



ATTORNEY GENERAL OF MISSOURI

JEFFERSON CITY

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June 10, 2004

FILED

JUN 10 2004

Missouri Public
Service Commission

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
Adjudication Division - Data Center
P.O. Box 360
Jefferson City, Missouri 65102-0360

Re: Case No. MC-2004-0078
*Director of the Manufactured Housing and Modular Units Program of the
Public Service Commission v. A & G Commercial Trucking, Inc.*


Dear Secretary Roberts:

Enclosed please find an original and eight copies of Attorney General's Response to Commission's Request for Petition and Complaints. A copy of the petition filed in the Attorney General's case against Amega Sales, Inc., case number 04CV165070, is attached to each of the eight copies. Due to the volume of documents required to respond to the Commission's request for consumer complaints against Amega Sales, Inc., and pursuant to a discussion I had this morning with Kim Happy, only one copy of those documents is being provided.

Thank you for your courtesies in this matter.

Respectfully submitted,

JEREMIAH W. (Jay) NIXON
Attorney General of Missouri


LAURA KRASSER
Chief Counsel
Consumer Protection Division
(573) 751-7007

Enc.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED

JUN 10 2004

Director of the Manufactured Housing and)
Modular Units Program of the Public Service)
Commission,)

Missouri Public
Service Commission

Complainant,)

Case No. MC-2004-0078

v.)

A & G Commercial Trucking, Inc.,)

Respondent.)

**ATTORNEY GENERAL'S RESPONSE TO THE COMMISSION'S REQUEST
FOR PETITION AND COMPLAINTS**

Jeremiah W. (Jay) Nixon, Attorney General of Missouri, by and through his assistant, Laura Krasser, states the following:

1. Pursuant to the Commission's request contained in its Order Granting Motion to be Dismissed as a Party, a copy of the petition filed in the matter of *State ex rel. Nixon v. Greg DeLine, et al.*, case number 04CV165070, is attached hereto.

2. Also pursuant to the Commission's request, copies of all written consumer complaints received by the Attorney General's Office as of May 25, 2004, that support the allegations in the petition filed in case number 04CV165070 are attached hereto.

3. The Respondent in the case before the Commission, A & G Commercial Trucking, Inc., has previously been served with a copy of the petition and, through responses to discovery requests, with copies of the written consumer complaints. Therefore, the Attorney General's Office is providing only a copy of this filing, without the attachments, to the Respondent.

Respectfully Submitted,
JEREMIAH W. (JAY) NIXON
Attorney General of Missouri



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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was mailed, via U.S. mail, postage paid, on this 10th day of June, 2004, to:

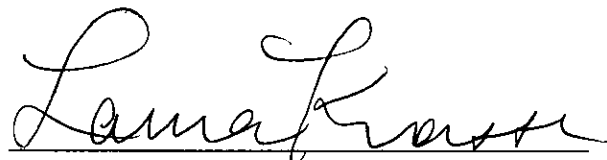
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Assistant Attorney General

IN THE CIRCUIT COURT OF BOONE COUNTY
STATE OF MISSOURI

STATE OF MISSOURI, ex rel. JEREMIAH W. (JAY)
NIXON, Attorney General

Plaintiff.

v.

Greg DeLine
111 Eastside Drive
Ashland, MO 65010

Amega Sales, Inc.
111 Eastside Drive
Ashland, MO 65010

d/b/a Amega Mobile Home Sales, Inc.
111 Eastside Drive
Ashland, MO 65010

d/b/a Columbia Discount Homes
5311 Highway 763 North
Columbia, MO 65202

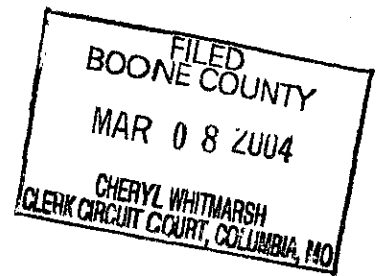
d/b/a Mark Twain Mobile Home Sales
602 North Pleasant Street
Farber, MO 63345

d/b/a Quality Pre-Owned Homes
5670 Highway 763 North
Columbia, MO 65202

DeLine Finance, L.L.C.
111 Eastside Drive
Ashland, MO 65010

Service Pro, Inc.
111 Eastside Drive
Ashland, MO 65010

Defendants.



