

IN THE COURT OF COMMON PLEAS
ROSS COUNTY, OHIO

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13th CI 152

STATE OF OHIO, ex rel.)
MICHAEL DEWINE)
ATTORNEY GENERAL OF OHIO)
30 E. Broad St., 14th Floor)
Columbus, Ohio 43215)

Plaintiff,)

v.)

MIDOHIO BUILDINGS, INC.)
Doing business as:)
MUSTANG BUILDINGS CORPORATION)
138 Marietta Pike, Suite A)
Chillicothe, Ohio 45601)

and)

MARK REESE, Individually)
And as Principal and CEO of)
MIDOHIO BUILDINGS, INC.)
1872 Vollmar Road)
Chillicothe, Ohio 45601)

Defendants,)

and)

SOUTHERN HILLS COMMUNITY CHURCH INC.)
7047 State Route 180)
Kingston, Ohio 45644)

Relief Defendant.)

CASE NO.)
ROSS COUNTY COMMON PLEAS)
CLERK OF COURTS)
TY D. LINTON)
JUDGE NUSBAUM)

COMPLAINT AND REQUEST
FOR DECLARATORY RELIEF,
INJUNCTIVE RELIEF,
RESTITUTION, CIVIL
PENALTIES AND
DISGORGEMENT OF EARNED
FUNDS

JURISDICTION AND VENUE

1. Plaintiff, State of Ohio, by and through the Attorney General of Ohio, Michael DeWine, having reasonable cause to believe that violations of Ohio's consumer laws occurred, brings this action in the public interest and on behalf of the State of Ohio under the authority vested in him by R.C. 1345.07.

2. The actions of the Defendants MidOhio, Mustang, and Reese, hereinafter described, occurred in Ross County and other counties in the State of Ohio, and as set forth below, are in violation of the Consumer Sales Practices Act (“CSPA”), R.C. 1345.01 et seq. and its Substantive Rules, Ohio Administrative Code (“OAC”), 109:4-3-01 et seq.
3. Jurisdiction over the subject matter of this action lies with this Court pursuant to R.C. 1345.04 of the CSPA.
4. This Court has venue to hear this case pursuant to Ohio Civ. R. 3(B)(1-3) in that Defendants MidOhio, Mustang, and Reese reside in Ross County, had the principal place of business in Ross County and conducted activity which gave rise to the claims for relief in several counties in the State of Ohio, including Ross County.

STATEMENT OF FACTS

5. Defendant MidOhio Buildings, Inc. (“MidOhio”) is an Ohio corporation, which was registered with the Ohio Secretary of State as a for-profit corporation on February 23, 2009.
6. Defendant Mustang Buildings Corporation (“Mustang”) is a fictitious business name of MidOhio Buildings, Inc. which was registered with the Ohio Secretary of State on December 15, 2009.
7. Defendant Mark A. Reese (“Reese”) is an individual who resides at 1872 Vollmar Road, Chillicothe, Ohio 45601, which is situated in Ross County. Reese is the Principal and Chief Executive Officer of the corporate Defendant MidOhio.
8. While acting as Principal and Chief Executive Officer of MidOhio, Defendant Reese, at all relevant times, had full dominion and control of MidOhio by controlling the policies, procedures, and activities of MidOhio. Reese committed, allowed, directed, ratified, participated in, or otherwise caused the unlawful acts and practices set forth below to occur.

