

1 STATE OF MISSOURI  
2 PUBLIC SERVICE COMMISSION  
3  
4 TRANSCRIPT OF PROCEEDINGS  
5 On-The-Record Presentation

6 March 12, 2008  
7 Jefferson City, Missouri  
8 Volume 2

9 Director of the Manufactured)  
Housing and Modular Units )  
10 Program of the Missouri )  
Public Service Commission, )  
11 )  
Complainant, )  
12 )  
v. ) Case No. MC-2008-0071  
13 )  
Amega Sales, Inc., d/b/a )  
14 Quality Preowned Homes, )  
Columbia Discount Homes, )  
15 Mark Twain Mobile Home )  
Sales, Chateau Homes, and )  
16 Amega Sales, Inc., )  
Respondent. )

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18  
19 MORRIS L. WOODRUFF, Presiding  
DEPUTY CHIEF REGULATORY LAW JUDGE  
20 JEFF DAVIS, Chairman,  
CONNIE MURRAY,  
21 ROBERT M. CLAYTON III  
LINWARD "LIN" APPLING,  
22 TERRY JARRETT,  
COMMISSIONERS.

23  
24 REPORTED BY:  
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25 MIDWEST LITIGATION SERVICES

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15 HOMES, AND AMEGA SALES, INC.

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25 SERVICE COMMISSION.

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1 P R O C E E D I N G S

2 JUDGE WOODRUFF: All right. Let's go  
3 ahead and get started. I believe we'll have the  
4 commissioners down here in a few minutes. Welcome,  
5 everyone. This is an on-the-record presentation  
6 regarding Director of Manufactured Housing's  
7 complaint against Amega Sales and its various  
8 operating companies.

9 This is Case No. W -- or excuse me --  
10 MC-2008-0071. We'll begin today by taking entries of  
11 appearance, beginning with Staff.

12 MR. REED: Thank you, Judge. Steve Reed  
13 for the Director, P.O. Box 360, Jefferson City,  
14 Missouri 65102.

15 JUDGE WOODRUFF: Thank you. And for  
16 Amega Sales.

17 MR. HARRISON: Judge, Tom Harrison and  
18 Erick Creach for the Respondent. Our offices are  
19 1103 East Broadway, Columbia.

20 JUDGE WOODRUFF: Very good. And I  
21 believe that's all the parties that are here today.  
22 I don't see anyone here from Public Counsel.

23 All right. In a few moments the  
24 commissioners will be down here. I've got an e-mail  
25 that they're on their way down. And we'll just give

1 the parties an opportunity to -- or excuse me, give  
2 the commissioners an opportunity to ask the parties  
3 questions about the Stipulation and Agreement, so  
4 this is kind of a free-form proceeding.

5 If you want to have testimony from any  
6 non-attorneys, we'll swear them in and bring them up  
7 to the stand. They can answer questions from the  
8 commissioners if -- otherwise, we'll leave it to the  
9 attorneys to answer questions as they come in.

10 All right. And with that, then, is  
11 there anything anyone wants to bring up?

12 MR. REED: Judge, I just wanted to -- I  
13 just wanted to give the Bench a sense of the  
14 direction I'm heading this morning. I plan to give a  
15 presentation myself. I have some documents that I'll  
16 hand out, I think I have enough copies, that should  
17 give some background. And thereafter, what I was  
18 hoping to do is at least get through those opening  
19 remarks and then get to the questions.

20 JUDGE WOODRUFF: Okay. Will be --  
21 certainly be helpful. And Mr. Harrison, if you want  
22 to make an opening remark, we'll give you a chance to  
23 do that too.

24 MR. HARRISON: Very good, Judge.

25 JUDGE WOODRUFF: Well, Mr. Reed, if you

1 want to go ahead and get started with your opening.

2 MR. REED: Thank you, Judge. I think  
3 this is on. I just wanted to start this morning, I'm  
4 aware that the Commission discussed this case in  
5 agenda, the commissioners did. And so what I hope to  
6 do to begin is to give the Commission some background  
7 leading to the Stipulation.

8 In the sense of giving a history of  
9 prior cases with Amega, I have some documentation  
10 regarding those which should give us the full story  
11 regarding Amega. And then I wanted to discuss this  
12 case in particular and this Stipulation and Agreement  
13 that the parties have entered into.

14 In August of 2003, the Director of the  
15 Manufactured Homes Division filed a complaint against  
16 Amega in its Ashland location. That case was  
17 MC-2004-0079. And in that case after a hearing, the  
18 Commission found that Amega had sold a home with no  
19 HUD label and had misrepresented the condition of the  
20 home as new, and the Commission found that that was a  
21 violation of 407.020. That was decided September of  
22 2004.

23 Shortly after that date, a Writ of  
24 Prohibition was entered against the Commission, and  
25 the Cole County Circuit Court entered an order saying

1     that the Commission did not have authority to make a  
2     determination about whether 407.020 was violated.  
3     That Writ of Prohibition and the appeal of that issue  
4     took a couple years.

5                     Ultimately, that case was brought back  
6     to the Commission when the Court of Appeals found  
7     that the Cole County Circuit Court did not have  
8     jurisdiction to enter the Writ of Prohibition and did  
9     not address the merits of whether the Commission  
10    could make a determination about whether 407.020 had  
11    been violated. Now, 407.020 is the Missouri  
12    Merchandising Practices Act.

13                    After the case was remanded to the  
14    Commission, a Stipulation and Agreement was entered  
15    in September of 2006. That Stipulation and Agreement  
16    called for a 20-day suspension of Amega's license at  
17    the Ashland lot. There was a \$10,000 penalty paid  
18    and the damages involving that home, the Higginbotham  
19    (phonetic spelling) home, were fixed by Amega.

20                    Also in August 2003, there was a -- I  
21    guess a related case, MC-2004-0078. That was a  
22    complaint against A&G Commercial Trucking. That is a  
23    company that we would assert was owned and controlled  
24    by Mr. DeLine who's also involved with Amega, but  
25    it's -- it's a different business. A&G pulls these

1 homes generally from the manufacturers' locations to  
2 the dealers' lots.

3 A&G had offered four homes for sale when  
4 it was not registered as a dealer, and I think after  
5 this complaint was filed, it was discovered that  
6 there were three other homes that had been sold by  
7 A&G as well. The only relief sought in that case was  
8 penalties. That case, too, was resolved by  
9 Stipulation in October of 2006.

10 A&G Commercial Trucking agreed to fix  
11 the seven homes, or if the current owners didn't want  
12 them fixed, there were other -- there were other  
13 provisions that needed to be complied with. A&G  
14 agreed not to sell any more homes and paid a \$14,000  
15 penalty.

16 MR. PLEUS: Three -- three of those  
17 seven homes were sold by Service Pro.

18 MR. REED: Okay. Three were sold by  
19 Service Pro, a related company owned by DeLine, but  
20 involved in -- in selling three homes.

21 Now, in November 2004, in Case  
22 No. MC-2005-0145, another complaint was filed against  
23 Amega and its Columbia Discount Homes lot. That's --  
24 that's a lot in Columbia, Missouri. The allegation  
25 was that Amega had failed to properly set up a new

1 home, had altered the home without permission by  
2 doing some repairs and had failed to correct the  
3 problems with the home within 90 days after the  
4 Director had ordered Amega to fix the problems.

5           A Stipulation was entered in that case  
6 as well, calling for a \$2,000 penalty, and there was  
7 a probationary term for two years. The only terms of  
8 the probation -- I guess the way I would put it, the  
9 only -- the only real provision that Amega had to  
10 comply with was to provide a list of all purchasers  
11 of manufactured homes to the Director for two years.  
12 There were also provisions for random inspections,  
13 but the law requires -- or allows that anyway.

14           And this Stipulation and Agreement and  
15 the probation applied only to Columbia Discount  
16 Homes. That's apparently where the facts arose and  
17 the sale was made that led to the complaint. That  
18 home was apparently fixed and the damages were  
19 settled with the customer. So those are the -- those  
20 are the three cases that I think the Commission is --  
21 is aware of involving Amega or A&G Commercial  
22 Trucking.

23           The current case is one where the  
24 complaint is filed against Amega in all five of its  
25 lots, all five of its registrations because Amega is



1 the parent company doing business as -- or is -- is  
2 the actual corporation doing business as -- under  
3 five fictitious names. And so there are five lots,  
4 there are five registrations.

5 The complaint here filed in this case  
6 names Amega and all its d/b/a's. But the facts of  
7 the case really arise only from two lots, arguably  
8 three. I would argue three if the case were tried.  
9 So that leaves issues of how many registrations can  
10 be revoked if the case is tried.

11 Now, the allegations in -- with more  
12 particularity in this case, are that Amega failed to  
13 disclose material information in connection with the  
14 sale of a new home. This would be a violation of  
15 407.020, the Missouri Merchandising Practices Act.  
16 Two of the homes at issue are called Nelson and  
17 Whiteford. That's how I'd like to refer to them just  
18 for ease.

19 And how this case arose and what we  
20 think we know about getting to where we are now is  
21 that from the manufacturer of these homes, A&G  
22 Commercial Trucking was pulling the Nelson home and  
23 the Whiteford home to a dealer in another state. A&G  
24 wrecked the homes by -- one was driven into a tree,  
25 one was driven into a bridge. A&G pulled them back,

1 we believe, to one of their lots in Tennessee and  
2 fixed them.

3                   Thereafter -- and I think -- I think at  
4 that point in time the original dealer they were  
5 going to wouldn't accept delivery of them, at least  
6 at the time -- after they were damaged. They wanted  
7 nothing to do with them as far as we know.

