Lyles, Jr.

RTL/sw
Enclosures (as stated above)

Robert B. Varnado, Esq.
September 7, 2017
p. 2

cc: Amy Salzhauer *(Via E-Mail)*

LYLES & ASSOCIATES, LLC

ATTORNEYS AT LAW

342 East Bay Street

Charleston, South Carolina 29401

Telephone: (843) 577-7730

Facsimile: (843) 577-7172

Robert T. Lyles, Jr.
Member

Direct: (843) 735-5560
E-mail: rtl@lylesfirm.com

November 6, 2017

VIA ELECTRONIC AND U.S. MAIL

Robert B. Varnado, Esq.

103 Church Street

Mount Pleasant, SC 29464-4359

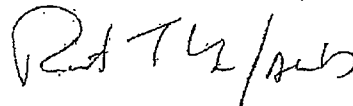
Re: *Brown Contractors, LLC vs. Andrew McMarlin, Amy Salzhauer, et al.*
Case No: 2014-CP-10-3881

Rob,

On March 31, 2017, I alerted you to concern about dangerous electrical problems at the house resulting from Jay Brown's failure to properly shield wiring and nails that were used in construction. Because of recurrent electrical malfunctions at the house, and the pervasive nature of the problem, Howard Brown has priced replacing all of the electrical system at the McMarlin home. That estimate is enclosed, bates labeled Brown Atlantic 901/L&L, and we will pursue recovery for it this week.

Very truly yours,

LYLES & ASSOCIATES, LLC



Robert T. Lyles, Jr.

cc: Amy Salzhauer (Via E-Mail)

Companion to Invoice # 405

78

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF 3

TO OWNER: Henry Salzhauer APPLICATION NO: 3

STREET ADDRESS: 1950 Flegg St PERIOD TO: [REDACTED]

COUNTY: Sullivan's Island CONTRACT DATE: 1/22/12 Distribution to:

STATE: South Carolina OWNER

FROM CONTRACTOR: Brown Contractors, LLC INSPECTOR

LENDER

CONTRACT FOR: Renovation

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

1. ORIGINAL CONTRACT SUM	\$	<u>543,130.20</u>
2. Net change by Change Orders	\$	<u>0.00</u>
3. CONTRACT SUM TO DATE (Line 1 + 2)	\$	<u>543,130.20</u>
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$	<u>63,824.31</u>

CONTRACTOR: Brown Contractors, LLC

By: _____ Date: _____

5. RETAINAGE:		
a. <u>N/A</u> % of Completed Work (Column D + E on G703)	\$	<u>0.00</u>
b. <u>N/A</u> % of Stored Material (Column F on G703)	\$	<u>0.00</u>
Total Retainage (Lines 5a + 5b or Total in Column I of G703)	\$	<u>0.00</u>
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$	<u>63,824.31</u>
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 8 from prior Certificates)	\$	<u>41,098.52</u>
8. CURRENT PAYMENT DUE	\$	<u>21,826.79</u>
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 8)	\$	<u>479,305.59</u>

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

AIA DOCUMENT G702 - APPLICATION AND CERTIFICATION FOR PAYMENT - 1992 EDITION - AIA - ©1992 THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 HENRY STREET, N.W., WASHINGTON, DC 20005-5292 Users may obtain validation of this document by requesting a completed AIA Document D401 - Certification of Document's Authenticity from the Licensee.

Brown Contractors, LLC

103 Palm Blvd
 Suite 3A
 Isle of Palms, SC 29451

Invoice

Date	Invoice #
10/15/2012	43

Bill To
1850 FLAGG ST

Description	Amount
PAINTING: VLN #2817	1,300.00
EXTERIOR CARPENTRY: VLN #2822	5,000.00
HVAC: VLN #2820	800.00
WOOD FRAMING: SOUTHERN LUMBER #952394	1,526.41
WOOD FRAMING: SOUTHERN LUMBER #952975	41.64
WOOD FRAMING: SOUTHERN LUMBER #953221	164.44
WOOD FRAMING: SOUTHERN LUMBER #953357	80.03
EXTERIOR CARPENTRY: VLN #2818	5,000.00
WOOD FRAMING: SOUTHERN LUMBER #953482	299.46
WOOD FRAMING: SOUTHERN LUMBER #953553	420.98
WOOD FRAMING: SOUTHERN LUMBER #953916C	-254.55
WOOD FRAMING: SOUTHERN LUMBER #953950	425.54
TRASH REMOVAL: TRASH GURL #9742	375.00
WOOD FRAMING: VLN #2825	1,300.00
WOOD FRAMING: VLN #2826	2,500.00
OVERHEAD & PROFIT (\$18,978.95 * 15%)	2,846.84
Total	\$21,825.79

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF 3

TO OWNER: Henry Seitzhaus APPLICATION NO: 4

STREET ADDRESS: 1850 Flegg St. PERIOD TO: 12/31/12

COUNTY: Swain's Island CONTRACT DATE: 12/3/12 Distribution to:

STATE: South Carolina OWNER

FROM CONTRACTOR: Brown Contractors, LLC INSPECTOR

LENDER

CONTRACT FOR: Renovation

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract Continuation Sheet, AIA Document G703, is attached.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

- 1. ORIGINAL CONTRACT SUM \$ 543,130.20
- 2. Net change by Change Orders \$ 0.00
- 3. CONTRACT SUM TO DATE (Line 1 +/- 2) \$ 543,130.20
- 4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 64,658.89
- 5. RETAINAGE:
 - a. N/A % of Completed Work \$ 0.00
(Column D + E on G703)
 - b. N/A % of Stored Material \$ 0.00
(Column F on G703)
 - Total Retainage (Lines 5a + 5b or Total in Column J of G703) \$ 0.00
- 6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total) \$ 64,658.89
- 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 8 from prior Certificate) \$ 63,624.31
- 8. CURRENT PAYMENT DUE \$ 31,032.58
- 9. BALANCE TO FINISH, INCLUDING RETAINA (Line 3 less Line 8) \$ 416,273.31

CONTRACTOR: Brown Contractors, LLC
By: _____ Date: _____

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

RECEIVED

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

JUL 06 2020

The Honorable Henry W. Brown
Special Referee

SC Court of Appeals

APPELLATE CASE NO.: 2019-000513

Brown Contractors, LLC under S.C. Residential Builders License No. 20378,
.....Appellant/Respondent,

v.

Andrew Joseph McMarlin a/k/a Andrew Joseph McMarlin and Amy Salzhauer,
.....Respondents/Appellants,

and

Andrew McMarlin and Amy Salzhauer,
.....Respondents/Appellants,

v.

James Brown IV and Brown-Meihaus Construction, LLC,
.....Third-Party Defendants.

FINAL BRIEF OF THE APPELLANT/RESPONDENT

Robert B. Varnado (SC Bar # 0007085)
BROWN & VARNADO LLC
P.O. Box 1127
Mount Pleasant, South Carolina 29465
(843) 737-7300
*Attorneys for Appellant/Respondent and
Third-Party Defendants.*

June 29, 2020
Mt. Pleasant, South Carolina

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

The Honorable Henry W. Brown
Special Referee

APPELLATE CASE NO.: 2019-000513

Brown Contractors, LLC under S.C. Residential Builders License No. 20378,
.....Appellant/Respondent,
v.
Andrew Joseph McMarlin a/k/a Andrew Joseph McMarlin and Amy Salzhauer,
.....Respondents/Appellants,
and
Andrew McMarlin and Amy Salzhauer,
.....Respondents/Appellants,
v.
James Brown IV and Brown-Meihaus Construction, LLC,
.....Third-Party Defendants.

FINAL BRIEF OF THE APPELLANT/RESPONDENT

Robert B. Varnado (SC Bar # 0007085)
BROWN & VARNADO LLC
P.O. Box 1127
Mount Pleasant, South Carolina 29465
(843) 737-7300
*Attorneys for Appellant/Respondent and
Third-Party Defendants.*

June 29, 2020
Mt. Pleasant, South Carolina

TABLE OF CONTENTS

Table of Contents i

Table of Authorities ii

Statement of Issues on Appeal 1

Statement of the Case 1

Standard of Review 5

Argument 6

1. -The Special Referee violated the holding in *16 Jade Street, LLC v. R. Design Constr. Co.*, 405 S.C. 384, 747 S.E.2d 770 (2013) in finding Brown Contractors was unlicensed 6

2. The Special Referee erred in allowing the Defendants to make a damages claim when they did not prove compliance with S.C. Code § 49-59-810..... 11

3. The Special Referee erred in finding that the omission of the RBC license violated the S.C. Code 29-5-15..... 13

4. The Special Referee erred by adopting the IRS terms “W-2 employee” vs. “1099 subcontractor” in determining that Vuong Ngyuen was not an employee under S.C. Code § 40-59-400 15

5. -The Special Referee made other errors of law in determining that Brown-Contractors was not licensed 21

6. The Special Referee erred in granting attorneys’ fees to the Defendants 22

Conclusion 23

TABLE OF AUTHORITIES

CASES	Page(s)
<i>16 Jade Street, LLC v. R. Design Constr. Co.</i> , 405 S.C. 384, 747 S.E.2d 770 (2013)	passim
<i>Allen v. Pinnacle Healthcare Sys., LLC</i> , 394 S.C. 268, 715 S.E.2d 362, 364 (Ct. App. 2011)	5
<i>A.V.A. Const. Corp. v. Santee Wando Constr.</i> , 303 S.C. 333, 400 S.E.2d 498 (Ct. App. 1990)	13
<i>Barber v. Greenville County</i> , 327 S.C. 31, 488 S.E.2d 314 (1997).....	11
<i>Browning v. Hartvigsen</i> , 330 S.C. 175, 498 S.E.2d 635 (1998).....	10
<i>Burns v. State Farm Mut. Auto. Ins. Co.</i> , 297 S.C. 520, 377 S.E.2d 569 (1989)	10
<i>Clo-Car Trucking Co. v. Cliffvue Estates of S.C.</i> , 282 S.C. 573, 320 S.E.2d 51 (Ct. App. 1984)	14
<i>Cohen's Drywall Co., Inc. v. Sea Spray Homes, Inc.</i> , 374 S.C. 195, 648 S.E.2d 598 (2007)	13
<i>Columbia Pools, Inc. v. Moon</i> , 284 S.C. 145, 325 S.E.2d 540 (1985)	23
<i>Grazia v. South Carolina State Plastering</i> , 390 S.C. 562, 703 S.E.2d 197 (2010)	11, 12
<i>Lenz v. Walsh</i> , 362 S.C. 603, 608 S.E.2d 471 (Ct. App. 2004)	23
<i>Park v. Safeco Ins. Co.</i> , 251 S.C. 410, 162 S.E.2d 709 (1968).....	11
<i>Perry v. Bullock</i> , 409 S.C. 137, 761 S.E.2d 251 (2014)	15
<i>Rainey v. Haley</i> , 404 S.C. 320, 745 S.E.2d 81 (2013).....	6, 7, 10
<i>Shatto v. McLeod Reg. Med. Ctr.</i> , 406 S.C. 470, 753 S.E.2d 416 (2013)	17, 18, 19
<i>Spivey v. D.G. Const. Co.</i> , 321 S.C. 19, 467 S.E.2d 117 (Ct. App. 1996).....	17
<i>Todd's Ice Cream, Inc. v. South Carolina Employment Security Comm'n</i> , 281 S.C. 254, 315 S.E.2d 373 (Ct. App. 1986).....	17

