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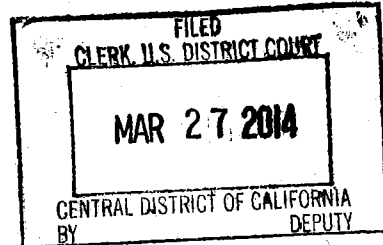
BRYAN CAVE LLP

Jonathan Solish (California Bar No. 67609)
Kristy A. Murphy (California Bar No. 252234)
120 Broadway, Suite 300
Santa Monica, California 90401-2386
Telephone: (310) 576-2100
Facsimile: (310) 576-2200
E-mail: jonathan.solish@bryancave.com
kristy.murphy@bryancave.com

And

DADY & GARDNER, P.A.

Scott E. Korzenowski (*pro hac vice pending*)
Jeffery S. Haff (*pro hac vice pending*)
5100 IDS Center
80 South 8th Street
Minneapolis, Minnesota 55402
Telephone: (612) 359-9000
Facsimile: (612) 359-3507
E-Mail: sekorzenowski@dadygardner.com
jhaff@dadygardner.com



Attorneys for Plaintiffs

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

CV 14 - 02378 - DSF

FULLVIEW CORPORATION, a)
Florida corporation; CRANBROOK)
ASSOCIATES, INC., a Missouri)
corporation; LILLEMO)
ENTERPRISES, INC., a Minnesota)
corporation; WESTAFF, LLC, a)
Connecticut limited-liability company;)
WESTAFF OF CHAMPLAIN)
VALLEY, INC. a Vermont)
corporation; MOUNT FAMILY)
GROUP, LTD., a Vermont corporation;)
WESTAFF OF CONNECTICUT)
RIVER VALLEY, INC., a Vermont)
corporation; WESTERN GIRL OF)
NEW ORLEANS, INC., a Louisiana)
corporation; FRIEDRICH BUSINESS)

Case No. _____

COMPLAINT FOR

- 1. Declaratory Relief**
- 2. Injunctive Relief**
- 3. Damages**
- 4. Accounting**
- 5. Attorneys' Fees**

(Jury Trial Demanded)

(EX)

1 GROUP, INC., a Wisconsin)
 2 corporation; WESTERN STAFF)
 3 SERVICES OF LANSING, INC., a)
 4 Michigan corporation; WESTERN)
 5 STAFF SERVICES OF NORWALK,)
 6 INC., an Ohio corporation; TRICIA M.)
 7 EVANS, an individual residing in)
 8 Hawaii; WESTERN TEMPORARY)
 9 SERVICES OF ST.)
 10 MARY’S/GREENEVILLE, OHIO,)
 11 INC., an Ohio corporation;)
 12 INDITEMPS, INC., an Indiana)
 13 corporation; WESTERN STAFF)
 14 SERVICES OF WYTHEVILLE, INC.,)
 15 a Virginia corporation; TEMPORARY)
 16 SERVICES, INC., a North Carolina)
 17 Corporation; WESTERN STAFF)
 18 SERVICES OF COLUMBUS,)
 19 LAGRANGE AND NEWNAN, INC., a)
 20 Georgia Corporation;)
 21)
 22 Plaintiffs)
 23 v.)
 24)
 25 WESTAFF (USA), INC., a California)
 26 corporation, KOOSHAREM, LLC, a)
 27 California limited-liability company;)
 28 NEW KOOSHAREM)
 CORPORATION, a California)
 corporation,)
 Defendants.)

24 Plaintiffs Fullview Corporation (“Fullview”); Cranbrook Associates, Inc.
 25 (“Cranbrook”); Lillemo Enterprises, Inc. (“Lillemo Enterprises”); Westaff, LLC
 26 (“Corte”); Westaff of Champlain Valley, Inc. (“Champlain Valley”); Mount
 27 Family Group, Ltd. (“Mount Family Group”); Westaff of Connecticut River
 28

1 Valley, Inc. (“River Valley”); Western Girl of New Orleans, Inc. (“Western Girl”);
2 Friedrich Business Group, Inc. (“FBG”); Western Staff Services of Lansing, Inc.
3 (“Lansing”); Western Staff Services of Norwalk, Inc. (“Norwalk”); Tricia M.
4 Evans (“Evans”); Western Temporary Services of St. Mary’s/Greenville, Ohio,
5 Inc. (“St. Mary’s”); Inditemps, Inc. (“Inditemps”); Western Staff Services of
6 Wytheville, Inc. (“Wytheville”); Temporary Services, Inc. (“Temporary Services”)
7 and Western Staff Services of Columbus, LaGrange and Newnan, Inc.
8 (“Columbus”) (collectively “Plaintiffs”) for their complaint against Defendants
9 Westaff, USA, Inc. (“Westaff”), Koosharem, LLC and New Koosharem
10 Corporation (collectively “Koosharem”), state and allege as follows:

11 **I. INTRODUCTION**

12 1. Defendants and Plaintiffs, at the times relevant hereto, have been
13 involved in a franchise relationship in the temporary staffing industry.

14 2. In connection with this relationship, Defendants, as franchisor, have
15 overcharged Plaintiffs, as franchisees, for, without limitation, workers’
16 compensation claims, workers’ compensation insurance, general liability
17 insurance, and administrative costs, among other things.

18 3. The franchise agreements between Defendants and Plaintiffs (collectively
19 “Franchise Agreements”) authorized Defendants to withhold from Plaintiffs only
20 the cost of workers’ compensation and general liability insurance.

21 4. On information and belief, Defendants have charged Plaintiffs more than
22 the Franchise Agreements authorize for, among other things: (a) the cost of
23 workers’ compensation insurance, including, without limitation, charges for
24 uninsured claims; (b) the cost of general-liability insurance; (c) administrative
25 fees; and (d) other amounts that Defendants have taken from Plaintiffs and utilized
26 to benefit their non-franchised businesses.

27 5. On information and belief, Koosharem, upon acquiring Westaff in 2009,
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1 also unlawfully converted, for Koosharem's own purposes, monies the Plaintiffs
2 had paid to Westaff to fund a workers' compensation reserve pool.

3 6. Plaintiffs now file this action in an attempt to recover the amounts
4 Defendants have overcharged Plaintiffs and converted for Defendants' own
5 purposes, as well as to recover Plaintiffs' reasonable attorneys' fees. Plaintiffs also
6 seek a declaratory judgment establishing the amounts that Defendants can properly
7 charge Plaintiffs on a going-forward basis under the terms of the Franchise
8 Agreements, and temporary and permanent injunctive relief precluding Defendants
9 from overcharging Plaintiffs in the future. Plaintiffs also seek an accounting.

10 **II. PARTIES**

11 7. Fullview is a Florida corporation, with its principal place of business in
12 Hialeah, Florida. Kemp Mobley owns Fullview Corporation. The Mobley family
13 acquired this Westaff franchise in 1975. Kemp Mobley acquired his father's
14 corporation, including the Westaff franchise in 2008. Mobley subsequently
15 assigned the franchise from his father's corporation, Florida Service Systems, Inc.,
16 to Fullview. The parties executed the most current franchise agreement between
17 Fullview and the predecessor of Koosharem in 2008. That franchise agreement
18 ("Fullview Franchise Agreement") is attached as **Exhibit A**. The Fullview
19 Franchise Agreement provides an exclusive Westaff territory in the Florida
20 counties of Dade and Broward. Koosharem acquired the rights and obligations of
21 Westaff (USA), Inc. as franchisor under the Fullview Franchise Agreement in
22 approximately 2009. Koosharem remains the franchisor as of the date of this
23 Complaint.

24 8. Cranbrook is a Missouri corporation with its principal place of business
25 in St. Louis, Missouri. Missy Hill owns 51% of Cranbrook and Gregory Hill,
26 Missy's husband, owns 49%. Cranbrook's predecessor, Hill Mid Western
27 Companies, Inc., became a franchisee for Westaff in October 1992. The owners of
28

1 Hill Mid Western Companies, Inc. changed its name to Cranbrook on December 7,
2 1992. The parties executed the most current franchise agreement between the
3 predecessor of Cranbrook and the predecessor of Koosharem in 1992. That
4 franchise agreement (“Cranbrook Franchise Agreement”) is attached as **Exhibit B**.
5 The Cranbrook Franchise Agreement provides an exclusive Westaff territory that
6 encompasses the cities of Clayton and St. Louis in Missouri. Koosharem acquired
7 the rights and obligations of Westaff (USA), Inc. as franchisor under the
8 Cranbrook Franchise Agreement in approximately 2009. Koosharem remains the
9 franchisor as of the date of this Complaint.

10 9. Lillemo Enterprises is a Minnesota corporation with its principal place of
11 business is St. Cloud, Minnesota. Michael Lillemo owns 100% of Lillemo
12 Enterprises. Lillemo Enterprises became a Westaff franchisee in December 2000.
13 The parties executed the most current franchise agreement between Lillemo and
14 the predecessor of Koosharem in 2000. That franchise agreement (“Lillemo
15 Franchise Agreement”) is attached hereto as **Exhibit C**. The Lillemo Franchise
16 Agreement provides an exclusive Westaff territory of St. Cloud, Minnesota and the
17 Minnesota counties of Benton, Sherburne, Wright and Meeker. Koosharem
18 acquired the rights and obligations of Westaff (USA), Inc. as franchisor under the
19 Lillemo Franchise Agreement in approximately 2009. Koosharem remains the
20 franchisor as of the date of this Complaint.

