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17 18	FRANCISCA BELTRAN CHAVEZ and all others similarly situated,	CLASS ACTION COMPLAINT FOR: 1. VIOLATION OF LOS ANGELES MUNICIPAL CODE, CHAPTER X, ART.		
17 18 19	FRANCISCA BELTRAN CHAVEZ and all others similarly situated, Plaintiffs, v.	CLASS ACTION COMPLAINT FOR: 1. VIOLATION OF LOS ANGELES MUNICIPAL CODE, CHAPTER X, ART. 4, SECTION 104.101 et seq. (AIRPORT		
17 18	FRANCISCA BELTRAN CHAVEZ and all others similarly situated, Plaintiffs, v. HILTON LOS ANGELES AIRPORT, HILTON HOTELS CORPORATION, FORTUNA	CLASS ACTION COMPLAINT FOR: 1. VIOLATION OF LOS ANGELES MUNICIPAL CODE, CHAPTER X, ART.		
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CLASS ACTION COMPLAINT

On behalf of themselves and all others similarly situated, and on behalf of the general public, ROSA GUADALUPE GUEVERA SORTO and FRANCISCA BELTRAN CHAVEZ ("Plaintiffs"), bring this class action against Defendants Norma's Corporation, Jani-King of California, Inc., Hilton Los Angeles Airport, Hilton Hotels Corporation, Fortuna Enterprises, and Does 1-100, inclusive (collectively "Defendants") for earned but unpaid wages, restitution, liquidated damages, penalties, interest, declaratory and injunctive relief, restitution, costs and attorneys' fees resulting from Defendants' unlawful conduct and unfair business practices, and as grounds therefor allege:

INTRODUCTION

1. Plaintiffs contend that Defendants failed to compensate them and other similarly situated workers the wages required by the Los Angeles Municipal Code, and failed to meet other legal requirements, all of which violate the Los Angeles Municipal Code, and various provisions of the California Labor Code and IWC Wage Orders, with respect to their employment.

PARTIES

- 2. Plaintiffs ROSA GUADALUPE GUEVERA SORTO ("Sorto") and FRANCISCA BELTRAN CHAVEZ("Chavez") are current and/or past employees of Defendants who are and/or were classified as nonexempt under the California Industrial Welfare Commission ("IWC") Wage Orders and paid on an hourly basis. Sorto and Chavez reside in Los Angeles County, California. Each of the Plaintiffs and all members of the Plaintiff Class as defined below are, were, or will be employed by the Defendants, within the State of California, County of Los Angeles, during the relevant statutory period.
- 3. Defendant Norma's Corporation and Jani-King of California, Inc. and Does 1-10 (hereinafter "Norma's Corporation") conduct business within the County of Los Angeles, State of California and own, control and/or operate a temporary employment agency and cleaning franchise company, through which it hires temporary workers and franchisees specifically assigned to areas designated by ordinance as the "Gateway to LA (Century Corridor) Property Business Improvement District (Century Corridor PBID)" (hereafter referred to as the "LAX Corridor").
- 4. Defendants Hilton Los Angeles Airport, Hilton Hotels Corporation, Fortuna Enterprises, and Does 11-20 (hereafter "Hilton LAX") conduct business within the County of Los Angeles, State of California and own, control, lease, manage and/or operate a hotel in the LAX Corridor named the Hilton

 Los Angeles Airport located at 5711 West Century Boulevard in Los Angeles, California 90045 ("Airport Hilton"). The Airport Hilton is designated or used for lodging and other related services for the public, and contains 50 or more guest rooms, or suites of rooms.

