



**NATIONAL CLASS ACTION LAWSUITS FILED ON BEHALF OF  
HOMEOWNERS SEEKING RETURN OF THEIR INVESTMENT**

**CONTACT:** Jack Boren  
McCuneWright, LLP  
Phone: 909.557.1250

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The law firm of McCuneWright, LLP, filed national class action lawsuits today against eight national home builders on behalf of home buyers who put at least a 20 percent down payment toward the purchase of a new home in the 2004 to 2006 time frame. These home buyers are seeking to require the home builders to return their down payments and cost of improvements. The lawsuit alleges that the national home builders not only knew that there were likely to be foreclosures and short sales leading to devastating loss of value in the neighborhoods they created and sold, but that the builders themselves were the primary cause of the foreclosures and short sales.

The allegations in the lawsuit are in part based on important research done by LIUNA, the Laborers' International Union of North America, alleging that beginning in 2004, these national home builders aggressively pressured and placed traditionally unqualified new buyers in high risk loans that predictably resulted in defaults and foreclosures. "Corporate home builders made record profits in part by pushing risky loans," said LIUNA General President Terry O'Sullivan. "Their actions resulted in the loss of billions of dollars in home value, millions of foreclosures, and contributed to an economic crisis that has left the construction industry with depression-level unemployment."

The lawsuit alleges the home builders were able to sell homes using high risk loans by pressuring and enticing buyers to use the builders' own mortgage companies and hand-picked appraisers. Then after selling the house and pocketing the profit, the home builder would sell the loan to a traditional bank, so if the buyer went into foreclosure, the home builder would not have to take the loss. These actions led to foreclosures, short sales, vacant homes, rental homes, and unkempt homes in neighborhoods resulting in catastrophic loss of value.



The lawsuit claims the home builders violated the California law that requires builders to disclose all facts that can materially affect the value and desirability of the property.

According to the class representative bringing the lawsuit against Standard Pacific Homes, James Dodaro, who purchased a home in Beaumont, California in late 2005: “I am a single father responsible for a handicapped child. I put over a 60 percent down payment on the house, which is my life savings. I did that because I thought I was being conservative. I would never have bought a home from Standard Pacific if I had known they were selling homes in my neighborhood using high risk loans. My neighborhood is full of foreclosures and short sales with houses selling for less than half of what I paid for my house. I have lost my life savings.”

Richard McCune, partner at McCuneWright and lead attorney in these lawsuits, believes that the greed of the national home builders played a large role in the residential housing market meltdown.

It is our contention that when you look at our Inland Empire community, the home builders came in from Los Angeles, Texas, Florida, and other areas and convinced our local government, our community banks, our hard working construction labor force, and our residents that they were creating stable family neighborhoods. But with the passage of time, we know what they were really doing. They hired their own real estate agents, set up their own mortgage companies, and used their own hand picked appraisers and escrow companies so they could sell a whole bunch of houses at inflated prices by placing buyers in ridiculously high risk loans. The result has been the loss of life savings for the traditional qualified buyers in the same neighborhoods, along with the collapse of the important local construction industry, the collapse of local banks, and the near collapse of the county governments that have lost the tax base to provide basic services. We believe what they have done to our community in the Inland Empire is the same thing they have done throughout the state of California and the country, and it is wrong.

The separate class action lawsuits name Lennar Homes, Ryland Homes, Standard Pacific Homes, D.R. Horton Homes, Beazer Homes, Shea Homes, Richmond American Homes, and Centex Homes.

Richard McCune is available for quotes.

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