9. The last principal place of business for Defendants MidOhio and Mustang was 138 Marietta Pike, Suite A, Chillicothe, Ohio 45601, which is situated in Ross County.
10. Relief Defendant Southern Hills Community Church, Inc. (“SHCC”) is an Ohio corporation, which was registered with the Ohio Secretary of State as a non-profit corporation on June 30, 2010. Its principal place of business is 7047 State Route 180, Kingston, Ohio 45644. Defendant Reese is a Director of the non-profit corporation, and Founder and Senior Pastor of SHCC.
11. Pursuant to Civ. R. 20(A), SHCC is joined as a relief defendant in that SHCC received funds or assets from Defendants MidOhio, Mustang, and Reese which can be traced directly to the Defendants’ unfair, deceptive, or unconscionable acts or practices as alleged below. SHCC does not have a legitimate claim to the funds or assets received from the Defendants.
12. Defendants MidOhio, Mustang, and Reese (collectively as “Defendants”) are “suppliers” as defined in R.C. 1345.01(C) because Defendants are, and were, at all times relevant hereto, engaged in the business of effecting consumer transactions, either directly or indirectly, by soliciting or selling goods or services to consumers for purposes that were primarily for personal, family or household use, within the meaning specified in R.C. 1345.01(A).
13. Defendants MidOhio, Mustang, and Reese were, at all times relevant hereto, engaged in the business of constructing and repairing residential homes and buildings for Ohio consumers.
14. Defendants MidOhio, Mustang, and Reese solicited consumers to enter into transactions and made written or verbal representations as to the characteristics of the Defendants’ goods and/or services and the applicable timeframes in which Defendants would provide the goods and/or services.
15. At times, Defendants MidOhio, Mustang, and Reese operated without building permits and/or licenses as required by local governmental authorities and proceeded with construction knowing the proper inspections had not been done.

16. At times, Defendants MidOhio, Mustang, and Reese failed to complete construction projects as promised.
17. At times, Defendants MidOhio, Mustang, and Reese performed shoddy or unworkmanlike services, including work that failed to pass inspections required by local governmental authorities.
18. At times, Defendants MidOhio, Mustang, and Reese accepted significant down payments from consumers for services to be performed and failed to do any work at all and/or ceased work after performing a minimal percentage of the work.
19. Defendants MidOhio, Mustang, and Reese failed to respond to repeated calls from consumers whose construction projects had not yet started, were left uncompleted, or had been completed in a shoddy and unworkmanlike manner.
20. Defendants MidOhio, Mustang, and Reese were experiencing financial problems, but continued to enter into contracts with consumers for the construction and repair of residential homes and buildings while knowing of their financial precarious situation.
21. Defendants MidOhio, Mustang, and Reese made false and misleading statements to consumers, including statements that the Defendants would send representatives to consumers' homes to work on the projects, statements that the Defendants would be able to complete the projects, and statements that projects would be finished within a specified timeframe.
22. Defendants MidOhio, Mustang, and Reese misappropriated customer funds by making a minimum of Ten Thousand Dollars (\$10,000) in payments from their business account directly to or for the benefit of Relief Defendant SHCC. Defendant Reese was in a position to be on the giving and receiving end of the donations. Defendant Reese paid money from his construction business for the benefit of or directly to Relief Defendant SHCC, where Defendant Reese is the Director, Founder and Senior Pastor. During this same timeframe,

Defendant Reese received payments from Relief Defendant SHCC in excess of Thirteen Thousand Dollars.

23. Defendants MidOhio, Mustang, and Reese ceased their business operations without completing work as paid for by consumers and failed to provide refunds to consumers for partial, incomplete, or shoddy work.

CAUSES OF ACTION
VIOLATIONS OF THE CSPA

COUNT ONE
FAILURE TO DELIVER

24. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in Paragraphs One through Twenty-Three (1-23) of this Complaint.
25. Defendants MidOhio, Mustang, and Reese committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and O.A.C. 109:4-3-09 by accepting money from consumers for goods or services, failing to make full delivery of the promised goods or services, and failing to provide a refund.

COUNT TWO
PRECARIOUS FINANCIAL SITUATION

26. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in Paragraphs One through Twenty-Three (1-23) of this Complaint.
27. Defendants MidOhio, Mustang, and Reese committed unfair, deceptive or unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and R.C. 1345.03(A) by accepting money from consumers when Defendants knew or should have known that, due to their precarious financial situation, consumers would not receive the goods or services for which they paid.

28. Such acts and practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed said violation after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT THREE
SHODDY AND UNWORKMANLIKE SERVICES

29. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in Paragraphs One through Twenty-Three (1-23) of this Complaint.

