

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

Levi and Adrienne Teel,	)	
	)	
Complainants,	)	
	)	
v.	)	<b><u>Case No. MC-2020-0250</u></b>
	)	
Clayton Homes, Champion Homes, and	)	
Bill Hembree,	)	
	)	
Respondents.	)	

**MOTION FOR AN ORDER TO SHOW CAUSE**  
**WHY CASE SHOULD NOT BE DISMISSED**

**COMES NOW** the Manager of the Commission’s Manufactured Housing and Modular Unit Program (“Program”), through counsel, and for this *Motion for an Order to Show Cause Why Case Should Not Be Dismissed* states:

1. Commission Rule 20 CSR 4240-120.110(1) provides that a manufactured home purchaser “aggrieved by a violation of this chapter or Chapter 700, RSMo” may file a formal or informal complaint. On January 16, 2020, attorney Tyce Smith, on behalf of Levi and Adrienne Teel, mailed a complaint<sup>1</sup> against manufactured home dealer Clayton Homes, manufacturer Champion Homes, and installer Bill Hembree to the Commission and its Program Manager, Justin Smith. The Teels allege manufacturing and installation defects with their home, installed February 27, 2018.

2. The Manager unsuccessfully attempted to resolve the situation informally.<sup>2</sup>

3. Staff moved the Commission, on February 20, 2020, to open a formal complaint against Clayton Homes, Champion Homes, and Mr. Hembree listing the Teels

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<sup>1</sup> The complaint is attached as an appendix to Staff’s *Motion to Open Formal Complaint* (Feb 20, 2020).

<sup>2</sup> *Motion to Open Formal Complaint*, ¶ 3 (Feb 20, 2020).

as complainants. The Commission opened this complaint case on February 24, 2020, and directed Respondents to respond to the complaint and Staff to file a recommendation.

4. On April 13, 2020, the Commission suspended this matter so the parties could participate in mediation. Since then, the parties met numerous times, Clayton homes repaired all issues over which the Commission has jurisdiction,<sup>3</sup> and the Manager (through counsel) distributed its final report to parties based on an August 18, 2021 final inspection. See attached affidavit from the Manager, Justin Smith.

5. On August 18 and August 25, 2021, the undersigned counsel asked the Teels' counsel to dismiss their complaint, because all issues are resolved. To date, Counsel has received no definitive response whether the Teels will dismiss their case or whether they disagree with the Manager that all issues are resolved.

6. Commission Rule 20 CSR 4240-2.116(4) provides that the Commission may dismiss a case for good cause after ten days notice to all parties.

7. Because the issues in the complaint within the jurisdiction of the Commission are resolved,<sup>4</sup> Staff believes there is good cause for the Complaint to be dismissed. The Manager requests that the Commission issue an order directing Complainants to show cause why their complaint should not be dismissed, with prejudice.

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<sup>3</sup> See Clayton Homes and Champion Homes' answer to the complaint, filed March 24, 2020, for this sequence of events.

There is one unresolved issue on the Manager's checklist – the kitchen drawer rail mounts. Commission Rule 20 CSR 4240-120.065(1)(B) defines proper manufactured home setup as installation in accordance with the manufacturer's installation manual, 24 CFR §3285, and the setup provisions of §700.010 to 700.115, RSMo. None of these sources discuss drawer rail mounts, so drawer rail mounts do not fall under the Commission's jurisdiction.

<sup>4</sup> The Commission does not have jurisdiction over plastic kitchen drawer mounts, which is the only item left. 20 CSR 4240-120.065(1)(B).

**WHEREFORE**, Staff requests that the Commission order Complainants to show cause why this Complaint should not be dismissed, with prejudice.

Respectfully submitted,

**/s/ Karen E. Bretz**

Karen E. Bretz

Senior Counsel

Missouri Bar No. 70632

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Missouri Public Service Commission

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### **CERTIFICATE OF SERVICE**

I certify that copies of the foregoing have been emailed to all parties and/or counsel of record on this 2nd day of September, 2021.

**/s/ Karen E. Bretz**



Missouri Public Service Commission  
Manufactured Housing & Modular Units Program  
Site Inspection Report

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

Homeowner: LEVI TEEL  
12717 S HWY 63  
VIENNA, MO 65582  
573 433 6673

Date: 03/14/2018  
Inspector: John Cayou  
File #: 18-000142

Dealer: CLAYTON HOMES #651  
438 HWY MM\*  
LEBANON, MO 65536  
(417) 533-3599

Installation Date: 02/27/2018  
Re-Inspection Date: 7/9/2021  
**Re-Inspection 8/18/21**

Manufacturer: CHAMPION HOME BUILDERS-DRESDEN, TN  
2073 EVERGREEN ST\*  
DRESDEN, TN 38225  
(731) 364-4600

Serial: 021-000-H-A004965 AB  
HUD Label: TEN 859639 / 859640  
Date of Mfr: 01/24/2018

