

IN THE LAKE COUNTY CIRCUIT/SUPERIOR COURT

CAUSE NO. _____

OFFICE OF THE INDIANA
ATTORNEY GENERAL,

Plaintiff,

v.

ROCO CHETRIT ENTITIES, LLC,

CFR MEZZ 3, LLC,

CFR MEZZ 2, LLC,

CFR MEZZ 1, LLC,

HICKORY RIDGE PROPERTY
OWNERS, LLC,

Defendants.

**COMPLAINT
FOR RESTITUTION, CIVIL
PENALTIES, AND COSTS
AND JURY DEMAND**

I. INTRODUCTION

The State of Indiana, Office of the Indiana Attorney General, by Deputy Attorneys General Rebekah L. Hammond, Chase M. Haller, and Timothy M. Weber, files its complaint in this civil action seeking restitution, civil penalties, and costs pursuant to the Indiana Deceptive Consumer Sales Act (“DCSA”), Ind. Code § 24-5-0.5-1 *et seq.*, and the Home Loan Practices Act (“HLP A”), Ind. Code § 24-9 *et seq.*, for injunctive relief, civil penalties, costs, and other relief.

Defendants failed to fulfill their legal obligations as a landlord in the State of Indiana by repeatedly failing to repair major systems in a reasonable amount of time, repeatedly failing to correct local code citations after being noticed by the fire

department of violations, failing to maintain legally required licensure with the Town of Merrillville, and systematically failing to provide habitable dwellings to tenants in violation of Ind. Code § 32-31-8.

In addition to the negative emotional impact Defendants' failures caused to the tenants, the tenants also suffered actual monetary harm. Accordingly, Defendants committed unfair, abusive, and/or deceptive acts in violation of Ind. Code § 24-5-0.5-3(a) and engaged in deceptive acts in connection with real estate transactions in violation of Ind. Code § 24-9-3-7(c)(4), for which the Office of the Indiana Attorney General now seeks relief.

II. PARTIES

1. Plaintiff, Office of the Indiana Attorney General, is authorized to bring this action under Ind. Code § 24-5-0.5-4(c), Ind. Code § 4-6-12-3(a)(3)(B), et seq., and Ind. Code § 24-9 et seq. The Attorney General brings this action in the public interest and pursuant to his powers *parens patriae* by and through the Homeowner Protection Unit to hold Defendants accountable and to protect tenant residents who have been adversely affected by Defendants' failure to comply with state statutes and local regulations meant to ensure minimum habitability standards are afforded to all Hoosier tenants.

2. ROCO Chetrit Entities, LLC ("Defendant Chetrit") is a Delaware limited liability company. Meyer Chetrit and Joseph Chetrit are members of Defendant Chetrit along with Daniel Chetrit, Simon Chetrit, Jacob Chetrit, Jonathan Chetrit, Sam Chetrit, and Michael Chetrit. The manager of Defendant Chetrit is

Meyer Chetrit. The registered agent is National Registered Agents, Inc., 1209 Orange Street, Wilmington, DE 19801.

3. CFR Mezz 3, LLC is a Delaware limited liability company, which is the sole member of CFR Mezz 2, LLC. CFR Mezz 3, LLC's sole member is Defendant Chetrit. The registered agent is National Registered Agents, Inc., 1209 Orange Street, Wilmington, DE 19801.

4. CFR Mezz 2, LLC is a Delaware limited liability company, which is the sole member of CFR Mezz 1, LLC. The registered agent is National Registered Agents, Inc., 1209 Orange Street, Wilmington, DE 19801.

5. CFR Mezz 1, LLC is the sole member of twenty-three (23) single purpose entities, including Hickory Ridge Property Owner, LLC. The registered agent is National Registered Agents, Inc., 1209 Orange Street, Wilmington, DE 19801.

6. CFR Mez 3, LLC, CFR Mezz 2, LLC, CFR Mezz 1, LLC are collectively referred to hereafter as the "Chetrit Mezzanine Entities."

7. Joseph Chetrit and Meyer Chetrit are duly elected or appointed officers of Defendant Chetrit, the Chetrit Mezzanine Entities, and all twenty-three (23) single-purpose entities connected to J.P. Morgan Chase Commercial Mortgage Securities Trust 2019-MFP, Commercial Mortgage Pass-Through Certificates, Series 2019-MFP.

8. Joseph Chetrit was the primary contact for the single-purpose entities when communicating with Property Manager A and in negotiating with the lender or its servicer to avoid foreclosure.

9. Hickory Ridge Property Owner, LLC (“Hickory Ridge Owner”), is a foreign limited liability company registered on or around April 11, 2019, with the Indiana Secretary of State. Defendant Hickory Ridge Owner was the fee simple owner of a residential complex located at 1718 W 55th Ave, Merrillville, Indiana 46410¹ known as Hickory Ridge Apartments until the property was sold to a new owner on or around September 7, 2023. The complex consists of approximately 360 units housed within twelve (12) buildings with three (3) stories in each building (basement, first floor, and second floor) around a lake. At all times relevant to this complaint, Defendant Hickory Ridge Owner conducted business in Indiana by providing real estate-related services to Indiana residents by acting as a landlord in Indiana and engaging in consumer transactions with tenants by and through its agent, Property Manager A.

10. Defendant Chetrit, the Chetrit Mezzanine Entities, and the Hickory Ridge Owner (hereafter the “Defendant Chetrit Entities”) are the alter ego of one another, having all worked together towards a common purpose – the ownership, operation, and financing of a real estate portfolio spanning at least seven (7) states with approximately 8,704 units of managed multifamily property and utilizing financing from at least one mortgage loan totaling nearly half a billion dollars.

11. Property Manager A is a domestic limited liability company registered with the Indiana Secretary of State. Property Manager A worked as the property manager for Defendant Chetrit Entities’ real estate portfolio for all times relevant to

¹ Property card address is 1630-50 W. 57th Ave, Merrillville, IN 46410

the allegations in this Complaint, including the management of several multifamily properties located in the State of Indiana, including Hickory Ridge (Merrillville), Abington (Indianapolis), Cheswick Village (Indianapolis), Colfax Townhomes (Mishawaka), Edison Point (Mishawaka), Winchester Village (Indianapolis), and Winchester Woods (Ft. Wayne).

12. Defendant Chetrit, by and through the Defendant Chetrit Entities, at all times relevant to this Complaint, collectively owned approximately one thousand four-hundred and sixty-nine (1,469) total units in the State of Indiana, which were owned by each respective special purpose entity.

13. Each apartment complex owned by Defendant Chetrit through the Defendant Chetrit Entities was titled in the name of a separate special purpose entity established solely for the purpose of owning a multifamily property for investment purposes.

