STATE OF NORTH CAROLINA

IN THE GENERAL COURT OF JUSTICE SUPERIOR COURT DIVISION

FILE NO. 09 CVS 023513

COUNTY OF WAKE

STATE OF NORTH CAROLINA ex rehm MAY 19) A 10: 26 ROY COOPER, Attorney General,	
Plaintiff,	WAYE COUNTY, C.S.C.
v.	)
PHOENIX HOUSING GROUP, I HOMESAMERICA, GARY LEE PARRIS, ROGER DEAN BAILE HER a/k/a JOE HERR, DENNIS STARKEY MORTGAGE, LLP, I McCUEN, IKE VINSON, K and BUILDERS, INC., GEORGE WI VARSAMIS, TRAVIS DWAYN and KATHY SMITH,	GOOD, DENNIS) EY, JR., YO XEY ) SETZER, W.R. ) MARINA ) B HOME ) LLIAM )
Defendants.	)

## **DEFAULT JUDGMENT**

This cause came on to be heard before the undersigned Superior Court Judge at the 19 May 2014 Civil Session of Wake County Superior Court on Plaintiff's Motion for Default Judgment as to Defendant Dennis Setzer ("Setzer"). The Court finds as follows:

- 1. This action was brought to restrain Defendant Setzer and other defendants from engaging in unfair and deceptive trade practices in the sale and financing of manufactured and modular homes in combination with real property.
- 2. At the times relevant to the Complaint filed in this matter, Defendant Setzer was a resident of North Carolina and was employed as a sales agent for Defendant Phoenix Housing Group, Inc. ("PHG") at its Granite Falls location. While working for PHG, Defendant Setzer

marketed and sold primarily land home packages involving the sale of a manufactured or modular home in combination with a parcel of real property.

- 3. Defendant Setzer has failed to make a timely appearance or file any responsive pleadings and is otherwise subject to a default judgment as provided by Rule 55 of the North Carolina Rules of Civil Procedure.
  - 4. On 19 May 2010, the Assistant Clerk entered a default against Defendant Setzer.
- 5. All of Plaintiff's allegations in the Complaint are deemed admitted because Defendant Setzer has failed to file an answer to this Complaint.
- 6. Defendant Setzer is liable to Plaintiff for the relief requested by reason of the facts shown in the Complaint filed in this action on 18 November 2009.
- 7. As set out in the Complaint, Defendant Setzer and others used bait and switch tactics to deceptively solicit consumers to visit the PHG store in Granite Falls; inflated the prices of the homes; failed to give the consumers accurate information about mortgage payments; and, without the knowledge of the consumers, submitted false financial information to lenders to qualify the consumers for loans for which they would not have otherwise qualified and could not afford. Defendant Setzer's conduct led to numerous foreclosures because the consumers could not afford the over-priced homes, causing the consumers to lose their homes and causing lenders, including government entities, to suffer losses as a result of the foreclosures; and
- 8. Defendant Setzer was directly involved in the sale of twenty-five (25) land home packages to consumers in North Carolina while working as a sales agent for Defendant PHG.

## IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. Defendant Setzer is permanently enjoined from directly or indirectly engaging in

any capacity in the business of manufacturing, advertising, marketing, buying, and selling manufactured or modular homes in North Carolina; and

2. Pursuant to N.C.G.S. § 75-15.2, civil penalties in the amount of \$125,000 are assessed against Defendant Setzer and awarded to the State, such civil penalty representing an amount of \$5,000 for the twenty-five (25) land home packages he sold.

This the 4 day of 4, 2014.

Superior Court Judge