1800 Santa Isabel, Urb. El Pilar
San Juan, PR 00926
May 30, 2012

City of Rapid City City Council
300 Sixth Street
Rapid City, SD 57701

Dear Hon. Sam Kooiker, Councilpersons Brown, Doyle, Laurenti, Nordstrom, Davis, Wright, Mason, Roberts, Petersen, and Sasso:

I am writing regarding the appeal filed by Jason Barnum of the revocation of his residential contractor license. Mr. Barnum has addressed the various complaints that were filed against him before the Board, including mine regarding a property that my husband and I own located at 4320 West Main, unit #19B. Since I live out of state, I am requesting to address the council in writing; however, my sister, Kathy Reichert, may attend the meeting on June 4, 2012, and address the council on my behalf.

I am attaching for your reference my complaint which was filed with the residential contractor licensing board. Below is my point by point reply to Mr. Barnum's appeal to this council as it pertains to my property. His contentions are highlighted in yellow; my responses follow.

In short, Mr. Barnum's method of doing business seems to be to make a low bid, obtain a deposit, perform some work, and then begin to make excuses, delay completion, ask for additional funds, and then disappear. He does not pay his subcontractors, leaving them to proceed against the property owners, even though their fees were already charged to the homeowners. He claims to be licensed and insured, but is neither; he also uses unlicensed subcontractors and does not obtain the permits required by the city building code. These were common threads in the homeowner stories told to the residential contractor licensing board. Mr. Barnum is unprofessional and engages in fraudulent business practices; he is a disgrace to the construction profession in Rapid City and his license should certainly not be reinstated. In fact, the city attorney should investigate him on behalf of the citizens of Rapid City and surrounding communities.

Thank you for your attention to this matter. Sincerely,

Susan Besancon

On to 4320 #19B West Main address, the home owner is Susan Bascon.

My name is Susan Besancon.

Ms. Bascon hired me to do painting, general handyman improvements and replace two doors. Ms. Bascon paid for half of the services up fronts so materials could be purchased to proceed with the job.

Check #8830 in the amount of $2,475 was issued to Mr. Barnum on March 31, 2012; the same was paid by the bank on which it was drawn (Banco Popular de Puerto Rico) on April 3, 2012.

I got into the job realized there were other things which would require a licensed plumber, which would need to be subcontracted. I asked Ms. Bascon for funds to cover these services; the bank put this check on hold.

Check #8831 in the amount of $2,574.00 was given to Mr. Barnum by my sister, Kathy Reichert, on April 17, 2012, as per Mr. Barnum's request so he could pay his subcontractor. This check was paid by the bank on which it was drawn on April 18, 2012. Thus, Mr. Barnum has been paid in full as per our contract, but did not complete his work nor deliver the doors. Further, it should be noted that although Mr. Barnum was advanced his second payment (due upon completion of work) in order to pay his plumber, he did not do so, resulting in his plumber making a demand for payment against me and placing a mechanics' lien on my property. Also, apparently this plumber hired by Mr. Barnum is not actually a licensed plumber; his name does not appear on the list of plumbers licensed by the City of Rapid City or the State of South Dakota.

I did not know how much the plumbers or other subcontractors which would have to be brought in would charge as there was also some electrical issues which required a licensed electrician.

Interesting admission by Mr. Barnum; see last sentence of his statement below, wherein he states that "there were no electrical changes". In fact, it was Mr. Barnum that proposed changing all of the outlets in the unit and then hired a worker who was not a licensed electrician to perform the work, and failed to obtain a permit to do the work as required by the city code.

Ms. Bascon agreed after providing the second check she would be billed for the difference in the end; she agreed.

At the time, yes; however, this agreement was modified between the parties as detailed below.

I received the check from the homeowner's sister, as Ms. Bascon was in Puerto Rico. I informed the homeowner through text message that the check was put on hold and the homeowner stated sometimes banks do not understand that Puerto Rico is actually part of the United States. I stated to the homeowner with the funds being placed on hold it would limit my ability to continue moving forward with the job but I would do my best to move the job forward with limited funds. The homeowner said nothing other than then asking me what progress had been made.

