

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

Director of the Manufactured Housing and)	
Modular Units Program of the Missouri)	
Public Service Commission,)	
)	
Complainant,)	
)	
v.)	
)	Case No. MC-2008-0071
Amega Sales, Inc.)	
d/b/a Quality Preowned Homes, Columbia)	
Discount Homes, Mark Twain Mobile)	
Home Sales, and Chateau Homes,)	
)	
Respondent.)	

STIPULATION AND AGREEMENT

This Stipulation and Agreement ("Agreement") is entered into between the Director of the Manufactured Housing and Modular Units Program of the Public Service Commission ("Director") and Amega Sales, Inc., d/b/a Quality Preowned Homes, Columbia Discount Homes, Mark Twain Mobile Home Sales, and Chateau Homes (collectively "Amega"), and Greg DeLine ("DeLine"), an individual. The Director, Amega and DeLine are referred to herein collectively as the "Parties."

The Parties to this Agreement intend this Agreement to be a formal resolution of the complaint in MC-2008-0071 currently pending before the Missouri Public Service Commission ("Commission"), as well as additional outstanding issues between the parties. This Agreement is for settlement purposes only, and if this Agreement is not accepted or is modified by the Commission, then the Parties shall not be bound by any of the statements or agreements contained herein.

STIPULATION OF FACTS

The Parties stipulate and agree to the following set of facts:

1. Amega Sales, Inc. is a manufactured home dealer operating five lots in the State of Missouri under the following names: Amega Sales, Inc., Quality Preowned Homes, Columbia Discount Homes, Mark Twain Mobile Home Sales, and Chateau Homes.

2. Amega Sales, Inc. is a single corporation operating under the fictitious names described above. Amega holds 5 certificates of dealer registration issued by the Commission.
3. On December 26, 2006, Amega Sales, Inc., entered into a contract with Dale and Jodi Nelson for the purchase of a new manufactured home described as a 2005 Southern EL-319, serial number DESAL1101A/B.
4. Amega agreed to deliver, level, anchor, and block the home as described in the contract.
5. On or about April 16, 2007, Amega delivered the home to the Nelson's premises in Moberly, Missouri.
6. On or about April 16, 2007, Amega improperly installed the home at the Nelsons' location by failing to construct a retaining wall and grade the slope so that water would run away from the home.

THE PARTIES' AGREEMENT

Therefore, upon a finding by the Missouri Public Service Commission that Amega has violated section 700.100.3(6), the parties agree that Amega shall be placed on probation under section 700.100.2 and .3 by the Commission for a period of two (2) years from the date of approval of this Agreement by the Commission. If Amega and DeLine comply with the terms and conditions of this Agreement for the two (2) year period to the reasonable satisfaction of the Director, then this Agreement shall be terminated, except for those terms, conditions and obligations which are expressly continued by the express language of this Agreement. Amega currently has five (5) certificates of registration with the Commission, listed above, all of which are subject to the terms of probation and are subject to revocation upon violation of a condition of probation. During the term of probation, and thereafter if expressly provided, Amega and DeLine shall comply with the following conditions of probation:

1. DeLine will relinquish 100% of his role in the day-to-day management, conduct, and operations of Amega by December 31, 2008, by resigning any position as officer, director, manager or employee of any of Amega's operations. DeLine agrees to provide documentary proof of fulfilling this condition by December 31, 2008.
2. Amega and DeLine represent that Amega currently has a single shareholder known as Amega Holdings, Inc, and that the sole shareholder in Amega Holdings, Inc. is DeLine or DeLine's revocable trust. DeLine agrees to divest, sell or transfer at least 60% of his ownership in Amega Holdings, Inc., and thereby at least a 60% interest in Amega by December 31, 2008. Alternatively, Amega Holdings, Inc. may sell at least 60% of

Amega prior to December 31, 2008, and such sale shall be deemed to be a compliance with this Agreement.

