

<http://www.kbhomesleak.com/>

Re: KB Home
Case# 2016-CA-300

February 17, 2016

Dear Mr. (redacted – OAG attorney)

I am writing to you about the KB Home settlement.

First I want to thank you for the work you did on the case.(redacted)

You must know this settlement falls short of an equitable solution. It offers less than enforcement of the already existing warranty; because it excludes so many homes, forces (binding?) arbitration with KB Home's arbiter, offers no other recourse, does not provide any oversight whatsoever by the state, and requires owners to sign an unconditional release of all rights and grievances away to KB Home. The state settlement requires this knowing KB Home has already fixed houses incorrectly while under its watch. In view of the warranty homeowners already were entitled to, one has to wonder if this settlement is even legal since it diminishes so many contractual rights and excludes so many owners that the attorney general is aware were harmed. The release seems to extinguish warranty rights in one sentence (but does the opposite in another).

WHO IS COVERED? Condo and Homeowners' Associations are excluded, as is anyone who lives in a community with an association that has filed suit or filed a complaint that is not resolved. Anyone who purchased before April 17, 2005 is not covered (that excludes 49% of my subdivision).

It is hard to understand how the attorney general's office can say the investigation did not cover construction defects. This is found in the Q&A, not in the settlement. The entire issue was about massive construction defects, some very dangerous, and the DBPR **refused** to investigate. Building departments are extremely negligent (or maybe worse) and they should be investigated.

The state spent quite a lot of time and money focusing on construction defects. It sent its own engineers to examine neighborhoods.

Since the attorney general states construction defects are not addressed because this is the job of the DBPR's, and since the attorney general knows that hundreds of homeowners did contact the DBPR, and the DBPR did not appear to conduct any kind of legitimate investigation - Did the attorney general share any of their knowledge of dangerous building practices with the DBPR in the 3.5 years it investigated? All (redacted) KB Home complaints were dismissed by the DBPR. I was told by Paul Waters, then Chief Prosecuting Attorney at the DBPR, "We can find no probable cause, because the building departments signed off on the work." I was told by private engineers, that is as absurd as it sounds and not the law at all.

Did you refer anything to the State Attorney?

The attorney general knows KB Home violated the original warranty for 1,600 homes for a decade, and by violate, I mean they did not address CONSTRUCTION DEFECTS. Owners deserve more than this settlement. In my neighborhood, 49% of houses are excluded because of the cutoff date, despite well documented attempts to have poorly built homes repaired for years.

It didn't matter if owners got an attorney, or if they contacted the FTC like I did. KB Home still shortchanged owners, fixed houses wrong, and abused defenseless people. This agreement says the attorney general is done with it, no matter how valid one's complaint is, the attorney general is not going to follow through. You might get a paint job (a patch the way KB Home fixed houses for years). If one is informed enough to already know what is truly wrong with the house (and the attorney general should by now) then it appears the attorney general wants you to fight against KB Home on your own. The attorney general has washed her hands of it.

My neighborhood has a whopping 70% default rate (the highest percent in Indian River County). Mortgages are regulated by federal agencies (also by the state attorney general), and in my opinion, that makes this a federal issue. I am resubmitting my claim to the FTC, HUD, the DOJ, and my U.S. Congressman and Senators, where it originally began, because the state's actions do little to fix the houses or make owners whole. KB Home, a company with a history of abusive sales practices, warranty failures, and poor building practices has not even been slapped on the wrist.

I am asking that this settlement (which is very biased in favor of KB Home) be amended for the good of the citizens of the state. Houses that are not fixed will become dangerous structures, are at high risk of default, lower property values, and are a drain on communities. I for one, do not consider this settled. The attorney general obviously does not think that construction fraud is her responsibility despite it being a state regulated industry, despite building departments refusing to do their jobs, despite the DBPR refusing to investigate, despite it being a matter of PUBLIC HEALTH SAFETY, AND WELFARE, as well as massive financial loss.

As she writes: Upon execution of this Stipulated Judgment, the OAG shall terminate each and every existing civil investigation, inquiry, claim and/or proceeding (whether formal or informal) as to KB HOME, its predecessors, divisions, business units, subsidiaries, and the current and former directors, officers, or employees of any of them (collectively, the "KB HOME Releasees") arising out of KB HOME's acts, practices, or courses of conduct giving rise to **actual** or alleged violations of FDUTPA relating to KB HOME's sales practices and handling of.....