<i>Tourism Expenditure Review Comm. v. City of Myrtle Beach</i> , 403 S.C. 76, 742 S.E.2d 371 (2013)	11
<i>Wagner v. Graham</i> , 296 S.C. 1, 370 S.E.2d 95 (1988).....	22
<i>Wilkinson ex rel. Wilkinson v. Palmetto State Transport</i> , 382 S.C. 295, 676 S.E.2d 700 (2009)	15, 18

STATUTES, REGULATIONS and RULES

S.C. Code Ann. § 29-5-10.....	passim
S.C. Code Ann. § 29-5-15.....	13, 14
S.C. Code Ann. § 29-5-180.....	15
S.C. Code Ann. § 40-59-20.....	6
S.C. Code Ann. § 40-59-30.....	6
S.C. Code Ann. § 40-59-90.....	10
S.C. Code Ann. § 40-59-110.....	8, 9
S.C. Code Ann. § 40-59-115.....	10
S.C. Code Ann. § 40-59-160.....	10
S.C. Code Ann. § 40-59-400.....	passim
S.C. Code Ann. § 40-59-410.....	passim
S.C. Code Ann. § 42-1-130.....	15
S.C. Code Ann. § 49-59-810.....	11, 12

OTHER AUTHORITIES

<i>Andrew and Kimberly McIntyre v. Sequest Development Co., Inc.</i> , 2016-CP-10-1833 (Charleston Co. Ct. Common Pleas, 2017) appealed to SC Court of Appeals Appellate Case No. 2017-001270	12
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53 Am. Jur.2d *Mechanic's Liens* § 235 (1996)13, 14
BLACK'S LAW DICTIONARY, 6th Ed., p. 525 (1990)16

STATEMENT OF ISSUES ON APPEAL

1. Did the Special Referee violate the holding in *16 Jade Street, LLC v. R. Design Constr. Co.*, 405 S.C. 384, 747 S.E.2d 770 (2013) in finding Brown Contractors was unlicensed?
2. Did the Special Referee err in allowing the Defendants to make a damages claim when they did not prove compliance with S.C. Code § 49-59-810?
3. Did the Special Referee err in finding that the omission of the RBC license violated the S.C. Code 29-5-15?
4. Did the Special Referee also erred by adopting the IRS terms “W-2 employee” vs. “1099 subcontractor” in determining that Vuong Nguyen was not an employee under S.C. Code § 40-59-400?
5. Did the Special Referee make other errors of law in determining that Brown-Contractors was not licensed?
6. Did the Special Referee err in granting attorneys’ fees to the Defendants?

STATEMENT OF THE CASE

The Plaintiff Brown Contractors, LLC (“Plaintiff” or “Brown Contractors”) was established in April 14, 2009 for the purpose of residential home building, with James L. “Jay” Brown IV as its sole member. Its address was given as 103 Palm Boulevard, Suite 34, Isle of Palms, South Carolina 29451. [R. 640].

Jay Brown has been in the business of building and renovating custom houses on the Isle of Palms and Sullivan’s Island for over a decade. Originally from the Charlotte, North Carolina area, he was partnered with a South Carolina residential contractor named Andy Meihaus. Brown and Meihaus separated in 2012, so that Meihaus could build houses in Kiawah and Seabrook Islands, while Brown concentrated East of the Cooper. [R. 123].

On June 6, 2012, Brown Contractors filled out a Certificate of Authorization (“COA”) form with the State of South Carolina’s Residential Builder Commission

("RBC"), with a \$100.00 fee attached. Therein, Brown Contractors indicated that Vuong Ngyuen would serve as the "qualifying party" for the company pursuant to S.C. Code Ann. § 40-59-400 *et seq.* The COA application was received by the RBC on June 8, 2012. [R. 640-643; 123-126].

There was correspondence from the RBC to Brown Contractors on June 12, 2012 seeking a bond to be filed – which was done. [R. 647-648]. At that point, Brown Contractors reasonably believed itself to be in full compliance with South Carolina's Residential Building Code, as confirmed by a telephone call to the RBC from Jay Brown. [R. 127]. Ultimately, the RBC finally performed the ministerial act of issuing the COA on January 28, 2013. [R. 550]. No evidence was submitted that this delay was anything other than a bureaucratic mistake. It was issued again on May 1, 2013 and April 16, 2014. (*Id.*). The McMarlins have never filed a complaint with the RBC against Brown Contractors and/or Jay Brown. [R. 428].

Neither party is sure of the exact date, but in the spring-summer of 2012, Dr. Andy McMarlin and Mrs. Amy Salzhauer McMarlin began to interview contractors for structural renovations to their home at 1850 Flag Street on Sullivan's Island, South Carolina ("1850 Flag") and spoke to several contractors, including Jay Brown.

A number of "bids" and "estimates" were sent by Brown Contractors and/or requested by the McMarlins, though Henry "Hank" Salzhauer (the Defendants' father in law and father, respectively), who was an experienced electrical services contractor who resided in New York. [R. 664-677; 700-709]. No one disputes that Mr. Salzhauer handled the business side of the arrangement.

Importantly, none of these “bids” or “estimates” [R. 664-677; 700-709] indicated that they constituted a “guaranteed maximum price” or “not to exceed” pricing or reflected any agreement by Brown Contractors to do the work for specific sum of money. (Id.). This would have been impossible, since the scope of the renovation was a moving target.

Jay Brown did send two contracts to the Defendants on July 20, 2012 and July 24, 2012. [R. 715-719]. The first clearly states on the front page that it is a Cost-Plus contract; the second’s cover email makes it clear that it is another cost-plus contract. (Id.). Neither were signed, however. (Id.).

For their part, the McMarlin-Salzhauser’s explained that they assumed the work would be performed for specific sums of money and this was the reason why they rejected signing the contracts. Despite their numerous, written communications directly to Jay Brown and/or his staff, however, the Defendants could point to no contemporaneous writings – either email or letter – which sets forth their position on the “guaranteed pricing” angle, or even that they rejected the Contracts. [R. 120, 138, 141].

Jay Brown and his office assistant, Deborah Kahn (who no longer works for him) both testified that: (1) all of Brown Contractors’ building projects during this time frame were cost-plus jobs; (2) that this project was billed as a cost-plus job; and (3) that Hank Salzhauser and Amy Salzhauser McMarlin were well aware of that fact, as demonstrated by not only by the proposed contracts but by the billing details that Brown Contractors sent Mr. Salzhauser.

Proceeding without a written contract was an oversight on Jay Brown’s part, but this oversight falls equally on the Defendants, who accepted the cost-plus billing system. Each invoice, prepared and sent by Brown Contractors, clearly had an “overhead and

profit" number of 15% as the last entry on the invoice, throughout the work. [R. 678-699]. If the parties "do not have an executed, written contract" [R. 005], and Brown billed on a cost-plus basis, then the bid documents are irrelevant.

Thereafter, on July 25, 2012, Brown Contractors pulled a demolition permit with the Town of Sullivan's Island for 1850 Flag Street. [R. 653]. This was followed by a full construction permit issued by the Town to Brown Contractors on August 28, 2012. [R. 654]. The job was completed to the satisfaction of the Town of Sullivan's Island code enforcement official on September 23, 2013 [R. 655], although Brown Contractors and its sub-contractors, continued to perform punch-type work through the fall and into the New Year at the Defendants' request.

A mechanic's lien followed on March 19, 2014. The lien set forth the license number of the qualifier, Vuong Ngyuen, which appeared in all the subsequent pleadings. Thereafter, a timely Lis Pendens, Summons and Complaint followed on June 18, 2014. [R. 656-659, 26-32]. Brown Contractor's books showed that the Defendants still owed \$206,428.59 in unpaid invoices. [R. 671-677].

Defendants timely answered and, thereafter, amended their answer and filed counterclaims and third-party actions against Jay Brown, individually, and Brown-Meihaus Construction Co., LLC for negligence, breach of implied warranties, breach of contract and unfair and deceptive practices. Importantly, neither Mr. Salzhauer and/or the Defendants sent Brown Contractors a certified letter, setting forth its right to cure, at any time during the pendency of the case.

The case was assigned to Henry W. Brown, Special Referee. The case was heard non-jury from November 7-10, 2017 and the Special Referee gave a written *Order* granting

the Defendants judgment for \$346,693.00, which was issued on May 1, 2018. [R. 3-19]. Appellant filed a timely Rule 59(e) motion to alter or amend on May 11, 2018 [R. 71-96], but it was denied by written Order dated February 22, 2019 and served on February 25, 2019. [R. 20-26]. The Special Referee also gave an *Order Awarding Attorney's Fees* on February 22 (and also served February 25), in which he awarded Plaintiffs \$133,161.00 in attorneys' fees. This appeal timely followed on March 25, 2019 – two days prior to the deadline. [R. 111-112].

STANDARD OF REVIEW

The issues raised in this appeal concern only the legal claims asserted by the parties; therefore, the standard of review is that applicable for actions at law. “When reviewing an action at law, referred to a master or special referee for final judgment with direct appeal to the supreme court or the court of appeals, the appellate court's jurisdiction is limited to correcting errors of law, and the appellate court will not disturb the master or special referee's findings of fact as long as they are reasonably supported by the evidence.” *Allen v. Pinnacle Healthcare Sys., LLC*, 394 S.C. 268, 272, 715 S.E.2d 362, 364 (Ct. App. 2011).

ARGUMENT

1. **The Special Referee violated the holding in *16 Jade Street, LLC v. R. Design Constr. Co.*, 405 S.C. 384, 747 S.E.2d 770 (2013) in finding Brown Contractors was unlicensed.**

The Special Referee determined that at the time the “contract” was entered with the Defendants, Brown Contractors was unlicensed pursuant to S.C. Code Ann. §§ 40-59-30 and -20. As such, he found that it was not entitled to pursue a claim for damages or a mechanic’s lien under S.C. Code Ann. § 29-5-10. [R. 006-009].

This is *not* the case, however. Vuong Nguyen was the “qualifier” for Brown Contractors, Inc. [to obtain a certificate of authorization, pursuant to S.C. Code Ann. § 40-59-410] and Mr. Nguyen is a duly licensed South Carolina residential builder since 2004. The Special Referee found these facts, and his inquiry should have ended there. (Id.).

Nevertheless, the Special Referee still held that Brown Contractors was not “properly licensed” [through §40-59-410] based on the *application* submitted by Brown Contractors for these reasons:

(i) The Special Referee held that Nguyen was listed on the application as an employee of Brown Contractors, and that both James Brown and Nyguen attested to that fact on the application [R. 009]. He found, however, that: (a) Brown testified that Nguyen was a 1099 independent contractor [Id.] and; (b) his bookkeeper, Deborah Winner, testified that Brown Contractors had no employees [Order, p. 8]. Thus, the Special Referee found that the testimony established that “Ngyuen was not an employee of Brown, LLC [sic] within the intent of the statute.” [R. 010].

