UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

CONSUMER FINANCIAL PROTECTION BUREAU and **UNITED STATES OF AMERICA**,	§	
Plaintiffs,	§	
vs.	§	Case No. 4:23-cv-4729
COLONY RIDGE DEVELOPMENT, LLC, d/b/a Terrenos Houston, Terrenos Santa Fe, and Lotes y Ranchos; COLONY RIDGE BV, LLC; COLONY RIDGE LAND, LLC, formerly d/b/a Terrenos Houston and **Lotes y Ranchos; and LOAN ORIGINATOR SERVICES, LLC**,	§	**JURY DEMAND**
Defendants.	§	

COLONY RIDGE DEFENDANTS' ANSWER AND DEFENSES TO PLAINTIFFS' COMPLAINT

Defendants Colony Ridge Development, LLC ("Colony Ridge Development"), Colony Ridge BV, LLC ("Colony Ridge BV"), and Colony Ridge Land, LLC ("Colony Ridge Land"), (collectively, "Colony Ridge Defendants") submit the below answer and defenses to the Complaint (ECF No. 1) filed by Plaintiffs Consumer Financial Protection Bureau and the United States of America, and respectfully show the Court as follows:

ANSWER TO COMPLAINT

Under Federal Rule of Civil Procedure 8(d), Colony Ridge Defendants deny the allegations contained in the Complaint except for those expressly admitted. The headings and numbered paragraphs below directly correlate to the sections and numbered paragraphs of the Complaint.

Those titles and headings are reproduced below for organizational purposes only, and Colony Ridge Defendants do not admit any matter contained therein. For avoidance of doubt, Colony Ridge Defendants deny all allegations in the unnumbered paragraph preceding the section titled Introduction. Colony Ridge Defendants submit this answer based on the information and knowledge available to them as of the time of this filing.

INTRODUCTION

1. Denied.

2. Admitted that Colony Ridge Development makes vacant lots available for purchase. The remaining allegations in Paragraph 2 are denied.

3. Admitted that Colony Ridge Development and Colony Ridge Land conduct advertising through Terrenos Houston and Terrenos Santa Fe and that in Spanish, "terrenos" translates to "lands" or "lots." Admitted that Colony Ridge Development has conducted advertising in Spanish and that the advertising has featured regional music and national symbols from countries such as Columbia, Honduras, Mexico, and Venezuela. The remaining allegations in Paragraph 3 are denied.

4. Denied.

5. Admitted that the purchasing process for consumers generally includes an in-person property visit, a pre-closing, and a closing. The remaining allegations in Paragraph 5 are denied.

6. Admitted that borrowers generally must self-report income and provide a down payment. The remaining allegations in Paragraph 6 are denied.

7. Admitted that since 2016, Loan Originator Services, LLC has originated loans by Colony Ridge Land. Admitted that Colony Ridge Land is recorded as the lender on filings with the Liberty County Clerk and services the loans. Admitted that Colony Ridge Land retains the

notes and the right to foreclose on the properties. The remaining allegations in Paragraph 7 are denied.

8. Admitted only that that no title company or outside attorneys are present at closing and that Colony Ridge Land retains all servicing rights. The remaining allegations in Paragraph 8 are denied.

9. Denied.

10. Admitted that between September 2017 and September 2022, Colony Ridge Land recorded at least 28,482 unique transactions. Defendants deny that "Colony Ridge's targeting of Hispanics has proven tremendously effective." Defendants lack sufficient knowledge or information to form a belief about the truth of the remaining allegations contained in this Paragraph, and on that basis deny the allegations in their entirety.

11. Colony Ridge Defendants deny that because Defendants fail to analyze consumers' ability to pay, Colony Ridge's seller-financed mortgages fail at an extraordinary rate. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the about the truth of the remaining allegations contained in this Paragraph, and on that basis deny the allegations in their entirety.

12. Colony Ridge Defendants deny that between January 2022 and June 2023, "Colony Ridge's lending arm" initiated an average of 298 foreclosures in Liberty County on a monthly basis. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the remaining allegations contained in this Paragraph, and on that basis deny the allegations in their entirety.

13. Denied.

14. Denied.

15. Denied.

16. Paragraph 16 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

JURISDICTION AND VENUE

17. Paragraph 16 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

18. Paragraph 17 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

PARTIES

19. Paragraph 19 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

20. Paragraph 20 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

21. Paragraph 21 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

22. The allegation that Colony Ridge Development is registered at PO Box 9799, Huntsville, TX 77340, is denied. The remainder of the allegations in Paragraph 22 are admitted.