On April 17, Mr. Barnum requested via text "Ok heres my proposal if you would have Kathy give me u that second payment she has I will pay the plumber when hes done and I will also by elect if need and we will wont charge for ac install and changing the outlets I ask for this cause I under bid myself abit which is my fault I got a little better stuff than estimated and then u can just by me for plumber when I am done let me know thanks" I replied "No problem. She has the check – just told me it arrived yesterday." The check was delivered to Mr. Barnum later that day. The check was paid by my bank the following day – April 18, 2012. Therefore, any hold on the funds was placed by Mr. Barnum's bank, not mine. At that time, Mr. Barnum had represented to me that all work except for the plumbing and door installation was complete; he further represented that the doors were ready and would be installed by April 19. On the 19th, Mr. Barnum's excuse for not finishing the work was that it was raining; no further claims about lack of funds were raised.

Ms. Bascon would text me up to three times day some days, asking me what the progress was taking away time that needed to be spent on the job, I was then to install doors, however the weather prohibited this, the homeowner was informed of this, I was contacted a couple of days later by another handyman service that he was hired to take over the job.

Most of my communication with Mr. Barnum was via text message, as I live in Puerto Rico and was not in Rapid City to personally oversee the job. I sincerely doubt that receiving three text messages a day hindered Mr. Barnum in the completion of his work. At this point he had consistently failed to meet his promised dates for the completion of work and should not have been surprised by my inquiries as to the status of the work.

On April 23rd, I was apprised by my realtor, who went by the property to inspect the work as per my request, of the true status of the situation. Mr. Barnum's next excuse for not finishing the work was that he was sick in bed, but his foreman was working on it. On April 25th, my

sister requested the help of a friend of hers, who is a licensed electrician, and he found serious deficiencies in the electrical work being performed at the property. Accordingly, they informed the city inspector, who issued a stop work order. That evening, I informed Mr. Barnum to perform no further electrical work in the condo and to deliver the doors, or return my second payment, immediately. He did neither.

I hired a new contractor, Clayton Kelly, who began work on April 28. He contacted Mr. Barnum, who initially offered to deliver the doors to Mr. Kelly, and even cover the cost of installation by Mr. Kelly; however, Barnum failed to deliver the doors and ceased all communications with Mr. Kelly and myself.

I said thank you for the information as I decided not to have a conversation with the other handyman, I immediately e-mailed the homeowner asking her if there was a way this could be worked out and settle it.

This statement mischaracterizes what happened. In fact, he had several conversations with Mr. Kelly, during which they discussed Barnum giving the doors to Kelly for installation. I replied to Mr. Barnum, asking when he would deliver the doors. He replied that he has spoken to Clayton Kelly and would deliver the doors the following week for Clayton to install. He never delivered the doors, and stopped responding to the phone calls of Mr. Kelly and myself.

The homeowner filed a complaint with Angie's List, the Better Business Bureau and the South Dakota Attorney's General Office Consumer Protection and also with the City of Rapid City. I e-mailed the homeowner which agency she would like me to work with on settling this issue. The homeowner's response was settle or court, never informing me of which agency she would like me to work with.

A complaint was filed with the SD Attorney General's Office, Division of Consumer Protection on April 28, 2012. To my knowledge, Mr. Barnum has not replied to said complaint.

A complaint was filed with the Better Business Bureau on April 28, 2012. It was assigned complaint #300079319. Mr. Barnum has been notified twice of the complaint and as of May 28, 2012, has not responded.

A complaint was filed with Angie's List on April 30, 2012. It was assigned case ID 31615. Mr. Barnum was given until May 15 to reply; he did not, and as a result was placed in their "penalty box" on May 17, 2012.

My complaint was sent to the Residential Contractor Board on May 2, 2012, for consideration at their May 10 meeting; the results of that meeting are subject of this appeal.

I informed Mr. Barnum that he could select any of the above-mentioned dispute resolution proceedings; he chose none of the above. I also informed him he could settle directly with me, which he has chosen not to do. He leaves me no alternative but litigation. Mr. Barnum's contention that he does not know what to do to resolve our dispute is ridiculous; he has made no efforts whatsoever to resolve the matter.

The homeowner, Susan Bascon, had her sister at the meeting. She stated the plumber I had hired had not performed his job correctly and the electrical was not done to code even though there were no electrical changes.

Since I live in San Juan, Puerto Rico, my sister, Kathy Reichert, who lives in Rapid City, and my brother, Bill Besancon, who was in town, attended the meeting of the Residential Contractor Board on May 10, and my sister spoke on my behalf.