Primary Installer: HEMBREE, BILL  
1800 WILSON CREEK RD  
GALENA, MO 65656  
Installer #: 1265

Decal #: 025146  
Model: RADG6007  
Size: 32 X 76

**ALL SET-UP DEFICIENCIES LISTED ON THIS REPORT ARE TO BE CORRECTED WITHIN 30 DAYS**

**Site Prep: Incorrect**

1) Water standing under the porch portion of the home. Area under porch needs a way for water to drain away from under foundation. **CORRECT**

Installer: HEMBREE, BILL

**Footings/Piers: Incorrect**

1) Several footings for piers are not level and are causing piers to lean. (See pic) Horizontal offsets from the top to the bottom of the pier must not exceed one-half inch. **CORRECT**

2) Two marriage line footings and piers are missing. Footing and piers need to be installed. **Two "missing" piers under home were accidentally marked under the home, but do not appear on the homes foundation prints.**

3. Home is out of level 1" - 1 1/4" and needsto be re-leveled. **The home was within +/- 1/8" between piers.CORRECT.**

**Two piers were identified that were 3/4" and 1" lower than the rest of the piers. This appears to be the result of the fabrication of the steel I-beam, and does not appear to be causing additional structural issues.**

4. Some piers have a dry powder used to level. **Leveling compound has been used, and peirs are now level - CORRECT.**

5. Several cracked 8" blocks identified - **The cracked blocks have been replaced - CORRECT.**

6. Door supports need to be installed. **Blocking and shims have been added to support the loads at these locations. - CORRECT.**

Installer: HEMBREE, BILL

**Bolting Floors/Walls: Incorrect**

1) Floor in kitchen/dining room is not flush at the marriage line. **A transitional strip is installed at the marriage line that meets the minimum tolerance for floor deflection - CORRECT.**

2) Gable end walls in attic do not have the uprights installed correctly. Uprights must be straight up and down. **Uprights are installed vertically, and are within 6" of all seams in the wall sheathing - CORRECT.**

Installer:HEMBREE, BILL

**Bolting Roof: Incorrect**

1) Hinged knee wall has a warped board that sits on the fixed king post and is not able to be fastened correctly. Needs to be replaced or repaired under factory specifications. **Additional fasteners were added at the time of the inspection - CORRECT.**

Installer: HEMBREE, BILL

**Ridge Cap:** Several areas of the ridge vent are covered by the roof felt paper, restricting air flow. **The felt paper was cut back at the time of the inspection, allowing for proper air flow - CORRECT.**

Installer: HEMBREE, BILL

**Siding: Incorrect**

1) Vinyl siding under door on end of home is not sealed properly under door. There is a gap on each side that will allow water intrusion. (See pic). **Vinyl "J" channel has been added to these locations to direct water away from siding - CORRECT.**

2. **During the inspection it was revealed that the bottom row of siding on the front door side was loose, it appears that the starter for the vinyl was damaged, possibly while installing the home on the foundation - NOT CORRECT 7/9/21 Correct 8/18/21**

Installer: HEMBREE, BILL

**Electric Crossover: Correct**

Installer: HEMBREE, BILL

**Water:Correct**

Installer: HEMBREE, BILL

**Sewer:Incorrect**

1) A couple spots in the DWV system have negative slope and is holding water. Unless otherwise noted on the schematic diagram, provide a minimum 1/4 inch per foot slope towards the sewer/septic using a plumber's level. Where a slope of 1/4 inch per foot cannot be maintained, use a minimum slope of 1/8 inch per foot and install of a full-size clean-out at the uppermost point of the run. Refer to installation manual pg. 55 - **CORRECT.**

Installer: HEMBREE, BILL

**Skirting: N/A**

Installer:

**Anchors: Correct**

Installer: BILL HEMBREE

**ADDITIONAL SET-UP DEFICIENCIES TO BE CORRECTED WITHIN 30 DAYS:**

**DEALER / INSTALLER:**

- 1) Whole house ventilation flex duct in furnace compartment needs to be properly trimmed back above A coil. Installation manual pg. 79 - **CORRECT.**
- 2) Condensate line from A/C needs a condensate trap loop installed and bottom board sealed around line sets. - **CORRECT.**
- 3) Shipping boards on the front door side need to be removed and holes sealed. - **CORRECT.**
- 4) Several holes in the bottom board needs to be repaired. - **CORRECT.**