III. JURISDICTION AND VENUE

14. This Court has original jurisdiction over this action pursuant to Ind. Code § 33-29-1-1.5.

15. This Court has jurisdiction over Defendant Chetrit and the Defendant Chetrit Entities as they were mere alter egos of one another, were severely undercapitalized, and were used as an instrumentality to commit acts of injustice against occupied tenants over a course of years within the State of Indiana, including by and through Defendant Hickory Ridge Owner.

16. Venue lies with this Court pursuant to Ind. R. Tr. P. 75(A)(2). Defendant Hickory Ridge Owner owned and leased Hickory Ridge Apartments in Merrillville, Indiana for all times relevant to this Complaint. The consumers listed in this Complaint all resided in the county where this matter is filed.

IV. FACTS RELATING TO THE CHETRIT ROCO LOAN

17. On or around June 19, 2019, Defendant Chetrit Entities assumed a loan originated by JPMorgan Chase Bank, National Association in the amount of \$481,000,000.00 (Four Hundred Eighty-One Million Dollars) to purchase several thousand units across the country, borrowed collectively by at least forty-three (43) special purpose entities and related guarantors. (hereafter “the Chetrit ROCO loan”).

18. Upon information and belief, Defendant Chetrit Entities made this purchase from ROCO Real Estate LLC.

19. The co-chief executive officer of ROCO Real Estate LLC was Tyler Ross.

20. On September 28, 2023, Tyler Ross pled guilty to falsifying corporate records to deceive lenders by fraudulently inflating the income of the properties owned by ROCO Real Estate LLC.

21. By July 2022, the lender declared default and demanded repayment in full from Defendant Chetrit Entities, by and through its special servicer Situs Asset Management, LLC.

22. In January 2023, Defendant Chetrit Entities negotiated a First Forbearance and Loan Modification Agreement to avoid the lender foreclosing on the related Chetrit ROCO properties.

23. At one point after negotiating a forbearance to avoid foreclosure, Defendant Chetrit Entities asked their lender if they could refrain from maintaining the properties in the Chetrit ROCO portfolio while their loan was in forbearance and default. Their lender declined this request.

24. Defendant Chetrit Entities were severely undercapitalized, were under common ownership and control, intermingled transactions and functions, utilized the same property manager for their properties managed in Indiana, and were used as an instrumentality of perpetuating injustice against tenants leasing properties from them or their agent - including tenants located in Indiana that leased property from Defendant Hickory Ridge Owner.

25. Hoosier tenants who had the experience of renting property within the Chetrit ROCO portfolio found themselves in the middle of an unmitigated disaster.

26. Defendant Chetrit Entities refused to properly fund operations and the tenants faced continued deferred maintenance, piles of uncollected trash attracting bugs and rodents, and a multitude of flooding incidents and pipe bursts that gave way to microbial growth when it was not properly remediated.

27. In Indianapolis, tenants at Abington Apartments complained of uncollected trash causing unsafe and unsanitary conditions.² The Marion County Health Department cited the Defendant Chetrit Entity owner dozens of times,

² Karen Campbell, *Uncollected Trash Piles up at West Indianapolis Apartment Complex*, 13 WTHR (Dec. 28, 2022, 7:29 P.M.), <https://www.wthr.com/article/news/local/uncollected-trash-piles-up-at-west-side-apartment-complex-abington-apartments-indianapolis/531-5b3939ce-d78a-4dd5-943b-769ced91e9a3>.

including for water leaks, visible mold, and rodent infestations likely stemming from the uncollected trash.

28. At Cheswick Village in Indianapolis, one resident recounted how her patio was busted out from a break-in and how she lived behind boarded up windows for eight (8) months waiting for repairs following gun shots that went through glass in her leased unit.³

29. At Edison Pointe in Mishawaka, Indiana, residents reported being left without heat during a blizzard, with one resident reporting that “I know how to take care of my apartment, just the apartment people don’t know how to take care of me.”⁴

30. This became the theme for the entire Chetrit ROCO portfolio. The Defendant Chetrit Entities revealed through both their actions and inactions that they were primarily motivated by minimizing their losses - at the expense of tenants residing at their properties.

31. Capital and lack of capital was nearly the singular subject of conversation amongst Property Manager A’s executives and Joseph Chetrit until each next unmitigated disaster struck the Chetrit ROCO portfolio.

32. When it came to caring for the tenants living in the Defendant Chetrit’s properties, the Defendants abdicated their legal duties as landlords. This was

³ Leslie Bonilla Muñiz, *Renters Rally at the Statehouse for Further Protections from Bad Landlords*, IND. CAPITAL CHRONICLE (Feb. 14, 2023, 6:30 A.M.), <https://indianacapitalchronicle.com/2023/02/14/renters-rally-for-further-bad-landlord-protections-at-statehouse/>.

⁴ Julianne Grohowski, *Edison Pointe Residents Left without Heat During Blizzard*, ABC 57 (Dec. 29, 2022, 6:27 P.M.), <https://www.abc57.com/news/edison-pointe-residents-left-without-heat-during-blizzard>.

particularly true for tenant residents of Hickory Ridge Apartments in Merrillville, Indiana.

V. FACTS RELATING TO HICKORY RIDGE APARTMENTS

33. Defendant Hickory Ridge Owner, by and through Property Manager A, entered into lease agreements with consumers relating to each of the residential units identified in this Complaint.

34. A redacted exemplar lease from Tenant A is attached hereto as **Exhibit 1**.

35. Between approximately June 19, 2019, and September 7, 2023, Property Manager A provided property management services for the Hickory Ridge Owner, including entering into lease agreements with tenants, collecting rent, managing and contracting for repairs, and communicating with Joseph Chetrit regarding maintenance of properties within the Chetrit ROCO portfolio.

36. In early 2022 approximately fifty-three (53) of the occupied units at Hickory Ridge Apartments were utilizing a housing choice voucher administered by the Gary Housing Authority. This represented roughly eighteen percent (18%) of occupied units being subsidized by the federal government through Housing Assistance Payment contracts.

37. As early as August 2021, the insurer for Hickory Ridge Apartments issued a High-Risk Notification to Property Manager A due to the condition of the property – citing fire hazards, lack of fire alarm service, missing siding, broken

sprinklers, deteriorated doors, and deteriorated mortar joints. These issues were not abated despite notice to Property Manager A.

38. The insurance carrier gave the owner until December 1, 2021, to complete the repairs and lowered the coverage from \$10 million to \$2.5 million at Hickory Ridge Apartments, resulting in the property being severely underinsured for a yet unknown period of time.

39. In October 2021, arrangements were made by Property Manager A to begin repairing the outdoor apartment decks that were structurally unsound to satisfy requirements from their insurance carrier.

