

1 describes the proper support of the drain lines and that's
2 under 3286.08B.

3 Q. Okay. And then down below there under
4 homeowner's information, This home is not properly anchored
5 according to state standards. What does that refer to?

6 A. That refers to the type of anchors that were
7 installed. We have a list of approved anchors. The
8 particular anchor they used we call a cross drive rock anchor
9 and that is not approved for the area that this home is placed
10 in, the type of soil condition at the site.

11 CHAIR GAW: Okay. Now, this was Exhibit 12
12 again. Right, Judge?

13 JUDGE JONES: Yes, sir.

14 BY CHAIR GAW:

15 Q. Okay. Now, when you looked -- obviously the
16 set-up would not have been included, but when you looked at
17 this home in the reference on Exhibit 11, were there things
18 that you found in Exhibit 12 that were not found in 11 and
19 vice-versa?

20 A. Yes. Some of these initial items that I wrote
21 during the dealer lot inspection on March 8th had apparently
22 been corrected before the home had been taken to the dealer
23 location -- or to the consumer's location.

24 Q. Okay. So if they're not noted on Exhibit 12,
25 you believe that they had been corrected in between --

1 A. Yes.

2 Q. -- the time when you did the inspection on the
3 lot and when you did it at the Higgenbothams' residence?

4 A. Yes. And actually on my dealer lot inspection
5 right above the signatures it does say, All nonconformances
6 are to be corrected before home can be sold. So it is
7 expected that anything I list on this would be corrected prior
8 to the sale of the home.

9 Q. Okay.

10 A. It's a little hard to read. It's gray there.

11 Q. Were there additional things that you found in
12 12 -- excluding set-up, were there additional things that you
13 found in 12 that you did not note in 11?

14 A. Yes. When the -- on the dealer lot when I
15 noticed there was no HUD labels when I walked through the
16 home, I didn't look real close underneath the home. I
17 didn't -- I didn't notice that the frame had been repaired, so
18 that was observed at the consumer's site. That's a different
19 item. The broken or loose wall panels I would just have to
20 compare back and forth to see which ones were present on the
21 dealer lot and which ones were present during the site
22 inspection. I think really the only thing I really noticed
23 was the frame out at the consumer's site.

24 Q. Okay. When you looked at the home on the date
25 that's referenced in Exhibit 11, did you talk to somebody on

1 that day about this home?

2 A. The dealer lot inspection?

3 Q. Yes.

4 A. On March 8th when I was originally there, I did
5 discuss this a little bit with Dorcas Nichols. She is not
6 normally the person I speak with regarding dealer lot
7 inspections.

8 Q. What does she have to do, if anything, with
9 Amega?

10 A. She sits at the front desk when I walk in the
11 door in the service department. I don't know what her
12 official title is. She has signed several of my lot
13 inspections for me.

14 Q. Does she sign them on behalf of Amega?

15 A. She knows it's an Amega dealer lot inspection.

16 Q. Does she work for Amega, to your knowledge?

17 A. I don't know who she's employed by.

18 Q. All right. But she's there at the Amega lot?

19 A. Yes. I always assumed she was employed by
20 Amega, yes.

21 Q. Did anyone -- well, let me ask you this. If
22 this home would have been owned at the time by A&G Trucking,
23 would you have inspected it --

24 A. Yes.

25 Q. -- if you had known that?

1 A. Yes.

2 Q. All right. And what would you have done in
3 regard -- any differently in regard to this write-up on
4 Exhibit 11 if this were owned by A&G Trucking -- I think it's
5 A&G -- as opposed to Amega? Anything?

6 A. It wouldn't -- excuse me?

7 Q. Would you have done anything different? Would
8 I be looking at anything different on this sheet of paper
9 that's labeled Exhibit 11?

10 A. No. I would have listed everything identical.

11 Q. Okay. And who would you have given it to?

12 A. Amega Sales, Inc.

13 Q. Even though it was an A&G Trucking trailer?

14 A. It's still a new manufactured home --

15 Q. I should say manufactured home.

16 A. It's still a new manufactured home and Amega
17 Sales, Inc. is a registered dealer selling this home. So,
18 yes, I would give this information to Amega Sales, Inc.

19 Q. Okay. Help me to understand this concept. I
20 don't know how this works. Do you know if A&G has sold -- in
21 the experiences that you've had, has had manufactured homes on
22 the lot of Amega Sales?

23 A. I'm not sure if I understand exactly what
24 you're asking. A&G is not a dealership, to my knowledge.
25 They're a trucking company. They may or may not own homes. I

1 don't think it matters who actually owns the home. We have --

2 MR. HARRISON: Let me object to that last
3 statement and ask that it be stricken. I mean, he's rendering
4 a legal conclusion. He's not allowed to say that. His
5 statement was it doesn't matter. I mean, he's rendering a
6 legal conclusion --

7 THE WITNESS: Maybe I can rephrase.

8 MR. HARRISON: -- based on a matter that's --

9 JUDGE JONES: The objection's sustained.
10 Go ahead and rephrase your response, Mr. Haden

11 THE WITNESS: We have dealers that are
12 registered to sell manufactured homes as -- where they broker
13 the homes. We don't actually know who owns those home, but
14 the registered dealer would be responsible for the sales --

15 MR. HARRISON: Objection to that as being
16 irrelevant. There's absolutely no evidence that anything like
17 that happened in this case.

18 JUDGE JONES: I'll sustain that.

19 MR. HARRISON: Ask that last bit of testimony
20 be stricken from the record.

21 JUDGE JONES: That last clause is stricken from
22 the record.

23 CHAIR GAW: I want to know more about this and
24 I'm going to keep asking questions until I find out what I'm
25 looking for.

1 BY CHAIR GAW:

2 Q. If there is a lot on this home that does not
3 belong to Amega, is that unusual in your experience?

4 A. Yes, it would be unusual.

5 Q. All right. But have you -- have you seen in
6 the past mobile homes that belong to A&G on the Amega lot?

7 A. No.

8 Q. Were you told by anybody that day when you
9 turned this in that this manufactured home that you had
10 inspected that was a Skyline Corporation home was owned by
11 someone other than Amega?

12 A. On March 8th, no.

13 Q. Were you told at some subsequent date or some
14 date before that that that was the case? I'm asking the
15 question if you were told?

16 A. When I returned on March 13th, I was told that
17 A&G Trucking -- Commercial Trucking had wrecked this home and
18 was going to purchase this home from Skyline or had purchased
19 this home from Skyline.

20 Q. Who told you that?

21 A. Greg DeLine and Mark Mayes.

22 Q. And when was this again?

23 A. Or March 13th, 2002.

24 Q. Was this prior to its purchase by the
25 Higgenbothams?

1 A. Yes. Yes, it was.

2 Q. And how did you have that conversation? Was it
3 face-to-face or over the telephone? How did you have the
4 conversation?

5 A. It was face-to-face at Amega sales lot's
6 service office.

7 Q. And did they at that point in time tell you who
8 owned this manufactured home?

9 A. They told me that A&G Trucking -- Commercial
10 Trucking was going to either title the home in their name or
11 have titled it in their name. They couldn't provide me any
12 documentation as far as who the actual owner of this home was.

13 Q. Was that unusual?

14 A. Yes, it was unusual.

15 Q. Should there be documentation as to the owner
16 of a mobile home on a dealer's lot available for you?

17 A. Yes.

18 Q. And is that a requirement, to your knowledge,
19 or not to have that information available?

20 A. The actual owner of the home? I'm not faced
21 with that issue. I mean, it's not something that I normally
22 run into. It's not a disputed problem that we run into on
23 dealer sales lots, so it's kind of a hard question to answer.

24 Q. I guess I'm asking a more -- I'm asking for a
25 more nuts and bolts information here. When a manufacturer --

1 excuse me.

2 When a dealer has a lot on -- has a
3 manufactured home on their lot, what documentation do they
4 normally possess in their office indicating that they actually
5 own or have a right to possess that manufactured home?

6 A. Well, they normally have a file on the home
7 that contains information about the home, but I don't know
8 that that file would contain who actually owns the home. I
9 think it's pretty safe to assume that that dealer owns that
10 home.

11 Q. All right. Well, let's get rid of the
12 assumption part for a minute. What documents does a dealer
13 get from a manufacturer when they get a manufactured home on
14 their lot?

15 A. The manufacturer would generally give them an
16 invoice.

17 Q. An invoice. Was there an invoice on this
18 manufactured home available for you --

19 A. No, there wasn't.

20 Q. -- to look at?

21 Did you ask for one?

22 A. I asked for the files on the home.

23 Q. And what were you told?

24 A. They did not have any.

25 Q. And were you told why?

1 A. No.

2 Q. Did you ask why?

3 A. No.

4 Q. Did it not strike you as somewhat unusual that
5 they would not have that information for you?

6 A. Yes.

7 Q. Upon learning that that was the case, what, if
8 anything, did you do or tell to -- what, if anything, did you
9 tell to Mr. DeLine or anyone else with Amega Mobile Homes?

10 A. I told them that I was going to apply the red
11 tag to the home and that when they could provide me
12 information, a title or Certificate of Origin or something on
13 the home, possibly we would remove the red tag.

14 Q. Now, what does it mean to have a red tag on a
15 manufactured home?

16 A. That is a prohibitive sale notice that
17 prohibits the home from being sold.

18 Q. And under what authority?

19 A. I apply it under the authority of my Director.

20 Q. Is there some statute or rule that you refer
21 to -- I'm not asking you to interpret the law. I just want to
22 know when you do that, what authority do you believe you're
23 acting under?

24 A. The red tag states, The rental, lease or sale
25 or offer for sale of this unit is prohibited under Section

1 700.045 RSMo or 700.015 RSMo.

2 Q. All right. And when again did you put that red
3 tag on that manufactured home?

4 A. On March 13th, 2002.

5 Q. All right. And at some point subsequent to
6 that, did you remove it?

7 A. Yes, I did.

8 Q. And when was that?

9 A. May 29th of '02 I believe. And actually that's
10 the day that Mark Mayes faxed me information showing that the
11 home had been titled under A&G's name. And then I actually
12 just called him back and told him to go ahead and remove it
13 because I couldn't make it to the sales lot that day if he
14 wanted to, or I would be by in a day or two to remove it for
15 him.

16 Q. And who was this that told you that again?

17 A. Mark Mayes.

18 Q. And who does he work for?

19 A. He is known to me as the service manager for
20 Amega Sales, Inc.

21 Q. All right. And what information did he fax to
22 you that caused you to give him that instruction?

23 A. He faxed to me a document that came from the
24 state of Kansas showing A&G Commercial Trucking as the owner
25 of that home and bearing the serial number of that home.

1 Q. All right. And do you have that document with
2 you?

3 CHAIR GAW: Or has it been admitted into
4 evidence, if counsel knows?

5 MR. HARRISON: It's not in evidence, but it's
6 among my exhibits. I'd be happy to give it to the witness.

7 CHAIR GAW: That would be great.

8 MR. HARRISON: May I approach?

9 JUDGE JONES: Yes, you may.

10 MR. HARRISON: I think it's Exhibit 22 or 23.
11 Do you want me to give it to the witness,
12 Judge?

13 JUDGE JONES: Yes, you may.

14 MR. HARRISON: Here, I'll distribute copies. I
15 assume you're going to go into it.

16 BY CHAIR GAW:

17 Q. Do you have what's marked as Exhibit 11 in
18 front of you right now?

19 A. Yes, I do.

20 Q. Do you recognize this?

21 A. Yes. This is a document that was faxed to me
22 on May 29th by Mark Mayes. I'm not 100 percent sure what this
23 document is. I forwarded it to my Director and asked him to
24 let me know what I could do. The Director -- then I called
25 the Director and asked him and he said that with this

1 document, we could remove the red tag from the home.

2 MR. KRUEGER: Your Honor, may I interrupt just
3 a second to clarify? That's marked as Exhibit 11. It was a
4 Deposition Exhibit 11. For this case it's been marked as
5 Exhibit 23, I believe.

6 CHAIR GAW: I apologize. Thanks for that
7 clarification.

8 MR. HARRISON: That's correct.

9 BY CHAIR GAW:

10 Q. Okay. Have you ever seen a document like this
11 before?

12 A. No, I haven't.

13 Q. So you didn't know what it was when you saw it.
14 Would that be fair to say?

15 A. That's fair to say. I don't know what it is.

16 Q. But you talked to your supervisor. Who did you
17 talk to?

18 A. The Director actually.

19 Q. All right. And what's his name?

20 A. At this time it was Steve Youngmeyer (ph.).

21 Q. Steve Youngmeyer. Okay. And he told you to go
22 ahead and issue -- or allow the red tag to be removed?

23 A. Yes, he did.

24 Q. All right. All right. Now, the removal of the
25 red tag would allow that manufactured home to be sold; is that

1 correct?

