

COPY

EXHIBIT



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Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://www.psc.mo.gov>

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Executive Director
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Regulatory Policy
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Director, Utility Services
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Director, Utility Operations
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Secretary/General Counsel
KEVIN A. THOMPSON
Chief Staff Counsel

March 11, 2010

Jeff Kasten
5 Star Homes and Development Company, Inc.
69 Schaper Road
Foristell, MO 63348

Staff Exhibit No. 3
Date 11/9/10 Reporter JMB
File No. MC-2010-0311

RE: Final Notice

Dear Mr. Kasten:

This letter is our final notice to you regarding your company's repeated failure to repair the Grady home and to deliver three new homes sold by your dealership.

Please be warned that any further delay on your part to take the corrective actions required of your dealership, under Missouri statute and Commission rule, will result in our taking legal action against your company.

Our records indicate that 5 Star Homes and Development Co., Inc. (5 Star) has four outstanding consumer complaints with our office; one complaint is for a home sold and set up by 5 Star in which our Field Inspector, Tim Haden, identified various installation deficiencies which have not been corrected, and three complaints are for homes sold by 5 Star in which the buyers made a down payment as required, however, 5 Star has repeatedly failed to make delivery to the buyers.

Regarding the Jeff and Ann Grady home located at 25453 Maywood Road, in Versailles, Missouri, 5 Star has repeatedly failed to correct the deficiencies noted by our Field Inspector, Tim Haden, which he communicated to you by a letter dated December 1, 2009, along with a copy of the original inspection report dated November 24, 2009. This first letter gave 5 Star 20 days to make the necessary repairs. 5 Star failed to make the repairs.

We sent 5 Star a second letter and second inspection report of the Grady home dated January 8, 2010, allowing another 10 days to make the required repairs. To date, we have not received any repair or work orders from 5 Star indicating the completion of the required repairs. Failure to correct these deficiencies violates Section 700.100 RSMo.

Jeff Kasten
5 Star Homes and Development Company, Inc.
March 11, 2010
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Furthermore, Section 700.045 (5) states it shall be a misdemeanor to fail to correct a code violation in a modular unit within a reasonable time not to exceed 90 days after being ordered to do so in writing by an authorized representative of the Commission.

In addition, we have not received any information from 5 Star regarding the homes sold and not delivered to their buyers; Timothy Gordon of 2842 Foxwood Drive, Maryland Heights, Missouri, and Kenneth White of 175 Criderville, O'Fallon, Missouri, and Michelle & Hans Mugler of 131 College Avenue, Kirkwood, Missouri.

A letter dated November 3, 2009, along with a copy of each buyer's complaint against your company was mailed to 5 Star requiring the delivery of the homes to each buyer. However, as of this date, the homes still have not been delivered to the buyers. (Copies are attached).

Taking money from buyers and not delivering and setting up the new homes are violations of Section 700.100.3 (4) and (6) and the Missouri Merchandising Practices Act Section 407.020.

If the corrections to the Grady home are not made, and the Gordon, White and Mugler homes are not delivered within 10 days from the date of this third and final letter to you on this matter, a formal complaint will be filed against 5 Star seeking the revocation of the dealer registration and permission to seek penalties against 5 Star in Circuit Court.

Should you have any questions, you may contact me at 1-800-819-3180.

Sincerely,



Ron Pleus
Program Director
Manufactured Housing & Modular Units Program

RP/slr

cc: R.S. Berlin, Senior Staff Counsel

Enclosures

Certified Mail No: #7008 2810 0001 2932 7891



Inspection Report

Send Work Order to:
Manufactured Housing & Modular Units Program
P.O. Box 360 Jefferson City, MO 65102
Phone: 1-800-819-3180 or Fax to 573-522-2509

Consumer Information

JEFF & ANN GRADY
1817 MORVEN
OVERLAND, MO 63114
Home Phone: (314) 427-7350
Work Phone: (314) 537-5639

Home Information

Date of Manufacture: 09/04/2009
Model: 2853 Gradycone
State Seal: 032598
Serial Number: 2853
Size: 32 x 46
Installation Date: 11/16/2009
Inspection Date: 11/24/2009
Inspector Name: Tim Haden

Dealer-MD

5 STAR HOMES & DEV. CO, INC.
69 SCHAPER RD.
FORISTELL, MO 63348
Phone: (636) 463-2262

Responsibilities

Manufacturer to correct items: 1
Dealer to correct items: 2-5

MFG-MD

CONTEMPRI INDUSTRIES, INC
1000 WEST WATER ST
PINCKNEYVILLE, IL 62274
Phone: (618) 357-5361

Note: At the time of this inspection the installation of this modular unit was incomplete. Additional inspections will be conducted.