40. While some decks were repaired, nearly two (2) years later in July 2023, an inspection report from the Merrillville Fire Department, in addition to numerous other health and safety violations, noted that “deterioration on the balconies was also observed,” providing the following pictures of bowing wood and deterioration:



41. In the interim, Property Manager A decided on June 1, 2022, that after the vendor had completed forty (40) out of 101 decks that “he [the vendor] definitely needs to hold up and not proceed,” because Property Manager A did not have the operating funds available from the ownership to complete the contracted repairs.

42. Hickory Ridge Apartments also did not have an active rental premises permit with the Town of Merrillville, as required by law, for the entirety of 2022. *See* State's **Exhibit 2**.

43. In calendar year 2022, Defendant Chetrit and the Defendant Chetrit Entities, through Property Manager A, signed approximately twenty-nine (29) new leases and signed approximately 197 lease renewals with consumers at Hickory Ridge Apartments.

44. In addition to problems with the physical structures and fire alarm systems that posed risks to tenant health and safety, tenants at Hickory Ridge Apartments experienced problems with delivery of essential services and utilities that were contemplated to be provided by the landlord in their lease agreements.

45. Tenants paid Property Manager A directly for their gas, water, and trash utilities each month.

46. At the beginning of 2022, several buildings within the Hickory Ridge Apartment complex experienced roof leaks.

47. At least one (1) tenant complained in March 2022 that she had a roof leak that had lasted for several months, and that Property Manager A had a section of her ceiling removed, tarped it with plastic, and had a bucket in her living room to catch rainwater. Property Manager A left it in that condition and did not return for several months.

48. On or around July 20, 2022, eleven (11) basement units at Hickory Ridge Apartments were flooded with raw sewage due to a backup in the sewer line. The water damaged the units and personal property of the tenants residing there.

49. Tenants who were adversely affected by the sewage backup were given only five (5) days' notice to vacate, including at least one (1) resident who was eighty-one (81) years old at the time of the flooding.

50. Residents were not offered alternative living accommodations but were rather told that their leases were being terminated and that they needed to vacate.

51. On or around August 4, 2022, water was shut off to at least thirty (30) additional units due to a clogged or collapsed sewer line. Four (4) additional units were flooded and required water extraction.

52. At least eight (8) residents were forced to move in August 2022 as a result of the water intrusion.

53. On or around August 12, 2022, Hickory Ridge Apartments had approximately ninety (90) open work order requests from tenants.

54. In August 2022, Property Manager A's staff evaluated the Hickory Ridge Apartments complex, in part to evaluate the needs of the property after the flooding. Property Manger A's staff observed the brick façade at building 5650/5660 pulling away from the building and voiced concerns internally.

55. In addition, it was reported by Property Manager A's staff that the parking lot had severely deteriorated. This resulted in potholes so large that they caused damage to vehicles visiting the complex. The report likewise noted that the

pool had been shut down for at least three (3) years, exterior lighting was insufficient for resident security, and there were numerous other insufficiencies including broken windows and exterior entrance doors, roof leaks, rotted balconies, and missing roof flashing.

56. As early as September 2022, discussions were underway regarding the sale of Hickory Ridge Apartments to a new owner.

57. As part of that evaluation, a prospective buyer noted that they observed several areas of water infiltration, mildew, and organic microbial growth at Hickory Ridge Apartments. According to the Freddie Mac Guidance Document that they cited, a Mold, Moisture & Minimization Plan should have been implemented at the subject property. No such plan was implemented by the Hickory Ridge Owner despite the property being encumbered by a Freddie Mac loan regulated by the Federal Housing Finance Agency (“FHFA”).

58. Property Manager A and the Hickory Ridge Owner neglected paying for category three (3) water damage remediation despite being told by a vendor that it was necessary, resulting in continued down units, and substantial organic microbial growth throughout the properties.

59. On September 22, 2022, Property Manager A’s staff, in evaluating Hickory Ridge Apartments for remodeling, noted that there was water penetration and “mold” in some units. Additionally, sewer backup issues were causing continued problems in at least fifteen (15) units. Property Manager A’s staff estimated that at

least \$300,000.00 (Three Hundred Thousand Dollars) was needed to make necessary repairs and to remediate the fifteen (15) down units.

60. In addition to severe habitability problems, tenants and their guests were indiscriminately towed by ROCS Towing & Recovery. This resulted in multiple residents or their guests experiencing unfair and abusive towing fees.

61. On December 13, 14, and 15, 2022, Hickory Ridge Apartments also received citations from the Town of Merrillville's Code Enforcement due to trash not being picked up at the complex.

62. Also in December 2022, at least two (2) Section 8 tenants had HAP contracts in abatement stemming from failed inspections.

63. On or around December 24, 2022, buildings 5544, 5554, 5560, 5612, 5606, 5600, 5659, 5669, and 5979 all had water disruptions from leaking pipes. The leaking pipes also impacted a sprinkler, causing the building to be put on fire watch.

64. In 2023, Defendants, through Property Manager A, continued to operate and lease apartments without licenses or permits required by law. Hickory Ridge Apartments did not have an active business license or alarm permit with the Town of Merrillville for the entirety of calendar year 2023. *See State's Exhibit 3.*

65. Additionally, Hickory Ridge Apartments did not have an active rental premise permit in 2023 until Defendant Chetrit Entities sold the property to new owners. *See State's Exhibit 2.*

66. In 2023, Defendants, through Property Manager A, entered into approximately four (4) new leases and signed approximately eighty-six (86) lease renewals at Hickory Ridge Apartments despite their lack of licensure.

67. The conditions at Hickory Ridge Apartments got progressively worse as the Defendants failed to provide Property Manager A with sufficient capital to fund operations.

68. At the beginning of 2023, trash was piled up around dumpsters in the parking lot at Hickory Ridge Apartments due to prior unpaid vendor invoices.

69. One (1) employee of Property Manager A remarked in an email on January 12, 2023, that the “trash pictures are horrifying,” with another employee responding that “Cheswick has a similar picture” (referring to Cheswick Apartments in Indianapolis).

70. To make matters worse, on January 8, 2023, Buildings 5659, 5669, and 5679 experienced a water main backup that resulted in flooding or water intrusion in at least twenty-five (25) units.

71. This flooding impacted at least one (1) tenant who was a severe asthmatic and requested to be moved after being exposed to wet conditions for at least two (2) weeks. Property Manager A could not accommodate the request since they had no other available units. The tenant was not offered or provided alternative accommodations.

72. Despite the obligation to continue to provide essential services as well as utilities included in tenant rent payments, on January 25, 2023, the message to

Property Manager A's staff on the ground via email was that "there is nothing we can do at this time...we are waiting for the owner to provide funding..."