2 A. That's correct.

3 Q. Would it be -- would it allow the mobile home
4 to be sold as a new home?

5 A. No.

6 Q. All right. And why not?

7 A. Because back on March 13th, as we discussed
8 with Mark Mayes and Greg DeLine and the Director -- actually,
9 I talked to the Director -- the agreement was that the home
10 had to be sold as a used home because it did not bear HUD
11 labels.

12 Q. All right. And is that just because you agreed
13 to it or is that because what you believe to be the rules
14 of -- the federal rules and the state law or what?

15 A. It's just because the Director agreed to that.

16 Q. You mean it doesn't make any difference whether
17 it's titled or not ahead of time, you can sell a mobile home
18 as a new home?

19 A. Yeah. Yes.

20 Q. How many times can it be owned by somebody
21 before you can't sell it as a new home anymore?

22 A. I think it actually has to be occupied, sold to
23 someone for purposes other than resale to actually be a used
24 home.

25 Q. So do you think that selling this home as a new

1 home would not have been a problem if it hadn't been for that
2 earlier discussion that occurred with Amega?

3 A. It could not be sold without HUD labels.

4 Q. It could not be sold without HUD labels
5 because --

6 A. It would have to be --

7 Q. -- why?

8 Why could not it have been sold without HUD
9 labels?

10 A. The state law requires that it bear HUD labels.

11 Q. If it's a new home?

12 A. If it is a new home.

13 Q. And this one didn't have HUD labels on it?

14 A. This one did not have HUD labels.

15 Q. So without HUD labels, if I understand you
16 correctly now, you do not believe it could have been sold as a
17 new home regardless of any discussion that might have occurred
18 with anybody in your division?

19 A. It could not be sold as a new home.

20 Q. Okay. So what happened next with this home in
21 your scope of knowledge that you know first hand? What's your
22 next exposure to this home?

23 A. After May 29th?

24 Q. Yes. After May 29th.

25 A. I received a call in September from my

1 supervisor asking me the serial numbers of the Skyline home
2 that I had red tagged on the dealer sales lot. I looked in my
3 records and gave him the serial number and he had told me that
4 the home had been sold. After --

5 Q. And who was this that you were talking to?

6 A. My supervisor, Gene Winn.

7 Q. Gene Winn.

8 A. Yes.

9 Q. Okay.

10 A. Then at some -- a few days later than Gene
11 contacted me again -- Gene Winn contacted me again and asked
12 me to contact this homeowner, Don Higgenbotham, and he gave my
13 the phone number and said that they had requested we do an
14 inspection on the home.

15 Q. All right. What year was that again?

16 A. That was in September of '02.

17 Q. Of '02?

18 A. Yes.

19 Q. Okay. And then did you subsequently go
20 there --

21 A. Yeah.

22 Q. -- to the site?

23 A. At that point I contacted Don Higgenbotham and
24 scheduled an inspection of the home with him. And that
25 inspection was conducted on October 23rd, '02.

1 Q. Okay. How many times did you go out to that
2 site?

3 A. Just once.

4 Q. When you find problems with a mobile home, is
5 it normal for you to only go once when you find problems?

6 A. On the initial inspection, yes, just -- just
7 once.

8 Q. Would you normally go back to see whether or
9 not the matters that you had found to be a problem had been
10 corrected?

11 A. Yes. When we do an inspection, we would
12 require some type of corrective action from the dealer and
13 some notification to the manufacturer. Once I receive some
14 information back that repairs have been done, I would contact
15 the homeowner and most likely schedule a re-inspection.

16 Q. Did that occur in this case?

17 A. No, it did not.

18 Q. And do you know -- if you know, why?

19 A. I don't think anything was ever done to repair
20 this home or make corrections to the home.

21 Q. Well, did you ever receive any further contact?

22 A. I did not.

23 Q. All right. You never went back out there?

24 A. No, sir.

25 Q. If there had -- if you normally do you -- if

1 there is no -- well, let me ask you this. If something is not
2 repaired, wouldn't you expect, in your experience, to have
3 someone call you back asking why nothing had happened?

4 A. On this particular inspection with the problems
5 that were present specifically --

6 MR. HARRISON: I don't think the --

7 CHAIR GAW: It wasn't responsive to my
8 question.

9 MR. HARRISON: -- answer was responsive to the
10 question. I'd like the witness to respond to the question
11 that was asked. I'm sorry.

12 THE WITNESS: I'm sorry. Can you repeat it?

13 CHAIR GAW: Maybe we better have it read back
14 because --

15 THE COURT REPORTER: "Question: If something
16 is not repaired, wouldn't you expect, in your experience, to
17 have someone call you back asking why nothing had happened?"

18 THE WITNESS: Under normal circumstances, yes.

19 BY CHAIR GAW:

20 Q. And are you aware of your own information first
21 hand why that did not occur in this case?

22 A. Particularly I didn't require any corrective
23 action on my inspection report. I referred this inspection
24 back to the Director for him to follow up.

25 Q. Okay. So you turned it over to the Director?

1 A. Yes, I did.

2 Q. And was that still -- who was that at that
3 point again?

4 A. Ron Pleus.

5 Q. At that point Ron Pleus had become the
6 Director?

7 A. Yes.

8 Q. So there was a change in the Director in
9 between your initial involvement with this case and that date?

10 A. Yes, there was.

11 Q. Okay. Are you familiar with the titling of
12 mobile homes in Missouri, about how the titling process works?

13 A. No.

14 Q. Is there someone in your division that knows
15 about how the titling process works?

16 A. Not to my knowledge.

17 Q. All right. You don't know anybody in your
18 division that knows how that works and when it's supposed to
19 happen that you get a title, etc.?

20 A. No.

21 Q. All right.

22 CHAIR GAW: Could someone hand the witness a
23 copy of Exhibit 1, please, if he doesn't have one?

24 BY CHAIR GAW:

25 Q. Have you ever seen that before?

1 A. Yes, I have.

2 Q. When's the first time that you saw it, if you
3 recall?

4 A. A copy of this was given to me by my
5 supervisor, Gene Winn.

6 Q. All right. When was that?

7 A. It was prior to my inspection on October 23rd
8 of '02, some time after September 25th of '02.

9 Q. All right.

10 A. I don't remember the exact date.

11 Q. Okay. And did you ever have occasion to see a
12 copy of this exhibit from any other source?

13 A. No.

14 Q. All right. Never were given any copy of a
15 sales contract like this by the Higgenbothams?

16 A. No.

17 Q. Or by Amega?

18 A. No.

19 CHAIR GAW: That's all I have, Judge. Thanks.

20 JUDGE JONES: Thank you.

21 Commissioner Murray?

22 COMMISSIONER MURRAY: Thank you.

23 QUESTIONS BY COMMISSIONER MURRAY:

24 Q. Good afternoon. I'd like to look at a few
25 dates here. You removed the red tag or instructed that the

1 red tag could be removed on May 29th of 2002. Is that your
2 testimony?

3 A. Yes. That's correct.

4 Q. And were you told at that time that that
5 particular home had been sold to Don Higgenbotham on May 2nd?

6 A. Excuse me. I believe it was May 24th,
7 according to my faxed document, that I had the conversation
8 with Mark Mayes to remove the red tag. And I may have
9 inadvertently said the 29th.

10 Q. May 22nd?

11 A. The 24th.

12 Q. Well, on May 24th were you told by anyone at
13 Amega that that home had been sold to Don Higgenbotham on
14 May 2nd?

15 A. No.

16 Q. You were faxed a document at that time; is that
17 correct?

18 A. Yes.

19 Q. And was that Exhibit 23?

20 A. I think so.

21 MR. KRUEGER: Yes, it is.

22 BY COMMISSIONER MURRAY:

23 Q. And that exhibit has a purchase date on it,
24 does it not? It's kind of in the middle on the left.

25 A. Yes.

1 Q. What is that purchase date?

2 A. 3/26/2002.

3 Q. And that indicates that who purchased that
4 particular home on that date?

5 A. It lists the owner here as A&G Commercial
6 Trucking, Inc.

7 Q. Does that mean to you that A&G Commercial
8 Trucking, Inc. purchased that home on March 26th of 2002?

9 A. That appears to be correct.

10 Q. And the mileage shown at that time was?

11 A. It doesn't show any mileage, I don't believe.

12 Q. There's a number of zeroes?

13 A. Looks like it does, yes.

14 Q. And as a result of receiving that document,
15 your supervisor told you that it was all right to remove the
16 red tag from that particular manufactured home; is that
17 correct?

18 A. The Director actually.

19 Q. The Director told you?

20 A. Yes.

21 Q. And the reason you were able to remove it was
22 that it was owned by A&G Commercial Trucking and was going to
23 be resold as a used home; is that --

24 A. That was our understanding, yes.

25 Q. And, again, you were faxed this document on

1 May 24th?

2 A. Yes.

3 Q. And you were not told anything at all about any
4 sale prior to that to Don Higgenbotham?

5 A. No, I wasn't.

6 Q. If there had been a sale prior to May 24th,
7 would that have been a violation of your red tag placement?

8 A. Technically, yes, it would have.

9 Q. Because that red tag meant that home could not
10 be sold, did it not?

11 A. That is correct, yes.

12 Q. And in the complaint that was filed by the
13 Staff in this case, it indicates that the home was delivered
14 on July -- or July 10th of 2002, that Amega delivered it and
15 set it up. Was that your understanding as well?

16 A. Yes.

17 Q. And the complaint that was filed by
18 Mr. Higgenbotham on October 23rd -- actually, the complaint
19 was signed by him on October 23rd. The complaint looks like
20 it was actually dated 12/30/02. Are you aware if that was a
21 scrivener's error or which date it was actually filed?

22 A. This date filed is filled out by someone
23 upstairs. Looks like Cindy Ott -- she's no longer with our
24 department -- actually completed this section here. And, no,
25 I don't know why that date is like -- that may be the date she

1 actually received this document.

2 Q. Is it your understanding that it was filed on
3 October 23rd, 2002 by Mr. Higgenbotham?

4 A. October 23rd, 2002, yes.

5 Q. Okay. And then as a result of that complaint,
6 you went on site to the Higgenbothams' and did your
7 inspection; is that correct?

8 A. Yes.

9 Q. And you found missing HUD labels, certain
10 set-up deficiencies and other non-conformances that you've
11 talked about today; is that right?

12 A. That's correct.

13 Q. And were those the same deficiencies that you
14 had noted in your inspection on March 8th of 2002 on the
15 dealer lot?

16 A. Some of them were. There obviously wouldn't be
17 any set-up deficiencies on the dealer's lot. The home had not
18 been installed yet. The no HUD labels obviously were the
19 same. There were probably still some loose wall panels that
20 were the same on the day we did the field inspection. Some of
21 them were, some of them weren't.

22 Q. Were any of the ones that you had noted on the
23 dealer's lot corrected at that time?

24 A. It appears that, yes, there were -- some of
25 these were corrected. The smoke detectors missing were

1 corrected because when we did the site inspection at the
2 Higgenbothams', that wasn't a problem. I also had a broken
3 receptacle outlet in the living room that wasn't a problem.
4 The broken wall panels -- again, I would have to compare
5 exactly what I have to what I saw then to determine -- looks
6 like some of them were fixed, some of them weren't.

7 Q. Okay. And on October 23rd, you definitely
8 found deficiencies, including the missing HUD labels; is that
9 correct?

10 A. That is correct, yes.

11 Q. Are you aware if that manufactured home ever
12 had HUD labels?

13 A. Yes. It did when -- the manufacturer did issue
14 HUD labels for this home at the time of manufacture.

15 Q. And do you know when they were removed?

16 A. I don't know the exact date, no.

17 Q. Do you know the approximate date?

18 A. No. I contacted the manufacturer. They told
19 me --

20 MR. HARRISON: I'll object. He can't say that.
21 That's hearsay.

22 JUDGE JONES: Objection's sustained.

23 COMMISSIONER MURRAY: I think that's all I
24 have. Thank you.

25 JUDGE JONES: Commissioner Davis?

1 COMMISSIONER DAVIS: No questions.

2 JUDGE JONES: Commissioner Appling?

3 COMMISSIONER APPLING: No questions.

4 JUDGE JONES: We'll have cross-examination now.

5 MR. HARRISON: Thank you, sir.

6 CROSS-EXAMINATION BY MR. HARRISON:

7 Q. All right. So with regard to the home that the
8 Higgenbothams live in, the home that they actually purchased,
9 you looked at that house on March 8th on the Amega lot. We
10 know that. Right?

11 A. Yes.

12 Q. You looked at that house on March 13 -- you at
13 least saw it on March 13?

14 A. Yes.

15 Q. You didn't perform another inspection of the
16 home on March 13?

17 A. No.

18 Q. And you looked at the home -- you inspected the
19 home on October 23rd, all those dates being in 2002?

20 A. That's correct.

21 Q. Other than those three dates, have you laid
22 your eyes on the house, seen it from the outside, inspected
23 it, anything?

