

**IN THE UNITED STATES DISTRICT COURT  
THE CENTRAL DISTRICT OF ILLINOIS  
SPRINGFIELD DIVISION**

FULL SERVICE HOSPITALITY, LLC and  
TOWER CAPITAL GROUP, LP,

Plaintiffs,

v.

AFFILIATED FM INSURANCE  
COMPANY,

Defendant.

Case No.: \_\_\_\_\_

**Jury Trial Demanded**

**COMPLAINT**

Plaintiffs, Full Service Hospitality, LLC and Tower Capital Group, LP (collectively, “Plaintiffs”), by and through counsel, bring this breach of contract and bad faith and unreasonable and vexatious delay in settling Plaintiffs’ claim action against Defendant, Affiliated FM Insurance Company (“Affiliated FM” or “Defendant”), and in support state as follows:

**NATURE OF PLAINTIFFS’ CLAIMS**

1. Plaintiffs bring this action for damages resulting from Defendant’s breach of contract and bad faith and unreasonable and vexatious delay in settling Plaintiffs’ claim. Each cause of action arises out of Defendant’s mishandling of Plaintiffs’ claim after a vandalism event caused significant property damage and business interruption losses and extra expenses.

**THE PARTIES**

2. Plaintiff, Full Service Hospitality, LLC (“Full Service”), is a Texas limited liability company with its principal place of business located at 128 Westcourt Lane, San Antonio, Texas 78257.

3. Full Service has one member, Al Rajabi, who is a citizen and resident of San Antonio, Texas.

4. Plaintiff, Tower Capital Group, LP (“Tower”), is a Texas limited partnership with a principal place of business located at 128 Westcourt Lane, San Antonio, Texas 78257.

5. Tower has a general manger, Al Rajabi, who is a citizen and resident of San Antonio, Texas.

6. Tower has a limited partner, Tower GP, LLC, a Texas limited liability company.

7. Tower GP, LLC is a Texas limited liability company with its principal place of business located at 128 Westcourt Lane, San Antonio, Texas 78257.

8. Tower GP LLC has one member, Al Rajabi, who is a citizen and resident of San Antonio, Texas.

9. Defendant, Affiliated FM Insurance Company (“Affiliated FM”), is a Rhode Island corporation with its principal place of business located at 270 Central Avenue, Johnston, Rhode Island 02919.

**JURISDICTION AND VENUE**

10. For purposes of diversity jurisdiction, Full Service is a citizen of Texas.

11. For purposes of diversity jurisdiction, Tower is a citizen of Texas.

12. For purposes of diversity jurisdiction, Affiliated FM is a citizen of Rhode Island.

13. This Court has jurisdiction over the matter pursuant to 28 U.S.C. §1332 because this is a civil action between citizens of different states and the amount in controversy is in excess of the sum of \$75,000.00, exclusive of costs and interest.

14. Venue is proper in the Central District of Illinois, Springfield Division pursuant to 28 U.S.C. §1391 insofar as Defendant operates and transacts business in this judicial district and the events giving rise to Plaintiffs' claims occurred within this District.

### **FACTUAL BACKGROUND**

#### **A. The History of the Hotel**

15. Plaintiffs own the Wyndham Hotel Springfield City Centre ("Hotel") located at 700 East Adams Street, Springfield, Illinois 62701.

16. The Hotel is a 369-hotel room and 27-apartment unit, 30-story building in a prime location in downtown Springfield, Illinois, a busy state capital and major convention destination.

17. The Hotel is the largest hotel and tallest building in Springfield, Illinois.

18. The Hotel has a full Starbucks, over 50,000 square feet of meeting space and retail shops, and over 535 parking spaces.

19. The Hotel regularly hosts large groups of people for meetings, parties, and accommodations and also hosts numerous persons attending events at the Bank of Springfield Center, a convention center, and other events in and around Springfield, Illinois in need of accommodations.

