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12 SUPERIOR COURT OF CALIFORNIA  
13 COUNTY OF LOS ANGELES  
14

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.  
23

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 subs 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,

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16                              Attorneys for Plaintiff

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