

BEFORE THE DELAWARE DEPARTMENT OF JUSTICE

IN THE MATTER OF:	)	
	)	
MASTERCRAFT CONTRACTING, LLC,	)	
MAJID SEFIANE, and	)	C.A. No.
DAVID CAPRARIO	)	
	)	
<i>Respondents.</i>	)	

ADMINISTRATIVE COMPLAINT

The Director of Consumer Protection at the Delaware Department of Justice (the “Director”) brings this action against Respondent Mastercraft Contracting, LLC (“Mastercraft”), and individual Respondent Majid Sefiane, a/k/a Michael Strong (“Sefiane”) for violations of the Delaware Consumer Fraud Act (“CFA”), 6 *Del. C.* §§ 2511, *et seq.*, the Delaware Deceptive Trade Practices Act (“DTPA”), 6 *Del. C.* §§ 2531, *et seq.*, and Delaware Home Solicitation Sales Act (“HSSA”), 6 *Del. C.* §§ 4401, *et seq.*, and against individual Respondent David Caprario (“Caprario”) for violations of the CFA and the DTPA. The Director alleges as follows:

I. PARTIES

1. The Director of Consumer Protection is a Deputy Attorney General appointed by the Attorney General of the State of Delaware. The Director is charged with the furtherance of the programs and functions of the Division of Consumer

Protection, which is a division of the Delaware Department of Justice. 29 *Del. C.* § 2517.

2. Respondent Mastercraft is a limited liability company founded in 2020 and incorporated under the laws of the State of Delaware.

3. Respondent Majid Sefiane a/k/a Michael Strong is a Delaware resident and a co-owner and principal of Mastercraft. Respondent Sefiane has been involved in roofing, construction, commercial collections, and other businesses in Delaware since at least 1994.

4. Respondent David Caprario is a Florida resident and a co-owner and principal of Mastercraft.

II. JURISDICTION AND VENUE

5. This Tribunal has subject matter jurisdiction over this proceeding pursuant to 29 *Del. C.* § 2523, which empowers the Director of Consumer Protection to initiate administrative charges to enforce any laws or regulations that the Director is authorized to enforce and provides for adjudication of those charges by an administrative hearing officer appointed by the Attorney General.

6. This Tribunal has personal jurisdiction over Respondent Mastercraft because it is a Delaware entity, organized under Delaware law. This Court also has personal jurisdiction over Mastercraft pursuant to 10 *Del. C.* § 3104(c) because it transacts business in Delaware, performs services in Delaware, contracts to supply

services in Delaware, and has caused injury in Delaware through its acts and omissions.

7. This Tribunal has personal jurisdiction over Respondent Sefiane because he is a Delaware resident. This Court also has personal jurisdiction over Sefiane under 10 *Del. C.* § 3104(c) because Sefiane transacts business in Delaware, performs services in Delaware, contracts to supply services in Delaware, and has caused injury in Delaware through his acts and omissions.

8. This Court has personal jurisdiction over Respondent Caprario through Delaware's long-arm statute, 10 *Del. C.* § 3104(c) because Caprario transacts business in Delaware, performs services in Delaware, contracts to supply services in Delaware, and has caused injury in Delaware through his acts and omissions.

A. Sefiane and Caprario control Mastercraft's operations.

9. Since 2020, Mastercraft has operated as a home construction company, providing roofing and other construction services to Delaware consumers.

10. Mastercraft operates primarily through its principals, Respondent Majid Sefiane and Respondent David Caprario. Sefiane and Caprario are co-owners of Mastercraft. ("Respondents" hereinafter refers collectively to Respondents Mastercraft, Sefiane, and Caprario.)

11. Sefiane has primary responsibility for sales; Caprario has primary responsibility for the management of jobs. Both Sefiane and Caprario share

responsibilities for other aspects of the business, including administration of Mastercraft contracts and management of Mastercraft's relationship with Delaware consumers when a conflict arises between Mastercraft and a consumer.

B. Mastercraft's primary sales strategy is door-to-door sales.

12. Mastercraft uses door-to-door sales visits to Delaware consumers as its primary sales strategy.

13. Through door-to-door sales and other sales and marketing strategies, Mastercraft has contracted with hundreds of Delaware consumers to provide roofing and other construction services.

14. When making door-to-door solicitations, Mastercraft, either through Sefiane or another associate, did not display a door-to-door salesperson identification card. In fact, neither Sefiane nor any Mastercraft associate obtained a door-to-door salesperson identification card as required by 6 *Del. C.* § 4405. Ex. 1.

C. Respondents used promises of a free inspection or estimate to induce consumers into signing a binding contract with Mastercraft.

i. Mastercraft and Sefiane told consumers they were required to sign the Initial Agreement to obtain a free inspection or estimate.

15. During sales visits, Sefiane or another associate routinely told consumers that they must sign a form just to authorize Mastercraft to inspect the consumer's roof, often referring to this as a "free inspection" or "free estimate." Ex.

2, at 2. Sefiane or another associate at times also wrote “free inspection” or similar language on this form (herein referred to as the “Initial Agreement”). Ex. 3, at 1.

16. At other times, Sefiane or other associates told consumers that they must sign the Initial Agreement just to authorize Mastercraft to speak with the consumer’s insurance company.

ii. The Initial Agreement locked consumers into a binding contract with Mastercraft that contained a liquidated damages clause.

17. In actuality, the Initial Agreement was a binding contract that required the consumer to use Mastercraft as its contractor for the project. Sefiane or other associates did not disclose this.

18. Despite Mastercraft and Sefiane’s oral and written representations that inspections and estimates were free, the Initial Agreement contained lengthy and complicated Terms of Agreement on its back page that stated otherwise.

19. The terms included a cancellation clause stating that if insurance covered some part of the estimate (oftentimes stated by the contract as greater than 50%), the consumer would have no right to cancel the contract. Ex. 3, p. 2.

20. If a consumer nonetheless elected to cancel, he or she would be liable to Mastercraft for liquidated damages equal to one-third of the estimate amount, regardless of how much work Mastercraft had completed. Ex. 3, at 2. This functioned as a penalty and was unenforceable. Ex. 2 at 2-3.

iii. Respondents repeatedly sought to enforce the liquidated damages clause, including through threats and litigation.

21. After obtaining a consumer's signature, Mastercraft then worked with the consumer's insurance company to get a claim for the consumer approved. Sometimes, consumers chose not to proceed with Mastercraft after their insurance approved a claim. Among other reasons, this might be because the consumer's insurance would not cover as much work as Mastercraft originally represented, or because Mastercraft would try to get the insurance company to cover more than the consumer was comfortable with.

22. When a consumer declined to move forward with Mastercraft, Respondents employed threats and lawsuits to enforce the liquidated damages provision, often despite Mastercraft not completing any work on the consumer's home.

23. In one instance, Respondents threatened to file a lien against a consumer's home and proactively contact real estate agents and the consumer's insurance company about their "intent to file suit and assert lien rights against the property." Ex. 4.

24. Respondents also filed lawsuits against consumers who failed to pay the amounts Mastercraft demanded. Since 2020, Respondents have filed at least 16 lawsuits against consumers in Delaware Courts seeking liquidated damages of one-

third the estimate amount. To date, none of these lawsuits have been successful on the merits.

25. In one instance, Mastercraft told the JP Court that it paid at most \$290 to a third party for an inspection, in addition to time and money spent working on an insurance claim. Mastercraft sought liquidated damages of \$7,089 in that case. Ex. 5, at 4.

26. Respondents have had substantial notice regarding the problematic nature of the liquidated damages provision. For example, in January 2022, the Delaware Department of Justice’s Consumer Protection Unit (“CPU”) sent Mastercraft a letter expressing its concern that its practices violated Delaware’s consumer protection laws, including the use of the liquidated damages provision. Ex. 6, at 2. Mastercraft dismissed four lawsuits after receiving the letter. However, it continued to file similar lawsuits shortly thereafter based on practices identified as violative in the letter.

27. Further, in June 2024, a Justice of the Peace dismissed two lawsuits filed by Mastercraft against consumers, following bench trials. The Justice of the Peace noted that the matters were “remarkably similar,” found it “preposterous” that Mastercraft classified the cancelation clause as liquidated damages rather than a penalty, and further stated that she was “disheartened at [Mastercraft’s] seemingly

predatory behavior” and its “[failure to] fully [explain] the wrongful cancellation clause.” Ex. 2, at 2-3.

D. After an insurer approves a claim, Mastercraft requires consumers to sign a Lockdown Contract that also contains a liquidated damages provision.

28. If a consumer’s insurance company approves their claim, Mastercraft requires the consumer to sign a second contract, referred to internally as a “lockdown contract” (herein referred to as “Lockdown Contract”).¹ The Lockdown Contract specifies the work to be completed and the contract price. Ex. 7.

29. The Lockdown Contract contains a list of General Terms and Conditions of Agreement, which differ from the Terms of Agreement in the Initial Agreement. This includes a cancelation provision, which requires the consumer to pay Mastercraft all its costs, including court costs and attorneys’ fees, plus 25% of the total contract price regardless of the amount of damages sustained. Ex. 7, at 2. Like the liquidated damages provision in the Initial Agreement, this functioned as a penalty and was unenforceable.

¹ This is a misnomer, as the Initial Agreement locks consumers into a contract with Mastercraft.

E. Respondents used the BBB logo on its contracts despite not being accredited with the organization.

30. From at least 2021 and until recently, Mastercraft prominently embedded the logo for the Better Business Bureau (“BBB”) on both the Initial Agreement and Lockdown Contract, with the words “Licensed” and “Insured” immediately to the right of the logo. Ex. 3, at 1; Ex. 7, at 1.

31. The placement of the logo on the Mastercraft contract would lead a reasonable consumer to believe that the BBB accredited or otherwise approved of Mastercraft. However, Mastercraft has never been accredited by the BBB.

32. Mastercraft also advertises that it is “accredited” on its website. Ex. 8. However, Mastercraft is not accredited by any known organization, including the BBB, that would provide context or validation for this term.

