

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS  
COUNTY DEPARTMENT, CHANCERY DIVISION

THE PEOPLE OF THE STATE OF ILLINOIS, )  
 )  
 Plaintiff, )  
 v. )  
 )  
 CARLOS VILLALVAZO, individually, and as Agent )  
 and President of AMERICAN DREAM GENERAL )  
 CONSTRUCTION COMPANY, an Illinois corporation;) )  
 AMERICAN DREAM GENERAL CONSTRUCTION )  
 COMPANY, an Illinois corporation, )  
 )  
 Defendant. )

No. 03 CH 15916  
 APR 13 2009

**COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF**

NOW COMES the Plaintiff, THE PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney General of the State of Illinois, and brings this action complaining of Defendants CARLOS VILLALVAZO, individually, and as agent and president of AMERICAN DREAM GENERAL CONSTRUCTION COMPANY, an Illinois corporation, and AMERICAN DREAM GENERAL CONSTRUCTION COMPANY, an Illinois corporation, and states as follows:

**JURISDICTION AND VENUE**

1. This action is brought for and on behalf of THE PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney General of the State of Illinois, pursuant to the provisions of the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/1 *et seq.* (hereinafter "Consumer Fraud Act"), the Illinois Home Repair and Remodeling Act, 815 ILCS 513/1 *et seq.* (hereinafter "Home Repair Act"), and her common law authority as

Attorney General to represent the People of the State of Illinois.

2. Venue for this action properly lies in Cook County, Illinois, pursuant to Section 2-101 of the Illinois Code of Civil Procedure, 735 ILCS 5/2-101, in that transactions complained of herein occurred in Cook County, Illinois, and the surrounding counties.

### PARTIES

3. Plaintiff, THE PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney General of the State of Illinois is charged, *inter alia*, with the enforcement of the Consumer Fraud Act, 815 ILCS 505/7, and the Home Repair Act, 815 ILCS 513/35.

4. Defendant CARLOS VILLALVAZO is being sued individually, and as agent and president of AMERICAN DREAM GENERAL CONSTRUCTION COMPANY. He conducts business from 2707 S. Ridgeland Avenue in Berwyn, Illinois.

5. Defendant AMERICAN DREAM GENERAL CONSTRUCTION COMPANY is being sued as an Illinois corporation that registered with the Illinois Secretary of State on December 23, 2003.

6. Defendant VILLALVAZO, as president and agent for AMERICAN DREAM GENERAL CONSTRUCTION COMPANY, formulated, directed controlled, managed, and had knowledge of its finances and acts and practices.

7. There exists, and, at all times relevant hereto, has existed, a unity of interest between Defendants VILLALVAZO and AMERICAN DREAM GENERAL CONSTRUCTION COMPANY (collectively referred to as "Defendants") such that any individuality and separateness of these parties have ceased to exist.

8. To adhere to the fiction of separate corporate existence between these Defendants would serve to sanction fraud and promote injustice.

9. For purposes of this complaint, any references to the acts and practices of Defendants shall mean that such acts and practices are by and through the acts and practices of their salespersons, employees, representatives, or other agents, and all other persons or entities in active concert or participation with Defendants.

### **COMMERCE**

10. Subsection 1(f) of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/1(f), defines “trade” and “commerce” as follows:

The terms ‘trade’ and ‘commerce’ mean the advertising, offering for sale, sale, or distribution of any service and any property, tangible or intangible, real, personal, or mixed, and any other article, commodity, or thing of value where ever situated, and shall include any trade or commerce directly or indirectly affecting the people of this State.

11. Defendants, at all times relevant hereto, engaged in trade and commerce in the State of Illinois by advertising, offering for sale, and sale of home repair, home improvement, remodeling, and installation of roofing, concrete walkways, stairs, siding, doors, gutters, HVAC, electrical, plumbing, and windows, and accepted money from Illinois consumers in exchange for same.

### **DEFENDANTS’ BUSINESS PRACTICES**

12. Since at least 2003, Defendants have engaged in trade and commerce in the State of Illinois by advertising, offering for sale, and sale of home repair, home improvement, remodeling, and installation of roofing, concrete walkways, stairs, siding, doors, gutters, HVAC, electrical, plumbing, and windows.

13. Defendants advertise their services by posting flyers on fence posts and sliding business cards in the front doors of consumers’ homes.

14. Defendants also advertise their services in a variety of online directories, such as [www.yellowpages.com](http://www.yellowpages.com), and maintain their own Web site at <http://americandreamgeneralconstruction.com>.

15. When consumers express interest in making home improvements, Defendants or their agents meet personally with consumers at their residences to evaluate and provide cost estimates for home repair work to be performed.

16. Defendants or their agents enter into contracts with consumers at their homes upon reaching an agreement as to the type of home repair and remodeling services needed.

17. Defendants sell roofing services to consumers, although none of them is duly licensed as a roofing contractor by the Illinois Department of Financial and Professional Regulation. (See Certification attached as Exhibit 1.)

18. Defendants promise to obtain necessary permits from local authorities for work to be performed under the contract.

19. Defendants fail to give Illinois consumers the "Home Repair: Know Your Consumer Rights" pamphlet and fail to obtain consumers' signatures on a "Consumer Rights Acknowledgement Form."

20. Defendants also fail to provide Illinois consumers a three-day "Notice of Right to Cancel" form and fail to orally advise them of their three-day right to cancel the contract.