**SHE IS TERMINATING EVERY CLAIM FILED,
WHETHER RESOLVED OR NOT, WHETHER VALID OR NOT,
AND THEN DENYING THOSE WHO HAVE FILED CLAIMS
INCLUSION IN THE SETTLEMENT!**

Amazing. The state just slammed the door in 1,600 owner's faces.

**I. REQUESTING AG MAKE CHANGES TO THE SETTLEMENT ON BEHALF
OF THE PUBLIC GOOD**

1. The settlement on page 14, paragraph 42 reads: If either the OAG or KB HOME believes that modification of this Stipulated Judgment would be in its best interests, that party shall give notice to the other party, and the parties shall thereafter attempt to agree on a modification.
2. I would like to request on behalf of complainants, and citizens of Florida that changes be made for the public good.

II. ARBITRARY CUTOFF DATE IS BIASED IN FAVOR OF KB HOME

1. Throughout the settlement an arbitrary date of April 17, 2005 is used as a cutoff date for houses and condominiums that will be included in the settlement. This is a gift to KB Home and an insult to owners.

2. In my Carriage Lake neighborhood, this will mean that **49% OF THE HOUSES WILL BE EXCLUDED.**
3. Statewide, the number is unknown but can be calculated, and will be high.
4. Some homes have missed the deadline by a matter of days.
5. This date does approximately conform to the already existing ten year warranty that was violated for ten years. By leaving the warranty time frame in place without exceptions for owners who have sought justice for over a decade, the state has just allowed KB Home to negate warranties for ten years, and sanctioned their practice of running down warranties instead of making proper repairs.
6. Is the state aware that many homeowners elected for a twelve year warranty and the state is excluding these people?
7. Homes in the Preserve at Sundance have been requesting and receiving inadequate patches in lieu of substantial repairs since 2003. During that time KB Home ran down the warranty clock. These owners tried in good faith to get their homes repaired – ONE HOME HAD TWENTY ONE REPAIRS –they are now excluded from any settlement. Why doesn't the attorney general file fraud charges when a builder makes 21 repairs that don't work?
8. The attorney general has known that Carriage Lake houses were **FIXED (NOT JUST BUILT) INOCRRRECTLY, WITOUT FLASHING OR PROPER WEEPS AND JOINTS (while under your watch and during your investigation)**, for years. I provided two engineers' reports, and the state sent its own engineers.
9. The state took 3.5 years to reach a settlement. Now half of my neighborhood will not get fixed.
10. Why wouldn't all owners who filed complaints during the 3.5 years be included? Why wouldn't everyone who bought a defective home and didn't get it fixed not get included? The state is allowing KB Home to abuse its warranty by excluding owners who fall outside the ten year period. This forgives the immoral business practices used by KB Home – the practice of running down warranties without making repairs correctly.

11. This must go back to the FTC. My understanding (despite denials from OAG) is they sent it to your office because it is your responsibility and that obligation has been shirked by the state.
12. This settlement gives owners nothing they already were not entitled to under current law and warranty. It gives them less. It is the state that did not enforce the law for a decade, not owners who did not act. Some got lawyers and got the same shabby treatment.
13. 1,600 defective houses is a public crisis, not a civil private matter, not when that industry is regulated for the public health, welfare, and safety by the state.
14. It was not until the press wrote literally over 100 hundred news stories, and four politicians intervened, that the attorney general got involved.
15. The attorney general did not initiate the repairs, most were underway by the time an investigation was opened.

III. MOST OWNERS ARE EXCLUDED ONE WAY OR ANOTHER.

16. According to the Q&A if you are a member of a Homeowner's Association which took legal action, or filed a claim under FL 558 (construction defect) and it is not resolved you are excluded. .
17. In the settlement it states, Willowbrook, Palm River, and other will receive restitution. Which statement is true? Excluded or not?
18. If you are a Homeowner's Association you are excluded.
19. If you have an attorney you are excluded.
20. If you bought your home more than ten years ago you are excluded.
21. If you bought a foreclosure and can't prove if it was occupied you're excluded.
22. If you are a bank and own the home you are excluded – despite the warranty running with any subsequent owner.

IV. DOES NOT COVER CONSTRUCTION DEFECTS

1. How can the attorney general say after 3.5 years that the investigation was not about construction defects? Yes it was about other things, such as deceptive practices, but to ignore the construction defects ignores the elephant in the room.