20. At most times, the Hotel is booked to full capacity for various large group meetings, parties, and personal accommodations.

#### **B. The Event and Damages Identified to Date**

21. On March 27, 2025, an unidentified person or persons vandalized the Hotel causing extensive property damage (the "Event").

22. Fortunately, there were no fatalities or other personal injuries.

23. The Event caused significant property damage to, including, but not limited to, the Hotel's six (6) passenger elevators; passenger elevator controllers and other elevator equipment; water heater piping; boiler/vessel control wires; jockey pumps; and building automation system ("BAS") panel.

24. The Event also caused significant water damage to the Hotel's restaurants, meeting rooms, banquet rooms, hotel rooms, apartment units, and common spaces located on the majority of the Hotel's thirty (30) floors which required the removal of water and will require (among other things) the replacement of electrical equipment, drywall, plaster, wallpaper, carpet and tile in the future.

25. The Hotel's six passenger elevators are inoperable.

26. The Hotel's elevators are inoperable due to the Event.

27. On March 28, 2025, the Hotel was closed by the State Fire Marshall and the Springfield Fire Department Fire Safety Division for not meeting the code standards due to non-working elevator and out-of-service fire alarm, sprinkler systems, and water lines.

28. Plaintiffs have been forced to cancel the numerous large group and other reservations the Hotel had on the books following the Event leading to considerable business income losses and extra expenses.

29. The Springfield Convention & Visitors Bureau has been trying to develop a contingency plan for impacted conventions, meetings, and events that are now unavailable due to the Event.

30. At this time, it is unclear how long the Hotel will remain closed.

31. At this time, experts predict that the Hotel may be closed for 12 to 18 months in order to address the substantial replacement and repair work that is required to make the Hotel operational and safe for guests.

32. The closure of the Hotel for such a significant period of time will cause Plaintiffs to suffer further business income losses and extra expenses of multiple millions of dollars.

33. Plaintiffs have suffered losses and will continue to suffer losses from (among other things) the lost sales opportunities to rent hotel rooms, apartment units, meeting spaces, retail shops, and parking spaces, and lost sales from its Starbucks and restaurants.

**C. The Affiliated FM Insurance Policy**

34. Prior to the Event, Plaintiffs purchased a property insurance policy from Affiliated FM.

35. Specifically, Plaintiffs purchased a property insurance policy against ALL RISKS OF PHYSICAL LOSS OR DAMAGE from Affiliated FM, Policy No. 1134905, for the policy period of June 30, 2024 to June 30, 2025 (“Policy”). A copy of the Policy, subject to verification for completeness in discovery, is attached hereto as **Exhibit A**.

36. Plaintiffs paid considerable premiums in exchange for the Policy.

37. The Policy provides a total limit of liability of \$230,788,864.00.

38. Plaintiffs (among others) are Named Insureds on the Policy.

39. The Policy insures five locations in Illinois and Arkansas, including the Hotel in Springfield, Illinois.

40. The Policy provides coverage for (among other things) damage to property and equipment, including, but not limited to, damage for acts of vandalism.

41. The Policy also provides coverage for (among other things) lost business income and extra expense.

42. Following the Event, Plaintiffs timely submitted a claim to Affiliated FM.

43. Following the Event, Affiliated FM has requested numerous types of information and documents from Plaintiffs.

44. Plaintiffs have complied with Affiliated FM's requests for information and documents and employee interviews, and Plaintiffs will continue to cooperate with Affiliated FM and provide requested information, documents, and employees for interviews.

**D. Affiliated FM's Breach of Contract and Bad Faith and Unreasonable and Vexatious Delay**

45. Following the Event, Plaintiffs and Hotel management met with Affiliated FM's claim representative and personnel from mitigation companies retained by Affiliated FM at the Hotel in order to inspect the damages and start mitigation efforts.