21. At the time the home repair contracts are entered into, Defendants or their agents require consumers to make a down payment of at least forty-percent of the total cost of contracts ranging from \$6,500 to \$155,000.

22. In violation of the Consumer Fraud Act, 815 ILCS 505/2B, Defendants fail to honor consumers' three-day right to cancel and threaten consumers who attempt to cancel with a

financial penalty.

23. Despite their repeated assurances, Defendants fail to follow through with scheduled installation appointments and ignore consumers' repeated requests for service as contracted for.

24. Consumers have great difficulty reaching Defendants by phone to ask about the status of their delayed projects. Moreover, Defendants vacated their office at 2707 S. Ridgeland Avenue without notifying consumers, making it nearly impossible to communicate with them after they provide down payments.

25. In some cases, Defendants complete the demolition phase of a remodeling project but then disappear for months, leaving the consumers' homes in disarray and vulnerable to inclement weather.

26. After weeks of inactivity, Defendants demand advance payments from consumers and threaten not to resume work on their home.

27. In some cases, Defendants fail to commence work contracted for. In cases where Defendants perform work, they complete the work in a shoddy and unworkmanlike manner.

28. Defendants fail to obtain the construction permits as promised.

29. Defendants fail to honor consumers' warranties by refusing to make repairs.

30. Despite failing to complete the work as contracted for, Defendants refuse to return down payments upon request by consumers and the Office of the Attorney General.

31. In some cases, Defendants' failure to pay subcontractors results in the attachment of mechanics liens to consumers' property. The mechanics liens cloud the title to their property and force the consumers to spend thousands of dollars to hire an attorney to eliminate the lien and/or defend a lien foreclosure action.

32. More specifically but not by way of limitation, the following allegations are pled merely as illustrations of the unlawful business practices of Defendants and are not meant to be comprehensive or exhaustive. Plaintiff reserves the right to prove that other consumers have been injured as a result of said unlawful practices. Plaintiff intends to seek restitution on behalf of all complainants who have been injured and not just those consumers set forth here as illustrative examples.

**ELIUD AND AMANDA SAAVEDRA**

33. On or about July 2007, Eliud and Amanda Saavedra found a business card in their door advertising Defendants' services, and so they called Defendants to discuss possible repairs and remodeling of their living room, bathroom, bedroom, roof, siding, windows, and sliding doors at their home in Northlake, Illinois.

34. Defendant VILLALVAZO visited their home to discuss the job in further detail. He inspected the premises and provided a \$75,000 estimate for work to be performed.

35. After two or three weeks passed, the Saavedras decided to hire Defendants. Defendant VILLALVAZO returned to their home and delivered a contract for their review.

36. On July 29, 2007, the Saavedras entered into a \$75,000 contract with Defendants.

37. On August 2, 2007, the Saavedras provided a \$30,000 deposit by personal check.

38. Defendant VILLALVAZO told the Saavedras that their home was his first job in Cook County. He explained that his uncertainty with the local permitting process prevented him from setting a specific start date. Nonetheless, Defendants had in fact entered into prior contracts with consumers in Cook County.

39. Defendants failed to provide a copy of the "Home Repair Know Your Consumer Rights" pamphlet and retain a copy of the acknowledgment form with a signature.

40. Defendants failed to provide a three-day "Notice of Right to Cancel" form and failed to orally advise the Saavedras of their three-day right to cancel the contract.

41. Over the next several months, the Saavedras tried repeatedly to reach Defendant VILLALVAZO to ask when work would begin. They found him extremely difficult to reach and became concerned that he would not perform the work as contracted.

42. Defendant VILLALVAZO provided some basic blueprint drawings, but the Saavedras were concerned the plans were insufficient.

43. On January 14, 2008, Defendant VILLALVAZO sent the Saavedras a letter that blamed Cook County's permitting process for the delays. In addition, he promised to begin work in March or April of 2008.

44. Defendants failed to begin work in March or April, as promised.

45. Over the next few months, the Saavedras called Defendants repeatedly to ask about the status of their project and to request a refund of their deposit. Mr. Saavedra attempted to visit Defendants' office but he found that it had been vacated.

46. On October 18, 2008, the Saavedras filed a complaint with the Office of the Attorney General.

47. On April 1, 2009, the Office of the Attorney General sent a certified letter to Defendants pursuant to Section 2Q of the Consumer Fraud Act, demanding that he issue a full refund of any payments within ten days of receiving the letter.

48. To date, Defendants have failed to complete any work contracted for and have failed to refund payments despite the Saavedras' repeated requests.

**ISIDRO MORENO**

49. On or about September 2008, Isidro Moreno observed Defendants performing home repair work for his neighbor and inquired of Defendants about hiring them to replace the roof on his home in Berwyn, Illinois.

50. On or about September 27, 2008, Isidro Moreno entered into a \$6,500 contract with Defendants at his residence to replace shingles on the roof of his home and obtain any necessary permits.

51. On or about September 29, 2008, Mr. Moreno provided Defendants a \$3,250 deposit by check.

52. Defendants failed to provide a copy of the "Home Repair Know Your Consumer Rights" pamphlet and retain a copy of the acknowledgment form with a signature.

53. Defendants failed to provide a three-day "Notice of Right to Cancel" form and failed to orally advise Mr. Moreno of his three-day right to cancel the contract.

