

FILED
05-20-2020
Clerk of Circuit Court
Polk County, Wisconsin
2020CF000178

STATE OF WISCONSIN	CIRCUIT COURT	POLK COUNTY
STATE OF WISCONSIN Plaintiff,	DA Case No.: 2020PL000352 DA/ADA: Jeffrey L. Kemp Agency Case No.'s: DOJ19-2465/13 DOJ19-2465/6 DOJ19-2465/20 DOJ19-2465/18 DOJ19-2465/23 2018-00001081 <input type="checkbox"/> CT <input type="checkbox"/> CM <input checked="" type="checkbox"/> CF ATN:	
vs.		
Eric A Falstad W7237 Rappy Lake Rd Trego, WI 54888 DOB: 06/11/1992 Sex/Race: M/W		
Defendant.	CRIMINAL COMPLAINT	

For Official Use

Mandatory Fingerprinting

Pursuant to sec.970.02(7), Wis. Stats., at the Initial Appearance the Judge is required by law to determine at your first appearance in Court if your (the defendant's) fingerprints, photographs and other identifying data have been taken and if not, the Judge shall direct that this information be obtained;

- Identifying information has been obtained at the time of arrest
 Identifying information has not been obtained.

The undersigned complainant, on information and belief, being first sworn, on oath, states:

Count 1: THEFT BY CONTRACTOR >\$10,000 - \$100,000

The above-named defendant on and between October 20, 2017 and November 11, 2017, Polk County, Wisconsin, did as one under an agreement for the improvement of land, received money from the owners CCF and without consent of the owners and contrary to his authority; intentionally used any of the money for any purpose other than the payment of claims due or to become due from the defendant for labor and materials used in the improvements before all claims were paid in full contrary to sec. 943.20(1)(b) Wis. Stats. and, contrary to sec. 779.02(5)&943.20(3)(c) Wis. Stats., a Class G Felony, and upon conviction may be fined not more than Twenty Five Thousand Dollars (\$25,000), or imprisoned not more than ten (10) years, or both.

Count 2: THEFT BY CONTRACTOR >\$10,000

The above-named defendant on and between July 20, 2017 and September 22, 2017, Polk County, Wisconsin, did as one under an agreement for the improvement of land, received money from the owners TAF and without consent of the owners and contrary to his authority; intentionally used any of the money for any purpose other than the payment of claims due or to become due from the defendant for labor and materials used in the improvements before all claims were paid in full contrary to sec. 943.20(1)(b) Wis. Stats. and, contrary to sec. 779.02(5)&943.20(3)(c) Wis. Stats., a Class G Felony, and upon conviction may be fined not more than Twenty Five Thousand Dollars (\$25,000), or imprisoned not more than ten (10) years, or both.

Count 3: THEFT BY CONTRACTOR >\$5000 <=\$10,000

The above-named defendant on and between August 4, 2017 and October 31, 2017, Polk County, Wisconsin, did as one under an agreement for the improvement of land, received money from the owners DMR and PDR and without consent of the owners and contrary to his authority; intentionally used any of the money for any purpose other than the payment of claims due or to become due from

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the defendant for labor and materials used in the improvements before all claims were paid in full contrary to sec. 943.20(1)(b) Wis. Stats. and, contrary to sec. 779.02(5)&943.20(3)(bm) Wis. Stats., a Class H Felony, and upon conviction may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than six (6) years, or both.

Count 4: THEFT BY CONTRACTOR >\$10,000

The above-named defendant on and between August 17, 2017 and September 25, 2017, Polk County, Wisconsin, did as one under an agreement for the improvement of land, received money from the owners AJV and PHV and without consent of the owners and contrary to his authority; intentionally used any of the money for any purpose other than the payment of claims due or to become due from the defendant for labor and materials used in the improvements before all claims were paid in full contrary to sec. 943.20(1)(b) Wis. Stats. and, contrary to sec. 779.02(5)&943.20(3)(c) Wis. Stats., a Class G Felony, and upon conviction may be fined not more than Twenty Five Thousand Dollars (\$25,000), or imprisoned not more than ten (10) years, or both.

