

Attorney General Pam Bondi News Release

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Attorney General's Office Enters Multi-Million Dollar Settlement with KB HOME

TALLAHASSEE, Fla.—The Florida Attorney General's Office today announced a multi-million dollar settlement with home builder KB HOME and its Florida subsidiaries. The Attorney General's Office entered a stipulated consent decree and final judgment to resolve a three-year investigation of KB HOME for violations of the Florida Deceptive and Unfair Trade Practices Act. KB HOME allegedly failed to make certain disclosures to home buyers regarding the construction of some of its homes and improperly denied warranty coverage to certain homeowners who were otherwise covered.

Beginning before and throughout the Attorney General's investigation KB HOME spent approximately \$71 million to repair affected homes, including 1,688 homes in need of repair from water intrusion issues arising from construction defects. The final judgment requires KB HOME to repair additional homes that are up to 10 years old and meet certain criteria. KB HOME must also provide \$6.5 million to the Attorney General's Office to pay restitution, including out-of-pocket expenses for homeowners who have incurred expenses as a result of construction defects and construction repair work, as well as to pay the costs of investigation and settlement administration. In addition, the settlement requires KB HOME to undertake certain changes to its construction and business practices and spend approximately \$17 million over the next five years to improve its construction techniques, train its subcontractors and use improved materials in its new construction. A third-party inspector must review KB HOME's new construction in Florida.

A complaint filed simultaneously with the stipulated consent judgment alleges that KB HOME and its subsidiaries violated the Florida Unfair and Deceptive Trade Practices Act by:

- Failing to disclose to certain purchasers in Florida that the homes being constructed violated applicable building codes;
- Failing to disclose to certain purchasers in Florida that the homes being constructed did not conform with the original building plans and specifications;
- Denying certain consumers' warranty repair requests because they purchased short sales or from banks after foreclosure proceedings, not proper exclusions under the KB HOME warranty; and
- Refusing certain consumers' warranty repair requests due to a lack of maintenance by the homeowner when the structure's problems were attributable to defective construction.

To seek repairs, homeowners should contact KB HOME to arrange an inspection. For homeowners in the Tampa area, call KB HOME at (813) 387-9600 or send an email to TampaClaims@kbhome.com. For homeowners in the Orlando area, call KB HOME at 1-800-305-2246 or send an email to OrlandoCustomerService@kbhome.com. For homeowners in the Jacksonville area, call KB HOME at (904) 596-6690 or send an email to KBJaxCustServ@kbhome.com. For locations outside of these regions, contact the closest region above for repairs.

To apply for restitution, homeowners may download and complete a claim form found at Florida-AG-KBSettlement.com or may contact the claims administrator, A.B. Data, Ltd., at 1(888) 210-5486.

To view the consent decree and final judgment, click [here](#).

To view the complaint, click [here](#).

To view frequently asked questions, click [here](#).