54. Over the next several months, Mr. Moreno tried repeatedly to reach Defendant VILLALVAZO to ask when work would begin.

55. Mr. Moreno called Defendants to demand a refund of his deposit. Defendant VILLALVAZO refused but promised that he would begin work.

56. On or about January 2, 2009, Mr. Moreno filed a complaint with the Office of the Attorney General.

57. On or about January 15, 2009, the Office of the Attorney General sent a certified letter to Defendants pursuant to Section 2Q of the Consumer Fraud Act, demanding that he issue a full refund of any payments within ten days of receiving the letter.

58. To date, Defendants have failed to complete any work contracted for and have failed to refund payments despite the Mr. Moreno's repeated requests.

**LINDA RODRIGUEZ**

59. On or about March 2007, Linda Rodriguez called Defendants to discuss a possible addition to her home in Chicago, Illinois.

60. Defendant VILLALVAZO returned her call and then visited Ms. Rodriguez to discuss the job in further detail. He provided her a \$53,000 estimate for a new 15 x 30 foot addition to her kitchen and an extension to her bathroom.

61. On or about March 29, 2007, Ms. Rodriguez entered into a \$53,000 contract with Defendant. She provided a \$25,000 deposit by check on April 15, 2007.

62. Defendants failed to provide Ms. Rodriguez a copy of the "Home Repair Know Your Consumer Rights" pamphlet and retain a copy of a signed acknowledgment form.

63. Defendants finally laid concrete for the rear extension on or about August 8, 2007, nearly four months after receiving the deposit.

64. On or about August 14, 2007, Defendants asked Ms. Rodriguez for the second payment under the contract for construction materials. Ms. Rodriguez provided a \$13,000 check.

65. On or about August 16, 2007, Defendants told Ms. Rodriguez that she needed a new roof. On their recommendation, she provided a \$4,200 payment by check.

66. After several weeks of inactivity, on or about October 2007, Defendants installed wooden framing in the rear extension. Defendants worked for three days but failed to finish.

67. A few weeks later, in November 2007, Defendants asked for an additional payment before resuming work. Ms. Rodriguez provided Defendants a \$9,000 payment by

check on November 30, 2007. However, she cancelled that check after Defendants refused to return her calls to discuss the repeated delays.

68. Defendant VILLALVAZO finally returned her calls and promised to resume work. Ms. Rodriguez reissued the \$9,000 check.

69. On or about December 27, 2007, the window manufacturer, Logan Square Aluminum & Supply, placed a lien on Ms. Rodriguez's home in the amount of \$1,450.38 because Defendants failed to pay their debts.

70. In spring 2008, Defendants installed a wooden floor in the extension. Ms. Rodriguez complained the floor was slanted; Defendants reinstalled the floors several weeks later. When she complained the new floor was slanted Defendants stated, "it isn't as slanted as before."

71. Defendants only completed a fraction of the job. To date, Defendants have failed to complete the work contracted for and have failed to refund payments despite Ms. Rodriguez's repeated requests.

#### **FERNANDO TELLEZ AND ALMA RIVERA**

72. In the fall of 2007, Fernando Tellez and Alma Rivera called Defendants to discuss a possible addition to their home in Chicago, Illinois (collectively referred to as the "Tellez-Riveras").

73. Defendants' Vice President, Israel Abad, visited their home and provided an estimate for the addition. The Tellez-Riveras decided against building an addition, but hired Defendants to install new windows, doors, shingles, gutters, soffits and downspouts, and to remodel the facade and some of the interior.

74. On February 13, 2008, the Tellez-Riveras entered into a \$40,000 contract with Defendants. They provided Mr. Abad a \$15,000 down payment by personal check.

75. The next day, Mr. Abad called and informed them that he was leaving the company. He urged them to cancel the existing contract and allow him to perform the work independently. Accordingly, Mr. Tellez called Defendants to exercise his three-day right to cancel the contract.

76. The following day, Mr. Abad told Mr. Tellez that Defendant VILLALVAZO would not allow him to cancel the contract because, if he included the weekend, the three-day period had expired. Moreover, if Mr. Tellez did cancel, he threatened to hold him responsible for a 15% penalty on the total contract amount.

77. Mr. Abad advised Mr. Tellez stay in the existing contract and assured him that he would stay with the company until he finished the job. Mr. Tellez withdrew his request to cancel the contract.

78. On April 26, 2008, Defendants demanded that Mr. Tellez make an \$8,750 payment before work could begin. According to the contract, however, he was not required to make another payment until "construction begins."

79. On or about May 9, 2008, after repeated attempts, Mr. Tellez finally reached Defendants and asked about the status of the project. Defendants assured him that work would be completed by June 15, 2008.

80. Several days later, workers arrived and removed old shingles from the roof. While doing so, they discovered that underlying wood was rotted and insisted the job now required additional payment. On May 17, 2008, Mr. Tellez issued Defendants a \$2,400 check.

81. Defendants demolished the front stairs on or about June 16, 2008, after the Defendants' purported completion deadline.

82. On about July 29, 2008, Defendants removed the first layer of brick from the facade; they removed a second layer on August 11, 2008. But Defendants failed to seal the openings with any protective covering. As a result, wind and rain caused significant damage to the home's interior. Mr. Tellez finally installed plastic covering himself.

83. Defendants did not rebuild the brick facade until September 19, 2008.

84. On or about October 3, 2008, in response to Defendants' demands, the Tellez-Riveras provided two checks each for \$4,375 as advance payments for electrical work and installation of new concrete stairs, which had been demolished three months earlier.

