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STATE OF NORTH CAROLINA IN THE GENERAL COURT OF JUSTICE
WAKE CO., C.S.C. SUPERIOR COURT DIVISION
WAKE COUNTY NO. 19 CVS 740

BY _____

STATE OF NORTH CAROLINA *ex rel.*)
JOSHUA H. STEIN, Attorney General,)
)
Plaintiff,)
)
v.)
)
ZACHARY BRYAN BROCH, a/k/a ZACH)
BROCH, Individually, CHARLES KIM)
SLAUGHTER, JR., a/k/a KIM)
SLAUGHTER, Individually, and SECURE)
RESTORATION, INC.,)
)
Defendants.)

CONSENT JUDGMENT

THIS CAUSE came on to be heard and was heard before the undersigned Wake County Superior Court Judge for entry of a Consent Judgment between Plaintiff, STATE OF NORTH CAROLINA, by and through its Attorney General ("the State"), and Defendants ZACHARY BRYAN BROCH, individually, CHARLES KIM SLAUGHTER, JR., individually, and SECURE RESTORATION, INC. (collectively "Defendants"). The Court finds that the parties have resolved the matters in controversy between them and have agreed to the entry of this Consent Judgment by the Court without trial or adjudication of any issue of fact or law, and without finding or admission of wrongdoing or liability of any kind.

I. FINDINGS OF FACT

1.1 Plaintiff State of North Carolina is acting through its Attorney General, Joshua H. Stein, pursuant to authority granted in Chapters 75 and 114 of the North Carolina General Statutes to protect the public from unlawful business practices.

1.2 Defendant Zachary Bryan Broch resides at 45 Gaston Mountain Road, Asheville, North Carolina and at all relevant times was the owner and a managing agent of Secure Restoration, Inc.

1.3 Defendant Charles Kim Slaughter resides at 5591 Starling Loop in Lakeland, Florida and at all relevant times was a managing agent of Secure Restoration, Inc.

1.4 Defendant Secure Restoration, Inc. is a Florida corporation authorized to do business in North Carolina, with its principal place of business at 3863 A Sweeten Creek Road, Arden, North Carolina 28704. 1.5 The State alleges that Defendants engaged in trade and commerce affecting consumers in North Carolina within the meaning of N.C. Gen. Stat. § 75-1.1, which included: (1) charging and/or agreeing to charge for water damage remediation services a price that is unreasonably excessive under the circumstances during a state of emergency, in violation of North Carolina's price gouging law, N.C. Gen. Stat. § 75-38; (2) engaging in unfair or deceptive acts or practices in violation of N.C. Gen. Stat. § 75-1.1; and (3) engaging in various prohibited debt collection practices in violation of N.C. Gen. Stat. § 75-50 *et seq.*

1.6 Defendants deny the State's allegations in paragraph 1.5 but, in the interest of compliance and resolution of this matter, desire to resolve this controversy without further proceedings and are therefore willing to agree to the entry of this Consent Judgment.

II. CONCLUSIONS OF LAW

2.1 This Court has jurisdiction over the parties and the subject matter of this action.

2.2 Venue is proper in Wake County.

2.3 North Carolina's price gouging law, N.C. Gen. Stat. §§ 75-38, governs the alleged business practices of Defendants that gave rise to this controversy.

2.4 The North Carolina Attorney General is the proper party to commence these proceedings under the authority of N.C. Gen. Stat. §§ 75-14 and -15, and by virtue of his statutory and common law authority to protect the interests of the citizens of the State of North Carolina.

2.5 This Consent Judgment shall be governed by the laws of the State of North Carolina.

2.6 Entry of this Consent Judgment is just and proper and in the public interest.

2.7 The State's Complaint states a cause of action against Defendants upon which relief may be granted, and the Court finds good and sufficient cause to adopt this agreement of the parties and these findings of fact and conclusions of law as its determination of their respective rights and obligations and for entry of this Consent Judgment.

2.8 The parties have agreed to resolve their differences, and the agreement of the parties is just and reasonable with respect to all parties.

2.9 The Court approves the terms of the parties' agreement and adopts them as its own determination of the parties' respective rights and obligations.

III. GENERAL PROVISIONS

3.1 Other State Governmental Entities. This Consent Judgment shall not bind any other offices, boards, commissions, or agencies of the State of North Carolina, and nothing in this Consent Judgment shall in any way preclude any investigation or enforcement under any legal authority granted to the State for transactions not subject to this action.

3.2 Retention of Jurisdiction. The Court retains jurisdiction over this action to take any further action deemed necessary to enforce this Consent Judgment, including imposition of penalties, and to award the State judgments for any costs, including attorney's fees, it incurs in the event of noncompliance by any of Defendants.

3.3 No Sanction of Business Practices. Defendants shall not represent directly or indirectly or in any way whatsoever that the Court or the North Carolina Attorney General has sanctioned, condoned, or approved any part or aspect of Defendants' business operations.

3.4 Release of Claims. This Consent Judgment shall fully resolve all legal claims and issues raised in the State's Complaint against Defendants for their activities up to the date of this Consent Judgment.

3.5 No Admission of Violation of Law. This Consent Judgment shall not be construed as, or be evidence of, admissions by Defendants, nor shall it be construed as a finding by this Court of any violation of North Carolina law, or any other law.

3.6 Private Right of Action. Nothing in this Consent Judgment shall be construed to affect any private right of action that a consumer, person, entity, or any local, state, federal or other governmental entity, may hold against Defendants.

3.7 Regulation of Other Conduct. Nothing in this Consent Judgment is intended to relieve Defendants of their responsibility to comply with all applicable North Carolina laws.