2. The attorney general's office spent an inordinate amount of time focusing on construction defects. They sent construction engineers around the state.
3. The settlement is pages and pages of description of supposed cures for construction defects (paint patches). This alone contradicts the attorney general's statement this is not about construction defects.
4. The only thing I've ever been told by the AG is, "We are making them fix them." Isn't that saying we are focused on construction defects? How can you make them fix them if you aren't addressing construction defects?
5. The DBPR refused to investigate the construction defects. Why didn't the attorney general bring the DBPR back into the equation? Don't you have an obligation when you have knowledge of so much potentially dangerous and defective buildings to notify your other state agencies? Especially when you know hundreds of owners already did and were brushed off?
6. No building department was cited for not doing their job.
7. The construction defects were fraud according to engineers I have talked to. Especially in neighborhoods like Willowbrook, and Carriage Lake where one coat of stucco & no flashing or casing was used at windows on most houses, during repairs. Or where (according to a whistle blower) properties with "life threateningly dangerous defects that could result in the loss of life and property," were sold without disclosure from top KB Home executives, and when they failed, the owners were still denied repairs. All KB Home got was a slap on the wrist for non-disclosure. Well I guess everyone who wants to dump one of these things will just do the same, not disclose.

V. THE SETTLEMENT EMPHASIZES A TEMPORARY PATCH OF WATERPROOF PAINT IN LIEU OF MORE SUBSTANTIAL REPAIRS OF UNDERLYING DEFECTS.

1. The settlement emphasis is on painting defective houses rather than discovering the underlying defects (even though it is not about construction defects).
2. This is exactly what KB Home has done for ten years. It is a sham repair.

3. The houses are cracking and leaking because the stucco was applied incorrectly and many are missing parts of the wall drainage system – **even after repairs**.
4. The attorney general knows that KB Home has omitted required flashing, weeps, joints, and has applied only one coat of a three coat stucco product while making repairs (well documented in Carriage Lake).
5. What provisions are there for this defect that is hidden from most owners – one coat of stucco? I videotaped it being applied. .
6. Homes need to have bore tests to determine how many coats of stucco were applied. I had a bore test to verify what I'd said all along. My stucco is not thick enough and has one coat.
7. It is fraud to apply one coat. It costs three times less, and uses three times less labor, and is not to ASTM or manufacturer's standard, or building codes. It is deliberate.
8. Most homes did not get the scrutiny that Willowbrook did, and even in Willowbrook, when that scrutiny of engineers was cut back, the condos got their weeps stuccoed over and are now leaking. The attorney general knows these same defects were in the original construction – and the cause of water intrusion - yet they are not mentioned specifically in the settlement. It is glossed over with vague language using the term substrate undefined (which I assume is the flashing, weeps, and joints, as well as screed and paper).
9. Most homeowners will never know about these components and neither do most builders and building departments in Florida either- as incredible as that may be.
10. Who advised the attorney general in prescribing painting as a cure? KB Home? Painting is their standard patch.
11. I've hired three engineers, and talked to building departments statewide and to the state engineers who came to this neighborhood. And though I was told your state engineers did not generate a report (have the email), their opinion of how the houses were repaired, or should be repaired, differed from this settlement.
12. Could that be why they did not generate a report?
13. Painting stalls leakage. It doesn't fix defects.
14. It lets water intrusion fester, causing more damage.
15. It runs down the clock on warranties.
16. The attorney general is partnering with KB Home in a union that harms owners.
17. Painting is a cover up.

VI. WHAT PROVISIONS ARE THERE FOR ENTIRE NEIGHBORHOODS THAT WERE REPAIRED INCORRECTLY WHILE UNDER THE ATTORNEY GENERAL'S WATCH?

1. It appears none.
2. Nothing was done about Carriage Lake. How many other neighborhoods are there like this in the state?