(ii) The Special Referee also found that Nguyen did not meet the definition of the “role of resident licensee in responsible charge” as set out in Sections 40-59-400(5) and

(6), because the qualifying party “may be in responsible charge of only one place of business at a given time,” but Nguyen “was using one license for two places of business and this is in clear violation of the statute.” [R. 010]. The Special Referee also found that “Brown not Mr. Nyguen was directing the building services to a successful completion and Brown, not Mr. Nyguen, was the person in responsible charge.” [R. 009-010].

(iii) Thus, the Special Referee held that the COA was “issued in response to misrepresentations and false statements of fact” [Order, p. 8] and, accordingly, “Brown was not properly licensed at any time during the solicitation or performance of the McMarlin job.” [R. 011].

However, the Special Referee’s findings (that Brown Contractors made “misrepresentations and false statements of fact” in its application) directly violates the provisions of the South Carolina Residential Homebuilders Act and contradicts the clear holding of *16 Jade Street, LLC v. R. Design Constr. Co.*, 405 S.C. 384, 747 S.E.2d 770 (2013).

In *16 Jade Street*, the South Carolina Supreme Court expressly **rejected** the notion that Section 40-59-410 of the Residential Home Builders Act creates any legal benefit for private parties in circuit court. *Id.*, 405 S.C. at 389-390, 747 S.E.2d at 773. In her opinion, Justice Hearn wrote:

Based on this language, the circuit court concluded that as a resident licensee, Aten assumed professional responsibility for the project and, furthermore, that the use of the term professional responsibility “is broad enough to include civil liability.”

We reject this construction of the statute. Nothing in the language of the statute evinces a legislative intent to create such a legal duty, **nor was this statute enacted for the benefit of a private party**. The provisions in question concern the issuance of certificates of authorization for a company engaging in residential home-building, specialty contracting, or home

inspection and serve essentially to define terms used within a subsection the Residential Home Builders Act. Section 40-59-410 of the South Carolina Code (2005) requires the company to identify a resident licensee in “responsible charge” of each principal or branch office. § 40-59-410(B)(1), (D), & (H). The statute therefore requires at least one person in each office of the company to be licensed and assume professional responsibility for the project. However, we disagree with the court's conclusion that professional responsibility is tantamount to civil liability. **The only consequences imposed by virtue of an individual's license are to be meted out specifically by the appropriate licensing board, not a civil court.** See S.C. Code Ann. § 40-1-110(1) (2005) (listing the acts for which the licensing board can sanction a licensee, including when he “lacks the professional or ethical competence to practice the profession”); § 40-59-110 (2005) (stating additional grounds for which a residential contractor, specialty contractor, or home inspector can be sanctioned)).

Id. (emphasis added).

While *16 Jade Street* directly concerned whether a plaintiff could use § 40-59-410 to sue a resident licensee (i.e., qualifier) in tort, the principles in the opinion that the statute was not “enacted for the benefit of a private party” and “the only consequences imposed by virtue of an individual's license are to be meted out specifically by the appropriate licensing board, not a civil court” are directly applicable in the instant case. *Id.* In spite of *16 Jade Street's* clear holding that the Residential Home Builders Act was “not enacted for the benefit of a private party” and that Residential Home Builders Act, the Special Referee nevertheless ignored it.

The Special Referee found that “*Jade Street* did not repeal the provisions of the licensing statute.” [R. 011]. But this is a straw-man argument; the case specifically says that the statute was not “enacted for the benefit of a private party.” 405 S.C. at 389-390, 747 S.E.2d at 773.

The Special Referee also held that “the delicts related to the use of the license are a matter to be dealt with by the licensing body, unless there are omissions by the individual

license holder that would subject the licensee to liability for claims by the firm's wrongful conduct, independent of the license held." [R. 011]. This reasoning is included nowhere in *16 Jade Street*; to allow it to stand as the ruling of the circuit court would fundamentally do violence to the case's clear reasoning, which disagrees with the position that "professional responsibility is tantamount to civil liability." *Id.*

Finally, the Special Referee held that "[w]hile the qualifier may not be personally liable solely because he or she is the qualifier, the firm remains unable to enforce its contract or assert equitable claims if the firm fails to comply with the licensing statute." [Order, p. 9]. Once again, the Special Referee is driving a huge hole through the heart of *16 Jade Street's* blanket prohibition against the circuit court making findings of licensure, when that function is clearly reserved to the licensure board. 405 S.C. at 389-390, 747 S.E.2d at 773.

Thus, at the time the contract with the McMarlins was actually entered, and before any work was done on the McMarlin residence, Brown Contractors had met the requirements of the certificate of authorization act by submitting the application to the Residential Builders Commission.

The Special Referee cannot ignore the plain language of *16 Jade Street* to make the findings that Brown Contractors had made "misrepresentations and false statements of fact" in its application, since such findings are properly the purview of the Residential Builders Commission and not the circuit court.

In other words, the RBC – and it alone – has complete, exclusive and administrative control over licenses, qualifications for certificates of authorization. *See* S.C. Code Ann. § 40-1-110(1) (2005) (listing the acts for which the licensing board can sanction a licensee,

including when he “lacks the professional or ethical competence to practice the profession”) and § 40–59–110 (2005) (stating additional grounds for which a residential contractor, specialty contractor, or home inspector can be sanctioned).

Therefore, while Defendants may wish to argue that Plaintiff misled, misread or misunderstood the Residential Home Builders Act, they should have taken that up with the Commission directly. They did not. In missing this clear administrative step (filing and litigating a complaint with the RBC), the Plaintiffs cannot now argue that they proved anything in Circuit Court as to the Plaintiff’s ‘fraud.’ The Special Referee erred by ignoring this fact.

To affirm the Special Referee would not only ignore the precedent of *16 Jade Street* but fly in the face of the principles of statutory construction. *Browning v. Hartvigsen*, 330 S.C. 175, 181, 498 S.E.2d 635, 638 (1998) (a statute as a whole must receive a practical, reasonable and fair interpretation consonant with the purpose, design and policy of the lawmakers); *Burns v. State Farm Mut. Auto. Ins. Co.*, 297 S.C. 520, 522, 377 S.E.2d 569, 570 (1989) (In ascertaining legislative intent, statutes which are part of the same act must be read together.). Moreover, in *Rainey v. Haley*, 404 S.C. 320, 745 S.E.2d 81 (2013), Justice Kittredge wrote:

South Carolina circuit courts are vested with original jurisdiction in civil and criminal cases, except those cases in which exclusive jurisdiction shall be given to inferior courts, and shall have such appellate jurisdiction as provided by law. S.C. CONST. ART. V, § 11. “In determining whether the Legislature has given another entity exclusive jurisdiction over a case, a court must look to the relevant statute.”

Id., 404 S.C. at 323, 745 S.E.2d at 83.

Because exclusive jurisdiction is invested in the RBC with appeal to the Administrative Law Judge Division [S.C. Code Ann. §§ 40-59-115, -90 and -160], this

Court simply does not have jurisdiction to challenge how a contractor obtained a license, merely whether he has a license at all. *Id.*; see also *Tourism Expenditure Review Comm. v. City of Myrtle Beach*, 403 S.C. 76, 82, 742 S.E.2d 371, 374 (2013) (holding that when General Assembly gave exclusive power to challenge A-Tax funds to the Tourism Expenditure Review Committee, the circuit court lacked subject matter jurisdiction even to consider a declaratory judgment action); *Cf. Park v. Safeco Ins. Co.*, 251 S.C. 410, 414, 162 S.E.2d 709, 711 (1968) (Courts generally decline to pronounce a declaration wherein the rights of a party are contingent upon the happening of some event which cannot be forecast and which may never take place); *Baber v. Greenville County*, 327 S.C. 31, 45, 488 S.E.2d 314, 321 (1997).

Insofar as the Plaintiff's license was valid, then its lien was valid. Plaintiff proved its damages with particularity, it should be awarded its full lien amount of \$206,428.59, along with pre-judgment interest at the lawful rate, which the Special Referee should accordingly add to the award. It was an error by the Special Referee not to include it.

2. The Special Referee erred in allowing the Defendants to make a damages claim when they did not prove compliance with S.C. Code § 49-59-810.

The law of South Carolina is very clear that under the *South Carolina Notice and Opportunity to Cure Construction Dwelling Defects Act*, codified at S.C. Code Ann. § 49-59-810 ("Right to Cure Act"), homeowners must serve on the general contractor, no less than ninety days before filing an action, setting forth required information about the claim.

In the case of *Grazia v. South Carolina State Plastering*, 390 S.C. 562, 570, 703 S.E.2d 197, 200-201 (2010), the Supreme Court endorsed the view that the Right to Cure Act "encompasses civil law suits filed against a contractor" and "requires the claimant to serve written notice no less than ninety days before the action." The *Grazia* Court then

held that “[t]he stated public policy therefore is to ... provide an opportunity to resolve the claim without litigation.” *Id.* Thus, any notice or a stay under the Act must be obtained before the claimant engages in work; to the extent the Plaintiff seeks recovery of work performed without first giving formal notice and the right to inspect the property, the Act is considered breached. *See Andrew and Kimberly McIntyre v. Seaquest Development Co., Inc.*, 2016-CP-10-1833 (Charleston Co. Ct. Common Pleas, 2017) (Toal, J.), p. 6, (on appeal to the South Carolina Court of Appeals, Appellate Case No. 2017-001270).

In other words, the Defendant homeowners must do more than merely give a contractor the right to inspect or say that repairs are underway. Rather, they must strictly follow the requirements of S.C. Code Ann. § 49-59-810. Otherwise, their entire counterclaim case is irreparably lost.

In this case, however, no evidence whatsoever was adduced anywhere at trial that the Defendants complied with the Act at any time over the last four years. Thus, any damages which they claim have been performed by repair contractors cannot be obtained against the Plaintiff or Third-Party Defendants. Likewise, since the trial is concluded, no damages can be obtained against the Plaintiff or Third-Party Defendants, either. This is a harsh decision but a fair one.

In much the same way that the Defendants claim that the mechanics lien is void for various technical issues, which the Defendants say cannot be washed away, then their claims must also be barred by the dictates of the Right to Cure Act. S.C. Code Ann. § 49-59-810; *Grazia*, 390 S.C. at 570, 703 S.E.2d at 200-201. This was a residential construction project; therefore, § 49-59-810 must be complied with strictly.

3. The Special Referee erred in finding that the omission of the RBC license number on the Mechanic's Lien violated the S.C. Code 29-5-15.

As an additional ground to find the Mechanic's Lien invalid, the Special Referee held that "[s]ection 29-5-15 requires that a contractor seeking to file a lien record his contractor's license number on the lien document when the lien is filed" but that "Plaintiff used Nguyen's license number, and based on the findings above, this was not a valid license number for Brown Contractors and failed to satisfy the requirements of the statute." [R. 012]. In fact, the "findings above" do not specify which number Brown Contractors should have used; instead, the "findings above" focus entirely on the purported lack of licensure for Brown Contractors [R. 006-011]. For this reason, the appeal should be granted.

Assuming, however, that the Special Referee meant to say that the failure of the undersigned to include the Brown Contractors RBC number (# 198), on the lien is a violation of S.C. Code Ann. § 29-5-15, then the Special Referee is demanding the strictest statutory construction of the Mechanics Lien statute, in contravention of the law.

