

STATE OF MAINE
KENNEBEC, ss

SUPERIOR COURT
CIVIL ACTION
DOCKET NO. CV-99-105

STATE OF MAINE,)
)
 Plaintiff)
)
 v.)
)
 STEPHEN H. LUNT,)
)
 Defendant)

ORDER

After hearing on damages held on August 24, 2000, the order and entry is as follows:

1. Pursuant to 5 M.R.S.A. § 209 Stephen Lunt is ordered to pay restitution as follows:
 - a. \$3,000 to Douglas Fellows
 - b. \$1,800 to Marie Kimball
 - c. \$500 to Peter and Jean Watson
 - d. \$1,768.12 to Robert Brunell
 - e. \$1,000 to John and Debbie Belanger
 - f. \$3,022.44 to James and Priscilla Merrifield
 - g. \$1,000 to Dale and Pam Helphrey
 - h. \$13,100 Patricia Dunbar
 - i. \$5,500 to Paul Cogley
2. It is further ordered upon affidavits submitted in this case by William Weitzke and Sally Fullilove that Stephen H. Lunt is ordered to pay restitution as follows:
 - a. \$2,725 to William Weitzke

b. \$1,000 to Sally Fullilove

Dated: Dec 16, 2020



Justice, Superior Court

STATE OF MAINE
KENNEBEC, SS.

SUPERIOR COURT
CIVIL ACTION .
DOCKET NO. CV-99-

STATE OF MAINE)
)
 Plaintiff,)
 v.)
)
 STEPHEN H. LUNT et. al.)
)
 Defendants.)

COMPLAINT

INTRODUCTION

1. The State brings this action against Stephen H. Lunt and Lakeview Builders, Inc. pursuant to 5 M.R.S.A. § 209 and M. R.Civ. P. 65 seeking permanent injunctive relief, restitution, civil penalties, costs and attorneys fees.

PARTIES

2. Plaintiff, State of Maine, is a sovereign state and brings this action by and through its Attorney General pursuant to 5 M. R.S.A. § § 191 and 209 and the powers vested in him by common law.

3. The defendant Stephen H. Lunt is an individual who resides on Bearce Road in Winthrop and has an address at RR 1, Box 1223 in Winthrop, Maine. Lunt is the alter ego of Lakeview Builders, Inc.

4. Lakeview Builders, Inc. is a Maine corporation with a principal place of business on Bearce Road in Winthrop, Maine. It was incorporated on November 10, 1997 until its corporate charter was suspended on August 26, 1998. Stephen H. Lunt is the clerk and incorporator of Lakeview Builders, Inc.

JURISDICTION

5. This Court has jurisdiction over this action pursuant to 4 M.R.S.A. § 105 and 5 M.R.S.A. §209.

STATUTORY BACKGROUND

6. Pursuant to 5 M.R.S.A. § 207, unfair or deceptive acts or practices in the conduct of any trade or business are unlawful.

7. Pursuant to 5 M.R.S.A. § 209, whenever the Attorney General has reason to believe that an unfair trade practice is being committed or is about to be committed, the Attorney General may bring an action in the name of the State of Maine against such person to restrain by temporary or permanent injunction the act or practice. The Court may make such other orders and judgments as may be necessary to restore to any person who has suffered an ascertainable loss by reason of the use or employment of such unfair trade practice any monies or properties which may have been acquired by means of the unfair trade practice.

FACTS

8. Stephen H. Lunt owns and operates a home improvement business in Winthrop, Maine. He undertakes small home improvements and builds garages. Lunt sometimes enters contracts with consumers as Stephen H. Lunt d/b/a Lakeview Construction and at other times uses his alter ego, Lakeview Builders, Inc.

9. Lunt and/or Lake view Builders, Inc. enter into contracts with consumers that specify the work to be done and the date the work will be completed. The contracts also specify that payment will be made in three installments. The first payment is due when the contract is signed

before any work is undertaken. The second and largest payment is due the first day work is begun. The third and usually smallest payment is due when the work is completed.

10. From 1995 to the present Lunt has engaged in a pattern of failing to complete work that consumers have paid him to perform. Lunt delivers some materials and begins the project the same day that he collects a large payment but does not return to complete the job. For example, in October of 1997, a resident of Owl's Head, Maine gave Lunt a \$1200 down payment for a garage to be constructed. On December 7, 1997 some materials arrived at the residence and the consumer paid an additional \$3500, leaving a balance of \$1,000 to paid on the contract upon completion of the garage. Construction began in late February of 1998. Two workers worked a total of three days, not consecutive days, and on each day worked approximately three hours. The balance of the materials were never delivered and the work was not completed. The consumer contacted Lunt many times to find out when the project would be completed. Mr. Lunt gave numerous excuses, such as, his tools were stolen, his truck broke down, or the weather prohibited him from working. Lunt never committed to completing the the project.

11. From 1997 to the present Lakeview Builders, Inc. and Lunt have engaged in a pattern of taking deposits and failing either to perform any work or to refund the deposit. For example, in September 1998, a resident of Topsham, Maine entered into a contract with Lakeview Builders, Inc. for the construction of a garage, attached breezeway and a new roof. Upon signing the contract, the consumer gave Lunt \$1,000. Lunt promised that the work would be substantially completed on December 18, 1998. This promise was material to the consumer's decision to enter into the contract. On December 14, 1998, no work had been begun so the consumer sent a letter firing Lunt as their contractor and requesting the return of the \$1,000 deposit. The consumer has not heard from Lunt and has not received the deposit back.

COUNT I

(Unfair Trade Practices Act)

12. Plaintiff repeats, realleges and incorporates herein by reference the preceding paragraphs of this Complaint.

13. The the Defendant Stephen H. Lunt's practice of collecting money from consumers to build garages or to make home repairs or improvements and then failing to begin the job, to complete the job or to refund any portion of the money collected constitutes a pattern or practice of unfair and deceptive conduct in violation of the Unfair Trade Practices Act, 5 M.R.S.A. § 207.

14. The Defendant Stephen H. Lunt's conduct as described herein is intentional.

COUNT II

(Unfair Trade Practices Act)

15. Plaintiff repeats, realleges and incorporates herein by reference the preceding paragraphs of this Complaint.

16. The Defendant Stephen H. Lunt's practice of misrepresenting facts material to a consumer's decision to enter into a construction contract constitutes a pattern or practice of unfair and deceptive conduct in violation of the Unfair Trade Practices Act, 5 M.R.S.A. § 207.