Case No. _____

Serve: Thomas M. Harrison, Registered Agent
1103 East Broadway, Suite 101
Columbia, MO 65201

**PETITION FOR PRELIMINARY AND PERMANENT INJUNCTIONS, RESTITUTION,
CIVIL PENALTIES, AND OTHER COURT ORDERS**

COMES NOW the State of Missouri as Plaintiff in this action, by and through its Attorney General Jeremiah W. (Jay) Nixon and his assistants Peter Lyskowski and Zora Mulligan, and states as follows:

PARTIES

1. Jeremiah W. (Jay) Nixon is the duly elected, qualified, and acting Attorney General of the State of Missouri. The Attorney General brings this action in his official capacity pursuant to Chapter 407, RSMo 2000.
2. Defendant Greg DeLine is an individual, a resident of Missouri, and the president and sole member of the board of directors of Amega Holdings, Inc.; Amega Sales, Inc.; and Service Pro, Inc. Greg DeLine is the executive of DeLine Finance, L.L.C.
3. Defendant Amega Sales, Inc., is a Missouri corporation located at 111 Eastside Drive, Ashland, Missouri 65010.
4. Amega Sales, Inc., was incorporated on December 28, 1999.
5. The officers of Amega Sales, Inc., are Greg DeLine, president; Rose Grant, vice-president; and Kelly DeLine, secretary.
6. Greg DeLine is the sole member of the board of directors of Amega Sales, Inc.

7. Defendant Amega Sales, Inc., also does business under the name Amega Mobile Home Sales, Inc. Amega Mobile Home Sales, Inc., is located at 111 Eastside Drive in Ashland, Missouri 65010, and is a manufactured home dealer.

8. Defendant Amega Sales, Inc., also does business under the name Columbia Discount Homes. Columbia Discount Homes was created on April 20, 1995, and is located at 5311 Highway 763 North, Columbia, Missouri 65202. Columbia Discount Homes is a manufactured home dealer.

9. Defendant Amega Sales, Inc., also does business under the name Mark Twain Mobile Home Sales. Mark Twain Mobile Home Sales was created on October 3, 2003, and is located at 602 North Pleasant Street, Farber, Missouri 63345. Mark Twain Mobile Home Sales is a manufactured home dealer.

10. Defendant Amega Sales, Inc., also does business under the name Quality Pre-Owned Homes. Quality Pre-Owned Homes was created on June 17, 1997, and is located at 5670 Highway 763 North, Columbia, Missouri 65202. Quality Pre-Owned Homes is a manufactured home dealer.

11. Defendant DeLine Finance, L.L.C., is a Missouri limited liability company located at 111 Eastside Drive, Ashland, Missouri 65010.

12. DeLine Finance is a loan brokerage company and was created on December 13, 1999.

13. Greg DeLine is the executive of DeLine Finance.

14. Defendant Service Pro, Inc., is a Missouri corporation located at 111 Eastside Drive, Ashland, Missouri 65010.

15. Service Pro, Inc., was incorporated on August 29, 2003.

16. The officers of Service Pro, Inc., are Greg DeLine, president; Rose Grant, vice-president; and Kelly DeLine, secretary and treasurer. Greg DeLine is the sole member of the board of directors of Service Pro, Inc.

JURISDICTION

17. Plaintiff hereby incorporates by reference all of the allegations contained in paragraphs 1 through 16 above as if fully set forth herein.

18. The Circuit Court has jurisdiction of this action pursuant to § 407.100, RSMo 2000, which provides:

1. Whenever it appears to the attorney general that a person has engaged in, is engaging in or is about to engage in any method, act, use, practice or solicitation, or any combination thereof, declared to be unlawful by this chapter, he may seek and obtain, in an action in a circuit court, an injunction prohibiting such person from continuing such methods, acts, uses, practices, or solicitation, or any combination thereof, or engaging therein, or doing anything in furtherance thereof.

2. In any action under subsection 1 of this section, and pursuant to the provisions of the Missouri Rules of Civil Procedure, the attorney general may seek and obtain temporary restraining orders, preliminary injunctions, temporary receivers, and the sequestering of any funds of accounts if the court finds their funds or property may be hidden or removed from this state or that such orders or injunctions are otherwise necessary.

3. If the court finds that the person has engaged in, is engaging in, or is about to engage in any method, act, use, practice or solicitation, or any combination thereof, declared to be unlawful by this chapter, it may make such orders or judgments as may be necessary to prevent such person from employing or continuing to employ, or to prevent the recurrence of, any prohibited methods, acts, uses, practices or solicitations, or any combination thereof, declared to be unlawful by this chapter.

