COURT OF COMMON PLEAS HAMILTON COUNTY, OHIO

INTERNATIONAL ASSOCIATION OF Case No. A 1800994

CERTIFIED HOME INSPECTORS

1750 30th Street, #301

Boulder, Colorado 80301,

Plaintiff,

AMENDED COMPLAINT v.

INSPECTOR CHRIS (COMPLETE : JURY DEMAND ENDORSED

HOME RELIABLE INSPECTION : HEREON

SERVICES) LLC, an Ohio Limited

Liability Company 2769 Leota Lane

Cincinnati, Ohio 45251,

-and-

CHRIS GREEN 2769 Leota Lane

Cincinnati, Ohio 45251,

Defendants.

Plaintiff, INTERNATIONAL ASSOCIATION OF CERTIFIED HOME INSPECTORS, ("InterNACHI"), submits this Complaint against the Defendants, INSPECTOR CHRIS (COMPLETE HOME RELIABLE INSPECTION SERVICES) LLC and CHRIS GREEN (collectively, the "Defendants") alleging as follows:

JURISDICTION AND VENUE

- 1. This cause of action arose in Hamilton County, Ohio.
- 2. This court has jurisdiction over this matter pursuant to $\S 4165.01 - 4165.04$ of the Ohio Deceptive Trade Practices Act, among other reasons.
- 3. Venue is proper in this Court pursuant to Rule 3(B) of the Ohio Rules of Civil Procedure because, among other reasons, the false, misleading, and deceptive statements made by

the Defendants were published to persons in this County, and all or part of the claims for relief arose in this County. Venue is also proper in this County because the Defendants are based in this County and some of its claims are based on actions of the Defendant described in Rule 4.3 of the Ohio Rules of Civil Procedure.

THE PARTIES

- 4. Plaintiff is a Colorado nonprofit corporation, with its principal place of business at 1750 30th Street, Suite 301, Boulder, Colorado 80301.
- 5. Defendant Chris Green ("Defendant Green") is a natural person over the age of 18 years who resides in Cincinnati, Ohio and is believed to be the sole member and manager of Defendant Inspector Chris (Complete Home Reliable Inspection Services) LLC ("Defendant Inspector Chris").
- 6. Defendant Inspector Chris is an Ohio limited liability company with its principal place of business at 2769 Leota Lane, Cincinnati, Ohio 45251.

GENERAL ALLEGATIONS

- 7. InterNACHI is a trade association with tax-exempt status under Section 501(c)(6) of the Internal Revenue Code. InterNACHI represents the interests of more than 21,000 members, who are home inspectors from across the country, including in Ohio.
- 8. InterNACHI members have access to certification, education, marketing support, and branding services. InterNACHI members must abide by InterNACHI's Code of Ethics and continuing education requirements. To achieve certain professional designations InterNACHI members must also take and pass InterNACHI's home inspection test.
- 9. Defendant Green, through Defendant Inspector Chris, provides home inspection services in Cincinnati, Ohio, and the surrounding area.

- 10. Defendant Green formed Defendant Inspector Chris on January 1, 2013, and maintains and operates a website (www.inspectorchris.com).
- 11. Defendant Green, as indicated on his website, is a member of a competing trade association to that of Plaintiff InterNACHI American Society of Home Inspectors ("ASHI"). In fact, Plaintiff Green is the current President of Ohio's ASHI chapter.
- 12. Defendant Green uses his position as Ohio's ASHI Chapter President both to promote his home inspection business and to advocate for his and ASHI's interests.
- 13. Home inspectors join InterNACHI and ASHI for the purposes of education, marketing, networking, and accreditation.
- 14. In the field of trade associations of home inspectors, there are only two large, national associations: InterNACHI and ASHI. ASHI is InterNACHI's main competitor.
- 15. There is competition between InterNACHI and ASHI in that they compete for members.
- 16. There is competition between InterNACHI and ASHI in that they market their members' home inspection services to the public.
- 17. Both InterNACHI and ASHI offer their members various levels of membership based on successful completion of continuing education classes and exams.
- 18. InterNACHI has received more than 1,400 approvals of its courses from governmental bodies, boards, institutions, and commissions.
- 19. On or about October 23, 2017, Defendant Green made false, deceptive, and misleading statements for an article printed by WCPO Cincinnati, Ohio ("WCPO Article"), a third party, wherein Defendant Green stated the following: "Another certification inspectors can attain is through NACHI the National Association of Certified Home Inspectors. However, this

association only requires completion of an online test and paying yearly dues." See Plaintiff's Exhibit 1 attached hereto. Though Defendant Green referred to the "National Association of Certified Home Inspectors," everyone in the industry and the public knew Defendant Green intended to refer to InterNACHI.

