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SUPERIOR COURT
OF NEW JERSEY

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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION, ATLANTIC COUNTY
DOCKET NO. ATL-C- 13-17

CHRISTOPHER S. PORRINO, Attorney General of the State of New Jersey, and SHARON M. JOYCE, Acting Director of the New Jersey Division of Consumer Affairs,

Plaintiffs,

v.

WERKS INTENDED LIMITED LIABILITY COMPANY d/b/a McALLISTER BUILDING GROUP; LAWRENCE McALLISTER, III a/k/a TRE McALLISTER, individually and as owner, officer, director, founder, member, manager, employee, servant, agent, and/or representative of WERKS INTENDED LLC d/b/a McALLISTER BUILDING GROUP; MONICA McALLISTER, individually and as owner, officer, director, shareholder, founder, member, manager, employee, servant, agent, representative and/or independent contractor of WERKS INTENDED LLC d/b/a McALLISTER BUILDING GROUP; JANE AND JOHN DOES 1-20 individually and as owners, officers, directors, founders, members, managers, employees, servants, agents, representatives and/or independent contractors of WERKS INTENDED LLC d/b/a McALLISTER BUILDING GROUP, and XYZ CORPORATIONS 1-20,

Defendants.

Civil Action

COMPLAINT

Plaintiffs Christopher S. Porrino, Attorney General of the State of New Jersey ("Attorney General"), with offices located at 124 Halsey Street, Fifth Floor, Newark, New Jersey, and Sharon

M. Joyce, Acting Director of the New Jersey Division of Consumer Affairs (“Director”), with offices located at 124 Halsey Street, Seventh Floor, Newark, New Jersey, by way of Complaint state:

PRELIMINARY STATEMENT

1. In the wake of the devastation caused by Superstorm Sandy, it became necessary for homeowners across the State to repair and/or elevate their existing homes to protect them from future storms. For those homes too damaged to be saved, new homes had to be constructed. The Reconstruction, Rehabilitation, Elevation and Mitigation (“RREM”) Program was established by the New Jersey Department of Community Affairs (“DCA”) to provide grants to homeowners for, among other things, home elevation and new home construction.

2. At all relevant times, defendants Werks Intended LLC d/b/a McAllister Building Group (“MBG”), Lawrence McAllister, III a/k/a Tre McAllister, and Monica McAllister (collectively, “Defendants”) were engaged in the advertisement, offer for sale, sale and performance of various home improvements, home elevation services, and new home construction (“Construction Services”) in the State of New Jersey (“State” or “New Jersey”). Defendants were among the contractors hired by RREM Program grant recipients.

3. To date, the New Jersey Division of Consumer Affairs (“Division”) has obtained information concerning losses incurred by twenty-six (26) consumers regarding Defendants’ Construction Services. Their complaints have revealed multiple violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. (“CFA”), and the Contractors’ Registration Act, N.J.S.A. 56:8-136 et seq., as well as the regulations promulgated thereunder, specifically, the Regulations Governing Contractor Registration, N.J.A.C. 13:45A-17.1 et seq. (“Contractor Registration Regulations”), the Regulations Governing Home Elevation Contractors, N.J.A.C. 13:45A-17A.1 et seq. (“Home Elevation Regulations”), the Regulations Governing Home

Improvement Practices, N.J.A.C. 13:45A-16.1 et seq. (“Home Improvement Regulations”), and the Regulations Governing General Advertising, N.J.A.C. 13:45A-9.1 et seq. (“Advertising Regulations”). Among other things, these alleged violations arise from Defendants’ failure to: (a) include required information in or with home improvement contracts (e.g., a description of the principal products and materials to be used or installed and the terms and conditions affecting price, including the hourly rate for labor); (b) perform the contracted for Construction Services after receipt of RREM Program funds and/or other consumer payments; (c) correct damage to consumers’ homes that occurred during the performance of Construction Services; and (d) to make the necessary repairs to correct substandard home improvement work. The Attorney General and the Director commence this action to halt Defendants’ deceptive business practices and to obtain consumer restitution and other monetary relief.

PARTIES AND JURISDICTION

4. The Attorney General is charged with the responsibility of enforcing the CFA, the Contractors’ Registration Act, and the regulations promulgated thereunder, specifically the Contractor Registration Regulations, the Home Elevation Regulations, the Home Improvement Regulations and the Advertising Regulations. The Director is charged with the responsibility of administering the CFA, the Contractors’ Registration Act, the Contractor Registration Regulations, the Home Elevation Regulations, the Home Improvement Regulations, and the Advertising Regulations.

5. By this action, the Attorney General and Director (collectively, “Plaintiffs”) seek injunctive and monetary relief for violations of the CFA, the Contractors’ Registration Act, the Contractor Registration Regulations, the Home Elevation Regulations, the Home Improvement

Regulations, and the Advertising Regulations. Plaintiffs bring this action pursuant to their authority under the CFA, specifically N.J.S.A. 56:8-8, 56:8-11, 56:8-13 and 56:8-19.

6. Venue is proper in Atlantic County, pursuant to R. 4:3-2, because it is a county in which Defendants have maintained a business address and otherwise conducted business.

7. On or about November 9, 2010, Werks Intended LLC was incorporated by Monica McAllister (“M. McAllister”) in North Carolina with a business and mailing address of 2501 Wedgewood Drive, Charlotte, North Carolina 28210 (the “North Carolina Address”). The North Carolina Secretary of State assigned the company SOSID# 1174943 (“Werks 1174943”).

8. On or about November 13, 2012, Werks Intended LLC d/b/a McAllister Building Group was registered in New Jersey as a foreign limited liability company with an initial business address at the North Carolina Address. MBG subsequently maintained a business address at 1625 Somerset Avenue, Linwood, New Jersey 08221 (the “Linwood Address”) and then beginning in or about August 2015, at 501 Bay Avenue #201, Somers Point, New Jersey 08244 (the “Somers Point Address”). Upon information and belief, the office located at the Somers Point Address was the office consumers dealt with and is now closed. MBG’s current main business address is 804 Brighton Place, Ocean City, New Jersey, 08226.

9. On or about November 7, 2013, the North Carolina Secretary of State sent M. McAllister, as Registered Agent for Werks 1174943, a Notice of Grounds for Administrative Dissolution of the company for failure to file annual reports.

10. On or about December 13, 2013, M. McAllister filed Articles of Dissolution with the North Carolina Secretary of State, dissolving Werks 1174943 in North Carolina, effective June 30, 2013.

11. On or about May 21, 2014, M. McAllister submitted to the North Carolina Secretary of State, Articles of Organization for Werks Intended LLC with a business address at the Linwood Address. The North Carolina Secretary of State assigned the company SOSID# 1380531 (“Werks 1380531”).

12. On or about April 22, 2015, M. McAllister filed Articles of Dissolution with the North Carolina Secretary of State to dissolve Werks 1380531.

13. MBG’s current registered agent in the State is M. McAllister with a mailing address of 804 Brighton Place, Ocean City, New Jersey 08226.

14. At all relevant times, M. McAllister has been a member of MBG, as well as an owner, officer, director, founder, manager, employee, servant, agent, and/or representative of MBG and has controlled, directed and/or participated in the management and operation of MBG.

15. At all relevant times, Tre McAllister has been a member of MBG, as well as an owner, officer, director, founder, manager, employee, servant, agent, and/or representative of MBG and has controlled, directed and/or participated in the management and operation of MBG.

16. Upon information and belief, Tre McAllister and M. McAllister are married.

17. M. McAllister and Tre McAllister are listed as “authorized representatives” on the New Jersey Department of Treasury, Division of Revenue and Enterprise Services, Certificate of Registration for MBG.

18. John and Jane Does 1 through 20 are fictitious individuals meant to represent the owners, officers, directors, shareholders, founders, members, managers, agents, servants, employees, representatives and/or independent contractors of MBG who have been involved in the conduct that gives rise to this Complaint, but are heretofore unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Complaint to include them.

19. XYZ Corporations 1 through 20 are fictitious corporations meant to represent any additional business entities that have been involved in the conduct that gives rise to the Complaint, but are heretofore unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Complaint to include them.

GENERAL ALLEGATIONS COMMON TO ALL COUNTS

20. At all relevant times, MBG was hired by RREM Program grant recipients to perform home improvements, home elevation and new home construction.

21. Since at least December 28, 2012, Defendants have been engaged in the advertisement, offer for sale, sale and performance of home improvements in the State.

22. Since at least September 26, 2014, Defendants have been engaged in the advertisement, offer for sale, sale and performance of new home construction in the State.

23. Since at least November 25, 2014, Defendants have been engaged in the advertisement, offer for sale, sale and performance of home elevations in the State.

A. RREM Program:

24. The RREM Program, administered by DCA, consists of \$1.1 billion in federal funding provided through Community Disaster Block Grant Disaster Recovery funds allocated to New Jersey by the U.S. Department of Housing and Urban Development to help eligible New Jersey homeowners repair or rebuild their Superstorm Sandy-damaged homes.

25. The RREM Program provides grants to homeowners with an income of \$250,000.00 or less for activities necessary to restore their storm-damaged primary residences, including reconstruction, rehabilitation, elevation and/or other mitigation activities.

26. The RREM Program is open to homeowners whose primary residence is located in one of nine counties (Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean or

Union) and whose homes suffered a loss of at least \$8,000.00 or one foot of water on the first floor, as verified by the Federal Emergency Management Agency (“FEMA”) or its affiliates.

27. The RREM Program is intended to function as a bridge between the total cost of repairs and other funding the homeowner has received to repair or rebuild his/her home. The calculation of the RREM grant takes into consideration the cost of the repair or rebuilding and funds the homeowner has received from other sources, such as insurance, FEMA, and non-profit organizations. The RREM Program grant may not exceed \$150,000.00 per homeowner for construction. As of October 13, 2014, an additional RREM grant of up to \$15,000 was available to homeowners for design services.