85. Defendants finally removed plaster walls from the home's interior. Afterward, however, the workers left without rebuilding the walls because Defendants failed to pay them. In an effort to resolve the situation, Mr. Tellez offered to pay the workers directly and deduct the amounts from remaining payments under the contract. Defendant VILLALVAZO refused the offer and threatened to place a lien on the home if he did so.

86. As winter approached, the Tellez-Riveras ordered and installed windows and a new front door on their own because both had been boarded up for months.

87. On or about November 4, 2008, the Tellez-Riveras sent Defendants a letter via certified mail demanding that all work be completed within ten days.

88. On or about November 10, 2008, the Tellez-Riveras filed a complaint with the Office of the Attorney General.

89. On or about April 1, 2009, the Office of the Attorney General sent a certified letter to Defendants pursuant to Section 2Q of the Consumer Fraud Act, demanding that he issue a full refund of any payments within ten days of receiving the letter.

90. To date, Defendants have failed to complete the work contracted for and have failed to return any payments. The Tellez-Riveras paid \$35,300 – more than 80% of the contract’s total cost – but Defendants completed only a fraction of the work over nine months.

### APPLICABLE LAW

91. Section 2 of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS505/2, provides:

Unfair methods of competition and unfair or deceptive acts or practices, including but not limited to the use or employment of any deception fraud, false pretense, false promise, misrepresentation or the concealment, suppression or omission of any material fact, with intent that others rely upon the concealment, suppression or omission of such material fact, or the use or employment of any practice described in Section 2 of the "Uniform Deceptive Trade Practices Act", approved August 5, 1965 [815 ILCS 510/2], in the conduct of any trade or commerce are hereby declared unlawful whether any person has in fact been misled, deceived or damaged thereby. In construing this section consideration shall be given to the interpretations of the Federal Trade Commission and the federal courts relating to Section 5(a) of the Federal Trade Commission Act.

92. Section 10 of the Home Repair and Remodeling Act, 815 ILCS 513/10, provides:

“Home repair and remodeling” means the fixing, replacing, altering, converting, modernizing, improving, or making of an addition to any real property primarily designed or used as a residence other than maintenance, service, or repairs under \$500. “Home repair and remodeling” includes the construction, installation, replacement, or improvement of driveways, swimming pools, porches, kitchens, bathrooms, basements, chimneys, chimney liners, garages, fences, fallout shelters, central air conditioning, central heating, boilers, furnaces, electrical wiring, sewers, plumbing fixtures, storm doors, windows, roofs, awnings

and other improvements to structures within the residence or upon the land adjacent thereto.

93. Section 2B of the Consumer Fraud and Deceptive Business Practices Act, 815

ILCS 505/2B, provides:

Where a sale of merchandise involving \$25 or more is made or contracted to be made whether under a single contract or under multiple contracts, to a consumer by a seller who is physically present at the consumer's residence, that consumer may avoid the contract or transaction by notifying the seller within 3 full business days following that day on which the contract was signed or the sale was made and by returning to the person, in its original condition, any merchandise delivered to the consumer under the contract or sale. At the time the transaction is made or the contract signed, the person shall furnish the consumer with a fully completed receipt or contract pertaining to the transaction, in substantially the same language as that principally used in the oral presentation to the consumer, containing a "Notice of Cancellation" informing the consumer that he may cancel the transaction at any time within 3 days and showing the date of the transaction with the name and address of the person, and in immediate proximity to the space reserved in the contract for the consumer's signature or on the front page of the receipt if a contract is not used, a statement which shall be in bold face type, in at least 10-point type and in substantially the following form:

**“YOU, THE CONSUMER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT.”**

Attached to the receipt or contract shall be a completed form in duplicate, captioned "NOTICE OF CANCELLATION" which shall be easily detachable and which shall contain in 10 point bold face type the following information and statements in the same language as that used in the contract:

**NOTICE OF CANCELLATION**

(enter date of transaction)

.....

(Date)

YOU MAY CANCEL THIS TRANSACTION, WITHOUT ANY PENALTY OR OBLIGATION, WITHIN 3 BUSINESS DAYS FROM THE ABOVE DATE.

IF YOU CANCEL, ANY PROPERTY TRADED IN, ANY PAYMENTS MADE BY YOU, AND ANY NEGOTIABLE INSTRUMENT EXECUTED BY YOU UNDER THE CONTRACT OR TRANSACTION WILL BE RETURNED WITHIN 10 BUSINESS DAYS FOLLOWING RECEIPT BY THE SELLER OF YOUR CANCELLATION NOTICE, AND ANY SECURITY INTEREST ARISING OUT OF THE TRANSACTION WILL BE CANCELED.

IF YOU CANCEL, YOU MUST MAKE AVAILABLE TO THE SELLER AT YOUR RESIDENCE IN SUBSTANTIALLY AS GOOD A CONDITION AS WHEN RECEIVED, ANY GOODS DELIVERED TO YOU UNDER THIS CONTRACT OR TRANSACTION, OR YOU MAY IF YOU WISH, COMPLY WITH THE INSTRUCTIONS OF THE SELLER REGARDING THE RETURN SHIPMENT OF THE GOODS AT THE SELLER'S EXPENSE AND RISK.