VI. FIRE DEPARTMENT INSPECTIONS AND SAFETY VIOLATIONS

73. On March 23, 2023, Fire Marshall Robert Pillman with the Merrillville Fire Department conducted an inspection of Hickory Ridge Apartments. Fire Marshall Pillman noted ten (10) code violations where Defendants failed to comply with local health code. *See State's Exhibit 4.* The code violations included the following:

- a. Adequate fire protection was not being provided;
- b. Portable fire extinguishers needed supplied;
- c. Exit signs needed to be installed by exits and exit access doors;
- d. Hazardous materials were not stored properly; and
- e. Each building of the property needed a knox box⁵ key vault installed.

74. On March 31, 2023, Fire Marshall Pillman returned to Hickory Ridge Apartments for a follow-up inspection. Code violations that had been observed at the March 23, 2023, inspection had not been remedied. *See State's Exhibit 5.*

⁵ A knox box is a specialized key box that allows firefighters to gain entry into a building in the event of an emergency. The knox box helps reduce potential damage by forcible means of access and greatly increases efficiency in resolving emergency situations. *See Knox Box Information, TOWN OF MERRILLVILLE, https://www.merrillville.in.gov/departments/fire_department/knox_box_information_.php* (last visited Feb. 29, 2024).

75. Following his inspection on March 31, 2023, Fire Marshall Pillman emailed an agent of Property Manager A and voiced concerns about the issues he observed at Hickory Ridge Apartments.

76. It was represented to Fire Marshall Pillman that Property Manager A's staff were planning to resolve the issues "in an efficacious and expedited matter as possible." *See State's Exhibit 6.*

77. On or about April 28, 2023, several buildings at Hickory Ridge Apartments did not have water because the water was disconnected due to past due utility payments.

78. Approximately thirty-two (32) residents were affected by the water outage on or around April 28, 2023.

79. On or about May 26, 2023, trash services for Hickory Ridge Apartments were again disrupted due to nonpayment by Defendants of the trash services bill.

VII. FACTS RELATING TO CLOSURE OF BUILDING 5650/5660

80. One of the Hickory Ridge Apartment buildings has a postal address of 5650-5660 Hayes St, Merrillville, IN 46410, also known as "Building 5650/5660."

81. On June 7, 2023, Fire Marshal Pillman returned to Hickory Ridge Apartments to conduct a follow-up inspection.

82. At this time, trash was piled up around dumpsters and the grass was approximately three (3) feet tall.

83. When viewing Building 5650/5660, Fire Marshal Pillman could see that the front brick wall in the middle of the structure between the doors was buckled

outward due to a horizontal crack in the middle of the wall. This defect is noted in photographs later exchanged amongst Property Manager A's staff:



Figure 3



Figure 4



Figure 5



Figure 6

84. In addition to the buckling wall, Fire Marshall Pillman noticed extensive organic microbial growth in Building 5650/5660.

85. Due to concerns that the buckling wall and extensive organic microbial growth in Building 5650/5660 posed a potential safety threat to tenants, Building 5650/5660 was ordered to be evacuated by Merrillville authorities.

86. The Merrillville Police Department was called to assist with the evacuation.

87. Twelve (12) tenants were evacuated from the Hickory Ridge Apartments by City of Merrillville authorities on June 7, 2023.

88. The tenants affected by the building closure were not relocated within other units at Hickory Ridge Apartments because there were no habitable vacant apartments available.

89. The tenants were not provided alternative accommodations and multiple tenants reported the theft of their personal belongings when the buildings were left unsecured following the evacuation.

VIII. CONTINUED CODE VIOLATIONS AND REFUSALS TO CORRECT

90. On or around June 13, 2023, Fire Marshall Pillman returned to Hickory Ridge Apartments to conduct a follow-up inspection. There were approximately twenty-four (24) code violations. *See* State's **Exhibit 7**. The code violations included the following:

- a. Emergency lights needed serviced;
- b. Obstructions needed to be removed from exits, aisles, corridors, and stairways;
- c. Dangerous conditions needed to be corrected, specifically many dryer vents were disconnected creating a fire hazard with the buildup of lint near a heat source as well as a carbon monoxide concern for the residents;
- d. Another dangerous condition was grills being stored inside the building hallways and under stairways;

- e. Combustible waste material creating a fire hazard was accumulating in a building, specifically, debris and garbage were observed throughout the hallways;
- f. Charcoal burners and open-flame cooking devices were observed all over the property;
- g. Gas cans and/or charcoal lighter fluid was observed all around the property;
- h. Some electrical covers were seen missing in common areas;
- i. Many holes were observed throughout the property which could create a path for fire to travel throughout the building rapidly;
- j. Adequate fire protection was not being provided, for instance many smoke detectors were missing, beeping, missing batteries, or damaged.
- k. There were no records of an annual sprinkler inspection;
- l. Many hammers were missing from the fire extinguisher cabinets;
- m. One building was found with a pull station that should have been alarming, but was inoperable; and
- n. Many sprinkler heads were observed to be loaded with dust or debris.

91. On June 21, 2023, the Merrillville Conservancy District placed a sewer lien on Hickory Ridge Apartments due to Defendants “continuously not making payments for sewer services provided.”

92. On June 23, 2023, a representative of Property Manager A emailed Fire Marshal Pillman and the Town Manager in response to Fire Marshall Pillman's letter. According to the email, it was represented that Property Manager A was taking actions to remedy issues which included engaging an electrician to inspect and repair electrical issues, beginning to clean trash around the property, and replacing smoke detectors or batteries as needed in vacant apartments. The representative further expressed that **"we have been constrained from doing even basic services due to lack of available funding."** See State's **Exhibit 8**. *Emphasis added.*

93. On June 28, 2023, a Territory Account Manager of Koorsen Fire Security emailed an agent of Property Manager A to express not feeling comfortable sending a technician to perform work at Hickory Ridge Apartments **"where there is mold and human fecal matter on the walls. Due to the nature of the system that you have we would have to enter the apartments, and from the few that I had access to my supervisor and myself agreed that it isn't worth our technicians being exposed."** See State's **Exhibit 9**. *Emphasis added.*

94. On July 17, 2023, Fire Marshall Pillman returned to Hickory Ridge Apartments for a follow-up inspection. Code violations that had been observed at the June 13, 2023, inspection had not been remedied. See State's **Exhibit 10**.

95. On July 21, 2023, the Merrillville Fire Department received a 911 call from a resident of Hickory Ridge Apartments related to an active smoke detector.

96. When firefighters arrived on site with their Fire Chief, they found the alarm panel in a normal condition without any showing of trouble on the panel. This gave the appearance of a falsely reporting or malfunctioning fire alarm.

97. Firefighters attempted to reset the alarm with no success.

98. Fire department personnel went to Property Manager A's management office to ask for assistance and stated they were there for an emergency call rather than a routine visit or inspection.

