

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

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

Complainant, )

vs. )

5 Star Homes and Development )  
Company, Inc. )

Respondent. )

Case No. MC-2010- 0311

**COMPLAINT**

COMES NOW the Director of the Manufactured Housing and Modular Units Program of the Missouri Public Service Commission ("Director" and "Department"), by and through the Missouri Public Service Commission's ("Commission") Office of Staff Counsel, pursuant to Section 700.100, RSMo 2000<sup>1</sup>, and for his Complaint against 5 Star Homes and Development Company, Inc. ("5 Star") states as follows:

**AUTHORITY AND GENERAL ALLEGATIONS**

1. The Commission has jurisdiction over manufactured homes, modular unit homes and modular unit home dealers pursuant to Chapter 700.
2. Commission Rule 4 CSR 240-123.020, the Commission delegated to the Director all of its powers pertaining to modular units under Chapter 700 RSMo, except the powers to

---

<sup>1</sup> All references to the Revised Statutes of Missouri will be to RSMo 2000, as currently supplemented.

Staff Exhibit No. 12  
Date 11/9/10 Reporter JMB  
File No. MC-2010-0311

revoke, deny, refuse to renew or place on probation a registration under Section 700.090, which are retained by the Commission.

3. 5 Star is a modular unit dealer as defined in Section 700 .010(4).

4. In January 2010, the Director did not complete processing of 5 Star's renewal application and a 2010 Certificate of Dealer Registration did not issue because 5 Star had submitted a deficient application in that:

(a) 5 Star has not paid its \$200 re-inspection fee of the Grady Home as required under 4 CSR 240-123.095; and

(b) 5 Star does not appear to be operating out of the place of business listed on its renewal application (69 Schaper Road, Foristell, Missouri, 63348), a violation of Section 700.090.3(1)(b)(See attached Exhibit 1); and,

(c) 5 Star has not informed the Director of a change in place of business and is unable to be contacted by the Director. (Section 700.090.3(1)(b)

5. 5 Star has not cured the deficiencies in its renewal application.

6. 5 Star's failure to pay the Grady Home inspection fee constitutes grounds for the denial, suspension, revocation, or placing on probation of a dealer's certificate of registration under 4 CSR 240-123.095(11).

7. A dealer that fails to correct a code violation<sup>2</sup> in a new modular unit home within a reasonable period of time not to exceed ninety (90) days after being ordered to do so in writing by the Director has engaged in conduct that is defined as a misdemeanor in Section 700.045(5).

8. Any dealer that engages in conduct that is in violation of Section 700.045 is subject to having its license not renewed, revoked, suspended, or placed on probation by the Commission pursuant to Section 700.100.3(9).

---

<sup>2</sup> The "code" is defined by rule 4 CSR 240-120.100 as the federal standards found at 24 CFR Part 3280 and the manufacturer's installation instructions.

9. Any dealer that fails to arrange for the proper initial setup of a new modular unit home is subject to having its registration not renewed, revoked, suspended, or placed on probation by the Commission pursuant to Section 700.100.3(6).

### **SPECIFIC FACTS IN SUPPORT OF ALLEGATIONS**

#### **The Grady Home**

10. The Director re-alleges and incorporates herein the allegations contained in paragraphs 1 – 9.

11. The Director sent a letter to 5 Star dated December 1, 2009, with a copy of the original inspection report of November 24, 2009 on the new modular home purchased by Jeff and Ann Grady (the “Grady Home”) located at 25453 Maywood Road, Versailles, Missouri. (Exhibit 2)

12. The November 24, 2009 inspection report revealed several code violations and directed 5 Star to make certain repairs to correct installation deficiencies. (Exhibit 2, Schedule 1)

13. 5 Star failed to make repairs to the Grady Home.

14. The Director sent 5 Star a second letter and second inspection report of the Grady home dated January 8, 2010. (Exhibit 3)

15. 5 Star failed to make repairs to the Grady Home. (Exhibit 3, Schedule 1)

16. The Director sent a third and final letter to 5 Star dated March 11, 2010. (Exhibit 4)

17. 5 Star again failed to make the necessary repairs to the Grady Home. (Exhibit 4, Schedule 1)

18. 5 Star’s failure to correct the deficiencies to the Grady Home is a violation of Section 700.100.