VII. WILL THE ATTORNEY GENERAL ACT IF KB HOME VIOLATES THIS AGREEMENT?

1. No. The attorney general has said (Page 10, paragraph 31): Upon execution of this Stipulated Judgment, the OAG shall terminate each and every existing civil investigation, inquiry, claim and/or proceeding (whether formal or informal) as to KB HOME,...
2. The attorney general did not act when KB Home repaired houses incorrectly in Carriage Lake while under your watch and investigation, and will not in the future.
3. The settlements states (page 5, paragraph 12, and elsewhere); KB Home's agreement to perform the following work shall resolve, for the purposes of this Stipulated Judgment, all pending consumer complaints to the OAG as follows (lists repairs)...
4. The homeowner is forced by the agreement to sign a release to have any of the mentioned work performed.
5. Therefor the AG is:
 - a. Resolving all claims on its part just by enacting this agreement (!)
 - b. Additionally KB Home receives a mandated release (per the AG agreement) from the homeowner in order to get those repairs (whether or not they are performed correctly).

c. Is there any protection for the homeowner? I don't see it. I see escape for KB Home handed to it on a silver platter.

6. The incorrect repairs in Carriage Lake could be seen in videos posted on line (the only party questioning their validity is KB Home – through their unlicensed customer service representatives). (redacted), Executive Director of the Stucco Manufacturer's Association, and author of stucco application texts, and the developer of certifications in stucco application, saw the defects on line and offered his expertise to the attorney general whom I believe did not respond. He contacted me unsolicited after the balcony collapse in Berkley, California, because he was aware of my website. He said that accident was caused by a lack of flashing and hoped that building officials and states would take more seriously the dangers that can ensue after water intrusion. Thirteen youths died in that collapse.

VIII. THE TERM SUBSTRATE IS NOT DEFINED.

1. Most emphasis is on painting.
2. If substrate includes flashing, weeps, joints, in addition to paper and screed, then it should be defined.
3. The above mentioned items (if substrate) are at the heart of the defects.
4. Most owners will not be aware they have a problem.
5. How will it be insured that homeowners get a competent evaluation of their home before and after repairs? I certainly, absolutely, do not trust KB Home.
6. The settlement appears to deliberately gloss over these issues and has given an inordinate amount of verbiage to painting (the patch).
7. In neighborhoods like Carriage Lake (and I believe Pointe West), these items (wall systems as you have also called them I believe) were left out during REPAIRS (as well as in original construction).
8. I can surmise that if they were left out here, they were left out elsewhere and the attorney general may be privy to this information (as well as KB Home).
9. I could drive the state and look for flashing. It can be seen from the street.

10. The attorney general has put the responsibility of discovery of the problems on the homeowner, even though the attorney general is fully aware that this entire neighborhood is missing these items after repairs.
11. The settlement should have specifically demanded that the neighborhoods with documented improper repairs be repaired CORRECTLY.
12. That did not happen. Instead, 49% of houses are excluded, and vague language about substrate without pointing out the obvious are used.
13. In other words the attorney general has said it was perfectly fine to repair houses incorrectly or they don't have to get fixed at all because of an arbitrary cutoff date, or because they have filed a complaint that is not resolved (!).
14. Houses that do not have the substrate repaired will:
 - a) Leak again.
 - b) Develop structural damage.
 - c) Pose a public hazard.
 - d) Could suffer catastrophic damage in a hurricane.
 - e) Likely default.
 - f) Be a blight on communities.
 - g) Be an expense to insurance companies.
 - h) Incur losses to the federal government through defaults and FEMA claims.

IX. NO MENTION OF OTHER STUCTURAL ISSUES INCLUDED IN THE SETTLEMENT.

1. The attorney general knows that the bolts and strapping in Carriage Lake are not to code. You were provided with an engineer's report.
2. KB Home has ignored this report.
3. The attorney general has ignored this report.
4. It appears most houses in the subdivision have the same problem.
5. This could make the homes EXTREMELY dangerous in high wind and hurricanes.

6. The attorney general knows that KB Home knew that Willowbrook had “life threateningly dangerous defects,” according to a whistle blower.
7. The attorney general mentioned this in the charges against KB Home.
8. Yet the attorney general has stayed SILENT about Carriage Lake knowing KB Home did not install strapping and bolts per code. Pictures of Pointe West indicate similar problems with straps might exist.
9. The attorney general knows that Willowbrook has missing straps in the party walls. Since all the exterior walls were built incorrectly, why did no one think to look into the party walls sooner?
10. The one unbiased engineer hired in Willowbrook has said the party walls have 50% less strength than originally engineered according to Roxanne Miller.
11. There is no mention of the Willowbrook party walls in your settlement.
12. Did you report it to the DBPR since it is not your job, because they don’t listen to the public.