8                   So A&G fixed them, Amega bought the  
9 homes from the manufacturer, brought them to the --  
10 the Quality Preowned lot which is in Columbia,  
11 Missouri, and the Nelson and Whiteford homes were  
12 either sold or offered for sale from the Quality  
13 Preowned lot.

14                   The home that was -- that we believe was  
15 sold to Nelson, the damages were discovered at the  
16 customer's site after the home had been delivered.  
17 So I -- Amega was setting up the home at the site,  
18 discovered some damages and began fixing them. I  
19 think the -- the ultimate fix -- the repair took --  
20 took quite a while, had to be -- the home had to be  
21 taken back to the manufacturer for some other  
22 problems but ultimately was fixed.

23                   The Whiteford home, that sale was never  
24 consummated. There was a sale contract entered into  
25 with Whiteford, between Quality Preowned and

1 Whiteford. But there are -- after depositions in  
2 this case, it appears there were some financing  
3 problems. And then at some point in time, the  
4 Director and his Staff, while the home was on the lot  
5 at Quality Preowned, discovered that there had been  
6 some damage to the roof of the house, the rafters.

7                   And so the contract was canceled or  
8 terminated by Quality Preowned, so that sale never  
9 consummated. But what we would argue upon a hearing  
10 in this case is that there was a failure to disclose  
11 in connection with the sale or the offer to sell.

12                   There's a count involving what I would  
13 call the Gilmore home. That -- this arose from the  
14 Columbia Discount lot in Columbia, Missouri. There  
15 was a contract to purchase the home signed by  
16 Mr. Gilmore and his wife. After the contract was  
17 signed, there was some water damage, we believe, to  
18 the home. The home was red-tagged, the HUD label was  
19 removed. So this is after the contract had signed.  
20 Mr. Gilmore knows about the damage. The home is on  
21 the lot and it has damages.

22                   What we allege is at that point in time  
23 before the home was fixed, Amega tried to deliver it  
24 to the customer site before the home was fixed. And  
25 so you'll see in the -- in the complaint that -- that

1 count 7 involving Gilmore is maybe the stronger  
2 count. It involves an issue of the interpretation of  
3 a prior Stipulation and Agreement, an -- an agreement  
4 between the Director and Amega.

5           The allegation is that there was the  
6 attempt to deliver this home by hooking it up to the  
7 truck and getting ready to pull it to the customer's  
8 site is a violation of the Stipulation in  
9 MC-2004-0079. Paragraph 6 B of that Stipulation and  
10 Agreement provides that Amega will not sell a home  
11 that is red-tagged or has no HUD label.

12           So the question is, was this attempted  
13 delivery a step in the sale, an attempt to -- part of  
14 an attempt to sell the home such that there was a  
15 violation of the Stipulation and Agreement?

16           So that -- that's the background of  
17 prior cases and the current case. The Stipulation  
18 and Agreement, the way we looked at this was that if  
19 we take this case to hearing today, what would we get  
20 or what could we get versus what might we get if we  
21 enter into an agreement, and I think that's the way  
22 we looked at this in terms of the balancing act.

23           If the case were heard, we're not  
24 certain -- we believe we could get all five  
25 registrations revoked, but we're not certain. The

1 facts arise from two, arguably three lots. We also  
2 could get penalties, we believe. Both of these cases  
3 would have to go through the writ of review and the  
4 appeal process, so the question would be when  
5 ultimately would these registrations be finally  
6 revoked? Could it be a year from now or two years?  
7 We're not certain.

8               So what we did was, we believe that the  
9 thing without which we could not settle this case was  
10 that we wanted Mr. DeLine out of management and  
11 control. So you can look through the terms of the  
12 Stipulation and Agreement. And what the parties have  
13 agreed to is that by December 31st of this year,  
14 2008, that Mr. DeLine will give up his part -- his  
15 management, he'll sell control, 60 percent.

16               To whom -- to whom he or Amega is  
17 selling, we don't know. We haven't inquired because  
18 they wanted to keep that confidential, but we were  
19 assured that it was -- you can see through the terms  
20 of the Stipulation and Agreement itself, it is not  
21 one of Mr. DeLine's other companies or one of his  
22 relatives. So we felt the language protected us  
23 sufficiently that there would be a third party  
24 independent of DeLine who would be in control of  
25 these operations.

1                   Something else that we -- we felt we  
2   could get -- we could not get if we went to hearing  
3   was this repair fund, and I know the Commission may  
4   have questions about that, and Mr. Pleus and I will  
5   try to answer those.

6                   The penalties in the Stipulation are  
7   50,000. Upon a hearing it's -- it's -- if we won on  
8   all six counts, the first six counts, I think the  
9   penalties would total 6,000. So the 50,000 is likely  
10   something that we -- we'd get with the Stipulation  
11   that we would not get through the hearing.

12                  There are eight homes on Amega's lots  
13   that are in need of repair. Previously,  
14   Mr. DeLine -- or rather, Amega had inquired into the  
15   possibility of him being allowed to sell these homes  
16   as junk because they're damaged. Our concern was  
17   that if they were sold as junk, we don't know where  
18   they're going to end up. If it's sold as junk,  
19   it's -- it's supposed to be sold as not fit for human  
20   habitation, so that would sound like using it as  
21   something like a chicken coop. I don't know what  
22   else you would use it for.

23                  But if they were sold as junk, we don't  
24   know ultimately where they would end up, so we have  
25   concerns about any disposition of those homes without

1     some control over the disposition. And so one of the  
2     paragraphs in the Stipulation provides that Amega  
3     will repair these homes to comply with the code. Now  
4     we have some control over what's done to them and how  
5     they're disposed of.

6                     What we -- we -- we're also getting a  
7     list of all the homes that have been damaged in the  
8     last three years. Upon a hearing, we don't -- we  
9     wouldn't be able to get that. Mr. DeLine, in a  
10    personal capacity and also in his capacity as officer  
11    for these other companies including the trucking  
12    company, has agreed that whenever a home is damaged  
13    no matter where it's going, he's going to tell the  
14    Director, let us know that a home has been damaged  
15    and that it's out there somewhere headed somewhere.

16                    If it's coming to Missouri, that's of  
17    great concern, of course. If it's going to another  
18    state, the Director could take action and alert the  
19    authorities in another state. Ultimately, the  
20    Stipulation provides that whatever its final  
21    destination after damage, Amega and Mr. DeLine are  
22    obligated to tell the Director.

23                    There's a provision in the Stipulation  
24    that any violation of law can lead to revocation --  
25    revocation of all five registrations. So we have all

1 five registrations in play in this case. We don't  
2 have to prove a violation of 407.020 in the future in  
3 order for this probation to be revoked.

4           If you look at the statutes as they are  
5 now, the only way that the Director can arguably  
6 revoke a registration is by proving a violation of  
7 407.020, Merchandising Practices. Under this -- the  
8 terms of this probation, Mr. DeLine and Amega have  
9 agreed that any violation of law of Chapter 700 could  
10 be a violation of the probation and lead to  
11 revocation of the probation and revocation of all  
12 five registrations.

13           The mechanism for revoking the two-year  
14 probation are -- is basically this: If the Director  
15 believes there's been a violation, he will file a  
16 motion to that effect. We will provide proof to the  
17 Commission and the Commission will decide whether any  
18 of the terms of the probation have been violated.  
19 And if so, the Commission has -- will have the  
20 authority to revoke the probation, suspend the  
21 licenses, revoke all five registrations or take some  
22 other action.

23           Those are my comments regarding the --  
24 the case and we're ready for questions.

25           JUDGE WOODRUFF: Thank you, Mr. Reed.



1 Mr. Harrison, do you want to make any opening?

2 MR. HARRISON: No, Judge, not at this  
3 time. Thank you.

4 JUDGE WOODRUFF: Okay. And Commissioner  
5 Murray, do you have any questions?

6 COMMISSIONER MURRAY: I'll pass at this  
7 time. Thank you.

8 JUDGE WOODRUFF: Anybody?

9 MR. REED: Can I -- I do have  
10 documents -- I'm sorry, Commissioner. I do have  
11 documents regarding all the prior cases here. If  
12 the -- if the Commission needs those, I could pass  
13 those out. Sorry. Go ahead.

14 COMMISSIONER CLAYTON: Mr. Reed, my  
15 questions are gonna center around -- center around  
16 one particular topic, and that relates to enforcement  
17 of this Stipulation and Agreement and the terms that  
18 are within it.

19 You see all enforcement under the way  
20 this is written, enforcement of these terms will  
21 occur at the Public Service Commission, that the  
22 Staff will file a motion before us and that the  
23 Commission will make a decision?

24 MR. REED: Yes.

25 COMMISSIONER CLAYTON: Okay. Did you

1     contemplate the possible filing of this Stipulation  
2     and Agreement at the Circuit Court level for Circuit  
3     Court enforcement of the terms of the Stipulation and  
4     Agreement?

5                     MR. REED:  I did not, Commissioner,  
6     until I -- I heard about the discussion at agenda  
7     yesterday, and so I understand -- I understand how  
8     that might be done, I think, but I had not considered  
9     it before then.

10                    COMMISSIONER CLAYTON:  Has -- has anyone  
11     on your Staff or the General Counsel's Staff studied  
12     whether an agreement like this would fit within a  
13     complaint case before the Circuit Court once -- you  
14     know, assuming that you have sufficient findings from  
15     the Public Service Commission to move into the next  
16     level?  Has anyone done research to see whether that  
17     is appropriate, legal or not?

18                    MR. REED:  After thinking about the  
19     possibility of entering into such a Stipulation and  
20     Agreement into the Circuit Court, I began to think  
21     about how we might get to that point.  And I think  
22     I'm the only one in -- in the General Counsel's  
23     office who's given some thought to this, but I think  
24     what we would have to do is have a hearing here, we  
25     would win at this level, the issues that we need to,

1 we would move into the Circuit Court, and at the writ  
2 of review, that part of the case, we -- we would  
3 enter into an agreement at that level.

