

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 26th day of March, 2025.

The Manager of the Manufactured Homes and Modular Units Program of the Missouri Public Service Commission,)
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)
)
Complainant,)
)
v.)
)
Stephen L. Johnson d/b/a Colony Cove, Inc. and/or Sequiota Investments, Inc.,)
)
)
Respondent.)

File No. MC-2025-0108

ORDER DENYING MOTION TO DISMISS

Issue Date: March 26, 2025

Effective Date: March 26, 2025

On October 17, 2024, the Manager of the Manufactured Homes and Modular Units Program of the Missouri Public Service Commission (MHMU Manager) filed a complaint (First Amended Complaint) against Stephen L. Johnson d/b/a Colony Cove, Inc. and/or Sequiota Investments, Inc. On February 26, 2025, Stephen L. Johnson (Johnson) filed *Respondent's Motion to Dismiss the First Amended Complaint for Failure to State a Claim for Which Relief Can be Granted* (Motion). On March 18, 2025, MHMU Manager filed *Staff's Response to Respondent's Motion to Dismiss the First Amended Complaint for Failure to State a Claim for Which Relief Can be Granted* (Response). No other party responded to the motion to dismiss.

Separate Parties

The Motion argues that Johnson, Colony Cove, Inc., and Sequiota Investments, Inc. are three separate entities. The Motion argues that Johnson, in his individual capacity, did not engage in any of the acts or omissions set forth in the complaint, and therefore the complaint failed to state a claim for which relief can be granted.

Count I

The Motion argues that Johnson, the individual, did not install any of the homes. Johnson names State Wide Transport as the installer. The Motion further argues that the rule at issue applies only to owners and Johnson did not own the homes.

The Response states that State Wide Transport is not a licensed installer. The Response argues that Respondent¹ had an obligation to hire a licensed installer to set and anchor the homes in accordance with manufacturer specifications and state and federal codes.

Count II

The Motion argues that the allegations in Count II again do not apply to Johnson, the individual, nor Sequiota Investments, Inc. The Motion explains that Colony Cove, Inc. leased several manufactured homes to third parties, but that the leases were not of “new” manufactured homes as required by Section 700.015, RSMo (2016)². The Motion additionally argues that Commission Rule 20 CSR 4240-120.065(1) applies to a dealer, and neither Johnson, the individual, nor Sequiota Investments, Inc., nor Colony Cove,

¹ The use of Respondent will refer to Johnson, Colony Cove, Inc. and Sequiota Investments, Inc. together to avoid confusion with Johnson’s argument that he is separate from Colony Cove, Inc. and Sequiota Investments, Inc.

² All statutory references are to the Revised Statutes of Missouri published in 2016 unless otherwise indicated.

Inc. are dealers. The Motion also argues that installation of the homes was by State Wide Transport.

The Response argues that the manufactured homes at issue are new, and as such, the Respondent had a duty to make sure each home was installed by a licensed installer.

Count III

The Motion argues that Section 700.656, RSMo, requiring licensure to install manufactured homes, is inapplicable as Johnson did not install the home. The Motion further argues that hiring an unlicensed installer is not prohibited.

The Response argues that Section 700.656.3, RSMo requires Respondent to make sure that the person hired to install the manufactured home is a licensed installer.

Count IV

The Motion argues that Johnson, in his individual capacity, should not have been ordered to correct the defects with the installation of the manufactured homes. The Motion argues that Sequiota Investments, Inc. and Colony Cove, Inc. were not the manufacturers, dealers, or installers of the subject manufactured homes. The Motion concedes that although Sequiota Investments, Inc. was the owner, the MHMU Manager erroneously designated Colony Cove, Inc. as the owner and dealer.

The Response states that there were over ten deficiencies, or code violations, noted for each of the five subject manufactured homes, with none being corrected other than those listed in the First Amended Complaint.

Legal Standard

In ruling on a motion to dismiss, the Commission merely considers the adequacy of the complaint.³ The Commission assumes that all averments in the complaint are true and must liberally grant to the complainant all reasonable inferences from those averments. The Commission does not weigh any facts alleged in the complaint to determine whether they are credible or persuasive.⁴ Further, “[c]omplaints or other pleas before the Commission are not tested by the rules applicable to pleadings in general, if a complaint or petition ‘fairly presents for determination some matter that falls within the jurisdiction of the Commission, it is sufficient.’”⁵

Section 386.390.1, RSMo (Supp. 2024), gives the Commission jurisdiction to hear complaints about:

any act or thing done or omitted to be done by any corporation, person or public utility in violation, or claimed to be in violation, of any provision of law subject to the commission’s authority, of any rule promulgated by the commission ...

Conclusion

The Motion disputes some facts and disputes the applicability of some statutes and rules. However, in reviewing a motion to dismiss the Commission may not look into the facts, and must only determine if the complaint presents some matter for decision which falls within the Commission’s jurisdiction. Enforcement of statutes in Chapter 700,

³ *State ex rel. Laclede Gas Company v., Public Service Com’n of Missouri*, 392 S.W. 3d 24, 38 (Mo. App W.D. 2012).

⁴ *Foremost Ins. Co. v. Public Service Com’n of Missouri*, 985 S.W. 2d 793, 796 (Mo. App. W.D. 1998).

⁵ *State ex rel. Chicago B. & Q. R. Co. v. Public Service Commission*, 334 S.W.2d 54, 58 (Mo. 1960), quoting, *State ex rel. Kansas City Terminal Ry. Co. v. Public Service Commission*, 308 Mo. 359, 372, 272 S.W. 957, 960 (Mo. 1925).

et seq. and rules related to manufactured homes clearly falls within the jurisdiction of the Commission.

The Commission's decision weighs only whether the complaint alleges acts or omissions within the jurisdiction of the Commission. For that reason, the Commission will deny the Motion, and allow the complaint to proceed.

THE COMMISSION ORDERS THAT:

1. *Respondent's Motion to Dismiss the First Amended Complaint for Failure to State a Claim for Which Relief Can be Granted* is denied.
2. This order shall be effective when issued.



BY THE COMMISSION

Nancy Dippell

Nancy Dippell
Secretary

Hahn, Ch., Coleman, Kolkmeier,
and Mitchell CC., concur.

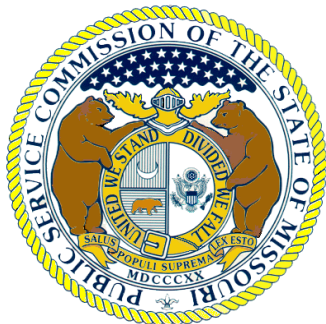
Hatcher, Senior Regulatory Law Judge

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 26th day of March 2025.



Nancy Dippell

Nancy Dippell
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

March 26, 2025

File/Case No. MC-2025-0108

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Nancy Dippell
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.