

**IN THE COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO**

STATE OF OHIO, ex rel.
ATTORNEY GENERAL
DAVE YOST
30 East Broad Street, 14th Floor
Columbus, Ohio 43215

Plaintiff,

v.

The Legacy Lofts on Courtland, LLC
c/o registered agent
Scott Call
2037 Courtland Avenue
Cincinnati, Ohio 45212

and

Scott Call
2037 Courtland Avenue
Cincinnati, Ohio 45212

Defendants.

Case No: A 1 9 0 1 2 5 1

COPY FILED
CLERK OF COURTS
HAMILTON COUNTY

MAR 11 2019

Judge:

AFTAB PUREVAL
COMMON PLEAS COURTS

COMPLAINT, REQUEST FOR
DECLARATORY AND
INJUNCTIVE RELIEF,
CONSUMER RESTITUTION, CIVIL
PENALTIES, AND OTHER
APPROPRIATE RELIEF

JURISDICTION AND VENUE

1. Plaintiff, State of Ohio, by and through counsel, the Attorney General of Ohio, Dave Yost, having reasonable cause to believe that violations of Ohio's consumer protection laws have occurred, brings this action in the public interest and on behalf of the State of Ohio and impacted consumers under the authority vested in him by R.C. 1345.07 and R.C. 5311.27.
2. The actions of Defendants, The Legacy Lofts on Courtland, LLC and Scott Call ("Defendants"), have occurred in the State of Ohio, and as set forth below are in violation

of the Consumer Sales Practices Act (“CSPA”), R.C. 1345.01 et seq., and the Condominium Property Act (“Condo Act”), R.C. 5311.01 et seq.

3. Jurisdiction over the subject matter of this action, for which the recoverable monetary amount in dispute is greater than \$15,000, lies with this Court pursuant R.C. 2305.01, and pursuant to the CSPA, R.C. 1345.04.
4. This Court has venue to hear this case pursuant to Ohio Civ. R. 3(C)(3), as Defendants conducted activity in Hamilton County that gives rise to the claims for relief.

DEFENDANTS

5. Defendant The Legacy Lofts on Courtland, LLC (“Legacy Lofts”) is a limited liability company registered in Ohio with a principal place of business in Hamilton County. Legacy Lofts does business as The Legacy Lofts.
6. Defendant Scott Call (“Call”) is an adult person who was or is a resident of the State of Ohio, and who was and is an owner, employee, officer, or director of Defendant Legacy Lofts.
7. Defendants are “suppliers” as defined in R.C. 1345.01(C) because Defendants were, at all times relevant hereto, engaged in the business of effecting consumer transactions either directly or indirectly by soliciting and selling goods or services to consumers in the State of Ohio for purposes that were primarily for personal, family or household use, within the meaning specified in R.C. 1345.01(A).
8. Defendants are “developers” as defined in R.C. 5311.01(S) because Defendants directly or indirectly sold or offered to sell condominium ownership interests in a condominium development.

STATEMENT OF FACTS

9. Defendants were developers of an anticipated residential condominium project located on Courtland Avenue in Norwood, Ohio.
10. The condominium project was named The Legacy Lofts. It was to consist of a maximum of 112 residential units.
11. Before the condominium project could be inhabited, Defendants needed and planned to do significant construction and remodeling work on the property.
12. Defendants solicited individuals to enter into agreements to purchase ownership interests in the condominium project. The agreements were titled "Reservation Binder Agreements." An example has been attached as Exhibit A.
13. When signing a Reservation Binder Agreement, the buyer agreed to purchase a condominium unit at closing at a set price when the development was completed. The sale would not close until the development was completed.
14. Pursuant to R.C. 5311.26, Defendants were required to provide to potential buyers a written condominium development disclosure statement that disclosed multiple material facts about the condominium development.
15. Defendants did not provide a written condominium development disclosure to potential buyers, or otherwise disclose many of the material facts required by R.C. 5311.26.
16. The Reservation Binder Agreement specified remodeling and construction work Defendants needed to perform on the development before the unit could be sold. For example:
 - a. All the roofs will be replaced;
 - b. All brick and masonry stone work will be repaired and cleaned;