4 COMMISSIONER CLAYTON: Well, actually,  
5 I'm not saying that -- that it would be a writ of  
6 review, that it would be an appeal of -- of our  
7 decision. What I'm suggesting is that -- now,  
8 manufactured housing may be different, so forgive me  
9 if I -- we tend to think in terms of utilities.

10 But on a complaint case, the Staff will  
11 file a complaint before the Commission, the  
12 Commission will hold an evidentiary hearing, render  
13 its decision, but that decision does not trigger  
14 penalties. We can't go out and collect penalties  
15 from -- from the Respondent at that point.

16 We then take the Report and Order, and  
17 the Staff, acting on behalf of the Commission, will  
18 go to the Circuit Court, file a petition or a  
19 complaint for, you know, enforcement of the  
20 penalties, and then a circuit judge or an associate  
21 judge will make a decision on the level of penalties  
22 and establish, you know, whether there's sufficient  
23 facts to support penalties, that kind of thing.

24 So I'm not talking about a writ of  
25 review, not an appeal, but rather, the next step at

1 the Circuit Court level to enforce the -- the -- you  
2 know, the findings that are -- that are found before  
3 the Commission. So I want to make sure that you  
4 understand what I'm thinking.

5 MR. REED: I -- I do under -- I think I  
6 do understand what you're thinking. And the way I  
7 had looked at it was that the issue of -- of the  
8 407.020, that issue that would lead to revocation, I  
9 think once that's decided here at the Commission, all  
10 that Amega gets is the appeal. In other words, I  
11 don't have to do that case over again at the Circuit  
12 Court level.

13 But if I want penalties for the  
14 violations of Chapter 700, which the Director has  
15 alleged, then I have to file that case for penalties  
16 in the Circuit Court and prove that -- prove -- prove  
17 this case again, so to speak, to get those penalties.

18 And so the only way I thought -- I think  
19 the issue of the 407.020, I don't -- I don't think I  
20 have to do that case again. So I -- I hadn't --

21 COMMISSIONER CLAYTON: But to force --

22 MR. REED: I hadn't --

23 COMMISSIONER CLAYTON: But to force  
24 penalties for you, you -- you may have satisfied  
25 the -- the -- you know, the sufficient findings at

1 the Public Service Commission level, but still, you  
2 can't force penalties out of the Respondent unless  
3 you go to the Circuit Court, you prosecute a case  
4 there.

5 MR. REED: Right, yes.

6 COMMISSIONER CLAYTON: And then -- and  
7 then the judge there would -- would, you know,  
8 institute some sort of judgment in penalties if the  
9 record was satisfied?

10 MR. REED: Yes, yes.

11 COMMISSIONER CLAYTON: So you've still  
12 got to go to the Circuit Court level anyway if  
13 there's a breach of the Stipulation and Agreement?

14 MR. REED: Ultimately, I think we would  
15 end up there, yes.

16 COMMISSIONER CLAYTON: Okay. Now,  
17 absent a Stipulation and Agreement as in this case,  
18 would the Commission have the ability to enter an  
19 order that requires each of the provisions within the  
20 Stipulation and Agreement; specifically, if we were  
21 to -- say -- let's just assume -- let's say we deny  
22 adopting the Stipulation and Agreement, we have the  
23 evidentiary hearing and then we draft a Report and  
24 Order that then incorporates many of the provisions  
25 that are within the Stipulation and Agreement. Does

1 the Commission have the ability without a Stip to  
2 implement each of the provisions within this  
3 agreement?

4 MR. REED: I believe the Commission  
5 would have that authority when granting probation  
6 because those would be terms that Amega would have to  
7 agree to. In other words, there is no -- there is no  
8 other statutory --

9 COMMISSIONER CLAYTON: There is no  
10 agreement. I'm -- make the assumption that there is  
11 no agreement.

12 MR. REED: If -- if -- well, if -- what  
13 the Commission could do after hearing is order  
14 probation with conditions, and Amega could accept  
15 that and those conditions or -- or, say, no, I don't  
16 want probation, I'll just take whatever penalty  
17 and -- and the revocation of the registration.

18 COMMISSIONER CLAYTON: What statutory  
19 authority do you have to support the Commission's  
20 ability to implement probation or to -- to set up a  
21 probation?

22 MR. REED: It's under -- it's under  
23 700.100, and the subparagraphs are 2 and 3. There's  
24 mention there specifically that the Commission can  
25 place a registered manufactured -- a registered

1 dealer on probation. Both of those provisions relate  
2 to that. And so I think even in this case, the  
3 Director can enter this agreement but he has no  
4 authority to take the next step. The Commission  
5 would have to order that -- would have to order the  
6 probation at this -- in this case as well.

7 COMMISSIONER CLAYTON: Okay. How about  
8 some of the other provisions, the -- the -- the  
9 escrow funds?

10 MR. REED: I think --

11 COMMISSIONER CLAYTON: Would we have the  
12 ability to do that? Is there specific authority that  
13 authorizes us to do that?

14 MR. REED: I think there is not,  
15 Commissioner. I think there is no -- there is no  
16 statutory or rule authority for those -- for that  
17 issue. I think the only -- the way --

18 COMMISSIONER CLAYTON: Beyond the  
19 general terms of --

20 MR. REED: Right.

21 COMMISSIONER CLAYTON: Yeah.

22 MR. REED: I think the way you get  
23 probation is that -- is that you order probation with  
24 certain conditions and Amega has to agree to that.  
25 If Amega --

1                   COMMISSIONER CLAYTON: Okay. Assume  
2     that there's no agreement. That's -- I'm trying to  
3     get beyond that.

4                   MR. REED: All right.

5                   COMMISSIONER CLAYTON: If you don't have  
6     an agreement, could we -- could we implement the  
7     probation with each of these provisions contrary to  
8     the position of the Respondent?

9                   MR. REED: No.

10                  COMMISSIONER CLAYTON: Okay. Okay. So  
11     we don't -- so we need this agreement for a number of  
12     the provisions within the agreement? We couldn't do  
13     it without the agreement?

14                  MR. REED: That's my belief, that's --  
15     yes.

16                  COMMISSIONER CLAYTON: Okay. How many  
17     provisions within this agreement do you believe  
18     require the agreement by the Respondent to have in  
19     part of the order? How many of the -- can you -- can  
20     you kind of briefly list out what provisions?

21                  MR. REED: I think I can. I think No. 1  
22     where DeLine gives up his role in day-to-day  
23     management, and 2, where he has to sell his shares.  
24     Of course, Mr. Harrison's making notes, he may  
25     disagree, but --



1 COMMISSIONER CLAYTON: That's fine.

2 Well, I'm gonna give that --

3 MR. REED: Right.

4 COMMISSIONER CLAYTON: I'll give you  
5 plenty of time.

6 MR. REED: No. 3, the escrow fund. I  
7 think the Commission can impose penalties as in 4,  
8 but the amount may differ.

9 COMMISSIONER CLAYTON: What is the  
10 amount?

11 MR. REED: \$50,000.

12 COMMISSIONER CLAYTON: And what would  
13 be -- under the case that has been pleaded by the  
14 Staff, what would be the maximum amount of penalties  
15 that you could request without an agreement from the  
16 Respondent?

17 MR. REED: I -- I believe it would be  
18 for the first six counts, 1,000 per count.

19 COMMISSIONER CLAYTON: And how many  
20 counts do we have?

21 MR. REED: Six -- the first six -- okay.  
22 That would be -- the first six would be 1,000 each --

23 COMMISSIONER CLAYTON: Okay.

24 MR. REED: -- 6,000. And count 7, the  
25 violation of the Stipulation and Agreement is the

1 liquidated damages of -- or liquidated penalty of  
2 10,000.

3 COMMISSIONER CLAYTON: And is that --  
4 that is authorized by statute?

5 MR. REED: No. That is -- that is a  
6 prior Stipulation and --

7 COMMISSIONER CLAYTON: A prior  
8 Stipulation?

9 MR. REED: Yes.

10 COMMISSIONER CLAYTON: Okay. Does Staff  
11 believe that there is any problem in the enforcement  
12 of that prior penalty case? Are there any legal  
13 issues that would limit this Commission in requiring  
14 the Respondent to pay that \$10,000 figure? Is that a  
15 bulletproof amount that you think -- that you're  
16 confident we're gonna get?

17 MR. REED: No.

18 COMMISSIONER CLAYTON: No.

19 MR. REED: No, because there -- we've  
20 already had some motions and a ruling in any event  
21 regarding the Commission's authority with regard to  
22 interpreting that prior Stipulation.

23 COMMISSIONER CLAYTON: So -- so 6,000  
24 for sure, we're authorized by statute for the 6,000,  
25 maybe an additional 10,000 if -- if the prior Stip is

1 found to be appropriate or valid?

2 MR. REED: Yes.

3 COMMISSIONER CLAYTON: Okay. And the  
4 facts support it?

5 MR. REED: Yes.

6 COMMISSIONER CLAYTON: Okay. Okay. Go  
7 ahead. You were on paragraph 4.

8 MR. REED: Yes. Okay. I think that --  
9 I think No. 5, it's possible that the Director -- and  
10 he may have -- at my request he may have ordered  
11 Amega to fix these -- these manufactured homes or at  
12 least some of them. Ron, did you issue that order?