28. The RREM Program Pathway B (“Pathway B”) is a program that allows eligible homeowners to select their own general contractor to repair or rebuild their home. The general contractor must be licensed and/or registered with the State and compliant with all State and Federal regulations applicable to the RREM Program.

29. To date, twenty-one (21) of the twenty-six (26) consumers who have submitted complaints to the Division contracted with Defendants as Pathway B Homeowners. These consumers received \$2,399,654.23 in RREM funds for renovations, new home construction and/or home elevations, which Defendants failed to perform in whole or in part. Out of that amount, \$1,491,540.50 in RREM funds were paid to Defendants. The identified RREM consumers as well as the RREM funds each consumer paid to Defendants is as follows:

Name	Amt. of RREM disbursed to consumer	RREM funds paid to Defendants	Out of Pocket to Defendants	Estimated Restitution to Date	Contracted-For Work
Andrade	\$130,390.00	\$130,390.00	\$24,900.00	\$155,290.00	Demo/New Home/Elevation
Arango/Restrepo	\$89,430.00	\$77,567.48	\$0	\$77,567.48	Demo/New Home/Elevation
Barahona	\$98,838.60	\$75,913.00	\$0	\$58,369.00	Elevation

Name	Amt. of RREM disbursed to consumer	RREM funds paid to Defendants	Out of Pocket to Defendants	Estimated Restitution to Date	Contracted-For Work
Calhoun	\$105,250.00	\$43,750.00	\$0	\$43,750.00	Renovation/Elevation
Campo	\$145,601.55	\$145,601.55	\$26,015.45	\$50,000.00	Renovation/Elevation
Chait	\$85,090.25	\$44,997.98	\$0	\$44,997.98	Elevation
Cordova	\$84,452.55	\$72,322.40	\$0	\$72,322.40	Renovation/Elevation
Farrell	\$137,026.11	\$96,500.00	\$0	\$60,000.00	Elevation
Flounders	\$81,500.00	\$46,558.00	\$0	\$17,679.00	Demo/New Home/Elevation
Golding	\$96,513.44	\$96,513.44	\$28,036.56	\$25,000.00	Elevation
Matos	\$150,000.00	\$55,619.25	\$0	\$55,619.25	Elevation
Morgan	\$142,065.00	\$128,191.90	\$0	\$128,191.90	Elevation
Mulligan	\$150,000.00	\$17,832.36	\$0	\$17,832.36	Elevation
Perez	\$64,338.49	\$48,008.31	\$0	\$48,008.31	Renovation/Elevation
Ramirez	\$140,026.40	\$33,168.75	\$30,000.00	\$63,168.75	Elevation
Reider	\$141,925.75	\$94,582.62	\$0	\$18,000.00	Elevation
Restrepo-Taborda	\$79,403.09	\$70,596.90	\$0	\$70,596.90	Demo/New Home/Elevation
Salkin	\$114,728.00	\$37,299.11	\$0	\$37,299.11	Renovate
Simons	\$135,000.00	\$80,519.70	\$0	\$46,802.50	Demo/New Home/Elevation
Slade	\$135,000.00	\$52,635.00	\$0	\$52,635.00	Elevation
Zheng Mai	\$93,075.00	\$42,972.75	\$0	\$42,972.75	Elevation
Totals	\$2,399,654.23	\$1,491,540.50	\$108,952.01	\$1,186,102.69	

B. LMI Program:

30. The LMI Program, administered by DCA, consists of \$40 million in federal funding provided through Community Development Block Grant-Disaster Recovery funds allocated to New Jersey by the U.S. Department of Housing and Urban Development, to help eligible New Jersey homeowners who did not apply to the RREM Program to repair or rebuild their Superstorm Sandy-damaged homes.

31. The LMI Program provides grants to homeowners with a verified household income not exceeding 80 percent of Area Median Income to assist in completing the necessary work to restore their storm-damaged primary residences, including reconstruction, rehabilitation, elevation and/or other mitigation activities and to make homes compliant with flood plain, environmental, and other State and local requirements.

32. Similar to the RREM Program, the LMI Program is open to homeowners whose primary residence is located in one of nine counties (Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean or Union) and whose homes suffered a loss of at least \$8,000 or one foot of water on the first floor as verified by FEMA or its affiliates.

33. Like RREM, the LMI Program is intended to function as a bridge between the total cost of repairs and other funding the homeowner has received to repair or rebuild his or her home. The LMI Program provides grants of up to \$150,000 to eligible applicants. As of October 13, 2014, an additional RREM grant of up to \$15,000 was available to homeowners for design services.

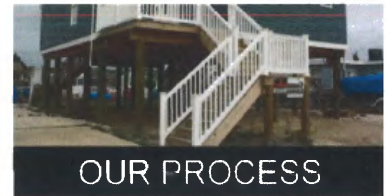
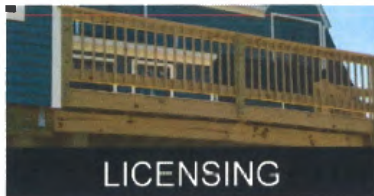
34. Two (2) out of the twenty-six (26) consumers who have submitted complaints to the Division to date contracted with Defendants as LMI grant recipients (3 consumers who submitted complaints were neither LMI nor RREM recipients). The LMI consumers with identified losses, as well as the funds each paid to Defendants, are as follows:

Name	Amt. of LMI disbursed to consumer	LMI funds paid to Defendants	Out of Pocket paid to Defendants	Estimated Restitution to Date	Contracted-For Work
Gandi	\$110,550.44	\$105,436.80	\$0	\$105,436.80	Elevation
Gonzalez	\$83,719.17	\$49,785.00	\$0	\$43,785.00	Demo/New Construction
Total	\$194,269.61	\$155,221.80	\$0.00	\$149,221.80	

C. Defendants' Website:

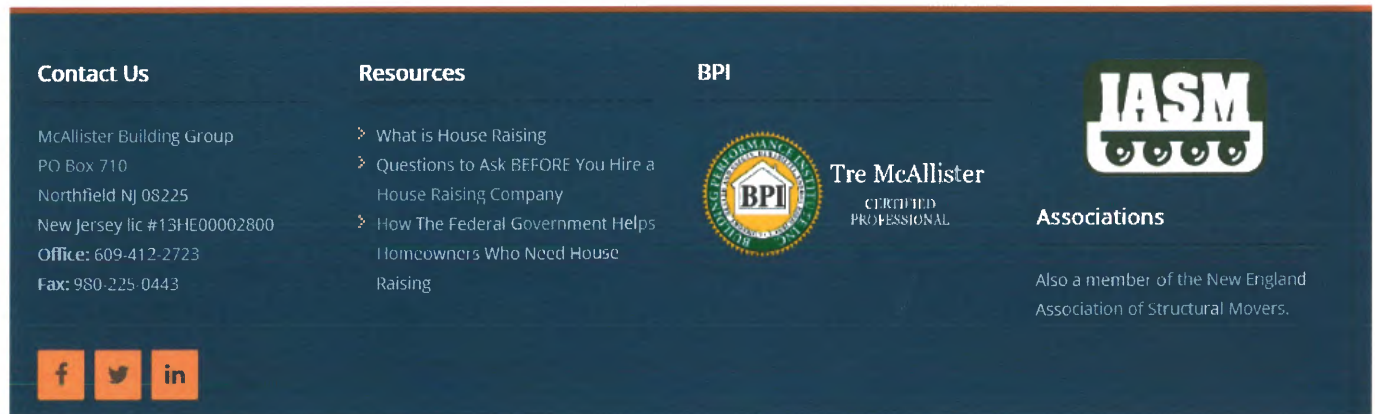
35. At all relevant times, Defendants advertised Construction Services at a website located at www.mcallisterbuildinggroup.com (“MBG Website”).

36. The bottom of the home page of the May 4, 2017 MBG Website contains a ribbon of information which appears as follows:




We look forward to assisting you during your house raising project. Please review our process and how to get started.


[Find Out More...](#)






Contact Us
McAllister Building Group
PO Box 710
Northfield NJ 08225
New Jersey lic #13HE00002800
Office: 609-412-2723
Fax: 980-225-0443

Resources
› What is House Raising
› Questions to Ask BEFORE You Hire a House Raising Company
› How The Federal Government Helps Homeowners Who Need House Raising