18. The Defendant Lunt's conduct as described herein is intentional.

COUNT III

(Unfair Trade Practices Act)

19. The Defendant Lakeview Builders, Inc. practice of collecting deposits from consumers for home construction projects and then failing to begin the project, complete the

project or refund the deposit constitutes a pattern or practice of unfair and deceptive conduct in violation of the Unfair Trade Practices Act, 5 M. R.S.A. § 207.

20. The Defendant Lakeview Builders, Inc.'s conduct as described herein is intentional.

RELIEF REQUESTED

Plaintiff requests this court enter to following relief:

1. Declare that the Defendant, Stephen H. Lunt has engaged in unfair and deceptive acts or practices in the conduct of his business in violation of 5 M.R.S.A. § 207 by inducing consumers to give him large payments for building projects by representing that the projects will be completed on time and then failing to complete the projects after they are largely paid for.

2. Declare that the Defendant, Stephen H. Lunt, has engaged un unfair and deceptive acts or practices in the conduct of his business in violation of 5 M.R.S.A. § 207 by taking deposits for work that he does not begin and failing to refund the deposit to the consumer.

3. Pursuant to 5 M.R.S.A. § 209, permanently enjoin the Defendant Stephen H. Lunt, his agents, servants, employees and those persons in active concert or participation with him who receive actual notice of the injunction from collecting any money from consumers until the project he contracts to perform is substantially completed.

4. Order the Defendant Stephen H. Lunt to submit to the Attorney General an accounting of all monies that he collected from consumers in his construction business from January 1, 1997 to the present.

5. Order the Defendant Stephen H. Lunt to pay restitution to all consumers injured by his unlawful practices.

6. Order the Defendant Stephen H. Lunt to pay a civil penalty of \$10,000 for each intentional violation of the Unfair Trade Practices Act.

7. Declare that the Defendant Lakeview Builders, Inc. has engaged in unfair and deceptive acts or practices in the conduct of business in violation of 5 M.R.S.A. § 207 by taking deposits from consumers for work to be performed and then failing to either perform the work or refund the deposit.

8. Pursuant to 5 M.R.S.A. § 209, permanently enjoin the Defendant Lakeview Builders, Inc., its agents, servants, employees and those persons in active concert or participation with it who receive actual notice of the injunction from collecting any money from consumers until the project it has contracted to perform is substantially completed.

9. Order the Defendant Lakeview Builders, Inc. to submit to the Attorney General an accounting of all monies that it has collected from consumers from November 10, 1997 to the present.

10. Order the Defendant Lakeview Builders, Inc. to pay restitution to all consumers injured by its unlawful practices.

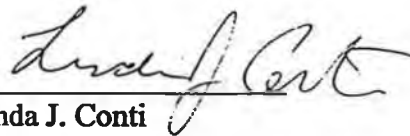
11. Order the Defendant Lakeview Builders, Inc. to pay a civil penalty of \$10,000 for each intentional violation of the Unfair Trade Practices Act.

12. Order the Defendants Stephen H. Lunt and Lakeview Builders, Inc. to pay the Attorney General its cost of suit and investigation including attorney's fees.

13. Order such other and further relief as the Court may deem necessary to remedy the effects of the Defendants' unfair and deceptive practices.

Dated: *April 12, 1999*

Respectfully submitted,
ANDREW KETTERER
ATTORNEY GENERAL



Linda J. Conti
Assistant Attorney General
Me. Bar No. 3638
6 State House Station
Augusta, Maine 04333
Tel. (207) 626-8800

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In Re:	)	Chapter 7
	)	Case No.: 99-10296
Stephen H. Lunt)	
)	
Debtor)	
<hr/>		
State of Maine Department	)	Adv. Proceeding No.
Of Attorney General,)	
)	
Plaintiff)	
)	
v.	)	COMPLAINT
)	
Stephen H. Lunt)	
)	
)	
Defendant)	

NOW COMES the State of Maine Department of Attorney General and complains against the Debtor, Stephen H. Lunt, as follows:

THE PARTIES

1. The Defendant/Debtor, Stephen H. Lunt, filed a Chapter 7 petition with this Court on February 26, 1999.
2. The Plaintiff, State of Maine, is a sovereign state acting through the Department of the Attorney General.

JURISDICTION AND VENUE

3. The Plaintiff seeks relief pursuant to 11 U.S.C. § 523. Jurisdiction is proper pursuant to 28 U.S.C. §§ 157, 1334, and venue is proper pursuant to 28 U.S.C. §§ 1408, 1409. This action is commenced pursuant to Bankruptcy Rules 7001 and 7003, Fed. R. Civ. P. 3 and Local Rule 7003.

4. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(I) in that it objects to the Debtor's discharge of a particular debt.

THE FACTS

5. From August of 1997 through February 1999, this Attorney General's Office received approximately ten complaints from consumers alleging that they paid Stephen Lunt to perform home improvements or repairs. He either failed to begin the job or began the job and failed to complete it.

6. On February 18, 1999, the State sent Mr. Stephen H. Lunt a letter informing him that it intended to file a civil suit against him for violations for the Unfair Trade Practices Act, 5 M. R.S.A. § 207. (Attached as Exhibit A.)

7. Mr. Lunt did not respond to the letter of February 18, 1999.

8. On or about April 12, 1999, the State sent the Complaint along with a Summons to the Kennebec County Sheriff's Office for service. A copy of the Complaint is attached hereto as Exhibit B.

9. On May 6, 1999, the Kennebec County Sheriff's Office served the Complaint and Summons on Mr. Lunt.

10. Mr. Lunt did not answer the Complaint and on June 8, 1999, the State filed an application to the clerk for default. The default was entered by the clerk in *State of Maine v.*

Stephen H. Lunt, Kennebec County Superior Court, Civil Docket No. CV-99-105 on June 10, 1999. A copy of the default is attached hereto as Exhibit C.

11. On July 1, 1999, the State received information from a third party that Lunt had filed a Chapter 7 petition. The State was not listed as a creditor in the Defendant's bankruptcy nor was it otherwise given proper notice of the bankruptcy.

