

STATE OF MINNESOTA  
Department of Labor and Industry

In the Matter of Suchil Drywall LLC and Leticia  
Jimenez-Rebolledo, individually

**LICENSING ORDER  
WITH PENALTY**

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**I. ORDER**

The Commissioner of the Minnesota Department of Labor and Industry (“Commissioner”) issues this Order to Suchil Drywall LLC and Leticia Jimenez-Rebolledo, individually (“Respondents”).

Pursuant to Minn. Stat. § 326B.701, subd. 6; 326B.082, subd. 12 (b); and 326B.083 (2014), the Commissioner hereby assesses against Respondents, jointly and severally, a monetary penalty of \$4,000.

Pursuant to Minn. Stat. § 326B.082, subds. 11(b) and 12 (2014) and Minn. Stat. § 326B.083 (2014), the Commissioner hereby revokes Respondents’ Contractor Registration, No. IR669870.

Pursuant to Minn. Stat. § 326B.082, subd. 12 (b) (2014), the Commissioner also hereby orders Respondents to cease and desist from performing public or private sector commercial or residential building construction or improvement services for which registration in the Minnesota Construction Contractor Registration Program (“Registration Program”) is required.

Pursuant to Minn. Stat. § 326B.082, subd. 11(a) (b)(5) (2014), the Commissioner also hereby orders Respondents to cease and desist from registering in the Registration Program under the business name Suchil Drywall LLC or any other business name.

The Commissioner takes the above action based upon the following Findings of Fact and Conclusions of Law:

**II. FINDINGS OF FACT**

1. Respondents are engaged in the business of providing building construction or improvement services. On July 11, 2013, Respondent Suchil Drywall LLC (“Suchil”) registered in the Registration Program and was assigned No. IR669870. This registration expired on December 31, 2015.

2. In its registration, Suchil asserted that it is owned by just one individual, Respondent Letitia Jimenez-Rebolledo, and that she completed the registration on Suchil's behalf.
3. As a registered construction contractor, Respondents must adhere to the Minnesota statutes and regulations governing Contractor Registration and the classification of workers in the building construction industry, Minn. Stat. §§ 181.723, 326B.701, and 326B.081 to 326B.085 (2014) and Minn. R. Chapter 5224 (2015).
4. In August 2014, the Minnesota Department of Labor and Industry ("Department") opened an investigation of Respondents based on information provided by a consumer that indicated Respondents may have engaged in violations of the Minnesota statutes and rules governing worker classification in the building construction industry in 2013.
5. As a result of that investigation, the Department issued a Licensing Order to Suchil alleging that Suchil paid the following persons for the performance of building construction or improvement services on Respondent's behalf and treated them as independent contractors even though they were not licensed by the Department or registered in the Registration Program at the time they performed construction services on Suchil's behalf: Enri De Los Angeles Hernandez, Jair De Jesus Perez Mata, Demetrio Rendon Guierrez and Valentin Galeana Galeana.
6. As a result of a review of the records of White Drywall LLC, the Department opened an investigation of Respondents on June 13, 2016 based on information that indicated Respondents may have engaged in violations of the Minnesota statutes and rules governing worker classification in the construction industry.
7. On June 23, 2016, a Department investigator served Respondents with a subpoena duces tecum that required Respondents to provide information regarding the contractors for which Respondents had performed building construction or improvement services as well as Respondents' own independent contractors and employees.
8. Based on a review of Respondents' answer to the subpoena, the Department determined that between October, 2014 and December 31, 2015, Respondent paid the following persons for the performance of building construction or improvement services on Respondent's behalf and treated them as independent contractors even though they were not licensed by the Department or registered in the Registration Program at the time they performed construction services on Respondents' behalf: Valentin Galeana Galeana, Anastacio Rendon Rosas, Jair De Jesus Perez Mata, Demetrio Rendon Gutierrez, LC Remodeling Services LLC, and Enri De Los Angeles Hernandez.
9. The Department's review of the information provided by Respondents in 2014 and 2016 and additional information currently available found that Valentin Galeana Galeana, Jair De Jesus Perez Mata, Demetrio Rendon Gutierrez did not exist; nor did the employer identification numbers listed for each on IRS Forms 1099 issued by Respondents for 2013 or 2014.
10. The Department determined that Respondents' relationships with the persons they identified as independent contractors failed to meet the factors required by Minn. Stat. § 181.723 subd. 4(a) and (b) (2014). Consequently, Respondents misclassified employees as independent contractors.

