

To: Regulations.gov, FTC and DoJ Antitrust Divisions.

From: L. A. "Tony" Kovach publisher and widely acknowledged manufactured housing industry expert.

RE: Request for Information on Merger Enforcement Docket (FTC-2022-0003)

Posted: Jan 18, 2022

"Antitrust - the Magna Carta of Our Free Enterprise Economy" – Why Mergers, Consolidation and Monopolization Laws Must be Vigorously Enforced

Executive Summary: *this RFI commentary will focus on why all antitrust laws (Sherman & Clayton Acts) should be robustly and earnestly enforced.*

Specific examples of how failure to enforce antitrust as well as bars to consolidation in the manufactured housing industry has fueled the affordable housing crisis, to the harm of millions of current and potential manufactured homeowners, plus thousands of smaller businesses.

Quotes from attorneys, economists, industry professionals, nonprofits, various media, legal and other university-level research, public officials and/or governmental agencies are cited herein.

The examples of antitrust violations herein should be considered both in terms of how it relates to this RFI specifically, but also should be considered as a request for public officials to investigate these matters in the manufactured housing industry.

Linked items should be considered as part of this submission.

With that roughly 145-word preface/executive summary in mind, the following.

["The Supreme Court has called the Sherman Act](#) the Magna Carta of our free enterprise economy,¹" wrote William Kolasky in "Senator John Sherman And the Origin of Antitrust."

The American Economic Liberties Project (AELP) in a post to encourage comments on this subject did so under this headline: "[Help Address Our Monopoly Crisis.](#)" Per the AELP: "One of the most important trends in America has been the rise of bigger and bigger corporations. Over the last twenty years, three quarters of industries have gotten more concentrated, largely through corporate mergers. When firms turn into mega-monopolies, wages go down, there's less innovation, customer service gets worse, and there are fewer and fewer small businesses."

The Biden White House on 7.9.2021 said something similar to AELP. "For decades, corporate consolidation has been accelerating. In [over 75%](#) of U.S. industries, a smaller number of large companies now control more of the business than they did twenty years ago."

The impact of consolidation - sometimes referred to as "mergers and acquisitions," "M&As," oligopolization, or other related economic terminology - in my own profession in the affordable housing segment of the overall housing marketplace is sobering. Herein will be provided the research by Samuel "Sam" Strommen of Knudson Law, who described what has been occurring in manufactured housing as a "Rube Goldberg Machine of Human Suffering."



"Here, in the midst of what could be declared without the merest hint of shame or irony one of the most comprehensive affordable housing gluts in American history, pernicious forces are skulking in the [backdrop]: consolidating power, subsuming an industry rife with lack of oversight, and preying upon the vulnerability of the impoverished in a gross, incestuous symbiosis."

- Samuel Strommen
- Knudson Law research on
- **The Monopolization of the American Manufactured Home Industry and the Formation of REITs: a Rube Goldberg Machine of Human Suffering"**



Said Strommen there is evidence of "felony" antitrust violations, possible violations of Racketeering and Corrupt Organizations (RICO), and other possible laws.

This complex block features a red background. On the left side, it contains the same two logos as the first image: the South Dakota Coyotes logo and the University of South Dakota Knudson School of Law logo. To the right of the logos, the title of the report is displayed in a large, bold, brown font: **"The Monopolization of the American Manufactured Home Industry and the Formation of REITs: a Rube Goldberg Machine of Human Suffering."** Below the title, the author's name 'Sam Strommen -' is listed, followed by a paragraph of text: 'Legal Research Report published on MHPRONews on 2.1.2021 provides evidence of "felony" "antitrust," notes "RICO" and other possible illegalities harming consumers and independent businesses. Thus a "machine of human suffering."' At the bottom right of the block is the MHPRONEWS.com logo, with a small disclaimer above it: 'Third Party Images Are Provided Under Fair Use Guidelines.'

The joint Request for Information (RFI) on Merger and Antitrust Enforcement [linked here](#) begins with these words. "The Federal Trade Commission and Antitrust Division of the Department of Justice ("the agencies") seek public comment on how the agencies can modernize enforcement of the antitrust laws regarding mergers.¹ The Commission and the department have a long history of developing and publishing frameworks for the analysis of mergers under the antitrust laws."²

The AELP's post referenced above said in part that: "Mergers and acquisitions are regulated by the Clayton Act, which is law written over one hundred years ago to protect Americans. The [federal] government recently announced that it is drafting new merger guidelines to enforce this law."

That is both insightful and vexing. The Clayton Act of 1914, per Investopedia, is described in these terms. "The Clayton Antitrust Act is a piece of legislation, passed by the U.S. Congress and signed into law in 1914, that defines unethical business practices, such as price fixing and monopolies, and upholds various rights of labor."

One point that can be made is that 108 years after enactment of the law, "We the People" are suddenly supposed to believe that federal regulators are finally going to start doing the job the Congress charged them with some 108 years ago?

To that point, antitrust and anti-monopolization advocate Matt Stoller said there is another point that ought to be made. The Clayton Act followed a prior piece of federal antitrust law known as the Sherman Act. Per Archives.gov the Sherman Antitrust Act of 1890 was described as follows: "The Sherman Anti-Trust Act authorized the federal government to institute proceedings against trusts in order to dissolve them. Any combination "in the form of trust or otherwise that was in restraint of trade or commerce among the several states, or with foreign nations" was declared illegal." The [Clayton Act is what established the Federal Trade Commission](#) (FTC).

Per the [FTC website](#): "Section 7 of the Clayton Act prohibits mergers and acquisitions where the effect "may be substantially to lessen competition, or to tend to create a monopoly." As amended by the Robinson-Patman Act of 1936, the Clayton Act also bans certain discriminatory prices, services, and allowances in dealings between merchants."

This request for comment specifically asks for feedback on regulation with respect to the Clayton Act and mergers. But American citizen's - like myself - need not be limited to that in expressing a desire for what the First Amendment to the United States Constitution, which specifically prohibits Congress from abridging "the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

It is a serious grievance that a growing chorus of voices have said that antitrust law has not be properly enforced. In essence, the Biden White House statement claims it will be doing what others have heretofore have supposedly not done for decades.

This following quote is from the Democratic National Convention platform positions in July 2020.

"Democrats are concerned that the increase in corporate concentration across a wide range of industries...[that] could be stifling competition and innovation and creating monopoly conditions that harm consumers."

Deseret News cited on 8.30.2019 the oddly similar concerns between President Donald J. Trump and Senator Bernie

Sanders was on record in opposing the concentration of market power in the hands of tech giants. That same report said Senator Mike Lee (UT-R) and then-Senator Herb Kohl (WI-D) wrote a joint letter in 2011 Federal Trade Commission "to investigate the issues raised at our (Senate Subcommittee on Antitrust, Competitive Policy and Consumer Rights) hearing to determine whether Google's actions violate antitrust law or substantially harm consumers or competition in this vital industry."

The point could be made that there are members of both major parties that claim they oppose market consolidation in certain, several, or most all aspects of the economy. That evidence based statement begs this question. Why has the enforcement of antitrust law languished for decades? Why have laws that aimed at stopping market consolidation not been robustly enforced by Democratic and Republican administrations alike?

Per Open Markets, the following screen capture speaks volumes.



Evidence and historical patterns ought to cause people of good will to question why the status quo exists. Someone may agree or disagree with Rep. James "Jim" Clyburn's (SC-D) politics, but the former history instructor is quite correct in his pithy explanation of why authentic history matters. A discussion on this issue was framed by DOJ, the FTC, and the White House - among others - in a historic context.



"We study history in order to understand the present and to prepare for the future. Because anything that's happened before can happen again."

- House Majority Whip Jim Clyburn (SC-D) on 2.29.2020.



That historic backdrop is as it should be. Consolation in manufactured housing is described by Kevin Clayton, CEO of Berkshire Hathaway (BRK) owned Clayton Homes. These were statements made to Congress.



"Since 2005, the pace of new manufactured homes sold in the U.S. has declined by 65 percent (146,881 in 2005 vs. 50,046 in 2010) and there has been a decline of nearly 80 percent since 2000 (when 250,419 new manufactured homes were produced)."

"...the decline in manufactured home sales actually pre-dates the 2007 housing market crash.

"...the lack of liquidity and credit in the manufactured housing finance sector has limited financing options for our homebuyers..."

"...which has accounted for more than 160 plant closures, more than 7,500 home center closures, and the loss of over 200,000 jobs. More importantly, thousands of manufactured home customers have been left unable to buy, sell or refinance homes. Without action in the

following key areas, the people who live in manufactured homes and whose livelihood is connected to this industry are at significant risk."

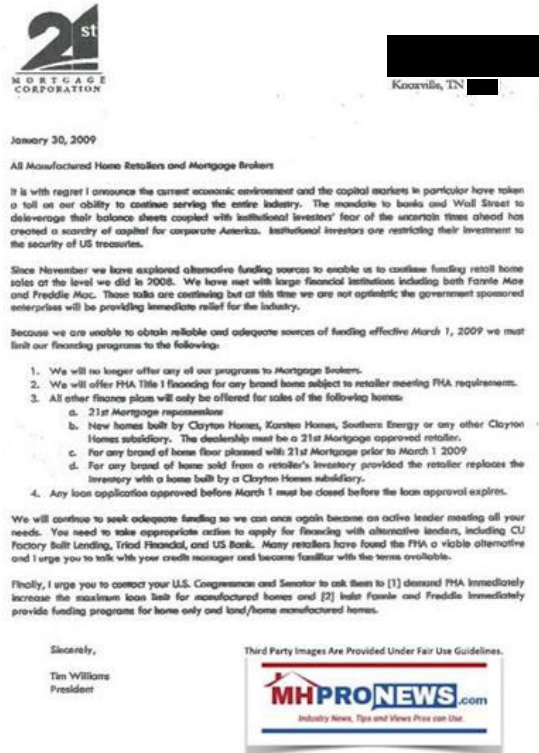
~ Comments per transcript of Testimony to Congress on behalf of Manufactured Housing Institute (MHI) delivered by Clayton Homes CEO Kevin Clayton. See the full context and report linked below.

Some think those estimated numbers of lost retail locations may be too low, estimating the loss [between 10,000 and 20,000 retail centers since the late 1990s.](#)

What [Kevin Clayton omitted in his comments to Congress made on behalf of the Manufactured Housing Institute \(MHI\) during a Field Hearing held on 11.29.2011](#) is as important as what was stated.

Clayton failed to mention the document below, authorized by Tim Williams, President and CEO of 21st Mortgage. 21st is a sister brand to

Clayton both of which are owned by the Warren Buffett led-Berkshire Hathaway conglomerate.



An illustrated version of the above is shown below. Keep in mind Williams served as a prior MHI chair.



Knoxville, TN

January 30, 2009

All Manufactured Home Retailers and Mortgage Brokers

It is with regret I announce the current economic environment and the capital markets in particular have taken a toll on our ability to continue serving the entire industry. The mandate to banks and Wall Street to deleverage their balance sheets coupled with institutional investors' fear of the uncertain times ahead has created a scarcity of capital for corporate America. Institutional investors are restricting their investment to the security of US treasuries.

This is arguably paltering. A mix of truth and untruth. Yes, capital markets contracted. But Buffett-led Berkshire had money to lend, as Buffett's annual letter evidenced.