12. The unfair and deceptive practices engaged in by the Defendant, as described in the original Complaint, are set forth as follows:

A. From 1995 to the present, Lunt has engaged in a pattern of failing to complete work that consumers have paid him to perform. Lunt delivers some materials and begins the project the same day that he collects a large payment, but does not return to complete the job. For example, in October of 1997, a resident of Owl's Head, Maine gave Lunt a \$1,200 down payment for a garage to be constructed. On December 7, 1997, some materials arrived at the residence and the consumer paid an additional \$3,500, leaving a balance of \$1,000 to be paid on the contract upon completion of the garage. Construction began in late February of 1998. Two workers worked a total of three days, not consecutive days, and on each day worked approximately three hours. The balance of the materials was never delivered and the work was not completed. The consumer contacted Lunt many times to find out when the project would be completed. Mr. Lunt gave numerous excuses, such as, his tools were stolen, his truck broke down, or the weather prohibited him from working. Lunt never committed to completing the project.

B. From 1997 to the present, Lunt has engaged in a pattern of taking deposits and failing either to perform any work or to refund the deposit. For example, in September 1998, a resident of Topsham, Maine entered into a contract with Lunt for the construction of a garage, attached breezeway and a new roof. Upon signing the contract, the consumer gave Lunt \$1,000. Lunt promised that the work would be substantially completed on December 18, 1998. This promise was material to the consumer's decision to enter into the contract. On December 14, 1998, no work had begun, so the consumer sent a letter firing Lunt as their contractor and requesting the return of the \$1,000 deposit. The consumer has not heard from Lunt and has not received the deposit back.

C. Lunt's practice of collecting money from consumers to build garages or to make home repairs or improvements and then failing to begin the job, to complete the job or to refund any portion of the money collected constitutes a pattern of practice of unfair and deceptive conduct in violation of the Unfair Trade Practices Act, 5 M.R.S.A. § 207.

D. Lunt's practice of intentionally misrepresenting facts material to a consumer's decision to enter into a construction contract constitutes a pattern or practice of unfair and deceptive conduct in violation of the Unfair Trade Practices Act, 5 M.R.S.A. § 207.

13. The Plaintiff, State of Maine, through the Department of the Attorney General, had standing to bring the action against the Defendant seeking injunctive relief, civil penalty, and equitable relief for injured consumers, including restitution, pursuant to 5 M.R.S.A. § 209.

14. The Defendant did not enter an answer in the Superior Court lawsuit or otherwise defend, resulting in an entry of default against the Defendant and in favor of the Plaintiff, State of Maine.

15. Pursuant to Maine law, when a default is entered, the facts necessary to sustain the Plaintiff's action are conclusively established.

16. Although default has been entered against the Defendant/Debtor in the State's case, judgment has not yet been entered; therefore, the State's claims are as yet unliquidated.

COUNT I
LACK OF NOTICE, 11 U.S.C. § 523(a)(3)

17. The Plaintiff repeats and realleges the preceding paragraphs of this Complaint.

18. Section 523(a)(3) bars discharge of any debt that is: Neither listed nor scheduled as required by the debtor in time to permit the creditor an opportunity to file a timely proof of claim or a request for determination of dischargeability of the debt.

19. The Defendant was on notice that the State intended to pursue the claims against him for his unfair trade practices prior to the filing of the bankruptcy petition.

20. The State's unliquidated claim, for restitution for injured consumers, relating to the Defendant's unfair trade practices was not listed or scheduled by the debtor.

21. The State did not have notice in time to file a proof of claim or a request for a determination of the dischargeability of its claims for injunctive relief, civil penalties and restitution for consumers.

WHEREFORE, the State of Maine Department of Attorney General prays this Court determine that its unliquidated claim for restitution for consumers, civil penalties, and injunctive relief is nondischargeable pursuant to 11 U.S.C. § 523(a)(3)(B).

COUNT II
FRAUD, 11 U.S.C. § 523(a)(2)(A)

22. The Plaintiff repeats and realleges the preceding paragraphs of this Complaint.

23. Section 523(a)(2)(A) of the United States Bankruptcy Code disallows a debtor in bankruptcy from being discharged for a debt incurred through fraudulent means.

24. The Defendant violated Maine's Unfair Trade Practices Act, through his intentional and knowing misrepresentations to homeowners as to the Defendant's ability and willingness to begin or complete home improvement projects that he has been paid for.

25. The consumers, in reasonable reliance upon the Defendant's fraudulent misrepresentations, made payments ranging from \$1,000 to \$15,000 to the Defendant for services which the Defendant did not perform.

WHEREFORE, the State of Maine Department of Attorney General prays this Court determine that the State's unliquidated claim for restitution for consumers, who are incidental beneficiaries of the State's enforcement action, is a nondischargeable debt pursuant to 11 U.S.C. § 523(a)(2)(A).

COUNT III
WILLFUL AND MALICIOUS CONDUCT, 11 U.S.C. § 523(a)(6)

26. The Plaintiff repeats, realleges and incorporates the foregoing paragraphs as though fully set forth herein.

27. The Unfair Trade Practices Act, 5 M.R.S.A. § 205-A through 214, allows the State to bring an action to restrain a defendant from engaging conduct that is harmful to the public.

28. Section 523(a)(6) of the United States Bankruptcy Code prevents a debtor from receiving a discharge for a debt resulting from the debtor's willful and malicious conduct, which

has been defined as conduct wherein the debtor acted without justification or excuse and with full knowledge of the specific consequences of his conduct, knowing full well that his conduct will cause particularized injury.

29. The Defendant's conduct in misrepresenting that he would begin and complete home repairs in order to obtain deposits for work he did not do, was without justification or excuse and was done with full knowledge of the specific consequences of his conduct and with full knowledge that his conduct would cause particularized injury.

30. As a result of the Defendant's willful and malicious conduct, members of the public and the Plaintiff, State of Maine, suffered damages in an amount yet to be determined for restitution, civil penalties, and attorney fees.

WHEREFORE, the State of Maine Department of Attorney General prays this Court determine its unliquidated claim against the Defendant / Debtor for injunction, restitution, civil penalties, and attorneys fees is a nondischargeable debt pursuant to 11 U.S.C. § 523(a)(6).

COUNT IV
CIVIL PENALTIES, 11 U.S.C. § 523(a)(7)

31. The Plaintiff repeats, realleges and incorporates the foregoing paragraphs as though fully set forth herein.

32. Section 523(a)(7) of the United States Bankruptcy Code excepts from discharge any debt which is related to a fine, penalty or forfeiture payable to and for the benefit of a governmental unit which is not payment for actual pecuniary loss.

33. In its Complaint, the State is requesting an injunction prohibiting the Defendant/Debtor from taking deposits from consumers before completing the work contracted for and civil penalties.