I hired Clayton Kelly to finish the work that I had already paid Mr. Barnum to perform. I paid Mr. Kelly $812.68. I also paid Rothenberger Plumbing $71.43 to correct and finish the work performed by Mr. Barnum's plumber. I also paid Conrad Electric $556.27 to correct and finish the work agreed to be performed by Mr. Barnum. Additionally, I need to pay $357.00 to Mr. Barnum's plumber, as he was never paid by Mr. Barnum (despite the fact that the need to pay this plumber was the reason for Mr. Barnum requesting my second payment before completion of the work). An additional $143.10 was paid to K&D Appliance to finish the installation of the range hood agreed to be performed by Mr. Barnum. Finally, $84.37 was paid to Harvey's Lock for new knobs/locks for the doors (included in the cost of the new doors quoted by Mr. Barnum). These sums total **$2,024.85.**

Additionally, Mr. Barnum never delivered or installed the custom doors for which he was <u>paid in full</u>. I do not believe that Mr. Barnum ever actually ordered the custom doors which he charged me for. I have received two estimates from other contractors for the doors and their installation; the lower of the estimates is for $3,251.93.

Therefore, by my estimation, Mr. Barnum owes me $2,024.85 **plus delivery of the doors** and $600 for their installation, for a total of **$2,625**, or, if he cannot deliver the doors, a total of **$5,276.75**, which includes the cost of me obtaining the doors from another source and having them installed.

This sum has been informed to Mr. Barnum, as well as Angie's List, the BBB and the SD State Attorney General's Division of Consumer Protection.

1800 Santa Isabel
Urb. El Pilar
San Juan, PR 00926
May 2, 2012

City of Rapid City
Residential Contractors Board

To Whom it May Concern:

I am writing to inform you of my experience with Jason Barnum Home Improvements, LLC, headed by Jason Barnum, who represents himself as a contractor who is insured and licensed by the city of Rapid City.

Summary

Jason Barnum was paid $5,049 to complete various projects at the condominium unit I own. While some of his work was completed satisfactorily, much of it was improperly completed and has required me to hire other contractors, plumbers and electricians to finish work that he was already paid to perform or repair damage caused by his work. Most importantly, he has failed to deliver and install two exterior doors which were characterized by him as "the most expensive part of the project". He has, for the most part, failed to respond to attempts to communicate with him – via telephone, text message and e-mail – only sending two e-mail replies stating that he "wants to resolve the matter" but taking no action to do so.

Background

My husband and I own a property located at 4320 W. Main St., unit 19B, in the Village Green condominium complex in Rapid City. We purchased this property about 15 years ago for my mother to live in. Since she moved to a nursing home in December, 2011, we decided in February, 2012, to sell the unit. After one month on the market, we decided to invest in some home improvements to make the unit more attractive for sale.

I traveled to Rapid City in March, 2012 to begin the improvement process. I met with Jason Barnum on March 30 to review the work that I was interested in having done; he returned with a written proposal the following day and we signed a contract, a copy of which is attached.

To summarize, Jason agreed to do the following work for $5,074.00, $2,500.00 to be paid at the same of signing and $2,574.00 to paid upon completion:

1. install new boards on deck and stain or waterproof as needed
2. repair all wall and ceiling cracks
3. replaster living room wall where wallpaper was removed (by me)
4. prime and paint all walls (except kitchen) and ceiling
5. install wall board in both bathrooms (to cover up wallpaper) and on the back of paneled kitchen cabinets (facing dining room)
6. replace vanity, sink and faucet in upstairs bathroom
8. replace sink and faucet in downstairs bathroom
9. replace toilets in both bathrooms
10. install new ceiling fixtures throughout unit
11. install new front entry door and patio sliding door

I wrote a personal to check to Jason for $2,500 that same day; it was deposited by him and cleared.

It was impressed upon Jason that time was of the essence because the unit was "off the market" while the renovations were ongoing, and we needed to sell it as quickly as possible as we were incurring expenses (condominium fees and taxes) with each month the unit remains unsold. Jason was also aware that my sister, Kathy Reichert, would be my "contact person" in town, as I live out of state. Finally, Jason was aware that I had already purchased new carpet for the entire unit and the same was scheduled for installation the first week of April.