24 A. No.

25 Q. Okay. So the only dates that you know the home

1 did not have HUD labels were March 8, March 13th and
2 October 23rd, 2002? Those are the only dates you know of your
3 own knowledge that that's the case. Correct?

4 A. I actually saw pictures of the home this
5 morning.

6 Q. Well, but of your own knowledge though based on
7 your inspections, the answer to my question is yes, isn't it?
8 On March 8, March 13, October 23, 2002 are the only dates that
9 you would have personal knowledge as to what the condition of
10 that home was?

11 A. Those are the only dates that I looked at the
12 home myself, yes.

13 Q. So those are the only dates you have that kind
14 of knowledge. Right?

15 A. That's correct, yes.

16 Q. You don't know, for example, whether or not HUD
17 labels were on the house on July 10 of 2002, which I think is
18 when your inspection report says the house was delivered. Am
19 I right about that?

20 A. I did not see the home in July of 2002.

21 Q. So you can't give any testimony about what the
22 condition of the house was that day, including whether it had
23 any HUD labels. Am I right about that?

24 A. If you're asking if I saw the home on that day,
25 no, I don't, but I do know that the HUD labels had been

1 removed by the manufacturer.

2 Q. But you don't know whether -- on July 10 what
3 the status of the home was, do you? There's no way you could
4 know that because you didn't see it.

5 A. That's correct, I did not see the home in July.

6 Q. And you don't know whether the HUD labels, for
7 example, had been re-affixed to the home or whether new labels
8 had been re-affixed to the home since October 23rd, 2002 which
9 is the last time you saw it. Correct?

10 A. There is no mechanism I know of of re-applying
11 HUD labels.

12 Q. But my question was, you don't know whether or
13 not labels were re-affixed after October 23rd of 2002; is that
14 correct?

15 A. If you're asking me if I saw them, no, I did
16 not.

17 Q. All right. You also don't have any knowledge
18 of -- you testified earlier that HUD labels had been removed
19 from the home based on your inspection. Is that a fair
20 statement?

21 A. Based on my inspection and information I
22 received from the manufacturer.

23 Q. But you don't have any knowledge of how they
24 were removed? You don't have any first-hand knowledge of
25 that? I don't want you to testify about what somebody told

1 you, your first-hand knowledge.

2 A. That's what I depend on is information I
3 receive from the manufacturer.

4 Q. Okay. Now, on March 13, 2002 when you -- I
5 think that was the day you said you had a meeting with
6 Mr. Mayes and Mr. DeLine; is that correct?

7 A. That's correct.

8 Q. You actually had a face-to-face meeting?

9 A. I was in their office, yes.

10 Q. Not a phone call or --

11 A. That's correct.

12 Q. Okay. You testified, I think your words were,
13 that the home was a new home by definition?

14 A. That's correct.

15 Q. And by that do you mean because nobody had ever
16 lived in it before?

17 A. The home had not been occupied.

18 Q. And is that what you mean when you say "by
19 definition"?

20 A. It had never been sold for the purposes other
21 than resale and it had never been occupied --

22 Q. Okay.

23 A. -- so, yes.

24 Q. How do you know that it had never been
25 occupied?

1 A. Because it had ever been sold to anyone other
2 than a dealer or A&G Commercial Trucking. And I'm pretty sure
3 A&G Commercial Trucking doesn't live in a home.

4 Q. I'm asking you, how do you know?

5 A. It was sitting on their lot for sale.

6 Q. But other than that, you don't know?

7 A. Well, that discussion -- we had a discussion
8 in -- with Greg and Mark that day and --

9 Q. Did you ask them whether anybody had ever lived
10 in it?

11 A. Yes.

12 Q. Oh, you did?

13 A. Yes.

14 Q. You asked them that?

15 A. I asked them if it had ever been sold, if they
16 had a Certificate of Origin or title, if the home was new or
17 used. They could not produce anything to indicate that the
18 home was used.

19 Q. But my question was, did you ask them if
20 anybody had ever lived in the home?

21 A. I think what I asked them was had the home ever
22 been sold.

23 Q. Okay. So you did not ask them if anybody had
24 ever lived in the home?

25 A. I don't recall, but I don't think I asked that

1 specifically.

2 Q. Okay.

3 A. I explained to them what the definition of a
4 new home was.

5 Q. And it's true that you put the red tag on the
6 house that day until they could produce information showing
7 that it was a used home?

8 A. No. I put the red tag on it until they could
9 produce information showing that the home had been titled.

10 MR. HARRISON: May I approach the witness?

11 JUDGE JONES: Yes, you may.

12 BY MR. HARRISON:

13 Q. Sir, do you remember giving your deposition in
14 this case on May 26th, 2004?

15 A. I do.

16 Q. Do you remember being put under oath that day?

17 A. I do.

18 Q. Do you remember that you swore to tell the
19 truth in that deposition?

20 A. I do.

21 Q. Do you remember that I was present for that
22 deposition and asked you questions during it?

23 A. Yes.

24 Q. Do you recall that Mr. Krueger was there?

25 A. Yes.

1 Q. And do you recall that the deposition occurred
2 in your offices here in this building?

3 A. Yes.

4 Q. I'd like to give -- I've handed you the
5 deposition you've given that day. I'd like you to turn to
6 page 15.

7 A. Okay.

8 Q. I'm going to read page 15, line 17 through
9 page 16, line 4. So if you could go to page 15, line 17.

10 A. Okay.

11 Q. Question: And what did you tell them?

12 Answer: I told them that this home had some --
13 a few defects that I obviously noticed and that it was missing
14 the HUD labels. And I asked them about this home, why didn't
15 it have any HUD labels if, in fact -- if it was, in fact, a
16 new or used home. At that point Mark had told me that he
17 thought it was a used home.

18 Some time during that conversation he called
19 Greg over. We discussed whether or not it was. They could
20 not produce anything indicating that it was a used home at
21 that time, and I explained to them that I would red tag the
22 home until they could produce some information showing me that
23 it was a used home and that's what I did.

24 Did I read that accurately?

25 A. You did.

1 Q. Is that what you said that day?

2 A. I could have said that, yes. I guess I did,
3 yes.

4 Q. I'd like you to be clear.

5 A. Yes.

6 Q. Was that your testimony that day under oath?

7 A. Yes.

8 Q. So it's true then that when they satisfied you
9 that the home was used, at that point you removed the red tag
10 based on that answer I just read -- based on that deposition
11 testimony I just read?

12 A. I think I -- I honestly made a mistake.

13 Q. My question was a yes or no question.

14 A. Ask me again.

15 Q. When they satisfied you that it was a used
16 home, whenever that was, I think your testimony was May 24th,
17 at that point you said, Okay, I'm satisfied it's a used home,
18 I'll remove the red tag?

19 A. Based on this wording, that's correct.

20 Q. All right. And just to be clear, you testified
21 earlier that when you removed the red tag, it could be sold as
22 a used home?

23 A. When I removed the red tag, it could be sold as
24 a used home, yes.

25 Q. Right. You told them -- "them" being Mark

1 Mayes and Greg DeLine -- that they wanted -- you wanted them
2 to get a Certificate of Title for this home?

3 A. The Director actually.

4 Q. Okay. The Director told you and you told them?

5 A. That's correct.

6 Q. And the significance of that was getting a
7 Certificate of Title was evidence that it was a used home?

8 A. Again, no.

9 Q. Okay. It's true that the significance of this
10 is you wanted the purchaser to understand that what they were
11 buying was, in fact, a -- well, strike that.

12 Is it your testimony that who the first --
13 well, is it your testimony that obtaining a Certificate of
14 Title for a manufactured home has some bearing on whether or
15 not it's used or new?

16 A. It's my understanding that that does not have
17 any bearing on whether or not it's actually considered a new
18 or used home by definition.

19 Q. Is it your testimony that who the first owner
20 of the home is has some bearing on that question?

21 A. The first occupant of the home would have some
22 bearing.

23 Q. No, the first owner of the home.

24 A. That could be a dealer.

25 Q. Right.

1 A. So that wouldn't make it a used home, I don't
2 believe.

3 Q. But if it was somebody other than a dealer,
4 would that have some bearing?

5 A. If it was purchased for reasons other than
6 resale.

7 Q. Okay. So if it was purchased for reasons other
8 than retail, that would have a bearing also on whether it's a
9 used home?

10 A. Resale.

11 Q. Right.

12 A. Yes.

13 Q. Okay. Now, in your inspection report, which I
14 think is in evidence as Exhibit 12, I believe your testimony
15 was that you inspected that house on the Higgenbotham home
16 site on October 23 of 2002?

17 A. That's correct.

18 Q. I think it was your testimony -- or at least
19 the report says that the home was delivered on July 10 of
20 2002?

21 A. That's correct.

22 Q. That's what the report says?

23 A. Yes.

24 Q. Now, you don't know what happened to the home
25 and who did what to the home between July 10 of 2002 and

1 October 23 of 2002. Right?

2 A. No.

3 Q. You don't know if modifications to the home
4 might have been done by the Higgenbothams?

5 A. I did ask the Higgenbothams some questions
6 regarding this home.

7 Q. Okay. You didn't give the Respondent in this
8 case an opportunity to cure any of the alleged defects in your
9 inspection report, Exhibit 12?

10 A. No. I referred this to the Director.

11 Q. As far as you know, the Director then didn't
12 give them any opportunity to cure it?

13 A. I don't know what the Director did at that
14 point.

15 Q. Okay. Fair enough.

16 Now, there were some questions that were asked
17 to you with respect to titles, Certificate of Title. Is it
18 your testimony that -- well, it's true, isn't it, that when
19 you do dealer lot inspections, you don't ask to see
20 manufacturer Statements of Origin or titles as a general rule?

21 A. Yeah. Not routinely, no.

22 Q. All right. In other words, you're focusing on
23 inspecting the home itself?

24 A. That's correct.

25 Q. Could I have exhibit -- I think it's 16, the

1 Certificate of Origin.

2 Do you have Exhibit 16 in front of you?

3 A. Yes, I do.

4 Q. Do you know what that is?

5 A. It says it's a Manufacturer's Certificate of
6 Origin.

7 Q. As far as you can tell, it's for the home that
8 the Higgenbothams purchased?

9 A. The serial number does match the home that the
10 Higgenbothams live in.

11 Q. Okay. Did you see that document on March 8th,
12 2002?

13 A. No, I did not.

14 Q. Did you see it on March 13, 2002?

15 A. No, I did not.

16 Q. Do you know when the first time you ever saw it
17 was?

18 A. Just a couple weeks ago.

19 Q. Had that document been shown to you on
20 March 13th, would it have made a difference to you in your red
21 tag decision?

22 A. No.

23 Q. And why not?

24 A. Well, this document would have verified it was
25 a new home, that it never been titled to anyone other than A&G

1 Trucking for purposes other than resale.

2 Q. Where does it say on there that the purpose is
3 for resale?

4 A. Again, I don't think A&G Trucking is going to
5 live in that home. They purchased it obviously for resale.

6 Q. Why do you say "they purchased it obviously for
7 resale"? Why do you say that?

8 A. It was sitting on a dealer's lot for sale.

9 Q. Did anybody tell you they were going to resell
10 it?

11 A. Yes.

12 Q. Who told you that?

13 A. It had a price tag on it right on the
14 refrigerator.

15 Q. That wasn't my question. Did anybody tell that
16 they were going to resell it?

17 A. Not in those exact words I don't guess, no.

18 Q. Okay. And for all you know, it could have been
19 there for salvage, things like that? Wouldn't that be a fair
20 statement?

21 A. That wasn't -- that statement wasn't made.

22 Q. Well, that's just it. Nobody told you
23 anything. Nobody made any statements to you about why it was
24 there. Isn't that correct, sir?

25 A. The dealer was asking me how they could sell

1 this home.

2 Q. Did they tell you that that was their exclusive
3 purpose?

4 A. Did they use the word "exclusive"? No.

5 Q. Or words to that effect?

6 A. Yes. The home was for sale and they wanted to
7 know how to sell this home.

8 Q. All right. Subsequent to March 13, Mr. Mayes
9 provided information that the house had been retitled -- had
10 been titled in A&G Commercial Trucking's name. Right?

11 A. Yes.

12 Q. All right. That happened in late May?

13 A. Yes.

14 Q. All right. The house that the Higgenbothams
15 purchased was what year model?

16 A. A 2000.

17 Q. Not a 2001?

18 A. That's correct.

19 Q. How did you determine that?

20 A. I contacted the manufacturer.

21 Q. Is there anything on the home itself that shows
22 the model year?

23 A. The data plate would show the date of
24 manufacture of the home.

25 MR. HARRISON: Okay. I think I'm just about

1 finished. Could I have one moment to confer with my client?