In no event shall DeLine, or any entity controlled by him, or any combination of DeLine and his spouse, DeLine and his relatives or DeLine and any entity controlled by DeLine possess or control more than 40% of Amega's stock after December 31, 2008. DeLine hereby represents and warrants that at no time shall DeLine, or any entity controlled by DeLine, or any combination of DeLine and his spouse, DeLine and his relatives, or DeLine and any entity controlled by DeLine own more than 40% of any entity which is engaged in the sale of manufactured homes or registered as a manufactured home dealer within the State of Missouri. DeLine agrees to provide documentary proof of fulfilling this condition by December 31, 2008.

Amega and DeLine agree to disclose the identity of the purchaser of DeLine's interest in Amega and the Parties agree that said information shall be retained as "highly confidential" until publicly disclosed by Amega, DeLine or the purchaser of DeLine's interest. This information shall be disclosed to the Director, Commission Staff and the Commissioners prior to the Commission's consideration of the approval of this stipulation and Agreement. Amega and DeLine have informed the Director and Commission that there are negotiations and discussions ongoing currently with a potential purchaser of DeLine's interest in Amega, but the Director understands that no definitive agreements have been reached with that potential purchaser and that if an agreement is reached with that potential purchaser, the transaction may not close with that potential purchaser. Nothing in this Agreement requires Amega or DeLine to close the transaction with that potential purchaser or any particular potential purchaser, however if the ultimate purchaser is different from a prospective purchaser previously disclosed, then Amega and DeLine shall provide the name of the ultimate purchaser. Upon completion of the proposed purchase, and when the Director is reasonably satisfied the purchaser is independent of DeLine and does not intend to convey any interest back to DeLine or any entity controlled by DeLine, or any combination of DeLine and his spouse, DeLine and his relatives, or DeLine and any entity controlled by DeLine, then Amega and DeLine shall be deemed to have complied with the terms of this condition number 2 of probation. In any event, if DeLine, his trust, or any entity controlled by him, or any combination of DeLine and his spouse, DeLine and his relatives, or DeLine and any entity controlled by DeLine possesses or controls more than 40% of Amega's stock after December 31, 2008, then Amega shall be in violation of this condition of its probation.

3. Amega and DeLine agree that after December 31, 2008, DeLine or any entity controlled by him, or any combination of DeLine and his

spouse, DeLine and his relatives, or DeLine and any entity controlled by DeLine shall not own more than 40% of any dealer selling manufactured homes in the State of Missouri. DeLine agrees that after December 31, 2008, DeLine or any entity controlled by him, or any combination of DeLine and his spouse, DeLine and his relatives, or DeLine and any entity controlled by DeLine shall have no role in the control, day-to-day management, conduct or operation of any manufactured home dealer in the State of Missouri. The parties to this Agreement consent to the entry of any order by the Commission setting forth this provision, which shall be enforceable against Amega and DeLine under Section 386.360. In the event of violation of the Commission's order approving or ordering this provision, DeLine and Amega shall be subject to penalties as provided for in section 386.570 in addition to the mandamus and prohibition provided for in Section 386.360.

4. Amega and DeLine shall establish an irrevocable letter of credit with Regions Bank in the total amount of \$70,000 to complete repairs to homes that were damaged in transit before the date of this Agreement. The letter of credit shall be for the purpose of making repairs to homes sold by Amega that were damaged in transit and that do not comply with the manufactured home construction standards or have an imminent safety hazard or serious defect, as defined by the 24 CFR 3280, 3282, and 3283. The letter of credit shall be established and must be approved by the Director before this Agreement is presented to the Commission, and shall remain in place for at least five (5) years from the date of the Commission's approval of this Agreement. Any claim for repair made during the five years after approval of this Agreement shall be paid with the letter of credit. It shall be the duty of the Director, under supervision of the Commission, to make a reasonable determination when a payment may be made. The Director shall report any use of funds from the letter of credit to the Commission and Amega as it occurs. If this Agreement is terminated, all the rights, responsibilities, duties and obligations imposed by this paragraph 4 shall survive termination and remain valid and binding on the parties. After the expiration of five (5) years and when all claims made during that five (5) years are paid or finally resolved to the Director's reasonable satisfaction, the letter of credit may be terminated. No draw on the letter of credit shall take place until Amega has been given an opportunity to repair any damages identified by the Director to the Director's reasonable satisfaction. Amega shall be given thirty (30) days from the receipt of notice from the Director of the existence of such damages to repair the damages. After the expiration of the thirty (30) day period, the Director shall provide Amega with notice that if the damages are not fixed within ten (10) days that a draw request on the letter of credit will be made at the end of that ten (10) day period.

