

ARBITRATION BEFORE RESOLUTE SYSTEMS, LLC

REGENCY HOMEBUILDERS, LLC.

Claimant /
Counter-
Respondent

v.

JULIE PEREIRA,

Respondent /
Counter-
Claimant

No. 6016378

RESPONDENTS ANSWER AND
COUNTER-CLAIM

COMES NOW Respondent Ms. Pereira ("Respondent") and answers the allegations in Claimant Regency's Statement of Claim ("Claim") as follows:

1. Respondent is without sufficient knowledge to form a belief as to the truth of this statement and therefore it is denied.
2. First sentence: Admits; Second Sentence: Denies; Third Sentence: Admits; Fourth Sentence: Admits only to the extent that Regency by and through they warranty department frequently instructed the respondent to contact their subcontractors directly. Additionally, the respondent was required to direct and oversee repair work inside her home, as Regency rarely accompanied their subcontractors, despite several request to Regency for them to supply an employee for this oversight; Fifth Sentence: Denies; Sixth Sentence: Denies.

3. The Respondent is without sufficient knowledge to form a belief as to the truth of this statement and therefore it is denied.
 4. Denied as written. The Respondent resides at 5055 Adagio Lane, Lakeland, Tennessee.
 5. Admitted.
 6. Admitted.
 7. Admitted.
 8. Denied.
 9. Admitted.
 10. Admitted.
 11. Denied. The total sales price was \$682,182.00.
 12. Denied.
 13. Admitted.
 14. Denied.
 15. Denied. The Agreement speaks for itself.
 16. Admitted. Denies a copy was provided at closing.
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17. Denied as written. The Agreement speaks for itself.

18. Denied as written. The Agreement speaks for itself.

19. Denied as written. The Agreement speaks for itself.

20. Denied as written. The Agreement speaks for itself.

21. Admits Ms. Pereira made claims under her warranty. Denies they were timely and appropriately addressed by Regency.

22. Admits.

23. Denied.

24. Admits that during the warranty period Ms. Pereira repeatedly contacted Regency's Vendors and subcontractors, (typically as a result of instruction to do so from Regency). However, the Respondent denies any remaining allegations.

25. Admits.

26. Admits.

27. Denied.

28. Admits.

29. Admits.

30. Denied as written.

31. First Sentence: Admits; Second Sentence: Denied; Third Sentence: Denied.

32. Denied Regency has complied with its contractual obligations. Admits Ms. Pereira publicized her grievances on Facebook. Denied this was prior to giving Regency an opportunity to repair.

33. Admits.

34. Admits that Respondent gave instructions and directions to the subcontractors in Regency's absence, when it was necessary for them to complete the warranty work they were sent to do. Also Admits that the Respondent instructed a subcontractor to stop doing work on her foundation until an employee from Regency was present to clarify an issue. Denies that this caused work stoppages or disrupted repair schedules.

35. Admits to one post naming Regency regarding painters using two different finishes of paint and requesting recommendations for a painter who could come ASAP. Denies the remaining allegations.

36. Denied.

37. Admits.

38. Admits. As of June 13, 2021 there was a laundry list of issues already submitted for warranty claims and other issues the Pereira's were handling outside of the Warranty process that were all a result of an incomplete and rushed closing, not of their own volition. Denies that the post is untrue.

39. Admits.

40. Denies to the extent that nothing posted regarding Ms. Pereira's experiences is untrue. Denies to the extent that Ms. Pereira has facebook "followers"

41. Admits.

42. Admits
43. Denies there is no evidence that the floors need to be replaced. Admits the remainder.
44. Denied as written.
45. Denies.
46. First Sentence: Admits; Second Sentence: Denies.
47. Admits.
48. Denies the allegation that the accusations are unfounded (Recency has been provided with photos and videos of this issue), Admits the remainder.
49. Denied as written.
50. Denied as written.
51. Admits.
52. Admits.
53. Admits.
54. First Sentence: Admits; Second Sentence: Denies.
55. Denied as written.
56. Denied.
57. Denied.
58. Denied.
59. Denied as written.
60. No response necessary.
61. Admits.

62. Denied.

63. The Respondent is without sufficient knowledge to form a belief as to the truth of this statement and therefore Denies the allegations.

64. No response necessary

65. First sentence: Admits; Second sentence: Admits only in the absence of Regency employees; Denies.

66. Admits only to the extent that Regency by and through their warranty department frequently instructed the respondent to contact their subcontractors directly. Additionally, the respondent was required to direct and oversee repair work inside her home, as Regency rarely accompanied their subcontractors, despite several request to Regency for them to supply an employee for this oversight. Denies that it interfered with Regency's performance.

67. Denied.

68. No response necessary.

69. Denied.

70. Denied.

71. First Sentence: Admits; Second Sentence: Denies; Third Sentence: Denies
Fourth Sentence: The Respondent is without sufficient knowledge to form a belief as to the truth of this statement and therefore denies the allegations.

72. Denied.

73. Any and all remaining allegations not heretofore admitted, explained or denied and categorically denied. The Respondent denies any and all liability in this matter.

AFFIRMATIVE DEFENSES

FIRST DEFENSE

The Claim fails to state a claim upon which relief can be granted.

SECOND DEFENSE

The Respondent denies that she is liable for the matters, things, or wrongs charged and alleged against her in the claim either in the manner or form alleged or in any other manner or form.

THIRD DEFENSE

The Respondent alleges that the Claimant failed to mitigate its damages and accordingly should preclude, diminish, and/or reduce the claimed damages.

FOURTH DEFENSE

The Respondent asserts the defense of accord and satisfaction as a complete defense to claims. The Respondent further allege the defense of set-off.

FIFTH DEFENSE

The Respondent asserts and raises the affirmative defense that the Claimant's damages, if any, are precluded or should be reduced because of laches and unclean hands.

SIXTH DEFENSE

The Respondent alleges that the Claimant committed the first material breach of contract and/or any agreements between the parties.

SEVENTH DEFENSE

The Respondent relies upon and raise any and all applicable statute of limitations and repose to the extent these statutes of limitation apply to the Claimant's claims.

EIGHTH DEFENSE

The Respondent relies upon and raises the defense of the statute of frauds.

COUNTER-CLAIM

Now having fully answered and responded to the original claim, the Respondent assumes the role of counter-claimant and adds her spouse as an additional claimant. As such, Joseph and Julie Pereira ("Claimants"), by and through their undersigned attorney, hereby alleges and avers as follows:

1. Claimants are a married couple who during all relevant times herein were residents of Shelby County, Tennessee.
2. Respondent Regency Homebuilders, LLC is a Tennessee Limited Liability Company doing business in Shelby County, Tennessee.
3. The Claimants incorporate and adopt the jurisdiction and venue information from the original claim as if fully stated herein.
4. On March 3, 2020 the Claimants entered into a New Home Purchase Order with Regency for Lot Number 6, Subdivision Winstead Farms, Carrington plan number 3183. (Exhibit 1)
5. On March 6, 2020 the Claimants paid a \$5000 Earnest Deposit for lot 6. (Exhibit 2)
6. On March 6, 2020 Madison Neal of Regency informed the Claimants that the city of Lakeland will not let the Builder remove the 2 large (specimen) Trees in the yard. (Exhibit 3)
7. On May , 2020 Madison Neal of Regency informed the Claimants that estimating will price out the French drains they've requested for the yard.
8. On May 13, 2020 Madison Neal of Regency informed the Claimants that the French drains will need to be quoted closer to landscaping.
9. On April 12, 2020 the Claimants ratified the New Home Purchase Order with Regency, increasing the sales price to \$533,655.00.

10. On May 4, 2020 the Claimants visited the Regency Design center to select their upgrades.
11. On June 17, 2020 the Claimants and Regency ratified the Sales price to \$653,436 following confirmation of all design center pricing.
12. Pursuant to the New Home Purchase Order, the Claimants were pre-approved with a VA Home loan and were required to pay 100 percent (100%) of their upgrades in cash/check.
13. On June 17, 2020 the Claimants provided Regency with check number 302 for \$119,781.00.
14. On July 4, 2020 the Claimants visited Lot 6 and were surprised to discover it had been built up significantly. This build up was not discussed with the claimants, and they were surprised to see this given their discussion with Regency Agent Amanda Hamilton about their excitement of having a flat, spacious backyard that their six (6) children could enjoy, and where they could place a swing set for their youngest children.
15. On July 8, 2020 the Claimants again visited the lot and it had been built up more and compacted three (3) to six (6) feet, from the street line to the back, respectively. Their back yard was now a hillside, versus the flat property they contracted for.
 - a. Measurements on the side yard by the trees raise it four (4) feet
 - b. Measurements on the side yard with the existing house raise it a little over two (2) feet.
 - c. Measurements in the back yard raise it by six (6) feet

16. On September 21, 2020 during their first meeting on site with Recency's Builder Daniel the Claimants expressed their concern about the trees and tree roots in proximity to the house, as well as the back yard that had become a hillside.

a. Daniel and later Todd, assured them that final landscaping would yield a functional backyard with just a slight slope for water runoff.

b. Regency indicated since the City of Lakeland prohibited them from, and denied their request to remove the two specimen trees, they would be unable to build up the north side of the yard and we would have a slope only there due to the trees.

17. On or around October 5, 2020 the plumbing installation occurred.

18. On October 12, 2020 the foundation is poured. The Claimants had requested notification so they could be present for this event, but they were never notified

19. On October 29, 2020 the Claimants notified the Regency that the "bonus room to extra bedroom" door (room above the three-car garage) was not built per the contract and needed to be modified to fit the double French door they paid an upgrade for, versus the narrow door in existence.

20. On or around October 30, 2020 the claimants notified Regency that the "bonus room back bedroom" was built incorrectly per the contract upgrade.

21. On November 6, 2020 the claimants notified Regency that the morning room at back of the house was incorrectly framed per the contract. The Claimants had paid an upgrade fee for a vaulted ceiling, wood beams and a triangle transom window in the morning room. Instead, Regency framed a low pitch.

a. Instead of tearing down this portion and re-framing correctly, Regency added additional posts and used hurricane straps to vault the ceiling and create space for the window.

22. On November 24, 2020, the Claimants hired Jones Brothers tree service to evaluate the condition of the two (2) Specimen trees in their yard

a. Mike Mabe (ISA Certified Arborist) recommends tree removal prior to occupancy due to damage caused during construction.