4. The court, in its discretion, may enter an order of restitution, payable to the state, as may be necessary to restore to any person who has suffered any ascertainable loss, including, but not limited to, any moneys or property, real or personal, which may have been acquired by means of any method, act, use, practice or solicitation, or any combination thereof, declared to be unlawful by this chapter. It shall be the duty of the attorney general to distribute such funds to those persons injured.

5. The court, in its discretion, may appoint a receiver to insure the conformance to any orders issued under subsection 3 of this section or to insure the payment of any damages ordered under subsection 4 of this section.

6. The court may award to the state a civil penalty or not more than one thousand dollars per violation; except that, if the person who would be liable for such penalty shows, by a preponderance of the evidence, that a violation resulted from a bona fide error notwithstanding the maintenance or procedures reasonably adopted to avoid the error, no civil penalties shall be imposed.

7. Any action under this section may be brought in the county in which the defendant resides, in which the violation alleged to have been committed occurred, or in which the defendant has his principal place of business.

8. The attorney general is authorized to enter into consent judgments or consent injunctions with or without admissions or violations of this chapter. Violation of any such consent judgment or consent injunction shall be treated as a violation under section 407.110.

VENUE

19. Plaintiff hereby incorporates by this reference all of the allegations contained in paragraphs 1 through 18 as if fully set forth herein.

20. Venue lies in the Circuit Court of Boone County, Missouri, because some of the violations of § 407.020, RSMo 2000, occurred in Boone County.

MERCHANDISING PRACTICES ACT

21. Plaintiff hereby incorporates by this reference all of the allegations contained in paragraphs 1 through 20 as if fully set forth herein.

22. Section 407.020, RSMo 2000, of the Merchandising Practices Act provides, in pertinent part:

1. The act, use, or employment by any person of any deception, fraud, false pretense, false promise, misrepresentation, unfair practice or the concealment, suppression, or omission of any material fact in connection with the sale or advertisement of any merchandise in trade or commerce or the solicitation of any funds for any charitable purpose, as defined in section 407.453, in or from the State of Missouri, is declared to be an unlawful practice

23. Pursuant to the authority granted by § 407.145, RSMo 2000, the Attorney General has promulgated rules explaining and defining terms used in § 407.020, RSMo 2000, of the Merchandising Practices Act.

24. 15 CSR 60-8.020 provides that:

(1) An unfair practice is any practice which --

(A) Either --

1. Offends any public policy as it has been established by the Constitution, statutes or common law of this state, or by the Federal Trade Commission, or its interpretive decisions; or

2. Is unethical, oppressive or unscrupulous; and

(B) Presents a risk of, or causes, substantial injury to consumers.

(2) Proof of deception, fraud, or misrepresentation is not required to prove unfair practices as used in section 407.020.1, RSMo.

25. 15 CSR 60-8.040 provides that:

(1) It is an unfair practice for any person in connection with the advertisement or sale of merchandise to violate the duty of good faith in solicitation, negotiation and performance, or in any manner fail to act in good faith.

26. 15 CSR 60-8.080 provides that:

(1) It is an unfair practice for any person in connection with the sale of merchandise to engage in any unconscionable act or practice, or to use any unconscionable contract or contract term.

(2) It is unconscionable to take advantage of an unequal bargaining position and obtain a contract or term which results in a gross disparity of values exchanged.

27. 15 CSR 60-8.090 provides that:

(1) It is an unfair practice for any person in connection with the advertisement or sale of merchandise to engage in any method, use or practice which --

(A) Violates state or federal law intended to protect the public; and

(B) Presents a risk of, or causes substantial injury to consumers.

28. 15 CSR 60-8.010 provides that:

(1) Unless inconsistent with the definitions provided in Chapter 407, RSMo, the following terms and phrases shall mean:

(B) Consumer shall include any person . . . who purchases, may purchase or is solicited for purchase of merchandise;

(E) Good faith shall mean honesty in fact and the observance of reasonable commercial standards of fair dealing in the trade[.]

29. 15 CSR 60-9.020 provides that:

(1) Deception is any method, act, use, practice, advertisement or solicitation that has the tendency or capacity to mislead, deceive or cheat, or that tends to create a false impression.

(2) Reliance, actual deception, knowledge of deception, intent to mislead or deceive, or any other culpable mental state such as recklessness or negligence, are not elements of deception as used in section 407.020.1, RSMo. Deception may occur in securing the first contact with a consumer and is not cured even though the true facts or nature of the advertisement or offer for sale or subsequently disclosed.