The parties consent to the Commission issuing an order approving and authorizing this provision to remain in effect beyond the 2 year term of probation and to run the entire five year period of the letter of credit. It is understood and agreed by Amega and DeLine that any lapse, termination or expiration of the letter of credit during the five year period contemplated by this paragraph is a violation of the terms of this Agreement.

5. Amega and DeLine shall pay a penalty totaling \$50,000 to the public school fund. This penalty will be paid at a rate of \$5,000 per month on the beginning of every month beginning July 1, 2008, and for 9 consecutive months thereafter until paid in full. Amega and DeLine agree to provide proof of the required payments to the Director as they are made.

6. Amega and DeLine will repair, to comply with the Code, eight red-tagged manufactured homes currently on Amega's lots by November 1, 2008. Amega and DeLine agree that the homes will not be moved or sold until the repairs are made and approved by the Director. The Director and his staff agree to assist Amega in the repair of the following homes by facilitating contacts with manufacturers and third-parties:

<u>Year</u>	<u>Manufacturer</u>	<u>Serial Number</u>
2006	Clayton	CHO002271KYAB
2006	Clayton	CW2010612TXAB
2007	Clayton	CS2008473TNAB
2007	Southern	DSD4AL47760AB
2008	Southern	DESAL1748AB
2006	Southern	DSD4AL45886AB
2006	Southern	DSDAL45874AB
2005	Champion	12525M (modular)

7. Amega and DeLine have provided to the Director limited information regarding the disposition of the home in the A&G Commercial Trucking case, MC-2004-0078, referred to as the Hackman home, 2003 Waverlee, Serial No. 17L07963XU. The Hackman home was originally sold to Hackman by Amega, thereafter, Amega purchased the home back from Hackman and sold the home to another purchaser. Amega and DeLine shall provide any and all documentation within their

control or possession regarding the disposition, sale and movement of this home to the Director by June 30, 2008. This includes all contracts, form 500's, purchase agreements, invoices, bills of lading, loan documents, transportation documents, installation documents, notes, memoranda, checks or any other written information concerning the entire history of this mobile home.

Amega agrees to repair the home and ensure this home complies with the HUD Code and federal standards. Repairs are to be completed within 30 days of the date of a notice sent by the Director to the current owner or resident of the home and Amega is received. Such thirty (30) day period shall be extended as required due to delays caused by the homeowner. Such delay shall not cause Amega to be in violation of this Agreement. The Director agrees to reasonably cooperate with Amega on the time frame of repairs so long as Amega does not unreasonably delay the work and keeps the Director informed as to the situation involving the Hackman home.

Additionally, if the Hackman home shall have previously been repaired to the satisfaction of the Director, then the current owner or the owner who made repairs to the home shall be reimbursed by Amega for the expenses of any repairs. Amega shall make no settlement with the owner until the Director and his staff have the opportunity to inspect the home and discuss the inspection with the owner.

8. Amega agrees to pay an inspection or re-inspection fee of \$200 for each inspection of any manufactured home after the initial inspection by the Director.