WHEREFORE, the State of Maine Department of Attorney General prays this Court determine that its claim against the Defendant/Debtor for injunctive relief and civil penalties is a nondischargeable debt pursuant to 11 U.S.C. § 523(a)(7).

FULL FAITH AND CREDIT AND
RES JUDICATA/COLLATERAL ESTOPPEL

34. The Defendant's failure to enter an answer or otherwise defend in the lawsuit resulted in an entry of default, as though the matter had been fully litigated.

35. Pursuant to Maine law, when a default is entered, the facts necessary to sustain the Plaintiff's action are conclusively established.

WHEREFORE, the State of Maine Department of Attorney General prays this Court:

A. Give full faith and credit to the default entered in the Superior Court action, Docket Number CV-99-105;

B. Bar the Defendant from relitigating the merits of the counts contained in the original complaint through the doctrines of res judicata and/or collateral estoppel;

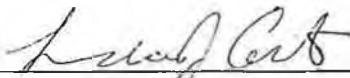
C. Enter judgment in favor of the Plaintiff and against the Defendant by determining that the State's unliquidated claim for restitution is nondischargeable pursuant to 11 U.S.C. § 523; and further that the State is not barred from pursuing injunctive relief in State Court;

D. Enter a judgment in favor of the Plaintiff and against the Defendant by determining that the State's unliquidated claim for civil penalties is nondischargeable pursuant to 11 U.S.C. § 523;

E. Enter an order in favor of the Plaintiff and against the Defendant by determining that the State's claim for injunctive relief is nondischargeable pursuant to 11 U.S.C. § 523;

- F. Order the Defendant to pay the cost of this action; and
- G. Grant the Plaintiff such other relief as the Court may deem just and proper.

DATED: September 8, 1999



LINDA J. CONTI
Assistant Attorney General
Six State House Station
Augusta, Maine 04333-0006
(207) 626-8800

Attorney for State of Maine

STATE OF MAINE
KENNEBEC, SS.

SUPERIOR COURT
CIVIL ACTION
DOCKET NO. CV-99-105

STATE OF MAINE)
)
 Plaintiff,)
)
 v.)
)
 STEPHEN H. LUNT)
)
 Defendant)

STATE'S MOTION FOR
DEFAULT JUDGMENT

NOW COMES the State of Maine and moves this Court, pursuant to M.R. Civ. P. 55(b)(2), for a default judgment against the Defendant, Stephen H. Lunt, on the grounds that the Defendant has been properly served with the complaint and summons in this matter and has failed to plead or otherwise defend this matter as set forth more fully in the memorandum of law and affidavit submitted in support of this motion.

WHEREFORE, the State respectfully requests that this Honorable Court grant its motion for default judgment.

Dated: January 28, 2000

Respectfully submitted,



LINDA J. CONTI
Assistant Attorney General
Me. Bar No. 3638
State House Station 6
Augusta, Maine 04333
(207) 626-8800

STATE OF MAINE
KENNEBEC, SS.

SUPERIOR COURT
CIVIL ACTION
DOCKET NO. CV-99-105

STATE OF MAINE,)
)
 Plaintiff)
)
 v.)
)
 STEPHEN H. LUNT,)
)
 Defendant)

MEMORANDUM OF LAW IN
SUPPORT OF THE STATE'S MOTION
FOR DEFAULT JUDGMENT

INTRODUCTION

NOW COMES the State of Maine and moves this Court, pursuant to M.R. Civ. P. 55(b)(2), for a default judgment against the Defendant, Stephen H. Lunt. The grounds for this motion are set forth below.

FACTS

On May 6, 1999, the complaint and summons in this matter was served on Defendant Stephen H. Lunt. The complaint, along with the return of service, was filed with the Court on May 12, 1999. The Defendant, Stephen H. Lunt, did not answer or otherwise defend the action. On June 10, 1999 the Clerk, upon motion by the State, entered a default against Lunt pursuant to M.R. Civ. P. 55(a).

After the default was entered by the Clerk in this matter, the State learned, from a conversation with one of the consumer victims, that Defendant Lunt had filed a Chapter 7 bankruptcy petition. The Defendant had not listed the State as a creditor in his bankruptcy proceeding. The State then filed an adversary proceeding in the bankruptcy and obtained an order from that Court which provides that the State's claims for injunctive relief, civil penalties and restitution

are not subject to discharge in the bankruptcy. A copy of that order is attached hereto.

Having clarified that the bankruptcy does not affect the State's claims for injunctive relief, restitution and civil penalties, the State is now requesting that the Court enter a default judgment against Defendant Stephen H. Lunt, pursuant to M.R. Civ. P. 55(b)(2), granting the relief requested in the complaint.

ARGUMENT

Pursuant to M.R. Civ. P. 55(b)(4), no judgment by default shall be entered until the Plaintiff or the Plaintiff's attorney files an affidavit setting forth facts showing that the Defendant is not a person in the military service as defined in the Soldiers and Sailors Relief Act of 1940 and that venue is properly laid at the place where the action was brought. Stephen H. Lunt resides in Winthrop where he operates a home improvement and construction business. Conti Affidavit at ¶4.

These facts show that the Defendant, Stephen H. Lunt, is not in the military service and that venue is proper in Kennebec County. For these reasons, the State requests that the Court enter a default judgment against Defendant Stephen H. Lunt and order the relief requested in the complaint.

RELIEF REQUESTED

A. Restitution

The complaint alleges that Stephen Lunt violated the Maine Unfair Trade Practices Act, 5 M.R.S.A. § 207, by engaging in a pattern or practice of taking advance deposits for home improvements and building garages and then failing

to begin the work, complete the work or refund the deposit. Delay and nondelivery of services are unfair trade practices. Daniels v. True, 547 N.E. 2d. 425 (Municipal Court, Ohio 1988). (Almost a year's delay in installing windows is an unfair trade practice).

Lunt induced consumers to enter into contracts by promising to complete the work on a specific date. The consumers listed below paid Lunt for work that he either did not begin or if he did begin the work, he never completed it. The State is requesting that this Court order Lunt to pay restitution to these consumers, pursuant to 5 M.R.S.A. § 209, as follows:

Douglas Fellows	\$4,500
Marie Kimball	\$1,800
Peter and Jean Watson	\$500
Robert Brunelle	\$6,200
William Weitzke	\$3,225
Sully Fullilove	\$1,000
John and Debbie Belanger	\$3,500
James and Priscilla Merryfield	\$5,700
Patricia Tuck Dunbar	\$13,100
Dale and Pam Helphrey	\$1,000
Paul Cogley	\$5,500

B. Injunction

Pursuant to the Unfair Trade Practices Act, 5 M.R.S.A. § 209, the State is entitled to an injunction permanently enjoining Defendant Stephen H. Lunt, his agents, servants, employees and those persons in active concert or participation with him who receive actual notice of the injunction from collecting any money

from consumers until he substantially completes the work he has undertaken to perform or provided the goods and/or services he has agreed to deliver.