30. 15 CSR 60-9.040 provides that:

(1) Fraud includes any acts, omissions or artifices which involve falsehood, deception, trickery, breach of legal or equitable duty, trust, or confidence, and are injurious to another or by which an undue or unconscientious advantage over another is obtained.

(2) Fraud, as used in section 407.020.1, RSMo, is not limited to common law fraud or deceit and is not limited to finite rules, but extends to the infinite variations of human invention.

31. 15 CSR 60-9.050 provides that:

(1) False pretense is any use of trick or deception, forgery, or false and fraudulent representation, statement, pretense, instrument or device with the intent to defraud.

(2) Reliance and injury are not elements of false pretense as used in section 407.020.1, RSMo.

32. 15 CSR 60-9.060 provides that:

(1) False promise is any statement or representation which is false or misleading as to the maker's intention or ability to perform a promise, or likelihood the promise will be performed.

(2) Reliance and injury are not elements of false promise as used in section 407.030.1, RSMo.

33. 15 CSR 60-9.070 provides that:

(1) A misrepresentation is an assertion that is not in accord with the facts.

(2) Reliance, knowledge that the assertion is false or misleading, intent to defraud, intent that the consumer rely upon the assertion, or any other culpable mental state such as recklessness or negligence, are not elements of misrepresentation as used in section 407.020.1, RSMo.

34. 15 CSR 60-9.080 provides that:

(1) It is a misrepresentation for any person in connection with the advertisement or sale of merchandise to make an untrue statement of material fact.

35. 15 CSR 60-9.090 provides that:

(1) It is a misrepresentation for any person in connection with the advertisement or sale of merchandise to omit to state a material fact

necessary in order to make statements made, in light of the circumstances under which they are made, not misleading.

36. 15 CSR 60-9.100 provides that:

(1) It is a misrepresentation for any person in connection with the advertisement or sale of merchandise to make any fraudulent assertion.

(2) An assertion is fraudulent if the person intends his/her assertions to induce a consumer to purchase merchandise, and the person --

(A) Knows or believes that the assertion is not in accord with the facts; or

(B) Knows that he does not have a reasonable basis for his/her assertion.

37. 15 CSR 60-9-110 provides that:

(1) Concealment of a material fact is any method, act, use or practice which operates to hide or keep material facts from consumers.

(2) Suppression of a material fact is any method, act, use or practice which is likely to curtail or reduce the ability of consumers to take notice of material facts which are stated.

(3) Omission of a material fact is any failure by a person to disclose material facts known to him/her, or upon reasonable inquiry would be known to him/her.

(4) Reliance and intent that others rely upon such concealment, suppression or omission are not elements of concealment, suppression or omission as used in section 407.020.1, RSMo.

38. 15 CSR 60-9.010 provides that:

(1) Unless inconsistent with the definitions provided in Chapter 407, RSMo, the following terms and phrases shall mean:

(A) Assertion may be words, conduct or pictorial depiction, and may convey past or present fact, law, value, opinion, intention or other state of mind;

(B) Consumer shall include any person . . . who purchases, may purchase or is solicited for purchase of merchandise; and

(C) Material fact is any fact which a reasonable consumer would likely consider to be important in making a purchasing decision, or which would be likely to induce a person to manifest his/her assent, or which the seller knows would be likely to induce a particular consumer to manifest his/her assent, or which would be likely to induce a reasonable consumer to act, respond or change his/her behavior in any substantial manner.

39. Section 407.130, RSMo 2000, provides:

In any action brought under the provisions of section 407.100, the attorney general is entitled to recover as costs, in addition to normal court costs, the costs of the investigation and prosecution of any action to enforce the provisions of this chapter.

40. Section 407.010(4), RSMo 2000, defines "merchandise" as any "objects, wares, goods, commodities, intangibles, real estate, or services."

41. Pursuant to § 407.010, RSMo 2000, the manufactured homes offered for sale by Defendants constitute merchandise.

42. Pursuant to § 407.010, RSMo 2000, the financing services offered by Defendants constitute merchandise.

43. Chapter 700, RSMo 2000, sets out manufactured home standards. Section 700.115, RSMo 2000, provides, in pertinent part:

1. Except as otherwise provided in subsections 2 and 3 of this section, a violation of the provisions of sections 700.010 to 700.115 shall constitute a violation of the provisions of section 407.020, RSMo. In addition to the authority vested in the attorney general to enforce the provisions of that section, he may petition the court and the court may enter an order revoking the registration certificate of the defendant or defendants issued pursuant to the provisions of section 700.090.