21 10. Corte is a Connecticut limited-liability company, and its members, Lou
22 Corte, Mike Fasulo, and Dan LaPorte, each reside in the state of Connecticut.
23 Corte started operating an independent staffing company called Outsource
24 Solutions in 2004. Corte converted Outsource Solutions into a Westaff franchise
25 in July 2009. Koosharem never offered Corte a written agreement, but the parties
26 have been operating pursuant to terms similar to those employed by other
27 franchisees in the system. The verbal agreement in place between the parties
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1 provides Corte with an exclusive Westaff territory that encompasses all of
2 Connecticut, and the southern portion of Massachusetts up to Springfield.
3 Koosharem remains the franchisor as of the date of this Complaint.

4 11. Champlain Valley is a Vermont corporation with its principal place of
5 business in Burlington, Vermont. Mount Family Group is the owner of Champlain
6 Valley. Champlain Valley has four different Westaff franchise agreements.
7 Champlain Valley entered into its first Westaff franchise agreement on December
8 3, 1990 (“Champlain Valley Franchise Agreement No. 1”), which provides for a
9 territory in Burlington and South Burlington, Vermont, as well as Essex Junction,
10 Vermont and St. Albans, Vermont. Champlain Valley Franchise Agreement No. 1
11 is attached as **Exhibit D**. Champlain Valley entered into its second Westaff
12 franchise agreement on September 18, 1996 (“Champlain Valley Franchise
13 Agreement No. 2”), which provides for a territory in Plattsburgh, New York.
14 Champlain Valley Franchise Agreement No. 2 is attached as **Exhibit E**. Champlain
15 Valley entered into its third Westaff franchise agreement on February 13, 2003
16 (“Champlain Valley Franchise Agreement No. 3”), which provides for a territory
17 in St. Johnsbury, Vermont. Champlain Valley Franchise Agreement No. 3 is
18 attached as **Exhibit F**. Champlain Valley entered into its fourth Westaff Franchise
19 Agreement on January 8, 2007 (“Champlain Valley Franchise Agreement No. 4”),
20 which provided for a territory in Barre, Vermont, and Montpelier, Vermont.
21 Champlain Valley Franchise Agreement No. 4 is attached as **Exhibit G**.
22 Koosharem acquired the rights and obligations of Westaff (USA), Inc. as
23 franchisor under the Champlain Valley Franchise Agreements in approximately
24 2009. Koosharem remains the franchisor as of the date of this Complaint.

25 12. Mount Family Group is a Vermont corporation with its principal place of
26 business in Burlington, Vermont. James Mount owns 60% of the company, and
27 Karen Mount owns 40% of the company. As stated above, Mount Family Group
28

1 also owns Champlain Valley. Mount Family Group entered into a Westaff
2 franchise agreement with Westaff on December 28, 1999, which provided for the
3 franchise territory of Albany, Schenectady, Troy, and Colonie, New York (“Mount
4 Franchise Agreement”). The Mount Franchise Agreement is attached as **Exhibit**
5 **H**. Koosharem acquired the rights and obligations of Westaff (USA), Inc. as
6 franchisor under the Mount Franchise Agreement in approximately 2009.
7 Koosharem remains the franchisor as of the date of this Complaint.

8 13. River Valley is a Vermont corporation with its principal place of business
9 in Burlington, Vermont. James Mount owns 60% of Connecticut River Valley and
10 Karen Mount owns 40% of Connecticut River Valley. Connecticut River Valley
11 executed a Westaff franchise agreement in March 1999 with Koosharem’s
12 predecessor (“CRV Franchise Agreement”). The CRV Franchise Agreement is
13 attached as **Exhibit I**. The Franchise Agreement grants a Westaff territory in
14 Claremont, Lebanon and West Lebanon, New Hampshire; White River Junction,
15 Vermont; Lancaster, Littleton and Lincoln, New Hampshire; and Providence,
16 Rhode Island. Koosharem acquired the rights and obligations of Westaff (USA),
17 Inc. as franchisor under Mount Franchise Agreement No. 1 in approximately 2009.
18 Koosharem remains the franchisor as of the date of this Complaint.

19 14. Western Girl is a Louisiana corporation, with its principal place of
20 business in Metairie, Louisiana. Anthony L. Caldarera III owns Western Girl.
21 Western Girl became a franchisee for Westaff in 1958. The parties executed the
22 most current franchise agreement between Western Girl and the predecessor of
23 Koosharem in January, 2001. That franchise agreement (Western Girl Franchise
24 Agreement) is attached as **Exhibit J**. The Western Girl Franchise Agreement
25 provides an exclusive Westaff territory that encompasses metro New Orleans,
26 including the parishes of Orleans, Jefferson, St. Bernard, St. Tammany,
27 Plaquemines, St. Charles, and St. John. Koosharem acquired the rights and
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1 obligations of Westaff (USA), Inc. as franchisor under the Western Girl Franchise
2 Agreement in approximately 2009. Koosharem remains the franchisor as of the
3 date of this Complaint.

4 15. FBG is a Wisconsin corporation, with its principal place of business in
5 Wisconsin. Debbie Friedrich owns 100% of FBG. FBG became a Westaff
6 franchisee in 1993 when it signed a franchise agreement with Koosharem's
7 predecessor ("FBG Franchise Agreement No. 1"). A copy of FBG Franchise
8 Agreement No. 2 is attached as **Exhibit K**. FBG Franchise Agreement No. 1
9 provides FGB with an exclusive territory in Milwaukee, Wauwatosa, Waukesha,
10 Brookfield, New Berlin, West Allis, and Menomonee Falls, Wisconsin. On or
11 about June 7, 1996, FBG executed a second franchise agreement with
12 Koosharem's predecessor ("FBG Franchise Agreement No. 2"). FBG Franchise
13 Agreement No. 2 is attached as **Exhibit L**. FBG Franchise Agreement No. 2
14 provides an exclusive Westaff territory in Appleton, Wisconsin. Koosharem
15 acquired the rights and obligations of Westaff (USA), Inc. as franchisor under both
16 FBG Franchise Agreement No. 1 and FBG Franchise Agreement No. 2 in
17 approximately 2009. Koosharem remains the franchisor as of the date of this
18 Complaint. Koosharem amended FBG's franchise agreements to add territories in
19 Forest Lake and Roseau, Minnesota; plus Menomonee Falls, Balsam Lake and
20 Rice Lake, Wisconsin; and Spirit Lake, Iowa in 2010, with an effective date of
21 2009.

22 16. Lansing is a Michigan corporation with its principal place of business in
23 Lansing, Michigan. Linn M. Back owns 51% of Lansing and her husband,
24 William H. Back, owns 49%. Lansing became a Westaff franchisee in 1996 when
25 it signed a franchise agreement Koosharem's predecessor ("Western Franchise
26 Agreement"). A copy of the Lansing Franchise Agreement is attached as **Exhibit**
27 **M**. The agreement provides an exclusive Westaff territory in Lansing and Owosso,
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1 Michigan. Koosharem acquired the rights and obligations of Westaff (USA), Inc.
2 as franchisor under the Lansing Franchise Agreement in approximately 2009.
3 Koosharem remains the franchisor as of the date of this Complaint.

4 17. Norwalk is an Ohio corporation with its principal place of business in
5 Norwalk, Ohio. John Brooks ("Brooks") owns 70% of Norwalk and Beverly
6 Brooks owns 30% of Norwalk. John Brooks became a Westaff franchisee in 1994.
7 John Brooks later formed Norwalk and it became the franchisee in 1997. Norwalk
8 signed its most-recent franchise agreement with the predecessor of Koosharem in
9 1997 ("Norwalk Franchise Agreement"). The Norwalk Franchise Agreement is
10 attached as **Exhibit N**. The agreement provides an exclusive Westaff territory for
11 Norwalk, Ohio. Koosharem acquired the rights and obligations of Westaff (USA),
12 Inc. as franchisor under the Lansing Franchise Agreement in approximately 2009.
13 Koosharem remains the franchisor as of the date of this Complaint.

14 18. Evans is an individual who resides in Hawaii. Evans' predecessor,
15 Westaff of Hawaii, Inc. ("WHI") became a Westaff franchisee in 2002, at which
16 time it signed a franchise agreement with Koosharem's predecessor ("Hawaii
17 Franchise Agreement"). The Hawaii Franchise Agreement is attached as **Exhibit**
18 **O**. The agreement provides an exclusive territory on the Island of Oahu.
19 Koosharem acquired the rights and obligations of Westaff (USA), Inc. as
20 franchisor under the Hawaii Franchise Agreement in approximately 2009. Evans
21 acquired the franchisee and became the successor to the Hawaii Franchise
22 Agreement on November 30, 2009. Koosharem remains the franchisor as of the
23 date of this Complaint.

24 19. St. Mary's is an Ohio corporation with its principal place of business in
25 St. Mary's Ohio. Kenneth Dershaw owns St. Mary's. St. Mary's predecessor
26 became a Westaff franchisee in 1991. St. Mary's in 1997 signed its most-recent
27 agreements with the predecessor of Koosharem ("St. Mary's Franchise
28

1 Agreements”). St. Mary’s has signed three Franchise Agreements. Two of those
2 agreements are attached hereto and referred to collectively as **Exhibit P**. The
3 agreements provide St. Mary’s an exclusive Westaff territory in various listed
4 cities throughout Ohio. Koosharem acquired the rights and obligations of Westaff
5 (USA), Inc. as franchisor under the St. Mary’s Franchise Agreements in
6 approximately 2009. Koosharem remains the franchisor as of the date of this
7 Complaint. Koosharem granted St. Mary’s additional territory covering the
8 Indiana counties of Adams, Allen, DeKalb, Huntington, Jay, Noble, Wabash, and
9 Wells on or about September 7, 2009.