IF YOU MAKE THE GOODS AVAILABLE TO THE SELLER AND THE SELLER DOES NOT PICK THEM UP WITHIN 20 DAYS OF THE DATE OF YOUR NOTICE OF CANCELLATION, YOU MAY RETAIN OR DISPOSE OF THE GOODS WITHOUT ANY FURTHER OBLIGATION. IF YOU FAIL TO MAKE THE GOODS AVAILABLE TO THE SELLER, OR IF YOU AGREE TO RETURN THE GOODS TO THE SELLER AND FAIL TO DO SO, THEN YOU REMAIN LIABLE FOR PERFORMANCE OF ALL OBLIGATIONS UNDER THE CONTRACT.

TO CANCEL THIS TRANSACTION, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS CANCELLATION NOTICE OR ANY OTHER WRITTEN NOTICE, OR SEND A TELEGRAM, TO (Name of seller), AT (address of seller's place of business) NOT LATER THAN MIDNIGHT OF(date).

I HEREBY CANCEL THIS TRANSACTION.

(Date) .....  
..... (Buyer's signature)

Such written "Notice of Cancellation" may be sent by the consumer to the person to cancel the contract. The 3 day period

provided for in this Section does not commence until the consumer is furnished a "Notice of Cancellation", and the address at which such notice to the seller can be given. If those conditions are met, the seller must return to the consumer the full amount of any payment made or consideration given under the contract or for the merchandise. It is an unlawful practice within the meaning of this Act for any person to...

(c) Fail to inform each consumer orally, at the time he signs the contract or purchases or leases the goods or services, of his right to cancel;

...

(d) Misrepresent in any manner the consumer's right to cancel;

(e) Use any undue influence, coercion or any willful act or representation to interfere with the consumer's exercise of his rights under this Section....

94. Section 2Q(c) of the Consumer Fraud and Deceptive Business Practices Act, 815

ILCS 505/2Q(c), provides:

(c) A person engaged in the business of home repair, as defined in Section 2(a)(1) of the Home Repair Fraud Act [815 ILCS 515/2], who fails or refuses to commence or complete work under a contract or an agreement for home repair, shall return the down payment and any additional payments made by the consumer within 10 days after a written demand sent to him by certified mail by the consumer or the consumer's legal representative or by a law enforcement or consumer agency acting on behalf of the consumer.

95. Section 20 of the Home Repair and Remodeling Act, 815 ILCS 513/20, requires

Defendants to provide every consumer a copy of the Consumer Rights Brochure.

Consumer rights brochure.

(a) For any contract over \$1,000, any person engaging in the business of home repair and remodeling shall provide to its customers a copy of the "Home Repair: Know Your Consumer Rights" pamphlet prior to the execution of any home repairs and remodeling contract. The consumer shall sign and date an acknowledgment form entitled "Consumer Rights Acknowledgment Form" that states: "I, the homeowner, have received from the contractor a copy of the pamphlet entitled 'Home

Repair: Know Your Consumer Rights." The contractor or his or her representative shall also sign and date the acknowledgment form, which includes the name and address of the home repair and remodeling business. The acknowledgment form shall be in duplicate and incorporated into the pamphlet. The original acknowledgment form shall be retained by the contractor and the duplicate copy shall be retained within the pamphlet by the consumer.

(b) For any contract for \$1,000 or under, any person engaging in the business of home repair and remodeling shall provide to its customers a copy of the "Home Repair: Know Your Consumer Rights" pamphlet. No written acknowledgment of receipt of the pamphlet is required for a contract of \$1,000 or under.

(c) The pamphlet must be a separate document, in at least 12 point type, and in legible ink. The pamphlet shall read as follows:

#### HOME REPAIR: KNOW YOUR CONSUMER RIGHTS

As you plan for your home repair/improvement project, it is important to ask the right questions in order to protect your investment. The tips in this fact sheet should allow you to protect yourself and minimize the possibility that a misunderstanding may occur.

#### AVOIDING HOME REPAIR FRAUD

Please use extreme caution when confronted with the following warning signs of a potential scam:

- (1) Door to door salespersons with no local connections who offer to do home repair work for substantially less than the market price.
- (2) Solicitations for repair work from a company that lists only a telephone number or a post office box number to contact, particularly if it is an out of state company.
- (3) Contractors who fail to provide customers references when requested.
- (4) Persons offering to inspect your home for free. Do not admit anyone into your home unless he or she can present authentic identification establishing his or her business status. When in doubt, do not hesitate to call the worker's employer to verify his or her identity.

(5) Contractors demanding cash payment for a job or who ask you to make a check payable to a person other than the owner or company name.

(6) Offers from a contractor to drive you to the bank to withdraw funds to pay for the work.

## CONTRACTS

(1) Get all estimates in writing.

(2) Do not be induced into signing a contract by high pressure sales tactics.

(3) Never sign a contract with blank spaces or one you do not fully understand. If you are taking out a loan to finance the work, do not sign the contract before your lender approves the loan.

(4) Remember, you have 3 business days from the time you sign your contract to cancel any contract if the sale is made at your home. The contractor cannot deprive you of this right by initiating work, selling your contract to a lender, or any other tactic.

(5) If the contractor does business under a name other than the contractor's real name, the business must either be incorporated or registered under the Assumed Business Name Act. Check with the Secretary of State to see if the business is incorporated or with the county clerk to see if the business has registered under the Assumed Business Name Act.