### **Three Homes Sold and Not Delivered to Buyers Gordon, White, and Mugler**

19. The Director re-alleges and incorporates herein the allegations contained in paragraphs 1 – 9.

20. On November 3, 2009, the Director sent a letter to 5 Star with a copy of three (3) consumer complaints submitted to the Director against 5 Star for failing to deliver the homes sold to buyers (Exhibit 5):

- a) Timothy Gordon (the “Gordon Home”) of 2842 Foxwood Drive, Maryland Heights, Missouri (Exhibit 5, Schedule 1);
- b) Kenneth White (the “White Home”) of 175 Criderville, O’Fallon, Missouri (Exhibit 5, Schedule 2); and,
- c) Michelle and Hans Mugler (the “Mugler Home”) of 131 College Avenue, Kirkwood, Missouri (Exhibit 5, Schedule 3).

21. The Director sent a follow up letter dated March 11, 2010 to 5 Star directing the dealer to deliver and install the Gordon, White, and Mugler homes.

22. 5 Star has not delivered the homes to their buyers.

23. 5 Star’s failure to deliver and install the Gordon, White, and Mugler homes constitute three (3) separate violations of Section 700.100 as described below in Counts 2, 3, and 4.

#### **COUNT 1: Failure to Correct Code Violations of the Grady Home**

24. The Director re-alleges and incorporates herein the allegations contained in paragraphs 10 – 18.

25. 5 Star has failed to correct the code violations of the Grady Home within a reasonable period of time after being ordered to do so by the Director and such failure is a violation of Section 700.045(5).

26. 5 Star's failure to correct the Grady Home code violations constitutes grounds for the denial of 5 Star's application for renewal of its dealer registration under Section 700.100.3(9).

**COUNT 2: Failure to Arrange for the Setup of the Gordon Home**

27. The Director re-alleges and incorporates herein the allegations and information contained in paragraphs 19 – 22.

28. 5 Star has failed to arrange for the proper initial setup of the Gordon Home and such failure is a violation of Section 700.100.3(6).

**COUNT 3: Failure to Arrange for the Setup of the White Home**

29. The Director re-alleges and incorporates herein the allegations and information contained in paragraphs 19 – 22.

30. 5 Star has failed to arrange for the proper initial setup of the White Home and such failure is a violation of Section 700.100.3(6).

**COUNT 4: Failure to Arrange for the Setup of the Mugler Home**

31. The Director re-alleges and incorporates herein the allegations and information contained in paragraphs 19 – 22.

32. 5 Star has failed to arrange for the proper initial setup of the Mugler Home and such failure is a violation of Section 700.100.3(6).

**COUNT 5: Failure to Pay Re-Inspection Fee**

33. The Director re-alleges and incorporates herein the allegations and information contained in paragraphs 1 – 9.

34. 5 Star has failed to pay the \$200 re-inspection fee for the January 5, 2010 second inspection of the Grady Home and such failure to pay is a violation of 4 CSR 240-123.095(6).

35. 5 Star's failure to pay the \$200 re-inspection fee constitutes grounds for the denial of 5 Star's application for renewal of its dealer registration under 4 CSR 240-123.095(11)(A) and Section 700.040. (Exhibit 6)

### **RELIEF SOUGHT**

36. The Director re-alleges and incorporates herein the allegations and information contained in paragraphs 1 – 34.

37. Formal non-renewal of 5 Star's 2010 application for renewal of dealer registration is appropriate because 5 Star has (a) failed to provide a current place of business in violation of Section 700.090.3(1)(b); (b) failed to pay the \$200 Grady Home re-inspection fee in violation of 4 CSR 240-123.095(11); (c) failed to correct the code violations of the Grady Home within a reasonable period of time in violation of Section 700.045(5); and (d) failed to arrange for the delivery and initial setup of the three (3) homes purchased by Gordon, White, and Mugler in multiple violations of Section 700.100.3 (6).

38. Based on the above allegations and Counts 1 through 5 against 5 Star, the Director requests the Commission authorize its General Counsel to seek penalties in Circuit Court. Pursuant to Section 700.115.2, each day's violation of Sections 700.100.3(6) and 700.100.3(9) is a separate offense and renders 5 Star liable for a penalty of up to \$1,000 for each offense.<sup>3</sup>

### **SERVICE**

39. According to the current records on file with the Missouri Secretary of State's Office, Mr. Jeff Kasten is the President and Registered Agent of 5 Star. Because it appears that 5 Star is no longer operating from its principal place of business at 69 Schaper Road, Foristell, MO 63348, the Director will provide an additional service copy of this complaint to

---

<sup>3</sup> Section 700.040(5) provides that "The Commission may issue and promulgate such rules and regulations as necessary to make effective the code and the provisions of sections 700.010 to 700.115." Any modular unit code or commission rule violations fall within the ambit of the civil penalty provisions of Section 700.115.2 RSMo.