C. Civil Penalties

In addition to restitution and injunctive relief, the State is entitled to a civil penalty of up to \$10,000 for each intentional violation of the Unfair Trade Practices Act, 5 M.R.S.A. § 209. Defendant Lunt took money from consumers, did not perform the work he promised to perform and did not refund the money. Lunt's false promises to consumers, which occurred over several months, are intentional. Therefore, the State is requesting that Lunt be assessed a civil penalty of \$1,000 per violation for each transaction described above, for a total civil penalty of \$11,000.

CONCLUSION

For these reasons, the State respectfully requests that the Court enter a judgment against Defendant Stephen H. Lunt and grant the relief requested in the complaint.

Dated: January 28, 2000

Respectfully submitted,



LINDA J. CONTI
Assistant Attorney General
Me. Bar No. 3638
State House Station 6
Augusta, Maine 04333
(207) 626-8800

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

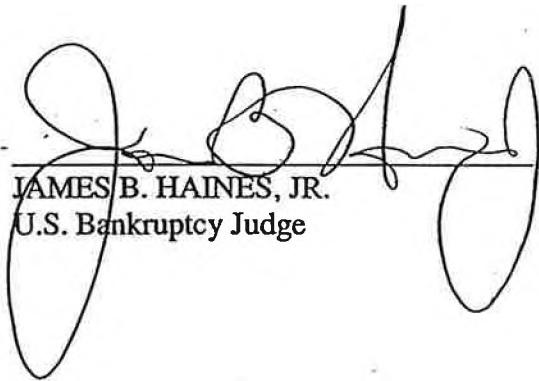
U.S. BANKRUPTCY COURT
DISTRICT OF MAINE

2000 JAN 19 PM 3:52

In Re:	)	Chapter 7
	)	Case No.: 99-10296
Stephen H. Lunt)	
)	
Debtor)	
_____)	
)	
State of Maine Department	)	Adv. Proceeding No. 99-10604
Of Attorney General,)	
)	
Plaintiff)	
)	
v.	)	ORDER
)	
Stephen H. Lunt)	
)	
Defendant)	

After hearing on the State's Motion for Default Judgment, the State of Maine's claims, which are yet to be liquidated, are excepted from discharge pursuant to 11 U.S.C. § 523(a).

DATED: Jan. 19, 2000



JAMES B. HAINES, JR.
U.S. Bankruptcy Judge

cc: L. Conti, Esq.
S. Lunt
P. Perrino, Esq.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In Re:	)	Chapter 7
	)	Case No.: 99-10296
Stephen H. Lunt)	
)	
)	
Debtor)	
<hr/>		
State of Maine Department)	Adv. Proceeding No.
Of Attorney General,)	
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Plaintiff)	
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v.)	COMPLAINT
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Stephen H. Lunt)	
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Defendant)	

NOW COMES the State of Maine Department of Attorney General and complains against the Debtor, Stephen H. Lunt, as follows:

THE PARTIES

1. The Defendant/Debtor, Stephen H. Lunt, filed a Chapter 7 petition with this Court on February 26, 1999.
2. The Plaintiff, State of Maine, is a sovereign state acting through the Department of the Attorney General.

JURISDICTION AND VENUE

3. The Plaintiff seeks relief pursuant to 11 U.S.C. § 523. Jurisdiction is proper pursuant to 28 U.S.C. §§ 157, 1334, and venue is proper pursuant to 28 U.S.C. §§ 1408, 1409. This action is commenced pursuant to Bankruptcy Rules 7001 and 7003, Fed. R. Civ. P. 3 and Local Rule 7003.

4. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(I) in that it objects to the Debtor's discharge of a particular debt.

THE FACTS

5. From August of 1997 through February 1999, this Attorney General's Office received approximately ten complaints from consumers alleging that they paid Stephen Lunt to perform home improvements or repairs. He either failed to begin the job or began the job and failed to complete it.

6. On February 18, 1999, the State sent Mr. Stephen H. Lunt a letter informing him that it intended to file a civil suit against him for violations for the Unfair Trade Practices Act, 5 M. R.S.A. § 207. (Attached as Exhibit A.)

7. Mr. Lunt did not respond to the letter of February 18, 1999.

8. On or about April 12, 1999, the State sent the Complaint along with a Summons to the Kennebec County Sheriff's Office for service. A copy of the Complaint is attached hereto as Exhibit B.

9. On May 6, 1999, the Kennebec County Sheriff's Office served the Complaint and Summons on Mr. Lunt.

10. Mr. Lunt did not answer the Complaint and on June 8, 1999, the State filed an application to the clerk for default. The default was entered by the clerk in *State of Maine v.*

Stephen H. Lunt, Kennebec County Superior Court, Civil Docket No. CV-99-105 on June 10, 1999. A copy of the default is attached hereto as Exhibit C.

11. On July 1, 1999, the State received information from a third party that Lunt had filed a Chapter 7 petition. The State was not listed as a creditor in the Defendant's bankruptcy nor was it otherwise given proper notice of the bankruptcy.

12. The unfair and deceptive practices engaged in by the Defendant, as described in the original Complaint, are set forth as follows:

A. From 1995 to the present, Lunt has engaged in a pattern of failing to complete work that consumers have paid him to perform. Lunt delivers some materials and begins the project the same day that he collects a large payment, but does not return to complete the job. For example, in October of 1997, a resident of Owl's Head, Maine gave Lunt a \$1,200 down payment for a garage to be constructed. On December 7, 1997, some materials arrived at the residence and the consumer paid an additional \$3,500, leaving a balance of \$1,000 to be paid on the contract upon completion of the garage. Construction began in late February of 1998. Two workers worked a total of three days, not consecutive days, and on each day worked approximately three hours. The balance of the materials was never delivered and the work was not completed. The consumer contacted Lunt many times to find out when the project would be completed. Mr. Lunt gave numerous excuses, such as, his tools were stolen, his truck broke down, or the weather prohibited him from working. Lunt never committed to completing the project.