(6) Homeowners should check with local and county units of government to determine if permits or inspections are required.

(7) Determine whether the contractor will guarantee his or her work and products.

(8) Determine whether the contractor has the proper insurance.

(9) Do not sign a certificate of completion or make final payment until the work is done to your satisfaction.

(10) Remember, homeowners should know who provides supplies and labor for any work performed on your home. Suppliers and subcontractors have a right to file a lien against your property if the

general contractor fails to pay them. To protect your property, request lien waivers from the general contractor.

#### BASIC TERMS TO BE INCLUDED IN A CONTRACT

- (1) Contractor's full name, address, and telephone number. Illinois law requires that persons selling home repair and improvement services provide their customers with notice of any change to their business name or address that come about prior to the agreed dates for beginning or completing the work.
- (2) A description of the work to be performed.
- (3) Starting and estimated completion dates.
- (4) Total cost of work to be performed.
- (5) Schedule and method of payment, including down payment, subsequent payments, and final payment.
- (6) A provision stating the grounds for termination of the contract by either party. However, the homeowner must pay the contractor for work completed. If the contractor fails to commence or complete work within the contracted time period, the homeowner may cancel and may be entitled to a refund of any down payment or other payments made towards the work, upon written demand by certified mail.

Homeowners should obtain a copy of the signed contract and keep it in a safe place for reference as needed.

#### IF YOU THINK YOU HAVE BEEN DEFRAUDED OR YOU HAVE QUESTIONS

If you think you have been defrauded by a contractor or have any questions, please bring it to the attention of your State's Attorney or the Illinois Attorney General's Office.

#### Attorney General Toll Free Numbers

Carbondale	(800) 243-0607
Springfield	(800) 243-0618
Chicago	(800) 386-5438.

96. Section 2 of the Illinois Roofing Industry Licensing Act, 225 ILCS 335/2, provides:

(e) "Roofing contractor" is one who has the experience, knowledge and skill to construct, reconstruct, alter, maintain and repair roofs and use materials and items used in the construction, reconstruction, alteration, maintenance and repair of all kinds of roofing and waterproofing as related to roofing, all in such manner to comply with all plans, specifications, codes, laws, and regulations applicable thereto, but does not include such contractor's employees to the extent the requirements of Section 3 of this Act apply and extend to such employees.

...

(h) "Limited roofing license" means a license made available to contractors whose roofing business is limited to residential roofing, including residential properties consisting of 8 units or less.

(i) "Unlimited roofing license" means a license made available to contractors whose roofing business is unlimited in nature and includes roofing on residential, commercial, and industrial properties.

97. Section 9 of the Illinois Roofing Industry Licensing Act, 225 ILCS 335/9, provides:

Licensure requirement.

(1) It is unlawful for any person to engage in the business or act in the capacity of or hold himself or herself out in any manner as a roofing contractor without having been duly licensed under the provisions of this Act.

(2) No work involving the construction, reconstruction, alteration, maintenance or repair of any kind of roofing or waterproofing may be done except by a roofing contractor licensed under this Act.

(3) Sellers of roofing services may subcontract the provision of those roofing services only to roofing contractors licensed under this Act.

### **STATUTORY REMEDIES**

98. Section 7 of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/7, provides:

(a) Whenever the Attorney General or a State's Attorney has reason to believe that any person is using, has used, or is about to use any method, act or practice declared by this Act to be unlawful, and that proceedings would be in the public interest, he or she may bring an action in the name of the People of the State against such person to restrain by preliminary or permanent injunction the use of such method, act or practice. The Court, in its discretion, may exercise all powers necessary, including but not limited to: injunction; revocation, forfeiture or suspension of any license, charter, franchise, certificate or other evidence of authority of any person to do business in this State; appointment of a receiver; dissolution of domestic corporations or association suspension or termination of the right of foreign corporations or associations to do business in this State; and restitution.

(b) In addition to the remedies provided herein, the Attorney General or State's Attorney may request and the Court may impose a civil penalty in a sum not to exceed \$50,000 against any person found by the Court to have engaged in any method, act or practice declared unlawful under this Act. In the event the court finds the method, act or practice to have been entered into with the intent to defraud, the court has the authority to impose a civil penalty in a sum not to exceed \$50,000 per violation.

(c) In addition to any other civil penalty provided in this Section, if a person is found by the court to have engaged in any method, act, or practice declared unlawful under this Act, and the violation was committed against a person 65 years of age or older, the court may impose an additional civil penalty not to exceed \$10,000 for each violation.

A civil penalty imposed under this subsection (c) shall be paid to the State Treasurer who shall deposit the money in the State treasury in a special fund designated the Elderly Victim Fund. The Treasurer shall deposit such moneys into the Fund monthly. All of the moneys deposited into the Fund shall be appropriated to the Department on Aging for grants to senior centers in Illinois.

An award of restitution under subsection (a) has priority over a civil penalty imposed by the court under this subsection.

In determining whether to impose a civil penalty under this subsection and the amount of any penalty, the court shall consider the following:

(1) Whether the defendant's conduct was in willful disregard of the rights of the person 65 years of age or older.

(2) Whether the defendant knew or should have known that the defendant's conduct was directed to a person 65 years of age or older.

(3) Whether the person 65 years of age or older was substantially more vulnerable to the defendant's conduct because of age, poor health, infirmity, impaired understanding, restricted mobility, or disability, than other persons.