46. At this Hotel site visit, Affiliated FM's claim representative inappropriately informed Plaintiffs that he would be "very angry" if Plaintiffs retained a public adjuster or an attorney to assist Plaintiffs' with the adjustment of their insurance claim related to the Event.

47. On April 1, 2025, Affiliated FM sent a letter to Plaintiffs outlining multiple ways in which the Event caused damage to the Hotel. *See Exhibit B* (Letter dated April 1, 2025).

48. In the Letter, Affiliated FM stated (among other things): "We will confirm applicable coverage, loss payables, deductibles, and extent of liability under the policy in a separate letter." *Id.* at 2.

49. Despite Affiliated FM's representation made on April 1, 2025, it still has not issued a coverage position letter or made any payments to Plaintiffs pursuant to the Policy in the **76 days that have passed since the Event**.

50. Although Affiliated FM initially retained Service Master and Paul Davis to assist with mitigation efforts at the Hotel following the Event, thereby leading Plaintiffs to believe that Affiliated FM acknowledged its coverage obligations, Affiliated FM later stated that Plaintiffs themselves would need to pay the thousands of dollars in costs associated with these companies' mitigation work.

51. On April 10, 2025, Affiliated FM sent a letter to Plaintiffs warning about the possible application of a Policy exclusion and condition and also cited the carve back to the exclusion which makes clear that the Policy provides coverage for acts of vandalism: "This Policy does insure acts of direct insured physical damage intentionally caused by an employee of an Insured or any individual specified in b above, and done without the knowledge of the Insured." **Exhibit C** (Letter dated April 10, 2025).

52. Despite Affiliated FM's acknowledgement that the Policy provides coverage for vandalism on April 10, 2025, it belatedly informed Plaintiffs that Affiliated FM is conducting its own investigation into the cause of the Event separate and apart from the investigation by the local authorities.

53. Plaintiffs have repeatedly asked Affiliated FM when it will conclude its investigation and issue a complete coverage position.

54. Prior to June 4, 2025, Affiliated FM's claim representative repeatedly stated that Affiliated FM's investigation is ongoing; he does not have anything to do with such investigation as others at Affiliated FM are involved; and he is uncertain when the investigation will conclude and a coverage position will be issued.

55. Instead of timely conducting and concluding its own investigation and issuing a complete coverage position and payments, Affiliated FM has needlessly engaged in a "wait and

see” approach in purportedly conducting its own separate investigation and not bringing such purported investigation to a close to either try to generate a coverage denial or limit its losses.

56. Instead of timely conducting and concluding its own investigation and issuing a complete coverage position and payments, Affiliated FM has retained its own alleged specialists to either try to generate a coverage denial or limit its losses.

57. By at least April 2, 2025, Affiliated FM had retained MDD, a forensic accountant; Newmann Construction, a construction company; and Donnelly & Associates, an elevator consultant.

58. Instead of timely conducting and concluding its investigation and issuing a complete coverage position and payments, Affiliated FM has also elected to play the “request for needless information” game by slowly and repeatedly issuing numerous requests for information to Plaintiffs from April 2, 2025 to May 31, 2025, the great majority of which have absolutely nothing to do with the investigation into the cause of the Event and the issuance of a coverage position in connection with the Event.

59. By way of example only, Affiliated FM has requested that Plaintiffs produce a “[l]ist of all renovations and repairs conducted on the premises/structure since the insured purchased the property” and a “[l]ist of all damage prior to the current loss event, whether repaired or not; and all documentation of the repairs to include contracts, who completed the work, payments, receipts, etc.” – without explaining the relevancy and temporal connection of the information to the Event and coverage issues related thereto. *See Exhibit D* (Letter dated April 24, 2025).

60. By way of further example only, Affiliated FM has requested monthly profit and loss statements; daily occupancy and revenue detail reports; lists of all customers displaced; and



any events/functions cancelled in connection with the Event – information related to the calculation of business income losses despite the fact that this information does not relate to the investigation into the cause of the Event and the issuance of a coverage position connection with the Event.

