

THE TOP 10 PAVING AND SEAL COATING

SCAMS!



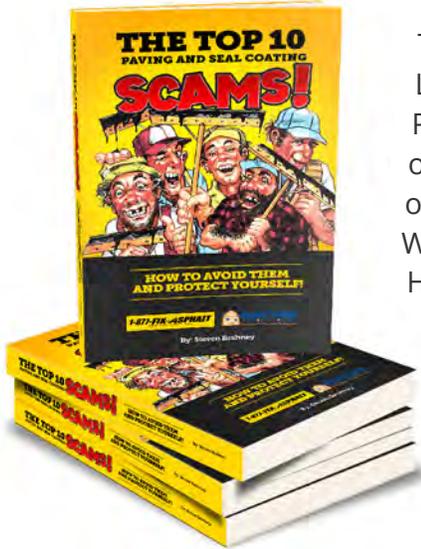
**HOW TO AVOID THEM
AND PROTECT YOURSELF!**

1-877-FIX-ASPHALT
www.fixasphalt.com



By: Steven Brahney

INTRODUCTION



This E-Book comes from my over 30 years' experience in the Parking Lot Maintenance Industry and the stories I have heard from many Property Owners, Property Managers and Homeowners I have met over the years who prior to using our company had been deceived in one way or another by unscrupulous companies or individuals. Who is this E-Book for? Everyone from a Property Manager to a Homeowner looking to spruce up their castle.

Some parts of the E-Book may seem cynical in tone however this is only being done to draw attention to the bait & switch tactics these unscrupulous contractors use to obtain business and steal your money or the money of the property owners you are managing the property for.

Type the search term "Paving Scam" into Google and it will index over 420 articles related to asphalt paving scams. Type "Seal coating Scams" and it will index over 500 articles. Those results are just for those specific search terms. There are thousands of more articles when you start using long tail keywords such as: Paving Scams 2013, Paving Scams Philadelphia, Door To Door Paving Scams etc.

Unlike Electrical, Plumbing, HVAC and Pest Control Asphalt Paving & Asphalt Sealcoating is rarely regulated by Government Agencies outside requiring contractors performing residential work to register with the Division Of Consumer Affairs. A contractor performing only Commercial Projects has the ability to "fly under the radar" and avoid registering with Government Authorities meant to protect the end purchaser from unscrupulous business practices.

With a pickup truck, heck actually a car with a hatchback, and \$150.00 a person can drive to the local Home Improvement Store, pick up a couple pails of driveway sealer and be in the asphalt sealcoating business by 7 AM.

A person with a small dump truck, roller, paver, skid steer and a truck load of day laborers can start going door to door in a residential neighborhood and they are in the paving business.

The Top 10 Paving And Seal Coating Scams!

I refer to these outfits as “**CON**---tractors.” Stop off at Fedex Office (Formerly Kinkos) and print up a handful of business cards, next stop Wal-Mart to pick up a burner phone and a prepaid phone card and they are in business! Locate a cheap motel to operate out of for a few weeks and like a “business in a box” these individuals are well on their way to going door to door up and down the highway from one parking lot to another or door to door in high end residential neighborhoods ripping off unsuspecting buyers.

These “**CON**---tractors” are usually- actually most always- never upstanding members of society. They usually consist of people who have arrest records for petty larceny, theft by deception, identity theft and DWI (Those are the ones who have a valid DL). The next bunch are the deadbeat dads and traveling scam artists running from child support and other warrants. A public record search on most of these individuals (If you were able to verify their real name) would produce outstanding Court judgments, warrants for unpaid bounced checks, unpaid suppliers, parties to liens on real property from unpaid suppliers and subcontractors, convictions for violations of home improvements laws, swindling the elderly, identity theft(BTW- they love to accept credit cards for payment), tax fraud, insurance fraud, labor law violations etc. and the list goes on and on.



Traveling Paving & Seal Coating Outfit Coming To A Hotel Near You Very Soon!



THE TOP 10 PAVING AND SEAL COATING SCAMS!

1. Vague Proposals

You are getting ready to invest a good amount of money into your asphalt paving or asphalt sealcoating project. You would like to know "EXACTLY" what you are paying for, correct?

