

NEWS RELEASE

Luther Strange

Alabama Attorney
General



FOR IMMEDIATE RELEASE

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AG ANNOUNCES IMMEDIATE PERMANENT INJUNCTION AGAINST NORTH ALABAMA STORM SHELTER DEFENDANTS

(MONTGOMERY) – The Madison County Circuit Court today granted Attorney General Luther Strange’s request for an immediate permanent injunction and receivership, and ordered maximum fines against the operators of a fraudulent storm shelter business. Finding that the Attorney General’s Office had presented compelling and unchallenged evidence from more than ten witnesses of persistent deceptive practices, Judge Dennis O’Dell issued his order and waived further proceedings.

Defendants in this case are Tornado Masters of Alabama Inc., located in Toney, Alabama; the company’s chief operating officer, Leslie A. Holt, and an employee, Grady Holt, also residents of Toney; and SafeSteel Inc., a company incorporated by the defendants in Tennessee which also does business as Factory Direct Tornado Shelters in Toney.

“I am pleased and relieved that the Court has taken immediate action to protect the consumers of Alabama from an appalling fraud that also presented a significant threat to consumers’ lives and wellbeing,” said Attorney General Strange. “I am immensely proud of the outstanding work and skill by our Consumer Protection Section and others involved in this matter. These defendants callously exploited the anxiety of people who did their best to prepare and protect their loved ones from the devastation that has struck at our state through tornadoes and storms. Unbeknownst to these consumers, their loved ones are not safer but actually may be even more endangered by the shelters which many sacrificed to pay for. It was vital that these deceptive trade practices be halted, and steps taken to protect our citizens as we head into another season of tornadoes and unstable weather.”

The Court ruled that defendants falsely claimed that their shelters met stringent FEMA standards, that they would withstand EF-5 tornadoes and that the U.S. Department of Agriculture had issued grants for their shelters. The Court cited “multiple witnesses, both believable and unchallenged,” in laying the foundation for its ruling. “Because the evidence establishes an unreasonable risk of irreparable harm to the public and a potential increase in the number of aggrieved customers, the Court enters this order as a permanent injunction. The State has shown that the harm to consumers has been and will continue to be imminent and irreparable.”



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"The Court concludes that the Attorney General has shown with substantial, competent evidence that Defendants have engaged in continuous and willful violations of the Alabama 'Deceptive Trade Practices Act,'" the order states. "The Defendants displayed a pattern of misconduct that can neither be ignored nor allowed to persist, given the alarming scope and magnitude of the violations wrought on consumers. The State's expert examined seventeen shelters and concluded that not a single one met what had been promised by Defendants, i.e., the near-absolute protection achieved by 'FEMA 320' status. In fact, the evidence shows that some of these shelters could result in harm to occupants on a sunny day."

Defendants are permanently forbidden by the court order to engage in any business related to storm shelters, specifically, from "participating or being involved in the design, construction, manufacturing, advertising, sale, delivery, installation, inspection, repair, of or in consultation about storm shelters, safe rooms, or similar products whether or not for profit within or from Alabama or with Alabama customers." In addition, the Court awarded maximum civil penalties of \$30,000, \$2,000 for each shelter on which the State presented evidence, and it reserved the right to award additional penalties for unexamined shelters. "Because the Office of Attorney General has reserved its right to collect these penalties until each consumer is made whole, the Receiver shall be made aware that these penalties stand junior to the interest of consumers."

The Court's order also made permanent the appointment of a receiver to handle matters regarding the defendants' assets and recovering damages for consumers. The Court appointed Huntsville attorney William J. Gibbons Jr., who may be contacted at 117 Jefferson Street, North, Huntsville, AL 35801, by calling (256) 539-0021, or by email at Bill@gibbonsandfurman.com.

Attorney General Strange commended those involved for their outstanding work in the successful handling of this case, noting in particular Assistant Attorney General Noel Barnes, chief of his Consumer Protection Section, Assistant Attorney General Kyle Beckman, also of the Consumer Protection Section, Assistant Attorney General Matt Bledsoe of the Civil Division, and Special Agents of the Attorney General's Investigations Division. He also thanked the Better Business Bureau of North Alabama, State Fire Marshal Ed Paulk, the Madison County District Attorney's Office and Ronald Davis, State Director of Rural Development for the U.S. Department of Agriculture, for valuable assistance.

