

IN THE IOWA DISTRICT COURT FOR LINN COUNTY

<p><b>PHEASANT RIDGE OWNERS ASSOCIATION, INC. d/b/a PHEASANT RIDGE HOME OWNERS ASSOCIATION,</b></p> <p><b>Plaintiff,</b></p> <p><b>v.</b></p> <p><b>WAYNE P. JONES a/k/a WAYNE P. JONES, JR.; WAYNE JONES d/b/a DREAM DESIGNS OF IOWA, LLC; WAYNE JONES d/b/a DDI, LLC; DREAM DESIGNS OF IOWA, LLC; AND DDI, LLC,</b></p> <p><b>Defendants.</b></p>	<p><b>CIVIL CASE No. CVCV086320</b></p> <p><b>RULING ON DEFAULT JUDGMENT</b></p>
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NOW, on the 6<sup>th</sup> day of January, 2017, the Motion for Entry of Default Judgment filed pursuant to Iowa Rules of Civil Procedure 1.972(2) by Plaintiff, Pheasant Ridge Owners Association, Inc. d/b/a Pheasant Ridge Home Owners Association (PRHOA), was presented to the Court for purpose of determining the nature and extent of damages. PRHOA appeared by its counsel, Glenn Johnson. Wayne Jones did not appear, nor did anyone on behalf of the Defendants.

A review of the court file shows that Plaintiff's Petition was filed October 10, 2016; all Defendants were personally served a copy of the Original Notice and Petition on October 19, 2016; no Defendant filed an answer, motion or other responsive pleading; the Clerk of Court entered a Default against Defendants on November 23, 2016.

A full record was made, including the testimony of officers PRHOA and its accountant. Based upon the information presented, the following findings and ruling is entered.

**IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED**, as follows:

1. PRHOA is a nonprofit corporation duly organized and existing under the laws of Iowa.
2. Wayne P. Jones a/k/a Wayne P. Jones, Jr., (“Wayne Jones”); Wayne Jones d/b/a Dream Designs of Iowa, LLC; Wayne Jones d/b/a DDI, LLC, Dream Designs of Iowa, LLC, and DDI, LLC (collectively “Jones”), Defendants, are residents of Marion, Iowa, and were duly and properly served all notices pertaining to this action and these proceedings.
3. Wayne Jones is the owner of the business operations which function under the names of Dream Designs of Iowa, LLC, and DDI, LLC.
4. From around 2010 to the present, Wayne Jones purchased and has owned a condominium unit in PRHOA. The unit is located at 2720 Pheasant Ridge Court, Marion, Iowa. As a part of his ownership of the condominium, Wayne Jones is a member of the Association.
5. Around November 2011, the Treasurer of PRHOA resigned. Wayne Jones actively sought the appointment as Treasurer and, as a part of this, represented that he had substantial experience including acting as the Treasurer for the local Shriners organization.
6. In November 2011, Wayne Jones was appointed by the members of PRHOA to the position of Treasurer, acting in this capacity through August 2016. As Treasurer, he received compensation in the form of waiver of his PRHOA dues.
7. In November 2011, after his appointment as Treasurer, Wayne Jones opened a

separate checking account in the name of PRHOA with Community Savings Bank (CCB). This was done without the knowledge and approval of PRHOA, and was fraudulent. Thereafter, from November 2011, to August 2016, he deposited proceeds belonging to PRHOA consisting primarily of HOA dues as well as insurance company payments based upon storm damage sustained by PRHOA. The total sum deposited in the CCB account over this time was \$125,275.49.

8. From November 2011, through August 2016, Wayne Jones disbursed \$124,524.57 from the CCB account. The total disbursements by year were:

- a. 2011 - \$1,019.19
- b. 2012 - \$38,941.17
- c. 2013 - \$23,604.70
- d. 2014 - \$23,745.63
- e. 2015 - \$23,522.65
- f. 2016 - \$13,691.23

9. The total disbursements from the CCB account were as follows:

Entity Paid	Total Paid
Community Savings	\$4,000.00
Jones and/or DDI	\$16,495.00
Visa	\$12,934.00
Capital One	\$19,009.92
FDR	\$1,130.37
Chase	\$6,829.00
Bank of America	\$14,745.00
HSBC	\$4,850.00
GM Card	\$1,100.00
US Bank	\$1,590.00
Payment Center	\$5,382.00
Lowes	\$2,703.07
US Cellular	\$3,858.00
MasterCard	\$9,718.00