2. Notwithstanding any provisions of subsection 1 of this section to the contrary, whoever violates any provision of this chapter shall be liable to

the state of Missouri for a civil penalty in an amount which shall not exceed one thousand dollars for each such violation. Each violation of this chapter shall constitute a separate violation with respect to each manufactured home or with respect to each failure or refusal to allow or perform an act required by this chapter; except that, the maximum civil penalty may not exceed one million dollars for any related series of violations occurring within one year from the date of the first violation.

44. Section 700.056, RSMo 2000, provides:

Every dealer of a manufactured home offered for sale in this state shall at the time of sale provide the purchaser with a bill of sale containing at least the following: The total price of the unit and its contents, a list of all furniture and appliances in the manufactured home, any other costs which will be assessed to the purchaser such as transportation, handling, or other such costs, and the sales tax payable for such manufactured home.

45. Section 700.100, RSMo 2000, provides, in pertinent part:

2. The [Public Service] [C]ommission may consider a complaint filed with it charging a registered manufacturer or dealer with a violation of the provisions of this sections, which charges, if proven, shall constitute grounds for revocation or suspension of his registration, or the placing of the registered manufacturer or dealer on probation.

3. The following specifications shall constitute grounds for the suspension, revocation or placing on probation of a manufacturer's or dealer's registration:

(6) As a dealer, failing to arrange for the proper initial setup of any new or used manufactured home or modular unit sold from or in the state of Missouri, unless the dealer receives a written waiver of that service from the purchaser or his authorized agent;

(7) Requiring any person to purchase any type of insurance from that manufacturer or dealer as a condition to his being sold any manufactured home or modular unit;

(8) Requiring any person to arrange financing or utilize services of any particular financing service as a condition to his being sold any manufactured home or modular unit; provided, however, the registered manufacturer or dealer may reserve the right to establish reasonable conditions for the approval of any financing source[.]

46. Section 700.010(4), RSMo 2000, defines a "dealer" as "any person, other than a manufacturer, who sells or offers for sale four or more manufactured homes, or modular units in any consecutive twelve-month period."

47. Section 700.010(5), RSMo 2000, defines a "manufactured home" as "a factory-built structure or structures which, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, contains three hundred twenty or more square feet, equipped with the necessary service connections and made so as to be readily movable as a unit or units on its or their own running gear and designed to be used as a dwelling unit or units with or without a permanent foundation."

48. Section 700.010(14), RSMo 2000, defines "setup" as "the operations performed at the occupancy site which renders a manufactured home or modular unit fit for habitation, which operations include, but are not limited to, moving, blocking, leveling, supporting, and assembling multiple or expandable units."

FACTS COMMON TO ALL COUNTS

49. Plaintiff hereby incorporates by reference all of the allegations contained in paragraphs 1 through 48 as if fully set forth herein.

50. Defendants engage in the purchase and/or sale and/or financing and/or service of new and used manufactured homes at dealerships located throughout Missouri.

51. Defendant Amega Mobile Home Sales, Inc., is a registered manufactured home dealer. The registration number of Amega Mobile Home Sales, Inc., is 1011201, which registration was current and active at all times relevant herein.

operations include, but are not limited to, moving, blocking, leveling, supporting, and assembling multiple or expandable units."

FACTS COMMON TO ALL COUNTS

53. Plaintiff hereby incorporates by reference all of the allegations contained in paragraphs 1 through 52 as if fully set forth herein.

54. Defendants engage in the purchase and/or sale and/or financing and/or service of new and used manufactured homes at dealerships located throughout Missouri.

55. Defendant Amega Mobile Home Sales, Inc., is a registered manufactured home dealer. The registration number of Amega Mobile Home Sales, Inc., is 1011201, which registration was current and active at all times relevant herein.

56. Defendant Columbia Discount Homes is a registered manufactured home dealer. Columbia Discount Homes' registration number is 1011202, which registration was current and active at all times relevant herein.

57. Defendant Quality Pre-Owned Homes is a registered manufactured home dealer. Quality Pre-Owned Homes' registration number is 1011203, which registration was current and active at all times relevant herein.

58. Defendant Mark Twain Mobile Home Sales is a registered manufactured home dealer. Mark Twain Mobile Home Sales' registration number is 1011204, which registration was current and active at all times relevant herein.

