

Claims Regarding Conduct On or After Dec. 1, 2007

TO: Applicants to the Contractor Recovery Fund

FROM: Recovery Fund Administrator

SUBJECT: Application for the Payment of Compensation from the Contractor Recovery Fund when the **INCIDENTS OR CONDUCT of the licensed residential contractor OCCURRED ON OR AFTER DECEMBER 1, 2007**

This packet contains information, instructions, and the forms necessary to apply to the Contractor Recovery Fund (the "Fund") when the incident or conduct of the licensed residential contractor occurred on or after December 1, 2007.

The purpose of the Fund is to compensate certain owners or lessees of residential property (located in Minnesota) who have suffered a direct and out-of-pocket loss due to a licensed residential contractor's fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance that arose directly out of a transaction that occurred when the residential contractor was licensed and performing any of the special skills enumerated under Minn. Stat. § 326B.802, subdivision 15 (2010). Subcontractors and materials suppliers are not eligible for compensation from the Fund. Homeowners and lessees are not eligible for compensation from the Fund due to the fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance of a subcontractor.

Specific rules and requirements determine whether you will qualify for compensation from the Fund, and which losses may be eligible. (See, Minn. Stat. §326B.89 (2010)). The law also describes the correct procedure for serving the Commissioner of Labor and Industry with a Verified Application for Compensation from the Fund. We recommend that you review the statute pertaining to the Fund before you submit an application.

HOW THE FUND WORKS

The Commissioner of Labor and Industry is responsible for administering the Fund. Each residential building contractor licensed by the Department of Labor and Industry (the "Department") must pay a fee into the Fund each year, which is held in the state treasury. The Fund pays compensation to the homeowners or lessees that have submitted an application for compensation from the Fund and are eligible to receive such compensation. The Department reviews each application to determine if it meets the requirements for compensation from the

Fund.

Applicants may be paid an amount up to \$75,000, depending on a number of factors. **There is no guarantee that you will receive money from the Fund. Whether you will receive payment from the Fund depends on the specific facts of your case. We recommend that you read the attached information carefully to determine whether you may be entitled to compensation from the Fund.**

Generally, you can apply to the Fund to recover the amount of actual and direct out-of-pocket loss on the Applicant's residential real estate that occurs as a result of a transaction with your licensed residential contractor. The following costs are NOT eligible for compensation: attorney fees, interest on the loss, sweat equity, statutory costs awarded under Minn. Stat. § 549.02, and pre-judgment and post-judgment interest.

BEFORE YOU APPLY TO THE FUND

Contact the Recovery Fund Administrator. The Administrator will assist you with the following:

- Verify the name of the residential contractor and whether they were licensed at the time the work was performed. (Only licensed residential contractors pay into the Fund.)
- Make certain there are funds available to cover losses caused by your residential contractor. (Multiple claims against the same contractor may reduce the amount of available funds.)
- Determine the dollar amount of your loss. If your loss is \$7,500 or less, you may go to Conciliation Court (Small Claims Court) to obtain a judgment. If your loss is more than \$7,500, you will need to go to District Court to obtain a judgment.
- Make certain your judgment has been obtained against the licensed residential contractor. **Your judgment must be against the licensed individual and/or entity to be eligible for compensation from the Fund.**

For example, if your contractor is incorporated, obtain a judgment against the corporation. If your contractor is an individual proprietor, (Joe Doe, doing business as (d/b/a) Doe Construction) obtain your judgment against the individual and their assumed (d/b/a) name. If your contractor is a partnership, obtain your judgment against each partner and the partnership name.

What is a judgment? A judgment is the result of filing a successful lawsuit.

A judgment from the court legally verifies the offense committed by the licensed residential contractor and the dollar value of your loss. This judgment may be obtained in Conciliation Court, District Court, or any other court of competent jurisdiction, (such as Bankruptcy Court). The judgment must be based on a claim of fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance that arose directly out of transaction that occurred when the residential contractor was licensed and performing any of the special skills enumerated in Minn. Stat. § 326B.802, Subdivision 15 (2010). The cause of action must have occurred on or after December 1, 2007, and the residential contractor must have been licensed at the time the work was performed and have paid into the Fund.

