

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

**THE MANAGER OF THE )  
MANUFACTURED HOMES AND )  
MODULAR UNITS PROGRAM OF )  
THE PUBLIC SERVICE )  
COMMISSION, )**

**Complainant )**

**Case No. MC-2025-0108**

**v. )**

**STEPHEN L. JOHNSON d/b/a Colony )  
Cove, Inc and/or Sequiota Investments, )  
Inc., )**

**Respondent )**

**RESPONDENT’S MOTION TO DISMISS THE FIRST AMENDED COMPLAINT  
FOR FAILURE TO STATE A CLAIM FOR WHICH RELIEF CAN BE GRANTED**

COMES NOW Respondent Stephen L. Johnson, by counsel, pursuant to 20 CSR 4240-2.070(7), and hereby moves the Commission to dismiss the First Amended Complaint for failure to state a claim for which relief can be granted, stating the following in support:

**I. Complainant fails to state any claims against Respondent Stephen L. Johnson in his individual capacity, because Johnson himself never purchased, owned, set up, installed, leased, or failed to correct defects in any of the manufactured homes described in the First Amended Complaint.**

1. Stephen L. Johnson, Colony Cove, Inc, and Sequiota Investments, Inc. are three separate entities. In the caption of the First Amended Complaint, and throughout the body thereof, the Respondent is designated as “Stephen L. Johnson d/b/a Colony Cove, Inc and/or Sequiota Investments, Inc.” This designation suggests that the only intended respondent is Johnson himself, because “[t]he designation ‘doing business as,’ ‘d.b.a.’ or ‘d/b/a’ merely refers to a name under which a party does business.” *Moxness v. Hart*, 131 S.W.3d 441, 445 n.4 (Mo. App. W.D. 2004) (citing § 417.200, Mo. Rev. Stat. 2000). In other words, naming one respondent

doing business under two fictitious names is different from naming three respondents. This distinction matters, because the Commission cannot impose any individual liability on Johnson for the conduct of either corporation. To the extent the averments set forth in the First Amended Complaint are aimed solely at Johnson, the Complainant fails to state a claim for which relief can be granted because Johnson, in his individual capacity, did not engage in any of the acts or omissions set forth therein. To the extent the averments are aimed at either Colony Cove, Inc or Sequiota Investments, Inc., the Complainant should be ordered to file an amended complaint specifying which respondent is accused of what conduct.

2. Consistent with the conclusion that Johnson, Colony Cove, Inc, and Sequiota Investments, Inc. are three separate entities, the Complainant avers in paragraphs 5 and 6 of the First Amended Complaint that Colony Cove, Inc. and Sequiota Investments, Inc. have been duly incorporated in accordance with Missouri law.

3. “A corporation is an artificial entity created by the state.” *Blanks v. Fluor Corp.*, 450 S.W.3d 308, 375 (Mo. App. E.D. 2014) (citations omitted). “Among the principal attributes of a corporation is the corporation’s legal existence distinct and separate from its shareholders.” *Id.* (citation omitted). “Ordinarily, a corporation is regarded as a wholly and separate legal entity, distinct from the members who compose it.” *Id.* (quoting another source).

4. The Complainant does not aver any facts that would justify piercing the corporate veil or otherwise disregarding the corporate form in this case.

5. During all relevant times, Respondent Steven L. Johnson has not operated as a sole proprietor in connection with any of the facts and circumstances averred in the First Amended Complaint. Johnson has not—in his individual capacity—purchased, owned, set up, installed, anchored, leased, or failed to correct defects in any of the manufactured homes

described in the First Amended Complaint. Consequently, it would be unlawful and unreasonable for the Commission to impose any duty or liability upon Respondent Stephen L. Johnson in his individual capacity. Therefore, Respondent Stephen L. Johnson hereby moves the Commission to dismiss the First Amended Complaint.

