

Press Releases

November 16, 2017

MADIGAN SUES DUPAGE COUNTY HOME REPAIR BUSINESS FOR MISLEADING AND DEFRAUDING HUNDREDS OF HOMEOWNERS

Chicago — Attorney General Lisa Madigan today announced a lawsuit against a Downers Grove, Ill.-based home improvement business for misleading hundreds of residents into paying for home repair work they did not realize they agreed to and may not have wanted.

Madigan filed a lawsuit today in Cook County Circuit Court against American Dream Home Improvement Inc. (ADHI) for deceiving homeowners into hiring ADHI to do roof and home repairs following storms. Residents in Cook, DuPage, Grundy, Kane, Knox, Lake, McHenry, Peoria, Rock Island, Whiteside, Will and Winnebago counties were impacted by the scheme.

According to Madigan's complaint, ADHI sales representatives went door-to-door, usually following severe weather, offering free property inspections, home repair services and public adjusting services. Residents were pushed to sign forms believing they were only agreeing to home inspections. Shortly after, ADHI workers appeared at their homes to conduct repairs homeowners never agreed to. Residents who proceeded with the home repairs later contacted Madigan's office to report shoddy or incomplete work. In some cases, residents reported ADHI attempted to charge homeowners for more than their insurance company would pay on the claim.

"American Dream Home has been more of a nightmare for hundreds of Illinois homeowners," Madigan said. "The company has a history of scamming people into expensive repair work they did not want, and today's lawsuit should put an end to their deceptive practices. Before hiring a contractor, homeowners should contact my office and the Better Business Bureau and be hesitant to hire anyone who solicits home repair services door-to-door."

Madigan alleged that ADHI's salespeople frequently pressured homeowners into signing forms to authorize free damage inspections when ADHI actually intended to enforce the documents as contracts for home repair work. ADHI's forms were misleading, contained contradictory information and did not include required disclosures such as the work to be performed, parts and materials, total cost or charges, the start or completion dates and a Notice of Cancellation as required by state law. Many homeowners also were unaware that the forms included language leaving them responsible for paying additional costs above what their insurance would cover. According to Madigan, many people were unaware of the details of the forms they had signed, or that ADHI would begin work without homeowners' consent.

Despite entering into a 2012 agreement with the state to comply with state laws, ADHI has continued its fraudulent practices and also continued to offer public adjuster services without being licensed by the state. Since 2012, Madigan's office has received more than 100 complaints, and the Better Business Bureau received more than 250 complaints in the past three years. Madigan is asking the court to provide restitution to impacted homeowners, ban the company from doing business in Illinois and impose civil penalties.

Madigan urged homeowners who believe they may have been defrauded by American Dream Home or other contractors to contact her Consumer Fraud Hotline at 1-800-386-5438 (Chicago).

Madigan offered the following tips to help protect families and businesses from dishonest contractors:

- **Be wary of contractors who go door-to-door to offer repair services.** Ask for recommendations from people you know and trust and, whenever possible, use established local contractors.
- **Ask to see required state and local permits and licenses.** Insurance adjusters and roofers must be licensed by state agencies. If the contractor does not have a required license, or if the name on the license doesn't match the name on the

contractor's business card or truck, that should raise a red flag.

- **Call Madigan's [Consumer Fraud Hotline](#)** to check out a contractor and to learn if any complaints have been filed against a particular business.
- **Even if there is a need to act quickly, shop around for the best deal.** Get written estimates from multiple contractors, and don't be rushed into a deal.
- **Get all of the terms of a contract in writing,** and obtain a copy of the signed contract.
- **Never make full payment until all the work has been completed to your satisfaction.** Never pay in cash.
- **Be aware that you have the right to cancel a contract within three business days** if you signed it based on the contractor's visit to your home.
- **In the case of disaster repair, you have an additional right to cancel.** If your insurance carrier denies coverage, you have the right to cancel the contract within five days of when your insurance carrier denies your coverage.

Madigan reminded people that the Illinois Home Repair and Remodeling Act requires contractors to furnish customers with written contracts for any repair or remodeling work costing more than \$1,000. A contract must be signed by both the customer and the contractor. The law also requires contractors to carry at least minimum amounts of insurance for property damage, bodily injury and improper home repair. Contractors also must provide consumers with an informational pamphlet entitled "Home Repair: Know Your Consumer Rights."

Assistant Attorneys General Janice Parker and Tracy Walsh are handling the case for Madigan's Consumer Fraud Bureau.

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