Jason told me that he would complete the work by Monday, April 16. Accordingly, I rescheduled the carpet installation for April 17-18, because I wanted the construction work to be completed before the new carpet was installed, and conveyed that wish to Jason.

Jason and his employees began work immediately, working on the deck. Significant progress on the deck was made before I left town on April 4. Before leaving, I asked Jason to do some additional work; he agreed to do so and let me know the additional cost. I decided to replace most of the kitchen appliances, and asked Jason to install the dishwasher and range hood, as well as an air conditioner. He informed me that the dishwasher would require a plumber and the range hood would require an electrician.

On Wednesday, April 11, I wrote Jason asking for an update and a confirmation that he would be done by Monday, April 16. He replied that he was "on track" and suggested installing new electrical outlets and switches because it would look nice with the new paint. I agreed, and asked what he had done so far and whether he would be working over the weekend. He replied

that the deck was done, all patching done, the back of the kitchen cabinet was paneled, old ceiling fixtures had been removed, and that they were painting. He also informed me that they had decided to remove the bathroom wallpaper and texture and paint it instead of paneling it. He further stated that the doors would be installed as soon as the painting was done, and that his plumber was coming over to install the dishwasher. He stated that it looked like the doors would be installed on Friday (April 13).

Jason's plumber encountered some problems with the installation of the dishwasher, as well as the bathroom work, due to the existing pipes; he informed me there would be some additional plumbing charges. He later informed those to be $408.

On April 12, Jason wrote indicating that the plumber would give him his estimate that afternoon and warning that he didn't think they would finish by Monday the 16th, that he might need until the 19th, and would let me know in the morning.

Jason did not finish by April 16 as promised. He told me that he needed a few more days and would definitely be done by April 19. Accordingly, I re-scheduled the carpet installation for April 20. He also told me that he needed me to advance the second and final payment so that he could pay his subcontractors (plumber and electrician), and in exchange for doing so, he would not bill me anything for the additional work that he verbally agreed to do. I agreed to do so, and my sister, who had the check in her possession, delivered it to Jason. The check was deposited and cleared.

On April 17, Jason informed that the doors would be installed on the 18th, that they were "real nice" and he didn't want his workers to damage them so he wanted to install them last.

On April 20 Jason informed me that almost everything was done, but that there was a problem with the doors because the frame was manufactured incorrectly so that the doors opened the wrong way. He told me it would be fixed by Monday, and the doors would be installed then, on Monday, April 23. He also assured me that before he left on Friday, all the other work besides the doors would be completed. He said he would be "100% done" by Monday.

The doors were not installed on April 23 as promised. My realtor went by the unit to take photos of the newly renovated unit for the online posting and reported that there were many things left to do – by her estimation, at least 3 days of work. She sent me photos documenting her observations. I wrote to Jason, asking him what was the status of the work; he replied that "there was small stuff", he was "trying", and asking if he was supposed to paint the kitchen ceiling. I asked why everything but the doors was not done, as he had told me on Friday it would be, why the doors were not installed, and what was the problem with the paint. He replied that he was sick with the flu but his foreman Greg was "working on things" and he would text me an

update in the evening. He also said he was looking into the paint issue. I never received an evening update.

On April 24, I wrote to Jason and asked when the doors would be installed, what was the problem with the paint, and when the work would be done. He replied that he wasn't sure what the paint problem was, but that he would consult a paint expert and would have to add a coat of paint. He further said that he hoped the doors would be installed that same day, and that all work would be done by Friday morning.

On April 25, I wrote to Jason asking how it was going; he replied "good". I wrote again asking for an update; there was no reply.

My sister went to the condo mid-day and found Jason's subcontractor, Henry (who is also his brother-in-law), attempting to fix the 3-way switch that he installed. He told Kathy that he did not know how to do so, but that he was doing his best and would go home and study the matter and return the next day to finish. She found that no other work had been done. She became suspicious about the electrical work being performed and asked a friend, who works with Black Hills Power and Light, to come and take a look at it. He, in turn, asked another electrician from Conrad Electric to accompany him. They discovered that the electrical work was not properly done and characterized the same as dangerous and in violation of the building code. They also told Kathy that this type of work requires a permit from the city. They agreed to fix the improperly done work and to install the range hood.