Mr. Kasten at 45 Schaper Oaks Court, Foristell, Missouri 63348, which is the physical address he has listed in his roles as President and Registered Agent.

**WHEREFORE**, the Director prays that the Commission provide notice to the Respondent of this complaint and, after hearing, affirm, authorize, and approve the Director's actions and formally non-renew 5 Star's application for renewal of dealer registration, and authorize the General Counsel to seek penalties in Circuit Court as enumerated in Counts 1 through 5 above, and issue other findings and orders as are just and reasonable.

Respectfully submitted,

s/Robert S. Berlin

Robert S. Berlin  
Senior General Counsel  
Missouri Bar No. 51709

Attorney for the Director of the  
Manufactured Housing and Modular Units  
Program of the Missouri Public Service  
Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 526-7779  
(573) 751- 9285 (Fax)  
Email: bob.berlin@psc.mo.gov

#### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed or hand-delivered to the persons listed below on this 5<sup>th</sup> day of May 2010.

s/Robert S. Berlin

Office of Public Counsel  
Lewis Mills  
200 Madison Street, Suite 650  
Jefferson City, MO 65102  
[opcservice@ded.mo.gov](mailto:opcservice@ded.mo.gov)



# Application for Manufactured Home or Modular Unit Certificate of Dealer Registration

(Any false statement in this application is a violation of the law and may be punished by fine or imprisonment or both)

Transmittal Number (PSC Office Use Only) <b>4193080347</b>		Check Number (PSC Office Use Only) <b>85314840</b>		Check Amount (PSC Office Use Only) <b>\$200</b>	
<input type="checkbox"/> New Application <input checked="" type="checkbox"/> Renewal		If Renewal, Registration Number: <b>1232701</b>		<input type="checkbox"/> Manufactured (HUD) Home Dealer <input checked="" type="checkbox"/> Modular Unit Dealer	
<b>DEALERSHIP INFORMATION</b>				<b>CORPORATIONS ONLY - ADDRESS</b>	
Dealership Name: <b>5 Star Homes &amp; Development Co INC</b>				Corporate Name: <b>5 Star Homes &amp; Development Co INC</b>	
Street Address of Bona Fide Established Place of Business (Not P.O. Box) <b>69 Schaper RD</b>				Address: <b>69 Schaper RD</b>	
City <b>Foristell</b>	State <b>mo</b>	Zip Code <b>63348</b>	County <b>St Charles</b>	City <b>Foristell</b>	State <b>mo</b>
Phone <b>636 463 2262</b>	Fax <b>636 673 1021</b>			Phone <b>636 463 2262</b>	Fax <b>636 673 1021</b>
E-mail <b>homesby5star@yahoo.com</b>				FEIN <b>homesby5star@yahoo.com</b>	
PREVIOUS DEALERSHIP INFO - Have you previously owned a dealership under a name other than what is listed above? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes					
IF YES, please list previously owned dealership(s) name & address:					
Type of Ownership			If a Corporation, State of Incorporation		
<input type="checkbox"/> Individual/Sole Proprietorships <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> LLC Company			<b>Missouri</b>		
YOU MUST ATTACH: Statement of No Taxes Due - Call the Department of Revenue @ 673-751-9268 to obtain. <b>N/A</b>					
Corporations, LLC's & Partnerships only: Must also attach a Certificate of Good Standing - Call the Secretary of State's Office at 673-751-4153 to obtain. <b>N/A</b>					
Corporations: Must submit a copy of their Articles of Incorporation and Company By-laws with their initial registration. <b>N/A</b>					
LIST ALL OWNERS BELOW		If a Partnership, list name & address of each partner. If a Corporation, list names, addresses & titles of principal officers.			
Name (Last, First, MI)	Home Address	City	State	Zip Code	Social Security #
1. <b>Kasten John J</b>	<b>45 Schaper Oaks Ct</b>	<b>Foristell</b>	<b>mo</b>	<b>63348</b>	<b>[REDACTED]</b>
2.					
3.					
4.					
<b>RECEIVED</b> JAN 25 2010					
UNITS SOLD - Number of units sold in prior 12 months		New	Used	List Manufacturers	
				<b>Contemporary Homes</b>	
INSTALLERS - Certified installer(s) performing your HUD home installations; List name(s) or license #(s). <b>MANUFACTURED HOUSING DEPARTMENT</b>					
Modular Only Installations? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes					
<b>FELONY INFORMATION</b>					
Has owner (or any partner, if partnership, or officer, if corporation) within the preceding ten (10) years been convicted in any Federal or State court of a felony relating to the acquisition or transfer of a manufactured home or any other form of property? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes					
If yes, provide the following	Date	Court	Conviction	Sentence	
<b>MISDEMEANOR INFORMATION</b>					
Has owner (or any partner, if partnership, or officer, if corporation) within the preceding five (5) years been convicted in any Federal or State court of a misdemeanor relating to the acquisition or transfer of a manufactured home or any other form of property? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes					
If yes, provide the following	Date	Court	Conviction	Sentence	
<b>CERTIFICATION</b>					
I do solemnly affirm and verify that the concern named herein is a bona fide endeavor and I have the authority to make the statements contained herein and to sign this application.					
Signature of Owner, Partner or Corporation Officer <b>[Signature]</b>				Date <b>1/11/10</b>	
Please remit this completed application to the address below along with the Registration Fee of \$200. Make all checks payable to the Missouri Director of Revenue.					
<b>MISSOURI PUBLIC SERVICE COMMISSION</b> <b>MAIL ROOM</b>					