- c. The entire property will be fenced in with wrought iron security fencing with remotely operated pedestrian and vehicle gates;
 - d. The bathrooms will be designed to fit each individual unit and will have quality fixtures, furniture and tiling with glass fronted shower units; and
 - e. The interior mill work will be a mix of existing and new. (Exhibit A)
17. The anticipated completion dates for various portions of the condominium project ranged from approximately April 2018 to December 2018.
18. When the buyer signed the Reservation Binder Agreement the buyer paid a deposit to Defendants. The deposit amount was often \$5,000 per unit.
19. Per the terms of the Reservation Binder Agreement the deposit was fully refundable if the buyer made a written request to terminate the agreement at least 60 days prior to the anticipated closing date.
20. Pursuant to R.C. 5311.25(A) the buyers' deposits were required to be held in escrow. The Reservation Binder Agreement did not contain the language described in R.C. 5311.25(A)(2)(b).
21. Upon information and belief, Defendants did not hold the buyers' deposits in escrow, or collect the legally required interest on deposits in excess of \$2,000.
22. Multiple buyers signed Reservation Binder Agreements.
23. Beginning in the spring of 2018, problems related to the development of the condominium project began to occur. The Defendants notified buyers that these problems would impact the planned completion date of project.
24. Some buyers requested in writing the return of their deposits, including some buyers who requested the return prior to 60 days of the original closure date.

25. Some buyers who requested the return of their deposits have never received any portion of their deposit returned.
26. Defendants entered into agreements and promissory notes with some buyers agreeing to return the buyers' deposits. For some buyers, Defendants have not followed the terms of these agreements or promissory notes.
27. More recently, Defendants have ceased all or most contact with some buyers, and will not respond to buyers' requests for information.
28. To date, the condominium project has not been completed. In addition, upon information and belief and a review of public records, Defendants do not even own all of the property that the condominium project is to be developed on. As such, the condominium project will not be completed at any time close to the original anticipated closure dates.

PLAINTIFF'S FIRST CAUSE OF ACTION: VIOLATIONS OF THE CSPA

COUNT I – FAILURE TO DELIVER

29. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs 1-28 of this Complaint.
30. Defendants committed unfair or deceptive acts or practices in violation of the Failure to Deliver Rule, O.A.C. 109:4-3-09(A) and the CSPA, R.C. 1345.02(A), by accepting money from consumers for good and services and then permitting eight weeks to elapse without making shipment or deliver of the goods and services ordered, making a full refund, advising the consumer of the duration of an extended delay and offering to send a refund within two weeks if so requested, or furnishing similar goods or services of equal or greater value as a good faith substitute.

31. The acts or practices described above have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed such violations after such decisions were available for public inspection pursuant to R.C. 1345.5(A)(3).

COUNT II – MISREPRESENTING THE SUBJECT OF A TRANSACTION

32. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs 1-31 of this Complaint.

33. Defendants committed unfair or deceptive acts or practices in violations of the CSPA, R.C. 1345.02(A), by representing that the subject of a consumer transaction has sponsorship, approval, performance characteristics, uses, or benefits that it does not have, and specifically that 1) deposits made under the transaction would be fully refundable upon written notice at least 60 days prior to the anticipated closing, and 2) refunds would be provided pursuant to the terms of refund agreements or promissory notes.

34. The acts or practices described above have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed such violations after such decisions were available for public inspection pursuant to R.C. 1345.5(A)(3).

PLAINTIFF'S SECOND CAUSE OF ACTION: VIOLATIONS OF THE

CONDOMINIUM PROPERTY ACT

COUNT I – NOT HOLDING PURCHASERS' DEPOSITS IN ESCROW

35. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs 1-34 of this Complaint.