Accordingly, I wrote to Jason that evening, instructing him to do no further electrical work. I further instructed him to either install the doors or refund the second payment I had made to him by 4:00 p.m. the following day, Friday. I sent him a text message, alerting him to my e-mail. He did not deliver the doors or a refund.

On April 26, I wrote to Jason asking "where are the doors"? No reply was received. That same day, Kathy contacted the city licensing board to inquire about filing complaints.

On April 27, I contacted two other contractors for door estimates. That evening I received a reply to my email of 4/25, wherein Jason states that he "doesn't want anymore problems" and that he is "more than willing to still install" the doors or arrange for them to be delivered to the condo." I replied the next day asking "when will the doors be delivered?"

On April 28, I wrote to Jason asking "where are the doors?" No reply was received. My new contractor met my sister at the condo that day and began work.

On April 29, I wrote to Jason indicating that since he was not responding to my communications I assumed he would neither finish his work nor deliver the doors, and that I would therefore hire someone else to finish the work and file an action against him to recover my costs. That evening I received an e-mail from Jason indicating that he has spoken to the new contractor and that he would deliver the doors to him for the new contractor to install. I replied, asking whether Jason would be reimbursing the new contractor for his installation costs. Subsequently, I spoke to the new contractor, who told me that Jason had told him that he would deliver the doors for him to install on Thursday and would cover his expenses.

On April 30, I wrote to Jason, via both text message and e-mail, asking him to deliver the doors to the condominium that same day (Monday) so that the new contractor could make sure he had everything he needed to begin installation on Wednesday. He did not reply to my text message or email, nor did he answer my phone call. Nor did he answer calls from the new contractor. I called several places in Rapid City; I only found one manufacturer of residential exterior doors and they had no record of an order being placed by Jason Barnum. The new contractor had already contacted Knecht's; they also have no record of an order placed by Jason Barnum. He has declined to reveal to either the new contractor or to me where he ordered the doors from.

On May 1, I received an e-mail reply from Jason, stating that he had gotten several reviews and complaints online and wanted to resolve our issues, asking me to respond to his e-mail so that we could come to an agreement. I replied:

> "I have responded. You are the one who has not responded. If you wanted to achieve a resolution you would have delivered the doors yesterday, answered the phone when I called, or responded to my emails or text messages. I'm done with your excuses."

I have not heard anything more from Jason. The new contractor has not heard anything from Jason. The doors have not been delivered.

Jason's method of doing business seems to be to start projects but not finish them, not do his work properly, take money but not deliver, and offer meaningless strings of excuses for his endless delays. I do not believe he every actually ordered any doors for my project, and if he claims to have done so, he should be required to provide evidence of doing so, including supplier, date of order and price.

It's a shame that someone like Jason Barnum is licensed by the City of Rapid City.

Sincerely,

Susan B. Besancon

PROPOSAL

Page # _____ of _____ pages

JASON Barnum Home Improvements, LLC
1601 Mt Rushmore Rd 3-374
Rapid City SD 57701
605-209-0437

Proposal Submitted To: SUSAN Besancon	Job Name	Job #
Address 4320 WEST MAIN #19B. Rapid City SD 57702	Job Location	
	Date	Date of Plans
Phone # 787-529-1196	Fax #	Architect

We hereby submit specifications and estimates for: Complete Date April 16th, 2012.

Remove and Replace with New Decking Deck on Back Door Area
Install New storm Door & Entry Door
Paint all Ceilings and walls in Areas that we agreed to.
Fix all Mud cracks in walls.
Panel Bathrooms with Texture paneling and Kitchen Back Cabinets.
Install New toilets in Bathrooms & sink Bowls
Patio Door sliding Door, Cabinets for upset Bathroom.
Stain Deck, Paint white, Paint Entry Door,
Install lights as need.

Total for all 4,950.00 + 2 Bfast 99.00 Total 5,049.00

Total 5,049.00 WE EQUIRE 50% Down of 2,475.00 total of 2,574.00 when Complete.
2,475.00 CK # 8830.

We propose hereby to furnish material and labor—complete in accordance with the above specifications for the sum of:

$ Five Thousand Forty nine Dollars Dollars

with payments to be made as follows:

Any alteration or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control.

Respectfully submitted:

Note—this proposal may be withdrawn by us if not accepted within 7 days.

ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

Signature Susan Besancon

Date of Acceptance: 3/31/12

Signature

A-NC3819 / T-3850