23. Admitted.

24. Admitted.

25. The allegation that Colony Ridge BV is registered at PO Box 9799, Huntsville, TX 77340, is denied. The remainder of the allegations in Paragraph 22 are admitted.

26. The allegation that Colony Ridge Land is registered at PO Box 9799, Huntsville, TX 77340, is denied. The remainder of the allegations in Paragraph 22 are admitted.

27. Admitted.

28. Admitted.

29. Admitted.

30. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the allegations contained in this Paragraph, and on that basis deny the allegations in their entirety.

31. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the allegations contained in this Paragraph, and on that basis deny the allegations in their entirety.

DEFENDANTS' BUSINESS PRACTICES

Advertising and Marketing Targeted at Hispanic Consumers

32. Admitted that in 2011, Colony Ridge Development broke ground on land that eventually became the Montebello subdivision. Admitted that Montebello, Bella Vista, Rancho San Vicente, Grand San Jacinto, Camino Real, and Santa Fe each contains more than 100 lots. The remaining allegations in Paragraph 32 are denied.

33. Admitted that Colony Ridge Development markets lots for sale. The remaining allegations in Paragraph 33 are denied.

34. The allegations in Paragraph 34 are admitted with respect to Colony Ridge Development, except for the allegation that Colony Ridge Development operates the handle @terranoshouston2034 on YouTube, which is denied.

35. Admitted that Colony Ridge Development primarily uses Spanish to advertise lots for sale in its six residential subdivisions. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the remaining allegations contained in this Paragraph, and on that basis deny the allegations in their entirety.

36. Admitted only that colonyridge.com, terrenoshouston.com, terrenossantafe.com and terrenosparkway99.com are websites that the public may visit. The remaining allegations in Paragraph 36 are denied.

37. Admitted that terrenoshouston.com and terrenossantafe.com are available in Spanish. The remaining allegations in Paragraph 37 are denied.

38. Admitted.

39. Denied.

40. Admitted that advertising for property in Colony Ridge Development's six residential subdivisions highlights the opportunities for customers to build lasting, generational wealth through ownership of land. The remaining allegations in Paragraph 40 are denied.

41. Admitted that the advertisements described in Paragraph 41 are similar to advertisements that Colony Ridge Development has knowledge or information that it has posted to its social media accounts. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the specific advertisements referenced in this Paragraph, and on that basis deny the remaining allegations in their entirety.

42. Admitted that the advertisements described in Paragraph 42 are similar to advertisements that Colony Ridge Development has knowledge or information that it has posted to its social media accounts. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the specific advertisements referenced in this Paragraph, and on that basis deny the remaining allegations in their entirety.

43. Admitted that the advertisements described in Paragraph 43 are similar to advertisements that Colony Ridge Development has knowledge or information that it has posted to Colony Ridge Development's social media accounts. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the specific advertisements referenced in this Paragraph, and on that basis deny the remaining allegations in their entirety.

44. Admitted that Colony Ridge Defendants have informed consumers that a deposit and two forms of identification are necessary to make a purchase and that Colony Ridge Defendants do not check credit scores or histories. The remaining allegations in Paragraph 44 are denied.

45. Admitted.

46. Admitted.

47. Admitted that the advertisement described in Paragraph 47 is similar to advertisements that Colony Ridge Development has knowledge or information that it has posted to its social media accounts. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the specific advertisement referenced in this Paragraph, and on that basis deny the remaining allegations in their entirety.

Misrepresentations About Infrastructure Pre-Installed on the Lots

48. Denied.

49. Admitted that Colony Ridge Defendants' websites have included language regarding water, power and sewer services. The remaining allegations in Paragraph 49 are denied.

50. Admitted that Colony Ridge Defendants' advertising has referenced water, power and sewer services. The remaining allegations in Paragraph 50 are denied.

51. Denied.

52. Admitted that terrenoshouston.com has included statements directed to consumers regarding water, power and sewer services and financing available for vacant lots. The remaining allegations in Paragraph 52 are denied.

53. Denied.

54. Denied.

55. Denied.

Representations of the Lots as Homesites or Building Lots

56. Admitted that Colony Ridge Development has represented that lots in its six residential subdivisions may be used for borrowers to construct personal homes. The remaining allegations in Paragraph 56 are denied.

57. Admitted that the advertisement described in Paragraph 57 is similar to advertisements that Colony Ridge Development has knowledge or information that it has posted to its social media accounts. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the specific advertisement referenced in this Paragraph, and on that basis deny the remaining allegations in their entirety.

