

STATE OF MINNESOTA
Department of Labor and Industry

In the Matter of the Construction Contractor
Registration of Two Lakes Roofing LLC and
Marco Sanchez, Individually

**LICENSING ORDER
WITH PENALTY**

I. ORDER

The Commissioner of the Minnesota Department of Labor and Industry (“Commissioner”) issues this Order against Two Lakes Roofing LLC and its principal, Marco Sanchez (“Respondents”).

Pursuant to Minn. Stat. §§ 181.723, subd. 4(a) (1); 326B.082, subd. 12(b); and 326B.083 (2016), the Commissioner hereby assesses against Respondent Two Lakes Roofing LLC a monetary penalty of \$3,000.

Pursuant to Minn. Stat. §§ 326B.082, subds. 11(b) and 12, and 326B.083 (2016), the Commissioner hereby suspends the construction contractor registration of Respondent Two Lakes Roofing LLC, No. IR692106, until such time that Respondents provide a complete response to the Commissioner’s June 21, 2018 subpoena and subsequent requests for documentation, and pay the monetary penalty assessed above.

Pursuant to Minn. Stat. § 326B.082, subd. 12 (b) (2016), 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 Construction Contractor Registration Program (“Registration Program”) is required until full compliance with this Licensing Order is achieved, including the submission of a complete response to the Commissioner’s June 21, 2018 subpoena and payment of the monetary penalty assessed above.

Pursuant to Minn. Stat. § 326B.082, subd. 11(a)(b)(5) (2016), the Commissioner also hereby orders Respondents to cease and desist from registering in the Registration Program under the business name Two Lakes Roofing 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 and hold a construction contractor registration, No. IR692106, issued by the Commissioner on March 26, 2015 under the name Two Lakes Roofing LLC. The registration expired for the periods January 1, 2016 through July 14, 2016 and again on January 1, 2018.
2. In its registration, Respondent Two Lakes Roofing LLC disclosed that it is owned solely by Marco Sanchez and that its business address is 6806 – 63rd Avenue North, #304, Brooklyn Park, MN.
3. According to the records of the Minnesota Secretary of State, Two Lakes Roofing LLC was filed as a Minnesota limited liability company on January 13, 2015 with a registered office address at 6806 – 63rd Avenue North, #304, Brooklyn Park, MN. The business registration was terminated March 1, 2017.
4. As a registered construction contractor, Respondents must adhere to the Minnesota statutes and regulations governing Contractor Registration and construction worker classification, Minn. Stat. §§ 181.723, 326B.701, and 326B.081 to 326B.085 (2016) and Minn. R. Chapter 5224 (2015).
5. As a result of a review of the records of Northrup Inc. the Minnesota Department of Labor and Industry (“Department”) opened an investigation of Respondents on June 11, 2018 to determine whether Respondents had engaged in violations of the statutes and rules governing the classification of workers in the construction industry and to identify the true business entity.
6. On June 21, 2018, a Department investigator mailed a subpoena duces tecum via first-class and certified mail to Respondents at the Brooklyn Park address it provided in its registrations.
7. The subpoena required the production of documentation relating to Respondents’ subcontractors, contractors, and employees. Both the subpoena sent via certified mail and first-class were returned marked “Unclaimed” by the United States Postal Service (“USPS”).
8. On July 11, 2018, the Department investigator mailed a subpoena duces tecum via first-class and certified mail to Respondents at the address shown on the records of Northrup Inc.: PO Box 290067, Brooklyn Park, MN.
9. The subpoena required the production of documentation relating to Respondents’ subcontractors, contractors, and employees. Both the subpoena sent via certified mail was returned marked “Unclaimed” by the USPS. The first-class letter was not returned.
10. On August 16, 2018 the Department investigator mailed a second request for a response to the subpoena.

11. Both the subpoena and supplemental request for information required a response from Respondents within 30 days of the Commissioner's service of the same.
12. The Commissioner has received no reply from Respondents as of the date of this Order

III. CONCLUSIONS OF LAW

1. Respondents committed violations of applicable law. Minn. Stat. §§ 181.723 (2016) and 326B.082, subd. 11 (b)(1) (2016).
2. Respondents failed to comply with a subpoena and subsequent request for information from the Commissioner. Minn. Stat. §§ 326B.082, subs. 2(b) and 11(b)(6) (2016).

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 Respondents 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) (2016), Respondent 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) (2016).

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) (2016). These materials may be purchased from the Minnesota Book Store, telephone (651) 297-3000, and are also available at www.revisor.mn.gov.

VI. EFFECT OF FINAL ORDER

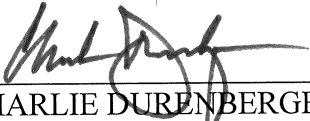
If Respondents do not request a hearing or Respondents' request for a hearing is not served on or faxed to the Commissioner by 30 days after issuance of this Licensing Order, this Licensing Order shall become a final order of the Commissioner and will not be subject to review by any court or agency. *See* Minn. Stat. § 326B.082, subd. 12(c) (2016).

Respondents are prohibited from applying for reinstatement of their contractor registration until full compliance with the terms of this Licensing Order is achieved, including the submission of a complete response to the Commissioner's June 21, 2018 and the July 11, 2018 subpoenas and subsequent requests for information, and payment of the \$3,000 monetary penalty assessed in this Order.

The monetary penalty assessed against the Respondent Two Lakes Roofing LLC by this Licensing Order is due and payable on the date the Licensing Order becomes final. *See* Minn. Stat. § 326B.083, subd. 3(a) (2016). 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 (2016) and 326B.083, subd. 2 (2016). 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 (2016). Also, pursuant to Minn. Stat. § 16D.13 (2016), 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 (2016) will begin to accrue on the unpaid portion of the penalty.

Dated: 9/25/18

KEN B. PETERSON
Commissioner

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