

**IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
CIVIL DIVISION**

**STATE OF ARKANSAS, *ex rel.*
TIM GRIFFIN, ATTORNEY GENERAL**

PLAINTIFF

V. CASE NO. 60CV-25-____

**COMMUNITY BUILDERS, INC.
D/B/A CBI HOME IMPROVEMENTS;
GREG WOLTER, Individually;
and NATHAN WOLTER, Individually**

DEFENDANTS

COMPLAINT

I. INTRODUCTION

1. Community Builders, Inc. (“CBI”) was a home improvement contracting business that preyed on elderly Arkansans in need of bathroom remodels. To date, Defendants have illegally obtained at least \$16,910 of Arkansas consumers’ money.

2. Specifically, CBI advertised bathroom and shower remodels that included the installation of a handicap-accessible shower.

3. Many of CBI’s victims were of advanced age or suffered from a disabling condition and felt it was no longer safe to use their current shower. Based on representations made by Defendants, consumers hired CBI to install safer, more accessible showers in a timely fashion. Defendants affirmatively represented that the work would be done in a few months’ time.

4. Instead of providing safer showers, Defendants accepted consumers' down payments, never started work, and refused to communicate with consumers or issue them a refund, even though years have passed since the down payment was made.

5. Based on these and similar complaints, the Arkansas Residential Contractors Committee ordered CBI's contractor's license "revoked for misconduct."¹

6. CBI engaged in unconscionable and deceptive business practices by contracting to sell goods and services, failing to deliver items for which consumers paid, failing to maintain communication with consumers, and refusing to refund monies paid by consumers in Arkansas after work went uncompleted. Additional misconduct includes harassment of a consumer for several weeks insisting that CBI be permitted to perform the remodel despite the consumer cancelling the contract within 24 hours of signing and forging a consumer's signature on an acknowledgement in an attempt to prevent her from cancelling her contract.

7. Tim Griffin, Attorney General of the State of Arkansas, brings this action under Arkansas Deceptive Trade Practices Act ("ADTPA"), Ark. Code Ann. §§ 4-88-101 et seq, to hold Defendants accountable for the deceptive, unfair, and unconscionable business practices committed upon Arkansas consumers. This action is critical to protect the public interest in a legitimate business community and to protect the public's welfare pursuant the Attorney General's statutory and common law authority, powers, and duties. Ark. Code Ann. § 4-88-104.

8. The State seeks an order imposing restitution for affected consumers, civil penalties, injunctive relief, costs and fees, and all other just and proper relief against Defendants.

¹ Exhibit A, Findings of Contractors Committee.

II. PARTIES

9. Plaintiff is the State of Arkansas, *ex rel.* Tim Griffin, Attorney General. Attorney General Griffin is the chief legal officer of the State. Under Ark. Code Ann. §§ 4-88-104 and 4-88-113, the State may seek civil enforcement of the ADTPA.

10. Defendant Community Builders, Inc., doing business as CBI Home Improvements, was previously registered with the Arkansas Secretary of State as a for profit corporation. It has forfeited its charter. Its principal address and registered agent's address were the same: 613 S Second St., West Memphis, AR 72301.

11. Upon information and belief, Defendant Greg Wolter was the owner of CBI at the time of the misconduct. Greg Wolter resides in Catoosa, Oklahoma. Greg Wolter was a controlling person of CBI. As such, he is personally liable not only for his conduct in violation of Arkansas law, but also the conduct of CBI's employees and agents.

12. Upon information and belief, Defendant Nathan Wolter was the president and registered agent of CBI at the time of the misconduct. Nathan Wolter resides in Sapulpa, Oklahoma. Nathan Wolter was a controlling person of CBI. As such, he is personally liable not only for his conduct in violation of Arkansas law, but also for the conduct of CBI's employees and agents.

III. JURISDICTION AND VENUE

13. This Court has jurisdiction over this matter under Ark. Code Ann. § 4-88-104 and the common law of the State of Arkansas.

