

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

The Manager of the Manufactured Homes
and Modular Units Program of the
Missouri Public Service Commission,

Complainant,

v.

Stephen L. Johnson d/b/a Colony Cove, Inc.
and/or Sequiota Investments, Inc.,
3951 S. Mentor Ave., Lot 54
Springfield, MO 65804,

Respondent.

Case No. MC-2025-0108

**STAFF RESPONSE IN OPPOSITION TO
RESPONDENT’S MOTION FOR SUMMARY DETERMINATION**

COMES NOW the Manager of the Manufactured Homes and Modular Units Program of the Missouri Public Service Commission (Manager), by and through undersigned counsel, pursuant to 20 CSR 4240-2.117(1)(C), and for his *Response in Opposition to Respondent’s Motion for Summary Determination* hereby states as follows:

Introduction

1. Commission Rule 20 CSR 4240-2.117(1)(B) requires the party filing a motion for summary determination to “state with particularity in separately numbered paragraphs each material fact as to which the movant claims there is no genuine issue.”

2. The Commission may grant the motion for summary determination only if the movant can “show that there is no genuine issue as to any material fact, that any party

is entitled to relief as a matter of law as to all or any part of the case, and the commission determines that it is in the public interest.” 20 CSR 4240-2.117(1)(E).

3. “[I]n determining a summary judgment motion, the judge ... is not to decide what the facts are or to make credibility determinations, but simply to determine whether there is a triable issue of fact.” *Sauvain v. Acceptance Indem. Ins. Co.*, 339 SW3d 555, 569 (Mo.App. W.D. 2007), citing *Care and Treatment of Schottel v. State*, 159 S.W.3d 836, 844 (Mo. banc 2005).

4. “A ‘material fact’ is one having such probative value that it would control or determine the litigation.” *Auto-Owners Mut. Ins. Co., Inc. v. Newman*, 851 S.W.2d 22, 24 (Mo.App. W.D. 1993).

5. The Manager objects to Respondent’s *Motion for Summary Determination* in this case because genuine issues of material fact exist as to whether Respondent (1) violated the manufactured housing laws; (2) failed to properly anchor the new manufactured homes, in violation of § 700.065 and 700.076, RSMo; (3) failed to comply with the manufactured housing code, in violation of § 700.015, RSMo; (4) engaged in the business of an installer without a license, in violation of § 700.671, RSMo; and (5) failed to correct the defects within 90 days, in violation of § 700.045, RSMo, as alleged in Staff’s Complaint and further outlined in the attached Legal Memorandum. Those issues have not been disposed of by the facts presented by the parties up to this point in the litigation. Multiple, disputed facts, known and unknown, remain to be presented to the Commission for interpretation.

6. The Manager has filed with this document a *Legal Memorandum* in support of its *Response in Opposition to Respondent’s Motion for Summary Determination* setting

forth its reasons and legal arguments why Respondent is not entitled to relief as a matter of law for all or any part of this case and that this matter should proceed to a hearing on the merits, as genuine issues of material fact exist between the parties. See, *Staff's Legal Memorandum in Support of Its Response in Opposition to Respondent's Motion for Summary Determination*, which is attached hereto as **Attachment A** and incorporated herein by reference.

**Responses to Respondent's
Statement of Material Facts for which there is No Genuine Issue**

Pursuant to 20 CSR 4240-2.117(1)(C), Staff provides the following responses to Respondent's factual statements:

1. The Manager admits the statements contained in Paragraph 1.
2. The Manager admits the statements contained in Paragraph 2.
3. The statements contained in Paragraph 3 are not material. To the extent a response is required, the Manager states that Stephen Johnson is doing business as Sequiota Investments, Inc., which was the purchaser of the homes. Mr. Johnson is the registered agent and registered with the State of Missouri as the individual doing business on behalf of the purchaser of those homes, in that a corporation or business entity cannot act without an agent, Mr. Johnson served at all times as the agent of Sequiota Investments, Inc., and purchased those homes described in the First Amended Complaint. As no corporation can act except by an agent, it is the Manager's understanding that the two companies act by and through Respondent, and therefore, denies the same.

