

would be no layoffs and urged them to ignore rumors to the contrary. The Plaintiffs seek back pay, benefits, and costs, including reasonable attorneys fees.

2. Plaintiffs, ANTHONY DePALMA, DEENA CABRERA, SHERBY JEAN-LEGER, STEFANIE GORDON, JAMAL WALDRON, ERIC POSNER, KEITH WOLFF, DWAYNE STOWE, DOUGLAS CASTOLDI, NATASHA TATUM, DOUGLAS GOLD, DANIEL DEBLASIO, VINCENT DeSANTIS, ALISSA BREVIC, MICHAEL YOCKMAN, D'ANN BROWN, CARLOS MORALES, RENNA HUNTE and SHERREE HUNTE, individually and on behalf of all others similarly situated, by their attorneys, ECKHAUS & OLSON, pursuant to 29 U.S.C. §2104(a)(5) and Rules 23 and 27 of the Federal Rules of Civil Procedure, complaining of Defendants, REALTYIQ CORP. ("REALTYIQ"), and FRONTLINE CAPITAL GROUP, INC. ("FRONTLINE"), allege as follows:

Jurisdiction and Venue

3. This Court has jurisdiction pursuant to 28 U.S.C. §1331 and 29 U.S.C. §2104(a)(5), because this action involves a federal question, the violations of WARN occurred in this district, and the Defendants transact business in this district.

4. Venue is in the Southern District of New York pursuant to 28 U.S.C. §1391, because the Plaintiffs were employed in this district,

the violations of WARN occurred in this district, and the Defendants transact business in this district.

The Parties
Plaintiffs

5. All the Plaintiffs, as well as the other terminated employees, are "aggrieved employees" as defined in 29 U.S.C. §2104(a)(7). They were employed in REALTYIQ's New York office until they were terminated on December 20, 2000 in a permanent mass layoff without the sixty-days advance notice of termination required by WARN.

6. Plaintiff, ANTHONY DePALMA ("DePALMA"), at all times relevant was a resident of the State of New York, residing at 70 Morton Street, New York, NY 10014. DePALMA was employed by REALTYIQ on a full time basis from April 1, 1999 until December 20, 2000.

7. Plaintiff, DEENA CABRERA ("CABRERA"), at all times relevant was a resident of the State of New York, residing at 2391 Bedford Avenue, #3C South, Brooklyn, NY 11226. CABRERA was employed by REALTYIQ on a full time basis from January 17, 2000 until December 20, 2000.

8. Plaintiff, SHERBY JEAN-LEGER ("JEAN-LEGER"), at all times relevant was a resident of the State of New York, residing at 1-04 Astoria Boulevard #4C, Astoria, NY 11102. JEAN-LEGER

was employed by REALTYIQ on a full time basis from on or about January 17, 2000 until December 20, 2000.

9. Plaintiff, STEFANIE GORDON ("GORDON"), at all times relevant was a resident of the State of New York, residing at 444 West 46th Street, #2A, New York, NY 10036. GORDON was employed by REALTYIQ on a full time basis from February 7, 2000 until December 20, 2000.

10. Plaintiff, JAMAL WALDRON ("WALDRON"), at all times relevant was a resident of the State of New York, residing at 260-57 Union Turn Pike, Glen Oaks, NY 11004. WALDRON was employed by REALTYIQ on a full time basis from February 14, 2000 until December 20, 2000.

11. Plaintiff, ERIC POSNER ("POSNER"), at all times relevant was a resident of the State of New York, residing at 1 Columbus Place, New York, NY 10019. POSNER was employed by REALTYIQ on a full time basis from January 10, 2000 until December 20, 2000.

12. Plaintiff, KEITH WOLFF ("WOLFF"), at all times relevant was a resident of the State of New York, residing at 50 West 34th Street, New York, NY 10001. WOLFF was employed by REALTYIQ

on a full time basis from January 3, 2000 until December 20, 2000.

13. Plaintiff, DWAYNE STOWE ("STOWE"), at all times relevant was a resident of the State of New York, residing at 105-11 Princeton Street, Jamaica, NY 11435. STOWE was employed by REALTYIQ on a full time basis from January 3, 2000 until December 20, 2000.

14. Plaintiff, DOUGLAS CASTOLDI ("CASTOLDI"), at all times relevant was a resident of the State of New York, residing at 90 Fulton Street, New York, NY 10038. CASTOLDI was employed by REALTYIQ on a full time basis from January 31, 2000 until December 20, 2000.