B. From 1997 to the present, Lunt has engaged in a pattern of taking deposits and failing either to perform any work or to refund the deposit. For example, in September 1998, a resident of Topsham, Maine entered into a contract with Lunt for the construction of a garage, attached breezeway and a new roof. Upon signing the contract, the consumer gave Lunt \$1,000. Lunt promised that the work would be substantially completed on December 18, 1998. This promise was material to the consumer's decision to enter into the contract. On December 14, 1998, no work had begun, so the consumer sent a letter firing Lunt as their contractor and requesting the return of the \$1,000 deposit. The consumer has not heard from Lunt and has not received the deposit back.

C. Lunt's practice of collecting money from consumers to build garages or to make home repairs or improvements and then failing to begin the job, to complete the job or to refund any portion of the money collected constitutes a pattern of practice of unfair and deceptive conduct in violation of the Unfair Trade Practices Act, 5 M.R.S.A. § 207.

D. Lunt's practice of intentionally misrepresenting facts material to a consumer's decision to enter into a construction contract constitutes a pattern or practice of unfair and deceptive conduct in violation of the Unfair Trade Practices Act, 5 M.R.S.A. § 207.

13. The Plaintiff, State of Maine, through the Department of the Attorney General, had standing to bring the action against the Defendant seeking injunctive relief, civil penalty, and equitable relief for injured consumers, including restitution, pursuant to 5 M.R.S.A. § 209.

14. The Defendant did not enter an answer in the Superior Court lawsuit or otherwise defend, resulting in an entry of default against the Defendant and in favor of the Plaintiff, State of Maine.

15. Pursuant to Maine law, when a default is entered, the facts necessary to sustain the Plaintiff's action are conclusively established.

16. Although default has been entered against the Defendant/Debtor in the State's case, judgment has not yet been entered; therefore, the State's claims are as yet unliquidated.

COUNT I
LACK OF NOTICE, 11 U.S.C. § 523(a)(3)

17. The Plaintiff repeats and realleges the preceding paragraphs of this Complaint.

18. Section 523(a)(3) bars discharge of any debt that is: Neither listed nor scheduled as required by the debtor in time to permit the creditor an opportunity to file a timely proof of claim or a request for determination of dischargeability of the debt.

19. The Defendant was on notice that the State intended to pursue the claims against him for his unfair trade practices prior to the filing of the bankruptcy petition.

20. The State's unliquidated claim, for restitution for injured consumers, relating to the Defendant's unfair trade practices was not listed or scheduled by the debtor.

21. The State did not have notice in time to file a proof of claim or a request for a determination of the dischargeability of its claims for injunctive relief, civil penalties and restitution for consumers.

WHEREFORE, the State of Maine Department of Attorney General prays this Court determine that its unliquidated claim for restitution for consumers, civil penalties, and injunctive relief is nondischargeable pursuant to 11 U.S.C. § 523(a)(3)(B).

COUNT II
FRAUD, 11 U.S.C. § 523(a)(2)(A)

22. The Plaintiff repeats and realleges the preceding paragraphs of this Complaint.

23. Section 523(a)(2)(A) of the United States Bankruptcy Code disallows a debtor in bankruptcy from being discharged for a debt incurred through fraudulent means.

24. The Defendant violated Maine's Unfair Trade Practices Act, through his intentional and knowing misrepresentations to homeowners as to the Defendant's ability and willingness to begin or complete home improvement projects that he has been paid for.

25. The consumers, in reasonable reliance upon the Defendant's fraudulent misrepresentations, made payments ranging from \$1,000 to \$15,000 to the Defendant for services which the Defendant did not perform.

WHEREFORE, the State of Maine Department of Attorney General prays this Court determine that the State's unliquidated claim for restitution for consumers, who are incidental beneficiaries of the State's enforcement action, is a nondischargeable debt pursuant to 11 U.S.C. § 523(a)(2)(A).

COUNT III
WILLFUL AND MALICIOUS CONDUCT, 11 U.S.C. § 523(a)(6)

26. The Plaintiff repeats, realleges and incorporates the foregoing paragraphs as though fully set forth herein.

27. The Unfair Trade Practices Act, 5 M.R.S.A. § 205-A through 214, allows the State to bring an action to restrain a defendant from engaging conduct that is harmful to the public.

28. Section 523(a)(6) of the United States Bankruptcy Code prevents a debtor from receiving a discharge for a debt resulting from the debtor's willful and malicious conduct, which

has been defined as conduct wherein the debtor acted without justification or excuse and with full knowledge of the specific consequences of his conduct, knowing full well that his conduct will cause particularized injury.

29. The Defendant's conduct in misrepresenting that he would begin and complete home repairs in order to obtain deposits for work he did not do, was without justification or excuse and was done with full knowledge of the specific consequences of his conduct and with full knowledge that his conduct would cause particularized injury.

30. As a result of the Defendant's willful and malicious conduct, members of the public and the Plaintiff, State of Maine, suffered damages in an amount yet to be determined for restitution, civil penalties, and attorney fees.

WHEREFORE, the State of Maine Department of Attorney General prays this Court determine its unliquidated claim against the Defendant / Debtor for injunction, restitution, civil penalties, and attorneys fees is a nondischargeable debt pursuant to 11 U.S.C. § 523(a)(6).

COUNT IV
CIVIL PENALTIES, 11 U.S.C. § 523(a)(7)

31. The Plaintiff repeats, realleges and incorporates the foregoing paragraphs as though fully set forth herein.

32. Section 523(a)(7) of the United States Bankruptcy Code excepts from discharge any debt which is related to a fine, penalty or forfeiture payable to and for the benefit of a governmental unit which is not payment for actual pecuniary loss.

33. In its Complaint, the State is requesting an injunction prohibiting the Defendant/Debtor from taking deposits from consumers before completing the work contracted for and civil penalties.

WHEREFORE, the State of Maine Department of Attorney General prays this Court determine that its claim against the Defendant/Debtor for injunctive relief and civil penalties is a nondischargeable debt pursuant to 11 U.S.C. § 523(a)(7).

FULL FAITH AND CREDIT AND
RES JUDICATA/COLLATERAL ESTOPPEL

34. The Defendant's failure to enter an answer or otherwise defend in the lawsuit resulted in an entry of default, as though the matter had been fully litigated.

35. Pursuant to Maine law, when a default is entered, the facts necessary to sustain the Plaintiff's action are conclusively established.