F. Mastercraft and Sefiane did not inform consumers of their cancellation rights.

33. 6 *Del. C.* § 4404 requires a door-to-door salesperson, among other things, to provide a cancellation form to a consumer captioned “Notice of Cancellation” and to orally inform the consumer at the time of purchase, of their right to cancel the contract within three days.

34. Mastercraft, either through Sefiane or an associate, did not provide consumers with a Notice of Cancellation form or inform consumers orally, at the

time of purchase, of their right to cancel the contract within three days.

III. CAUSES OF ACTION

COUNT I: VIOLATIONS OF THE CFA – Free Inspection (Mastercraft and Sefiane)

35. The Director incorporates by reference the preceding paragraphs as if fully restated herein.

36. The CFA prohibits the act, use, or employment by any person of, among other things, any “deception,” “false pretense,” “false promise,” “misrepresentation,” or “the concealment, suppression, or omission of any material fact with intent that others rely upon [it]” in connection with the sale, lease, receipt, or advertisement of any merchandise. 6 *Del. C.* § 2513(a).

37. The term “Merchandise” under the CFA includes services such as roofing and construction services. 6 *Del. C.* §2511(6).

38. While advertising or selling their services, Mastercraft and Sefiane engaged in deception, false pretenses, false promises, or misrepresentations by misrepresenting the nature of the Initial Agreement as free or non-binding, when in fact it was a binding agreement that contained a cancellation fee.

39. Additionally, by failing to disclose the true nature of what consumers were signing, Respondents Mastercraft and Sefiane concealed, suppressed, or omitted material facts with the intent that consumers rely on such concealment, suppression, or omission.

40. Each use or employment of deception, false pretenses, false promises, or misrepresentation, or the concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression, or omission constitutes a separate violation of the CFA.

41. Respondents Mastercraft and Sefianes' actions constitute willful violations of the CFA because they knew or should have known that their conduct was prohibited by the statute.

42. Alternatively, the same conduct violates Delaware's Home Improvement Regulations and is therefore an unlawful practice under the CFA. It is a violation of the CFA to misrepresent the binding nature of a home improvement contract, such as by representing that a home improvement contract is an estimate. 6 Del. Admin. C. § 106-3.1.13. Because these regulations became effective on November 1, 2023, they apply to conduct that occurred on or after November 1, 2023. 27 Del. Reg. 254.

43. Mastercraft is a Home Improvement Contractor, as defined by the regulations, since it engages in the trade or commerce of home improvement. The Initial Agreement is a Home Improvement Contract, since it is a written agreement between a home improvement contractor and a buyer under which the home improvement contractor is to perform labor or render services for home improvements. 6 Del. Admin. C. § 106-2.0.

44. Each violation of the Home Improvement Regulations constitutes a separate violation of the CFA.

45. Respondent Mastercraft and Sefiane's actions constitute willful violations of the CFA because Respondents knew or should have known that their conduct was prohibited by the Regulations and the CFA.

**COUNT II: VIOLATIONS OF THE CFA – Tying Free Inspection to
Binding Contracts
(All Respondents)**

46. The Director incorporates by reference the preceding paragraphs as if fully restated herein.

47. The CFA prohibits the act, use, or employment by any person of, among other things, any “unfair practice” in connection with the sale, lease, receipt, or advertisement of any merchandise. 6 *Del. C.* § 2513(a).

48. An unfair practice is any act or practice that causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or to competition. In determining whether an act or practice is unfair, violations of public policy as established by law, regulation, or judicial decision applicable in Delaware may be considered as evidence of substantial injury. 6 *Del. C.* § 2511(9).

49. Respondents subjected consumers to unfair practices in connection with Respondents' sale, advertising, or receipt of services by structurally tying their offer of free inspections or estimates to a binding contract.

50. Respondents caused or were likely to cause substantial injury to consumers. After consumers signed the Initial Agreement to obtain a free inspection or estimate, any consumers that did not want to proceed with Mastercraft, either had to proceed with an unwanted commercial relationship, pay an unenforceable cancellation penalty, or defend a lawsuit.

51. The injuries were not reasonably avoidable by consumers. At times, Consumers did not fully understand the implications of what they were signing, especially that they would later be required to agree to the Lockdown Contract, subject to the terms that Mastercraft decided to include. If consumers did not wish to agree to the terms of the Lockdown Contract that Mastercraft presented to them, they would be subject to the Initial Agreement's liquidated damages for cancellation.

52. Respondents' conduct did not provide countervailing benefits to consumers or to competition that outweighed the injury to consumers.

53. Each unfair practice constitutes a separate violation of the CFA.

54. Respondents' actions constitute willful violations of the CFA because Respondents knew or should have known that their conduct was prohibited by the statute.

**COUNT III: VIOLATIONS OF THE CFA – Liquidated Damages
(All Respondents)**

55. The Director incorporates by reference the preceding paragraphs as if fully restated herein.

56. Pursuant to Delaware’s Home Improvement Regulations, it is an unlawful practice under the CFA to include a liquidated damages provision in a home improvement contract that would provide the contractor with the same amount of liquidated damages regardless of the amount of work completed. 6 Del. Admin. C. § 106-3.1.12. Because these regulations became effective on November 1, 2023, they apply to conduct that occurred on or after November 1, 2023. 27 Del. Reg. 254.

57. Both the Initial Agreement and the Lockdown Contract are Home Improvement Contracts, since they are written agreements between a home improvement contractor and a buyer under which the home improvement contractor is to perform labor or render services for home improvements. 6 Del. Admin. C. § 106-2.0.

58. Both Mastercraft’s Initial Agreement and Lockdown Contract contained liquidated damages provisions that would provide Mastercraft with the same amount of liquidated damages regardless of the amount of work completed.

59. Each use of the liquidated damages provisions constitutes a separate violation of the CFA.

60. Respondents' violations of the Home Improvement Regulations constitute willful violations of the CFA because Respondents knew or should have known that their conduct was prohibited by the Regulations.

61. Alternatively, the same conduct violates the CFA, independent of the Home Improvement Regulations, because including an unenforceable provision that seeks to penalize consumers in a contract and attempting to enforce the unenforceable provision constitute unfair practices.

62. An unfair practice is any act or practice that causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or to competition. In determining whether an act or practice is unfair, violations of public policy as established by law, regulation, or judicial decision applicable in Delaware may be considered as evidence of substantial injury. 6 *Del. C.* § 2511(9).

63. A liquidated damages provision is unenforceable when the payment amount is a penalty for early termination. A predetermined payment for termination is considered valid rather than a penalty when 1) damages are uncertain or incapable of accurate calculation and 2) the amount is a reasonable estimate of damages. The liquidated damages provision in both the Initial Agreement and Lockdown were penalties.

64. Respondents caused or were likely to cause substantial injury to consumers, as demonstrated by the violations of the Home Improvement Regulations. 6 Del. Admin. C. § 106-3.1.12.

65. Independent of those violations, Respondents caused or were likely to cause substantial injury to consumers. Consumers that did not wish to do business with Mastercraft either had to proceed with an unwanted commercial relationship, pay an unenforceable cancelation penalty, or defend a lawsuit. The liquidated damages provision thereby had a chilling effect on consumer decision-making, despite the fact that it was unenforceable.

66. Such injury was not reasonably avoidable, as an ordinary consumer would not know that these provisions were unenforceable.

67. Respondents' conduct provided no countervailing benefits to the consumers or to competition.

68. Additionally, the CFA prohibits the act, use, or employment by any person of, among other things, any "deception" or "misrepresentation" in connection with the sale, lease, receipt, or advertisement of any merchandise. 6 Del. C. §2513(a).

69. In connection with the sale, advertisement, or receipt of its services, Respondents engaged in deception or misrepresentations in its Initial Agreement and Lockdown Contract by including the liquidated damage clauses, as well as

threatening to sue and suing consumers for the liquidated damages, despite the clauses being unenforceable.

70. Each use or employment of an unfair practice, deception, or misrepresentation constitutes a separate violation of the CFA.

71. Respondents' actions constitute willful violations of the CFA because Respondents knew or should have known that their conduct was prohibited by the statute.

**COUNT IV: VIOLATIONS OF THE CFA – Accreditation/Better
Business Bureau
(All Respondents)**

72. The Director incorporates by reference the preceding paragraphs as if fully restated herein.

73. The CFA prohibits the act, use, or employment by any person of, among other things, any “deception,” “false pretense,” “misrepresentation”, or “the concealment, suppression, or omission of any material fact with intent that others rely upon [it]” in connection with the sale, lease, receipt, or advertisement of any merchandise. 6 *Del. C.* §2513(a).

74. In connection with the sale or advertisement of its services, Respondents engaged in deception, false pretenses, or misrepresentations related to accreditations, including by:

(a) Prominently embedding on its contracts (both the Initial Agreement and the Lockdown Contract) a copy of the BBB logo, thus creating a false implication that Mastercraft is accredited or otherwise endorsed by the BBB, despite never being accredited or endorsed by the BBB; and

(b) Advertising that it is “accredited” on its website, despite not being accredited by any organization that would justify such a description.

75. Additionally, Respondents used or employed the concealment, suppression, or omission of a material fact with intent that others rely upon such concealment, suppression, or omission, including by not disclosing that Mastercraft was not accredited by the BBB. The fact that Mastercraft was not accredited by the BBB was material, and Respondents intended that consumers rely on these omissions so as to induce them to sign a contract with Mastercraft.

76. Each use or employment of deception, false pretense, misrepresentation, or the concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression, or omission constitutes a separate violation of the CFA.

77. Respondents’ actions constitute willful violations of the CFA because Respondents knew or should have known that their conduct was prohibited by the statute.

**COUNT V: VIOLATIONS OF THE DTPA – Free Inspection
(Mastercraft and Sefiane)**

78. The Director incorporates by reference the preceding paragraphs as if fully restated herein.

79. The DTPA defines a deceptive trade practice to include (i) advertising goods or services with intent not to sell them as advertised, 6 *Del. C.* § 2532(a)(9), and (ii) engaging in conduct which similarly creates a likelihood of confusion or misunderstanding, 6 *Del. C.* § 2532(a)(12).

