

STATE OF INDIANA) IN THE MARION SUPERIOR/CIRCUIT COURT
) SS:
COUNTY OF MARION) CAUSE NO.:

JOHNATHAN EATON,
JOHN EATON HOMES, INC,
JOHNATHAN EATON Derivatively on Behalf of
LITZ & EATON INVESTMENTS LLC,
JOHNATHAN EATON Derivatively on Behalf of
HAMPSTEAD HOME PRODUCTS, LLC,

Plaintiffs,

v.

BRADLEY R. LITZ,
CATHLEEN LITZ,
LITZ & EATON INVESTMENTS LLC,
LITZ II LLC,
LITZ INVESTMENTS, LLC,
BRADLEY LITZ PRIVATE EQUITY LLC,
HAMPSTEAD HOME PRODUCTS, LLC,
1824 PENN HOLDINGS, LLC,
LITZ PROPERTY MANAGEMENT LLC,
HIGHLAND AUTOSPORT LLC,

Defendants.

**VERIFIED COMPLAINT FOR DAMAGES, ACCOUNTING,
AND FOR APPOINTMENT OF RECEIVER**

Comes now the plaintiffs, Johnathan Eaton, John Eaton Homes, Inc. and Johnathan Eaton, derivatively on behalf of Litz & Eaton Investments LLC, and Hampstead Home Products, LLC, by counsel, for their *Verified Complaint for Damages, Accounting, and for Appointment of Receiver* state as follows:

NATURE OF THE ACTION

1. Johnathan Eaton and John Eaton Homes, Inc. have been frozen out of what should have been profitable business enterprises in a systematic fashion by Bradley Litz and his various entities. Bradley Litz prevented payment of approximately \$1.5 Million in invoices to John

Eaton Homes, Inc. while Litz was secretly misappropriating hundreds of thousands of dollars from companies jointly owned by Bradley Litz and Johnathan Eaton. Creditors of Litz & Eaton Investments LLC and John Eaton Homes, Inc., including John Eaton himself, are now left behind in the wake of Brad Litz's consistent and systematic pattern of deception, fraud, and use of entity funds for personal expenses and individual gain. This action is filed to obtain the funds wrongfully taken and to stop further dissipation of assets by Bradley Litz and his various entities.

PARTIES

2. Plaintiff, Johnathan Eaton ("Eaton") is an individual residing in Markleville, Indiana, which is located in Madison County.

3. Plaintiff, John Eaton Homes, Inc. ("JEH") is an Indiana corporation with its principal address located in Markleville, Indiana. Eaton is the sole shareholder of JEH.

4. Defendant Bradley R. Litz ("Litz") is an individual residing in Indianapolis, Indiana,

5. Defendant Cathleen E. Litz is an individual residing in Indianapolis, Indiana.

6. Defendant Litz & Eaton Investments LLC ("L&E LLC") an Indiana limited liability company with its principal office located at 1101 Central Avenue in Indianapolis, Indiana.

7. L&E LLC commenced business operation in or about 2011.

8. L&E LLC does, or has done, business under the assumed name of L&E LLC Development Company.

9. The members of L&E LLC are Eaton and Litz, with each holding fifty percent (50%) of the member interests of the limited liability company.

10. Litz holds himself out to be the Managing Member of L&E LLC.

11. Defendant Litz II LLC (“Litz Real Estate”) is an Indiana limited liability company with its principle office located at 1101 Central Avenue in Indianapolis, Indiana, which is located in Marion County. Litz II does business under the assumed name of Litz Real Estate.

12. Defendant Litz Investments, LLC (“Litz Investments”) is an Indiana limited liability company with its principal office located at 1101 Central Avenue in Indianapolis, Indiana.

13. Defendant Bradley Litz Private Equity LLC (“Litz Private Equity”) is an Indiana limited liability company with its principal office located at 1101 Central Avenue in Indianapolis, Indiana.

14. Defendant Litz Property Management LLC (“Litz Property Management”) is an Indiana limited liability company with its principal office located at 1101 Central Avenue in Indianapolis, Indiana.

15. Defendant Hampstead Home Products, LLC (“Hampstead”) is an Indiana limited liability company with its principal office located at 1101 Central Avenue in Indianapolis, Indiana.

16. The members of Hampstead are Eaton and Litz, with each holding fifty percent (50%) of the member interests of the limited liability company.

17. Defendant, Cathleen Litz is an officer of Hampstead.

18. Defendant, 1824 Penn Holdings, LLC (“Penn Holdings”) is an Indiana limited liability company with its principal office located at 1101 Central Avenue in Indianapolis, Indiana.

19. The members of Penn Holdings are Eaton and Litz, with each holding fifty percent (50%) of the member interests of the limited liability company.

20. Defendant Highland Autosport LLC (“Highland Autosport”) is an Indiana limited liability company with its principal office located at 1101 Central Avenue in Indianapolis, Indiana.

21. Upon information and belief, Litz is the sole member of Highland Autosport.

FACTUAL ALLEGATIONS

22. In August 2011, L&E LLC was formed by Litz and Eaton to purchase and improve residential real estate properties in the Indianapolis metropolitan area to sell (or “flip”) the properties for a profit by remodeling the real estate properties and effectively marketing the properties.

23. The business of L&E LLC was structured so that Litz, through Litz Real Estate, and other entities affiliated with Litz, utilized his purported experience and sets of contacts Litz had acquired as a realtor to identify residential properties to purchase in the Indianapolis metro area and Eaton utilized his extensive experience in building and remodeling homes as well as his business experience and contacts to perform the construction and renovation work on properties to be developed

24. Importantly, from 2011 (when L&E LLC was formed) until the present, Litz either personally or through employees that reported solely to Litz, assumed responsibility for L&E LLC’s banking, financial transactions, and accounting functions.

25. The properties ultimately purchased by L&E LLC were sometimes purchased with the funds of a third-party investor and sometimes purchased with funds from a commercial banking lender.

26. After the residential properties were purchased, Eaton, through JEH, utilized his expertise as a residential construction contractor to construct, renovate and/or improve the residential properties.

27. L&E LLC and Litz Real Estate marketed and sold the improved properties with the goal to achieve a profit after all expenses were paid.

28. Litz and Eaton agreed to equally divide any profits from the sale of an improved property after first satisfying all expenses related to the subject property.

29. The expenses for properties developed by L&E LLC included (i) Litz's realtor commissions, (ii) labor and material costs incurred by JEH in constructing, renovating and/or improving residential homes on the properties, and (iii) any funds obtained from third-party investors or commercial lenders used to finance the individual project plus any agreed upon return for such investors.

30. Until approximately 2017, JEH's costs related to both construction labor and materials were paid through periodic draws on funds received by L&E LLC from third-party investors or commercial lenders.

31. Until approximately 2017, once construction work on a property was complete, JEH's final costs related to both construction labor and materials were paid by L&E LLC when the subject property was sold.

32. For a number of years after L&E LLC commenced business operations, Eaton received funds that Litz represented amounted to fifty percent (50%) of profits from residential properties that were successfully purchased, improved, and sold under L&E LLC's business model.

33. Neither Litz nor Eaton were ever authorized to unilaterally and without consent withdraw money from any L&E LLC residential real estate project in the form of a distribution.

34. Despite Eaton's repeated requests, Litz consistently refused to provide Eaton with access to L&E LLC's financial and banking records. Instead, Litz only provided "cherry-picked" information regarding L&E LLC's financial and banking records to Eaton, which information Eaton later discovered was incomplete and/or misleading.

35. Eaton, as a 50 percent (50%) member of L&E LLC, reasonably expected Litz to honestly and fairly conduct L&E LLC's banking, financial, and accounting functions in a manner that comported with Litz's fiduciary duty to Eaton.

36. Beginning in or about 2016 or 2017, Litz commenced a scheme and practice of causing L&E LLC to systematically shortchange JEH in payments on invoices for construction labor and materials' costs incurred in improving residential properties purchased by L&E LLC.

37. In or about March or April 2017, Eaton discovered that certain funds received at the closing of sales of L&E LLC properties were missing.

38. When Eaton confronted Litz regarding the missing funds, Litz stated that he was utilizing the missing funds as development funds on other real estate projects. However, despite request, Litz did not provide an accounting of L&E LLC's missing funds.

39. In 2017, to conceal his systematic scheme of misappropriating L&E LLC's assets at the expense of Eaton, Litz informed Eaton that all profits from the sale of L&E LLC properties would be retained by L&E LLC instead of paid to Litz and Eaton equally when a property was sold.

40. Litz represented to Eaton that L&E LLC profits would remain with L&E LLC so the company could use the funds to purchase additional properties for development.

41. At all times relevant to this cause of action, Eaton had no way of knowing whether Litz was actually retaining and utilizing L&E LLC profits to purchase properties because Litz continued to block Eaton's access to L&E LLC financial and banking records.

42. Litz's representation to Eaton related to retainage of L&E LLC earnings to fuel additional purchases never materialized and was false.

43. In 2017, Litz represented to Eaton that L&E LLC would pay Eaton \$20,000 per month instead of paying Eaton his share of profits for each property sold.

44. Although Eaton was not being paid profits and Litz was consistently representing that company funds were being retained to fuel additional development work, L&E LLC had a consistent need for funds from a third-party investor or a commercial banking institution to purchase additional development properties.

45. In 2017, Eaton only received \$140,000 from L&E LLC although Litz had promised Eaton that he would receive \$20,000 per month.