- DOES 1 through 100, inclusive, and therefore sue these Defendants by such fictitious names and capacities. Plaintiffs will seek leave to amend this complaint to allege the true names and capacities of said fictitiously-named Defendants once they have been ascertained. Plaintiffs are informed and believe, and on that basis allege, that at all relevant times, each of the fictitiously-named Defendants was an agent or employee of the named Defendants and/or was acting within the course and scope of said agency or employment at the time of the events herein alleged, and/or was acting directly or indirectly in the interest of Defendants in relation to Plaintiffs and the Plaintiff Class. Plaintiffs are further informed and believe and on that basis allege that each of the fictitiously-named Defendants aided and assisted the named Defendants in committing the wrongful acts alleged herein, and that Plaintiffs' damages, as alleged herein, were proximately caused by such Defendants. To the extent that the conduct and omissions alleged herein were perpetrated by one or more Defendants, the remaining Defendants confirmed and ratified said conduct and omissions.
- 6. Plaintiffs are informed and believe and thereupon allege that at all times material herein, each Defendant named herein, including DOES 1 through 100, acted as the agent, joint venturer, representative, or alter ego of or for the other Defendants, and all aided and abetted the wrongful acts of the others.
- 7. Plaintiffs bring their claims on behalf of a class ("Plaintiff Class") which consists of all nonexempt current, former, and future employees employed by defendant Norma's Corporation and jointly employed by Hilton LAX, and working at the Airport Hilton and whose duties include or included providing housekeeping and hotel guest services and related functions during the relevant statutory period ("Class Period").
- 8. Members of the Plaintiff Class did not and do not receive the wages they are entitled to under Los Angeles Municipal Code Chapter X, Article 4, Section 104.101 et. seq. (Ord. No. 178,432). Members of the Plaintiff Class were and are not compensated in the amounts required by the ordinance.

Defendants' failure to pay and properly compensate the Plaintiff Class for their work, was and is a result of unlawful policies and practices that were commonly applied to all members of the Plaintiff Class.

9. Plaintiffs also bring this action on behalf of themselves, the general public, and all others similarly situated pursuant to Business and Professions Code §§ 17200, et seq.

FACTUAL ALLEGATIONS

- 10. Throughout the relevant statutory period, Plaintiffs and all members of the Plaintiff Class were and are nonexempt employees of Defendants, entitled to all of the protections afforded to nonexempt employees under the Los Angeles Municipal Code, Labor Code and applicable IWC Wage Orders.
- 11. At all relevant times, Defendants failed to pay Plaintiffs and the Plaintiff Class compensation required by the Los Angeles Municipal Code and to comply with other requirements of those statutes as alleged herein.
- Villaraigosa signed, the Airport Hospitality Enhancement Zone Ordinance ("AHEZO"), requiring hospitality businesses operating in the LAX Corridor, to pay a living wage, adjusted each year to correspond with changes in the Consumer Price Index (Attached hereto as Exhibit 1). Subsequent court challenges were filed by the very same Defendants named in the instant matter, until the United States District Court, in *Fortuna Enters., L.P. v. City of L.A.*, 673 F. Supp. 2d 1000 (C.D. Cal. 2008), ultimately found the AHEZO enforceable. Ordinance No. 178, 432 was codified as Los Angeles Municipal Code Chapter X, Art. 4, Section 104.101 et. seq. Defendants, at all times subsequent to the effective date of said ordinance compensated members of the plaintiff class by paying lower wages than those required by the ordinance.
 - 13. Defendants continue to refuse to pay employees the wages required by the AHEZO.
- 14. The underpayment of wages to the Plaintiffs and the Plaintiff Class is a consequence of Defendants' unlawful compensation and labor policies and practices which were centrally devised, implemented, communicated, and applied to all members of the Plaintiff Class.

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- 15. Defendant Hilton LAX entered into labor contracts with Norma's Corporation which it knew or should have known did not provide sufficient funding to comply with California labor law, or the AHEZO.
- 16. Defendants actions resulted in widespread workers' compensation premium fraud, and deprived employees of employer contributions for their Social Security retirement, unemployment and disability benefits.
- 17. Defendants actions resulted in Plaintiff Class not receiving the compensation required under the ordinance, and Defendants failed to pay and deduct required payments for Social Security, disability and Medicare, unemployment insurance taxes and employment training tax.
- 18. As a result of Defendants' unlawful conduct, Plaintiffs and the Plaintiff Class have been and continue to be systematically deprived of the wages to which they are entitled by law, to the detriment of themselves, their families, and to the public at large.
- 19. Plaintiffs allege that at all times material herein Defendants have been and are aware of Ordinance No. 178,432 which sets the minimum rate of pay for hotel workers in the LAX Corridor but have nevertheless engaged in widespread and flagrant violations of these laws.
 - 20. Defendants have failed to establish any system to ensure compliance with these laws.

