1 2	Bill Lann Lee (SBN 108452) blee@lewisfeinberg.com Julie Wilensky (SBN 271765) jwilensky@lewisfeinberg.com LEWIS, FEINBERG, LEE, RENAKER & JACKSON, P.C.	Debo P. Adegbile* dadegbile@naacpldf.org Elise Boddie* eboddie@naacpldf.org ReNika C. Moore*					
3	LEWIS, FÉINBERG, LÉE, RENAKER & JACKSON, P.C.	ReNika C. Moore* rmoore@naacpldf.org					
4	4/6 9th Street   Oakland, CA 94607	rmoore@naacpldf.org Ria Tabacco Mar* rtabacco@naacpldf.org					
5	Telephone: (510) 839-6824 Facsimile: (510) 839-7839	NAACP LEGAL DEFENSE & EDUCATIONAL FUND, INC. 99 Hudson Street, Suite 1600					
6		New York, NY 10013					
7		Telephone: (212) 965-2200 Facsimile: (202) 226-7592					
8	Nancy C. DeMis* (SBN (inactive) 114770)	, , , , , , , , , , , , , , , , , , , ,					
9	ncd@gsscd.com Susan R Fiorentino*	B					
10	sfiorentino@gsscd.com GALLAGHER, SCHOENFELD, SURKIN, CHUPEIN & DEMIS, P.C. 25 West Second Street	CENTI					
11	SURKIN, CHUPEIN & DEMIS, P.C. 25 West Second Street	SALE WELL					
12	Media, PA 19053 Telephone: (610) 565-4600 Facsimile: (610) 566-8257						
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14	* Admitted Pro Hac Vice	of 2: 39					
15	Attorneys for Plaintiffs and the Proposed Class	<b>1</b>					
16	UNITED STATE	S DISTRICT COURT					
17	CENTRAL DISTRICT OF CALIFORNIA						
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19	NICOLE COGDELL, et al.,	Case No.: SACV 12-01138 AG (ANx)					
20	D1 : .: CC	FIRST AMENDED COMPLAINT					
21	Plaintiffs,	FOR DAMAGES: 42 U.S.C. § 1981; TITLE VII OF THE CIVIL RIGHTS					
22	V.	ACT OF 1964					
23	THE WET SEAL, INC., et al.,	CLASS ACTION					
24	Defendants.	JURY TRIAL DEMANDED					
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	FIRST AMENINED COMDLAINT	- CASE NO.: SACV 12-01138 AG (ANx)					
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Plaintiffs bring this action on behalf of themselves and all others similarly situated for race discrimination in employment by The Wet Seal, Inc., The Wet Seal Retail, Inc., Wet Seal GC, Inc., and Wet Seal GC, LLC (collectively, "WET SEAL"), and allege as follows:

#### **INTRODUCTION**

- 1. This action challenges WET SEAL's policy and practice of discriminating against African-American store management employees at Wet Seal and Arden B. stores from at least 2008 to the present, in violation of 42 U.S.C. § 1981 and Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000e et seq.). This policy was adopted by the most senior executives of the company, and resulted in the targeting of African-American employees for termination because of their race and color, and a denial of pay and promotions for African Americans on the same basis as white store employees.
- 2. In addition to strong circumstantial evidence that WET SEAL enforced an illegal policy of discrimination, direct evidence in the form of emails and testimony of former managers also demonstrates that WET SEAL corporate executives at the highest levels instructed managers to terminate African-American employees, and to "diversify" their work forces by hiring and promoting white employees who fit the WET SEAL "brand image." The EEOC found in its Determination of Plaintiff Nicole Cogdell's charge that "corporate managers have openly stated they wanted employees who had the 'Armani' look, had blue eyes, thin, and blond in order to be profitable." (emphasis in original). In one email, the second in command of WET SEAL, the Senior Vice President of Store Operations, reporting on a series of store visits, stated to the Vice President of Store Operations and a district manager that, "African American dominate – huge issue." High-level WET SEAL corporate executives also instructed a district manager to "clean the entire store out" by firing all African-American employees at one or more stores, and they threatened to terminate Store Managers if they did not staff more white

3. Plaintiffs bring this case as a class action on behalf of current and former WET SEAL store management employees and seek back pay, general

employees than African-American employees in their stores.

damages, and punitive damages.