2 JUDGE JONES: Yes, you may.

3 BY MR. HARRISON:

4 Q. All right, sir. I think you testified that you
5 considered this to be a new house. Is that a fair statement?

6 A. Yes.

7 Q. Why then did you tell the Respondent and A&G
8 Trucking that it could be sold as a used home?

9 A. After I contacted the Director and explained to
10 him the situation and what I had found, he decided that if A--
11 if Amega was to title this home and agree to sell it as a used
12 home, he would allow that. And that's the information that I
13 gave to Mark Mayes and Greg DeLine.

14 Q. So your testimony is it was strictly, solely
15 the Director's decision and you were just the messenger?

16 A. I don't have the power to make that decision.

17 Q. So you were just the go-between, the messenger?

18 A. Yes. I give information to the Director, the
19 Director gives me information back, yes.

20 MR. HARRISON: Okay. Nothing further.

21 JUDGE JONES: Thank you.

22 Mr. Krueger?

23 REDIRECT EXAMINATION BY MR. KRUEGER:

24 Q. Mr. Haden, do you know any way that HUD labels
25 can be placed on a home after they have been removed?

1 A. No, I do not.

2 Q. Who normally places HUD labels on a home, do
3 you know?

4 A. The HUD labels are controlled by the
5 manufacturer's inspection agency. They are given to the
6 manufacturer and the manufacturer actually applies the HUD
7 labels to the home.

8 Q. Do you know of any circumstance where anyone
9 other than the manufacturer may affix a HUD label to a home?

10 A. It would only be the manufacturer's inspection
11 agency or their agents or the manufacturer themselves that
12 would apply the HUD labels to the home.

13 Q. When you talked to Amega in March of 2002, did
14 you discuss with them what Amega could tell a buyer about the
15 home being new or used?

16 A. Yes. We -- we talked about the fact that the
17 home would have to be represented as a used home and sold as a
18 used home. And I specifically told Mark and Greg both that
19 they needed to make sure that their sales staff understood
20 that it had to be sold as a used home.

21 Q. That was part of your agreement with them?

22 A. That is part of our agreement, yes.

23 Q. Have you read the definition of "new" in
24 Section 700.010 of the Missouri statutes?

25 A. Yes, I have.

1 Q. Do you rely on that definition in deciding
2 whether to red tag a home --

3 A. Yes.

4 Q. -- if it does not have HUD labels?

5 A. That's correct, yes.

6 Q. Because you place a red tag on a home if it
7 does -- if it's a new home and does not have HUD labels; is
8 that right?

9 A. That's correct, yes.

10 Q. And the definition of "new" is being sold or
11 offered for sale to the first purchaser for purposes other
12 than resale?

13 A. That's correct.

14 Q. Now, that's the definition you relied upon?

15 A. That as well as the definition in the rules
16 under new home.

17 Q. And is that why you concluded that it was a new
18 home?

19 A. Yes, it is.

20 MR. KRUEGER: That's all the questions I have.

21 JUDGE JONES: Thank you.

22 Are there any -- Commissioner Gaw?

23 Commissioner Murray?

24 COMMISSIONER MURRAY: I don't believe so.

25 JUDGE JONES: Commissioner Davis?

1 QUESTIONS BY COMMISSIONER DAVIS:

2 Q. At any time prior to the delivery of the home
3 in July 2002, did anyone from Amega, A&G -- or I'm sorry, did
4 you ever get impression that this home was being used for any
5 purpose other than resale?

6 A. No, I did not.

7 COMMISSIONER DAVIS: Thank you.

8 JUDGE JONES: Commissioner Appling?

9 COMMISSIONER APPLING: No questions.

10 JUDGE JONES: Do you all have more questions
11 for Mr. Haden? Mr. Harrison? Mr. Krueger?

12 MR. KRUEGER: I do not.

13 MR. HARRISON: No.

14 JUDGE JONES: Okay. Mr. Haden, you may step
15 down.

16 At this time we're going to take a five-minute
17 break, a bathroom break, if you will, and come right back and
18 see if we can finish up today.

19 (A RECESS WAS TAKEN.)

20 JUDGE JONES: Okay. We're back on the record
21 in Case No. MC-2004-0079.

22 Mr. Krueger, call your next witness.

23 MR. KRUEGER: Director calls Gene Winn.

24 (Witness sworn.)

25 JUDGE JONES: Thank you.

1 MR. HARRISON: I'd like the record to reflect
2 there are two Commissioners present in the room as well, just
3 for the record.

4 JUDGE JONES: Thank you.

5 GENE WINN testified as follows:

6 DIRECT EXAMINATION BY MR. KRUEGER:

7 Q. State your name and address for the record,
8 please.

9 A. Gene Winn. Post Office Box 360, Jefferson City,
10 Missouri 65102.

11 Q. By whom are you employed and in what capacity?

12 A. Missouri Public Service Commission,
13 Manufactured Housing and Modular Unit Program. I'm an
14 inspector supervisor.

15 Q. How long have you been employed by the
16 Commission?

17 A. Since March 5th, 1990.

18 Q. What are your duties as inspector supervisor?

19 A. I inspect manufactured homes. I work with the
20 other inspectors inspecting manufactured homes at times. I
21 work in the office, I approve plans for modular units. And I
22 work with the Director and I travel with HUD in monitoring or
23 auditing manufacturing plants throughout the country.

24 Q. In the course of your employment with the
25 Commission, have you ever had occasion to meet Don and Terri

1 Higgenbotham?

2 A. Yes.

3 Q. What was your first contact with the
4 Higgenbothams?

5 A. With the Higgenbothams themselves, it was with
6 a phone call about the home they had purchased.

7 Q. When did that occur?

8 A. Between October -- or between September 25th
9 and October 23rd.

10 Q. And did the Higgenbothams call you?

11 A. Yes, I believe they did.

12 Q. What was the purpose of the call?

13 A. To have their home inspected.

14 Q. How did you respond?

15 A. I gave the information to Tim Haden, the phone
16 number and stuff, and asked him to contact the Higgenbothams
17 and to set up a time for the inspection date and time.

18 Q. Was this the first time that you had any
19 contact with the Higgenbothams' home?

20 A. No, sir.

21 Q. Tell me when was the first time you had contact
22 with the Higgenbothams' home.

23 A. On September 25th I had received a call from
24 Lynn Hanks, an appraiser. And he asked me if I could meet him
25 at the house. He couldn't find the HUD labels and wasn't

1 certain if it was a manufactured home or a modular home.

2 Q. Did you subsequently meet Mr. Hanks there?

3 A. Yes, I did.

4 Q. What did you do when you got there?

5 A. I looked at the manufactured home, I looked at
6 the -- where the HUD labels should be. I could see where one
7 had been removed or there was holes where one had been and on
8 the other side there was none. I checked the serial number on
9 the house and determined it was a Skyline.

10 Q. You say "on the other side there was none."
11 There was no --

12 A. No HUD label.

13 Q. So you found no HUD label?

14 A. No, sir.

15 Q. And on one side you found where it should be?

16 A. Yes, sir.

17 Q. Did you otherwise inspect the home at that
18 time?

19 A. No, sir.

20 Q. Were the Higgenbothams present at that time?

21 A. No, sir.

22 Q. Did you find anything else noteworthy at the
23 time of that visit?

24 A. The only thing that was -- when Mr. Hanks had
25 called me and told me where the house was at and I was going

1 to meet him, I asked him if he was sure it was a manufactured
2 home and he said he was, he didn't think it was a mo--

3 MR. HARRISON: Judge, I'll object. He can't
4 testify about all this hearsay, ask it be stricken. He's
5 talking about all kinds of hearsay Mr. Hanks said. It's not
6 admissible.

7 JUDGE JONES: Is this testimony being offered
8 to show the truth of the matter, Mr. Krueger?

9 MR. KRUEGER: Could I have the question read
10 back, please?

11 THE COURT REPORTER: "Question: Did you find
12 anything else noteworthy at the time of that visit?"

13 BY MR. KRUEGER:

14 Q. Would you just respond to that question,
15 please?

16 MR. HARRISON: Then I ask that his previous
17 answer be stricken.

18 JUDGE JONES: His previous answer is stricken.

19 THE WITNESS: No, sir.

20 JUDGE JONES: Mr. Winn, also I'm going to ask
21 you, does that microphone pull closer to you?

22 THE WITNESS: I'll slide closer to it.

23 JUDGE JONES: Thank you.

24 BY MR. KRUEGER:

25 Q. Now, after that visit to the Higgenbothams'

1 home, did you take any further action?

2 A. Yes, sir. I contacted -- I had talked with
3 Mr. Tim Haden and -- because I knew at one time he had told me
4 he had red tagged a Skyline manufactured home at Amega Sales.
5 And I asked him the serial number of that house, and it was
6 the same serial number as the home that I had looked at at the
7 Higgenbotham residence.

8 Q. Did you ever return to that home?

9 A. Yes, sir. I returned there October the 23rd
10 with Mr. Haden to conduct an inspection of the home.

11 Q. Beside Mr. Haden, was anyone else present at
12 that time?

13 A. Mr. and Mrs. Higgenbotham.

14 Q. What was the purpose of your visit?

15 A. To conduct an inspection to the -- Mr. and Mrs.
16 Higgenbotham wanted the house looked at for damage and to see
17 if it was set up properly.

18 Q. What subjects did you discuss with the
19 Higgenbothams at that time?

20 MR. HARRISON: I'll object. I mean, he's
21 calling for statements made by the Higgenbothams, that's
22 hearsay.

23 MR. KRUEGER: I'm asking only what --

24 JUDGE JONES: He just wants to know what
25 subjects were discussed, not what the Higgenbothams told him,

1 so I'll overrule the objection.

2 THE WITNESS: We discussed the damage to the
3 manufactured home.

4 MR. KRUEGER: May I approach, your Honor?

5 JUDGE JONES: Yes, you may.

6 BY MR. KRUEGER:

7 Q. I want to show you a document -- a copy of a
8 document that has previously been admitted into evidence as
9 Exhibit 2 and ask if you can identify that document?

10 A. Yes, sir. This is an inspection request form
11 that was filled out by Mr. Higgenbotham.

12 Q. Were you present when that document was
13 prepared?

14 A. Yes.

15 Q. Do you know who prepared the document?

16 A. Mr. Higgenbotham.

17 Q. Did you write anything on the document?

18 A. No, sir.

19 Q. Did you tell Mr. Higgenbotham what to write?

20 A. No, sir.

21 Q. Did you discuss with him what to write?

22 A. No, sir.

23 Q. Did you answer any questions that
24 Mr. Higgenbotham asked at that time about the form?

25 A. Not that I recall.

1 Q. Or provide him with any other assistance in
2 preparing the form?

3 A. No, sir.

4 Q. Did you do anything else at the time of that
5 visit to the Higgenbotham home?

6 A. We inspected the home for damage.

7 Q. "We" meaning you and Mr. Haden?

8 A. Yes.

9 Q. And did you prepare any kind of a report?

10 A. No, sir.

11 Q. Do you know if Mr. Haden prepared one?

12 A. Yes, sir, he did.

13 Q. Did you review that report?

14 A. No, sir.

15 Q. Did you look at that time for HUD labels?

16 A. Yes, sir.

17 Q. And what did you find?

18 A. There were no HUD labels on the home.

19 Q. Have you visited the Higgenbothams' home since
20 that time?

21 A. Yes, sir.

22 Q. When was your most recent visit?

23 A. Most recent visit was yesterday.

24 MR. KRUEGER: May I approach the witness, your
25 Honor?

1 JUDGE JONES: Yes, you may.

2 BY MR. KRUEGER:

3 Q. I want to show you what's been marked for
4 identification as Exhibit 14 and ask you if you can identify
5 that?

6 A. Yes, sir. That is photos that I took yesterday
7 at the Higgenbotham house.

8 Q. Calling your attention to the --

9 MR. HARRISON: I'll object. I don't know if
10 these photos are going to be introduced, but I asked in
11 discovery for photos and was told there aren't any photos.
12 I've never seen these photos before. I object to any
13 testimony about the photos and I certainly object to the
14 admissibility of the photos. I'd be happy to show you, your
15 Honor, the discovery request and the answer.

16 MR. KRUEGER: I believe the answer to the
17 discovery request said that no photos exist. And at the time
18 that that statement was made, it was true. Mr. Winn testified
19 that this photo was taken yesterday afternoon.

20 MR. HARRISON: They've got a duty to
21 supplement.

22 JUDGE JONES: Did you supplement the discovery
23 request?

24 MR. KRUEGER: I did not.

25 JUDGE JONES: I'll sustain the objection.

1 MR. KRUEGER: I don't have any other questions.

2 JUDGE JONES: Commissioner Gaw, do you have any
3 questions?

4 CHAIR GAW: I'm going to pass right now.

5 JUDGE JONES: Commissioner Murray?

6 QUESTIONS BY COMMISSIONER MURRAY:

7 Q. Good afternoon, Mr. Winn.

8 A. Good afternoon, Commissioner.

9 Q. You're familiar with the fact that the red tag
10 was placed and removed on the manufactured home that's in
11 question here, are you not?