15. Plaintiff, NATASHA TATUM ("TATUM"), at all times relevant was a resident of the State of New York, residing at 3120 Bainbridge Avenue, Bronx, NY 10467. TATUM was employed by REALTYIQ on a full time basis from February 14, 2000 until December 20, 2000.

16. Plaintiff, DOUGLAS GOLD ("GOLD"), at all times relevant was a resident of the State of New York, residing at 176 East 85th Street, New York, NY 10028. GOLD was employed by REALTYIQ on a full time basis from January 31, 2000 until December 20, 2000.

17. Plaintiff, DANIEL DEBLASIO ("DEBLASIO"), at all times relevant was a resident of the State of New York, residing at 929 27th Avenue, Astoria, NY 11102. DEBLASIO was employed by REALTYIQ on a full time basis from February 7, 2000 until December 20, 2000.

18. Plaintiff, VINCENT DeSANTIS ("DeSANTIS"), at all times relevant was a resident of the State of New York, residing at 24 Fabian Street, Staten Island, NY 10312. DeSANTIS was employed by REALTYIQ on a full time basis from February 14, 2000 until December 20, 2000.

19. Plaintiff, ALISSA BREVIC ("BREVIC"), at all times relevant was a resident of the State of New York, residing at 183 Trenton Avenue, Paterson, NJ 07503. BREVIC was employed by REALTYIQ on a full time basis from February 7, 2000 until December 20, 2000.

20. Plaintiff, MICHAEL YOCKMAN ("YOCKMAN"), at all times relevant was a resident of the State of New York, residing at 84-15 120th Street, Kew Gardens, NY 11415. YOCKMAN was employed by REALTYIQ on a full time basis from February 7, 2000 until December 20, 2000.

21. Plaintiff, D'ANN BROWN ("BROWN"), at all times relevant was a resident of the State of New York, residing at 466 East 10th Street, New York, NY 10009. BROWN was employed by REALTYIQ on a full time basis from March 11, 2000 until December 20, 2000.

22. Plaintiff, CARLOS MORALES ("MORALES"), at all times relevant was a resident of the State of New York, residing at 3340 Bailey Avenue, Apt. 5J, Bronx, NY 10463. MORALES was employed by REALTYIQ on a full time basis from January 17, 2000 until December 20, 2000.

23. Plaintiff, RENNA HUNTE ("R. HUNTE"), at all times relevant was a resident of the State of New York, residing at 105 Sutter Avenue, Apt. 6G, Brooklyn, NY 11212. R. HUNTE was employed by REALTYIQ on a full time basis from February 3, 2000 until December 20, 2000.

24. Plaintiff, SHEREE HUNTE ("HUNTE"), at all times relevant was a resident of the State of New York, residing at 847 Eastern Parkway, Brooklyn, NY 11213. HUNTE was employed by REALTYIQ on a full time basis from May 1999 until December 20, 2000.

Defendants

25. Defendant REALTYIQ at all times relevant was a Delaware corporation which conducted business in the State of New York, with its principle place of business at 59 Maiden Lane, New York, NY 10038. REALTYIQ was the "employer" of the aggrieved employees, including Plaintiffs, within the meaning of 29 U.S.C. §2101(a)(1). Upon information and belief, REALTYIQ was an alter

ego, "d/b/a," or successor to REALTY INFORMATION TRACKING SERVICES, INC ("REALTY"). The basis for this belief is that, in 1999, "Incentive Stock Options" were issued by REALTY to many of the employees of REALTYIQ, including most of the Plaintiffs, in connection with their employment by REALTYIQ.

26. Defendant FRONTLINE at all times relevant was a Delaware corporation which conducted business in the State of New York, with its principle place of business at 1350 Avenue of the Americas, New York, NY 10019. REALTY IQ and FRONTLINE was an "integrated enterprise" and therefore FRONTLINE was Plaintiffs' "employer," within the meaning of 29 U.S.C. §2101(a)(1), for example:

(a) Centralized control over its labor relations. The employment decisions concerning the termination of the Plaintiffs and the other aggrieved employees were controlled by FRONTLINE, and FRONTLINE made decisions concerning staffing of REALTYIQ positions.

