

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

MANAGER OF THE MANUFACTURED)	
HOUSING AND MODULAR UNITS)	
PROGRAM OF THE PUBLIC SERVICE)	
COMMISSION,,)	
)	
Complainant,)	
)	Case No: MC-2016-0021
vs.)	
)	
CHAMPION HOME BUILDERS, INC.,)	
)	
Respondent.)	

***CHAMPION HOME BUILDERS, INC.'S ANSWER TO
COMPLAINT, AND DEMAND FOR FORMAL MEDIATION***

COMES NOW Respondent Champion Home Builders, Inc., (hereinafter "Champion"),
by and through the undersigned counsel, and for its Answer to Complainant's Complaint, and
Demand for Formal Mediation, states as follows:

Introduction

1. Admit only that at issue is a home manufactured by Champion, however, deny the
remaining allegations of Paragraph 1, and this Respondent demands strict proof thereof.

Complainant

2. The allegations of Paragraph 2 state a legal conclusion, and therefore, no response is
necessary. To the extent one is required, Champion denies the allegations of Paragraph 2.

Respondent

3. Admit.

Jurisdiction

4. Admit Champion is a manufacturer of new manufactured homes, and that they are registered with the Public Service Commission. However, the remaining allegations of Paragraph 4 state a legal conclusion, and therefore, no response is necessary. To the extent one is required, Champion denies the allegations of Paragraph 4 not specifically admitted herein.
5. The allegations of Paragraph 5 state a legal conclusion, and therefore, no response is necessary. To the extent one is required, Champion denies the allegations of Paragraph 5.
6. The allegations of Paragraph 6 state a legal conclusion, and therefore, no response is necessary. To the extent one is required, Champion denies the allegations of Paragraph 6.
7. The allegations of Paragraph 7 state a legal conclusion, and therefore, no response is necessary. To the extent one is required, Champion denies the allegations of Paragraph 7.

Facts Common to All Counts

8. Admit Kevin and Kimberly Graf purchased a Champion “Atlantic” model home from Ozark Manufactured Homes, Inc., bearing serial number 021-000-HA002562AB, which was manufactured new by Champion, however deny the remaining allegations for lack of knowledge.
9. Admit “Exhibit A” to the Complaint purports to be an “Inspection Request/Consumer Complaint Form,” filled out by the Grafs, dated February 25, 2015, however, deny the claims and allegations made therein, and this Respondent demands strict proof thereof.
10. Admit “Exhibit B” to the Complaint purports to be an “Inspection Report,” filled out by state inspector Justin Smith, however, deny the “defects” listed therein are under the jurisdiction of the Commission, as most of them are subjective, cosmetic issues, and do not rise to the level of a “defect” as defined by the applicable rules and regulations, and

furthermore, Champion denies the claims and allegations made therein, and this Respondent demands strict proof thereof.

11. Admit “Exhibit C” to the Complaint purports to be an “Inspection Report,” filled out by state inspector Justin Smith, however, deny the “defects” listed therein are under the jurisdiction of the Commission, as most of them are subjective, cosmetic issues, and do not rise to the level of a “defect” as defined by the applicable rules and regulations, and furthermore, Champion denies the claims and allegations made therein, and all subparts thereto, and this Respondent demands strict proof thereof.

Count I

Placing a HUD Seal on a Noncompliant Manufactured Home

COMES NOW Respondent Champion Home Builders, Inc., by and through the undersigned counsel, and for its Answer to Count I of Complainant’s Complaint, states as follows:

12. Admit the subject home was inspected before it left Champion’s manufacturing facility and a HUD label was affixed to the unit, but deny all other allegations made in Paragraph 12, and this Respondent demands strict proof thereof.
13. The allegations of Paragraph 13 state a legal conclusion, and therefore, no response is necessary. To the extent one is required, Champion denies the allegations of Paragraph 13.
14. Denied.

15. The allegations of Paragraph 15 state a legal conclusion, and therefore, no response is necessary. To the extent one is required, Champion denies the allegations of Paragraph 15.

WHEREFORE, having fully answered Count I of the Complaint, Respondent prays that the claims of Complainant be dismissed with prejudice, that Respondent be awarded reasonable costs and attorney's fees in the defense of this action, and for all other relief the Commission deems just and proper.

Count II

Sale of a Noncompliant Manufactured Home

COMES NOW Respondent Champion Home Builders, Inc., by and through the undersigned counsel, and for its Answer to Count II of Complainant's Complaint, states as follows:

16. Champion continues to either admit or deny the allegations contained in Paragraphs 1-15, above, as though fully set forth herein.

17. The allegations of Paragraph 17 state a legal conclusion, and therefore, no response is necessary. To the extent one is required, Champion denies the allegations of Paragraph 17.

18. Denied.

WHEREFORE, having fully answered Count II of the Complaint, Respondent prays that the claims of Complainant be dismissed with prejudice, that Respondent be awarded reasonable costs and attorney's fees in the defense of this action, and for all other relief the Commission deems just and proper.