Commissioners  
**ROBERT M. CLAYTON III**  
 Chairman  
**CONNIE MURRAY**  
**JEFF DAVIS**  
**TERRY M. JARRETT**  
**KEVIN GUNN**

## 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>

**WESS A. HENDERSON**  
 Executive Director  
**DANA K. JOYCE**  
 Director, Administration and  
 Regulatory Policy  
**ROBERT SCHAYLENBERG**  
 Director, Utility Services  
**NATELLE DIETRICH**  
 Director, Utility Operations  
**VACANT**  
 Secretary/Chief Regulatory Law Judge  
**KEVIN A. THOMPSON**  
 General Counsel

December 1, 2009

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

RE: Grady, Jeff and Ann

Dear Mr. Kasten:

As an authorized inspector for the Manufactured Housing and Modular Units Program, on November 24, 2009, I conducted an inspection of a Contempri Industries modular unit (serial number 2853) purchased from your dealership by Jeff and Ann Grady. A copy of the inspection report is enclosed.

Pursuant to Section 700.100.3(6) of the Missouri Statutes, modular unit dealers are responsible to arrange for the proper initial setup of any manufactured home or modular unit purchased from their dealership, unless the dealer receives a written waiver of that service from the purchaser or his authorized agent.

The inspection conducted by this Department indicated that the referenced modular unit is not properly setup. Please refer to the inspection report for specific details. According to Section 700.045(5) of the Missouri Statutes, you are required to correct the noted setup deficiencies within 20 days from receipt of this notification. In addition, please submit a work order signed by the homeowner verifying that the setup deficiencies have been corrected.

Please note that failure to correct these items within the specified time period could result in a formal complaint being brought before the Public Service Commission for enforcement measures.

Thank you for your prompt attention to this matter. Should you have any questions, please feel free to contact me at 573-881-6813

Sincerely,

Tim Haden  
 Manufactured Housing Inspector  
 Manufactured Housing and Modular Units Program  
 Cell: 573-881-6813  
 Office: 573-526-2833  
 Fax: 573-522-2509

c: File

Effective January 31, 2005 a \$200 re-inspection fee will be charged to each dealer, manufacturer or both for re-inspections, if corrections have not been completed by the dealer or manufacturer within 60 days of receipt of the original written complaint from the consumer as filed with the Missouri Public Service Commission. Fee applies to manufactured (HUD) homes and modular units.



## 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.

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.

b) There is no header installed in the wood foundation wall in the bump-out for the fireplace.

c) The sheathing does not cover the window headers.

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".

e) The bottom plate of the wall is not bolted to the foundation.

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.

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.

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.