X. HURRICANES AND INSURANCE

1. Willowbrook is having trouble finding insurance because of the party wall strapping.
2. Condominiums are required to be insured by the state.
3. Willowbrook may have to be insured by the state (Citizens Property Insurance).
4. The attorney general knows party walls have missing straps.
5. What will happen if there IS loss of life or property in a hurricane?
6. FEMA, or Citizens may have to incur costs if there is substantial damage to Willowbrook, Carriage Lake, or any other defective neighborhood.

XI. CLAIMS PROCEEDURES

1. How are owners supposed to know about this settlement?
2. It is extremely difficult to find on the attorney general’s website even if one knows where to look for it. I have posted it on my website.
<http://www.kbhomesleak.com/fl-kb-home-settlement-its-a-joke/>
3. Will letters be sent by the attorney general or KB Home to all owners? (learned 700 were sent according to the settlement agents – so half)

4. What safeguards exist to ensure KB Home actually logs the complaints since the process is to be by phone? I have never heard of transacting legal business by phone and am surprised an attorney general would advocate that – but do know many people just won't write. Does KB Home tape their calls? Shouldn't there be some foolproof method in view of KB Home's past behavior of ignoring complaints? Or is this something the AG just doesn't want to bother with since she has said the office is terminating involvement? I have sent countless certified return receipt letters to KB Home, and KB Home denied receiving them, I wouldn't trust them personally.
5. Is KB Home going to be allowed to run down the clock on this settlement by stalling? KB Home has violated every provision involving time limits I've ever had with them. I have the letters to prove this and have provided them.
6. Again the burden of proof is on the homeowner. What if neighbors are irresponsible as they have been in Carriage Lake where 70% of the owners simply defaulted instead of fighting KB Home? How does that leave the remaining homeowners? Not that many are included anyway. Maybe that is the point?

XII. CLAIMS REFEREE

1. A rose is a rose by any other name.
2. This certainly looks like forced arbitration (worse).
3. Is the ruling binding on any party besides KB Home? There is no mention of the homeowner, but at the same time, there is no other alternative for the homeowner.
4. Paragraph 18 states the decision of the claims referee will be final. It must be assumed this means to the homeowner.
5. The settlement calls the referee – “KB Home's claims referee”. That doesn't inspire confidence since there is no alternative and no enforcement of anything by the state.
6. In the Q&A I find that the claims referee is actually an insurance company, Bonded Builders (Warranty Company).
7. Do they also represent KB Home as an insurer?
8. Do they have any vested interest in denying a claim? I will call them and learn how they operate.
9. Will they do business with KB Home in the future? Make a profit by selling them Home Warranties?
10. I can see potential conflict.
11. When I purchased my home I waived a twelve year warranty so that I would not have to be subjected to arbitration. I took the shorter warranty so I would have the right to sue, but this settlement has taken that right away without my permission or other's permission.
12. Does the state know that KB Home is the only company in the United States that is prohibited by the FTC from even offering binding arbitration? Perhaps even if you call it a referee? And I don't even call it a referee. I call it KB Home's potential vendor.
13. There is a reason KB Home cannot offer arbitration - because they have abused it.

14. Apparently the attorney general assumes this will not happen even though it has repeatedly. Or the attorney general just does not care one whit.
15. Is the attorney general's settlement in violation of this FTC ruling?

XIII. FORCED TO SIGN A RELEASE TO HAVE MORE THAN \$500 IN WORK

1. KB Home already fixed every house in Carriage Lake incorrectly.
2. There is no protection for homeowners.
3. Is it legal to force homeowners to give up their rights for repairs they should be entitled to anyway?
4. The release has either conflicting or confusing language for a lay person.
5. The owner must release anyone associated with KB Home from defects in design, construction, ... damages, loss, misrepresentations, fraud, concealment, deceit, acts, or omissions JUST TO GET YOUR LEAKS STOPPED (MAYBE)
6. Merry Christmas KB Home with a big red bow from the attorney general of Florida.
 - a. **At the top is says:** releases KB HOME..... from any and **all statutory warranties, common law warranties**, actions, causes of actions, suits, proceedings, debts, dues, contracts, judgments, damages, claims, liability and demands, in law or in equity
 - b. **At the bottom is says:** This release **does not affect statutory warranties, common law warranties**,..... resulting from latent defects
 - c. So possibly latent defects still retain a warranty – but I would not sign this with the top saying “all” warranties.
 - d. <http://www.kbhomesleak.com/wp-content/uploads/2016/02/General+Waiver+and+Release+KB.pdf>

XIV. INSURANCE FRAUD?

1. redacted

XV. VIOLATIONS OF MORTGAGE AND INSURANCE LAWS

1. Kb Home knew, at least at Willowbrook (according to Ruben O'Neil the whistle blower), that they sold condos with defects so serious that “lives and property could be lost, and walls could collapse in high wind.”
2. The attorney general knows that straps and bolts are missing in other subdivisions that are potentially dangerous too – and that KB Home is not making repairs.