- After you obtain your judgment you must “docket” and formally “enter” your judgment in District Court, this makes your judgment a legal collectable document. Contact the Clerk of District Court of the county in which you obtained your judgment for instructions.
- Once you have a docketed judgment, you may file an application for payment from the Fund. The Fund Administrator will review your application to determine eligibility, your actual and direct and out-of-pocket loss, within the statutory limitations, and the amount available in the Fund to pay claims against your contractor.
- The verified application must be served within two years after the judgment becomes final.

INFORMATION ABOUT FILING AN APPLICATION

There are several steps to the application process that you must complete for the process to work successfully.

All applications to the Fund require the applicant to have obtained a Final Judgment against the licensed residential contractor.

If the Commissioner pays compensation to an Applicant, the Commissioner shall be subrogated to all of the rights, title, and interest in the Applicant’s final judgment in the amount of the compensation paid from the Fund. This requires the Applicant to assign all rights, title, and interest in the final judgment in the amount of compensation paid to the Commissioner.

Pursuant to Minn. Stat. § 326B.89, subd. 9, applications to the Fund are subject to allocation.

Two ways to file a claim

You can file an application via the **accelerated** procedure or the **standard** procedure. Which method you use depends upon the amount of your actual and direct out-of-pocket loss. If your actual and direct out-of-pocket loss is \$7,500 or less, you may use the accelerated procedure. If your actual and direct out-of-pocket loss is more than \$7,500 you must use the standard procedure.

IMPORTANT: The last day the Fund will accept an application is **June 1st** of each fiscal year. Applications received after June 1st will be processed the next fiscal year, which will result in a one-year delay in any payment.

Accelerated Procedure

The **accelerated** procedure is for applications requesting payment at or under the the conciliation court limit – which is currently \$7,500. . If you are pursuing action in conciliation court, the Attorney General’s Office brochure entitled, “Conciliation Court: A User’s Guide to Small Claims Court,” can be downloaded using the following link:

<https://www.ag.state.mn.us/Brochures/pubConciliationCourt.pdf>

Each licensed residential contractor has \$50,000 of the Fund set aside to pay claims filed under the accelerated procedure. Once claims totaling \$50,000 per licensee have been made under the accelerated procedure, you will need to apply via the standard procedure even if your actual and direct out-of-pocket loss is \$7,500 or less.

Effective May 1, 2010, the Fund is suspending accelerated payments of compensation. However, you may still apply to the Fund using the Accelerated Procedure if your actual and direct out-of-pocket loss is \$7,500 or less. If you are eligible for compensation from the Fund, payments will be made in accordance with the standard procedure, which requires the Fund to make payments by “December 1 of the fiscal year following the fiscal year during which the agreement was entered into or during which the order became final.” Minn. Stat. § 326B.89, subd. 9 (2010).

Standard Procedure

The **standard** procedure is for applicants who are applying for more than \$7,500 in compensation, or who are otherwise not able to apply using the accelerated procedure.

Once an application under the standard procedure is received by the Fund, the Administrator will review the application, determine whether the applicant is eligible for compensation, and determine the actual and direct out-of-pocket loss

suffered in the transaction. The Commissioner, within 120 days of the receipt of the application, will enter into an agreement with the applicant that resolves the verified application for compensation from the Fund, or issue an order that accepts, modifies, or denies the verified application for compensation from the Fund. The order will become a final order that may not be reviewed by any court or agency if the Commissioner is not timely served a written request for hearing.

If the applicant timely serves a written request for hearing upon the Commissioner, a hearing before an Administrative Law Judge (an "ALJ") and under the contested case procedures of the Administrative Procedure Act (Minn. Stat. chapter 14 and Minn. R. chapter 1400) will be requested within 30 days after service of the request for hearing. The Commissioner may petition the ALJ to continue the hearing up to 60 days, or longer if the Commissioner shows good cause.