Commissioners  
**ROBERT M. CLAYTON III**  
 Chairman  
**CONNIE MURRAY**  
**JEFF DAVIS**  
**TERRY M. JARRETT**  
**KEVIN GUNN**

## 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>

**WESS A. HENDERSON**  
 Executive Director  
**DANA K. JOYCE**  
 Director, Administration and  
 Regulatory Policy  
**ROBERT SCHALLENBERG**  
 Director, Utility Services  
**NATELLE DIETRICH**  
 Director, Utility Operations  
**VACANT**  
 Secretary/Chief Regulatory Law Judge  
**KEVIN A. THOMPSON**  
 General Counsel

January 8, 2010

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

RE: Grady, Jeff and Ann

Dear Mr. Kasten:

On December 1, 2009, you were furnished with a notice of inspection of the Contempri Industries modular home (serial number 2853) owned by Jeff and Ann Grady and directed to correct specified deficiencies in the setup of the manufactured home. I have conducted a re-inspection and found that the deficiencies listed in the inspection report dated November 24, 2009, have not been corrected.

Unless the deficiencies noted in the previous letter are corrected within ten (10) days from the receipt of this letter, and a work order signed by the homeowner indicating that the deficiencies have been corrected is received, this complaint file may be forwarded to the Public Service Commission General Counsel for the preparation of a formal complaint. In the event a complaint is filed, requested remedies may include revocation, suspension, or probation of your dealer's registration, pursuant to Section 700.100.3(6)RSMo, and/or monetary penalties.

If there is any reason that you cannot comply within the 10-day period, you should contact me immediately at 573-526-2833.

Respectfully,

*Tim Haden*

Tim Haden  
 Manufactured Housing Inspector  
 Manufactured Housing and Modular Units Program  
 Office: 573-526-2833  
 Cell: 573-881-6813  
 Fax: 573-522-2509

c: File  
 General Counsel



## 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.

**COPY**

**EXHIBIT 4**



Commissioners  
**ROBERT M. CLAYTON III**  
Chairman  
**JEFF DAVIS**  
**TERRY M. JARRETT**  
**KEVIN GUNN**  
**ROBERT S. KENNEY**

***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>

**WESS A. HENDERSON**  
Executive Director  
**DANA K. JOYCE**  
Director, Administration and  
Regulatory Policy  
**ROBERT SCHALLENGER**  
Director, Utility Services  
**NATELLE DIETRICH**  
Director, Utility Operations  
**STEVEN C. REED**  
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

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  
Page 2

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

☒ 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. Re-inspected 3/19/10, Manufactured completed the onsite construction of the roof sections. The manufacture also submitted approved drawings for this onsite construction. Third party inspection waived.

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

### SUMMARY OF DEALER ITEMS:

- 2) The Wood foundation wall is not properly constructed. Re-inspected 3/19/10, completed by manufacture.
  - 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 by manufacture.
  - b) There is no header installed in the wood foundation wall in the bump-out for the fireplace. Re-inspected 1/5/10, incomplete. Re-inspected 3/19/10, incomplete.
  - c) The sheathing does not cover the window headers. Re-inspected 1/5/10, corrected by manufacture.
  - 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 by manufacture.
  - e) The bottom plate of the wall is not bolted to the foundation. See manufactures set up and erection manual, manufactures approved foundation plan and R602 2006 IRC. Re-inspected 1/5/10, incomplete. Re-inspected 3/19/10, corrected by homeowner.
- 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. Re-inspected 3/19/10, corrected by homeowner.
- 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. Re-inspected 3/19/10, 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. Re-inspected 3/19/10, corrected by homeowner.

Commissioners  
**ROBERT M. CLAYTON III**  
Chairman  
**JEFF DAVIS**  
**TERRY M. JARRETT**  
**KEVIN GUNN**  
**ROBERT S. KENNEY**



**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>

**EXHIBIT 5**  
**WESS A. HENDERSON**  
Executive Director  
**DANA K. JOYCE**  
Director, Administration and  
Regulatory Policy  
**ROBERT SHALLENBERG**  
Director, Utility Services  
**NATELLE DIETRICH**  
Director, Utility Operations  
**STEVEN C. REED**  
Secretary/General Counsel  
**KEVIN A. THOMPSON**  
Chief Staff Counsel

November 03, 2009

5 STAR HOMES & DEV. CO, INC.  
69 SCHAPER RD  
FORISTELL, MO 63348

RE: GORDON, TIMOTHY J & DONNA M

**COPY**

Dear Sir or Madam:

This is to inform you that the Department of Manufactured Housing and Modular Units has received a consumer complaint involving a manufactured home purchased from your dealership. The consumer's complaint form is enclosed.