10 20. Inditemps is an Indiana corporation with its principal place of business in
11 Indiana. Thad Hamilton is the majority owner of Inditemps. Thad Hamilton
12 became a Westaff franchisee in 1989, at which time he signed a franchise
13 agreement with Koosharem’s predecessor (“Inditemps Franchise Agreement”).
14 The Inditemps Franchise Agreement is attached as **Exhibit Q**. The agreement
15 provides an exclusive Westaff territory in the City of Indianapolis, Indiana.
16 Hamilton later formed Inditemps and operates the franchise agreement, with the
17 franchisor’s approval, through Inditemps. Koosharem acquired the rights and
18 obligations of Westaff (USA), Inc. as franchisor under the Inditemps Franchise
19 Agreement in approximately 2009. Koosharem remains the franchisor as of the
20 date of this Complaint.

21 21. Wytheville is a Virginia corporation with its principal place of business
22 in Wytheville, Virginia. Lewis Shelton owns Wytheville. Wytheville became a
23 Westaff franchisee in 2003, at which time it signed a franchise agreement with
24 Koosharem’s predecessor (“Wytheville Franchise Agreement”). The Wytheville
25 Franchise Agreement is attached as **Exhibit R**. The agreement provides an
26 exclusive Westaff territory in Wytheville, Marion, and Independence, Virginia.
27 Koosharem acquired the rights and obligations of Westaff (USA), Inc. as
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1 franchisor under the Helena Franchise Agreement in approximately 2009.

2 Koosharem remains the franchisor as of the date of this Complaint.

3 22. Temporary Services is a North Carolina corporation with a principal
4 place of business in Durham, North Carolina. Sheila Yearby owns Temporary
5 Services. Sheila Yearby became a Westaff franchisee in 1977. Shortly thereafter
6 Yearby transferred the franchise agreement to Temporary Services, with the
7 franchisor's approval. The parties executed the most current franchise agreement
8 between Temporary Services and the predecessor of Koosharem in 1977. That
9 franchise agreement ("Temporary Services Franchise Agreement") is attached
10 hereto as **Exhibit S**. The Temporary Services Franchise Agreement provides an
11 exclusive Westaff territory of the counties of Durham and Orange, North Carolina.
12 Koosharem acquired the rights and obligation of Westaff (USA), Inc. as franchisor
13 under the Temporary Services Franchise Agreement in approximately 2009.

14 Koosharem remains the franchisor as of the date of this Complaint.

15 23. Columbus is a Georgia corporation with a principal place of business in
16 Columbus, Georgia. Helen Rustin owns 50% of Columbus and Betsy Blankenship
17 owns 50% of Columbus. Columbus became a Westaff franchisee in 1995. The
18 parties executed the most current franchise agreement between Columbus and the
19 predecessor of Koosharem in 1995. That franchise agreement ("Columbus
20 Franchise Agreement") is attached hereto as **Exhibit T**. The Columbus Franchise
21 Agreement provides an exclusive Westaff territory as stated in the Franchise
22 Agreement, including, with certain minor exceptions, Columbus, Georgia; la
23 Grange, Georgia, and Newnan, Georgia. Koosharem acquired the rights and
24 obligations of Westaff (USA), Inc. as franchisor under the Columbus Franchise
25 Agreement in approximately 2009. Koosharem remains the franchisor as of the
26 date of this Complaint.

27 24. Upon information and belief, Westaff is a California corporation with its
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1 principal place of business at 3820 State Street, Santa Barbara, California.

2 25. Upon information and belief, Koosharem, LLC is the parent company of
3 Westaff and is a California limited-liability company with its principal place of
4 business at 3820 State Street, Santa Barbara, California. Plaintiffs have no
5 knowledge or reason to believe that any of Koosharem, LLC's members are
6 residents or citizens of any of the states in which Plaintiffs, or their members,
7 reside.

8 26. Upon information and belief, New Koosharem Corporation is the parent
9 company of Koosharem, LLC, and is a California corporation with its principal
10 place of business at 3820 State Street, Santa Barbara, California.

11 **III. JURISDICTION AND VENUE**

12 27. Jurisdiction is proper in this Court pursuant to 28 U.S.C. § 1332, because
13 there is complete diversity between Plaintiffs and Defendants and the amount in
14 controversy for each Plaintiff is reasonably believed to be substantially in excess of
15 \$75,000, exclusive of interest and costs. Alternatively or additionally,
16 supplemental jurisdiction is proper under 28 U.S.C. § 1367.

17 28. Venue is proper in this district, pursuant to 28 U.S.C. § 1391, because a
18 substantial part of the events and omissions giving rise to Plaintiffs' claims
19 occurred in this district and Defendants reside in this district.

20 29. The Court has personal jurisdiction over all of the Defendants because
21 their corporate headquarters are in California and because they conduct, or have
22 conducted at relevant times, substantial business in California.

23 **IV. COMMON BACKGROUND FACTS**

24 **A. Plaintiffs become Westaff franchisees.**

25 30. Each of the Plaintiffs, with the exception of Corte, became a Westaff
26 franchisee prior to Koosharem's acquisition of Westaff in 2009.

27 31. Each of the Franchise Agreements provides that each of the Plaintiffs
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1 would place temporary employees with businesses who were clients and in need of
2 temporary employees. Each of the Franchise Agreements provides that the
3 franchisor, which, at the time, was generally Westaff, would contract with the
4 clients, bill the clients, and collect payment from the clients. (FBG Franchise
5 Agreement No. 1 at § 2(e).)

6 32. The Franchise Agreements also expressly provide that Westaff would:
7 “meet all payrolls of the temporary employees, including the
8 payment of all payroll taxes, workers’ compensation, liability and
9 fidelity bond insurance ... and the handling of all accounting and
10 other details incident to the temporary payroll, including the
11 preparing of the necessary payroll reports and returns.”
12 (FBG Franchise Agreement No. 1 at 2(c).)

13 33. On a monthly basis, the franchisor then was obligated to determine the
14 “Gross Profit” by deducting from the revenues received certain costs related to
15 placing the temporary employees.

16 34. The Franchise Agreements all define “Gross Profit” as:
17 e. Definition of Gross Profit Gross profit is defined as gross
18 billings of temporary help or staffing services including any
19 taxes levied thereon for any period less discounts, payroll and
20 other direct labor costs based on Western’s payroll cost factors
21 (which include payroll taxes, unemployment insurance,
22 workers’ compensation, liability, fidelity bond, bid surety and
23 performance bond insurance, any other insurance required by
24 law, taxes levied on gross billings) and any special expenses
25 (e.g., drug testing, safety equipment and background
26 investigations) required by Western’s customers or by law.
27 (FBG Franchise Agreement No. 2 at § 5.e.)
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1 35. After subtracting these specific allowed costs, the franchisor then would
2 pay each of the franchisees a certain percentage of that Gross Margin as outlined in
3 each of the franchisee's franchise agreements, and keep the remaining percentage
4 of the gross margin as a franchise "royalty."

5 **B. Koosharem builds through acquisitions.**

6 36. In 1985, Fred Paulson founded the predecessor of Koosharem when he
7 started Select Temporaries, Inc. ("Select Temporaries") in Santa Barbara,
8 California.

9 37. In the 1990s, Select Temporaries began an aggressive growth strategy by
10 purchasing an average of two temporary staffing competitors per year.

11 38. In 2000, Fred Paulson's daughter, Shannon, and her husband, Steve
12 Sorensen, formed Koosharem, and acquired Select Temporaries through a
13 leveraged buyout of Select Temporaries' three stockholders. According to
14 Koosharem's financial records, Koosharem acquired all the outstanding stock of
15 Select Temporaries on July 13, 2000 for \$2.683 million.

16 39. Once under the leadership of the Sorensens, Koosharem continued its
17 predecessor's history of acquisitions. But prior to 2006, when Koosharem
18 acquired the Remedy system, none of Koosharem's acquisitions had been
19 franchisors with franchises.

20 40. One of Koosharem's acquisition strategies has been to purchase
21 competitors with higher workers' compensation costs than those of the businesses
22 Koosharem already operated. By acquiring businesses with high workers'
23 compensation costs, Koosharem was able to quickly reduce the open claims of the
24 acquired businesses and itself capture both the reserve pools the acquired
25 businesses had collected for workers' compensation claims and collateral the
26 acquired businesses had posted with their insurers.

27 41. This strategy worked wonderfully for Koosharem's many previous
28

1 acquisitions of companies that did not have contractual agreements with
2 franchisees. But when Koosharem employed this same strategy upon its acquisition
3 of Westaff, Koosharem essentially captured for itself the money the franchisees
4 had paid Westaff to cover the costs Westaff incurred, or would incur, in paying the
5 claims and/or costs of insuring the temporary employees each of the Plaintiffs
6 placed.

7 42. On information and belief, Koosharem failed to keep the money the
8 Plaintiffs had paid to Westaff for future workers' compensation claims asserted by
9 the temporary employees each of the Plaintiffs placed, and instead captured that
10 money as a bonus for Koosharem and its owners.

11 43. Making matters worse, and despite stating that one of its objectives in
12 taking over competitors with high workers' compensation costs was to eventually
13 lower the acquired business's workers' compensation costs, Koosharem has failed
14 to accomplish that for the Westaff system on a consistent basis.

