

STATE OF INDIANA
IN LAKE COUNTY SUPERIOR/CIRCUIT COURT

CAUSE NO. _____

STATE OF INDIANA,

Plaintiff,

v.

IBIN MANAGEMENT, LLC,

Defendant.

**COMPLAINT FOR INJUNCTIVE
RELIEF, RESTITUTION, CIVIL
PENALTIES, AND COSTS****I. INTRODUCTION**

COMES NOW, the State of Indiana, by Attorney General Theodore E. Rokita and Deputy Attorneys General Chase M. Haller and Timothy M. Weber and commences this civil action pursuant to the Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-1 *et seq.*, seeking injunctive relief, civil penalties, consumer restitution, costs, and other relief.

The Defendant, IBIN Management, LLC, has used lease terms in consumer real estate transactions with tenants in Indiana which misrepresent the nature of the rights and obligations of the parties/terms and conditions of the contract. Accordingly, Defendant has committed unfair, abusive and/or deceptive acts in violation of Ind. Code § 24-5-0.5-3(b)(8) and Ind. Code § 24-9-3-7(c)(5)(A)(i).

II. PARTIES

1. The Plaintiff, the State of Indiana, is authorized to bring this action under Ind. Code § 24-5-0.5-4(c) and Ind. Code § 24-9-8-2(a).

2. The Defendant, IBIN Management, LLC (“Defendant IBIN”) is a domestic limited liability company registered on or around October 12, 2014, with the Indiana Secretary of State.

3. Defendant IBIN’s business identification number is 2014101400132.

4. Defendant IBIN’s principal office address is located at PO Box 668, Crown Point, Indiana, 46308.

5. Defendant IBIN’s registered agent is Yun Weng, whose location is listed with the Secretary of State as 6940 Indianapolis Blvd, Hammond, Indiana, 46324.

6. At all times relevant to this complaint, Defendant IBIN conducted business in Indiana by providing real estate related services to Indiana residents by acting as a property manager and landlord.

III. JURISDICTION AND VENUE

7. This Court has jurisdiction over Defendant IBIN in this matter as Defendant IBIN managed a multi-family property located in the State of Indiana, Lake County, at 4301 – 4305 Baring Ave, East Chicago, Indiana, 46312, for compensation on behalf of the owner of the property, IBIN East Chicago Downtown Apartments LLC.

8. This Court has jurisdiction over Defendant IBIN in this matter as Defendant IBIN managed a multi-family property located in the State of Indiana,

Lake County, at 240 – 246 Waltham Street, Hammond, Indiana, 46320, for compensation on behalf of the owner of the property, IBIN Harrison Park Townhomes LLC.

9. This Court has jurisdiction over Defendant IBIN in this matter as Defendant IBIN managed a single-family property located in the State of Indiana, Lake County, at 904 174 Street, Hammond, Indiana, 46320, for compensation on behalf of the owner of the property, International Business Investment Network LLC.

10. Pursuant to Ind. Trial Rule 75(A)(2), Lake County, Indiana is the preferred venue for this cause of action because it is the location of the real property managed by Defendant IBIN.

IV. FACTS

11. Keely Valentine entered into a lease with Defendant IBIN for the property located 244 Waltham St, Apartment #B in Hammond, Indiana, 46320, on February 1, 2022. This lease is attached to this Complaint as **State's Exhibit A**.

12. Ronica Stewart entered into a lease with Defendant IBIN for the property located 904 174 St in Hammond, Indiana, 46320, on August 6, 2022. This lease is attached to this Complaint as **State's Exhibit B**.

13. Joshua Guerrin entered into a lease with Defendant IBIN for the property located 4301 Baring Ave, Apartment #D in East Chicago, Indiana, 46312, on May 21, 2022. This lease is attached to this Complaint as **State's Exhibit C**.

14. Each of the leases is substantially the same, with each of the following provisions being present in each of the three leases, unless otherwise noted.

15. The following is an excerpt taken from paragraph 2 of Defendant IBIN's lease, located the top of page 2:

faithful performance of the covenants, terms, rules and regulations of this Lease. The Security Deposit is not an advance payment of, or on account of, rent, and shall not bear interest. The Security Deposit shall be returned after termination of this lease and within a reasonable time after the Leased Premises has been completely vacated. This is firm policy and will not be waived as it allows a period of time for any apparent or unseen damage to be discovered. Part or all the Security Deposit may be withheld at that time to reimburse Owner for damages including, but not limited to the following:

16. The following is an excerpt taken from paragraph 4 of Defendant IBIN's lease, located in the middle of page 2:

4. DELIVER OF POSSESSION: Owner shall not be liable to Resident (s) for any injury or damage from the failure to timely deliver possession of the Leased Premises.