59. Defendant Greg DeLine, through his involvement with the other Defendants, employs individuals who are authorized to make purchases and sales and enter into other such agreements on his behalf or on behalf of Defendants.

services including but not limited to delivery, anchoring, blocking, leveling, installation, assembly, removal, and maintenance/repair.

DEFENDANTS' PRACTICES

60. Plaintiff hereby incorporates by reference all of the allegations contained in paragraphs 1 through 59 as if fully set forth herein.

61. Defendants and Defendants' agents, servants, employees, representatives, and other individuals acting at Defendants' discretion or on Defendants' behalf have engaged in acts and practices that violate Chapters 407 and 700, RSMo 2000.

Defendants Unfairly Kept Consumers' Down Payments

62. Defendants agreed to arrange financing for consumers' purchase of manufactured homes and/or land.

63. Defendants agreed to arrange financing as an inducement for consumers to purchase manufactured homes from Defendants.

64. Defendants required consumers to provide substantial down payments before the details of the financing arrangements were ascertainable.

65. In many cases, consumers refused to accept the terms of the financing arranged by Defendants because the payments were higher than the consumer could afford, the interest rate was higher than the consumer considered reasonable, or the total cost of the home and interest payments was higher than the consumer considered reasonable.

66. In many cases, the consumers who refused to accept the terms of the financing arranged by Defendants were not eligible for loans by traditional financing companies and had been offered credit only by Defendants.

67. The consumers who refused to accept the terms of the financing arranged by Defendants often wished to terminate their agreements to purchase manufactured homes from Defendants.

68. Defendants refused to return many of these consumers' down payments.

69. Defendants' refusal to return consumers' down payments is oppressive and unscrupulous.

70. Defendants' refusal to return consumers' down payments resulted in a gross disparity of values exchanged by Defendants and consumers.

71. Defendants' refusal to return consumers' down payments caused substantial injury to consumers.

72. By keeping consumers' down payments when consumers wished to terminate their agreements to purchase manufactured homes from Defendants, Defendants violated § 407.020.1, RSMo 2000, by engaging in an unfair practice, as defined by 15 CSR 60-7.020.

Defendants Made Misrepresentations
About Returning Consumers' Down Payments

73. In some of the cases where Defendants refused to return consumers' down payments, Defendants falsely asserted orally or in writing that consumers' down payments would be returned if acceptable financing could not be arranged.

74. Defendants told consumers their down payments would be returned as an inducement for consumers to purchase manufactured homes from Defendants.

75. Defendants told consumers their down payments would be returned as an inducement for consumers to make down payments on the purchase of manufactured homes from Defendants.

76. Consumers likely considered the return of their down payments, should acceptable financing not be arranged, important in their decisions to agree to purchase manufactured homes from Defendants.

77. By keeping consumers' down payments when consumers had specifically been told the down payments would be returned if acceptable financing could not be arranged, Defendants violated § 407.020.1, RSMo 2000, by making misrepresentations, as defined by 15 CSR 60-9.070.

**Defendants Made Misrepresentations
About Consumers' Ability to Get Financing**

78. In some of the cases where Defendants refused to return consumers' down payments, Defendants misrepresented to consumers that they were "pre-approved" for or "guaranteed" to receive financing.

79. Defendants told consumers they were "pre-approved" for or "guaranteed" financing as an inducement for consumers to purchase manufactured homes from Defendants.

80. Defendants told consumers they were "pre-approved" for or "guaranteed" financing as an inducement for consumers to make down payments on the purchase of manufactured homes from Defendants.

81. Defendants had no reasonable basis for the assertions that consumers were "pre-approved" for or "guaranteed" financing.

82. Consumers likely considered the representation that they had been "pre-approved" for or "guaranteed" financing important in their decision to agree to purchase manufactured homes from Defendants.

83. Some consumers who had been told they were "pre-approved" for or "guaranteed" to receive financing did not receive any financing offers from Defendants or other lenders.

84. Some consumers who did not receive financing approval from other lenders were told by Defendants that the loan could be financed "in house" by Defendants. These consumers were forced to either accept Defendants' financing terms or forfeit their down payments.

85. By telling consumers who were not qualified for financing that they were "pre-approved" for or "guaranteed" to receive financing, Defendants violated § 407.020.1, RSMo 2000, by making misrepresentations, as defined by 15 CSR 60-9.070.