99. Despite an active alarm, a staff member of Property Manager A represented to the fire department personnel that they were on a lunch break, maintenance was not on the site, and then refused to speak with the emergency personnel further, closing the door in their faces.

100. On or about September 7, 2023, Hickory Ridge Apartments was sold to a new owner.

101. Defendant Hickory Ridge Owner received gross proceeds from the sale in the amount of \$18,184,184.52 (Eighteen Million One Hundred Eighty-Four Thousand One Hundred Eighty-Four Dollars and Fifty-Two Cents).

IX. TENANT A⁶

102. Tenant A has lived at Hickory Ridge Apartments since approximately October of 2016 with her family of five (5), including three (3) children.

⁶ Tenants are being deidentified to protect their privacy and spare them unnecessary hardship or embarrassment. The tenants are not parties to this matter. Prior to filing, an affidavit was completed for each of the tenants which includes their identity and their contact information. These affidavits will be provided to Defendants in the course of discovery.

103. Tenant A's most recent address at Hickory Ridge Apartments is 1630 W 57th Ave., Apartment 2BB, Merrillville, Lake County, Indiana 46410.

104. Tenant A pays approximately \$880 a month in rent, which she has consistently and diligently paid.

105. Tenant A initially stayed in 1707 Apt. CHH, which experienced constant flooding issues. One year on New Years Eve, her sliding glass door was destroyed by gunfire and when replaced on January 2 the following year, the replacement door did not function properly and would not open and close. In addition, the ceiling in her bathroom leaked from a toilet flushing above her unit.

106. As a result of the constant flooding experienced in Apt. CHH, Tenant A and her family requested to be moved. They were moved to the 1630 building in January 2020 because her doctor had informed her that her premature baby could not be living in wet conditions.

107. Since moving to Building 1630, Tenant A has experienced consistent ceiling flooding in the back bedroom of her apartment, particularly during rain. This issue has not been remedied.

108. Tenant A also informed the landlord about a leak in her kitchen and bathroom. Maintenance informed her that they fixed the issue, but the leak remains and is causing the wood to rot where it leaks.

109. Tenant A likewise informed maintenance of a leak in a bedroom corner wall, which has not been remedied.

110. Tenant A has reported that the common area hallway in her building has not been cleaned for over two (2) years and that the basement floods and smells of “mold.”

111. Tenant A states that in addition to the maintenance issues she has experienced that have not provided her with a safe living environment for her family, she indicates that the lack of security lighting and the lack of secure exterior doors to her building have made her and her family feel unsafe.

X. TENANT B

112. Tenant B lived at Hickory Ridge Apartments between approximately March 4, 2022, and June 7, 2023.

113. Tenant B’s most recent address at Hickory Ridge Apartments was at 5660 Hayes Street, Apartment 0E, Merrillville, Lake County, Indiana 46410.

114. Tenant B paid approximately \$985 a month in rent.

115. Tenant B experienced a leak in the unit above hers that caused “mold” to grow on her bathroom ceiling. She had to complain several times before management sent someone to look at the leak. Her understanding is that rather than remediate the “mold,” they painted over it and replaced the drywall, which led to the “mold” returning.

116. Tenant B experienced another leak that led to half of her apartment flooding through the spot in her bathroom ceiling. She attempted to utilize the emergency maintenance number to notify the property manager but suspected that the line was not monitored regularly as her calls were not returned.

117. Following the initial flooding of Tenant B's apartment, a pipe freezing led to the other side of her apartment flooding, which caused her to have to temporarily move to a hotel. Property Manager A declined to pay for a hotel and told her she had to use her rental insurance.

118. Tenant B's rental insurance company explained to her that her policy did not cover flooding events.

119. In June, 2023 Tenant B's apartment building was evacuated by officials for the Town of Merrillville for being unsafe to live in.

120. Due to the short notice to Tenant B when Building 5650/5660 was evacuated, Tenant B lost many of her personal possessions.

121. While Building 5650/5660 was being evacuated, Defendants did not reasonably communicate with Tenant B and did not provide Tenant B with any resources.

122. Tenant B was not reimbursed any rent paid as a result of the evacuation of Building 5650-5660 or for the prior flooding events.

123. For Tenant B to obtain a maintenance response, she had to submit multiple maintenance requests for the same issue.

124. Tenant B also experienced during her tenancy that her rent portal would have work orders marked as "complete" without any work having been completed.

XI. TENANT C

125. Tenant C lived at Hickory Ridge Apartments between approximately August 30, 2019, and June 7, 2023.

126. Tenant C's most recent address at Hickory Ridge Apartments was 5650 Hayes Street, Apartment 2D, Merrillville, Lake County, Indiana 46410.

127. Tenant C paid approximately \$825 a month in rent.

128. Tenant C's young daughter lived with her and was approximately eighteen (18) months old when Building 5650/5660 was evacuated.

129. Tenant C experienced electrical outages, though often short in nature, which would cause Tenant C to have specialized food for her infant go bad.

130. Tenant C also experienced mice and bed bug infestations, which spread from a neighboring unit.

131. Tenant C witnessed flooding in the building that directly impacted the lower-level units. She later noticed that the water intrusion in the lower levels gave rise to "mold" that began to spread and grow in her unit.

132. In June 2023, Tenant C's building was evacuated by the Town of Merrillville for being unsafe.

133. While Building 5650/5660 was being evacuated, Defendants did not reasonably communicate with Tenant C and did not provide Tenant C with any resources.

134. After Building 5650/5660 was evacuated, much of Tenant C's personal property was stolen because no steps were taken to secure the building.

135. Defendants only provided Tenant C with a partial refund of the month of June 2023, but otherwise provide no assistance or compensation.

XII. TENANT D

136. Tenant D lived at Hickory Ridge Apartments between approximately September 9, 2020, and June 7, 2023.

137. Tenant D's most recent address at Hickory Ridge Apartments was 5650 Hayes Street, Apartment 0G, Merrillville, Lake County, Indiana 46410.

138. Tenant D paid approximately \$770 a month in rent.

139. Tenant D had a leak in her bathroom ceiling that was caused from the plumbing in the unit above her. The leak caused the bathroom tiles in her bathroom to buckle.

140. Tenant D had to replace multiple bathmats and shower curtains due to the water intrusion and damage. She attempted to contact the emergency line but could never reach anyone. No one ever came and fixed the water leak in the ceiling.

141. Tenant D's sink would back up regularly, which she believed occurred when the community laundry machines were used. This caused damage to her kitchen floors. It took Property Manager A two (2) to three (3) weeks to respond when she submitted a work order.

142. Tenant D was also affected by the evacuation of building 5650/5660. When she arrived at the building she was told that she only had a few hours to remove her belongings. When she went to the leasing office, no one would answer the door. The property manager would not answer her calls for information.