(b) Interrelated operations. Tim Lemmon, a FRONTLINE Vice President, "put the (REALTYIQ management) team in place," and later became REALTYIQ's President and Chief Operating Officer. FRONTLINE employees worked on REALTYIQ's premises where they eventually assumed operational control of REALTYIQ.

(c) Common management. Scott Rechler, FRONTLINE'S Chief Executive Officer was also on REALTYIQ's Board of Directors. FRONTLINE controlled REALTYIQ's Board of Directors. FRONTLINE Vice Presidents Tim Lemmon and Eric Froelich assumed managerial positions in REALTYIQ.

(d) Common ownership and financial control. FRONTLINE owned 80% of REALTYIQ voting securities. REALTYIQ's results of operations are reflected within FRONTLINE's Consolidated Statement of Operations.

27. Defendants are directly and jointly liable to the Plaintiffs as their "employer," within the meaning of 29 U.S.C. §2101(a)(1).

Statement of Facts

28. At all relevant times, REALTYIQ was in the business of developing and maintaining a national commercial real estate digital database, and employed approximately 150 employees, including Plaintiffs, in its New York office on a full time basis.

29. At all relevant times, REALTYIQ employed 100 or more employees, including Plaintiffs, who, in the aggregate, worked at least 4,000 hours per week (exclusive of hours of overtime).

30. On December 20, 2000, REALTYIQ gave approximately 120 of the approximately 150 employees in its New York office, including the Plaintiffs, letters informing them that, the company "is terminating your employment today." REALTYIQ also provided each of the terminated employees, including the Plaintiffs, with a "Notice of Lay-Off" which it labeled a "notice pursuant to the Worker Adjustment and Notification Act,"

informing them that they will be "laid-off" permanently as of the following day. A copy of this "Notice" and an example of an accompanying letter are attached hereto as Exhibit A.

31. This "WARN Notice" was deficient since it did not give as much notice as was practicable, merely recited the language of one of the statutory exceptions to explain the failure to give sixty-days notice, and did not provide a brief statement of the basis for reducing the notification period as required by 29 U.S.C. §2102(b)(3).

32. Many of the terminated employees, including some of the Plaintiffs, were hectorred into signing a document purporting to release REALTYIQ from liability for salary and benefits in alleged "consideration" of one weeks' "severance pay" only for each six months' of employment. In most instances, this amounted to one or two weeks' salary for each of the terminated employees, including the Plaintiffs. In no instance was any terminated employee offered the sixty-days pay and benefits which they were entitled to receive pursuant to WARN.

33. Defendants intimidated many of the aggrieved employees into signing their "release" on the spot. In group meetings conducted by REALTYIQ that same day, the aggrieved employees were told that any employee who signed a "release" immediately

would receive "severance pay" before the end of the calendar year, including salary already owed to them for the week of December 18, 2000, otherwise they might receive nothing. They were told that if they waited to sign the "release," or delayed signing because they had consulted with an attorney, then by the time they turned in their "release" the company might not have the cash available for any severance pay. REALTYIQ responded to a question from one of the Plaintiffs by stating, "the company does not have any money and if you wait any longer, even until after Christmas, the company might not have the money to give you a package."

34. Defendants did not inform the aggrieved employees of their rights or the Defendants' obligations under WARN. Instead, REALTYIQ told the employees, that, "in these types of situations you don't sue the company."

35. Many aggrieved employees signed this "release" and received "severance pay." Others, including DePALMA, did not sign the "release."

36. The "severance pay" actually paid for signing the "release" included salary which was already earned by and owing to the aggrieved employees for working December 18, 19 and 20, 2000.

37. The "severance pay" for signing the "release" was also substantially and materially less than what the aggrieved employees were already entitled to receive from their employer pursuant to WARN's requirement that an employer provide those employees with sixty-days advance notice of termination, or sixty-days pay and benefits.

38. Consequently, the "releases" were void for, inter alia, lack of consideration, fraud in the inducement, and duress.

First Cause of Action
Against REALTYIQ
(Violation of WARN)

39. Because REALTYIQ employed over 100 full-time employees, or 100 or more employees who in the aggregate worked at least 4,000 hours per week exclusive of overtime hours, it was Plaintiffs' "employer" within the meaning of 29 U.S.C. §2101(a)(1)(A) and (B).

40. The permanent mass layoff described above resulted in an "employment loss" of the requisite number of employees of REALTYIQ, within the meaning of 29 U.S.C. §2101(a)(6).