23. On November 25, 2020 the Claimants hired Harrison Tree service to write a letter regarding the condition of the trees.

24. On December 2, 2020 the Claimants notified Regency that the Triple Outdoor living Area (OLA) door from the living room to the exterior is off placement by almost 2 feet per the contractual design.

25. On December 2, 2020 the Claimants notified Regency that the Furdown had been built in the kitchen, contrary to the contract upgrade. This Furdown lowered the ceiling height and made the room seem much smaller.

a. This required Regency to remove the furdown and also raise the floor of the attic above the kitchen to accommodate the taller (per contract) ceilings the Claimants had already paid for.

26. Due to their concerns about the "build up" under the foundation of their home, the Claimants made a written request for Regency to provide the following:

- a. Property Survey
 - b. Grading Plan
 - c. Foundation Inspection
-

- d. Bore Tests on property
- e. Plans or reports that contain info on augured/drilled piers under the footings.
- f. Previous requests for tree removal for lot 6
- g. Tree protection plan for lot 6

1. To date Regency has failed to provide these requested documents.

27. On December 10, 2020 in a text from their Real Estate Agent ("Agent") Meleah, the Claimants were notified that Amanda Hamilton of Regency had informed their Agent that there were piers put in under the home (In a conversation on in February 2022 the company that poured the foundation indicated there were not any piers placed)

28. On January 10, 2021 following a request from Madison with Regency, Ms. Pereira submitted a draft design of the Outdoor kitchen. The Claimants were unaware that they would be required to draft the design of this space and it was never previously discussed as such.

29. On January 13, 2021 the Claimants requested Regency meet with them regarding the French drains they wanted throughout the yard, due to drainage concerns they were already seeing.

a. Regency assured them that French drains were not necessary and that if drainage became an issue, they would come fix the issue under warranty.

30. January 15, 2021 the Claimants received approval from the Lakeland City Manager to remove the two specimen trees damaged during construction.

a. Regency refused to remove the trees and told the Claimants they could do it at their own cost, for \$7500. Regency required the Claimants to use their company, even though other less expensive and insured options were available.

b. Per information sent from Regency's Agent Amanda to the Claimant's Agent, the specimen trees had their roots cut to the portion running under the foundation of the house. To prevent foundation issues, Agent Amanda told Agent Meleah that piers were placed in the space where the roots had been cut to support the foundation from sinking.

1. The Claimants were later informed in February 2022 by the engineer who planned and oversaw the inspection of the foundation, that no piers had been placed.

c. Regency had told the Claimants that would not allow them to remove the trees, more specifically that the city had told them "no"

i. FOIA requests to the City of Lakeland did not substantiate this claim from Regency. The trees were on the 2006 Lakeland Tree plan to remain, but Regency made no further request to the city, not even when the roots were cut and the construction was clearly killing the trees. Regency did not take any action to mitigate the damage they caused to these trees, and then passed the cost of their negligence onto the Claimants.

31. On February 3, 2021 the Claimant discovered there had been a miscommunication about the washer and dryer hook ups in the garage. The Claimants were unaware that a "stub out" doesn't mean it will be ready for hook ups upon move in, and the Claimants were informed they will have to pay for this work after they close.

a. Ms. Pereira reached out to Ray at Legacy plumbing to see if it would be easier and less expensive to fix the hook up issue before drywall was hung. Ray indicated yes and that they would do the work if Regency allowed it. Regency refused to allow this.

32. On February 8, 2021 Ms. Pereira reached out to Regency again reminding that they wanted to add extra drainage.

33. On February 11, 2021 Ms. Pereira reached out to Regency again reminding that they wanted to add extra drainage.

34. On February 22, 2021 Ms. Pereira again reached out to Regency reminding them that they wanted to add extra drainage.

35. Claimants received a text from their Agent Meleah that initial closing is scheduled for April 3, 2021

36. On March 3, 2021 the Claimants discovered a miscommunication about the paint color of their walls, per emails with Madison in the design center. The Claimants ended up not asking Regency to repaint, as to not delay closing.

37. On March 9, 2021 Claimants met with Daniel, Todd, Jay and Agent Meleah at the property to discuss the sloping of the backyard (versus the flat level property at the time of the initial contract, and all contracts ratified through September 2020) and the outdoor living area upgrades. Regency advised the Claimants on how they were going to build out the 12' concrete pad addition that was paid for in May 2020. The 12' extension would be more than 3 feet above the ground, and per code would require safety elements like stairs and a wall. The following was discussed:

- a. The addition of a seat wall or railing was required to meet code.
- b. Height of seat wall was to be like the Kensington model
- c. Seat (cap) of the seat wall was to be Grey stone
- d. Create as seat wall on two of the three walls. One on the north side of the

house and one on the west.

e. Discussed how it may need 1-2 feet of brick on the 3rd wall depending on the drop from patio to grass

f. Stairs would be required per code, and they would be grey stone per Todd's recommendation.

g. Despite this all being necessitated from Regency's grade change to the yard, they passed the expense of this wall and stairs onto the Claimants. Roughly \$600 was discussed at this meeting.

38. Per an email from Madison with Regency on March 10, 2021 the seat wall price would be \$1250. Claimants agreed despite this not being what was discussed, as they did not want to cause any delays to the 4/15/21 closing.

39. On March 5, 2021 Claimant was told that closing by 4/15/21 (date Claimants rate lock expired) "shouldn't be a problem"

40. On March 10, 2021 Claimants discovered Regency installed the wrong stair railings in 3 places throughout the house.

41. Regency and the Claimants discussed the specimen tree removals in depth. The Claimants requested their information be shared with their neighbors, as the trees split their lot and their neighbors to the north. The Claimants wanted to ask if the neighbors would be willing to split the \$7500 cost. Regency informed the Claimants that the neighbors did not want their contact information and therefore Regency did not give it to them. (The Claimants later learned Regency told the neighbors the same thing, that the Claimants did not want their contract information- both of which are untrue). The Claimants initially told Regency they might just want to wait till after closing to remove the trees, since Regency was requiring use of their (more

expensive) company. Regency told the claimants that the neighbors liked the trees and didn't want them removed, so the claimants should remove the trees now while Regency owned both properties. Regency also told the claimants that tree removal would alter the grading, and altering the grading voids the foundation warranty. The Claimants had the trees removed for \$7500 on March 20, 2021. Their Agent Meleah's Broker was gracious enough to split the cost.

42. On March 29, 2021 the Claimants visited the house and discovered that the oak stair treads had been stained a red-brown color. The Claimants floors are a grey brown and this clashed. The Claimant's Agent Meleah got involved to push to have the stairs fixed and stained a color that was relatively close to their floor color. The second attempt was mediocre at best, but the Claimants did not want to delay closing.

43. During a visit to the house on April 1, 2021 the Claimants discovered all closets have wire shelving. The contract specifies several bedrooms and an upstairs hall closet that should not have any shelving. This was eventually resolved by Regency.

44. During the same visit to the house on April 1, 2021 the Claimants discovered that the incorrect backsplash had been installed and then removed in the kitchen.

45. Claimant's and their Agent Meleah were contacted by Regency on April 2, 2021 and informed that they want to do a first walk through on April 7, 2021.

46. On April 2, 2021 Claimant contacted private inspector Gene Ballin to see if he can conduct an inspection on such short notice.

a. Regency was previously made aware that the Claimants desired an inspection, and the contract indicates such. This short notice to the Claimants was quite burdensome, especially in light of the house not being close to inspection ready.

b. Gene Ballin was available Sunday April 2, 2021 for an inspection of the house.

47. On April 3, 2021 the Claimants discovered that the Regency had installed a rectangle mirror in the master bathroom, contrary to the contract. Per the contract there should be no mirror in this space. Regency later removed the mirror, but it damaged the walls. Regency did a quick, mediocre patch and paint job. This later required the Claimants to hire a painter to re-paint this wall after closing since Regency refused.

48. On Sunday April 4, after securing and paying for childcare, the Claimants meet their Agent Meleah and inspector Gene Ballin at the house.

49. The inspector Gene Ballin was unable to inspect the house as mechanical and electrical finals had not been completed. In fact, the house didn't even have an HVAC unit yet, appliances were missing and critical elements weren't hooked up. The inspector was not able to inspect the house despite Regency telling the Claimants and their Agent that it was ready for inspection and leaving the house unlocked for this purpose.

a. The Claimant paid Gene Ballin \$100 for his time to travel to and from the house and the initial walk around where he discovers it's not ready to inspect.

50. On April 5, 2021 Claimant reminds Jay of the following unresolved issues:

- a. All shelving contrary to the contract needs to be removed
- b. Need to discuss/finalize drainage under driveway
- c. Need to remove master bathroom mirror
- d. Need to remove entry way bathroom mirror and paint the area

51. On April 6, 2021 Claimants visited the house after the carpet and pad had been installed in all upstairs bedrooms.

a. Regency had cut, stained, and hung the three upstairs barn doors prior to the carpet and pad being installed, and made no allowances for the space needed under the door. This caused the barn doors to hang at an angle (see pic) and after much deliberation between Regency, the Claimant and their Agent, Regency agreed to remove the three barn doors and cut them equally on top and bottom so they would fit and not look uneven.

52. On April 7, 2021 the Claimants attend their first walk through with Regency, but their Agent Meleah informed Regency that this was not a walk through as the house wasn't even 75% complete, and Claimants will need an official first walk through when the house is at 90% and the appraisal is ordered.

53. On April 18, 2021 Regency notified Claimants that the vent hood had arrived but they ordered the wrong model.

54. On April 20, 2021 Ms. Pereira was informed by Todd with Regency that they will be removing the existing outdoor living patio, to get a better pour and without aggregate rock to do the stamped concrete.

55. Claimants discover the damaged outdoor living area gas line in the garage, it had been punctured and that was the real reason for the existing patio removal. Claimants ask Daniel with Regency if they are running the gas flexline through PVC pipe this time so they don't have to chop through the concrete in the future if there are any issues. Daniel tells Claimants he will look into it, but the new concrete is poured before this ever happened. Unfortunately, this will mean costly repairs that were totally preventable.

56. On April 28, Ms. Pereira had a discussion with Daniel regarding the area of the yard where all the drainage will funnel through.

a. This is the same area that is now constantly flooding.

