

**Virginia Manufactured Housing Board  
Minutes  
July 25, 2007**

- Board Members Present :** William H. Moody, Chairman  
Eric C. Anderson  
Walter K. Hughes, Sr.  
Ava Lewis  
James W. Roncaglione  
John M. Swecker, Jr.  
William B. Toombs
- Board Members Absent :** Michael C. Nickell, Vice Chairman  
Samantha Hedgspeth
- Public Representation :** Mike Reed, Care Free Home Sales,  
Chantilly, VA  
Roberta Butler, County of Fairfax, VA  
Ron Dunlap, VAMMHA  
Andy Gallagher, WVA MH Assoc.  
(Several people attended but did not speak)

**A. Call to Order/Roll Call/Determination of a Quorum.**

The Virginia Manufactured Housing Board meeting was held in Virginia Beach, Virginia, Wednesday, July 25, 2007. Chairman Moody called the meeting to order at 1:00 p.m. Curtis L. McIver, Secretary to the Board performed the Roll Call and a Quorum was present.

**B. Approval of the Minutes.**

A motion was made by James Roncaglione and seconded by John M. Swecker to accept the Minutes from the Board's meeting of May 17, 2007. The Minutes were accepted as written by a unanimous vote.

**C. Public Comment.**

Ron Dunlap, VAMMHA, thanked the board for attending the annual Virginia Manufactured and Modular Housing Association Convention in Virginia Beach. Mr. Dunlap introduced Mr. Andy Gallagher, from the West Virginia Manufactured Housing Association, here to observe how the Virginia Manufactured Housing Board operates for a future model to be utilized in West Virginia.

Mr. Dunlap also thanked the Board for the DVD that was developed for the Virginia Manufactured and Modular and Housing Association that will be posted to their web site in about two weeks. The DVD will cover questions and answers about the Virginia Manufactured Housing Board and how it works for the public.

**D. Committee Reports.**

None.

**E. Report of the Secretary.**

**1. Licenses and Recovery Fund Reports.**

The cash balance in the Licensing Account is \$38,264.72. The cash balance in the Transaction Recovery Fund Account is \$977,410.23.

Currently licensed are 5 brokers, 238 dealers, 41 manufacturers and 748 salespersons in the program.

**2. Tazewell Housing, Inc.**

We received the license application from a company called Tazewell Housing and in reviewing the license application Ms. Randolph realized that this was the same address as another dealer that we had licensed. Ms. Randolph contacted Tazewell Housing and it turns out that it was the same principals that have run a dealership called Sav-A-Lot Homes. After further discussion with Tazewell Housing, we discovered that Sav-A-Lot Homes had filed bankruptcy and was going through Chapter 11 Dissolutions and the same principals in that company had formed Tazewell Housing. A few years ago, we tried to amend the Regulations to include in language that the Contractor's Board has in their Regulations. The language states if you are a Principal Officer in a company that files bankruptcy that could affect you being able to get a license under another company name. The Attorney General's Office refused to allow us to include that language because we did not have the statutory authority and that the Contractor's Board had specific legislation that allowed them to do that. Our Regulations are specific on the reasons that you can deny, revoke or suspend the license. There is nothing in the Regulations or in our law that allows a license to be denied because a company files bankruptcy. A letter of explanation received from the attorney included in your package explains the bankruptcy. A lawsuit was presented and their attorney did not respond to the lawsuit, so the Judge entered a Default Judgment. The lawyer tried to appeal it and was denied so the judgment was left against them.

The judgment that was issued against the dealer was for \$69,500.00 plus interest, plus court cost. Instead of paying the amount, Sav-A-Lot Homes filed bankruptcy and applied for a license under Tazewell Housing, Inc. After discussions with Eric Gregory in the Office of the Attorney General, he advised that we did not have any defensible grounds on which to deny the license. We issued the license to Tazewell Housing, Inc. Ron Dunlap requested the language to be presented to a Sponsor to introduce a bill to change the law and the Regulations. After much discussion, a motion was made by Walter Hughes asking the Virginia Manufactured and Modular Housing Association to put fourth the same legislation that the Contractor's Board has. The motion was seconded by James Roncaglione and the motion carried by unanimous vote.

Curtis L. McIver also informed the Board that this information will be carried to the agency to let the Director know what's going on as well.

### 3. Web Site Video Requested by VAMMHA.

The DVD was sent to the VAMMHA office for their web site and extra copies were made for public service announcements.

## F. Unfinished Business.

### 1. Jackson M. H. Service v. WMJ Mobile Homes, LLC.

Due to an oversight, a copy of the Final Order that was sent to Nelson P. Jackson was not sent to John White until July 16, 2007. Legally and technically John White has 30 days to comply from the date he receives the order. Since the order was not paid within 30 days from the date it was entered, we paid Nelson P. Jackson out of the Transaction Recovery Fund. We notified John White that he owes the State and not Mr. Jackson. According to the Attorney General's Office, we technically could not take his license until 30 days from July 16, 2007. Mr. White has been informed that he owes the State and if not paid, we will pick up his license on August 16, 2007. We have another issue with Mr. White that's not on the agenda. A lady purchased a house from him, paid him, but did not receive a title. She had to go to DMV to pay the taxes that were included with the contract. He gave her a check the first part of July but asked her not to cash it until July 20, 2007. Now, he is asking her not to cash it until this Friday, July 27, 2007. So, those are the things we are coming against. We will monitor Mr. White and if he does not pay the State, we will pull his license in August. A motion was made by Walter K. Hughes agreeing to the above actions and seconded by James W. Roncaglione. Chairman Moody called the question and the motion carried by unanimous vote.