Since November we have explored alternative funding sources to enable us to continue funding retail home sales at the level we did in 2008. We have met with large financial institutions including both Fannie Mae and Freddie Mac. Those talks are continuing but at this time we are not optimistic the government sponsored enterprises will be providing immediate relief for the industry.

This is also arguably paltering. An informed source told MHProNews that 21st did indeed meet with Fannie and Freddie. However, what they purportedly did was present data that 'scared' them away from doing manufactured home lending.

Because we are unable to obtain reliable and adequate sources of funding effective March 1, 2009 we must limit our financing programs to the following:

1. We will no longer offer any of our programs to Mortgage Brokers.
2. We will offer FHA Title I financing for any brand home subject to retailer meeting FHA requirements.
3. All other finance plans will only be offered for sales of the following homes:
 - a. 21st Mortgage repossessions
 - b. New homes built by Clayton Homes, Karsten Homes, Southern Energy or any other Clayton Homes subsidiary. The dealership must be a 21st Mortgage approved retailer.
 - c. For any brand of home floor plan sold with 21st Mortgage prior to March 1 2009
 - d. For any brand of home sold from a retailer's inventory provided the retailer replaces the inventory with a home built by a Clayton Homes subsidiary.
4. Any loan application approved before March 1 must be closed before the loan approval expires.

This is supposedly an example of "tying," which Sam Strommen from Knudson Law's made the case is one of several possible "felony" antitrust violations by Berkshire owned brands acting in concert with MHI. It may also include RICO violations. How so? This letter, if intentionally false or misleading, was sent via U.S. Mail and "the wires" of fax and the internet. When "the wires" are used to defraud or harm that can violate RICO.

We will continue to seek adequate funding so we can once again become an active leader meeting all your needs. You need to take appropriate action to apply for financing with alternative lenders, including CU Factory Built Lending, Triad Financial, and US Bank. Many retailers have found the FHA a viable alternative and I urge you to talk with your credit manager and become familiar with the terms available.

Finally, I urge you to contact your U.S. Congressman and Senator to ask them to [1] demand FHA immediately increase the maximum loan limit for manufactured homes and [2] insist Fannie and Freddie immediately provide funding programs for home only and land/home manufactured homes.

Sincerely,
Tim Williams
President

It would be true that MHI sent letters and made statements that seemed to support these calls for action. However, there has since emerged significant evidence that suggests that this was all just paltering and posturing. That includes contradictory statements by Williams himself, including one where sources said that Williams stated in an MHI meeting that he was happy that the Fannie Mae and Freddie Mac pilot lending projects had failed.



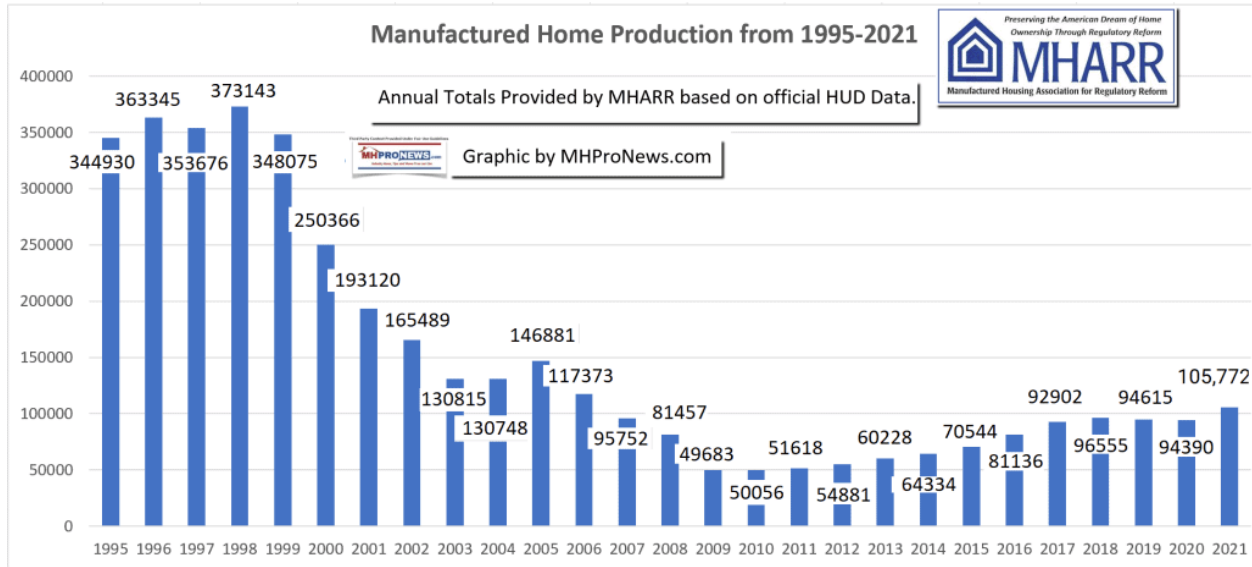
This was one of the documents provided to the Tennessee Board of Professional Responsibility complaint against Clayton Homes General Counsel, Tom Hodges, J.D.

<https://www.manufacturedhomelivingnews.com/clayton-homes-gc-thomas-tom-hodges-manufactured-housing-institute-chairman-slapped-by-bpr-complaint-facts-claims-why-it-matters-to-affordable-housing-seekers/>

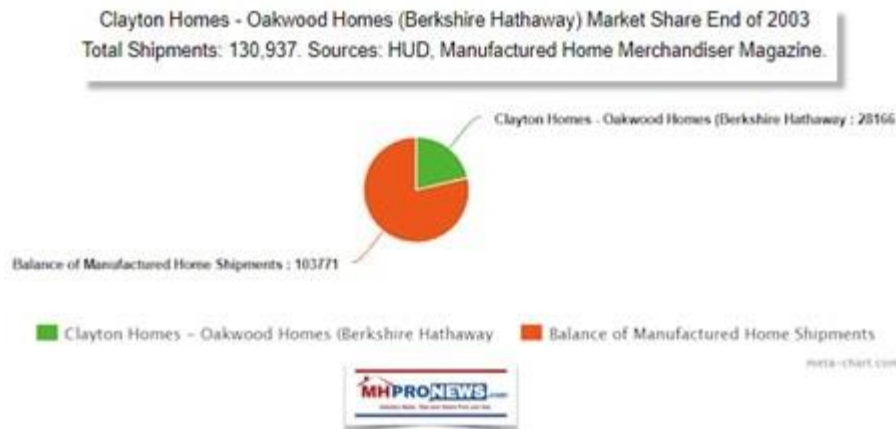
Sandy Garrett, J.D., Chief Disciplinary Counsel for the Board of Professional Responsibility of the Supreme Court of Tennessee said the following in an email to *MHProNews*. "Mr. Kovach: In response to your question, the breadth of your complaint is much broader than the parameters of the Rules of Professional Conduct. Tennessee Supreme Court Rule 9 Section 32.9 allows the Board of Professional Responsibility to report evidence of a crime to law enforcement." Garrett wrote in a separate email: "As stated in the

November 9, 2021 letter to you, this matter appears to be more appropriately addressed by elected officials and/or the U.S. Department of Justice.”

To put Kevin Clayton’s comments in context, consider this production shipment graphic.

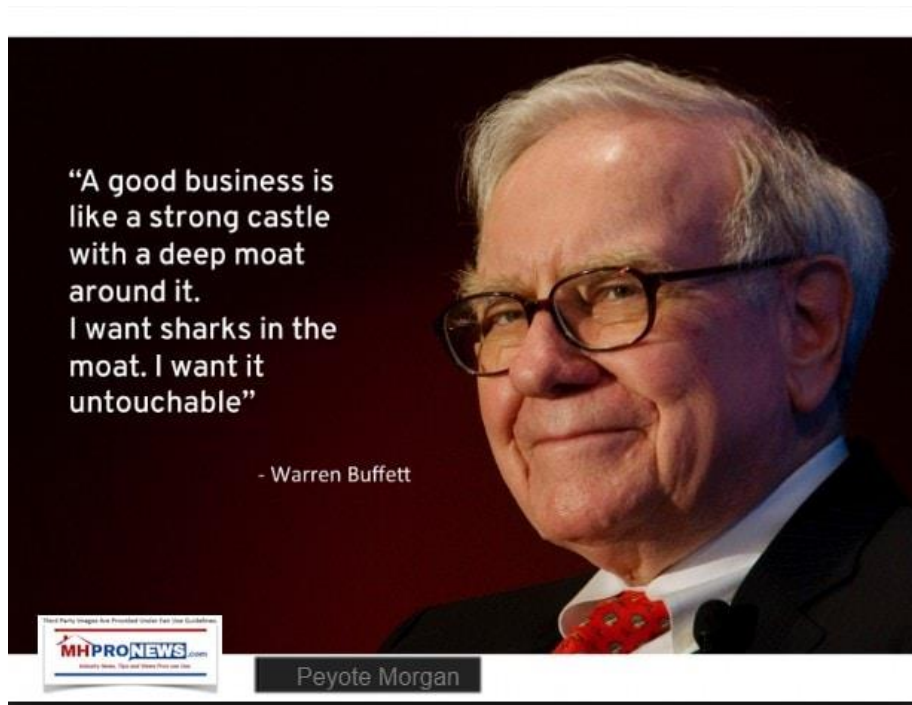


Clayton was correct in noting the loss of financing. But by sidestepping the topic of what role 21st, Clayton, and Berkshire played in that loss of manufactured home lending, an important factual element could be lost or minimized.

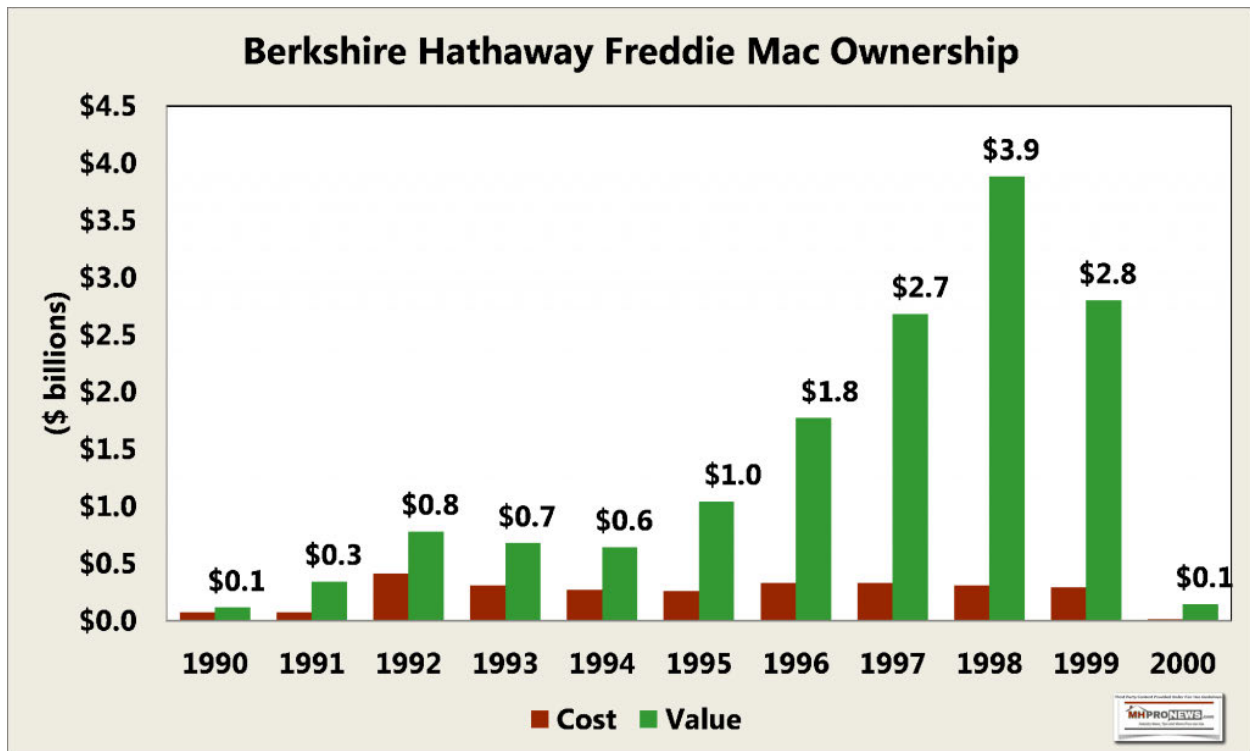


“We are in no hurry to record income, have enormous balance-sheet strength, and believe that over the long-term the economics of holding our consumer paper are superior to what we can now realize through securitization. So, Clayton has begun to retain its loans.” So said Warren Buffett per Bud Labitan’s book on Moats (page 79). Labitan source appears to be a Berkshire Hathaway annual report. His book on “Moats” has a chapter on Clayton Homes and their lending as an example of the Buffett moat at work. The title of arguably pro-Berkshire [Labitan’s volume is: “Moats: The Competitive Advantages Of Buffett & Munger Businesses.”](#)

In order to grasp what has occurred in manufactured housing, someone must understand the Warren Buffett moat mantra.