BPI
 Tre McAllister
CERTIFIED PROFESSIONAL

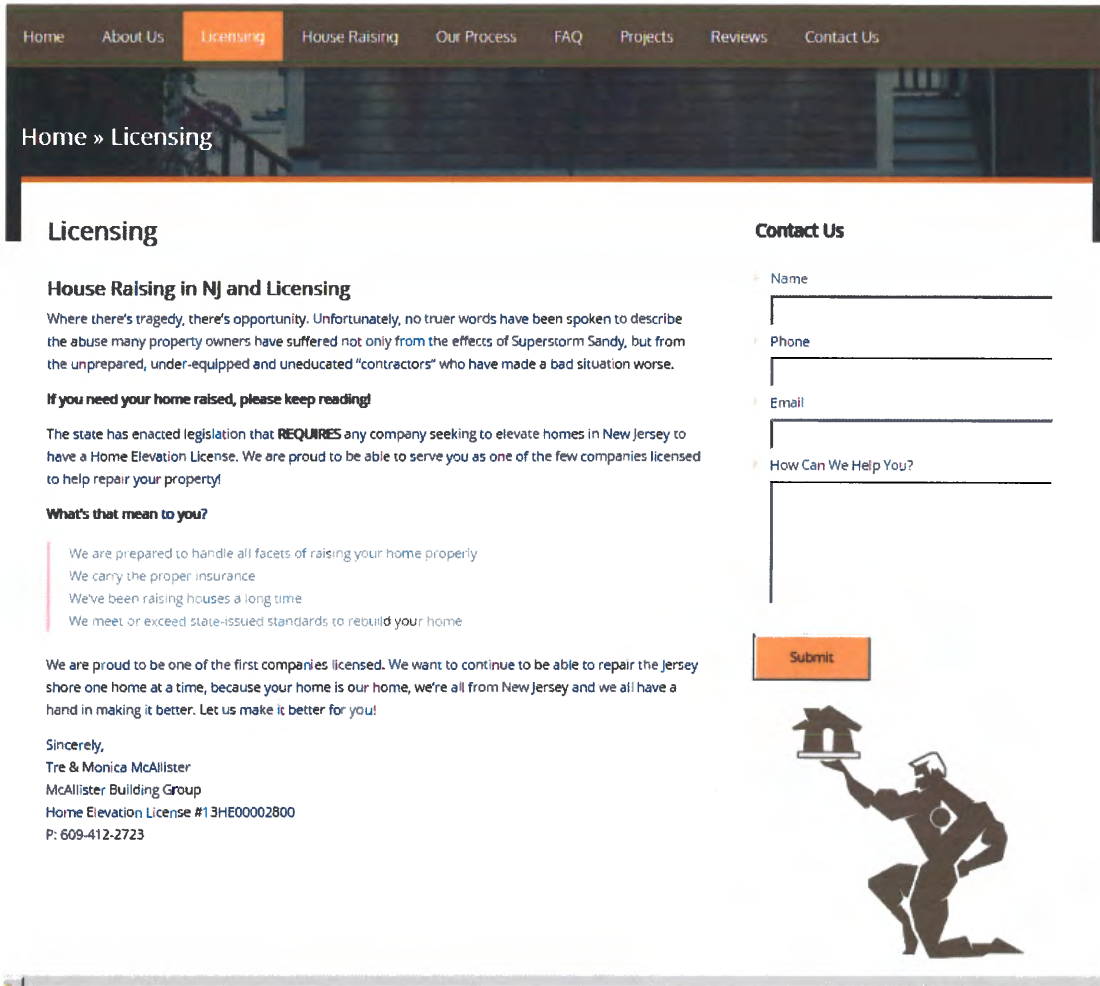
IASM

Associations
Also a member of the New England Association of Structural Movers.

37. This ribbon of information on the MBG Website home page, which is repeated on each page of the MBG Website, includes a depiction of the seal from the Building Performance Institute, Inc. and next to the seal it states:

Tre McAllister
Certified Professional.

38. The “Licensing” page, of the MBG Website, appears as follows:



39. The “Licensing” page of the MBG Website includes a letter to consumers from MBG and states in part:

House Raising in NJ and Licensing

Where there’s tragedy, there’s opportunity. Unfortunately, no truer words have been spoken to describe the abuse many property owners have suffered not only from the effects of Superstorm Sandy, but from the unprepared, under-equipped and uneducated “contractors” who have made a bad situation worse.

....

What’s that mean to you?

We are prepared to handle all facets of raising your home properly. . .

We meet or exceed state-issued standards to rebuild your home

.....

Sincerely,
Tre & Monica McAllister
McAllister Building Group.

40. The “Our Process” page of the May 4, 2017 MBG Website appears as follows:

Home » Our Process

Our Process

HOUSE RAISING PROCESS

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graph TD; subgraph Pre-Project; direction LR; P1[planning] --- P2[surveying] --- P3[engineering] --- P4[permitting]; end; subgraph Raising_Construction; direction LR; R1[raise] --- R2[foundation] --- R3[lower:attach] --- R4[decks/steps]; end; subgraph Interior; direction LR; I1[Interior]; end; Pre-Project --- Raising_Construction; Raising_Construction --- Interior;
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home sweet home

The McAllister Building Group prides itself on the easy, streamlined organization of our entire house raising process. We have created an efficient and timely process alleviating any lengthy and unnecessary waiting times.

The McAllister Building Group is a full-service house raiser and general contractor. We can take care of the whole project for you from grant assistance and house raising to exterior and interior finishing.

Our house raising process begins with the pre-project phase consisting of planning, surveying, engineering and permitting. We can take care of all of these stages for you, or assist you in completing any work you have started with your tradesperson.

The raising and construction phase is the core phase in which your home is raised. It begins with the raise, any necessary moving of your home and building of the foundation and floor system. We then move your home back onto the new foundation and re-attach it.

Our whole-house approach not only gives you back the home you had before the storm, but the opportunity to rebuild it with all your dreams in mind. We can care for all facets of your home repair including house raising, plumbing, electrical, additions and major remodeling.


Contact Us

Name

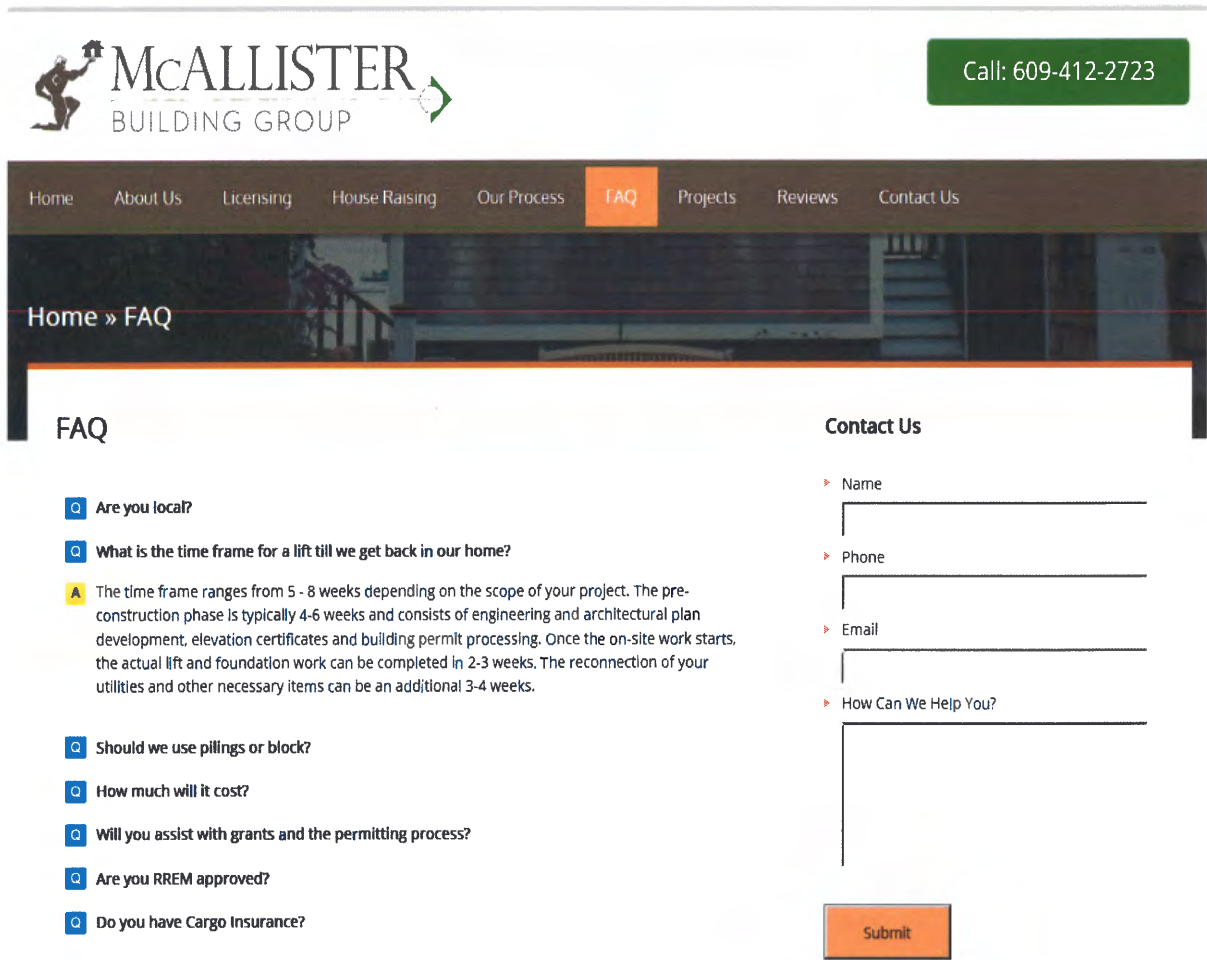
Phone

Email

How Can We Help You?



41. The “FAQ” page of the May 4, 2017 MBG Website appears, in part, as follows:



42. On this FAQ page, the MBG Website includes the following:

Q What is the time frame for a lift till we get back in our home?

A The time frame ranges from 5 – 8 weeks depending on the scope of your project. The pre-construction phase is typically 4-6 weeks and consists of engineering and architectural plan development, elevation certificates and building permit processing. Once the on-site work starts, the actual lift and foundation work can be completed in 2-3 weeks. The reconnection of your utilities and other necessary items can be an additional 3-4 weeks.

D. Home Improvement Contractor Registrations and New Home Builder Registration:

43. On or about November 26, 2012, Tre McAllister submitted to the Division a Home Improvement Contractor Application for Initial Registration (“HIC Application”) for MBG, for registration as a home improvement contractor (“HIC”) in the State.

44. On the HIC Application, Tre McAllister listed his title as “Manager” and signed the HIC Application in that capacity. The HIC Application also listed M. McAllister as owning 51% and Tre McAllister as owning 49% of MBG.

