

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
_____ DIVISION

**LEWIS BISHOP and
SHARON BISHOP**

PLAINTIFFS

vs.

NO. _____

**RENEWAL RANCH; LARRY PILLOW,
individually and as Chairman of the Board
of Renewal Ranch; and MARSHA RAWLS,
DAVID STOBAUGH, TRAVIS PARSLEY,
KIM HOGUE, CHRIS ALLEN, JERRY JAMES,
and AL MAJOR, each individually
as a Member of the Board of Renewal Ranch**

DEFENDANTS

COMPLAINT

Comes Plaintiffs, Lewis and Sharon Bishop, by and through their attorney, Steven Napper, Ltd., and for their Complaint over and against the Defendants, Renewal Ranch; Larry Pillow, individually and as Chairman of the Board of Renewal Ranch; and Marsha Rawls, David Stobaugh, Travis Parsley, Kim Hogue, Chris Allen, Jerry James, and Al Major, each individually as a Member of the Board of Renewal Ranch, do hereby state and allege as follows:

I. PARTIES, JURISDICTION AND VENUE

1. Lewis and Sharon Bishop are individual residents of Perry County, Arkansas and reside near Houston, Arkansas.
2. Renewal Ranch is an Arkansas 501(c)(3) nonprofit corporation with its principal place of business at 75 Lake Drive, Houston, Arkansas 72070.

3. The individual Defendants are residents of Perry County, Faulkner County and Pulaski County and are jointly and severally liable for their acts which arise out of the same transactions or occurrences as alleged herein.

4. This Court has jurisdiction over the parties hereto and the subject matter hereof. Venue properly lies in this Court.

II. FACTUAL ALLEGATIONS

5. In the fall of 2009, Defendant Larry Pillow (“Pillow”) and other individuals conceived a men’s rehabilitation center development plan for the Conway, Arkansas area. Defendant Pillow located a large tract of land and a house that would be the ideal piece of real estate for the rehabilitation center that would become the Renewal Ranch. About 90 acres in size, the tract offered for sale consisted of about 25 acres lying above the floodplain and south of Jones Lake No. 2, about 55 acres lying in the flow-way, and the remainder lying in the floodplain. (“Flow-way” describes land that FEMA designates as not even suitable for the planting of a tree. It must remain totally unencumbered to allow free flow of flood water; thus its use is limited to agricultural pursuits.) Defendant Pillow and the other interested individuals wanted the 25-acre prime land above the floodplain as a location for the twelve or more buildings that would comprise the full-blown Renewal Ranch rehabilitation center. However, the seller was not willing to negotiate on the 90-acre tract unless an adjacent tract of approximately nine acres and a second house was included in the deal.

6. Defendant Pillow contacted an old college buddy, Plaintiff Lewis Bishop (“Lewis”), who at that time lived in Oklahoma, and asked for help to start Renewal Ranch. Many trips (greater than 300 miles each) later, and many discussions later, Lewis and his wife Sharon concluded that they would provide assistance. They would contribute by giving the down

payment money for Renewal Ranch's tract so that a bank loan could be secured. Additionally, they agreed to buy the second house and its 2.1 acres. As part of the purchase Plaintiffs were also to buy a so-called "Wedge Land" of 6.2 acres, making the Plaintiffs' land a total of 8.9 acres. The Plaintiffs would physically move into and be part of the budding Renewal Ranch rehabilitation center. The Plaintiffs would invest an amount of money exceeding 45 percent of Lewis' entire \$742,000 retirement benefit, which had been paid to Lewis upon his retirement from Exxon-Mobil Corporation at the termination of his 37-year career in mechanical engineering.

7. Defendant Pillow represented to the Plaintiffs that the \$221,000 purchase price of the 8.9 acre tract and the second house represented fair market value of the property. Defendant Pillow's proposition also contained a requirement that the Plaintiffs not communicate in any way with the seller of the land, nor conduct any due diligence as to suitability for habitation or confirmation of appraised value. The Plaintiffs later learned that the seller of the property, Jason Rapert, was a business partner with the son of Defendant Pillow. They also later concluded that the value of the second house and land had been misrepresented and significantly inflated, based on two attempts to secure home financing and a market analysis of the property.

8. A few days prior to the planned closing date of May 3, 2012, Defendant Pillow approached Lewis seeking a concession. Part of the Plaintiffs' planned purchase included the 6.2-acre area Wedge Land which was located north of Jones Lake No. 2 and thus separated from the main body of Renewal Ranch's best land. Defendant Pillow requested that the Plaintiffs convey all of the Wedge Land that was above the flood plain, and therefore suitable for building (almost 4 acres), to Renewal Ranch for construction of a bunkhouse. Defendant Pillow explained that the Renewal Ranch's tract of land needed to remain free from construction until an

architecturally-pleasing Master Plan could be completed at a later date, but that it was vital for Renewal Ranch to acquire part of the Wedge Land for construction of some kind of a “hurry-up,” economical, “stop-gap” bunkhouse.