57. The outdoor living area and outdoor kitchen 24' concrete pad is poured and stamped. Regency removed the expansion joints that existed on the 12' pad.

58. Claimants discover Regency had bricked the seat wall too high (isn't the height of the Kensington referenced in discussions), and all three sides were bricked instead of just two sides as discussed.

a. During the meeting on March 9, 2021 Todd discussed the height of the seat wall (just like the Kensington which was 19" and had a cap on it)

b. During the same meeting Todd also discussed using grey stone for the steps off the patio to the yard.

c. During the same meeting Todd discussed using a grey cap, similar to the stone cap at the Kensington model on the seat wall.

1. Items a and b were eventually rectified, c was not.

59. On April 30, 2021 the patio had another 12 inches poured on top of it, because the first stamped concrete job was substandard. The Patio was now well above the 3 feet allowed by the County without assessments and testing of the soil.

60. On May 5, 2021 Claimants discover the wrong garage motors are installed. Per contract, the claimants had upgraded.

61. On May 7, 2021 the correct vent hood finally arrived, and installation occurred on May 11, 2021.

62. Thereafter, the vent hood was placed significantly lower than discussed for design and for other kitchens of this caliber. Daniel with Regency informed Claimant's Agent Meleah

and Claimants that this is because Shelby County code only allows for so many inches from cooktop, which Claimants later found to be untrue.

63. On or around May 7, 2021 Todd informed the Claimants that the “soft close hinges throughout” actually doesn’t include any of the build ins. The contract does not list this exclusion and the Claimants thought their built ins included the price of soft close hinges as well.

64. On May 20, 2021 Claimants spoke to Daniel regarding the tree line in the back yard that is elevated above the rest of the yard. This is causing the water to flow backwards and creates drainage issues. Claimants also asked Daniel about bringing more dirt in to level the yard more, as well as inquired about a drain on the side between their house and the neighbors.

a. Said trees have since been removed at Claimants expense

65. Claimants conduct a private inspection with Gene Ballin. Inspector noted dishwasher damage and that running the dish washer tripped the circuit breaker.

66. On May 24, 2021 the Claimants emailed a copy of the inspection report to Todd and Daniel, along with a spreadsheet detailing issues to resolve, including the dishwasher.

67. On May 25, 2021 Claimant asked Daniel about updates on a closing date, to which he told her he believed it was going to be the following Thursday (June 1, 2021)

68. On May 26, 2021 Daniel let Claimants know that he was working on the home inspection report and their list, and requested to meet the following Tuesday (June 1, 2021) to go over the remaining items.

69. After visiting the house on May 28, 2021 the Claimants decided to email Regency part-owner Sean Carlson. Claimants desired to meet in person at the house so they could show

him all the issues and request mutual cancellation of the contract with a full refund of the money paid to date.

70. On May 28, 2021 Todd called Ms. Pereira in response to the email sent to Mr. Carlson. Todd told Ms. Pereira they could schedule closing for Wednesday, Thursday or Friday (June 2, 3 or 4, 2021) and assured Ms. Pereira the house would be ready after the walk through on Tuesday June 1, 2021 in the afternoon.

71. During this phone, call Ms. Pereira discussed the price increase from \$600-700, to \$1200 on the seat wall, the cap for the top of the seat wall and the caps for the stairs, as that is not what was discussed in person, but that they went head and signed off on it because they did not want to delay closing any further. Todd insisted they were told that the price was \$1200 when they met on site, and that he never said he would put stone on top of the wall. Claimant reiterated that they heard this, as well as their Agent Meleah.

a. Claimant told Todd they were not closing without this being completed and Todd told Claimants they did not pay for that and it was not on an addendum.

72. During this phone call Todd relayed his plan that they would all meet Tuesday June 1, 2021 at 3pm to do the final walk through. (This should have been the first walk through, as the one almost two months prior to this date was not a walk through as relayed by Claimant's Agent Meleah, due to the house being less than 75% complete). Todd said the house was going to be ready for Claimants to move in, and that if there were a couple little things, Todd said Regency would take care of it, but if there was another two-page list Regency won't take care of it because the house is going to be up to Todd's standards. Todd then told Ms. Pereira that if they don't show up to closing, they will be in breach of contract and Regency will put the house

on the market and sell it for whatever they can, ideally \$680,000. Todd also told Ms. Pereira that the expense of selling the house will fall on them. Todd informed Ms. Pereira that if the house sells for less than the price they're contracted for, then that expense will be deducted from the money they have on deposit.

73. Todd informed Ms. Pereira that the stone he bought for the steps cost them \$600

74. Todd informed Ms. Pereira that the owner Sean agrees with this plan, and that for the last two weeks they've been working hard to get the house ready.

75. Todd informed Ms. Pereira that the house would be ready for final inspection Tuesday June 1, 2021 and the only thing not ready is the outdoor living area kitchen due to damaged and missing appliances.

76. Todd informed Ms. Pereira that he was unaware that they had paid for an outdoor trash can for the outdoor kitchen so he was going to need to research that.

77. Ms. Pereira informed Todd that it was never relayed to them that the June 1, 2021 meeting at 3pm was never relayed to them as a final walkthrough. Ms. Pereira informed Todd that her husband Joe Pereira would be unable to attend as he was working a 24-hour shift, and claimant was unsure if their Agent Meleah would be able to be present as well. Todd informed Ms. Pereira that he was now informing them that Tuesday June 1, 2021 is their final walkthrough.

78. Ms. Pereira explained to Todd that since they aren't closing by June 1, 2021 as previously relayed by Daniel, that they have to extend their rate lock again and Ms. Pereira does not feel that they should have to pay to extend the rate lock again when the delays have been caused solely by Regency's staff. Todd then began to argue with Ms. Pereira about who caused

the delays, citing the tree removal, and tried to blame the claimant for the Vent hood issue. The Vent hood issue was caused by Regency's error in ordering and incorrectly venting the space. The Claimant made no request to change the Vent hood of their own volition, until they were informed of ordering and placement issues and Daniel with Regency is the person who made the suggestion about a different, lower profile vent hood. (Claimant's are unaware of any changes made to the Vent hood, as the one installed is the one per contract). Todd admits Regency put the backsplash on hold, which put the plumbing inspection on hold, which put the mechanical inspection on hold for a week, this was not requested by the Claimants.

79. Todd informed Ms. Pereira that he will not give them their money back and cancel the contract.

80. Todd informed Ms. Pereira that builders are experiencing unrepresented delays in these times (that doesn't explain why houses who contracted 5-8 months after the claimants, closed before the Claimants)

81. Ms. Pereira discussed the timeline with Todd...about being told the house would be ready before thanksgiving, but for sure before Christmas. Regency didn't break ground until September and Ms. Pereira expressed they still don't know why. Todd informed Ms. Pereira it is because claimant requested a preconstruction appraisal; this is inaccurate. Regency's preferred lender, Chao Lin advised the Claimants to get a preconstruction appraisal so they followed his recommendations. This Claimants later learned this was an unnecessary step as they had the funds to cover an appraisal gap if needed. The delay in appraisal was due to the delay in permits not being submitted timely to the county. On more than on occasion Agent Meleah reached out to Regency for the status of this delay on their end.

82. Ms. Pereira expressed appreciation for Regency accommodating some of their change requests early on in the building process (change request incur a \$500 charge per, plus the actual cost of the change), while also discussing some of the major issues they ran into that caused significant delays and had nothing to do with the Claimants' requests.

83. Ms. Pereira detailed some concerns with the master bedroom, about the structure and integrity, and Regency reminded Ms. Pereira that they hired a structural engineer to inspect the house. The structural engineer was Poe Engineering and the Claimants did not know the relationship between Regency and Poe at the time. Todd told the Ms. Pereira that he never saw the report, although Claimant personally sent it to Todd via email.

84. Todd informed the Ms. Pereira that Regency is ready to close and that the house is ready. Ms. Pereira informed Todd that she doesn't think it's fair that she has to spend another \$1600 to lock her interest rate again since they aren't closing on June 1, 2021. Ms. Pereira expresses they've spent over \$7000 in excess rent for the delays on the house. Todd again informed Ms. Pereira that the house is going to be ready for move in the following week. Ms. Pereira again relays concerns about having only one walk through. Ms. Pereira is again told the house will be ready for move in.

85. On May 28, 2021 Claimants received a response on their email to Sean Carlson, from Jill Sugg. Jill's email indicated the house would be ready for move in, and that Regency had gone above and beyond for the Claimants.

86. Claimants response to Jill Sugg's email indicate they felt they were being low key bullied into closing, and forced into accepting a house that is not ready for occupancy.

87. The June 1, 2021 meeting scheduled for this date was change to a “final walk through” by Regency despite the Claimants objections. Claimants did not have any recourse as Regency already told them they would be in in breach of contract and Regency would sell the house, potentially at a loss and sales cost to the Claimants.

88. During this walk through, the house was still missing many items and when looking through photos Claimants discovered the “permabase throughout” was not installed in all the bathrooms per the contract. This was a \$3538 upgrade. It was also discovered that Redguard was not used on the floor per the contract (\$795), walls (\$895) plus a \$500 change fee charge. Claimants requested a refund of \$5658, but were only refunded \$4703.

89. During this walk through the visually damaged dishwasher was discussed again. Ms. Pereira and Agent Meleah were assured the dishwasher had been inspected and the issue was solely cosmetic. Regency indicated they had already ordered a new dishwasher front panel that would fix the front and side dents.

90. Claimants closed on the house on June 4, 2021 but due to the afternoon closing they were not given the keys until Monday June 7, 2021. When the Claimants drove to the house Friday evening to take some photos to send to friends and family, they discovered Regency still had employees working on the house inside and out.

91. On June 14, 2021 Regency instructed Ms. Pereira to reach out directly to some of their vendors/subcontractors to get warranty work completed on tickets she had submitted on June 11, 2021.

92. Per Claimants agreement with Regency, a loaner fridge was to be dropped off on June 16, 2021. Loaner fridge was not delivered until June 21, 2021.

93. Claimants finally moved in on June 25, 2021 (due to short closing notice) and spent their first night in the home.

94. On the afternoon of June 27, 2021 the Claimants noticed warping of their floors in the kitchen and then water seeping through their floorboards. Legacy plumbing was called and they discovered the damaged dishwasher that was noted on the inspection report, and that had been pointed out to Regency several times, had a golf ball size dent in the back right corner, which had busted the seal open about half way across the back of the dishwasher. This seal breakage caused the dishwasher to dump water out the backside when used. The water had been leaking since installation in March of 2021, as the dishwasher was run several times a month by Regency or its subcontractors.