12 A. Yes.

13 Q. And if at the time the red tag was being
14 removed based upon representation from the dealer that it
15 would be sold as a used home, if at that time that dealer had
16 also entered into a contract for sale of that particular unit
17 as a new home prior to that date, would that have been
18 something that -- a material fact that should have been
19 considered prior to removing the red tag? Do you think that
20 would have made a difference?

21 A. Yes.

22 Q. And how would it have made a difference?

23 A. If the house was being sold as new, it cannot
24 be sold as new because it did not have HUD labels and a new
25 manufactured home may not be sold without HUD labels.

1 Q. And is that prohibition -- does that also
2 include entering into a contract for sale?

3 A. Yes.

4 COMMISSIONER MURRAY: I believe that's all I
5 have. Thank you.

6 JUDGE JONES: Commissioner Davis?

7 QUESTIONS BY COMMISSIONER DAVIS:

8 Q. You testified that you were at the Higgenbotham
9 home yesterday; is that correct?

10 A. That's correct, sir.

11 Q. Did you observe any HUD label on the home
12 yesterday?

13 A. No, sir.

14 COMMISSIONER DAVIS: No further questions.

15 JUDGE JONES: Commissioner Appling?

16 COMMISSIONER APPLING: No questions.

17 JUDGE JONES: Chairman Gaw?

18 CHAIR GAW: I'll try to be brief, Judge. Thank
19 you.

20 QUESTIONS BY CHAIR GAW:

21 Q. Do you have any familiarity with title
22 requirements on manufactured homes in this state?

23 A. No, sir.

24 CHAIR GAW: No further questions. Thanks.

25 JUDGE JONES: Cross-examination, Mr. Harrison?

1 MR. HARRISON: One moment, please.

2 No, I don't have any questions.

3 JUDGE JONES: Redirect based on questions from
4 the Bench, Mr. Krueger?

5 MR. KRUEGER: No questions, your Honor.

6 JUDGE JONES: Mr. Winn, you may step down.

7 Mr. Krueger, your next witness?

8 MR. KRUEGER: Complainant rests, your Honor.

9 JUDGE JONES: Mr. Harrison, call your first
10 witness.

11 MR. HARRISON: Before I do so, I'd like to ask
12 that judicial notice be taken of the Stipulation of Settlement
13 that was filed -- signed by the parties in this case and
14 filed. Also ask that judicial notice be taken of Sections
15 5403, 5409 and 5410 of Title 42 of the US Code.

16 JUDGE JONES: Judicial notice is taken.
17 Mr. Krueger?

18 MR. KRUEGER: Your Honor, as a preliminary
19 matter before we begin with the testimony, I'd like to know
20 whether Mr. Hanks may be excused. He testified this morning
21 and has been waiting all day. I assume that Mr. Harrison may
22 be able to answer that question now.

23 JUDGE JONES: Mr. Harrison, do you intend to
24 call Mr. Hanks?

25 MR. HARRISON: Well, I don't expect to call

1 him, you know. This hearing is fluid as any hearing is so
2 it's possible. I hate to let him go because I do have one
3 question in mind that I may want to ask him.

4 JUDGE JONES: Then he shall stick around.
5 Mr. Harrison, your first witness.

6 MR. HARRISON: I'd also like to offer an
7 exhibit before I proceed. Could you give me Exhibit 17?

8 I'm going to offer Exhibit 17, which is a
9 certified copy of the Declaration filed by the Missouri
10 Attorney General in the Boone County case that was referenced
11 in pretrial, Judge.

12 JUDGE JONES: Mr. Krueger?

13 MR. KRUEGER: Your Honor, I object to the
14 admission of this exhibit into evidence. It's hearsay and
15 it's opinion evidence and it appears to be offered for the
16 purpose of constituting an admission of some sort, but the
17 party that prepared the document was the Attorney General and
18 the admission, if any, would not be binding upon the Director
19 in this case.

20 If it's offered for the opinion that's entered
21 therein, the Director should have an opportunity to question
22 the person who prepared this document. And, furthermore, I
23 think that the statement as contained in there only concerns
24 whether the Attorney General believes that they could make a
25 case, which has nothing to do with whether the Director can

1 make a claim against Amega.

2 JUDGE JONES: How is this relevant,
3 Mr. Harrison?

4 MR. HARRISON: First of all, it's not hearsay
5 because --

6 JUDGE JONES: It's not hearsay, but how is it
7 relevant?

8 MR. HARRISON: My position in this case is that
9 one of the statutes that the Complainant is asking the
10 Commission to conclude that the Respondent violated is
11 407.020 of the statutes. That statute is referenced in this
12 declaration.

13 It's our position that only three people --
14 three groups of people have authority to file lawsuits or seek
15 prosecutions under that statute, that being the Attorney
16 General, county prosecutors and there's a private cause of
17 action under Chapter 407, under 407.020 and 025. One of those
18 parties is the Attorney General and the Attorney General is
19 the party making this statement.

20 JUDGE JONES: Can you use your microphone?
21 Either one.

22 MR. HARRISON: I apologize.

23 The Attorney General is the party making this
24 statement and constitutes an admission. At the time the
25 statement was made, the Attorney General was a party to this

1 case. That's probative as to whether any violation of 407.020
2 occurred, which is directly at issue in this case.

3 JUDGE JONES: Well, the circumstances
4 surrounding the Attorney General withdrawing his complaint,
5 from what I recall, has more to do with the practical aspect
6 of these matters between A&G and Amega more so than the
7 substantive, for lack of a better word, reality of whether or
8 not there was a violation. I will admit it, however, just
9 consider it for what it's worth. Is that fair?

10 MR. HARRISON: Fair.

11 JUDGE JONES: And you said this was exhibit
12 what? I'm sorry.

13 MR. HARRISON: I believe it's 17, Judge. Isn't
14 that what it says?

15 JUDGE JONES: Yes. What were the cites that --

16 MR. HARRISON: You're referring, Judge, to the
17 statutes that I asked that judicial notice be taken of?

18 JUDGE JONES: Correct.

19 MR. HARRISON: 42 USC Sections 5403, 5409,
20 5410.

21 JUDGE JONES: Okay. Exhibit 17 is admitted.

22 (Exhibit No. 17 was received into evidence.)

23 JUDGE JONES: You may proceed, Mr. Harrison.

24 MR. HARRISON: Thank you, your Honor. I have
25 one more exhibit I'd like to offer before I call a witness,

1 that being Exhibit 19 -- I'm sorry, 20. Your Honor, I offer
2 Exhibit 20, which is the -- specifically the answer to
3 Interrogatory 19 from the Respondent to the Complainant in
4 this case in which I asked the Complainant to produce any and
5 all correspondence between the Complainant and the Missouri
6 Attorney General and between the Complainant's attorneys and
7 the Missouri Attorney General concerning the subject matter of
8 this case. This relates to the same subject matter as the
9 previous exhibit that was offered.

10 JUDGE JONES: Any objection, Mr. Krueger?

11 MR. KRUEGER: No objection, your Honor.

12 JUDGE JONES: Exhibit 20 is admitted into the
13 record.

14 (Exhibit No. 20 was received into evidence.)

15 JUDGE JONES: Do we have copies of that up
16 here?

17 MR. HARRISON: I'm just about to give those to
18 you. I mislabeled them, so let me correct that and then I'll
19 provide them.

20 The first witness I call is Mark Mayes

21 JUDGE JONES: Someone retrieve Mr. Mayes,
22 please.

23 MR. HARRISON: Judge, while we're waiting for
24 him, can I ask a question? Was Exhibit 23 offered or
25 admitted?

1 JUDGE JONES: No, it wasn't. And it is
2 admitted into the record.

3 MR. HARRISON: It is admitted?

4 JUDGE JONES: Yes, it is now.

5 (Exhibit No. 23 was received into evidence.)

6 MR. HARRISON: I was going to offer it if it
7 hadn't been. Okay.

8 (Witness sworn.)

9 JUDGE JONES: Thank you. You may be seated.

10 MR. HARRISON: May I inquire?

11 JUDGE JONES: Yes, you may.

12 MARK MAYES testified as follows:

13 DIRECT EXAMINATION BY MR. HARRISON:

14 Q. Would you state your name, please?

15 A. Mark Mayes.

16 Q. Sir, are you familiar with the manufactured
17 home that Mr. And Mrs. Don Higgenbotham purchased?

18 A. Yes.

19 Q. Were you a party to some conversations
20 concerning that home with Mr. Tim Haden?

21 A. Yes.

22 Q. I want to draw your attention -- direct your
23 attention to March of 2002. Is that when those conversations
24 occurred, as best you can recall?

25 A. Best I can recall.

1 Q. All right. Did Mr. Haden inform you that he
2 had placed what's called a red tag on that home?

3 A. Yes, he did.

4 Q. Do you recall and did that happen in the month
5 of March, 2002?

6 A. I don't recall exactly when it happened.

7 Q. You don't recall the exact date?

8 A. I don't recall the exact date.

9 Q. Fair enough. After that happened, did you
10 engage in conversations with him about how the red tag could
11 be removed from the home?

12 A. Yes, I did.

13 Q. What was his response? What did he tell you?

14 A. To get it titled and sell it as a used home.

15 Q. Okay. Did you, in fact, get the house titled?

16 A. Yes, they did.

17 Q. Was the house, in fact, titled in the name of
18 A&G Commercial Trucking?

19 A. Yes, it was.

20 Q. All right. Did you demonstrate that --
21 demonstrate to Mr. Haden to his satisfaction, as far as you
22 know, that the house had been titled?

23 A. Yes.

24 Q. Do you recall when that happened?

25 A. Not the exact date.

1 Q. Okay. Did he authorize you to remove the red
2 tag from the home?

3 A. Yes, he did.

4 Q. Did he tell you that in a face-to-face meeting
5 or on the phone or --

6 A. On the phone.

7 Q. Okay. And, in other words, he authorized you
8 to physically remove the red tag?

9 A. Yes, he did.

10 Q. He told you you could do that without him doing
11 it?

12 A. Yes.

13 Q. And did you, in fact, do that?

14 A. Yes.

15 Q. And, again, I assume you don't recall the exact
16 date when you did that?

17 A. No, I don't.

18 Q. Did he subsequently come to your office and
19 pick up the red tag?

20 A. Yes, he did.

21 Q. Do you recall how soon it was after you removed
22 the red tag that he came and got it?

23 A. No, I don't.

24 Q. Did he ever tell you to re-apply the red tag to
25 that home at any point in time?

1 A. No.

2 Q. Do you know if, in fact, that red tag or
3 another red tag was ever put back on this house?

4 A. There wasn't another red tag put back on the
5 house.

6 Q. In other words, there was one red tag?

7 A. One red tag.

8 Q. And one red tag only, as far as you can recall?

9 A. As far as I know, one red tag.

10 Q. All right. You said that Mr. Haden told you
11 that the house could be sold as a used home?

12 A. Yes.

13 Q. All right. Do you remember anything more
14 specific about what he said in that regard?

15 A. Just told me if I sold it as a used home, it
16 could be sold.

17 Q. Did those statements lead you to believe that
18 it was a used home?

19 A. Yes.

20 Q. All right. Do you recall sending Mr. Haden a
21 copy of a Certificate of Title for this Higgenbotham home?

22 A. I faxed him a copy of the title.

23 Q. All right. After you did that and after he
24 told you to remove the red tag, did you have any -- did you
25 personally have any conversations with Mr. Haden about this

1 house?

2 A. No.

3 Q. All right. It's true that you personally
4 played no part in the transaction with the Higgenbothams?

5 A. No.

6 Q. What I'm saying is true?

7 A. Yes.

8 Q. You didn't have anything to do with dealing
9 with them or negotiating the price with them?

10 A. No, sir.

11 Q. Or terms or anything like that?

12 A. No.

13 MR. HARRISON: No further questions of this
14 witness.

15 JUDGE JONES: Chairman Gaw, do you have
16 questions?

17 CHAIR GAW: I'm going to pass right now, Judge.
18 Thanks.

19 JUDGE JONES: Commissioner Murray?

20 COMMISSIONER MURRAY: Just a few. Thank you.

21 QUESTIONS BY COMMISSIONER MURRAY:

22 Q. Good afternoon. You faxed the document that
23 you called the -- what did you call the document you faxed to
24 Mr. Haden?

25 A. It was a copy of the title.

1 Q. And that was on May 24th; is that correct?

2 A. I'm not sure what the date was, ma'am.

3 Q. Did you have any knowledge at that time whether
4 that home, the one which you were faxing the title for, had
5 been under contract for sale?