80. In the course of its business, Mastercraft and Sefiane advertised their services with intent not to sell them as advertised or similarly created a likelihood of confusion or misunderstanding by misrepresenting and failing to disclose the true nature of the Initial Agreement.

81. Each instance of the above conduct constitutes a separate violation of the DTPA.

82. Mastercraft's and Sefiane's actions constitute willful violations of the DTPA because they knew or should have known that their conduct was prohibited by the statute.

**COUNT VI: VIOLATIONS OF THE DTPA – BBB Accreditation
(All Respondents)**

83. The Director incorporates by reference the preceding paragraphs as if fully restated herein.

84. The DTPA defines a deceptive trade practice to include engaging in conduct that: (i) causes likelihood of confusion or misunderstanding as to the sponsorship, approval, or certification of goods or services, 6 *Del. C.* § 2532(a)(2); (ii) causes likelihood of confusion or misunderstanding as to the affiliation, connection, or association with, or certification by another, 6 *Del. C.* § 2532(a)(3); (iii) represents that goods or services have sponsorship or approval that they do not have, or has the sponsorship, approval, status, affiliation, or connection that they do not have, 6 *Del. C.* § 2532(a)(5); or (iv) similarly creates a likelihood of confusion or misunderstanding, 6 *Del. C.* § 2532(a)(12).

85. By representing that Mastercraft is accredited by the BBB on its contracts (both the Initial Agreement as well as the Lockdown Contract) and by representing on its website that it is accredited, in the course of its business, Respondents:

- (a) Caused the likelihood of confusion or of misunderstanding as to the sponsorship, approval, or certification of goods or services in violation of 6 *Del. C.* § 2532(a)(2);
- (b) Caused the likelihood of confusion or misunderstanding as to the affiliation, connection, or association with, or certification by another in violation of 6 *Del. C.* § 2532(a)(3);

- (c) Represented that services have sponsorship or approval that they do not have in violation of 6 *Del. C.* § 2532(a)(5); or
- (d) Similarly created a likelihood of confusion or misunderstanding in violation of 6 *Del. C.* § 2532(a)(12).

86. Each instance of the above conduct constitutes a separate violation of the DTPA.

87. Respondents' actions constitute willful violations of the DTPA because Respondents knew or should have known that their conduct was prohibited by the statute.

**COUNT VII: VIOLATIONS OF THE HSSA – Door to Door ID Card
(Mastercraft and Sefiane)**

88. The Director incorporates by reference the preceding paragraphs as if fully restated herein.

89. The HSSA declares that it is a basic right of every Delaware citizen to be free of, and protected from, high-pressure door-to-door sales tactics and the resultant inequities to the consumer found, among other things, in certain ambiguous or misleading contracts. 6 *Del. C.* § 4401.

90. The HSSA requires a seller to prominently display a door-to-door salesperson identification card obtained from the Department of Finance while soliciting a door-to-door sale. 6 *Del. C.* § 4405(a)(1).

91. At all times, Respondents Mastercraft and Sefiane did not display a door-to-door salesperson identification card from the Department of Finance while soliciting a door-to-door sale. In fact, they never obtained one from the Department of Finance.

92. Each door-to-door sale in which Respondents Mastercraft and Sefiane failed to display the door-to-door salesperson identification card constitutes a separate violation of the HSSA.

93. Respondents Mastercraft and Sefiane's actions constitute willful violations of the HSSA because they knew or should have known that their conduct was prohibited by the statute.

**COUNT VIII: VIOLATIONS OF THE CFA – HSSA Violations
(Mastercraft and Sefiane)**

94. The Director incorporates by reference the preceding paragraphs as if fully restated herein.

95. Violations of certain sections of the HSSA, including 6 *Del. C.* § 4404, are considered unlawful practices within the meaning of the CFA, 6 *Del. C.* § 2513.

96. 6 *Del. C.* § 4404 imposes several obligations upon sellers engaging in door-to-door sales. Respondents Mastercraft and Sefiane often failed to comply with 6 *Del. C.* § 4404 by:

- (a) Failing to furnish consumers with the fully completed notification of cancellation set forth in and in violation of 6 *Del. C.* § 4404(2); and
- (b) Failing to orally inform consumers of the right to cancel at the time of sale in violation of 6 *Del. C.* § 4404(5).

97. Each failure to comply with the requirements of 6 *Del. C.* § 4404(2) and 6 *Del. C.* § 4404(5) constitutes a separate violation of the CFA.

98. Respondents Mastercraft and Sefiane's actions constitute willful violations of the HSSA and the CFA because they knew or should have known that their conduct was prohibited by the statute.

PRAYER FOR RELIEF

WHEREFORE, the Director respectfully requests that the Administrative Hearing Officer enter the following relief:

- (a) Enter judgment in favor of the Director and against Respondent Mastercraft and Sefiane on Counts I-VIII; and in favor of the Director and against Respondent Caprario on Counts II, III, IV, and VI;
- (b) Pursuant to 29 *Del. C.* § 2524(a) and 29 *Del. C.* § 2525(b), order that Respondents cease and desist from engaging in conduct that forms the basis of their CFA, DTPA, and HSSA violations;

(c) Pursuant to 29 *Del. C.* § 2524(b), order that Respondents pay a civil penalty of \$5,000 per violation of the CFA;

(d) Pursuant to 29 *Del. C.* § 2524(b), order that Respondents pay a civil penalty of \$5,000 per violation of the DTPA;

(e) Pursuant to 29 *Del. C.* § 2525(a)(3), order that Respondents Mastercraft and Sefiane pay fines for each violation of 6 *Del. C.* § 4405(a)(1) (not less than \$75 nor more than \$150 for the first violation and not less than \$100 nor more than \$250 for each subsequent violation) as provided in 6 *Del. C.* § 4405(a)(8);

(f) Pursuant to 29 *Del. C.* § 2524(a) and 29 *Del. C.* § 2525(b), order Respondents pay full and complete restitution to consumers harmed by their violations of the CFA, DTPA, and/or HSSA, in an amount to be determined at trial; and

(g) Award any other relief that the Administrative Hearing Officer deems appropriate.

Dated: 10/20/2026

Respectfully submitted,

/s/ Brian Canfield

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*Attorney for Director of Consumer
Protection*

Exhibit 1

Door-to-door Salesperson Search

Effective August 3, 2012: Any seller or seller's representative who solicits a door-to-door sale at a home shall prominently display a door-to-door salesperson identification card obtained from the Department of Finance while soliciting a door-to-door sale. [Delaware Code, Title 6, § 4405](#)

Business Licenses

To find **businesses** licensed in Delaware, use the Delaware Business License Search.

Business License Search ↗

Search for Salespersons

Salesperson Last Name

A partial name can be entered

Business Name

Mastercraft

A partial name can be entered

Business License Number

Enter the business license number

Search ↗

Reset

No results found.



Door-to-door Salesperson Search

Effective August 3, 2012: Any seller or seller's representative who solicits a door-to-door sale at a home shall prominently display a door-to-door salesperson identification card obtained from the Department of Finance while soliciting a door-to-door sale. [Delaware Code, Title 6, § 4405](#)

Business Licenses

To find **businesses** licensed in Delaware, use the Delaware Business License Search.

Business License Search ↗

Search for Salespersons

Salesperson Last Name

Sefiane

A partial name can be entered

Business Name

A partial name can be entered

Business License Number

Enter the business license number

Search ↗

Reset

No results found.



Door-to-door Salesperson Search

Effective August 3, 2012: Any seller or seller's representative who solicits a door-to-door sale at a home shall prominently display a door-to-door salesperson identification card obtained from the Department of Finance while soliciting a door-to-door sale. [Delaware Code, Title 6, § 4405](#)

Business Licenses

To find **businesses** licensed in Delaware, use the Delaware Business License Search.

Business License Search ↗

Search for Salespersons

Salesperson Last Name

Strong

A partial name can be entered

Business Name

A partial name can be entered

Business License Number

Enter the business license number

Search ↗

Reset

No results found.



Exhibit 2

**JUSTICE OF THE PEACE COURT OF THE STATE OF DELAWARE
IN AND FOR SUSSEX COUNTY
COURT NO. 17**

COURT ADDRESS:
23730 SHORTLY ROAD
GEORGETOWN DE 19947

CIVIL ACTION NO: JP17-24-001110

MASTERCRAFT CONTRACTOR LLC VS [REDACTED]

SYSTEM ID: @3904737
[REDACTED]

Appearances: Dean Campbell, Esq. for Plaintiff; Defendant appeared *pro se*

Submitted: May 15, 2024

Decided: June 3, 2024

NOTICE OF JUDGMENT/ORDER

The Court has entered a judgment or order in the following form:

ORDER

Before the Court is a debt action filed on February 22, 2024 by MasterCraft Contractor, LLC, Plaintiff, against [REDACTED] Defendant, regarding a cancellation clause in MasterCraft's contract wherein a homeowner would be responsible to MasterCraft for one-third (1/3) of the total estimated cost of repairs if the homeowner "wrongfully cancelled" the contract. Plaintiff is seeking a judgment of \$6,498.33, which is 1/3 of the estimated total cost to replace Defendant's roof.

At trial, the following facts were undisputed. Plaintiff initiates contact with homeowners by driving through neighborhoods where recent storms or weather events have occurred and homeowners have sustained damage to their homes. Plaintiff then tries to get homeowners to engage in MasterCraft's services, promising them that MasterCraft can help with the insurance process and get the insurance claim approved, and then MasterCraft will complete the necessary repair work. Embedded in the contract on the second page of double-columned small font is a provision labeled "Cancellation", which reads as follows:

In the event this contract anticipates submission of an Insurance claim, the Insured understands that MasterCraft has, and will, invest an uncertain amount of time and expense into: (1) preparing and submitting the proposed contract to Insured's Insurance carrier; and (2) installing the roof or other construction. In the event the insurance claim is denied, Insured may cancel this contract by providing written notice to MasterCraft. In the event the insurance claim is approved in substantial part (more than 50% of the estimate) by the Insured's insurance carrier/adjuster, then and in such event, the Insured shall have no right to cancel the contract. In the event of wrongful cancellation by the Insured, said insured shall be liable to MasterCraft for an amount equal to one-third (1/3) the itemized estimate. The parties agree that such payment and

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obligation is not, and is not intended as, a penalty. The parties understand and further agree that in such event MasterCraft has invested time and resources into preparing and submitting the insurance claim and that the value of MasterCraft's work in doing so cannot be readily calculated or otherwise determined. The parties further agree that the agreed upon one-third (1/3) is a reasonable amount by which to compensate MasterCraft for its time in processing the claim.