15 44. Shortly after Koosharem acquired Westaff, Plaintiffs experienced the
16 same, or slightly increased, workers' compensation charges than they had
17 experienced prior to Koosharem's acquisition, despite the fact that the Plaintiffs
18 had over-funded the workers' compensation reserve pool.

19 **C. Koosharem greatly increases workers' compensation charges to**
20 **Plaintiffs.**

21 45. As bad as things were at the time of Koosharem's acquisition of Westaff,
22 they eventually became even worse. Koosharem began charging Plaintiffs directly
23 for nearly all of the system's workers' compensation claims.

24 46. Rather than acquiring guaranteed cost workers' compensation insurance
25 (which has no deductible) and then passing the pro-rata cost of that insurance onto
26 the Plaintiffs (as the Franchise Agreements require), Koosharem has primarily self-
27 insured workers' compensation claims by acquiring workers' compensation
28

1 insurance, on information and belief, with a \$500,000 per claim deductible. On
2 information and belief, very few, if any, claims asserted by the temporary
3 employees placed by the Plaintiffs have qualified for such insurance, since the
4 amount of any insurance claim is far less than \$500,000.

5 47. In order to pay for the claims not covered by insurance (*i.e.*, virtually
6 every claim), Koosharem requires the Plaintiffs to make monthly payments to
7 Koosharem based on the billings of the temporary employees each Plaintiff places.
8 These payments fund a cash reserve for both incurred claims and incurred but not
9 reported claims and supposedly represent the ultimate cost of claims and related
10 expenses that have been reported but not settled, and that have incurred but not
11 reported.

12 48. The great majority of the money Koosharem requires each Plaintiff to
13 pay for workers' compensation, therefore, is used by Koosharem to fund this
14 reserve, and not to pay the actual cost of workers compensation insurance as
15 required by the Franchise Agreements.

16 49. On information and belief, Koosharem has used the money the Plaintiffs
17 have paid into the reserve pool to pay claims not for temporary employees placed
18 by each individual Plaintiff (as required by the Franchise Agreements), but, rather,
19 to pay workers compensation claims across its entire system.

20 50. On information and belief, Koosharem also is requiring Plaintiffs to help
21 fund the collateral that Koosharem's excess workers' compensation insurer, Ace,
22 requires Koosharem to carry. Applicable laws require excess workers'
23 compensation insurers such as Ace, which provides coverage for individual claims
24 greater than \$500,000, to pay claims that are less than the deductible if the insured
25 fails to pay. As a result, Ace has in the past required Koosharem to hold a specific
26 amount of cash in an account so that Ace can be certain Koosharem can pay all the
27 claims that are less than \$500,000, which, on information and belief, includes all
28

1 but a very small handful of claims.

2 51. In July 2013, however, Koosharem told the Plaintiffs that Ace was now
3 requiring Koosharem to increase its cash collateral account by \$25 million. Upon
4 information and belief, the Plaintiffs reasonably believe Ace instituted this
5 requirement because of Koosharem's deteriorating financial condition and other
6 problems it has experienced related to workers' compensation, and which are
7 outlined below.

8 52. Koosharem required the franchisees in its organization, meaning all the
9 franchisees in Westaff, including all of the Plaintiffs, and the franchisees in the
10 only other franchise-based system that Koosharem has acquired, Remedy, to fund
11 68% of \$8 million of the Ace collateral account (which was the franchisee share of
12 gross profits generated by their temporary employees). As a result of that, and
13 perhaps some other factors addressed below, Koosharem increased the Plaintiffs'
14 workers' compensation payments by, in some cases, 100%.

15 53. Plaintiffs reasonably believe that two separate events have at least played
16 a part in Ace's collateral requirement.

17 54. First, the California State Compensation Insurance Fund, a quasi-public
18 nonprofit that sells workers' compensation insurance to California businesses,
19 obtained a \$50 million judgment against Koosharem in California state court in
20 San Francisco in September 2011.

21 55. The State Compensation Insurance Fund established that Koosharem had
22 underpaid its workers' compensation insurance premiums by \$30 million and
23 underreported its payroll to state officials.

24 56. The court ordered Koosharem to pay \$30 million in unpaid premiums,
25 \$18 million in pre-judgment interest, and \$2 million in punitive damages.

26 57. Rather than appeal the decision, Koosharem settled the case for just
27 under \$33 million.

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1 58. Second, the Santa Barbara District Attorney arrested Fred Pachon, at one
2 time Koosharem's vice president of risk management, on August 30, 2013 for
3 allegedly embezzling \$700,000 from workers' compensation medical bill invoice
4 payments from January 1, 2008 through December 30, 2012.

5 59. On information and belief, Koosharem has used monies paid by Plaintiffs
6 to cover the workers' compensation claims of the temporary employees each of the
7 Plaintiffs' places to cover the amounts Pachon allegedly embezzled.

8 60. Koosharem also has been charging Plaintiffs, without any contractual
9 authority, \$0.95 per \$100 in wage expenses, to administer Koosharem's workers'
10 compensation program.

11 61. Defendants have breached their obligations to Plaintiffs by:

- 12 • "Capturing" money the Plaintiffs had paid toward workers' compensation
13 prior to the acquisition;
- 14 • Charging Plaintiffs for uncovered workers' compensation claims;
- 15 • Charging Plaintiffs for the cash collateral escrow fund allegedly required by
16 the umbrella workers' compensation provider;
- 17 • Using money paid by the Plaintiffs to cover the costs of workers'
18 compensation claims by temporary employees not placed by the Plaintiffs;
- 19 • Charging a workers' compensation administrative fee not authorized by the
20 Franchise Agreements;
- 21 • Failing to supervise its own employees administering the workers'
22 compensation reserve pool, and then using Plaintiffs' money to cover the
23 amount embezzled.

24 **D. Koosharem overcharges for general liability insurance.**

25 62. The Franchise Agreements expressly obligate Koosharem to "carry
26 insurance covering [the franchisor's] temporary employees and the liabilities of
27 [the franchisor] in the temporary help or staffing services operation." (FBG
28

1 Franchise Agreement No. 1 at § 4.n.)

2 63. The Franchise Agreements also authorize Koosharem to deduct from the
3 determination of Gross Profits the costs of providing liability insurance for each
4 temporary employee placed by each Plaintiff.

5 64. Despite the obligation to provide such insurance, and despite the fact that
6 Koosharem has been charging each Plaintiff \$0.35 for each \$100 of wage expense
7 for such general liability insurance, Plaintiffs have had to pay money to cover
8 damages caused by the actions of temporary employees Plaintiffs had placed since
9 after Koosharem refused to pay.

10 65. Moreover, Koosharem has admitted that it has included, as part of its
11 \$0.95 per \$100 workers' compensation administrative charge, the \$0.35 per \$100 it
12 also has been charging Plaintiffs for general liability insurance, and thus, double-
13 charging the Plaintiffs (\$0.35 per \$100 in the workers' compensation charge and
14 another \$0.35 per \$100 in the liability insurance charge).

15 66. Koosharem has breached its obligations to Plaintiffs by failing to secure
16 general liability insurance sufficient to pay for the damages caused by temporary
17 employees placed by Plaintiffs, and by charging Plaintiffs double for general
18 liability insurance.

19 **V. LEGAL CLAIMS**

20 **COUNT I**

21 **Breach of Contract and the Implied**
22 **Covenant of Good Faith and Fair Dealing**
23 **(All Plaintiffs against All Defendants)**

24 Plaintiffs restate and reallege all paragraphs as if fully set forth herein.

25 67. Plaintiffs have substantially performed all of the material terms,
26 conditions, covenants and promises to be performed on its part under the Franchise
27 Agreements, including full and proper payment of amounts due and owing.
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1 68. Defendants have materially and continually breached the Franchise
2 Agreements and the covenant of good faith and fair dealing implied therein as a
3 matter of law, charging Plaintiffs amounts for insurance in excess of the amounts
4 contractually permitted, by using Plaintiffs' funds for purposes other than
5 purchasing insurance for Plaintiffs' temporary employee placements, and
6 committing the other misconduct described in Paragraphs 41 through 66 above.

7 69. As a direct and proximate result of the aforementioned breaches, each
8 Plaintiff has been damaged in an amount in excess of \$75,000, the exact amount to
9 be proven at trial. As a result of Defendants' breaches, and as part of their
10 damages, Plaintiffs are also entitled to the recovery of attorneys' fees associated
11 with this dispute pursuant to the terms of the Franchise Agreements.

12 70. Plaintiffs are also entitled to declaratory relief and preliminary and
13 permanent injunctive relief preventing Defendants from continuing to breach the
14 parties' Franchise Agreements and the covenant of good faith and fair dealing
15 implied therein through Defendants' continuing misconduct.

16 **COUNT II**

17 **Breach of Fiduciary Duty**

18 **(All Plaintiffs against All Defendants)**

19 Plaintiffs restate and reallege all paragraphs as if fully set forth herein.

20 71. Plaintiffs entrusted Defendants with large amounts of money with the
21 understanding that such monies would be properly applied for actual insurance
22 costs related to Plaintiffs' temporary employee placements in accordance with the
23 Franchise Agreements and consistent with generally accepted practices in the
24 industry.

25 72. Defendants expressly represented to Plaintiffs that such monies were
26 properly billed and applied in accordance with the Franchise Agreements, and
27 Defendants have not permitted Plaintiffs to verify such billings for themselves.
28

1 73. Defendants profited directly and indirectly from its insurance schemes
2 and other misconduct as described above in Paragraphs 38 through 70 above.