At the hearing, the applicant has the burden of proving by substantial evidence the affirmations made in the verified application. After the hearing, the ALJ shall issue findings of fact, conclusion of law, and order. If the ALJ determines that compensation from the Fund shall be made, the amount of compensation shall be pursuant to law and in accordance with the limitations of Minn. Stat. § 326B.89 (2010). The order of the ALJ shall constitute the final decision of the Commissioner, unless a petition for judicial review of the contested case is served in accordance with Minn. Stat. §§ 14.63-14.69.

IMPORTANT: Compensation shall be paid pursuant to the terms of an agreement or a final order by December 1st of the fiscal year **following the fiscal year the agreement was entered into or the fiscal year in which the order became final.**

ADDITIONAL INFORMATION

If a contractor has filed for bankruptcy...

You may still be able to file a lawsuit solely for the purpose of recovering your actual and direct out-of-pocket loss from Fund. You will need to petition the Judge of Bankruptcy Court to lift the Automatic Stay and explain that your lawsuit is solely for the purpose of obtaining compensation from the Fund, and that you understand that you will not be able to collect the judgment from the contractor directly. You may want to consult an attorney for additional information regarding how to lift an Automatic Stay in a bankruptcy proceeding.

If you are a subsequent homeowner...

If the homeowner who obtains a judgment was not the owner at the time the contract was signed and the work was done, he or she will not qualify for payment from the Fund, unless the subsequent homeowner obtained a Final

Judgment specifically based on the breach of the statutory warranty enumerated in Minn. Stat. chapter 327A. The homeowner would then meet the statutory requirements to be eligible for compensation from the Fund. The state's home warranty law requires builders to warrant their homes to be free from major construction defects for ten years. Minn. Stat. § 327A.02, subd. 1 (2010). A major construction defect is defined in the statute as "actual damage to the load-bearing portion of the dwelling (home)...including damage due to subsidence (sinking), expansion, or lateral movement of the soil, which affects the load-bearing function and which vitally affects, or is imminently likely to vitally affect, use of the dwelling for residential purposes." Minn. Stat. § 327A.01, subd. 5 (2010).

Note about collecting money: If the Contractor's Recovery Fund makes payment to you, the Fund will attempt to collect this money from the contractor. In order for the Fund to collect the money, you need to assign to the Commissioner your rights to collect from the contractor the amount of money you have received from the Recovery Fund. You will receive an "assignment" form from the Department that you will need to sign and have notarized. If your judgment was for an amount greater than the payment you received from the Fund, you may still attempt to collect the balance of the judgment directly from the contractor.

Note about reduction of payment amount: If the Department is required to pay you from the Fund, there are two circumstances that would reduce the amount of any payment to you. First, if the Commissioner determines at the end of the fiscal year that the total amount of compensation to be paid from the Fund pursuant to agreements and final orders is greater than the funds available for payment, then the Commissioner must allocate the available funds among all claimants. Second, if at the end of the calendar year, the total amount of approved claims against one contractor exceeds \$150,000, the Commissioner will prorate the available funds among the claimants. This means that if there are multiple claims against your contractor, your payment may be less, since the available dollars in the Fund for that contractor will have to be prorated among the applicants. The Commissioner will mail notice of allocation to all affected claimants not less than 45 days following the end of the fiscal year.

Instructions for Submitting an Application using the Accelerated Procedure for Conduct Occurring on or after December 1, 2007.