**II. Complainant fails to state a claim under Count I for failure to properly anchor new manufactured homes, in violation of § 700.065, Mo. Rev. Stat. (2016), and § 700.076, Mo. Rev. Stat. (2016).**

6. In Count I, the Complainant alleges that Respondent Stephen L. Johnson, in violation of § 700.065, RSMo. 2016, failed to anchor and tie down each of the five new manufactured homes described in the First Amended Complaint in accordance with the standards promulgated by the Commission, which are set forth in 20 CSR 4240-124.045. *See* First Am. Complaint ¶ 48.<sup>1</sup>

7. The Complainant thereby fails to state a claim against Respondent Stephen L. Johnson, because Johnson did not install any of the homes. Each home was installed by Chris Williams, of State Wide Transport, L.L.C., in Lebanon, MO. For the same reason, the Complainant would fail to state a claim under Count I against either Sequiota Investments, Inc. or Colony Cove, Inc.

8. Also in Count I, the Complainant alleges that Respondent Stephen L. Johnson, in violation of § 700.076, RSMo., failed to secure each of the five manufactured homes to the

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<sup>1</sup> Section 700.065 provides as follows: “All new manufactured homes located in this state shall be anchored and tied down in accordance with the standards promulgated by the commission pursuant to the provisions of sections 700.010 to 700.115 and 700.650 to 700.692.”

ground by the use of anchors and tiedowns so as to resist wind overturning and sliding. *See* First Am. Complaint ¶ 49.<sup>2</sup>

9. The Complainant thereby fails to state a claim against Respondent Stephen L. Johnson, because that statute imposes a duty to anchor and tie down homes only upon owners, and Respondent Stephen L. Johnson has never been an owner of any of the homes. For the same reason, the Complainant would fail to state a claim under Count I against Colony Cove, Inc.

**III. Complainant fails to state a claim under Count II for leasing a “new” manufactured home that does not bear the proper seal, in violation of § 700.015, RSMo.**

10. In Count II, Complainant alleges that Respondent Stephen L. Johnson, in violation of § 700.015, RSMo., either rented, leased, sold, or offered for sale new manufactured homes that did not comply with the code or bear the proper seal. *See* First Am. Complaint ¶ 54.<sup>3</sup>

11. Complainant thereby fails to state a claim against Respondent Stephen L. Johnson because Johnson himself has never engaged in any of these activities with respect to any of the homes described in the First Amended Complaint. Nor has Sequiota Investments, Inc.

12. While Colony Cove, Inc has leased some of these homes to third parties for residential purposes, such leases were not leases of “new” manufactured homes. As used in

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<sup>2</sup> Section 700.076 provides in relevant part as follows: “The owner of a manufactured home shall secure the manufactured home to the ground by the use of anchors and tiedowns so as to resist wind overturning and sliding.”

<sup>3</sup> Subsection 1 of Section 700.015 provides as follows: “No person shall rent, lease, sell or offer for sale any new manufactured home manufactured after January 1, 1974, unless such manufactured home complies with the code and bears the proper seal.”

sections 700.010 to 700.500, the term “new” means “being sold or offered for sale to the first purchaser for purposes other than resale.” § 700.010, Mo. Rev. Stat. (2016). According to 20 CSR 4240-127.010(OO), the definition of “pre-owned manufactured home” includes “a manufactured home that has been sold at retail.” This definition would apply to each of the homes purchased by Sequiota Investments, Inc. Therefore, none of the five homes described in the First Amended Complaint is any longer a new manufactured home within the scope of § 700.015, RSMo.

13. To the extent the Complainant is alleging in Count II that Respondent Stephen L. Johnson, in violation of 20 CSR 4240-120.065(1), failed to arrange for or perform a proper initial setup, Complainant fails to state a claim against Respondent Stephen L. Johnson because that rule imposes a duty to arrange for the proper initial setup on the dealer, and Respondent Stephen L. Johnson is not a dealer, and neither is Sequiota Investments, Inc. or Colony Cove, Inc. Appendixes A through E to the First Amended Complaint erroneously designate Colony Cove, Inc as the dealer of each of the five new manufactured homes that Sequiota Investments, Inc. purchased from the manufacturer Champion Home Builders, Inc., a Delaware corporation authorized to do business in Kansas. Based solely on the averments set forth in the First Amended Complaint, it would be unlawful and unreasonable for the Commission to conclude that Colony Cove, Inc was a dealer of any of these homes.