143. In 2022, Tenant D experienced a pipe bursting that caused her unit to flood. There was standing water in her unit for two days. The smell was horrible and

the property manager did not make any efforts to fix the odor that was left from the flooding. Tenant D had to deep clean her apartment by herself. Tenant D had to stay with a family member for two days while this incident was ongoing.

144. Tenant D experienced improper towing of her vehicle by a contractor hired by Property Manager A at least twice, costing her \$600 in towing fees. The first time her car was towed for expired plates, but her car was titled in Illinois and within the 30-day grace period to renew her registration. In the second instance she was towed because she was allegedly parked in a fire line. Because the parking lines and curb paint were faint and not well maintained, she was not aware she was parked in a fire lane.

145. Tenant D was not reimbursed for any damages or rent related to the evacuation of her building, the flooding incidents, or the towing incidents.

XIII. TENANT E

146. Tenant E has lived at Hickory Ridge Apartments since approximately December 27, 2021.

147. Tenant E's current address is 5612 Hayes Street, Apartment 0B, Merrillville, Lake County, Indiana 46410.

148. Tenant E lives in her apartment with her two children, ages three (3) and five (5).

149. Tenant E pays approximately \$1,025 a month in rent.

150. Tenant E regularly had issues getting a response to any submitted maintenance requests. Managers at the property told her that they could not afford repairs to the rental units.

151. Tenant E has experienced water leaks and severe “mold” growth, including two flooding incidents since she moved in. On both occasions, she had standing water in her apartment for a week.

152. After the water was extracted by a vendor, Property Manager A never replaced the carpeting.

153. Tenant E also experienced that the communal trash cans were not serviced for several months, causing bugs and rodents to congregate around the complex – despite Tenant E paying for this service as part of her rental payments.

This failure is represented in the following photo taken by Tenant E:



XIV. TENANT F

154. Tenant F lived at Hickory Ridge Apartments between approximately December 3, 2021, and on or around August 2022.

155. Tenant F's most recent address at Hickory Ridge Apartments was 1701 W 55th Avenue, Apartment 0B, Merrillville, Lake County, Indiana 46410.

156. Tenant F paid approximately \$735 a month in rent, plus service charges and utilities.

157. Tenant F experienced leaks in the kitchen and bathroom of her unit within a month of moving into her unit. It took the maintenance two to three days to respond, and the problem persisted after they came to work on repairing the problem.

158. Tenant F's property flooded multiple times while living there. The first flood was caused by an issue in the bathroom for the unit above hers. Following that flooding, maintenance came out to repair the leak that caused the flooding, but they left a hole in her ceiling.

159. A second flood occurred in Tenant F's apartment when water started to enter her apartment through the floor, soaking the carpet in her basement-level unit. This occurred just a few weeks after the first flooding incident.

160. A third flood occurred in Tenant F's apartment, which led to her lease being terminated. She woke up to a freezing apartment and noticed that the living room was soaked with water that stretched down the hallway and into every room of her apartment. She visited the leasing office to notify them of the flooding. After Tenant F reported the issues, Property Manager A said they were going to send

someone out to get the water cleaned up and investigate the cause. When she returned from work, the water was still standing in her apartment. Tenant F tried to save her furniture from further damage by lifting it off the saturated carpet.

161. After one to two days, the water was extracted but the contractors warned Property Manager A that this type of water damage would likely cause “mold” to grow and that it was not safe to live there. Tenant F was informed that the flooding was caused by a problem in the sewer line.

162. Tenant F was initially informed by Property Manager A that they would find another unit at Hickory Ridge for her to move into. However, they later told her that they had no available units and therefore they terminated her lease.

163. Tenant F’s electrical costs were exponentially higher due to the water extraction in her apartment. This cost was never credited to Tenant F’s account or otherwise reimbursed to her and totaled approximately \$800.00.

XVI. TENANT G

164. Tenant G lived at Hickory Ridge Apartments between approximately July 26, 2018, and September 1, 2023.

165. Tenant G’s most recent address at Hickory Ridge Apartments was 5544 Hayes Street, Apartment 0L, Merrillville, Lake County, Indiana 46410.

166. Tenant G paid approximately \$150 a month in rent.

167. During the time Tenant G was a tenant of Hickory Ridge Apartments, she was receiving a Section 8 rental subsidy.

168. Tenant G experienced a multitude of problems during her tenancy. In January, 2023, water began accumulating on the ceiling of her bathroom. “Mold” eventually developed on the bathroom sink, walls, and floors. The bathroom cabinets also showed signs of water damage and became unsteady and wobbly.

169. Moisture also accumulated on the ceiling of Tenant G’s bedroom closet, causing a “mold” infestation in the closet exterior. Inside the closet, Tenant G had most of her shoes, clothing, handbags, and other personal items, all of which became infested with “mold” and had to be thrown away.

170. Tenant G experienced that the leasing office was largely unresponsive to maintenance requests and allowed the “mold” infestations to fester.

171. In April 2023, Tenant G’s unit developed a rodent infestation, starting in the kitchen and spreading into the bedroom. At night, she heard what sounded like rodents gnawing within the walls in her bedroom.

172. Due to the rodent infestation, water damage, and “mold” infestation, Tenant G’s unit was unlivable, and she and her family had to seek alternative housing as soon as possible.

173. As of the date of signing her affidavit, Tenant G has not been able to find another landlord willing to accept her Section 8 voucher and has been rendered homeless, sleeping on the couch of a family member in Chicago.

174. Tenant G had significant expenses related to her loss of property, moving expenses, and rental of storage units due to these experiences at Hickory Ridge Apartments.

XVII. TENANT H

175. Tenant H lived at Hickory Ridge Apartments between approximately May 6, 2022 and June 2022.

176. Tenant H's most recent address at Hickory Ridge Apartments was 1707 W 55th Avenue, Apartment 0HH, Merrillville, Lake County, Indiana 46410.

177. Tenant H paid approximately \$1,085 per month.

178. Tenant H lived at Hickory Ridge Apartments with her adult son-in-law, now twenty-nine (29), and his three children, now aged eleven (11), eight (8), and two (2).

179. While a tenant of Hickory Ridge Apartments, Tenant H experienced the flooding of her unit with sewage water up to the knees of the youngest grandchild. This flood resulted in her having to leave Hickory Ridge Apartments.

180. During the sewage flood, the sewage water remained throughout the unit for days. By the third day, "mold" began to grow throughout the unit, and Tenant H was forced to vacate the apartment on the fifth day after the problem remained largely unabated.

181. Due to the sewage flood, Tenant H lost most of her furniture and other personal items, including most of her grandchildren's clothes and toys.