4. The Manager admits the statements contained in Paragraph 4, in that the homes were installed by Chris Williams at the direction of Respondent Stephen L. Johnson.

5. Respondent makes multiple legal and factual statements in Paragraph 5 in violation of 20 CSR 4240-2.117(1)(B), which requires the moving party to “state with particularity in separately numbered paragraphs each material fact as to which the movant claims there is no genuine issue.” To the extent a response is required, the Manager states that based on discovery responses, Mr. Johnson is the owner and president of Sequiota Investments, Inc., and the owner of Colony Cove, Inc., and as no corporation can act except by an agent, it is the Manager’s understanding that the two companies act by and through Respondent, and therefore, denies the same.

6. The statements made by Respondent in Paragraph 6 contain legal conclusions, contain vague and ambiguous assertions, and fail to set forth material facts essential to the cause of action asserted. To the extent a response is required to Paragraph 6, Staff denies the same.

7. The Manager admits a Complaint was filed as alleged in Paragraph 7, wherein several allegations were made relating to the manufactured homes described therein; however, to the extent an response is required, Respondent makes multiple factual statements in Paragraph 7, in violation of 20 CSR 4240-2.117(1)(B), which requires the moving party to “state with particularity in separately numbered paragraphs each material fact as to which the movant claims there is no genuine issue.” The Manager therefore denies the same.

8. The Manager admits the statements contained in Paragraph 8.

9. The Manager admits the statements contained in Paragraph 9.
10. The Manager admits the statements contained in Paragraph 10.
11. The Manager admits the statements contained in Paragraph 11.
12. The Manager lacks sufficient knowledge to admit or deny the statements contained in Paragraph 12, and therefore denies the same.
13. The Manager admits the statements contained in Paragraph 13.
14. The Manager admits the statements contained in Paragraph 14.
15. The Manager admits the statements contained in Paragraph 15.
16. The Manager admits the statements contained in Paragraph 16.
17. The Manager admits the statements contained in Paragraph 17.
18. The Manager admits the statements contained in Paragraph 18.
19. The Manager admits the statements contained in Paragraph 19.
20. The Manager admits the statements contained in Paragraph 20.
21. The Manager admits the statements contained in Paragraph 21.
22. Paragraph 22 is a legal conclusion, not a statement of fact, and therefore, Staff denies Paragraph 22. To the extent a response is required, Staff lacks sufficient knowledge to admit or deny the statements contained in Paragraph 22, and therefore denies the same.
23. The Manager lacks sufficient knowledge to admit or deny the statements contained in Paragraph 23, and therefore denies the same.
24. The Manager lacks sufficient knowledge to admit or deny the statements contained in Paragraph 24, and therefore denies the same.
25. The Manager admits the statements contained in Paragraph 25.

26. Paragraph 26 states a legal conclusion, not a statement of fact, and Respondent makes multiple factual statements in Paragraph 26, in violation of 20 CSR 4240-2.117(1)(B), which requires the moving party to “state with particularity in separately numbered paragraphs each material fact as to which the movant claims there is no genuine issue.” To the extent a response is required, Staff lacks sufficient knowledge to admit or deny the statements contained in Paragraph 26, and therefore, denies the same.

27. Paragraph 27 is a legal conclusion, not a statement of fact. Furthermore, the statements made by Respondent in Paragraph 27 fail to set forth material facts essential to the cause of action asserted. To the extent a response is required, Staff lacks sufficient knowledge to admit or deny the statements contained in Paragraph 27.

28. The Manager admits the statements contained in Paragraph 28, in that the homes were installed by Chris Williams at the direction of Respondent Stephen L. Johnson.