3 74. Except by the relief sought herein, Plaintiffs are unable to specifically
4 ascertain to what extent amounts paid to Defendants for insurance were properly
5 billed to Plaintiffs. Only Defendants possess the knowledge and information
6 sufficient to accurately account for monies paid to them by Plaintiffs.

7 75. By virtue of their relationship of trust with Plaintiffs, and Plaintiffs'
8 inability to discovery to what extent that trust was abused, Defendants owe a
9 fiduciary obligation to Plaintiffs, which fiduciary obligation was breached when
10 Defendants misappropriated and misapplied the monies paid by Plaintiffs.

11 76. As a direct and proximate result of the aforementioned breaches,
12 Plaintiffs have been damaged in an amount in excess of \$75,000, the exact amount
13 to be proven at trial. In addition, all the Defendants should have the burden of
14 proof at trial to demonstrate that the monies collected by it from Plaintiffs were
15 billed in accordance with each of the Franchise Agreements.

16 **COUNT III**

17 **Common Law Conversion**

18 **(All Plaintiffs against All Defendants)**

19 Plaintiffs restate and reallege all paragraphs as if fully set forth herein.

20 77. By "capturing" Plaintiffs' money, and by unlawfully charging Plaintiffs
21 amounts in excess of the amount authorized by the applicable Franchise
22 Agreements, Defendants converted significant funds from Plaintiffs without lawful
23 justification, thereby depriving Plaintiffs from the use and possession of those
24 funds, and the lawful exercise of dominion and control over those funds,
25 inconsistent with, and in repudiation of, Plaintiffs' rights as lawful owners of those
26 funds.

27 78. As a result of Defendants' conversion, Plaintiffs have suffered, and are
28

1 entitled to recover, damages in amount reasonably believed to be in excess of
2 \$75,000, exclusive of interest and costs, and in a specific amount to be proved at
3 trial, plus costs and disbursements.

4 **COUNT IV**

5 **Violation of the Minnesota Franchise Act**

6 **Minn. Stat. § 80C.01, et seq.**

7 **(Lillemo Enterprises and FBG against Defendants)**

8 Plaintiffs restate and reallege all paragraphs as if fully set forth herein.

9 79. Lillemo Enterprises and FBG have a “franchise” relationship with
10 Defendants as defined by the Minnesota Franchise Act in that Defendants sold
11 Lillemo Enterprises and FBG a franchise opportunity as defined by the Minnesota
12 Franchise Act (the “MFA”), Minn. Stat. § 80C.01 *et seq.*

13 80. Defendants are a franchisor as defined by the MFA at Minn. Stat. §
14 80C.01, subd. 6, because Lillemo Enterprises and FBG had an oral or written
15 agreement:

- 16 1. by and which [it was] granted the right to engage in the
- 17 business of offering or distributing goods or services using the
- 18 franchisor’s trade name, trademark, service mark, logotype,
- 19 advertising, or other commercial symbol or related
- 20 characteristics;
- 21 2. in which the franchisor and franchisee have a community of
- 22 interest in the marketing of goods or services at wholesale,
- 23 retail, by lease, agreement, or otherwise; and
- 24 3. for which the franchisee pays, directly or indirectly, a
- 25 franchisee fee

26 Minn. Stat. § 80C.01, subd. 4.

27 81. The MFA governs the relationship between the parties because Lillemo
28

1 Enterprises is a Minnesota limited liability company with its principal place of
2 business in Minnesota and with the actual franchise open in the state of Minnesota,
3 and FBG has been granted a franchise to be located in the state of Minnesota.

4 82. The MFA incorporates an “anti-waiver” provision which specifies that
5 any purported waiver of rights under the Act (*e.g.*, via an integration clause,
6 disclaimers, choice of law clause, or otherwise) is void. Minn. Stat. § 80C.21.

7 83. Defendants, through their actions in connection with the franchises
8 Lillemo Enterprises and FBG, have violated the Minnesota Franchise Act and the
9 regulations (*i.e.*, the “Minnesota Rules”) issued pursuant thereto. These actions on
10 the part of Defendants include, but are not limited to, the following:

- 11 a. Pursuant to Minn. Rule 2860.4400(G), it is a violation of the
12 Minnesota Franchise Act for Defendants to “impose upon a
13 franchisee by contract or rule, whether written or oral, any standard
14 of conduct that is unreasonable. . .” The misconduct of Defendants
15 as described in Paragraphs 38 through 70 above has imposed upon
16 Lillemo Enterprises and FBG an unreasonable standard of conduct.

17 84. Under Minn. Stat. § 80C.17(a), “[a] person who violates any provision of
18 this chapter or any rule or order thereunder shall be liable to the franchisee or
19 subfranchisor who may sue for damages caused thereby, for rescission, or other
20 relief as the court may deem appropriate.”

21 85. As a direct and proximate result of Defendants’ violations of the
22 Minnesota Franchise Act and the Minnesota Regulations, Lillemo Enterprises and
23 FBG have suffered damages and is entitled to recover its damages from
24 Defendants in an amount to be determined at trial, together with costs,
25 disbursements, and attorneys’ fees. *See* Minn. Stat. § 80C.17, subd. 3 (entitling
26 Lillemo Enterprises and FBG to its actual damages, together with costs and
27 disbursements, plus reasonable attorneys’ fees).

28

COUNT V

Violation of the Wisconsin Fair Dealership Act

Wis. Stat. §135.01, et seq.

(FBG against Defendants)

Plaintiffs restate and reallege all paragraphs as if fully set forth herein.

86. The Wisconsin Fair Dealership Law (“WFDL”), Wis. Stat. § 135.01, *et seq.*, applies to the relationship between FBG and Defendants.

87. FBG is a “dealer” as defined by the WFDL.

88. Defendants granted Plaintiffs a dealership located in Wisconsin.

89. The FBG Franchise qualifies as a dealership, as defined by the WFDL, because: (1) it is a contract or agreement between FBG and Defendants; (2) it grants FBG the right to sell goods and services associated with Defendants and/or grants FBG the right to use Defendants’ trade name, logo, advertising or other commercial symbols; and (3) FBG and Defendants share a community of interest because there is a continuing financial interest in the operation of the business and/or the marketing of goods and services associated with Defendants.

90. In other words, the FBG Franchise Agreement is a:

contract or agreement, either expressed or implied, whether oral or written, between 2 or more persons, by which a person is granted the right to sell or distribute goods or services, or use a trade name, trademark, service mark, logotype, advertising or other commercial symbol in which there is a community of interest in the business of offering, selling or distributing goods or services at wholesale, retail, by lease, agreement or otherwise.

Wis. Stat. § 135.02(3)(a).

91. Moreover, the WFDL expressly provides that it shall be “liberally

1 construed and applied to promote its underlying remedial purposes and policies.”
2 Wis. Stat. § 135.025(1). The WFDL also expressly provides that “[t]he effect of
3 [the WFDL] may not be varied by contract or agreement. Any contract or
4 agreement purporting to do so is void and unenforceable to that extent only.” Wis.
5 Stat. § 135.025(3).

6 92. It is a violation of the WFDL for a grantor, such as Defendants, to
7 “substantially change the competitive circumstances of a dealership agreement
8 without good cause.” Wis. Stat. § 135.03.

9 93. Good cause is defined by the WFDL to mean a “[f]ailure by a dealer to
10 comply substantially with essential and reasonable requirements imposed upon the
11 dealer by the grantor, or sought to be imposed by the grantor, which requirements
12 are not discriminatory as compared with requirements imposed on other similarly
13 situated dealers either by their terms or in the manner of their enforcement.” Wis.
14 Stat. § 135.02(4)(a). “The burden of proving good cause is on the grantor.” Wis.
15 Stat. § 135.03.

16 94. Even if a grantor, such as Defendants, has “good cause” to terminate, the
17 WFDL requires the grantor to “provide a dealer at least 90 days’ prior written
18 notice of termination, cancellation, nonrenewal or substantial change in
19 competitive circumstances.” Wis. Stat. § 135.04.

20 95. The WFDL also provides that “[t]he notice shall state all the reasons for
21 termination, cancellation, nonrenewal or substantial change in competitive
22 circumstances and shall provide that the dealer has 60 days in which to rectify any
23 claimed deficiency.” Wis. Stat. § 135.04.

24 96. Here, FBG has complied with the essential and reasonable requirements
25 imposed by the FBG Franchise Agreement, and Defendants’ misconduct is in
26 violation of the WFDL because Defendants do not have good cause to change
27 FBG’s competitive circumstances, and Defendants failed to comply with the notice
28

1 requirements of the WFDL.

2 97. The WFDL authorizes a dealer, such as FBG, to seek:
3 damages sustained by the dealer as a consequence of the
4 grantor's violation, together with actual costs of the action,
5 including reasonable actual attorney fees, and the dealer also
6 may be granted injunctive relief against unlawful termination,
7 cancellation, nonrenewal or substantial change of competitive
8 circumstances.

9 Wis. Stat. § 135.06.

10 98. FBG is entitled to recover all remedies available under Wis. Stat. §
11 135.06.