Buffett famously dumped Fannie Mae and Freddie Mac stock as manufactured housing was going into a downturn. The following graphic was produced by the financial news and investing site, the *Motley Fool*.



Per the Fannie Mae website:

B5-2-02, Manufactured Housing Loan Eligibility (12/16/2020)

General Loan Eligibility Criteria

Fannie Mae purchases loans secured by manufactured homes that meet the following general criteria:

- *first-lien mortgages only,*
- *fully amortizing fixed-rate mortgages,*
- *fully amortizing adjustable-rate mortgages with initial fixed-rate periods of 7 years or 10 years, and*
- *principal residences (single- and multi-width), and*
- *second home dwellings (multi-width only).*

What that list misses entirely are personal property loans. Perhaps property loans have for decades been a go-to if not a dominant form of lending on manufactured housing.

According to an FHFA document posted on 5.9.2006:

"After Fannie Mae purchased manufactured housing securities and the aircraft asset backed securities, both market sectors experienced significant credit events. In the manufactured housing securities market the crucial events were a downturn in the manufactured housing industry and the resulting bankruptcy of Conseco, the largest issuer of manufactured housing securities, and a provider of limited credit enhancements for them.³⁰⁴ In the aircraft asset-backed securities market, the key events were the al-Qaeda attacks of September 11, 2001, and the resulting fear of further acts of terrorism, which produced an airline industry downturn.³⁰⁵ The values of securities in both markets fell, and the markets became less liquid, thereby increasing the possibility of impairment recognition under GAAP." Pages 127-128. Footnote 304 states: "Conseco was the servicer of a large proportion of the MH securities in Fannie Mae's portfolio. It provided a certain amount of credit support for the MH securities it issued via a low servicing fee that, unlike other MH security servicers, it subordinated to the rights of the bond holders. See Conseco Manufactured Housing Bonds, FMSE 408306."

Per *Wikipedia*: "Conseco (though not its subsidiary insurance companies) entered Chapter 11 reorganization in 2002 and emerged nine months later in **2003**. Conseco's bankruptcy was the third-largest U.S. Chapter 11 filing at the time, after the bankruptcies of WorldCom Inc. and Enron." That same source noted that "In 1998, Conseco purchased the former Greentree Financial, one of the largest financiers of [mobile homes](#), in an attempt to diversify into consumer financial services." What occurred, among other things, between 1998 and Conseco's reorganization in 2002 was Berkshire dumping GSE stocks.

Note that an informed source has told *MHPProNews* that Buffett had an eye on manufactured housing since the late 1980s.

The loss of access to the secondary market represented by Fannie and Freddie sent manufactured housing into a tail spin. But despite knowing about the repossession and financing crisis in manufactured housing, Eric Belsky, now with the Federal Reserve but then with the prestigious Harvard Joint Center for Housing Studies, nevertheless predicted that his research indicated that manufactured housing could surpass conventional housing by 2010.

MHI
Manufactured Housing Institute

ERIC BELSKY

MEMBERS ABOUT MHI PROGRAMS CONSUMERS

No Results Found
The page you requested could not be found. Try refining your search, or use the navigation menu to locate the page you are looking for.

9:14 AM
2/14/2020

...**“there are multiple reasons to expect manufactured housing to do better than site built housing in the [current] decade.”**

Eric Belsky,
Executive Director Joint Center for Housing Studies at
Harvard University, in the May 2000 issue of *Modern Homes Development*, per MHI

Search of the MHI website for Belsky previously performed on 2.5.2019.

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Identify News, You and Share Price on the

In fairness to MHI, there are several possible explanations for why they pulled references to Eric Belsky in their literature and online. For example, it could be to minimize embarrassment that how spectacularly the industry failed to achieve Belsky's projection. But another perhaps more likely explanation will emerge as an attentive reader moves deeper into this report. Keep the big JCHS research-based claim and the big miss of Belsky for manufactured housing potential in mind in reading this fact check and analysis.

Notice: the search result for Eric Belsky on the <https://www.manufacturedhousing.org/?s=eric+belsky> website on 4.21.2022 produced the same result as shown above.

On big ticket sales like housing, autos, RVs, or manufactured homes, the loss of financing can be devastating. But as is noted in the evidence-linked reference, comments, and quotations in the FHFA report linked below, when conventional housing 'lost' much (not all) of its lending, real estate values crashed and conventional building ground to a lower level. But unlike manufactured housing, conventional housing was allowed to recovery. Why was manufactured housing punished (and in the eyes of some, still is) 2 decades after the manufactured housing preview in the late 1990s and early 2000s of the conventional housing/financial crisis circa 2008?

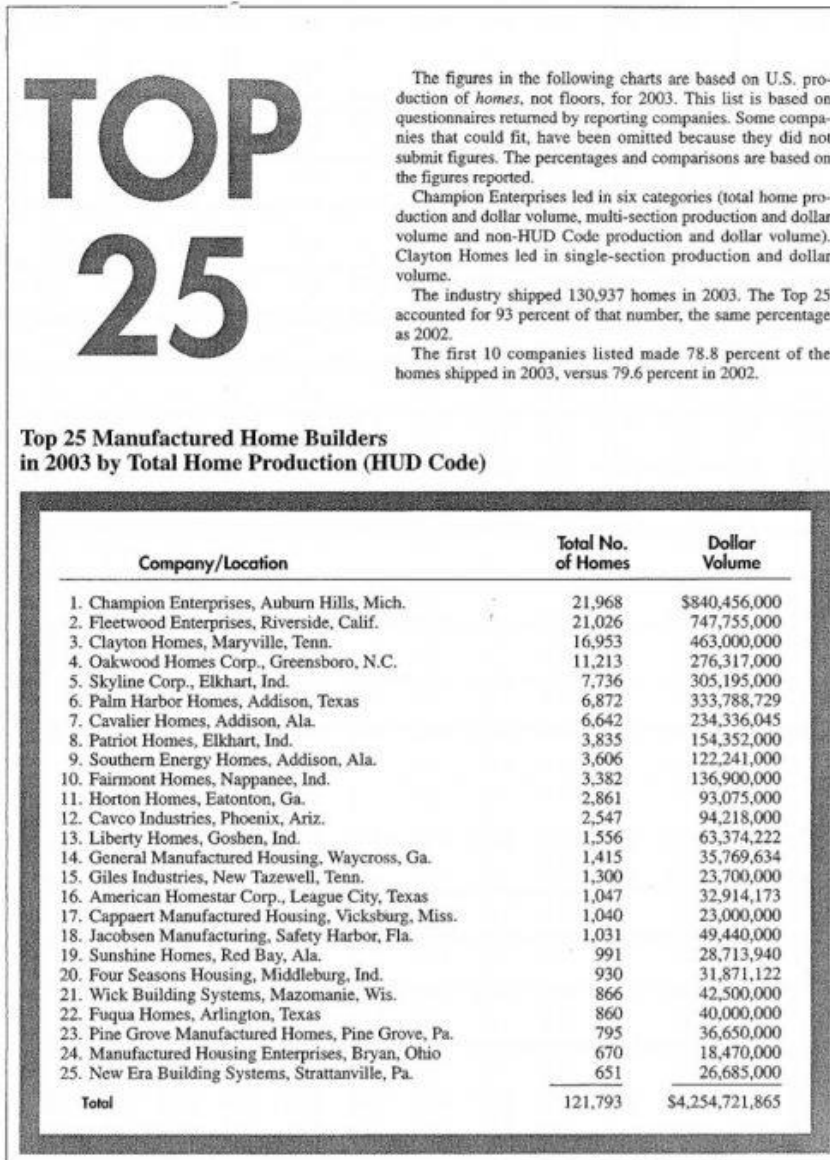
<https://www.fhfa.gov/Videos/Pages/FHFA-Public-Listening-Session-Enterprise-Housing-Goals-ANPR.aspx>

From the page above is the statement below. In about a 7-minute read, the following expert viewpoint provides what may be the most concise snapshot of what has gone wrong in manufactured housing that has kept the industry underperforming during a growing affordable housing crisis.

<https://www.fhfa.gov/Media/Documents/Kovach-statement.pdf>

Let's recap and clarify some facts and evidence that has been presented.

- A) Manufactured housing hit its last highwater mark in 1998.
- B) Not long thereafter, Buffett-led Berkshire began to sell off Fannie and Freddie stocks.
- C) Conseco and others lost their access to the secondary market that the Government Sponsored Enterprises (GSEs) are legally supposed to provide according to the federal charters.



D) As lending in the manufactured housing market was largely being lost, Buffett-led Berkshire stepped into manufactured housing in a direct, formal way in 2002 and 2003.

E). By 2003, Berkshire had purchased all of Clayton Homes and held an interest in Oakwood Homes that was acquired in 2002.

F). So, by the end of 2003, Berkshire held about a 13 percent stake in the entire manufactured housing industry market.

G). In 2003, Labitan and the Berkshire annual letter made clear that Buffett announced that Berkshire's deep pockets would make it possible for Clayton to "retain its paper." Meaning, loans originated by Clayton Homes' related lending would continue, with no need to access the secondary market.

H). Two articles on MHLivingNews provide relevant quotes from Berkshire, Buffett, Kevin Clayton, and 21st Mortgage Corporation's Tim Williams. Those two reports are linked below.

<https://www.manufacturedhomelivingnews.com/warren-buffetts-moat-per-kevin-clayton-ceo-clayton-homes-interview-transcript-video-affordable-housing-and-manufactured-homes/>

<https://www.manufacturedhomelivingnews.com/coming-epic-affordable-housing-finance-clash-chair-maxine-waters-vs-warren-buffett-clayton-homes-historic-challenges-ahead/>

After years of written and verbal public praise from MHI corporate and staff leaders, Berkshire owned brand leaders, Clayton Homes and 21st (among others) eventually began to avoid the questions posed to them by MHPProNews and MHLivingNews.