29. Respondent states a legal conclusion, not a statement of fact, and further Respondent makes multiple factual statements in Paragraph 29, in violation of 20 CSR 4240-2.117(1)(B), which requires the moving party to “state with particularity in separately numbered paragraphs each material fact as to which the movant claims there is no genuine issue.” To the extent a response is required, Staff lacks sufficient knowledge to admit or deny the statements contained in Paragraph 29, and therefore, denies the same.

Additional Material Facts that Remain in Dispute

Pursuant to 20 CSR 4240-2.117(1)(C), Staff sets forth the following additional material facts that remain in dispute:

1. A corporation cannot act but through its agents or representatives, and that agent or representative is Stephen Johnson.

2. In this case, and in each instance alleged, with respect to each manufactured home purchased and installed, it was Mr. Johnson, acting as the principal and representative of and/or on behalf of Colony Cove, Inc., and/or Sequiota Investments, Inc.

3. Respondent, is an individual, doing business as Colony Cove, Inc., and/or Sequiota Investments, Inc.

4. An action lies against Respondent, acting as an agent and representative of and doing business as Colony Cove, Inc., and/or Sequiota Investments, Inc.

5. Respondent purchased the manufactured homes directly from the manufacturer to be used as rental units.

6. Respondent had the obligation, under law, to hire a licensed installer to set and anchor the homes in accordance with manufacturer specifications and state and federal codes.

7. Respondent failed to hire a licensed installer to install the manufactured homes at issue in this case.

8. Anchoring requirements, as promulgated by the commission, are specifically required to be followed by the installer when installing the manufactured home.

9. Respondent had the responsibility to assure the proper anchoring and installation of the manufactured homes in accordance with “standards promulgated by the commission” in a manner fit for safe habitation of those homes.

10. Respondent failed to assure the proper installation of each of the manufactured homes at issue in this case.

11. Respondent failed to properly anchor and/or tie down each of the manufactured homes at issue in this case.

12. Respondent was neither a licensed installer, the homeowner of the manufactured homes being installed, nor a licensed dealer or manufacturer contracting or subcontracting with a licensed installer to install any of the manufactured homes described in the First Amended Complaint.

13. Respondent used the services of or otherwise employed an unregistered installer(s) to perform the installations each of one of the five homes described in the First Amended Complaint.

14. Each of the manufactured homes purchased by Respondent from the manufacturer was considered a “new” home.

15. As a “new” home, Respondent had a duty to make sure each manufactured home had an installer’s decal affixed to it upon completion of the installation.

16. None of the manufactured homes had an installer’s decal affixed to it after it was installed by the individual hired by Respondent to set and install the homes.

17. Respondent was notified of multiple deficiencies or code violations in the installation of the manufactured homes following an inspection of each of the homes at issue in this case.

18. After being notified of deficiencies in the installation of the manufactured homes at issue in this case, Respondent failed to correct those deficiencies within 30 days.

19. No deficiencies, other than those noted in the First Amended Complaint, have been corrected by Respondent within 90 days of the date of inspection of any of the homes at issue in this case.

WHEREFORE, for the reasons set forth herein and as set forth in Staff's Legal Memorandum filed in conjunction with this Response, Staff submits its *Response in Opposition to Respondent's Motion for Summary Determination* and requests that Respondent's *Motion* be denied in this case and for such other orders as are just and reasonable under the circumstances.

Respectfully submitted,

/s/ Carolyn H. Kerr
Missouri Bar Number 45718
Senior Staff Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
573-751-5397 (Voice)
573-526-6969 (Fax)
Carolyn.kerr@psc.mo.gov

Attorney for Staff of the
Missouri Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 24th day of September, 2025, to all counsel of record.

/s/ Carolyn H. Kerr

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

The Manager of the Manufactured Homes)
and Modular Units Program of the)
Missouri Public Service Commission,)
)
Complainant,)
)
v.)
)
Stephen L. Johnson d/b/a Colony Cove, Inc.)
and/or Sequiota Investments, Inc.,)
3951 S. Mentor Ave., Lot 54)
Springfield, MO 65804,)
)
Respondent.)