46. In 2018, Eaton only received one payment of \$20,000 from L&E LLC.

47. To survive financially and to pay subcontractors, Eaton personally borrowed funds from third-party lending sources and paid interest on those personal loans. The principal and interest owed by Eaton for loans to fund construction totals at least \$284,877.80 exclusive of ongoing interest that is accruing on such liabilities and attorney's fees incurred by the creditors in attempting to collect.

48. While Litz ensured that L&E LLC did not pay Eaton his share of the L&E LLC profits and also prevented JEI from being paid for all its construction expenses, Litz ensured that he was paid full realtor commissions as a realtor selling L&E LLC properties.

49. Additionally, Litz found other ways to extract additional money from L&E LLC including by charging the company marketing fees for selling subject properties, despite that fact that marketing was an expense that should have been paid by Litz out of his undiscounted realtor commissions.

50. Although Litz and Eaton were equal members of L&E LLC, with both owning 50 percent (50%) of the member interests of L&E LLC, Litz used his control over L&E LLC's banking and financial affairs to secretly pay himself distributions that were far greater than distributions received by Eaton, and to use company assets for his personal benefit – thereby leaving creditors of the company unpaid, including JEH.

51. Eaton does not have a full understanding of the excess distributions taken by Litz from L&E LLC over the life of the company because Litz refused to disclose L&E LLC's financial records to Eaton.

52. However, Eaton obtained L&E LLC's financial statements from the company's banking institution that revealed Litz's self-dealing in 2017 and 2018.

53. According L&E LLC's balance sheet for the 2017 calendar year, L&E LLC reported that Eaton received \$210,000 in distributions and Litz received \$255,289.70 in distributions from L&E LLC in 2017.

54. In reality, Eaton only received \$140,000 in distributions from L&E LLC in 2017.

55. In 2017, Litz paid himself at least \$115,289.70 more than Eaton in distributions from L&E LLC.

56. According to a L&E LLC balance sheet for the 2018 calendar year, Eaton purportedly received \$230,000 in distributions, and Litz received \$539,082.07 in distributions from L&E LLC.

57. In reality, Eaton did not receive \$230,000 from L&E LLC in 2018. Eaton only received \$20,000 in 2018.

58. In 2018, according to L&E LLC's balance sheet and Eaton's banking records, Litz paid himself at least \$519,082.07 more than Eaton in distributions from L&E LLC.

59. Upon information and belief, Litz has paid himself distributions from L&E LLC in other years and/or in other amounts that were not disclosed to Eaton and were in excess of distributions that were paid to Eaton.

60. Upon information and belief, Litz also misappropriated L&E LLC's funds to pay the payrolls of Litz Real Estate, Litz Investments, Litz Private Equity, Litz Property Management, and/or Highland Autosport and possibly other Litz related entities.

61. Litz also misappropriated L&E funds to pay for race car related expenses of Highland Autosport including an advertising wrap that advertised Litz Real Estate on a race car.

62. On May 18, 2018, in response to John Eaton's email stating that "I want to see why we have no money," Litz sent an Eaton an email stating "We have money, I didn't say that we didn't...I know what I'm doing and I'm not hiding anything from you." A true and accurate copy of this communication and representation is attached hereto as **Exhibit 1**.

63. Eaton relied on Litz's false statements in May 2018 and continued working with Litz for an additional year, while Litz continued placing Eaton in a precarious financial condition with self-dealing consistently concealed from Eaton.

64. On June 5, 2019, although Litz was surreptitiously extracting funds from L&E LLC, Litz called Eaton's banker Lisa Gabbert of Merchants Bank of Indiana to determine the amount of funds in JEH accounts. When requesting the information to which he was not entitled

and which Ms. Gabbert refused to provide, Litz falsely stated to Ms. Gabbert that Eaton stole all the money from L&E LLC and that Eaton had a cocaine habit and gambling problem.

65. Eaton did not steal money from L&E LLC accounts, has never taken illegal drugs, and does not have a gambling problem.

66. Litz knew his statements about Eaton were false when he made the statements.

67. During 2017 and 2018, according to available records, Litz surreptitiously charged approximately \$100,000 in personal expenses on L&E LLC's corporate American Express credit card ("Amex Card").

68. The personal expenses that Litz placed on the L&E LLC Amex Card include numerous trips to Florida around Christmas and spring break, trips to Las Vegas, and Paris, France, nearly \$15,000 in expenses for Litz's private plane, as well as numerous charges to expensive restaurants in Paris, France, Indianapolis, and Florida.

69. Since Litz had exclusive control of L&E LLC's accounting system, Litz categorized his consistent and repeated misappropriations of company funds as distributions from L&E LLC.

70. However, Litz's distributions were not disclosed to Eaton and, Eaton, as a 50 percent member of L&E LLC, never received matching distributions in the same amount as Litz's so-called distributions.

71. In sum, available records from Litz and Eaton's corporate Amex Card establish that between September 2017 and December 24, 2018, Litz charged nearly \$100,000 in personal expenses to Litz and Eaton's corporate Amex Card that were falsely categorized as distributions.

72. The nearly \$100,000 of Litz personal expenses categorized as distributions does not include numerous and extravagant L&E LLC “expenses” that Litz charged to the L&E LLC AMEX Card, which have no conceivable business purpose.

73. A true and accurate printout from L&E LLC’s accounting system showing a number of Litz’s personal charges to L&E LLC corporate Amex Card is attached hereto as **Exhibit 2.**

74. On September 29, 2017, Litz placed \$14,064.71 in charges from Montgomery Aviation in Zionsville, Indiana on the Amex Card for Litz’s privately owned airplane, which was falsely classified as a distribution to Litz in L&E LLC’s accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

75. On October 19, 2017, Litz placed \$268.61 in charges from Cork and Cracker in Indianapolis, Indiana on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC’s accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

76. On October 22, 2017, Litz placed \$79.25 in charges from Lucas Oil Stadium in Indianapolis, Indiana on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC’s accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

77. On October 28, 2017, Litz placed \$317.87 in charges from Late Harvest Kitchen in Indianapolis, Indiana on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC’s accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

78. On October 29, 2017, Litz placed \$1,131.60 in charges from American Airlines on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

79. The charges from American Airlines appear to be for 4 separate airline tickets. There are 4 members of Litz's immediate family including Litz, Cathleen Litz and their 2 minor children.

80. On November 20, 2017, Litz placed \$150.00 in charges from American Airlines on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

81. On November 29, 2017, Litz placed \$4,816.92 in charges from the Ritz Carlton Hotel in Key Biscayne Florida on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

82. On December 25, 2017, Litz placed \$1,401.70 in charges from Saks in Indianapolis, Indiana on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

83. On December 26, 2017, Litz placed \$376.74 in charges from the Capital Grill in Indianapolis, Indiana on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

84. On December 28, 2017, Litz placed \$2,854.92 in charges from 360 Blue, a vacation home rental service, in Santa Rosa Beach, Florida on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

85. On December 29, 2017, Litz placed \$4,621.50 in charges from HomeAway, a vacation home rental service, in Fernandina Beach, Florida on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

86. On March 18, 2018, Litz placed \$5,013.23 in charges from Delta Airlines on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

87. The charges from American Airlines appear to be for 4 separate airline tickets. There are 4 members of Litz's immediate family including Litz, Cathleen Litz and their 2 minor children.

88. On March 27, 2018, Litz placed \$2,854.92 in charges from 360 Blue, a vacation home rental service, in Santa Rosa Beach, Florida on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

89. On March 27, 2018 Litz placed \$577.52 in charges from Pescado Seafood Grill in Rosemary Beach, Florida on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

90. On March 28, 2018, Litz placed \$93.96 in charges from Neat Bottle Shop in Alys Beach, Florida on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

91. On March 28, 2018, Litz placed \$2,854.92 in charges from Surfing Deer Restaurant in Santa Rosa Beach, Florida on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

92. On March 29, 2018, Litz placed \$723.80 in charges from Delta Airlines on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

93. The charges from Delta Airlines appear to be for 4 separate airline tickets. There are 4 members of Litz's immediate family including Litz, Cathleen Litz and their 2 minor children.