“[MHPProNews.com](https://www.mhpronews.com) and [MHLivingNews.com](https://www.mhlivingnews.com) are both good communications resources for the Manufactured Housing Industry. I and many others at 21st Mortgage and at MHI logon to see the latest news, interviews, debates, videos, opinions and reports they publish. Having a trade publisher that presents thoughtful, respectful commentary independent of any association’s perspective – as important as an association’s view can be – can be a big asset to advancing the MH Industry’s cause. Let me explain why...” - Tim Williams, 21st Mortgage Corp, then MHI Chairman.



“The emergence of Tony Kovach’s group of publications has brought a new standard of professionalism to the industry. The thorough and unbiased reporting fills the vacuum that has existed for too long. It’s been refreshing to have these communications serving the manufactured housing industry, and here’s to their continued success.”

- Howard Walker, JD,
Vice-Chairman of Equity LifeStyle Properties (ELS)
Manufactured Housing Institute Executive Committee
Member



They can’t have it both ways. If our reporting is balanced and unbiased, then when evidence of apparent wrongdoing was unearthed and eventually reported as facts and evidence was obtained, instead of explaining – if they can – why their corporate behavior is legal, instead, an entire different engagement (or lack thereof) scheme was rolled out. Despite claiming that MHI represented “all segments” of the industry and encouraged discussion and debate, quite the opposite has been demonstrated instead.



Rick Robinson, JD, left, presenting at the 5 State Convention at Deadwood, SD. Robinson said - with dozens listening - after his first talk that **“Tony, I will not be taking questions from the press.”** Several industry professionals expressed private concerns to *MHProNews* about Robinson’s lack of transparency and willingness to discuss MHI’s policies and approaches.

<https://www.manufacturedhomepronews.com/masthead/4-quick-documented-examples-of-manufactured-housing-institute-leaders-publicly-ducking-out-on-explaining-their-performance-or-lack-of-thereof-els-howard-walker/>

It was in hindsight that several concerns raised previously finally came into focus.

AMERICAN BANKER Time to End the Monopoly Over Manufactured Housing

For too long we have ignored a segment of our housing system that offers an affordable path to homeownership: manufactured housing.

By
Doug Ryan

Published
February 23 2016, 12:00pm EST



Doug Ryan | Prosperity Now

"The system currently discourages Fannie and Freddie from investing in manufactured housing. The two government-sponsored enterprises will more typically buy or securitize loans secured by real estate, while staying clear of "chattel loans" — used for most manufactured home purchases — a type of financing in which a home is not legally bound to its land."



- Doug Ryan
Prosperity Now via op-ed
in *American Banker*.

<https://www.manufacturedhomepronews.com/epic-kevin-clayton-moat-rant-analysis-lesli-gooch-debate-defense-doug-ryan-charge-end-clayton-monopoly-over-manufactured-housing-breaching-buffett-berkshire-clayton-monopolistic-moat-method/>



Doug Ryan | Prosperity Now

"This [capital access advantage held by Clayton Homes] is likely why it and the Manufactured Housing Institute — the industry's trade association — have been unwilling to criticize the exclusion of chattel loans from the rule, even though including such loans could bolster manufactured home sales by attracting new lenders."

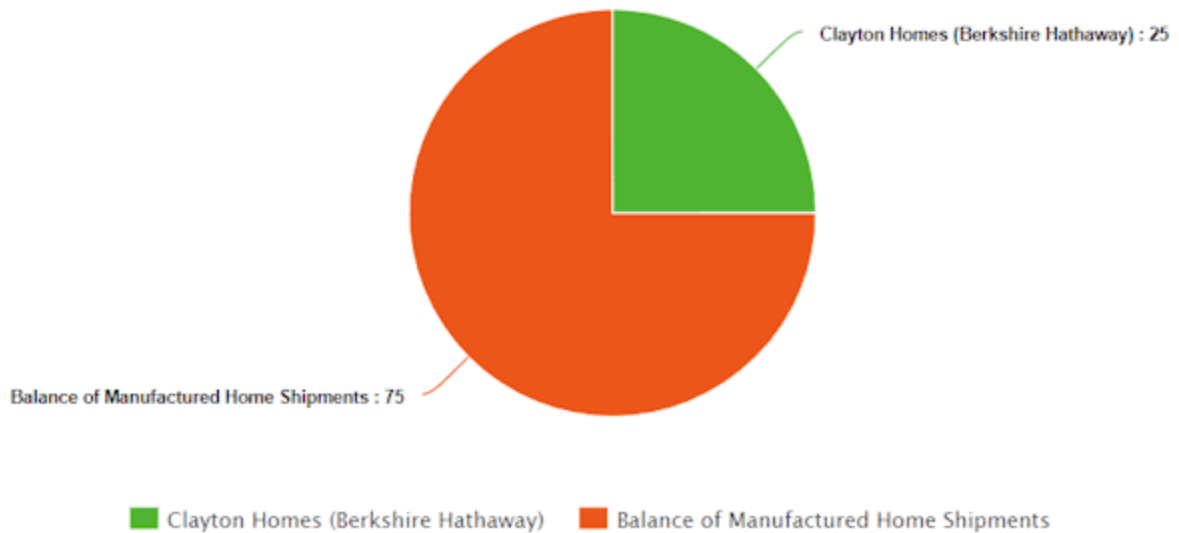


- Doug Ryan
Prosperity Now via op-ed
in *American Banker*.



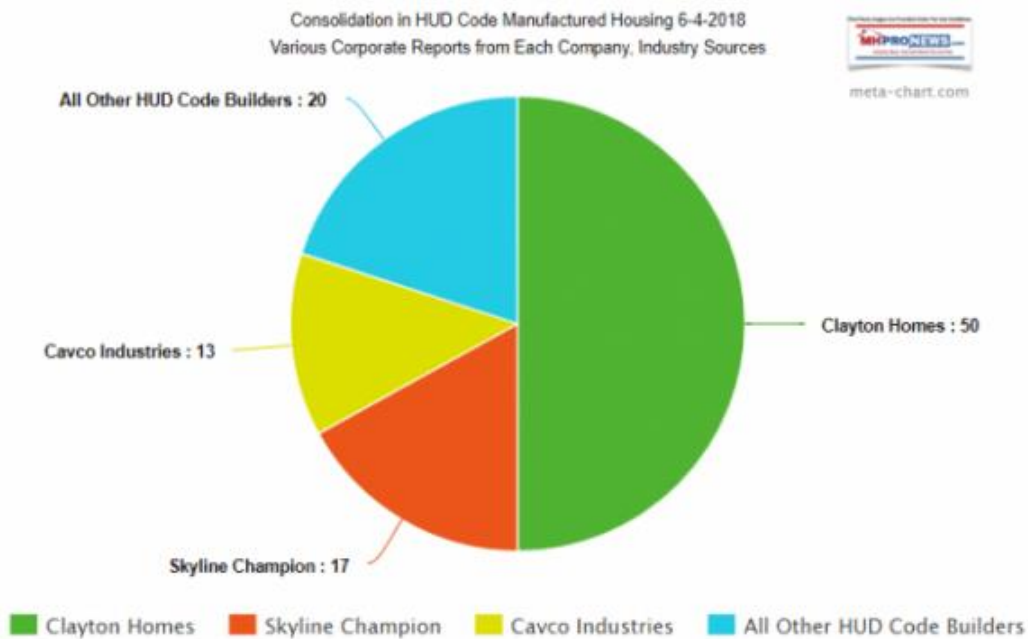
What was the outcome of this capital access advantage that Doug Ryan (with CFED, which is now called Prosperity Now) on the manufactured housing marketplace? Having noted above that the Berkshire owned Clayton Homes and their stake in Oakwood Homes in 2003 was equal to some 13 percent market share, watch what occurred after the January 30, 2009 letter from Williams.

Clayton Homes (Berkshire Hathaway) 25% Market Share in 2011
 Total 2011 Shipments: 51,618. Sources: Manufactured Housing Association for Regulatory Reform (MHARR).



meta-chart.com

So, as the industry's shipments declined, Clayton's market share grew. That was accomplished in part through acquisitions. Nor was Clayton alone. Two other prominent MHI members, now known as Skyline-Champion (SKY) and Cavco Industries (CVCO) have also grown to a large extent by consolidation (M&A).



While the 'powers that be' in recent years at and behind MHI have often attempted to avoid direct replies to MHProNews and/or MHLivingNews inquiries, they have periodically attempted to obliquely deflect from reports published by our platforms. For instance, the following is a screen capture from a Skyline Champion investor pitch deck. Note it attempted to understate the actual market share held by Clayton Homes at that time by enough to keep it from being 50 percent.

3 #2 MANUFACTURED HOUSING POSITION IN THE UNITED STATES⁽¹⁾

U.S. manufactured housing market share

Company	Market Share
Clayton Homes Berkshire Hathaway Inc.	48%
Other	22%
Carveo	13%
SKYLINE CHAMPION	17%

SKYLINE CHAMPION

- The largest publicly traded manufactured home builder⁽²⁾
- #2 position in the manufactured housing industry⁽¹⁾
- Top three position in most major U.S. regions by units⁽³⁾
- Leading position in Western Canada⁽⁴⁾

Major manufactured housing market players by number of homes produced

(Number of homes produced in 2017)

Company	Number of Homes Produced (2017)
Clayton Homes Berkshire Hathaway Inc.	44,436
SKYLINE CHAMPION	15,859
CARVEO	12,690
Carveo	11,903
SKYLINE	3,169
HOMESTAR	2,418
Legacy	2,365
JFH	2,118
The RHC Group	1,973
Single Plant Manufacturer	1,458
Elliott Manufactured Homes	1,164

Source: Manufactured Housing Institute.
 Note: All data based on CY 2017.
 (1) Share of manufactured housing market segment based on 2017 units produced.
 (2) Based on 2018 pro forma revenue.
 (3) Based on data from Statistical Surveys, Inc.
 (4) Based on management estimates.
 (5) Represents combination of Skyline and Champion standalone figures.

The top 8 producers by volume, per Skyline Champion and MHI. Note that the 48 percent market share shown for Clayton Homes at the top merits an *. There are figures that reflect a 50 percent (+/-) market share by Berkshire Hathaway owned Clayton. The significance could be for potential anti-trust or other concerns. Would an anti-trust case against Clayton benefit Skyline Champion, or others in MHVille?

But an inquiry to Statistical Survey's cast a different light on the various published data that seemed to contradict our research results.

Tony-

Here is the information requested



Manufacturer	2019 MS
CLAYTON HMS INC	50.60%
SKYLINE CHAMPION	14.68%
CAVCO INDUSTRIES	12.63%

Data is 2019 YTD September.

Thank you,

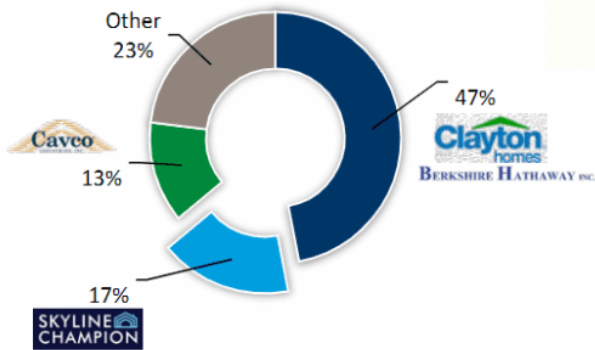
[Redacted]

Composite
emailed message
dated 11.18.2019.