30. Defendants MidOhio, Mustang, and Reese committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.02(B)(2)(5) by representing that their work would meet a certain standard, quality, or style when it did not and by performing shoddy, substandard, and unworkmanlike services and then failing to correct such work.

31. Such acts and practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed said violation after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT FOUR
MAKING MISLEADING STATEMENTS

32. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in Paragraphs One through Twenty-Three (1-23) of this Complaint.

33. Defendants MidOhio, Mustang, and Reese committed unconscionable acts or practices in connection with consumer transactions in violation of R.C. 1345.03(A), as set forth in R.C. 1345.03(B)(6) by making misleading statements of opinions upon which consumers relied to their detriment.

34. Such acts and practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed said violation after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT FIVE
PROVIDING SERVICES WITHOUT PROPER PERMITS OR FAILING
TO COMPLY WITH LOCAL BUILDING ORDINANCES

35. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in Paragraphs One through Twenty-Three (1-23) of this Complaint.
36. Defendants MidOhio, Mustang, and Reese committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02 by failing to obtain permits or licenses prior to performing services as required by local governmental authorities prior to performing construction services.
37. Defendants MidOhio, Mustang, and Reese committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02 by failing to comply with building and inspection regulations as required by local governmental authorities.
38. Such acts and practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed said violation after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT SIX
DISGORGEMENT OF FUNDS FROM THE RELIEF DEFENDANT

39. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in Paragraphs One through Twenty-Three (1-23) of this Complaint.
40. Relief Defendant SHCC has received funds or assets from the Defendants which were funds received from consumers as a result of the Defendants' unfair, deceptive or unconscionable acts or practices beyond which SHCC would have any legitimate entitlement to or interest.
41. Relief Defendant SHCC should be required to disgorge those funds or the value of those funds that it received from the acts or practices of the Defendants that constitute violations of the CSPA.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court grant the following relief:

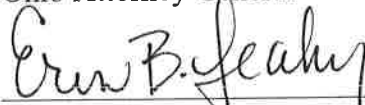
- A. DECLARE that each act or practice complained of herein violates the CSPA, R.C. 1345.01 et seq. and its Substantive Rules, O.A.C. 109:4-3-01 et seq. in the manner set forth in the Complaint.
- B. ISSUE a permanent injunction prohibiting Defendants MidOhio, Mustang, and Mark Reese, doing business under any other name(s), their agents, partners, representatives, salespersons, employees, successors and assigns and all persons acting in concert and participation with them, directly or indirectly, through any corporate device, partnership or association, in connection with any consumer transaction, from committing any unfair, deceptive or unconscionable acts or practices which violate the CSPA, R.C. 1345.01 et seq. and its Substantive Rules, Ohio Adm. Code 109:4-3-01 et seq. including, but not limited to, violations of the specific statutes and rules alleged to have been violated herein.
- C. ORDER such relief as the Courts finds necessary to redress injury to consumers resulting from Defendants' violations of the CSPA, including, but not limited to, rescission, restitution and disgorgement of unearned monies.
- D. ORDER Relief Defendant to disgorge all funds and assets, or the value of the benefit received from the funds or assets, which were received from the Defendants.
- E. ASSESS, FINE and IMPOSE upon Defendants MidOhio, Mustang, and Reese a civil penalty of Twenty-Five Thousand Dollars (\$25,000.00) for each separate and appropriate violation described herein pursuant to R.C. 1345.07(D).
- F. ISSUE an injunction prohibiting Defendants MidOhio, Mustang, and Reese from engaging in business as a supplier in any consumer transaction in the State of Ohio until such time as they have satisfied all monetary obligations due hereunder.
- G. ORDER Defendants MidOhio, Mustang, and Reese jointly and severally liable for all monetary amounts awarded herein.

H. ORDER Defendants MidOhio, Mustang, and Reese to pay all court costs associated with this matter.

I. GRANT such other relief as the court deems to be just, equitable, and appropriate.

Respectfully submitted,

MICHAEL DEWINE
Ohio Attorney General



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