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OF ORIGINAL FILED
Los Angeles Superior Court

JAN 14 2008

John A. Clarke, Executive Officer/Clerk
BY RUGENA LOPEZ, Deputy

11 SUPERIOR COURT OF CALIFORNIA

12 COUNTY OF LOS ANGELES

BC383654

15 **PEOPLE OF THE STATE OF CALIFORNIA, ex**
16 **rel. EDMUND G. BROWN JR., Attorney General of**
the State of California,

17 Plaintiff,

18 v.

19 **INTERWALL DEVELOPMENT SYSTEMS, INC.,**
20 **FELTS CONSTRUCTION COMPANY, INC.,**
21 **CINCO CONSTRUCTION, INC., ANCCA**
CORPORATION dba N-U ENTERPRISE, and
DOES 1 through 100, inclusive,

22 Defendants.

CASE NO.

**VERIFIED COMPLAINT FOR
INJUNCTIVE RELIEF,
RESTITUTION AND
PENALTIES**

Date:
Time:
Dept:
Judge:
Trial Date:
Action Filed:

24 The People of the State of California, by and through Edmund G. Brown Jr., Attorney
25 General of the State of California, allege as follows:

26 1. Fair competition is fundamental to the free enterprise economic system. To further a
27 free economic system, Business and Professions Code, section 17200 expressly prohibit
28 unlawful, unfair or fraudulent business practices. Interwall Development Systems, Inc. (hereafter

1 Interwall), Felts Construction Company, Inc. (hereafter Felts), Cinco Construction, Inc. (hereafter
2 Cinco), and ANCCA dba N-U Enterprise (hereafter N-U Enterprise) have engaged in and
3 continue to engage in unlawful, unfair, and fraudulent business practices enabling the
4 corporations to reduce costs and underbid competition on construction jobs requiring drywall
5 installation. Unless enjoined by the court from continuing these unlawful business practices and
6 ordered to make restitution and pay statutory penalties, it is anticipated that defendants will
7 continue to pursue the unlawful schemes.

8 2. The People of the State of California act through their duly elected Attorney General,
9 Edmund G. Brown Jr., who is the chief law officer of the State. (Cal. Const., art. 5, § 13.) In this
10 capacity he may seek enforcement of the rights and interests of the people of California.
11 Business and Professions Code section 17204 authorizes the Attorney General to bring actions to
12 enforce the California Unfair Competition Law.

13 3. Defendants Interwall, Felts, Cinco, and ANCCA dba N-U Enterprise were, and at all
14 times relevant herein are, corporations doing business in the State of California, including in the
15 counties of Los Angeles, San Bernardino, Riverside, Orange, and San Diego.

16 4. Plaintiff is informed and believes, and thereon alleges, that each defendant is the alter
17 ego of each other defendant and fraudulently uses the corporate form to further the illegal scheme
18 enabling it to engage in the unfair competition complained of herein. Plaintiff is informed and
19 believes that the defendants are integrated enterprises with an interrelation of operations,
20 common management, centralized control of labor relations, and common ownership.

21 5. The true names and capacities of defendants sued in the Complaint under the fictitious
22 names of DOES 1 through 100, inclusive, are unknown to plaintiff, who therefore sues such
23 defendants by such fictitious names. Plaintiff will amend this complaint to show the true names
24 of each when the same has been ascertained. Defendants sued herein as DOES 1 through 100
25 are, and at all relevant times were, engaged with Interwall, Felts, Cinco, and N-U Enterprise in
26 the activities and conduct complained of herein.

27 6. Whenever reference is made in this complaint to any act of any defendant, such allegations
28 shall mean that the named defendant through its agents, employees, or representatives, performed

1 or authorized such acts while engaged in the management, direction or control of the affairs of all
2 the defendants.

3 7. Any reference to any act of any defendant means that each defendant engaged in the act
4 individually, jointly, and/or in concert with all other defendants.

5 **FIRST CAUSE OF ACTION**

6 8. The People are informed and believe that during performance of drywall installation,
7 defendants Interwall, Felts, Cinco, and N-U Enterprize have obtained an unfair advantage in bidding
8 competition for drywall construction work, to the detriment of honest and fair competitors, through
9 unlawful, unfair, and fraudulent business practices that include the failure to pay employees overtime
10 pay, failure to provide employees with rest periods, failure to pay employees all wages owed when
11 due, failure to provide employees with pay check stubs or other accurate written information on the
12 number of hours worked and sums deducted from their pay, and failure to pay employees the
13 prevailing wage while they worked on public projects as required by law.