Count 5: THEFT BY CONTRACTOR >\$10,000

The above-named defendant on or about Saturday, February 24, 2018, Polk County, Wisconsin, did as one under an agreement for the improvement of land, received money from the owners DLA and TFA and without consent of the owners and contrary to his authority; intentionally used any of the money for any purpose other than the payment of claims due or to become due from the defendant for labor and materials used in the improvements before all claims were paid in full contrary to sec. 943.20(1)(b) Wis. Stats. and, contrary to sec. 779.02(5)&943.20(3)(c) Wis. Stats., a Class G Felony, and upon conviction may be fined not more than Twenty Five Thousand Dollars (\$25,000), or imprisoned not more than ten (10) years, or both.

Count 6: THEFT BY CONTRACTOR >\$2500 <=\$5000

The above-named defendant on or about Monday, March 19, 2018, Polk County, Wisconsin, did as one under an agreement for the improvement of land, received money from the owners CLM and JM and without consent of the owners and contrary to his authority; intentionally used any of the money for any purpose other than the payment of claims due or to become due from the defendant for labor and materials used in the improvements before all claims were paid in full contrary to sec. 943.20(1)(b) Wis. Stats. and, contrary to sec. 779.02(5)&943.20(3)(bf) Wis. Stats., a Class I Felony, and upon conviction may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than three (3) years and six (6) months, or both.

And prays that said defendant be dealt with according to law; and that the basis for complainant's charge of such offense is:

Your complainant is employed by the Polk County Sheriff's Office and in said capacity has access to the reports filed by Special Agent Mary Van Schoyck of the Wisconsin Department of Justice DCI.

PROBABLE CAUSE

SA Van Schoyck states the Department of Justice (DOJ) Consumer Protection and Antitrust Unit received a referral from the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) reference Contractor **Eric Falstad** and/or **Top Notch Exteriors, LLC**. DATCP received numerous complaints that Falstad received payment for work but did not pay for materials or follow through with contracted services.

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On June 12, 2019, at approximately 11:45 AM, Van Schoyck interviewed CCF via telephone. CCF stated the following in summary:

CCF observed an advertisement for Top Notch Exteriors. CCF contacted Top Notch and spoke with Falstad. CCF requested an estimate for new siding, windows and roof replacement on several buildings located at his property, 516 State Road 46, Amery, Polk County, Wisconsin.

CCF stated on approximately October 20, 2017, he met with Falstad at his residence. CCF stated Falstad completed a Top Notch Exteriors Proposal for the work requested for \$21,000. Due to the large nature of the work requested, Falstad completed five separate proposals that broke down each task for the total project. Top Notch required half of the total proposal amount as a down payment and the remainder due upon completion. CCF agreed to and signed the proposal. CCF wrote Falstad personal check #2016 in the amount of \$8,000. On November 11, 2017, CCF wrote Falstad personal check #3017 in the amount of \$3,000.

CCF stated Falstad poorly completed some of the work requested and some other projects were not started or left unfinished. CCF stated Falstad never returned to complete the work requested. CCF believed Falstad was going to use the \$11,000 to purchase material and would not have given Falstad the money if CCF knew he was going to use the money for something else. CCF stated he never discussed using the money for other purposes with Falstad. CCF stated Falstad did not return any of his money.

On July 12, 2019, at approximately 2:05 PM, Van Schoyck interviewed TAF via telephone. TAF stated the following in summary:

On approximately July 20, 2017, Falstad called TAF and came to his property at 1996 26th Avenue, in Polk County, Wisconsin. Falstad estimated the work requested would be \$20,000. Falstad completed a Top Notch Exteriors Proposal for the work requested. Top Notch required half of the total proposal amount as a down payment and the remainder due upon completion. TAF agreed to and signed the proposal. TAF wrote Falstad personal check #3828 in the amount of \$10,000.

TAF stated Falstad and his "crew" completed installation of the new roof and Falstad subcontracted for the siding installation. TAF was satisfied with the completion of the roof and siding and gave Falstad personal check #3832 in the amount of \$9,900 for the completion of the job.

Falstad and his father, Andrew Falstad, installed TAF's new garage doors. When Falstad was at TAF's residence, TAF received a bill from Arrow Building Center. Falstad told TAF the bill was taken care of and not to worry. Falstad and Andrew completed the installation and Falstad never returned to TAF's residence. TAF states Falstad left several tools and equipment at his house and he contacted Falstad's employees to have the items removed.