9. The Plaintiffs agreed to the land swap of a strip of Renewal Ranch land that lay in the Flow Way in exchange for the desired portion of the Wedge Land as long as certain conditions were met. Prior to closing, Plaintiffs had long contemplated the necessity of constructing a shop and storage building on the Wedge Land to hold their considerable amount of personal property that would not fit into their newly purchased home. Plaintiffs agreed to the swap in exchange for the Defendants’ promise that, in addition to the construction of the bunkhouse, a “multipurpose” building which the Plaintiffs and Renewal Ranch would use jointly as a shop and storage building would be built in a timely manner.

10. The purchase of the two properties closed on May 3, 2010. At closing, the Plaintiffs paid \$92,000 for the down payment of the Defendants’ property which now included about 4 acres of the Wedge Land. The Plaintiffs then paid \$221,000 plus closing costs for the second house with its acreage, the remaining Wedge Land located in the floodplain, and the land from the land swap located in the flow-way. Soon thereafter Lewis was appointed chairman to head up the multipurpose building team.

11. To eliminate all or most of the financial burden that might restrict Defendants from building the agreed-upon structure, the Plaintiffs further stated that they would contribute \$70,000.00 to the construction of the multipurpose building. Interestingly, during the early weeks of bunkhouse construction, donors were not coming forth with more than a small percentage of the amounts that Defendant Pillow had expected; therefore, he was forced to borrow heavily for bunkhouse construction. Wishing to “spark” potential donors and ease Defendant Pillow’s debt

concern, the Plaintiffs proposed to Defendant Pillow the following: The Plaintiffs would add \$10,000 to the \$70,000 plan for the multipurpose building, rounding the total to \$80,000. It would be designated as a “matching” gift plan. The Plaintiffs said the donors must be new donors, and that the qualifying donations must be small amounts—such as \$300 or less, each. The Plaintiffs fully intended that the full \$80,000 in small amounts be raised, and then the Plaintiffs would match that total.

12. Defendant Pillow agreed to the gift-matching program. Within two days, a \$10,000 gift materialized, and Defendant Pillow asserted that it must be matched by the Plaintiffs, since the donor had not yet heard about the donation size limitation. Defendant Pillow persuaded the Plaintiffs to accept a change to the program so that their matching gifts would be divided into four \$20,000 installments. Defendant Pillow further insisted that the Plaintiffs accept larger amounts such as \$500 or \$1000 as valid matches. When the first \$20,000 was accumulated, the Plaintiffs paid their matching amount, believing that the money would be allocated to the multipurpose building. These funds were instead misused and applied to the bunkhouse construction. When the second \$20,000 was presented to the Plaintiffs for matching funds, Lewis refused, objecting to issues such as size of donations, Defendant Pillow’s family member donation contributions, repeat donors, and lack of documentation. When asked by Lewis, Renewal Ranch administrator, Heather Van Kampen, could only produce three “matching donor” application forms, which totaled only a tiny fraction of the \$40,000 total which Defendant Pillow said were valid. It was obvious that the gift-matching program was not being pursued in a forthright manner. During Defendant Pillow’s last exchange at the Plaintiffs’ house, in which he was trying to gain the second \$20,000 matching amount, Defendant Pillow asked heatedly, “Do you think I would spend my time talking to people about \$100 or \$200

contributions when I can talk to the right person and gain a \$10,000 or \$20,000 donation?” Believing that the gift-matching program was not being pursued in good faith and that further installments would not result in a multipurpose building, Lewis declared that he would make no further contributions to the plan. Lewis began asking Defendant Pillow to place Lewis on the Board of Renewal Ranch so he could understand and appreciate how and why decisions were being made. Defendant Pillow averred that he would do so, but over a period of some months, many different reasons for why the Board would not allow Lewis as a member were voiced by Defendant Pillow. Lewis gave up on that request.

13. Renewal Ranch continued construction of the bunkhouse, adding many elements to the construction which departed substantially from the originally planned Spartan approach. In other words, the bunkhouse was becoming a “showcase” Lodge, displaying architectural excellence that specifically was to have been reserved for the Renewal Ranch land under the master plan. The \$20,000.00 contribution made by the Plaintiffs that was intended for the multipurpose building was instead used for construction of the Lodge. The multipurpose building proposal was abandoned altogether, and the pad which had been prepared for its foundation was obliterated. In addition, Lewis was removed from the multipurpose building team.