14. This Court has jurisdiction over the Defendants under Ark. Code Ann. § 4-88-113(d)(1), which states: "Every person, or every partner, officer, or director of another person who directly or indirectly controls another person or who is in violation of or liable" under the ADTPA

“shall be jointly and severally liable for any penalties assessed and any monetary judgments awarded in any proceeding for civil enforcement of this chapter, if the persons to be held jointly and severally liable knew or reasonably should have known of the existence of the facts by reason of which the violation or liability exists.” Each person subject to liability under Ark. Code Ann. § 4-88-113(d)(1) “shall be deemed, as a matter of law, to have purposely availed himself or herself the privileges of conducting activities within Arkansas sufficient to subject the person to the personal jurisdiction” of the Court. Ark. Code Ann. § 4-88-113(d)(3).

15. Venue is proper under Ark. Code Ann. §§ 4-88-104, 4-88-112, 16-60-103 and the common law of the State of Arkansas.

IV. FACTUAL ALLEGATIONS

16. CBI had a persistent, ongoing practice of taking advantage of consumers.

17. CBI gained \$16,910 by taking advantage of consumers through a pattern of deceptive and unconscionable behaviors.

18. CBI advertised home remodeling services in Arkansas, including bath and shower remodels and siding and window replacement.

19. CBI informed consumers that it would start remodeling services within a few weeks or months of executing a contract.

20. CBI accepted down payments despite knowing the timelines for completing the remodel were uncertain, at best.

21. Consumers repeatedly followed up with CBI to inquire about the timeline for performance on the contract. CBI routinely stated that materials were unavailable, often claiming that the impacts of Covid-19 had caused these material shortages.

22. After waiting months for CBI to begin work, consumers demanded the return of their down payments. CBI refused to return any money and insisted it would eventually complete the remodel.

23. The State received eight consumer complaints against CBI. One complaint described CBI's harassment of an elder person who attempted to cancel her contract the day after signing. Another described CBI forging a consumer's signature to attempt to enforce a "Notice of Cancellation" provision on a separate page from the contract. Seven complaints describe the behavior outlined above: a consumer contracted for a home improvement project; the consumer made a down payment on the day the contract was signed; CBI failed to perform on the contract; CBI ignored consumers' requests for information; and CBI refused to issue refunds for down payments illegally obtained.

Non-performance by CBI and No Refund
Consumer 1 (Robert Palmer)

24. Mr. Palmer is over the age of 60 years old and is an elder person under Ark. Code Ann. § 4-88-201(2).²

25. Mr. Palmer needed a bathtub removed and replaced with a shower system in his home.³

26. Mr. Palmer learned about CBI through a television advertisement.⁴

² Exhibit B (Affidavit of Robert Palmer), ¶ 1.

³ *Id.*, ¶ 2.

⁴ *Id.*

27. On or about June 12, 2023, Steven Caldwell came to Mr. Palmer's house to discuss his bathroom remodel. Steven Caldwell quoted Mr. Palmer a total price of \$10,202 and stated that the remodel could be completed within two or three months.⁵

28. Based on this information, including the timeframe for completion, Mr. Palmer contracted with CBI for a home bathroom remodel on June 12, 2023, and paid \$2,500 to CBI as a down payment.

29. After months passed and CBI failed to commence services, Mr. Palmer reached out to CBI for an update.⁶

30. Mr. Palmer was told by CBI that they were experiencing supply shortages from the manufacturer.⁷

31. Mr. Palmer contacted CBI weekly from October through December 2023 asking when CBI would begin work, and each time CBI told him they were waiting for his materials to ship.⁸

32. In December 2023, six months after signing the contract, Mr. Palmer demanded a return of his down payment as no work had commenced.⁹

33. On December 29, 2023, Mr. Palmer filed a complaint with the Office of the Arkansas Attorney General.¹⁰

⁵ *Id.*, ¶ 3.

⁶ *Id.*, ¶ 5.

⁷ *Id.*

⁸ *Id.*, ¶ 6.

⁹ *Id.*, ¶ 7.

¹⁰ *Id.*, ¶ 8.

34. On January 3, 2024, CBI acknowledged it had not performed on the contract but refused to return the down payment.¹¹

35. As of the date of this filing, nearly two years after Mr. Palmer signed the contract with CBI, CBI has not remodeled Mr. Palmer's bathroom or issued a refund of his down payment.¹²

36. Upon suspicion and belief, there was no abnormal shortage or delay of supplies lasting several months. If a shortage or delay existed, CBI knew, or should have known, about such shortage or delay at the time it conveyed the contract completion timeline to Mr. Palmer.