#### **PARTIES**

- 4. Plaintiff Nicole Cogdell is an African-American woman who was formerly employed by WET SEAL at its Springfield, Pennsylvania and King of Prussia, Pennsylvania stores. She is a resident of Delaware County, Pennsylvania.
- 5. Plaintiff Kai Hawkins is an African-American woman who was formerly employed at WET SEAL stores in California, Pennsylvania and New Jersey, and was last employed at the Cherry Hill, New Jersey store. She is a resident of Delaware County, Pennsylvania.
- 6. Plaintiff Myriam Saint-Hilaire is an African-American woman who was formerly employed by WET SEAL at its King of Prussia store. She is a resident of Delaware County, Pennsylvania.
- 7. Plaintiff Michelle Guider is an African-American woman who was formerly employed by WET SEAL at its Arden B. store in Durham, North Carolina. She is a resident of Wake County, North Carolina.
- 8. Defendant The Wet Seal, Inc. is a Delaware corporation headquartered in Foothill Ranch, Orange County, California.
- 9. Defendant The Wet Seal Retail, Inc. is a subsidiary of The Wet Seal, Inc. and is a Delaware corporation headquartered in Foothill Ranch, Orange County, California.
- 10. Defendant Wet Seal GC, Inc. is a subsidiary of The Wet Seal, Inc. and is a Virginia corporation headquartered in Foothill Ranch, Orange County, California.
- 11. Defendant Wet Seal GC, LLC is a subsidiary of The Wet Seal, Inc. and is a Virginia limited liability company headquartered in Foothill Ranch, Orange

- 12. Defendants The Wet Seal, Inc., The Wet Seal Retail, Inc., Wet Seal GC, Inc., and Wet Seal GC, LLC are collectively referred to as "WET SEAL."
- 13. WET SEAL sells women's clothing and accessories at its approximately 550 stores under the Wet Seal and Arden B. store names (collectively referred to as "WET SEAL stores"). It employs over 7,000 employees, including 2,000 full-time employees.

#### **CLASS ACTION ALLEGATIONS**

- 14. Plaintiffs bring this action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of current and former African-American store management level employees of WET SEAL. "Store management level" employees include current and former Assistant Managers, Co-Managers, and Store Managers of WET SEAL.
- 15. The members of the class are sufficiently numerous that joinder of all members is impracticable. On information and belief, the class includes over 250 class members.
- 16. There are questions of law and fact common to the class, and these questions predominate over individual questions. Such questions include, among others: (1) whether WET SEAL has a general policy of discrimination with regard to pay, promotion, and termination of African-American store management level employees; (2) whether WET SEAL has a pattern or practice of discrimination with regard to pay, promotion, and termination of African-American store management level employees; and (3) whether punitive damages are warranted.
- 17. The claims alleged by Plaintiffs are typical of the claims of the class. All Plaintiffs were African-American store management level employees who have been harmed by WET SEAL's discriminatory policies and practices.
  - 18. Plaintiffs will fairly and adequately represent the interests of the class.
  - 19. If the class is certified, Plaintiffs will provide the "best notice

practicable under the circumstances" to the class pursuant to Fed. R. Civ. P. 23(b)(c)(2)(B), including but not limited to mail, posting, and distribution to current employees.