6 A. Yes, it was.

7 Q. Explain, please.

8 A. It was up to be sold. It was going to be sold.

9 Q. Okay. Explain. What do you mean?

10 A. They were going to sell the house.

11 Q. "They" who?

12 A. Amega Sales.

13 Q. Were going to sell the house?

14 A. Uh-huh.

15 Q. Had they sold the house?

16 A. I'm not sure about that, ma'am.

17 Q. Do you know if there had been a contract?

18 A. I couldn't tell you that either.

19 Q. Were you aware of any negotiations on that
20 house at the time you faxed this document?

21 A. Not for sure.

22 Q. For sure. You sound like that leaves some
23 doubt?

24 A. No, ma'am. I handle service and set-up. I
25 don't do anything with the contracts or negotiations.

1 Q. Were you the one that checked the title on
2 this --

3 A. No, ma'am.

4 Q. You faxed the title document but --

5 A. Yes. That's all I did was fax it.

6 Q. Who did the checking?

7 A. Who got the title?

8 Q. Yes.

9 A. I got the he title from Mr. DeLine.

10 Q. And do you have any idea when you received it?

11 A. No, I don't, ma'am.

12 Q. Do you have any idea if there was a lapse of
13 time between when you received it and the time that you faxed
14 it to Mr. Haden?

15 A. No, I don't.

16 Q. And what is your capacity there at Amega?

17 A. Service manager.

18 Q. And are you also employed by A&G Trucking?

19 A. No, ma'am.

20 Q. What do you do as service manager?

21 A. Service and set-up.

22 Q. Would you explain that to a layperson?

23 A. In charge of having the homes delivered to the
24 customers and then servicing them after the fact.

25 Q. You set up the delivery process?

1 A. Uh-huh.

2 Q. Meaning you arrange for it to be delivered?

3 A. Uh-huh. Once it's put in the schedule book, I
4 make sure it gets delivered.

5 Q. Now, you don't go out and supervise the set-up
6 then, I'm assuming?

7 A. No, ma'am. I don't actually go out on the
8 sites.

9 Q. And when do you schedule a delivery? Is this
10 after the sale is completed or after the contract is signed or
11 at what point in the --

12 A. After the sale -- I mean, after they've signed
13 the contract.

14 Q. Had you arranged for any delivery of this
15 particular home at the time you faxed this document?

16 A. No. I don't think I had.

17 Q. Do you have any records that show when you
18 arranged deliveries?

19 A. I couldn't -- wouldn't tell you when -- when it
20 was arranged. I have a schedule book that would tell you the
21 date when it was to be scheduled.

22 Q. And you couldn't tell by looking at a schedule
23 book when that actually -- that scheduling itself actually
24 occurred?

25 A. No.

1 Q. Not even by comparing it with other
2 schedulings?

3 A. No, ma'am.

4 Q. You're sure of that?

5 A. Uh-huh.

6 COMMISSIONER MURRAY: I don't think I have
7 anything else. Thank you.

8 JUDGE JONES: Commissioner Davis?

9 QUESTIONS BY COMMISSIONER DAVIS:

10 Q. As service manager, is it your position to
11 schedule the installation and set-up; is that correct?

12 A. Yes.

13 Q. And who performs that?

14 A. The gentlemen that work under me.

15 Q. And --

16 A. I have crews under -- under me.

17 Q. Okay. And who employs those people?

18 A. Amega Sales.

19 Q. Okay. And who delivers the manufactured house
20 from the lot to the home site?

21 A. Our truck.

22 Q. And that would be?

23 A. The truck's under A&G Trucking.

24 Q. Okay. So "our truck" is the truck under A&G
25 Trucking --

1 A. Uh-huh.

2 Q. -- correct?

3 If you have a problem with A&G Trucking, who do
4 you go to?

5 A. Greg; Greg DeLine.

6 Q. Greg DeLine.

7 COMMISSIONER DAVIS: No further questions.

8 JUDGE JONES: Commissioner Appling?

9 COMMISSIONER APPLING: No questions.

10 JUDGE JONES: Chairman Gaw?

11 CHAIR GAW: I think just maybe one or two.

12 QUESTIONS BY CHAIR GAW:

13 Q. How long have you worked for Amega?

14 A. Eighteen years.

15 Q. Eighteen years. And what positions have you
16 held during those 18 years?

17 A. Set-up, service, service manager.

18 Q. Okay. How long have you been service manager?

19 A. Ten years.

20 Q. Ten years. Are there employees of A&G Trucking
21 that are at Amega sales lot or are there any employees that
22 you know of of A&G?

23 A. The truck that delivers our home is under A&G.
24 The driver works for me.

25 Q. The driver's an employee of Amega?

1 A. Yes, sir.

2 Q. Are there any employees, to your knowledge, of
3 A&G Trucking?

4 A. Do what now?

5 Q. Employees. Are there people who actually get a
6 paycheck from A&G Trucking that you know of?

7 A. I don't know.

8 Q. But the people that drive the trucks that work
9 for you, they work for Amega?

10 A. Yes, sir.

11 Q. Not A&G?

12 A. Yes, sir.

13 Q. Did you ever look at this mobile home that's
14 the subject of this case?

15 A. When it was sitting on the lot.

16 Q. Okay. Did you ever go in it or look around on
17 the outside of it?

18 A. Not really.

19 Q. You just knew it was there?

20 A. Uh-huh.

21 Q. When was the first time that you had any
22 discussion about this mobile home, approximately?

23 A. I couldn't tell you exact date, sir.

24 Q. Would you have had any discussion about it
25 prior to the time when you had the conversation with the

1 manufactured housing personnel from the Public Service
2 Commission?

3 A. No.

4 Q. All right. So that's the first conversation
5 that you recall about it was involving those -- involving an
6 individual that worked for the manufactured housing division?

7 A. Yes.

8 Q. Do you know who -- at that point in time were
9 you familiar with who owned this manufactured home?

10 A. No.

11 Q. Okay. Was there discussion about how to -- was
12 the discussion framed around how the home could be put in a
13 position to be sold?

14 A. Yes.

15 Q. Okay. And can you tell me in your own words
16 what you heard of that discussion?

17 A. I was told if it was titled and changed to a
18 used home and sold as a used home, that we could sell it.

19 Q. All right. And was Mr. DeLine there during
20 that conversation?

21 A. I can't tell you for sure.

22 Q. You don't remember?

23 A. I don't remember.

24 Q. Where did this conversation take place?

25 A. Amega.

1 Q. Okay. And was this a face-to-face meeting?

2 A. Yes.

3 Q. All right. And who was the individual that you
4 were talking with?

5 A. Tim Haden.

6 Q. Okay. Were you aware of the fact that there
7 were no HUD numbers on the trailer at that time?

8 A. After Tim told me there wasn't.

9 Q. Yeah. Was there a sales price on the trailer
10 or in the trailer at that time, do you know?

11 A. I don't know.

12 Q. And you don't know whether or not this
13 manufactured home had been the subject of a contract for sale
14 prior to that date?

15 A. I can't tell you.

16 CHAIR GAW: Okay. That's all I have. Thank
17 you, Judge.

18 JUDGE JONES: Thank you.

19 Commissioner Davis?

20 FURTHER QUESTIONS BY COMMISSIONER DAVIS:

21 Q. To the best of your knowledge, have you ever
22 worked with any employee, person or representative of A&G
23 other than Mr. DeLine?

24 A. I know other employees and truck drivers.

25 Q. Of A&G?

1 A. Uh-huh.

2 Q. Okay. So, I mean, how many other employees
3 does A&G have?

4 A. I couldn't tell you the number they have.

5 Q. Who do those employees report to?

6 A. They have their boss, Tim Stanfield.

7 Q. Okay. And where is Tim Stanfield headquartered
8 at?

9 A. Tennessee.

10 Q. When Amega purchases homes for sale on its lot,
11 who delivers those homes to the Amega sales lot?

12 A. The homes that are sitting on our lot now?

13 Q. Yes.

14 A. The A&G truck with my driver.

15 Q. Okay. So A&G has trucks -- or drivers of their
16 own as well as your drivers who also drive?

17 A. I have one driver.

18 Q. You have just one driver?

19 A. Uh-huh.

20 Q. Okay. What happens when Amega receives -- what
21 happens when -- I assume the past 18 years that you've been
22 doing this -- I'm trying to think how to phrase this question.

23 Have you ever received homes to the Amega lot
24 that have been damaged in transit?

25 A. Yes.

1 Q. And what has happened on those occasions? How
2 did Amega handle it?

3 A. You report back to the manufacturer of the
4 house.

5 Q. So I guess what I'm asking is, so is the
6 manufacturer in shipping homes to Amega responsible for the
7 damage that occurs between the factory and delivery to the
8 Amega lot?

9 A. It depends what it is.

10 Q. Can you give us an example?

11 A. Siding blown off, shingles blown off, window
12 cracked, all that stuff is reported to the manufacturer.

13 Q. Okay. And what happens if you scrape an
14 overpass?

15 A. Scrape an overpass, they probably -- it goes
16 back on the trucking company.

17 Q. Okay. With regard to the home that was sold to
18 the Higgenbothams, do you know how that home was damaged?

19 A. No, I don't.

20 Q. And let me ask you, when the homes are damaged,
21 you know, be it wind or whatever, then how does Amega handle
22 the sale of those homes?

23 A. It's repaired. If it's shingles, the shingles
24 are repaired. If the siding's blown off, the siding is
25 replaced.

1 Q. Is that ever disclosed when those homes are
2 sold?

3 A. Most of the time the customer sees it because
4 most of the time -- like shingles and siding, I won't repair
5 it until the house is delivered to the spot. I don't want it
6 to blow off again.

7 Q. Okay. In this case with regard to the home
8 purchased by the Higgenbothams, is that what happened?

9 A. There wasn't nothing -- anything wrong with the
10 Higgenbothams house as far as I ever seen.

11 COMMISSIONER DAVIS: No further questions.

12 JUDGE JONES: Commissioner Appling?

13 COMMISSIONER APPLING: No questions.

14 JUDGE JONES: Cross-examination, Mr. Krueger?

15 MR. KRUEGER: Yes, your Honor.

16 CROSS-EXAMINATION BY MR. KRUEGER:

17 Q. Good afternoon, Mr. Mayes. I believe you
18 testified that Mr. Haden told you that if the home was sold as
19 a used home, you could sell it; is that correct?

20 A. Yes.

21 Q. That was your understanding?

22 A. Yes.

23 Q. And you agreed to that?

24 A. Yes.

25 Q. And was Mr. DeLine present at that time?

1 A. He was accompan-- he was in different meetings
2 with me. I couldn't tell you for sure if he was there that
3 day or not.

4 Q. Did Mr. Haden tell you that -- strike that.
5 What did you understand that to mean, that if
6 the house was sold as a used home?

7 A. If it was a used -- if it was a used home, I
8 could sell it.

9 Q. Did you understand that it was -- that you were
10 required to disclose that to a buyer, that the home was a used
11 home?

12 A. Yes.

13 Q. And in that sense it would be sold as a used
14 home; is that correct?

15 A. Yes, sir.

16 Q. Okay. Did you have any role in obtaining the
17 title to this home?

18 A. No, sir.

19 Q. Do you know why it took so long to obtain the
20 title?

21 A. No, I don't.

22 Q. Do you know anything about HUD labels and the
23 requirements for HUD labels?

24 A. Very little.

25 MR. KRUEGER: That's all the questions I have.

1 JUDGE JONES: Redirect, Mr. Harrison?

2 REDIRECT EXAMINATION BY MR. HARRISON:

3 Q. Just to be clear on a couple of points, you
4 didn't have any role in the sales transaction regarding this
5 home to the Higgenbothams?

6 A. No.

7 Q. All right. You didn't prepare the contract --
8 you didn't prepare any contract, any paperwork? That's not
9 part of your job?

10 A. No, it's not.

11 Q. All right. You're not aware of what, if any,
12 contracts might have been signed by the Higgenbothams. Is
13 that a fair statement?

14 A. No, I don't.

15 Q. My statement is correct?

16 A. Yes.

17 Q. So, therefore, you don't know when any of those
18 contracts would have been entered into. Correct?

19 A. Correct.

20 Q. You also don't know what homes, other than this
21 home that the Higgenbothams bought, that they might have
22 looked at? You don't have any knowledge of that?

23 A. No, I don't.

24 Q. You wouldn't have any knowledge about whether
25 the Higgenbothams entered into 1, 5 or 100 contracts with

1 respect to manufactured homes?