58. Admitted that the advertisement described in Paragraph 58 is similar to advertisements that Colony Ridge Development has knowledge or information that it has posted to its social media accounts. Colony Ridge Defendants lack sufficient knowledge or information

to form a belief about the truth of the specific advertisement referenced in this Paragraph, and on that basis deny the remaining allegations in their entirety.

59. Admitted that terrenoshouston.com has included statements regarding lots available for sale. The remaining allegations in Paragraph 59 are denied.

Prize Offers to Induce Visits

60. Admitted that Colony Ridge Development has offered customers the potential for prizes on its social media pages. The remaining allegations in Paragraph 60 are denied.

61. Admitted that the advertisement described in Paragraph 61 is similar to advertisements that Colony Ridge Development has knowledge or information that it has posted to its social media accounts. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the specific advertisement referenced in this Paragraph, and on that basis deny the remaining allegations in their entirety.

62. Admitted that the advertisement described in Paragraph 62 is similar to advertisements that Colony Ridge Development has knowledge or information that it has posted to its social media accounts. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the specific advertisement referenced in this Paragraph, and on that basis deny the remaining allegations in their entirety.

63. Admitted that the advertisement described in Paragraph 63 is similar to advertisements that Colony Ridge Development has knowledge or information that it has posted to its social media accounts. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the specific advertisement referenced in this Paragraph, and on that basis deny the remaining allegations in their entirety.

Sales Practices and Seller-Financed Extensions of Credit

64. Denied.

65. Admitted that Colony Ridge Land is recorded as the lender on filings with the Liberty County Clerk and retains the notes and the right to foreclose on properties. The remaining allegations in Paragraph 65 are denied.

66. Admitted that the process of purchasing a lot in one of Colony Ridge Development's six residential subdivisions generally includes an in-person property visit. The remaining allegations in Paragraph 66 are denied.

67. Admitted that Colony Ridge Development has sold lots to consumers who resided outside of Texas at the time of their lot purchase. The remaining allegations in Paragraph 67 are denied.

A. Property Visit

68. Admitted that customers seeking to purchase one or more lots in one of Colony Ridge Development's six residential subdivisions generally visit the site with a Colony Ridge Development salesperson. The remaining allegations in Paragraph 68 are denied.

69. Admitted that Colony Ridge Development ensures that customers are addressed in Spanish if that is the customer's preference. The remaining allegations in Paragraph 69 are denied.

70. Admitted, except for the statement that the consumer's property visit typically begins in the Colony Ridge's New Caney office, which is denied.

71. Denied.

72. Admitted.

73. Denied.

74. Admitted that Colony Ridge's interest rates are determined based on the customer's down payment. The remainder of the allegations in Paragraph 74 are denied.

75. Denied.

76. Admitted that sales assessors complete a sales card for internal use, which includes an acknowledgement of a property walkthrough. The remaining allegations in Paragraph 76 are denied.

77. Denied.

78. Denied.

79. Denied.

80. Admitted.

81. Admitted.

82. Denied.

B. Pre-Closing

83. Denied.

84. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the allegations contained in this Paragraph, and on that basis deny the allegations in their entirety.

85. Admitted only that Colony Ridge Land's closers are not licensed to provide legal advice and draft legal documents. The remaining allegations in Paragraph 85 are denied.

86. Admitted that the majority of Colony Ridge Land's closers are not licensed to originate loans in the State of Texas.

87. Admitted that Colony Ridge Land's closers review the consumer's two forms of identification and the sales card.

88. Admitted that Colony Ridge Land's closers do not request or collect any documentation regarding consumer's self-reported gross monthly income.

89. Admitted that Colony Ridge Land's closers do not request or collect any documentation showing the consumer's assets, debts, financial obligations, or other liabilities.

90. Denied.

91. Admitted that Colony Ridge Land's closers verbally review pre-closing documents with the consumer in the consumer's preferred language and collect signatures and initials, if necessary. The remaining allegations in Paragraph 91 are denied.

92. Denied.

93. Denied.

94. Denied.

95. Admitted that Colony Ridge Land's closers generally set up closing appointments, which takes place at least eight business days after the pre-closing. The remaining allegations in Paragraph 95 are denied.

96. Admitted that Colony Ridge Land's closers provide customers with copies of pre-closing documents. The remaining allegations in Paragraph 96 are denied.