95. On the afternoon of June 28, 2021 a Regency flooring subcontractor came to remove wet and damaged floorboards.

96. Service master was called to the house by Regency later that day on June 28, 2021 and removed more flooring and water that had begun seeping to the other side of the kitchen, and morning room. Service Master set up a dehumidifier and fans.

97. Service Master returned Wednesday June 30, 2021 to do a moisture reading, they were unable to do thermal imaging Claimants requested.

98. Service Master returned Thursday July 1, 2021 to do a moisture reading.

99. On July 1, 2021 Regency's warranty department contacted Ms. Pereira to discuss re-installing the floors. Ms. Pereira reached out to Service master to find out if they made a recommendation regarding replacing the island. Service master indicated they had and that they were on their way to check the moisture levels gain.

100. Service master returned again July 5, 2021 to check moisture readings. Service Master informed Ms. Pereira that the island was dry to industry standards and they informed Regency of such. Ms. Pereira disagreed and requested further testing and studies, especially with their two-year old's history of severe asthma that required intubation in the ICU in October 2020.

101. Regency indicated they did not want to replace the island, and thought it was fine as is but offered to have Claimants meet with Regency's "best cabinet guy" to see what he had to say.

102. On July 12, 2021 Claimants discovered that Regency had ordered and installed the incorrect dishwashers per model numbers on the contract and in several emails. The dishwashers installed looked the exact same on the exterior, with subtle differences on the interior, but each dishwasher was roughly \$200 less per dishwasher than the Claimants paid.

103. On July 14, 2021 Ms. Pereira met with Regency's cabinet specialist who indicated he would recommend that Regency replace the island due to the duration of the water damage, the type of material the island was made out of (particle board) and their son's medical history.

104. Regency finally agreed to replace the entire island that was damaged by the kitchen flood, and new cabinets and flooring were ordered. Claimants were told this was going to take about 8 weeks, and the existing island was left in place so claimants still had access to water and electricity to cook.

105. New kitchen cabinets arrived and legacy plumbing was on site to disconnect the plumbing on August 25, 2022.

106. The following day on August 26, 2021 Pro Stone arrived to remove the kitchen counters. Then electrical disconnected all power to the kitchen.

107. Ms. Pereira discovered that the center cabinet, which holds the ~40lb stainless steel farmhouse sink is damaged to the extent that the integrity is compromised. After discussion with Regency and recommendation of ProStone, a new center cabinet needed to be ordered.

a. Claimants are informed Regency will keep the cabinet doors from this damaged cabinet, and utilize them on the replacement cabinet which will cut down on time.

b. The cabinet doors were inadvertently tossed by the cabinet installer due to lack of communication from Regency, and Claimants had to wait for new cabinet doors for several weeks.

108. During the time period from June 27, 2021 to August 26, 2021 toxic black mold grew on the island cabinets, island knee wall and concrete. Service Master obtained a sample for Regency. Claimants hired their own mold company and their samples grew toxic black mold.

109. Following the removal of the Island on August 26, 2021 the Claimants were without water or electricity in their kitchen for 35 days, until September 29, 2021.

a. Claimants have not been reimbursed for their expenses incurred for this

110. On September 3, 2021 Claimants submitted a warranty claim for insulation issues in the bonus room and bedroom number 6. Both of these rooms have "dead space" that was not filled with any blow in insulation. This issue remains unresolved, as these rooms/walls overheat in the summer and get ice cold in the winter.

111. Ms. Pereira is informed replacement island cabinet will arrive Friday September 17, 2021 so Regency makes arrangements for installation to begin Monday September 20, 2021.

112. September 20, 2021 Regency's Cabinet installer arrived at Claimants house to install the one center kitchen cabinet that arrived at Pro Stone Friday September 17, 2021 and the other cabinets that had been left in the Claimants garage.

113. Ms. Pereira had a meeting for work that morning, so she got the installation crew squared away, double checked with the installer that he had the new cabinet, (he confirmed he does) and lets them get to work.

114. Later that morning cabinet installer informed Ms. Pereira he is finished with the kitchen island install. Ms. Pereira is shocked to discover the damaged center cabinet had been installed. After several phone calls to Pro Stone and Regency, the following is determined and/or happened:

a. Ms. Pereira was asking the installer about the replacement kitchen cabinet, while the installer thought Ms. Pereira was asking about the linen stack that was not a Regency/Warranty item that Pro Stone was installing the same day. The replacement Kitchen cabinet was not at the Claimants home.

b. Replacement cabinet never arrived on September 17, 2021 but nobody did their due diligence at Regency or Pro Stone

c. Cabinet installer installed a visually damaged cabinet

d. Cabinet installer had to remove damaged cabinet, leaving Claimants without an island again, including no electricity or water to the kitchen.

115. On September 20, 2021 Metro appliance arrived with the two “replacement” dishwashers for the damaged/incorrectly ordered per contract dishwashers. These are the wrong dishwashers again. They are not the model number listed on the 2020 contract and they are not the model numbers that Ms. Pereira listed two separate times in the email to Regency and Metro appliance in July 2021.

116. Upon speaking with KitchenAid, they inform Claimant that the model dishwasher on their 2020 contract is not even available for ordering at this time.

117. On October 4, 2021 Claimant asked Jeremy with Metro appliance if they can provide a loaner second dishwasher while they wait on theirs.

118. On October 4, 2021 Metro appliance arrived to deliver the backordered Frigidaire built in refrigerator and freezer to the Claimants. Metro was unable to install the built-in unit due to a shortage of outlets.

a. Ms. Pereira contacted Regency’s office and asked for Elizabeth but was told she was out, and Alix was out to lunch. The person at the front desk recommended Ms. Pereira call Otto herself.

b. Ms. Pereira contacted Todd to let him know what was going on.

c. Ms. Pereira contacted Otto Electric directly, as she had done in the past to let them know what was going on and ask how soon they could come out for an outlet install so they could get their unit installed.

d. Ms. Pereira also immediately and simultaneously emailed Regency, Alix Kirk (Regency Warranty), Todd, Todd with Otto electric and Agent Meleah. Regency expressed no

issues with Ms. Pereira contacting Otto Electric directly or emailing them, as she had done dozens of times previously.

119. On October 6, 2021 Metro appliance arrived again with the Frigidaire built in refrigerator and freezer, and installed it in the Claimants household.

120. Metro appliance then informed Ms. Pereira that the fridge/freezer unit was as high as the legs would allow and that there was still a gap above the cabinet space. Metro appliance informed Ms. Pereira they could not put the trim kit parts on the fridge and freezer until there was a panel to cover the gap.

121. Ms. Pereira was then required to contact Pro Stone, Regency and Todd by email with a photo and an explanation of the issue per Metro appliance. The Fridge and freezer were unusable until this installation occurred, so Ms. Pereira and her family were utilizing a loaner fridge in the garage.

a. Regency did not express any issues with Ms. Pereira contacting Pro Stone directly, as they had directed her to do so many times previously.

122. On Friday October 8, 2021 Pro Stone arrived to install the cabinet trim for the fridge and freezer unit.

123. On the same date, Ms. Pereira called Metro appliance to let them know the trim was done and they can come finish the installation so the Claimants can use their fridge and freezer unit. Metro informed Ms. Pereira they are not available that day.

a. Ms. Pereira contacted Todd and expressed her frustration. Todd informed Ms. Pereira he was unaware that any of this was to be taking place that day, and he will "pull someone from Metro from another jobsite if I need to, to make sure this is done." By 4pm

nobody had arrived to take care of the issue and Todd was not answering his phone or texts.

Claimants are unable to use their built-in fridge and freezer through the weekend.

124. On October 11, 2021 Metro finally installs the fridge and freezer, but the wrong trim kit had been ordered (per the contract). At this point Claimants don't want to delay installation any longer so they begrudgingly accept the (incorrect) trim kit they have.

a. Metro was also supposed to deliver a loaner dishwasher on this date. Ms. Pereira called Jeremy with Metro directly, and he informed her he forgot about it.

125. Claimant's back yard had exhibited drainage problems prior to this date, but on October 7, 2021 Ms. Pereira document the issues with water flow and submitted a warranty claim to Regency. Claimants made many requests in writing during the build process to add drainage/French drains, which Regency repeatedly denied would be necessary.

a. Initially Regency agreed to have an employee come look at the drainage issue, but after repeated attempts to schedule with them, that never occurred.

b. Regency subsequently agrees to send their landscaper out on Monday November 9, 2021 so Ms. Pereira rearranges her work schedule to meet the landscaper but he no shows

c. Regency then maintains that no standing water can be seen in the photos or videos (despite the inches of standing water Ms. Pereira is walking through in the Videos) and refuses to send anyone out.

126. Claimants noticed that since the kitchen floors were replaced following the kitchen flood, the floating flooring (NatureTek Laminate Cumberland oak) is bouncing up and

down to the extent it can be felt and observed, and it is making noises/air is flowing through the seams where the floorboards meet.

127. The north hallway between bedroom 2 and bedroom 3, in front of bath 2 had this issue at occupancy, but the bounce was so minor initially that Claimants were told it was a non-issue and these are floating floors so they're expected to move.

128. By October 26, 2021 the flooring issue rises to the level of being a nuisance, and the Claimants are worried about the integrity of the floorboards over time with this issue. Claimants submit a warranty claim for the flooring issue. Claimant also reaches out to the manufacturer Mohawk, who informed them that the flooring should not be moving up and down as it is in the video they were sent. Mohawk indicates that if the subfloor is unlevel, it can cause the type of movement being seen.

a. On October 28, 2021 Elizabeth with Regency informed the Claimants that subfloor squeaks or movements are not covered under the warranty.

b. Ms. Pereira forwards information from Mohawk to Regency and asks them to comply with Mohawks' request for the Builder (Regency) to submit a claim, and reminds Elizabeth that they are discussing slab, not a subfloor.

c. Regency eventually replies that Derek the hardwood rep will be contacting the Claimants directly.

d. Mohawk rep Derek tells Ms. Pereira that some bounce is normal but that if it still bounces after they install the quarter round, to have him (Derek) come back.

e. Claimants later learn that Derek is one of the main flooring suppliers to Regency, which poses a major conflict of interest and makes Derek unable to render an objective

opinion about the flooring issues, as his paycheck is tied to his [positive] relationship with Regency.