2 A. No, I wouldn't.

3 Q. With Amega Sales, A&G Trucking or anybody
4 else --

5 A. No.

6 Q. -- correct?

7 A. Correct.

8 MR. HARRISON: Okay. No further questions.

9 JUDGE JONES: Commissioner Gaw, do you have any
10 further questions?

11 CHAIR GAW: No.

12 JUDGE JONES: Commissioner Murray?

13 COMMISSIONER MURRAY: No.

14 JUDGE JONES: Commissioner Davis?

15 COMMISSIONER DAVIS: No.

16 JUDGE JONES: Commissioner Appling?

17 COMMISSIONER APPLING: No.

18 JUDGE JONES: You may step down, Mr. Mayes.

19 Mr. Harrison, you may call your next witness,
20 please.

21 MR. HARRISON: Next witness is Greg DeLine.

22 (Witness sworn.)

23 JUDGE JONES: Thank you. You may be seated.

24 MR. HARRISON: May I inquire?

25 JUDGE JONES: Yes, you may.

1 GREGORY DELINE testified as follows:

2 DIRECT EXAMINATION BY MR. HARRISON:

3 Q. State your name, please.

4 A. Gregory Allen DeLine.

5 Q. And there's been testimony here today -- well,
6 where do you live?

7 A. I live at 18324 Monroe Road 1073, Madison,
8 Missouri, 65263.

9 Q. All right. There's been testimony here today
10 about two entities, Amega Sales, Incorporated and A&G
11 Commercial Trucking, Inc. that you've heard. Right?

12 A. Yes.

13 Q. It's fair that you're affiliated with both of
14 those entities in one way, shape or form?

15 A. I own majority interest in both, yes.

16 Q. All right. As far as you are -- as far as you
17 know, those are two separate corporations. Correct?

18 A. Yes.

19 MR. HARRISON: All right. Just for the record,
20 I'd like to offer a couple of exhibits to get it out of the
21 way. Offer Exhibits 21 and 22, which are respectively
22 Certified Articles for A&G Commercial Trucking and Amega
23 Sales, Incorporated.

24 JUDGE JONES: What were those exhibit numbers
25 again?

1 MR. HARRISON: 21 and 22.

2 JUDGE JONES: Mr. Krueger?

3 MR. KRUEGER: No objection, your Honor.

4 JUDGE JONES: Exhibits 21 and 22 are admitted
5 into the record.

6 (Exhibit Nos. 21 and 22 were received into
7 evidence.)

8 BY MR. HARRISON:

9 Q. Where are the offices of Amega Sales located?

10 A. 111 East Side Drive, Ashland, Missouri.

11 Q. Where are the offices of A&G Commercial
12 Trucking located?

13 A. 111 East Side Drive, Ashland, Missouri.

14 Q. State generally, if you would, what the --
15 well, are their offices in the same building?

16 A. I use double-wides.

17 Q. Are Amega's offices and A&G's offices in the
18 same building?

19 A. They're adjacent double-wides.

20 Q. Okay. Tell the Commission generally what the
21 business of A&G Commercial Trucking is just generally.

22 A. We're a contract carrier for the manufactured
23 housing industry.

24 Q. Okay. In other words, is it a fair statement
25 that A&G Trucking runs large trucks, delivers freight?

1 A. We have a small freight division and we operate
2 contract calling for manufacturers of mobile homes.

3 Q. In other words -- so is it true that the
4 primarily thing that A&G does is haul, for lack of a better
5 word, manufactured houses?

6 A. That's correct.

7 Q. And does it do that for various manufacturers
8 of manufactured housing?

9 A. Yes.

10 Q. Does A&G deliver manufactured housing only to
11 Amega Sales?

12 A. No.

13 Q. Delivers it for the manufacturers to other
14 dealers in other areas?

15 A. That's correct.

16 Q. All right.

17 JUDGE JONES: You realize I have two copies of
18 22?

19 MR. HARRISON: They're different. Or maybe I
20 mislabeled one. I apologize.

21 JUDGE JONES: Amega or A&G?

22 MR. HARRISON: I apologize. Exhibit 21 are the
23 A&G articles, Exhibit 22 is the Amega articles. I apologize
24 if I mislabeled them. I think the originals are correct and I
25 apologize for any confusion.

1 JUDGE JONES: That's all right.

2 BY MR. HARRISON:

3 Q. Mr. DeLine, are you familiar with the
4 Higgenbotham transaction that's been discussed here?

5 A. Yes.

6 Q. Do you have a recollection as to when the
7 Higgenbothams first came into your -- came to your business
8 premise?

9 A. I don't know the exact date, but it would have
10 been March of '02, I think.

11 Q. Okay. Would it be a fair statement that you
12 dealt with them at least to some extent?

13 A. Not in the beginning.

14 Q. All right. When did you begin dealing with
15 them?

16 A. I -- I got involved when it became apparent
17 that they were going to have some difficulty in getting
18 financed.

19 Q. Okay. So at some point did it become apparent
20 to you that they had financing issues, potential problems?

21 A. Yes.

22 Q. And I don't want to get into the details of
23 that because I don't think that's relevant here, but in
24 connection with that, were they interested, as far as you can
25 recall, in looking at new manufactured homes?

1 A. Yes.

2 Q. Okay. As far as you can recall, did they want
3 to purchase a new manufactured home?

4 A. Yes.

5 Q. Do you have a recollection as to how many new
6 manufactured homes they may have looked at on your premises?

7 A. I don't. Typically probably most of them.

8 Q. In other words, you think that they looked at
9 most of the new homes that you had on your lot there?

10 A. They probably looked at everything we had.

11 Q. All right. Is it possible that they entered
12 into more than one Form 500 with Amega Sales?

13 A. Yes.

14 Q. All right. And, by the way, that term has been
15 batted about. A Form 500, according to your usage of the term
16 and your definition, is what?

17 A. Form 500 is, the way I read it, an agreement to
18 purchase. The PSC, when they come in all the time, really for
19 the 20 years I've been there, they call them bills of sales.
20 And it doesn't become a bill of sale in my mind until the
21 price is paid. So that's a clear distinction in my mind.

22 Q. So just for background, is a Form 500 a
23 document -- more or less a preprinted document that you use to
24 document or a paper to memorialize purchase agreements?

25 A. It's an industry -- pretty much an industry

1 standard. It's printed by Jenkins Business Forms and that's
2 why we call it a Form 500. It's kind of like a government
3 Form 1003 for mortgage lending or whatever.

4 Q. So the people who print that form call it a
5 Form 500. That nomenclature just carried through and that's
6 why you call it a Form 500?

7 A. That's correct. It's an agreement to purchase,
8 that's correct.

9 Q. All right. Could I have Exhibit 1 if anybody
10 knows where it is?

11 All right. I've handed you Exhibit 1. That is
12 the first page, front side of a Form 500. Yes?

13 A. That is a Form 500, that's correct.

14 Q. All right. That Form 500 that you're looking
15 at describes a 2001 Skyline home. Correct?

16 A. Yes.

17 Q. Does not have any serial number on it.
18 Correct?

19 A. That's correct.

20 Q. Did the Higgenbothams ultimately purchase a
21 2001 Skyline home from you?

22 A. No.

23 Q. Do you know that they purchased either a 2000
24 or a 1999 Skyline?

25 A. I believe it was a 2000 from the trucking

1 company.

2 Q. Right. That was my next question. Did they
3 purchase that home from A&G Commercial Trucking?

4 A. Yes.

5 Q. All right. Did any of your companies -- either
6 of your companies, Amega Sales or A&G Commercial Trucking,
7 sell a used home to the Higgenbothams and represent or state
8 to them that it was a new home?

9 A. No.

10 Q. All right. Can I have the Certificate of
11 Title? I think it's Exhibit 15 or 16.

12 All right. Do you have Exhibit 15 before you
13 there, sir?

14 A. Yes.

15 Q. That's a Certificate of Title issued by the
16 State of Kansas, is it not?

17 A. It's a duplicate Certificate of Title issued by
18 the State of Kansas.

19 Q. Right. And it's a photocopy of the duplicate
20 title. Right?

21 A. That's correct.

22 Q. All right. Are you able to -- do you know why
23 you obtained a duplicate Certificate of Title for that
24 manufactured home -- why A&G Trucking did?

25 A. Yes.

1 Q. Could you testify to that, please?

2 A. I think there was a mis-testimony earlier
3 that -- the copy I think that was provided to Tim Haden was
4 actually a copy of a printout of registry in Kansas.
5 Somewhere along the line we supplied for a Certificate of
6 Title and it was granted and it came up missing. So we didn't
7 know whether Kansas lost it, somebody in my office lost it,
8 whatever. And so we had to get a duplicate and that's this
9 one.

10 Q. You're going to have to re-explain that. You
11 said there was a registry document, which I'll give to you.

12 A. All right.

13 Q. I'll give you what I think it is.

14 All right. You have Exhibit 23 in front of
15 you?

16 A. Yes.

17 Q. Is that the document you were referencing a
18 minute ago in your testimony?

19 A. Yes.

20 Q. And what would you call Exhibit 23?

21 A. This is -- I kind of remember the situation and
22 we needed to -- we had applied for a title in Kansas as
23 instructed so we could sell this home as a used home. And
24 we -- we -- it was time to do it and we couldn't find the
25 title, so we got this printout from Kansas that showed that

1 this had been issued to A&G.

2 Q. All right. You said "as instructed." As
3 instructed by whom?

4 A. Tim Haden.

5 Q. All right. Now, then you testified -- I'm
6 trying to get at the question of why a duplicate title was
7 issued. You gave some testimony that confused me a little
8 bit, so I'd ask you to restate that. What's the significance
9 of a duplicate title, if you know?

10 A. Well, the original was lost and we were ready
11 to -- the PSC had removed or allowed us to remove the red tag,
12 so we were ready to sell the home. We couldn't find the
13 title. We had to provide a copy of the title to them so that
14 they'd remove the red tag. So I had Stacey get this from the
15 State of Kansas.

16 Q. Well, again, with reference to the exhibits,
17 you said provide this. You're talking about Exhibit 23?

18 A. It's listed as -- labeled 23, yes.

19 Q. All right. Somebody lost the original of the
20 title?

21 A. That's correct.

22 Q. Do you know who lost it?

23 A. I don't know.

24 Q. All right. The title that's in evidence,
25 Exhibit 15, is in A&G Commercial Trucking's name. Yes?

1 A. Yes.

2 Q. All right. If you would, please look at page 2
3 of Exhibit 15. Do you see that?

4 A. Yes.

5 Q. It's got under the Assignment provision, I
6 think it is -- under the Assignment section of it, it's got
7 some words added to it. Right? Is that the Certificate of
8 Title that was assigned -- or I guess assigned to Mr. and Mrs.
9 Higgenbotham?

10 A. Appears to be.

11 Q. All right. There's a dollar amount on there,
12 \$38,321.63. Do you see that?

13 A. Yes.

14 Q. How was that amount determined, if you know?

15 A. I believe -- I dealt with Higgenbothams'
16 attorney myself and we were discussing how to do that and we
17 used the NADA book, which values used mobile homes.

18 Q. Okay. So you referred to the NADA guides.
19 Correct?

20 A. Yes.

21 Q. And you specifically looked at the NADA values
22 for this home -- for a used model of this home?

23 A. That's correct.

24 Q. All right. And the 38,321.63, is that the
25 number that came up in the NADA book for this used home?

1 A. I don't remember exactly how we -- you know,
2 but, yes, we used the NADA book and we determined -- Williams
3 and I determined that was the value.

4 Q. You used that as a guide at least?

5 A. Correct.

6 Q. Okay. And Exhibit 15, does that represent --
7 is that a copy of the Certificate of Title to the manufactured
8 home that was ultimately delivered and sold to the
9 Higgenbothams?

10 A. This is a duplicate of the original title, yes.

11 Q. That's what I mean. It's a duplicate of the
12 title?

13 A. Yes.

14 Q. I don't want to get bogged down in minutia or
15 confusion here, but the home described in that Certificate of
16 Title is the home A&G Trucking sold to the Higgenbothams. Is
17 that a true statement?

18 A. That's a true statement.

19 Q. Okay. Could I have Exhibit 16, please?
20 Do you have Exhibit 16 before you?

21 A. Yes.

22 Q. Okay. That is a Manufacturer's Certificate of
23 Origin. Yes?

24 A. Yes.

25 Q. For this same home? In other words, it

1 describes the same home, does it not, as is described in
2 Exhibit 15, the Certificate of Title?

3 A. Serial numbers match.

4 Q. All right. That Certificate of Origin
5 indicates, does it not, that the manufacturer transferred and
6 assigned it to A&G Trucking some time in, when, November of
7 '99?

8 A. It says the 19th day of November, '99.

9 Q. Okay. After that happened, was a Certificate
10 of Title other than Exhibit 15 issued to A&G Trucking?

11 A. Some time after our discussions with Tim Haden
12 to turn this into a used home, there was an original
13 Certificate of Title generated by the State of Kansas and
14 evidently mailed or what-- anyway, supposedly they said,
15 evidenced by the registry copy, that they had issued a title,
16 but we didn't get it or we lost it or something.