12 **COUNT VI**

13 **Violation of the Hawaii Franchise Investment Law**

14 **Haw. Rev. Stat. § 482E-1, *et seq.***

15 **(Evans against Defendants)**

16 Plaintiffs restate and reallege all paragraphs as if fully set forth herein.

17 99. Evans and Defendants have a franchise relationship in that Defendants
18 sold Evans's predecessor a franchise opportunity as defined by the Hawaii
19 Franchise Act (the "HFA"), Hawaii Code § 482E-1, *et seq.*

20 100. Defendants are a franchisor as defined by the HFA at Hawaii Code §
21 482E-2 because Evans and Defendants have a "franchise" relationship, defined
22 under the HFA as follows:

23 "Franchise" means an oral or written contract or agreement,
24 either expressed or implied, in which a person grants to another
25 person, a license to use a trade name, service mark, trademark,
26 logotype, or related characteristic in which there is a
27 community interest in the business of offering, selling, or
28

1 distributing goods or services at wholesale or retail, leasing, or
2 otherwise, and in which the franchisee is required to pay,
3 directly or indirectly, a franchise fee.

4 Hawaii Code § 482E-2.

5 101. The HFA governs the relationship between the parties because Evans is a
6 Hawaii resident and with an actual franchise open in the state of Hawaii.

7 102. Under Hawaii Code § 482E-9, unfair or deceptive acts or practices under
8 the HFA are actionable as violations of Hawaii Code § 480.

9 103. Pursuant to Hawaii Code § 482E-6(G), it is a violation of the HFA for
10 Defendants to impose on a franchisee by contract, rule, or regulation, whether
11 written or oral, any unreasonable and arbitrary standard of conduct.

12 104. The misconduct of Defendants as described in Paragraphs 38 through 70
13 above has imposed upon Evans an unreasonable standard of conduct.

14 105. Defendants have also violated Hawaii Code § 482E-6(B) by
15 unreasonably requiring the workers compensation payments to franchisor when
16 such payments were not reasonably necessary for a lawful purpose.

17 106. Evans is entitled to all relief available under the HFA.

18 **COUNT VII**

19 **Violation of the Indiana Franchise Relations Act**

20 **Ind. Code § 23-2-2.7, et seq.**

21 **(St. Mary's and Inditemps against Defendants)**

22 Plaintiffs restate and reallege all paragraphs as if fully set forth herein.

23 107. The Indiana Franchise Practices Act ("IFPA") governs the relationship
24 between St. Mary's and Defendants because St. Mary's franchise operates in
25 Indiana. The IFPA governs the relationship between Inditemps and Defendants
26 because Inditemps is an Indiana corporation with a principal place of business in
27 Indiana and operates in Indiana. Ind. Code § 23-2-2.7.

28

1 108. The IFPA states as follows:

2 **IF 23-2-2.7-1**

3 **Franchise Agreement; unlawful provisions**

4 Sec. 1. It is unlawful for any franchise agreement entered into
5 between any franchisor and a franchisee who is either a resident
6 of Indiana or a nonresident who will be operating a franchise in
7 Indiana to contain any of the following provisions:

8 (1) Requiring goods, supplies, inventories, or services to be
9 purchased exclusively from the franchisor or sources designated
10 by the franchisor where such goods, supplies, inventories, or
11 services of comparable quality are available from sources other
12 than those designated by the franchisor. However, the
13 publication by the franchisor of a list of approved suppliers of
14 goods, supplies, inventories, or service or the requirement that
15 such goods, supplies, inventories, or services comply with
16 specifications and standards prescribed by the franchisor does
17 not constitute designation of a source nor does a reasonable
18 right of the franchisor to disapprove a supplier constitute a
19 designation. This subdivision does not apply to the principal
20 goods, supplies, inventories, or services manufactured or
21 trademarked by the franchisor.

22 * * *

23 (4) Allowing the franchisor to obtain money, goods,
24 services, or any other benefit from any other person with whom
25 the franchisee does business, on account of, or in relation to, the
26 transaction between the franchisee and the other person, other
27 than for compensation for services rendered by the franchisor,
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unless the benefit is promptly accounted for, and transmitted to the franchisee.

* * *

IF 23-2-2.7-2

Franchise agreement; unlawful acts and practices

Sec. 2. It is unlawful for any franchisor who has entered into any franchise agreement with a franchisee who is either a resident of Indiana or a nonresident operating a franchise in Indiana to engage in any of the following acts and practices in relation to the agreement:

(1) Coercing the franchisee to:

(i) order or accept delivery of any goods, supplies, inventories, or services which are neither necessary to the operation of the franchise, required by the franchise agreement, required by law, nor voluntarily ordered by the franchisee;

* * *

(6) Obtaining money, goods, services, or any other benefit from any other person with whom the franchisee does business on account of, or in relation to, the transaction between the franchisee and the other person, other than compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

* * *

(8) Using deceptive advertising or engaging in deceptive acts in connection with the franchise or the franchisor's business.

1 Ind. Code § 23-2-2.7-1 & 2.

2 109. Under the IFPA:

3 **IC 23-3-3.7-4**

4 **Action to recover damages or reform franchise agreement**

5 Sec. 4. Any franchisee who is a party to a franchise agreement
6 entered into or renewed after July 1, 1976 which contains any
7 provision set forth in Section of this chapter or who is injured
8 by an unfair act or practice set forth in Section 2 of this chapter
9 may bring an action to recover damages, or reform the franchise
10 agreement.

11 Ind. Code § 23-2-2.7-4.

12 110. The misconduct of Defendants as described in Paragraph 38 through 70
13 above constitute a violation of the following provisions of Indiana law: Ind. Code
14 § 23-2-2.7(1)(1), 23-2-2.7(1)(4), 23-2.7-2(6) and 23-2-2.7-2(8).

15 111. As a result of Defendants' violation of the IFPA, St. Mary's and
16 Inditemps are entitled to recover their damages, as well as their costs and
17 reasonable attorney's and experts' fees incurred in connection with their efforts to
18 seek redress from Defendants.

19 **COUNT VIII**

20 **Unfair Competition**

21 **in Violation of California Bus. & Prof. Code § 17200, et seq.**

22 **(All Plaintiffs against All Defendants)**

23 Plaintiffs restate and reallege all paragraphs as if fully set forth herein.

24 112. The conduct of Defendants as herein alleged constitutes unlawful, unfair
25 or fraudulent business act or practice in violation of the provisions of Sections
26 17200, et seq., of the California Business & Professions Code and the common law
27 of the State of California. Without limitation, Defendants have engaged in the
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1 following unlawful, unfair, and fraudulent conduct:

- 2 A. "Capturing" money the Plaintiffs had paid toward workers' compensation
3 prior to the acquisition;
- 4 B. Charging Plaintiffs for uncovered workers' compensation claims;
- 5 C. Charging Plaintiffs for the cash collateral escrow fund allegedly required
6 by the umbrella workers' compensation provider;
- 7 D. Using money paid by the Plaintiffs to cover the costs of workers'
8 compensation claims by temporary employees not placed by the
9 Plaintiffs;
- 10 E. Charging a workers' compensation administrative fee not authorized by
11 the Franchise Agreements;
- 12 F. Failing to secure general liability insurance sufficient to pay for the
13 damages caused by temporary employees placed by Plaintiffs, and by
14 charging Plaintiffs double for general liability insurance;
- 15 G. Failing to supervise its own employees administering the workers'
16 compensation reserve pool, and then using Plaintiffs' money to cover the
17 amount embezzled;
- 18 H. Breaching fiduciary duties, as set forth in detail in Count II;
- 19 I. Conversion, as set forth in detail in Count III;
- 20 J. Violation of the Minnesota Franchise Act (Minn. Stat. § 80C.01, et seq.),
21 as set forth in detail in Count IV;
- 22 K. Violation of the Wisconsin Fair Dealership Act (Wis. Stat. § 135.01, et
23 seq.), as set forth in detail in Count V;
- 24 L. Violation of the Hawaii Franchise Investment Law (Haw. Rev. Stat. §
25 482E-1, et seq.), as set forth in detail in Count VI; and
- 26 M. Violation of the Indiana Franchise Relations Act (Ind. Code § 23-2-2.7,
27 et seq.), as set forth in detail in Count VII.
- 28

1 113. Plaintiffs bring this claim as having suffered injury in fact and have lost
2 money or property as a result of such unfair competition, which money or property
3 is now in the possession of Defendants. Specifically, as set forth above,
4 Defendants have “captured” Plaintiffs’ money and unlawfully charged Plaintiffs
5 amounts in excess of the amount authorized by the applicable Franchise
6 Agreements, which amounts are now in the possession of Defendants.

7 114. Pursuant to Cal. Bus. & Prof. Code § 17203, Plaintiffs are entitled to
8 restitution of all monies acquired by means of the acts of unfair competition.

9 115. Defendants’ wrongful business practices alleged herein constituted, and
10 continue to constitute, a continuing course of unfair competition that will continue
11 unabated unless and until Defendants’ acts are preliminarily and permanently
12 enjoined and restrained by the Court. Pursuant to Cal. Bus. & Prof. Code § 17203,
13 Plaintiffs seek an Order enjoining Defendants from continuing to engage in the
14 foregoing unlawful, unfair, and/or deceptive business practices.

15 **COUNT IX**

16 **Declaratory Judgment**

17 **(All Plaintiffs against All Defendants)**

18 Plaintiffs restate and reallege all paragraphs as if fully set forth herein:

19 116. As set forth in more detail above, there is an actual controversy between
20 Plaintiffs and Defendants regarding the parties’ legal rights and obligations under
21 the Franchise Agreements.