In approximately October of 2017, TAF received notice that Consolidated Lumber Company, LLC D/B/A Arrow Building Center intended to file liens on 1996 26th Avenue. TAF contacted Andrew Falstad reference the notice. Andrew stated he was unsure if the invoice would be paid prior to a lien being placed on the property.

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TAF received an invoice from Arrow Building Center that indicated ladders, gloves, gutters and other times were charged to his account that were never purchased as part of his contract with Falstad. TAF believed Falstad was going to use the money to purchase materials and would not have given Falstad the money if he knew Falstad was going to use it for something else. TAF never discussed using the money for other purposes with Falstad.

On July 9, 2019, Van Schoyck interviewed PDR and DMR via telephone. PDR and DMR stated the following in summary:

Falstad completed work on their neighbor's house. Initially, their neighbor, TAF, was happy with the work and PDR decided to hire Falstad. PDR contacted Top Notch Exteriors and talked with Falstad. Falstad came to their residence located at 1975 26th Avenue, Star Prairie, Polk County, Wisconsin, and they discussed the work they wanted completed.

On approximately August 4, 2017, Falstad returned to the residence. Falstad completed a Top Notch Exteriors Proposal for the work requested for \$18,000. Top Notch Exteriors required half of the total proposal amount as a down payment and the remainder due upon completion. PDR agreed to and signed the proposal. PDR and DMR provided personal check #1645 in the amount of \$9,000.

Falstad hired subcontractor Steven Falstad with Lifetime Exteriors to complete PDR and DMR's roof and it ultimately was completed.

On approximately October 31, 2017, Falstad requested an additional payment of \$4,000 to order their windows. PDR and DMR gave Falstad personal check #7654 in the amount of \$4,000.

On approximately November 15, 2017, PDR and DMR received a letter from Steven Falstad that indicated he was not paid by Eric Falstad for the roof completion. On approximately November 27, 2017, PDR and Steven Falstad went to Top Notch Exteriors located at W7237 Rappy Lake Road, Trego, Wisconsin. PDR and Steven spoke with Andrew Falstad who stated Falstad was not home. On approximately December 26, 2017, PDR and DMR paid Steven Falstad \$4,000 in cash to satisfy the amount owed and avoid a construction lien on their property.

PDR knew Falstad received material from Diamond Valley Construction and Arrow Building Center but did not pay for them. PDR and DMR paid the amounts due to avoid liens. PDR and DMR believed Falstad was going to use their \$13,000 to purchase materials and would not have given him money if they knew he was going to use the money for something else. Falstad, PDR and DMR never discussed Falstad using their money for other purposes.

PDR and DMR attempted to contact Falstad via telephone and were unable to reach him. They never received any form of repayment from Falstad.

On July 9, 2019, at approximately 3:10 PM, Van Schoyck interviewed AJV via telephone. AJV stated the following in summary:

One of AJV's friends had hired Falstad and recommended AJV hire him for a new roof installation for his residence, cabin and garage and new gutters at his residence. AJV contacted Falstad and explained the work he would like completed at his properties located at 534 Round Lake Lane, Osceola, Polk County, Wisconsin, and 540 Round Lake Court, Osceola, Polk County, Wisconsin.

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On approximately August 17, 2017, Falstad met with AJV at 534 Round Lake Lane. Falstad completed a Top Notch Exteriors Proposal for the work requested for \$21,500. Top Notch required half of the total proposal amount as a down payment and the remainder due upon completion. AJV agreed to and signed the proposal. AJV gave Falstad personal check #5450 in the amount of \$10,750.

On approximately September 22, 2017, the roofs were completed and AJV gave Falstad personal check #5454 in the amount of \$9,000.

On approximately September 25, 2017, AJV wrote Falstad personal check #5456 in the amount of \$1,750 for the gutter completion. The Top Notch Exteriors proposal listed the installation of new leaf guards on seamless gutters. AJV stated Falstad installed the incorrect gutters and never returned to remedy the issue.

In approximately October 2017, AJV received notice that Consolidated Lumber Company, LLC D/B/A Arrow Building Center intended to file liens on 534 Round Lake Lane and 540 Round Lake Court.

AJV did not know where Falstad was going to purchase material from. AJV believed Falstad was going to use the money to purchase materials and would not have given Falstad the money if he had known Falstad was going to use the money for something else. Falstad and AJV never discussed Falstad using his money for other purposes.