### III. CONCLUSIONS OF LAW

1. Respondents hired persons who were neither licensed by the Department nor registered in the Registration Program to provide construction services on Respondent's behalf and treated them as independent contractors in violation of Minn. Stat. § 326B.701, subd. 5(b)(2) (2014).
2. Respondents misclassified employees as independent contractors in violation of Minn. Stat. § 181.723 subd. 4(a) and (b)(2014).
3. Respondents provided false or misleading information to the Commissioner in violation of Minn. Stat. § 326B.082, subd. 11(b)(2).

### IV. DETERMINATION OF PENALTY AMOUNT

In determining the amount of the penalty, the Commissioner considered: the extent of deviation from compliance; whether the violations were willful; the gravity of the violations; the number of violations; whether there is a history of past violations; whether Respondent gained economic benefit in not complying with the law; and other factors as justice may require.

### V. REQUEST FOR HEARING

Pursuant to Minn. Stat. § 326B.082, subd. 12(c) (2014), Respondents shall have 30 days after issuance of this Licensing Order to request a hearing. A request for hearing must be in writing and must be served on or faxed to the Commissioner at the following address or fax number by the deadline.

Minnesota Department of Labor and Industry  
CCLD - Enforcement Services Unit  
Attention: Charlie Durenberger  
443 Lafayette Road North  
St. Paul, MN 55155

Fax number: (651) 284-5746

The date on which a request for hearing is served by mail shall be the postmark date on the envelope in which the request for hearing is mailed. If the request for hearing is served by fax it cannot exceed 15 pages in length and must be received no later than 4:30 p.m. central time on the last day permitted for serving a request. Respondents' review rights are more thoroughly described in Minn. Stat. § 326B.082, subs. 4 and 12(c) (2014).

If Respondents submit to the Commissioner a timely request for hearing, this Licensing Order shall be stayed unless otherwise ordered by a judge, and a contested case hearing will be conducted. The contested case procedures are set out in chapter 14 of the Minnesota Statutes, and the Rules of the Office of Administrative Hearings, Minn. Rules 1400.5010 to 1400.8400 (2015), and Minn. Stat. § 326B.082, subd. 12(c) (2014). These materials may be purchased from the Minnesota Book Store, telephone (651) 297-3000, and are also available at [www.revisor.mn.gov](http://www.revisor.mn.gov).

## VI. EFFECT OF FINAL ORDER


If Respondents do not request a hearing or Respondents' request for a hearing is not served on or faxed to the Commissioner by 30 days after issuance of this Licensing Order, this Licensing Order shall become a final order of the Commissioner and will not be subject to review by any court or agency. *See* Minn. Stat. § 326B.082, subd. 12(c) (2014).

Respondents are prohibited from registering in the Registration Program for at least two years after the date this Licensing Order becomes final.

The monetary penalty assessed against the Respondents by this Licensing Order is due and payable on the date the Licensing Order becomes final. *See* Minn. Stat. § 326B.083, subd. 3(a) (2014). When this Licensing Order becomes final, the Commissioner may file and enforce any unpaid portion of the penalty as a judgment in district court without further notice or additional proceedings. *See* Minn. Stat. §§ 16D.17 (2014) and 326B.083, subd. 2 (2014). Failure to pay a monetary penalty owed may result in the revocation, suspension, or denial of any or all licenses, permits, certificates, and registrations issued by the Commissioner. *See* Minn. Stat. § 326B.082, subd. 17 (2014). Also, pursuant to Minn. Stat. § 16D.13 (2014), Respondent is hereby notified that thirty (30) days after the date this Licensing Order becomes final, simple interest computed in accordance with Minn. Stat. § 16D.13, subd. 2 (2014) will begin to accrue on the unpaid portion of the penalty.

Dated: 10/10/16

KEN B. PETERSON  
Commissioner

BY:   
CHARLIE DURENBERGER  
Director of Licensing and Enforcement  
Construction Codes and Licensing Division  
Department of Labor and Industry