13 MR. PLEUS: In the previous Stip  
14 Agreement?

15 MR. REED: No. I mean just recently by  
16 letter.

17 MR. PLEUS: Yes.

18 MR. REED: And so I think --

19 MR. PLEUS: The main letter was sent,  
20 yes.

21 MR. REED: Right. I think the  
22 Director -- the Director had ordered -- at least some  
23 of these homes, the Director had ordered Amega to fix  
24 them, and that's under a statute here where the  
25 Director has that authority. If they're not fixed



1     could be -- that -- that -- 6 is not one of those  
2     issues. I think that in the A&G Trucking case that I  
3     had mentioned earlier, this -- this is a -- this is  
4     an issue that was never finally resolved for some  
5     reason, and I think that Mr. DeLine possibly and  
6     Mr. Pleus could speak to why that wasn't resolved.  
7     But I think that ultimately the Commission could  
8     force that through other means, so ...

9                     COMMISSIONER CLAYTON: So that --  
10    this -- this relates to the Hackman home?

11                    MR. REED: Yes, that was from the A&G  
12    Commercial Trucking case.

13                    COMMISSIONER CLAYTON: But -- but the  
14    same logic would play on paragraph 6 as it would on  
15    5, that -- that the Commission can order -- the  
16    Director can order the repairs, but do we have the  
17    ability to force the Respondent to actually implement  
18    that?

19                    MR. REED: It is similar to that issue,  
20    yes.

21                    COMMISSIONER CLAYTON: Okay.

22                    MR. REED: And I think 7 Amega has to do  
23    by law anyway.

24                    COMMISSIONER CLAYTON: So the inspection  
25    fee is -- is statutorily authorized?

1 MR. REED: Yes.

2 COMMISSIONER CLAYTON: There's no  
3 question on that?

4 MR. REED: Yes.

5 COMMISSIONER CLAYTON: Okay.

6 MR. REED: No. 8 is the issue regarding  
7 a list of all manufactured homes known by Amega or  
8 DeLine located in any state that have been damaged in  
9 the last three years. That --

10 COMMISSIONER CLAYTON: Yeah, that --

11 MR. REED: We did not get that.

12 COMMISSIONER CLAYTON: You would -- you  
13 would not be able to order that?

14 MR. REED: Right.

15 COMMISSIONER CLAYTON: Well, that --  
16 that's just basic regulation. That's basically just  
17 requesting information. Does the Staff not have the  
18 ability to issue a data request or make a demand of  
19 information from -- I mean, I assume that you have  
20 that authority.

21 MR. REED: Oh, well, yes, I think so.

22 COMMISSIONER CLAYTON: So I mean, you  
23 could get that without an agreement, couldn't you?

24 MR. REED: We -- potentially. Probably  
25 not -- not -- not homes destined for other states.

1 JUDGE WOODRUFF: Mr. Reed, does the  
2 Commission regulate A&G Commercial Trucking, is that  
3 the problem?

4 MR. REED: It does not. I guess I'm --  
5 I'm thinking a subpoena could issue -- an  
6 investigation of Amega could be opened and a subpoena  
7 could issue to A&G. Now, in this case in preparing  
8 for the hearing, I've issued subpoenas to A&G  
9 Commercial Trucking, and one of the problems is they  
10 have facilities in seven states. So it's somewhat  
11 difficult to get all that information.

12 And then if I had -- really had to  
13 enforce those subpoenas, it could be difficult as  
14 well.

15 COMMISSIONER CLAYTON: Okay. Nine is an  
16 exchange of information as well, notification?

17 MR. REED: Yes.

18 COMMISSIONER CLAYTON: It's probably  
19 similar. Ten is -- I'm sure that's statutorily  
20 authorized. 11 is more information?

21 MR. REED: Now -- now, 10 is a little  
22 bit different because it's a little bit broader  
23 than -- than the law currently is. Now, what -- what  
24 this does is that this expands the ability to revoke.  
25 This -- this expands the Commission's authority to

1     revoke all five of Amega's registrations because if  
2     there were a violation in the future of Chapter 700,  
3     that would not lead to the Commission's authority to  
4     revoke the registrations; rather, that would likely  
5     be a penalty case.

6                     This says that as a -- as a term of  
7     probation, as a condition of probation, Amega must  
8     agree and DeLine must agree that any violation of law  
9     under Chapter 700 is a violation of probation and  
10    therefore, all five registrations can be revoked.

11                    COMMISSIONER CLAYTON: Didn't we do that  
12    in the last case?

13                    MR. REED: The last case --

14                    COMMISSIONER CLAYTON: I mean, didn't we  
15    include a catchall provision that any violation of  
16    any affiliate of any person involved would trigger a  
17    revocation?

18                    MR. REED: There was a -- well, there  
19    was no -- the very last case that was done was  
20    probation for two years, but the terms were providing  
21    a list of purchasers of manufactured homes each  
22    month. And I'll have to -- I can look at that. It  
23    was a very narrow kind of probation.

24                    The terms of the probation were,  
25    "Columbia Discount will provide to the Director a



1 monthly customer list showing purchasers of new  
2 homes. Director will randomly select homes from the  
3 list to inspect. If deficiencies in those homes are  
4 found, a copy of the inspection report identifying  
5 the deficiencies will be sent to Columbia Discount.  
6 Failure to fix the deficiencies could result in  
7 revocation of the dealer's registration for one  
8 year." And that would be Columbia Discount's  
9 registration. And finally, the probation in this  
10 case applies only to Columbia Discount and no other  
11 lots. So those were the terms of that probation.

12 COMMISSIONER CLAYTON: My memory's  
13 failing. I'm not gonna try to remember that. It's  
14 not that important to go into it.

15 So -- okay. Well, we get through -- we  
16 get through this Stipulation looking at these things.  
17 The worse case scenario, let's say we make the  
18 assumption that we reject the Stipulation, we proceed  
19 to evidentiary hearing, the Commission finds grounds  
20 and sufficient evidence to support the Staff's  
21 complaint, so we -- let's say we find for the Staff  
22 on all pending complaints.

23 So we could do a maximum \$6,000 penalty,  
24 possibly a \$10,000 penalty stemming from the last  
25 Stipulation, possibly, and can we revoke their -- the

1 registration of each of the entities involved?

2 MR. REED: I think -- I think that based  
3 upon this case as I know it, I believe we would  
4 win -- we could revoke at least one, maybe two.

5 COMMISSIONER CLAYTON: Let's just --  
6 just make the assumption -- let's assume the best  
7 case scenario for Staff.

8 MR. REED: Yes, yes.

9 COMMISSIONER CLAYTON: So it would be a  
10 \$6,000 penalty, plus 10,000, plus revocation of --

11 MR. REED: Five, up to five.

12 COMMISSIONER CLAYTON: Up to five  
13 registrations?

14 MR. REED: Yes.

15 COMMISSIONER CLAYTON: Okay. Anything  
16 else that we could do?

17 MR. REED: Well, you could make the  
18 finding and place Amega on probation under the  
19 terms -- any terms that you wanted.

20 COMMISSIONER CLAYTON: Yeah, but I mean,  
21 let's -- I'm -- I'm trying to get to the hardest, the  
22 maximum. What is the maximum that we can do? The  
23 maximum is revoking the registration --

24 MR. REED: Yes.

25 COMMISSIONER CLAYTON: -- it's not --

1 not giving them another chance putting them on  
2 probation and --

3 MR. REED: Right.

4 COMMISSIONER CLAYTON: Right?

5 MR. REED: Right.

6 COMMISSIONER CLAYTON: And you'd agree  
7 with that?

8 MR. REED: Yes.

9 COMMISSIONER CLAYTON: So that's the  
10 worse case scenario for these counts -- for -- for  
11 this gentleman is that we revoke the licenses and  
12 you're looking at maybe 15,000 in penalties?

13 MR. REED: Yes, I think so.

14 COMMISSIONER CLAYTON: Okay.

15 MR. REED: And ultimately, you know,  
16 that may lead to bankruptcy. I mean, so that may  
17 really do the job of putting him out of business.

18 COMMISSIONER CLAYTON: Well, if you look  
19 at the maximum -- okay. Okay. Would the Staff --  
20 does the -- would the Staff have any objection or  
21 have a problem if there was legal analysis to support  
22 it, if the Commission were to make necessary  
23 filing -- make the necessary findings based on the  
24 Stipulation and Agreement and ordering Staff to file  
25 a complaint at the Circuit Court level, and then

1 submitting this Stipulation and Agreement as part  
2 with that complaint? Does the Staff have an  
3 objection to that type of process?

4 MR. REED: Well, let me speak for Staff  
5 first, and we may want to ask Mr. Pleus about this,  
6 but the -- the discussions that we entered into  
7 were -- were long and tedious and sometimes heated, I  
8 think. And what -- what we ultimately ended up doing  
9 here is that what I wanted was an admission that 407  
10 had been violated.

11 That became a deal-breaker because of --  
12 of a future buy-out which is already in the works by  
13 some other company because, like I said, that may  
14 ultimately lead to bankruptcy if that -- if -- and so  
15 what we did was, the agreement was that we would not  
16 demand that; rather, in the Stipulation and Agreement  
17 the parties have stipulated that there are facts --  
18 there are facts sufficient that if the Commission  
19 heard those.

20 And so I think in good faith I can't --  
21 I can't, as the attorney here, agree that the  
22 Commission should make a finding that 407.020 was  
23 violated because that's not what I agreed to with  
24 Amega and their attorneys.

25 COMMISSIONER CLAYTON: Okay.

1 MR. REED: Okay?

2 COMMISSIONER CLAYTON: Okay. So -- so  
3 you're saying that -- that that type of process would  
4 violate your Stipulation and Agreement?