On July 9, 2019, at approximately 2:51 PM, Van Schoyck interviewed DLA via telephone. DLA stated the following in summary:

On approximately February 24, 2018, Falstad came to her home located at 542 240th Street, Osceola, Polk County, Wisconsin, and explained to her husband, TFA, that he was a business owner doing repair work in the area. TFA met with Falstad and explained the work he would like completed. Falstad completed a Top Notch Exteriors Proposal for the work requested for \$19,200. Top Notch required a portion of the proposal amount as a down payment and the remainder was due upon completion. TFA agreed to and signed the proposal. TFA wrote Falstad a personal check, #8054 in the amount of \$10,000.

DLA stated Falstad showed up to their house with approximately three other employees. Falstad "sat and watched" his employees. DLA stated at this time, approximately half of the materials had not arrived and the employees couldn't finish the project.

DLA stated Falstad and his employees returned and poorly completed their roof. DLA stated on approximately April 22, 2018, Falstad explained that there were "over charges" and requested more money to pick-up their siding. DLA stated TFA called Lampert's Lumberyard and verified there was still an amount owed on their materials. DLA stated after the verification, TFA gave Falstad person check #2075 in the amount of \$2,500.

DLA stated Falstad removed old siding and advised them that he was not going to Tyvek underneath the new siding. DLA explained she wanted the Tyvek and believed Falstad partially installed Tyvek. DLA stated Falstad installed a portion of the siding but it was crooked.

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DLA stated on approximately April 24, 2018, Alexander Kerr, Brandon Van Patter, and Cody Benson returned to the house and explained Falstad had not paid them. DLA states TFA wrote them each a check in the amount of \$830 to finish the siding. DLA stated TFA wrote Kerr personal check #8056 in the amount of \$1,000 to order the remaining fascia and soffit. DLA stated Kerr, Van Patter and Benson left the residence and never returned to complete the siding.

DLA states Falstad nor his employees returned to complete the work requested. DLA stated they believed Falstad was going to use the \$12,500 to purchase materials and pay for labor. DLA stated they would not have given Falstad the money if they knew he was going to use the money for something else. DLA stated they never discussed using their money for other purposes with Falstad. DLA stated Falstad did not return any of their money.

DLA stated on approximately May 4, 2018, TFA wrote Lampert's Lumberyard a personal check for \$1,500 to receive the remainder of their soffit and fascia.

DLA stated on approximately July 11, 2018, they contacted Krumm Siding & Roofing to finish the work left by Falstad. DLA stated Krumm Siding & Roofing took picture of nails protruding through the shingles installed by Falstad. DLA stated due to Falstad's installation, the warranty was voided on all shingles. DLA stated Krumm Siding & Roofing stated there was no flashing and the shingles were partially not nailed down. DLA stated Krumm Siding & Roofing completed an estimate to completely replace the roof for \$12,387.87 and replace the soffit and fascia for \$3,215.27.

On May 10, 2019, at approximately 3:00 PM, Van Schoyck interviewed JM via telephone. JM stated the following in summary:

JM observed an advertisement and good reviews from Top Notch Exteriors on Angie's List. In the beginning of March 2018, JM contacted Top Notch and talked with Falstad. Falstad came to his residence located at 1087 55th Avenue, Amery, Polk County, Wisconsin, and they discussed the work JM wanted completed.

On March 19, 2018, Falstad and Alexander Kerr returned to JM's residence. Kerr completed a Top Notch Exteriors Proposal for the work requested for \$10,000. Top Notch Exteriors required a portion of the total proposal amount as a down payment and the remainder due upon completion. JM agreed to and signed the proposal. JM's wife, CLM, gave Kerr personal check #4587 in the amount of \$4,000.

Kerr informed JM that Falstad purchased special order materials at Menards in Rice Lake. Kerr told JM he observed JM's materials at Falstad's residence but returned later and they were gone. Kerr believed Falstad returned the materials. JM did not receive any materials or any service from Falstad. JM contacted Menards in an attempt to locate his materials but Menards would not provide any information.

JM believed Falstad was going to use his \$4,000 to purchase material and would not have given him money if he knew Falstad was going to use the money for something else. Falstad and JM never discussed Falstad using his money for other purposes.

JM attempted to contact Falstad via telephone and email and was unable to reach him. JM never received any form of repayment from Falstad.