**MANUFACTURE:**

- 1) Barn doors in living room need to be adjusted. Rollers and doors rub everything when doors are opened/closed. - **CORRECT.**
- 2) Front door needs to be adjusted. Can see large gap between door and jam. - **CORRECT.**
- 3) Master bath lights and fan work off of a single switch while other switch does nothing. - **CORRECT.**
- 4) Piece of vinyl siding is missing on the back door side by the soffit. Siding needs to be replaced. - **CORRECT.**
- 5) Several areas through the home have high and low spots in the floor. **This was investigated 7-9-21 and the deflections identified are within tolerance.** - **CORRECT.**
- 6) Many areas have soft spots in the floor that have a high amount of deflection when walked upon. - **CORRECT.**
- 7) Several areas under the linoleum has debris or fasteners working up. - **CORRECT.**
- 8) Hole in linoleum and floor decking in dining room needs to be repaired. - **CORRECT.**
- 9) Couple of floor registers are not covering fasteners for flooring. - **CORRECT.**
- 10) Vinyl corner on the front door side is damaged and needs to be replaced. - **CORRECT.**
- 11) Grouting in master bath shower is cracked at the lower corners and needs to be repaired. - **CORRECT.**
- 12) Vent cap on roof is loose and needs to be secured. - **CORRECT.**
- 13) Electrical outlets on the back porch are not sealed against the weather. - **CORRECT.**
- 14) Discolored spot in ceiling needs to be investigated. **There were no signs of further leaking at time of the inspection, and no signs of a previous leak in the attic - - CORRECT.**
- 15) Ceiling fan in bedroom #4 wobbled - **CORRECT.**
- 16) Bedroom #4 door rubs trim when operated - **CORRECT.**
- 17) **Kitchen drawers have broken rail mounts that need to be replaced. - NOT CORRECT 7/9/21**
- 18) Electric service panel has a nicked wire that need to be replaced. - **CORRECT.**

Installer/Set-Up Crew Personnel Signature:

Date:

**BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI**

Levi and Adrienne Teel,

Complainants,

v.

Clayton Homes, Champion Homes, and  
Bill Hembree,

Respondents.

**Case No. MC-2020-0250**

**AFFIDAVIT OF JUSTIN SMITH IN SUPPORT OF MOTION FOR AN ORDER  
TO SHOW CAUSE WHY CASE SHOULD NOT BE DISMISSED**

I, Justin Smith, state under oath the following:

1. I am the Manager of the Commission's Manufactured Housing and Modular Units Program and have personal knowledge of all facts stated herein.

2. The Teels' manufactured home was installed on February 27, 2018. John Cayou, Program Senior Safety Inspector, performed the initial inspection on March 14, 2018, and noted deficiencies in the home's manufacture and installation, as described in the attached Site Inspection Report.

3. I met with Mr. Cayou at the Teel home on November 20, 2019. Mr. Teel was present, and Mrs. Teel may have been present, too. Mr. Cayou and I went through the re-inspection items with Mr. Teel (and possibly also Mrs. Teel) and discussed which items the Program has jurisdiction over and which items the Program has no jurisdiction, as well as which items were corrected and which were not.

4. Clayton Homes began making repairs after our initial PSC inspection, but repairs progressed slowly. It's my understanding that repairs progressed slowly because

Clayton Homes had difficulty scheduling with the Teels and the Teels constantly denied service. As an example of scheduling difficulty, we scheduled an inspection for May 26, 2021, to include representatives from the PSC, Clayton Homes, Champion Homes, and the Teels. On May 20, 2021, Mr. Smith, the Teels' attorney, informed us that Mr. Teel could not be present on May 26, 2021.

5. On July 9, 2021 – over three years after the home was installed – a large group met at the Teel home to review the inspection report and make repairs. This group included Mr. Cayou, Ms. Bretz, Chris Leritz (attorney for Clayton Homes), the Teels, Tyce Smith, Bill Hembree (the installer), and me. At the end of the day, there were only a few items left to repair, which Clayton Homes completed.

6. Mr. Cayou performed his final inspection on August 18, 2021, finding that all items under which the Program has jurisdiction were repaired in compliance with the law. The only uncorrected item on our checklist is replacing the plastic mounts on the kitchen drawers. However, the Program does not have jurisdiction over drawer mounts.

7. Attached is a true and correct copy of the Program's inspection report, noting that all deficiencies over which the Commission has jurisdiction are corrected.

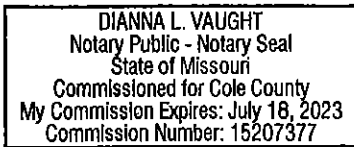
**FURTHER YOUR AFFIANT SAYETH NAUGHT**

  
Justin Smith

STATE OF MISSOURI     )  
                                      ) ss.  
COUNTY OF COLE        )

On this day before me, Notary Public for the State of Missouri, personally appeared Justin Smith known to me to be the person whose name is subscribed to this written instrument, and he acknowledged that he executed the same for the purposes stated herein.

Subscribed and sworn to before me this 2nd day of September, 2021.



*Dianna L. Vaught*  
My Commission Expires: 7/18/2023

**CERTIFICATE OF SERVICE**

I certify that copies of the foregoing have been emailed to all parties and/or counsel of record on this 2nd day of September, 2021.

**/s/ Karen E. Bretz**