- 20. The statements made by Defendant Green in the WCPO Article falsely imply that InterNACHI's certification, and therefore membership, are worthless. Defendant Green specifically intended this implication.
- 21. The statements made by Defendant Green in the WCPO Article falsely imply that InterNACHI home inspectors are somehow inferior to members of other trade associations such as ASHI. Defendant Green specifically intended this implication.
- 22. The statements made by Defendant Green in the WCPO Article falsely imply that InterNACHI's membership requirements are less stringent than those of ASHI. Defendant Green specifically intended this implication.
- 23. Moreover, the statements made by Defendant Green in the WCPO Article falsely imply that InterNACHI's online test is somehow inferior to the in-person test ASHI requires for certain levels of its membership. Defendant Green specifically intended this implication. In fact, one can become an ASHI Associate and claim ASHI membership without even taking ASHI's test.
- 24. At all relevant times, Defendant Green knew or should have known that the above statements in the October 23, 2017 publication were false, deceptive, and misleading. The requirements for various InterNACHI membership levels and certifications were always publicly available on InterNACHI's website. Even the most basic level of InterNACHI membership requires more than taking an online test and payment of dues.

- 25. In fact, there are six requirements for obtaining a certification from InterNACHI, all of which are listed on InterNACHI's website:
 - (1) pass the Online Inspector Examination;
 - (2) join InterNACHI;
 - (3) complete a code of ethics course;
 - (4) complete a standards of practice course;
 - (5) prepare and submit four simulated inspection reports; and
 - (6) sign an affidavit.
- 26. InterNACHI also has additional requirements for members to maintain their certification, all of which are listed on InterNACHI's website:
 - a) complete twelve online courses within a year;
 - b) maintain continual membership in InterNACHI;
 - c) substantially adhere to InterNACHI's standards of practice;
 - d) abide by InterNACHI's code of ethics;
 - e) complete 24 hours of continuing education;
 - f) maintain a continuing education log; and
 - g) pass the Online Inspector Examination with a score of 80% or better every three years.
- 27. The October 23, 2017 WCPO Article was, and still is, readily available for viewing by potential InterNACHI members and potential members, as well as others in the industry and the public. Therefore, the statements contained within this publication continue to harm InterNACHI by diverting potential members from obtaining InterNACHI certification and by diverting potential customers from utilizing an InterNACHI certified home inspector. Indeed, it

was the intent of the Defendants to make false statements, deliberately confuse the marketplace, and thereby unfairly divert InterNACHI's business to a competing trade association

- 28. The Defendants' false, misleading, and deceptive statements have indeed had their intended effect by diverting potential members and customers away from InterNACHI.
- 29. There is now actual confusion within the marketplace as to whether InterNACHI membership/certification is inferior to that of a competing trade association, as to whether ASHI membership implies greater competency, and as to whether ASHI's test is superior to InterNACHI's test.
- 30. The Defendants' statements have negatively affected current and prospective InterNACHI members.
- 31. But for the Defendants' improper actions, Plaintiff InterNACHI would not have been negatively affected, and potential members would not have refrained from obtaining an InterNACHI membership.
- 32. Because of Defendants' false, misleading, and deceptive representations, Plaintiff InterNACHI has suffered, and continues to suffer, substantial damages, significant irreparable harm, including loss of memberships, goodwill, reputation, and market share.
- 33. Furthermore, because of the Defendants' false, misleading, and deceptive representations, actual confusion has resulted that may cause InterNACHI to lose members, resulting in extensive, long-term, and permanent losses in potential sales, profits, and market share.

COUNT I

Violation of the Ohio Deceptive Trade Practices Act (Defendant Green and Defendant Inspector Chris)

34. Plaintiff InterNACHI reasserts, and incorporates by reference, paragraphs 1 through 33 above as if fully set forth herein.