Consumer 2 (Vernon Caldwell)

37. Mr. Caldwell is over the age of 60 years old and is an elder person under Ark. Code Ann. § 4-88-201(2).¹³

38. Mr. Caldwell heard about CBI through a television advertisement and contacted them to remove a bathtub and replace it with a shower system in his home.¹⁴

39. On or about June 16, 2023, Steven Caldwell came to Mr. Caldwell's house to discuss his bathroom remodel. Steven Caldwell quoted Mr. Caldwell a total price of \$11,965 and stated that the remodel would start in about two weeks.¹⁵

¹¹ Exhibit C (Email Acknowledgment from CBI re Palmer).

¹² Exhibit B, ¶ 9.

¹³ Exhibit D (Affidavit of Vernon Caldwell), ¶ 1.

¹⁴ *Id.*, ¶ 2.

¹⁵ *Id.*, ¶ 3.

40. Based on this information, Mr. Caldwell contracted with CBI for a home bathroom remodel on June 16, 2023, and paid \$2,500 to CBI as a down payment.¹⁶

41. Approximately three months later, CBI had not begun work on the remodel. Mr. Caldwell reached out to CBI for an update, and CBI told Mr. Caldwell that the parts needed for his remodel had not been received.¹⁷

42. Mr. Caldwell contacted CBI approximately 15 times in the months after signing the contract, asking when CBI would begin work.¹⁸

43. After five months of no work and no answers, Mr. Caldwell demanded the return of his down payment in November 2023.¹⁹

44. On November 14, 2023, Mr. Caldwell filed a complaint with the Office of the Arkansas Attorney General.²⁰

45. On November 20, 2023, CBI acknowledged it had not performed on the contract but refused to return the down payment.²¹

46. As of the date of this filing, nearly two years after Mr. Caldwell executed his contract with CBI, CBI has not remodeled Mr. Caldwell's bathroom or issued a refund of his down payment.²²

¹⁶ *Id.*, ¶ 4.

¹⁷ *Id.*, ¶ 5.

¹⁸ *Id.*, ¶ 6.

¹⁹ *Id.*

²⁰ *Id.*, ¶ 7.

²¹ Exhibit E (Email Acknowledgement from CBI Re Caldwell)

²² *Id.*, ¶ 8.

47. Upon suspicion and belief, there was no abnormal shortage or delay of supplies lasting several months. If a shortage or delay existed, CBI knew, or should have known, about such shortage or delay at the time it conveyed the contract completion timeline to Mr. Caldwell.

Consumer 3 (Linda Smith)

48. Ms. Smith is over the age of 60 years old and is an elder person under Ark. Code Ann. § 4-88-201(2).²³

49. Ms. Smith's 86-year-old husband uses a wheelchair and cannot easily get in and out of a bathtub or shower with threshold. After seeing CBI's advertisements on television, she contacted CBI about remodeling their bathroom to accommodate his wheelchair.²⁴

50. On or about August 1, 2023, Steven Caldwell came to Ms. Smith's house to discuss her bathroom remodel. Steven Caldwell quoted Ms. Smith a total price of approximately \$12,800 and represented that the remodel could be completed within a short time.²⁵

51. Based on this information, including the timeframe for completion, Ms. Smith contracted with CBI for a home bathroom remodel on August 1, 2023, and paid \$3,200 to CBI as a down payment.²⁶

52. After four weeks passed and CBI failed to commence work on the remodel, Ms. Smith reached out to CBI for an update. CBI told Ms. Smith they had not received the parts for her project due to supply chain issues.²⁷

²³ Exhibit F (Affidavit of Linda Smith), ¶ 1.

²⁴ *Id.*, ¶ 2.

²⁵ *Id.*, ¶ 3.

²⁶ *Id.*, ¶ 4.

²⁷ *Id.*, ¶ 5.

53. Ms. Smith repeatedly contacted CBI in the following months for information about her bathroom remodel project. CBI told her the same thing each time: that it had not received the parts for her project due to supply chain issues. In October 2023, Ms. Smith demanded a return of her down payment. She continued to demand a refund through January 2024.²⁸

54. On November 30, 2023, Ms. Smith filed a complaint with the Office of the Arkansas Attorney General.²⁹

55. On January 2, 2024, CBI acknowledged it had not performed on the contract but refused to return the down payment.³⁰

56. As of the date of this filing, nearly two years after Ms. Smith executed her contract with CBI, CBI has not remodeled Ms. Smith's bathroom or issued a refund of her down payment.³¹

57. Upon suspicion and belief, there was no abnormal shortage or delay of supplies lasting several months. If a shortage or delay existed, CBI knew, or should have known, about such shortage or delay at the time it conveyed the contract completion timeline to Ms. Smith.