This application is for Owners/Lessees with claims under \$7,500. To apply using the accelerated procedure, the Applicant must **assemble and label all** of the following documents:

1. The original completed Verified Application for Payment from the Contractor Recovery Fund Using the Accelerated Procedure. This application is attached. (Sign the application before a notary public.)
2. A copy of the Judgment Notice (Conciliation Court) or Findings of Fact, Conclusions of Law, Order for Judgment, and Judgment (if Judgment obtained in District Court).
3. A copy of the Court Clerk's Notice of Entry and Docketing of Judgment in District Court.
4. A copy of the Statement of Claim and Summons (if claim was filed in Conciliation Court) or Summons and Complaint (if claim was filed in District Court).
5. A copy of the entire contract between you and the licensed residential contractor. You must include copies of all change orders, allowance sheets, and plans and specifications.
6. You **must** provide proof of payment to the licensed residential contractor. When providing this information, you must clearly demonstrate how payment was made and the total amount paid. This information **must** be provided in chart format:

Sample:

Check #	Date Paid	Paid to:	Amount	Exhibit #
1011	1/5/07	Joe's Construction	\$5,000.00	6A

In addition, provide as exhibits (as indicated in order on chart) copies of any cancelled check (front and back), money order, cashier's check, or any statement(s) that would prove that you made a payment that was received by the licensed residential contractor.

- If loan draws were made, provide a breakdown, in chart format, of the documentation that would connect those draws to the licensed residential

- contractor along with the supporting documentation.
- If payment was made through an insurance company, you must request and obtain a copy of the check(s) and the endorsed signature (front and back) from the insurance company.
 - If new construction, you must provide a copy of the HUD statement. This will support the amount paid, and show the buyer and the seller (contractor).
7. If applicable, provide documents that you have received from your homeowner's insurance or your licensed residential contractor's insurance company concerning damages to your home.
8. **It is the Applicant's responsibility to provide documentation supporting the actual and direct out-of-pocket loss.** Provide a breakdown of what work needs to be completed and/or repaired. When providing this information, the work that needs to be completed needs to be clearly stated. This information must be provided in chart format:

Sample:

Vendor Name	Amount of Estimate/ Bill	Work to be Performed	How does this estimate/bill relate to the original contract? Indicate where it is outlined in the original contract.	Exhibit #
Jane's Construction	\$3,000	Finish installing railings	Railings were not completed. See item #4 on original contract.	8A

These receipts/estimates must only be for work as it relates to the original contract with the licensed residential contractor. In addition, the Fund will **not** accept copies of checks for supplies unless accompanied by the receipts from the store showing what was purchased. When applicable, provide copies of any inspection report(s) that will support your application. The documentation supplied must concur with the Statement of Claim.

- If you are providing copies of liens to be included in the calculation of your actual and direct out-of-pocket loss you must have them listed and labeled as exhibits. The Fund will only consider liens that have officially filed with the court. The copy you provide must show the county clerk's notice of filing.

Send the application and all supporting documents directly to the Recovery Fund Administrator at the address shown on the cover page. **Your claim will be considered incomplete if you fail to provide all the required information in the format requested. Failure to provide all the required information may delay review and/or approval of the application.**

Note: The facts specified in your application may require additional information or documents that are not discussed in this packet.

Note about reduction of payment amount: If the Department is required to pay you from the Fund, there are two circumstances that would reduce the amount of any payment to you. First, if the Commissioner determines at the end of the fiscal year that the total amount of compensation to be paid from the Fund pursuant to agreements and final orders is greater than the funds available for payment, then the Commissioner must allocate the available funds among all claimants. Second, if at the end of the calendar year, the total amount of approved claims against one contractor exceeds \$150,000, the Commissioner will prorate the available funds among the claimants. This means that if there are multiple claims against your contractor, your payment may be less, since the available dollars in the Fund for that contractor will have to be prorated among the applicants. The Commissioner will mail notice of allocation to all affected claimants not less than 45 days following the end of the fiscal year.

Instructions for Submitting an Application using the Standard Procedure for Conduct Occurring on or after December 1, 2007.