45. Upon information and belief, M. McAllister signed the company check for the HIC Registration Application fee.

46. On or about December 28, 2012, the Division registered MBG as an HIC and issued it registration number 13VH07106700.

47. On or about September 3, 2014, M. McAllister submitted to the New Jersey Department of Community Affairs an application for registration as a new home builder (“New Home Builder Application”). M. McAllister listed her title as “Member” and signed the application in that capacity.

48. The New Home Builder Application lists M. McAllister and Tre McAllister as owners with 51% and 49% ownership respectively.

49. On or about September 26, 2014, the Department of Community Affairs registered MBG as a New Home Builder and issued it registration number 047101.

50. On or about October 6, 2014, M. McAllister submitted to the Division, on behalf of MBG, a home elevation contractor application for initial registration (“HEC Registration Application”) for registration as a home elevation contractor (“HEC”) in the State.

51. On this application, M. McAllister listed her title as “Member” and signed the application in this capacity. She also listed herself as 51% owner and Tre McAllister as 49% owner.

52. On or about November 25, 2014, the Division registered MBG as an HEC and issued it registration number 13HE00002800. This registration superseded MBG’s HIC registration which became inactive upon the issuance of the HEC registration number.

53. On or about September 26, 2016, M. McAllister submitted a renewal application for MBG’s New Home Builder Registration and identified herself and Tre McAllister as each owning 50% of MBG. The renewal was granted and at present, MBG is registered as a New Home Builder with the Department of Community Affairs and its current registration is due for renewal on September 30, 2018.

54. On May 8, 2017, M. McAllister submitted to the Division, via email, an “HEC to HIC Change Form” for “Conversion from a Home Elevation Contractor Registration (HEC) to a Home Improvement Contractor’s Registration (HIC).” The Division did not process the request as MBG listed its business address as a P.O Box rather than a street address.

55. On August 2, 2017, M. McAllister resubmitted to the Division the request to convert MBG’s HEC registration to an HIC registration and on August 18, 2017, MBG’s HIC registration was converted to “active” status and its HEC registration was deactivated.

56. At varying times, M. McAllister also submitted to the Division letters reflecting a change of address for MBG and communicated with the Division concerning MBG’s insurance coverage.

E. Defendants’ Business Practices Generally:

57. At varying times, Defendants refused to provide copies of proof of commercial general liability insurance despite requests by consumers.

58. At all relevant times, Defendants used contracts that failed to contain start and completion dates or time frames and were otherwise so vague, complex and dependent on other factors for the work to commence, that consumers could not determine when work was to start or to be completed.

59. At all relevant times, Defendants repeatedly stalled consumers, made excuses and gave them the “run around” as to when work would commence, continue or be completed.

60. At varying times, Defendants commenced Construction Services only to abandon the work and not return to the consumers’ homes for weeks, months or at all, notwithstanding that Defendants had been paid for the Construction Services.

61. At varying times, Defendants failed to give timely written notice to the consumer for any delay in the performance of Construction Services and when the work would begin or be completed.

62. At varying times, Defendants provided consumers who had complained about a lack of progress, with a work schedule/timetable for work to be completed, and then failed to adhere to the schedule/timetable.

63. At varying times, Defendants represented to consumers that they had applied for permits and that a delay in construction was because they were “waiting on permits.” However, some of the consumers contacted the relevant building permit offices only to learn that: (a) Defendants had not applied for permits as represented; (b) permits had not been issued because required defects in the application had not been corrected by MBG; or (c) permits were ready and had been sitting in the permit office waiting to be picked up by MBG.

64. At varying times, third party demolition companies applied for permits directly or consumers applied for permits directly, rather than wait on MBG any longer to obtain permits.

65. At varying times, consumers who contracted with MBG were issued code violations for various issues including, but not limited to, health and safety hazards, failure to remove debris, construction materials and waste, and leaving unfinished siding and masonry that were not compliant with city ordinances, all of which were traceable to MBG's failures.

66. On at least one occasion, a consumer had to appear in court and pay a fine because MBG failed to maintain dumpster permits.

67. At varying times, Defendants failed to pay subcontractors and other third party vendors for their work, when consumers had already paid Defendants for the applicable work. Such failure to pay included, but was not limited to, demolition companies, dumpster companies, architects, and subcontractors who handled oil tank removal and soil remediation.

68. As a result, subcontractors placed or threatened to place, liens on some consumers homes notwithstanding those consumers had already paid Defendants for the applicable work.

69. By way of example, a consumer paid Defendants for the demolition of his home, Defendants failed to pay the demolition subcontractor and the subcontractor placed a lien on the consumer's home.

70. In another example, a consumer who decided to no longer use Defendants asked the architect for a copy of the architectural plans. The architect would not release the plans because Defendants had not paid him. The architect informed the consumer that his invoice to Defendants was \$3,500, but the consumer had paid Defendants \$7,500 for the architectural plans.

71. At varying times, Tre McAllister told consumers that MBG had "no cash flow," was having "financial problems," that there was no more money to complete the consumers project, and in at least one instance, that the money a consumer had paid "was gone."

72. At varying times, M. McAllister told consumers that MBG had “no cash flow,” was having “financial problems,” that there was no more money to complete the consumers’ projects, and that MBG was waiting on “accounts receivables” to continue work on consumers’ projects.

73. At varying times, Defendants asked consumers for additional monies, stating that there was no more money to finish the consumers’ jobs, and threatened to walk off the jobs unless more money was provided. In some cases, Defendants implemented a work stoppage until the consumer provided additional monies.

74. At varying times, consumers paid out-of-pocket for labor and material that was included in Defendants’ contracts and/or already paid for, such as directly paying for permits, construction materials and subcontractors.

75. At varying times, Defendants repeatedly issued unilateral Change Orders to a job as a way to obtain additional funds and refused to continue work unless the Change Order was agreed to and paid in advance by the consumer. The Change Orders were often for work that was already included in the contract or in the case of “new work,” for work that had not been discussed with and/or agreed to by the consumer. Consumers, while balking at the Change Orders, often paid them in the hopes of avoiding a work stoppage.

76. At varying times, after consumers had paid in advance for Change Orders, Defendants failed to perform the “new work” included in the Change Orders. In other cases, consumers refused to pay a Change Order, resulting in Defendants implementing a work stoppage and walking off the job.

77. At varying times, Defendants installed a product that was different than what was agreed upon without consumers’ consent (e.g., using the old concrete slab when a new slab was to be used; reinstalling old insulation when new insulation was to be used, installing used beams).

78. At varying times, the Defendants performed Construction Services in a substandard manner, and failed to make the necessary corrective repairs, including, but not limited to: (a) digging piling holes in the wrong location because the wrong plans were used and leaving a consumer with holes in the concrete slab; (b) using the wrong size pilings; (c) placing pilings in the wrong location; (d) using inadequate banding and beams; (e) failing to adequately secure walls during an elevation thereby causing the walls to buckle; (f) having a house drop because it was placed on rotten cribbing; (g) placing joists below base flood elevation and not using pressure treated wood (a code violation requiring removal); (h) failing to include sill plates on top of the foundation wall; and (i) lowering a house back onto a foundation such that it does not sit “square.”

79. At varying times, Defendants caused damage to consumers’ homes while performing Construction Services and then failed to fix, clean, or compensate the consumer for the damage including, but not limited to: (a) leaving homes open to the elements thereby causing extensive water damage and mold; (b) failing to inspect before demolition thereby destroying an HVAC system; (c) leaving new appliances outside exposed to the elements thereby ruining them; (d) failing to properly winterize and “blow out” pipes, causing the pipes to burst; and (e) leaving cracks in the walls, and holes in the bottom of a house and in the concrete.

80. At varying times, consumers obtained estimates from or hired other contractors to correct and complete Defendants’ Construction Services and incurred substantial additional costs to do so.

81. At varying times, Defendants took money from consumers and did little work or no work.

82. By way of example, on at least four (4) occasions, Defendants took money from consumers and failed to perform any work.

83. On at least one (1) occasion, Defendants demanded and were paid in full without completing the job.

84. At varying times, Defendants refused to issue a refund when requested by consumers after Defendants failed to perform the contracted-for Construction Services.

85. At varying times, Defendants refused to provide to consumers upon request, itemized invoices and/or an accounting of the work completed to date.

86. At varying times, Defendants provided an accounting of the work completed to date, only for the consumer to determine that they were charged and had paid for work that was not done and materials that were not purchased.

87. At varying times, Defendants' Construction Services repeatedly failed inspections, including, but not limited to, foundation inspections.

88. At varying times, Defendants abandoned jobs and left homes uninhabitable, including, but not limited to: (a) totally demolishing a house and then abandoning the job leaving the consumer with an empty lot; and (b) raising a home and leaving it up on pilings, without any access to the home or completing any further work.

89. Upon information and belief, beginning in the Spring 2017, Defendants failed to respond to consumers' calls, e-mails and/or text messages inquiring into when Defendants would begin or continue Construction Services.

90. At varying times, consumers went to the Somers Point Address to find no staff present and the doors locked. In some instances a sign was placed on the door that office visits were "by appointment only" and provided a number to call. Defendants failed to answer or otherwise respond to consumer calls and consumers did not know where Defendants moved to or how to get in touch with them.

91. Upon information and belief, beginning in March 2017, Defendants failed to pay the rent on the Somers Point Address, were generally not present at the office and eventually, fully vacated the property in June 2017.

92. Upon information and belief, after failing to respond to consumers and abandoning construction projects for months, in July 2017, Tre McAllister sent letters to consumer that state, “your project with the MBG is being suspended for reasons that are outside of our control.” The letter also states that it is “provided in accordance the New Jersey Consumer Fraud Act which requires that I provide homeowners with timely notice of any project delay. MBG has not breached its contract with you. . . .”