Von Maur	\$1,051.81
Mediacom	\$5,278.23
MidAmerica	\$846.00
Alliant	\$2,097.00
John Deere	\$2,632.00
Card Member Services	\$336.00
Nation Star	\$4,540.00
Cash Back From Deposits	\$200.00
Harlan Checks	\$77.02
David Zahn	\$60.00
H.O.G.	\$120.00
Cash-Street Party	\$150.00
Newhall S.	\$93.02
Cash Withdrawals	\$2,550.00
Staples	\$51.33
Mercy	\$72.80

10. None of the disbursements from the CCB account were for the use or benefit of PRHOA.
11. All of the funds disbursed from the PRHOA's CCB account were spent by Wayne Jones for his personal uses and in his business pursuits as Dream Designs of Iowa, LLC, and DDI, LLC. It is proper that judgment be entered against all of the Defendants: Wayne P. Jones a/k/a Wayne P. Jones, Jr.; Wayne Jones d/b/a Dream Designs of Iowa, LLC; Wayne Jones d/b/a DDI, LLC, Dream Designs of Iowa, LLC, and DDI, LLC.
12. From the proceeds disbursed by Wayne Jones from the CCB account, a total of \$19,285.00 was made as payment against the mortgage loans held by Jones as to his residence, said payments made to the mortgage holders on his condominium unit located at 2720 Pheasant Ridge Court, Marion, Iowa.

13. In the capacity of Treasurer of PRHOA, without the knowledge and permission of PRHOA or its Board or members, Wayne Jones fraudulently and by false representation opened an unauthorized account at CCB and by use of that account embezzled and wrongfully took from PRHOA the total sum of \$124,524.57. Accordingly, actual damages are proper against Jones and are awarded in the amount of \$124,524.57
14. Jones engaged in a purposeful and continuous course of deception, purposeful and continuous course of lack of candor and truthfulness, and a willful and knowingly wrongful taking of the financial proceeds of PRHOA. Jones purposefully used the money of PRHOA to defray his personal and business expenses, all pursuits which were unrelated to and held no benefit for PRHOA.
15. Jones's conduct is reprehensible, purposeful, malicious, willful and wanton, representing an absolute disregard of the interests of the members of PRHOA and the needs related to the maintenance of the condominium common areas to the benefit of all members and PRHOA as a whole. Accordingly, punitive damages are proper against Jones and are awarded in the amount of \$124,524.57.
16. As a result of the fraudulent and wrongful conduct of Jones, PRHOA has been forced to incur unwarranted and unanticipated expenses for the assistance of accountants and lawyers. PRHOA is entitled to judgment for these costs.
17. PRHOA has incurred expenses in the amount of \$8,550.00 for accounting services, accounting investigation and expertise. All of these costs are fair and reasonable, and PRHOA is entitled to an award of \$8,550.00 against Jones for accounting

services.

18. PRHOA has incurred expenses in the amount of \$17,066.26 for legal assistance. Of this amount, \$664.01 was for expenses associated with this litigation. Glenn Johnson as counsel for PRHOA has worked 86.1 hours on this litigation at the rate of \$295 per hour. He has practiced for 41 years; has substantial experience in commercial litigation; has received a Martindale Hubbell AV Preeminent rating from his peers for more than 20 consecutive years; and has received recognition from his peers in commercial litigation via Best Lawyers in America. Both the hourly rate charged by Mr. Johnson and the hours expended in pursuit of this litigation were fair and reasonable. Of the 86.1 hours, Mr. Johnson provided 30.5 hours to the nonprofit PRHOA without charge representing a reduction of \$8,997.50. PRHOA has therefore incurred a total charge of \$16,402.25 in legal fees resulting from the fraudulent and improper conduct of Jones. PRHOA is entitled to an award of \$17,066.26 against Jones for these legal expenses incurred.

IT IS, THEREFORE, ORDERED that judgment in favor of PRHOA is hereby entered individually and collectively against Wayne P. Jones a/k/a Wayne P. Jones, Jr.; Wayne Jones d/b/a Dream Designs of Iowa, LLC; Wayne Jones d/b/a DDI, LLC, Dream Designs of Iowa, LLC, and DDI, LLC. in Counts I (Fraud and Misappropriation), II (Theft and Embezzlement) and III (Breach of Fiduciary Duty) in the total amount of \$274,665.40.

Clerk to provide copies to:

Counsel of Record; and  
Unrepresented Parties



State of Iowa Courts

**Type:** OTHER ORDER

**Case Number** CVCV086320  
**Case Title** PHEASANT RIDGE ETAL VS WAYNE P JONES ETAL

So Ordered

A handwritten signature in black ink that reads "Paul D. Miller". The signature is written in a cursive style.

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Paul D. Miller, District Court Judge,  
Sixth Judicial District of Iowa