



**STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
OFFICE OF LEGAL COUNSEL
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TO: Tennessee Board for Licensing Contractors

DATE: March 2026

1. 2025006131 REGENCY HOMEBUILDERS

License: – 61473 ACTIVE

Classification: BC-A, \$1MIL

1st licensed: 9/26/2008 Expires: 9/30/2026

Disciplinary history: None.

Complainant purchased a home from the Respondent in April 2020. Construction began on or before October 23, 2020. Complainant alleges that the engineer did not sign off on Complainant's foundation until 71 days later on 12/22/2020, and construction began before the Engineer ever signed off on it and sent it to the County. Complainant alleges that there are no photos of the inspection or proof that the engineer was ever on site. Complainant alleges that during a recorded conversation with the Respondent and an engineer on 1/31/2021, the Respondent indicated the engineer inspected Complainant's foundation. Foundation was a monolithic pour with NO vibration on a large footprint (house is 3900sf). Immediately after pouring, Complainant noticed extensive honeycombing in Complainant's foundation, large gaps Complainant could stick small branches through, and a foundation buildup of 4-6 feet per a separate engineer letter, 2 arborists letters and substantiating photos/videos. Complainant alleges it was also informed that due to Respondent cutting the tree roots of two specimen trees that ran ~1/2 of Complainant's foundation on the Northwest side, they had placed helical piers to support the change in root structure under the foundation. Complainant discovered this was not true during the 1/31/21 conversation with the builder and engineer who poured and inspected our foundation.

Complainant alleges it has had issues with the foundation since closing, including a belly under the slab that began December 2021 (6 months after closing/14 months after foundation pour) that required a 26ft x ~2.5-3ft trench through the center of our home for a month to repair. During this repair, it was discovered that Respondent ran the clean out under a load bearing wall (it was not in this location on the house design plans).

Complainant alleges that during this process, it was discovered that the load bearing wall was missing any kind of grade beam or footing for extra support. The Respondent could not figure out how to pull the pipe out from under the wall without tearing up more of our home, so they re-laid it in the same spot. Complainant alleges it continues to have ongoing issues with the toilet on the Northwest side. On January 24, 2025, Complainant had water leak (faucet drip onto the countertop for no more than 48 hours) upstairs that resulted in some water damage to the floorboards in our kitchen as it followed a stud down. Complainant anticipated pulling up a handful of floorboards. Instead, the mitigation company could not find a dry spot on about 65% of the first-floor slab.

The mitigation company opined that the small water leak had nothing to do with the wet slap this extensively and suggested foundation concerns. The Complainant brought out two foundation specialists who both opined that they are seeing indications of stress fractures inside and outside of the home that is indicative of a slow but catastrophic foundation failure. Complainant does not believe that the foundation was properly poured.

The Respondent provided the Board with a response to the allegations of the Complaint through an attorney. The Respondent alleges that after closing on the home in June 2021, the Complainant undertook a social media campaign against the Respondent that included untrue disparaging information. As a result, the Respondent brought arbitration against the Complainant for claims of breach of contract, breach of warranty, and defamation. The Complainant responded with a counterclaim. The Respondent alleges that the majority of the allegations in the Complaint overlap with the Complainant's counterclaim. The Respondent alleges the home has been inspected on four different occasions by engineers who have all found that the home is structurally sound. Respondent alleges it has honored its warranty to the Complainant and made repairs to the plumbing system in January 2022.

The Respondent alleges that the Complaint does contain some new allegations not covered by the counterclaim in the currently pending arbitration. On January 29, 2025, the Complainant submitted a warranty claim relating to the foundation. The Respondent contacted the Complainant's attorney at the time, requesting an opportunity to inspect and document the Complainant's newly alleged claim regarding the home's foundation. To date, the Respondent alleges it has not been allowed to inspect the alleged foundation problem. Respondent alleges that it remains ready to inspect and cure any alleged defect in the foundation.

Based upon the fact that many of the allegations of the Complaint overlap with pending arbitration between the parties, the Board should place in litigation monitoring.

Recommendation: Place in litigation monitoring.

DECISION: Concur.

UPDATE: The Complainant alleges that arbitration between the parties is at a standstill. The Complainant has also filed three other Complaints with the Architects and Engineers Board related to three other professionals involved with the construction of the home.

The Complaints filed with the Architects and Engineers Board are as follows:

AEL Complaint 202502964- This Complaint was filed against a licensed engineer. Complainant alleges that the engineer failed to disclose an ongoing business relationship with this Respondent Contractor.

AEL Complaint 202500722- This is an unlicensed Engineering firm who used the credentials of a deceased family member to falsely represent themselves as a licensee. They were responsible for pouring the concrete foundation for the Complainant's property.

AEL Complaint 202500606- This is a licensed engineer, and this Engineer was responsible for supervising the pre-construction concrete pour.