When you have an asphalt paving job you would like to know how the project is being prepared (Partial Milling vs. Full Milling) the exact thickness of the asphalt (After Compaction), the specification of the asphalt used (Driveway Mix v. DOT Approved Mix) and the type of equipment being used to install it (Large Highway Sized Pavers Leaving Less Seams v. Small Driveway Paver).

If you are seal coating, you would like to know the brand of pavement sealer being applied, the number of separate coats being applied, if the cracks are being sealed, how the pavement is being prepared etc.

*Proposals not professionally prepared, outlining all specifications,
should be a Red Flag!*

(Please See Example On Next Page)

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ABC Seal Coating & Paving Co.
123 Main Street
Glassboro, NJ 08082
856-555-1212 Pager

APRIL 3, 2006

Proposal:

SMITH PROPERTY MANAGEMENT
COURTNEY HILL, NEW JERSEY

JOB:
Gleason Shopping Center
Route 502
Hammonton, New Jersey

- 1.) Blow parking lot with brooms and blowers
- 2.) Fix 4 holes with blacktop patch
- 3.) Fill cracks
- 4.) Spray emulsion paving sealer onto parking lot.
- 5.) Re-line parking lot lines, arrows, wheel chair signs in ground, paint lot re Parking Fine Zone signs in ground.

\$12,000.00

Payment must be made in "CASH" or check must be made payable to John Doe. 50% deposit must be given with signed contract (Non-Refundable)

John Doe

X _____ X _____

This proposal should have you asking questions such as:

- 1.) What size blowers? Large professional ones exceeding 12 HP as recommended by the pavement sealer manufacturer to thoroughly clean the pavement or a small handheld leaf blower?
- 2.) What is being used to fix the 4 potholes? Hot mix asphalt or cold patch in a bag from Lowes? Is the area being saw cut and excavated or is the asphalt just being thrown in the holes?
- 3.) Fill cracks with what? Cold pour crack sealer from Lowes, cheap brittle roofing tar? How are the cracks being prepared? Is the material being used approved by the DOT?
- 4.) Spray emulsion pavement sealer: How many coats? What is the brand and who is the manufacturer? How much is the sealer diluted by water? Is their sand or latex to modify and strengthen the sealer as recommended by the manufacturer? Can I call your supplier to see if you over dilute the sealer with water and to check on your payment history with them?

The Top 10 Paving And Seal Coating Scams!

Riley's Asphalt Maintenance
John Riley
Resurfacing Specialist
704-223-3234
or # 2112

P4

Liquid Road **P2**
Asphalt Hardener

Date Completed: 5-2-15

City: Asheville NC 28806

Job Description:
We hereby propose to furnish the materials and perform the labor necessary for the completion of:
Clean, trim & prep surface
apply 15 gallons of alligator patch cracks & edges
Master edge seal
Seal coat Driveway w/ Liquid Road

P5

Make Checks Payable to: John Riley

Amount: Cash Amount: 500.00
Sub Total: \$ 500.00
Tax: \$ 0.00
TOTAL: \$ 500.00

P3

6 years

P1

SealMaster
Riley Brothers
704-223-3234

Phil in Fall by cash 5-2-15
Chris McElroy

Picture above is from SealMaster Carolinas

P1: Here is an example of a contractor illegally using the SealMaster Logo. Seal Master is a manufacturer of pavement sealers and a franchisor of the plants to manufacture those pavement sealers. They would only allow a licensed franchisee to use the logo- not a sealcoating contractor