17 Q. All right. Now, in effect, A&G Commercial
18 Trucking acquired this home from the manufacturer. Is that a
19 true statement?

20 A. True statement.

21 Q. Why did that occur? Why did A&G Trucking
22 acquire it from the manufacturer?

23 A. As I recall -- and that's quite a while ago,
24 but as I recall, I had a terminal in Indiana and we were under
25 contract with Skyline to pull some of their homes, certainly

1 this particular home. So A&G was transporting this home and
2 it sustained some damage.

3 Q. All right. Then were you given some direction
4 or something like that or a choice to purchase the home after
5 this damage occurred?

6 A. No. I'm obligated. I mean, we're required, as
7 a contract carrier, to provide insurance. Because of my size,
8 I self-insure and so I was obligated to purchase the home
9 because of the -- evidently the damage was severe.

10 Q. So just to draw that out, at that time you
11 self-insured?

12 A. That's correct.

13 Q. This home was damaged in transit I think,
14 presumably. Right?

15 A. That's correct.

16 Q. You're saying that your agreement with
17 Skyline -- the agreement between Skyline and A&G was that A&G
18 would have to purchase -- in effect, purchase the home if it
19 was damaged?

20 A. That would be my agreement with A&G with all
21 manufacturers, yes.

22 Q. Okay. All right. Has that happened with
23 respect to other homes in A&G Trucking?

24 A. Yes.

25 Q. All right. Would you characterize it as a

1 frequent occurrence or not?

2 A. Well, my trucking company I started I think in
3 '95. And I was insured prior, I had Cargo Insurance. And so
4 prior, it was the insurance company's problem. This was
5 around the time that I got big enough to self-insure and so,
6 as I recall -- and this may not be the very first one, but it
7 was close. This was the maiden voyage.

8 Q. Okay. Do you know where the home was between
9 November of 1999 and, say, March of 2002 continuously for all
10 periods? Do you know where it was?

11 A. Obviously that's 13 or 14 months and so I don't
12 know. I have a hunch. I think I remember.

13 Q. It's longer than that. It's from November of
14 '99 to March of 2002.

15 A. So sixteen months, yeah. Yeah, sixteen months.

16 Q. Do you know, as you sit here today, where that
17 home was the entirety of that time?

18 A. I wouldn't say with any certainty the entirety,
19 every single minute, no.

20 Q. Okay.

21 A. I have a hunch, a small recollection.

22 Q. Now -- well, let me follow that through. What
23 is your recollection?

24 A. I remember -- and I can't remember specifically
25 if it was this one, but I think it was. Again, it was a

1 terminal in Indiana. Typically with the trucking company I
2 have owner/operators that are leased to the trucking company.
3 So I was obligated to Skyline -- I say I. The trucking
4 company was obligated to purchase it when we damaged it beyond
5 the repair that they could feel like they could repair it.

6 And so I kind of
7 remember that the terminal manager, somebody, being interested
8 in the home. You know, I certainly would have had it
9 repaired, if you will, out there if -- you know, whatever was
10 going to happen to it. So anyway, I think it was somewhere
11 between here and Indiana for most of that time and --

12 Q. Does it ever happen in the manufactured home
13 industry that damaged homes are sort of used for parts and
14 salvage and so forth?

15 A. Well, yeah. I mean, certainly I was trying --
16 again, this was -- I had Cargo Insurance prior to this so this
17 was one of my first ones and I was trying to figure out what
18 to do. I was thinking about several different things. I was
19 going to, you know, do a couple things, maybe make an office
20 out of it, you know, I suppose you could salvage it. That's
21 how they do cars, so --

22 Q. All right. And those were all things you were
23 considering during this period which -- prior to March of
24 2002?

25 A. That's right.

1 Q. All right. Now, I want to go back to the
2 Higgenbothams transaction in general. You testified earlier
3 that your recollection is that they were interested in buying
4 a new home?

5 A. I know they were.

6 Q. All right. And you know that based on your
7 dealings with them; is that correct?

8 A. Well, that's the way it was presented to me
9 whenever I got involved.

10 Q. Do you recall working on transactions in which
11 you tried to get them approved for financing for a new home?

12 A. Yeah. Yes.

13 Q. Do you recall what the result of that was?

14 A. Yeah. They couldn't qualify. As I recall,
15 they had a couple of tax liens -- substantial tax liens so
16 they were going to have a real difficult time trying to get a
17 loan for a new home.

18 Q. All right.

19 A. That becomes a function of loan device and
20 things.

21 Q. All right. I believe you testified earlier
22 that it's possible that more than one Form 500 was signed by
23 the Higgenbothams?

24 A. Yes.

25 Q. Do you know for certain whether that was the

1 case?

2 A. I don't know.

3 Q. All right. Do you know for certain whether the
4 Form 500 in evidence as Exhibit 1 that references the 2001
5 Skyline, do you know for certain whether that was for the home
6 that he ultimately purchased from A&G Trucking?

7 A. I feel certain it was not.

8 Q. And why do you feel certain about that?

9 A. Well, as I put in my letter to Mr. Pleus, that
10 there's errors all over it. If being the big word that I used
11 in my deposition, there's just errors all over it. There's no
12 way it could be the form.

13 Q. Okay. Well, is one of the reasons that it
14 refers to a different model year?

15 A. The first thing is it says Amega Sales. The
16 second thing is the model year. The third thing is the tax.
17 The fourth thing is it's used. I mean, there's a multitude of
18 inconsistencies.

19 Q. I suppose I ought to ask this to make the
20 record clear, but it's true that only one home was sold to the
21 Higgenbothams by any of your organizations?

22 A. That's correct.

23 Q. That's the home that we've heard testimony
24 today about from them, the one that they're living in. Right?

25 A. That's correct.

1 Q. All right. Only one home was sold, only one
2 home was delivered?

3 A. That's correct.

4 Q. I don't want there to be any doubt about that.
5 Okay.

6 A. But there was -- there was other -- evidently
7 proposed sale, but --

8 Q. Right.

9 A. -- at the end of the day, they were sold one
10 home.

11 Q. I understand. Is it in your experience just
12 because someone enters into a Form 500 doesn't necessarily
13 mean that that transaction comes to fruition and closes. Is
14 that a true statement?

15 A. As a matter of fact, a large percentage don't
16 because folks can't get the money, can't qualify. So, again,
17 that's why a Form 500 is not properly called a bill of sale.
18 It's not a bill of sale until it's paid for.

19 Q. All right. I've handed you Exhibit 18. Do you
20 have that, sir?

21 A. Yes, sir.

22 Q. What is that document?

23 A. That's the Stipulation of Settlement that I
24 entered into with Higgenbothams.

25 Q. And your signature appears on it on page 2?

1 A. In two places.

2 Q. All right. Look at the first page, if you
3 would. There are three paragraphs that start out with the
4 word "whereas." Do you see those?

5 A. Yes, sir.

6 Q. I'll refer to those as the whereas paragraphs.
7 How about that?

8 A. Okay.

9 Q. Okay. The first whereas paragraph references a
10 2001 Skyline home with a purchase price of 66,478.37. Do you
11 see that?

12 A. Yes.

13 Q. Including sales tax of 2,578.37. Do you see
14 that?

15 A. Yes.

16 Q. Compare those numbers to the Form 500 in
17 evidence as Exhibit 1. Does that lead you to conclude that
18 those two documents are not talking about the same home in
19 those provisions?

20 A. Must have been another one.

21 Q. In other words, let me ask a better question.
22 The first whereas paragraph in the Stipulation of Settlement,
23 as far as you can tell, does not refer to the home described
24 in the Form 500, Exhibit 1?

25 A. Doesn't appear to me to.

1 Q. All right. Do you think based on those
2 documents, the Form 500 and the Stipulation of Settlement,
3 that at some point the Higgenbothams might have actually
4 entered into Form 500's for more than one home?

5 A. I would say that's very likely.

6 Q. All right. The home that was sold to the
7 Higgenbothams, the 2000 model, was it sold with a
8 manufacturer's warranty?

9 A. No.

10 Q. Was it sold with any express warranty from any
11 of your companies?

12 A. No. And I think that's where the problem with
13 the Higgenbothams' attorney came in, so --

14 Q. I'll get to that in a minute, but let me ask
15 you this. Why was it not sold with any warranty, if you know?
16 Was that just the deal that was made?

17 A. No. It's a used home. As a matter of policy,
18 I mean, we don't -- any of my entities if we sell a used home,
19 we don't offer a warranty.

20 Q. Now, you testified about Mister -- that the
21 Higgenbothams' attorney, you said that that had some
22 connection to this warranty issue?

23 A. Again, my recollection's vague, but I think
24 that the Higgenbothams were experiencing some service
25 problems. Probably why they contacted the Public Service

1 Commission, I would say. And our position would have been
2 that, hey, there is no warranty and so we would have had to
3 settle.

4 Q. All right. Just to clean this up a little bit,
5 it's your testimony that Amega Sales, Incorporated did not at
6 any time sell or offer for sale a used home to the
7 Higgenbothams and represent or state to them that it was a new
8 home. Is that a true statement?

9 A. That's fair.

10 Q. A&G Trucking didn't do that either. Is that
11 your testimony?

12 A. That's correct.

13 Q. And the actual seller of the home that the
14 Higgenbothams bought was A&G Commercial Trucking; is that
15 correct?

16 A. That's correct.

17 Q. Please look again at the Stipulation of
18 Settlement. Do you have that in front of you?

19 A. Yes.

20 Q. I'd like to direct your attention to
21 paragraph 2, last sentence which says, Purchasers agree to
22 accept any non-conformities to federal, state or local
23 regulations that may exist with respect to the home and
24 purchasers acknowledge and agree that neither seller has nor
25 shall have any more or additional service, set-up or warranty

1 liability with respect to the home whatsoever from and after
2 the date of this agreement.

3 Did I read that correctly?

4 A. Yes.

5 Q. In your experience, is that a set-up waiver?

6 A. Where that came from -- and if you recall, I
7 had involved you -- in the past, the Public Service Commission
8 people that we deal with had told us that if we had a service
9 or set-up problem with a customer, that we could settle with
10 them with sufficient funds for them to fix the
11 non-conformities, and this is the language that they said that
12 their Staff recommended that we use. So we inserted that
13 language just for that purpose.

14 Q. So you're telling me that that language came
15 from and was recommended by the Complainant in this case?

16 A. Not -- not specific with this deal, but in the
17 past.

18 Q. That's what I mean.

19 A. We've had situations like this come up before
20 and we say, Hey, you know, what can we do? Well, you can
21 either go fix it or settle with the customer for sufficient
22 money where they can fix it.

23 Q. Okay. A&G Commercial Trucking is not -- well,
24 strike that.

25 MR. HARRISON: No more questions right now.

1 JUDGE JONES: Thank you.

2 Chairman Gaw?

3 CHAIR GAW: Thank you.

4 QUESTIONS BY CHAIR GAW:

5 Q. Mr. DeLine, at the time that this sale
6 originally took place with the Higgenbothams, how many Skyline
7 manufactured homes did you have on your lot?

8 A. We would have just had this damaged one.

9 Q. Okay. And what period of time, to the best of
10 your knowledge, was it on your lot?

11 A. I think -- I think it just -- you know, Tim had
12 testified earlier that he -- he comes more than a couple times
13 a year. I mean, it's probably every couple months. So it
14 could be any time right after the first of the year. If it
15 would have been there prior to the first of the year, he would
16 have stumbled onto it, see, so -- and as far as the stock--

17 Q. You're talking about first of the year, you're
18 talking about 2002?

19 A. Correct. Yeah.

20 Q. Go ahead.

21 A. I was just going to say that this -- this
22 Exhibit 1, just to help you guys a little bit, I've heard some
23 testimony over this. We could have had -- we had a contract
24 with Skyline on the trucking, and so we could have had a new
25 home manufactured by serial number duplicate -- you see what I

1 mean -- that wouldn't have been the damaged home. So we could
2 have ordered them a new Skyline that was like what was shown
3 there to them damaged, only new, if they could have qualified
4 for it.

5 Q. I see. And you say you had an arrangement with
6 the trucking company. I didn't understand what you were
7 saying.

8 A. We had a contract with Skyline with the
9 trucking company.

10 Q. A&G did?

11 A. Yes.

12 Q. So A&G could have gotten the trailer?

13 A. That's correct.

14 Q. The manufactured home, I'm sorry.

15 A. That's okay.

16 Q. And --

17 A. See --

18 Q. -- how would that have worked with Amega?

19 A. Well, let me help you again too. I'm the chief
20 operating officer for both entities.

21 Q. Yes.

22 A. Believe it or not, I run both from the same
23 facility, in essence. And so the trucking company could have
24 easily purchased an ordered home. And I got into that with my
25 deposition too. We could have ordered a home and, therefore,