129. On October 28, 2021 Claimants former Agent Meleah sent an email to Regency, renewing her previous request that Regency get someone to oversee the order and accuracy of the repairs on Claimants property.

130. On November 3, 2021 Ms. Pereira notified Metro appliance that the KitchenAid model KDPM704KPS on the 2020 contract that was now ordered incorrectly on two separate occasions, was available for ordering again. Ms. Pereira received no response.

131. On November 8, 2021 Ms. Pereira emailed Regency to follow up on the status of ordering these KitchenAid dishwashers before they were backordered and unavailable to even order again.

132. On November 8, 2021 Ms. Pereira submitted a warranty claim due to the trash compactor panel being the wrong size. All the cabinets in the kitchen are "full overlay" and the appliance panel should also be "fully overlay" to match the cabinets where one can see barely any reveal of the framing. The panel originally ordered was not even a partial overlay. After much back and forth with Regency and Pro Stone about this, Pro Stone agrees to remake the panel.

133. On November 10, 2021 Ms. Pereira followed up with Regency asking if the KitchenAid dishwashers had been ordered. Regency replied that they didn't know and would follow up. After much back and forth with Regency and Metro appliance, Ms. Pereira spoke to Jeremy with Metro directly on November 11, 2021 and he indicated that the dishwashers had indeed been ordered.

134. On November 10, 2021 Regency notifies the Claimants that the back yard drainage issue had been assessed, that there is no drainage issue or standing water and that they are closing the ticket.

a. To date, nobody from Regency or their subcontractors had met with the Claimants or set foot on their property (per security cameras, locked interior gates and Ms. Pereira working from home).

135. On November 15, 2021 Ms. Pereira contacted Regency regarding some issues, and renewed her verbal request made to Elizabeth and Todd that any further work done in the Pereira household will require a Regency employee to accompany the subcontractors as a project manager to oversee the work that they do. Ms. Pereira indicated she does not have the time to manage these repairs.

136. On November 18, 2021 Ms. Pereira submits a warranty claim to Regency regarding the hinges on the front panels (doors) of the built-in cabinets/lockers located in the great room and the garage entry way. They are becoming separated from the base and the doors are starting to break. Regency indicates it is not covered under warranty and is considered damaged if it was not noted on the walk through at closing. Ms. Pereira responds that these built ins were brought to Todd's attention several times from the poor paint job, to the craftsmanship issues to the lack of soft close hinges that should have been installed but never were. Ms. Pereira indicates this is a structural portion of the cabinet that is failing, and it affects functionality. Regency again refuses to even send someone to look at the issue and indicates they are closing the ticket. Ms. Pereira reminds Regency they've only lived in the house for five months and cabinets should not be falling apart on every single door hinge.

137. On November 18, 2021 Ms. Pereira submits a warranty ticket letting Regency know that they are missing 3 kitchen pulls from the recently re-installed kitchen cabinets. Regency requests a photo from the Claimant.

138. On November 22, 2021 Claimants hire Consulting Engineers Brough & Stevens to evaluate their drainage issues and concerns about their kitchen floors bouncing/lifting.

a. Engineer cites a drainage issue, and recommends an underground French drain system with inlets. To date the builder has not installed the drains and despite 6 consecutive days of temperatures in the upper 80's the Claimants backyard remains a swamp as of May 17, 2022.

b. Curiously Regency quotes this Engineers report in their claims against the Claimant, but cheery picks portions of the report to fit their narrative and escape responsibility for fixing the drainage issue.

139. On December 8, 2021, a Regency subcontractor was repairing the neighbor's fence from damage that had occurred during the construction of Claimants home. This is the sixth repair attempt according to the Claimant and the neighbors. The Regency subcontractors accessed the fence from the neighbor's yard, but as they were removing boards, they came on to the Claimants property. They opened the Claimants fence, and began entering and exiting from the Claimants fence and backyard. Ms. Pereira saw the commotion on their security camera and proceeded to her back yard. Ms. Pereira found a Regency subcontractor using her 3-foot-high fence that separates part of her side yard, as a table for boards they were working on cutting and nailing on the neighbor's fence. Ms. Pereira immediately told them to stop utilizing

her property and to enter and exit through the neighbor's yard, not hers. Ms. Pereira also sent an email to Regency about this highly offensive issue.

140. On December 23, 2021 Ms. Pereira called Pro Stone just as she had many times in the past, to see if new quarter round was ordered for the kitchen island. Ms. Pereira spoke to Kristen and was told someone would call her back right away.

a. Ms. Pereira did not hear back from Pro Stone so she followed up an hour later. Ms. Pereira was told that per her Regency contract, Pro Stone cannot have communication with her, and that all communication must go through Regency. At this point, having done business with Pro Stone before in this Regency home's master bath with a bath linen stack and a counter for the built-in, in the dining room, Ms. Pereira asks for a quote to just buy the shoe mold herself since this had become such a long, drawn-out process. Ms. Pereira is told they would not be unable to do that for her given the situation with Regency.

141. On December 23, 2021 Ms. Pereira called Metro appliance, as she had many times in the past to check on the status of the Dishwashers. Ms. Pereira was told that everyone is currently closed for the holiday over at Regency, and that Jeremy with Metro appliance was waiting to hear back from Elizabeth about the dishwashers. Ms. Pereira is told that all communication with her has to occur with Regency approval first.

142. On December 29, 2021 Ms. Pereira submits a warranty ticket to Regency regarding the status of the KitchenAid dishwashers.

a. On Monday January 3, 2022 Regency responds that they are communication with Jeremy from Metro appliance.

b. Having heard nothing and being prohibited from contacting Jeremy herself, on January 12, 2022 Ms. Pereira follows up with Regency on the status of the Dishwashers.

c. Regency informed Ms. Pereira that it will likely be another 4-6 months before the dishwashers come in. Metro graciously offers to upgrade the Claimants to model KDPM804KBS, which the Claimants consider until they learn that they are only available in black stainless steel.

d. For the first time, Regency then indicates that YES they will be ordered in the black stainless steel, but that stainless steel covers will be ordered to replace the fronts and will be switched on arrival. Given the history, and after reaching out to the manufacturer, the Claimants decline and will stick with the original model on the 2020 contract.

143. On December 30, 2021 Ms. Pereira submitted a warranty ticket regarding the shoe mold/quarter round that had still not been installed on the kitchen island. It had been over 2 months at this point and the Claimants would like all repairs to be completed. This warranty ticket also includes a renewed request for the trash compactor panel. Ms. Pereira put Regency on notice that this was not their usual method of operation, as they had previously required her to do all the leg work and manage the construction and warranty claims on her own hours.

144. On December 31, 2021 the first-floor hallway bathroom #2 sink falls from its undermount on the left side, randomly. Ms. Pereira immediately turns off the water, submits a warranty ticket and calls Legacy plumbing on their emergency number.

a. After a delay due to getting permission from Regency to come Claimants home, Legacy plumbing disconnects all the plumbing in the bathroom and takes the sink to the garage to store until Pro Stone can come by the following week after the holiday weekend.

b. On January 3, 2022 Ms. Pereira follows up with Regency, asking if plumbers will be coordinated the same day (one can only compromise their work schedule so much).

c. Bathroom #2 sink was installed on January 6, 2021 but Ms. Pereira expressed concern to Regency about the other sinks, requesting they come and inspect them. Ms. Pereira informed Regency that after consulting with a commercial plumber not associated with them, Pro Stone uses a silicone only product, versus a silicone epoxy mix. This is an issue in this home because these sinks are installed not flush, allowing for gaps and water to seep through those gaps. Additionally, when the sink that fell was reinstalled, there was no bracing of the sink to the underside of the cabinet for 12-24 hours. Pro Stone just used silicone, used some clips, used more silicone and off they went in about an hour. Ms. Pereira remains concerned about the integrity of these 5 sinks in her home, but Regency has refused to inspect them. This concern is renewed when Ms. Pereira initially believed the sink fell due to it missing a clip on the left side of the undermount; however, the clip was later found and the cause remains unknown but is a grave concern given the amount of water damage this family has endured in less than 8 months.

145. On January 3, 2021 Ms. Pereira submitted a warranty ticket for the bonus closet door that would not close. This portion of the house had shifted so significantly that the door isn't merely a tight squeeze, it's impossible to close it.

146. On January 9, 2021 Claimants awoke to find puddles of water around the window frame of the triangle transom window off their morning room, as well as on the floor. A warranty ticket was submitted.

147. Later in the day on January 9, 2021 Claimants discovered a puddle of water in their garage at the man door leading out the back of the garage to the side yard. This man door

is an exterior door that leads from the garage to the south side of the home. A warranty ticket was submitted.

148. On January 14, 2021 James with All Trim (carpenter) arrived to install the island shoe mold/quarter round and fix the bonus room door that won't close. From the time the ticket was submitted to current, the second-floor bathroom door shifted so significantly that it wasn't closing properly either.

a. Following this installation, Ms. Pereira submitted a warranty ticket to Regency regarding the trim installation. Photos were attached of the butchered looking shoe mold/quarter round, as well as information that the trim carpenters had damaged the floor with a small through and through gouge in the floor. Regency denied responsibility and refused to replace the shoe mold/quarter round or repair the damaged floor.

1. The shoe mold/quarter round was so unsightly that Ms. Pereira obtained a quote from Pro Stone to replace it herself

2. The shoe mold, quarter round was later replaced following a visit from Regency builder Daniel who agreed that the installation was not acceptable.

3. The gouge in the flooring was later repaired with some wax and coloring by the company that removed and replaced the floors following the belly in the cleanout pipe.

b. Ms. Pereira again asked Regency to please not send any subcontractors to their house without a Regency builder accompanying them as she cannot oversee these projects.

149. On January 15, 2022 Ms. Pereira submitted a warranty claim to Regency because all of their toilets had been backing up over the past 1-2 weeks, even when not in use. The last straw was when the upstairs toilet backed up, which defies gravity.

150. On January 18, 2022 Ms. Pereira had not received a response to this plumbing issue from Regency so she followed up.

a. Regency informed Ms. Pereira that per the contract they have 10 days to address warranty claims.

b. Regency also informed Ms. Pereira that plumbing isn't warrantied after 45 days for clogs, and sends over a warranty document indicating that, but also that construction defects are covered for 1 year.