Count III

Failure to Correct Manufacturing Defects Within 90 Days

COMES NOW Respondent Champion Home Builders, Inc., by and through the undersigned counsel, and for its Answer to Count III of Complainant's Complaint, states as follows:

19. Champion continues to either admit or deny the allegations contained in Paragraphs 1-18, above, as though fully set forth herein.
20. The allegations of Paragraph 20 state a legal conclusion, and therefore, no response is necessary. To the extent one is required, Champion denies the allegations of Paragraph 20.
21. Admit "Exhibit D" to the Complaint purports to be a letter from the Missouri Public Service Commission, dated March 4, 2015, however, deny it is "notice to correct code violations," and further deny the complaints listed therein and attached thereto are under the jurisdiction of the Commission, as most of them are subjective, cosmetic issues, and do not rise to the level of a "defect" as defined by the applicable rules and regulations, and furthermore, Champion made efforts to address the issues set out therein, and finally, denies the claims and allegations made therein, and this Respondent demands strict proof thereof.
22. Denied.

WHEREFORE, having fully answered Count III of the Complaint, Respondent prays that the claims of Complainant be dismissed with prejudice, that Respondent be awarded reasonable costs and attorney's fees in the defense of this action, and for all other relief the Commission deems just and proper.

Affirmative Defenses

COMES NOW, Respondent Champion Home Builders, Inc., by and through the undersigned counsel, and for its Affirmative Defenses to the Complaint states as follows:

23. For further answer and defense, Respondent Champion denies each and every allegation which is not specifically admitted herein.
24. For further answer and defense, Respondent Champion states that the Complaint fails to state a claim upon which relief may be granted, and accordingly, should be dismissed.
25. For further answer and defense, Respondent Champion states Complainants' claims exceed the authority granted by Rev. Stat. Mo. § 700.100 and 4 CSR 240-123.020.
26. For further answer and defense, Respondent Champion states Complainants' claims are barred by the doctrine of laches, waiver, and/or estoppel.
27. For further answer and defense, Respondent Champion states Complainants' claims are barred, in whole or in part, to the extent Complainant and/or the Grafs failed to mitigate their alleged damages, the existence of which damages Respondent Champion specifically denies.
28. For further answer and defense, Respondent Champion states that the Grafs' damages, if any, were caused by the acts, omissions or conduct of third parties, not under the control of Champion, and that the Grafs' damages, if any, should be apportioned in accordance with the fault of these third parties.
29. For further answer and defense, Respondent Champion states it has made numerous, repeated and ongoing efforts to provide service to purchasers Kevin and Kimberly Graf, however, they have hampered Champion's efforts or, once service is provided, add new,

additional items to their list of issues, which has prolonged this process and resulted in a seemingly never-ending process of addressing their complaints.

30. For further answer and defense, Respondent Champion states it has complied in all respects with 24 C.F.R. § 3282.404, Rev. Stat. Mo. § 700.015, 4 CSR 240-120.100, and 24 C.F.R. § 3280.303, .305 and .403.

31. For further answer and defense, Respondent Champion reserves the right to add further affirmative defenses as discovery and litigation of this case progress.

WHEREFORE, having fully answered the Complaint, Respondent prays that the claims of Complainant be dismissed with prejudice, that Respondent be awarded reasonable costs and attorney's fees in the defense of this action, and for all other relief the Commission deems just and proper.

DEMAND FOR MEDIATION

COMES NOW Respondent Champion Home Builders, Inc., (hereinafter "Champion"), by and through the undersigned counsel, and for its Demand for Formal Mediation, states as follows:

32. The State of Missouri follows and adheres to the Department of Housing and Urban Development rules and regulations promulgated under 24 C.F.R. § 3288.11 *et seq*, pursuant to 4 CSR 240-120.021.

33. Pursuant to 24 C.F.R. § 3288.25, Champion formally requests the above captioned dispute be submitted for resolution through the HUD Manufactured Home Dispute Resolution Program, and submitted to a formal mediation process, with a mediator agreed to by the parties, and failing resolution of the matter through that process, requests the matter be adjudicated in this forum.

34. Further, Champion requests the Complainant obtain a complete and full listing of all alleged defects or deficiencies with the home from the Grafs prior to the mediation, and afford Champion an opportunity to conduct an inspection of the Graf's property, to allow Champion the opportunity to respond at the mediation.

WHEREFORE, having demanded mediation, Respondent prays that the claims of Complainant be stayed pending mediation, that the matter be referred to an agreed upon mediator, and for all other relief the Commission deems just and proper.



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A copy of the foregoing served via e-mail this 28th day of August, 2015 to: Ms. Colleen M. Dale, Missouri Public Service Commission, Attorney for Complainant, P.O. Box 360, Jefferson City, Missouri 65102, cully.dale@psc.mo.gov.