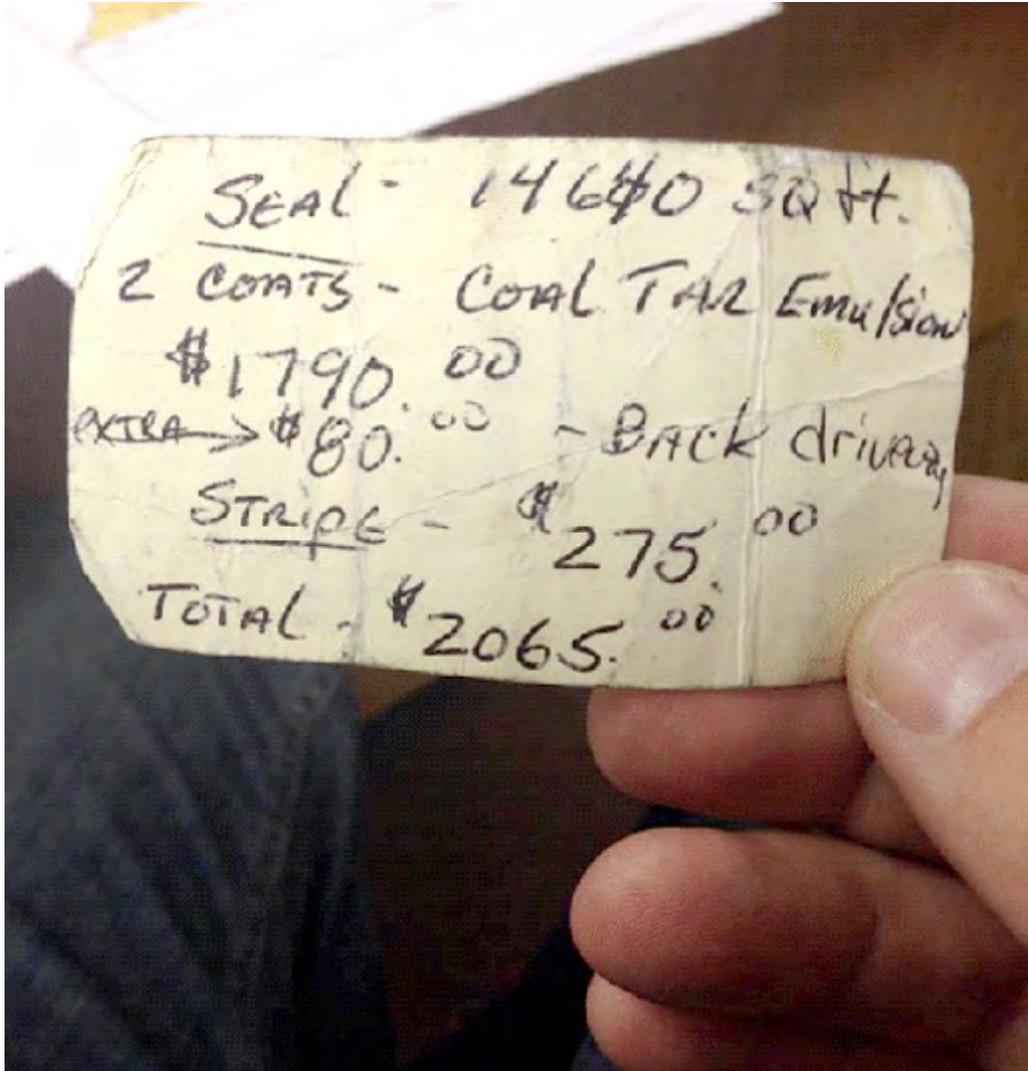
P2: Liquid Road is a premium pavement coating system, is only applied by licensed applicators that SealMaster has a relationship with. The reason for this is so Seal Master can certify to the buyer of the Liquid Road surface that a properly trained and qualified company is applying it. Seal Master would never allow a Fly-By-Night contractor to purchase or apply the product.

P3: A 6 year guarantee for asphalt sealcoating is "unheard" of in the industry. Reputable sealcoating contractor will not place more than a 3 year guarantee on a seal coating application. There is no address anywhere on the proposal for the contractor in the event you need to locate them to execute on the warranty.

P4: You notice the contractor has their personal name listed under their company name and then a notation: Make Checks Payable to: John Riley. This is so the contractor can hurry to the bank to cash your check prior to you stopping payment on it.

P5: Very vague hand written specifications demonstrate the contractor's unsophistication and lack of knowledge of the proper specifications to apply a long lasting seal coat application

2. Total Price On The Back Of The Business Card:



This should stand up in Court, right? This is **NOT** a binding contract and leaves you exposed in the event the contractor runs off with your money, one of their workers gets injured on the job or they fail to pay a supplier and they place a mechanics lien on your property.

3. Hey, do me a favor and cut me a deposit check, to my personal name:

A contractor requesting an upfront deposit as a condition for scheduling your project should be the first sign you are not dealing with a properly capitalized contractor.

Nine times out of ten YOUR deposit money will be financing the CURRENT project they are working on, which they have already spent the deposit money from!

If a contractor insists on a deposit, make sure the deposit does not exceed 10% of the project total and do not release it until AFTER the FIRST day of substantial work is completed. We even recommend post-dating the check till the following day.