1. Ms. Pereira requested proof that she had seen this "Walk Through Agreement" page of the warranty document and signed it. To date, Regency has failed to supply a copy of the document with the Claimant's initials on the first page indicating the Claimants received this document at/prior to closing.

2. The second page with Ms. Pereira's signature on it, was signed over a month after closing (July 7, 2021). Ms. Pereira was asked to sign this by Jay in the middle of her workday, at her home office, during the chaos of Jay and a few Regency subcontractors in her home assessing the kitchen flood damage and repairs. Ms. Pereira denies seeing or being presented with this document prior to, or during closing on June 4, 2021.

c. Ms. Pereira requested Regency investigate as a construction defect, but Regency refused and says she must bring someone out on her own dime and if they find something, Regency will deal with it from there.

151. Regency continued to refuse to assist, so on January 19, 2022 Ms. Pereira contacted the City of Lakeland to check the main. The City of Lakeland finds rocks and

construction debris, but they are unable to get any closer to the Claimants house as their equipment doesn't fit in the smaller pipes.

152. On January 21, 2022 one of the decorative panels fell off the back side of the island. Nobody was near it at the time. A warranty ticket was submitted for this. Regency later re-installed this when they replaced the island shoe mold/quarter round again.

153. On January 21, 2022 Ms. Pereira submitted a warranty claim to have the front door adjusted. It had shifted so much that there was a large gap that was not only letting cold air in, but that one could completely see through.

a. The front door adjustment and replacement of the weather stripping wasn't completed until March 21, 2022.

154. On January 21, 2022 Legacy plumbing arrived to investigate the toilets backing up and over flowing. Initially Claimants were to bare this expense, but once it was determined to be a construction defect, Regency took over. Legacy plumbing found a belly of water about 10-16 feet long in the cleanout under the foundation of Claimants house.

155. Ms. Pereira was told to expect communication from Regency on January 24, 2022, to go over the plan for chopping up the foundation through the center of the house and fixing the pipe.

a. There was no communication until around 5pm.

b. There was still no actual plan following this phone call.

c. Toilets continued to back up so water was being turned on and off between usage.

156. On January 25, 2022, Ms. Pereira received another phone call from Regency about the plans, still nothing solid as they're trying to get everything in order.

a. To keep toilets from overflowing and further ruining their home, Ms. Pereira is constantly plunging toilets and turning water on and off for use. Given that all 4 toilets were backing up, the Claimants and family didn't really have an alternative for using the bathroom.

157. Initial work began on the "belly" on January 31, 2022, 10 days after the belly was discovered and more than 20 days since the issue first became known.

158. On January 31, Ms. Pereira submitted a warranty ticket requesting Regency stain her side of the fence they repaired, as they had dishonestly told her neighbor in an email that they can't stain the Claimant's side of the fence because Regency doesn't have permission to enter Claimant's property. Ms. Pereira reminded Regency that she informed them they must get permission if they need to access the backyard.

159. On the morning of January 31, 2022 AFA engineer David Al-Chokaci just happened to be in the neighborhood so he stopped by. This is the person/company who signed off on the Claimants foundation. Ms. Pereira questioned him about the exposed rebar and extensive honeycombing in the foundation that several people told them was a concern for water retention, with freezing/expanding/contracting issues. David Al-Chokaci told Ms. Pereira that it was fine and normal.

a. Ms. Pereira learned they did not vibrate the slab on the large monolithic pour

b. David Al-Chokachi said they placed postholes, but he doesn't know how many, and he couldn't tell Ms. Pereira where they were.

c. David Al-Chokachi informed Ms. Pereira that NO bore testing was done on the property

d. David Al-Chokachi informed Ms. Pereira that compaction tests were required but he wasn't sure why.

e. Regency employee Todd stated during this meeting that he did not know how high the house had been built up (Engineer and Arborist indicate it was ~3-6 feet).

f. David Al-Chokachi informed Ms. Pereira that this house has trenched footings

g. David Al-Chokachi told Ms. Pereira that no piers were placed where the 2 large specimen tree roots were cut from under the foundation.

1. This is contrary to what the Regency Agent told Claimant's Agent.

h. David Al-Chokachi told Ms. Pereira that the City of Lakeland would not let him cut the trees down.

1. The City of Lakeland has been unable to produce documents that they prohibited or denied Regency's removal of those trees, and neither Regency nor the City of Lakeland can produce a tree removal request that was submitted.

i. David Al-Chokachi said NO and Todd with Regency said YES at the same time when Ms. Pereira asked if a backhoe trenching the footings would have caused the plumbing line to be pushed back.

160. Most of January 31, 2022 was spent moving furniture and tarping the Claimants house to prevent dust from going everywhere. Most of this was done by Regency or its crews, but Ms. Pereira kept getting pulled in to answer questions or direct where she wanted things.

a. Flooring wasn't able to be removed until later in the evening, so Ms. Pereira had to call her mother to go get her kids from school so that they could finish removing all the flooring.

161. On the evening of January 31, 2022 the Claimants showered and dressed their kids for bed in the bathroom upstairs. This is not typical and that bathroom had not been used for showering since Christmas. After Joe Pereira finished showering the three little kids, he went back in the bathroom to hang the towels/clean up, and that's when he discovered water all over the floor and backing up from the toilet. Ms. Pereira had just walked down the stairs to go get the Nebulizer for her youngest son, when she saw the water coming out of the wall and onto the concrete. Joe Pereira came downstairs right behind and also noticed the water. Some of the flooring on the other side of the wall and in front of the built-in refrigerator had been pulled up, so Claimants could see the water slowly making its way to the kitchen and the island.

a. Ms. Pereira called Legacy plumbing's emergency line, but they informed Ms. Pereira that since they'd be there in the morning to deal with the bigger issue, they weren't going to come out that evening.

162. On the morning of February 1, 2022 subcontractors start cutting into the concrete with a jackhammer, versus a concrete saw.

163. The subcontractors open the first hole and determined that they have the correct fall on the pipe.

a. The subcontractors opened a second hole to the left of the first hole, about 12 feet way. They determined that this had the correct fall also.

b. Ms. Pereira did not see anyone use a level to measure the fall, which should have been heading down and north. When everyone came back from lunch, Ms. Pereira pointed out that the fall was NOT correct as she had measured it with a level. Ms. Pereira pointed this out to Todd with Regency and was told by Todd that Legacy checked it and it's right. Ms. Pereira asked them to check the fall again in the first hole. They begrudgingly did, and determined that Ms. Pereira was indeed correct and the fall was incorrect.

c. Ms. Pereira was alarmed to see how soft the dirt was, it didn't seem very compacted at all.

d. The plumbers and Ms. Pereira discover that this plumbing line runs under a load bearing wall. Ms. Pereira sees the picture of the plans for this part of her home on Erik Huckabee's (Legacy Plumbing owner) phone. In this plan, the pipe is drawn parallel to the wall, not under it.

164. On the evening of February 1, 2022, Regency removed more flooring by jack hammering more holes the following day.

165. On the morning of February 2, 2022 Regency subcontractors tarped off the rest of the house. The only way to the master bedroom is through the French doors. The only way to bedroom 2 and 3 is through a door on the back patio. The only way upstairs is through the master French doors.

a. They begin to trench the length of the hallway, connecting the small holes they've made, and opening them all up so they can get to the pipe.

b. Ms. Pereira again expresses her concern about this pipe being under a load bearing wall (following a conversation with a family member who is a commercial plumber and helped build Husky Stadium in WA).

166. Regency gave the Claimants two separate checks totaling \$4400 to cover lodging and meal expenses from February 1, 2022 through February 11, 2022.

167. No work was done on the house on February 3, 2022 due to the weather and impending ice storm. Ms. Pereira sent several emails to various departments at Shelby County expressing her concerns for the lack of oversight, and trying to get a permit pulled for a plumbing inspection.

a. The Chief plumbing inspector for Shelby County opines (from videos sent by Ms. Pereira), that sounds like the slab backfill was soft to start with.

168. On February 3, 2022, Ms. Pereira requested Regency and Legacy pull a permit to have Shelby County conduct an inspection

169. No work again due to the weather on February 4, 2022. Ms. Pereira spoke to Todd on the phone about her request that they pull a permit. Todd informed Ms. Pereira that more than likely they (Shelby County) are going to want to come and just do a site inspection but Regency will pull a permit if they want them to. Todd then tells Ms. Pereira that they probably can't pull a permit, and then changes his mind and tells her he's not really sure if they can or can't. Todd then told Ms. Pereira that both he and Erik the Master Plumber have enough pull with Code Enforcement because they do a lot of work and pay them a lot of money to inspect stuff, so Regency can get this done.

170. Construction/repairs started again on February 7, 2022, and they connected all the smaller holes to get one long trench about 26 feet, and 2-3 feet wide through the center of the Claimants home.

171. Shelby County Plumbing inspector failed Legacy on their first inspection on February 8, 2022.

a. The Shelby County Plumbing inspector agreed with Ms. Pereira's request to bed the pipe with sand and not soil (Claimants prefer gravel but they were told it's not an option)

b. During this inspection, Ms. Pereira addressed her concerns about the pipe running under the load bearing wall, as well as the fact that nobody has been able to source the footing that is supposed to be exposed at this point due to how far back they have excavated. Ms. Pereira expresses concern that there's no grade beam, there is no rebar, and zero indication that a footing is where a footing should be.

c. During this inspection, Ms. Pereira and Erik from Legacy plumbing have a conversation about Ms. Pereira's request to use only sand to bed under the pipe as well as CDF. Erik informed Ms. Pereira that he's using a combination of sand and dirt, and Ms. Pereira again asks that they use just straight sand. At this point the plumbing inspector chimes in and tells Erik that if they use dirt, he has to do compaction studies.

d. The plumbing inspector tells Erik and Ms. Pereira that if the house is built up 3-6 feet, Regency would have needed to do a compaction on the whole slab. Ms. Pereira informed the plumbing inspector that nobody will give her a copy of that compaction study.

e. The Plumbing inspector suggested to Erik with Legacy that he get a pitch level to get his fall more even because the fall is inconsistent from point A to point B.

f. Before the plumbing inspector leaves, he tells Erik that he really does need to get some sand to be on the safe side.