- 35. Defendants have intentionally and willfully disseminated, or permitted the dissemination of, and continue to disseminate or permit the dissemination of, false, misleading, and deceptive representations regarding the nature, characteristics, quality, approval, and certification of Plaintiff InterNACHI and its members.
- 36. As Plaintiff's Exhibit 1 illustrates, the Defendants' false, misleading, and deceptive representations include the following: "Another certification inspectors can attain is through NACHI the National Association of Certified Home Inspectors. However, this association only requires completion of an online test and paying yearly dues."
- 37. The Defendants intentionally and willfully disseminated the above-outlined false, misleading, and deceptive representations.
- 38. Through their false, misleading, and deceptive representations, the Defendants have disparaged Plaintiff InterNACHI.
- 39. The Defendants' false, misleading, and deceptive representations have deceived and/or tended to deceive—and continue to deceive and/or tend to deceive—a substantial portion of the intended audience, including Plaintiff InterNACHI's and ASHI's members and customers and potential members and customers, as well as home inspectors in general.
- 40. The Defendants' false, misleading, and deceptive representations have caused, and will continue to cause, actual confusion among potential customers who desire home inspections, as to the nature, characteristics, quality, and approval of Plaintiff InterNACHI's certification. They will also cause confusion among inspectors as to the benefits of joining InterNACHI or remaining an InterNACHI member.
- 41. The Defendants made the false, misleading, and deceptive representations at issue knowing the statements to be false and misleading, and with the specific intent to harm Plaintiff

InterNACHI and to divert business and profits from Plaintiff InterNACHI to themselves and their ASHI colleagues.

- 42. The Defendants knowingly and intentionally disseminated the false, misleading, and deceptive representations at issue through a news article able to be viewed worldwide via the internet.
 - 43. The Defendants' misconduct is willful, malicious, and outrageous.
- 44. As a direct and proximate result of the Defendants' false, misleading, and deceptive representations, Plaintiff InterNACHI has suffered substantial damages.
- 45. In addition, as a direct and proximate result of the Defendants' false, misleading, and deceptive representations, Plaintiff InterNACHI has suffered, and continues to suffer, significant irreparable harm, including loss of customers, goodwill, reputation, profits, and market share.
- 46. Moreover, the public interest will be harmed if the Defendants' conduct is permitted to continue.
- 47. Unless preliminarily and permanently enjoined, the Defendants' false, misleading, and deceptive representations will continue to cause immediate and irreparable harm for which there is no adequate remedy at law.

WHEREFORE, Plaintiff InterNACHI respectfully requests that the Court issue the following orders:

(a) Issue a preliminary and permanent injunction pursuant to Section 4165.03(A)(1) of the Ohio Deceptive Trade Practices Act enjoining and prohibiting the Defendants and their agents, servants, licensees, employees, officers, attorneys, successors and assigns from making any false, misleading or deceptive statements to the customers

- (or potential customers) of home inspector services or other market participants, including dissemination in any form of the false statements contained within the WCPO Article;
- (b) Issue an injunction pursuant to Section 4165.03(A)(1) of the Ohio Deceptive Trade

 Practices Act requiring the Defendants to issue a retraction of the false, misleading,
 and deceptive representations contained within the WCPO Article;
- (c) Enter judgment in favor of Plaintiff InterNACHI and against the Defendants in an amount more than \$25,000.00, to be proven at trial, plus interests and costs;
- (d) Enter judgment in favor of Plaintiff InterNACHI and against the Defendants for punitive damages;
- (e) Enter judgment in favor of Plaintiff InterNACHI and against the Defendants for attorneys' fees pursuant to Section 4165.03(B) of the Ohio Deceptive Trade Practices Act; and
- (f) Award such other relief as the Court deems just and proper.

COUNT II Unfair Competition (Defendant Green and Defendant Inspector Chris)

- 48. The allegations of paragraph 1 through 47 are incorporated by reference as if fully set forth herein.
- 49. Defendants' aforementioned conduct, including, without limitation, the aforementioned false, misleading and deceptive representations regarding InterNACHI in order to deceive consumers and thereby harm InterNACHI's business for Defendants' own benefit, offends established public policy, is immoral, unethical, oppressive, unscrupulous, and injurious to consumers, and constitutes unfair competition under Ohio common law.

50. Defendants' misconduct is willful, malicious and outrageous.

WHEREFORE, InterNACHI respectfully requests that judgment be entered in its favor and against Defendants in an amount in excess of \$25,000, together with interest and costs, attorneys' fees, punitive damages, and such other relief as the Court deems just and proper.

<u>COUNT III</u> Disparagement

(Defendant Green and Defendant Inspector Chris)

- 51. The allegations of paragraph 1 through 50 are incorporated by reference as if fully set forth herein.
- 52. Defendants' aforementioned false, misleading and deceptive representations, which were intended to—and do—cast doubt upon the nature, characteristics, quality, and approval of InterNACHI's certification, constitute disparagement under Ohio common law.
- 53. Defendants' statements are not privileged, or constitute an abuse of any conditional privilege that might otherwise apply. These statements were made with actual malice. In the alternative, Defendants' statements were grossly negligent.
 - 54. Defendants' misconduct is willful, malicious and outrageous.