The matter was sent out for investigation. The State's investigator obtained additional information from the Respondent's attorney. The Respondent's attorney states that the Respondent was not aware that the unlicensed Engineering firm (who was responsible for pouring the concrete foundation for the Complainant's property) did not have an active license. The Respondent provided the investigator with a certificate showing that the building passed final inspection by the Codes Department on June 2, 2021. Respondent's attorney provided the investigator with additional information regarding the arbitration proceedings. There is an arbitration provider named Resolute Systems, LLC, that suspended the arbitration set for April 2026 because Complainant failed to pay the arbitration forum fees.

The Respondent attorney went on to provide the investigator with additional information regarding this matter. The Complainant has continued to post publicly about Respondent, so Respondent initiated a second arbitration on 1/22/26. In Response to the Complainant's allegation that the Complainant's foundation is failing, there were two compaction tests performed before the pour, and they showed the soil was properly compacted. The foundation was poured on 10/12/20, and a copy of the County's Code Enforcement Engineered Footing Foundation Form Letter was completed by the engineer in AEL Complaint 202500606. The foundation was a monolithic pour without vibration. No piers were placed under the foundation, and Respondent did not represent to Complainant that there were. The Engineer AEL Complaint 202502964 inspected the property and found no cracks in the veneer where the trees are located and noted that roots would not cause damage to the foundation. Before and after closing on 6/04/21, the two engineers hired by Complainant found no settlement. In January-February 2022, Respondent discovered that a footing was not placed in the house plans. Respondent followed the Engineer in AEL Complaint 202502964's recommendation to backfill the trench during the plumbing repair with flowable

fill material and reinforce with rebar. The Engineer in AEL Complaint 202502964 wrote letters regarding the repairs, and he says the slab is structurally sound. Another Engineer reviewed photographs of the area with the plans and says the missing footing was minor but was remedied by Respondent. Respondent's attorney explains that the missing footing is not gross negligence because Respondent did not act with utter unconcern for the safety of others or reckless disregard for others, it was remedied by the Respondent. In January 2023, the engineer in AEL Complaint 202502964 inspected the home and believed no structural repairs were needed. Complainant alleges prolonged elevated moisture in the slab after someone left a faucet running at home in January 2025. Respondent was not allowed to inspect the home until 6/02/25, and the moisture content was within the moisture range for flooring to be installed.

Respondent alleges the Complainant had new flooring installed on the slab in the home in December 2025; it would not have been installed had there been elevated moisture in the slab. The Complainant had a warranty claim submitted in January 2025 regarding the foundation, stating that foundation specialists are observing indications of stress factors both inside and outside the home that could lead to foundation failure. However, Respondent's attorney alleges that these specialists are salespeople, not engineers. In arbitration, the Complainant disclosed the opinions of two engineers to support problems with the foundation, but one was a mechanical engineer providing an opinion on soil compaction, which is not qualified to address the issues. The Respondent's attorney alleges that the Complainant relied on the soil tests from the mechanical engineer whose not qualified to perform these tests and had issues with the tests he performed.

On 1/29/25, Complainant submitted a claim on the foundation, and Respondent contacted the Complainant's attorney, on 1/30/25, 2/03/25, and 2/06/25 to inspect the claim. However, Complainant's attorney filed a Notice to Withdrawal as representation. Respondent sent a letter to Complainant on 3/04/25 to inspect the foundation, but no response was received. An inspection was eventually agreed to and completed on 6/02/25. Respondent requested to inspect the home again on 9/30/25 for soil testing, but Complainant's counsel denied the request on 10/06/25. Respondent's attorney alleges that the Respondent has no business relationship with the engineer in AEL Complaint 202502964 other than the situation where general contractors hire subcontractors, consultants, or vendors multiple times because of trustworthy work and recommendations. Respondent engages with the engineer in AEL Complaint 202502964 on an ad hoc basis, as it does with other vendors. Respondent requested the unlicensed engineering firm in AEL Complaint 202500722 inspect the foundation of the house and provide a letter to code enforcement. Respondent was not aware that the engineering firm in AEL Complaint 202500722 did not have an active license. This firm had used a deceased family member's credentials.

Engineers were heavily involved in the construction of this property. Based upon the fact that the Engineer who poured the foundation used a deceased family member's credentials and was not licensed, the fact that the Respondent followed the recommendation of the engineer in AEL Complaint 202502964's, and the fact that the engineer in AEL Complaint 202500606 was responsible for supervising the concrete pour for the foundation, any issues attributed to

the foundation of this property concern the engineers involved in this matter. The conduct of the three engineers involved in this matter will be evaluated by the Board of Architects and Engineers.

NEW RECOMMENDATION: Close with a letter of warning that the Respondent should verify licensure directly with the AEL Board. Also flag so that when renewal comes up the Respondent updates the Board on the status of the arbitration.

NEW BOAR DECISION: Concur