## **Completed Agenda Items.**

A list of the completed agenda items was provided to the Board. An updated payout list was provided with all payments made from the Transaction Recovery Fund. A total of \$338,642.36 has been paid out since the beginning of the program which includes the homeowners and the businesses that were reimbursed for things that were left undone or damages recovered. So, the Transaction Recovery system does work.

### **G. New Business.**

#### **1. Bertha E. Peppenger (Dinia Pizzino) v. Fleetwood Homes of Virginia and Crews Home Sales.**

James Roncaglione made a motion to send this case to fact finding. The motion was seconded by Ava Lewis. Curtis L. McIver, Secretary to the Board, mentioned since the Board package was sent out, the dealer did go out Monday to check the home for level. According to Ms. Pizzino, the home is leveled and she notified the manufacturer to ask if they are willing to come back or what are they planning to do. Chairman Moody called the question and the motion carried by unanimous vote. Mr. Hughes left the room when this agenda item come up and did not participate in the discussion.

#### **2. Care Free Home Sales, Chantilly, VA and Athens Home, Athens., TX.**

This case came to the attention of our Office by way of a potential buyer of a home from the dealership which is also a Park located in Chantilly, VA. The potential buyer had questions about a manufactured home that she had surveyed with the idea to purchase. Some of the questions that she raised about the conditions of the home led staff to conduct a lot inspection and an investigation. As a result of the investigation, it was determined that the 5 homes in question were in compliance with the HUD Standards and were designated for the correct zone. The investigation also revealed that some of the persons working for Care Free Home Sales were not licensed as sales persons. Management at Care Free has now obtained licenses for all salespersons.

It was also discovered that the homes did not come into Virginia from a distributor but directly from the plant in Texas that was not licensed in Virginia. The manufacturer in Texas, Athens Homes, indicated that they plan to submit an application to receive licenses. So, far that has not happened. Walter Hughes made a motion to state that the homes are not eligible for retail sale at this time and if the license is not received from the manufacturer in Texas that Athens Homes will be asked to re-purchase the homes.

Staff is to contact Athens Homes in TX, and inform them that unless a license is issued within 30 days, the homes are not eligible for resale in Virginia and they would be required to come and pick up the homes and make the dealer whole. The motion was seconded by John Swecker. Chairman Moody called the question and the motion carried by unanimous vote.

A motion was made by Eric Anderson for Athens Homes to be licensed in thirty days or we will have a hearing at the next Board meeting to implement any disciplinary actions. The motion was seconded by John Swecker. Chairman Moody called the question and the motion carried by unanimous vote.

3. Ms. Roberta Butler, County of Fairfax Department of Housing and Community Development.

On behalf of the Fairfax County Redevelopment and Housing Authority Ms. Butler requested that an exception be made to permit the Housing Authority to purchase and resell four manufactured homes without being deemed a manufactured home dealer. After much discussion about the reason for the request, the RFP by the County and the need for more affordable housing in Fairfax a motion was made by James Roncaglione to grant the County of Fairfax the exemption of requiring them to obtain a dealer license according to the regulations for these four units provided that the homes are purchased from a dealer or manufacturer licensed to do business in Virginia. The motion was seconded by Walter Hughes. Chairman Moody called the question and the motion carried by a vote of six for and one opposed. Mr. Anderson cast the "no" vote.

4. Larry and Phyllis Sergent v Indies Signature Homes, Hackleburg, AL.

A motion was made by James Roncaglione for staff to schedule an Informal Fact-finding Conference on the claims of Larry and Phyllis Sergent against Indies Homes, Hackleburg, AL and report the findings to the Board at its next meeting which is scheduled for September 20, 2007. The motion was seconded by Eric Anderson. Chairman Moody called the question and the motion carried by unanimous vote

5. Kenneth and Brenda Hillman v. Indies Signature Homes, Hackleburg.

A motion was made by James Roncaglione for staff to schedule an Informal Fact-finding Conference on the claims of Kenneth and Brenda Hillman against Indies Homes, Hackleburg, AL and report the findings to the Board at its next meeting which is scheduled for September 20, 2007. The motion was seconded by Eric Anderson. Chairman Moody called the question and the motion carried by unanimous vote

**6. License application – Keith Darrell Wyatt, Crews Mobile Homes.**

**Mr. Keith Darrell Wyatt met with Curtis L. McIver prior to the Board meeting. After much discussion, a motion was made by Eric Anderson and seconded by John Swecker to grant a salesperson's license to Mr. Keith Darrell Wyatt. Chairman Moody called the question and the motion carried by a unanimous vote to grant Keith Darrell Wyatt a salespersons license.**

**H. Next Meeting Date and Location.**

**The next meeting date and location of the Virginia Manufactured Housing Board is scheduled for September 20, 2007 in Richmond, Virginia.**

**I. Adjournment.**

**The Virginia Manufactured Housing Board Meeting adjourned at 2:45 p.m. on by a motion made by Eric Anderson and seconded by Eva Lewis. The motion carried by a unanimous vote.**

**Approved by vote of the Board members during the Board meeting on September 20, 2007**