- 20. Class certification is appropriate pursuant to Fed. R. Civ. P. 23(b)(3) because common questions of fact and law predominate over any questions affecting only individual members of the class, and because a class action is superior to other available methods for the fair and efficient adjudication of this litigation. The members of the class have been damaged and are entitled to recovery as a result of WET SEAL's common and unfair discriminatory personnel policies and practices.
- 21. Particular issue certification of class liability is also appropriate under Rule 23(c)(4) because such claims present only common issues, the resolution of which would benefit the parties and serve judicial economy.

### **JURISDICTION AND VENUE**

- 22. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1343.
- 23. This Court has personal jurisdiction over this action because WET SEAL corporate headquarters are located in Foothill Ranch, California, which is in Orange County, and WET SEAL does business in stores throughout this district and the State of California.
- 24. Venue is proper within this District pursuant to 28 U.S.C. § 1391(b), because WET SEAL's headquarters are located in this District and WET SEAL maintains branches throughout California and this District, and is subject to personal jurisdiction in this District. Moreover, a substantial part of the events, acts, and omissions giving rise to the claims of Plaintiffs and the proposed class occurred in this District.

### WET SEAL POLICIES AND PRACTICES

25. Each WET SEAL store employs Sales Associates, Assistant Managers,

- and Store Managers. Larger stores also have a Co-Manager, an intermediate position between Assistant Manager and Store Manager. Store Managers report to a District Manager, who typically supervises ten to twelve stores. District Managers report to Regional Managers. On information and belief there are currently four Regional Managers for WET SEAL, and during the relevant time period, both Wet Seal and Arden B. stores moved from a separate reporting structure to reporting to the same District and Regional Managers, and WET SEAL store management employees have been promoted between Wet Seal and Arden B. stores. Regional Managers report to the Vice President of Store Operations, who in turn reports to the Senior Vice President of Store Operations, who reports directly to the CEO of WET SEAL.
- 26. While a Store Manager may hire Sales Associates within limited pay ranges, all hiring of such personnel at rates above these pay ranges must be approved by district and higher level management. On occasion, Store Managers are directed or required by higher level managers, to hire, or not hire, specific individuals for sales positions. All promotions to store management level positions must be approved by District and Regional Managers. All store management pay must be approved by District and Regional Managers, and, if pay exceeds company pay ranges, the pay must be approved by the Vice President of Store Operations. All terminations of store employees must be approved by District and Regional Managers and the corporate Human Resources Department.
- 27. WET SEAL has no formal promotion policy or application procedure for store management positions it fills internally, nor does it post such openings. Other than minimal experience and age requirements, it has no written criteria to determine which employees should be promoted. Store management pay is supposed to be based on a pay scale tied to the size and profitability of each store. In fact, frequent exceptions to this scale are granted by senior management. There are no written criteria that guide the granting of such exceptions.

- 28. Although WET SEAL has a written non-discrimination policy, this policy is neither enforced nor monitored for compliance. On information and belief, WET SEAL does not collect or compile accurate data, including the race and ethnicity of applicants for hire and employees regarding hiring, pay, promotions, or terminations. On information and belief, for many years WET SEAL has not prepared and filed accurate EEO-1 reports with the United States Equal Employment Opportunity Commission ("EEOC") showing the racial and ethnic demographics of its workforce as required by federal equal employment regulations.
- 29. WET SEAL has a general policy and practice of discriminating against its nonwhite employees, and particularly its African-American employees. This policy and practice is manifested in the following ways:
  - a. Failing and refusing to promote African-American store employees to store management positions on the same basis as white employees are promoted;
  - b. Failing to pay African-American store management employees at the same rates as similarly-situated white employees;
  - c. Limiting promotion opportunities for African-American employees at stores with a significant white clientele;
  - d. Insisting on a "brand" or "image" of its employees that predominantly reflects a white image, an image reinforced by WET SEAL's advertising to the general public;
  - e. Holding African-American store management employees to higher performance standards than white store management employees;
  - f. Terminating African-American store management employees on the basis of their race and not performance; and
  - g. Failing and refusing to take adequate steps to eliminate the effects of its past discriminatory practices.