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On August 9, 2019, Van Schoyck called Eric Falstad and asked if he would meet with special agents. Falstad said he would and asked to meet near Nick's Family Restaurant located in Spooner, Wisconsin.

At approximately 2:35 PM, Van Schoyck and SA Kleinhans arrived at Nick's Family Restaurant and made contact with Falstad. Van Schoyck explained why she wanted to speak with him and he asked if he would be arrested. Van Schoyck advised Falstad that he would not be arrested and did not have to speak with her. Falstad stated he wanted to "settle all these issues and pay them back" and that he would speak with Van Schoyck. Falstad stated the following in summary:

Falstad's father, Andrew Falstad, retired from his construction company, Falstad Construction, shortly after Falstad graduated high school. Falstad took over the business in 2011. Falstad renamed Falstad Construction to Top Notch Exteriors because his father no longer wanted their last name in the business name. When Falstad took over the business it was in good standing.

Falstad explained the reason he got into so much trouble was because he was not a "good businessman" and had a gambling problem. Falstad recalled an instance where he received money down and used it to purchase a Chevy Malibu because he commonly drove to New Richmond for work. Falstad stated he purchased several new tools with payment and overpaid "bad employees" who did drugs. Falstad could not recall any other large items he paid for with customers' deposits or payments. Falstad stated all employees who ever worked for him were paid.

Falstad stated several lumberyards placed liens on his customers' homes. The customers reported they paid Falstad and the lumberyard "came after" Falstad for the money. The lumberyard agreed to allow Falstad to make \$1,000 monthly payments for one year. At the end of the year, Falstad would need to pay \$40,000 in a lump sum. Falstad knew he would not be able to make the payment. Falstad's father sold their home to pay the lumberyards off.

Falstad stated when their house was sold, the check was issued directly to the lumberyard and their attorney. Falstad stated the attorney took an extra \$20,000 that he did not anticipate and will delay repayment to others.

Falstad stated he subcontracted his cousin, Steven Falstad, to complete three roofs on two different properties for AJV. With AJV's money, Falstad paid Steven and possibly went to the casino with the remainder. AJV filed a civil suit against Falstad.

Falstad stated he started the siding for TAF but had to hire Steven to finish the work requested. The work requested was completed but Falstad did not pay the lumberyard for TAF's materials. The lumberyard placed a lien on TAF's residence and he filed a civil suit against Falstad.

Falstad stated he completed the work requested for PDR. Falstad was contracted to install garage doors but was advised by PDR that his brother would install them. Van Schoyck states PDR actually paid Arrow Building Center and Steven.

Falstad stated he completed TFA's roof and siding. After the completion they required Falstad sign a letter drafted by their attorney that stated they did not want him to finish the soffit and fascia. TFA's wife told Falstad to get off the property and never return. TFA and his wife have paid receipts for all of the materials used at their worksite. Van Schoyck explained TFA and his wife reported they paid Alexander Kerr, Scott Van Patter and Cody Benson. Falstad stated he always paid his workers.

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Falstad could not recall JM. Falstad reviewed the Top Notch Exteriors Proposal with JM and noted Kerr signed it. Falstad could not recall any details surrounding JM's work requested. Van Schoyck explained there might have been some materials purchased and returned through Menards. Kerr was Falstad's salesman. Kerr would complete the proposal and give it to Falstad. Falstad would supply the materials. All purchases and returns were conducted through Falstad.

Falstad reviewed the Top Notch Exteriors signed proposal with CCF to refresh his memory of the contract. For proposal #1, Falstad ordered the materials but did not complete the work requested. Falstad ordered the materials from an Amish builder in Rice Lake but did not know if he still had the materials. Falstad completed proposal #2, #3 and #4. Proposal #5 was not signed and Falstad was not hired to complete the work requested.

Falstad stated he intended to repay everyone, but there is a long line of people who want money. Falstad stated he is unable to find work because of all of the complaints.

In several of the contracts, Falstad wrote money not refundable unless faulty workmanship and he believed that enabled him not to pay the people back. Van Schoyck asked about those who received no materials or work after giving Falstad money and he did not respond.

Based on the foregoing, the complainant believes this complaint to be true and correct.

Subscribed and sworn to before me on 05/20/20

Electronically Signed By:

Jeffrey L. Kemp

District Attorney

State Bar #: 1075842

Electronically Signed By:

Deputy A. Goehring, 916

Complainant