5 MR. REED: I believe that would -- I  
6 believe the parties would withdraw, yes.

7 COMMISSIONER CLAYTON: Okay. Okay. All  
8 right. Mr. Harrison? Is that -- have I got the  
9 right name?

10 MR. HARRISON: Yes, sir.

11 COMMISSIONER CLAYTON: Okay. I want to  
12 ask you that -- that question that he just answered.  
13 Would -- would a procedure that placed this  
14 Stipulation and Agreement before a Circuit Court  
15 where we make sufficient findings to just move it out  
16 of the Public Service Commission, move it to -- move  
17 it before a judge to oversee the implementation of  
18 the provisions of the Stipulation and Agreement,  
19 would that -- would that type of process violate the  
20 Stipulation and Agreement from your client's  
21 perspective?

22 And I guess the second follow-up is, do  
23 you-all care? Would you-all care if we were to do  
24 that, do it in a way that honors the provisions that  
25 are within this but just moves the enforcement of the

1 provisions before a judge rather than before the  
2 Commission?

3 MR. HARRISON: Well, I mean, that's  
4 certainly something that we didn't discuss, and so I  
5 don't want to cop out on you here, but it's not  
6 really anything that we contemplated before for the  
7 past 30 minutes or so.

8 COMMISSIONER CLAYTON: Uh-huh.

9 MR. REED: I mean, I guess that's --  
10 that's -- that's one lawyer-like answer. Another  
11 lawyer-like answer would be I'd like to see what the  
12 complaint would say. In other words, as I understand  
13 the hypothetical, you wouldn't really be asking for  
14 any relief specifically at the Circuit Court;  
15 you'd -- you'd more or less be filing it and saying,  
16 Circuit Judge, we want you to oversee this for  
17 enforcement purposes, something like that. Is that  
18 what I kind of understand you're getting at?

19 COMMISSIONER CLAYTON: Well, I think  
20 what you have to have, and I don't know if this makes  
21 any sense, but -- but, you know, we've kind of gone  
22 'round and 'round, and there are -- there are -- the  
23 provisions of the statutes that we -- that we operate  
24 under are not as easy to follow, they may not offer  
25 us the flexibility to do the things we need to do.

1           The Commission does not have the -- you  
2 know, we just went through a list of things that the  
3 Commission maybe does not have the power to implement  
4 without your agreement, and I think that potentially  
5 could lead to future problems.

6           And what I'm suggesting is that we make  
7 sufficient findings out of the Commission to justify  
8 a complaint, whether you make it as a finding of fact  
9 or -- or there -- the evidence -- you can use  
10 language that the evidence supports the finding of  
11 sufficient evidence to move forward. Because we  
12 couldn't implement penalties unless we went to the  
13 Circuit Court anyway and the judge that issues the  
14 penalties. We don't issue the penalties, I don't  
15 think.

16           MR. HARRISON: That's my understanding.

17           COMMISSIONER CLAYTON: So -- so  
18 basically, you take a complaint in that format, you  
19 file it with the -- with the court, and then you take  
20 this Stipulation and file the Stipulation with it.  
21 You-all, you know, file an answer, you deny  
22 everything but agree to the Stipulation and then you  
23 have the judge enforce the provisions, a judge that  
24 would have the powers of equity and of law to  
25 implement the terms of -- of this Stip, including --

1    you know, they have the ability to monitor an escrow  
2    fund, be able to address the issues associated with  
3    the management role of the sale of the stock.

4                   I mean, this is -- all those things,  
5    they may be -- I think they're -- they're good  
6    provisions from a Staff perspective, but they're all  
7    beyond -- clearly beyond our authority unless you-all  
8    agree to it. So I guess the suggestion I'm making,  
9    is there -- is there an objection to just going  
10   before a Circuit Court and having the judge oversee  
11   the implementation of the Stip?

12                  MR. HARRISON: Well --

13                  COMMISSIONER CLAYTON: And I don't know  
14   if there -- if there is interest in doing that. It's  
15   just a thought that I -- that I had.

16                  MR. HARRISON: I mean, I guess it's -- I  
17   think it's fair to say that it's definitely not  
18   something that's contemplated by the Stipulation. If  
19   the thought is -- if the thought is to put it before  
20   the Circuit Court to enhance enforcement somehow,  
21   which is, I think, kind of what I hear you -- where I  
22   hear you going. You didn't ask me this question, but  
23   I'm not sure that's necessary.

24                  And again, it would kind of depend on  
25   how the complaint is styled. If it's -- if it's



1     styled as a complaint under 407, for example, it  
2     would be -- I think it would be our position that  
3     that's probably something the Commission can't do.  
4     I -- I don't think that would come as any surprise to  
5     you. So that -- that would be our position.

6                     But I guess I'd respectfully say that  
7     I'm not sure -- I understand your concern, I  
8     understand where you're going, but given the posture  
9     of the case and given the -- the statutory provisions  
10    that do exist, I'm not sure that that's a necessary  
11    step to get us where at least the parties here think  
12    we need to go.

13                    I'd be happy to try to answer the  
14    question again if you don't think I've answered it or  
15    if that -- if that answer isn't sufficient in your  
16    mind.

17                    COMMISSIONER CLAYTON: Well, let me --  
18    let me just ask it again. I mean, I -- I appreciate  
19    all the things that you said there, but if -- if the  
20    complaint were to be styled in a way that -- I mean,  
21    I'm not sure how to do this. It just -- there needs  
22    to be a pleading that would get it before a judge and  
23    then implement -- you know, then you file this  
24    Stipulation and Agreement and the judge would approve  
25    it and then the judge would oversee -- I -- is that

1 something that you would object to?

2 MR. HARRISON: Well --

3 COMMISSIONER CLAYTON: Do you have a  
4 problem with that?

5 MR. HARRISON: I think what you're  
6 describing is, you approve it here -- I think your  
7 hypothetical is you approve the Stipulation here, you  
8 take it to the Circuit Court almost like a consent  
9 decree, it's almost like that. It's almost like  
10 that, right?

11 COMMISSIONER CLAYTON: Right.

12 MR. HARRISON: It's almost like a --  
13 you'd want the court to enter it as an injunction  
14 which would give -- I'm not sure who the parties in  
15 the case would be. Presumably it would be the  
16 Commission as opposed to the Staff. And so I guess  
17 your goal there would be to get you some additional  
18 enforcement power. If you have the power of  
19 contempt, for example, things like --

20 COMMISSIONER CLAYTON: Exactly.

21 MR. HARRISON: -- things like that.

22 COMMISSIONER CLAYTON: Yeah, that --  
23 that a judge with the power to enforce it that if --  
24 if -- and I'm not saying that we should necessarily  
25 assume that someone's gonna violate this, but -- but

1 this is a complicated, you know, Stipulation and  
2 Agreement. It sets out rights and responsibilities  
3 among the various interests. And if there's a  
4 trip-up along the way, a judge can clearly work  
5 through it, a judge is gonna have the ability to  
6 enter a judgment --

7 MR. HARRISON: Yeah.

8 COMMISSIONER CLAYTON: -- to say, Look,  
9 you know, if you're not selling your stock by a  
10 certain day, they can issue an order to require you  
11 to do it. I'm not so sure we have the authority to  
12 do that, and then how do we enforce it? Then we go  
13 to the Circuit Court to enforce some order and then  
14 we litigate it and have a writ of review, and I mean,  
15 it just ...

16 MR. HARRISON: It's my opinion and my  
17 response would be with the possible -- with the  
18 probable exception of the parts dealing with  
19 penalties, I don't believe that there's a statute  
20 that would contemplate an action that you just  
21 described.

22 COMMISSIONER CLAYTON: Where -- that --  
23 where we would file this type of consent decree at  
24 the Circuit Court level?

25 MR. HARRISON: That's right. You know,

1 maybe some other entity could do that, but I don't --  
2 you know, that's my view without having -- without  
3 having looked at the statutes on that particular  
4 point, mind you, that's my view.

5 COMMISSIONER CLAYTON: How about -- how  
6 about if -- if the Staff were to file a complaint,  
7 just a standard complaint for penalties based on  
8 findings that -- that are alleged in their -- their  
9 petition or complaint before us and then you -- that  
10 certainly has -- there's statutory authority for  
11 that. I mean, that's how the process would work for  
12 imposing penalties.

13 Certainly a court would have the  
14 jurisdiction and authority to implement a global  
15 settlement within that complaint case. Is there  
16 anything that would prohibit a judge from enforcing  
17 an agreement? It would almost turn it into a -- in  
18 part a kind of contractual thing where the -- where a  
19 court would enforce its provisions.

20 MR. HARRISON: I under -- I understand.  
21 I think my answer is the same. I -- maybe Mr. Reed  
22 and I could talk about this off the record or  
23 something, but I'm not convinced that there's a  
24 statute -- that there's a statutory support -- that  
25 there is statutory support for what you just

1 described.

2 COMMISSIONER CLAYTON: Well, let me --  
3 having said all that, this is what I don't want. I  
4 mean, I know you-all worked awfully hard in putting  
5 this together. It -- it addresses a number of  
6 different issues. I mean, I think it appears that  
7 the parties have all acted in good faith in working  
8 out this agreement. And I am sure my colleagues  
9 would agree that generally speaking, we -- we support  
10 efforts that are in settling cases.

11 What worries me is that the provisions  
12 of this Stip are such that we could be arguing over  
13 these terms for years to come with questions of  
14 enforcement of the provisions, not having the ability  
15 of contempt powers or, you know, the ability. And it  
16 just concerns me that at the end of the day we're --  
17 we're gonna end up arguing a whole lot more in trying  
18 to implement that.

19 And I guess I need more comfort of why  
20 that's not gonna happen because our process is not  
21 set up to deal with Stipulations like this. And, you  
22 know, if there are future disputes -- and I'm -- now,  
23 I'm not saying that we should necessarily assume that  
24 your client isn't gonna follow them.