14. On June 20, 2011, Defendant Pillow and the Renewal Ranch Board sent the Plaintiffs a letter that amounts to an official, unilateral repudiation of their agreement with the Plaintiffs, attached hereto as Exhibit “A”. The letter stated that Renewal Ranch would “furnish as much labor as possible to help you construct ... the shop building for your use on your land.” What the letter did not address was the fact that Renewal Ranch had taken possession of all of the Plaintiffs’ buildable land. In negotiations for the Wedge Land, Defendant Pillow clearly promised that the bunkhouse was a startup building and that the multipurpose building would be

built alongside. Defendants by their actions have breached their agreement with the Plaintiffs as to the multipurpose building.

15. From opening discussions and throughout negotiations with Defendant Pillow, Plaintiffs were told they would be heavily involved and invested “volunteers” to the Renewal Ranch, and that their participation would be meaningful to the men in rehabilitation. Defendant Pillow said that Lewis would be a “good role model for the guys” as he commenced working with them in the multipurpose building that was envisioned. Even after Lewis agreed to the land swap in addition to the initial property purchase, Lewis has not been allowed to become a member of the Renewal Ranch Board. It appears that from the beginning, the Plaintiffs were lured from Oklahoma to the Renewal Ranch through a series of misrepresentations and false promises.

16. A few months after the Wedge Land was traded to Renewal Ranch, and after months of working as Building Team Chairman, the Plaintiffs’ relationship with Defendant Pillow deteriorated. Defendant Pillow was on the committee, and none of many building ideas and locations presented by Lewis was acceptable to Defendant Pillow. Plaintiffs know of no positive Board action regarding construction of the promised multipurpose building. Something caused the Board of the Renewal Ranch to begin viewing the Plaintiffs in a negative light, which caused the Board to refuse to deal with, or in fact to even allow Lewis to come to a Board Meeting and address any of these issues. Defendant Pillow’s unshakable policy of “holding Plaintiffs and the Board at arms’ length” from each other has been perpetuated to discredit and disparage the Plaintiffs in the eyes of the Board.

17. Specifically, Defendant Pillow evidently represented to the Board that Lewis had not been a team player with Renewal Ranch and had worked against their goals and instructions.

He further evidently represented that Lewis had failed to keep his word to Renewal Ranch and to Defendant Pillow on a number of occasions. A Board letter of December 6, 2011, stated that Lewis was unwilling to take any responsibility for his actions and wrongdoing, and that Lewis held grudges against Defendant Pillow and the Board. Evidently, the Board learned all of these ill-performance accusations from Defendant Pillow, because Lewis has not worked with board members or attended any board meetings. Also, the letter said Lewis had inappropriately criticized Pillow and board members. These accusatory statements in the Board's December 6 letter are general in nature and will not be supported by facts. This has done damage to the Plaintiffs' reputation in and around Renewal Ranch, has essentially ended the Plaintiffs' positive input to Renewal Ranch, and has caused the Plaintiffs to look elsewhere for a home and involvement in community philanthropic activity.

FIRST CAUSE OF ACTION
VIOLATION OF THE DECEPTIVE TRADE PRACTICES ACT

18. Plaintiffs incorporate herein by reference each and every allegation contained in Paragraphs 1-17 inclusive of this Complaint as if fully set forth herein.

19. Defendants have violated A.C.A. § 4-88-107(a)(7) by making false representations that contributions solicited for charitable purposes shall be spent in a specific manner or for specified purposes.

20. Defendants have also violated § 4-88-107(a)(10) by engaging in any other unconscionable, false, or deceptive act or practice in carrying out the business and purpose of Renewal Ranch.

21. As a proximate result of Defendants' violation of the Deceptive Trade Practices Act, Plaintiffs seek restitution in an amount in excess of \$200,000.00, plus punitive damages and attorney's fees specifically allowed by A.C.A. § 4-88-204.

22. In addition, all Defendants are jointly and severally liable for the violations set out above pursuant to A.C.A. § 4-88-113(d)(1).

SECOND CAUSE OF ACTION
BREACH OF CONTRACT

23. Plaintiffs incorporate herein by reference each and every allegation contained in Paragraphs 1-22 inclusive of this Complaint as if fully set forth herein.

24. Plaintiffs have performed all conditions and promises pursuant to their agreement with Renewal Ranch regarding the Wedge Land trade, except for those conditions which have been prevented or otherwise excused by the conduct of Defendants.

25. The Defendants have materially breached the parties' agreement by refusing to build the multipurpose building on the Wedge Land.

26. As a proximate result of Defendants' breach of contract, Plaintiffs have sustained damages in an amount in excess of \$100,000.00

27. In addition, Plaintiffs are entitled to their attorneys fees and costs incurred as a result of the Defendants' breach of contract pursuant to A.C.A. § 16-22-308.