The purpose of the mechanic's lien statute is to aid both builders and owners. *A.V.A. Const. Corp. v. Santee Wando Constr.*, 303 S.C. 333, 335, 400 S.E.2d 498, 500 (Ct. App. 1990). All the statutory requirements for enforcement of a mechanic's lien must be strictly followed and that the failure to adhere to the requirements of statutes will result in the dissolution of the lien. *Cohen's Drywall Co., Inc. v. Sea Spray Homes, Inc.*, 374 S.C. 195, 199, 648 S.E.2d 598, 600 (2007). However, "[t]echnical requirements should not stand in the way of achieving the purposes of the mechanic's lien law. Even though a claim contains some defect or error it will be upheld where the owner is informed of the claim and not misled by it or prejudiced." 53 Am. Jur.2d *Mechanic's Liens* § 235 (1996).

Additionally, it is also equally true, that because “the mechanic's lien statutes are remedial, they are to be given a liberal construction.” *Clo-Car Trucking Co. v. Cliffhug Estates of S.C.*, 282 S.C. 573, 575–76, 320 S.E.2d 51, 53 (Ct. App. 1984). Turning to S.C. Code Ann. § 29-5-15, which was enacted in 2009, the General Assembly provided “[a]s proof of licensure or registration, the contractor must record his contractor license number or registration number on the lien document when the lien document is filed.” The clear intent and purpose is to keep unlicensed contractors from availing themselves of the mechanic’s lien statute. The use of the masculine “his” is consistent with the other parts of the act.

Mindful of the admonition in *Clo-Car* that the statutes are to be interpreted liberally, then Plaintiff complied with the letter and spirit of S.C. Code Ann. § 29-5-15. Nguyen’s # 20378 was the contractor’s license number and was Brown Contractors used it during work on the Defendant’s residence, Thus, it’s inclusion on the Notice showing compliance with the statute. 282 S.C. at 575–76, 320 S.E.2d at 53 (Ct. App. 1984). The legislative intent was satisfied because it allowed Defendants to inquire into licensure status – which they did. Defendants have had zero prejudice as a result; they have not been misled.

Moreover, it is an equally valid and liberal interpretation of S.C. Code Ann. § 29-5-15 that Plaintiff could have *either* used: (1) License # 20378 or (2) RBC # 198 or (3) both. At most, the non-inclusion of Certificate of Authorization # RBC 198 in addition to License # 20378 is a minor technical issue. *See* 53 Am. Jur.2d *Mechanic's Liens* § 235 (1996) (“[T]echnical requirements should not stand in the way of achieving the purposes

of the mechanic's lien law. Even though a claim contains some defect or error it will be upheld where the owner is informed of the claim and not misled by it or prejudiced.”).

Finally, the mechanic’s lien statute also provides for simple amendments under S.C. Code Ann. § 29-5-180, which can be used to add # RBC 198, and which was done in this case.

4. The Special Referee also erred by adopting the IRS terms “W-2 employee” vs. “1099 subcontractor” in determining that Vuong Ngyuen was not an employee under S.C. Code § 40-59-400.

In also making his finding that Brown Contractors was unlicensed, the Special Referee adopted the Plaintiff’s use of “W-2 employee” vs. “1099 subcontractor.” This was in error to.

The General Assembly did not include “employee” in one of its defined terms in the Residential Home Builders Act. S.C. Code Ann. § 40-59-400. In *Perry v. Bullock*, 409 S.C. 137, 140-141, 761 S.E.2d 251, 253 (2014), however, the Supreme Court ruled that “[w]hen interpreting an undefined statutory term, the Court must look to its usual and customary meaning.” there is apparently no South Carolina precedent that gives an all-encompassing, across-the-board definition of employee—but the vast majority of the jurisprudence about what constitutes an employee comes in the field of workers’ compensation law. *Wilkinson ex rel. Wilkinson v. Palmetto State Transport*, 382 S.C. 295, 299, 676 S.E.2d 700, 702 (2009); *cf.* South Carolina Workers Compensation Act, S.C. Code Ann. § 42-1-130 (“[t]he term employee means every person engaged in an employment under any appointment, contract of hire, or apprenticeship, expressed or implied, oral or written, ... whether lawfully or unlawfully employed, but excludes a person whose employment is both casual and not in the course of the trade”).

“W-2” and “1099” are IRS terms which govern method of payment; they do not define who is and is not an employee under South Carolina law. While attorneys, accountants and tax professionals may be familiar with this IRS nomenclature, it fails to meet *Perry's* admonition to look for a ‘usual and customary’ meaning and instead tries to insert a more specialized one. 409 S.C. at 140-141, 761 S.E.2d at 253.

The same holds true for trying to draw a distinction in the area of construction practices – where a general contractor may have office staff, day laborers, sub-contractors and material provider; again, this is using specialized nomenclature instead of usual and customary definition. If the Court follows *Perry* to adopt a usual and customary definition, the Court would reject IRS definitions and look to standard definitions.

In how it defines employee, BLACK’S LAW DICTIONARY places a heavy emphasis on the master’s control:

A person in the service of another under any contract of hire, express or implied, oral or written, **where the employer has the power or right to control and direct the employee in the material details of how the work is to be performed** Generally, when person for whom services are performed has right to control and direct individual who performs services not only as to result to be accomplished by work but also as to details and means by which result is accomplished, individual subject to direction is an “employee”.

BLACK’S LAW DICTIONARY, 6th Ed., p. 525 (1990)(emphasis added). The Merriam-Webster Online Dictionary is far more anodyne: “one employed by another usually for wages or salary and in a position below the executive level.”

Plaintiff submits that the Court was safest to follow workers’ compensation precedent, in which the Court of Appeals has previously opined: “[t]hat the employment relationship is contractual in character; however, no formality is required. The contract may be oral or written, and also may be implied from conduct of the parties. It is enough

if the circumstances show unequivocally that the parties recognize the relationship.” *Spivey v. D.G. Const. Co.*, 321 S.C. 19, 22, 467 S.E.2d 117, 119 (Ct. App. 1996).

In 2013, the Supreme Court emphasized the control factor in determining the existence of an employee-employer relationship: “[u]nder settled law, the determination of whether a claimant is an employee or independent contractor focuses on the issue of control, specifically whether the purported employer had the right to control.” *Shatto v. McLeod Reg. Med. Ctr.*, 406 S.C. 470, 475, 753 S.E.2d 416, 419 (2013). Justice Kittredge explained that “while evidence of right of actual control exerted by a putative employer is evidence of an employment relationship, the critical inquiry is whether there exists the right and authority to control and direct the particular work and undertaking. The right to control does not require the dictation of the thinking and the manner of performing the work. It is enough if the employer has the right to direct the person by whom the services are to be performed, the time, place, degree and amount of said services.” *Id.*, 406 S.C. at 420, 753 S.E.2d at 477.

The use of the workers’ compensation precedent outside of the traditional workers’ compensation arena is supported by *Todd’s Ice Cream, Inc. v. South Carolina Employment Security Comm’n*, 281 S.C. 254, 258, 315 S.E.2d 373, 375-376 (Ct. App. 1986), in which the Court of Appeals extended the employee versus independent contractor analysis into the realm of an employment security claim. In *Todd’s Ice Cream*, the panel found: “[i]n determining whether an individual is a servant (employee) or an independent contractor, the proper test to be applied is not the actual control exercised by the alleged master, but whether there exists the right and authority to control and direct the particular work or undertaking, as to the manner or means of its accomplishment.” *Id.*

The Special Referee should have applied workers' compensation precedent, which focuses on control, and therefore must analyze four factors in determining that right of right of control: (1) direct evidence of the right or exercise of control; (2) furnishing of equipment; (3) method of payment; (4) right to fire. *Wilkinson ex rel. Wilkinson v. Palmetto State Transport*, 382 S.C. 295, 299, 676 S.E.2d 700, 702 (2009) (In evaluating the right of control, the Court examines four factors which serve as a means of analyzing the work relationship as a whole ...we return to our jurisprudence that evaluates the four factors with equal force in both directions."); *see also Shatto v. McLeod Reg. Med. Ctr.*, 406 S.C. 470, 475-476, 753 S.E.2d 416, 419 (2013).

(1) Direct Evidence of Right of Control.

Nguyen was deposed on March 23, 2015. There is little doubt from his testimony that he was in a relationship in which he was actually controlled by Plaintiff. While Nguyen conceded he was not a W-2 employee and invoiced Plaintiff as a sub-contractor (in which he hired and directing the work of sub-sub-contractors), he also testified that during the time that Defendants' house was built that he was working exclusively for Plaintiff; that Brown Contractors could pull him on and off jobs as project manager; that while working as project manager he directed the work of all sub-contractors (in addition to the ones he hired) for Brown Contractors; that he met and received instructions from Brown Contractors' owner, Jay Brown, including instructions to meet the highest standards of construction); and that he was to receive management fees in addition to his invoicing. The testimony and affidavit of Jay Brown further buttressed this notion of control ("I had the ability to control where and when he worked, and what he worked on. I had the right to terminate him.").

(2) Furnishing of Equipment and (3) Method of Payment

There is very little equipment one needs to be a Project Manager working day to day on a job site whether one is an employee or contractor; to the extent that the equipment includes the actual materials provided for the use of the builders, the depositions of Nguyen and Jay Brown establish that Plaintiff provided the building materials, etc. Nguyen sent invoices but this is not necessarily dispositive, as the Supreme Court found in *Shatto*. 406 S.C. at 481, 753 S.E.2d at 421-422.

(4) Right to Fire.

Here the Affidavit of Brown and Brown's testimony showed he had the right to fire. In fact, he dismissed Nguyen as the day to day project manager on the Defendants' residence (at the request of the Defendant Amy Salzhauer) and replaced him with another licensed South Carolina home builder, Cameron Glaws.

Applying the four-point test, Nguyen was clearly employed by the Plaintiff within the meaning of S.C. Code Ann. § 40-59-400(1). Based on the evidence adduced to the Court, thus, he also meets the test of a "resident licensee" and "responsible charge" under S.C. Code Ann. § 40-59-400(1) because he was assigned to the project, was there almost every day, and provided direct control and personal supervision. The fact that Jay Brown did the same thing does not in any way make Nyguen less of a "qualifier." Likewise, the fact that Defendants admit to demanding that Nguyen be replaced is not inconsistent with the act, either, as he was quickly replaced by another licensed residential homebuilder, Cameron Glaws.

In making his finding, the Special Referee also stated that Nyguen "was using one license for two places, and this is a clear violation of the statute" [i.e., S.C. Code Ann. §

40-59-410(H)], which provides that “the resident residential home builder .. is considered in responsible charge of only one place of business at a given time.” Contrary to the Special Referee’s findings, however, this statute simply means that if a fictitious entity had two or more places of business/offices (e.g., one on Edisto Island, one in Mt. Pleasant and one North Myrtle Beach), then the qualifier could not cover all three.

Here, however, Brown Contractors had only one office. Also, nothing in the Act prohibits Nyguen from maintaining his own sub-contracting business; in fact, Section 40-59-410(F) and (I) can be read to allow it. The definition of “resident licensee” in Section 40-59-400(5) does not require that qualifier never ‘use one license for two places’ either; rather, he “is a licensed practitioner who spends a majority of each normal workday working out of a principal or branch office and who is in responsible charge of the office and the building services provided.” The evidence clearly showed this was, in fact, the case.