Consumer 4 (Jeanette Carter)

58. Ms. Carter is over the age of 60 years old and is an elder person under Ark. Code Ann. § 4-88-201(2).³²

²⁸ *Id.*, ¶ 6.

²⁹ *Id.*, ¶ 7.

³⁰ Exhibit G (Email Acknowledgement from CBI re Smith).

³¹ Exhibit F, ¶ 8.

³² Exhibit H (Affidavit of Jeanette Carter), ¶ 1.

59. Ms. Carter heard about CBI through a television advertisement and contacted them to remove a bathtub removed and replace it with a shower system in my home.³³

60. On or about August 30, 2023, Steven Caldwell came to Ms. Carter's house to discuss her bathroom remodel. Steven Caldwell quoted Ms. Carter a total price of \$13,455 and stated that CBI would start the remodel by mid-November 2023.³⁴

61. Based on this information, Ms. Carter contracted with CBI for a home bathroom remodel on August 30, 2023, and paid \$5,455 to CBI as a down payment.³⁵

62. After months passed and CBI failed to commence services, Ms. Carter reached out to CBI for an update. CBI told Ms. Carter they were experiencing supply shortages from the manufacturer.³⁶

63. After several months of no response and no work, Ms. Carter demanded a return of her down payment in February 2024.³⁷

64. On February 27, 2024, Ms. Carter filed a complaint with the Office of the Arkansas Attorney General.³⁸

65. On April 4, 2024, CBI acknowledged by email to the Arkansas Attorney General's Office that it had not performed on the contract but refused to return the down payment.³⁹ CBI

³³ *Id.*, ¶ 2.

³⁴ *Id.*, ¶ 3.

³⁵ *Id.*, ¶ 4.

³⁶ *Id.*, ¶ 5.

³⁷ *Id.*, ¶ 6.

³⁸ *Id.*, ¶ 7.

³⁹ Exhibit I (Email Acknowledgement from CBI re Carter).

included in its response a document titled “Notice of Cancellation” that explained the three-day rescission period and included a signature purported to be Ms. Carter’s.⁴⁰

66. Ms. Carter denies signing the “Notice of Cancellation” or having ever seen it before, and the signature on the document reads “Jeantte Carter” (a misspelling of her name).⁴¹

67. As of the date of this filing, nearly two years after the contract was executed, CBI has not remodeled Ms. Carter’s bathroom or issued a refund of her down payment.⁴²

68. Upon suspicion and belief, there was no abnormal shortage or delay of supplies lasting several months. If a shortage or delay existed, CBI knew, or should have known, about such shortage or delay at the time it conveyed the contract completion timeline to Ms. Carter.

Consumer 5 (Melissa Nichols)

69. Ms. Nichols is over the age of 60 years old and is an elder person under Ark. Code Ann. § 4-88-201(2).⁴³

70. Ms. Nichols’ husband is disabled and cannot step in and out of a bathtub by himself. This difficulty has proven dangerous, and, on multiple occasions, Ms. Nichols has been forced to call emergency services to assist her husband after he fell.⁴⁴

⁴⁰ Exhibit J (Notice of Cancellation (Carter)).

⁴¹ *Id.*, ¶ 8.

⁴² *Id.*, ¶ 9.

⁴³ Exhibit K (Affidavit of Melissa Nichols), ¶ 1.

⁴⁴ *Id.*, ¶ 2.