182. Tenant H was not provided a refund of any portion of rent paid.

183. Tenant H was not provided any resources by Defendants when she was forced to vacate her apartment due to the flood of sewage.

XIV. CAUSES OF ACTION

COUNT I: SYSTEMATIC FAILURE TO SATISFY STATUTORY LANDLORD RESPONSIBILITIES

**Ind. Code § 24-5-0.5 et. seq.
(As to all Defendants)**

184. Plaintiff re-alleges and incorporates by reference the foregoing.

185. The transactions identified and related to each consumer mentioned herein are “consumer transactions” as defined in Ind. Code § 24-5-0.5-2(a)(1).

186. Every real estate transaction that Defendants have consummated with a tenant are also “consumer transactions” as defined in Ind. Code § 24-5-0.5-2(a)(1).

187. Defendants are all “suppliers” as defined in Ind. Code § 24-5-0.5-2(a)(3), either directly, by an agency relationship, or by an alter ego theory.

188. Defendants have failed to manage Hickory Ridge Apartments in a manner which complies with Ind. Code § 32-31-8-5 and local health code, even after being noticed repeatedly by both tenants and by the Merrillville Fire Department.

189. Defendants have knowingly and intentionally engaged in a pattern and practice of repeatedly violating Ind. Code § 32-31-8-5, thereby committing unfair, abusive, and/or deceptive acts, omissions, and practices in connection with the aforementioned consumer transactions as prohibited by Ind. Code § 24-5-0.5-3 and 10(a)(1), in at least the following ways:

- a. Entering into real estate transactions with consumers without the following licenses or permits required by law in calendar year 2022 – a rental permit.

- b. Entering into real estate transactions with consumers without the following licenses or permits required by law in calendar year 2023 - a business license, fire alarm permit, and rental permit.
- c. Failing to provide a rental premise for their tenants that were in a safe, clean, and habitable condition as required by Ind. Code § 32-31-8-5, including failing to provide for operable fire safety systems, continuous communal trash services, failing to supply a reasonable supply of hot and cold water, and particularly a failure to adequately maintain and repair plumbing and sanitary systems.
- d. Failing to adequately remedy water intrusion and subsequent organic microbial growth in multiple buildings.
- e. Failing to respond to Merrillville Fire Department citations and failing to timely remedy violations of the local health and housing code, thereby violating Ind. Code § 32-31-8-5 as well as the implied warranty of habitability in each and every lease agreement executed following notice by authorities and a failure to remedy the violations within a reasonable amount of time; and
- f. Causing a contractor to be engaged to monitor and conduct towing services that towed resident and guest vehicles unfairly and indiscriminately.

**COUNT II: ENGAGING IN REAL ESTATE TRANSACTIONS WITHOUT A
LICENSE REQUIRED BY LAW
Ind. Code § 24-9-8-3(a)(4)
(As to all Defendants)**

190. Plaintiff re-alleges and incorporates by reference the foregoing.

191. Each lease and/or lease renewal between Defendants and a tenant residing in Indiana constitutes a “real estate transaction” within the meaning of Ind. Code § 24-9-3-7(b).

192. Ind. Code § 36-1-3.5, et seq, provides generally for a transfer of jurisdiction over certain legislative matters from the Indiana General Assembly to Local Legislative Authorities.

193. Licensure and permitting required by municipalities empowered pursuant to Ind. Code 36-1-3.5, et seq, are a “license or permit required by law” within the meaning of Ind. Code § 24-9-3-7(c)(4).

194. Article II, Section 3-26 of the Merrillville Municipal Code states:

No alarm user shall install, operate or maintain an alarm system in the town without first obtaining a permit pursuant to this article. Any alarm user who operates an alarm system without first obtaining authorization as required by this section, or who, after having an authorization revoked, fails to disconnect his alarm system, shall be in violation of this chapter.⁷

195. Article V, Section 9-50 of the Merrillville Municipal Code states:

Any person, by himself or through an agent, employee or partner, [who] holds himself further as being engaged in a business or occupation; or solicits patronage therefore, actively or passively; or performs or attempts to perform any part of such business or occupation in the town shall be subject to the licensing requirements herein.

⁷ The Merrillville Municipal Code is available at:
https://library.municode.com/in/merrillville/codes/code_of_ordinances?nodeId=MUCO_CH3ALSJY.

196. Article VI, Section 9-101 of the Merrillville Municipal Code states:

No owner of real estate within the town shall use said real estate for the purpose of erecting or maintaining a rental unit thereon after October 1, 2012, without registering each rental unit with the town. Registration shall be affected by furnishing to the town a complete and accurate registration application on forms prescribed by the town, setting forth the following information:

- (a) Name of the owner and its designated representative, if any;
- (b) Address, telephone number, and e-mail address of the owner and its designated representative, if any; and
- (c) Address of rental units subject to this article.

197. Defendants did not maintain rental premises permitting with the Town of Merrillville for Hickory Ridge Apartments for the entirety of 2022.

198. Further, Defendants did not maintain a business license, rental premises permitting, or alarm permitting with the Town of Merrillville for Hickory Ridge Apartments for the entirety of the time in 2023 when Defendant Hickory Ridge Owner owned the complex.

199. In 2022 and 2023, Defendants entered into approximately thirty-three (33) new leases and approximately 283 lease renewals without the legally required licensure and permitting with the Town of Merrillville.

200. Each real estate transaction conducted by Defendants without a license or permit required by law allows the State of Indiana to seek costs of its investigation, reasonable attorney's fees, and a civil penalty of up to \$10,000 per transaction. Ind. Code § 24-9-8-3(a)(4).

201. Due to the length and severity of Defendants' conduct, the State of Indiana requests the maximum civil penalty allowable by law.

**COUNT III: DECEPTIVE REPRESENTATIONS OF “HABITABILITY” AND
“HABITATION”
Ind. Code § 24-5-0.5-3
(As to all Defendants)**

202. Plaintiff re-alleges and incorporates by reference the foregoing.

203. Ind. Code § 24-5-0.5-3(b)(1) states:

Without limiting the scope of subsection (a), the following acts, and the following representations as to the subject matter of a consumer transaction, made orally, in writing, or by electronic communication, by a supplier, are deceptive acts: **That such subject of a consumer transaction has** sponsorship, approval, performance, **characteristics**, accessories, **uses**, or benefits **it does not have which the supplier knows or should reasonably know it does not have.” (Emphasis added.)**

204. Habitation of a dwelling is a “use” within the meaning of the word in Ind. Code § 24-5-0.5-3(b)(1).

205. Habitability is a “characteristic” of a rental dwelling within the meaning of Ind. Code § 24-5-0.5-3(b)(1).

206. Pursuant to the definitions provided in Article VI, Section 9-97 of the Merrillville Municipal Code, “Habitable room means any room meeting the requirements of this article for sleeping, living, or dining purposes, excluding such enclosed places as closets, pantries, bath or toilet rooms, hallways, laundries, storage places, utility rooms and similar spaces.”