(4) Any other factors the court deems appropriate.

(d) This Section applies if: (i) a court orders a party to make payments to the Attorney General and the payments are to be used for the operations of the Office of the Attorney General or (ii) a party agrees, in an Assurance of Voluntary Compliance under this Act, to make payments to the Attorney General for the operations of the Office of the Attorney General.

(e) Moneys paid under any of the conditions described in subsection (d) shall be deposited into the Attorney General Court Ordered and Voluntary Compliance Payment Projects Fund, which is created as a special fund in the State Treasury. Moneys in the Fund shall be used, subject to appropriation, for the performance of any function pertaining to the exercise of the duties of the Attorney General including but not limited to enforcement of any law of this State and conducting public education programs; however, any moneys in the Fund that are required by the court or by an agreement to be used for a particular purpose shall be used for that purpose.

99. Section 35 of the Home Repair and Remodeling Act, 815 ILCS 513/35(b), provides:

(b) All remedies, penalties, and authority granted to the Attorney General or the State's Attorney of any county in this State by the Consumer Fraud and Deceptive Business Practices Act [815 ILCS 505/1 et seq.] shall be available to him or her for enforcement of this Act, and any violation of this Act shall constitute a violation of the Consumer Fraud and Deceptive Business Practices Act [815 ILCS 505/1 et seq].

100. Section 10 of the Illinois Roofing Industry Licensing Act, 225 ILCS 335/10, provides:

(1) If any person violates the provisions of this Act, the Director through the Attorney General of Illinois, or the State's Attorney of any county in which a violation is alleged to exist, may in the name of the People of the State of Illinois petition for an order enjoining such violation or for an order enforcing compliance with this Act.

...

(4) Proceedings under this Section shall be in addition to, and not in lieu of, all other remedies and penalties which may be provided by law.

### COUNT I

#### CONSUMER FRAUD AND DECEPTIVE BUSINESS PRACTICES ACT

101. Defendants in the course of advertising, offering for sale, selling and providing home repair, improvement and roofing services have engaged in a course of trade of commerce which constitutes unfair and deceptive acts or practices declared unlawful under Section 2 of the Consumer Fraud and Deceptive Business Practices Act by engaging in the following unfair acts or practices:

- a. Failing to undertake, perform and/or complete work pursuant to contracts entered into with consumers while retaining money paid by consumers;
- b. Performing home repair work in a shoddy and unworkmanlike manner;
- c. Failing to disclose they did not have a roofing license when in fact they entered into contracts to perform roofing services;
- d. Failing to honor consumers' warranties by refusing to make repairs;
- e. Failing to respond to consumers' repeated demands for refunds; and

- f. Failing to respond to written demands either sent by the consumers or on behalf of the consumers by the Office of the Attorney General.

102. Defendants, in the course of advertising, offering for sale, selling and providing services, have engaged in a course of trade or commerce which constitutes unfair and deceptive acts of practices declared unlawful pursuant to Section 2B of the Consumer Fraud and Deceptive Business Practices Act by:

- a. Failing to include language in the contracts regarding the consumers' rights to cancel the contracts within three days of signing the contracts, where said contracts were entered into while they were physically present in the consumers' homes;
- b. Failing to orally inform consumers of the three-day right of cancellation;
- c. Failing to provide consumers with a written separate, easily detachable, completed form in duplicate captioned "NOTICE OF CANCELLATION" containing and explaining the consumers' three-day right of cancellation; and
- d. Failing to honor consumers' three-day right to cancel their contract.

103. Defendants, in the course of advertising, offering for sale, selling and providing home repair, improvement and roofing services, have engaged in a course of trade or commerce which constitutes unfair and deceptive acts of practices declared unlawful pursuant to Section 2Q(c) of the Consumer Fraud and Deceptive Business Practices Act by failing to return the down payments and/or any additional payments made by the consumers within ten days after a written demand was sent to Defendants by certified mail.

### **PRAYER FOR RELIEF**

WHEREFORE, the Plaintiff prays that this Honorable Court enter an Order:

A. Finding that Defendants engaged in trade or commerce within the meaning of Section 2 of the Consumer Fraud Act;

B. Finding that Defendants engaged in unfair or deceptive acts or practices in the conduct of trade or commerce in violation of Section 2, 2B, and 2Q(c) of the Consumer Fraud Act;

C. Preliminarily and permanently enjoining Defendants, acting alone or in concert with others, from engaging in the business of advertising, offering for sale, or selling home repair and/or home improvement and remodeling services or other home repairs within, or from within, the State of Illinois;

D. Preliminarily and permanently enjoining Defendants, acting alone or in concert with others, from engaging in the unfair or deceptive acts or practices complained of herein;

E. Assessing a civil penalty in the amount of \$50,000 per violation of the Act found by the Court to have been committed by Defendants with the intent to defraud; if the Court finds Defendants engaged in methods, acts or practices declared unlawful by the Act, without the intent to defraud, then assessing a statutory civil penalty of \$50,000, all as provided in Section 7 of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/7;

F. Declaring that all contracts entered into between Defendants and consumers by the use of methods and practices declared unlawful are rescinded and requiring that full restitution be made to said consumers;

G. Requiring Defendants to pay all costs incurred by the Attorney General for the investigation and prosecution of this action; and

H. Awarding any other just and equitable relief that this court deems necessary.

**COUNT II**

**THE HOME REPAIR AND REMODELING ACT**

104. Plaintiff alleges and incorporates by reference each and every allegation of Paragraphs 1-103 of Count I as though fully set forth herein.