CLASS ALLEGATIONS

- Proposed Class and Nature Of The Class Claims. The individual Plaintiffs, as Class Representatives, bring this action on their own behalf and on behalf of a class comprised of all nonexempt current, former, and future employees of Norma's Corporation and Does 1-10 who provided services at the Airport Hilton and whose duties include providing services at banquet or banquet related functions, housekeeping, table waiting, dishwashing, guest services, bartending, laundering, cooking, cleaning, general maintenance and/or hosting at any time during the four years prior to the filing of this complaint.
- 22. <u>Numerosity.</u> The size of the Plaintiff Class makes a class action both necessary and efficient. Plaintiffs estimate that the Plaintiff Class consists of at least 150 current and former employees, and an indefinite number of future employees. Members of the Plaintiff Class are

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ascertainable but so numerous that joinder is impracticable. The Plaintiff Class includes future class members whose joinder is inherently impossible.

- 23. Typicality. The claims of the Class Representatives are typical of the claims of the class as a whole. Each of the Class Representatives is and/or was employed by Defendants during the relevant statutory period. Each of the Class Representatives was underpaid, and continues to be underpaid, because of Defendants' unlawful employment policies and practices. The unlawful policies and practices that have operated to deny the Class Representatives wages, and other compensation, benefits, and protections required by law are typical of the unlawful practices that have and will continue to operate to deny other class members the compensation and benefits to which they are entitled.
- 24. <u>Common Questions Of Law And Fact.</u> This case poses common questions of law and fact affecting the rights of all class members, including but not limited to:
 - Defendants' status as joint employers of Norma's Corporation employees;
 - Whether Hilton LAX knew or should have known about and/or ratified the widespread violations of wage, hour and other labor laws suffered by hotel workers working in their hotels;
 - The status of Norma's Corporation as the agent of Hilton LAX for the purpose of securing labor, and the legal consequences of that agency;
 - Whether Hilton LAX conspired with Norma's Corporation in an effort to bypass defendants' obligations to the plaintiff class;
 - What relief is necessary to remedy defendants' unfair and unlawful conduct as herein alleged; and
 - Whether Defendants' violation of the LAMC was willful.
- 25. <u>Adequacy Of Class Representation</u>. The Class Representatives can adequately and fairly represent the interests of the Plaintiff Class as defined above, because their individual interests are consistent with, not antagonistic to, the interests of the class.
- 26. <u>Adequacy Of Counsel For The Class.</u> Counsel for Plaintiffs possess the requisite resources and ability to prosecute this case as a class action and are experienced labor and employment

attorneys who have been certified as class counsel and successfully litigated other cases involving similar issues including class actions.

27. Propriety of Class Action Mechanism. Class certification is appropriate because Defendants have implemented a scheme which is generally applicable to the Plaintiff Class, making it appropriate to issue final injunctive relief and corresponding declaratory relief with respect to the class as a whole. Class certification is also appropriate because the common questions of law and fact predominate over any questions affecting only individual members of the class. Further, the prosecution of separate actions against Defendants by individual class members would create a risk of inconsistent or varying adjudications which would establish incompatible standards of conduct for Defendants. For all these and other reasons, a class action is superior to other available methods for the fair and efficient adjudication of the controversy set forth in this complaint.

ALLEGATIONS OF CLASS REPRESENTATIVES

- 28. Rosa Guadalupe Guevara Sorto. Sorto worked at Hilton LAX on and off for approximately two years as a Room Attendant employed by or through Norma's Corporation.

 Throughout her employment with Defendants, Ms. Sorto has been classified as a nonexempt employee. Throughout her employment with Defendants, Ms. Sorto has been paid less than the minimum wage required by the ordinance.
- 29. <u>Francisca Beltran Chavez.</u> Chavez worked at Hilton LAX for approximately three years on and off as a room attendant employed by or through Norma's Corporation. Throughout her employment with Defendants, Chavez has been classified as a nonexempt employee. Throughout her employment with Defendants, Chavez has been paid less than the minimum wage required by the ordinance.

FIRST CAUSE OF ACTION

For Failure to Pay a Living Wage

- by Plaintiffs Individually and on Behalf of The Plaintiff Class Against All Defendants (Los Angeles Municipal Code Chapter X, Art. 4; City Ordinance No. 178,432)
- 30. Plaintiffs reallege and incorporate by reference the allegations contained in paragraphs 1 through 29 above.