This application is for Owners/Lessees with claims over \$7,500, or who are otherwise not able to apply using the accelerated procedure. To apply using the standard procedure, the Applicant must **assemble and label all** of the following documents:

1. The original completed Verified Application for Compensation from the Contractor Recovery Fund Using the Standard Procedure. This application is attached. (Sign the application before a notary public.)
2. A copy of the Judgment Notice (Conciliation Court) or Findings of Fact, Conclusions of Law, Order for Judgment, and Judgment (if Judgment obtained in District Court.)
3. A copy of the Court Clerk's Notice of Entry and Docketing of Judgment in District Court.
4. You **must** make an honest effort to collect the judgment from the licensed residential contractor. You may contact the County Clerk's Office for instructions on obtaining a Returned Writ of Execution.
5. A copy of the Statement of Claim and Summons (if claim was filed in Conciliation Court) or Summons and Complaint (if claim was filed in District Court).
6. If applicable, provide documents that you have received from your homeowner's insurance or your licensed residential contractor's insurance company concerning damages to your home.
7. A copy of the entire contract between you and the licensed residential contractor. You must include copies of all change orders, allowance sheets, and plans and specifications.
8. You **must** provide proof of payment to the licensed residential contractor. When providing this information, you must clearly demonstrate how payment was made and the total amount paid. This information **must** be provided in chart format:

Sample:

Check #	Date Paid	Paid to:	Amount	Exhibit #
1011	1/5/07	Joe's Construction	\$5,000.00	8A

In addition, provide as exhibits (as indicated in order on chart) copies any cancelled check (front and back), money order, cashier's check, or any statement(s) that would prove that you made a payment that was received by the licensed residential contractor.

- If loan draws were made, provide a breakdown, in chart format, of the documentation that would connect those draws to the licensed residential contractor along with the supporting documentation.
- If payment was made through an insurance company, you must request and obtain a copy of the check(s) and the endorsed signature (front and back) from the insurance company.
- If new construction, you must provide a copy of the U.S. Department of Housing and Urban Development (HUD) Settlement Statement. This will support the amount paid, and the buyer and the seller (contractor).

9. **It is the Applicant's responsibility to provide documentation supporting the actual and direct out-of-pocket loss.** Provide a breakdown of what work needs to be completed and/or repaired. When providing this information, the work that needs to be completed needs to be clearly stated. This information **must** be provided in chart format:

Sample:

Vendor Name	Amount of Estimate/ Bill	Work to be performed	How does this estimate/bill relate to the original contract? Indicate where it is outlined in the original contract.	Exhibit #
Jane's Construction	\$3,000	Finish installing railings	Railings were not completed. See item #4 on original contract.	9A

These receipts/estimates must **only** be for work as it relates to the original contract with the licensed residential contractor. In addition, the Fund will **not** accept copies of checks for supplies unless accompanied by the receipts from the store showing what was purchased. When applicable, provide copies of any inspection report(s) that will support your application. The documentation supplied must concur with the Statement of Claim.

- If you are providing copies of liens to be included in the calculation of your actual and direct out-of-pocket loss you must have them listed and labeled as exhibits. The Fund will only consider liens that have officially filed with the court. The copy you provide must show the county clerk's notice of filing.

Send the application and all supporting documents directly to the Recovery Fund Administrator at the address shown on the cover page. **Your claim will be**

considered incomplete if you fail to provide all the required information in the format requested. Failure to provide all the required information may delay review and/or approval of the application.

Note: The facts specified in your application may require additional information or documents that are not discussed in this packet.

Note about reduction of payment amount: If the Department is required to pay you from the Fund, there are two circumstances that would reduce the amount of any payment to you. First, if the Commissioner determines at the end of the fiscal year that the total amount of compensation to be paid from the Fund pursuant to agreements and final orders is greater than the funds available for payment, then the Commissioner must allocate the available funds among all claimants. Second, if at the end of the calendar year, the total amount of approved claims against one contractor exceeds \$150,000, the Commissioner will prorate the available funds among the claimants. This means that if there are multiple claims against your contractor, your payment may be less, since the available dollars in the Fund for that contractor will have to be prorated among the applicants. The Commissioner will mail notice of allocation to all affected claimants not less than 45 days following the end of the fiscal year.