6/24/2020



U.S. manufactured housing market share⁽¹⁾



(1) Share of manufactured housing market segment based on 2018 units produced.

November 2019



Clayton Homes (BRK), Skyline-Champion (SKY), and Cavco Industries (CVC) are members of the Manufactured Housing Institute (MHI). Each firm reportedly has the same access to government data and research by firms such as Statistical Surveys. There is no gray area with facts, or there shouldn't be. Which begs the question. Why is that there are several mutually contradictory information claims about something that should be as clear as market share? Why, in this case, would SKY provide in accurate info on 'rival' Clayton Homes? One must keep in mind that publicly traded firms are required to provide accurate info.

10:47 AM
6/24/2020



TOP 10 MANUFACTURERS

BY MARKET SHARE**

Manufacturer	2019 MS	2018 MS	Growth
Clayton Homes	49.92%	50.11%	-0.76%
Skyline-Champion	14.94%	15.36%	-4.33%
Cavco Industries	12.67%	13.28%	-2.95%
American Home Star	2.20%	2.50%	-2.43%
Legacy Homes	2.19%	2.18%	-7.16%
Live Oak Homes	1.96%	1.80%	5.66%
Elliott MH Inc.	1.44%	1.66%	6.64%
Adventure Homes	1.54%	1.84%	25.95%
Jacobsen Homes	0.92%	1.14%	-3.49%
Kabco Builders	0.86%	1.10%	5.05%

10:18 AM

6/24/2020

The data is from Statistical Surveys, but the growth column was from an arm of MHVillage which has self-described as a "partner" with the Manufactured Housing Institute.



Clayton Homes
49.92%

Skyline-Champion
14.94%

Cavco Industries
12.67%

Other



**Based on official government records as compiled by Statistical Surveys Inc. The current data's time period unit totals and Market Share will change as historical data is updated from the states. Any use of Statistical Surveys data without written permission is prohibited. ©Statistical Surveys Inc. Used with permission.

MHI and pro-MHI sources, such as MHVillage/MHInsider, often fails to provide any information on key industry topics that reflect poorly on MHI. An example of an un- (not) covered issue by some of these would-be rivals is shown below.



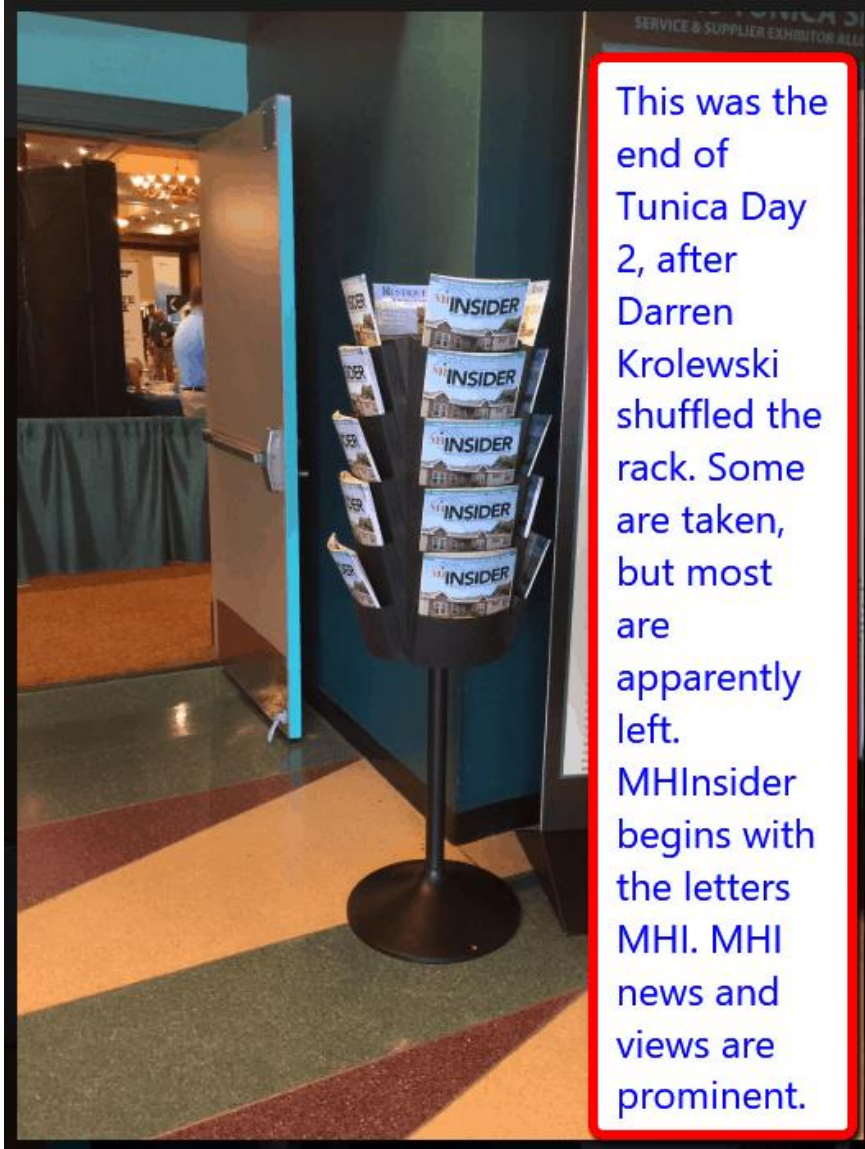
No results for this search, yet again,
on 2019-11-18 at 12:02 PM ET.

enhanced preemption - search results

enhanced preemption

If you're not happy with the results, please do another search

No results for your search



This was the end of Tunica Day 2, after Darren Krolewski shuffled the rack. Some are taken, but most are apparently left. MH Insider begins with the letters MHI. MHI news and views are prominent.

After several fact-checks like the above and below, MH Insider disabled their view function, but continue to make big claims. This claim vs. evidence appears to be common with MHI itself on several issues.



There are strengths and weaknesses on MHV and their rival. When it comes to readership on their professional blog, they pale compared to MHPProNews

Events

One Week Until The Louisville Manufactured Housing Show

By Patrick Revere - January 8, 2020





1/21/2020

95


Only 95 views, per MHV's MH Insider's own view or visit counter. It reveals how poor their engagement is with MHPros.

It is against this background that the following articles and statements that related to M&A and antitrust should be considered. Because



Andy Gedo 

ManageAmerica
Online Property Management Systems



"So, six years before the conventional mortgage meltdown, MH chattel lending virtually disappeared for anyone with a flawed credit history..."

"Clayton's finance capability is a barrier to entry (what you [MHPRONews/MHLivingNews like to call a "moat") that limits competition. Barriers to entry can sometimes be exploited through unfair competition to gain monopoly power in a market..."

To see this in context go to the original debate linked below.

Let's note that our publications call it "the Moat" because Warren Buffett, Kevin Clayton and others in that mindset call it "the moat." It is Buffett's term, not one we created.

That noted, Gedo is quite right in saying that **"barriers to entry can sometimes be exploited..."** Why is the Duty to Serve (DTS) manufactured home lending passed in 2008 as part of the Housing and Economic Recovery Act (HERA) still not being properly implemented? Why is FHA Title I or FHA Title II – among other possible federal lending plans that could be named – not being properly implemented in the post-Berkshire era? Is it a coincidence? Or have they used their influence and resources to limit and divert those options and thus maintain their moat as a barrier to entry, and maintenance in the industry?



Kevin Clayton, left, Warren Buffett, right.
Photo credit:
Seattle Times expose portrays Warren
handbill.us



<https://www.manufacturedhomepronews.com/debate-current-former-manufactured-housing-institute-members-battle-over-clayton-homes-mhi-other-key-member-activities-and-industry-performance/>



“The reason that MH sales have underperformed for 18 years is that 18 years ago, in 2002, we had a brutal day of reckoning when Conseco (the parent of the largest MH chattel lender) went bankrupt. This was not an isolated incident — it was the most prominent example of a parade of MH lenders who left the business starting in the early 2000’s.

“The industry’s problems were worsened by a string of manufacturer bankruptcies, many of which had their roots in a rapid (and, in hindsight, tragically unwise) expansion by manufacturers into the MH street retailing business.

Not only did the manufacturers open new retail locations which closed within a few years, but they also bought many of the well-established local retailers and eventually washed those locations down the drain as well. The manufacturer bankruptcies opened the door for the consolidators, first Clayton/Berkshire, soon followed by Champion and Cavco. But buying up unprofitable manufacturers was no panacea, as Champion eventually discovered; they declared bankruptcy in 2009. [T]his was the inevitable result of nearly a decade of irresponsible and sometimes predatory lending by many MH chattel lenders...”



Part of a debate about Clayton Homes, MHI and related issues linked below.

MHI’s annual nonprofit report on IRS Form 990 makes the following statement.

Form **990**

Return of Organization Exempt From Income Tax

OMB No 1545-0047

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form
Information about Form 990 and its instructions



MHPRONews has examined several years of such statements. They routinely used wording in the Part 1 Summary about MHI's mission and "most significant activities" as is shown in this example.

A For the 2014 calendar year, or tax year beginning 01-01-2014, and ending 12-31-2014

- B** Check if applicable:
 - Address change
 - Name change
 - Initial return
 - Final return/terminated
 - Amended return
 - Application pending

C Name of organization: MANUFACTURED HOUSING INSTITUTE

Doing business as:

Number and street (or P.O. box if mail is not delivered to street address) Room/suite

City or town, state or province, country, and ZIP or foreign postal code

D Employer identification number

E Telephone number

G Gross receipts \$ 3,258,271

F Name and address of principal officer: RICHARD A JENNISON

J Website: WWW.MFGHOME.ORG

There are numerous common-sense steps that the Manufactured Housing Institute (MHI) could take to accomplish this stated mission to "improve the overall operating environment of the manufactured housing industry and expand the demand for manufactured homes by seeking fair and equitable treatment in the marketplace and the regulatory and legislative arenas." But oddly, MHI has often ignored the common sense in favor of approaches that have for well over a decade not worked in the marketplace. For instance, it was arguably illogical to improve manufactured housing acceptance to launch a new product eventually called CrossMods, when what the common-sense step would have been to boost the understanding of all manufactured homes. That noted, following the late 2018 launch by MHI of what became their CrossMods campaign, new manufactured home sales dipped for 2.5 years.



Despite making claims that they would be working to increase the market, there are several examples of how MHI fails to do the commonsense steps that would accomplish that task. Why such examples matter is about underperformance and barriers of entry. When an industry is underperforming, some who do not make a sufficient study may believe there are 'normal' reasons for that underperformance. While their business practices or controversial behaviors are not being endorsed, it is worth noting the following pull quotes.

Darren Krolewski, MHVillage-MHINSIDER

ONE CHALLENGE IS NOT ENOUGH POSITIVE NEWS ABOUT MANUFACTURED HOUSING TO COUNTER NEGATIVE NEWS;

Sunday Headlines Review - Facts & Analysis

FRANK ROLFE, BRAD NELMS, GEORGE ALLEN, KURT KELLEY

MHI INSIDER, MHVillage, MHI MONOPOLISTIC HOUSING INSTITUTE, THE NATIONAL ASSOCIATION SERVING CONSOLIDATORS OF THE MANUFACTURED HOUSING INDUSTRY, MHPRONEWS.com

<https://www.manufacturedhomepronews.com/darren-krolewski-mhvillage-mhinsider-one-challenge-is-not-enough-positive-news-about-manufactured-housing-to-counter-negative-news-frank-rolfe-brad-nelms-manufacturedhomes-george/>



"Negative articles on the industry are met with "no comment" [by MHI]. Positive news opportunities are met with "no comment." I've never seen anything like it."