Keep in mind, once the contractor has your money in their bank account you lose all control over the schedule as they will have all the leverage on the project.

If a contractor is unable to obtain a credit card or supplier credit to finance (Both are interest free if paid within 30 days- don't fall for the bologna they will tell you about how they are incurring interest) your project, there is probably a good reason why. If they are not credit worthy, they most likely do not possess assets to levy against in the event they run off with your deposit or are sued for substandard workmanship.

Under NO CIRCUMSTANCES should you ever write a check to a contractor's personal name! If you are doing business with ABC Paving Inc. and the owner John Smith asks for a check to be written to "John Smith" DO NOT DO IT! This is another "cash flow" scam where they will immediately drive to your bank, cash the check and either run off with the money or stretch out your schedule. If you write a check to ABC Paving Inc. the check has to be deposited into the bank.

If there is a problem with the job, the contractor leaves suddenly or fails to show up the next day you have recourse by stopping payment on the check which is dated for the following day. If it is written to their name, they can immediately draw against your account.

Again, a contractor overly concerned about receiving payment prior to work starting should be a major "Red Flag!"



4. Price is ONLY good TODAY!

The contractor says, "Your project is \$8,000.00, the price is only good for today, take it or leave it!"

LEAVE IT!

What you will most likely find out is the \$8,000.00 price is probably "double" of a legitimate contractor. The reason for the "high pressure boiler room" sales tactics is to prevent you from getting a comparative quote, doing an internet search on the contractor or seeking counsel from a trusted advisor on the proposal.

Do not ever be intimidated into signing a contract on the spot. Most states require a recidence clause in contracts where either party can cancel the contract with-in 72 hours without penalty.

5. Prices quoted for gallons, tons, hours etc (Sometimes referred to as Time & Materials-T&M)

Pricing for parking lot work should be in square feet, square yards or lump sum.

As a "layman" it would be difficult for you to verify quantities given to you by the contractor in gallons or tons. Allowing a contractor to complete work on an hourly basis is nothing more than a blank check for the contractor. It gives them the availability to stretch the job out as long as possible.



6. Underinsured or No Insurance

Bottom line- if someone gets injured on your property **YOU CAN BE HELD LIABLE!**

If the contractor is underinsured (Only carried the minimum limits required by the State) or has no insurance at all you are standing on a trap door waiting to be opened.

Some contractors only carry Automobile and General Liability insurance but no Workman's Compensation Insurance. When one of the CONTRACTORS workers gets injured on YOUR property, guess who is paying the claim? **YOU ARE!**

Most fly by night contractors use a pool of "day laborers" they pay cash under the table. These day laborers are typically the dregs of society such as convicted felons, pedophiles, deadbeat dads and drug addicts. All people who are unable to legitimately work on the books for one reason or another. Because these workers are being paid "off the books", they are not covered by Workman's Compensation Insurance as they are not legitimate registered employees.

Guess who personal injury attorneys pursue? I will give you two choices:

- 1.) A fly by night contractor living in a trailer park with equipment and trucks all registered in family member's names
- 2.) The property owner with \$300,00.00 equity in their property that is sufficiently insured with property insurance. *You guessed it- # 2!*



7. Inflated Or Frivolous Change Orders

Do you know who is buying your fly by night contractors next boat or new car? Possibly you!

Change orders are accepted as a necessary evil in construction. However, in the business of asphalt paving or sealcoating they should be minimized and a legitimate contractor knows how to best eliminate change orders.

Most change orders in asphalt paving or concrete jobs originate around poor load-bearing soils under the asphalt or sidewalks. A seasoned contractor can step foot onto a job and within minutes identify areas of compromise in the subgrade.

In addition, a legitimate contractor, if they encounter these types of areas, can core-drill the pavement / subgrade to perform a soil test to anticipate potential up charges and inform you of the amount in writing- before the job begins.

An unscrupulous contractor may come into a project such as this, immediately identify areas where they know the subgrade is compromised and then quote a very low price. After starting the project, they will immediately come to you waving a change order in your face that may be double if not triple the original contract amount that is filled with 90% profit for the contractor.

You have 2 choices:

- 1.) Throw the contractor off the job and have a parking lot that is half way milled to the stone base
- 2.) Pay the inflated change order. Most people find themselves in the position of # 2.

As the contractor tells you he is going to his truck to call the quarry to order stone to repair the poor soil, in actuality what he's really doing is calling the local Mercedes Dealer to let them know he will be over this afternoon to pick up his new car.

