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Pulaski County Circuit Court
Terri Hollingsworth, Circuit/County Clerk
2022-Nov-02 10:01:08
60CV-22-7522
C06D11: 10 Pages

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS CIVIL DIVISION

STATE OF ARKANSAS, ex rel. LESLIE RUTLEDGE, ATTORNEY GENERAL		PLAINTIFF
v.	CASE NO	
RICHARD YOUNG d/b/a YOUNG'S OUTDOOR SOLUTION	IS	DEFENDANT
COMPLAINT		

The State of Arkansas, *ex rel*. Leslie Rutledge, Attorney General ("the State"), for its Complaint against Richard Young, who conducts business as Young's Outdoor Solutions ("Outdoor Solutions"), states:

I. INTRODUCTION

- 1. This is a consumer protection action brought to redress and restrain violations of the Arkansas Deceptive Trade Practices Act ("ADTPA"), Ark. Code Ann. § 4-88-101 *et seq*.
- 2. Defendant advertised that as a residential contractor, he was able to install in-ground swimming pools; however, after accepting consumers' money for the construction of such pools, outdoor patios, and other related goods and services, Defendant utterly failed to complete and provide the promised services and goods.

Defendant's history of incomplete jobs and poor workmanship have cost Arkansas consumers hundreds of thousands of dollars.

3. The State seeks an injunction, an order imposing civil penalties, restitution for affected consumers, and other relief against Defendant.

II. PARTIES

- 4. Plaintiff is the State of Arkansas, ex rel. Leslie Rutledge, Attorney General. Attorney General Rutledge is the chief legal officer of the State. Pursuant to Ark. Code Ann. § 4-88-104 and 4-88-113, the State may seek civil enforcement of the ADTPA.
- 5. Defendant Richard Young is the owner and sole proprietor of Young's Outdoor Solutions. Defendant's address is listed on his contractor's license as 4011 Columbine Lane, Texarkana, Texas 75503. Defendant conducts business in the State of Arkansas.

III. <u>JURISDICTION</u>

- 6. This Court has jurisdiction over this matter pursuant to Ark. Code Ann. § 4-88-104, 11 U.S.C. § 362(b)(4), and the common law of the State of Arkansas. This Court has personal jurisdiction pursuant to Ark. Code Ann. § 16-4-101, which extends jurisdiction to all persons, causes of action, and claims for relief, to the maximum extent permitted by the Due Process Clause of the Fourteenth of the United States Constitution.
- 7. Venue is proper pursuant to Ark. Code Ann. § 4-88-104, 4-88-112, and the common law of the State of Arkansas.

IV. FACTUAL ALLEGATIONS

- 8. The installation of an in-ground swimming pool is usually a significant financial undertaking by a homeowner, oftentimes costing tens of thousands of dollars.
- 9. Defendant owns and operates Young's Outdoor Solutions, a home improvement contract business that supposedly specializes in swimming pool installation and related services at consumers' residences. Defendant is not registered with the Arkansas Secretary of State's Office.
- 10. Nine consumers have filed complaints against Defendant with the Arkansas Attorney General's Office. Eight of these consumers are Arkansas residents located in Miller, Lafayette, and Columbia Counties at all times relevant to this complaint. The ninth consumer is a resident of McCurtain County, Oklahoma.
- 11. These nine consumers hired Defendant to either install an underground swimming pool or remodel their existing pool. Consumers paid Defendant in installments. Once he was paid a substantial amount of the contract price, Defendant abandoned the jobs.
- 12. This practice of taking a consumer's money up front and then making excuses for delays and failure to render service, culminating in a refusal to respond to consumer calls or texts, has been Young's overall business model.

¹ See Consumer Complaints against Young's Outdoor Solutions, attached as Exhibits 1–9.

 $^{^{2}}$ Id.