☒ Basement ☒ Poured/Block Foundation ☒ Footings ☒ Runners ☒ Base Pad ☒ Slab

Pursuant to section R-104.1 of the IRC, these items are not in compliance.

SUMMARY OF MANUFACTURER DEFECTS:

1) The section of roof built on site to tie the roof sections together is not properly constructed according to the manufactures set up and erection manual and R802, 2006 IRC. Also, there is insufficient construction information provided in the manufactures approved design for the construction of this roof section, finishing the interior walls and insulation. The finished construction of this roof section and interior walls will require on-site inspection and approval by the manufactures approved third party inspection agency. Re-inspected 1/5/10, incomplete.

Dealer to correct the following set up deficiencies within 20 days.

SUMMARY OF DEALER ITEMS:

- 2) The Wood foundation wall is not properly constructed.
 - a) The sheathing is not fastened to the studs properly. The sheathing is required to be fastened to studs using 6d nails spaced at 6" on the edges and 12" at intermediate supports. Re-inspected 1/5/10, corrected.
 - b) There is no header installed in the wood foundation wall in the bump-out for the fireplace. Re-inspected 1/5/10, incomplete
 - c) The sheathing does not cover the window headers. Re-inspected 1/5/10, corrected.
 - d) The corners of the wood foundation wall are not fastened together properly. The corner studs are required to be fastened together using 16d nails spaced at 12". Re-inspected 1/5/10, corrected.
 - e) The bottom plate of the wall is not bolted to the foundation. Re-inspected 1/5/10, incomplete.
- See manufactures set up and erection manual, manufactures approved foundation plan and R602 2006 IRC.
- 3) The support columns are not fastened in place to prevent lateral displacement as required. R407.3 2006 IRC. Re-inspected 1/5/10, incomplete.
- 4) There are electric NM cables installed at angles and attached directly to the bottom of the floor joists in the basement. These NM electric cables are required to be run through bored holes in the floor joists or on running boards. E3702.4.2006 IRC. Re-inspected 1/5/10, incomplete.
- 5) The front half of the home is installed over an unconditioned crawl space. The floor over the crawl space is required to be insulated according to N1102 and table N1102.1 2006 IRC. Also, the basement foundation wood wall and rim joist is required to be insulated and the area conditioned, or the floor over the basement area will require insulation according to N1102 and table N1102.1 2006 IRC. Re-inspected 1/5/10, incomplete.



Missouri Public Service Commission Manufactured Housing & Modular Unit Program Inspection Request/Consumer Complaint Form

Please print legibly or type.