22 117. Under 28 U.S.C. § 2201 and Federal Rule of Civil Procedure 57, the
23 Court is empowered to grant declaratory relief declaring the rights or other legal
24 relations of the parties to this action.

25 118. Plaintiffs request a declaratory judgment declaring that Defendants’
26 actions, as set forth above, including but not limited to the misconduct described in
27 Paragraphs 41 through 66, are breaches of the parties’ Franchise Agreements under
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1 applicable law.

2 WHEREFORE, Plaintiffs pray for Judgment against Defendants for
3 Plaintiffs' damages in an amount to be proven at trial, including interest, attorneys'
4 fees, and costs, together with a declaration of the rights and obligations of the
5 parties under the terms of the Franchise Agreement, injunctive relief, an
6 accounting of the monies that Defendants have inappropriately "captured" and/or
7 charged in excess of the amount authorized by the applicable Franchise
8 Agreements, and such other and further relief in favor of Plaintiffs or against
9 Defendants as the Court deems just and equitable.

10 Dated: March 21, 2014

BRYAN CAVE LLP

11 By: 

12 Jonathan C. Solish
13 120 Broadway, Suite 300
14 Santa Monica, CA 90401-2386
15 PH: 310-576-2156
16 FX: 310-260-4156
17 Jonathan.solish@bryancave.com

18 and

19 Scott E. Korzenowski (*pro hac vice pending*)
20 Jeffery S. Haff (*pro hac vice pending*)
21 DADY & GARDNER, P.A.
22 5100 IDS Center
23 80 S. 8th Street
24 Minneapolis, MN 55402
25 PH: 612-359-9000
26 FX: 612-359-5496
sekorzenowski@dadygardner.com
jhaff@ddygardner.com

27 *Attorneys for Plaintiffs*

28

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

NOTICE OF ASSIGNMENT TO UNITED STATES JUDGES

This case has been assigned to District Judge Dale S. Fischer and the assigned Magistrate Judge is Charles F. Eick.

The case number on all documents filed with the Court should read as follows:

2:14-CV-2378-DSF (Ex)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge.

Clerk, U. S. District Court

March 27, 2014

Date

By MDAVIS

Deputy Clerk

NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

Subsequent documents must be filed at the following location:

Western Division

312 N. Spring Street, G-8
Los Angeles, CA 90012

Southern Division

411 West Fourth St., Ste 1053
Santa Ana, CA 92701

Eastern Division

3470 Twelfth Street, Room 134
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.

ORIGINAL

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Central District of California

FULLVIEW CORPORATION, et al.

Plaintiff(s)

v.

Westaff (USA), Inc.; Koosharem, LLC; and New Koosharem Corporation

Defendant(s)

Civil Action No.

CV 14 - 02378 - DSF (E)

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address)

Westaff (USA), Inc.
3820 State Street
Santa Barbara, California 93105

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

Jonathan C. Solish, Esq.
Bryan Cave LLP
120 Broadway, Suite 300
Santa Monica, CA 90401-2386

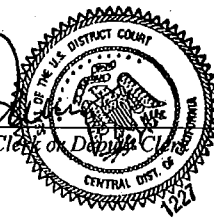
If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

Date: MAR 27 2014

CLERK OF COURT

Handwritten signature of the Clerk of Court

Signature of Clerk of District Court



ORIGINAL

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Central District of California

FULLVIEW CORPORATION, et al.

Plaintiff(s)

v.

Westaff (USA), Inc.; Koosharem, LLC; and New Koosharem Corporation

Defendant(s)

Civil Action No. CV 14 - 02378 - DSF (E)

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address)

Koosharem, LLC
3820 State Street
Santa Barbara, California 91305

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

Jonathan C. Solish, Esq.
Bryan Cave LLP
120 Broadway, Suite 300
Santa Monica, CA 90401-2386

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

Date: MAR 27 2014

CLERK OF COURT

Handwritten signature of the Clerk of Court

Signature of Clerk or Deputy Clerk



ORIGINAL

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Central District of California

FULLVIEW CORPORATION, et al.

Plaintiff(s)

v.

Westaff (USA), Inc.; Koosharem, LLC; and New Koosharem Corporation

Defendant(s)

Civil Action No.

CV 14 - 02378 - DSF (EX)

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) New Koosharem Corporation
3820 State Street
Santa Barbara, California 93105

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are: Jonathan C. Solish, Esq. Bryan Cave LLP 120 Broadway, Suite 300 Santa Monica, CA 90401-2386

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

Date: MAR 27 2014

CLERK OF COURT

Manish D. ...

Signature of Clerk of District Court



COPY

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

I. (a) PLAINTIFFS (Check box if you are representing yourself <input type="checkbox"/>) Fullview Corporation, et al. (See attached list)	DEFENDANTS (Check box if you are representing yourself <input type="checkbox"/>) Westaff (USA), Inc.; Koosharem LLC; New Koosharem Corporation
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(b) County of Residence of First Listed Plaintiff <u>Miami-Dade Co., FL</u> (EXCEPT IN U.S. PLAINTIFF CASES)	County of Residence of First Listed Defendant <u>Santa Barbara Co.</u> (IN U.S. PLAINTIFF CASES ONLY)
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(c) Attorneys (Firm Name, Address and Telephone Number) If you are representing yourself, provide the same information. Jonathan C. Solish, Esq.; Bryan Cave LLP 120 Broadway, Suite 300 Santa Monica, CA 90401-2386; PH: 310-576-2156	Attorneys (Firm Name, Address and Telephone Number) If you are representing yourself, provide the same information. Robert Zarco, Esq.; Zarco Einhorn Salkowski & Brito, P.A. Miami Tower; 100 Southeast 2nd Street; Ste. 2700 Miami, Florida 33131-2193 PH: 305-374-5418
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II. BASIS OF JURISDICTION (Place an X in one box only.) <input type="checkbox"/> 1. U.S. Government Plaintiff <input type="checkbox"/> 2. U.S. Government Defendant <input type="checkbox"/> 3. Federal Question (U.S. Government Not a Party) <input checked="" type="checkbox"/> 4. Diversity (Indicate Citizenship of Parties in Item III)	III. CITIZENSHIP OF PRINCIPAL PARTIES-For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant) <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Citizen of This State</td> <td style="width: 5%;">PTF</td> <td style="width: 5%;">DEF</td> <td style="width: 55%;">Incorporated or Principal Place of Business in this State</td> <td style="width: 5%;">PTF</td> <td style="width: 5%;">DEF</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/> 1</td> <td><input checked="" type="checkbox"/> 1</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/> 4</td> <td><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td><input checked="" type="checkbox"/> 2</td> <td><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business in Another State</td> <td><input type="checkbox"/> 5</td> <td><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td><input type="checkbox"/> 3</td> <td><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td><input type="checkbox"/> 6</td> <td><input type="checkbox"/> 6</td> </tr> </table>	Citizen of This State	PTF	DEF	Incorporated or Principal Place of Business in this State	PTF	DEF	<input type="checkbox"/>	<input type="checkbox"/> 1	<input checked="" type="checkbox"/> 1	<input type="checkbox"/>	<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input checked="" type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
Citizen of This State	PTF	DEF	Incorporated or Principal Place of Business in this State	PTF	DEF																				
<input type="checkbox"/>	<input type="checkbox"/> 1	<input checked="" type="checkbox"/> 1	<input type="checkbox"/>	<input type="checkbox"/> 4	<input type="checkbox"/> 4																				
Citizen of Another State	<input checked="" type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5																				
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6																				

IV. ORIGIN (Place an X in one box only.)

<input checked="" type="checkbox"/> 1. Original Proceeding	<input type="checkbox"/> 2. Removed from State Court	<input type="checkbox"/> 3. Remanded from Appellate Court	<input type="checkbox"/> 4. Reinstated or Reopened	<input type="checkbox"/> 5. Transferred from Another District (Specify)	<input type="checkbox"/> 6. Multi-District Litigation
------------------------------------------------------------	------------------------------------------------------	-----------------------------------------------------------	----------------------------------------------------	-------------------------------------------------------------------------	-------------------------------------------------------

V. REQUESTED IN COMPLAINT: JURY DEMAND: Yes No (Check "Yes" only if demanded in complaint.)

CLASS ACTION under F.R.Cv.P. 23: Yes No **MONEY DEMANDED IN COMPLAINT:** \$ Excess of \$75,000

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)
 Breach of contract, breach of fiduciary duty, violation of various state statutes.