9. The Director asserts that since 2004, he is aware of 22 homes that have been identified as damaged in transit while A&G Commercial Trucking was responsible for transportation and that 15 of those homes have come to Amega's lots in Missouri. Amega and DeLine agree to provide the Director with a list of all manufactured homes known to Amega or DeLine and located in any state, which, in the last three (3) years, have been damaged in transit such that the dealer had the right to reject the delivery of the manufactured home. Amega and DeLine will use their best efforts to obtain this same information going back five (5) years. Such list shall be provided by July 30, 2008. Amega and DeLine shall obtain and provide the Director with all documents including manufacturer invoices, bills of lading, accident reports, and other documents showing damages or repairs, whether the repairs are made by Amega or another entity, to the identified homes by July 30, 2008.

10. Greg DeLine agrees, individually and in his role as an officer or manager for any other company engaged in the sale, distribution or

transportation of manufactured homes or modular units, that whenever he is aware of transit damage to any manufactured home or modular unit such that a dealer rejects delivery of the home or the home is damaged in a way to remove it from compliance with the HUD Code, that DeLine will advise the Director within seven days of the date of damage of the make, model, serial number, location, and future or anticipated final destination of the home. DeLine agrees to advise the Director whenever any manufactured home or modular unit, which is in the possession or control of DeLine or a company with which DeLine is associated that is engaged in the sale, distribution or transportation of manufactured homes, is damaged or repaired and brought into the State of Missouri.

11.a) Amega and DeLine shall buy back the home sold to Kathryn Quinton, a 2007 Southern Estates manufactured home, model ES322, serial number DESAL2085AB, for the price of \$70,000.00 contingent upon Quinton 1) removing all liens securing the home, 2) releasing any further interest in the home subsequent to her settlement with Amega and DeLine, and 3) executing a release of all claims arising out of the sale and purchase of the home from Amega. This requirement shall be completed within a reasonable time not to exceed 60 days from the effective date of this Agreement unless an extension is approved by the Director. If deemed necessary by the Director, a Third Party mediator may be appointed by the Director to resolve any disputes regarding this requirement between Amega, Deline and Quinton. Any cost for the mediator will be paid by Amega within 10 days from the date the mediator issues a final opinion.

b) Amega and DeLine shall reinstall the home sold to Karen Cashman, a 2007 Southern Estates manufactured home, model ES322, serial number DESAL2148AB, pursuant to the manufacturer's installation instructions and applicable regulations. The home must be reinstalled properly within 30 days from the effective date of this Agreement unless an extension is approved by the Director.

c) The Director agrees not to file a complaint against Amega relating to the Quinton or Cashman homes so long as Amega complies with the terms in subparagraphs (a) and (b) above.

12. Amega and DeLine shall abide by and not violate the law relating to manufactured housing. Any material violation of law relating to manufactured homes that occurs after the date the Commission approves this Agreement is grounds for revocation of this probation and thereby grounds for revocation of Amega's five registrations.

13. Amega and DeLine agree that they shall disclose to the Director and any potential customer the fact that any home offered for sale has

been damaged in a way to remove it from compliance with the HUD Code or if the manufactured home has been materially repaired by any person or entity.

14. DeLine shall not have any office located in any of Amega's sales locations after December 31, 2008.

15. Any act or failure of DeLine shall be deemed to be an act or failure of Amega for purposes of this Stipulation and Agreement.

16. The Director enters into this Agreement in reliance upon information and assurances provided by Amega and DeLine. In the event the Director or the Commission find that Amega or DeLine failed to provide the Director or the Commission with material information within their control or possession regarding any controversies comprehended by this Agreement which should have been available to Amega or DeLine through reasonable efforts, or if the Director or the Commission find that Amega or DeLine misrepresented material facts relevant to this Agreement, then Amega shall have violated this probation and shall be subject to revocation.