61. Instead of timely conducting and concluding its investigation and issuing a complete coverage position and payments, Affiliated FM has refused to make any advance or partial payments to Plaintiffs.

62. Affiliated FM has refused to pay for Plaintiffs to retain their own forensic accountant to help with Plaintiffs' claim preparation even though the Policy provides coverage for Plaintiffs' claim preparation costs.

63. On June 4, 2025 *which was 69 days after the Event*, Affiliated FM's claim representative sent a letter to Plaintiffs revealing for the first time – in direct opposition to his repeated prior statements – that he is running the separate investigation into the cause of the Event. *See Exhibit E* (Letter dated June 4, 2025).

64. In the same letter, Affiliated FM formally requested for the first time to take the recorded statements of three Hotel employees in person in Springfield, Illinois. *See id.*

65. These same three Hotel employees were previously interviewed by local authorities immediately after the Event.

66. On information and belief, Affiliated FM's purported need for recorded statements of these three Hotel employees is not based on any new information.

67. On information and belief, Affiliated FM has not reported this claim to the Department of Insurance or any law enforcement agency as a fraudulent claim that Plaintiffs knew about before the Event took place.

68. Instead of timely conducting and concluding its investigation and issuing a complete coverage position and payments, Affiliated FM failed to promptly request employee interviews in a pretextual effort to delay or deny providing coverage for Plaintiffs' claim.

69. On information and belief, Affiliated FM has obtained enough information about the Event to make at least a partial determination of how coverage applies.

70. Plaintiffs and Plaintiffs' employees have fully cooperated with the law enforcement investigation of the event.

71. Law enforcement has assured Plaintiffs that they require no further information from Plaintiffs to complete any investigation of the event.

72. At the time of the filing of this Complaint, no local or other authorities or Affiliated FM have suggested that their investigations have revealed any information that would alter Plaintiffs' entitlement to insurance proceeds pursuant to the Policy.

**COUNT ONE**  
**(Breach of Contract)**

73. Plaintiffs hereby incorporate by reference and restate all preceding Paragraphs as if fully stated herein.

74. Plaintiffs have paid all required premiums and have complied with all policy terms and/or such compliance is excused.

75. Plaintiffs provided timely notice to Affiliated FM of the Event.

76. Plaintiffs have complied with all conditions precedent, if any, under the Policy.

77. Pursuant to the Policy, Affiliated FM is obligated to provide (among other things) replacement costs for equipment, lost business income, and extra expense.

78. The Event triggers coverage under the Policy, or, in the alternative, the terms and conditions of the Policy are ambiguous and must be construed in favor of providing coverage for the Event.

79. Plaintiffs have demonstrated that they are entitled to replacement costs for equipment, lost business income and extra expense.

80. Plaintiffs have repeatedly demanded a coverage position and payments for the replacement costs for equipment, lost business income, and extra expense.

81. As of the date of this filing, Affiliated FM has refused and continued to refuse to issue a coverage position or to pay Plaintiffs for the replacement costs for equipment, lost business income, and extra expense.

82. Affiliated FM is in breach of the Policy.

83. Plaintiffs have been and will continue to damage as a proximate result of Affiliated FM's breach of the Policy.

WHEREFORE, Plaintiffs, by counsel, request that they be granted judgment in its favor and against Affiliated FM for all their damages in an amount in excess of \$75,000, in an amount to be determined at trial, plus attorneys' fees, costs, pre-judgment interest, post-judgment interest, the costs of this action, and all other just and appropriate relief.

**COUNT TWO**  
**(Violation of 215 ILCS 5/155)**

84. Plaintiffs hereby incorporate by reference and restate all preceding Paragraphs as if fully stated herein.

85. The acts and omissions of Affiliated FM as set forth above, and some yet to be discovered in this matter, constitute bad faith and unreasonable and vexatious delay in settling Plaintiffs' claim.