3. No one seems to care about the consumer, but they might care that KB Home deceived mortgage companies when they signed sales contracts without disclosure and they deceived insurers that insured the homes with non-disclosure of dangerous defects and material facts. And they may even have written mortgages through their own subsidiary companies. The laws for mortgage fraud have a long statute of limitations (ten years after discovery).
4. And if Citizens Insurance ends up insuring Willowbrook, won't that be ironic?
5. The attorney general prosecuted an individual who knowingly sold a home with a sink hole. The man is facing years in prison. KB Home sold two entire condo complexes with "life threateningly dangerous defects" (according to whistle blower). THEY DID NOT GET PRISON TIME. <http://wfla.com/2015/06/24/spring-hill-man-faces-prison-time-for-not-disclosing-sinkhole-issues-to-seller/>
6. Neither did any of the bankers or robo-signers get prison time from the Florida attorney general.
7. Not that the sinkhole sellers shouldn't get prison time.

XVI. HURRICANE ANDREW GRAND JURY SIMILARITIES TO KB HOME DEFECTS

1. On my website is a link to a Grand Jury investigation that convened in Miami after Hurricane Andrew. The particular neighborhood was 70% destroyed though it was far from the coast and it was determined it was from faulty construction. <http://www.kbhomesleak.com/hurricanecoulddripapartkbhome/>
2. The subdivision involved was built with similar defects as KB Home subdivisions, with missing strapping, nails, and other fasteners.
3. The grand jury didn't indict because they couldn't show intent.
4. Does anyone think that could be said for KB Home?

XVII. THIRD PARTY INSPECTIONS DO NOT PROTECT THE PUBLIC. BUILDING DEPARTMENTS AND THIRD PARTIES ARE BOTH RESPONSIBLE FOR HORRENDOUS CONSTRUCTION. BOTH CAN ENDANGER THE PUBLIC.

1. The settlement requires third party inspectors to inspect KB Homes construction going forward.
2. What is the point of the third party inspectors? It may sound impressive but does little to protect the public.

3. Does it say, building departments can't be trusted? If so, then why was no action taken against the building departments? It should have been.
4. KB Home used third party inspectors in Carriage Lake for the original construction.
 - ALL THE HOUSES WERE STILL BUILT INCORRECTLY.
5. The third party inspector has always been a provision in the law and was willingly used by KB Home in the past. It makes little difference to the quality of construction.
6. KB Home pays the third party (most likely) a similar amount as the Building Department for inspections. What difference does it make to KB Home?
7. Willowbrook is already re-leaking and had third party inspections.
8. In Manatee County the Building Department made huge transgressions in inspecting and continued to do so during repairs when it refused to even inspect after requested to view suspected flaws, which is not an option of a building department under Florida contracting law.
9. The state has taken no action against the Manatee Building Departments despite countless deficiencies and questionable practices.
10. In Indian River County the Building Department knew about all the original construction flaws, and knew about the state investigation, but still ALLOWED EVERY SINGLE HOUSE TO BE REPAIRED INCORRECTLY. They just don't care.
11. The third party inspector does not impress me as anything that will protect the public.
12. Punishing the building departments and third party inspectors from Carriage Lake would be substantial.

XVIII. WHY DIDN'T THE STATE REQUIRE EVERY HOUSE IN CARRIAGE LAKE BE REPAIRED SINCE IT KNEW THEY WERE FIXED INCORRECTLY? WHY IS THE BURDEN PUT ON THE HOMEOWNER? AND NOW 49% OF HOMES ARE EXCLUDED.WHY ISN'T THERE A FRAUD CHARGE FOR FIXING THE HOUSES INCORRECTLY?