- 30. The above-listed discriminatory policies and practices are and have been devised, implemented, and enforced by a small group of the most senior corporate managers, including WET SEAL's President and CEO, Senior Vice President of Store Operations, Vice President of Store Operations, and corporate Human Resources executives. These senior officials have enforced these policies through store visits, management meetings, and electronic and telephonic communications to lower level management employees. They have fired management employees who opposed these policies, and ignored or rejected recommendations by lower level managers to hire, pay, and promote African-American employees on the same basis as white employees. They have imposed their own management and sales employee selections in stores. Examples of the implementation of this general policy and practice of discrimination include:
  - a. Senior Vice President of Store Operations Barbara Bachman ("Bachman") instructed a District Manager to "clean the entire store out" by firing all African-American store management employees in or around August 2008:
  - b. After Bachman conducted a surprise store visit and realized that the Store Manager she had previously approved was African-American, she ordered the District Manager to terminate or demote the African-American Store Manager, and replace her with a white manager. She threatened to terminate the District Manager if she did not terminate African-American employees, and ordered her to terminate Store Managers that did not "diversify" (i.e., increase the number of white employees in) their store work force;
  - c. Bachman instructed store management personnel of the WET SEAL store at the King of Prussia Mall ("King of Prussia store") to hire more employees who looked like a particular blond white sales associate;
    - d. On March 3, 2009, Bachman sent an email to a District

Manager, copying Vice President of Store Operations Barbara Harris ("Harris"), describing store visits she had conducted of twenty stores in the Maryland and Philadelphia region. Bachman wrote: "Global Issues . . . Store teams – need diversity/African American dominate – huge issue." A true and correct copy of this email is attached as Exhibit 1 and incorporated by reference;

- e. Bachman told a District Manager that the Regional Manager must have "lost her mind" putting a black person in charge of a particular store. She instructed managers to "lighten up" their stores (i.e., terminate African-American and hire white employees). She informed a Regional Manager that there were "way too many" African-American store employees in the Maryland market;
- f. Bachman targeted stores with primarily African-American employees to be "cleaned up" as an urgent priority, but did not target similarly-situated stores with mostly non-minority employees with comparable performance;
- g. Director of Human Resources Patricia Sprowell made racially derogatory comments about female African-American employees to a newly hired Regional Manager, saying that such employees will get pregnant "if they touch the counter." She also stated that African-American employees were difficult to manage. On another occasion she instructed a Regional Manager to "figure out a way to get rid" of two African-American employees who had filed race discrimination complaints with the EEOC;
- h. President and CEO Ed Thomas ("Thomas"), Senior Vice President Bachman, and Vice President Harris frequently made store visits, during or after which they instructed managers to "diversify" the work forces in stores with largely African-American employees and to hire and promote white employees who fit the "brand image." They made no such requests

regarding stores that were staffed predominantly by white employees; and

- i. Vice President of Store Operations Harris required a Regional Manager to provide photographs of her District Managers in a portfolio which was used to discuss and evaluate them as candidates for advancement within the company.
- 31. WET SEAL has relied on advertising that predominantly features white models as a means of projecting a "brand image," which was understood in the company to mean white females.
- 32. In order to protect African-American employees from discrimination, managers have taken steps to ensure that African-American employees were not working in the store front when a high level corporate executive made a store visit by, for example, sending African-American employees to the back of the store or on a lunch break when a visit by a corporate official was expected.
- 33. On information and belief, since 2008, senior management positions, including senior corporate managers, Regional Managers, and District Managers, have been held almost exclusively by white employees.
- 34. On information and belief, African-American store management level employees are and have been paid less on average than similarly-situated white employees, promoted at a lower rate and to less desirable stores, and fired at a higher rate than white employees.