207. Defendants' 2022 lease with Tenant A likewise states in paragraph 32:

We shall deliver the apartment to you in compliance with this Lease Contract and in a safe, clean, habitable condition. We shall comply with

all obligations imposed by applicable provisions of health and housing codes, state laws, ordinances and insurance regulations applicable to the Apartment; make reasonable efforts to keep common areas of the apartment community in a reasonably clean and proper condition; provide and maintain the following items in good and safe condition, if provided at the time this Lease Contract is entered into: electrical systems, plumbing systems sufficient to accommodate a reasonable supply of hot and cold running water at all time, sanitary systems, heating, ventilating, and air conditioning systems, elevators (if provided), facilities and appliances supplied as an inducement to this lease contract.

208. Defendants were aware of the buckling wall of Building 5650/5660 in August 2022, which was a major basis for determining the building was not safe for human occupancy nearly one year later in June 2023. However, Defendants continued to rent units in Building 5650/5660 for months to consumers after being made aware of the danger.

209. Defendants were aware that the units which suffered sewage flooding needed certain remedial repairs but chose for financial reasons not to engage in those recommended repairs. Defendants should have reasonably known that those units that did not receive appropriate remedial repairs would deteriorate to the point of being uninhabitable. Defendants likewise should have known that the failure to properly remedy water intrusion would cause a risk of spreading organic microbial growth to other units within each respective building where water and/or sewage intrusion occurred, especially due to some buildings within the complex experiencing repeated or constant water intrusions.

210. Defendants were aware that the decks at the property posed a significant risk to consumers living at Hickory Ridge Apartments but halted the

process of replacing the decks after only 40% were completed. Defendants should have reasonably known that those decks that were not replaced would continue to deteriorate and pose further risk to tenant safety.

211. By December 2022, Defendants should have known that the express and implied representations they were making to consumers that Hickory Ridge Apartments were and would remain habitable were not true because Defendants were not paying bills for multiple utilities.

212. Defendants also knew that they did not have the operating capital to adequately maintain the rental units at Hickory Ridge Apartments, but they continued to renew and sign new leases with tenants anyway.

213. Defendants entered into approximately four (4) new leases and eighty-six (86) lease extensions for Hickory Ridge Apartments in 2023 despite knowing, or despite the fact they reasonably should have known, they were likely unable to meet their legal obligations necessary to maintain habitability of leased units throughout Hickory Ridge Apartments.

214. The Defendant Chetrit Entities contracted with Property Manager A to manage Hickory Ridge Apartments, including making decisions regarding whether a unit was marketable, including an assessment of habitability. However, Defendant Chetrit Entities did have the ability to take units off the market but chose to continue renting and re-leasing uninhabitable units anyway.

215. Pursuant to their responsibilities in Ind. Code § 32-31-3-18, Defendant Chetrit Entities directed consumers to make all “notices and demands” related the

consumer's tenancy at Hickory Ridge Apartments to Property Manager A. Therefore, Defendant Chetrit Entities are responsible for Property Manager A's actions as its agent.

216. Each instance where Defendants rented a unit at Hickory Ridge Apartments to a consumer after Defendants knew, or should have reasonably known, the unit was not habitable or that Defendants would be unable to maintain the habitability of the unit due to the financial difficulties of the business and continuous deferred maintenance, constitutes an unfair, abusive, or deceptive act within the meaning of Ind. Code § 24-5-0.5-3(b)(1).

COUNT IV: INCURABLE DDECEPTIVE ACTS
Violations of Ind. Code § 24-5-0.5-8
(As to all Defendants)

217. Plaintiff re-alleges and incorporates by reference the foregoing.

218. The deceptive acts alleged in this Complaint are incurable deceptive acts, as defined in Ind. Code § 24-5-0.5-2(a)(8), that Defendants committed as part of a scheme, artifice, or device with intent to defraud or mislead, subjecting Defendants to civil penalties under Ind. Code § 24-5-0.5-8.

COUNT V: KNOWING VIOLATIONS OF THE DECEPTIVE CONSUMER
SALES ACT
Violations of Ind. Code § 24-5-0.5-4(g)
(As to all Defendants)

219. Plaintiff re-alleges and incorporates by reference the foregoing.

Defendants committed the acts alleged in this Complaint in Counts I, II, and III with knowledge of their deceptive nature, subjecting them to civil penalties under Ind. Code § 24-5-0.5-4(g).

XIV. RELIEF

220. A trial by jury is requested for all issues so triable.

221. Plaintiff, the State of Indiana, requests the Court enter judgment against Defendants: Hickory Ridge Property Owners, LLC; CFR Mezz 1, LLC; CFR Mezz 2, LLC; CFR Mezz 3, LLC; and ROCO Chetrit Entities, LLC, jointly and severally, for the following relief:

- a. As to all Counts, enter judgment against Defendants for payment of reasonable consumer restitution for damages incurred and/or money unjustly obtained from consumers as a result of Defendants' violations of the Deceptive Consumer Sales Act and Home Loan Practices Act, pursuant to Ind. Code § 24-5-0.5-4(c)(2) and Ind. Code § 24-9-8-3(a)(2), respectively;
- b. As to all Counts, enter judgment against Defendants for emotional distress damages caused to all Hickory Ridge Apartment tenants who experienced physiological harm or fear of future physiological harm as a result of Defendants' failure to remedy water and sewage intrusion, organic microbial growth exposure, and other maintenance failures that resulted in direct physical harm when they were not promptly or properly remedied.

- c. As to all Counts, enter judgment against Defendants for treble restitution for actual damages incurred for each knowing violation of the Deceptive Consumer Sales Act perpetrated on a senior consumer pursuant to Ind. Code § 24-5-0.5-4(c)(3);
- d. As to all Counts, enter judgment against Defendants to reimburse the Office of the Indiana Attorney General its reasonable costs and expenses incurred during the investigation and prosecution of this action, pursuant to Ind. Code § 24-5-0.5-4(c)(4) and Ind. Code § 24-9-8-3(a)(3);
- e. As to Count II, enter judgment against Defendants in the form of a civil penalty to the State of Indiana in the amount of ten thousand dollars (\$10,000) for each violation of the Home Loan Practice Act, pursuant to Ind. Code § 24-9-8-3(a)4);
- f. As to Counts I, III, and IV, enter judgment against Defendants to pay a civil penalty to the State of Indiana in the amount of five thousand dollars (\$5,000) for each knowing violation of the Deceptive Consumer Sales Act, pursuant to Ind. Code § 24-5-0.5-4(g); and
- g. All other just and proper relief.

Respectfully submitted,

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