09-000158

CONSUMER INFORMATION (REQUIRED)		OFFICE USE ONLY	
Name	TIMOTHY J. & DONNA M. GORDON	File Name	Gordon Timothy & Donna
Address	2842 FOXWOOD DR.	Inspector	freeman
City/State/Zip	MARYLAND HEIGHTS, MISSOURI 63043	Received by	PJB
County	ST. LOUIS	Date of Inquiry	
Work Phone	N/A (RETIRED)	Date of Receipt	11/3/09
Home Phone	314-298-9629	HOME INFORMATION (REQUIRED)	
Other Phone	314-737-8312	<input checked="" type="checkbox"/> New or <input type="checkbox"/> Used	<input type="checkbox"/> Single or <input type="checkbox"/> Multi-Section
MANUFACTURER INFORMATION (REQUIRED)		Set Up	<input checked="" type="checkbox"/> Basement <input type="checkbox"/> Foundation <input type="checkbox"/> Piers
Name	CONTEMPRI HOMES INDUSTRIES, INC.	Serial Number (REQUIRED)	N/A (NOT MADE YET)
Address	1000 WEST WATER STREET	HUD Label Number	
City/State/Zip	PINCKNEYVILLE, ILL. 62274	Model	NEW HAVEN II (RANCH)
DEALER INFORMATION (REQUIRED)		Date of Manufacture	N/A
Name	5 STAR HOME & DEVELOPMENT CO., INC.	Date of Delivery	N/A
Address	69 SCHAPER RD	Has the home been moved from original location?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
City/State/Zip	FORISTELL, MISSOURI 63348	Are you the first owner of the home?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
REASON FOR REQUEST (REQUIRED)		INSTALLER INFORMATION (IF KNOWN)	
List each concern separately. Do not write concerns in paragraph form.		Name:	
1. DEALER HAS \$58,000 OF OUR MONEY (MINUS \$12,500 HE SENT TO FACTORY)		Decal #:	
2. FACTORY SAYS \$12,500 IS NOT ENOUGH TO START CONSTRUCTION (SO, HOME CONST. HASN'T STARTED)			
3. DEALER VERBALLY PROMISED OUR HOME 100% COMPLETE BY SEPTEMBER 2009			
4. DEALER PROMISED A \$5,995.00 UTILITY VEHICLE INCENTIVE TO SIGN CONTRACT (NEVER DELIVERED)			
5. DEALER WON'T ANSWER OFFICE OR HIS CELL PHONE			
6. DEALER WON'T RETURN CALLS WHEN WE LEAVE MESSAGES			
7. WE CAN'T SELL OUR CURRENT HOME			
8. WE CAN'T PROCEED ANY FURTHER WITH OUR NEW HOME SITE (IE. NO WELL, SEPTIC, DRIVEWAYS ETC.)			
9. OUR WALK-OUT BASEMENT (COMPLETED EARLY AUGUST) IS BEING WETTERED UNNECESSARILY			
10. WE ARE MAKING INTEREST PAYMENTS ON OUR CONSTRUCTION LOAN, WITH NO CONSTRUCTION			
11. OUR CONSTRUCTION LOAN WITH HANNAH NATL BANK (9 MONTH DURATION) EXPIRES FEB. 2010			
12.			
13.			
14.			
15.			
Attach additional sheets if necessary.		MANUFACTURED HOUSING DEPARTMENT	
Signature of Consumer (REQUIRED) <i>Timothy J. Gordon</i>		Date <i>30 October, 2009</i>	
This form must be completed in full and submitted with a copy of the Bill of Sale or Purchase Agreement. (REQUIRED)			
RETURN TO: Manufactured Housing & Modular Unit Program P.O. Box 360, Jefferson City, MO 65102		PHONE: 800-819-3180 FAX: 573-522-2509	

RECEIVED
NOV 03 2009



Missouri Public Service Commission Manufactured Housing & Modular Unit Program Inspection Request/Consumer Complaint Form

Please print legibly or type.