Case No. MC-2025-0108

**STAFF’S LEGAL MEMORANDUM IN SUPPORT OF
ITS RESPONSE IN OPPOSITION TO
RESPONDENT’S MOTION FOR SUMMARY DETERMINATION**

COMES NOW the Manager of the Manufactured Homes and Modular Units Program of the Missouri Public Service Commission (“Manager”), by and through undersigned counsel, pursuant to 20 CSR 4240-2.117(1)(C), and in support of its *Response in Opposition to Respondent’s Motion for Summary Determination* hereby sets forth the following legal memorandum:

Introduction

Commission Rule 20 CSR 4240-2.117(1)(A) allows a party to “seek disposition of all or any part of a case by summary determination....” Further,

the Commission may grant the motion for summary determination if the pleadings, testimony, discovery, affidavits, and memoranda on file show that there is no genuine issue as to any material fact, that any party is entitled to relief as a matter of law as to all or any part of the case, and the commission determines that it is in the public interest.

Respondent is not entitled to relief as a matter of law because there are genuine issues of material fact still pending before the Commission that have not yet been resolved in this case. See, *Gateway Hotel Holdings, Inc. v. Chapman-Sander, Inc.*, 474 S.W.3d 579, 584 (Mo.App. E.D. 2013). “A ‘material fact’ is one having such probative value that it would control or determine the litigation.” *Auto-Owners Mut. Ins. Co., Inc. v. Newman*, 851 S.W.2d 22, 24 (Mo.App. W.D. 1993). A motion for summary judgment must be denied if the factual assertions are not sufficient to entitle the movant to judgment as a matter of law. *Almat Builders & Remodeling, Inc. v. Midwest Lodging, LLC*, 615 S.W.3d 70, 84 (Mo.App. E.D. 2020), citing *Jordan v. Peet*, 409 S.W.3d 553 (Mo.App. W.D. 2013).

The burden of proof in this case, as in all cases arising under Chapter 386, RSMo, and the powers granted to the Staff to bring this action before the Commission shall be upon the party adverse to such action or “seeking to set aside any determination, requirement, direction or order of said commission, to show by clear and satisfactory evidence that the determination, requirement, direction or order ... is unreasonable or unlawful.” § 386.430, RSMo. Respondent fails to meet its burden to show that it should be granted a summary determination in this case, as genuine issues of material fact remain to be decided herein. An evidentiary hearing must be granted before any decision on the merits can be rendered.

Legal Argument

In order to state a claim under §§ 386.390.1, and 700.115.2, RSMo, against Respondent, the Manager must allege facts that allow the Commission to find that he violated the law with respect to manufactured housing. Section 700.010(10), RSMo, defines a “person” as “an individual, partnership, corporation or other legal entity.” A

corporation cannot act but through its agents or representatives – “unless some individual does so on its behalf.” *Naylor Senior Citizens Housing LP, et al. v. Sides Construction Co., Inc.*, 423 S.W.3d 238, 244 (Mo.banc 2014). In this case, and in each instance alleged herein, with respect to each manufactured home purchased and installed, it was Mr. Johnson, acting as the principal and representative of and/or on behalf of Colony Cove, Inc. and/or Sequiota Inc., which is named in the *First Amended Complaint*. See, *Johnson v. Usera*, 695 S.W.3d272, 284 (Mo.App.W.D. 2024).

Respondent, as the term is defined in the *First Amended Complaint*, fits that definition. He is an individual, doing business as Colony Cove, Inc. and/or Sequiota Investments, Inc. Both entities, which are registered with the Missouri Secretary of State as for profit corporations list Stephen Johnson as their registered agent. Furthermore, on Sequiota Investment’s Biennial Registration Report filed with the Missouri Secretary of State, Mr. Johnson is listed as President, Secretary, and Board Member for the corporation. On Colony Cove, Inc.’s Registration, he is listed as the Registered Agent. In this case, Respondent admits that the manufactured homes were “purchased by Sequiota Investments, Inc.” and that Chris Williams of Statewide Transport ... installed each of the manufactured homes referred to in the First Amended Complaint.”¹ Therefore, an action lies against Respondent, acting as an agent and representative and doing business as Colony Cove, Inc., and/or Sequiota Investments, Inc.