"Probably the greatest enemy to the growth of the mobile home park industry into a mainstream form of real estate investment is ... our industry itself."

Frank Rolfe, RV Horizons and MHU. To see that report, click this image.

But not only does MHI not respond to negative news, a careful look reveals that a significant amount of that negative news comes from MHI member brands that have been deemed predatory by consumers, public officials, media, and others.



<https://www.manufacturedhomelivingnews.com/hbos-john-oliver-on-last-week-tonight-mobile-homes-video-manufactured-home-communities-fact-check/>



SSK Communities is Nathan Smith's, former MHI Chairman's, operation. Recall that Frank Rolfe ripped Smith and MHI for their "hypocrisy." Rolfe of RV Horizon, MHU, and the "park store" fame has had his own run of negative media, including, but not limited to blowback from MHAAction.



At the time of this comment...

"Nathan Smith is Chairman of the Board of Directors of MHI. His company (of SSK Communities, 'F' rated by the Better Business Bureau. SSK has since rebranded as Flagship Communities) is being sued in a huge class action lawsuit on several counts...SSK's lawsuit

puts all park owners in jeopardy."

"...Now what was that about me being bad for the industry and MHI? Hypocrisy anyone?"

- Frank Rolfe, partner in RV Horizons, since rebranded as Impact Communities and in Mobile Home U, each of which have had their own controversial allegations made against them.



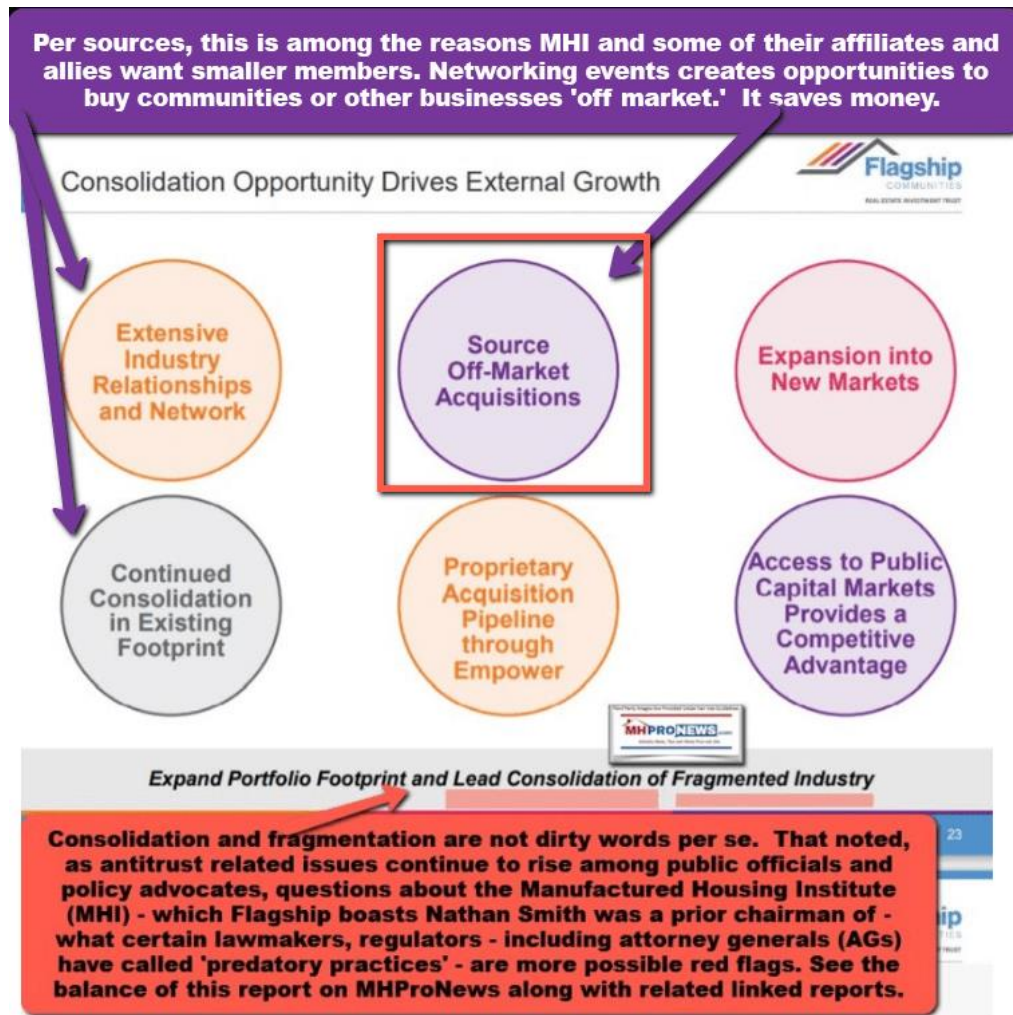
MHI arguably fails to enforce its own so-called [Code of Ethical Conduct](#).

[MHI also has an antitrust statement](#), but refuses to answer why they seem to ignore it – which begs the question. Does that make it mere window-dressing, like their code of ethical conduct?

The pattern of MHI's links to problematic if not illegal behavior is so brazen, it may seem hard to believe UNTIL someone digs into the FACTS and EVIDENCE. Consider as an example MHI's former Chairman, Joe Stegmayer. Even after the SEC began to investigate them for illegalities, MHI kept Stegmayer on as chairman.

<https://www.manufacturedhomepronews.com/masthead/project-saturn-code-name-monarch-sec-v-cavco-stegmayer-et-al-federal-suit-revelations-about-cavco-skyline-champion-other-manufactured-housing-brands-apparen/>

Another former MHI chairman, Nathan Smith, after earning an "F" rating from the Better Business Bureau (BBB), and a suit from residents (see Frank Rolfe's comments above), went to Canada and managed to go public. Note this page from Smith and his colleague's investor pitch deck. It talks about consolidation of a fragmented industry.



<https://www.manufacturedhomepronews.com/scandal-plagued-flagship-communities-reit-scores-multiple-communities-nathan-smith-kurtis-kurt-keeneey-backstory-report-analysis/>

<https://www.manufacturedhomepronews.com/nathan-smith-kurt-keeneey-flagship-communities-reit-mhc-u-to-disclosures-pitch-warnings-manufactured-home-community-facts-caveat-emptor-analysis-plus-manufactured-housing-stock-updates/>

The troubling reality is that despite MHI's 990 statement, the evidence suggests that slow growth is the plan, rather than the robust growth that is possible if MHI and their leadership did their jobs properly.

The following screen capture is from a study commissioned by MHI known as the Roper Report. Instead of addressing the troubling issues, time and again, it was talked about but not addressed.

Competitive Threats To MH Industry



- MH owners less satisfied than site-built with home and purchase process
- Half of MH owners would prefer a site-built
- Require more time than site-built to get in
 - ◆ Although prospects expect the opposite
 - ◆ . . . yielding disappointment among many
- More difficult to obtain financing ←
- Not seen as good investment ←

If you are seeing this image online apart from the article it is featured in, this is part of a fact-check, analysis, and report about manufactured housing industry related controversies published on **MHPRONEWS**.



Some 16 years after the Roper Report, which MHI paid for, some of the same image and financing issues remain. MHI's leaders can duck, dodge, distract or detract from critiques, but they can't change the sobering realities.



People Knowledge



39

NOP World
United Business Media

<https://www.manufacturedhomepronews.com/manufactured-housing-institute-mhis-roper-report-aarp-marty-lavin-strike-again-plus-manufactured-housing-stock-updates/>

MH Familiarity/Experience And Favorability Are Correlated



- Those familiar are more positive ←
- Many “on the fence” about MH say they need more information to form opinion
- But many are not familiar ←

Part of the tragedy for white hat, pro-growth brands, for affordable housing advocates, current manufactured home owners, taxpayers and others is highlighted by such insights from Roper. MHI paid for this. They can't claim ignorance. Once the basic notion that MHI is posturing without doing what they claim and that they are slyly working for industry consolidation on behalf of their larger brands is understood, several things come into focus. Manufactured housing could be solving the nation's affordable housing problems. MHI is well aware of the research and critiques, because MHI's outside attorneys have said in writing that they monitor comments about MHI. That noted, the challenges and hurdles are opportunities in disguise if addressed. Plus, the good spots are opportunities that can be tapped.



People Knowledge

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36

NOP World
United Business Media

**"CATASTROPHIC"
"EXPENSIVE
DOG FOOD"**

**"LEAST
LIKED INDUSTRY
...EVER
STUDIED"**

**JOANNE STEVENS,
BERKSHIRE, MARTY
LAVIN, ROPER
REPORT -**

**YEARS OF
COSTLY
MANUFACTURED
HOUSING
INSTITUTE
"FAILURES" -
FACTS & ANALYSIS**

<https://www.manufacturedhomepronews.com/catastrophic-expensive-dog-food-least-liked-industryever-studied-joanne-stevens-warren-buffett-marty-lavin-roper-report-years-of-cos/>

**MANUFACTURED HOUSING
INSTITUTE CHEERLEADER
SUZANNE FELBER
"LIFESTYLIST"**

**EXPOSED MHI'S
ERRANT "IMAGE CAMPAIGN"**

**WHY TRUE EDUCATION,
INFO ON MANUFACTURED
HOME LIVING VITAL
IN AFFORDABLE
HOUSING CRISIS**

**PROUD MEMBER OF
MHI
MONOPOLISTIC HOUSING INSTITUTE**

**MHLivingNews
Improved Living for Less**

<https://www.manufacturedhomelivingnews.com/manufactured-housing-institute-cheerleader-suzanne-felber-lifestylist-exposed-mhis-errant-image-campaign-why-true-education-info-on-manufactured-home-livi/>

In the light of these examples of this pattern, consider this quotation and investor-pitch deck or related information collage, below. At a glance it sheds light on more examples of this pattern of problematic if not illegal behavior. Allowing consolidations while the industry is underperforming is an apparent part of the problematic strategy by the consolidators.



To see this full sized, click here: [quotablequotescollagedutytoserv.png](https://img.einpresswire.com/large/267785/quotablequotescollagedutytoserv.png) (4050x4050) (einpresswire.com)

Another collage is linked here: [warrenbuffettmoat21stmortgage.png](https://img.einpresswire.com/large/267785/warrenbuffettmoat21stmortgage.png) (3265x2768) (einpresswire.com)

<https://img.einpresswire.com/large/267785/warrenbuffettmoat21stmortgage.png#3265x2768>

MANUFACTURED HOUSING INDUSTRY HAS SIGNIFICANT UPSIDE

#1) Federal Reserve Researcher James A. Schmitz Jr. a national subsidy program was started by HUD for builders for households buying stick-built homes. Under these programs, households purchased 432,000 stick-built homes per year in the early 1970s. Part of "Subsidized Monthly..."

#2) The Berkshire Hathaway 2010 year of manufactured housing begins in 2002 when the Warren Buffet led management sought Clayton Homes and first residential units. In February 2010, the Berkshire Hathaway 2010 year of manufactured housing begins in 2002 when the Warren Buffet led management sought Clayton Homes and first residential units. In February 2010, the Berkshire Hathaway 2010 year of manufactured housing begins in 2002 when the Warren Buffet led management sought Clayton Homes and first residential units.