105. Defendants, in the course of advertising, offering for sale, selling and providing home repair, improvement and roofing services, have engaged in a course of trade or commerce which constitutes unfair and deceptive acts or practices declared unlawful under Section 20 of the Home Repair and Remodeling Act by engaging in the following unfair acts or practices:

- a. Failing to provide consumers with a copy of the “Home Repair: Know Your Consumer Rights” pamphlet; and
- b. Failing to obtain acknowledgment forms from consumers stating they received a copy of the “Home Repair: Know Your Consumer Rights” pamphlet prior to the execution of the home repair and remodeling contracts, which are in excess of \$1,000.00.

**PRAYER FOR RELIEF**

WHEREFORE, the Plaintiff prays that this Court enter an Order:

- A. Finding that Defendants engaged in the business of home repair and remodeling within the meaning of Section 10 of the Home Repair and Remodeling Act;
- B. Finding that Defendants engaged in unfair or deceptive acts or practices in violation of Section 20 of the Home Repair and Remodeling Act;

C. Preliminarily and permanently enjoining Defendants, acting alone or in concert with others, from engaging in the business of advertising, offering for sale, selling, servicing, installing, replacing, repairing, or otherwise performing any home repairs or remodeling within, or from within, the State of Illinois;

D. Preliminarily and permanently enjoining Defendants, acting alone or in concert with others, from engaging in the unfair or deceptive acts or practices complained of herein;

E. Assessing a civil penalty in the amount of \$50,000 per violation of the Act found by the Court to have been committed by Defendants with the intent to defraud; if the Court finds Defendants engaged in methods, acts or practices declared unlawful by the Act, without the intent to defraud, then assessing a statutory civil penalty of \$50,000, all as provided in Section 7 of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/7;

F. Declaring that all contracts entered into between Defendants and consumers by the use of methods and practices declared unlawful are rescinded and requiring that full restitution to be made to said consumers;

G. Requiring Defendants to pay all costs incurred by the Attorney General for the investigation and prosecution this action; and

H. Awarding any other just relief that this court deems necessary.

### **COUNT III**

#### **ILLINOIS ROOFING INDUSTRY LICENSING ACT**

106. Plaintiff alleges and incorporates by reference each and every allegation of Paragraphs 1-105 as though fully set forth herein.

107. Defendants violated Section 9 of the Illinois Roofing Industry Licensing Act, 225 ILCS 335(a), by engaging in the business of a roofing contractor, without having been duly licensed by the Illinois Department of Financial and Professional Regulation pursuant to the Act.

**PRAYER FOR RELIEF**

WHEREFORE, the Plaintiff prays that this Court enter an Order:

A. Finding that Defendants were roofing contractors as defined by Section 2 of the Illinois Roofing Industry Licensing Act;

B. Preliminarily and permanently enjoining Defendants, acting alone or in concert with others, from engaging in the business of offering roofing services or performing any roofing services to Illinois consumers;

C. Declaring that all contracts entered into between Defendants and consumers by the use of methods and practices unlawful are rescinded and requiring that full restitution to be made to said consumers;

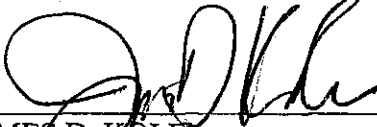
D. Requiring Defendants to pay all costs incurred by the Attorney General for the investigation and prosecution of this action; and


E. Awarding any other just relief that this court deems necessary.

Respectfully Submitted,

THE PEOPLE OF THE STATE OF  
ILLINOIS, by LISA MADIGAN  
ATTORNEY GENERAL OF ILLINOIS

BY:

  
\_\_\_\_\_  
JAMES D. KOLE  
Consumer Fraud Bureau, Chief

BY:   
JOSHUA ORENSTEIN  
Assistant Attorney General  
Consumer Fraud Bureau

Attorney No. 99000

LISA MADIGAN  
Illinois Attorney General

JAMES D. KOLE, Chief  
Consumer Fraud Bureau

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312-814-4987



Division of Professional Regulation

PAT QUINN  
Governor

MICHAEL T. McRAITH  
Acting Secretary

DANIEL E. BLUTHARDT  
Director  
Division of Professional Regulation

CERTIFICATION

February 13, 2009

Office of the Attorney General  
Consumer Fraud Bureau  
100 W Randolph Street FL 12  
Chicago, IL 60601-3175

To Whom It May Concern:

I, Daniel E. Bluthardt, Director of the Division of Professional Regulation, do hereby certify that I have been designated by the Secretary of the Department of Financial and Professional Regulation of the State of Illinois as keeper of its records and seal, and that a standard search of the available records of this office indicates the following:

THIS IS TO CERTIFY THAT NEITHER: Carlos Villalvazo OR  
American Dream General Construction Company

HOLD A LICENSE UNDER THE Illinois Roofing Industry Licensing Act

Department records were searched based upon the exact name and profession, as provided. Any variation in the name or profession may produce different results.

The information above is the only certification information provided by this Department. If other information is needed, it must be obtained from the above-named individual or the agency or institution which initially generated the information. To expedite the certification process, the above format is the standard format prepared for all professions regulated by this Department.



Daniel E. Bluthardt  
Director  
Division of Professional Regulation