Under §§ 700.065, .076.1, and 683.1 RSMo, and 20 CSR 4240-127.010, Respondent had the responsibility to anchor and install the manufactured homes in accordance with “standards promulgated by the commission” in a manner fit for safe

¹ See, Respondent’s *Answer to First Amended Complaint*, Paragraph 1.

habitation of those homes. Staff's *First Amended Complaint* alleges and lists, in detail, several ways in which Respondent failed to do so. Specifically, the deficiencies noted on the Inspector's Site Inspection Reports for each manufactured home set forth in the First Amended Complaint specifically lists problems with the homes' anchoring system, including, *inter alia* "the use of cross drive anchors ... is improper; There are no anchors within 2' of the end of the home. The anchor straps are not protected where in contact with the frame. There have been no tie down systems installed as required."² Such anchoring requirements are specifically required by the manufacturer and by the Federal Regulations of the Housing and Urban Development Department (HUD), adopted by the Commission, specifically 24 USC §§ 3280, 3282, 3285, and 3286. See, 20 CSR 4240-120.021 and 20 CSR 4240-120.100. Furthermore, Respondent purchased the manufactured homes directly from a manufacturer to be used as rental units. Therefore, under §§ 700.015 and 700.656, RSMo, he had the obligation, under law, to hire a licensed installer to set and anchor the homes in accordance to manufacturer specifications and state and federal code. He failed to do so.

Section 700.015.1, RSMo, forbids anyone from offering for rent a new manufactured home unless that home "complies with the code and bears the proper seal." A "new" manufactured home is defined as one which is "being sold or offered for sale to the first purchaser for purposes other than resale." § 700.010(9), RSMo.

Each of the manufactured homes at issue in this case are considered "new," in that Respondent purchased the homes directly from the manufacturer, namely Champion Home Builders, for the specific purpose of renting each of them out to potential

² See, *Amended Complaint*, Paragraph 18.d.

renters at the Colony Cove Mobile Home Park³ located in Springfield, Missouri, and at 112 Matthews St., Hollister, Missouri.⁴ At the time of the purchase of the manufactured homes by Respondent from the manufacturer, the potential renters were unknown to Respondent. Being new manufactured homes, Respondent had a duty to make sure each home was installed and otherwise set up by a licensed installer in accordance with the manufacturer's installation manual, Commission and HUD codes and standards, and had an installer's decal affixed to it "upon completion of the installation." See, §§ 700.010(9) and 700.683, RSMo, and 20 CSR 4240-120.065(1)(B).

The *First Amended Complaint* lists specifically the deficiencies noted by the Inspector for the Manufactured Housing and Modular Units Program ("Inspector") for each home inspected and how each home's set up failed to meet state code and manufacturer installation requirements. Respondent was responsible for hiring a licensed installer to set the homes, and he failed to do so, in violation of §§ 700.656 and 700.671, RSMo, in that at no time had the installer been issued an installer license by the Commission pursuant to § 700.659, RSMo. Furthermore, none of the manufactured homes described in the *First Amended Complaint* had an installers' decal affixed to it after it was installed by the individual Respondent hired to set the homes, in violation of §700.683.3, RSMo

Under § 700.656, RSMo, unless a person is installing a manufactured home on his or her own personal property, or "is a direct agent of a licensee, working under a licensee's supervision and within a licensee's job scope," that person may not install a manufactured home on a piece of real property without a valid installer license issued by

³ Specifically onto Lots #s 26, 29, 30, and 46.

⁴ Neither Mr. Johnson, nor any of this family members were going to live in any of the manufactured homes being rented out by Respondent.

the Commission. If a person is not a licensed installer, as Respondent in this case, he must make sure that the person hired or contracted/subcontracted to install the manufactured home is a licensed installer. § 700.656.3, RSMo. Under that statute, generally, the licensed installer is “responsible for supervising all such agents for their competent and proper performance.” Here, Respondent was neither a licensed installer, nor the homeowner of the manufactured homes being installed, nor a licensed dealer or manufacturer contracting or subcontracting with a licensed installer to install any of the manufactured homes described in the First Amended Complaint.