#3) Jan 2009, The William of BK owned 21st Mortgage Corp. issued a letter that legal researcher Samuel Dornstein for Warren led them to be an owner of 21st Mortgage Corp. In February 2010, the Berkshire Hathaway 2010 year of manufactured housing begins in 2002 when the Warren Buffet led management sought Clayton Homes and first residential units.

21st Mortgage Corporation
A Berkshire Hathaway Company

January 29, 2009

All manufactured home builders and owners should be concerned by the fact that 21st Mortgage Corporation (21MC) is now owned by Warren Buffett. The company is the largest lender in the country for manufactured home loans. Warren Buffett's Berkshire Hathaway has acquired 21st Mortgage Corporation (21MC) from its previous owners, the former Mar and Freddie Mac joint venture projects had failed.

This is a significant acquisition. As informed sources told MHI Press, but Buffett had decided to buy 21st Mortgage Corp. had to be a Buffett's usual move.

This is also arguably interesting. As informed sources told MHI Press, but Buffett had decided to buy 21st Mortgage Corp. had to be a Buffett's usual move.

Warren Buffett's Berkshire Hathaway has acquired 21st Mortgage Corporation (21MC) from its previous owners, the former Mar and Freddie Mac joint venture projects had failed.

Warren Buffett's Berkshire Hathaway has acquired 21st Mortgage Corporation (21MC) from its previous owners, the former Mar and Freddie Mac joint venture projects had failed.

Warren Buffett's Exploitative Mobile Home Investment

Warren Buffett's company Clayton Homes, the biggest mobile home manufacturer in the U.S., has continued to grow through high interest rate loans. The Oracle of Omaha has sold low-income Americans millions of dollars for nearly 20 years, and his investment company Berkshire Hathaway makes money on the loans, since they own the company that Clayton pays to borrow to go through. Many of the people buying mobile homes are minorities and have helped to fuel Clayton's \$1.7 billion mortgage portfolio.

Clayton operates the two biggest mobile home lenders, 21st Mortgage Corporation along with 21st Mortgage. Clayton Finance controls mobile home loans in the U.S. through a factor of more than seven. Customers noted that in 2005, 72% of black borrowers had their loans from Clayton's 21st Mortgage and 21st Mortgage, according to F21's internal data.

Karl Holo, CEO of Clayton Finance, April 18, 2009 article on Forbes.

Note: Holo should have said "manufactured home" not "mobile home." That noted, he point remains the same.

Warren Buffett's Castle & Meat Metaphors

The most important thing to us in figuring out how big a meal there is around the business. What I mean, of course, is a big table with a big meal with pleasure and coziness. - Warren Buffett, per 2008 Berkshire Report.

The castle is a metaphor for an attractive business. The Meat is a barrier to competitors, not for clients.

In the business world, meals are very difficult to construct. The most desired meal was the monopoly. I see the fast food - because monopolies are effectively illegal today. But if you go back and consider some of the most profitable businesses in U.S. history - Carnegie Steel, Standard Oil, and J.P. Morgan - all started as virtual monopolies. - Sam Gold, On the State of Trade, The Economist.

"Imagine someone arriving a table with a meal, and then growing that meal by using methods that added pleasure and coziness and didn't require regulations to violate and/or abuse laws." - A. Tony Kovacs, on MHIPress.com.

"I make no apologies whatsoever about Clayton's lending..."

- Warren Buffett, per Reuters on May 2, 2015.

Buffett's response to questions about predatory and discriminatory lending and sales practices reported by the Seattle Times and the Center for Public Integrity.

Warren Buffett's Castle and Meat Metaphors

Warren Buffett is a very complex. He comes with an image to each of his managers. It could be that this is a competitive meal, and you are in a very simple and clear that Buffett for them.

Drops and adds you need to keep out the competition.

Kevin Charles, CEO of Clayton Homes, a Berkshire Hathaway unit. Source: video transcript posted on MHIPress.com.

"This isn't the first time Buffett's sense of meals has been attacked. Berkshire Hathaway has been criticized for its business practices, which seemed to put profit over customers, particularly at the Clayton Homes division."

- Report from Reuters, GoodFoods - May 15, 2015.

Warren Buffett Can't Escape Unethical Strategic 'Meats'

Warren Buffett's sense of meals has been attacked. Berkshire Hathaway has been criticized for its business practices, which seemed to put profit over customers, particularly at the Clayton Homes division.

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Antitrust Allegations

In the American manufactured housing industry, a single company stands alone at the apex of manufacturing, retail, and finance. Warren Buffett's Berkshire Hathaway maintains a commanding position over its competitors, the symbol of triumphant capital: arching, malcontent, replendent. While there is competition in both the manufacturing and financing sectors, such competition is nominal, as through its principal subsidiary Clayton Homes, Berkshire Hathaway maintains an impressive figure of major, subordinate institutions that account for exorbitantly high market share percentages of both sectors.

Samuel Sorenson, Klutznick Law research on the Monopolization of the American Manufactured Home Industry and the Formation of RETA: A Ruber Goldberg Machine of Human Suffering.

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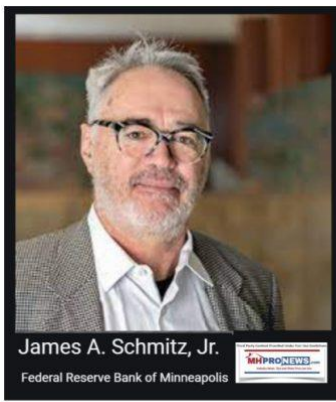
Is it any wonder that manufactured housing is underperforming during an affordable housing crisis, when a pattern of problematic behavior has been tolerated for so long by regulators?

[Why is Manufactured Housing Underperforming During an Affordable Housing Crisis? Legal Updates, Reports Explore Concerns \(einpresswire.com\)](https://www.einpresswire.com/shareable-preview/8nJ77G7V8hpFSP-8A5oy0w)
<https://www.einpresswire.com/shareable-preview/8nJ77G7V8hpFSP-8A5oy0w>

- The revolving door
- The iron triangle
- Sabotaging monopolies – which specifically cited manufactured housing as an example for the Minneapolis Federal Reserve researchers' concerns – are among the reasons this pattern has gone from relatively obscured to quite obvious for those willing to LOOK at the DETAILS and EVIDENCE.



“Monopolies [oligopolies] are difficult to detect...they form power relationships of infinite complexity that are hard to untangle...” ~ “Sabotaging Monopolies” researchers.



“Monopolies sabotage and destroy markets.

Monopolies also use their weapons to manipulate and sabotage public institutions for their own gains...”

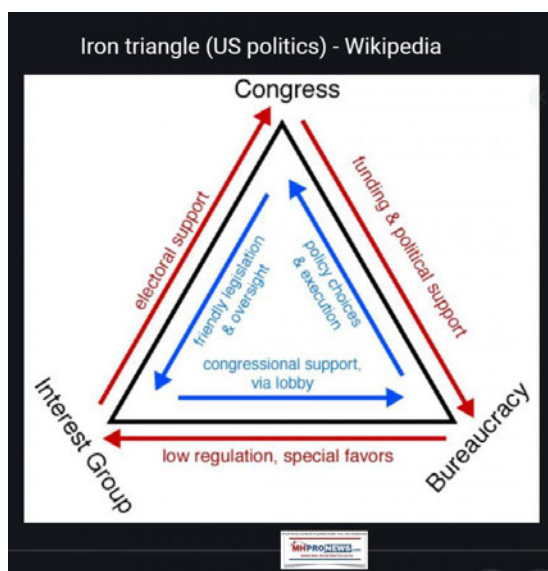
~ James A. “Jim” Schmitz
Senior Economist and his antitrust research colleagues, cited by economist John Cochrane, Senior Fellow of the Hoover Institution at Stanford.
Note: their term ‘monopolies’ should be understood to include ‘oligopolies.’

John H. Cochrane



The Grumpy Economist

<https://www.manufacturedhomepronews.com/grumpy-economist-cochrane-sun-communities-sui-favorable-demand-drivers-with-supply-constraints-investor-data-yields-quick-case-study-in-buffett-moat/>





"Politicians in this country want more power. The rich want more power."
 That's per Warren Buffett who also said that:
"the bad guys win. They know more games."

Buffett's Berkshire Hathaway (BRK) partner Charlie Munger:
"Well, the regulators aren't [regulating]..."



CNBC transcript of Becky Quick's June 29, 2021 interview with Buffett and Munger, dressed up under the title – **"A Wealth of Wisdom."**

John
 Kenneth
 Galbraith

Canadian-American
 economist



John Kenneth Galbraith OC, also known as Ken Galbraith, was a Canadian-American economist, diplomat, public official and intellectual. A leading proponent of 20th-century American liberalism, his books on economic topics were bestsellers from the 1950s through the 2000s. [Wikipedia](#)

"Regulatory bodies, like the people who comprise them...become, with some exceptions, either an arm of the industry they are regulating or senile."

~ John Kenneth Galbraith,
 economist, diplomat, and public official -
 in sarcastically [commenting on the regulatory failure that led to the stock market crash of 1929](#)
 and applying those lessons to regulators since.



“While claims that Berkshire Hathaway vis-à-vis Clayton Homes have violated American antitrust law have not been litigated in court, ample evidence that violations are taking place are myriad.

Buffett’s own words on his business strategy provide valuable insight into Clayton Homes’ strategy in this sector: “A good business is like a strong castle with a deep moat around it,” Buffett said on a *CNBC* broadcast, “I want sharks in the moat. I want it to be untouchable.”⁹⁷ In this analogy, the castle would be the business he has invested in, fortified and standing safe from outside attack. The shark-filled moat is representative of the litany of additional deterrents Buffett-led Berkshire Hathaway has at its disposal to ward off nascent competitors as well as regulators.”

- Samuel Strommen
- Knudson Law research on
- *The Monopolization of the American Manufactured Home Industry and the Formation of REITs: a Rube Goldberg Machine of Human Suffering*

<https://www.manufacturedhomeprnews.com/bombshell-buffett-berkshire-clayton-homes-21st-vanderbilt-specific-mhi-members-ripped-felony-monopolization-of-the-american-manufactured-home-industry/>

PROUD MEMBER OF

MHI
MONOPOLISTIC HOUSING INSTITUTE

THE NATIONAL ASSOCIATION SERVING CONSOLIDATORS OF THE MANUFACTURED HOUSING INDUSTRY

Clayton homes

SKYLINE CHAMPION

CAVCO

SUN
SUN COMMUNITIES, INC.

els
Equity LifeStyle Properties

IMPAC
COMMUNITIES

HAVENPARK
COMMUNITIES

rhp PROPERTIES
american homes

Flagship
COMMUNITIES

“The Manufactured Housing Institute [MHI] acts not only as the public mouthpiece of the Big 3 manufacturers (in the name of the industry) but also appears to act directly on its behalf in its various lobbying endeavors.”⁹⁵”

Samuel Strommen

Strommen said he “submits that the MHI’s conduct in obfuscation judicious decision-making by the [FHFA and HUD] constitutes a conspiracy to restrain trade under Section 1 of the Sherman Act, and by virtue of the misrepresentative nature of the conduct, should not be afforded *Noerr* protection.”

