



## PRESS RELEASE

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### **Attorney General Frosh Revokes Registration of Baltimore County Home Builder**

***Mid Atlantic Modular Charged with Consumer Protection Violations in Harford, Anne Arundel, Baltimore and Cecil Counties; Division Settles with Nine Other Home Builders for Failing to Register or Disclose Required Information***

**BALTIMORE, MD (September 26, 2018)** – Maryland Attorney General Brian E. Frosh today announced that the Consumer Protection Division’s Home Builder Registration Unit revoked the home builder registration of Mid Atlantic Modular, LLC, of Baltimore County, and filed charges against the company and owners Kyle G. Jackson and Scott D. Chilton, for failing to comply with Maryland’s Home Builder Registration Act, Consumer Protection Act, and the Custom Home Protection Act.

According to the statement of charges, Mid Atlantic Modular, Jackson, and Chilton accepted deposits and payments to begin construction of modular homes in Anne Arundel, Harford, Baltimore, and Cecil counties, and then failed to begin construction or finish construction of the homes, pay subcontractors, or refund the deposits and advance payments made by the consumers when the construction of the homes was not completed.

“When making the biggest investment of their lives, consumers should make sure their home is built by a registered builder and that their deposits are protected by an escrow account, bond or letter of credit,” said Attorney General Frosh. “The Home Builders Registration Act gives my office the tools to prevent builders with a bad track record from continuing to build in Maryland.”

The charges allege that Mid Atlantic Modular, Jackson, and Chilton violated the laws protecting new home purchasers in Maryland by, among other things, fraudulently obtaining a home builder registration, failing to secure consumer deposits, breaching the trust created for the benefit of the buyer, misappropriating the money paid by consumers to Mid Atlantic Modular, and failing to include required disclosures in the contracts with consumers. The charges also allege that Mid Atlantic Modular and Chilton failed to comply with previous settlement agreements they entered into with the Consumer Protection Division, including failing to pay agreed-upon restitution, civil penalties, and costs.

A hearing on the statement of charges commenced on September 20, 2018, at the Office of Administrative Hearings. The Home Builder Registration Unit is seeking injunctive relief, restitution, damages, and civil penalties against the builder for the alleged violations of the law.

The Home Builder Registration Unit also entered into settlement agreements during the past year with nine other home builders who have agreed to pay penalties and costs totaling over \$21,500 to settle allegations that they violated Maryland's home building laws, including operating as a home builder without being registered or failing to disclose required information to the Unit in their registration applications, failing to include required disclosures in their contracts with Maryland consumers, or making false or misleading statements to Maryland consumers in their contracts, among other building laws. The settlements were with the following builders:

- Bay Country Land Company (Anne Arundel County)
- Benson Woodworking Company, Inc. (Out of State)
- Carroll Vista IV, LLC (Harford County)
- Centex/ Taylor, LLC (Out of State)
- Delta Building Corporation (Anne Arundel County)
- Stephen Richard Edwards (Garrett County)
- JLS Design-Construction, Inc. (Kent County)
- Pro Improvements, LLC (Queen Anne's County)
- Rivendale Homes, Inc. (Anne Arundel County)

The settlements prohibit the companies from acting as home builders in Maryland unless they first register with the Home Builder Registration Unit and comply with other Maryland laws governing home builders. Many of the builders also agreed to obtain a performance bond for the protection of Maryland consumers who enter into contracts with them for the construction of a new home and submit to arbitration, using the Division's arbitration program, consumer complaints that cannot be resolved through mediation.

Before paying any money to a home builder, consumers should take steps to protect these large investments. Under state law, home builders in Maryland are required to give consumers a pamphlet prepared by the Office of the Attorney General that describes consumers' rights under the law and steps consumers can take to protect themselves.

Consumers who have had problems with homes built by these or other builders should contact the Home Builder Registration Unit at (410) 576-6573 in Baltimore or call toll free at (877) 259-4525. The Office of the Attorney General encourages home buyers to check whether their builder is registered by calling or visiting [www.marylandattorneygeneral.gov/pages/cpd/homebuilder](http://www.marylandattorneygeneral.gov/pages/cpd/homebuilder).