

IN THE COURT OF COMMON PLEAS
WARREN COUNTY, OHIO

COMMON PLEAS COURT
WARREN COUNTY, OHIO
FILED

14 DEC 16 AM 8:49

CLERK OF COURTS
J. SPAE TH

STATE OF OHIO ex rel. ATTORNEY
GENERAL MICHAEL DEWINE
441 Vine Street, 1600 Carew Tower
Cincinnati, Ohio 45202

Case No.

14CV86598

Plaintiff,

v.

MOLD FOUNDATION SPECIALIST, LLC
c/o Scott Stidham
2287 Hibiscus Drive
Loveland, Ohio 45140

Judge

Peeler

and

SCOTT STIDHAM, individually,
and d.b.a. Mold Foundation Specialists
2287 Hibiscus Drive
Loveland, Ohio 45140

Defendants.

**COMPLAINT FOR DECLARATORY
JUDGMENT, INJUNCTIVE RELIEF,
RESTITUTION AND CIVIL
PENALTIES**

JURISDICTION AND PARTIES

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 protection laws have 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. 1345.01 *et seq.*
2. Defendants Mold Foundation Specialist, LLC and Scott Stidham ("Defendants") have a principal place of business at 2287 Hibiscus Drive, Loveland, Ohio 45140.
3. The actions of Defendants, hereinafter described, have occurred in multiple counties in the State of Ohio, including Warren County, and as set forth below, are in violation of the

Consumer Sales Practices Act (“CSPA”), R.C. 1345.01, *et seq.* and the Home Solicitation Sales Act (“HSSA”), R.C. 1345.21 *et seq.*

4. Defendants are “suppliers,” as that term is defined in R.C. 1345.01(C), as they engaged in the business of effecting “consumer transactions” by soliciting consumers for the repair, construction, assembly and/or installation of various home improvement products for a fee, within the meaning of R.C. 1345.01(A).
5. Defendants, as described below, were at all relevant times hereto “sellers” engaged in the business of effecting home solicitation sales by soliciting and selling home improvements to “buyers” at the buyers’ personal residences in the State of Ohio, Warren County and various other counties, for purposes that were primarily personal, family or household within the meaning specified in R.C. 1345.21(A) and (E).
6. Jurisdiction over the subject matter of this action lies with this Court pursuant to R.C. 1345.04 of the CSPA.
7. This Court has venue to hear this case pursuant to Ohio Civ. R. 3(B)(3) and (6).

STATEMENTS OF FACTS

8. Defendant Stidham is an individual doing business in Ohio as Mold Foundation Specialist and has a principle place of business at 2287 Hibiscus Drive, Loveland, Ohio 45140.
9. Defendant Mold Foundation Specialist, LLC is a Nevada corporation registered to do business with the Ohio Secretary of State.
10. Defendant Stidham at all times pertinent hereto directed and controlled all business activities of Mold Foundation Specialist LLC, including the solicitation for sale and sale of home improvement services.

11. Defendant Stidham controlled and directed the business activities and sales conduct of Mold Foundation Specialist LLC, causing, personally participating in, or ratifying the acts and practices of Mold Foundation Specialist LLC as described in the Complaint.
12. Defendants solicited consumers and accepted payments for the repair or construction of various home improvement services within multiple counties in Ohio, including Warren County.
13. Defendants solicited and sold home improvement goods and services at the residences of buyers.
14. Defendants advertise their services via their website www.moldfoundationspecialist.com.
15. Defendants' website includes claims that they have failed to substantiate.
16. The Defendants' website states that they are "EPA Registered – Pet and Child Friendly Solutions" and "Certified Mold Technician."
17. The Defendants' website previously stated that they were a "Certified Water Damage Specialist."
18. On September 19, 2014, the Attorney General issued a Request for Substantiation pursuant to O.A.C. 109:4-3-10 to Defendants regarding their advertising claims and Defendants failed to provide substantiating information.
19. Defendants do not have a retail business establishment having a fixed permanent location where the goods are exhibited or the services are offered for sale on a continuing basis.
20. Defendants did not notify consumers of their cancellation rights nor did they provide consumers with a notice of cancellation.

21. Defendants accepted monetary deposits from consumers for the purchase of home improvement goods and services and failed to deliver those goods and services and have refused to refund consumers' deposits or payments.
22. Defendants performed substandard and shoddy work in providing home improvement services.
23. After receiving payment, Defendants would sometimes begin to provide home improvement services, but often failed to complete the work.
24. Defendants' failure to perform contracted home improvement services in a proper manner has resulted in harm to consumers and required the consumers to pay additional money to have the Defendants' work corrected and/or to complete the work the Defendants were supposed to do.
25. Defendants operated their business and continued to solicit consumers and engage in consumer transactions in Ohio as suppliers while there were one or more unpaid Ohio civil judgments against them which arose from prior consumer transactions.