- 31. Plaintiffs' entitlement to sue under Los Angeles Municipal Code Chapter X, Art. 4; City Ordinance No. 178,432. Section 104.109 established:
 - A. A Hotel Worker claiming violation of this article may bring an action in the Superior Court of the State of California against a Hotel Employer and may be awarded:
 - 1. For failure to pay wages required by this article backpay for each day during which the violation continued.
 - 2. For failure to pay health benefits the differential between the wage required by this article without benefits and the wage with benefits, less amounts paid, if any, toward health benefits.
 - 3. For retaliatory action reinstatement, backpay, and other legal or equitable relief the court may deem appropriate.
 - 4. For willful violations, the amount of monies to be paid under Paragraphs 1 through 3 shall be trebled.
 - B. If a Hotel Worker is the prevailing party in any legal action taken pursuant to this section, the court shall award reasonable attorney's fees and costs as part of the costs recoverable.
 - C. Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for violation of this article.
- 32. At all times relevant to this action, defendants, and each of them, failed and refused to pay plaintiffs minimum wage for all hours worked in amounts to be proven at trial. Plaintiffs Sorto and Chavez consent to be parties to this action.
- 33. Defendants' failure to provide minimum compensation for all hours worked by plaintiffs with the knowledge, consent, and expectation of defendants' supervisors and other managing agents constitutes a deliberate and willful violation of Los Angeles Municipal Code Chapter X, Art. 4; City Ordinance No. 178,432.
- 34. Plaintiff hotel workers were joint employees of Defendants. All members of the class are or were employees of Norma's Corporation and/or each is and/or was an employee of Hilton LAX, for which he or she performed services. At all material times, all defendants have acted as employer of the

plaintiff class and are or were "employing" them within the meaning of the law of California and under principles of common law.

- 35. Each Defendant acted as a joint employer. As plaintiff hotel workers' joint employers, under common law and statutory definitions, defendants are all jointly and severally liable for the plaintiff hotel workers back pay, liquidated damages, and other relief.
- 36. Plaintiffs are informed and believe, and on that basis allege, that defendants, and each of them, at all times material to this Complaint, have acted as joint employers with respect to the class of hotel workers because defendants have:
 - (a) jointly exercised meaningful control over the work performed by plaintiff hotel workers;
 - (b) jointly exercised meaningful control over plaintiffs' wages, hours and working conditions, including the quantity, quality standards, speed, scheduling, and operative details of the tasks plaintiffs performed;
 - © jointly required that plaintiffs perform work which is an integral part of defendants' businesses, and
 - (d) jointly exercised control over the plaintiffs in that members of the class, as a matter of economic reality, are dependent upon defendant Hilton LAX as well as defendant Norma's Corporation, who share the power to set plaintiffs' wages and determine their working conditions, and who jointly reap profits from the underpayment of their wages and noncompliance with other statutory provisions governing their employment, and for other related reasons.
- 37. Defendant Hilton LAX effectively controls the employment of the plaintiffs and knew or should have known that members of the class have been and continue to be routinely underpaid for their labor. Defendant Hilton LAX effectively controls the wages, hours and working conditions of the members of the class in the following manner:
 - (a) As a practical matter, the only commodity defendant Norma's Corporation sells to defendant Hilton LAX is the labor performed by members of the plaintiff class. Since plaintiffs receive no health and welfare benefits, medical insurance, pension, paid vacation, sick or bereavement leave in connection with their employment, nearly all of