THIRD CAUSE OF ACTION
**BREACH OF THE IMPLIED COVENANT OF GOOD
FAITH AND FAIR DEALING**

28. Plaintiffs incorporate herein by reference each and every allegation contained in Paragraphs 1-27 inclusive of this Complaint as if fully set forth herein.

29. Every contract imposes upon each party a duty of good faith and fair dealing in its performance and its enforcement. The duty is an implied promise between the parties that they will exercise good faith in performing their obligations under the

contract. Stated another way, the duty is an implied promise between the parties that they will not do anything to prevent, hinder, or delay the performance of the contract.

30. The Defendants, by their acts alleged above, have violated the implied covenant of good faith and fair dealing. As a result of the Defendants' lack of good faith and fair dealing in failing to fulfill their obligations under the contract, the Plaintiffs have sustained damages as described in Paragraphs 26 and 27 above.

FOURTH CAUSE OF ACTION
PROMISSORY ESTOPPEL

31. Plaintiffs incorporate herein by reference each and every allegation contained in Paragraphs 1-30 inclusive of this Complaint as if fully set forth herein.

32. Defendants, particularly Defendant Pillow, have made certain promises to the Plaintiffs with the reasonable expectation the Plaintiffs would act in reliance on those promises.

33. Plaintiffs acted in reliance on those promises to their detriment and have suffered damages as a result thereof in excess of \$200,000.

FIFTH CAUSE OF ACTION
UNJUST ENRICHMENT

34. Plaintiffs incorporate herein by reference each and every allegation contained in Paragraphs 1-33 inclusive of this Complaint as if fully set forth herein.

35. Defendants have been unjustly enriched by the contribution of money by the Plaintiffs to the Renewal Ranch based upon the statements and promises of Defendant Pillow.

36. Plaintiffs are entitled to restitution of money as a result of this unjust enrichment.

SIXTH CAUSE OF ACTION
DEFAMATION

37. Plaintiffs incorporate herein by reference each and every allegation contained in Paragraphs 1-36 inclusive of this Complaint as if fully set forth herein.

38. Defendant Pillow published statements to the Renewal Ranch Board about Lewis which were defamatory in nature. In particular, he made statements to the Board that Lewis was not a team player, that he failed to honor his word, that he was unwilling to admit responsibility or fault, that he held grudges against board members, that he had difficulty following directions and that he inappropriately criticized individuals on the board.

39. The statements made by Defendant Pillow to the Board about Lewis had the effect of negatively impacting his reputation with them and therefore were defamatory.

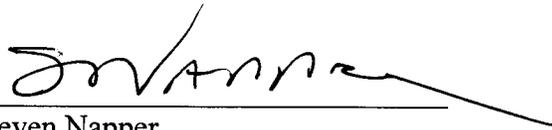
40. The statements were clearly made in reference to Lewis.

41. The statements made by Defendant Pillow to the Board were known by him to be false and were calculated to result in the Board's diminished perception of Lewis.

42. The Plaintiffs have been damaged by the defamation because the Board has failed or refused to take action to bring it into compliance with its agreements with the Plaintiffs. The Board has repudiated its agreement with the Plaintiffs out of a mistaken belief that the Plaintiffs' continued participation with the Renewal Ranch is not in their best interest and has caused the Plaintiffs to look elsewhere for a home and involvement in community philanthropic activity.

WHEREFORE, Plaintiffs pray that they be granted Judgment for Compensatory Damages against the Defendants, jointly and severally, in an amount in excess of \$200,000, for Violation of the Deceptive Trade Practices Act, Breach of Contract, Breach of the Implied Covenant of Good Faith and Fair Dealing, Promissory Estoppel, Unjust Enrichment, and Damages for Defamation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steven Napper", written over a horizontal line.

Steven Napper
Bar Number 75096
Attorney for Plaintiffs

Steven Napper, Ltd.
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Little Rock, Arkansas 72201
Telephone: (501) 378-7755
E-Mail: snapper@aristotle.net



June 20, 2011

Lewis Bishop
110 Lake Road
Houston, AR 72070

Dear Lewis,

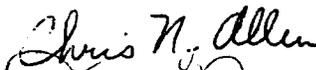
At our recent RR Board meeting we unanimously agreed that in order to fulfill our commitment to you regarding the building of a shop/storage building, we extend to you now our pledge to furnish to you as much labor as possible from our residents and volunteers, and other resources we have available, to help you construct the shop storage building. This agreement is based on our understanding the shop building is for your use on your land.

We express our heartfelt apology for any stress or inconvenience caused you by the delay of the shop building as had been discussed in early stages of the first building phase.

Words are inadequate to convey how much we appreciate what you and Sharon have done and are doing to make Renewal Ranch a life changing ministry. Your involvement is greatly appreciated.

Sincerely,


Renewal Ranch Board of Directors







Also Agreed but Not present:
Travis Parsley
Kim Hogue