94. On March 29, 2018, Litz placed \$79.71 in charges from Brunos Pizza in Watersound Beach, Florida on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

95. On March 28, 2018, Litz placed \$30.01 in charges from The Hub Restaurant in Watersound Beach, Florida on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

96. On May 4, 2018, Litz placed \$55.78 in charges from The Corner Restaurant in Indianapolis, Indiana on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

97. On July 5, 2018, Litz placed \$12,654.68 in charges from Delta Vacations on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

98. On July 14, 2018, Litz placed \$735.40 in charges from Beholder Restaurant in Indianapolis, Indiana on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

99. On July 25, 2018, Litz placed \$197.59 in charges from The Meridian Restaurant in Indianapolis, Indiana on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

100. On July 30, 2018, Litz placed \$358.69 in charges from Ravel Thalys, a train ticket vendor, Thalys in Paris, France on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

101. On July 31, 2018, Litz placed \$240.21 in charges from NMBS Bruxelles (French for Brussels, Belgium) on the Amex Card, which was falsely classified as a distribution to Litz in

L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

102. On August 1, 2018, Litz placed \$353.42 in charges from Le Castiglione (a restaurant) in Paris, France on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

103. On August 1, 2018, Litz placed \$227.22 in charges from Le Pave (a restaurant) in Paris, France on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

104. On August 3, 2018, Litz placed \$328.13 in charges from LouLou (a restaurant) in Paris, France on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

105. On August 4, 2018, Litz placed \$215.80 in charges from Patisserie Laduree in Paris, France on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

106. On August 4, 2018, Litz placed \$2,592.90 in charges from Hotel Castille in Paris, France on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

107. On August 7, 2018, Litz placed \$559.36 in charges from Ravel Thalys, a train ticket vendor, Thalys in Paris, France on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

108. On August 8, 2018, Litz placed \$2,251.44 in charges from Hilton Hotels, in Amsterdam in The Netherlands on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

109. On August 10, 2018, Litz placed \$2,114.74 in charges from Hotel Lancaster in Paris, France on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

110. On August 14, 2018, Litz placed \$2,967.79 in charges from Delta Airlines on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

111. On August 15, 2018, Litz placed \$80.66 in charges from the Flamingo Hotel, in Las Vegas, Nevada on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

112. On August 15 2018, Litz placed \$238.10 in charges from the Cosmopolitan Hotel in Las Vegas, Nevada on the Amex Card, which was falsely classified as a distribution to Litz in

L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

113. On August 18 2018, Litz placed \$614.01 in charges from the Cosmopolitan Hotel in Las Vegas, Nevada on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

114. On September 15, 2018, Litz placed \$593.00 in charges from the Hilton Hotel in St. Louis, Missouri on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

115. On September 18, 2018, Litz placed \$3,109.56 in charges from The Lodge at Sonoma in Sonoma, California on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

116. On December 24, 2018, Litz placed \$2,488.80 in charges from Delta Airlines on the Amex Card, which was falsely classified as a distribution to Litz in L&E LLC's accounting system and did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

117. Litz also placed over \$13,000 in charges for pool furniture at his personal residence on the L&E LLC Amex Card which charges did not comprise a valid business expense of L&E LLC permitted by the company or approved by Eaton.

118. In addition to paying himself substantial unauthorized distributions, Litz caused L&E LLC to systematically underpay JEH for construction costs, and fail to satisfy the amounts owed to Eaton on account of sales of property or account for profits on many properties.

119. Litz routinely would cause L&E LLC to pay JEH for only certain of the construction and/or renovation invoices during the pendency of the real estate project but prevented L&E LLC from paying the final invoice when the renovation or construction was complete or nearly completed.

Litz Personal Residence

120. In 2017, Litz agreed to pay JEH for substantial renovation work on Litz's personal residence located at 25 West 75th Street in Indianapolis, Indiana, which is owned by Litz and his spouse, Cathleen Litz.

121. In 2017 and 2018, JEH incurred over \$500,000 in expenses performing extensive remodeling work on and Cathleen Litz's personal residence.

122. Litz and Cathleen Litz paid a number of invoices for work on the Litz's personal residence, however Litz and Cathleen Litz have not paid \$310,921.03 on amounts invoiced to Litz and Cathleen Litz.

123. On June 27, 2019, JEH invoiced Litz and Cathleen Litz for \$310,921.03 for work performed on Litz's personal property located at 25 West 75th Street. A true and accurate copy of the invoice is attached hereto as **Exhibit 3**.

124. Neither Litz nor Cathleen Litz disputed JEH's invoice, and JEH's invoice remains due and owing.

1025 North Alabama Street

125. On November 9, 2016, L&E LLC purchased a lot located at 1025 North Alabama Street in Indianapolis, Indiana.

126. JEH constructed a residential home on the lot.

127. JEH properly received certain payments from L&E LLC on account of periodic invoices submitted by JEH, however, did not receive all payments due and owing from L&E LLC.

128. On April 3, 2018, L&E LLC sold the house located at 1025 N. Alabama Street in Indianapolis, Indiana.

129. Subsequent to the sale of the property, Litz wrongfully prevented L&E LLC from paying \$42,979.12 due to JEH on account of JEH's construction expenses despite the fact that L&E LLC made a profit on the sale of this property.

130. Litz provided no accounting of the profits from the sale of the property to Eaton.

131. On June 24, 2019, JEH invoiced L&E LLC for \$42,979.12 for unpaid work performed on the 1025 North Alabama Street property. A true and accurate copy of the invoice is attached hereto as **Exhibit 4**.

132. Neither Litz nor L&E LLC disputed JEH's invoice and JEH's invoice remains due and owing.

1048 West 75th Street

133. In or about June, 2018, L&E LLC purchased a vacant lot located on 1048 West 75th Street in Indianapolis. JEH constructed a home on the vacant lot.

134. JEH properly received certain payments from L&E LLC on account of periodic invoices submitted by JEH, however, did not receive all payments due and owing from L&E LLC.

135. On December 14, 2018, L&E LLC sold the home for a profit.

136. On June 24, 2019, JEH invoiced L&E LLC for \$72,258.10 for work performed on the 1048 West 75th Street property. A true and accurate copy of the invoice is attached hereto as **Exhibit 5**.

137. Neither Litz nor L&E LLC disputed JEH's invoice, and JEH's invoice remains due and owing.

Fall Creek Villas

138. On August 26, 2016 L&E LLC purchased a property located at 153 East Fall Creek Parkway South Drive in Indianapolis, Indiana. L&E LLC planned to develop this vacant real estate into townhomes known as Fall Creek Villas.

139. On behalf of L&E LLC, Litz received funds from a third-party investor for pre-development costs for the Fall Creek Villas Project.

140. JEH incurred predevelopment costs of \$25,002.27 on the Fall Creek Villas project.

141. However, despite receiving funds from the third-party investor, Litz did not pay JEH for incurred predevelopment costs in the amount of \$25,002.27.

142. Due to the failure of Litz and Eaton to pay JEH for the predevelopment costs incurred, JEH timely and properly filed a mechanic's lien on the property.

143. On June 26, 2019, JEH invoiced L&E LLC \$25,002.27 for work performed on the Fall Creek Villas. A true and accurate copy of the invoice is attached hereto as **Exhibit 6**.

144. Neither Litz or L&E LLC disputed JEH's invoice, and JEH's invoice remains due and owing.

Highwoods Parke

145. On July 20, 2016, L&E LLC purchased a property located at 4840 Michigan Road in Indianapolis, Indiana. L&E LLC planned to develop this 1.7-acre property into three separate residential properties accessed by a private road. The project was known as Highwoods Parke.

146. Subsequent to purchasing Highwoods Park, JEH demolished 5 structures and provided maintenance on the Highwoods Parke Project. JEH received a number of payments from L&E LLC for pending invoices submitted by JED.

147. On June 26, 2019, JEH sent a final invoice to L&E LLC in the amount of \$82,607.46. A true and accurate copy of the final invoice is attached hereto as **Exhibit 7**.

148. Although neither Litz nor L&E LLC disputed JEH's invoice, Litz prevented L&E LLC from paying JEH for its invoice. JEH's invoices remain due and owing.

149. Prior to May 24, 2018, JEH paid for predevelopment expenses in the amount of \$3,497.60 for Lot 3 of the Highwoods Parke Project.

150. On June 26, 2019, JEH invoiced L&E LLC \$3,497.60 for predevelopment expenses on the Highwoods Parke Lot 3. A true and accurate copy of the invoice is attached hereto as **Exhibit 8**.

151. Although neither Litz nor L&E LLC disputed JEH's invoice, Litz prevented L&E LLC from paying JEH for its invoice. JEH's invoices remain due and owing.

152. Prior to November 20, 2018, JEH paid for predevelopment expenses in the amount of \$3,212.10 for Lot 1 of the Highwoods Parke Project. The predevelopment funds paid by JEH later increased to \$4,391.30.

153. On June 26, 2019, JEH invoiced L&E LLC \$4,391.30 for incurred development expenses on Highwoods Parke Lot 1. A true and accurate copy of the invoice is attached hereto as **Exhibit 9**.

154. Neither Litz nor L&E LLC disputed JEH's invoice. Nevertheless, Litz wrongfully prevented L&E LLC from paying JEH for predevelopment costs incurred for Lot 1 of Highwoods Parke. JEH's invoice remains due and owing.

5532 North Pennsylvania Street

155. On April 5, 2017, L&E LLC purchased a residential home located at 5532 North Pennsylvania Street in Indianapolis, Indiana. JEH completed renovations on the Pennsylvania Street property. JEH received a number of payments from L&E LLC for periodic invoices submitted by JEH. On December 1, 2017, L&E LLC sold the Pennsylvania Street property.

156. On June 25, 2019, JEH invoiced L&E LLC for \$32,110.34 for work performed on the 5532 North Pennsylvania Street property. A true and accurate copy of the invoice is attached hereto as **Exhibit 10**.

157. Neither Litz nor L&E LLC disputed JEH's invoice. Nevertheless, Litz wrongfully prevented L&E LLC from paying JEH's invoice which remains due and owing.

158. Litz also prevented L&E LLC from paying Eaton for his share of profits from the home sale.

323 Westfield Avenue

159. On or about May 21, 2015, L&E LLC using funds from a third-party investor purchased a property located at 323 Westfield Avenue in Indianapolis, Indiana. JEH performed numerous improvements on the property, which did not sell for 2 years after the property was listed for sale.

160. Once Litz recognized that the property located at 323 Westfield Avenue would not sell at a profit, Litz on behalf of Litz Real Estate promised Eaton and the third-party investor that Litz Real Estate would not collect any real estate commissions on the sale of the 323 Westfield Avenue property so that JEH would be paid for all construction/renovation costs.