172. February 8, 2022 Mike with Poe engineering arrived to discuss the plan of filling the hole.

a. Mike agreed that he does not see any indication of a footing. When Todd arrived a bit later, Ms. Pereira informed Todd of this information.

b. Mike informed everyone that the plan is to use sand under the pipe and then backfill with Flowable fill (CDF)

173. On February 9, 2022, Ms. Pereira met with Regency's concrete person about the plan, they will be using CDF then concrete on top of that with rebar and a vapor barrier.

174. Legacy failed the second plumbing inspection again due to inconsistent fall and being too flat, on February 9, 2022.

175. On February 10, 2022 Ms. Pereira submitted a warranty request for a copy of the house plans, specifically to show where the footings/grade beams were to be required per the architectural design and load requirements. Ms. Pereira also renewed her request for them to use sand and not dirt.

a. In this warranty request to Regency, Ms. Pereira conveyed the conversation with the Regency Engineer and Todd who agreed that they would excavate back further under the load bearing wall to confirm footing placement. Ms. Pereira asked that Regency be sure that is done "today" before any more sand and flowable fill (CDF) is added.

b. Ms. Pereira also stated that only sand should be used to bed the pipe and support it in the flowable fill, not dirt/soil.

c. In this warranty request to Regency, Ms. Pereira also asked about the letter that Todd and the engineer had mentioned they would write. Elizabeth said she would get with Todd on that question. Regency's attorney was included in this response and was made aware that Ms. Pereira was asking for a copy of this letter.

1. Claimants were never provided with a copy of this letter until Regency filed their UNDATED Statement of Claim against Ms. Pereira, which was received by Ms. Pereira's Attorney on May 3, 2022.

176. During a discussion with Todd on February 10, 2022, Ms. Pereira was informed that they will use sand to bed the pipe since they don't use gravel in TN.

a. Todd told Ms. Pereira that the concrete is thicker in the area where she had concerns about a grade beam or footing. Photos and Videos do not support this.

b. Todd told Ms. Pereira it's now irrelevant that the footing is/was missing from the load bearing wall, because the flowable fill will take care of it. Unfortunately, CDF and some concrete does NOT a footing make.

c. Todd informed Ms. Pereira that their engineer will turn a letter into code enforcement and that they will get her a copy of that letter certifying all of that. The first time Ms. Pereira ever saw a copy of that letter was when she viewed Regency's claim.

d. Todd told Ms. Pereira that there are no signs of structural issues whatsoever and that he is not going to address Ms. Pereira's concerns about "well if we are missing a footing here, where else are we missing a footing" (Claimants do have some structural concerns such a doors not closing- it's happening again, floors lifting, pipes shifting under the slab...)

e. Todd told Ms. Pereira "...the grade beam is somewhat there, I didn't measure and it's all the way in there, but that grade beam is going to be somewhere between 6-8 inches thick which is generally thicker than what the regular slab would be" (the grade beam is not anywhere near this load bearing wall in question that the pipe runs under)

f. Todd told Ms. Pereira "...if we took that wall out, the upstairs would still be there" referring to the wall that is load bearing and missing a footing.

g. Todd told Ms. Pereira "the concrete is thicker under that wall where we dug out" (it is not though)

177. During another call later that morning, Todd told Ms. Pereira that Regency's engineer Mike Lacy will put everything in writing, he's approved all of this and will inspect it after the flowable fill.

a. Todd told Ms. Pereira that Regency would excavate under the wall a bit more before the flowable fill is poured.

178. During the afternoon of February 10, 2022 Ms. Pereira directed the concrete subcontractors to stop working, because nobody had let her know what was going on and per her conversation with Todd the day before and earlier that day, the engineer Mike was going to excavate further back under the load bearing wall to see if they find a footing, prior to any flowable fill or concrete. Ms. Pereira walked outside to find the supervisor hanging out in his truck. He saw her approaching and got out to meet her. Ms. Pereira asked him who he was, as she'd never seen him before with all the other subcontractors that had been at her house. Nobody from Regency was present at this time. Ms. Pereira then asked for Mike or the concrete guy, as she needed to talk to Mike first before they poured any more flowable fill.

a. Ms. Pereira called Todd to let him know that she had asked the guys to stop pouring the flowable fill until she could talk to Mike and figure out what was going on.

b. Ms. Pereira was also surprised to learn that the plumbing inspector had been to the house, and passed Legacy Plumbing, but nobody had informed Ms. Pereira or let her know he was there. Ms. Pereira was at home, working in her office and accessible on this date.

179. Mike, Regency's engineer came back out later on February 10, 2022 to have the subcontractors excavate back under the load bearing wall like they had all previously discussed.

a. Ms. Pereira and Mike confirmed that they cannot feel any kind of footing and they've excavated back under the wall about 43 inches which should be more than enough. It was concluded that there was and still is no footing under this load bearing wall in the center of the home.

b. Flowable fill was poured in the trench, vapor barrier was added, rebar was added and it sat overnight.

180. On February 10, 2022 Ms. Pereira requested copies of all the plans for the house. To date Regency has not complied with this request.

181. On February 11, 2022 the concrete was poured.

182. On Saturday February 12, 2022 a Regency subcontractor dropped off two young men to remove all the tarps from inside the Claimants home and use a wheelbarrow to remove the remainder of dirt inside the home. This was the extent of the cleaning, and Ms. Pereira was left to spend several hours sweeping, using the shopvac left in her garage by a subcontractor, and mopping her own first floor living space so it could be occupied again.

183. On February 12, 2022 the Claimants found a crack that runs from their doorway entrance to where the trench was, it's about 6 feet total in length, but bifurcates about 2.5 feet down.

184. On February 15, 2022 Ms. Pereira submitted a warranty claim about new cracks in the concrete about 11 feet long from the trench to the front door, and that about half way up, the crack bifurcates another direction.

185. On or around February 18, 2022 Todd with Regency arrived with a mold and water specialist to assess the water damage from the 2nd floor bathroom. The Specialist used an infrared camera to detect any water under the tile floor in the bathroom on the second floor, as well as the walls that the water came down through. The specialist was unable to detect any water. This assessment was done 2.5 weeks after the water leak.

a. Ms. Pereira expressed concern that it had been 2.5 weeks since the leak, so no detectible water made sense, but mold growth wouldn't necessarily show up. She requested they pull up some of the tile to be sure of this, but Regency declined to do so.

186. On February 22, 2022, the Claimants roof leaked into their attic and a warranty claim is submitted. Regency sends a roofer to fix the issue the following day. They arrived without a Regency employee and had to be directed by Ms. Pereira.

187. On February 24, 2022 the Claimants roof leaked again and another warranty claim is submitted.

a. This time a Regency employee accompanies the roofer.

188. On February 24, 2022 Regency drywall patched damage to the walls. They arrived without a Regency employee and had to be directed by Ms. Pereira.

189. On February 24, 2022 the Regency's flooring company came by to assess and do some work on the concrete. They arrived without a Regency employee and had to be directed by Ms. Pereira.

190. On February 25, 2022 the Claimants second floor toilet was backing up again. Regency schedules Legacy Plumbing to come assess the issue. The toilet is taken completely apart and construction debris is found. Legacy plumbing believes this is what has been causing some of the backup issues with the second-floor toilet.

191. On March 1, 2022 the Flooring company used leveling concrete on the area of the home that was trenched.

192. On March 2, 2022 Metro appliance arrived to move the built-in refrigerator and freezer so the flooring could be assessed to dry out. Ms. Pereira spent an extensive amount of time on the phone with Todd from Regency regarding this issue as it was not explained to the Claimants that they would have to store these in their garage over the weekend. Ms. Pereira also submitted a warranty ticket for this issue.

193. On March 3, 2022, William Cannon Heating and air came by to address the ongoing airflow issue. They arrived without a Regency employee and had to be directed by Ms. Pereira.

a. This airflow issue is ongoing and unresolved still.

194. On March 4, 2022, all the flooring was re-laid, reusing most of the original flooring.

195. On March 7, 2022 the Claimants find the Triangle Transom morning room window to be leaking again and submitted a warranty claim.

a. This issue is repaired by resealing the exterior of the windows on March 10, 2022. Unfortunately, they left a stain of black Silicone on the Claimants seat wall which is made of white brick. Regency made no mention of this to the Claimant, nor did they offer to try and clean or repair it.

196. On March 7, 2022 Regency drywall arrived to begin sanding and preparing walls to be painted. They arrived without a Regency employee and had to be directed by Ms. Pereira.

197. On March 28, 2022 the Painters arrive to paint most of the walls downstairs in the Claimants household, due to the damage caused by the pipe belly repair.

198. On May 2, 2022 Ms. Pereira submitted a warranty ticket regarding the Moen faucet in bathroom #2. The faucet is placed about ½ an inch FURTHER away than the faucets in the remainder of the home. That causes the water to run onto the counter tops, and Juli now flooded the Claimants bathroom twice.

a. Regency informed claimant “...all faucets are in the same spot and the water isn’t usually at a drip pace. If you are not happy with this, I can only recommend purchasing another faucet”

b. Ms. Pereira responds indicating that isn’t true, because the faucet in question is ½ an inch further back than the other 4 faucets in the home and this is the only one having an issue. Ms. Pereira requests someone come look at it. Ms. Pereira also provides photos of a sample installation, and the different installation lengths of the sinks on her home.

c. On May 7, 2022, Ms. Pereira followed up, requesting Regency please have someone come look at the sink. Against her objections, Regency closes the ticket.

199. On May 2, 2022 Ms. Pereira submitted a warranty ticket regarding black permanent marker on her floors that was used when the flooring company removed flooring and re-used it. Ms. Pereira attempted the removal solutions provided by Regency, but on May 7, 2022 informed Regency she was unsuccessful.

a. Ms. Pereira had not heard back from Regency on this warranty claim so she sends a follow up on May 16, 2022.

b. Ms. Pereira still had not heard back from Regency on this warranty claim so she sends a follow up on May 18, 2022

200. On or around May 3, 2022 Ms. Pereira called Legacy Plumbing to inform them the toilets are backing up again and requesting a non-warranty call per the feedback from Regency the last time this happened.

a. Legacy Plumbing put a camera in the line on May 6, 2022 and saw no belly, but had concerns about waste that they see getting caught in the pipes. They will need to return the following week with owner Erik Huckabee.