36. Defendants violated the Condominium Property Act by accepting deposits or down payments in connection with the sale of a condominium unit and not holding the deposits

or down payments in trust or escrow, and not collecting the required interest on these deposits or down payments, in violation of R.C. 5311.25.

COUNT II – NOT REFUNDING PURCHASERS' DEPOSITS

37. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs 1-36 of this Complaint.

38. Defendants violated the Condominium Property Act by not fully and refunding to purchasers deposits or other payments upon proper request by the purchaser to void or otherwise terminate the agreement, in violation of R.C. 5311.27.

COUNT III – NOT PROVIDING REQUIRED DISCLOSURES

39. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs 1-38 of this Complaint.

40. Defendants violated the Condominium Property Act by offering to selling a condominium ownership interest in a residential condominium development and not providing the prospective purchaser a disclosure statement that discloses fully and accurately all material circumstances or features affecting the development in a readable and understandable written statement, including the provisions required by R.C. 5311.26, in violation of R.C. 5311.26.

PRAYER FOR RELIEF

Wherefore, Plaintiff respectfully requests that this Court:

1. **ISSUE A DECLARATORY JUDGMENT**, pursuant to R.C. 1345.07(A) and R.C. 5311.27(C), declaring that each act or practice described in Plaintiff's First Cause of Action violates the CSPA, R.C. 1345.01 et seq., and declaring that each act or practice

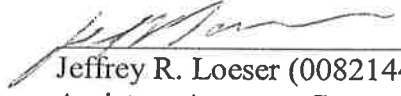
described in Plaintiff's Second Cause of Act violates the Condo Act, R.C. 5311.01 et seq., in the manner set forth therein.

2. **ISSUE A PERMANENT INJUNCTION**, pursuant to R.C. 1345.07(A) and R.C. 5311.27(C), enjoining Defendants The Legacy Lofts on Courtland, LLC and Scott Call, their agents, and all persons acting in concert or participating with them, from committing further violations of the acts or practices described in Plaintiff's Causes of Action.
3. **ORDER**, pursuant to R.C. 1345.07(B) and R.C. 5311.27(C), Defendants The Legacy Lofts on Courtland, LLC and Scott Call jointly and severally liable to reimburse all consumers or purchasers damaged by their unfair, deceptive, unconscionable acts or practices, or by acts or practices that otherwise violate the CSPA or Condo Act.
4. **ASSESS, FINE, AND IMPOSE** upon Defendants The Legacy Lofts on Courtland, LLC and Scott Call, jointly and severally, a civil penalty of Twenty-Five Thousand Dollars (\$25,000) for each appropriate violation described herein, pursuant to R.C. 1345.07(D).
5. **ORDER**, as a means of insuring compliance with this Court's Order and with the consumer protection laws of Ohio, that Defendants The Legacy Lofts on Courtland, LLC and Scott Call maintain in their possession and control for a period of five (5) years all business records relating to The Legacy Lofts on Courtland, LLC and to permit the Ohio Attorney General or his representative, upon reasonable twenty-four (24) hour notice to inspect and/or copy any and all such records.
6. **GRANT** the Ohio Attorney General its costs in bringing this action.
7. **ORDER** Defendants The Legacy Lofts on Courtland, LLC and Scott Call to pay all court costs.

8. **GRANT** such other relief as the Court deems to be just, equitable, and appropriate.

Respectfully submitted,

DAVE YOST
Ohio Attorney General



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Counsel for Plaintiff,
Ohio Attorney General

Reservation Binder Agreement – The Legacy Lofts on Courtland

This agreement is made by The Legacy Lofts on Courtland LLC, dba The Legacy Lofts, 2037 Courtland Ave, Cincinnati, OH 45212, (herein called the "Seller"), and Courtney Hausfeld (herein called the "buyer"), Telephone: [REDACTED] Email: [REDACTED] Address: [REDACTED]

Buyer hereby agrees to purchase from Seller Unit 306 in The Allison for which is phase one of The Legacy Lofts, a condominium conversion project consisting of a maximum of 112 residential units (herein called the "Project"). The Allison Building will have a maximum of 35 condo residences varying in sizes from 730 to 1600 sq ft. The Project building is located at 2011 Courtland Ave, Norwood, Oh 45212. The unit 306 is situated in North West Corner of the building and shown on the second floor of the Project, which has been reviewed and approved by Purchaser, together with the undivided percentage interest appurtenant thereto in the Common Elements of the Project as described in the Master Deed (the "Unit"). The Common Elements do not include the residence and associated improvements to be built within the project.