97. Denied.

98. Denied.

99. Admitted that customers return for their closing appointments. The remaining allegations in Paragraph 99 are denied.

C. Closing

100. Admitted that Colony Ridge Land provides customers with closing documents to sign and initial. The remaining allegations in Paragraph 100 are denied.

101. Denied.

102. Denied.

103. Denied.

104. Denied.

105. Admitted that Colony Ridge closers provide documents to customers about the Houston El Norte Properties Owners Association, Inc., and that customers must provide Houston El Norte with an annual assessment. The remaining allegations in Paragraph 105 are denied.

106. Admitted that lots in Colony Ridge Development's six residential subdivisions are subject to a POA declaration of covenant, conditions, and restrictions, and that the declaration is in English. The remaining allegations in Paragraph 106 are denied.

107. Admitted only that the POA declaration of covenant, conditions, and restrictions contains terms related to permitting. The remaining allegations in Paragraph 107 are denied.

108. Admitted.

109. Admitted that Colony Ridge Land records the deed of trust and warranty deed with a vendor's lien with the Liberty County Clerk.

Loan Originator Services' Role in Extensions of Credit

110. Admitted.

111. Admitted that Gayle Campbell had an office in the Terrenos Houston office. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the remaining allegations contained in this Paragraph, and on that basis deny the allegations in their entirety.

112. Denied.

113. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the allegations contained in this Paragraph, and on that basis deny the allegations in their entirety.

114. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the allegations contained in this Paragraph, and on that basis deny the allegations in their entirety.

115. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the allegations contained in this Paragraph, and on that basis deny the allegations in their entirety.

116. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the allegations contained in this Paragraph, and on that basis deny the allegations in their entirety.

117. Denied.

Omissions of Total Estimated Costs of Constructing and Installing Infrastructure to Connect Utility Services on the Lots

118. Denied.

119. Denied.

120. Denied.

121. Denied.

122. Denied.

Hidden Post-Sale Expenses, Foreclosures, and Property-Flipping

123. Denied.

124. Denied.

125. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the allegations contained in this Paragraph, and on that basis deny the allegations in their entirety.

126. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the allegations contained in this Paragraph, and on that basis deny the allegations in their entirety.

127. Denied.

128. Admitted that consumers have defaulted on their mortgages. The remaining allegations in Paragraph 128 are denied.

129. Admitted that Colony Ridge Land generally initiates non-judicial foreclosures, which include serving a notice of sale on consumers. The remaining allegations in Paragraph 129 are denied.

130. Admitted.

131. Denied.

132. Denied.

133. Admitted that after a property is foreclosed, Colony Ridge Land transfers the repurchased properties back to Colony Ridge Development. The remaining allegations in Paragraph 133 are denied.

134. Denied.

135. Admitted only that the transaction history identified in Table 1 is accurate. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the allegations related to what Liberty County's records show, and on that basis deny those allegations in their entirety. The remaining allegations in Paragraph 135 are denied.

Common Enterprise

136. Denied.

137. Admitted.

138. Admitted as to subparagraphs (a)-(g). The remaining allegations in Paragraph 138 contain assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that the remaining allegations of this Paragraph contain any factual allegations requiring a response, Colony Ridge Defendants deny the allegations.

139. Admitted that Colony Ridge Development, Colony Ridge BV, and Colony Ridge Land all have been registered at the same post office box in Huntsville, Texas. The remaining allegations in Paragraph 139 are denied.

140. Denied.

141. Denied.

142. Denied.

143. Denied.

144. Denied.

145. Admitted that Colony Ridge Development and Colony Ridge BV have advertised and marketed using the names "Colony Ridge" and "Terrenos Houston." The remaining allegations in Paragraph 145 are denied.

146. Admitted that Colonyridge.com's "Subdivisions" page has advertised and marketed Colony Ridge Development's six residential subdivisions. Admitted that the allegations in Paragraph 146(c) are accurate. Admitted that Terrenoshouston.com has advertised and marketed Colony Ridge Development's six residential subdivisions. Admitted that Terrenosparkway99.com has advertised and marketed Colony Ridge Development's six residential subdivisions. The remaining allegations in Paragraph 146 are denied.

147. Admitted that Colony Ridge Land has offered collateral, consisting of promissory notes and liens payable to Colony Ridge Land and secured by properties in Colony Ridge

Development's six residential subdivisions, to support Colony Ridge Development's acquisition of one or more bank loans. The remaining allegations in Paragraph 147 are denied.

