



3366 Kurtz Street
 San Diego, CA 92110
 P.O. Box 80216
 San Diego, CA 92108
 866.662.7635

LETTER OF TRANSMITTAL

Claims TRZ
 Rec'd

Submitted Nov 7 2011

TO: HCC SURETY GROUP/ACIC
18757 Burbank Boulevard
Suite 200
Tarzana, CA 91356
 ATTN: Ms. Katherine Wee-Seo

DATE: 11/15/11
 JOB #: 05833
 JOB NAME: Craftsmen's Guild, Inc. HCCS Claims TRZ
 SUBJECT: _____ Rec'd
 SUBCONTRACTOR: _____ NOV 17 2011

Transmitted: Herewith Under Separate Cover Other _____

COPIES	DATE	DESCRIPTION
1	11/15/11	Finalized Bond Claim Report
1	11/15/11	Copy of Invoice #05833-01, previously sent 11/4 per your request.

For: Construction as noted Resubmittal Your Files and Use
 Architect's Approval Comments Signature

REMARKS: _____

Received _____ Date _____

cc: _____ Job

By C. Protow
 ROEL® Consulting Services
 Signature



3366 Kurtz Street
San Diego, CA 92110
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November 15, 2011

Via Electronic and U.S.P.S. Mail

Ms. Katherine Wee-Seo
HCC SURETY GROUP/ACIC
18757 Burbank Boulevard
Suite 200
Tarzana, CA 91356

HCCS Claims TRZ
Rec'd

NOV 17 2011

Re: Principal: Craftsmen's Guild, Inc.
Bond No.: 9033691
Claim No.: AC 35414
License No.: 507159
Claimant: Ania Mitros and Seth LaForge
RCSI No.: 05833

Dear Ms. Wee-Seo:

ROEL Consulting Services Inc. (RCSI) has investigated the allegations contained in the claim filed by Ania Mitros and Seth LaForge. The Contract was dated July 22, 2009 and the contract amount was specified at \$152,799.00. The scope of work includes renovation of an existing single family dwelling. This includes demolition and removal of existing interior plaster, replace with new drywall, installation of new kitchen cabinets and appliances, wall finish and floor finish. Plumbing, electrical and HVAC were also included.

The claimants, Ania Mitros and Seth LaForge, have filed a claim accusing the principal of causing damage to existing property as a result of the new construction that was completed by the principal, Craftsmen's Guild Inc. Debris and hazardous debris were improperly handled and not adequately removed at completion of project. The contract states that construction debris shall be removed and "premises shall be left in a neat broom clean condition".

RCSI Expert, Mark Vinyard, conducted a site visit on October 11, 2011, with the claimants.

The following items were identified, in discussions with the claimant and review of documentation, as being deemed as non-compliant with contract specifications and industry standards for good and workmen like construction.

1. Home was built in the 1930's and existing interior walls were painted with lead based paint.
2. Demolition was not conducted with proper draping. Claimant states that the principal deposited construction debris directly on bear soil in the back yard.
3. Newly installed duct work was not sealed during demolition. Dust had accumulated in the duct system.
4. The principal removed debris from the yard using a small Bobcat loader. Some of the debris was mixed into ground soil in this process.
5. The claimant states that they have collected and disposed of a considerable amount of littered debris after the job was completed.
6. Pieces of removed plaster and other debris remained over an area of 1900 square feet of yard.
7. Claimant has tested littered debris for lead content using a household test kit. Results were positive. .
8. Claimant has retained the services of LaCroix Davis to assess potential lead hazards and recommend abatement procedure. Samples were collected from the duct system and soil in yard area for laboratory testing. The report stated that a lead hazard was identified in dust samples from the duct system. The soil was within acceptable limits; however test is based on small particle samples and does not focus on larger pieces of debris where a higher concentration of lead is. Large pieces of plaster with lead paint are considered more of a child hazard as they are more commonly ingested. LaCroix Davis received \$2,981.10 per its invoicing.
9. Claimant has hired Renaissance Painting Co. for removal of contaminated soil and cleaning of duct system. Work was completed in December of 2010 for the sum of \$7,650.00.

The principal, Craftsmen's Guild Inc. was contacted on October 6, 2011 and they advised that the case was to be decided in arbitration. They would only comment that test results for lead had come back negative. Principal has provided a letter dated October 17, 2011. In the letter he states that lead levels found in ducts are due to demolition carried out by the claimant after they had left the job. Claimant states that only carpet was removed from the second floor.

RCSI Opinion: The Principal failed to maintain the site to industry standards. This is a departure in material respect for good and workmen like construction. Lead based paint was widely used in homes of this vintage.

When demolition is conducted in an older home, the contractor must be aware of the potential presence of hazardous materials. In this case the plaster to be removed was coated with lead-based paint. The EPA publishes special procedures for the removal of this kind of material. With or without the presents of hazardous material, it is common practice to deposit construction debris into a container or at very least provide a ground

Ms. Katherine Wee-Seo
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cover to avoid any potential contamination. Precautions should be taken to assure that all debris is properly and safely removed. Material that is deposited directly on loose soil and removed with machinery (especially in moist conditions) can be mixed and concealed.

Below listed invoicing appears to be fair and reasonable for the associated work authorized by the claimant.

LaCroix Davis LLC Invoice	\$ 2,981.10
San Francisco Renaissance Paint Co.	7,650.00
Adjusted Contract Amount	\$ 145,861.00
Change Orders	<u>39,138.00</u>
Adjusted Contract Amount	184,999.00
Paid to date Amount	- <u>184,999.00</u>
Remaining Balance	0.00
LaCroix Davis LLC	\$ 2,981.10
San Francisco Renaissance	<u>7,650.00</u>
Damages	\$ 10,631.10

Please call or email with any questions or comments.

Sincerely

ROEL Consulting Services Inc.

Mark Vinyard ICP

Mark Vinyard
Combination Inspector ICC
707-535-9466
mgvinyard@yahoo.com

Enclosure: Photo Report

CC: RCSI, Attn: E.Ulibarri
file



Date Taken: 10/19/2011 Photo ID: MGVD001 10-19-11 - 125
Front overview.



Date Taken: 10/19/2011 Photo ID: MGVD001 10-19-11 - 126
Address verification.



Date Taken: 10/19/2011 Photo ID: MGVD001 10-19-11 - 127
Condition in attic.



Date Taken: 10/19/2011 Photo ID: MGVD001 10-19-11 - 128
Rear overview.



Date Taken: 10/19/2011 Photo ID: MGVD001 10-19-11 - 129
Yard and front porch.



Date Taken: 10/19/2011 Photo ID: MGVD001 10-19-11 - 130
Condition at driveway.



Date Taken: 10/19/2011 Photo ID: MGVD001 10-19-11 - 131
Address verification end.