In any event, the testimony of Brown and Nyguen is clear that Nyguen was only working for Brown Contractors at the relevant time. [R. 171-172]. It is ironic that Defendants claim ‘*Nyguen cannot be the qualifier because he’s not an employee!*’ and ‘*Nyguen cannot be the qualifier because Brown was actually in charge!*’ – yet, an employee is necessarily under the master’s direct control, which means he is not a sub-contractor. Just because the Defendants dealt primarily with Brown does not mean that Nyguen did not meet the requirements of the resident licensee; the Special Referee should have seen this, too. This is more grist for the mill in support of *16 Jade Street’s* injunction on using the Residential Home Builders Act for the benefit of a private party. 405 S.C. at 389-390, 747 S.E.2d at 773.

5. The Special Referee made other errors of law in determining that Brown-Contractors was not licensed.

The Special Referee also found that “Brown, if it did not have a contract as of June 2012, was negotiating with Amy McMarlin, and soliciting the residential project in April 2012 and earlier, also prior to the application being submitted.” [R. 009]. Yet, the bid sheet which the Special Referee puts so much weight on was stamped “Brown-Meihaus” – not Brown Contractors.

Brown-Meihaus was a fully licensed entity in 2012. [R. 212-214, 242-243]. No evidence was adduced at trial whatsoever, nor exhibit offered, that Brown-Meihaus was unlicensed. Brown Contractors should not be confused with Brown-Meihaus. Since Brown-Meihaus was properly licensed through 2012, it was sufficient for Jay Brown to solicit the McMarlin job.

The Special Referee also found that “on Brown’s pay applications, the contract date is stated to be ‘January 12, 2012’, which the Special Referee finds to be “five months *before* an application for a COA was submitted to the state’s licensing board.” [R. 009]. Yet, the clear testimony from the parties was that they first met in the spring of 2012 and did not agree to work together until the permits were pulled in July. Thus, the “1/23/12” date on the pay applications was clearly a scriveners’ error rather than proof that the contract predated the COA application. Even the Defendant did not argue this in their Proposed Order.

The RBC issued the COA to Brown Contractors in January of 2013 [R. 009], but the clear testimony and the evidence shows that Brown Contractors submitted the paperwork in June of 2012 before the commencement of the project. [R. 640-644]. **The issuance of the COA was merely an administrative act that the RBC failed to accomplish in a timely manner; it is uncontested that the proper application was**

completed before any of the work commenced, and Plaintiff reasonably believed, based on Jay Brown's telephone call to the RBC, that it had satisfied the requirements – as it had Mr. Nguyen served as the “qualifier” and licensed contractor throughout that time.

Thus, the holdings *Lenz v. Walsh*, 362 S.C. 603, 608 S.E.2d 471 (Ct. App. 2004) and *Columbia Pools, Inc. v. Moon*, 284 S.C. 145, 325 S.E.2d 540 (1985) are either satisfied or are otherwise not controlling. In both *Lenz* and *Moon*, the contractor sought licensure status *after* the commencement of the contract; in this case, by contrast, Brown Contractors followed the law by applying before the permits were issued and reasonably assumed that its certificate of authorization had been issued. Likewise, the holding of *Wagner v. Graham*, 296 S.C. 1, 370 S.E.2d 95 (1988) is inapposite also, in that the contractor in *Wagner* never had any licensure whatsoever, while Brown Contractors is licensed here. Based on the facts at bar, the Court should have found that Brown Contractors was duly licensed.

6. The Special Referee erred in granting attorneys' fees to the Defendants.

Both Plaintiff and Defendant made offers of settlement under S.C. Code § 29-5-10(b). The Plaintiff's offered to settle for \$75,000.00, payable to Plaintiff. [R. 636]. The Defendants' offered to settle for \$250,000.00, payable to them. [R. 638]. The Special Referee inaccurately stated that Defendants' offer was \$150,000.00. [R. 22-25].

The Defendants were awarded \$346,693.00 in actual damages. Consequently, the Special Referee found that they were the prevailing party under S.C. Code § 29-5-10(b) and awarded them \$133,161.00 in attorneys' fees. [R. 22-25].

However, insofar as the Plaintiff's license was valid, and its lien was good, then its damages were equally valid. Plaintiff proved its damages with particularity and should be

awarded its full lien amount of \$206,428.59. Moreover, it was equally an error to grant the Defendants any damages in light of their failure to abide by the "Right to Cure Act" at S.C. Code Ann. § 49-59-810.

Thus, Plaintiff/Third-Party Defendants should have been the prevailing party under S.C. Code § 29-5-10(b), since their offer of settlement for \$75,000.00 was closest to the actual damages (\$206,428.59) proved by them. Consequently, the case should be remanded to the Special Referee to ascertain Plaintiff's legal fees.

CONCLUSION

For these reasons, the Orders of the Special Referee should be REVERSED, and the case REMANDED to him for the purpose of ascertaining the Plaintiff's attorneys fees and costs under S.C. Code § 29-5-10(b),

Respectfully submitted,



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CERTIFICATE OF COMPLIANCE WITH RULE 211(b), SCACR

I hereby certify that this Brief complies with Rule 211(b), SCACR.



Robert B. Varnado (SC Bar # 0007085)

June 29, 2020
at Mt. Pleasant, South Carolina

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

RECEIVED

APPEAL FROM CHARLESTON COUNTY JUL 01 2020
Court of Common Pleas

SC Court of Appeals

The Honorable Henry W. Brown
Special Referee

Appellate Case Number 2019-000513

Brown Contractors, LLC, under S.C. Residential Builders License No. 20378,
.....Appellant/Respondent,

v.

Andrew Joseph McMarlin a/k/a Andrew Joseph McMarlin and Amy Salzhauser,
.....Respondents/Appellants.

And

Andrew McMarlin and Amy Salzhauser, Respondents/Appellants,

v.

James Brown, IV and Brown-Melhans Construction Co., LLC, Third-Party Defendants.

**RESPONDENTS' FINAL BRIEF
OF RESPONDENTS/APPELLANTS**

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TABLE OF CONTENTS

TABLE OF AUTHORITIES ii
STATEMENT OF THE CASE1
STANDARD OF REVIEW2
ARGUMENT2

I. Brown Misapplies *16 Jade Street, LLC V. r. Design Constr. Co.*, 405 S.C.
 384, 747 S.E.2d 770 (2013).

CONCLUSION6

TABLE OF AUTHORITIES

Cases

Ritter & Assocs., Inc. v. Buchanan Volkswagen, Inc., 405 S.C. 643, 649, 748 S.E.2d 801, 804 (Ct. App. 2013)2

16 Jade Street, LLC V. r. Design Constr. Co., 405 S.C. 384, 747 S.E.2d 770 (2013).....2,3

Lenz v. Walsh, 362 S.C. 603, 607, 608 S.E.2d 471, 473 (Ct. App. 2005).....3

C-Sculptures, LLC v. Brown, 403 S.C. 53, 57, 742 S.E.2d 359, 361 (2013).....3

Section § 40-59-302

Section § 40-59-410.....3

Section § 40-59-400.....4

STATEMENT OF THE CASE

This action was instituted by Jay Brown, and his company Brown Contractors, LLC (collectively "Brown", Appellants/Respondents), with the wrongful filing of a mechanics lien against the property of Amy and Andy McMarlin, Respondents/Appellants (R. pp. 656-659). Brown asserted claims for foreclosure of a mechanic's lien and breach of contract, alleging an entitlement to payment for work he performed on the McMarlin's home on Sullivans Island, SC (the "Home"). Brown claimed a total of \$206,428.59.

The McMarlins answered (Amended Answer, R. pp. 33-47), denying any liability to Brown, alleging that the lien was defective because Brown was not properly licensed and counterclaimed for overpayment and for the costs associated with the completion of the Home and for the repairs to defectively performed work. Ultimately, the McMarlins claimed damages totaling \$727,361.56.

The parties submitted the claim to a Special Referee by Order dated June 21, 2016 (R. pp. 1-2). The matter was tried before the Special Referee from November 7 to 10, 2017 and December 13, 2017 and the Special Referee issued an Order dated May 1, 2018 (R. pp. 3-19). In that Order, he found that Brown was not properly licensed and that his ostensible "qualifier," Vuong Nuguay, was not an employee of Brown Construction, LLC or in responsible charge of construction. Therefore, the Special Referee found the mechanic's lien to be invalid and he denied Brown's claim. He found in favor of the McMarlins as to their counterclaim and awarded damages totaling \$346,693.00.

The parties subsequently filed motions pursuant to Rule 59, filed May 11, 2018 (R. pp. 71-96, pp. 97-103). The McMarlins also filed an affidavit of attorneys' fees (R. pp. 104-110). On

February 25, 2019, the Special Referee denied the parties Rule 59 motions and awarded the McMarlins attorneys' fees totaling \$133,161.00 by Order filed February 25, 2019 (R. pp. 22-25).

This appeal follows and the parties filed notices of appeal dated March 27, 2019 and March 29, 2019. Both parties filed Initial Briefs and Designations of Matter on June 24, 2019. Respondents/Appellants submit this initial brief in reply to Appellant/Respondent's Initial Brief.

STANDARD OF REVIEW

"When reviewing an action at law, on appeal of a case tried without a jury, the appellate court's jurisdiction is limited to correction of errors at law, and the appellate court will not disturb the special referee's findings of fact as long as they are reasonably supported by the evidence." *Ritter & Assocs., Inc. v. Buchanan Volkswagen, Inc.*, 405 S.C. 643, 649, 748 S.E.2d 801, 804 (Ct. App. 2013) (internal quotation marks omitted).

ARGUMENT

I. **Brown Misapplies *16 Jade Street, LLC V. r. Design Constr. Co.*, 405 S.C. 384, 747 S.E.2d 770 (2013).**

In his Initial Brief, Brown makes a number of arguments but in sum, he argues that A) the Special Referee erred in holding that the licensing requirements of the LLR were relevant and controlling; B) that Brown was properly licensed in that he had a valid qualifier and a valid Certificate of Authorization. Each of those essential arguments are addressed herein.

A. Brown misapplies *16 Jade Street*, which is irrelevant to the issue of whether Brown was properly licensed and, therefore, entitled to payment. *16 Jade Street* concerns whether LLR regulations confer a private right of action. The issue addressed by the Special Referee was the McMarlins' *defense* to Brown's claim for payment based on the fact that Brown was not properly licensed, not whether or not the McMarlins had a claim against Brown because he was improperly licensed.

The law of South Carolina is crystal clear that a contractor who is not properly licensed when he performs a job has no right to be paid. Section § 40-59-30, *S.C. Code, Ann.*, prohibits an unlicensed residential builder from filing a mechanic's lien. The statute provides, in relevant part, as follows:

(B) Notwithstanding Section 29-5-10, or another provision of law, a person or firm who first has not procured a license or registered with the commission and is required to do so by law may not file a mechanics' lien or bring an action at law or in equity to enforce the provisions of a contract for residential building or residential specialty contracting which the person or firm entered into in violation of this chapter.