25 And, you know, it would also give you

1 the ability to enforce -- enforce your -- your  
2 rights, your client's rights under the Stipulation as  
3 well with an independent party rather than -- you  
4 know, the Commission, we're independent, sort of  
5 independent.

6 MR. HARRISON: Well, a couple things, a  
7 couple of specifics in response. One, I think we  
8 thought about that, and that's kind of the reason we  
9 set it up as a probation. And I think the provisions  
10 of the Stipulation dealing with probation violations  
11 and so forth are -- I don't want to say draconian,  
12 but they're -- they're -- they're clear. I think  
13 it's pretty clear that the Respondent is on a short  
14 leash, and that's the way I would characterize it.

15 COMMISSIONER CLAYTON: This is the only  
16 probation period that we've done here, isn't it?

17 MR. HARRISON: I understand what  
18 you're -- I understand --

19 COMMISSIONER CLAYTON: I mean, this --  
20 this really is double-secret probation.

21 MR. HARRISON: Well, the other case  
22 was -- that Mr. Reed pointed out was a little  
23 different. The probation, of course, was -- the  
24 terms were different and the facts were, of course,  
25 different. But I don't think we'd want to reargue

1     that.

2                     The other thing I'd point out is that a  
3     material part of this is the fact that Mr. DeLine  
4     personally is a party to this Stipulation, and, you  
5     know, that was -- we did that on purpose. And so  
6     those are a couple of things I think offer some --  
7     should offer some comfort, I think, in terms of the  
8     concerns you just raised.

9                     COMMISSIONER CLAYTON: Would you agree  
10    with Mr. Reed's assessment -- as we went through the  
11    paragraphs, do you agree or disagree that if we were  
12    to reject the Stipulation and just assume that we  
13    find for the Staff on all of its counts, that the  
14    maximum penalty -- the worst that we could do to your  
15    client would be 6,000 plus maybe that 10,000 from the  
16    prior probation period and revocation of your  
17    client's registrations or licenses? Would you agree  
18    that that's about the worst and all this other stuff  
19    we couldn't implement without your agreement?

20                    MR. HARRISON: As a general, without --  
21    yes, as a general response, I think I generally agree  
22    with that.

23                    COMMISSIONER CLAYTON: Okay.

24                    MR. HARRISON: You know, I may have some  
25    arguments around the edges about the particular

1 paragraphs that you went through there, but -- but as  
2 a general rule, yes. And, of course, the  
3 Commission's aware of what our -- the defenses are  
4 that we've pled and so forth. But as a general rule,  
5 yes, I'd agree with that.

6 Let me qualify that. I mean, obviously,  
7 we don't want to make any admissions here in this  
8 hearing that are gonna bite us in the future if this  
9 Stipulation is rejected, so you understand, and I  
10 think counsel understands that if this Stipulation is  
11 rejected, we are, of course, reserving all of our  
12 defenses and --

13 COMMISSIONER CLAYTON: I understand.

14 MR. HARRISON: Okay.

15 COMMISSIONER CLAYTON: I understand  
16 that. And I'm not -- I'm trying to make an  
17 assumption thinking down the line.

18 MR. HARRISON: But your question was  
19 worse case scenario.

20 COMMISSIONER CLAYTON: Worse case  
21 scenario.

22 MR. HARRISON: I think I'd generally  
23 agree with that, yeah.

24 COMMISSIONER CLAYTON: I guess my last  
25 observation -- and I'll surrender the mic, but my



1 last observation is that if we were to go into a  
2 Circuit Court setting, your agreement -- Stipulation  
3 and Agreement would not be with the Staff; it would,  
4 in fact, be with the Public Service Commission and  
5 these commissioners would have to sign on.

6 And then we would be, as an entity --  
7 the deal would be with us as we look to a certain  
8 court to enforce. And I don't -- I don't know if  
9 that's better or worse for you or better or worse for  
10 us. But my concern is that I don't want to be back  
11 here in six months or come back here in a year and  
12 we're still haggling over some of these provisions or  
13 some little interpretation of something.

14 I think, you know, at the end of the  
15 day, it may be better just to move forward to  
16 evidentiary hearing and decide where we're gonna go.  
17 I don't know the answer to that. But I -- I  
18 appreciate the discussion here today, and if you have  
19 any other thoughts that would satisfy these concerns,  
20 I'd certainly welcome them either today or on other  
21 filings. Thank you, and I'll -- I'll pass the mic.

22 JUDGE WOODRUFF: Okay. Commissioner  
23 Murray, do you want to jump in at this point?

24 COMMISSIONER MURRAY: No, I wouldn't.  
25 No.

1 JUDGE WOODRUFF: Commissioner Appling?

2 COMMISSIONER APPLING: I think I have  
3 one question, and maybe Staff can clear this up for  
4 me, at least maybe this question will go to serve  
5 both of you. Is this agreed upon between Staff and  
6 the company, what I have in front of me? You-all  
7 have actually agreed on this Stipulation and  
8 Agreement?

9 MR. HARRISON: Yes, sir.

10 COMMISSIONER APPLING: And --

11 MR. HARRISON: Yes, sir.

12 COMMISSIONER APPLING: Okay. I think  
13 that clarifies what I wanted to know. Not that I  
14 disagree with my colleague over there, Commissioner  
15 Clayton. I would not like to see it back again  
16 either. But I just wanted to know whether this was  
17 agreed upon and if it is, then that's -- that answers  
18 my question. Thank you very much.

19 JUDGE WOODRUFF: Chairman Davis? There  
20 are a few questions from Commissioner Jarrett. I can  
21 go ahead and ask those now.

22 CHAIRMAN DAVIS: If you would, go ahead  
23 and ask those.

24 JUDGE WOODRUFF: Commissioner Jarrett  
25 can't be with us today, but he did submit a list of

1 questions that he asked me to ask, and so I'll go  
2 ahead and do that.

3           His first concern is about Mr. DeLine's  
4 personal involvement in this. And he is a signatory  
5 to the Stipulation and Agreement as an individual,  
6 although he's not a -- not deemed as a party in the  
7 complaint. The question is, can the Commission  
8 exercise jurisdiction over Mr. DeLine to enforce this  
9 agreement since he's not a party to the case? That's  
10 a question, I guess, for Mr. Reed.

11           MR. REED: It's an issue, Judge, that we  
12 had contemplated when we put this together because if  
13 you look at paragraph 13 of the Stipulation and  
14 Agreement, I think my -- my response is that, no, we  
15 don't have jurisdiction over Mr. DeLine as an  
16 individual.

17           However, as a signator and as a person  
18 who agreed that any failure on his part or any act on  
19 his part shall be deemed to that of Amega, his acts  
20 and failures place Amega at risk of violation of the  
21 terms of the probation. So no, we have no  
22 jurisdiction over him, but his actions can lead to  
23 jurisdiction over Amega.

24           JUDGE WOODRUFF: Okay. What will the  
25 Commission -- what will the Director do to enforce

1     this -- this agreement if Mr. DeLine violates it?  
2     What enforcement power does the Director and  
3     Commission have?

4                 MR. REED:   In the event a violation was  
5     suspected, the Director would file a motion to --  
6     likely to revoke the probation and the registrations.  
7     Under -- under the terms of probation, which the  
8     Commission can order, any violation could lead to  
9     revocation.

10                And so I think if the Commission upon a  
11     hearing found a violation of any of the conditions,  
12     the Commission's authority is to revoke the probation  
13     and therewith revoke all five registrations or  
14     suspend them or take some other action such as make  
15     additional terms of probation if Amega agreed to  
16     those. Does that answer the question, Judge? Did I  
17     understand the question?

18                JUDGE WOODRUFF: I think so. It was  
19     about enforcement.

20                MR. REED: All right.

21                JUDGE WOODRUFF: The next paragraph --  
22     or question is about paragraph 2, and particularly  
23     concerned about the revokable trust that Mr. DeLine  
24     apparently has. The question is, where in the  
25     agreement does it set forth the foundation for the

1 existence of any revokable trust or that the trustee  
2 refer to it as the power to act in the manner  
3 contemplated by the agreement?

4 And to interpret that a little bit, I  
5 believe it's just that the Stipulation talks about  
6 DeLine's revokable trust but doesn't give any more  
7 details about that. And is the Director aware of  
8 more information about that?

9 MR. REED: We have not worked out  
10 additional information regarding that, though we have  
11 committed to each other to discuss how specifically  
12 this would be set up. As much as we did was what you  
13 see.

14 JUDGE WOODRUFF: Uh-huh.

15 MR. REED: And there are provisions for  
16 when the payments are made and -- and an account has  
17 to be set up, Judge. This is, I think, as much as I  
18 can say right now. An account has to be set up that  
19 would be administered by the Director. If the  
20 payments at 10,000 per month are not made as  
21 contemplated in paragraph 3, that's -- that is a  
22 violation of the terms of probation.

23 So either -- either Amega will pay  
24 \$70,000 into an account that the Director will be  
25 responsible for, or Amega will have violated the

1 terms of this probation and the Commission will have  
2 the authority to revoke all five registrations.

3 JUDGE WOODRUFF: Okay. Well, I think  
4 the concern is more about what's in paragraph 2 about  
5 the transfer of the ownership interest. It says that  
6 the current owner -- shareholder in Amega Holdings --  
7 Amega Holdings, Inc. is DeLine or DeLine's revokable  
8 trust.