Upon the Director's reasonable belief that a violation of any of the above conditions has occurred, the Director may file a motion with the Commission seeking revocation of Amega's probation; revocation of Amega's registrations; or such other relief as the Director deems appropriate. The Commission may thereupon set the matter for hearing to determine whether a violation of the terms of probation has taken place and, if so, the parties agree that the Commission may revoke or suspend Amega's five registrations; continue Amega's probation, modified or not as the Commission may determine; or enter such other order as the Commission deems just and proper.

This Stipulation and Agreement has resulted from extensive negotiations among the Parties and the terms hereof are interdependent. If the Commission does not approve this Stipulation and Agreement unconditionally and without modification, then this

Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof, except as explicitly provided herein.

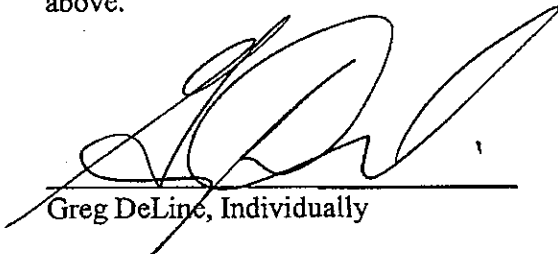
If the Commission does not unconditionally approve this Stipulation and Agreement without modification, and notwithstanding the provision herein that it shall become void, neither this Stipulation and Agreement nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Party has for a decision in accordance with §536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the Parties shall each retain all procedural and due process rights as fully as though this Stipulation and Agreement had not been presented for approval. If the Commission does not unconditionally approve this Stipulation and Agreement without modification, any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation and Agreement shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from, and not be considered as part of, the administrative or evidentiary record before the Commission for any purpose whatsoever.

In the event the Commission unconditionally accepts the specific terms of this Stipulation and Agreement without modification, the Parties waive their respective rights to: i) present oral argument and written briefs pursuant to §536.080.1, RSMo 2000; ii) the reading of the transcript by the Commission pursuant to RSMo §536.080.2, RSMo 2000; iii) seek rehearing, pursuant to §536.500, RSMo 2000; and iv) judicial review pursuant to §386.510, RSMo 2000. These waivers apply only to the issues that are resolved hereby, and specifically do not apply to any matters raised in any prior or subsequent

Commission proceeding or any matters not explicitly addressed by this Stipulation and Agreement.

The Director may, within five (5) days of the filing of this Agreement, file suggestions or a memorandum in support of this Stipulation and Agreement. Each of the Parties shall be served with a copy of any such suggestions or memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of the Director's suggestions or memorandum, responsive suggestions or a responsive memorandum consistent with this Stipulation and Agreement, which shall also be served on all Parties. The contents of any suggestions or memorandum provided by any Party are its own and are not acquiesced in or otherwise adopted by the other Parties to this Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

WHEREFORE, the Parties pray that the Commission accept and approve this Stipulation and Agreement and enter an order placing Amega on probation as set forth above.



Greg DeLine, Individually

Amega Sales, Inc., d/b/a Quality Preowned Homes, Columbia Discount Homes, Mark Twain Mobile Home Sales, and Chateau Homes



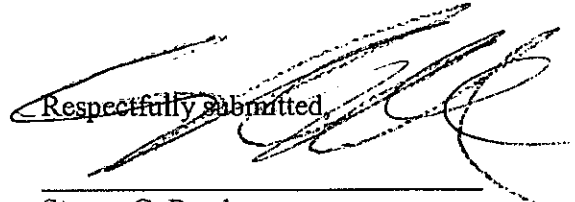
By: Greg DeLine, President

Ron Pleus

Ron Pleus, Director, Manufactured Housing and Modular Units Program for the Missouri
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Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Stipulation and Agreement have been delivered by first class mail postage prepaid, and electronic mail, to Tom Harrison, Attorney for Amega Sales, Inc., and via electronic mail to Christina Baker, Office of the Public Counsel, at Christina.Baker@ded.mo.gov on this 30 day of May, 2008.

/s/ Steven C. Reed