This is also clearly expressed in numerous cases. See, *Lenz v. Walsh*, 362 S.C. 603, 607, 608 S.E.2d 471, 473 (Ct. App. 2005) ("South Carolina courts have held that, pursuant to the statute, a builder who is not licensed at the time he enters into a contract for residential construction may not bring an action to enforce the provisions of the contract); and *C-Sculptures, LLC v. Brown*, 403 S.C. 53, 57, 742 S.E.2d 359, 361 (2013). *16 Jade Street* did not change that law and is irrelevant with respect to that issue. The Special Referee's finding that Brown was not "properly licensed" is fully supported by the facts and should not be disturbed.

Here, Brown was not properly licensed. Brown had no license that would have enabled him to pull the permit or perform the work he contracted with the McMarlins to perform (and was actually paid to perform because Brown did not disclose that he was not licensed to the McMarlins). The only way to have become "properly licensed" was for Brown to have *honestly* followed the requirements of the LLR to use the license of a qualifier. The evidence supports the Special Referee's finding that Brown failed to do that.

The statutory regulations for use of a qualifying license are clear. The qualifier (here, Vuong Ngyuen or "Ngyuen") has to either be 1) an owner or member of the contracting firm; or 2) an employee in responsible charge of construction. Section § 40-59-410, authorizes an

individual residential home builder or specialty contractor to practice through a firm¹ offering those residential building services. However, to become “properly licensed” in this way requires that the following conditions be met:

(1) one or more of the corporate officers in the case of a corporation, or one or more of the *principal owners in the case of a firm, or one or more employees are designated as the resident licensee in responsible charge* of each principal or branch office for the building services regulated by the commission and are licensed under the provisions of this chapter;

(2) the firm has obtained an executed surety bond approved by the commission in the sum of fifteen thousand dollars initially and as subsequently provided by regulation; and

(3) the firm has been issued a residential business certificate of authorization by the commission. Nothing in this section may be construed to mean that a license or registration to practice residential home building, residential specialty contracting, or home inspecting may be held by a firm.

Ngyuen was not an owner, as Brown was the sole member of Brown Contractors, LLC. Ngyuen was also not an “employee” and was not in “responsible charge of construction”. Ngyuen was a subcontractor and was paid as a subcontractor for Brown and billed the McMarlins as a subcontractor, even including overhead and profit for himself on the McMarlin job. (Jay Brown Trial Testimony, R. pp. 169-172, p. 175). Further, Ngyuen was not in responsible charge of construction. Brown admitted that he was in charge of construction and that he had the right to hire and fire Ngyuen at will (Jay Brown Trial Testimony, R. p. 134, lines 23-24).

As found by the Special Referee, Brown was not properly licensed and was therefore not entitled to payment and his claim was properly denied.

B.

¹ “Firm” means a business entity functioning as a sole proprietorship, partnership, limited liability partnership, professional association, professional corporation, business corporation, limited liability company, joint venture, or other legally constituted organization which offers or provides building services through licensed residential builders, residential specialty contractors, or home inspectors. § 40-59-400.

1. Since the evidence was clear that Ngyuen does not fit the statutory requirements of a qualifier under the applicable statute, Brown resorts to other, inapplicable statutes and argue that under those statutes, Ngyuen would be considered an "employee," and would then satisfy the requirements of the LLR qualifier statute. (LLR documentation, R. pp. 640-683)

To make that argument, Brown is curiously forced to argue now that since Ngyuen could be fired by Brown, he would thus be an "employee" for workers compensation and other purposes, and thus fits the statutory requirement for a qualifier to enable Brown to use the Certificate of Authority. That argument actually supports the McMarlins' case and is a basis to affirm, not reverse, the Special Referee.

The point of the Certificate of Authority requirements is to ensure that the person whose license is used to pull the permit is *in charge* of construction for the company for whom the qualifier is employed. Here, the person *in charge* at all times was Jay Brown, who was unlicensed. The fact that the person who is licensed, Ngyuen, is actually being controlled and could be fired by the unlicensed person, is what the qualifier statute seeks to avoid, not encourage.

Ngyuen was not an employee or in responsible charge of construction for Brown and does not satisfy the statutory requirement to be a qualifier. It is irrelevant whether the Workers Compensation Commission or the IRS may deem him an employee for their purposes.

2. Furthermore, as explicitly found by the Special Referee, even if Brown's Certificate of Authorization were somehow valid, it was not timely since it was not obtained until *after* Brown offered contractor's services to the McMarlins and began the McMarlin job, meaning he was in violation of the statute. Specially, the Special Referee found as follows:

The application submitted to the state office of Labor License and Regulation in support of Brown's request for a certificate of authorization is Defendant's Exhibit

5. *In that exhibit, Brown and the license holder, Mr. Nguyen, both attest that Mr. Nguyen is an employee of Brown Contractors, LLC [which as noted above is not true]. The application lists license number 20738 (Nguyen's license) as the qualifying license, and the application is dated June 6, 2012. The COA was first issued in January 2013. Defendants' Exhibit 3 is a COA with an issue date of April 16, 2014 (R. p. 652). There is no suggestion that Brown Contractors, LLC had been issued a COA at the time work commenced on the McMarlin home, no later than August 2012. On Brown's pay applications (R. pp. 845, 902-903, 905-906) the contract date is stated to be January 23, 2012, five (5) months before an application for a COA was submitted to the state's licensing board.*

The Special Referee's findings in this regard are fully supported by the evidence.

CONCLUSION

For the reasons set forth above, the findings of the Special Referee with respect to the Brown's failure to be properly licensed and the resulting denial of his claims is fully supported by the evidence and should be affirmed.

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June 29, 2020

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In the Court of Appeals

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The Honorable Henry W. Brown
Special Referee

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v.

Andrew Joseph McMarlin a/k/a Andrew Joseph McMarlin and Amy Salzhauer,
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June 29, 2020
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TABLE OF CONTENTS

Table of Contents i

Table of Authorities i

Argument 1

**A. The holding in *16 Jade Street, LLC v. R. Design Constr. Co.*,
405 S.C. 384, 747 S.E.2d 770 (2013) is neither dependent nor
governed by whether the Special Referee looked into Brown
Contractor’s license as a ‘defense’ to its payment claim1**

**B. The Respondent’s Brief completely ignores Appellant’s
other appeal points, which is tantamount to a confession
that the appellate arguments are correct.....3**

Conclusion4

TABLE OF AUTHORITIES

Page(s)

CASES

16 Jade Street, LLC v. R. Design Constr. Co., 405 S.C. 384,
747 S.E.2d 770 (2013) passim

Broom v. Jennifer J., 403 S.C. 96, 742 S.E.2d 382 (2013).....4

Clo–Car Trucking Co. v. Cliffvue Estates of S.C., 282 S.C. 573,
320 S.E.2d 51 (Ct. App. 1984)4

Columbia Pools, Inc. v. Moon, 284 S.C. 145, 325 S.E.2d 540 (1985)3

Daniels v. City of Goose Creek, 314 S.C. 494, 431 S.E.2d 256 (Ct. App. 1993).....2

Lenz v. Walsh, 362 S.C. 603, 608 S.E.2d 471 (Ct. App. 2004)3

Turner v. South Carolina Dep’t Environ. Control, 377 S.C. 540,
661 S.E.2d 118 (Ct. App. 2008)4

Wagner v. Graham, 296 S.C. 1, 370 S.E.2d 95 (1988).....3

CONSTITUTION and STATUTES

S.C. Const. Art. V, § 92
S.C. Code Ann. § 29-5-15.....4
S.C. Code Ann. § 40-1-110(1)3
S.C. Code Ann. § 40-59-90.....3
S.C. Code Ann. § 40-59-110.....1
S.C. Code Ann. § 40-59-115.....3
S.C. Code Ann. § 40-59-160.....3
S.C. Code Ann. § 40-59-410.....1, 3
S.C. Code Ann. § 49-59-810.....3

OTHER AUTHORITIES

5 Am. Jur.2d *Appellate Review* § 555, at 254 (1995)4
53 Am. Jur.2d *Mechanic's Liens* § 235 (1996)4

A. The holding in *16 Jade Street, LLC v. R. Design Constr. Co.*, 405 S.C. 384, 747 S.E.2d 770 (2013) is neither dependent nor governed by whether the Special Referee looked into Brown Contractor's license as a 'defense' to its payment claim.

The Respondents state that "the issue addressed by the Special Referee was the McMarlins *defense* to Brown's claim for payment based on the fact that he was not properly licensed ... (emphasis in original)." (Respondent Br. p. 2).

In other words, because the Special Referee interpreted Brown Contractor's licensure status as a defense to the case rather than as a claim – the Respondents argue – then the Court of Appeals can safely ignore the holding of *16 Jade Street*.

However, *16 Jade Street* does not make a distinction when it comes to 'defenses' as opposed to 'claims.' Instead, the South Carolina Supreme Court expressly **rejects** any notion that Section 40-59-410 of the Residential Home Builders Act ("Act") creates **any** legal benefit for private parties in the circuit court:

"The only consequences imposed by virtue of an individual's license are to be meted out specifically by the appropriate licensing board, not a civil court. See S.C. Code Ann. § 40-1-110(1) (2005) (listing the acts for which the licensing board can sanction a licensee, including when he "lacks the professional or ethical competence to practice the profession"); § 40-59-110 (2005) (stating additional grounds for which a residential contractor, specialty contractor, or home inspector can be sanctioned))."

Id., 405 S.C. at 389-390, 747 S.E.2d at 773 (emphasis added) .

Therefore, following *16 Jade Street*, it does not matter if the McMarlins or the Special Referee wanted to treat § 40-59-410 differently because it was done as a defense rather than a claim. They cannot. The Supreme Court has conclusively said that the circuit court cannot delve into the merits of Section 40-59-410 to benefit a private party.

Thus, the Special Referee could not substitute his judgment for that of the Supreme Court. Neither can the McMarlins. Neither can the Court of Appeals. While it might be

true that the “point of the Certificate of Authority requirements is to ensure that the person whose license is used to pull the permit is in charge of the construction company,” (Respondent Br. p. 5) – or it might not – following the holding of *16 Jade Street* that is an issue for the RBC and not the Special Referee.

It is undisputed that Brown Contractors *was* licensed. [R 550-552]. It is undisputed that Brown Contractors submitted its license application prior to entering into an arrangement with the McMarlins. [R 640-643]. Whether Brown Contractors received its actual license in time (as opposed to a harmless error on the part of LLR) is an issue which *had* to be addressed before the RBC, based under the holding of *16 Jade Street*. The same is equally true for the issue of whether Vuong Nguyen met the standard for a “qualifier” who was “in charge of the construction company.”

If it rules against the Supreme Court, then the Court of Appeals will fall into the same trap as the Special Referee – i.e., if the Court of Appeals finds that there is somehow, someway, a secret, *unwritten* distinction contained in holding of *16 Jade Street* that allows the circuit court to go ahead and interpret the Act for a private party when it involves a *defense*, but not a claim! Such a distinction is simply not there and cannot be read into the case. S.C. Const. Art. V, § 9 (“The decisions of the Supreme Court shall bind the Court of Appeals as precedents.”); *Daniels v. City of Goose Creek*, 314 S.C. 494, 501, 431 S.E.2d 256, 260 (Ct. App. 1993) (holding where the law is unmistakably clear, the decisions of the Supreme Court bind the Court of Appeals as precedents; any modification or limiting of a Supreme Court opinion must be done by the Supreme Court).