41. The permanent mass layoff of approximately 120 of 150 employees in REALTYIQ's New York office resulted in an "employment loss" [within the meaning of 29 U.S.C. §2101(a)(6)]

for more than one-third of the employees of REALTYIQ, and more than 50 full time employees of REALTYIQ, and, therefore, constituted a "mass layoff" within the meaning of 29 U.S.C. §2101(a)(3)(B)(i)(I) and (II).

42. Plaintiffs, and each and every member of the Plaintiff class, and all those former employees similarly situated, are "affected employees" within the meaning of 29 U.S.C. §2101(a)(5).

43. REALTYIQ failed to serve written notice of such mass layoff to all "affected employees" at least sixty-days prior to the mass layoff as required by 29 U.S.C. §2102(a)(1).

44. REALTYIQ failed to pay Plaintiffs sixty-days pay and benefits due to them pursuant to WARN.

45. By reason of Defendants' violation of WARN, Plaintiffs, and each and every member of the Plaintiffs' class and all those former employees similarly situated, are entitled to: (a) sixty-days pay and benefits pursuant to 29 U.S.C. §2104, (b) costs, including reasonable attorney's fees, pursuant to 29 U.S.C. §2104(a)(6), and (c) prejudgment interest from December 21, 2000.

Second Cause of Action
Against FRONTLINE CAPITAL GROUP
(Violation of WARN)

46. FRONTLINE and REALTYIQ was an "integrated enterprise," therefore FRONTLINE was also Plaintiffs' "employer" within the meaning of WARN, 29 U.S.C. §2101(a)(1)(A) and (B).

47. Accordingly, FRONTLINE is liable for the acts and omissions of REALTYIQ, in failing to give at least sixty-days advance notice of their termination to all "affected employees" as required by 29 U.S.C. §2102(a)(1) and failing to pay the aggrieved employees sixty-days pay and benefits pursuant to WARN.

48. By reason of Defendants' violations of WARN, Plaintiffs, and each and every member of the Plaintiffs' class and all those former employees similarly situated, are entitled to (a) sixty-days pay and benefits pursuant to 29 U.S.C. §2104, (b) costs, including reasonable attorney's fees, pursuant to 29 U.S.C. §2104(a)(6), and (c) prejudgment interest from December 21, 2000.

Class-Action Allegations

49. The named Plaintiffs bring this action on their own behalf and, pursuant to 29 U.S.C. §2104(a)(5), and Fed. R. Civ. P. 23(a), (b)(1)(A) and (B), (b)(2) and (b)(3), on behalf of a class consisting of themselves and all others similarly situated.

50. The class, comprising all aggrieved employees of the Defendants, is so numerous that joinder of all members is impractical.

51. There are questions of law or fact common to the class that predominate over questions affecting only individual members.

52. The claims of the named Plaintiffs herein are typical of the claims of the class.

53. The named Plaintiffs will fairly and adequately assert and protect the interests of the class.

54. If this action is not certified as a class action, adjudications with respect to individual members of the class would, as a practical matter, be dispositive of the interests of

the other members not parties to the adjudications, or would substantially impair or impede their ability to protect their interests.

55. The Defendants have acted or refused to act on grounds generally applicable to the class, thereby making declaratory relief with respect to the class as a whole appropriate.

56. Maintenance of the named Plaintiffs' claims as a class action will be superior to other available methods for the fair and efficient adjudication of the controversy.

Prayer for Relief

WHEREFORE, the Plaintiffs request that this Court enter judgment as follows:

- (a) declaring that the Defendants violated their statutory obligations to the Plaintiffs under WARN;
- (b) certifying this action as a class action, and granting all the requested relief to the Plaintiffs on their own behalf and on behalf of all members of the class;
- (c) ordering the Defendants to pay sixty-days of back pay and other benefits, with prejudgment interest, to each Plaintiff and all aggrieved employee members of the class, in accordance with 29 U.S.C. §2104(a);
- (d) awarding the Plaintiffs their costs, including reasonable attorneys fees; and

(e) granting such further relief as it deems just and proper.

DEMAND FOR JURY TRIAL

Pursuant to Federal Rule of Civil Procedure 38(b),
Plaintiffs demand a trial by jury of all issues so triable.

Dated: New York, New York
January 19, 2001

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