201. On May 6, 2022 Ms. Pereira submitted a warranty ticket indicating they are experiencing the first-floor toilets backing up again and are having to plunge them, informed them what Legacy found and stated that they believe this is now a warranty issue again.

202. On May 11, 2022 Legacy plumbing arrived to do more investigation. They decide they need to clean the pipes and replace 2 of the 3 first floor toilets with high velocity flushing toilets.

FIRST CLAIM—BREACH OF CONTRACT AND/OR WARRANTY

1. The allegations of all other paragraphs and claims are incorporated as if fully rewritten herein.
2. Regency contracted with Claimants to design, build, and sell to Claimants a new home, which was to be and remains the Claimants' primary residence.
3. This claim is for breach of contract and/or warranty against Regency. Upon information and belief, Regency drafted and are in possession of the written contracts and warranties between the parties.
4. Further, there is implied in every contract for work or services a duty to perform it skillfully, carefully, diligently and in a workmanlike manner. This duty applies to general contracts and builders of homes such as Regency and is non-delegable, and therefore, Regency is liable for all acts and/or omissions of any and all subcontractors who performed work on the Plaintiffs' home.
5. Regency and/or their employees, agents, or other individuals acting on their behalf, materially breached the parties' contracts and/or warranties by engaging in the following actions and/or omissions as outlined and described in detail above.
6. As a sole, direct, and proximate cause of Regency's actions and/or omissions constituting a breach of contract and/or warranty, have resulted in damages to Claimants' property and other economic and compensatory damages to which the Claimants are entitled to recover from Regency.

SECOND CLAIM—NEGLIGENCE

7. The allegations of all other paragraphs and claims are incorporated as if fully rewritten herein.
8. At all times relevant herein, Regency had a duty to exercise reasonable care and skill to strictly comply with the terms and conditions of the Contract and/or Warranties.
9. At all times relevant herein, Regency had a duty to exercise reasonable care and skill in the provisions of its services to the Claimants, and perform all work in a workman-like manner, and according to applicable industry standards and practices.
10. At all times relevant herein, Regency had a duty to exercise reasonable care and skill to select employees, agents, representatives, and/or sub-contractors who would perform all work in a professional workmanlike manner and according to applicable industry standards and practices.
11. At all times relevant herein, Regency had a duty to exercise reasonable care and skill to supervise employees, agents, representatives, and/or sub-contractors who would perform work to the Property.
12. In taking the aforementioned actions and in failing to take the actions that the Claimants assert should have been taken, Regency breached their duty of care and skill to the Claimants.
13. As a direct and proximate result of the above-referenced acts and omissions, which amount to common law negligence and violations of statutes of the State of Tennessee on the part of Regency, its employees, officers and agents, the Claimants incurred and

continue to incur substantial damages to their real and personal property.

14. As a direct and proximate result of Regency's other intentional, reckless, and/or negligent actions and/or omissions, the Claimants have and continue to incur substantial damages.

THIRD CLAIM—VIOLATIONS OF THE TENNESSEE CONSUMER PROTECTION ACT

15. The allegations of all other paragraphs and claims in this pleading are incorporated as if fully rewritten herein.
16. This claim is for violations of the Tennessee Consumer Protection Act of 1977 as stated in T.C.A. § 47-18-104(b) (hereinafter referred to as the "TCPA") by Regency and/or their agents, employees, representatives, and/or other individuals acting on their behalf.
17. As a result of the above, inter alia, the Defendants committed one or more unfair and/or deceptive acts or practices in violation of T.C.A. § 47-18-104(b) in one or more of the following ways:
 - a. By falsely representing to the Claimants that Regency would perform the work in strict accordance with the parties' Agreement, local codes and regulations, and in accordance with industry standards and practices, while knowingly performing work at the Property using sub-standard practices not in accordance with local codes, the parties' Agreement, and regulations; and/or

- b. By falsely represented to the Claimants that Regency would supply all labor, materials, tools, equipment and supervision by qualified personnel and would perform all work in a professional workmanlike manner, and then providing unqualified personnel, unlicensed contractors, and/or performing the majority of work in a sub-standard and unprofessional manner; and/or
- c. By misrepresenting to the Claimants that Regency coming to complete and/or cure deficiencies in the work, while refusing and/or otherwise failing to show up as represented; and/or
- d. By concealing known and material facts from the Claimants, either intentionally, recklessly or negligently;
- e. By refusing and/or otherwise failing to comply with the terms and conditions of the Agreements with the Claimants; and/or
- f. By causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services; and/or
- g. By causing likelihood of confusion or misunderstanding as to affiliation, connection or association with, or certification by, another; and/or;
- h. By falsely representing to the Claimants that their goods and/or services had the sponsorship, approval, characteristics, ingredients, uses, benefits, and qualities that they do not actually have; and/or
- i. By falsely representing to the Claimants that their goods and/or services were of a particular standard, quality or grade, or that their goods are of a particular style or model, when they are of another; and/or

- j. By falsely representing to the Claimants that this business transaction, guarantees, and warranties conferred or involved rights and remedies which it did not have or involve or which are prohibited by law; and/or
 - k. By becoming unjustly enriched with tens of thousands of dollars' worth of Claimants' money invested with Regency for a brand-new home, while Claimants received a property with numerous defects; and/or
 - l. By representing that a person is a licensed contractor, when in fact that person has not been properly licensed pursuant to the laws of the State of Tennessee, rules, and regulations.
18. It is patently unfair for Regency to have been allowed not to fulfill its duty of care and skill to work with the Claimants in good faith to honor the parties' agreements by timely completing all of the contracted and warranted work in a workmanlike manner.
19. As a result of the Regency's violations of the TCPA, the Claimants have and continue to incur substantial damages. As a result of Regency's intentional, willful, and/or knowing violations of the TCPA, Regency is liable to the Claimants in the sum of three (3) times their actual damages, reasonable attorney fees, and costs of litigation.

FOURTH CLAIM—FRAUD

20. The allegations of all other paragraphs and claims in this pleading are incorporated as if fully rewritten herein.
21. This claim is for fraud and/or misrepresentation against Regency.

22. Regency and/or their employees, agents, representatives, or other individuals working on their behalf, engaged in fraud and/or misrepresentation when they falsely represented to the Claimants that Regency would perform the work in strict accordance with the parties' Agreement, local codes and regulations, and in accordance with industry standards and practices, while knowingly performing work at the Property using sub-standard practices not in accordance with local codes, the parties' Agreement, and regulations
 23. Regency and/or their employees, agents, representatives, or other individuals working on their behalf, engaged in fraud and/or misrepresentation when they falsely represented to the Claimants that Regency would supply all labor, materials, tools, equipment and supervision by qualified personnel and would perform all work in a professional workmanlike manner.
 24. Regency and/or their employees, agents, representatives, or other individuals working on their behalf, engaged in fraud and/or misrepresentation when they concealed known and material facts from the Claimants as outlined and described in detail above.
 25. Regency and/or their employees, agents, representatives, or other individuals working on their behalf, engaged in fraud and/or misrepresentation when they falsely represented to the Claimants that their goods and/or services were of a particular standard, quality, or grade which they do not possess.
 26. Regency and/or their employees, agents, representatives, or other individuals working on their behalf, engaged in fraud and/or misrepresentation when he represented to the Claimants that their goods and/or services had the sponsorship, approval, characteristics, ingredients, uses, benefits, and qualities that they do not actually have.
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27. Regency and/or their employees, agents, representatives, or other individuals working on their behalf, engaged in fraud and/or misrepresentation when they falsely represented to the Claimants that this business transaction conferred or involved rights and remedies which it did not have or involve or which are prohibited by law.
28. Regency and/or their employees, agents, representatives, or other individuals working on their behalf, engaged in fraud and/or misrepresentation when they falsely represented to the Claimants that that Regency had cured the deficiencies in the contracted services provided to the Claimants.
29. Regency and/or their employees, agents, representatives, or other individuals working on their behalf, engaged in fraud and/or misrepresentation when they falsely represented to the Claimants that that Regency would honor the warranties provided to the Claimants.
30. Regency's actions were intentional, willful, malicious, and/or reckless and entitle the Claimants to punitive damages. Regency knew of the foregoing falsehoods and made them recklessly with the malicious intent to deceive the Claimants and to induce the Claimants into entering into the contract and to continue to rely on Regency to repair the Claimants' home.
31. In addition, or in the alternative, Regency's actions and/or omissions were negligent in that Regency failed to exercise due care to work with the Claimants in good faith to honor the parties' contracts and warranties, to complete the work to Claimants' home and Property in a workmanlike manner, to supply all labor, materials, tools, equipment and supervision by qualified personnel and pay said materials, and to cure deficiencies as agreed and per the contracts and warranties and subsequent promises to do so. Regency should have

reasonably foreseen that its herein-stated actions and/or omissions would result in damage to Claimants' property and further harm Claimants financially.

32. As a sole, direct, and proximate cause of the above-referenced actions and/or omissions, the Claimants have and continue to incur substantial damages.

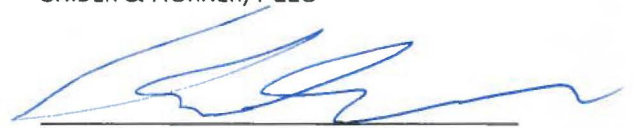
WHEREFORE, PREMISES CONSIDERED, the Claimants pray:

1. That this matter be submitted to arbitration.
 2. That the Claimants be awarded a judgment against Regency in the minimum amount of \$200,000.00 in compensatory damages or an amount to be more specifically determined at a later date.
 3. That the Claimants be awarded a judgment against Regency in the minimum amount of \$600,000.00 in punitive or treble damages at the maximum rate permitted by law and/or pursuant to the Tennessee Consumer Protection Act.
 4. That the Claimants be awarded prejudgment interest at the maximum rate permitted by law against Regency.
 5. That the Claimants be awarded reasonable attorney fees incurred in this matter pursuant to the contracts and warranties between the parties, Claimants' claim for violations of the Tennessee Consumer Protection Act and/or any other claims that allow the recovery of attorney fees against Regency.
 6. That the Claimants be awarded discretionary costs as this Court deems appropriate.
 7. That the Claimants be awarded the court costs and other expenses of this action.
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8. That the Claimants be awarded such other and further relief to which the Claimants may be entitled by law, including but not limited to rescission of any and all agreements between the parties.

Respectfully submitted,

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