9 MR. REED: Oh, I'm sorry. Yes, Judge.

10 JUDGE WOODRUFF: And what authority will  
11 the -- is the trustee for the revokable trust  
12 Mr. DeLine?

13 MR. HARRISON: Let me -- could I --

14 JUDGE WOODRUFF: Yes, Mr. Harrison.

15 MR. HARRISON: The answer is -- the  
16 answer is yes, he's the trustee of his own trust.  
17 It's a trust that I'll suggest is kind of a standard  
18 document that many people do in connection with  
19 estate planning. It's a revocable trust of which he  
20 is the grantor and trustee, and of course,  
21 beneficiary during his life. So I respectfully  
22 suggest that's not -- that's not an issue here.

23 JUDGE WOODRUFF: Okay. And that's his  
24 only trust?

25 MR. HARRISON: That's right.

1 JUDGE WOODRUFF: Okay. I know that was  
2 another concern that there was more than one.

3 MR. HARRISON: There's not -- there's  
4 not an irrevocable trust that he doesn't control or  
5 anything like that. And the trust that's referred to  
6 there is a revocable trust of which he's both grantor  
7 and trustee.

8 JUDGE WOODRUFF: Okay. All right. The  
9 next question is about paragraph 3, and that's  
10 concerning about the \$70,000 escrow fund. The  
11 concern expressed by Commissioner Jarrett, and I  
12 believe some of the other commissioners as well, is  
13 what happens if there's a claim made very late in  
14 that five-year period and at the end of the five-year  
15 period, I believe, the fund goes back to Mr. DeLine?

16 Is there a provision that can protect  
17 someone -- and I assume these -- these -- this --  
18 this fund would also apply to a house that was  
19 damaged and sold in that condition four years and  
20 eight months from now. Would that person be  
21 protected -- would they still have a claim against  
22 that -- that fund late in the -- in the period?

23 MR. REED: Judge, it's an artificial  
24 deadline that we selected believing that by then we  
25 could have cleared up the issues of these damaged and

1 possibly unknown homes. Other than that, I don't --  
2 I don't know that I can give you any other rationale  
3 for the five-year term.

4           We believe that -- that the issues of  
5 damaged homes may go back as far as 2003, 2004.  
6 There may be others out there which is why we've  
7 agreed, the parties, to disclose that information.  
8 Going forward, we believe there will be disclosure  
9 about any damaged homes which -- which, especially in  
10 light -- let me say this in the best way I can: In  
11 light of the change of ownership, we believe that  
12 potentially the issue of nondisclosure may not be as  
13 big an issue, so the five years is basically selected  
14 as an -- as an artificial date within which we  
15 thought we could really get a handle on any damaged  
16 homes out there.

17           Beyond that, I'm not -- maybe I'm not  
18 sure how to be more particular about that date. Of  
19 course, it could be longer if the parties could agree  
20 to that, but -- but then the question might be if  
21 it's a six-year term, what happens if the claim is  
22 made at five years and eight months?

23           JUDGE WOODRUFF: Sure.

24           MR. HARRISON: Let me say this, Judge:  
25 If -- and if there's a claim made, you know, four



1    years, 360 days into this, the way we view it is if a  
2    claim was made within the five years, then it's --  
3    then the claim could be satisfied, quote, unquote,  
4    out of the escrow, okay? And that's our -- that's  
5    our view of it, and I'm stating this on the record  
6    here.

7                    So that if there's a claim made in my  
8    hypothetical four years, 360 days out, then we'll  
9    have it deal with it under the -- under the  
10   parameters of the Stipulation. And it's not like  
11   on -- you know, at the precise end of five years  
12   we're gonna say, Give us our 70,000 bucks back. As  
13   far as we're concerned, it's out there, it will be  
14   out there until all the claims that are made within  
15   that period are resolved. Does that -- does that  
16   address the question, Judge?

17                   JUDGE WOODRUFF: I think so. Let me ask  
18   a question also about the possibility of the  
19   requirement that the 60 percent interest be sold.  
20   And I know that it was indicated earlier that you  
21   didn't want to disclose any potential buyers, and I  
22   appreciated that. Can you give me any more  
23   information about in general who might be available  
24   to purchase this interest?

25                   MR. HARRISON: It's -- and maybe --

6                   You know, you're right, they don't want  
7   us to tell you -- they don't want us to give you the  
8   names because they're -- you know, for one thing, we  
9   don't have a deal made with them yet. They're still  
10  doing due diligence and so forth.

13 MR. DELINE: Well, it's --

16 MR. DELINE: Oh, I'm sorry.

19 (THE WITNESS WAS SWORN.)

25 JUDGE WOODRUFF: That would include the

1 trucking company?

2 MR. DELINE: Yes. I'm -- I'm -- I'm  
3 willing to divest or sell 60 percent of my holdings.

4 JUDGE WOODRUFF: Which would be  
5 controlling interest, I guess?

6 MR. DELINE: Certainly. And that's part  
7 of the agreement that we're drafting with them is ...

8 JUDGE WOODRUFF: Okay.

9 CHAIRMAN DAVIS: Can I jump in there?

10 JUDGE WOODRUFF: Go ahead.

11 QUESTIONS BY CHAIRMAN DAVIS:

12 Q. And so, Mr. DeLine, what will be your  
13 role afterwards, after this -- after this proposed  
14 transaction is completed?

15 A. I'll be a -- a minority owner,  
16 40 percent owner.

17 Q. Okay. And you're gonna have any --

18 A. And no -- no -- no responsibility for  
19 day-to-day operations.

20 Q. But you are the guy responsible for  
21 day-to-day operations right now?

22 A. Yes.

23 Q. And so they're gonna invest in a  
24 company, and the guy that's been making all the money  
25 for the company is still gonna be a 40 percent owner

1 but he's not gonna be involved in the operations  
2 anymore? That's what I'm hearing.

3 A. Well, I think that with all due respect  
4 here, there was an assumption there made by the guy  
5 who's making the money, and I've got long-term  
6 managers at each of the locations. So my -- my  
7 vision with that is to delegate that and promote  
8 those guys as an opportunity for them.

9 I've got a manager in Columbia, for  
10 instance, who's been with me 12 years. My manager  
11 there in Ashland has been with me about 18 years. So  
12 my -- my -- so to answer your question, yes.

13 Q. Okay. So it is gonna be pretty much the  
14 same people who have been running the place running  
15 the place?

16 A. No, I don't think that's true at all.  
17 It's the -- I -- in my deposition, I had testified  
18 that I spent about 80 percent of my time on retail  
19 sales. And so everybody in my organization answers  
20 to me with the retail sales. And so that will  
21 absolutely change to zero, and those people will be  
22 responsible directly to Mr. Pleus and work with  
23 Mr. Pleus and his -- his people.

24 Q. Okay.

25 MR. DELINE: I don't know if now's the

1 time to mention this either, but respectfully,  
2 Commissioner Clayton, the vein of what I was hearing  
3 was that prior agreement with Columbia Discount that  
4 was referred to as a probation was completed without  
5 any problems. We -- we absolutely fulfilled all the  
6 requirements of that agreement with Columbia Discount  
7 over a two-year period. I didn't want you to think  
8 that -- well, you said a double-secret probation, and  
9 that was completed without a hitch.

10 BY CHAIRMAN DAVIS:

11 Q. Mr. DeLine, is it true that you were --  
12 that Amega was kicked out of the Missouri  
13 Manufactured Housing Association?

14 A. No.

15 Q. No. Okay.

16 A. Do you want my narrative?

17 Q. Sure.

18 A. I think that they're an organization  
19 that -- I'm very opinionated, unfortunately, and I  
20 think that they're an organization that takes money  
21 that doesn't do anything, so I left. They charge so  
22 much per invoice, every single house that's bought.

23 Q. Uh-huh. Okay. So if the past executive  
24 director of the association in conversation told me  
25 that -- that Amega was the only group ever to be

1     kicked out of the Missouri Manufactured Housing  
2     Association, you're saying that's not true?

3           A.       That would go to gossip and totally  
4     false, and I would like the opportunity to meet with  
5     you and her.

6           Q.       Well, I don't even know where that  
7     person is since she's no longer employed there.

8           A.       I -- I think I could find her. That  
9     would be good. That is a total false statement, 100  
10    percent false.

11           CHAIRMAN DAVIS: Okay. All right. I'm,  
12    sorry, Judge. I don't have any further questions.

13           JUDGE WOODRUFF: Okay. I had another  
14    question also about -- the Stipulation requires that  
15    Mr. DeLine relinquish control of the corporation, and  
16    the term of the Stipulation runs for two years, for  
17    the probation anyway. Would you be able to come back  
18    into control in two years?

19           MR. REED: Yeah, we -- we had talked  
20    about that and I think -- I think he would.

21           JUDGE WOODRUFF: Okay.

22           MR. REED: I mean --

23           JUDGE WOODRUFF: If he -- if he were  
24    able to repurchase the --

25           MR. REED: Right, if he were able to

1 repurchase back what he -- what he originally wanted.  
2 It would not be a violation of probation, I guess, is  
3 the way to put it because the probation would have  
4 ended two years from the date it was approved.

5 JUDGE WOODRUFF: Right. Okay. Well,  
6 moving back to Commissioner Jarrett's questions,  
7 then. On paragraph 4, that's the \$50,000 penalty.  
8 It says, "Amega -- Amega and DeLine shall pay a  
9 penalty totaling \$50,000." Is that \$50,000 total  
10 between the two of them or each to pay 50,000 for a  
11 total of 100,000?

12 MR. REED: A total of 50,000.

13 JUDGE WOODRUFF: Okay.

14 MR. REED: Either can pay, I think is --  
15 either can or will pay by the terms, but it's 50,000  
16 total.

17 JUDGE WOODRUFF: Jointly and several --

18 MR. REED: Yes.

19 JUDGE WOODRUFF: -- severally liable?

20 MR. REED: Yes.

21 JUDGE WOODRUFF: Moving down then to  
22 paragraph 7, where agreed -- Amega agrees to pay an  
23 inspection fee or reinspection fee of \$200. Where  
24 does that come from? Is that -- is that a statutory  
25 base?