Under § 700.656, RSMo, a person cannot hold someone else out as one who engages in the business of an installer or acts in the capacity of an installer without being duly licensed by the Commission. As alleged in the First Amended Complaint, Respondent used the services or otherwise employed an unregistered installer(s) to perform the installations of each one of the five homes described above, in violation of §§ 700.656 and 700.671, RSMo. At no time had the installer used by Respondent to set up and install each of the homes described above been issued an installer license by the Commission pursuant to or in accordance with § 700.659, RSMo.

Failing to correct code violations in a new manufactured home within 90 days “after being ordered to do so in writing by an authorized representative of the commission” is considered a misdemeanor, according to § 700.045(5), RSMo. As outlined in the *First Amended Complaint*, the Inspector inspected each of the five manufactured homes on either May 28, 2024, or July 15, 2024, and noted over 10 deficiencies, or code violations for each of the homes. Following the inspections, he provided Respondent a Site Inspection Report for each of the homes, notifying Respondent that all deficiencies

were “to be corrected within 30 days.” To the best of the Manager’s knowledge and belief, as of the filing of this *Response*, no deficiencies, other than those noted in the *First Amended Complaint*, have been corrected by Respondent within 90 days of the date of the inspection of any of the homes described herein⁵.

Conclusion

The facts of this case leave several questions open for the commission to decide. The main one of which, and material to this case, is whether Respondent violated the manufactured housing laws, generally. That is broken down into four counts: (1) whether Respondent failed to properly anchor the homes; (2) whether the installations complied with code; (3) whether Respondent engaged in the business of an installer without a license; and (4) whether the deficiencies were corrected in a timely manner as required.

Respondent argues he is not responsible for acts of the corporations that purchased the homes and for the installer that installed the homes. He argues that he, as an individual, is exempt from responsibility from any actions taken by the entities that purchased those homes. Furthermore, he argues that any inspections that took place were out of time.

The Manager argues that as the agent and owner of the corporate entities, Respondent had the responsibility to act on behalf of both Colony Cove, Inc., and Sequiota Investments, Inc., and therefore is liable for any actions ostensibly taken by those entities when purchasing, installing, and renting those homes. Respondent is responsible for the proper set up, anchoring, and installation of the homes from start to finish and is responsible for making sure that a licensed installer is hired to conduct that

⁵ Lot #30 has been sold, but otherwise, no changes or corrections have been made to the other homes relative to the deficiencies noted by the Inspector.

set up and installation within the allotted time period after inspections are completed. Respondent failed to do so, and is therefore liable for such ensuing violations.

There is, therefore, a genuine dispute as to the material facts which would entitle only one of the parties herein to relief in this case under the law. As such, Respondent's *Motion for Summary Determination* should be denied, and this matter should proceed to an evidentiary hearing in order for the commission to determine how those disputed, material facts should apply to the applicable law; whether, in fact, Respondent violated the manufactured housing laws as alleged; and whether, therefore, the Manager is entitled to the relief requested.

WHEREFORE, for the reasons set forth herein and in its *Response in Opposition to Respondent's Motion for Summary Determination* the Manager requests that Respondent's *Motion for Summary Determination* be denied and for such other orders as are just and reasonable under the circumstances.

Respectfully submitted,

/s/ Carolyn H. Kerr

Missouri Bar Number 45718

Senior Staff Counsel

Missouri Public Service Commission

P.O. Box 360

Jefferson City, MO 65102

573-751-5397 (Voice)

573-526-6969 (Fax)

Carolyn.kerr@psc.mo.gov

Attorney for Staff of the

Missouri Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 24th day of September, 2025, to all counsel of record.

/s/ Carolyn H. Kerr