17. The following excerpts are taken from paragraph 7 of Defendant IBIN's lease, located at the bottom of page 2 and the top of page 3:

or as these terms may further be defined under local ordinance or state law. The fact that this Lease provides for prohibition of certain uses or activities shall not create in Resident (s) any right or expectation that the Owner shall enforce such

prohibitions as to other Resident (s) of the community. This lease does not create any duty of Owner to keep Resident (s) or any other person secure in person or property. No one can sleep in the basement. Tenants must not BBQ or have any kind of open flame/fire in any of the owner properties.

18. The following excerpt is taken from paragraph 13 of Defendant IBIN's lease, located in the middle of page 3:

services furnished by the Owner shall be at the Owner's option, cause for termination of this Lease. Owner shall not be held liable for any injury or damage whatsoever which may arise or accrue from the absence of heat, air conditioning, electricity or hot or cold water, regardless of the cause of such failure, nor from any defect in the building or premises, nor from rain, wind, or other cause, all claims for such injury or damage being hereby expressly waived by Resident (s). Gas, electric, water/sewer, garbage, cable TV/phone, snow remove, yard work, lawn mow, trim bush/tree, clean gutters, clean drain line when it is blocked, change batteries for the smoke detectors and the furnace thermostat, change the furnace filter each month, etc., are the responsibilities of the Tenant.

19. The following excerpt is taken from paragraph 13.1 of Defendant IBIN's lease, located at the bottom of page 3:

13.1 Tenant must pay \$50 service charge as a co-pay for any repair service. A \$50 trip fee plus service charge of \$50 (co-pay)

20. The following excerpt is taken from paragraph 14 of Defendant IBIN's lease, located in the middle of page 4:

14. INSPECTIONS AND REPAIRS: Owner, in person or by agent, shall have the right at all reasonable times to enter the Leased Premises and inspect the same and to show the same to prospective tenants or purchasers. Owner shall also have the

21. The following excerpt is taken from paragraph 23 of Defendant IBIN's lease, located at the bottom of page 5:

23. SAVE HARMLESS CLAUSE: Resident (s) shall indemnify and save harmless Owner from and against any and all claims or actions for damages to persons or property, or for loss of life, and against any and all losses, costs, damages, charges, penalties and expenses, arising out of or in connection with any accident or other occurrence due directly or indirectly to the use and occupancy of the Leased Premises, or any common or related area, by the Resident (s). This indemnity extends to any and all claims in which it is asserted that Owner itself has been negligent or otherwise at fault.

V. CAUSES OF ACTION

COUNTS I-VII: MISREPRESENTATION OF RIGHTS AND OBLIGATIONS/TERMS AND CONDITIONS IN A LEASE Ind. Code § 24-5-0.5-3(b)(8) and Ind. Code § 24-9-3-7(c)(5)(A)(i)

22. The Plaintiff realleges and incorporates by reference all previous Paragraphs of this Complaint.

23. Each lease and/or lease renewal, including those at common law, between Defendant IBIN and a tenant residing in Indiana constitutes a “consumer transaction” as defined by Ind. Code § 24-5-0.5-2(a)(1).

24. Each lease and/or lease renewal, including those at common law, between Defendant IBIN and a tenant residing in Indiana constitutes a “real estate transaction” within the meaning of Ind. Code § 24-9-3-7(b).

25. Defendant IBIN is a “person” as it is defined by Ind. Code § 24-5-0.5-2(a)(2).

26. Defendant IBIN is a “supplier” as it is defined by Ind. Code § 24-5-0.5-2(a)(3)(A).

27. Ind. Code § 24-5-0.5-3(b)(8) states it is a deceptive act for a supplier to represent that a consumer transaction involves or does not involve rights, remedies, or obligations if the representation is false and if the supplier should reasonably know that the representation is false.

28. Ind. Code § 24-9-3-7(c)(5)(A)(i) states a person shall not represent in a real estate transaction that the transaction has certain terms or conditions that it does not have and that the person reasonably should know it does not have.

29. All persons are charged with knowledge of the law.

30. **Count 1:** In paragraph 2 of Defendant IBIN’s lease, it purports to allow Defendant IBIN a “reasonable time” to return the security deposit after the least is terminated and the premises are vacated.