148. Paragraph 148 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

ILSA Registration with the Bureau

149. Admitted.

150. Admitted.

151. Admitted.

152. Admitted.

LEGAL BACKGROUND

ECOA and Regulation B

153. Paragraph 153 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

154. Paragraph 154 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

155. Paragraph 155 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

156. Paragraph 156 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

157. Admitted that Colony Ridge Development refers consumers seeking credit to Colony Ridge Land in the ordinary course of its business. The remaining allegations in Paragraph 157 are denied.

158. Denied.

159. Colony Ridge Defendants lack sufficient knowledge or information to form a belief about the truth of the remaining allegations contained in this Paragraph, and on that basis deny the allegations in their entirety.

160. Paragraph 160 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

The FHA

161. Paragraph 161 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

162. Paragraph 162 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

163. Paragraph 163 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

164. Paragraph 164 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

165. Paragraph 165 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

166. Paragraph 166 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

The CFPA

167. Paragraph 167 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

168. Paragraph 168 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

169. Paragraph 169 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

170. Paragraph 170 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

171. Paragraph 171 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

172. Paragraph 172 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

173. Paragraph 173 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

174. Paragraph 174 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

175. Admitted only that Colony Ridge Development, Colony Ridge BV, and Colony Ridge Land are owned by Colony Ridge, Inc. The remaining allegations in Paragraph 175 contain assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that the remaining allegations in this Paragraph contain any factual allegations requiring a response, Colony Ridge Defendants deny the remaining allegations in this Paragraph.

176. Paragraph 176 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

ILSA, Regulation J, and Regulation K

177. Paragraph 177 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

178. Paragraph 178 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

179. Paragraph 179 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

180. Paragraph 180 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

181. Paragraph 181 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

182. Paragraph 182 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

183. Paragraph 183 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

184. Paragraph 184 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

185. The allegations in Paragraph 185 contain assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that the remaining allegations in this Paragraph contain any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

186. Admitted that Colony Ridge Development and Colony Ridge BV have used the internet and telephone in connection with the sale of lots located within Colony Ridge Development's six residential subdivisions. The remaining allegations in Paragraph 186 contain assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that the remaining allegations in this Paragraph contain any factual allegations requiring a response, Colony Ridge Defendants deny the remaining allegations in this Paragraph.

COUNT I

Violation of ECOA and Regulation B: Pattern or Practice of Discrimination
(By the Consumer Financial Protection Bureau
And the United States of America)
(Against All Defendants)

187. Paragraph 187 does not require a response. In an abundance of caution, Colony Ridge Defendants repeat and reaffirm their answers to each and every allegation contained in the paragraphs above and incorporate the same herein as though fully set forth.

188. Paragraph 188 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

189. Paragraph 189 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

190. Paragraph 190 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

191. Paragraph 191 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

COUNT II

Violation of the FHA
(By the United States of America)
(Against All Defendants)

192. Paragraph 192 does not require a response. In an abundance of caution, Colony Ridge Defendants repeat and reaffirm their answers to each and every allegation contained in the paragraphs above and incorporate the same herein as though fully set forth.

193. Paragraph 193 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

194. Paragraph 194 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

195. Paragraph 195 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

196. Paragraph 196 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

197. Paragraph 197 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

COUNT III

Violation of the CFPA: Deceptive Acts or Practices
(By the Consumer Financial Protection Bureau)
(Against Colony Ridge Development, Colony Ridge BV,
and Colony Ridge Land)

198. Paragraph 198 does not require a response. In an abundance of caution, Colony Ridge Defendants repeat and reaffirm their answers to each and every allegation contained in the paragraphs above and incorporate the same herein as though fully set forth.

199. Denied.

200. Denied.

201. Paragraph 201 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

COUNT IV

Violation of ILSA and Regulation J:
Unlawful Sale of Non-Exempt Lots Without Statement of Record
(By the Consumer Financial Protection Bureau)

(Against Colony Ridge Development and Colony Ridge BV)

202. Paragraph 202 does not require a response. In an abundance of caution, Colony Ridge Defendants repeat and reaffirm their answers to each and every allegation contained in the paragraphs above and incorporate the same herein as though fully set forth.

203. Admitted.

204. Paragraph 204 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

COUNT V

Violation of ILSA and Regulation J:
Unlawful Sale of Non-Exempt Lots Without Property Reports
(By the Consumer Financial Protection Bureau)
(Against Colony Ridge Development and Colony Ridge BV)

205. Paragraph 205 does not require a response. In an abundance of caution, Colony Ridge Defendants repeat and reaffirm their answers to each and every allegation contained in the paragraphs above and incorporate the same herein as though fully set forth.