1. It would cost money?

XIX. HOUSES NEED STUCCO CORE BOREING TESTS TO DETERMINE IF THREE COATS OF STUCCO WERE USED.

1. Large houses were finished in one day in Carriage Lake.
2. Some re-leaked immediately.
3. By the time I suspected improper application, I viewed two houses get only one coat and videotaped another.
4. The product used required three coats with drying time. This was verified by the manufacturer, and engineers.
5. There is no mention of this in the settlement, though the state has any documentation.

XX. WHY DID THE STATE TAKE 3.5 YEARS TO CONDUCT THE INVESTIGATION?

1. During this time, warranties ran out, houses foreclosed, leaked, owners died, became seriously ill, and went bankrupt.
2. The state had documents and statements for years and allowed KB Home to build thousands of more houses during the investigation.
3. The state could have used a cease and desist to get houses fixed quicker, but did the exact opposite. The state said to KB Home you are welcome to come build thousands of more houses in our state because we do not care about safety, we do not care about consumers, we only care about big business.
4. As a matter of fact, my own state representative said, “We need a cease and desist.” “We give them a license, we can take it away.” That was until she had a private meeting with four KB Home executives in her office, a meeting that was supposed to include homeowners, who were deliberately left out. And after that meeting, her opinion changed 180 degrees and she understood why KB Home did not fix foreclosures. I don’t know if anything unethical happened here or not. I do know none of these KB Home executives were registered lobbyists. I know the legislator was on a subcommittee that writes

legislation for the DBPR and KB Home was under investigation by the DBPR at the time. I conveyed all this information to the attorney general's office at the time. She received a campaign contribution from Carlton Fields, KB Home's attorney of record.

5. Both our attorney general and governor were endorsed during their campaigns by three major building associations while conducting this investigation.
6. Disabled, and elderly owners were abused by KB Home. Children were born in moldy houses with permanent respiratory illness. I forwarded these complaints to the attorney general. I know of others who complained and little was done. My own husband has become seriously disabled, and my house has not been fixed. A neighbor with multiple sclerosis was left for nine months without a kitchen. She weighed only 90 pounds. Another neighbor was paralyzed with a stroke and lay in the living room in a hospital bed for months looking at a leaking wall. A disabled mother of four children was left almost a year with a gaping hole in her upstairs floor and no bath tub. And there was the young girl with the bone marrow transplant who KB Home sent the infamous letter stating, "Mold would not harm her." Despite the doctor saying it could kill her. The attorney general may have acted in her behalf, there were so many news stories, but the others were not helped. Not many attorneys general would allow this kind of abuse of children, the elderly, and disabled. It is shameful.

XXI. LIVING EXPENSES

1. Some owners are questioning whether receipts are acceptable instead of cancelled checks.

XXII. CONCLUSION

The state of Florida spent three and a half years to essentially say they will have no more involvement in unresolved fraud, in an industry that is regulated by the state. Meanwhile KB Home was given new licenses to build thousands of new homes. Although the dollar amount may sound impressive to the press, most of the houses were already under repair before the attorney general was ever involved (it remains how many were fixed incorrectly – Carriage Lake

for certain and mold still in Willowbrook). The arbitrary cutoff is unfair by any standards. I question the figures in the settlement. I haven't checked KB Home's financial statements lately, but the last I had heard, they estimated repairs at \$45 million, not the \$71 million quoted in the settlement. I know this figure was reported incorrectly once in quarterly's and was amended supposedly after someone filed a complaint with the SEC. If this is inflated to window dress the attorney general's office, then that is telling. But if KB Home spent this amount and did not report it in financial statements that is a problem. I can learn how many houses are being excluded statewide by your cutoff date (it will be time consuming). I suppose I could drive the state to see how many houses have flashing on their windows.

Sincerely,

Abby Dozier

(Redacted)

<http://www.kbhomesleak.com/>

C/c: Attorney General Pam Bondi, Pat Bak FTC, Richard Prunty FTC, Judge George Reynolds Second Judicial Circuit Leon County, Congressman Bill Posey, Senator Bill Nelson, Senator Elizabeth Warren, Senator Marco Rubio, Congresswoman Maxine Waters, Shannon Behnken WFLA, Travis Cope KB Home, Dave Simons KB Home, Lannie Hough Carlton Field, Paul Levy Public Citizen, Larry Kunzler Hagens Berman, Matthew Denn Attorney General Delaware.