86. By requiring consumers to utilize particular financing services, Defendants violated § 700.100.3(8), RSMo 2000.

**Defendants Made Misrepresentations
About Consumers' Monthly Payments**

87. At the time Defendants and consumers entered into sales contracts but before Defendants secured financing for consumers, Defendants made misrepresentations to consumers about consumers' monthly payments.

88. Defendants made misrepresentations about monthly payments to induce consumers to purchase manufactured homes from Defendants.

89. Consumers' monthly payments were often substantially higher than Defendants originally represented.

90. Defendants told consumers that their payments were higher than originally quoted because the original quote did not take certain financing costs into account.

91. Consumers likely considered the amount of their monthly payments important in deciding to agree to purchase manufactured homes from Defendants.

92. Consumers would likely have considered additional costs that increased their monthly payments important in deciding to agree to purchase manufactured homes from Defendants.

93. By telling consumers that their payments would be lower than they actually were, Defendants violated § 407.020.1, RSMo 2000, by making misrepresentations, as defined by 15 CSR 60-9.070, and omitting material facts, as defined by 15 CSR 60-9.110(3).

Defendants Unfairly Kept Consumers' Property

94. Defendants agreed to accept consumers' old manufactured home as a "trade-in" and credit the value of the old home toward the purchase price of the new home consumers bought from Defendants.

95. Defendants agreed to accept consumers' old home as a "trade-in" as an inducement for consumers to purchase a manufactured home from Defendants.

96. Defendants required consumers to give Defendants a deed of trust to consumers' land as "just a formality" until Defendants collected the old home.

97. Defendants falsely promised consumers that Defendants would release the deed of trust after Defendants collected the old home.

98. Defendants collected the old home.

99. Defendants failed to release the deed of trust as promised.

100. Keeping consumers' property is an unethical, oppressive, and unscrupulous practice.

101. Defendants' refusal to release consumers' deed of trust resulted in a gross disparity of values exchanged by Defendants and consumers.

102. Defendants' refusal to release the deed of trust caused substantial injury to consumers

103. By failing to release the deed to consumers' land after collecting their old home, Defendants violated § 407.020.1, RSMo 2000, by engaging in an unfair practice, as defined by 15 CSR 60-7.020.

Defendants Required Consumers to Purchase Insurance from Defendants

104. Defendants required consumers to purchase insurance from Defendants as a condition to the consumers being able to purchase manufactured homes from Defendants.

105. By requiring consumers to purchase insurance from Defendants as a condition to the consumers being able to purchase manufactured homes from Defendants, Defendants violated § 700.100.3(7), RSMo 2000.

Defendants Omitted Material Facts About the Contents of Consumers' Homes

106. Defendants failed to disclose the contents of the particular manufactured home consumers contracted to purchase. Specifically, Defendants did not list the furniture and appliances in the home.

107. Consumers likely consider the contents of their manufactured homes important in deciding to purchase manufactured homes from Defendants.

108. By failing to disclose the contents of the manufactured homes sold to consumers, Defendants violated § 407.020.1, RSMo 2000, by omitting material facts, as defined by 15 CSR 60-9.110(3).

109. By failing to disclose the contents of the manufactured homes sold to consumers, Defendants violated § 700.056, RSMo 2000.

**Defendants Made Misrepresentations About
the Contents of Consumers' Homes**

110. Defendants made false oral and written assertions about certain facts consumers identified as important in making purchasing decisions.

111. Defendants used these misrepresentations as an inducement for consumers to purchase manufactured homes from Defendants.

112. Defendants asserted that homes would contain features such as specific appliances, furnaces, air conditioning units, special windows and/or doors, and certain colors of carpet and/or paint.

113. In many cases, Defendants failed to provide manufactured homes fitting the descriptions of the homes they promised to provide to consumers.

114. By falsely telling consumers their manufactures homes would contain specific features, Defendants violated § 407.020.1, RSMo 2000, by making misrepresentations, as defined by 15 CSR 60-9.070.

Defendants Made Misrepresentations About Setup Services

115. Defendants made oral and written misrepresentations to consumers about the setup services Defendants would provide to purchasers of manufactured homes.

116. Defendants used these misrepresentations as an inducement for consumers to purchase manufactured homes from Defendant.

117. Defendants promised to but often did not provide setup services including but not limited to delivery, blocking, leveling, supporting, and assembling the manufactured homes, as well as finishing the interior and exterior of the home.

118. Consumers likely considered the representation that Defendants would perform proper setup important in their decisions to purchase manufactured homes from Defendants.