- 13. Consumers paid Defendant deposits and costs ranging from \$20,000 to \$85,000 for the installation of in-ground swimming pools.³ One consumer hired Defendant to replaster her pool and provided Defendant a deposit of \$4,500.⁴
- 14. In one instance, Defendant did no work at all, taking the consumer's money and never even beginning the project.⁵
- 15. In most cases, Defendant would begin work, excavating the dirt necessary to install an in-ground pool and occasionally going so far as to pour concrete, but would then stop working on the project, leaving a large hole in the homeowner's backyard.⁶ This creates a dangerous situation for homeowners, their children, and their pets.
 - 16. As of the present date, Defendant has still not completed the projects.
- 17. Some consumers hired another contractor to complete the construction.⁷ In one instance, the new contractor had to demolish Defendant's work and start the project over because the quality was so poor.⁸

³ *Id*.

⁴ See Consumer Complaint of Sara Carrington against Young's Outdoor Solutions, attached as Exhibit 1.

⁵ See Consumer Complaint of Gladys Mustafa against Young's Outdoor Solutions, attached as Exhibit 2.

⁶ See Exhibit 1; See Consumer Complaint of Neil Blakely against Young's Outdoor Solutions, attached as Exhibit 3; Consumer Complaint of Jason and Jessica Dupree against Young's Outdoor Solutions, attached as Exhibit 4; Consumer Complaint of Steve Mussett against Young's Outdoor Solutions, attached as Exhibit 5; Consumer Complaint of Jared Horvatin against Young's Outdoor Solutions, attached as Exhibit 6; Consumer Complaint of Christopher Gosnell against Young's Outdoor Solutions, attached as Exhibit 7; Consumer Complaint of Tyler Kier against Young's Outdoor Solutions, attached as Exhibit 8.

⁷ See Exhibit 1; Exhibit 7.

⁸ See Exhibit 7.

18. After Defendant abandoned the jobs, consumers reached out to Defendant repeatedly to inquire about their contracted projects. Young continually gave excuses as to why the work was not finished, including telling consumers that he was on his way to their house when he received a call that his son was in a car accident.⁹

19. As the consumers began talking to one another about Defendant, they realized he was recycling the same excuses and stories as to why he could not come and finish the contracted work, even going so far as to use the same picture of the alleged car accident.¹⁰

20. Defendant hired subcontractors to work on consumers' homes but failed to pay the subcontractors, resulting in these subcontractors writing collections letters to consumers and threatening to place liens on consumers' homes.¹¹

21. Defendant paid one subcontractor with a hot check. 12

22. In one instance, Defendant contacted a consumer to request additional, immediate payment, telling him the funds were to pay a supplier for lumber. The consumer never received the supplies and later discovered that Defendant had never purchased lumber from the supplier.¹³

⁹ See Consumer Complaint of Jimmy Jaquess against Young's Outdoor Solutions, attached as Exhibit 9.

¹⁰ *Id*.

¹¹ See Exhibit 3; Exhibit 4.

¹² See Exhibit 3.

¹³ See Exhibit 4.

- 23. In total, these consumers accrued damages from Defendant in the amount of $\$430,637.50.^{14}$
- 24. Some consumers have attempted to cancel their contracts with Defendant and get a refund of their payments, but to no avail.
 - a. In some instances, Defendant agreed to refund the consumers' payments, but he never paid consumers the refund, either becoming nonresponsive to consumer calls or making excuses of "forgetting his checkbook" or other reasons he could not write consumers a check.¹⁵
 - b. Defendant "refunded" one consumer with a hot check. When the consumer discovered this and contacted Defendant, Defendant assured the consumer that it was a mistake and provided the consumer with a second check, which was also connected to an account with insufficient funds.¹⁶
- 25. Defendant knew or should have known that his conduct, specifically his failure to complete projects for which he had been paid and his failure to pay suppliers and subcontractors, would cause harm to consumers.
- 26. In all cases, the consumers would likely not have entered into any agreement with the Defendant had the systemic practice of delay and excuses been disclosed to the consumers.

¹⁴ See Exhibits 1–9.

¹⁵ See Exhibit 4; Exhibit 5; Exhibit 7.

¹⁶ See Exhibit 9.

- 27. Upon information and belief, other persons who have not yet been named as a defendant in this Complaint may have participated in the activities described herein, and additional violations which are not presently known to the state may be discovered and added to this Complaint.
- 28. Discovery is ongoing, and the State reserves the right to amend this Complaint and to plead further.