3.8 Representations Regarding Scope of Conduct. The State's entry into this Consent Judgment is premised on Defendants' representation that that they have disclosed to the State all water damage remediation jobs they performed in North Carolina between September 7, 2018 and January 22, 2019. If it is discovered that Defendants have not disclosed all such jobs, the State will be entitled to seek appropriate remedies from the Court, including but not limited to restitution, disgorgement, civil penalties, attorneys' fees, and any other relief allowed by law, in relation to those jobs.

IV. PERMANENT INJUNCTIVE RELIEF

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that:

4.1 Defendants and their businesses, officers, agents, servants, employees, successors, assigns, attorneys, and any others acting in concert or under the actual direction or control of Defendants, are hereby permanently restrained and enjoined, pursuant to N.C. Gen. Stat. § 75-14, from engaging in acts and practices prohibited by North Carolina's Unfair and Deceptive Trade Practices Act, found at N.C. Gen. Stat. §§ 75-1.1 *et seq.*

4.2 Defendants and their businesses, officers, agents, servants, employees, successors, assigns, attorneys, and any others acting in concert or under the actual direction or control of Defendants, are hereby permanently restrained and enjoined, pursuant to N.C. Gen. Stat. § 75-14, specifically from:

4.2.1 charging or agreeing to charge for water damage remediation and related services a price that is unreasonably excessive under the circumstances during a state of emergency or abnormal market disruption declared by the Governor of North Carolina, in violation of North Carolina's price gouging law, N.C. Gen. Stat. § 75-38;

4.2.2 seeking, obtaining, or receiving payment from consumers or their insurers in relation to Defendants' work at the following properties:

- (a) 202 North 2nd Street, New Bern, North Carolina (Darden)
- (b) 140 Hawks Pond Road, New Bern, North Carolina (Dyson)
- (c) 214 Outrigger Road, New Bern, North Carolina (Orr)

4.2.3 failing to provide a copy of Defendants' price list of items on water restoration jobs, including but not limited to, hourly rates for all service personnel, daily rates for use of commonly used equipment and pricing of commonly incurred charges before entering into an agreement to do the work;

4.2.4 representing to a consumer that services will cost one price but then requesting payment for a higher amount;

4.2.5 submitting invoices to a consumer or insurer that list work not actually performed or equipment and materials not actually used;

4.2.6 engaging in any prohibited debt collection practices in violation of N.C. Gen. Stat. §§ 75-50 *et seq.*, including: falsely characterizing the character or amount of a debt by attempting to collect an amount to which the consumer has never agreed; falsely characterizing the character or amount of the debt by attempting to collect a debt for work not performed; and engaging in unfair threats or coercion by threatening to file a lien to collect an amount to which the consumer never agreed; and

4.2.7 failing to abide by N.C. Gen. Stat. §14-401.13 and 16 CFR 429.1, including but not limited to its provisions requiring that Defendants: provide consumers with verbal and oral notice of their right to cancel any agreement covered under the law within three days; provide consumers with the cancellation form attached to the agreement or receipt; and honor any valid notice of cancellation by a consumer within 10 business days after the receipt of such notice.

4.3 All contracts Defendants have with consumers or their insurers relating to the jobs set forth in Paragraph 4.2.2 are hereby declared void and unenforceable pursuant to N.C. Gen. Stat. § 75-15.1.

4.4 Within ten (10) days of the entry of this Consent Judgment, Defendants shall take all measures necessary to dismiss the lien action related to the Dyson property and to execute a lien waiver related to the property.

V. MONETARY RELIEF

IT IS FURTHER ORDERED that:

5.1 Restitution. Defendants shall pay the sum of \$36,881.53 to the Attorney General as consumer restitution for the following consumers:

- (a) \$24,323.30 – Monterio Darden (202 North 2nd Street, New Bern, NC)
- (b) \$2,000.00 – James Dyson (140 Hawks Pond Road, New Bern, NC)
- (c) \$10,558.23 – Wayne Orr (214 Outrigger Road, New Bern, NC)

The liability for this payment shall be joint and several.

5.2 Method and Timing of Payment. Defendants shall pay the above sums to the Attorney General via cashier's checks or other certified funds made payable to the "North Carolina Department of Justice" on or before the date this Consent Judgment is executed.

5.3 Civil Penalty. Defendants shall pay \$15,000.00 in civil penalties; the liability for this payment shall be joint and several. The State's collection of the \$15,000.00 is suspended during the time of Defendants' full compliance with the Consent Judgment, and further, the State will waive the \$15,000.00 payment three (3) years from the date of this Consent Judgment, provided that Defendants have fully complied with all terms of the Consent Judgment. If, at any time, Defendants violate the terms of this Consent Judgment, this penalty shall be immediately due to the State.

SO ORDERED, this the 19 day of JAN, 2022.

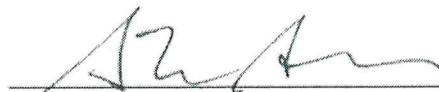
Hon. 

SUPERIOR COURT JUDGE

THE UNDERSIGNED PARTIES HEREBY CONSENT TO THE TERMS AND
CONDITIONS OF THIS CONSENT JUDGMENT AS SET FORTH ABOVE, AND
HEREBY CONSENT TO ENTRY THEREOF:


PLAINTIFF:

STATE OF NORTH CAROLINA,
ex rel. JOSHUA H. STEIN,
Attorney General



Stuart M. Saunders
Special Deputy Attorney General

Date: 1/19/2022

DEFENDANTS:


Zachary Bryan Broch

Date: 1/13/2022



Charles Kim Slaughter, Jr.

Date: 1/12/2022


Secure Restoration, Inc.
By:

Date: 1/13/2022

DEFENDANTS' COUNSEL:


Ryan J. Adams
Adams, Howell, Sizemore & Adams, P.A.
Counsel for Defendants

Date: 1/18/2022