161. However, contrary to Litz's prior representation, Litz Real Estate charged and was paid a full real estate commission once the property was sold.

162. On June 24, 2019, after receiving payment from L&E LLC for a number of JEH invoices prior to completion of work, JEH invoiced L&E LLC for \$64,649.81 for work performed on the 323 Westfield Avenue property. A true and accurate copy of the invoice is attached hereto as **Exhibit 11**.

163. Neither Litz nor L&E LLC disputed JEH's invoice. Nevertheless, Litz wrongfully prevented L&E LLC from paying JEH's invoice, which remains due and owing.

721 Nottingham Court

164. On or about August 2, 2016, L&E LLC purchased a vacant lot located at 721 Nottingham Court in Indianapolis, Indiana. JEH constructed a home on 721 Nottingham Court. JEH received a number of payments from L&E LLC for periodic invoices submitted by JEH.

165. On June 26, 2019, JEH invoiced L&E LLC in the amount of \$13,452.63 for work performed on the 721 Nottingham Court property. A true and accurate copy of the invoice is attached hereto as **Exhibit 12**.

166. Neither Litz nor L&E LLC disputed JEH's invoice. Nevertheless, Litz wrongfully prevented L&E LLC from paying JEH for construction costs. JEH's invoice remains due and owing.

330 East 46th Street

167. On or about February 19, 2016, L&E LLC purchased a residential home located at 330 East 46th Street in Indianapolis, Indiana. JEH performed extensive renovations of the property. The property languished on the real estate market for over one year when Litz Real Estate could not find a buyer for the property.

168. Once Litz recognized that the property located at 330 East 46th Street would not sell at a profit, Litz, on behalf of Litz Real Estate, promised Eaton that Litz Real Estate would not collect any real estate commissions on the sale of the property so that JEH would be paid for all construction/renovation costs.

169. However, contrary to Litz's prior representation, Litz Real Estate charged and was paid a full real estate commission once the property was sold.

170. JEH properly received certain payments from L&E LLC on account of periodic invoices submitted by JEH. However, JEH did not receive all payments due and owing from L&E LLC.

171. On June 25, 2019, JEH invoiced L&E LLC in the amount of \$20,193.28 for construction work performed on the 330 East 46th Street property. A true and accurate copy of the invoice is attached hereto as **Exhibit 13**.

172. Neither Litz nor L&E LLC disputed JEH's invoice. Nevertheless, Litz wrongfully prevented L&E LLC from paying JEH for construction costs. JEH's invoice for the 330 East 46th Street property remains due and owing.

6767 North Meridian Street

173. In or about 2016, Litz on behalf of L&E LLC agreed with third party investor Jim LaRue of LaRue LLC to improve and sell a property located at 6767 North Meridian Street in

Indianapolis, Indiana. JEH performed significant construction work on the property. JEH received a number of payments from L&E LLC for periodic invoices submitted by JEH.

174. On June 26, 2019, JEH invoiced L&E LLC in the final amount of \$57,591.15 for construction work performed on the 6767 Meridian Street Property. A true and accurate copy of the invoice is attached hereto as **Exhibit 14**.

175. Neither Litz nor L&E LLC disputed JEH's invoice. Nevertheless, Litz wrongfully prevented L&E LLC from paying JEH for construction costs. JEH's invoice for the 6767 North Meridian Street property remains due and owing.

176. Litz Real Estate failed to find a buyer for the 6767 North Meridian Property. Litz therefore leased the 6767 North Meridian Street property and without Eaton's permission, furnished the home with furniture owned by Eaton and/or JEH.

6765 North Meridian Street

177. In or about 2016, Litz on behalf of L&E LLC agreed with third party investor Jim LaRue of LaRue LLC to improve and sell a vacant property located at 6765 North Meridian Street in Indianapolis, Indiana. JEH performed significant demolition and development work on the property.

178. JEH properly received certain payments from L&E LLC on account of periodic invoices submitted by JEH. However, JEH did not receive all payments due and owing from L&E LLC.

179. On June 26, 2019, JEH invoiced L&E LLC for \$30,708.07 for work performed on the 6765 North Meridian Street property. A true and accurate copy of the invoice is attached hereto as **Exhibit 15**.

180. Neither Litz nor L&E LLC disputed JEH's invoice. Nevertheless, Litz wrongfully prevented L&E LLC from paying JEH for construction costs. JEH's invoice for the 6767 North Meridian Street property remains due and owing.

630 East 82nd Street

181. On August 24, 2016, L&E LLC purchased the property located at 630 East 82nd Street in Indianapolis Indiana. JEH constructed a residential home on the property.

182. JEH properly received certain payments from L&E LLC on account of periodic invoices submitted by JEH. However, JEH did not receive all payments due and owing from L&E LLC.

183. On June 25, 2019, JEH invoiced L&E LLC for \$74,797.66 for work performed on the 630 East 82nd Street property. A true and accurate copy of the invoice is attached hereto as **Exhibit 16**.

184. Neither Litz nor L&E LLC disputed JEH's invoice. Nevertheless, Litz wrongfully prevented L&E LLC from paying JEH for construction costs. JEH's invoice for the 630 East 82nd Street property remains due and owing.

185. On December 28, 2017, the 630 East 82nd Street property was sold for a substantial profit.

186. Instead of satisfying L&E LLC's outstanding obligations to JEH in the amount of \$74,797.66 and paying Eaton for profits from the sale of the property, Litz misappropriated amounts owed to JEH and Eaton to repay a personal loan that Litz had taken from Litz' personal retirement account to pay \$175,630 in back taxes owed personally by Litz.

187. Because of Litz' misappropriation of funds, Eaton took out a personal loan to pay subcontractors and suppliers for work performed on the 630 East 82nd Street property.

1036 West 75th Street

188. On May 17, 2017, L&E LLC purchased a vacant lot located at 1036 West 75th Street in Indianapolis, Indiana. JEH constructed a residential home on the property funded by construction loan obtained by JEH although Litz was required to obtain a loan through L&E LLC.

189. JEH properly received certain payments from L&E LLC on account of periodic invoices submitted by JEH. However, JEH did not receive all payments due and owing from L&E LLC.

190. On June 24, 2019, JEH invoiced L&E LLC for \$68,124.95 for work performed on the 1036 West 75th Street property. A true and accurate copy of the invoice is attached hereto as **Exhibit 17**.

191. Neither Litz nor L&E LLC disputed JEH's invoice. Nevertheless, Litz wrongfully prevented L&E LLC from paying JEH for construction costs. JEH's invoice for the 1036 West 75th Street property remains due and owing.

192. On February 22, 2018, L&E LLC sold the home located at 1036 West 75th Street. However, instead of using funds derived from the sale of the property to pay the obligations owed to JEH and to pay any profits owed to Eaton, Litz used L&E LLC funds owed to JEH to finance separate real estate project.

5001 North Kenwood Avenue

193. On September 1, 2016, L&E LLC purchased a residential home located at 5001 North Kenwood Avenue in Indianapolis, Indiana. JEH renovated the home.

194. JEH properly received certain payments from L&E LLC on account of periodic invoices submitted by JEH. However, JEH did not receive all payments due and owing from L&E LLC.

195. On June 25, 2019, JEH invoiced L&E LLC for \$17,546.95 for work performed on the 5001 North Kenwood Avenue property. A true and accurate copy of the invoice is attached hereto as **Exhibit 18**.

196. Neither Litz nor L&E LLC disputed JEH's invoice. Nevertheless, Litz wrongfully prevented L&E LLC from paying JEH for construction costs. JEH's invoices for the 1036 West 75th Street property remains due and owing.

197. On April 10, 2017 L&E LLC sold the home located at 5001 North Kenwood Avenue. However, instead of satisfying the outstanding obligations owed to JEH, Litz misappropriated amounts owed to JEH to pay personal expenses.

5005 North Kenwood Avenue

198. On August 30, 2016, L&E LLC purchased a residential home located at 5005 North Kenwood Avenue in Indianapolis, Indiana. JEH renovated the home. JEH received a number of payments from L&E LLC for periodic invoices submitted by JEH. On June 26, 2019, JEH invoiced L&E LLC in the amount of \$44,765.14 for work performed on the 5005 Kenwood Avenue property. A true and accurate copy of the invoice is attached hereto as **Exhibit 19**.

199. Neither Litz nor L&E LLC disputed JEH's invoice. Nevertheless, Litz wrongfully prevented L&E LLC from paying JEH for construction costs. JEH's invoice for the 5005 North Kenwood Avenue property remains due and owing.

200. On April 3, 2018, L&E LLC sold the home located at 5005 North Kenwood Avenue April 3, 2018. However, Litz wrongfully prevented L&E LLC from paying JEH for constructions costs.

8192 Sycamore Road

201. On July 18, 2016, L&E LLC purchased a home located at 8192 Sycamore Road in Indianapolis, Indiana.

202. Litz caused L&E LLC to pay more than market value for the home to obtain a Ferrari automobile that was sold with the home.

203. Litz drove the Ferrari at L&E LLC expense although L&E LLC derived no economic benefit.

204. On information and belief, Litz sold the Ferrari automobile and misappropriated the funds for himself personally rather than submitting the proceeds to L&E LLC.

205. JEH incurred \$12,843.67 in costs renovating the property. L&E LLC did not pay JEH for renovation costs.

206. On November 2, 2017, to avoid substantial losses, Eaton was forced, with no financial assistance from Litz, to purchase the 8192 Sycamore Road home at an inflated price when the bank entitled to payment on the loan for the property demanded immediate repayment.

