

STATE OF NORTH CAROLINA FILED

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
FILE NO.

COUNTY OF WAKE

2016 MAR 25 A 11:57

STATE OF NORTH CAROLINA ex rel.)
ROY COOPER, Attorney General,)
WAKE CO. C.S.C.)

Plaintiff,)

v.)

COMPLAINT

GEORGE HENRY SMITH,)

Defendant.)

The plaintiff, complaining of defendant, alleges and says:

INTRODUCTION

1. This action is brought by the State of North Carolina, by and through its Attorney General Roy Cooper, to obtain permanent injunctive relief prohibiting the defendant from engaging in unfair and deceptive trade practices, and to obtain injunctive relief, restitution and further relief, pursuant to N.C.G.S. §§ 75-14, 75-15.1, 75-15.2, and 75-16.1 in connection with defendant's collection of payments from consumers for the purchase of manufactured homes, his failure to provide the homes as promised, and his failure to return the payments.

PARTIES

2. Plaintiff is the State of North Carolina acting through its Attorney General Roy Cooper pursuant to authority granted by Chapters 75 and 114 of the North Carolina General Statutes.

3. Defendant is George Henry Smith, a resident of Robeson County in North Carolina. At times relevant to this Complaint, defendant has been associated with Page Talk, Inc. ("Page Talk"), a cell phone store located at 2003 N. Pine St., Lumberton, North Carolina 28358.

FACTUAL ALLEGATIONS

4. Defendant Smith has at times relevant to this Complaint advertised that he sold used and repossessed manufactured homes. He advertised these homes on the premises of Page Talk and at other locations in the Robeson County area.

5. Upon information and belief, defendant targeted consumers for whom English is not their native language and who have somewhat limited skills in speaking and understanding the English language.

6. At times, defendant approached non-English speakers on or near the premises of other businesses in Robeson County and passed out businesses cards with his name, phone number, and information regarding the selling of manufactured homes. The business cards were written in Spanish.

7. When consumers expressed an interest in a manufactured home, defendant took them to various manufactured home dealerships in or around Lumberton, North Carolina. Defendant showed consumers manufactured homes at the dealerships without the permission of the dealership, including manufactured homes at Prevatte Home Sales located at 3335 Elizabethtown Road in Lumberton, North Carolina, and Terry Pate Home Sales located at 1848 US-74 West in Lumberton, North Carolina.

8. To the consumers, defendant posed as a salesman and employee of the manufactured homes dealership, and, to the dealership, he represented himself as an agent for the consumers.

9. Defendant also took a family to view an individual manufactured home on a residential lot with a "for sale" sign on it. Defendant was able to open the Broker's lock box on the home to show the family the home although, defendant is not licensed as a Broker himself and, upon information and belief, had no authority to show the home.

10. Once the consumer selected a home, defendant sometimes pressured the consumer into giving defendant the deposit as soon as possible. At times, in order to get the deposit sooner, defendant even agreed to take less money than originally agreed upon for the deposit. Defendant collected payment prior to the time he indicated he would transfer title to the consumer or give the consumer possession of the home itself. Upon information and belief, defendant Smith showed and purported to sell consumers manufactured homes that are not for sale. The deposits defendant collected from the consumers ranged from \$1,000 to \$9,800.

11. At the time the consumer paid the deposit for the home and signed an agreement to purchase the home, defendant generally verbally gave consumers an estimated delivery date for the home. Defendant, however, ultimately failed to provide the homes at all and gave the consumers various excuses as to why he could not deliver the homes.

12. When defendant failed to deliver the homes to the consumers in the time frame expected, consumers inquired about the status at the dealerships where the homes were located. Upon speaking with the owner or an employee of the dealership, the consumers found out that defendant did not work at the dealership and that the home the consumers thought they purchased was already sold to someone else.

13. When consumers discovered that someone else owned the manufactured home on which they made a deposit, or when defendant failed to deliver the home to consumers who have paid deposits, the consumers have requested return of their money. However, to date, defendant has not returned the money and has given consumers a variety of excuses as to why he cannot return the money.

