

NC Court of Appeals Affirms Board Client's Decision Against General Contractor in License Violation Case

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The NC Court of Appeals reached a favorable decision for firm client, the North Carolina Licensing Board for General Contractors, represented by Grant Simpkins, Ryan Mitiguy, and Catherine Lee.

The case involved violations related to an expired license to practice general contracting and failure to disclose investigations during license renewal. The Court of Appeals affirmed the Board's decision, holding that the findings of fact and conclusions of law were supported by the evidence. The Court of Appeals also held that the Board complied with all procedural requirements and the discipline was affirmed.

Case background:

Story Homes held a limited building license valid from March 2018 to March 2019 but performed inspections and pulled permits after the license expired until it was renewed in June 2019; complaints were filed alleging these violations.

Stipulations and findings:

Petitioners stipulated to charges involving license lapse and permit pulling. The Board found Petitioners engaged in fraud or deceit in obtaining a license by failing to disclose pending investigations, constituting willful violations under N.C. Gen. Stat. § 87-(a).

Final Agency Decision:

The Board imposed an eighteen-month suspension (six months active, twelve months stayed), a \$15,000 fine, and required completion of a Level 1 Building Code Course. The superior court affirmed this decision.

Review standards:

The Court applied the Administrative Procedure Act standards, including de novo review for legal errors and the whole record test to determine whether the decision was arbitrary and capricious.

Appeal arguments rejected:

Petitioners' claimed that the decision was arbitrary, that their stipulations were misinterpreted, that the punishment was disproportionate, and that subpoena timing caused unfairness.

Failure to disclose investigation:

The Court held it was proper for the Board to find Petitioners failed to disclose pending

investigations on the renewal application despite the Board's prior knowledge, as full disclosure is required by statute.

For informational purposes only. Prior results do not guarantee a similar outcome.