WHEREFORE, the State of Maine Department of Attorney General prays this Court:

A. Give full faith and credit to the default entered in the Superior Court action, Docket Number CV-99-105;

B. Bar the Defendant from relitigating the merits of the counts contained in the original complaint through the doctrines of res judicata and/or collateral estoppel;

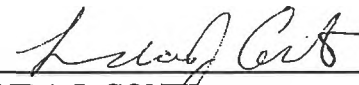
C. Enter judgment in favor of the Plaintiff and against the Defendant by determining that the State's unliquidated claim for restitution is nondischargeable pursuant to 11 U.S.C. § 523; and further that the State is not barred from pursuing injunctive relief in State Court;

D. Enter a judgment in favor of the Plaintiff and against the Defendant by determining that the State's unliquidated claim for civil penalties is nondischargeable pursuant to 11 U.S.C. § 523;

E. Enter an order in favor of the Plaintiff and against the Defendant by determining that the State's claim for injunctive relief is nondischargeable pursuant to 11 U.S.C. § 523;

- F. Order the Defendant to pay the cost of this action; and
- G. Grant the Plaintiff such other relief as the Court may deem just and proper.

DATED: September 8, 1999



LINDA J. CONTI
Assistant Attorney General
Six State House Station
Augusta, Maine 04333-0006
(207) 626-8800

Attorney for State of Maine

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

IN RE STEPHEN H. LUNT,)
) Chapter 7
) Case No. 99-10296
Debtor)
)
)

STATE OF MAINE'S MOTION FOR RELIEF FROM STAY AND DISCHARGE

Pursuant to 11 U.S.C. § 362 (d) the State of Maine requests relief from the automatic stay in the above-referenced bankruptcy matter and an Order from this Court declaring that the State of Maine is not subject to the discharge granted to the debtor Stephen H. Lunt.

In support of this Motion the State of Maine states as follows:

On February 18, 1999, the State of Maine sent a letter to the debtor, Stephen H. Lunt, informing him that it intended to file a civil suit against him pursuant to the Unfair Trade Practices Act seeking an injunction, civil penalties, restitution for consumers and its costs of suit including attorney's fees. See Affidavit of Linda J. Conti (hereinafter Conti affidavit) ¶ 2.

After hearing nothing from Mr. Lunt, he was served with a Summons and Complaint on May 6, 1999. Conti affidavit ¶ ¶ 3 and 5. The Complaint was filed in Kennebec County Superior Court. Mr. Lunt did not answer the Complaint and the State requested that the Clerk enter a Default against Lunt. On June 10, 1999, the clerk entered the default. Conti affidavit ¶ 6.

Thereafter the State was preparing its Motion for Default Judgment when Mr. Paul Cogley, who was not one of the original complainants in the State's lawsuit, contacted the State. Mr. Cogley sent the State a copy of the Notice of Chapter 7 Bankruptcy case filed by Stephen H. Lunt. Conti affidavit ¶ 7. The State received the Notice from Mr. Cogley on July 1, 1999. Conti

affidavit ¶ 7. According to the Notice, Mr. Lunt filed a Bankruptcy Petition on February 26, 1999 approximately eight days after the State sent Mr. Lunt a letter informing him that it intended to sue him for violations of the Unfair Trade Practices Act.

Pursuant to 11 U.S.C. §523(a)(3) a discharge under Title 11 does not discharge an individual debtor from any debt that was not listed or scheduled with the name of the creditor if known to the debtor in time to permit the creditor to file a timely proof of claim and a timely request for a determination of dischargeability.

Lunt knew of the State's claims against him and he did not list the State as a debtor in that Bankruptcy. The State, therefore, did not know about Lunt's proceeding in the Bankruptcy Court in time to file a proof of claim. For these reasons the State seeks an Order from this Court relieving it from the effects of the automatic stay and declaring that any discharge granted to Mr. Lunt does not apply to the State's action pending in Kennebec County Superior Court, Docket No. CV-99-105.

Based upon the foregoing, the State of Maine requests that its Motion for Relief from the Automatic Stay and Discharge be granted.

Date: July 29, 1999

Respectfully submitted,

ANDREW KETTERER
Attorney General



LINDA J. CONTI
Assistant Attorney General
6 State House Station
Augusta, Maine 04333
(207) 626-8800

Attorneys for the State of Maine

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

IN RE STEPHEN H. LUNT,)
) Chapter 7
) Case No. 99-10296
Debtor)
)
)

STATE OF MAINE'S MOTION TO INTERVENE

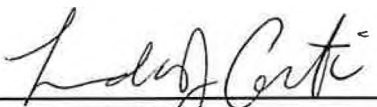
Pursuant to Rule 2018 of the Federal Rules of Bankruptcy Procedure, the State of Maine seeks to intervene as an interested entity in this matter for purpose of filing a Motion for Relief from the Automatic Stay and Discharge. As grounds for this Motion, the State alleges that it has a pending lawsuit against the debtor, Steven H. Lunt in Kennebec County Superior Court, Civil Action Docket No. CV-99-105. The State filed this action in Kennebec County Superior Court after the debtor had filed for bankruptcy. However, the debtor never informed the State that he had filed for bankruptcy and the State was not listed as a creditor in that proceeding. The State did not learn of the bankruptcy until July 1, 1999 when it was so informed by another creditor of Mr. Lunt.

For these reasons the State seeks to intervene as an interested entity so that it may file its Motion for Relief from the Automatic Stay and Discharge and proceed with its pending lawsuit in Kennebec County Superior Court.