In the case at hand, it is further undisputed that Plaintiff initiated contact with Defendant and Defendant signed the contract for MasterCraft to represent Defendant concerning the insurance adjustment process and, in exchange, Plaintiff would perform the approved roof repairs for the claim amount (Plaintiff's exhibit #1). Plaintiff initiated the claim process with Defendant's insurance company, USAA, which resulted in an estimate from the insurance company with a total cost of \$19,495.03. Plaintiff's exhibit #2. In fact, at one point, Plaintiff themselves went onto the roof to inspect and take measurements, at the request of a third-party, Alacrity Solutions. However, due to Defendant having an insurance deductible of \$11,000.00, Defendant did not have the work performed by Plaintiff.

Defendant testified that at the time she was approached by Plaintiff and asked to sign the contract, she was under the impression that the contract was only for someone to come out and give an estimate and that she was unaware of the cancellation clause.

The facts of this case are remarkably similar to a previous case heard by the Justice of the Peace Court 17 (Case number: JP17-24-000314), wherein the Court ruled that Plaintiff cannot recover due to substantial impermissible insurance adjusting by a contractor and impermissible penalty damages. The remarkably similar facts here yield the same legal conclusion.

First, Plaintiff is acting as an insurance adjuster, which is prohibited under Delaware law, making the contract illegal and recovery barred. Under 18 Del. Admin. Code 201-5.1, in pertinent part, no entity shall act nor hold themselves out to be an agent or adjuster unless such entity has been issued a certificate of authority to do so. Furthermore, under 18 *Del.C.* §2720, "property repair contractors may not subvert the public adjuster licensing requirements in Section 1751 of this title through the acquisition of a power of attorney from the named insured." Finally, the Delaware Department of Insurance in Producers and Adjusters Bulletin No. 28 and Domestic/Foreign Insurers Bulletin No. 101, Revised August 30, 2022, states contractors cannot:

7. Investigate, appraise, evaluate, give advice, advocate on behalf or assist their customer in adjusting a claim.
8. Prepare the insurance claim for their customer.
9. Negotiate the claim with the insurance company on their customer's behalf...
7. Advertise or provide written materials that they can negotiate or investigate a claim on their customers behalf...

Second, the one-third (1/3) of the approved amount provision is effectively penalty damages, prohibited under Delaware law. Del. Bay Surgical Servs., P.A. v. Swier, 900 A.2d 646, 650 (2006).

Liquidated damages are a sum to which the parties to a contract have agreed, at the time of entering into the contract, as being payable to satisfy any loss or injury flowing from a breach of their contract. It is, in effect, the parties' best guess of the amount of injury that would be sustained in a contractual breach, a way of rendering certain and definite damages which would otherwise be uncertain or not easily susceptible of proof. By contrast, a "penalty" is a sum inserted into a contract that serves as a punishment for default, rather than a measure of compensation for its breach. In other words, it is an

agreement to pay a stipulated sum upon breach, irrespective of the damage sustained. The distinction between a penalty and a liquidated damages clause is significant—if a provision is considered a penalty, it is void as against public policy and recovery is limited to actual damages; if the provision is a true liquidated damages provision, it will be enforced according to its terms.

Additionally, good faith estimations of damages are allowed only if (1) actual damages are difficult to ascertain at the time of contracting because of indefiniteness or uncertainty and (2) the amount is reasonable and proportionate to the damages caused by the breach. *Id.* at 651.

The Court finds it preposterous that Plaintiff is classifying the one-third (1/3) of the approved claim amount to be liquidated damages instead a penalty. In Del. Bay Surgical Servs., P.A. v. Swier, 900 A.2d 646, 650 (2006), the Court distinguished between a penalty and a liquidated damages clause, and stated that “if a provision is considered a penalty, it is void as against public policy and recovery is limited to actual damages; if the provision is a true liquidated damages provision, it will be enforced according to its terms.” The one-third (1/3) provision is an estimate of damages, and estimations are only allowed if the actual damages are difficult to ascertain at the time of contracting and that the amount is reasonable and proportionate to the damages caused by the breach. *Id.* at 651. This Court finds it extremely hard to believe that a company whose business it is to make estimates would not be able to come up with a good faith estimate that is proportionate to the damages they may sustain if a homeowner does not use their services for the repairs. No valuation of time or monetary expenses incurred was given at trial. Plaintiff provided no link between one-third (1/3) of the total estimate amount and the damages actually caused by the breach. The Court finds that, without an accounting or explanation of how \$6,498.33 in damages was sustained by Plaintiff, this number is unreasonable and thus is not a good faith estimate, i.e., this is an impermissible penalty damage.

The Court finds Plaintiff’s involvement, both in their actions and in the language of the contract, in the insurance adjustment process so pervasive as to constitute illegal practices, even if third-party adjuster was also involved in the process. The Delaware Department of Insurance in Producers and Adjusters Bulletin No. 28 and Domestic/Foreign Insurers Bulletin No. 101, Revised August 30, 2022, gives guidance on what a contractor not holding a Delaware public adjuster license can and cannot do. Evidence at trial established that Plaintiff represented Defendant in all matters concerning the adjustment and appointment in determining the fair replacement cost value of loss. Plaintiff communicated and advocated for Defendant’s insurance claim to Defendant’s insurance company. In short, Plaintiff was grossly instrumental in the filing, processing, and ultimate approval of Defendant’s claim. Plaintiff is not a licensed adjuster and, as such, is engaging in illegal practices and the contract itself promises illegal actions (“Mastercraft *will represent* the Insured in all matters concerning the adjustment...”; emphasis added). How does one “represent” the Insured without, at the bare minimum, advocating on their behalf- an action that is clearly on the “CANNOT DO” list in the Bulletin?

Plaintiff was substantially involved in the process of insurance adjusting without a license, and thus, is now barred from recovering any losses.

Finally, the Court also takes into consideration the circumstances surrounding MasterCraft’s business practices and is disheartened at the seemingly predatory behavior exhibited by MasterCraft. Plaintiff approaches homeowners, unsolicited, after major storm/weather events, gets the homeowners to sign a contract for MasterCraft to help with the insurance claim process without fully explaining the wrongful cancellation clause, and then when the homeowners choose to go a different route, sues in court for a large sum of money that far exceeds any articulable monetary loss Plaintiff has endured.

Accordingly, under the preponderance of the evidence standard, Plaintiff has shown no right to relief. Judgment in favor of Defendant.

IT IS SO ORDERED this 3rd day of June 2024.



_____(SEAL)
Justice of the Peace/Court Official

NOTICE OF APPEAL RIGHTS

See attached instructions for more information on appeal procedures. If no appeal is filed, parties may remove all exhibits from the Court no sooner than 16 days and no later than 30 days, from the date of this judgment. If not removed, the Court may dispose of the exhibits without further notice to the parties.

Final Date of Appeal of a Civil Case to the Court of Common Pleas is 15 days from the judgment.

Final Date for Appeal of a Landlord/Tenant case to a 3 Judge Panel is 5 days from the judgment.

Exhibit 3



Licensed
Insured



DE# 2020100818
MHIC# 142207
PA# 157277

MasterCraft Contracting, LLC and/or MasterCraft Contractors, LLC hereinafter ("MasterCraft") is hereby appointed contractor of record for: [REDACTED] by Buyer (the "Customer") to act on its behalf in matters relative to the construction, restoration, rehabilitation, and/or renovation of damage sustained to the real property located at: [REDACTED]. The Customer's losses referred to in this Agreement are a result of: Storm Damage damage, which occurred on or about: [REDACTED]. The property insurance policy is provided through [REDACTED] and corresponds to Policy #: [REDACTED] and/or Claim #: [REDACTED] as filed with the insurance company.

MasterCraft will provide all contractor-related services to the Customer, concerning this project and; as necessary, will work with all third parties to complete and perform all relevant work for the aforementioned. All contractor-related responsibilities will be handled by MasterCraft. The Customer understands that MasterCraft is not authorized to approve the settlement of any claim and that the approval of any claim may be accomplished only by submitting a signed proof of loss by the Customer. Once MasterCraft begins contractor-related servicing responsibilities under this Agreement, the Customer agrees that MasterCraft will be paid the amount that MasterCraft and the Customer's insurance company agree upon for any work necessitated by any claim described herein. If the claim is denied by the Customer's insurance company and/or if Customer declines to move forward with MasterCraft, this Agreement shall be deemed null and void. MasterCraft agrees to utilize materials and workmanship of like kind and quality, which existed prior to any loss and furthermore agrees that the total contract amount will be equal to and will not exceed the agreed settlement amount. All checks issued by any insurance company and/or mortgage company in payment for the services provided herein shall list the Customer and MasterCraft, as co-payees and if any such check is received directly by the Customer, it shall be delivered to MasterCraft within (7) business days of receipt. **For any scope of work agreed upon by any insurance company and MasterCraft, the Customer will pay only the amount not paid under the insurance policy.**

Right To Cancel

"YOU, THE CUSTOMER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. IF ANY CLAIM HAS BEEN FILED, YOU MUST MAIL OR DELIVER A SIGNED AND DATED WRITTEN CANCELLATION NOTICE TO YOUR INSURANCE COMPANY, AS WELL AS, TO THE ADDRESS BELOW. SEE THE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT."