71. Ms. Nichols heard about CBI through a television advertisement and contacted CBI because she wanted to remove the bathtub and replace it with a shower that would be more accessible and safer for her husband to use.⁴⁵

72. On or about September 15, 2023, a representative from CBI came to Ms. Nichols' house to discuss her bathroom remodel. CBI quoted Ms. Nichols a total price of approximately \$14,000.⁴⁶

73. Based on this information, Ms. Nichols contracted with CBI for a home bathroom remodel on September 15, 2023, and paid \$3,255 to CBI as a down payment.⁴⁷

74. Ms. Nichols contacted CBI every two to three weeks in the months after signing the contract, asking when CBI would begin work. After several months of no response and no work, Ms. Nichols demanded a return of her down payment in or about March 2024.⁴⁸

75. On November 7, 2023, Ms. Nichols filed a complaint with the Office of the Arkansas Attorney General.⁴⁹

76. On November 13, 2023, CBI acknowledged it had not performed on the contract and stated that it still had not received the necessary materials.⁵⁰

⁴⁵ *Id.*, ¶ 3.

⁴⁶ *Id.*, ¶ 4.

⁴⁷ *Id.*, ¶ 5.

⁴⁸ *Id.*, ¶ 6.

⁴⁹ *Id.*, ¶ 7.

⁵⁰ Exhibit L (Email Acknowledgement from CBI re Nichols)

77. As of the date of this filing, nearly 18 months after the contract was executed, CBI has not remodeled Ms. Nichols' bathroom or issued a refund of her down payment.⁵¹

78. Upon suspicion and belief, there was no abnormal shortage or delay of supplies lasting several months. If a shortage or delay existed, CBI knew, or should have known, about such shortage or delay at the time it conveyed the contract completion timeline to Ms. Nichols.

**Unreasonable Delay
Consumer 6 (Calvin Thomas)**

79. Mr. Thomas is over the age of 60 years old and is an elder person under Ark. Code Ann. § 4-88-201(2).⁵²

80. Mr. Thomas needed a bathtub removed and replaced with a shower system in his home.⁵³

81. Mr. Thomas learned about CBI through a print advertisement.⁵⁴

82. On or about November 9, 2021, Lewis Lee, a representative of CBI, came to Mr. Thomas's house to discuss the bathtub removal and shower installation. Lewis Lee provided Mr. Thomas with a contract to perform the remodel for \$12,790 and stated that work would be performed within a couple of months.⁵⁵

⁵¹ *Id.*, ¶ 7.

⁵² Exhibit M (Affidavit of Calvin Thomas).

⁵³ *Id.*, ¶ 2.

⁵⁴ *Id.*

⁵⁵ *Id.*, ¶ 3.

83. Based on this information, including the timeframe for completion, Thomas contracted with CBI for a bathtub and shower remodel on November 9, 2021. On the day he signed the contract, Mr. Thomas paid \$3,000 to CBI as a down payment.⁵⁶

84. After several weeks passed and CBI failed to commence services, Mr. Thomas reached out to CBI for an update.⁵⁷

85. Mr. Thomas was told that materials had been ordered but had not been delivered to CBI.⁵⁸

86. Mr. Thomas repeatedly contacted CBI in the months after signing the contract, asking when CBI would begin work.⁵⁹

87. After several months of excuses about materials being delayed, Mr. Thomas demanded the return of his down payment.⁶⁰

88. On February 25, 2022, Mr. Thomas filed a complaint with the Office of the Arkansas Attorney General.⁶¹

89. On March 11, 2022, CBI acknowledged it had not performed on the contract but refused to return the down payment.⁶²

⁵⁶ *Id.*, ¶ 4.

⁵⁷ *Id.*, ¶ 5.

⁵⁸ *Id.*, ¶ 6.

⁵⁹ *Id.*, ¶ 7.

⁶⁰ *Id.*, ¶ 8.

⁶¹ *Id.*, ¶ 9.

⁶² Exhibit N (Email Acknowledgment from CBI Re Thomas).

90. After the Office of the Arkansas Attorney General investigated and mediated Mr. Thomas's claim, CBI performed the remodel, approximately six months after the contract was signed.⁶³

91. Upon suspicion and belief, there was no abnormal shortage or delay of supplies lasting several months. If a shortage or delay existed, CBI knew, or should have known, about such shortage or delay at the time it conveyed the contract completion timeline to Mr. Thomas.