86. Affiliated FM has a duty to act in good faith in the handling and payment of the claims of their insureds, Plaintiffs.

87. Affiliated FM's refusal to issue a coverage acknowledgment and pay Plaintiffs' claim is not predicated upon any circumstances that furnish reasonable justification in support of Affiliated FM's refusal to pay.

88. Affiliated FM's refusal to pay Plaintiffs under the Policy is arbitrary and capricious, not supported by any rational or reasonable determination process, and is done solely in its own interests.

89. As stated throughout this Complaint, Affiliated FM has been conducting its own investigation into the cause of the Event for 76 days, and it refuses to advise on the status of the investigation, when it will be completed, when it will issue a coverage position, and when it will make payments to Plaintiffs. That was arbitrary and capricious and bad faith and unreasonable and vexatious delay in settling Plaintiffs' claim.

90. As stated throughout this Complaint, Affiliated FM purportedly has been conducting its own investigation into the cause of the Event for 76 days, and it refuses to provide contact information for the persons at Affiliated FM who are conducting the investigation into the cause of the Event. Affiliated FM, on information and belief, has (or could have) recognized that at least some coverage applies to Plaintiffs' losses under the Policy. That course of conduct was arbitrary and capricious and bad faith and unreasonable and vexatious delay in settling Plaintiffs' claim.

91. As stated throughout this Complaint, Affiliated FM purportedly has been conducting its own investigation into the cause of the Event for 76 days, and it did not need this amount of time to investigate, conclude the investigation, and report its findings of such

investigation and issue a coverage position and make partial or advance payments to Plaintiffs. That was arbitrary and capricious and bad faith and unreasonable and vexatious delay in settling Plaintiffs' claim.

92. As stated throughout this Complaint, Affiliated FM purportedly has been conducting its own investigation into the cause of the Event for 76 days, stated that another person was running the investigation instead of the lead adjuster but then contradicted those prior assertions on June 4, and it belatedly made a pretextual request to take recorded statements of certain Hotel employees in an effort to delay or deny coverage for Plaintiffs' claim. That was arbitrary and capricious and bad faith and unreasonable and vexatious delay in settling Plaintiffs' claim.

93. As a direct and proximate result of the bad faith and unreasonable and vexatious delay in settling Plaintiffs' claim exhibited by Affiliated FM, Plaintiffs have suffered damages.

94. In refusing to pay Plaintiffs' insurance claim, Affiliated FM has acted with malice, intentionally refusing reimbursement so as to purposely avoid a claim payout of multiple millions of dollars.

95. Due to Affiliated FM's malice, bad faith, and unreasonable and vexatious delay in settling Plaintiffs' claim, Plaintiffs are entitled to punitive damages under Illinois law.

96. Due to Affiliated FM's malice, bad faith, and unreasonable and vexatious delay in settling Plaintiffs' claim, Plaintiffs are entitled to attorneys' fees under Illinois law.

WHEREFORE, Plaintiffs, by counsel, request that they be granted judgment in its favor and against Affiliated FM for all their damages in an amount in excess of \$75,000, in an amount to be determined at trial, in an amount equal to the maximum allowed under 215 ILCS 5/155; plus other costs resulting from Defendant's bad faith and unreasonable and vexatious delay; attorneys'

fees, costs, pre-judgment interest, post-judgment interest, the costs of this action, and all other just and appropriate relief.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs, by their counsel, respectfully request that the Court grant the following relief:

- A. Enter judgment in favor of Plaintiffs and against Defendant on all counts and for all their damages in an amount to be determined at trial by jury, plus punitive damages, attorneys' fees, costs, pre-judgment interest, post-judgment interest, and the costs of this action; and
- B. Grant all other just and appropriate relief.

**DEMAND FOR JURY TRIAL**

Plaintiffs hereby request that all issues be submitted to and determined by a jury on all issues and claims so triable.

Respectfully requested,

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