31. Ind. Code § 32-31-3-14 requires landlords in Indiana to provide an itemized list of damages claimed for which the security deposit may be used within forty-five (45) days of the termination of occupancy. At this time, the landlord must

include a check or money order for the difference between the damages claimed and the amount of the security deposit.

32. Each transaction conducted by Defendant IBIN where Defendant IBIN misrepresented to an Indiana tenant that Defendant IBIN would have a “reasonable time” rather than forty five (45) days to return the security deposit allows the State of Indiana to seek injunctive relief, costs of its investigation, restitution, and a civil penalty pursuant to Ind. Code § 24-5-0.5-4(c), (d), and (g).

33. **Count 2:** In paragraph 4 of Defendant IBIN’s lease, it purports to absolve Defendant IBIN of any liability to the resident to deliver timely possession of the leased premises.

34. Ind. Code § 32-31-8-5(1) requires a landlord to deliver the rental premises to the tenant in compliance with the rental agreement, and in a safe, clean, and habitable condition.

35. Defendant IBIN’s lease provision which purports to absolve Defendant IBIN of any responsibility to timely provide possession of the leased premises directly contradicts the requirements of Ind. Code § 32-31-8-5(1). Any attempt by Defendant IBIN to limit its landlord obligations expressly identified in statute is void.

36. Each transaction conducted by Defendant IBIN where Defendant IBIN misrepresented to an Indiana tenant that Defendant IBIN had no obligation to timely provide possession of the leased premises allows the State of Indiana to seek injunctive relief, costs of its investigation, restitution, and a civil penalty pursuant to Ind. Code § 24-5-0.5-4(c), (d), and (g).

37. **Count 3:** In paragraph 7 of Defendant IBIN's lease, it purports to absolve Defendant IBIN of any obligation to enforce its lease against tenants whose conduct violates the lease.

38. Ind. Code § 32-31-5-6(c) states that a landlord may not deny or interfere with a tenant's access to or possession of the tenant's dwelling unit by commission of any act.

39. Defendant IBIN's lease term which purports to absolve Defendant IBIN of the responsibility to enforce its lease against other tenants misrepresents the law to the tenant because IBIN Management must provide the tenant quiet enjoyment of the leased premises. If Tenant A is engaged in conduct that violates the lease and impedes the quiet enjoyment of Tenant B, IBIN Management has a duty to enforce its lease against Tenant A to protect Tenant B's quiet enjoyment of the leased premises.

40. Each transaction conducted by Defendant IBIN where Defendant IBIN misrepresented to an Indiana tenant that Defendant IBIN has no obligation to enforce its lease against other tenants whose conduct impedes a lease holder's quiet enjoyment allows the State of Indiana to seek injunctive relief, costs of its investigation, restitution, and a civil penalty pursuant to Ind. Code § 24-5-0.5-4(c), (d), and (g).

41. **Count 4:** In paragraph 13 of Defendant IBIN's lease, it purports to cause the Resident to waive any claims against Defendant IBIN "for any injury or

damage whatsoever which may arise or accrue from the absence of heat, air conditioning, electricity or hot or cold water....”

42. Ind. Code § 32-31-8-5(4) requires a landlord provide and maintain: electrical systems; plumbing systems sufficient to accommodate a reasonable supply of hot and cold running water at all times; sanitary systems; heating, ventilating, and air conditioning systems, including a heating system which must be sufficient to adequately supply heat at all times; elevators if provided; and appliances supplied as an inducement to the rental agreement.

43. Ind. Code § 32-31-8-4 states that any waiver of the application of Ind. Code § 32-31-8 by a landlord or tenant, by contract or otherwise, is void.

44. Defendant IBIN’s lease provision which purports to deny any responsibility for damages incurred to a tenant due to Defendant IBIN’s failure to provide essential services to the tenant directly contradicts the requirements of Ind. Code § 32-31-8-5. Any attempt by Defendant IBIN to limit its landlord obligations expressly identified in statute is void.

45. Each transaction conducted by Defendant IBIN where Defendant IBIN misrepresented to an Indiana tenant that the tenant waived causes of action for damages caused by Defendant IBIN’s failure to provide essential services identified by statute allows the State of Indiana to seek injunctive relief, costs of its investigation, restitution, and a civil penalty pursuant to Ind. Code § 24-5-0.5-4(c), (d), and (g).