Pursuant to Section 700.100.3(6) RSMo 1994, manufactured home dealers are responsible to arrange for the proper initial setup of any manufactured home or modular unit purchased from their dealership, unless the dealer receives a written waiver of that service from the purchaser or his authorized agent.

Please investigate this complaint and refer to any items on the complaint form that may indicate setup problems. You are required to correct any noted setup deficiencies you are responsible for and mail or fax the enclosed work order to this office within 20 days from receipt of this notification. The work order must be signed by the homeowner, and must list any setup deficiencies that have been corrected.

A Manufactured Housing Inspector will contact this homeowner after 20 days to see if their complaint has been resolved. If necessary, the Inspector will schedule a complete inspection of the home, including setup.

Please note that failure to correct setup deficiencies could result in a formal complaint being brought before the Public Service Commission for enforcement measures.

Thank you for your prompt attention to this matter. Should you have any questions, do not hesitate to contact the Manufactured Housing & Modular Unit Program at 800-819-3180.

Sincerely,

Ron Pleus, Director  
Manufactured Housing & Modular Units Program

Enclosure





# 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:	PBB
County	ST. LOUIS	Date of Inquiry:	Date of Receipt: 11/3/09
Work Phone	N/A (RETIRED)	<b>HOME INFORMATION (REQUIRED)</b>	
Home Phone	314-298-9629	<input checked="" type="checkbox"/> New or <input type="checkbox"/> Used	<input type="checkbox"/> Single or <input type="checkbox"/> Multi-Section
Other Phone	314-737-8312	Set Up <input checked="" type="checkbox"/> Basement <input type="checkbox"/> Foundation <input type="checkbox"/> Piers	
<b>MANUFACTURER INFORMATION (REQUIRED)</b>		Serial Number (REQUIRED)	N/A (NOT MADE YET)
Name	CONTEMPRI HOMES INDUSTRIES, INC.	HUD Label Number	
Address	1000 WEST WATER STREET	Model	NEW HAVEN II (RANCH)
City/State/Zip	PINCKNEYVILLE, ILL. 62274	Date of Manufacture:	N/A
<b>DEALER INFORMATION (REQUIRED)</b>		Date of Delivery:	N/A
Name	5 STAR HOME & DEVELOPMENT CO. INC.	Has the home been moved from original location?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Address	69 SCHAPER RD	Are you the first owner of the home?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
City/State/Zip	FORISTELL, MISSOURI 63348	<b>INSTALLER INFORMATION (IF KNOWN)</b>	
<b>REASON FOR REQUEST (REQUIRED)</b>		Name:	
List each concern separately. Do not write concerns in paragraph form.		Decal #:	
1. DEALER HAS \$58,000 OF OUR MONEY (MINUS \$12,500 HE SENT TO FACTORY) 2. FACTORY SAYS \$12,500 IS NOT ENOUGH TO START CONSTRUCTION (SO, HOME CONST. HAS NOT 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, DRINKING ETC.) 9. OUR WALK-OUT BASEMENT (COMPLETED EARLY AUGUST) IS BEING WEATHERED UNNECESSARILY 10. WE ARE MAKING INTEREST PAYMENTS ON OUR CONSTRUCTION LOAN, WITH NO CONSTRUCTION 11. OUR CONSTRUCTION LOAN WITH HANNAH NATL BANK (9 MONTH QUESTION) EXPIRES FEB. 2010 12. 13. 14. 15.			
Attach additional sheets if necessary.		MANUFACTURED HOUSING DEPARTMENT	
Signature of Consumer (REQUIRED)		Date	
Timothy A. Gordon		30 October, 2009	
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: 673-522-2509	