F. Defendants Tre McAllister and M. McAllister:

93. Since August 2015, Tre McAllister and M. McAllister worked at the Somers Point Address.

94. At varying times, Tre McAllister signed contracts with consumers for Construction Services on behalf of MBG and upon information and belief, M. McAllister signed contracts as well.

95. At all relevant times, Tre McAllister was responsible for performing the Construction Services for which consumers contracted with MBG.

96. At varying times, Tre McAllister and M. McAllister provided updates to consumers on the status of the construction on their homes and repeatedly stalled and made excuses as to the commencement or continuation of work.

97. At varying times, Tre McAllister represented to consumers that he was “waiting on permits” when: (a) the permits had not been applied for; (b) he failed to correct an incorrect permit application; or (c) the permits were ready and had been sitting in the permit office for pick up.

98. At varying times, Tre McAllister and McAllister provided consumers who had complained with a schedule/timetable of work to be done and then failed to adhere to the schedule.

99. At all relevant times, Tre McAllister met with consumers at their homes, and/or the Somers Point Address concerning their projects and to obtain payment. At varying times, M. McAllister participated in meetings with Consumers as the Somers Point Address.

100. At all relevant times, M. McAllister was in charge of “finance” for each consumer’s project, including all invoices, payments, allocation of grant monies and questions related to invoices, payments and allocation of grant monies.

101. At all relevant times, M. McAllister communicated with consumers via telephone and email explaining/breaking down the various sources of monies a consumer was receiving and what part of Construction Services each source of money would cover (e.g., RREM funds or Increased Cost of Coverage insurance funds).

102. At all relevant times, M. McAllister issued invoices to consumers for payment.

103. At all relevant times, M. McAllister communicated with consumers via telephone and email demanding the payment of unpaid invoices and draws on RREM funds.

104. At varying times, Tre McAllister communicated with consumers, in person, via telephone and/or email demanding additional monies from consumers.

105. At varying times, Tre McAllister and M. McAllister informed consumers that work would not continue on a project until additional monies had been received.

106. At varying times, Tre McAllister asked consumers to pay MBG additional monies to pay for items already included in contracts and/or paid for, such as permits, materials and subcontractors.

107. At varying times, Tre McAllister asked consumers to pay subcontractors directly for labor and/or materials, when such items were already included in contracts and/or paid for.

108. At varying times, Tre McAllister endorsed consumer checks made out to MBG.

109. At varying times, M. McAllister signed checks on behalf of MBG.

110. On at least one occasion, M. McAllister filed a lien on a consumer's home on behalf of MBG.

111. At varying times, consumers' attorneys directed correspondence to Tre McAllister directly and on behalf of MBG.

G. Defendants' Home Improvement Contracts:

112. At varying times, Defendants used various contract forms.

113. At varying times, Defendants presented consumers with contracts that listed "TBD" as the start date.

114. At varying times, Defendants presented consumers with contracts that had a separate "Terms and Conditions" document that stated that because "the work required to lift the structure and to perform any additional work is dependent upon the actions of individuals and entities over whom the Contractor has no control the parties acknowledge that no start date can be established. . . ."

115. The Terms and Conditions include a complicated schedule of events that had to occur before work could commence. However the Terms and Conditions contained a statement that "work under this Agreement shall commence within thirty (30) calendar days of contractor's receipt of any and all required permits. This date shall be the date of commencement."

116. At varying times, Defendants presented consumers with contracts that did not contain a completion date, or listed the completion date as approximately 4 or 6 or 6-8 weeks “from the date of site mobilization.”

117. At varying times, Defendants presented consumers with Terms and Conditions that did not provide a completion date, but a time frame in which work would be “substantially completed.” By way of example, some contracts stated “[w]ork under this Agreement will be substantially completed within one hundred and twenty (120) calendar days after the date construction begins.” Other contracts provided for substantial completion within two hundred seventy (270) days after the date construction begins.

118. At varying times, Defendants’ Terms and Conditions provided:

Limitations: No suit or action shall be commenced hereunder by any claimant after the expiration of one year following the date that any defect, act, occurrence or violation that gives rise to the claims was, or could have been, discovered by the claimant.

119. At varying times, Defendants’ Terms and Conditions provided:

LIMITATION OF DAMAGES CLAIMS: Neither party shall be liable for incidental, indirect or consequential damages arising under or relating to this Agreement. The parties stipulate and agree that they may not sue for, or recover, the following: carrying costs including payments for loans, mortgages, taxes, insurance and utilities; loss of use; diminution or loss of rental receipts; diminution of sales value; lost sale opportunities; lost opportunity; or damage to or loss of personal property.

120. At varying times, Defendants’ Terms and Conditions provided:

ARBITRATION OF DISPUTES: Any dispute, controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by binding arbitration administered by the American Arbitration Association **The parties acknowledge that by agreeing to binding arbitration they are freely, voluntarily and knowingly waving their right to have any dispute, controversy or claims arising out of or relating to this contract or the breach thereof, heard in a court of law or equity or determined by a jury.**

121. At varying times, Defendants provided consumers with home improvement contracts that did not include: (a) a start or completion date or a time frame within which work would start or be completed; (b) an accurate description of the work to be done and the principal products and materials to be used or installed in performance of the contracts; (c) the terms and conditions affecting contract price, including the cost of materials and the hourly rate for labor; (d) the required “Notice to Consumer” cancellation language; (e) the toll-free telephone number provided by the Director of the Division for consumers making inquiries concerning home improvement contractors; and/or (f) a certificate of commercial general liability insurance.

COUNT I

VIOLATION OF THE CFA BY DEFENDANTS (UNCONSCIONABLE COMMERCIAL PRACTICES)

122. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 121 above as if more fully set forth herein.

123. The CFA, N.J.S.A. 56:8-2, prohibits:

The act, use or employment by any person of any unconscionable commercial practice, deception, fraud, false pretense, false promise, misrepresentation, or the knowing concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise or real estate, or with the subsequent performance of such person as aforesaid, whether or not any person has in fact been misled, deceived or damaged thereby...

124. The CFA defines “merchandise” as including “any objects, wares, goods, commodities, services or anything offered, directly or indirectly to the public for sale.” N.J.S.A. 56:8-1(c).

125. At all relevant times, Defendants have been engaged in the advertisement and sale of merchandise within the meaning of N.J.S.A. 56:8-1(c), including, but not limited to Construction Services.

126. In the operation of MBG, Defendants have engaged in the use of unconscionable commercial practices, deception, false promises and/or misrepresentations.

127. Defendants have engaged in unconscionable commercial practices including, but not limited to, the following:

- a. Failing to provide consumers with a copy of proof of commercial general liability insurance, despite requests by consumers;
- b. Providing consumers with contracts that include language that make it impossible for a consumer to determine a start or completion date;
- c. Including in the “Limitations” section of the Terms and Conditions a one year period in which consumer may commence an action, contrary to the 6 year statute of limitations for private actions under the CFA provided by N.J.S.A. 2A-14.1;
- d. Including in the “Limitation of Damages Claims” section of the Terms and Conditions a limitation on liability that contradicts a consumer’s rights under New Jersey law;
- e. Including in the “Arbitration of Disputes” section of the Terms and Conditions language contrary to consumers’ right to a jury trial under the CFA;
- f. Failing to begin or complete Construction Services in a timely manner or at all;
- g. Commencing Construction Services and then abandoning a project for weeks, months or entirely;
- h. Failing to provide timely written notice for any delay in the performance of Construction Services, as well as when work would commence or be completed;
- i. Repeatedly stalling consumers, making excuses and giving consumers the “run around” as to why work could not start or had stopped;

- j. Providing consumers with a schedule/timetable for work or projects to be completed, then failing to complete the work;
- k. Failing to timely submit a permit application or otherwise failing to pick up permits from the applicable permit office;
- l. Performing Construction Services in a manner that resulted in code violations and/or fines to consumers;
- m. Failing to pay subcontractors and other third party vendors, after consumer had paid Defendants for such work;
- n. Failing to pay subcontractors resulting in liens being filed on consumers' homes;
- o. Billing a consumer \$7,500.00 for architectural plans when the architect submitted an invoice to Defendants for \$3,500.00, and then failing to pay the architect;
- p. Taking money from consumers, failing to continue or complete contracted-for work and then telling consumers, through statements made by Tre McAllister and/or M. McAllister, that MBG had "no cash flow," MBG was having "financial problems," that a consumer's money "was gone;" that there was "no money left" to complete consumers' jobs and that MBG was waiting on "accounts receivables" to continue work;
- q. Asking consumers for additional monies and threatening to walk off the job and/or implementing a work stoppage unless/until monies were provided;
- r. Having consumers pay out-of-pocket for work that was included in contracts and/or already paid for;
- s. Issuing unilateral Change Orders as a way to obtain additional funds, including for Construction Services already included in consumer contracts, and refusing to continue work unless the Change Orders were agreed to and paid in advance;
- t. Failing to perform Construction Services included in Change Orders after consumers had paid the Change Order;
- u. Installing a product that was different than what was agreed upon without consumers' consent;
- v. Performing Construction Services in a substandard manner and failing to make the necessary corrective repairs;

- w. Performing Construction Services that repeatedly failed inspections;
 - x. Causing damage to a consumer's home while performing Construction Services and then failing to fix, clean, or compensate the consumer for the damage;
 - y. Performing Construction Services in a substandard manner which required consumers to hire a second contractor to correct and complete Defendants' work;
 - z. Taking money from consumers and doing little work or no work;
 - aa. Demanding and receiving payment in full without completing the contracted-for work;
 - bb. Refusing to issue refunds when requested by consumers after failing to perform contracted-for work;
 - cc. Refusing to provide consumers with an accounting of work completed to date;
 - dd. Billing for work that was not done and/or for materials that were not purchased or delivered;
 - ee. Abandoning a job and leaving homes uninhabitable;
 - ff. Closing the Somers Point Address and failing to provide contact information to consumers who had paid for Construction Services which work was not yet completed;
 - gg. Abandoning projects for months, failing to respond to consumers' emails and calls, then issuing a letter to consumers stating that MBG had "suspended" their project";
 - hh. Taking consumers' payments and then failing to provide the contracted-for Construction Services; and
 - ii. Failing to perform Construction Services according to the contract specifications and demanding and receiving payment for the work.
128. Each unconscionable commercial practice and act of deception by Defendants

constitutes a separate violation under the CFA, N.J.S.A. 56:8-2.