14. In addition to the harm that resulted from defendant's failure to deliver the homes or provide refunds, several consumers have experienced additional hardship such as having to

pay additional rent on housing or move in with relatives after having paid defendant a substantial down payment. Some consumers have essentially found themselves homeless because they cannot afford to pay rent after paying cash to defendant.

15. By advertising and purporting to sell manufactured homes, defendant has acted as a manufactured home seller as defined in N.C.G.S. § 143-143.9(9). However, defendant is not licensed as a manufactured home sales person with the North Carolina Manufactured Housing Board as required by N.C.G.S. § 143-143.11. Defendant has also not complied with any of the consumer protection provisions required in N.C.G.S. § 143-143.21A.

CLAIM FOR RELIEF

UNFAIR OR DECEPTIVE TRADE PRACTICES

16. Plaintiff realleges and incorporates herein the allegations in Paragraphs 1 through 15.

17. Defendants' advertising and sale of manufactured homes is, and at all relevant times has been, in or affecting commerce in North Carolina.

18. In the course of purporting to sell manufactured homes, defendant has engaged in a continuing pattern of unfair and deceptive acts in violation of N.C.G.S. § 75-1.1.

19. Defendant's unfair and deceptive business practices include, but have not been limited to:

- (a) collecting deposits or partial payments from consumers for the purchase of a manufactured home and knowingly failing to deliver the home and the title or to provide a refund;
- (b) purporting to conduct sales of manufactured homes without being licensed by the North Carolina Manufactured Housing Board as required by N.C.G.S. § 143-143.11;

- (c) selling manufacture homes without complying with purchase agreement provisions or cancellation policies outlined in N.C.G.S. § 143-143.21A;
- (d) failing to include the right of cancellation language mandated in N.C.G.S. § 143-143.21A in contracts entered into with consumers; and
- (e) knowingly misrepresenting to consumers the date and time of delivery of the manufactured homes the consumers purchased.

20. Pursuant to N.C.G.S. § 75-14, the Attorney General is authorized to seek and obtain injunctive relief to restrain defendant's violations of N.C.G.S. § 75-1.1.

21. Pursuant to N.C.G.S. § 75-15.1, the Attorney General is authorized to seek and obtain cancellation of all contracts and the restoration of all moneys obtained by defendant as a result of defendant's violations of N.C.G.S. § 75-1.1.

22. Pursuant to N.C.G.S. § 75-15.2, the Attorney General is authorized to seek and obtain civil penalties for each and every knowing violation of a statute, including but not limited to N.C.G.S. § 75-1.1.

23. Pursuant to N.C.G.S. § 75-16.1, the Attorney General is authorized to seek and obtain a reasonable attorney fee for the prosecution of this action.

PRAYER FOR RELIEF

WHEREFORE, plaintiff prays the Court for the following relief:

1. That the Court issue a Permanent Injunction prohibiting defendant from:
 - (a) engaging in unfair or deceptive acts or practices in violation of N.C.G.S. § 75-1.1, including but not limited to the acts and practices listed in Paragraph 19 of plaintiff's Claim for Relief;

- (b) advertising for the sale of manufactured homes or attempting to sell manufactured homes without being licensed by the North Carolina Manufactured Housing Board pursuant to N.C.G.S. § 143-143.11; and
- (c) accepting new orders, deposits, or advance payments for manufactured homes from consumers;

2. That, pursuant to N.C.G.S. § 75-15.1, the Court cancel all contracts entered into by defendant in violation of N.C.G.S. § 75-1.1 and N.C.G.S. §§ 143-143.11 and -143.21A, and order all amounts consumers have paid to defendant to be refunded;

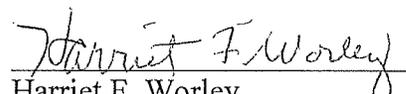
3. That, pursuant to N.C.G.S. § 75-15.2, defendant be required to pay civil penalties to the State in the amount of \$5,000.00 per knowing violation of a statute, including N.C.G.S. § 75-1.1;

4. That costs and reasonable attorney's fees be awarded the Attorney General pursuant to N.C.G.S. § 75-16.1; and

5. That the Court award such other and further relief as may be just and proper.

Respectfully submitted this 25th day of August, 2016.

ROY COOPER
Attorney General


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