207. To induce Eaton to purchase the property and resolve the outstanding liability due to the lender which directly or indirectly benefitted Litz, Litz promised Eaton that he would evenly split all losses with Eaton when Eaton sold the property.

208. Because Eaton was forced to purchase the 8192 Sycamore Road home, Eaton was also forced to sell his then current home at a substantial loss including payment of approximately \$80,000 in realtor fees to Litz Real Estate.

209. On October 14, 2019, Eaton sold the 8192 Sycamore Road home at a substantial loss of approximately \$300,000.

210. Neither Litz, nor L&E LLC has paid Eaton or JEH for Litz's portion of the loss.

1210 Golden Hill Drive

211. On September 22, 2014, L&E LLC purchased a home located at 1210 Golden Hill Drive in Indianapolis Indiana. Litz, Eaton, and a third party investor were all required to pay \$55,020 toward purchase of the property. Eaton and the third party investor paid their respective amounts to purchase the property and a significant portion of Litz's investment because Litz stated he did not possess sufficient funds.

212. JEH remodeled the home, which was marketed for sale by Litz Real Estate.

213. Because Litz Real Estate could not sell the home, on August 3, 2015, Eaton personally purchased home located at 1210 Golden Hill Drive.

214. Thereafter, JEH performed a second remodel of the 1210 Golden Hill Drive property in order to market and sell the property. After the second remodel, Litz Real Estate found a buyer for the property but Litz demanded prepayment of real estate commissions from Eaton to Litz Real Estate in the amount of \$25,625.00 which Eaton paid. However, the prospective buyer did not buy the property.

215. Nevertheless, Litz and Litz Real Estate refused to return Eaton's payment of real estate commissions, which were not earned or owed.

216. Litz has also refused to pay substantial losses that Eaton will incur from the sale of the home located at 1210 Golden Hill Drive although Litz as a fifty percent (50%) member of L&E LLC is liable for half of the losses incurred by Eaton in selling the home.

660 East 82nd Street

217. On January 17, 2018, L&E LLC purchased a property located at 660 East 82nd Street in Indianapolis, Indiana.

218. JEH performed extensive renovations on the residential home located on the property.

219. JEH properly received certain payments from L&E LLC on account of periodic invoices submitted by JEH. However, JEH did not receive all payments due and owing from L&E LLC.

220. On June 26, 2019, JEH invoiced L&E LLC in the amount of \$119,832.91 for work performed on the 660 East 82nd Street property. A true and accurate copy of the invoice is attached hereto as **Exhibit 20**.

221. Neither Litz nor L&E LLC disputed JEH's invoice. Nevertheless, Litz wrongfully prevented L&E LLC from paying JEH for construction costs. JEH's invoice by the 660 East 82nd Street property remains due and owing.

222. On November 9, 2018, L&E LLC sold the home for \$1,588,573.

223. JEH was not paid for \$119,832.91 in renovation costs and Eaton received no allocation of profits. Litz misappropriated the proceeds from the sale of the 660 East 82nd Street to pay his personal taxes.

4190 East 79th Street

224. On October 11, 2018, L&E LLC purchased a home located at 4190 East 79th Street with financing from a bank loan personally guaranteed by Eaton and his spouse Rachel Eaton among others.

225. Litz, on behalf of L&E LLC, unilaterally terminated JEH as the construction contractor after JEH performed significant remodeling work.

226. Thereafter, Litz, without authorization, charged over \$30,000 to JEH construction accounts and never paid the balances. The charges included amounts wrongfully charged to JEH supplier accounts.

227. On June 25, 2019, JEH invoiced L&E LLC for \$15,520.24 for work performed on the 4190 East 79th Street property. A true and accurate copy of the invoice is attached hereto as **Exhibit 21**.

228. Neither Litz nor L&E LLC disputed JEH's invoice. Nevertheless, Litz wrongfully prevented L&E LLC from paying JEH for construction costs. JEH's invoice for the 4190 East 79th Street property remains due and owing.

229. Including amounts wrongfully charged to JEH construction accounts, JEH is owed a total of \$39,626.97 for construction expenses related to the property.

2121 Wilshire Road

230. On October 2, 2018, L&E LLC purchased a vacant lot located at 2121 Wilshire Road in Indianapolis, Indiana. JEH incurred \$25,275.48 in demolition related costs to improve property.

231. On June 27, 2019, JEH invoiced L&E LLC for \$25,275.48 for work performed on the 2121 Wilshire Road property. A true and accurate copy of the invoice is attached hereto as **Exhibit 22**.

232. Neither Litz nor L&E LLC disputed JEH's invoice. Nevertheless, Litz wrongfully prevented L&E LLC from paying JEH for construction costs.

2125 Wilshire Road

233. On October 2, 2018, L&E LLC purchased a residential home located at 2125 Wilshire Road in Indianapolis, Indiana. JEH incurred \$24,031.61 in costs renovating the property.

234. On June 24, 2019, JEH invoiced L&E LLC for \$24,031.61 for work performed on the 2125 Wilshire Road property. A true and accurate copy of the invoice is attached hereto as **Exhibit 23.**

235. Neither Litz nor L&E LLC disputed JEH's invoice. Nevertheless, Litz wrongfully prevented L&E LLC from paying JEH for construction costs. JEH's invoice for the 2125 Wilshire Road property remains due and owing

509 E. 11th Street

236. On October 12, 2017, L&E LLC purchased a vacant lot located at 509 E. 11th Street for \$72,165. JEH constructed a residential home on the property.

237. JEH properly received certain payments from L&E LLC on account of periodic invoices submitted by JEH, however, did not receive all payments due and owing from L&E LLC.

238. On June 25, 2019, JEH invoiced L&E LLC for \$61,700.12 for work performed on the 509 East 11th Street property. A true and accurate copy of the invoice is attached hereto as **Exhibit 24.**

239. Neither Litz nor L&E LLC disputed JEH's invoice. Nevertheless, Litz wrongfully prevented L&E LLC from paying JEH for construction costs. JEH's invoice for the 509 East 11th Street property remains due and owing

240. Instead of paying JEH for construction costs and remitting Eaton's share of the profits, Litz caused L&E LLC to wire \$139,000 in profits to himself from the sale of the 509 East 11th Street property and an additional \$60,000 to purchase Indianapolis Pacer courtside seats.

509 East Warsaw Street

241. On April 23, 2018, L&E LLC in conjunction with Litz personal friend Jon Hendren purchased a vacant lot located at 509 East Warsaw Street in Indianapolis, Indiana. JEH built a residential home on the property.

242. JEH properly received certain payments from L&E LLC on account of periodic invoices submitted by JEH, however JEH did not receive all payments due and owing from L&E LLC.

243. On June 25, 2019, JEH invoiced L&E LLC for \$84,367.44 for work performed on the 509 East Warsaw Street property. A true and accurate copy of the invoice is attached hereto as **Exhibit 25**.

244. Neither Litz nor L&E LLC disputed JEH's invoice. Nevertheless, Litz wrongfully prevented L&E LLC from paying JEH for construction costs. JEH's invoice for the 509 East Warsaw Street property remains due and owing.

519 East Warsaw Street

245. On June 21, 2018, Litz's personal friend, Jon D. Hendren ("Hendren") purchased a vacant lot located at 519 East Warsaw Street in Indianapolis, Indiana. Litz on behalf of L&E LLC agreed to construct a home on the lot. JEH constructed a residential home on 519 East Warsaw Street.

246. JEH properly received certain payments from L&E LLC on account of periodic invoices submitted by JEH, however, did not receive all payments due and owing from L&E LLC.

247. On June 25, 2019, JEH invoiced L&E LLC for \$9,003.36 for work performed on the 519 East Warsaw St. property. A true and accurate copy of the invoice is attached hereto as **Exhibit 26.**

248. Neither Litz nor L&E LLC disputed JEH's invoice. Nevertheless, Litz wrongfully prevented L&E LLC from paying JEH for construction costs. JEH's invoice for the 519 East Warsaw Street property remains due and owing.

249. JEH has not been paid for construction and or renovation costs for other properties that were properly invoiced to L&E LLC.

250. Litz has wrongfully prevented L&E LLC from paying L&E LLC for amounts due and owing on other properties.

Penn Row Project

251. In March 2018, in order to hold off Eaton from further inquiry and investigation regarding L&E LLC finances and regarding lack of payment to JEH on many projects, Litz promised Eaton additional profits from another project so that Eaton would continue to provide construction labor and materials for another real estate project.

252. In approximately March 2018, Litz represented to Eaton that Eaton could make at least \$1 Million in profits if JEH would forgo any payments from L&E LLC for approximately nine months to a year, and instead use the funds owed to JEH to develop the Penn Row Project, which was being undertaken by Penn Holdings.

253. Both Litz and Eaton are members of Penn Row Holdings, with both each owning a 50 percent stake of the company.

254. The Penn Row Project is a multi-unit townhome projection on the 18th block of Pennsylvania Avenue that was constructed by JEH.

255. The Penn Row Project was financed through a substantial investment by a third party investor.

256. The agreement between Litz and Eaton and the third-party investor was that each would receive one-third of the profit from the sale of townhomes in the Penn Row Project, and JEH would be paid for the construction of the townhomes in the Penn Row Project.