COUNT II

VIOLATION OF THE CFA BY DEFENDANTS (FALSE PROMISES, MISREPRESENTATIONS)

129. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 128 above as if more fully set forth herein.

130. Defendants' conduct in violation of the CFA includes, but is not limited to, the following acts of false promises and/or misrepresentations:

- a. Representing to consumers that work would begin or be completed on an agreed upon schedule/timetable, when such is not the case;
- b. Representing that certain items were included in a contract and then requiring the consumer to pay out-of-pocket for those items;
- c. Representing that Defendants were "waiting on permits," when a permit application had not been submitted or was waiting for pick up;
- d. Representing that an accounting of work done to date would be provided, when such is not the case;
- e. Representing that a schedule/timetable of work to be completed would be provided, when such is not the case;
- f. Representing on the MBG Website that Tre McAllister was a "Certified Professional" by the Building Performance Institute, Inc. along with a depiction of the seal of the Institute, when such is not the case;
- g. Representing on the MBG Website that MBG is "prepared to handle all facets of raising your home properly. . . and that "[w]e meet or exceed state-issued standards to rebuild your home," when such is not the case;
- h. Representing on the MBG Website that the company has an "easy, streamlined organization of our entire house raising process" and that MBG has "created an efficient and timely process alleviating any lengthy and unnecessary waiting times," when such is not the case;
- i. Representing on the MBG Website that MBG "is a full-service house raiser and general contractor. We can take care of the whole project for you from grant assistance and house raising to exterior and interior finishing," when such is not the case;

- j. Representing on the MBG Website that MBG can “care for all facets of your home repair including house raising, plumbing, electrical, additions and major remodeling,” when such is not the case; and
- k. Representing on the MBG Website that the time frame to complete a lift and get consumers back into their home ranges from “5-8 weeks depending on the scope of your project,” when such is not the case.

131. Each false promise and/or misrepresentation by Defendants constitutes a separate violation under CFA, N.J.S.A. 56:8-2.

COUNT III

VIOLATION OF THE CONTRACTORS’ REGISTRATION ACT BY DEFENDANTS

132. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 131 above as if set forth more fully herein.

133. The Contractors’ Registration Act, among other things, governs the registration of home improvement contractors with the Division.

134. The Contractors’ Registration Act is applicable to home elevation contractors, pursuant to N.J.S.A. 56:8-138.2a.

135. “Contractor,” as defined in the Contractors’ Registration Act, N.J.S.A. 56:8-137, includes home elevation contractors.

136. “Home Improvement[s]” as defined in the Contractors’ Registration Act, N.J.S.A. 56:8-137, includes, home elevations.

137. “Home Improvement Contracts” as defined in the Contractors’ Registration Act, N.J.S.A. 56:8-137, includes contracts for home elevations.

138. At all relevant times, Defendants have been “Contractor[s]” within the definition of the Contractors’ Registration Act, N.J.S.A. 56:8-137.

139. At all relevant times, Defendants have offered to perform and performed “Home Improvement[s]” within the definition of the Contractors’ Registration Act, N.J.S.A. 56:8-137.

140. At all relevant times, Defendants have entered into “Home Improvement Contract[s]” within the definition of the Contractors’ Registration Act, N.J.S.A. 56:8-137.

141. The Contractors’ Registration Act provides, in pertinent part:

a. On or after December 31, 2005, no person shall offer to perform, or engage, or attempt to engage in the business of making or selling home improvements unless registered with the Division of Consumer Affairs in accordance with the provision of this act.

[N.J.S.A. 56:8-138(a).]

142. At all relevant times, Defendants were not exempt from the Contractors’ Registration Act, pursuant to N.J.S.A. 56:8-140.

143. The Contractors’ Registration Act requires that certain information must be displayed by the Contractor and provides in pertinent part:

a. All registrants shall prominently display their registration numbers within their places of business, in all advertisements distributed within this State, on business documents, contracts and correspondence with consumers of home improvement services in this State, and on all commercial vehicles registered in this State and leased or owned by registrants and used by registrants for the purpose of providing home improvements, except for vehicles leased or rented to customers of registrants by a registrant or any agent or representative thereof.

[N.J.S.A. 56:8-144(a).]

144. The Contractors’ Registration Act further provides that “[t]he Director shall provide a toll-free telephone number for consumers making inquiries regarding contractors.” N.J.S.A. 56:8-149(b). At all relevant times, the Director established and has published such toll-free telephone number.

145. In this regard, the Contractors’ Registration Act requires that:

b. Any invoice, contract or correspondence given by a registrant to a consumer shall prominently contain the toll-free telephone number provided pursuant to [N.J.S.A. 56:8-149] of this Act.

[N.J.S.A. 56:8-144(b).]

146. Moreover, the Contractors' Registration Act includes a writing requirement for contracts priced in excess of \$500.00 and provides, in pertinent part:

a. On or after December 31, 2005, every home improvement contract for a purchase price in excess of \$500, and all changes in the terms and conditions of the contract, shall be in writing. The contract shall be signed by all parties thereto, and shall clearly and accurately set forth in legible form and in understandable language all terms and conditions of the contract, including but not limited to:

....

(2) A copy of the certificate of commercial general liability insurance required of a contractor pursuant to section 7 [C. 56:8-142] of this act and the telephone number of the insurance company issuing the certificate;

(3) The total price or other consideration to be paid by the owner, including finance charges.

[N.J.S.A. 56:8-151(a).]

147. In addition, the Contractors' Registration Act requires that home improvement contractors include cancellation language as follows:

b. The contract shall contain a conspicuous notice printed in at least 10-point bold-faced type as follows:

“NOTICE TO CONSUMER

YOU MAY CANCEL THIS CONTRACT AT ANY TIME BEFORE MIDNIGHT OF THE THIRD BUSINESS DAY AFTER RECEIVING A COPY OF THIS CONTRACT. IF YOU WISH TO CANCEL THIS CONTRACT, YOU MUST EITHER:

1. SEND A SIGNED AND DATED WRITTEN NOTICE OF CANCELLATION BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED; OR

2. PERSONALLY DELIVER A SIGNED AND DATED WRITTEN NOTICE OF CANCELLATION TO:

(Name of Contractor)

(Address of Contractor)

(Phone Number of Contractor)

If you cancel this contract within the three-day period, you are entitled to a full refund of your money. Refunds must be made within 30 days of the contractor's receipt of the cancellation notice.”

[N.J.S.A. 56:8-151(b).]

148. Defendants have engaged in conduct in violation of the Contractors’ Registration Act including, but not limited to, the following:

- a. Failing to include registration numbers on invoices (N.J.S.A. 56:8-144(a));
- b. Failing to include on invoices, contracts and correspondence, the toll-free telephone number provided by the Director for consumers to call with inquiries or complaints concerning home improvement contractors (N.J.S.A. 56:8-144(b));
- c. Failing to include with home improvement contracts a copy of Defendants’ certificate of commercial general liability insurance as well as the telephone number of the company issuing the certificate (N.J.S.A. 56:8-151(a)(2));
- d. Failing to include in home improvement contracts all the terms and conditions affecting price (e.g., hourly rate for labor) (N.J.S.A. 56:8-151(a)(3)); and
- e. Failing to include the “Notice to Consumer” required cancellation language in home improvement contracts (N.J.S.A. 56:8-151(b)).

149. Defendants’ conduct constitutes multiple violations of the Contractors’ Registration Act, N.J.S.A. 56:8-136 et seq.

COUNT IV

**VIOLATION OF THE CONTRACTOR
REGISTRATION REGULATIONS BY DEFENDANTS**

150. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 149 above as if more fully set forth herein.

151. The Contractor Registration Regulations, N.J.A.C. 13:45A-17.1 et seq., among other things, provides procedures for the registration of home improvement contractors with the Division.

152. Home elevation contractors and home elevations are included within the respective definitions of home improvement contractors and home improvements, pursuant to N.J.A.C. 13:45A-17.2.

153. At all relevant times, Defendants have been “Home Improvement Contractor[s]” and/or “Contractor[s]” within the definition of the Contractor Registration Regulations, N.J.A.C. 13:45A-17.2.

154. At all relevant times, Defendants have performed “Home Improvement[s]” within the definition of the Contractor Registration Regulations, N.J.A.C. 13:45A-17.2.

155. At all relevant times, Defendants have “advertise[d]” home improvements within the meaning of the Contractor Registration Regulations, N.J.A.C. 13:45A-17.2.

156. At all relevant times, Defendants have entered into “Home Improvement Contract[s]” within the definition of the Contractor Registration Regulations, N.J.A.C. 13:45A-17.2.

157. The Contractor Registration Regulations provide, in pertinent part:

(a) Unless exempt under N.J.A.C. 13:45A-17.4:

1. No person shall engage in the business of making or selling home improvements in this State unless registered with the Division in accordance with this subchapter; . . .

[N.J.A.C. 13:45A-17.3(a).]