Acceptance of Agreement

Free Inspection

In witness whereof the Customer acknowledges receipt of a completed copy of this Agreement on the day and year written below. The Customer has read, understands and accepts the terms outlined on both front and back of this Agreement. The above terms, specifications, and conditions are satisfactory and are hereby accepted. MasterCraft is authorized to complete the work, as specified. A deposit in the amount of \$ 0.00 the project processing fee is due upon acceptance of contract and will be credited toward the contract amount.

Customer/Buyer(s) Signature: [REDACTED] Date: 9/6/24
Customer/Buyer(s) Signature: [REDACTED] Date: [REDACTED]
Customer/Buyer(s) Email: [REDACTED] Cell Phone: [REDACTED]
MasterCraft Rep: Michael Strong License #: 2020100818 Date: 9-06-2024

MASTERCRAFT

www.mastercraftroofing.com

1401 Pennsylvania Avenue, Suite 105, Wilmington, DE 19806 • Phone: 302-480-4811
1310 Paw Paw Drive, Hampstead, MD 21074 • Phone: 443-955-4982

Terms of Agreement

ACCEPTANCE. The Customer acknowledges that this Property Improvement Agreement (the, "Agreement") and all related orders are subject to acceptance by MasterCraft or ("Contractor"). This Agreement is not binding on or enforceable against MasterCraft; unless and until accepted and executed by MasterCraft at its corporate headquarters, as indicated on the opposite side of this page. If such acceptance is declined by MasterCraft for any reason, all deposit monies paid to MasterCraft will be refunded in full and this Agreement will be canceled with no further obligations or liability hereunder.

No work will be done or material furnished except as specified herein or agreed to in writing. Any modifications to this Agreement, which changes the cost, materials, scope of work, or the estimated completion date must be made in writing and signed by all parties. Costs associated with any changes required by the customer or required hereunder shall be paid for by the Customer, in addition to the total sales price of the project. All Contractor rights and remedies shall extend to changes. Unless otherwise agreed in writing, all changes shall be calculated at Contractor's regular price therefor. This Agreement does not include, unless expressly specified, any asbestos, abatement, removal, or encapsulation, or any removal of lead paint. If asbestos or lead paint is found existing on the project site, the cost to abate, remove, or encapsulate shall be paid for by the Customer, as an extra cost. This Agreement does not include, unless expressly specified, any wood replacement/repair or insulation. The costs for replacement of rotted and/or deteriorated wood shall be the responsibility of the Customer and MasterCraft shall suspend work, until authorization is granted by the Customer for the additional charge of \$6.50 per linear foot for said replacement costs. The Customer represents and warrants ownership of the property on which the work is to be performed. Also, the Customer will identify boundary lines and accept responsibility for obtaining all necessary zoning variations, prior to the commencement of any work.

Contractor shall comply with all local requirements for building permits, inspections, and zoning rights. All surplus material shall remain MasterCraft property. Delivered materials may be placed on premise at the project site, at the convenience and discretion of the delivery personnel. During all work, Contractor may use the Customer's utilities and all charges associated therewith shall be borne by the Customer. The Customer agrees to execute all other documents, which MasterCraft may require in order to carry out the terms of this Agreement or comply with all applicable laws.

CANCELLATION. In the event this contract anticipates submission of an insurance claim, the Customer understands that MasterCraft has, and will, invest an uncertain amount of time and expense into: (1) preparing and submitting the proposed contract to Customer's insurance carrier; and (2) installing the roof or other construction. In the event the insurance claim is denied, Customer may cancel this contract by providing written notice to MasterCraft. In the event the insurance claim is approved in substantial part (more than 50% of the estimate) by the Customer's insurance carrier/adjuster, then and in such event, the Customer shall have no right to cancel the contract. In the event of wrongful cancellation by the Customer, said Customer shall be liable to MasterCraft for an amount equal to one-third (1/3) the itemized estimate. The parties agree that such payment and obligation is not, and is not intended as, a penalty. The parties understand and further agree that in such event MasterCraft has invested time and resources into preparing and submitting the insurance claim and that the value of MasterCraft's work in doing so cannot be readily calculated or otherwise determined. The Parties further agree that the agreed upon one-third (1/3) is a reasonable amount by which to compensate MasterCraft for its time in processing the claim.

DEFAULT. The Customer shall be in default under this Agreement in the event that any of the following conditions or events occur: (a) the Customer's failure to pay the full contract price according to the terms of this Agreement, including the failure to pay any progress payments identified herein; (b) the Customer's failure to provide full access to the project site for MasterCraft between the hours of 7:30 a.m. to 6 p.m. Monday through Friday to fully and completely comply with the terms and conditions of this Agreement; or (c) any other failure by the Customer to fully and completely comply with the terms and conditions of this Agreement. The Customer acknowledges that MasterCraft has the title to the material to be used for completing the work described herein. The Customer agrees that title to the materials does not pass through the Customer under this Agreement, until the contract price is paid in full. The Customer further agrees and acknowledges that in the event of default, MasterCraft has a greater right to possession of the materials than the Customer and the Customer further agrees to grant MasterCraft access to recover the materials within 10 days, after being notified by MasterCraft of the default. In the event of default, the Customer shall pay all expenses incurred by MasterCraft, including reasonable attorneys' fees, liquidated damages, one third or 33.33% of the total contract amount, as well as, any and all court costs incurred by MasterCraft in pursuing any amount owed under this Agreement or those costs incurred while seeking to enforce this Agreement in any manner. Should default occur as a result of non-payment under the terms and conditions of this Agreement, a late fee shall be added to the outstanding balance from the date of default at a rate of 1.5% per month (18% per annum) with a minimum charge of \$200 per month. In addition, a mechanics lien will be placed on the property for non-payment. In the event MasterCraft brings any civil action against Customer for collection of any amounts due under this Agreement, MasterCraft shall be entitled to recover reasonable attorneys' fees and court costs as a part of its judgment against Customer.

GOVERNING LAWS & LEGAL VENUE. This Agreement is governed and shall be construed by the laws of the State of Delaware. The Parties to this Agreement hereby consent to the jurisdiction of the courts of the State of Delaware and hereby expressly agree that any suit, cause of action, or other proceeding brought to enforce any obligation under this Agreement or any petition seeking damages, as a result of a breach of this Agreement shall be brought in the Delaware courts with proper jurisdiction and that the Customer waives all rights to a jury trial.

DATES OF PERFORMANCE. No materials will be delivered to the Customer, until after the recession period has expired. Installation of materials will not begin until such time that MasterCraft receives secondary payment monies from the Customer. The approximate commencement and completion dates of this Agreement are only estimates and MasterCraft shall not be responsible for delays resulting from changes in the work by the Customer, changes to product specifications, delays in issuance of building, electrical, and plumbing permits, inclement weather, labor disputes, fire, unusual delays in transportation, existing site conditions, weather conditions, other conditions not anticipated, or conditions beyond the control of MasterCraft. In the event of such delays, the project shall not be deemed abandoned and such events beyond the control of MasterCraft should not be included in calculating time frames for payment or performance. The Customer represents and warrants that the commencement and completion dates set forth in this Agreement were not relied upon by the Customer and did not, in any way form the basis of the contract between the Parties hereto.

JOINT & SEVERAL AGREEMENT. The Customer agrees that upon acceptance of this Agreement by MasterCraft, each party of the Customer shall be jointly and severally liable for any amounts pursuant to this Agreement. For only those agreements executed by multiple parties for the Customer, each of the Customer parties thereby agrees that each of the other parties is the other parties' agent and may act on behalf of the other parties for purposes of making specification changes, work order changes, and modifications to this Agreement.

MANUFACTURER(S) WARRANTY. The manufacturers of the materials used to complete the work described herein may offer a limited warranty on the materials provided by MasterCraft to the Customer. Any and all claims by the Customer for breach of warranty of any type must be brought directly against the manufacturer of the materials. The Customer hereby waives any and all claims for breach of warranty of any type against MasterCraft.

LABOR WARRANTY. MasterCraft will guarantee and provide a warranty of 5 years for all labor. Roofing labor warranty shall be guaranteed for a period of 10 years (Non-Prorated).

HIDDEN & PREEXISTING CONDITIONS. The Customer will be notified of any hidden conditions discovered by MasterCraft, during the performance of work, as described on the front side of this Agreement. Additional charges due to these conditions will be submitted to the Customer in written form, as a contract change order addendum. The Contractor is not responsible for pre-existing construction deficiencies that manifest themselves during the construction process, i.e. nail pops, wood rot, decking deflection, soft or hard soil conditions, etc. If a construction problem is pointed out prior to construction and the Contractor is notified in writing, the Contractor will attempt to assist the Customer to correct the problem on a time-and-materials basis.

LIMITATIONS. MasterCraft shall have no responsibility for damages from rain, fire, tornado, wind storms, or other perils, as is normally contemplated to be covered by Customer's insurance or business risk insurance, or unless specified written agreement is established therefore, prior to the commencement of work. During the duration of the work, the Customer's property insurance will be responsible for any interior damage, as long as, the Contractor has taken appropriate action to protect the property during the performance of this order. Replacement of deteriorated decking, fascia boards, roof jack, ventilator, flashing or other materials, unless otherwise stated in this Agreement, are not included and will be charged as extra for time and materials. The Contractor will not be responsible for the slight scratching or denting of gutters, oil droplets on driveways, hairline fractures in concrete, or damage to plants and shrubbery. If excessive damage is caused by the Contractor, Contractor will repair or replace damaged areas only, at its expense. The maximum liability for the Contractor for said damages shall be the original cost of labor and materials for the repair, which the Customer agrees shall be a liquidated sum and not a penalty under any event of default by Contractor herein.

The Contractor will further provide only standard foundations (if applicable) and any additional earthwork, foundation or earth movement, including differing site conditions, shall be outside the scope of the Agreement and will be performed by the Contractor only, as an extra.

COMPLETION. The Customer agrees to furnish final payment upon substantial completion of the project, as described on the front side of this Agreement. The final payment shall be due at the time of the walk through to identify the final punch list of items to be completed. The Customer agrees to participate in any final walk through to identify the final punch list. The Customer may withhold up to 5% of the final project proceeds payment amount, until completion of the items identified in the punch list during the final walk through. There are no other provisions for withholding or retainage of payment, under this Agreement. Upon final payment, any future services will be handled, as additional and/or warranty items at 6 and 12-month intervals.