257. Accordingly, in February 2018, JEH commenced performing substantial construction work on the Penn Row project.

258. Initially, JEH was paid through 7 total draws for construction costs. However, after the seventh payment to JEH on October 31, 2018, Litz caused Penn Holdings and/or L&E LLC to cease payments to JEH for incurred construction expenses.

259. JEH has not been paid for \$592,938.89 in incurred construction expenses.

260. On June 25, 2019, JEH invoiced L&E LLC in the amount of \$592,938.89 for work performed on the Penn Row Project. A true and accurate copy of the invoice is attached hereto as **Exhibit 27**.

261. Neither Litz nor L&E LLC nor Penn Row Holdings disputed JEH's invoice. Nevertheless, Litz wrongfully prevented Penn Holdings from paying JEH for construction costs. JEH's invoice for the Penn Row Project remains due and owing.

262. Litz caused Penn Holdings to pay the third-party investor three separate payments for profits earned on the sale of townhomes in the Penn Row Project. Litz caused Penn Row

Holding to also pay himself an amount equal to one of the three payments to the third-party investor.

263. Penn Holdings never paid Eaton for any profits from the Penn Row Project.

264. At least \$720,000 has been received by Penn Holdings from the sale of a number of townhomes in the Penn Row Project. Litz caused Penn Holdings to transfer \$720,000 to L&E LLC.

265. Without Eaton's consent, Litz caused L&E LLC to transfer virtually all of the \$720,000 to Litz related entities including Litz Real Estate, Litz Property Management, Litz Investments, and Litz Private Equity without any consideration.

266. The \$720,000 earned from sales of townhomes in the Penn Row Project has disappeared from L&E LLC accounts, remains fully unaccounted for, and comprises an asset of L&E LLC.

267. In or about September or October 2019, when Litz was questioned on the whereabouts of the \$720,000 in profits from the sale of Penn Row Townhomes, Litz falsely stated to the Penn Row Project third-party investor and Eaton's financial advisor that Eaton stole all the money from L&E LLC accounts because Eaton had a cocaine habit and a gambling problem.

268. Eaton did not take Penn Holdings' profits from L&E LLC accounts, has never taken illegal drugs and does not have a gambling problem. Litz knew his statements about Eaton were false when he made the statements.

269. JEH also performed maintenance work on a building owned by Penn Holdings located at 1835 North Meridian Street in Indianapolis, Indiana.

270. On June 27, 2019 JEH invoiced Penn Holding in the amount of \$16,208.73 for maintenance work performed as 1835 North Meridian Street. A true and accurate copy of the invoice remitted to Penn Holdings in the amount of \$16,208.73 is attached hereto as **Exhibit 28**.

271. Neither Litz nor Penn Holdings disputed JEH's invoice. Nevertheless, Litz wrongfully prevented Penn Holdings from paying JEH for construction costs. JEH's invoice for work performed on 1835 North Meridian Street remains due and owing.

Hampstead Home Products, LLC

272. On January 17, 2018, Litz and Eaton established Hampstead. Hampstead was established to sell windows for residential properties manufactured by manufacturers selected by Litz and Eaton.

273. Litz formulated a plan to travel to China to find window manufacturers to supply windows for Hampstead to sell in the United States. To this end, Litz flew to China two times in business class for two separate trips that cost in excess of \$30,000.

274. However, instead of finding a window manufacturer for Hampstead, Litz engaged in tourist activities such as visiting a factory where Titleist golf equipment is manufactured.

275. JEH paid for costs in the amount of \$38,169.15 related to advertising Hampstead's business in trade shows including the costs of a display, costs of travelling to trade shows and costs of staffing a trade show booth.

276. As a 50 percent member of Hampstead, Litz was required to satisfy fifty percent of such costs and despite his requirement to do so, Litz never paid for 50 percent of these costs as he was required.

277. In May 2019, Eaton delivered a \$98,000 payment intended to satisfy the costs related to a Hampstead window order.

278. Despite the payment from Eaton, Litz never ordered the windows for Hampstead, and Litz never returned the \$98,000 paid by Eaton for windows that were never ordered. On information and belief, Litz misappropriated the \$98,000 payment made by Eaton for Litz' personal use.

Conversion of John Eaton Homes' Property

279. Litz converted numerous items of personal property owned by Eaton and/or JEH including furniture, electronics and artwork, which were stored in a storage trailer located at 1101 Central Ave in Indianapolis, Indiana.

280. Litz and Cathleen Litz converted matching paintings owned by Eaton worth at least \$1,200 and placed the paintings in Litz's personal residence and at the residence of a friend's house located in the Forest Hills neighborhood.

281. Litz converted furniture owned by Eaton for use in two rental properties owned by Litz in the Broad Ripple area of Indianapolis.

282. Litz converted furniture owned by Eaton to stage a spec home owned by Litz in the Indianapolis area.

283. Litz converted other furniture owned by Eaton to furnish a rental home located at 6767 North Meridian Street in Indianapolis, Indiana.

284. Litz has converted numerous other items for his personal use belonging to either Eaton or JEH including filing cabinets, building supplies, office furniture, office equipment, a bulldozer.

285. Without authorization, Litz and Cathleen Litz sold some of the property belonging either to Eaton or to JEH.

286. However, neither Litz nor Cathleen Litz remitted funds from the sale of JEH or Eaton owned property to Eaton and Litz never provided an accounting of the proceeds from the sales to Eaton.

Litz Real Estate false advertising

287. On the website www.litzrealestate.com, Litz Real Estate has falsely claimed that it developed numerous homes that in reality were designed and/or constructed solely and independently by JEH with no involvement or association with Litz or any Litz related entities.

288. In fact, a number of the homes that Litz Real Estate advertises on its website were constructed by JEH when Litz resided in Chicago, Illinois and was not engaged in the business of developing residential properties in central Indiana.

289. Further, one of the houses that Litz Real Estate falsely advertised on its website as developed by Litz Real Estate was actually developed solely and independently by JEH and garnered a Houzz award for best designed hours of the year. Litz Real Estate falsely takes credit for this Houzz award.

290. In addition, Litz Real Estate's website falsely claims that Litz Real Estate developed the following homes that were independently constructed by JEH with no involvement or contribution by Litz Real Estate, Litz, or any entity associated with Litz in any manner:

- (a) A residence constructed by JEH in the West Crow's Nest neighborhood of Indianapolis, Indiana. A true and accurate printout of Litz Real Estate's false advertisement from the URL <https://www.litzrealestate.com/portfolio/660-kessler-blvd/> is attached hereto as **Exhibit 29**.

- (b) A residence constructed by JEH in the Diamond Ridge neighborhood of Indianapolis, Indiana. A true and accurate printout of Litz Real Estate's false advertisement from the URL <https://www.litzrealestate.com/portfolio/diamond-ridge/> is attached hereto as **Exhibit 30**.
- (c) A residence constructed by JEH in the Diamond Ridge neighborhood of Indianapolis, Indiana. A true and accurate printout of Litz Real Estate's false advertisement from the URL <https://www.litzrealestate.com/portfolio/15375-whistling-lane/> is attached hereto as **Exhibit 31**.
- (d) A residence constructed by JEH in the Bridgewater neighborhood of Westfield, Indiana. A true and accurate printout of Litz Real Estate's false advertisement from the URL <https://www.litzrealestate.com/portfolio/bridgewater/> is attached hereto as **Exhibit 32**.
- (e) A residence constructed by JEH in the West Crow's Nest neighborhood of Indianapolis, Indiana. A true and accurate printout of Litz Real Estate's false advertisement from the URL <https://www.litzrealestate.com/portfolio/640-kessler-blvd/> is attached hereto as **Exhibit 33**.
- (f) A residence constructed by JEH in the Laurelwood neighborhood of Carmel, Indiana. A true and accurate printout of Litz Real Estate's false advertisement from the URL

<https://www.litzrealestate.com/portfolio/1091-laurelwood-carmel-in/> is attached hereto as **Exhibit 34**.

- (g) A residence constructed by JEH in the Meridian Hills neighborhood of Indianapolis, Indiana. A true and accurate printout of Litz Real Estate's false advertisement from the URL

<https://www.litzrealestate.com/portfolio/464-e-75th-street/> is attached hereto as **Exhibit 35**.

- (h) A residence constructed by JEH in the Emerald Ridge neighborhood of Indianapolis, Indiana. A true and accurate printout of Litz Real Estate's false advertisement from the URL

<https://www.litzrealestate.com/portfolio/7112-milano-dr/> is attached hereto as **Exhibit 36**.

- (i) A residence constructed by JEH in the Meridian Hills neighborhood of Indianapolis, Indiana. A true and accurate printout of Litz Real Estate's false advertisement from the URL

<https://www.litzrealestate.com/portfolio/4821-meridian-street/> is attached hereto as **Exhibit 37**.

- (j) A residence constructed by JEH in the Diamond Ridge neighborhood of Indianapolis, Indiana. A true and accurate printout of Litz Real Estate's false advertisement from the URL

<https://www.litzrealestate.com/portfolio/6652-silver-creek/> is attached hereto as **Exhibit 38**.