14 9. Due to defendants unfair and unlawful practices defendants have obtained an unfair
15 advantage over its competitors and deprived employees the benefits they are entitled to under
16 California law.

17 10. Through Interwall, Felts, Cinco, and N-U Enterprise's unfair and unlawful practices set
18 forth in paragraph 8 Interwall, Felts, Cinco, and N-U Enterprise drywall employees during the past
19 statutory period suffered substantial monetary losses and are entitled to restitution for the losses. The
20 losses to defendants' employees include but are not limited to:

- 21 (a). time-and-one-half pay for overtime worked;
- 22 (b). pursuant to Industrial Welfare Commission Wage Order No. 16, one-hour pay for each rest
23 period not provided;
- 24 (c). pursuant to Labor Code, section 203, continuation wage as penalty for the unlawful delay
25 in providing pay owed to employees upon their termination of employment; and
- 26 (d) the prevailing wage while the employees were engaged in work on public-work projects.

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1 11. Defendants' violation of California statutes and administrative orders have caused
2 irreparable damage to the People of the State of California. There is no adequate remedy at law that
3 might justify denial of preliminary or permanent injunctive relief.

4 **PRAYER FOR RELIEF**

5 WHEREFORE, the People pray for the following relief:

6 1. Interwall Development Systems, Inc., Felts Construction Company, Inc., Cinco
7 Construction, Inc., and ANCCA dba N-U Enterprise, their successors, agents, representatives,
8 employees and all persons acting in concert with defendants be enjoined and restrained from
9 engaging in unfair competition as defined in Business and Professions Code section 17200, including
10 but not limited to the types of acts or practices alleged in the First Cause of Action;

11 2. Defendants be permanently enjoined from engaging in business in the State of California
12 while agents, representatives, employees and all persons acting in concert with defendant continue
13 to commit any and all of the violations of law expressed in the first cause of action;

14 3. Defendants pay restitution to their employees for wages lost through defendants' violations
15 of the law as set forth herein;

16 4. Defendants pay civil penalties up to \$2,500 for each violation of Business and Professions
17 Code section 17200;

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- 1 5. The People recover the costs of investigation, expert witness fees, and costs of the action
2 and;
3 6. Such other and further relief as the Court deems appropriate and just.

4 Dated: January 11, 2008

5 Respectfully submitted,
6 EDMUND G. BROWN JR.
7 Attorney General of the State of California
8 MARK BRECKLER
9 Senior Assistant Attorney General
10 JON ICHINAGA
11 Supervising Deputy Attorney General
12 RALPH LIGHTSTONE
13 Supervising Deputy Attorney General

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15 MAURICE R. JOURDANE
16 Deputy Attorney General
17 Attorneys for Plaintiff

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DECLARATION OF SERVICE

Case Name: People of the State of California v. Interwall Development Systems, Inc. Felts Construction Company, Inc., Cinco Construction, Inc., ANCCA Corporation dba N-U Enterprise, and Does 1 through 100 Inclusive

I am 18 years of age and older and not a party to this matter; my business address is 300 South Spring Street, Suite 1702, Los Angeles, CA 90013.

On January 14, 2008, I caused the foregoing documents described as: the attached **Summons, Civil Case Cover Sheet & Addendum, and Verified Complaint for Injunctive Relief, Restitution and Penalties** to be served on the interested parties in this actions as follows:

X (BY MAIL) I caused such envelope(s) with postage thereon fully prepaid to be placed in the United States mail at Los Angeles, California, Addressed as follows:

_____ (BY PERSONAL SERVICE) I caused to be delivered by hand to the office(s) of the addressee(s):

_____ (BY FACSIMILE) to the office(s) of the following Addressee(s):

_____ (BY E-MAIL) I caused the documents to be served vial e-mail to the electronic addressee(s) listed below:

_____ (BY OVERNIGHT DELIVERY) I caused such envelope(s) to be delivered by "UPS Next Day Air" addressed as follows:

Agent for Service of Process:
ROBERT S LEWIN
28581 FRONT ST.
TEMECULA, CA 92590

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct, this declaration was executed on January 14, 2008, at Los Angeles, California.

Maria Luzzy Ochoa
Typed named


Signature