# 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 Received by: BFB
City/State/Zip	O'Fallon, MO 63366	Date of Inquiry:	10/21/09 Date of Receipt: 11/2/09
County	St. Charles, MO	<b>HOME INFORMATION (REQUIRED)</b>	
Work Phone	636 262-4660	<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 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	
Home Phone	" "	<b>MANUFACTURER INFORMATION (REQUIRED)</b>	
Other Phone	" "	Name: 5 Star Home and Development Company, Inc. Address: 69 Schaper Rd. No office Manufacturee City/State/Zip: Foristell, MO 63348 Info	
<b>DEALER INFORMATION (REQUIRED)</b>		<b>INSTALLER INFORMATION (IF KNOWN)</b>	
Name	5 Star Home and Development Company, Inc.	Name:	
Address	69 Schaper Rd.	Decal #:	
City/State/Zip	Foristell, MO 63348		
<b>REASON FOR REQUEST (REQUIRED)</b>			
List each concern separately. Do not write concerns in paragraph form.			
1. Contract over 1yr old - all I have is a hole in the ground promised by word 4/25/09 2. Tried to Fire builder but cannot retrieve building deposit 37,250.00 3. Have another builder but cannot afford house without deposit 4. <del>Loan</del> Loan was available since April 14 <sup>th</sup> 2009 broke ground 9-7-09 Suppose to start June 1 <sup>st</sup> 5. Six months with loan and have to relevel 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 <sup>00</sup> month in interest for six months for nothing 8. Contemporary Homes was suppose to be manufacturer - no contracts to my knowledge 9. 10. 11. 12. 13. 14. 15.			
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>RECEIVED</b>            NOV 02 2009         </div>			
MANUFACTURED HOUSING DEPARTMENT			
Attach additional sheets if necessary.			
<b>REQUIRED</b> Ken White		<b>REQUIRED</b> 10/28/09	
This form must be completed in full and submitted with a copy of the Bill of Sale or Purchase Agreement. (REQUIRED) <b>RETURN TO:</b> Manufactured Housing & Modular Unit Program P.O. Box 360, Jefferson City, MO 65102 PHONE: 800-819-3180 FAX: 673-522-2509			

EXHIBIT 5  
SCHEDULE 3

# 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	
Other Phone	314 304-7854	Set Up <input type="checkbox"/> Basement <input type="checkbox"/> Foundation <input type="checkbox"/> Piers	
MANUFACTURER INFORMATION (REQUIRED)		Serial Number (REQUIRED)	
Name	Contempri Homes	HUD Label Number	
Address	1000 West Water	Model	
City/State/Zip	PINCKNEVILLE, IL 62274	Date of Manufacture:    Date of Delivery:	
DEALER INFORMATION (REQUIRED)		Has the home been moved from original location? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Name	FIVE STAR HOMES	Are you the first owner of the home? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Address	69 Schaper Rd	INSTALLER INFORMATION (IF KNOWN)	
City/State/Zip	FORISTELL, MO 63348	Name:	
REASON FOR REQUEST (REQUIRED)		Decal #:	
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: 800-619-3180	
P.O. Box 360, Jefferson City, MO 65102		FAX: 573-522-2509	

RECEIVED

FEB 01 2010

MANUFACTURED HOUSING  
DEPARTMENT

# COPY

## EXHIBIT 6

### Commissioners

ROBERT M. CLAYTON III  
Chairman

JEFF DAVIS

TERRY M. JARRETT

KEVIN GUNN

ROBERT S. KENNEY



### 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>

WESS A. HENDERSON  
Executive Director  
DANA K. JOYCE  
Director, Administration and  
Regulatory Policy  
ROBERT SHALLENBERG  
Director, Utility Services  
NATELLE DIETRICH  
Director, Utility Operations  
STEVEN C. REED  
Secretary/General Counsel  
KEVIN A. THOMPSON  
Chief Staff Counsel

## INVOICE

January 11, 2010

5 STAR HOMES & DEV. CO, INC.  
69 SCHAPER RD.  
FORISTELL, MO 63348  
Registration #: 1232701

Invoice Number: 3006

Date of Inspection: 11/24/2009

Invoice Amount: \$200.00

Date of Reinspection: 01/05/2010

Payment Due Date: 01/25/2010

### Consumers Information:

GRADY, JEFF & ANN  
Registration #: 09-000151

Please detach bottom portion of invoice and return with payment by due date to the Missouri Public Service Commission, Manufactured Housing & Modular Unit Program, P.O. Box 360, Jefferson City, MO 65102. Check to be made payable to the Missouri Director of Revenue.

Transmittal Number (PSC OFFICE)	Check Number	Check Amount
---------------------------------	--------------	--------------

Invoice Number: 3006

File #: 1232701

### Dealer Information:

5 STAR HOMES & DEV. CO, INC.  
69 SCHAPER RD.  
FORISTELL, MO 63348  
Registration #: 1232701

### Consumer's Information:

GRADY, JEFF & ANN

Registration #: 09-000151

Payment Due Date: 01/25/2010

Date of Inspection: 11/24/2009

Payment Amount:

Date of Reinspection: 01/05/2010