- (k) A residence constructed by JEH in the Diamond Ridge neighborhood of Indianapolis, Indiana. A true and accurate printout of Litz Real Estate's false advertisement from the URL <https://www.litzrealestate.com/portfolio/6642-trail-ridge-way/> is attached hereto as **Exhibit 39**.
- (l) A residence constructed by JEH in the Diamond Ridge neighborhood of Indianapolis, Indiana. A true and accurate printout of Litz Real Estate's false advertisement from the URL <https://www.litzrealestate.com/portfolio/7136-blue-mesa-place/> is attached hereto as **Exhibit 40**.
- (m) A residence constructed by JEH in the Diamond Ridge neighborhood of Indianapolis, Indiana. A true and accurate printout of Litz Real Estate's false advertisement from the URL <https://www.litzrealestate.com/portfolio/6668-silver-creek-drive/> is attached hereto as **Exhibit 41**.
- (n) A residence constructed by JEH in the Diamond Ridge neighborhood of Indianapolis, Indiana. A true and accurate printout of Litz Real Estate's false advertisement from the URL <https://www.litzrealestate.com/portfolio/10664-walnut-creek-drive/> is attached hereto as **Exhibit 42**.
- (o) A residence constructed by JEH in the Overbrook Farms neighborhood of Westfield, Indiana. A true and accurate printout of Litz Real Estate's false advertisement from the URL

<https://www.litzrealestate.com/portfolio/14352-pemberton-lane/> is attached hereto as **Exhibit 43**.

DERIVATIVE ALLEGATIONS

291. Eaton asserts claims in this action derivatively in the right and for the benefit of L&E LLC and Hampstead to recover L&E LLC and Hampstead assets misappropriated by Litz and transferred to Litz controlled entities including Litz Real Estate, Litz Investments, Litz Private Equity, Litz Property Management, and Highland Autosport (collectively “Litz Related Entities”).

292. Eaton will adequately and fairly represent the interests of L&E LLC and Hampstead in enforcing and prosecuting the Companies’ rights. Eaton has continuously been a member of L&E LLC and Hampstead for all relevant time periods.

293. Eaton has not made a pre-suit demand on L&E LLC or Hampstead to assert claims set forth herein against Litz Related Entities because such a demand would have been futile and is thereby excused.

294. A demand on L&E LLC and Hampstead to bring the claims asserted derivatively herein to recover L&E LLC and Hampstead’s misappropriated assets would be futile and useless act because Litz, as the purported managing member of L&E LLC and Hampstead, controls the respective companies’ operations and finances.

295. Litz’s willful misconduct in wrongfully transferring L&E LLC and Hampstead’s assets to Litz Related Entities disqualifies Litz from acting in L&E LLC and Hampstead’s best interests.

296. All conditions precedent to the prosecution of this action have occurred, been performed, or otherwise been waived or excused.

COUNT 1

Breach of Contract (asserted by JEH)

297. JEH incorporates by reference the allegations contained in paragraphs 1-296 of this Complaint as if fully set forth herein.

298. JEH entered into enforceable agreements with Litz, Cathleen Litz, L&E LLC, Litz Real Estate, Hampstead, and Penn Holdings.

299. Litz, Cathleen Litz, L&E LLC, Litz Real Estate, Hampstead, and Penn Holdings breached their agreements with JEH as alleged herein, which caused JEH damages.

300. JEH is entitled to damages arising from Litz, Cathleen Litz, L&E LLC, Litz Real Estate, Hampstead, and Penn Holdings' breaches of contract in an amount to be proven at trial.

COUNT 2

Breach of Contract (asserted by Eaton)

301. Eaton incorporates by reference the allegations contained in paragraphs 1-300 of this Complaint as if fully set forth herein.

302. Eaton entered into enforceable agreements with Litz and Litz Real Estate.

303. Litz and Litz Real Estate breached their agreements with Eaton as alleged herein, which caused Eaton damages.

304. Eaton is entitled to damages arising from Litz and Litz Real Estate's breaches of contract in an amount to be proven at trial.

COUNT 3

Suit on Account

305. JEH incorporates by reference the allegations contained in paragraphs 1 through 304 of this Complaint as if fully set forth herein.

306. L&E LLC and Penn Holdings have received and did not dispute any of the invoices submitted by JEH for construction, renovation and/or development work.

307. L&E LLC and Penn Holdings have wholly refused to pay the total amount due to JEH for construction, renovation and/or development work and due on the invoices submitted by JEH.

308. JEH has suffered damages as a result of L&E LLC and Penn Holdings' failure to pay for construction, renovation and/or development work provided by JEH, and from L&E LLC and Penn Holdings' refusal to satisfy invoices submitted by JEH.

309. JEH is entitled to damages in an amount as is proven at trial that fully compensates JEH for all damages caused by L&E LLC and Penn Holdings.

COUNT 4

Breach of Fiduciary Duty (Against Litz as Member of L&E LLC)

310. Eaton incorporates by reference the allegations contained in paragraphs 1 through 309 of this Complaint as if fully set forth herein.

311. Eaton and Litz are members of L&E LLC, with each holding owning a 50 percent (50%) share of the member interests of the limited liability company.

312. As a member of L&E LLC, Litz owed fiduciary duty to deal fairly and honestly with Eaton as a fellow member.

313. As alleged herein, Litz breached his fiduciary duty owed to Eaton as a fellow member of L&E LLC, which caused Eaton to sustain damages.

314. Eaton is entitled to damages arising from Litz's breach of fiduciary duty in an amount to be proven at trial.

COUNT 5

Breach of Fiduciary Duty (Against Litz as Member of Hampstead)

315. Eaton incorporates by reference the allegations contained in paragraphs 1 through 314 of this Complaint as if fully set forth herein.

316. Eaton and Litz are members of Hampstead, with each holding 50 percent (50%) of the membership interests of the limited liability company.

317. As a member of Hampstead, Litz owed fiduciary duty to deal fairly and honestly with Eaton as a fellow member.

318. As alleged herein, Litz breached his fiduciary duty owed to Eaton as a fellow member of Hampstead, which caused Eaton to sustain damages.

319. Eaton is entitled to damages arising from Litz's breach of fiduciary duty in an amount to be proven at trial.

COUNT 6

Breach of Fiduciary Duty (Against Litz as a member of Penn Holdings)

320. Eaton incorporates by reference the allegations contained in paragraphs 1 through 319 of this Complaint as if fully set forth herein.

321. Eaton and Litz are members of Penn Holdings, with each holding fifty percent (50%) of the member interests of the limited liability company.

322. As a member of Penn Holdings LLC, Litz owed fiduciary duty to deal fairly and honestly with Eaton as a fellow member.

323. As alleged herein, Litz breached his fiduciary duty owed to Eaton as a fellow member of Penn Holdings, which caused Eaton to sustain damages.

324. Eaton is entitled to damages from Litz's breach of fiduciary duty in an amount to be proven at trial.

COUNT 7

Civil and Criminal Conversion (asserted by Eaton and JEH)

325. Eaton and JEH incorporate by reference the allegations contained in paragraphs 1 through 324 of this Complaint as if fully set forth herein.

326. Litz and Cathleen Litz knowingly or intentionally exerted unauthorized control over property owned by Eaton or JEH including furniture, construction equipment, construction supplies, and electronics, which constitutes common law conversion, and criminal conversion under Indiana Code § 35-43-4-3.

327. Eaton and JEH have suffered a pecuniary loss as a result of Litz's civil and criminal conversion.

328. Eaton and JEH are entitled to damages for Litz's civil conversion together with as treble damages and attorneys' fees pursuant to Indiana Code § 34-24-3-1 *et seq.*, as result of Litz's civil and criminal conversion in an amount to be proven at trial.

COUNT 8

Civil and Criminal Conversion (asserted derivatively by Eaton on behalf of Hampstead)

329. Eaton, derivatively on behalf of Hampstead, incorporates the allegations contained in paragraphs 1 through 328 of this Complaint as if fully set forth herein.

330. Eaton submitted a \$98,000 payment to Hampstead for the specific purpose of purchasing windows for an L&E development project.

331. Litz knowingly or intentionally exerted unauthorized control over the \$98,000 payment submitted by Eaton to Hampstead by misappropriating the identified sum for Litz's personal use

332. Litz's actions constitute common law conversion, and criminal conversion under Indiana Code § 35-43-4-3.

333. Hampstead has suffered a pecuniary loss as a result of Litz's civil and criminal conversion.

334. Hampstead is entitled to damages for Litz's civil conversion together with treble damages and attorneys' fees pursuant to Indiana Code § 34-24-3-1 *et seq.*, as result of Litz's civil and criminal conversion in an amount to be proven at trial.

COUNT 9

Defamation Slander

335. Eaton incorporates by reference the allegations contained in paragraphs 1 through 334 of this Complaint as if fully set forth herein.

336. Litz has made false and defamatory statements to third parties that Eaton uses cocaine, has a gambling problem, and took all the money from L&E LLC.

337. All of these statements were made with malice. None of Litz's statements were true and there is no basis on which Defendants could have been mistaken as to their falsity.

338. Litz published these statements to Eaton's financial advisor, a third-party investor in L&E LLC, and a bank employee at a bank where JEH and Eaton do business.

339. Eaton has experienced significant professional and personal damages as a result of Litz's defamation.

COUNT 10

Defamation Per Se

340. Eaton incorporates by reference the allegations contained in paragraphs 1 through 339 of this Complaint as if fully set forth herein.

341. Litz's false and defamatory statements that Eaton took all the money from L&E LLC impute both criminal conduct and misconduct in Eaton's trade, profession, and occupation.

342. Litz's statement that Eaton took all the money from L&E LLC were published to Eaton's financial advisor, a third-party investor in L&E LLC, and a bank employee at a bank where JEH and Eaton do business.