1                   MR. PLEUS: Statutorily under 700 we can  
2   establish fees for inspections.

3                   JUDGE WOODRUFF: Mr. Pleus, we need to  
4   swear you in too.

5                   MR. PLEUS: Oh.

6                   (THE WITNESS WAS SWORN.)

7                   JUDGE WOODRUFF: All right. Now, you  
8   can go ahead and give your answer.

9                   MR. PLEUS: Sorry for that, Judge.  
10   Under Chapter 700, we can establish fees for  
11   inspections and reinspections to pay the costs of the  
12   program. We establish this fee under that authority  
13   by rule with -- with the consent and support of  
14   the -- the manufactured housing industry so that  
15   possibly bad players who don't make corrections in a  
16   timely manner were paid more money into the fund than  
17   good players.

18                   So that is a rule that establishes that  
19   this particular rule is not in effect during the  
20   previous Stip Agreement with the A&G case. That's  
21   why that -- in the A&G case we had a fee to pay for  
22   every inspection we made. But since then we've  
23   established this fee by rule.

24                   JUDGE WOODRUFF: So the houses that  
25   would be inspected are houses that Amega has sold? I



1     assume that's ...

2                   MR. PLEUS:  Any -- any home that we  
3     reinspect, other than the initial inspection, a \$200  
4     reinspection fee is due from either the dealer or the  
5     manufacturer of the home.

6                   JUDGE WOODRUFF:  Okay.  I'm not sure  
7     your microphone is on.  Make sure your -- the green  
8     button is on there.  Okay.  But what I'm getting at  
9     is, these would be homes that are connected with  
10    Amega that you're -- you're not asking Amega to pay  
11    for inspecting somebody else's home?

12                  MR. PLEUS:  No.  No, sir.

13                  JUDGE WOODRUFF:  Okay.  Paragraph 8, the  
14    question is, the last sentence refers to another --  
15    another entity.  Does this obligate Amega to produce  
16    documents which are in possession of third parties  
17    which may not have control or access?  What -- I  
18    guess the question really is what other entity are  
19    you talking about?

20                  MR. REED:  The last -- I'm sorry.  The  
21    last sentence of paragraph 8.

22                  JUDGE WOODRUFF:  Uh-huh.

23                  MR. REED:  Let me -- let me read it.  
24    Well, let me -- let me -- let me address the intent.

25                  JUDGE WOODRUFF:  Okay.

1                   MR. REED: We're aware that Mr. DeLine  
2 is -- is an officer with some other companies, one of  
3 which is A&G Commercial Trucking. He agrees  
4 personally to provide any -- any documents that, I  
5 think, are available to him. And that would include  
6 A&G Commercial Trucking documents, Service Pro,  
7 wherever they may be located that -- that DeLine may  
8 have possession of, constructive possession or  
9 control of as an officer or Director.

10                   And then in addition, any act or failure  
11 of DeLine is attributed to Amega. So if DeLine fails  
12 to act in any capacity, it's the intention that that  
13 be an act or failure of Amega and a violation of  
14 probation. The reference to another entity is simply  
15 an attempt to capture any other entity with which he  
16 may be associated.

17                   JUDGE WOODRUFF: And if there's a truly  
18 third party out there, I assume the Director would  
19 have subpoena power to ...

20                   MR. REED: If there were, yes.  
21 Otherwise, this would provide us nothing, yes, with  
22 regard to any third party with which Mr. DeLine is  
23 not associated. Potentially subpoena power out of  
24 state, that's gonna be a difficult --

25                   MR. WOODRUFF: Okay.

1 MR. REED: -- difficult process, but ...

2 JUDGE WOODRUFF: Next question is on  
3 paragraph 10. Talks about Amega and DeLine shall  
4 abide by -- obey the law related to manufactured  
5 housing. Is that the law as it is today or is it the  
6 law as it was during the time of the enforcement  
7 period of the agreement, or will it be, I should say?

8 MR. REED: Well, that would -- I think  
9 that would be left to interpretation and litigation,  
10 Judge, frankly.

11 JUDGE WOODRUFF: Okay. Mr. Harrison, do  
12 you have any other views on that? If the law  
13 changes, would DeLine be obligated to obey changes in  
14 the law?

15 MR. HARRISON: I think that's our  
16 intent. We have no trouble saying we'll comply with  
17 the law as it is today or as it's modified in the  
18 future. That's what I always tell my clients, by the  
19 way.

20 CHAIRMAN DAVIS: Okay. Well, Counselor,  
21 how come you haven't been able to comply with the law  
22 so far, apparently? Without you reserving any of  
23 your rights and yeah, yeah, we know all that. But I  
24 mean, if you had been complying with the law all  
25 along, then how did these complaints get filed

1     against you? Are you, you know, a victim of the  
2     system?

3                   MR. HARRISON: No, I wouldn't say that,  
4     Judge. Obviously, your question goes to the merit --  
5     I mean, Commissioner, I'm sorry. Obviously, your  
6     question goes to the merits of the case here, and if  
7     we have to try this case, obviously, we'll get  
8     into -- we'll get into all that.

9                   CHAIRMAN DAVIS: All right. Oh,  
10    Mr. DeLine wants a piece of this action. Go ahead.

11                   MR. DELINE: I just -- I would -- from  
12    my standpoint, I just -- I mean, I feel like that  
13    we -- that we've complied, and -- and -- with all the  
14    things that we've heard from the Commission, so ...

15                   JUDGE WOODRUFF: I have one more  
16    question for -- for myself also. How many employees  
17    are there involved in these five sites?

18                   MR. DELINE: Probably as many as 30.

19                   JUDGE WOODRUFF: 30 total?

20                   MR. DELINE: Yeah.

21                   JUDGE WOODRUFF: And do you know how  
22    many -- what total sales are for the five entities?

23                   MR. HARRISON: Are you talking about on  
24    a -- on a volume basis or a dollar --

25                   JUDGE WOODRUFF: Dollar.

1 MR. HARRISON: Okay.

2 MR. DELINE: Maybe -- maybe five  
3 million.

4 JUDGE WOODRUFF: Okay. All right.

5 MR. REED: Can I make another --

6 JUDGE WOODRUFF: Mr. Reed, go ahead.

7 MR. REED: I just wanted to make another  
8 comment in response to some of the questions and  
9 answers that we've heard because I think we're  
10 wrapping up.

11 I've handled this case from the  
12 beginning. I've deposed some of the people who  
13 worked for Amega at the various lots. I think the  
14 Stipulation is directed to the locus of the problems  
15 at Amega. I think if the case were tried, part of  
16 what we would talk about is how these -- these  
17 problems or issues or nondisclosures arise from or  
18 emanate from that Ashland lot where Mr. DeLine has  
19 his office.

20 And so I would -- I would -- I would  
21 argue that that registration is in play upon a  
22 hearing in addition to the Columbia Discount lot and  
23 the -- and the Quality Preowned Homes. However, in  
24 discussing the history with Mr. Pleus and looking at  
25 the cases and trying to come up with a way to

1 really -- to what we hoped to do was clean things up,  
2 that's the Stipulation before you largely focused on  
3 Mr. DeLine, including his personal signature.

4 JUDGE WOODRUFF: And have the managers  
5 at the various lots been cooperative with your  
6 investigation?

7 MR. REED: They have, Judge. I've --  
8 I've -- I've deposed them, we've talked about the  
9 issues here. I think I deposed Mr. DeLine first  
10 before two of the lot managers. Well, I don't want  
11 to -- I don't want to get into credibility issues,  
12 but I think -- I think the Stipulation is intended to  
13 reflect our assessment of the case and the witnesses  
14 and where the problems come from.

15 JUDGE WOODRUFF: So it's the Director's  
16 view that if the problems are taken care of, the  
17 individual managers will be able to stay within the  
18 law?

19 MR. REED: I wouldn't vouch for them,  
20 but --

21 JUDGE WOODRUFF: I understand.

22 MR. REED: -- I wonder if -- if without  
23 some kind of pressure -- you know, I don't know that  
24 they know everything that's going on, I think is the  
25 best way to say it. And I -- and they may have been

1     duped as well as the customers in selling a home that  
2     didn't comply with the code.

3                   JUDGE WOODRUFF:  Thank you.  Any other  
4     questions from the commissioners?

5                   CHAIRMAN DAVIS:  No.

6                   JUDGE WOODRUFF:  All right.  Any final  
7     statements you want to make, Mr. Reed?

8                   MR. REED:  No, thank you.

9                   JUDGE WOODRUFF:  Mr. Harrison?

10                  MR. HARRISON:  No, sir.

11                  JUDGE WOODRUFF:  All right.  With that,  
12     then, this on-the-record presentation is adjourned.  
13     Thank you all very much.

14                  (WHEREUPON, the on-the-record  
15     presentation in this case was concluded.)

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## 1 CERTIFICATE OF REPORTER

2 STATE OF MISSOURI )  
3 ) ss.  
4 COUNTY OF COLE )  
5

6 I, PAMELA FICK, RMR, RPR, CSR, CCR #447,  
7 within and for the State of Missouri, do hereby  
8 certify that the foregoing proceedings were taken by  
9 me to the best of my ability and thereafter reduced  
10 to typewriting under my direction; that I am neither  
11 counsel for, related to, nor employed by any of the  
12 parties to the action to which this hearing was  
13 conducted, and further that I am not a relative or  
14 employee of any attorney or counsel employed by the  
15 parties thereto, nor financially or otherwise  
16 interested in the outcome of the action.

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PAMELA FICK, RMR, RPR, CSR, CCR #447  
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