Consumer 7 (Dena Grisham)

92. Ms. Grisham contacted CBI after seeing their information on the website for a bathroom fixture retailer (Jacuzzi). She wanted CBI to repair and replace fixtures in her home bathroom.⁶⁴

93. On or about June 30, 2023, Steven Caldwell came to Ms. Grisham's home to discuss the bathroom remodel. Steven Caldwell quoted Ms. Grisham a total price of \$12,500 and stated that materials would be ordered "ASAP", a CBI representative would return in two weeks to take measurements, and work would commence within two months.⁶⁵

94. Based on this information, including the timeframe for completion, Ms. Grisham contracted with CBI for a bathroom remodel on June 30, 2023, and paid \$3,125 to CBI as a down payment.⁶⁶

⁶³ The State does not seek restitution for Mr. Thomas. The delay in CBI's performance until after Mr. Thomas filed a complaint with the Office of the Arkansas Attorney General is evidence of CBI's pattern of violating the ADTPA.

⁶⁴ Exhibit O, ¶ 2 (Affidavit of Dena Grisham).

⁶⁵ *Id.*, ¶ 3.

⁶⁶ *Id.*, ¶ 4.

95. Two months passed without any further contact from CBI. No representative came to take measurements and no work had commenced.⁶⁷

96. After months of no work, Ms. Grisham demanded a return of her down payment so she could hire someone else to perform the repairs and remodel.⁶⁸

97. From October through December 2023, Ms. Grisham repeatedly called CBI but only reached their voicemail inbox and received no return calls.⁶⁹

98. On December 19, 2023, Ms. Grisham filed a complaint with the Office of the Arkansas Attorney General.⁷⁰

99. On December 21, 2023, CBI acknowledged it had not performed on the contract but refused to return the down payment.⁷¹

100. After the Office of the Arkansas Attorney General investigated and mediated Ms. Grisham's claim, CBI performed the remodel, approximately six months after the contract was signed.⁷²

101. Upon suspicion and belief, there was no abnormal shortage or delay of supplies lasting several months. If a shortage or delay existed, CBI knew, or should have known, about such shortage or delay at the time it conveyed the contract completion timeline to Ms. Grisham.

⁶⁷ *Id.*, ¶ 5.

⁶⁸ *Id.*, ¶ 6.

⁶⁹ *Id.*, ¶ 7.

⁷⁰ *Id.*, ¶ 8.

⁷¹ Exhibit P (Email Acknowledgement from CBI re Grisham).

⁷² The State does not seek restitution for Ms. Grisham. The delay in CBI's performance until after Ms. Grisham filed a complaint with the Office of the Arkansas Attorney General is evidence of CBI's pattern of violating the ADTPA.

Harassing Communications
Consumer 8 (Bettie Gongola)

102. Ms. Bettie Gongola is over the age of 60 years old and is an elder person under Ark. Code Ann. § 4-88-201(2).⁷³

103. Ms. Gongola started using a wheelchair in 2020 and needed a bathtub removed and replaced with a no-threshold shower system in her home to more safely bathe at home.⁷⁴

104. Ms. Gongola learned about CBI through an online advertisement. On or about July 7, 2020, Matt Shudivret, a representative of CBI, came to Ms. Gongola's house to discuss the bathtub removal and shower installation.⁷⁵

105. Ms. Gongola signed a contract for the bathroom remodel, but within one day of signing, she decided to cancel her contract.⁷⁶

106. CBI told her she could only cancel in writing, using a form that the CBI representative had not given her.⁷⁷

107. CBI and its agents called Ms. Gongola repeatedly in the months following, telling her she had to pay for the remodel anyway, and refusing to acknowledge cancellation. This contact eventually reached the point of harassment. For example, on one day alone in November 2020, CBI called her five times.⁷⁸

⁷³ Exhibit Q (Affidavit of Bettie Gongola), ¶ 1.

⁷⁴ *Id.*, ¶ 2.

⁷⁵ *Id.*, ¶ 3.

⁷⁶ *Id.*, ¶ 4.

⁷⁷ *Id.*, ¶ 5.

⁷⁸ *Id.*, ¶ 6.

108. On November 13, 2020, Ms. Gongola filed a complaint with the Office of the Arkansas Attorney General.⁷⁹

109. After the Office of the Arkansas Attorney General investigated and contacted CBI, CBI terminated their harassing contact with Ms. Gongola.⁸⁰

V. VIOLATIONS OF THE ARKANSAS DECEPTIVE TRADE PRACTICES ACT

110. The ADTPA sets forth the State's statutory program prohibiting deceptive and unconscionable practices in business, commerce, or trade. Ark. Code Ann. §§ 4-88-101 et seq.