206. Paragraph 206 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

207. Paragraph 207 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

COUNT VI

Violation of Regulation K:
Unlawful Sale of Lots by Using Notes, Contracts, Deeds, and Other Documents Without an Accurate Translation Attached

(By the Consumer Financial Protection Bureau)
(Against Colony Ridge Development and Colony Ridge BV)

208. Paragraph 208 does not require a response. In an abundance of caution, Colony Ridge Defendants repeat and reaffirm their answers to each and every allegation contained in the paragraphs above and incorporate the same herein as though fully set forth.

209. Admitted that Colony Ridge Development and Colony Ridge BV have marketed lots in Spanish. Colony Ridge Defendants deny the remaining allegations in this Paragraph.

210. Admitted that Colony Ridge Development and Colony Ridge BV have conducted sales of lots in Spanish. Colony Ridge Defendants deny the remaining allegations in this Paragraph.

211. Denied.

212. Paragraph 212 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

COUNT VII

Violation of Regulation K:
Unlawful Sale of Lots by Representing Lots as Free from Periodic Flooding
(By the Consumer Financial Protection Bureau)
(Against Colony Ridge Development and Colony Ridge BV)

213. Paragraph 213 does not require a response. In an abundance of caution, Colony Ridge Defendants repeat and reaffirm their answers to each and every allegation contained in the paragraphs above and incorporate the same herein as though fully set forth.

214. Denied.

215. Admitted that some lots in the six residential subdivisions have been marketed as lots on which customers can build personal homes. Colony Ridge Defendants deny the remaining allegations in this paragraph.

216. Denied.

217. Paragraph 217 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

COUNT VIII

Violation of ILSA:
Unlawful Sale of Lots by Representing Lots as Free from Periodic Flooding
(By the Consumer Financial Protection Bureau)
(Against Colony Ridge Development and Colony Ridge BV)

218. Paragraph 218 does not require a response. In an abundance of caution, Colony Ridge Defendants repeat and reaffirm their answers to each and every allegation contained in the paragraphs above and incorporate the same herein as though fully set forth.

219. Denied.

220. Denied.

221. Denied.

222. Denied.

223. Denied.

224. Paragraph 224 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

COUNT IX

Violation of Regulation J: Failure to Timely File Annual Reports of Activity

(By the Consumer Financial Protection Bureau)
(Against Colony Ridge Development and Colony Ridge BV)

225. Paragraph 225 does not require a response. In an abundance of caution, Colony Ridge Defendants repeat and reaffirm their answers to each and every allegation contained in the paragraphs above and incorporate the same herein as though fully set forth.

226. Admitted.

227. Paragraph 227 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

COUNT X

Violation of the CFPA: Based on Violation of ECOA
(By the Consumer Financial Protection Bureau)
(Against All Defendants)

228. Paragraph 228 does not require a response. In an abundance of caution, Colony Ridge Defendants repeat and reaffirm their answers to each and every allegation contained in the paragraphs above and incorporate the same herein as though fully set forth.

229. Paragraph 229 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

230. Paragraph 230 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

COUNT XI

Violation of the CFPA: Based on Violation of ILSA
(By the Consumer Financial Protection Bureau)
(Against Colony Ridge Development and Colony Ridge BV)

231. Paragraph 231 does not require a response. In an abundance of caution, Colony Ridge Defendants repeat and reaffirm their answers to each and every allegation contained in the paragraphs above and incorporate the same herein as though fully set forth.

232. Paragraph 232 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

233. Paragraph 233 contains assertions of law, conclusory statements, and/or argument to which no response is required. To the extent that this Paragraph contains any factual allegations requiring a response, Colony Ridge Defendants deny the allegations in this Paragraph.

DEMAND FOR RELIEF

Colony Ridge Defendants deny that Plaintiffs are entitled to any of the relief sought in their Demand for Relief, including subparts (a)-(i) thereto.

JURY DEMAND

Colony Ridge Defendants hereby request a trial by jury pursuant to Rule 38 of the Federal Rules of Civil Procedure on all issues so triable.

DEFENSES

Colony Ridge Defendants hereby assert the following defenses and affirmative defenses:

1. Statute of limitations.
2. Laches.
3. Lack of fair notice.
4. Lack of subject matter jurisdiction.

Dated: October 29, 2024.

Respectfully submitted.

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CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of this document on the below-listed counsel of record, using the CM/ECF system on the 29th day of October, 2024.

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