The Interior:

- the kitchens will be either wood or laminate, stone surface, stainless steel sink and appliances – oven, stove, dishwasher, microwave, food disposal and refrigerator / freezer
- The bathrooms will be designed to fit each individual unit and will have quality fixtures, furniture and tiling with glass fronted shower units.
- The interior mill work will be a mix of existing and new. The flooring will be existing wood, wood to match and or ceramic tile.
- Each unit will have its own energy efficient HVAC system for each room and area.

The Exterior:

- All the roofs will be replaced.
- All brick and masonry stone work will be repaired and cleaned.
- The entire property will be fenced in with wrought iron security fencing with remotely operated pedestrian and vehicle gates.
- The parking areas on both ends of the building will be adapted for accessible parking spaces.
- The black top will be removed around the building to create a green area and buffer to the parking areas.
- There will be a fenced designated dog area to the east of the school building in this 30 ft green zone.
- One numbered parking spaces with additional guest parking will be made out of the existing open black top area shown on the site map.

Purchase Amount - Buyer agrees to pay to Seller the agreed Pre-Construction promotional price of \$102,720 for Unit 306 in The Allison. The purchase amount is a promotional discount from the currently established price list of \$105,900 and the same discount can be applied to another non premium unit, unless the original purchase is for a premium unit, if the buyer wishes to change to another unit up to 21 days prior to closing on the original sale. Premium units are to be in the roof area of the Kensington, the roof top units of The Allison and The Pembroke, and the top two floors and dome in The Harmon building.

Deposit - Seller acknowledges receipt of \$5000.00 (herein called "the deposit") with the execution of this Agreement. The deposit amount of \$5000.00 shall be applied to the total sales price of \$102,720 at closing. This deposit will be fully refundable to the buyer with a sixty day written request prior to the scheduled closing of Oct / Nov 2018 for cancellation of this agreement. This action will terminate the Reservation Binder Agreement and buyer will be entitled to the deposit. If the buyer refuses to close the deal without legal cause (e.g. the seller has satisfied all of the conditions to closing or they have otherwise been waived), then the deposit may be forfeited to the seller. If the seller refuses to close, the buyer would be entitled to their deposit.

Closing - The balance of \$97,720 shall be due at closing. The closing is scheduled on or before Oct/Nov 2018. The seller will notify the buyer in writing via email a minimum of ninety days prior to the completion and occupancy date to enable the buyer to have the required funds available to complete the purchase. Oct/Nov 2018 is the projected completion date for the first six units for occupation. The seller will endeavor to adhere to these projected completion times but they may be affected by weather, labor and material shortage, planning and permit delays. In the event of delays, a new closing date needs to be assigned by the seller to the buyer via email. The seller also reserves the right to bring forward the projected completion times based on sales and production capabilities provided the buyer maintains the right to provide a sixty day written request. Upon completion of purchase via closing, the buyer will be the sole 100% owner of unit No.306 in The Allison building with sale rights. Upon closing a "Fee Simple Title" will be delivered to the buyer by a general warranty deed free from all liens, restrictions, encumbrances or encroachments not specifically referenced in the Reservation Binder Agreement.

[REDACTED]

Signature of Buyer

Date 11/30/17

Date

[REDACTED]

Signature for Seller

Date 30/11/17

Date

The Legacy Lofts on Courtland LLC

The Legacy Lofts on Courtland LLC, The NBC Building, 2037 Courtland Ave, Cincinnati, Ohio, 45212

Telephone: 513-293-1459 email: info@thelegacyloftsoncourtland.com