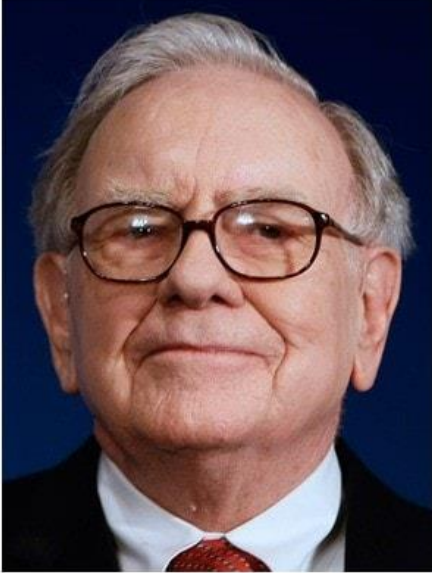
– Sam Strommen,
The Monopolization of the American Manufactured Home Industry and the Formation of REITs: a Rube Goldberg Machine of Human Suffering.

<https://www.manufacturedhomelivingnews.com/strommen-felony-conspiracy-case-monopolization-of-affordable-manufactured-housing-and-manufactured-home-communities-rube-goldberg-machine-of-human-suff>

Summary and Conclusion

This writer works some 6½ days a week, much of it related to business daily reports on manufactured housing.

In 2014, as an MHI member, while there were oddities and questions that needed answers, as has been disclosed to readers previously, we did not realize what now appears to be obvious. Namely, that manufactured housing was to some degree being subverted from within by those who were benefiting by acquiring businesses at a discounted valuation.



The critical investment factor is determining the intrinsic value of a business and paying a fair or bargain price.

— Warren Buffett —

AZ QUOTES

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"There seems to be some perverse human characteristic that likes to make easy things difficult." -

"What we learn from history is that people don't learn from history." -

"Chains of habit are too light to be felt until they are too heavy to be broken." -

— Warren Buffett,
Chairman of Berkshire Hathaway,
parent company to Clayton Homes, Vanderbilt,
21st plus an array of retailers, suppliers and
manufactured home,
modular, tiny and conventional housing builders.

Berkshire board member and attorney Ron Olsen, among others, has been repeatedly contacted and asked to refute or clarify any of the facts or concerns raised in such reports. He has declined comment.

"Machine of Human Suffering" - Berkshire Hathaway's Clayton Homes, Manufactured Housing Institute (MHI) Attorneys Response to Allegations of "Felony" Abuses - Knudson Law Legal Report by Sam Strommen

<https://www.manufacturedhomelivingnews.com/machine-of-human-suffering-berkshire-hathaways-clayton-homes-manufactured-housing-institute-attorneys-response-to-allegations-felony-abuses-knudson-law/>

Commonsense steps that MHI and their dominating brands should have taken years ago have been avoided. How to explain it, other than the obvious? The industry is being consolidated due to underperformance during an affordable housing crisis.

<https://www.manufacturedhomeproneews.com/national-spotlight-tiny-house-calhoun-suit-nonprofit-attorneys-institute-of-justice-sue-wheres-manufactured-housing-institute-plant-a-home-manufactured-housing-improvement-act-en/>

GROUNDHOG DAY for Better Manufactured Housing Financing, Underserved Mortgage Markets Coalition, Manufactured Housing Institute in Spotlight over FHFA GSEs Lending Decisions; **PLUS MMarkets UPDATE**

<https://www.manufacturedhomeproneews.com/groundhog-day-for-better-manufactured-housing-financing-underserved-mortgage-markets-coalition-manufactured-housing-institute-in-spotlight-over-fhfa-gses-lending-decisions-plus-mh>

But the answer to the troubling examples raised by Schmitz and his colleagues, or Strommen's third-party research is robust enforcement of antitrust laws. That should include both the Sherman and Clayton Acts.



U.S. House of Representatives Maxine Waters (D-CA), Emanuel Cleaver (D-MO), Keith Ellison (D-MN), Mike Capuano (D-MA). Image credits, Twitter, Wikipedia.

"Clayton is the nation's largest manufactured housing company and has a "near monopolistic" grip on lending to minority borrowers seeking financing for manufactured housing reaching nearly 72% of African-American borrowers, 56% of Latino borrowers, and 53% of Native American borrowers."

 - Letter to Consumer Financial Protection Bureau, Department of Justice.



There is no lack of evidence needed to open a serious probe of manufactured housing. Federal officials can and should do this. But if the feds don't ask, state antitrust officials could act. Or local prosecutors could empanel a grand jury and subpoena records, take testimony, and could indict for violations of RICO, antitrust, Hobbs Act or other laws.

Schmitz didn't mince words. He said that the only way to be successful in solving the affordable housing crisis is to take on the sabotaging monopolies.

Please consider this a call to action and a request for a criminal probe. The plight of smaller businesses, which have been lost by the thousands is one of several obvious harms. Potentially millions of existing manufactured home owners are harmed due to factors that the Urban Institute stated, namely, a lack of lending keep values lower than it would otherwise be.



<https://www.manufacturedhomelivingnews.com/former-manufactured-housing-institute-president-manufactured-home-owners-urban-institute-and-you/>

Ivory Mewborn

'MHI [MANUFACTURED HOUSING INSTITUTE] WILL GRANT REQUEST VIA PRAYER' MAYOR PRO-TEM IVORY MEWBORN ON AFFORDABLE 'PLANT A HOME' - MILLIONS ARE WAKING UP TO SURPRISING, SOBERING, YET HOPEFUL REALITIES

MHI
MANIPULATIVE HOUSING INSTITUTE

MHLivingNews.com
Improved Living for All

The Daily Reflector

Legal, moral and pragmatic reasons support affordable home ownership and Ayden's Plant-A-Home program | Editorial Columnists | reflector.com

<https://www.manufacturedhomelivingnews.com/mhi-manufactured-housing-institute-will-grant-request-via-prayer-mayor-pro-tem-ivory-mewborn-on-affordable-plant-a-home-millions-are-waking-up-to-surpri/>



Danny Ghorbani, Senior Advisor

"To overcome the industry's zoning and consumer financing woes, this so-called post production representation needs to do more than hold meetings, issue talking points, engage in "photo ops," or publish newsletters full of braggadocio and boasts, but bereft of any tangible results."

- Danny Ghorbani,

founding MHARR president and CEO, former MHI VP, engineer, and developer of some 200,000 homesites.



<https://www.manufacturedhomepronews.com/ghorbani-nails-zoning-answers-to-how-and-who/>

RAND Center to Advance Racial Equity ...

Racial Equity Analytics Lab | urban.org

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"Where is the 'Equity' for
Manufactured Homes and Consumers
Of Affordable Housing?"

- UNPACKING MANUFACTURED
HOUSING ASSOCIATION
FOR REGULATORY
REFORM

CEO MARK WEISS
"ISSUES AND
PERSPECTIVES"

<https://www.manufacturedhomepronews.com/masthead/where-is-the-equity-for-manufactured-homes-and-consumers-of-affordable-housing-unpacking-manufactured-housing-association-for-regulatory-reform-ceo-mark/>

The evidence that MHI is apparently misleading their own members are there for those with the eyes willing to see.

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MHI in Action

MHI
Manufactured Housing Institute

NEWS & UPDATES
July 21, 2021

Secretary Fudge

HUD Sec Marcia Fudge -
ZONING,
MANUFACTURED
HOMES -
"UNTIL WE START TO
ADDRESS THIS
WE ARE GOING TO
CONTINUE TO BE
PERPETUALLY IN THIS
KIND OF SITUATION." -
News-Analysis,
plus
Manufactured
Housing
Stock Updates

C-SPAN House Financial Services Committee | Congressional Chronicle | C-SPAN.org

<https://www.manufacturedhomepronews.com/hud-sec-marcia-fudge-zoning-manufactured-homes-until-we-start-to-address-this-we-are-going-to-continue-to-be-perpetually-in-this-kind-of-situation-news-analysis/>



<https://www.manufacturedhomepronews.com/masthead/shock-manufactured-housing-institute-boldy-gives-unforced-error-doc-after-favorable-court-ruling-mhi-charged-throwing-lifeline-to-doe-energy-rule-mhi-admits-harms/>

The corruption is ample, as Strommen noted in his plea for enforcement of laws that already exist to deal with this avoidable series of tragedies.



"In 2002, prior to Berkshire Hathaway's acquisition of Clayton Homes, there were 88 manufacturers scattered across the United States.³⁸ Today, the number has fallen to less than half that.³⁹ A report from the now-defunct *Manufactured Home Merchandiser* publication indicates that in 2003, Clayton was the third largest manufactured home fabricator⁴⁰ in the United States, and at that time, the top twenty-five manufacturers accounted for 78% of all home production and sales.⁴¹ Today, Clayton, Skyline-Champion, and Cavco, the top three, account for some 80% market share combined.⁴² Clayton alone comprises about 51% of manufactured home production.⁴³ A series of mergers and acquisitions has made this industry increasingly consolidated."

- Samuel Strommen
- Knudson Law research on
- **The Monopolization of the American Manufactured Home Industry and the Formation of REITs: a Rube Goldberg Machine of Human Suffering"**



<https://www.manufacturedhomepronews.com/bombshell-buffett-berkshire-clayton-homes-21st-vanderbilt-specific-mhi-members-ripped-felony-monopolization-of-the-american-manufactured-home-industry/>



"Why does Clayton [Homes] dominate many state associations? Attrition. The decline in independent retailers who used to dominate the states. AZ has lost 60% of their retailers since....wait for it...2011."

– MHEC State Association leader to MHPProNews (2018).

Please act.

Announcing!

IN THIS ISSUE: MHR

INTRODUCING the Manufactured Community Owners Association of America - An Enthusiastic Industry Advocate

PLUS SUNDAY WEEKLY MANUFACTURED HOUSING HEADLINES REVIEW

'ANNOUNCING!' 'MANUFACTURED COMMUNITY OWNERS' ASSOCIATION OF AMERICA'

'FINALLY BRINGING FIGHT TO MANUFACTURED HOME COMMUNITY SECTOR OF THE INDUSTRY'

<https://www.manufacturedhomepronews.com/announcing-manufactured-community-owners-association-of-america-finally-bringing-fight-to-manufactured-home-community-sector-of-the-industry>

PROUD MEMBER OF MHI MONOPOLISTIC HOUSING INSTITUTE
THE NATIONAL ASSOCIATION SERVING CONSIDERATORS OF THE MANUFACTURED HOUSING INDUSTRY

SUGGESTED MEETING FOR NEW POST PRODUCTION NATIONAL TRADE GROUP CONSIDERED

DEFICIENCY INADEQUACY DISCONNECTION INSIGNIFICANCE

<https://www.manufacturedhomepronews.com/masthead/manufactured-housing-institute-mhi-lashed-by-current-past-members-odd-defense-of-arlington-va-based-mhi-association-suggested-meeting-for-new-post-production-national-trade-group-considered/>

Respectfully submitted.

Tony

L. A. "Tony" Kovach
Managing Member
LifeStyle Factory Homes, LLC

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[REDACTED] |

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<http://www.linkedin.com/in/latonykovach>



Patrick Kelly Donahue



"Tony - nobody does posts like you [MHProNews]. I found this full of interesting facts and opinions. Thanks..." –

- Patrick Kelly Donahue
Building Materials Research Program Manager
Natural Resources Research Institute
University of Minnesota Duluth



"Tony "gets it" when it comes to manufactured housing. He has worked or been involved in almost all phases of the business."

- **Al Cole**
Senior Vice President
Oxford Bank and Trust
via LinkedIn.

Image 1

Please excuse any typos. Follow up from public officials or others serious about investigating these matters is welcomed.