- the overhead of Norma's Corporation goes to pay plaintiffs' wages. The remainder of the monies paid by defendant Hilton LAX to secure plaintiffs' labor is retained by defendant Norma's Corporation as profit.
- (b) Defendant Hilton LAX knows, or in the exercise of reasonable diligence should know, the precise number of work-hours required to clean their hotels. Plaintiffs are informed and believe and on that basis allege that Hilton LAX acquired such knowledge through, inter alia, recording and compensating the time formerly spent by their own direct employees on tasks identical to those now performed by the members of the class, conducting time-motion studies of the labor time required to clean their hotels, and/or performing calculations according to industry standards which establish the labor time required to clean their stores on a per square-foot or per location basis. Additionally, the agents, employees and managers of Hilton LAX are present and observe the work-hours required to clean the stores.
- (c) Defendant Hilton LAX thus knows the work-hours required to clean their hotels, their staffing levels, the hours worked by janitors on their premises, the total contract price for plaintiffs' labor, and the fact that the contract price available to pay plaintiffs' wages is reduced by the profit margin of defendant Norma and any small amount of overhead expenses it may incur. Defendant Hilton LAX is presumed to know the law, including but not limited to the AHEZO. At all relevant times herein they have been on inquiry or actual notice that members of the class were and are routinely underpaid for their labor. In knowing or reckless disregard of these facts, Hilton LAX has negotiated and/or continue to negotiate labor contract agreements with Norma's Corporation and set prices so low that they are insufficient to provide plaintiff class with the wages and other wages and benefits required by law.
- (d) Individual plaintiff hotel workers and the members of the class they seek to represent are directly supervised by managers, supervisors and/or foremen employed by defendant Hilton LAX, who determine what tasks class members are to perform, the location,

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manner, means, schedule and speed they are to do their work, and the cleaning implements and chemicals they are to use.

- During the Class Period, Defendants routinely failed to provide the Plaintiffs and the 38. Plaintiff Class with the living wage minimum compensation, as required by Los Angeles Municipal Code Chapter X, Art. 4; City Ordinance No. 178,432.
- As alleged herein, Plaintiffs and the Plaintiff Class were and are not exempt from the 39. living wage ordinance.
- Plaintiffs and the Plaintiff Class have been deprived of their rightfully earned 40. compensation as a direct and proximate result of Defendants' failure and refusal to pay said compensation. Plaintiffs and the Plaintiff Class are entitled to recover such amounts pursuant to Los Angeles Municipal Code Chapter X, Art. 4, Section 104.109, plus interest thereon, attorney's fees and costs. Defendants are liable to the members of the class as joint employers for class members' damages. Further, Defendants willful disregard of the requirements of the ordinance entitles Plaintiffs and the Plaintiff class to recover treble damages for unpaid wages and retaliation.

SECOND CAUSE OF ACTION

For Underfunding of Contractors

by Plaintiffs Individually on behalf of The Plaintiff Class Members and the Public Against all Defendant Hilton LAX

(California Labor Code Section 2810)

- Plaintiffs reallege and incorporate by reference paragraphs 1 through 29, inclusive, as if 41. fully set forth herein.
- This claim is brought by the Plaintiffs on behalf of themselves, the Plaintiff Class, and the 42. general public, pursuant to Labor Code § 2810. Labor Code § 2810 prohibits persons or entities from entering into contracts or agreements for labor or services with a construction, farm labor, garment, janitorial, or security guard contractor where the person or entity knows or should know that the contract or agreement does not include funds sufficient to allow the contractor to comply with all applicable local, state, and federal laws or regulations governing the labor or services to be provided.

- 43. Defendant Hilton LAX knew or should have known that the contract entered into with Norma's Corporation., did not provide sufficient funds to comply with California Labor Code minimum wage and overtime requirements, and the living wage and other legal requirements of Los Angeles Municipal Code Chapter X, Article 4, the California Labor Code, and applicable IWC Wage Orders.
- 44. Under Labor Code § 2810 an employee who is aggrieved by a violation of the law may file an action for damages to recover the greater of all of his or her actual damages or \$250 per employee per violation for an initial violation and \$1000 per employee for each subsequent violation. Upon prevailing in an action, the employee also may recover costs and reasonable attorney's fees.

THIRD CAUSE OF ACTION

For Unfair Competition

by Plaintiffs Individually on behalf of The Plaintiff Class Members and the Public Against all

Defendants

(California Business & Professions Code Section 17200, et seq.)