SEVERABILITY. In the event that any provision of this Agreement is deemed invalid by a court of competent jurisdiction, then all of the remaining provisions of this Agreement shall continue unabated and in full force and effect.

ENTIRE AGREEMENT. This Agreement contains the entire agreement between the Parties. This Agreement supersedes all other written or oral agreements.

Exhibit 4

David Caprario

attachment # 7 RS

MasterCraft Contracting Notice to Cure
Breach of Contract
Sep 18, 2024 at 10:35:10 AM

[REDACTED]
[REDACTED]



[REDACTED]

Since it appears that you will invoke the "play dumb defense" as it pertains to our contract, I will preface this email by reminding you of the fact that we maintain phone conversation recordings, text and email communications, in addition to your signed agreement.

It is unconscionable for you to use our time and talents, to be unjustly enriched by our efforts and expenses paid to our subcontractors, vendors and public adjuster, all so you may circumvent payment of your deductible and attempt to profit from your insurance loss, which is illegal under Delaware insurance law.

You even had the audacity to have us expedite the appraisal process in order to meet your self-imposed deadline so you may list the subject property for sale.

Be advised that we intend to notify your mortgage company,

19 3

real estate listing agent, buyer's agent and any potential purchasing party of our intent to file suit and assert lien rights against the property, thereby rendering it unmarketable until which time the dispute is resolved.

Since you allege that you have engaged a third- party to perform the approved work, coupled with the fact that we prefer to not deal with you further given the level of sneaky behavior and dishonesty, we will allow you the opportunity to exercise the cancellation clause of our contract by remitting payment of \$11,947 plus reimbursement of the public adjuster fee, for a total settlement payment of \$13,147.

You have until close of business, 5:00pm on September 19 in order to effectuate the settlement payment prior to our legal counsel immediately filing suit and encumbering your property in litigation. Naturally, we will then also enforce the contract language with respect to you making us whole for all legal fees resulting from this necessary action.

You may contact Mr. Strong or me personally to establish

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immediate provisions for payment. Should we fail to hear from you by the deadline, we will assume that you have no intention in reaching a voluntary conclusion to our claim and will proceed accordingly.

**David Caprario
MasterCraft Contracting
302-480-4811**

Exhibit 5

**JUSTICE OF THE PEACE COURT OF THE STATE OF DELAWARE
IN AND FOR SUSSEX COUNTY
COURT NO. 17**

**COURT ADDRESS:
23730 SHORTLY ROAD
GEORGETOWN DE 19947**

CIVIL ACTION NO: JP17-24-000314

MASTERCRAFT CONTRACTOR, LLC VS [REDACTED]

SYSTEM ID: @3891513
[REDACTED]

Appearances: Dean Campbell, Esq. for Plaintiff; Tasha Stevens-Gueh, Esq. for Defendant

Submitted: April 24, 2024
Decided: June 3, 2024

NOTICE OF JUDGMENT/ORDER

The Court has entered a judgment or order in the following form:

FINAL ORDER

Before the Court is a debt action filed on January 19, 2024 by MasterCraft Contractor, LLC, Plaintiff, against [REDACTED], Defendant, regarding a cancellation clause in MasterCraft's contract wherein a homeowner would be responsible to MasterCraft for one-third (1/3) of the total estimated cost of repairs if the homeowner "wrongfully cancelled" the contract. Plaintiff is seeking a judgment of \$7,089.00, which is 1/3 of the estimated total cost to replace Defendant's roof. At conclusion of the trial, the Court requested briefing from both parties, to be submitted to the Court and the opposing party, within 15 days (May 9, 2024), with responses due by May 16, 2024.

At trial, the following facts were undisputed. Plaintiff initiates contact with homeowners by driving through neighborhoods where recent storms or weather events have occurred and homeowners have sustained damage to their homes. Plaintiff then tries to get homeowners to engage in MasterCraft's services, promising them that MasterCraft can help with the insurance process and get the insurance claim approved, and then MasterCraft will complete the necessary repair work. Embedded in the contract on the second page of double-columned small font is a provision labeled "Cancellation", which reads as follows:

In the event this contact anticipates submission of an Insurance claim, the Insured understands that MasterCraft has, and will, invest an uncertain amount of time and expense into: (1) preparing and submitting the proposed contract to Insured's Insurance carrier; and (2) installing the roof or other construction. In the event the insurance

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claim is denied, Insured may cancel this contract by providing written notice to MasterCraft. In the event the insurance claim is approved in substantial part (more than 50% of the estimate) by the Insured's insurance carrier/adjuster, then and in such event, the Insured shall have no right to cancel the contract. In the event of wrongful cancellation by the Insured, said insured shall be liable to MasterCraft for an amount equal to one-third (1/3) the itemized estimate. The parties agree that such payment and obligation is not, and is not intended as, a penalty. The parties understand and further agree that in such event MasterCraft has invested time and resources into preparing and submitting the insurance claim and that the value of MasterCraft's work in doing so cannot be readily calculated or otherwise determined. The parties further agree that the agreed upon one-third (1/3) is a reasonable amount by which to compensate MasterCraft for its time in processing the claim.

In the case at hand, it is further undisputed that Plaintiff initiated contact with Defendant and Defendant signed the contract for MasterCraft to represent Defendant concerning the insurance adjustment process and, in exchange, Plaintiff would perform the approved roof repairs for the claim amount (Plaintiff's exhibit #1). Plaintiff hired a third-party to inspect Defendant's roof. Plaintiff initiated the claim process with Defendant's insurance company, Goodville Mutual Casualty Company, which resulted in an estimate from the insurance company with a total cost of \$21,268.33. Plaintiff's exhibit #2. Ultimately, Defendant did not have the work performed by Plaintiff.

On cross, Plaintiff further testified that MasterCraft worked with this third-party (name unclear at trial by Plaintiff, later identified in briefing to be DelMarVa Adjustments) to file the claim and that MasterCraft was the point of communication and contact between Defendant and the insurance company. All matters concerning adjustment and determination of replacement/repair costs for the roof were ultimately through MasterCraft. Plaintiff confirmed that neither they (nor their employees) are licensed insurance adjusters. Plaintiff further testified that it cost between \$150.00 and \$200.00 to do the inspection, and between \$80.00 and \$90.00 for travel expenses for the third party, and that other MasterCraft employees were involved in the claim process, but their time and expenses were unquantifiable.

Defense counsel motioned to dismiss the case, pursuant to Justice of the Peace Civil Rule 41(b), averring that Plaintiff's actions, and the words of the contract itself, clearly shows Plaintiff acted as an insurance adjuster, which is prohibited in Delaware. Thus the contract is illegal and recovery barred. (Second paragraph of the contract states "MasterCraft will represent the Insured in all matters concerning this adjustment and appointment in determining the fair replacement cost value of the losses.... All adjusting, negotiations, and servicing responsibilities will be handled through MasterCraft."). Additionally, Defense counsel avers that if Plaintiff is entitled to anything at all, it would be limited to actual damages, which through testimony is established to be far less than \$7,089.00. Instead, Plaintiff is seeking, in effect, penalty damages, which is not enforceable.

The Court declined to rule on the motion at the time of trial and instead asked for briefing on this issue.

Defense counsel's argument is two-fold. First, Plaintiff is acting as an insurance adjuster, which is prohibited under Delaware law, making the contract illegal and recovery barred. Under 18 Del. Admin. Code 201-5.1, in pertinent part, no entity shall act nor hold themselves out to be an agent or adjuster unless such entity has been issued a certificate of authority to do so. Furthermore, under 18 Del.C. §2720, "property repair contractors may not subvert the public adjuster licensing requirements in Section 1751 of this title through the acquisition of a power of attorney from the named insured." Finally, Defense counsel's position is further supported by guidance issued by the Delaware

7. Investigate, appraise, evaluate, give advice, advocate on behalf or assist their customer in adjusting a claim.
8. Prepare the insurance claim for their customer.
9. Negotiate the claim with the insurance company on their customer's behalf....
7. Advertise or provide written materials that they can negotiate or investigate a claim on their customers behalf...

Second, Defense counsel argues the one-third (1/3) of the approved amount provision is effectively penalty damages, prohibited under Delaware law. Del. Bay Surgical Servs., P.A. v. Swier, 900 A.2d 646, 650 (2006). Additionally, good faith estimations of damages are allowed only if (1) actual damages are difficult to ascertain at the time of contracting because of indefiniteness or uncertainty and (2) the amount is reasonable and proportionate to the damages caused by the breach. *Id.* at 651.

Plaintiff's attorney argues that this is a simple breach of contract claim- there was an offer, an acceptance, and a breach, and now Plaintiff is seeking damages as a result of the breach. In the contract, as already previously discussed in this Order, the cancellation clause provides for one-third (1/3) of the approved amount and 1/3 of \$21,268.33 is \$7,089.44. Defendant's claim was approved by the insurance company after Plaintiff expended time and effort in assisting with the claim, but then Defendant failed to have Plaintiff perform the roof, triggering the cancellation clause.

Plaintiff further argues that MasterCraft itself did not engage in any illegal insurance adjusting, and that if any insurance adjusting was occurring, it was by the third-party, who is a licensed Delaware adjuster. In the contract, Plaintiff points out the use of "through" as opposed to "by" in the sentence of "All adjusting, negotiations, and servicing responsibilities will be handled through MasterCraft," indicating that someone else is doing the adjusting.