### PLAINTIFF COGDELL

- 35. Plaintiff Nicole Cogdell ("Cogdell") was hired by WET SEAL on November 20, 2008 as Store Manager for the WET SEAL retail store in the Springfield Mall, Springfield, Pennsylvania ("Springfield Mall store"). Cogdell had substantial prior retail management experience, including prior employment as a Store Manager at WET SEAL approximately ten years earlier.
- 36. Prior to being hired in 2008, Cogdell was interviewed in person by the WET SEAL Philadelphia District Manager and by telephone by the WET SEAL

Store Manager, saying she wanted someone with "blond hair and blue eyes."

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- 42. Cogdell reasonably felt betrayed, humiliated, and belittled by what she felt were Bachman's obviously racist comments and their implications for her own and her Sales Associates' value to WET SEAL.
- 43. On information and belief, Bachman also stated to the Philadelphia District Manager that Regional Manager Davey "must be out of her mind" to have placed an African American in the position of Store Manager at the King of Prussia store, and that the African-American Cogdell was not the "brand image" WET SEAL wanted to project.
- 44. On information and belief, later that same day (February 27, 2009), Davey called Harris to complain that Bachman was being unfair and was not looking at the objective measures, which showed substantial improvement in the store's performance. Harris assured Davey she would speak to Bachman about it. Bachman terminated Davey from her position as Regional Manager on the following Monday, March 2, 2009. On information and belief, Davey was terminated in retaliation for placing an African American, Cogdell, in the position of Store Manager at the King of Prussia WET SEAL store, and for protesting Bachman's criticisms of Cogdell as unfair.
- 45. On Tuesday, March 3, 2009, Bachman sent an email to the Philadelphia District Manager and others which stated that African-American predominance on store teams was a "huge issue."
- 46. On Tuesday March 3, 2009, Cogdell was advised by the Philadelphia District Manager that her employment was being terminated. On information and belief, Bachman ordered the termination of Cogdell's employment because of Cogdell's race, and advised the Philadelphia District Manager that if the Philadelphia District Manager did not terminate Cogdell, the Philadelphia District Manager would be fired.
  - One day after she received notice of her termination, March 4, 2009, 47.

Cogdell contacted the EEOC and filed a charge of discrimination based on race, in violation of Title VII and the Pennsylvania Human Relations Act. A copy of this charge is attached hereto as Exhibit 2 and incorporated by reference.

- 48. On March 5, 2009, Cogdell contacted Barbara Arneklev ("Arneklev"), WET SEAL's Vice President of Human Relations, to complain about discriminatory comments and treatment and left a voice message requesting a call.
- 49. When Arneklev returned Cogdell's call on March 5, 2009, Cogdell told Arneklev that she was going to her doctor the next day and preferred to communicate in writing.
- 50. Cogdell was greatly distressed by these events and suffered loss of sleep, headaches, and other physical and emotional distress.
  - 51. Cogdell's physician ordered her out of work until March 16, 2009.
- 52. Later on March 5, 2009, the Philadelphia District Manager communicated via email to Cogdell that there was a "new career opportunity" which she would secure in written form. Cogdell never received written confirmation of a "new career opportunity."
- 53. On information and belief, the "opportunity" the Philadelphia District Manager was authorized to offer Cogdell was a demotion back to the lower-paying Springfield Store Manager position.
- 54. Cogdell viewed managing the Springfield store as both a demotion and as part of WET SEAL's pattern of segregating African-American Store Managers by assigning them to stores in mixed or largely African-American markets.
- 55. On March 6, 2009, Arneklev called Cogdell and told her "not to worry" about the Springfield store and said that she could work in the King of Prussia store.
- 56. Cogdell agreed to work at the King of Prussia store on the condition and with the understanding that issues of racism in the workplace would be addressed there before she returned. Cogdell's next day of work at the King of

Prussia store was on March 16, 2009.