COUNT I - FAILURE TO DELIVER

26. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in preceding paragraphs.
27. Defendants committed unfair or deceptive acts and practices in violation of the Failure to Deliver Rule, O.A.C. 109:4-3-09(A), and the CSPA, R.C. 1345.02(A), by accepting money from consumers for goods or services and then permitting eight weeks to elapse without making shipment or delivery of the goods or services ordered, making a full refund, advising the consumer of the duration of an extended delay and offering to send a

refund within two weeks if so requested, or furnishing similar goods or services of equal or greater value as a good faith substitute.

COUNT II – PERFORMING UNFAIR AND/OR DECEPTIVE ACTS

28. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in preceding paragraphs.
29. Defendants committed unfair or deceptive acts and practices in violation of the CSPA, R.C. 1345.02(A), by performing substandard work and then failing to correct such work.
30. Defendants committed unfair or deceptive acts and practices in violation of the CSPA, R.C. 1345.02(A), by engaging in consumer transactions in Ohio as suppliers while one or more unpaid civil judgments against the Defendants remain unpaid.
31. The acts and practices described above have been previously determined by Ohio courts to violate the CSPA. Defendants committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(B)(2).

COUNT III – FAILURE TO SUBSTANTIATE ADVERTISING CLAIMS

32. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in preceding paragraphs.
33. Defendants committed unfair and deceptive acts or practices in violation of the Substantiation of Claims in Advertising Rule, O.A.C. 109:4-3-10(B), and the CSPA, R.C. 1345.02(A), by failing, upon the written request of the Attorney General or his representative, to produce within a reasonable time period specified, written substantiating documentation, tests, studies, reports, or other data in the possession of the supplier at or prior to the time that representations, claims, or assertions are made about the supplier or the supplier's goods or services.

34. The acts and practices described above have been previously determined by Ohio courts to violate the CSPA. Defendants committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(B)(2).

COUNT IV – VIOLATIONS OF THE HOME SOLICITATION SALES ACT

35. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in preceding paragraphs.

36. Defendants violated the HSSA, R.C. 1345.23(B), by failing to give proper notice to consumers of their right to cancel their contract by a specific date and by failing to give consumers a cancellation form.

37. The acts and practices described above have been previously determined by Ohio courts to violate the CSPA. Defendants committed said violation after such decisions were available for public inspection pursuant to R.C. 1345.05(B)(2).

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 in the manner set forth in the complaint.
- B. ISSUE a Permanent Injunction enjoining the Defendants, their agents, employees, successors or assigns, and all persons acting in concert and participation with them, directly or indirectly, through any corporate device, partnership, or other association, under these or any other names, from engaging in the acts and practices of which Plaintiff complains and from further violating the CSPA, R.C. 1345.01 *et seq.*, and the HSSA, R.C. 1345.21 *et seq.*
- C. ORDER Defendants to reimburse all consumers found to have been damaged by the Defendants' unlawful actions.

- D. ASSESS, FINE and IMPOSE upon Defendants a civil penalty of Twenty-Five Thousand Dollars (\$25,000.00) for each separate and appropriate violation of the CSPA, described herein pursuant to R.C. 1345.07(D).
- E. ORDER that all contracts entered into between Defendants and Ohio consumers by unfair or deceptive acts or practices and in violation of the HSSA be rescinded with full restitution to the consumers.
- F. PROHIBIT Defendants, as a means of insuring compliance with this Court's Order and with the consumer protection laws of Ohio, from engaging in consumer transactions in this state as Suppliers until such time as Defendants have satisfied all monetary obligations ordered pursuant to this litigation.
- G. GRANT Plaintiff its costs incurred in bringing this action.
- H. ORDER Defendants 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
Attorney General



ERIC M. GOODING (0086555)
Assistant Attorney General
441 Vine Street, 1600 Carew Tower
Cincinnati, Ohio 45202
Phone: (513) 852-1527
Fax: (877) 381-1751
Eric.Gooding@ohioattorneygeneral.gov
JEFFREY R. LOESER (0082144)
30 East Broad Street, 14th Floor
Columbus, Ohio 43215
614-466-1305 (telephone)
877-650-4712 (fax)
Jeff.Loeser@ohioattorneygeneral.gov
Counsel for Plaintiff, State of Ohio