- 45. Plaintiffs reallege and incorporate by reference paragraphs 1 through 44, inclusive, as if fully set forth herein.
- 46. This claim is brought by the Plaintiffs on behalf of themselves, the Plaintiff Class, and the general public, pursuant to Business and Professions Code §§ 17200, et seq. Defendants' conduct as alleged herein has been, and continues to be, an unfair, unlawful, and fraudulent business practice which has been and continues to be deleterious to Plaintiffs and to those similarly situated and to the general public. Business and Professions Code §§ 17200, et seq. prohibits unlawful, unfair, and fraudulent business practices. Plaintiffs seek to enforce important rights affecting the public interest within the meaning of Code of Civil Procedure § 1021.5.
- 47. Plaintiffs are "persons" within the meaning of Business and Professions Code § 17204, with standing to bring this suit for injunctive relief, restitution, disgorgement, and other appropriate equitable relief on behalf of all similarly-situated employees and on behalf of the general public.
- 48. Labor Code § 90.5(a) sets forth the public policy of this State to enforce minimum labor standards vigorously, to ensure that employees are not required or permitted to work under substandard

and unlawful conditions, and to protect employers who comply with the law from those who attempt to gain a competitive advantage by failing to comply with minimum labor standards.

- 49. Through the conduct alleged herein, Defendants have acted contrary to these public policies, have violated specific provisions of the Labor Code, and have engaged in other unlawful and unfair business practices in violation of Business and Professions Code §§ 17200, et seq., depriving the Plaintiffs, members of the Plaintiff Class, and other interested persons of rights, benefits, and privileges guaranteed to all employees in California.
- 50. At all times relevant to this action, Defendants have committed unfair and unlawful business practices within the meaning of Business & Professions Code §§ 17200, et seq. by engaging in conduct which includes, but is not limited to, violating Los Angeles Municipal Code Chapter X, Art. 4, City Ordinance No. 178,432, failing to properly calculate and pay legally-required compensation, misclassifying employees as independent contractors, and knowingly contracting for services at prices too low to permit compliance with minimum labor standards and thus depriving plaintiffs with the wages, benefits and protections to which they were entitled by law.
- 51. As a direct and proximate result of these unfair business practices, Defendants have received and continue to receive funds that rightfully belong to Plaintiffs.
- 52. Plaintiffs are entitled to, and hereby seek such relief as may be necessary to restore to them the funds of which Plaintiffs have been deprived, by means of Defendants' unlawful and unfair business practices.
- 53. Pursuant to Business and Professions Code § 17203, injunctive relief is necessary to prevent Defendants from continuing to engage in unfair business practices as alleged herein.

 Defendants, and persons acting in concert with them, have done, are now doing, and will continue to do or cause to be done, the above-described unlawful acts unless restrained and enjoined by this Court.

 Unless the relief prayed for below is granted, a multiplicity of actions will result. Plaintiffs have no plain, speedy, or adequate remedy at law, in that it is difficult to measure the amount of monetary damages that would compensate Plaintiffs or the general public for Defendants' wrongful acts. Further, pecuniary compensation alone would not afford adequate and complete relief. The above-described acts

CLASS ACTION COMPLAINT

1	8.	Interest accrued on damages	s and penalties pursuant to Labor Code § 218.6 and Civil	
2		Code § 3287; and		
3	9.	9. Such other and further relief as the Court deems just and proper.		
4			El Company of the Com	
5	DATED: June	e 16, 2010	Respectfully submitted,	
6			HADSELL STORMER KEENY	
7			RICHARDSON & RENICK, LLP LAW OFFICES OF MARC COLEMAN	
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9		×		
10			By Virginia Keeny	
11	3		Attorneys for Plaintiffs	
12			×	
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14	HIDV TOLLL DEMAND			
15	JURY TRIAL DEMAND Plaintiffs hereby demand a jury trial on all issues so triable.			
16				
17	DATED: June	16 2010	Respectfully submitted,	
18	Biii EB. Julio	10, 2010	HADSELL STORMER KEENY	
19 20			RICHARDSON & RENICK, LLP LAW OFFICES OF MARC COLEMAN	
21				
22			By	
23			Virginia Keeny Attorneys for Plaintiffs	
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CLASS ACTION COMPLAINT

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4			72
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7			RICHARDSON & RENICK, LLP LAW OFFICES OF MARC COLEMAN
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11	E F		Virginia Keeny Attorneys for Plaintiffs
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18	DATED: June 1	.6, 2010	Respectfully submitted,
19			HADSELL STORMER KEENY RICHARDSON & RENICK, LLP
20	7		LAW OFFICES OF MARC COLEMAN
21			- [/// / _]
22		·	By // Virginia/Keeny/
23	22		Attorneys for Plaintiffs
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