Finally, Plaintiff argues that the cancellation clause is liquidation damages, and not penal damages, and cites Del. Bay Surgical Servs., P.A. v. Swier, 900 A.2d 646, 650 (2006):

Liquidated damages are a sum to which the parties to a contract have agreed, at the time of entering into the contract, as being payable to satisfy any loss or injury flowing from a breach of their contract. It is, in effect, the parties' best guess of the amount of injury that would be sustained in a contractual breach, a way of rendering certain and definite damages which would otherwise be uncertain or not easily susceptible of proof. By contrast, a "penalty" is a sum inserted into a contract that serves as a punishment for default, rather than a measure of compensation for its breach. In other words, it is an agreement to pay a stipulated sum upon breach, irrespective of the damage sustained. The distinction between a penalty and a liquidated damages clause is significant—if a provision is considered a penalty, it is void as against public policy and recovery is limited to actual damages; if the provision is a true liquidated damages provision, it will be enforced according to its terms.

Plaintiff then argues that the cancellation clause is not a penalty because it is tied to the amount of the insurance claim, i.e., the larger the job, the more time and money spent by MasterCraft, and thus, the larger the damages. According to Plaintiff, the two prongs of good faith estimations of damages are satisfied: Plaintiff's actual damages were unknown at time of contracting, and the amount is reasonable as they are not unconscionable.

The Court finds both of Defense counsel's arguments persuasive, and Plaintiff's arguments unpersuasive. The Court finds Plaintiff's involvement, both in their actions and in the language of the contract, in the insurance adjustment process so pervasive as to constitute illegal practices, even if third-party adjuster was also involved in the process. The Delaware Department of Insurance in Producers and Adjusters Bulletin No. 28 and Domestic/Foreign Insurers Bulletin No. 101, Revised August 30, 2022, gives guidance on what a contractor not holding a Delaware public adjuster license can and cannot do. Evidence at trial established that Plaintiff represented Defendant in all matters concerning the adjustment and appointment in determining the fair replacement cost value of the loss. Plaintiff communicated and advocated for Defendant's insurance claim to Defendant's insurance company. In short, Plaintiff was grossly instrumental in the filing, processing, and ultimate approval of Defendant's claim. Plaintiff is not a licensed adjuster and, as such, is engaging in illegal practices and the contract itself promises illegal actions ("Mastercraft *will represent* the Insured in all matters concerning the adjustment..."; emphasis added). How does one "represent" the Insured without, at the bare minimum, advocating on their behalf- an action that is clearly on the "CANNOT DO" list in the Bulletin?

Plaintiff's argument that the contract says "through" as opposed to "by" in reference to MasterCraft handling all adjusting, negotiations, and servicing responsibilities is not, when viewing the extent of MasterCraft's involvement, persuasive. Plaintiff was substantially involved in the process of insurance adjusting without a license, and thus, is now barred from recovering any losses.

Furthermore, the Court finds it preposterous that Plaintiff is classifying the one-third (1/3) of the approved claim amount to be liquidated damages instead a penalty. Both parties cited Del. Bay Surgical Servs., P.A. v. Swier, 900 A.2d 646, 650 (2006), wherein that Court distinguished between a penalty and a liquidated damages clause, and stated that "if a provision is considered a penalty, it is void as against public policy and recovery is limited to actual damages; if the provision is a true liquidated damages provision, it will be enforced according to its terms." The one-third (1/3) provision is an estimate of damages, and estimations are only allowed if the actual damages are difficult to ascertain at the time of contracting and that the amount is reasonable and proportionate to the damages caused by the breach. *Id.* at 651. This Court finds it extremely hard to believe that a company whose business it is to make estimates would not be able to come up with a good faith estimate that is proportionate to the damages they may sustain if a homeowner does not use their services for the repairs. When questioned at trial, Plaintiff stated they paid, at most, \$290.00 for the inspection from a third-party, and then unquantifiable time or money expended by their employees for any additional work on the insurance claim. Plaintiff provided no link between one-third (1/3) of the total estimate amount and the damages actually caused by the breach. Plaintiff states in their brief that one-third (1/3) is reasonable because it is not unconscionable. However, the Court finds that, without an accounting or explanation of how \$7,089.00 in damages was sustained by Plaintiff, this number is unreasonable and thus is not a good faith estimate, i.e., this is an impermissible penalty damage.

Finally, the Court also takes into consideration the circumstances surrounding MasterCraft's business practices and is disheartened at the seemingly predatory behavior exhibited by MasterCraft. Plaintiff approaches homeowners, unsolicited, after major storm/weather events, gets the homeowners to sign a contract for MasterCraft to help with the insurance claim process without fully explaining the wrongful cancellation clause, and then when the homeowners choose to go a different route, sues in court for a large sum of money that far exceeds any articulable monetary loss Plaintiff has endured.

Accordingly, under the preponderance of the evidence standard, Plaintiff has shown no right to relief. Judgment in favor of Defendant.

IT IS SO ORDERED this 03rd day of June, 2024

B

Justice of the Peace/Court Official



NOTICE OF APPEAL RIGHTS

See attached instructions for more information on appeal procedures. If no appeal is filed, parties may remove all exhibits from the Court no sooner than 16 days and no later than 30 days, from the date of this judgment. If not removed, the Court may dispose of the exhibits without further notice to the parties.

Final Date of Appeal of a Civil Case to the Court of Common Pleas is 15 days from the judgment.

Final Date for Appeal of a Landlord/Tenant case to a 3 Judge Panel is 5 days from the judgment.

VIEW YOUR CASE ONLINE: <https://courtconnect.courts.delaware.gov>

Exhibit 6



DEPARTMENT OF JUSTICE
NEW CASTLE COUNTY
820 NORTH FRENCH STREET
WILMINGTON, DELAWARE 19801

KATHLEEN JENNINGS
ATTORNEY GENERAL

CIVIL DIVISION (302) 577-8400
FAX: (302) 577-6630
CRIMINAL DIVISION (302) 577-8500
FAX: (302) 577-2496
FRAUD DIVISION (302) 577-8600
FAX: (302) 577-6499
COMMON INTEREST COMMUNITY
OMBUDSPERSON (302) 577-8600
FAX: (302) 577-6499

January 18, 2022

Robert Bria, Esq.
The Poliquin Firm LLC
1475 S. Governors Ave.
Dover, DE 19904

Via E-mail (bob@poliquinfirm.com) and First-Class Mail

Re: MasterCraft Contracting, LLC

Dear Mr. Bria:

Following up on our discussion today, I write to advise you that the Delaware Department of Justice Consumer Protection Unit ("CPU") has opened an investigation into your client, MasterCraft Contracting, LLC, along with its principals and agents (collectively, "MasterCraft"), including, but not limited to, Majid Sefiane (a/k/a Michael Strong) ("Sefiane"). The CPU believes that the actions of MasterCraft, Sefiane, and others have violated, and may continue to violate consumer protection laws that the CPU is charged with enforcing, including the Home Solicitation Sales Act, 6 *Del. C.* § 4401, *et seq.*, the Consumer Fraud Act, 6 *Del. C.* § 2511, *et seq.*, and/or the Deceptive Trade Practices Act, 6 *Del. C.* § 2531, *et seq.*¹

Our investigation is ongoing, but we have already uncovered numerous omissions and misrepresentations that your client has made to Delaware consumers to induce them into signing the alleged "contracts" that MasterCraft is now seeking to enforce in Justice of the Peace Court. Our investigation to date indicates that Sefiane intentionally concealed his identity and represented himself to consumers using the fictitious name "Michael Strong." In fact, at least two of the documents that form the basis of MasterCraft's pending lawsuits were signed by Sefiane using this alias.

Moreover, neither MasterCraft nor its principals are (or could be) licensed as public adjusters as in the State of Delaware.² Accordingly, they may not lawfully contract to "represent the Insured in all matters concerning this adjustment" or to handle "[a]ll adjusting, negotiations, and servicing responsibilities." The CPU believes that your client's attempts to enforce a facially

¹ This letter is being provided to you as a courtesy. It is not intended to provide the full scope of issues that the CPU is investigating, violations discovered to date, or the universe of potential claims or legal theories that the CPU may ultimately pursue.

² See 18 *Del. C.* § 1758(b)(6) (prohibiting licensed public adjusters from "[h]aving any interest directly or indirectly in any home improvement, restoration, construction, salvage, appraisal, loss mitigation, cleaning or environmental restoration business that conducts business in the State").

illegal contract against Delaware consumers constitutes an unfair practice under 6 *Del. C.* § 2513. The unfairness is compounded by the unconscionable and punitive liquidated damages provision that requires the consumer to pay 33% of the contract price (which is unknown at the time of contracting), even though MasterCraft has provided no services and ordered no materials.

I look forward to continuing our discussion at your convenience. In the meantime, the CPU will continue to monitor the Justice of the Peace dockets and intends to attend all scheduled trials in these cases to the extent they are not withdrawn.

Sincerely,

/s/ Katherine M. Devanney

Katherine M. Devanney

Deputy Attorney General

katherine.devanney@delaware.gov

302-683-8812

Exhibit 7



Page 2 of 2
DE# 2020100818
MHIC# 142207
PA# 157277

1. This Contract is not contingent upon financing. Otherwise, certain mortgage and/or lien restrictions could encumber the "property" and result in loss of property for failure to pay the contracted amount for work performed hereunder.
2. The Purchaser or (the, "Insured") agrees to pay MasterCraft ("Contractor") for performance of the aforesaid work and materials furnished therefor, as follows:

Deposit \$ 3,878.98
Payable Upon Substantial Completion \$ 8,307.88
Total Contract Price \$ 12,186.86
*Plus any supplements and code upgrade costs.

3. Approximate starting date: 2 weeks Approximate completion date: 3 weeks
All starting and completion dates are estimations only and subject to delays caused by circumstances and conditions beyond the Contractor's control, including but not limited to delays caused by the Insured, strikes, material shortages, fire, flooding, and other acts of God.

4. The Insured agrees that if they cancel this Contract for any reason, other than as set forth under federal or state statutes allowing for rescission, or if this Contract is terminated by Contractor for cause, the Insured will pay Contractor the sum of money (described in Section 7 on the reverse of this page), as fixed, liquidated, and ascertained damages, without proof of loss or damage. In such cases, materials furnished by or on behalf the Contractor in connection with this Contract (whether or not on the Insured's property) shall remain or become property of the Contractor and Contractor shall have the right to enter the Insured's property to retrieve such materials.