343. Litz's false statements regarding Eaton are defamation per se.

344. All of these statements were made with malice. None of Litz's statements are true and there is no basis on which Litz could have been mistaken as to their falsity.

345. Eaton has experienced significant professional and personal damages as a result of Litz's defamation.

COUNT 11

Fraud

346. Eaton and JEH incorporate by reference the allegations contained in paragraphs 1 through 345 of this Complaint as if fully set forth herein.

347. Litz made material misrepresentations of past or existing fact to Eaton and JEH.

348. On May 18, 2018, in response to Eaton's email stating that "I want to see why we have no money, Litz sent an Eaton an email stating "We have money, I didn't say that we didn't...I know what I'm doing and I'm not hiding anything from you."

349. Litz knew when he made the statement that he was not hiding anything from Eaton that Litz had misappropriated significant sums of money from L&E LLC, which was unknown to Eaton.

350. Eaton and JEH relied on Litz's false statements and continued working with Litz for over one year after Litz made the false statement, while Litz placed Eaton and JEH in a more precarious financial condition by continuing to misappropriate assets from L&E LLC on a systematic basis.

351. Litz's fraud proximately caused damages to JEH and Eaton in an amount to be proven at trial.

COUNT 12

Constructive Fraud

352. Eaton incorporates by reference the allegations contained in paragraphs 1 through 351 of this Complaint as if fully set forth herein.

353. As a fellow 50 percent member of L&E LLC, Hampstead, and Penn Holdings with Eaton, Litz was in a position of trust, who owed fiduciary duties to Eaton.

354. Litz wrongfully gained an unfair advantage over Eaton by taking control of L&E LLC, Hampstead, and Penn Row Holdings' financial and banking information and limiting Eaton's access to this information. Litz's unfair advantage allowed Litz to conceal his misappropriation of assets from L&E LLC, Hampstead, and Penn Row Holdings from Eaton.

355. Litz abused his position of trust by misrepresenting the finances of L&E LLC, Hampstead, and Penn Row Holdings to Eaton to conceal and facilitate his misappropriation, or by remaining silent when Litz had a duty to speak.

356. Eaton relied on Litz' misrepresentations, which caused Eaton to suffer damages in an amount to be proven at trial.

COUNT 13

Lanham Act

357. Eaton and JEH incorporates by reference the allegations contained in paragraphs 1 through 356 of this Complaint as if fully set forth herein.

358. Litz through Litz Real Estate's website falsely advertised (and advertises) homes constructed by JEH independent of any involvement with Litz or Litz related companies as homes developed by Litz Real Estate or other Litz related companies.

359. Litz also falsely advertised that Litz companies received a Houzz award for design although the Houzz award was given to Eaton.

360. Litz Real Estate's websites are false statements of fact used in an advertisement or promotion that deceives or is likely deceive customers and potential customers in a material way.

361. Litz Real Estate's false advertisements has caused or is likely to cause commercial injury to Eaton and JEH

362. Eaton and JEH are entitled damages under the Lanham Act, 41 U.S.C. § 1125(a)(1), including attorney fees, related to Litz Real Estate's false advertising in an amount to be proven at trial.

COUNT 14

Unjust Enrichment

363. Eaton, derivatively on behalf of L&E LLC, incorporates the allegations contained in paragraphs 1 through 362 of this Complaint as if fully set forth herein.

364. As set forth herein, the Litz Related Entities have retained and unjustifiably refused to return money and property that was misappropriated from L&E LLC and transferred without consideration to the Litz Related Entities.

365. The Litz Related Entities' unjustified refusal to return money and property misappropriated by Litz from L&E LLC is unjust enrichment, which violates the principles of justice, equity and good conscience.

366. L&E LLC is entitled to damages in the amount of the Litz Related Entities unjust enrichment in an amount to be proven at trial.

COUNT 15

Money Had and Received

367. Eaton derivatively on behalf of L&E LLC incorporates by reference the allegations contained in paragraphs 1 through 366 of this Complaint as if fully set forth herein.

368. Because of Litz's wrongdoing, the Litz Related Entities received money from L&E LLC under such circumstances that in equity and good conscience the Litz Related Entities should not permitted to retain.

369. The money wrongfully transferred from L&E LLC to the Litz Related Entities belongs to L&E LLC and was transferred without consideration.

370. Equity demands that the Litz Related Entities be ordered by the Court to return money that belongs to L&E LLC.

371. L&E LLC is entitled to damages in the amount of money wrongly misappropriated by Litz and transferred to the Litz Related Entities in an amount to be proven at trial.

COUNT 16

Appointment of a Receiver and Judicial Dissolution of L&E LLC Under Ind. Code § 23-1-47, *et seq.*

372. Eaton and JEH incorporates by reference the allegations contained in paragraphs 1 through 371 of this Complaint as if fully set forth herein.

373. L&E LLC is insolvent as such term is defined under Indiana law and/or under the United States Bankruptcy Code and is unable to satisfy the obligations of creditors as they come due.

374. Eaton and JEH can establish, and will establish, in this proceeding that L&E LLC Investments is insolvent - thus fulfilling the requirements of Ind. Code § 23-1-47, *et seq.*

375. Accordingly, grounds exist for the appointment of a Receiver under Ind. Code § 23-1-47-3 and this court should appoint a receiver to wind up and liquidate, and in the interim, manage, the business and affairs of L&E LLC.

376. Grounds also exist for the appointment of a Receiver under Ind. Code § 32-30-5-1 for, among other reasons, the fact that L&E LLC Investments is insolvent, has abdicated its corporate responsibilities, and that there is a need to protect or preserve real estate or interest in real estate for the benefit of the creditors of L&E LLC.

377. Together, Eaton and JEH submits that clear authority supports, and good cause exists for, this Court to act and to appoint a receiver over L&E LLC to temporarily manage its affairs and then value its assets, conduct a private sale(s) to liquidate its assets including any and all real and personal property owned by L&E LLC, wind-up its business, and distribute all funds obtained as a result of any private sale(s) to its creditors, including Eaton and JEH, authorize the Receiver to file final tax returns on behalf of L&E LLC, and provide for the final dissolution of L&E LLC.

378. Eaton and JEH respectfully requests that this Court dissolve L&E LLC, enter an Order appointing a Receiver over L&E LLC to temporarily manage its affairs and then value its assets, conduct a private sale(s) to liquidate its assets including all real and personal property owned by L&E LLC, wind-up its business, and distribute all funds obtained as a result of any

private sale(s) to its creditors, including Eaton and JEH, and grant such other and further relief as is appropriate.

COUNT 17

Request for Accounting – L&E LLC, Hampstead, Penn Holdings

379. Eaton and JEH incorporates by reference the allegations contained in paragraphs 1 through 378 of this Complaint as if fully set forth herein.

380. Litz has failed to provide access to financial documents and records relating to the operation and management of L&E LLC, Hampstead, and Penn Holdings.

381. Eaton is deeply concerned regarding the management, control and ownership of L&E LLC, Hampstead, and Penn Holdings because Litz has taken possession and control of the assets and financial management the three entities in which Eaton is a member.

382. Eaton has questioned Litz regarding his financial management and control over L&E LLC, Hampstead, and Penn Holdings. Eaton's questions remain unanswered.

383. As a member of L&E LLC, Hampstead, and Penn Holdings, Eaton is legally entitled to information that Litz has failed to disclose.

384. Eaton therefore requests the Court to order an independent accounting of L&E LLC, Hampstead, and Penn Holdings' business and financial operations.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, John Eaton, John Eaton Homes, Inc. and John Eaton derivatively on behalf of Litz & Eaton Investments LLC and Hampstead Home Products LLC respectfully requests the Court:

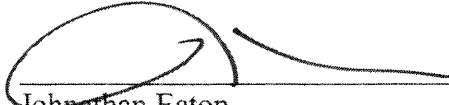
- (a) to enter judgment against all Defendants in this action on all legal and equitable claims asserted in this Complaint;
- (b) to award treble damages, attorneys' fees and all costs on all claims asserted under the Crime Victim's Relief Act herein;
- (c) to award pre and post judgment interest at the highest rate allowed under applicable law;
- (d) to dissolve L&E LLC, enter an Order appointing a Receiver over L&E LLC to temporarily manage its affairs and then value its assets, conduct a private sale(s) to liquidate its assets including the Real Property, wind-up its business, and distribute all funds obtained as a result of any private sale(s) to its creditors, including Eaton and JEH, authorize the Receiver to file final tax returns on behalf of L&E LLC, and provide for the final dissolution of L&E LLC, and grant such other and further relief as is appropriate;
- (e) order an independent accounting of L&E LLC, Hampstead, and Penn Holdings' business and financial operations; and
- (f) enter all other just and appropriate relief.

VERIFICATION


Pursuant to Trial Rules, 9.2 and 23.1, I, Johnathan Eaton, hereby verify that I have reviewed this *Verified Complaint for Damages, Accounting and for Appointment of Receiver*, and the facts therein are true and correct to the best of knowledge, information and belief. I declare under penalty of perjury that the foregoing is true and correct.

Dated:

Nov 11, 19


Johnathan Eaton

Respectfully submitted,


Don R. Hostetler, #24239-49
Attorney for John Eaton and John Eaton
Homes, Inc.

711 East 65th St. Suite 208
Indianapolis, Indiana 46220
don@hostetlerlaw.com
Ph. 317-762-0557,
Fax 317-762-5575