14. To the extent that the Complainant is alleging in Count II that Respondent Stephen L. Johnson, in violation of § 700.683.3, RSMo., improperly installed any of the homes, failed to purchase installation decals, or failed to affix any such installation decals, Complainant fails to state a claim against Respondent Stephen L. Johnson, because Johnson did not install any of the homes described in the First Amended Complaint. Each such home was installed by Chris

Williams, of State Wide Transport, L.L.C., in Lebanon, MO. For the same reason, the Complainant would fail to state a claim against Sequiota Investments, Inc. or Colony Cove, Inc.

**IV. Complainant fails to state a claim for which relief can be granted under Count III, because Respondent Stephen L. Johnson did not engage in the business of installing manufactured homes or hold himself out as a licensed installer, and because the act of hiring an unlicensed installer is not prohibited by § 700.656, RSMo., or by § 700.671, RSMo.**

15. In Count III, Complainant alleges that Respondent Stephen L. Johnson, in violation of § 700.656, RSMo., engaged in the business of installing manufactured homes without a license, or held himself out as a licensed installer, in that Johnson hired an unlicensed installer to install each of the homes described in the First Amended Complaint.

16. Complainant thereby fails to state a claim against Respondent Stephen L. Johnson, in that Johnson did not install any of the homes described in the First Amended Complaint. See paragraph 14 above.

17. Additionally, Complainant thereby fails to state a claim against Respondent Stephen L. Johnson, in that the act of hiring an unlicensed installer is not prohibited by § 700.656, RSMo. or by § 700.671.1(6), RSMo.<sup>4</sup>

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<sup>4</sup> Section 700.656 provides in relevant part as follows: “No person shall engage in the business of installing manufactured homes or hold himself or herself out as a manufactured home installer in this state unless such person holds a valid installer license issued by the commission pursuant to sections 700.650 to 700.680.” Section 700.671 provides in relevant part as follows: “No person shall:

(1) Falsely hold himself, herself, or a business organization out as a licensed installer;

(2) Falsely impersonate a licensed installer;

**V. Complainant fails to state a claim for which relief can be granted under Count IV for failure to correct defects within 90 days, because the inspector should not have ordered Respondent Stephen L. Johnson to correct any code violations, in that Johnson is not and has never been a manufacturer, dealer, installer, owner, or tenant of any of the homes described in the First Amended Complaint.**

18. Furthermore, neither Sequiota Investments, Inc. nor Colony Cove, Inc was a manufacturer, dealer, or installer of any of these homes.

19. Although Sequiota Investments, Inc. was the owner of all five of these homes, in Appendixes A through E to the First Amended Complaint, the inspector erroneously designated Colony Cove, Inc as not just the owner but also the dealer.

20. To the extent the Complainant is alleging that initial setup was done improperly, the duty to arrange for the proper initial setup was on the dealer, pursuant to 20 CSR 4240-120.065. Additionally, the Complainant had a period of up to one year from the delivery date to conduct the initial inspection, 20 CSR 4240-120.065(2)(B), which did not timely occur.

WHEREFORE, Respondent Stephen L. Johnson moves the Commission to dismiss the First Amended Complaint for failure to state a claim for which relief can be granted or, in the alternative, to order the Complainant to file either a more definite statement or an amended complaint or both, specifying what entity is accused of what violations, and to grant Respondent

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(3) Present as his or her own the installer's license of another;

(4) Knowingly give false or forged evidence to the commission;

(5) Use or attempt to use an installer license that has been suspended or revoked; or

(6) Engage in the business or act in the capacity of a licensed installer or advertise himself, herself, or a business organization as available to engage in the business or act in the capacity of an installer without being duly licensed by the commission.”

Stephen L. Johnson any other relief the Commission deems just and proper under the circumstances.

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ATTORNEYS FOR RESPONDENT

### **CERTIFICATE OF SERVICE**

In accordance with 20 CSR 4240-2.080(17), I hereby certify that on the 26th day of February, 2025, a copy of the foregoing was sent by electronic mail to:

Carolyn Kerr, Missouri Public Service Commission

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