5. Each Party agrees, upon substantial completion of the work described above, to execute and deliver to the other Party a certificate of completion, if requested.

6. It is further agreed that all substantially completed work with an outstanding balance beyond 10 days from substantial completion shall be subject to a monthly service charge of 2% or (24% per annum) or the maximum amount permitted by law. The undersigned represents that they are the owners of the property described in this Contract. The Insured acknowledges to have read and understand this Contract and that they have received a copy of this Contract with all relevant attachments, as well as, the notice of cancellation.

7. This Contract, as well as, the additional terms and conditions on the reverse side hereof constitute the entire understanding between the Parties and no other representation shall be binding, unless it is in writing and fully executed by the Parties.

8. **Maryland Residents:** The Annotated Code of Maryland Business Regulation Article 8-405 (c) requires a claimant to comply with the written agreement to submit a dispute to arbitration before seeking recovery from the Guarantee Fund. Failure to post the requested advance shall result in finding adverse to the party failing to post. The arbitration award may be entered as a judgment in any court in the State of Maryland. The Home Improvement Commission administers the Guarantee Fund, which may compensate homebuyers for certain actual losses caused by acts or omissions of licensed contractors and; a homebuyer has the right to purchase a performance bid for additional protection against losses not covered by the Guarantee Fund. All Home Improvement Contractors and Subcontractors must be licensed by the Home Improvement Commission, inquiries about a contractor should be transmitted to the Home Improvement Commission, phone (410) 230-6309 & 1-888-218-5925, address: 500 North Calvert Street, Baltimore, Maryland 21202. www.dlrr.state.md.us.

9. **Pennsylvania Residents:** The official registration of MasterCraft can be obtained from the Pennsylvania office of Attorney General's Bureau of Consumer Protection by calling toll-free within Pennsylvania at 1-888-520-6680.

ACCEPTANCE OF CONTRACT

IN WITNESS WHEREOF, the undersigned have hereunto subscribed their names the day and year first written. Acceptance substantiated by MasterCraft.

Purchaser: 
MasterCraft

Purchaser: _____

Date: 1-18-2025

Representative: Michael Strong

License #: 2020100818

Date: 1-18-2025

MASTERCRAFT

www.mastercraftroofing.com

1401 Pennsylvania Avenue, Suite 105, Wilmington 19806 • Phone: 302-480-4811
1310 Paw Paw Drive, Hampstead, MD 21074 • Phone: 443-955-4982

GENERAL TERMS AND CONDITIONS OF AGREEMENT

1. This General Terms and Conditions of Agreement ("Contract") is entered into by the Purchaser (the, "Insured") and MasterCraft Contracting, LLC (the, "Contractor"; collectively, the "Parties") on the date of last signature on the front side of this document. All work performed under this Contract shall be completed in good workmanship and in accordance with applicable building codes. Upon substantial completion, Contractor shall remove all debris resulting from work performed hereunder and shall leave work areas in "broom clean" condition.
2. All materials provided under this Contract shall be new and as designated, unless otherwise specified. Contractor may at its sole discretion change or substitute any materials to be used in work hereunder provided, however, all substitutions of materials shall be commensurate in amounts and quality. All surplus material shall remain the property of the Contractor. Contractor shall install all materials, equipment, and appliances in accordance with or equal to manufacturer warranties, guarantees, and/or service agreements on equipment or appliances, which will be delivered to the Insured, upon payment of all monies due hereunder.
3. The Insured agrees to permit Contractor to make all rip-outs, openings, close-ups, alterations, or changes to any existing buildings, necessary for the completion of the work hereunder. As deemed appropriate, Contractor will make repairs and/or perform restorations to conform, as closely as possible, to the original condition for the new work. At its expense, the Insured agrees to supply or make available to Contractor all utilities (including heat, gas, electric, and water) to enable Contractor to perform the work to be completed hereunder. During all working hours, the Insured agrees to grant access for Contractor, as well as, all representatives and associates of Contractor, to the project for the completion of all work. Failure or refusal to grant the necessary access to the project shall be deemed a default by the Insured under the terms and conditions of this Contract.
4. Any changes, additions, or extras in labor or materials provided hereunder shall be charged at the agreed price and must first be approved in writing by both the Insured and Contractor. The approval of the Insured shall be binding both jointly and severally. The cost of time and materials shall not be increased by greater than 10% of the initial cost estimate without a written change order or addendum signed by Contractor and the Insured.
5. Contractor assumes no responsibility for the state or condition of the existing property for meeting local building or zoning code requirements. Any additional work required to attain such requirements, if any; shall be charged as extra to the Insured. In the event that any building or zoning permits are required to complete any of the work hereunder, the Insured shall be responsible for any costs or expenses associated with obtaining said permitting.
6. Contractor shall furnish all permits and licenses and will maintain workman's compensation, public liability, and property damage insurance with regard to any and all work performed hereunder. Contractor will furnish all necessary supervision and be responsible for the conduct and performance of its workmen.
7. In the event the Insured fails to comply with the terms and conditions of this Contract, the Insured agrees to pay Contractor upon demand a sum in cash equal to all the direct and indirect costs, including court costs, attorneys' fees, and expenses incurred by Contractor in connection here within, plus an amount equal to 25% of the total Contract price, as liquidated damages. The Parties agree on this amount of 25% of the total Contract price, for liquidated damages to be a reasonable and acceptable forecast of Contractor's potential losses, resulting from any breach by the Insured under the terms and conditions of this Contract.
8. Limited Warranty and Limitation of Remedies. In the event of defects in materials or workmanship not caused by contractor negligence, Contractor will remedy said defects, as long as Contractor is notified of such defects during the warranty period. The term of such warranties commence on the date the work is substantially completed and shall expire after 12 months, unless an extended warranty is obtained or provided. Contractor remedies shall consist of repairs and replacements at Contractor's discretion. Said warranties do not apply to defects created by modifications, repairs, or servicing by any third parties. Said warranties shall extend to the Insured and will not be transferrable. These warranties provide special legal rights to the Insured that may vary from State to State.

Under no circumstance shall Contractor be liable to the Insured or any other person for any consequential incidental, economic, direct, indirect, general, or specific special damages arising from a breach of warranty, express or implied. The laws of certain states may not cover or recognize the warranty limitations outlined herein, and in such states, these limitations would not apply. All implied warranties, including the implied warranties of merchantability and fitness for particular purposes, are disclaimed to the extent permitted by federal law and the law of the applicable state for this Contract. Such implied warranties are limited to a term of one year from the initial completion date or such longer period, as may be required by law. The Insured may be entitled to additional warranties provided to them by one or more manufacturers of the products or components thereof. Nothing in this Contract shall be construed to limit or restrict such warranties in any respect. The Insured shall be responsible for complying with all maintenance guidelines and manual requirements provided for all mechanical devices installed by Contractor, pursuant to this Contract. It is expressly understood by the Insured that all mechanical devices and equipment are covered by the manufacturers' warranties and are not warranted in any way by Contractor.

Failure by the Insured to properly maintain the equipment installed by Contractor, shall be grounds for releasing Contractor of any liability under this Contract. In the event that any portion of the work performed under this Contract would require maintenance, repairs, adjustments, or any other work for which the Contractor is obligated to perform under the terms of this section, the Insured shall notify Contractor in writing and deliver the same either by U.S. Mail or personal delivery to Contractor's business address, stating with specificity the nature and location of the maintenance, repair, adjustment, or other work to be performed under the terms of this section.

In the event of a dispute, the Parties shall make every reasonable effort to settle the dispute on an amicable basis. If such efforts fail, Contractor shall have the right to submit the dispute for arbitration under the terms of Section 10 herein. Without limitation, all other services performed by Contractor under this Contract will not be subject to arbitration under Section 10 herein.

9. Prices do not include hidden or unknown contingencies such as, but not limited to, concealed piping, rock or other unusually hard materials, rotting or decay, foundations of depth in excess of 30 inches, relocation of underground utilities, or the inability to use existing water or water pipes. The extra costs incurred by Contractor, due to such unknown contingencies will be covered and paid for by the Insured.

10. In the event of a dispute between the Parties, relating to the work performed by Contractor, pursuant to the last paragraph of Section 8 above, and should Contractor elect to submit the dispute for arbitration, the Parties agree to arbitrate the dispute under the rules of the American Arbitration Association. Arbitration shall transpire in a location within 50 miles of the project, within the same state. Arbitration shall be conducted by one neutral arbitrator, whose selection shall be shared equally by the Parties with an advance payment of arbitration fees payable by the Parties. Failure to post the required advance shall result in a finding adverse to the Party refusing to post. The arbitration award may be entered as a judgment in any Court.

11. Except as otherwise provided in Section 10 above, all disputes between the Parties related to this Contract shall be construed by the laws of the State of Delaware. The Parties hereby consent to the jurisdiction of the courts in the State of Delaware and hereby expressly agree that any suit, cause of action, or other proceeding brought to enforce any obligation under this Contract or seeking damages for a breach of this Contract, shall be brought in the courts of the State of Delaware and the Insured waives all rights to a jury trial.

Exhibit 8

[Home](#) / [About Us](#)

ABOUT MASTERCRAFT CONTRACTING LLC - YOUR TRUSTED DOVER GENERAL CONTRACTOR

MasterCraft Contracting LLC is a preferred general contractor for roofing and remodeling work in the Dover area. Owners Mike, Michael, and David met through past work in the industry and together they united their passions to assemble the MasterCraft Contracting LLC team of experts. Together we've created a company that delivers showroom results with unbeatable service at a great price.

- ✓ We combine our industry knowledge with the highest quality building supplies and equipment for great results.
- ✓ Our admin team works to secure proper permits while our service team guides you in selecting materials.
- ✓ This wrap-around process helps our technicians work as fast as humanly possible with few interruptions or delays.

Additionally, our team is knowledgeable at working with insurance to cover the cost of remodels and repairs where applicable. MasterCraft Contracting LLC is an accredited, licensed, bonded, and insured general contractor, and we treat all our customers' homes with the same passion and care we would our own.

THE MASTERCRAFT CONTRACTING LLC