111. A "person" is "an individual, organization, group, association, partnership, corporation, or any combination" thereof. Ark. Code Ann. § 4-88-102(5).

112. Defendants are "persons" engaged in an unconscionable, false, or deceptive act or practice in business, commerce, or trade.

113. "Services" means work, labor, or other things purchased that do not have physical characteristics. Ark. Code Ann. § 4-88-102(8).

114. The business practices of Defendants constitute the sale of "goods" and "services."

115. Defendants have, at all times relevant, engaged in business, commerce, or trade through the sale of goods or services in the State of Arkansas by providing home remodel services to Arkansans.

116. Violations of the ADTPA are subject to injunctive relief, including the suspension of a company or individual to conduct business in Arkansas, and monetary penalties of \$10,000 per violation, with another \$10,000 per violation for victims over the age of 60, as well as any

⁷⁹ *Id.*, ¶ 7.

⁸⁰ *Id.*, ¶ 8.

other measure necessary to prevent the same illegal practices from occurring. Ark. Code Ann. § 4-88-113.

COUNT 1: Defendants engaged in unconscionable, false, and deceptive acts or practices in violation of Ark. Code Ann. § 4-88-107(a)(10) by harassing and repeatedly calling a consumer who has cancelled a contract with Defendant.

117. Under the ADTPA, it is unlawful to engage in any “unconscionable, false, or deceptive act or practice in business, commerce, or trade.” Ark. Code Ann. § 4-88-107(a)(10).

118. An “unconscionable act” is one that “affronts the sense of justice, decency, or reasonableness.”⁸¹

119. Defendant’s practice of harassing and repeatedly calling a consumer who has attempted to cancel her contract is unconscionable.

120. Consumer Eight was a victim of Defendants’ violation of Ark. Code Ann. § 4-88-107(a)(10). This violation carries an additional penalty of up to \$10,000 as committed against an elder person. Ark. Code Ann. § 4-88-202(a).

COUNT 2: Defendants engaged in unconscionable, false, and deceptive acts or practices in violation of Ark. Code Ann. § 4-88-107(a)(10) by retaining consumer down payments despite failing to deliver goods and services.

121. Under the ADTPA, it is unlawful to engage in any “unconscionable, false, or deceptive act or practice in business, commerce, or trade.” Ark. Code Ann. § 4-88-107(a)(10).

122. An “unconscionable act” is one that “affronts the sense of justice, decency, or reasonableness.”⁸²

⁸¹ *Indep. Cnty. v. Pfizer, Inc.*, 534 F. Supp. 2d 882 (E.D. Ark. 2008), *aff’d sub nom. Ashley Cnty., Ark. v. Pfizer, Inc.*, 552 F.3d 659 (8th Cir. 2009) (citing *Baptist Health v. Murphy*, 365 Ark. 115, 226 S.W.3d 800, 811 (2006)).

⁸² *Id.*

123. Defendants' repeated practice of accepting consumer down payments and failing to deliver the promised goods and services in a reasonable time is unconscionable.

124. Defendants' refusal to refund consumer payments after failing to deliver goods and services in a reasonable time is unconscionable.

125. Consumers One through Seven identified in this complaint were victims of Defendants' violations of Ark. Code Ann. § 4-88-107(a)(10). Consequently, Defendants committed at least seven additional violations under Ark. Code Ann. § 4-88-107(a)(10). Six of these violations carries an additional penalty of up to \$10,000 as committed against an elder person. Ark. Code Ann. § 4-88-202(a).

COUNT 3: Defendants made misrepresentations in violation of Ark. Code Ann. § 4-88-108(a)(10) by claiming supply chain issues delayed contract performance when there were no actual supply-chain issues preventing performance.

126. Under the ADTPA, it is unlawful to engage in any "unconscionable, false, or deceptive act or practice in business, commerce, or trade." Ark. Code Ann. § 4-88-107(a)(10).

127. An "unconscionable act" is one that "affronts the sense of justice, decency, or reasonableness."⁸³

128. Defendants told Consumers One through Seven that it was delayed in performing the remodel contracts due to difficulty securing materials necessary for their contracts, often citing "supply chain" issues.