46. **Count 5:** In paragraph 13.1 of Defendant IBIN's lease, it purports to require the tenant to pay a fifty-dollar (\$50) service charge as a co-pay for any repair service provided to the tenant, regardless of the nature of the repair.

47. Defendant IBIN's lease provision which purports to require a tenant to pay a \$50 service charge as a co-pay for any repair service violates the requirements of Ind. Code § 32-31-8-5 in that it transfers the cost of "wear and tear" as well as the repair of essential services onto the tenant.

48. Each transaction conducted by Defendant IBIN where Defendant IBIN misrepresented to an Indiana tenant that the tenant was required to pay a \$50 co-pay to have Defendant IBIN repair an essential service and/or a condition caused by "wear and tear" allows the State of Indiana to seek injunctive relief, costs of its investigation, restitution, and a civil penalty pursuant to Ind. Code § 24-5-0.5-4(c), (d), and (g).

49. **Count 6:** In paragraph 14 of Defendant IBIN's lease, it purports to allow Owner to access the property without notice to the tenant "at all reasonable times."

50. Ind. Code § 32-31-5-6 states "a landlord (1) shall not abuse the right of entry or use a right of entry to harass a tenant; **(2) shall give a tenant reasonable written or oral notice of the landlord's intent to enter the dwelling unit;** and (3) may enter a tenant's dwelling unit only at reasonable times." **Emphasis added.**

51. Defendant IBIN's lease provision which purports to allow management/owner access without notice to a tenant under normal circumstances contradicts the notice requirements of Ind. Code § 32-31-5-6(2).

52. Each transaction conducted by Defendant IBIN where Defendant IBIN misrepresented to an Indiana tenant that Defendant IBIN could access the rental premises without providing any notice to the tenant under normal circumstances allows the State of Indiana to seek injunctive relief, costs of its investigation, restitution, and a civil penalty pursuant to Ind. Code § 24-5-0.5-4(c), (d), and (g).

53. **Count 7:** In paragraph 23 of Defendant IBIN's lease, it purports to cause the Resident to agree to indemnify Defendant IBIN for any and all claims, including those where IBIN Management is "negligent or otherwise at fault."

54. Defendant IBIN's lease provision which purports to cause Residents to agree to indemnify Defendant IBIN against all claims including for negligent or knowing behavior, directly contradicts the requirements of Ind. Code § 32-31-8-5. Any attempt by Defendant IBIN to limit its landlord obligations expressly identified in statute is void.

55. Each transaction conducted by Defendant IBIN where Defendant IBIN misrepresented to an Indiana tenant that the tenant was indemnifying Defendant IBIN against all causes of action available to the tenant related to the tenant's occupation of the property allows the State of Indiana to seek injunctive relief, costs of its investigation, restitution, and a civil penalty pursuant to Ind. Code § 24-5-0.5-4(c), (d), and (g).

VI. RELIEF

56. Plaintiff, the State of Indiana, requests the Court enter judgment against Defendant: IBIN Management, LLC, for the following relief.

- a. As to all Counts, enter judgment against Defendant which includes injunctive relief, pursuant to Ind. Code § 24-5-0.5-4(c)(1), permanently enjoining Defendant IBIN Management, LLC, and the agents, representatives, employees, successors, and assigns thereof from committing unfair, abusive, and deceptive acts and/or practices in connection with real estate/consumer transactions.
- b. As to all Counts, enter judgment against Defendant which includes consumer restitution, pursuant to Ind. Code § 24-5-0.5-4(c)(2), payable to the Office of the Attorney General, for the benefit of consumers mentioned above and of consumers not mentioned above, to be discovered through discovery in this civil action and in an amount to be determined at trial.
- c. As to all Counts, enter judgment against Defendant which includes costs, pursuant to Ind. Code § 24-5-0.5-4(c)(4), awarding the Office of the Attorney General its reasonable expenses incurred in the investigation and prosecution of this action.
- d. As to all Counts, enter judgment against Defendant which includes civil penalties, under Ind. Code § 24-5-0.5-8.
- e. All other just and proper relief in the premises.

Respectfully submitted,

THEODORE E. ROKITA
Indiana Attorney General
Attorney No. 18857-49

By:



Chase M. Haller
Deputy Attorney General
Attorney No.: 29944-49



Timothy M. Weber
Deputy Attorney General
Attorney No.: 31559-49

Office of Attorney General Todd Rokita
302 West Washington Street
Indiana Government Center South, 5th Floor
Indianapolis, IN 46204
Email: Chase.Haller@atg.in.gov
Phone: (317) 232-6285