V. VIOLATIONS OF LAW

- 29. The ADTPA sets forth the State's statutory program prohibiting deceptive and unconscionable trade practices.¹⁷
- 30. The business practices of Defendant constitute the sale of "goods" or "services." The same business practices constitute business, commerce, or trade. 19
- 31. The ADTPA prohibits engaging in unconscionable, false, or deceptive acts or practices in business, commerce, or trade.²⁰
- 32. Defendant violated Ark. Code Ann. § 4-88-107(a)(10) when he took money from consumers ostensibly to build or restore swimming pools, then failed to complete the projects by abandoning the work and failing to refund the payments consumers had made.

¹⁷ Ark. Code Ann. §§ 4-88-101, et seq.

¹⁸ Ark. Code Ann. § 4-88-102(4) and (7).

¹⁹ Ark. Code Ann. § 4-88-107.

²⁰ Ark. Code Ann. § 4-88-107(a)(10).

33. Defendant violated Ark. Code Ann. § 1-88-107(a)(10) when he hired subcontractors to work on consumer homes and failed to pay the subcontractors, which led the subcontractors to demand payment from the consumers.

VI. PRAYER FOR RELIEF

- 34. The Attorney General may bring a civil action to seek to prevent persons from engaging in the use or employment of prohibited practices.²¹
- 35. Likewise, the Attorney General may bring a civil action to seek to restore to any purchaser who has suffered any ascertainable loss by reason of the use or employment of the prohibited practices any moneys or real or personal property which may have been acquired by means of any practices declared to be unlawful, together with other damages sustained.²²
- 36. The Attorney General may seek an injunction prohibiting any person from engaging in any deceptive or unlawful practice.²³
- 37. Any person who violates the provisions of the ADTPA may be assessed a civil penalty of up to \$10,000 per violation.²⁴
- 38. In addition, any person who violates the provisions of the ADTPA shall be liable to the Office of the Attorney General for all costs and fees, including but not

²¹ Ark. Code Ann § 4-88-113(a)(1).

²² Ark. Code Ann. § 4-88-113(a)(2)(A).

²³ Ark. Code Ann. §§ 4-88-104 and 4-88-113(a)(1).

²⁴ Ark. Code Ann. § 4-88-113(a)(3)

limited to expert witness fees and attorney's fees incurred by the Office of the Attorney General in the prosecution of such actions.²⁵

- 39. A "person" is an individual, organization, group, association, partnership, corporation, or any combination thereof.²⁶
- 40. Defendant is a "person" who has engaged in unconscionable, false, or deceptive acts or practices in business, commerce, or trade.
 - 41. The State will exercise its right to a trial by jury.

WHEREFORE, the above premises considered, the State of Arkansas, ex rel. Leslie Rutledge, Attorney General, respectfully requests that this Court:

- a. Issue such orders, pursuant to Ark. Code Ann. §§ 4-88-104 and 4-88-113(a)(1), as may be necessary to prevent the use or employment by the Defendant of the practices described herein, which are violations of the ADTPA;
- b. Issue an order, pursuant to Ark. Code Ann. § 4-88-113(a)(2)(A), requiring Defendant to pay consumer restitution to those Arkansas consumers affected by the activities outlined herein; in addition, or in the alternative, enter an order requiring Defendant to remit to affected consumers all sums obtained from Arkansas consumers by methods prohibits by Arkansas law;

²⁵ Ark. Code Ann. § 4-88-113(e).

²⁶ Ark. Code Ann. § 4-88-102(5).

- c. Impose civil penalties pursuant to Ark. Code Ann. § 4-88-113(b), to be paid to the State by the Defendant in the amount of \$10,000.00 per each violation of the ADTPA proved at a trial of this matter;
- d. Issue an order, pursuant to Ark. Code Ann. § 4-88-113(e), requiring

 Defendant to pay the State's costs in this investigation and litigation,
 including, but not limited to, attorney's fees and costs; and
- e. For all other just and proper relief to which the state may be entitled.

Respectfully submitted,

LESLIE RUTLEDGE ATTORNEY GENERAL

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