09-000157

CONSUMER INFORMATION (REQUIRED)		OFFICE USE ONLY	
Name	Kenneth W. White	File Name	White, Kenneth W
Address	175 Criderville Dr.	Inspector	Freeman
City/State/Zip	O'Fallon, MO 63366	Received by:	BFB
County	St. Charles, MO	Date of Inquiry:	10/21/09
Work Phone	636-262-4660	Date of Receipt:	11/2/09
Home Phone	" "	HOME INFORMATION (REQUIRED)	
Other Phone	" "	<input type="checkbox"/> New or <input type="checkbox"/> Used <input type="checkbox"/> Single or <input type="checkbox"/> Multi-Section <input type="checkbox"/> Set Up <input type="checkbox"/> Basement <input type="checkbox"/> Foundation <input type="checkbox"/> Piers Serial Number (REQUIRED) HUD Label Number Model Date of Manufacture: Date of Delivery: Has the home been moved from original location? <input type="checkbox"/> Yes <input type="checkbox"/> No Are you the first owner of the home? <input type="checkbox"/> Yes <input type="checkbox"/> No	
MANUFACTURER INFORMATION (REQUIRED)		INSTALLER INFORMATION (IF KNOWN)	
Name	5 Star Home and Development Company, Inc.	Name:	
Address	69 Schaper Rd.	Decal #:	
City/State/Zip	Foristell, MO 63348		
REASON FOR REQUEST (REQUIRED)			
List each concern separately. Do not write concerns in paragraph form.			
1. Contract over 1 yr old - all I have is a hole in the ground - promised by word 4 th of Jun 2. Tried to find builder but cannot retrieve building deposit 37,250 ⁰⁰ 3. Have another builder but cannot afford house without deposit 4. Loan was available since April 14 th 2009 - broke ground 9-7-09 suppose to start June 1 st 5. Six months with loan and have to rehole hole in ground not deep enough 6. Have been lied to so much I don't trust them to complete job 7. Have been paying 250 ⁰⁰ month in interest for six months for nothing 8. Contemperi Homes was suppose to be manufacturer - no contracts to my knowledge 9. 10. 11. 12. 13. 14. 15.			
<div style="text-align: right;"> RECEIVED NOV 02 2009 MANUFACTURED HOUSING DEPARTMENT </div>			
Attach additional sheets if necessary.			
RETURN TO: Manufactured Housing & Modular Unit Program P.O. Box 360, Jefferson City, MO 65102		Ken White 10/28/09 PHONE: 800-819-3180 FAX: 573-522-2509	

EXHIBIT
SCHEDULE

Missouri Public Service Commission Manufactured Housing & Modular Unit Program Inspection Request/Consumer Complaint Form

Please print legibly or type.

10-000014

CONSUMER INFORMATION (REQUIRED)		OFFICE USE ONLY	
Name	Michelle + HANS Mugler	File Name	Mugler, Michelle & HANS
Address	131 College Ave	Inspector	Haden
City/State/Zip	KIRKWOOD, MO 63122	Received by:	BBB
County	St. LOUIS	Date of Inquiry:	Date of Receipt: 2/1/10
Work Phone	314 984-8312	HOME INFORMATION (REQUIRED)	
Home Phone	314 909-0777	<input type="checkbox"/> New or <input type="checkbox"/> Used <input type="checkbox"/> Single or <input type="checkbox"/> Multi-Section Set Up <input type="checkbox"/> Basement <input type="checkbox"/> Foundation <input type="checkbox"/> Piers	
Other Phone	314 304-7854	Serial Number (REQUIRED)	
MANUFACTURER INFORMATION (REQUIRED)		HUD Label Number	
Name	Contempri Homes	Model	
Address	1000 West Water	Date of Manufacture: Date of Delivery:	
City/State/Zip	PINCKNEVILLE, IL 62274	Has the home been moved from original location? <input type="checkbox"/> Yes <input type="checkbox"/> No	
DEALER INFORMATION (REQUIRED)		Are you the first owner of the home? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Name	FIVE STAR HOMES	INSTALLER INFORMATION (IF KNOWN)	
Address	69 Schaper Rd	Name:	
City/State/Zip	FORISTELL, MO 63348	Decal #:	
REASON FOR REQUEST (REQUIRED)			
List each concern separately. Do not write concerns in paragraph form.			
1. Contract w/ Five Star Homes dated May 31, 2008 still don't have home			
2. Site not ready for home to be installed; things 5 Star needs to do			
3. Backfill yard			
4. POUR basement floor + Garage floor			
5. Build garage and ROOF it			
6. Build Porch and ROOF it			
7. Build Laundry Room			
8. Set the home + install the home			
9. install sill plate + Beams			
10. Basement stairs			
11. Pour driveway + sidewalks			
12.			
13.			
14.			
15.			
Attach additional sheets if necessary.			
Signature of Consumer (REQUIRED)		Date	
Michelle Mugler		2.1.2010	
This form must be completed in full and submitted with a copy of the Bill of Sale or Purchase Agreement. (REQUIRED)			
RETURN TO: Manufactured Housing & Modular Unit Program		PHONE: 800-819-3180	
P.O. Box 360, Jefferson City, MO 65102		FAX: 573-522-2509	

RECEIVED

FEB 01 2010

MANUFACTURED HOUSING
DEPARTMENT