Minnesota Department of Labor and Industry
Contractor Recovery Fund
443 Lafayette Road N.
St. Paul, MN 55155
(651) 284-5057

**VERIFIED APPLICATION FOR
COMPENSATION FROM THE
CONTRACTOR RECOVERY FUND
USING THE ACCELERATED PROCEDURE
FOR CONDUCT OCCURRING ON OR
AFTER DECEMBER 1, 2007**

Name of Owner/Lessee (Applicant): _____

Address _____

Name of Contractor (Licensee): _____

Contractor License Number _____

PURSUANT TO Minnesota Statutes, section 326B.89 (2010) the Applicant, for their verified application for compensation from the Contractor Recovery Fund using the accelerated procedure, state and affirm as follows:

1. The Applicant is an Owner of residential real estate or a Lessee of residential real estate that is eligible for payment of compensation from the Contractor Recovery Fund;

2. The specific grounds upon which the Applicant seeks to recover from the fund are:

_____;

3. The Applicant obtained a Final Judgment in the amount of \$_____ in a court of competent jurisdiction against the Licensee, which was entered on _____, and docketed on _____, and is incorporated herein by reference;

4. The Applicant received \$_____ toward the amount of the Final Judgment on _____ **OR** The Applicant has not received any

payment toward the amount of the Final Judgment; (Cross out the sentence that does not apply.)

5. The Final Judgment against the Licensee was obtained on the grounds of fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance that arose directly out of a transaction that occurred between the Applicant and the Licensee when the Licensee was licensed and performing any of the special skills enumerated under Minn. Stat. § 326B.802, subdivision 15 (2010);
6. All proceedings on the judgment specified in item three have either been pursued and concluded or have been foregone, and there are no reviews or appeals pending in any court.
7. The amount of the Applicant's actual and direct out-of-pocket loss on the residential real estate or the leased residential real estate, or on new residential real estate that has never been occupied or that was occupied by the Licensee for less than one year prior to purchase by the Applicant, is \$_____;
8. The residential real estate is located at _____(address) ,
City of _____, County of _____, State of Minnesota,
_____(zip code);
9. The Applicant is not the spouse of the Licensee or the personal representative of the Licensee;
10. The Applicant knows of no other party who would be liable to the Applicant in the transaction for which the Applicant is seeking recovery from the Contractor Recovery Fund.
OR Other parties that are liable, or may be liable, to the Applicant in the transaction for which the Applicant is seeking recovery from the Contractor Recovery Fund are: (Cross out the sentence that does not apply.)

11. The Applicant filed a claim with their homeowner's insurance carrier on _____, based upon the facts alleged in the Final Judgment the Applicant obtained against the Licensee, and received \$_____ for their claim/the claim is pending/the claim has been denied (circle one). **OR** The Applicant has not filed a claim with their homeowner's insurance carrier; (Cross out the sentence that does not apply.)

12. The Applicant filed a claim with the Licensee's insurance carrier on _____, based upon the facts alleged in the Final Judgment the Applicant obtained against the Licensee, and received \$_____ for that claim/the claim is pending/the claim has been denied (circle one). **OR** The Applicant has not filed a claim with the Licensee's insurance carrier; (Cross out the sentence that does not apply.)

13. This verified application is served upon the Commissioner of the Minnesota Department of Labor and Industry within two years of the date the Final Judgment specified in item three became final; and

14. The Applicant has have complied with all the requirements of Minn. Stat. § 326B.89 (2010).

NOW, THEREFORE, the Applicant requests the following.

An Agreement or Order directing payment from the Contractor Recovery Fund to the Applicant herein in the amount of \$ _____, said amount being equal to the Applicant's actual and direct out-of-pocket loss/amount of the Final Judgment (circle one), but excluding attorney's fees, any costs and disbursements incurred in obtaining the judgment and applying to the Fund, costs awarded under Minn. Stat. § 549.02, any interest on the loss, and any pre-judgment and post-judgment interest.

