

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION  
FILE NO. 09 CVS 023513

FILED

STATE OF NORTH CAROLINA  
ROY COOPER, Attorney General,  
  
Plaintiff,

2014 MAY 19 A 10:26  
ex rel.  
WAKE COUNTY, N.C.  
51

v.

PHOENIX HOUSING GROUP, INC., d/b/a  
HOMESAMERICA, GARY LEE GOOD, DENNIS  
PARRIS, ROGER DEAN BAILEY, JR., YO XEY  
HER a/k/a JOE HERR, DENNIS SETZER, W.R.  
STARKEY MORTGAGE, LLP, MARINA  
McCUEN, IKE VINSON, K and B HOME  
BUILDERS, INC., GEORGE WILLIAM  
VARSAMIS, TRAVIS DWAYNE KANUPP,  
and KATHY SMITH,  
  
Defendants.

**DEFAULT JUDGMENT**

This cause came on to be heard before the undersigned Superior Court Judge at the 19 May 2014 Civil Session of Wake County Superior Court on Plaintiff's Motion for Default Judgment as to Defendant Yo Xey Her a/k/a Joe Herr ("Her"). The Court finds as follows:

1. This action was brought to restrain Defendant Her and other defendants from engaging in unfair and deceptive trade practices in the sale and financing of manufactured and modular homes in combination with real property;
2. At the times relevant to the Complaint filed in this matter, Defendant Her was a resident of North Carolina and was employed as a sales agent for Defendant Phoenix Housing Group, Inc. ("PHG") at its Granite Falls location. While working for PHG, Defendant Her

marketed and sold primarily land home packages involving the sale of a manufactured or modular home in combination with a parcel of real property. He was also employed by Defendant K and B Homebuilders, Inc. ("K&B"), that engaged in the marketing and sale of custom built homes, modular homes, and foreclosed homes;

3. Defendant Her has failed to make a timely appearance or file any responsive pleadings and is otherwise subject to a default judgment as provided by Rule 55 of the North Carolina Rules of Civil Procedure;

4. On 19 May 2010, the Assistant Clerk entered a default against Defendant Her;

5. All of Plaintiff's allegations in the Complaint are deemed admitted because Defendant Her has failed to file an answer to this Complaint;

6. Defendant Her is liable to Plaintiff for the relief requested by reason of the facts shown in the Complaint filed in this action on 18 November 2009;

7. As set out in the Complaint, Defendant Her and others used bait and switch tactics to deceptively solicit consumers to visit the PHG store in Granite Falls; inflated the prices of the homes; failed to give the consumers accurate information about mortgage payments; and, without the knowledge of the consumers, submitted false financial information to lenders to qualify the consumers for loans for which they would not have otherwise qualified. Defendant Her's conduct led to numerous foreclosures because the consumers could not afford the over-priced homes, causing the consumers to lose their homes and causing lenders, including government entities, to suffer losses as a result of the foreclosures; and

8. Defendant Her was directly involved in the sale of forty-four (44) land home packages to consumers in North Carolina while working as a sales agent for Defendant PHG.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. Defendant Her is permanently enjoined from directly or indirectly engaging in any capacity in the business of manufacturing, advertising, marketing, buying, and selling manufactured or modular homes in North Carolina; and

2. Pursuant to N.C.G.S. § 75-15.2, civil penalties in the amount of \$220,000 are assessed against Defendant Her and awarded to the State, such civil penalty representing an amount of \$5,000 for the forty-four (44) land home packages he sold.

This the 19<sup>th</sup> day of May, 2014.

  
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Superior Court Judge