129. Upon information and belief, there was no actual difficulty securing materials and no "supply chain" issues.

130. Defendants' repeated assertion of a false excuse for its own delays in performance is unconscionable and a violation of Ark. Code Ann. § 4-88-107(a)(10).

⁸³ *Id.*

131. Consumers One through Seven identified in this complaint were victims of Defendants' violations of Ark. Code Ann. § 4-88-107(a)(10). Consequently, Defendants committed at least seven violations under Ark. Code Ann. § 4-88-107(a)(10). Six of these violations carry an additional penalty of up to \$10,000 as committed against an elder person. Ark. Code Ann. § 4-88-202(a).

COUNT 4: In the alternative, Defendants intentionally omitted material facts in violation of Ark. Code Ann. § 4-88-108(a)(2) by failing to inform consumers of the substantial delays in acquiring materials.

132. The ADTPA prohibits the "concealment, suppression, or omission of any material fact with intent that others rely upon the concealment, suppression, or omission." Ark. Code Ann. § 4-88-108(a)(2).

133. In the event that the supply-chain issues were legitimate, Defendants nevertheless concealed from consumers the fact that CBI consistently had difficulty securing materials necessary for their contracts.

134. Consumers may not have contracted with or made down payments to Defendants had they known about the difficulty in securing materials essential to performing the contracts.

135. Defendants' failure to disclose this material fact is a violation of Ark. Code Ann. § 4-88-108(a)(2).

136. Consumers One through Seven identified in this complaint were victims of Defendants' violations of Ark. Code Ann. § 4-88-108(a)(2). Consequently, Defendants committed at least seven violations under Ark. Code Ann. § 4-88-108(a)(2). Six of these violations carry an additional penalty of up to \$10,000 as committed against an elder person. Ark. Code Ann. § 4-88-202(a).

COUNT 5: Defendants engaged in unconscionable, false, and deceptive acts or practices in violation of Ark. Code Ann. § 4-88-107(a)(10) by presenting a forged signature as a consumer's signature on a document related to their contract.

137. Defendants presented a forged signature on a document titled "Notice of Cancellation" and purported it to be Ms. Jeanette Carters' signature.

138. Ms. Carter denies signing the document and states that the signature is not hers.

139. Presentation of a forged signature constitutes a violation of Ark. Code Ann. § 4-88-107(a)(10). Consequently, Defendants committed one violation under Ark. Code Ann. § 4-88-107(a)(10). This violation carries an additional penalty of up to \$10,000 as committed against an elder person. Ark. Code Ann. § 4-88-202(a).

VI. JURY DEMAND

140. The State demands a jury trial.

VII. REQUEST FOR RELIEF

The State of Arkansas respectfully requests that this Court:

141. Issue such orders, under Ark. Code Ann. §§ 4-88-104 and 4-88-113(a)(1), as may be necessary to prevent the use or employment by the Defendant of the practices described herein, which are violations of the ADTPA;

142. Issue an order, under Ark. Code Ann. § 4-88-113(a)(2)(A), requiring Defendants to pay consumer restitution to those consumers who suffered any ascertainable loss by reason of the use or employment of the prohibited practices; and in addition, or in the alternative, restore any real or personal property that may have been acquired by any unlawful practice, together with other damages sustained;

143. Impose civil penalties pursuant to Ark. Code Ann. § 4-88-113(b), to be paid to the State by the Defendants in the amount of \$10,000 per each violation. As set forth above, Defendants committed one violation against Consumer Eight, two violations each against

Consumers One through Seven, and one violation specific to Consumer Four (Count 5); therefore, this Court should impose civil penalties for each of the 16 identified violations of the ADTPA proved at a trial of this matter, for a total of \$160,000;

144. Impose an enhanced civil penalty of \$10,000 for each violation committed against the seven identified consumers in this complaint who are considered an elder person or a person with a disability under Ark. Code Ann. § 4-88-202(a), for an additional \$140,000 to be paid to the State by Defendants;


145. Issue an order, under Ark. Code Ann. § 4-88-113(e), requiring Defendants to pay the State's costs in this investigation and litigation, including, but not limited to, attorney's fees and costs;

146. Find that the Defendants are jointly and severally liable for any civil penalties and monetary judgments awarded under Ark. Code Ann. § 4-88-113(d); and

147. For all other just and proper relief to which the State may be entitled.

Respectfully submitted,

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