158. At all relevant times, Defendants were not exempt from the Division's contractor registration requirements.

159. The Contractor Registration Regulations require that home improvement contractors prominently display certain information and provide, in pertinent part:

- (d) A registered home improvement contractor shall prominently display:
 - 2. The contractor's registration number on all advertisements distributed within this State, on business documents, contracts and correspondence with consumers of home improvement services within the State.
- (f) Any invoice, contract or correspondence given by a registrant to a consumer shall prominently contain the toll-free telephone number provided by the Division pursuant to (b) of N.J.S.A. 56:8-149 and shall be displayed in all caps in at least 10-point bold-face type as follows: FOR INFORMATION ABOUT CONTRACTORS AND THE CONTRACTORS' REGISTRATION ACT, CONTACT THE NEW JERSEY DEPARTMENT OF LAW AND PUBLIC SAFETY, DIVISION OF CONSUMER AFFAIRS AT 1-888-656-6225.

[N.J.A.C. 13:45A-17.11(d)(2), (f).]

160. Additionally, the Contractor Registration Regulations provide that:

In addition to the requirements of a home improvement contract pursuant to N.J.A.C. 13:45A-16.2, every home improvement contract in which a person required to be registered as a home improvement contractor is a party shall comply with the provisions of N.J.S.A. 56:8-151.

[N.J.A.C. 13:45A-17.13.]

161. Defendants have engaged in conduct in violation of the Contractor Registration Regulations including, but not limited to, the following:

- a. Failing to include on all invoices HIC and/or HEC Registration numbers (N.J.A.C. 13:45A-7.11(d)(2));
- b. Failing to include on invoices, correspondence and contracts the informational statement and toll-free telephone number provided by the

Director for consumers making inquiries regarding contractors (N.J.A.C. 13:45A-17.11(f)); and

- c. Entering into home improvement contracts that did not comply with the requirements of N.J.S.A. 56:8-151 (e.g., failing to include all the terms and conditions affecting price) (N.J.A.C. 13:45A-17.13).

162. Defendants' conduct constitutes multiple violations of the Contractor Registration Regulations, N.J.A.C. 13:45A-17.1 et seq., each of which constitutes a per se violation of the CFA, N.J.S.A. 56:8-1 et seq.

COUNT V

VIOLATION OF THE HOME ELEVATION REGULATIONS BY DEFENDANTS

163. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 162 above as if more fully set forth herein.

164. The Home Elevation Regulations, specifically N.J.A.C. 13:45A-17A.3(a), provide that:

On or after October 1, 2014, no person shall engage in the business of making or selling home elevations in this State unless registered with the Division in accordance with this subchapter, except as provided in (a)1 below:

165. The exceptions provided in N.J.A.C. 13:45A-17A.3(a)1 do not apply to Defendants.

166. The Home Elevation Regulations, specifically, N.J.A.C. 13:45A-17A.10, require that certain information must be displayed by the Contractor and provides in pertinent part:

(d) A registered home elevation contractor shall prominently display:

....

2. The home elevation contractor's registration number on all advertisements distributed within this State, on business documents and contracts, and on correspondence with consumers of home elevation services in this State.

....

(f) Any invoice, contract, or correspondence given by a registrant to a consumer shall prominently contain the toll-free telephone number provided by the Division pursuant to N.J.S.A. 56:8-149(b), which shall be displayed in all caps in at least 10-point boldface type as follows: FOR INFORMATION ABOUT CONTRACTORS AND THE CONTRACTORS' REGISTRATION ACT, CONTACT THE NEW JERSEY DEPARTMENT OF LAW AND PUBLIC SAFETY, DIVISION OF CONSUMER AFFAIRS AT 1-888-656-6225.

[N.J.A.C. 13:45A-17A.10(d)(2), (f).]

167. The Home Elevation Regulations contain the same requirements concerning written contracts, as in the Contractors' Registration Act. Specifically N.J.A.C. 13:45A-17A.12, provides that:

In addition to the requirements of a home improvement contract pursuant to N.J.A.C. 13:45A-16.2, every home elevation contract in which a person required to be registered as a home elevation contractor is a party shall comply with the provisions of N.J.S.A. 56:8-151.

168. The Defendants have engaged in conduct in violation of the Home Elevation Regulations including, but not limited to:

- a. Failing to include on invoices, the HEC registration number (N.J.S.A. 13:45A-17A.10(d)(2));
- b. Failing to include in invoices, correspondence and contracts the informational statement and toll-free telephone number provided by the Director for consumers making inquiries regarding home elevation contractors (N.J.A.C. 13:45A-17A.10(f)); and
- c. Failing to comply with the provisions of N.J.S.A. 56:8-151(a) (failing to include in the home improvement contracts all of the terms and conditions affecting price) (N.J.A.C. 13:45A-17A-12).

169. The Defendants' conduct constitutes multiple violations of the Home Elevation Regulations, N.J.A.C. 13:45A-17A.1 et seq., each of which constitutes a per se violation of the CFA, N.J.S.A. 56:8-1 et seq.

COUNT VI

**VIOLATION OF THE HOME IMPROVEMENT
PRACTICES REGULATIONS BY DEFENDANTS**

170. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 170 above as if more fully set forth herein.

171. The Home Improvement Regulations, N.J.A.C. 13:45A-16.1 et seq., among other things, prohibits certain acts and practices of a seller connected with a sale, advertisement or performance of home improvement contracts.

172. Defendants are “Seller[s]” within the definition of N.J.A.C. 13:45A-16.1.

173. The Home Elevation Contractor Regulations, N.J.A.C. 13:45A-17A.12, provide that the requirements of N.J.A.C. 13:45A-16.2 related to a home improvement contract pertain to every home elevation contract.

174. The Home Improvement Regulations prohibit certain practices with regard to the performance of home improvement contracts, as follows:

- a. Without limiting any other practices which may be unlawful under the Consumer Fraud Act, N.J.S.A. 56:8-1 et seq., utilization by a seller of the following acts and practices involving the sale, attempted sale, advertisement or performance of home improvements shall be unlawful hereunder.

....

3. Bait selling:

....

- iv. Substitute products or materials for those specified in the home improvement contract, or otherwise represented or sold for use in the making of home improvements by sample, illustration or model, without the knowledge or consent of the buyer;

....

6. Price and financing:

- v. Request the buyer to sign a certificate of completion, or make final payment on the contract before the home improvement is completed in accordance with the terms of the contract;

7. Performance:

- iii. Fail to give timely written notice to the buyer of reasons, beyond the seller's control for any delay in the performance and when work will begin or be completed.

....

10. Building permits:

- i. Where midpoint or final inspection are required under state laws or local ordinances, copies of inspection certificates shall be furnished to the buyer by the seller when construction is completed and before final payment is due or the signing of a completion slip is requested of the buyer.

....

12. Home improvement contract requirements-writing requirement: All home improvement contracts for a purchase price in excess of \$500.00, and all changes in the terms and conditions thereof shall be in writing. Home improvement contracts which are required by this subsection to be in writing, and all changes in the terms and conditions thereof, shall be signed by all parties thereto, and shall clearly and accurately set forth in legible form and in understandable language all terms and conditions of the contract, including, but not limited to, the following:

....

- ii. A description of the work to be done and the principal products and materials to be used or installed in performance of the contract. The description shall include, where applicable, the name, make, size, capacity, model, and model year of principal products or fixtures to be installed, and the type, grade, quality, size or quantity of principal building or construction materials to be used. Where specific representations are made that certain types of products or materials will be used, or the buyer has specified that certain types of products are to be used, a description of such products or materials shall be clearly set forth in the contract;
- iii. The total price or other consideration to be paid by the buyer, including all finance charges. If the contract is one for time

and materials, the hourly rate for labor and all other terms and conditions of the contract affecting price shall be clearly stated; and

- iv. The dates or time period on or within which the work is to begin and be completed by the seller.

.....

[N.J.A.C. 13:45A-16.2(a)(3)(iv), (6)(v), (7)(iii), (10)(i), (12)(ii-iv).]

175. Defendants violated the Home Improvement Regulations by engaging in certain conduct including, but not limited to, the following:

- a. Substituting products or materials for those specified in the home improvement contract, or otherwise represented, without the knowledge or consent of the consumer (N.J.A.C. 13:45A-16.2(a)(3)(iv));
- b. Demanding and receiving final payment from a consumer before the Construction Services are completed (N.J.A.C. 13:45A-16.2(a)(6)(v));
- c. Failing to give timely written notice to the consumer of reasons, beyond the Defendants' control, for any delay in the performance and when work would begin or be completed (N.J.A.C. 13:45A-16.2(a)(7)(iii));
- d. Failing to provide copies of inspection certificates before demanding final payment (N.J.A.C. 13:45A-16.2(a)(10)(i));
- e. Failing to include in home improvement contracts a description of the work to be done and the principal products and materials to be used or installed (N.J.A.C. 13:45A-16.2(a)(12)(ii));
- f. Failing to include in home improvement contracts the total price to be paid including the hourly rate for labor and all other terms and conditions affecting price (N.J.A.C. 13:45A-16.2(a)(12)(iii)); and
- g. Failing to include in home improvement contracts the dates or time period on or within which the work is to begin and be completed by Defendants (N.J.A.C. 13:45A-16.2(a)(12)(iv)).

176. Defendants' conduct constitutes multiple violations of the Home Improvement Regulations, N.J.A.C. 13:45A-16.1 et seq., each of which constitutes a per se violation of the CFA, N.J.S.A. 56:8-1 et seq.

COUNT VII

**VIOLATION OF THE ADVERTISING
REGULATIONS BY DEFENDANTS**

177. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 176 above as if more fully set forth herein.

178. The Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq., address, among other issues, general advertising practices.

