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BEFORE THE DIRECTOR OF THE
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES OF THE
STATE OF OREGON

In the Matter of:

PRESTIGE SERVICES, INC.,
An Oregon Corporation, and
ALEX M. CHERNABAEFF,
an Individual,

Respondents.

OAH Case Nos. 800697 & 800698
Agency Case Nos. 2007-0294 & 2007-0295

SETTLEMENT AGREEMENT and
CONSENT ORDER

On July 2, 2008, the Director of the State of Oregon Department of Consumer and Business Services (Director) issued Notices of Proposed Civil Penalty (Notices) to Respondents Prestige Services, Inc., and Alex M. Chernabaeff, (Respondents) in the above-referenced cases. Respondents requested a contested case hearing. The cases were consolidated for the purposes of this contested case proceeding. This Consent Order constitutes the final resolution of the contested case proceeding, including the right to any hearing, appeal, or judicial review.

AGREEMENT

Respondents and the Director agree to resolve this matter without hearing on the following terms:

1. Respondents withdraw their appeals and requests for hearing dated August 18, 2008.
2. Respondents agree the Director may enter a Final Order finding Respondents committed the violations that are described in paragraph two of the Final Order. This Final Order resolves the Director's current investigation of Respondents.
3. Respondents agree that the Director may enter an order imposing upon them civil penalties of \$20,000 for the violations referenced in the Final Order. The Director agrees to stay \$10,000 of the civil penalties imposed for the violations for 36 months from the date this order is signed by the Director. The Director agrees to waive the stayed portion of the civil penalties after a period of 36 months if Respondent has not violated any provision of Oregon Specialty

Code statutes, administrative rules, specialty codes, or any Order issued by a State Specialty

1 Code Advisory Director during that time period. Respondents agree the \$10,000 stayed by
2 this order may be imposed if Respondent commits such a violation within 36 months from the
3 date this Order is signed.

4 4. Respondents understand and agree that any violation of the terms of this Settlement
5 Agreement and Consent Order will be a basis for further enforcement action.

6 5. Respondents represent that they have carefully read this Settlement Agreement and Consent
7 Order, and understand the intent and content of the document. Mr. Chernabaeff, on behalf of
8 himself and Prestige Services, Inc. (Prestige Services), signs below of his own free will.
9 Respondents hereby waive any and all rights to appeal or challenge this Settlement
10 Agreement and Consent Order.

11 6. The parties agree this Settlement Agreement and Consent Order is a public document.

12 IT IS SO STIPULATED.

13 _____
14 Alex M. Chernabaeff

13 3/23/09
14 Date

15 APPROVED AS TO FORM:

16 _____
17 J. Kurt Kraemer, Attorney for Prestige Services, Inc.
and Alex M. Chernabaeff

16 3/22/09
17 Date

18 **FINAL ORDER**

19 Pursuant to ORS 183.415(5) and based on the foregoing Settlement Agreement, which is
20 incorporated by reference herein, the Director hereby issues the following final order:

- 21 1. The foregoing Settlement Agreement is approved;
22 2. The Director imposes a total of \$20,000 in civil penalties on Respondents for violations of
23 Oregon electrical safety law and Oregon plumbing law as outlined in the Notices, which are
24 incorporated by reference herein.
25 3. The Director stays \$10,000 of the civil penalty for a period of 36 months from the date the
26 Director signs this order, provided that Respondent shall CEASE AND DESIST from further

1 violations of the Oregon Specialty Codes statutes, administrative rules, specialty codes, or any
2 Order issued by a State Specialty Codes Advisory Director.

- 3 4. If Respondent violates any provision of paragraph 3 above, the Director shall notify
4 Respondent that the stayed civil penalty of \$10,000 is due and payable upon demand.
5 Respondent shall not have an opportunity for hearing on the imposition of such penalty.
- 6 5. The \$10,000 civil penalty is due and payable in three monthly installments after this
7 document becomes a Final Order. The first payment of \$3,333.00 is due on April 1, 2009; the
8 second payment of \$3,333.00 is due on May 1, 2009; and the final payment of \$3,334.00 is
9 due on June 1, 2009. Failure to complete this payment schedule will result in your account
10 being forwarded to the Department's Fiscal and Business Services Division for collection as
11 well as possible revocation of any and all licenses, certifications and designations issued to
12 Respondents by the Department. The Department will pursue collection of unpaid civil
13 penalties by filing a lien against your real estate holdings, by tax refund offsets through the
14 Department of Revenue, or through an outside collection agent.
- 15 6. Respondent Alex M. Chernabaeff's designation as a "Qualified Person", registration number
16 OP709, is suspended for 24 months from the date this agreement is signed by the Department.
- 17 7. Respondent Prestige Services' three specialty licenses, Limited Maintenance Specialty
18 Contractor HVAC/R number 3-5556LHR, Limited Maintenance Specialty Contract number
19 3-555LMS, and Plumbing Business number 3-467PB are suspended for 36 months from the
20 date this agreement is signed by the Department.

21
22 DATED this 10th day of April, 2009.

23
24
25 _____
26 DIRECTOR or designee
Department of Consumer and Business Services
State of Oregon