8. "It's Your Lucky Day! We Were Just Paving A Parking Lot Around The Corner And Have 125 Tons Left Over If You Want To Pave Yours RIGHT NOW!"

This is the biggest canned sales pitch fly by night contractors use. Not only does it smack of dishonesty, the other questions one would ask themselves is "how does a competent contractor over order 125 tons of asphalt" or "how bad did the parking lot they just paved get shorted on asphalt?"

Legitimate contractors rarely over-order asphalt, anything more than a few wheel barrow loads anyway. People, however, naturally like to take advantage saving money.

Truth is, not only will you be getting over-charged (Refer back to # 4), as you will not have time to obtain a comparative quote, but they have already figured out how to turn your 125-ton job into a 60-ton job, as they continue to go from business to business – house to house pulling the same scam.

9. Get It In Writing!

Before walking your parking lot or driveway, if you think you may forget- write- "Get it in writing inside your eye lids."

Do not verbally contract with a company to perform any work to your property over \$500.00 without a written contract. A fast talking contractor can promise you they can do anything, but should a dispute arise that results in litigation, a Judge will only rule on what is "in writing."



10. "It looks like 1 Coat Of Pavement Sealer, But I Am Actually Putting Down 2!"

One of the biggest scams in asphalt sealcoating is where a contractor tells you they can put down the same amount of sealer in 1 coat as a 2 coat application.

They will try some slick explanation of how when the spray application wand goes left it is 1 coat and when it goes right the second coat is being applied, or they will claim if they walk very slow they will be able to get the same amount of sealer on the asphalt.

If you go to any pavement sealer manufacturer website and look up their product application technical bulletin it clearly states a 2 coat application is applying a second coat AFTER the first coat has dried sufficiently.

In addition, they all warn against applying sealer too thick or attempting to apply the material equivalent of 2 coats in 1 application. Its just another scam the unscrupulous contractor has in their arsenal to cheat the customer while lining their pockets with additional profits.



About Steven Brahney

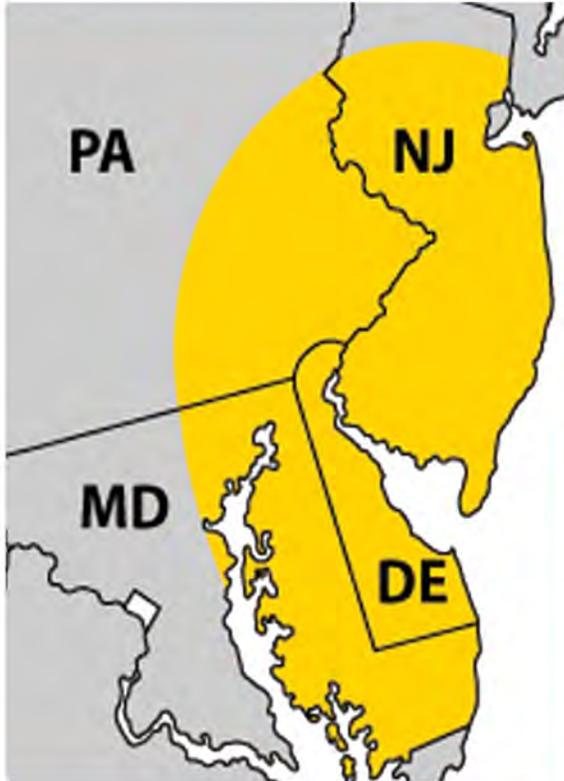


Steven Brahney has been in the parking lot maintenance business since he was 12 years old. At 42 years old you could say he has been doing this a long time! The one thing Steven likes to do more than anything else is helping people!

His blog on www.fixasphalt.com/blog has over 1,600 visitors per month coming to seek advice on their parking lot projects for tough questions that most contractors avoid answering. For this reason, most of his blogs are ranked # 1 by Google. Steven's companies have been nationally ranked as a Top 75 Contractor by Pavement Maintenance & Reconstruction Magazine for 3 years in a row. In addition, Steven is often contacted to be a contributing author for industry trade magazines for property / facility management and contracting. Over the course of his career Steven has sold and managed millions of dollars of contracts for paving, concrete and sealcoating for some of the Nations Largest Retailers and Fortune 500 Companies.

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