Brown-Meihaus was a fully licensed entity in 2012, which was sufficient to solicit the McMarlin job. [R. 123-124]. Afterwards, the company became Brown Contractors.

[*Id.*] Since the testimony and evidence shows that Brown Contractors submitted its licensing paperwork to RBC in June 2012 (*before* the commencement of the project), then the LLR obviously made a ministerial mistake in failing to mail that license to Brown Contractors until January of 2013¹. [R. 640-649; 10].

This is something that the RBC – and the RBC alone – can determine. Thus, the holdings of cases such as *Lenz v. Walsh*, 362 S.C. 603, 608 S.E.2d 471 (Ct. App. 2004), *Wagner v. Graham*, 296 S.C. 1, 370 S.E.2d 95 (1988), and *Columbia Pools, Inc. v. Moon*, 284 S.C. 145, 325 S.E.2d 540 (1985), are either satisfied or are otherwise not controlling.

Because exclusive jurisdiction is invested in the RBC with appeal to the Administrative Law Judge Division [S.C. Code Ann. §§ 40-59-115, -90 and -160], the Court of Appeals simply does not have jurisdiction to challenge how a contractor obtained a license, or whether it was timely. *Id.*, 405 S.C. at 389-390, 747 S.E.2d at 773. Thus, the RBC – and it alone – has complete, exclusive and administrative control over licenses and qualifications for certificates of authorization. S.C. Code Ann. § 40-1-110(1) (2005).

The fact that Brown Contractors has had a residential homebuilders Certificate of Authority deprived the circuit court of jurisdiction. To allow the McMarlins and the Special Referee to pass over §§ 40-1-110(1) and -410, as well as *16 Jade Street*, because the case involved a ‘defense’ rather than a ‘claim,’ ignores the clear holding of valid precedent.

B. The Respondent’s Brief completely ignores Appellant’s other appeal points, which is tantamount to a confession that the appellate arguments are correct.

The Appellant raised five (5) additional appeal points beyond *16 Jade Street, LLC*:

2. The Special Referee erred in allowing the Defendants to make a damages claim when they did not prove compliance with the *South Carolina Notice and Opportunity to Cure Construction Dwelling Defects Act*, S.C. Code Ann. § 49-59-810;

¹ The LLR’s sole inquiry after receiving the application was immediately resolved. [R. 128-129].

3. The Special Referee erred in finding that the omission of the RBC license number on the Mechanic's Lien violated the S.C. Code § 29-5-15 following 53 Am. Jur.2d *Mechanic's Liens* § 235 (1996) and *Clo-Car Trucking Co. v. Clifflue Estates of S.C.*, 282 S.C. 573, 575-76, 320 S.E.2d 51, 53 (Ct. App. 1984);
4. The Special Referee also erred by adopting the IRS terms "W-2 employee" vs. "1099 subcontractor" in determining that Vuong Nyguen was not an employee under S.C. Code § 40-59-400;
5. The Special Referee made other errors of law in determining that Brown-Contractors was not licensed; and
6. The Special Referee erred in granting attorneys' fees to the Defendants.

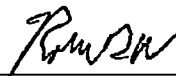
Respondent's brief, however, only addresses *16 Jade Street*. Appellant submits that the others are valid appeal questions, which the Respondents inexplicably does nothing – offering no contradiction, no analysis and no argument, whatsoever.

By failing to address the substance of the Appellant's other 5 grounds for appeal, Respondents have conceded these points to the Appellant. "If [a] respondent fails to respond to an issue in his brief, the appellate court may treat the failure to respond as a confession that the appellant's position is correct." *Turner v. South Carolina Dep't Environ. Control*, 377 S.C. 540, 547, 661 S.E.2d 118, 121 (Ct. App. 2008); 5 Am.Jur.2d *Appellate Review* § 555, at 254 (1995). To the extent they are covered at all, the Respondents use cursory and conclusory arguments which should be disregarded by the Court. *Broom v. Jennifer J.*, 403 S.C. 96, 115, 742 S.E.2d 382, 391 (2013).

CONCLUSION

For these reasons, the Court of Appeals should rule for the Appellant.

Respectfully submitted,

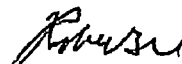


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June 29, 2020
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CERTIFICATE OF COMPLIANCE WITH RULE 211(b), SCACR

I hereby certify that this Brief complies with Rule 211(b), SCACR.



Robert B. Varnado (SC Bar # 0007085)

June 29, 2020
at Mt. Pleasant, South Carolina

**THIS OPINION HAS NO PRECEDENTIAL VALUE. IT SHOULD NOT BE
CITED OR RELIED ON AS PRECEDENT IN ANY PROCEEDING
EXCEPT AS PROVIDED BY RULE 268(d)(2), SCACR.**

**THE STATE OF SOUTH CAROLINA
In The Court of Appeals**

Brown Contractors, LLC, under S.C. Residential
Builders License No. 20378, Appellant/Respondent,

v.

Andrew Joseph McMarlin a/k/a Andrew Joseph
McMarlin and Amy Salzhauer, Respondents/Appellants.

And

Andrew McMarlin and Amy Salzhauer,
Respondents/Appellants,

v.

James Brown, IV and Brown-Meihaus Construction Co.,
LLC, Third-Party Defendants.

Appellate Case No. 2019-000513

Appeal From Charleston County
Henry W. Brown, Special Referee

Unpublished Opinion No. 2022-UP-175
Heard February 9, 2022 – Filed April 20, 2022

AFFIRMED

Robert Bratton Varnado, of Brown & Varnado, LLC,
of Charleston, for Appellant/Respondent.

Robert T. Lyles, Jr., Lyles & Associates, LLC, of
Mount Pleasant, for Respondents/Appellants.

PER CURIAM: Andrew McMarlin and his wife Amy Salzhauer hired Brown Contractors, LLC (Brown) to renovate their Sullivan's Island home. After renovations were substantially underway, the parties became embroiled in dispute, leading Brown to file a mechanic's lien. The McMarlins answered and counterclaimed, asserting claims of negligence, breach of warranty, breach of contract, and unfair trade practices. The McMarlins sought judgment against Brown and its owner, Jay Brown.

Henry W. Brown, Esquire, was appointed as Special Referee to decide the case. After a trial, the Special Referee ruled Brown's mechanic's lien and other claims were barred by S.C. Code Ann. § 40-59-30 (2011), which bars an unlicensed contractor from suing in law or equity. Turning to the McMarlins' counterclaims, the Special Referee awarded the McMarlins \$346,693.00 on all their causes of action, except their claim for unfair trade practices, as to which he entered judgment in Brown's favor. The Special Referee also ruled there was no basis to hold Jay Brown personally liable. Finally, the Special Referee awarded the McMarlins \$158,132.29 in attorney's fees. Both Brown and the McMarlins appeal.

I.

In this action at law, tried without a jury, our review is limited to errors of law, and we must affirm the Special Referee's factual findings as long as they are reasonably supported by the evidence. *Ritter & Assocs., Inc. v. Buchanan Volkswagen, Inc.*, 405 S.C. 643, 649, 748 S.E.2d 801, 804 (Ct. App. 2013).

A. Brown's Appeal

i. S.C. Code Ann. § 40-59-30

Whether Brown can enforce its mechanic's lien is governed by S.C. Code Ann. § 40-59-30(A), which states:

[A] person or firm who first has not procured a license or registered with the commission and is required to do so by law may not file a mechanics' lien or bring an action at law or in equity to enforce the provisions of a contract for residential building or residential specialty contracting which the person or firm entered into in violation of this chapter.

S.C. Code Ann. § 40-59-30(B). "South Carolina courts have held that a builder who is not licensed at the time he enters into a contract for residential construction may not bring an action to enforce the provisions of the contract." *Lenz v. Walsh*, 362 S.C. 603, 607, 608 S.E.2d 471, 473 (Ct. App. 2005); *Duckworth v. Cameron*, 270 S.C. 647, 649, 244 S.E.2d 217, 218 (1978) ("Any builder who violates the chapter by entering into a contract for home construction without obtaining the required license simply cannot enforce the contract.").

We affirm the Special Referee's ruling that, because Brown was not properly licensed, its mechanic's lien and other claims were invalid. *See Zepa Const., Inc v. Randazzo*, 357 S.C. 32, 35, 591 S.E.2d 29, 30 (Ct. App. 2004) ("An action to foreclose a mechanic's lien is a law case in South Carolina." (quoting *Keeney's Metal Roofing, Inc. v. Palmieri*, 345 S.C. 550, 553, 548 S.E.2d 900, 901 (Ct. App. 2001))); *Ritter*, 405 S.C. at 649, 748, S.E.2d at 804 ("[W]hen reviewing an action at law, on appeal of a case tried without a jury, the appellate court's jurisdiction is limited to correction of errors at law, and the appellate court will not disturb the [special referee]'s findings of fact as long as they are reasonably supported by the evidence." (quoting *Mazloom v. Mazloom*, 382 S.C. 307, 316, 675 S.E.2d 746, 751 (Ct. App. 2009))). Based on Jay Brown's and Amy Salzhauer's testimony, Jay Brown met Amy in March 2012 and offered to engage in the business of residential building with the McMarlins as early as April 2012, months before Brown applied for its residential contractor's license on June 6, 2012. We believe this solicitation alone is enough to violate § 40-59-30. The statute emphasizes that one who solicits or performs residential construction without "first" obtaining a license cannot later file a mechanic's lien or other legal or equitable action to enforce the building contract.

We therefore affirm the Special Referee's ruling that § 40-59-30 bars Brown's claims. There is no dispute Brown solicited the McMarlin job before it was licensed. We are not persuaded by Brown's arguments that the solicitation was on behalf of Brown-Meihaus, a duly licensed builder. Nor are we persuaded that we

can look past the plain language of the statute and the cases interpreting it and deem the license "issued" when Brown applied for it.

ii. Appealability of the Right to Cure Act and S.C. Code Ann. § 40-59-84 (2011)

Brown contends the Special Referee should have barred the McMarlins' claims because they were filed without first serving Brown with a notice of the claim and affording a right to cure the specified construction defects.

We question whether Brown may enforce the Right to Cure Act, as Brown was not properly licensed under § 40-59-30. The parties did not question the application of this chapter to Brown; however, we note that the statutory language of § 40-59-30 implies that an unlicensed entity may not avail itself of the Right to Cure Act. Nonetheless, even if Brown was able to avail itself of the Act, it waived its right to notice and opportunity to cure by failing to make a motion to stay the McMarlins' counterclaims.

If Brown was subject to the Right to Cure Act, we would agree with Brown that the McMarlins did not comply with the Act. *See* S.C. Code Ann. § 40-59-840 ("In an action brought against a contractor or subcontractor arising out of the construction of a dwelling, the claimant must, no later than ninety days before filing the action, serve a written notice of claim on the contractor."). However, we find Brown's rights of notice and opportunity to cure were protected by its ability to make a motion to stay the McMarlins' counterclaims until the McMarlins fulfilled the requirements of the Right to Cure Act. *See* S.C. Code Ann. § 40-59-830 ("If the claimant files an action in court before first complying with the requirements of this article, on motion of a party to the action, the court shall stay the action until the claimant has complied with the requirements of this article."); *Grazia v. S.C. State Plastering, LLC*, 390 S.C. 562, 573, 703 S.E.2d 197, 2002 (2010) ("[T]he predominant concern [of the Right to Cure Act] should be on the contractor/subcontractor's actual exercise of the rights to notice and the opportunity to cure, not *when* those rights are received."); *id.* at 573-74, 703 S.E.2d at 202-03 ("[W]e fail to discern how the rights to a pre-litigation opportunity to inspect and remedy/settle are substantially abridged when a court stays the proceedings under [§] 40-59-830, thereby granting the contractor/subcontractor the ability to explore those rights in full.").

