

ANTHONY G. BROWN, MARYLAND ATTORNEY GENERAL

PRESS RELEASE

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Media Contacts: press@oag.state.md.us 410-576-7009

Attorney General Brown Charges Harford County Home Builder with Violating Laws Protecting Home Buyers Korey Homes Building Group, LLC Charged with Consumer Protection Violations

BALTIMORE, MD (September 28, 2023) – Maryland Attorney General Anthony G. Brown announced today that the Consumer Protection Division's Home Builder Registration Unit filed <u>charges</u> against Korey Homes Building Group, LLC ("Korey Homes"), and its principals, Kenneth W. Smith and his son, Korey Wayne Smith, for failing to comply with the Consumer Protection Act, New Home Deposits Act, Custom Home Protection Act, and Home Builder Registration Act.

According to the Statement of Charges, Korey Homes accepted hundreds of thousands of dollars from consumers who contracted with the company for the construction of custom homes in Harford County, Maryland, but failed to complete construction of their homes. The charges allege that Korey Homes, Kenneth W. Smith, and Korey Wayne Smith violated the laws protecting new home purchasers in Maryland by, among other things, breaching the trust created for the benefit of the buyer, misappropriating the money paid by consumers to Korey Homes, making false and misleading statements, and failing to state material facts. The charges also allege that Korey Homes and its principals failed to disclose required information in the application to register as a home builder.

A hearing on the Statement of Charges against Korey Homes, Kenneth W. Smith, and Korey Smith begins on December 6, 2023, at 9:30 a.m., at the Office of Administrative Hearings. The Home Builder Registration Unit is seeking injunctive relief, restitution, economic damages, and civil penalties against them for the alleged violations of the law.

"The decision that families make to build a house that they can call home requires significant time, commitment, and money, but it's also the opportunity to fulfill a dream for many Maryland families," **said Attorney General Brown**. "In using their hard-earned money to create a new home, consumers should be able to trust their builder to recognize the magnitude of this decision and to lawfully provide the services they promised."

Consumers who have had problems with this builder or others should contact the Home Builder Registration Unit at 410-576-6573 in Baltimore or call toll free at 877-259-4525. The Attorney General's Office encourages new home buyers to check whether their builder is registered by calling the Home Builder Registration Unit or visiting

<u>www.marylandattorneygeneral.gov/pages/cpd/homebuilder</u>. Consumers having custom homes built can also make sure the builder is protecting their deposit by insisting that their builder provide, as required by law, a waiver of lien from each subcontractor as evidence that the builder is using their money to pay the subcontractors.

https://www.marylandattorneygeneral.gov/press/2023/092823.pdf