Date: July 29, 1999

Respectfully submitted,

ANDREW KETTERER
Attorney General



LINDA J. CONTI
Assistant Attorney General
6 State House Station
Augusta, Maine 04333
(207) 626-8800

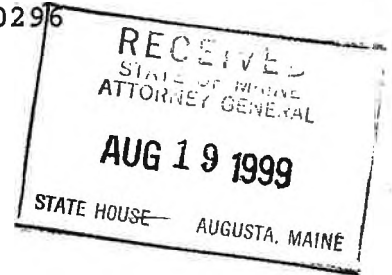
Attorneys for the State of Maine

U.S. BANKRUPTCY COURT
MAINE
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UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re: *
*
STEPHEN H. LUNT, *
*
Debtor *

Chapter 7
Case No. 99-10296



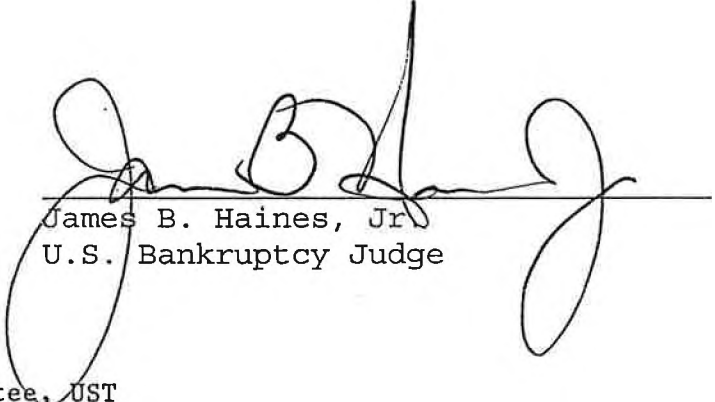
ORDER

On August 17, 1999, the court convened a hearing to consider the State of Maine's motion to intervene and its motion for relief from stay and for relief from the debtor's discharge. Linda J. Conti, Esq., appeared for the State. The debtor was given notice of the hearing but did not participate.

For the reasons set forth on the record in the course of the hearing, the State's motion to intervene and its motion for relief from the automatic stay and the discharge injunction are DENIED, without prejudice, as moot.

It is FURTHER ORDERED that the clerk shall not close this Chapter 7 case for 30 days so that the State, or other creditors similarly situated, might file an appropriate adversary complaint to obtain the relief they seek.

DATED: 8/18/99


James B. Haines, Jr.
U.S. Bankruptcy Judge

cc: L. Conti, Esq., Debtor, Trustee, UST

UNITED STATES BANKRUPTCY
COURT DISTRICT OF MAINE

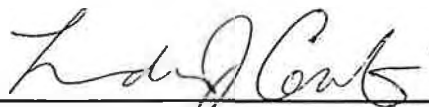
In Re:	)	Chapter 7
	)	Case No.: 99-10296
Stephen H. Lunt)	
)	
Debtor)	
<hr/>		
)	
State of Maine Department)	
Of Attorney General,)	
)	
Plaintiff)	
	)	Adv. Proceeding No. 99-1064
v.)	
)	
Stephen H. Lunt)	
)	
Defendant)	

REQUEST FOR ENTRY OF DEFAULT BY CLERK

NOW COMES the Plaintiff, State of Maine, by and through its attorney, Linda J. Conti, and pursuant to Bankruptcy Court Rule 7055, requests entry of default against the Defendant by the Clerk. In support of this request, the Plaintiff states that the Defendant has failed to plead or otherwise defend this matter as set forth more fully in the affidavit which is attached hereto as Exhibit A. Accordingly, the Plaintiff requests that the clerk enter a default against Defendant Stephen H. Lunt.

Dated: November 1, 1999

Respectfully submitted,



LINDA J. CONTI
Assistant Attorney General
6 State House Station
Augusta, Maine 04333
(207) 626-8800

UNITED STATES BANKRUPTCY
COURT DISTRICT OF MAINE

U.S. BANKRUPTCY COURT
BANGOR, MAINE

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In Re:)	Chapter 7
)	Case No.: 99-10296
Stephen H. Lunt)	
)	
Debtor)	
<hr/>		
)	
State of Maine Department)	
Of Attorney General,)	
)	
Plaintiff)	
	)	Adv. Proceeding No. 99-1064
v.)	
)	
Stephen H. Lunt)	
)	
Defendant)	

ENTRY OF DEFAULT

The Defendant has failed to plead or otherwise defend this action and therefore default is entered in favor of the Plaintiff and against the Defendant.

Date: Nov. 3, 1999

CELIA E. STRICKLER, CLERK
Clerk, U.S. Bankruptcy Court

cc: L. Conti, Esq.
S. Lunt
UST

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In Re:	)	Chapter 7
	)	Case No.: 99-10296
Stephen H. Lunt)	
)	
Debtor)	
<hr/>		
)	
State of Maine Department)	
Of Attorney General,)	
)	
Plaintiff)	
	)	Adv. Proceeding No. 99-1064
v.)	
)	
Stephen H. Lunt,)	
)	
Defendant.)	

STATE'S MOTION FOR DEFAULT JUDGMENT

NOW COMES the State of Maine and moves this Court, pursuant to Bankruptcy Rule 7055, for a default judgment against the Defendant, Stephen H. Lunt, on the grounds that the Defendant has been properly served with the Complaint and Summons in this matter and has failed to plead or otherwise defend this matter as set forth more fully in the Memorandum of Law and Affidavit submitted in support of this Motion.

WHEREFORE, the State respectfully requests that this honorable Court grant its Motion for Default Judgment.

Dated: December 2, 1999

RESPECTFULLY SUBMITTED



LINDA J. CONTI
Assistant Attorney General
6 State House Station
Augusta, Maine 04333-0006
(207) 626-8800

Attorney for State of Maine

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

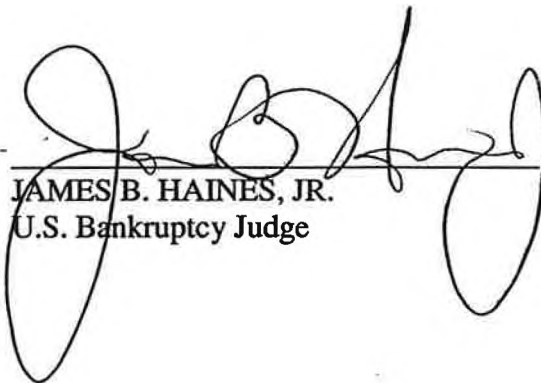
U.S. BANKRUPTCY COURT
DISTRICT OF MAINE

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In Re:)	Chapter 7
)	Case No.: 99-10296
Stephen H. Lunt)	
)	
Debtor)	
_____)	
)	
State of Maine Department)	Adv. Proceeding No. 99-10604
Of Attorney General,)	
)	
Plaintiff)	
)	
v.	)	ORDER
)	
Stephen H. Lunt)	
)	
Defendant)	

After hearing on the State's Motion for Default Judgment, the State of Maine's claims, which are yet to be liquidated, are excepted from discharge pursuant to 11 U.S.C. § 523(a).

DATED: Jan. 19th, 2000



JAMES B. HAINES, JR.
U.S. Bankruptcy Judge

cc: L. Conti, Esq.
S. Lunt
P. Perrino, Esq.