Dated: _____

By: _____
Attorney for Plaintiff/Applicant

Minnesota Department of Labor and Industry
Contractor Recovery Fund
443 Lafayette Road N.
St. Paul, MN 55155
(651) 284-5859

**VERIFIED APPLICATION FOR
COMPENSATION FROM THE
CONTRACTOR RECOVERY FUND
USING THE STANDARD PROCEDURE
FOR CONDUCT OCCURRING
ON OR AFTER DECEMBER 1, 2007**

Name of Owner/Lessee (Applicant/s): _____

Address _____

Name of Contractor (Licensee): _____

Contractor License Number _____

PURSUANT TO Minnesota Statutes, section 326B.89 (2010) the Applicant, for their verified application for compensation from the Contractor Recovery Fund using the standard procedure, state and affirm as follows:

1. The Applicant is an Owner of residential real estate or a Lessee of residential real estate that is eligible for payment of compensation from the Contractor Recovery Fund;

2. The specific grounds upon which the Applicant seeks to recover from the fund are:

_____;

3. The Applicant obtained a Final Judgment in the amount of \$_____ in a court of competent jurisdiction against the Licensee, which was entered on _____, and docketed on _____, and is incorporated herein by reference;

4. The Applicant received \$_____ toward the amount of the Final Judgment on _____ **OR** The Applicant has not received any payment toward the amount of the Final Judgment; (Cross out the sentence that does not apply.)

 5. The Final Judgment against the Licensee was obtained on the grounds of fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance that arose directly out of a transaction that occurred between the Applicant and the Licensee when the Licensee was licensed and performing any of the special skills enumerated under Minn. Stat. § 326B.02, subdivision 15 (2010);

 6. All proceedings on the judgment specified in item three have either been pursued and concluded or have been foregone, and there are no reviews or appeals pending in any court.

 7. The amount of the Applicant's actual and direct out-of-pocket loss on the residential real estate or the leased residential real estate, or on new residential real estate that has never been occupied or that was occupied by the Licensee for less than one year prior to purchase by the Applicant, is \$_____;

 8. The residential real estate is located at _____(address) ,
City of _____, County of _____, State of Minnesota,
_____ (zip code);

 9. The Applicant is not the spouse of the Licensee or the personal representative of the Licensee;

 10. The Applicant knows of no other party who would be liable to the Applicant in the transaction for which the Applicant is seeking recovery from the Contractor Recovery Fund. **OR** Other parties that are liable, or may be liable, to the Applicant in the transaction for which the Applicant is seeking recovery from the Contractor Recovery Fund are: (Cross out the sentence that does not apply.)
-

_____;

11. The Applicant filed a claim with their homeowner's insurance carrier on _____, based upon the facts alleged in the Final Judgment the Applicant obtained against the Licensee, and received \$_____ for their claim/the claim is pending/the claim has been denied (circle one). **OR** The Applicant has not filed a claim with their homeowner's insurance carrier; (Cross out the sentence that does not apply.)

12. The Applicant filed a claim with the Licensee's insurance carrier on _____, based upon the facts alleged in the Final Judgment the Applicant obtained against the Licensee, and received \$_____ for that claim/the claim is pending/the claim has been denied (circle one). **OR** The Applicant has not filed a claim with the Licensee's insurance carrier; (Cross out the sentence that does not apply.)

13. This verified application is served upon the Commissioner of the Minnesota Department of Labor and Industry within two years of the date the Final Judgment specified in item three became final; and

14. The Applicant has complied with all the requirements of Minn. Stat. § 326B.89 (2010).

NOW, THEREFORE, the Applicant requests the following.

An Agreement or Order directing payment from the Contractor Recovery Fund to the Applicant herein in the amount of \$ _____, said amount being equal to the Applicant's actual and direct out-of-pocket loss/amount of the Final Judgment (circle one), but excluding attorney's fees, any costs and disbursements incurred in obtaining the judgment and applying to the Fund, costs awarded under Minn. Stat. § 549.02, any interest on the loss, and any pre-judgment and post-judgment interest.

Dated: _____

By: _____
Attorney for Plaintiff/Applicant

