
Track Owners and Company Officers

Posted by Jerry - June 06, 2007 7:49 AM

Q. – Why RYB should track Owners & Company Officers

June 6, 2007

The intention of rating company names is to inform new home buyers. In reality it is the individual(s) behind the company name who are responsible for its performance.

Often the company is incorporated to protect personal liability of the owners. The majority of smaller contractors are incorporated. Obviously the owners won't leave many liquid assets in the business lest the company is sued. Major builders too have their scam artists.

So what do scam artists do when the company's notoriety has caught up with it? Simply move on.....let the company die with its reputation. Then the same owners and company officers incorporate under a new company name and in effect continue on in business. If we don't track the owners and company officers then RYB has lost the full benefit of its rating system.

Jerry

=====

Re:Track Owners and Company Officers

Posted by CSchnack - August 17, 2007 8:55 PM

We are coming out with some info that will help home buyers track this also. But, it won't be free, because it represents countless hours of research and some expenditure on HADD's part. People who are handy with internet research can find this stuff in many cases. The problem lies with small private builders and shaky state website search engines that do not do an effective job of cross referencing all the names these builders have gone by, nor do they show complaints in many cases.

In the meantime, two places they can do research are their state's corporation registration agency which is usually the State Secretary of State but not always, and the Securities and Exchange Commission, (SEC), which regulates publicly traded corporations.

I admit that doing this is time consuming and takes at least a modicum of internet research skill, BUT I think it's a skill worth learning, and IMO completely necessary for new home buyers. If they can't do it they need to get someone who can.

Before spending hours doing this kind of research, a home buyer needs to learn to spot common construction shortcuts. They can learn all the info about a builder there is in the public record only to buy from a builder who is taking shortcuts that cost tens of thousands to fix. The internet makes it seem like you can find out everything but in reality many serious issues are simply not in the public record.

This is all part of what we're working on, to educate consumers BEFORE they sign a contract, because though we try to provide a lot of info and moral support, the fact is, once someone's been ripped off, there is very little recourse. We firmly believe in prevention first.

SEC: <http://www.sec.gov>

Find State Corporation Search: <http://www.coordinatedlegal.com/SecretaryOfState.html>

<http://www.google.com> My favorite general search engine...there are many good ones but if I could only use one this'd be it.

When searching for small local builders' companies you need to research the personal names behind the companies, too, and many of them only list a registered agent on the state site. A registered agent is often just another corporation or a lawyer who, for a fee, accepts legal service for a corporation, but they do not own the company. They may be the agent for many unrelated companies. You can see how hard it would be for someone to find out that many diversely named companies might all be run by the same guy, and that's certainly not the kind of info you are likely to find out about in an hour or two of Googling the builder, especially if he's done a good job of hiding his trail.

Cindy Schnackel
National Secretary

Homeowners Against Deficient Dwellings
<http://www.hadd.com>

=====