WHEREFORE, InterNACHI respectfully requests that judgment be entered in its favor and against Defendants in an amount in excess of \$25,000, together with interest and costs, attorneys' fees, punitive damages, and such other relief as the Court deems just and proper.

COUNT IV Defamation

(Defendant Green and Defendant Inspector Chris)

55. Plaintiff InterNACHI reasserts, and incorporates by reference, paragraphs 1-54 above as if fully set forth herein.

- 56. Defendants have published and disseminated false, misleading, and deceptive statements regarding InterNACHI to third parties. The statements are defamatory per se because they tend to injure InterNACHI in the conduct of its business.
- 57. As Plaintiff's Exhibit 1 illustrates, these statements were published on the internet and made to members of other trade associations, namely, Plaintiff InterNACHI and ASHI, and to the public.
- 58. Defendants made the false, misleading, and deceptive statements at issue negligently, willfully, and maliciously.
 - 59. These statements were statements of fact that were provably false when made.
 - 60. Defendant Green knew the statements made were false at the time he made them.
- 61. Defendants' statements are neither privileged, nor do they constitute an abuse of any conditional privilege that might otherwise apply.
- 62. As a direct and proximate result of the Defendants' false, misleading, and deceptive statements, Plaintiff InterNACHI has suffered actual damages because of these statements being made to third parties, including damages to its membership and professional reputation.
 - 63. The Defendants' conduct is willful, malicious, and outrageous.

WHEREFORE, Plaintiff InterNACHI respectfully requests that judgment be entered in its favor and against the Defendants, in an amount to be determined at trial, but not less than \$25,000.00, together with interest and costs, attorneys' fees, punitive damages, and such other relief as this Honorable Court deems just and proper.

COUNT V

Tortious Interference With Existing and Prospective Contracts (Defendant Green and Defendant Inspector Chris)

- 64. The allegations of paragraph 1 through 63 are incorporated by reference as if fully set forth herein.
- 65. InterNACHI has existing and prospective contractual and business relationships with its current and prospective members.
- 66. InterNACHI has a reasonable expectation of prospective business and contractual relationships with its members and potential members.
- 67. Defendants knew of the existence of InterNACHI's existing and prospective contractual and business relationships with its current and prospective members.
- 68. Through their aforementioned conduct, Defendants have intentionally procured the breach and disruption of numerous of InterNACHI's existing contractual and business relationships with its members.
- 69. After the Defendants began inducing InterNACHI's members and potential members to avoid InterNACHI membership, many of InterNACHI's members and potential members have done so.
- 70. Through their aforementioned conduct, Defendants have interfered with prospective contractual and business relationships between InterNACHI and its current and prospective members.
- 71. But for the Defendants' improper actions, InterNACHI would not have lost numerous memberships, and potential members would not have refrained from joining InterNACHI.

- 72. Defendants intended to interfere with and disrupt InterNACHI's existing and prospective contractual and business relationships, and Defendants otherwise knew that such a result was substantially certain to result from their conduct.
- 73. Defendants' aforementioned conduct was tortious, illegal, inequitable, unjustified, malicious, and outrageous.
- 74. Defendants' aforementioned conduct was not justified or privileged, and Defendants otherwise acted with an improper purpose and not in the furtherance of any legitimate business interests.
- 75. As a direct and proximate result of Defendants' aforementioned conduct, numerous of InterNACHI's existing members have terminated their contractual and business relationships with InterNACHI.
- 76. As a direct and proximate result of Defendants' aforementioned conduct, numerous of InterNACHI's prospective members decided not to enter into contractual or business relationships with InterNACHI.
- 77. As a direct and proximate result of Defendants' aforementioned conduct, InterNACHI has suffered substantial damages.
 - 78. Defendants' misconduct is willful, malicious, and outrageous.

WHEREFORE, InterNACHI respectfully requests that judgment be entered in its favor and against Defendants in an amount in excess of \$25,000, together with interest and costs, attorneys' fees, punitive damages, and such other relief as the Court deems just and proper.

Respectfully Submitted,

/s/ James C. Frooman

James C. Frooman (0046553) FROST BROWN TODD LLC 3300 Great American Tower 301 East Fourth Street Cincinnati, Ohio 45202

Phone: (513) 651-6800 Fax: (513) 651-6981

E-mail: jfrooman@fbtlaw.com

JURY DEMAND

Plaintiff demands a trial by jury on all matters to which it is entitled.

/s/ James C. Frooman

James C. Frooman

INSTRUCTIONS TO THE CLERK

If certified service cannot be obtained, Plaintiffs hereby request the summons to be issued via ordinary mail service.

0138161.0657063 4813-4614-4094v1