179. Specifically, the Advertising Regulations provide, in relevant part:

(a) Without limiting the application of N.J.S.A. 56:8-1 et seq., the following practices shall be unlawful with respect to all advertisements:

...

9. The making of false or misleading representations of facts concerning the reasons for, existence or amounts of price reductions, the nature of an offering or the quantity of advertised merchandise available for sale.

[N.J.A.C. 13:45A-9.2(a)9.]

180. The MBG Defendants violated the Advertising Regulations by engaging in certain conduct including, but not limited to:

- a. Representing on the MBG Website that Tre McAllister was a “Certified Professional” by the Building Performance Institute, Inc. along with a depiction the seal of the Institute, when such is not the case;
- b. Representing on the MBG Website that MBG is “prepared to handle all facets of raising your home properly. . . and that “[w]e meet or exceed state-issued standards to rebuild your home,” when such is not the case;
- c. Representing on the MBG Website that the company has an “easy, streamlined organization of our entire house raising process” and that MBG has “created an efficient and timely process alleviating any lengthy and unnecessary waiting times,” when such is not the case;
- d. Representing on the MBG Website that MBG “is a full-service house raiser and general contractor. We can take care of the whole project for you from

grant assistance and house raising to exterior and interior finishing,” when such is not the case;

- e. Representing on the MBG Website that MBG can “care for all facets of your home repair including house raising, plumbing, electrical, additions and major remodeling,” when such is not the case; and
- f. Representing on the MBG Website that the time frame to complete a lift and get consumers back into their home ranges from “5-8 weeks depending on the scope of your project,” when such was not the case.

181. Defendants’ conduct constitutes multiple violations of the Advertising Regulations, specifically N.J.A.C. 13:45A-9.2(a)9, each of which constitutes a per se violation of the CFA.

COUNT VIII

VIOLATIONS OF THE CFA, THE CONTRACTORS’ REGISTRATION ACT THE CONTRACTOR REGISTRATION REGULATIONS, THE HOME ELEVATION REGULATIONS THE HOME IMPROVEMENT REGULATIONS AND THE ADVERTISING REGULATIONS BY TRE McALLISTER

182. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 181 above as if more fully set forth herein.

183. At all relevant times, Tre McAllister has been a partial owner, member, manager, director, representative and/or agent of MBG, and has controlled, directed and/or participated in the management and operation of MBG, including the conduct alleged in this Complaint.

184. In that capacity, Tre McAllister, among other things: submitted to the Division MBG’s HIC Initial Registration Application; worked at the Somers Point Address; signed contracts with consumers on behalf of MBG; was responsible for performing the contracted-for Construction Services; made representations and provided updates to consumers as to the status of construction on their homes; represented to consumers that delays were caused because he was “waiting on permits” when, in fact, the permits had not been applied for; provided timetables for work and then failed to

adhere to the timetables; met with consumers at their homes and/or the Somers Point Address regarding Construction Services; communicated with consumers concerning demands for additional monies; went to consumers' homes to pick up checks; threatened to walk off jobs if consumers failed to provide him with additional monies; and abandoned construction and left homes uninhabitable.

185. The conduct of Tre McAllister makes him personally liable for the violations of the CFA, the Contractors' Registration Act, the Contractor Registration Regulations, the Home Elevation Regulations, the Home Improvement Regulations and the Advertising Regulations committed by MBG.

COUNT IX

VIOLATIONS OF THE CFA, THE CONTRACTORS' REGISTRATION ACT THE CONTRACTOR REGISTRATION REGULATIONS, THE HOME ELEVATION REGULATIONS THE HOME IMPROVEMENT REGULATIONS AND THE ADVERTISING REGULATIONS BY M. McALLISTER

186. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 185 above as if more fully set forth herein.

187. At all relevant times, M. McAllister has been a partial owner, member, manager, director, representative and/or agent of MBG, and has controlled, directed and/or participated in the management and operation of MBG, including the conduct alleged in this Complaint.

188. In that capacity, M. McAllister, among other things: organized and incorporated MBG in North Carolina; registered MBG in New Jersey as a foreign limited liability company; submitted applications and accompanying documents to the Division and the Department of Community Affairs concerning registration as an HEC and New Home Builder and conversion of MBG's HEC registration back to an HIC registration; worked at the Somers Point Address; participated in meetings with consumers regarding Construction Services; was responsible for

MBG's finances and communicated with consumers concerning invoices, payments, and grant allocations; made representations to consumers concerning the status of construction on their homes and provided consumers with schedules and/or timetables as to when work would be done; provided consumers with an accounting of work done to date; endorsed and signed checks on behalf of MBG; signed contracts on behalf of MBG; and filed liens on behalf of MBG.

189. The conduct of M. McAllister makes her personally liable for the violations of the CFA, the Contractors' Registration Act, the Contractor Registration Regulations, the Home Elevation Regulations, the Home Improvement Regulations, and the Advertising Regulations committed by M. McAllister and MBG.

PRAYER FOR RELIEF

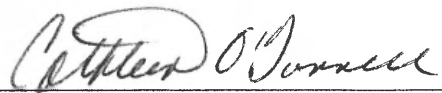
WHEREFORE, based upon the foregoing allegations, Plaintiffs respectfully request that the Court enter judgment against Defendants:

- (a) Finding that the acts and practices of Defendants constitute multiple instances of unlawful practices in violation of the CFA, N.J.S.A. 56:8-1 et seq., the Contractors' Registration Act, N.J.S.A. 56:8-136 et seq., the Contractor Registration Regulations, N.J.A.C. 13:45A-17.1 et seq., the Home Elevation Regulations, N.J.A.C. 13:45A-17A.1 et seq., the Home Improvement Regulations, N.J.A.C. 13:45A-16.1 et seq.; and the Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq.;
- (b) Permanently enjoining Defendants and their owners, officers, directors, shareholders, founders, members, managers, agents, servants, employees, representatives, independent contractors and all other persons or entities directly under their control from engaging in, continuing to engage in or doing any acts or practices in violation of the CFA, N.J.S.A. 56:8-1 et seq., the Contractors' Registration Act, N.J.S.A. 56:8-136 et seq., the Contractor Registration Regulations, N.J.A.C. 13:45A-17.1 et seq., the Home Elevation Regulations, N.J.A.C. 13:45A-17A.1 et seq., the Home Improvement Regulations, N.J.A.C. 13:45A-16.1 et seq., and the Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq., including, but not limited to, the acts and practices alleged in this Complaint, as authorized by the CFA, N.J.S.A. 56:8-8;
- (c) Permanently enjoining Defendants from owning, operating or otherwise managing any business or other entity in the State, whether registered with

the Division or not, that advertises, offers for sale, sells and/or performs Construction Services within the State;

- (d) Permanently enjoining Defendants from the advertisement, offer for sale, sale and performance of home improvements, including home elevations and new home building within the State;
- (e) Cancelling the Certificates of Formation in the State for MBG;
- (f) Permanently revoking the HIC, HEC and New Home Builders registrations issued to MBG;
- (g) Directing Defendants, jointly and severally, to pay restitution to restore to any affected person, whether or not named in this Complaint, any money or real or personal property acquired by means of any alleged practice herein to be unlawful and found to be unlawful, as authorized by N.J.S.A. 56:8-8;
- (h) Directing Defendants, jointly and severally, to disgorge to the New Jersey Department of Community Affairs, RREM and LMI Program funds unlawfully acquired or retained, as authorized by N.J.S.A. 56:8-8;
- (i) Directing Defendants, jointly and severally, to pay the maximum statutory civil penalties for each and every violation of the CFA, in accordance with N.J.S.A. 56:8-13;
- (j) Directing Defendants, jointly and severally, to pay costs and fees, including attorneys' fees, for the use of the State of New Jersey, as authorized by the CFA, N.J.S.A. 56:8-11 and N.J.S.A. 56:8-19; and
- (k) Granting such other relief as the interests of justice may require.

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: 


Cathleen O'Donnell
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: October 2, 2017
Newark, New Jersey

RULE 4:5-1 CERTIFICATION

I certify, to the best of my information and belief, that the matter in this action involving the aforementioned violations of the CFA, N.J.S.A. 56:8-1 et seq., the Contractors' Registration Act, N.J.S.A. 56:8-136 et seq., the Contractor Registration Regulations, N.J.A.C. 13:45A-17.1 et seq., the Home Elevation Regulations, N.J.A.C. 13:45A-17.1 et seq., the Home Improvement Regulations, N.J.A.C. 13:45A-16.1 et seq., and/or the Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq. is not the subject of any other action pending in any other court of this State. I am aware that private contract and other actions have been brought against the Defendants, including at least one action that involves consumer fraud allegations, entitled, "John Daniels v. Gilbane Building Company, McAllister Building Group, Tre McAllister, et.al, OCN-L-1933-17. I further certify, to the best of my information and belief, that the matter in controversy in this action is not the subject of a pending arbitration proceeding in this State, nor is any other action or arbitration proceeding contemplated. I certify that there is no other party who should be joined in this action at this time.

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs


By: 
Cathleen O'Donnell
Deputy Attorney General
Consumer Fraud Prosecution

Dated: October 2, 2017
Newark, New Jersey

RULE 1:38-7(c) CERTIFICATION OF COMPLIANCE

I certify that confidential personal identifiers have been redacted from documents now submitted to the court, and will be redacted from all documents submitted in the future in accordance with Rule 1:38-7(b).

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: 


Cathleen O'Donnell
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: October 2, 2017
Newark, New Jersey

DESIGNATION OF TRIAL COUNSEL

Pursuant to R. 4:25-4, Deputy Attorney General Cathleen O'Donnell is hereby designated as trial counsel for the Plaintiffs in this action.

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: 

Cathleen O'Donnell
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: October 2, 2017
Newark, New Jersey