119. By promising to provide but not providing setup services, Defendants violated § 407.020.1, RSMo 2000, by making misrepresentations, as defined by 15 CSR 60-9.070.

120. By failing to arrange for proper initial setup of consumers' manufactured homes, Defendants violated § 700.100.3(6), RSMo 2000.

Defendants Made Misrepresentations About Post-Setup Services

121. Defendants made oral and written misrepresentations to consumers about the services Defendants would provide to purchasers of manufactured homes after the homes were set up at consumers' home sites.

122. Defendants used these misrepresentations as an inducement for consumers to purchase manufactured homes from Defendant.

123. Defendants promised to but often did not provide, or did not provide in a workmanlike manner, post-setup services including but not limited to installing furnaces, installing air conditioners, installing doors, and seaming carpet.

124. Consumers likely considered the representation that Defendants would perform post-setup services important in their decisions to purchase manufactured homes from Defendants.

125. By promising to provide but not providing, or providing in an unworkmanlike manner, post-setup services, Defendants violated § 407.020.1, RSMo 2000, by making misrepresentations, as defined by 15 CSR 60-9.070.

Defendants Made Misrepresentations About Delivery of Homes

126. Defendants made oral and written misrepresentations about when consumers' manufactured homes would be delivered.

127. Defendants used these misrepresentations as an inducement for consumers to purchase manufactured homes from Defendants.

128. Defendants assured consumers that their manufactured homes would be delivered before a certain date, when the consumer purchased or made improvements to land, or when the manufacturer was ready to ship the home.

129. Consumers likely considered the representation that Defendants would deliver their manufactured homes by a certain date important in their decisions to purchase manufactured homes from Defendants.

130. Defendants often did not deliver consumers' manufactured homes at the time promised.

131. Defendants often repeatedly postponed the delivery of consumers' manufactured homes for several months.

132. By falsely telling consumers when their manufactured homes would be delivered, Defendants violated § 407.020.1, RSMo 2000, by making misrepresentations, as defined by 15 CSR 60-9.070.

**Defendants Made False Promises to Reimburse Consumers
for Land and/or Improvements**

133. Defendants made false or misleading statements to consumers that Defendants would reimburse consumers for the cost of land and/or improvements.

134. Defendants used these false promises as an inducement for consumers to purchase manufactured homes from Defendants.

135. Defendants often did not reimburse consumers for land and/or improvements.

136. By promising to reimburse consumers for land and/or improvements and then failing to do so, Defendants violated § 407.020.1, RSMo 2000, by making false promises, as defined by 15 CSR 60-9.060.

RELIEF

WHEREFORE, Plaintiff prays this Court order the following relief:

137. An Order of this Court finding that the Defendants have violated the provisions of

§ 407.020, RSMo 2000, and § 700.115, RSMo 2000.

138. A Preliminary and Permanent Injunction issued pursuant to § 407.100, RSMo 2000, prohibiting and enjoining Defendants and Defendants' agents, servants, employees, representatives, and other individuals acting at Defendants' discretion or on Defendants' behalf who have notice of the Injunction from violating § 407.020, RSMo 2000, through the use of any of the unlawful, unfair, and deceptive acts and practices alleged herein.

139. An Order of this Court awarding the State a civil penalty from Defendants of one thousand dollars per violation of § 407.020, RSMo 2000, the Court finds to have occurred.

140. An Order of this Court requiring Defendants to pay all court, investigative, and prosecution costs of this case.

141. An Order of this Court suspending or revoking Defendants' registration certificates pursuant to § 700.115, RSMo 2000.

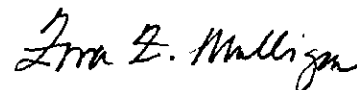
142. Any further relief the Court deems just and equitable in this action.

Respectfully Submitted,

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Attorney General



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Assistant Attorney General
Missouri Bar No. 52856



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ATTORNEYS FOR PLAINTIFF

VERIFICATION

ZORA MULLIGAN

I, PETER LYSKOWSKI, being first duly sworn upon my oath, do hereby state that the above and foregoing allegations of fact are true and correct, to the best of my knowledge and belief.

Zora Mulligan
Peter Lyskowski

Subscribed and sworn to before me, a Notary Public, this 5th day of March, 2004.



TINA L. IRELAND
Cole County
My Commission Expires
December 16, 2006

Tina L. Ireland
Notary Public

My Commission Expires:

12-16-06