VII. NATURE OF SUIT (Place an X in one box only.)

OTHER STATUTES	CONTRACT	REAL PROPERTY CONT.	IMMIGRATION	PRISONER PETITIONS	PROPERTY RIGHTS
<input type="checkbox"/> 375 False Claims Act	<input type="checkbox"/> 110 Insurance	<input type="checkbox"/> 240 Torts to Land	<input type="checkbox"/> 462 Naturalization Application	Habeas Corpus:	<input type="checkbox"/> 820 Copyrights
<input type="checkbox"/> 400 State Reapportionment	<input type="checkbox"/> 120 Marine	<input type="checkbox"/> 245 Tort Product Liability	<input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 463 Alien Detainee	<input type="checkbox"/> 830 Patent
<input type="checkbox"/> 410 Antitrust	<input type="checkbox"/> 130 Miller Act	<input type="checkbox"/> 290 All Other Real Property	TORTS	<input type="checkbox"/> 510 Motions to Vacate Sentence	<input type="checkbox"/> 840 Trademark
<input type="checkbox"/> 430 Banks and Banking	<input type="checkbox"/> 140 Negotiable Instrument	TORTS	PERSONAL PROPERTY	<input type="checkbox"/> 530 General	SOCIAL SECURITY
<input type="checkbox"/> 450 Commerce/ICC Rates/Etc.	<input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment	PERSONAL INJURY	<input type="checkbox"/> 370 Other Fraud	<input type="checkbox"/> 535 Death Penalty	<input type="checkbox"/> 861 HIA (1395ff)
<input type="checkbox"/> 460 Deportation	<input type="checkbox"/> 151 Medicare Act	<input type="checkbox"/> 310 Airplane	<input type="checkbox"/> 371 Truth in Lending	Other:	<input type="checkbox"/> 862 Black Lung (923)
<input type="checkbox"/> 470 Racketeer Influenced & Corrupt Org.	<input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Vet.)	<input type="checkbox"/> 315 Airplane Product Liability	<input type="checkbox"/> 380 Other Personal Property Damage	<input type="checkbox"/> 540 Mandamus/Other	<input type="checkbox"/> 863 DIWC/DIWW (405 (g))
<input type="checkbox"/> 480 Consumer Credit	<input type="checkbox"/> 153 Recovery of Overpayment of Vet. Benefits	<input type="checkbox"/> 320 Assault, Libel & Slander	<input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 550 Civil Rights	<input type="checkbox"/> 864 SSID Title XVI
<input type="checkbox"/> 490 Cable/Sat TV	<input type="checkbox"/> 160 Stockholders' Suits	<input type="checkbox"/> 330 Fed. Employers' Liability	BANKRUPTCY	<input type="checkbox"/> 555 Prison Condition	<input type="checkbox"/> 865 RSI (405-(g))
<input type="checkbox"/> 850 Securities/Commodities/Exchange	<input type="checkbox"/> 190 Other Contract	<input type="checkbox"/> 340 Marine	<input type="checkbox"/> 422 Appeal 28 USC 158	<input type="checkbox"/> 560 Civil Detainee Conditions of Confinement	FEDERAL TAX SUITS
<input type="checkbox"/> 890 Other Statutory Actions	<input type="checkbox"/> 195 Contract Product Liability	<input type="checkbox"/> 345 Marine Product Liability	<input type="checkbox"/> 423 Withdrawal 28 USC 157	FORFEITURE/PENALTY	<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)
<input type="checkbox"/> 891 Agricultural Acts	<input type="checkbox"/> 196 Franchise	<input type="checkbox"/> 350 Motor Vehicle	CIVIL RIGHTS	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881	<input type="checkbox"/> 871 IRS-Third Party 26 USC 7609
<input type="checkbox"/> 893 Environmental Matters	REAL PROPERTY	<input type="checkbox"/> 355 Motor Vehicle Product Liability	<input type="checkbox"/> 440 Other Civil Rights	<input type="checkbox"/> 690 Other	
<input type="checkbox"/> 895 Freedom of Info. Act	<input type="checkbox"/> 210 Land Condemnation	<input type="checkbox"/> 360 Other Personal Injury	<input type="checkbox"/> 441 Voting	LABOR	
<input type="checkbox"/> 896 Arbitration	<input type="checkbox"/> 220 Foreclosure	<input type="checkbox"/> 362 Personal Injury-Med Malpractice	<input type="checkbox"/> 442 Employment	<input type="checkbox"/> 710 Fair Labor Standards Act	
<input type="checkbox"/> 899 Admin. Procedures Act/Review of Appeal of Agency Decision	<input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 365 Personal Injury-Product Liability	<input type="checkbox"/> 443 Housing/Accommodations	<input type="checkbox"/> 720 Labor/Mgmt. Relations	
<input type="checkbox"/> 950 Constitutionality of State Statutes		<input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability	<input type="checkbox"/> 444 American with Disabilities-Employment	<input type="checkbox"/> 740 Railway Labor Act	
		<input type="checkbox"/> 368 Asbestos Personal Injury Product Liability	<input type="checkbox"/> 445 American with Disabilities-Other	<input type="checkbox"/> 751 Family and Medical Leave Act	
		<input type="checkbox"/> 369 Personal Injury Product Liability	<input type="checkbox"/> 446 American with Disabilities-Other	<input type="checkbox"/> 790 Other Labor Litigation	
			<input type="checkbox"/> 448 Education	<input type="checkbox"/> 791 Employee Ret. Inc. Security Act	

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

VIII. VENUE: Your answers to the questions below will determine the division of the Court to which this case will most likely be initially assigned. This initial assignment is subject to change, in accordance with the Court's General Orders, upon review by the Court of your Complaint or Notice of Removal.

Question A: Was this case removed from state court? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "no," go to Question B. If "yes," check the box to the right that applies, enter the corresponding division in response to Question D, below, and skip to Section IX.	STATE CASE WAS PENDING IN THE COUNTY OF:		INITIAL DIVISION IN CACD IS:
	<input type="checkbox"/> Los Angeles		Western
	<input type="checkbox"/> Ventura, Santa Barbara, or San Luis Obispo		Western
	<input type="checkbox"/> Orange		Southern
	<input type="checkbox"/> Riverside or San Bernardino		Eastern

Question B: Is the United States, or one of its agencies or employees, a party to this action? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "no," go to Question C. If "yes," check the box to the right that applies, enter the corresponding division in response to Question D, below, and skip to Section IX.	If the United States, or one of its agencies or employees, is a party, is it:			INITIAL DIVISION IN CACD IS:
	A PLAINTIFF?	A DEFENDANT?		
	Then check the box below for the county in which the majority of DEFENDANTS reside.	Then check the box below for the county in which the majority of PLAINTIFFS reside.		
	<input type="checkbox"/> Los Angeles	<input type="checkbox"/> Los Angeles		Western
	<input type="checkbox"/> Ventura, Santa Barbara, or San Luis Obispo	<input type="checkbox"/> Ventura, Santa Barbara, or San Luis Obispo		Western
	<input type="checkbox"/> Orange	<input type="checkbox"/> Orange		Southern
	<input type="checkbox"/> Riverside or San Bernardino	<input type="checkbox"/> Riverside or San Bernardino		Eastern
	<input type="checkbox"/> Other	<input type="checkbox"/> Other		Western

Question C: Location of plaintiffs, defendants, and claims? (Make only one selection per row)	A: Los Angeles County	B: Ventura, Santa Barbara, or San Luis Obispo Counties	C: Orange County	D: Riverside or San Bernardino Counties	E: Outside the Central District of California	F: Other
Indicate the location in which a majority of plaintiffs reside:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Indicate the location in which a majority of defendants reside:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Indicate the location in which a majority of claims arose:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

C.1. Is either of the following true? If so, check the one that applies: <input type="checkbox"/> 2 or more answers in Column C <input type="checkbox"/> only 1 answer in Column C and no answers in Column D Your case will initially be assigned to the SOUTHERN DIVISION. Enter "Southern" in response to Question D, below. If none applies, answer question C2 to the right. →	C.2. Is either of the following true? If so, check the one that applies: <input type="checkbox"/> 2 or more answers in Column D <input type="checkbox"/> only 1 answer in Column D and no answers in Column C Your case will initially be assigned to the EASTERN DIVISION. Enter "Eastern" in response to Question D, below. If none applies, go to the box below. ↓
Your case will initially be assigned to the WESTERN DIVISION. Enter "Western" in response to Question D below.	

Question D: Initial Division? Enter the Initial division determined by Question A, B, or C above: →	INITIAL DIVISION IN CACD: Western
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UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

IX(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? NO YES

If yes, list case number(s): _____

IX(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? NO YES

If yes, list case number(s): _____

Civil cases are deemed related if a previously filed case and the present case:

(Check all boxes that apply)

- A. Arise from the same or closely related transactions, happenings, or events; or
- B. Call for determination of the same or substantially related or similar questions of law and fact; or
- C. For other reasons would entail substantial duplication of labor if heard by different judges; or
- D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

X. SIGNATURE OF ATTORNEY

(OR SELF-REPRESENTED LITIGANT): _____

DATE: March 21, 2014

Notice to Counsel/Parties: The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet).

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405 (g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405 (g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405 (g))

PLAINTIFFS:

FULLVIEW CORPORATION, a Florida corporation; CRANBROOK ASSOCIATES, INC., a Missouri corporation; LILLEMO ENTERPRISES, INC., a Minnesota corporation; WESTAFF, LLC, a Connecticut limited-liability company; WESTAFF OF CHAMPLAIN VALLEY, INC. a Vermont corporation; MOUNT FAMILY GROUP, LTD., a Vermont corporation; WESTAFF OF CONNECTICUT RIVER VALLEY, INC., a Vermont corporation; WESTERN GIRL OF NEW ORLEANS, INC., a Louisiana corporation; FRIEDRICH BUSINESS GROUP, INC., a Wisconsin corporation; WESTERN STAFF SERVICES OF LANSING, INC., a Michigan corporation; WESTERN STAFF SERVICES OF NORWALK, INC., an Ohio corporation; TRICIA M. EVANS, an individual residing in Hawaii; WESTERN TEMPORARY SERVICES OF ST. MARY'S/GREENEVILLE, OHIO, INC., an Ohio corporation; INDITEMPS, INC., an Indiana corporation; WESTERN STAFF SERVICES OF WYTHEVILLE, INC., a Virginia corporation; TEMPORARY SERVICES, INC., a North Carolina Corporation; WESTERN STAFF SERVICES OF COLUMBUS, LAGRANGE AND NEWNAN, INC., a Georgia Corporation;