Nonetheless, we find Brown waived its right to notice and opportunity to cure by failing to make a motion to stay the McMarlins' counterclaims. *See id.* at 569-72, 703 S.E.2d at 200-02 (providing the stay provision in § 40-59-830 applies not

only to "accidental filing situations," but also to where the claimant filed purposely before complying with § 40–59–840); *id.* at 571, 703 S.E.2d at 201 ("In construing statutory language, the statute must be read as a whole and sections which are a part of the same general statutory law must be construed together and each one given effect." (quoting *S.C. State Ports Auth. v. Jasper Cnty.*, 368 S.C. 388, 398, 629 S.E.2d 624, 629 (2006))); *Ex parte Chase*, 62 S.C. 353, 362–63, 38 S.E. 718, 724 (1901) (providing where two portions of a statute appear to be in conflict, every effort should be made to reconcile these apparently conflicting provisions and bring them into harmony). Accordingly, we find the McMarlins are entitled to their damages award despite failing to strictly comply with the Right to Cure Act.

iii. Awarding Attorney's Fees to the McMarlins

Because we find Brown's mechanic's lien was invalid and we affirm the award of \$346,693.00 to the McMarlins, we find the McMarlins are the prevailing party within the meaning of the attorney's fee provision of the mechanic's lien statute, S.C. Code Ann. § 29–5–10 (2007). *See Cedar Creek Props. v. Cantelou Assocs., Inc.*, 320 S.C. 483, 486–87, 465 S.E.2d 774, 776 (Ct. App. 1995) (finding Cedar Creek was the prevailing party under the mechanic's lien statute and entitled to attorney's fees where Cantelou cancelled its lien after Cedar Creek filed an action to dissolve the lien). Accordingly, we affirm the Special Referee's award of attorney's fees in the amount of \$133,161.00 to the McMarlins.

B. The McMarlins' Appeal

The McMarlins argue the Special Referee erred by not imposing liability on Jay Brown personally. The Special Referee's lucid order found Jay Brown did not commit any breach of contract or tort while acting in his personal capacity against the McMarlins. This finding is reasonably supported by the record. Accordingly the Special Referee did not err in refusing to impose liability on Jay Brown personally. *See* S.C. Code Ann. § 33–44–303 (2006) ("A member or manager is not personally liable for a debt, obligation, or liability of the company solely by reason of being or acting as a member or manager."); *cf.*, *Dutch Fork Dev. Grp. II, LLC v. SEL Props., LLC*, 406 S.C. 596, 606, 753 S.E.2d 840, 845 (2012) (an LLC manager may be held personally liable for tortious interference with a contract if it is determined he is acting in his individual capacity as a separate entity from the LLC).

The McMarlins alternatively contend personal liability should attach to Jay

Brown under the single enterprise theory or the doctrine of alter-ego. However, our supreme court has held the single enterprise theory is "an equitable remedy for plaintiffs whenever they have been wronged by business entities with blurred identities" and does not apply as a tool for imposing personal liability on individuals. *Stoneledge at Lake Keowee Owners' Ass'n, Inc. v. IMK Dev. Co., LLC*, 435 S.C. 109, 127, 866 S.E.2d 542, 551-52 (2021). At any rate, we do not find sufficient evidence in the record here to disregard the corporate shield of the LLC and impose personal liability on Jay Brown.

AFFIRMED.

GEATHERS and HILL, JJ., and LOCKEMY, A.J., concur.

RECEIVED

May 05 2022

SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

The Honorable Henry W. Brown
Special Referee

APPELLATE CASE NO.: 2019-000513

Brown Contractors, LLC under S.C. Residential Builders License No. 20378,
.....Appellant/Respondent,

v.

Andrew Joseph McMarlin a/k/a Andrew Joseph McMarlin and Amy Salzhauer,
.....Respondents/Appellants,

and

Andrew McMarlin and Amy Salzhauer,
.....Respondents/Appellants,

v.

James Brown IV and Brown-Meihaus Construction, LLC,
.....Third-Party Defendants.

APPELLANT/RESPONDENT’S PETITION FOR REHEARING

The Appellant/Respondent Brown Contractors, LLC (“Appellant”) submits this petition for rehearing pursuant to Rule 221(a), South Carolina Appellate Court Rules.

1. There most certainly is a dispute that Brown was licensed when he ‘solicited’ the McMarlin job – and that was through Brown-Meihaus. If the court finds that Brown-Meihaus was duly licensed builder (as it apparently does on page 4 of the opinion), then Jay Brown was part of Brown-Meihaus, as Jay Brown’s testimony clearly states. (R. p. 113). Importantly, the first contract that the McMarlins were presented with (but that they did not sign) was a Brown-Meihaus

contract with 'Brown-Meihaus' printed all over it; this shows that the Respondents were, in fact, negotiating with Brown-Meihaus.

The Court of Appeals, however, defines "Brown" as "Brown Contractors" but then seems to fall into the McMarlin's trap that they thought they (the McMarlins) were dealing directly with Jay Brown. They were not.

It was the continued, licensed existence of *Brown-Meihaus* that covers Jay Brown up through his application for a COA for Brown Contractors; he submitted his COA paperwork before any work on 1805 Flag Street began.

The only reason the Court of Appeals to say "we are not persuaded by Brown's arguments that the solicitation was on behalf of Brown-Meihaus, a duly licensed builder" is to avoid the central debate in the appeal – i.e., the impact of *16 Jade Street, LLC v. R. Design Constr. Co.*, 405 S.C. 384, 747 S.E.2d 770 (2013) ("The only consequences imposed by virtue of an individual's license are to be meted out specifically by the appropriate licensing board, not a civil court. See S.C. Code Ann. § 40-1-110(1) (2005)). This is a Supreme Court opinion and constitutionally it is one that the Court of Appeals must apply. S.C. Const. Art. V, § 9; *see also Daniels v. City of Goose Creek*, 314 S.C. 494, 501, 431 S.E.2d 256, 260 (Ct. App. 1993) (holding where the law is unmistakably clear, the decisions of the Supreme Court bind the Court of Appeals as precedents; any modification or limiting of a Supreme Court opinion must be done by the Supreme Court).

If *16 Jade Street* is applicable and a valid precedent (as the Appellant suggests), then it was up to the *McMarlins* to bring the issue of licensing before the Residential Home Builders Commission. The absence of any ruling on *16 Jade Street* is a huge hole in the opinion. Thus, for all the reasons set forth in Appellant's briefs, the Appellant submits that the Court of Appeals must rule on *16 Jade Street* and apply it to the Special Referee's ruling.

2. The Court of Appeals also ruled that “Brown waived its right to notice and opportunity to cure by failing to make a motion to stay” under S.C. Code Ann. § 40-49-830; here the Court relies on *Grazia v. S.C. State Plastering Co., LLC*, 390 S.C. 562, 569-572, 703 S.E.2d 197, 200-202 (2010). Thus, the Court of Appeals finds that Appellant’s failure allows the McMarlins to keep their damages despite failing to strictly comply with the Right to Cure Act (despite the fact that the McMarlins did not even bother to outline this position – or any position for that matter – in response to Appellant’s analysis of the Act).

In this case, a motion to stay would have made no difference, since the McMarlins had proceeded to go ahead and do the work anyway. A similar incident was the principal holding of *Andrew and Kimberly McIntyre v. Seaquest Development Co.*, 2016-CP-10-1833 (Charleston Court of Common Pleas, 2017)(Toal, J), cited by Appellants—which the Court of Appeals ended up not reaching in 2017-001270 when it ruled on the arbitration issue instead. In that decision, former Justice Toal said that any notice or stay under the Act must be obtained before the claimants engage in work; thus, any failure to take corrective action without the homeowners giving formal notice (and the right to inspect under the Act) means that the homeowners violated the Act. Consequently, the action of commencing repairs before notice is sent/received overcomes any need to make a motion stay by the builder. Again, this is what happened here.

Second, *Grazia* does not explicitly state that a builder “waives” its rights under the Act when it does not move to stay, particularly when the homeowners proceed with fixing the issues that should have been disclosed under the Act. Why should it be the duty of the builder to fix the homeowner’s failures when case is now closed, on appeal, and the homeowners fixed the problems during the pendency of the litigation?

For these additional reasons, the Court of Appeals should reconsider its decision.

3. Finally, the Court of Appeals did not rule on issues 3, 4 and 5 of the appeal, to which the Respondents did not argue against in their brief. For this reason, the Court of Appeals should reconsider its opinion based on the grounds advanced in the Appellant's briefs.

Respectfully submitted,

/s Robert B. Varnado

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May 5, 2022
Charleston, South Carolina

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May 05 2022

SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

The Honorable Henry W. Brown
Special Referee

APPELLATE CASE NO.: 2019-000513

Brown Contractors, LLC under S.C. Residential Builders License No. 20378,
.....Appellant/Respondent,

v.

Andrew Joseph McMarlin a/k/a Andrew Joseph McMarlin and Amy Salzhauer,
.....Respondents/Appellants,

And

Andrew McMarlin and Amy Salzhauer,
.....Respondents/Appellants,

v.

James Brown IV and Brown-Meihaus Construction, LLC,
.....Third-Party Defendants.

CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that a true copy of the corrected *Appellant/Respondents Petition to Reconsider* in the above referenced case has been served upon counsel of record by mailing a copy in an envelope properly addressed with postage prepaid on this date to the following or via EMAIL if so marked.

Robert T. Lyles, Jr., Esquire
Lyles & Associates, LLC
1037 Chuck Dawley Boulevard, Suite G-100
Mt. Pleasant, SC 29464

VIA EMAIL

/s Robert B. Varnado

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May 5, 2022

Charleston, South Carolina

The South Carolina Court of Appeals

Brown Contractors, LLC, under S.C. Residential
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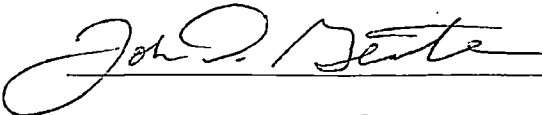
v.


James Brown, IV and Brown-Meihaus Construction Co.,
LLC, Third-Party Defendants.

Appellate Case No. 2019-000513

ORDER

After careful consideration of both the Appellant/Respondent's and Respondents/Appellants' petitions for rehearing, the Court is unable to discover that any material fact or principle of law has been either overlooked or disregarded, and hence, there is no basis for granting a rehearing. Accordingly, the petitions for rehearing are denied.


_____ J.


_____ J.

James E. Lyles

A.J.

Columbia, South Carolina

cc:

Robert Bratton Varnado, Esquire

Robert T. Lyles, Jr., Esquire

Henry W. Brown, Esquire

FILED
May 19 2022