- 57. Cogdell reasonably expected that while she was out, WET SEAL would have at least initiated an investigation into racially motivated employment practices under Bachman, and would have reassured employees that racial discrimination in any form would not be tolerated by WET SEAL.
- 58. Instead, Cogdell learned that WET SEAL had taken no steps to address employee concerns about racial discrimination by management when she was approached, the same day, by African-American employees of WET SEAL who had overheard Bachman's comments about Cogdell to the District Manager and had received no follow up from WET SEAL about discrimination and racism in the workplace.
- 59. Cogdell was shocked to learn that WET SEAL had taken no steps to deal with issues of racism, which were clearly known to WET SEAL before her termination and return to work. She advised Arneklev by telephone that she would finish out the day but would not continue to work for WET SEAL because the company had done nothing to address employees' concerns about racism in the workplace. Arneklev said she was "sorry" but made no offer to address the situation.
- 60. Cogdell believed that employment under these conditions had become intolerable. A reasonable African-American employee in the same circumstances would have concluded that continued employment would be intolerable.

  Accordingly, Plaintiff Cogdell was constructively terminated by WET SEAL.
- 61. On or about May 12, 2010, Cogdell filed an amended EEOC charge describing the events that occurred after March 4, 2009, when she filed her initial charge. A copy of the amended charge is attached as Exhibit 3 and incorporated by reference.
- 62. The EEOC investigated Cogdell's treatment by Wet Seal and determined that the evidence established "a violation of Title VII in that Charging

Party was subjected to a hostile work environment and the conditions were so intolerable her only recourse was to resign." A copy is attached as Exhibit 4 and incorporated by reference. The EEOC subsequently issued a Notice of Right to Sue on this charge, and this First Amended Complaint was timely filed within 90 days of this Notice.

- 63. After her constructive discharge by WET SEAL, Cogdell attempted to find work in retail sales but was unable to secure a position despite her experience and qualifications. On information and belief, WET SEAL discriminated and retaliated against Cogdell because of her race and opposition to discriminatory practices by failing to provide fair references to potential employers.
- 64. On information and belief, Cogdell was replaced as Store Manager at the King of Prussia store by a white employee with a poor performance record and less experience and who was paid more than Cogdell was.
- 65. On information and belief, WET SEAL routinely promoted white females to store management and higher positions despite their being unqualified or poor performers according to WET SEAL's internal standards, including, for example, promoting the white manager of the Granite Run store to a high profile store shortly after Bachman described that store as "embarrassing and totally unacceptable-[one] of the worst stores I have seen in a long time!" (Exhibit 1.)
- 66. On information and belief, in or around June 2009, Bachman complimented a Maryland District Manager for her rapid comprehension of the "WET SEAL look," after Bachman toured a store that had previously been staffed largely by African Americans but was then staffed entirely or mostly with white employees. The District Manager understood this comment to refer to the racial composition of the store employees.
- 67. Although as Store Manager she was charged with some hiring responsibilities, at no time during her employment did Cogdell receive any training regarding equal opportunity policies or procedures at WET SEAL.

**PLAINTIFF HAWKINS** 

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- 68. Plaintiff Kai Hawkins ("Hawkins") first began working for WET SEAL in or around July 2002 at the Plymouth Meeting Pennsylvania store. She was promoted to Store Manager within several months. Hawkins was a successful Store Manager who was particularly good at reducing "inventory shrink" in stores she managed, and received commendation and a bonus for that success from WET SEAL.
- 69. In 2003 and 2004, Hawkins was assigned to manage WET SEAL stores in the Oak Ridge Mall in San Jose, California, and the Valley Mall in Santa Clara, California. Both stores had high shrink before Hawkins took over as Store Manager, and both had much improved numbers under Hawkins.
- 70. Hawkins returned to the Philadelphia region in 2004. Although she had been promised a "high profile" store such as King of Prussia, Hawkins was instead assigned to the Gallery Store at Market East in Philadelphia, a store with a much larger percentage of minority shoppers. Hawkins asked repeatedly to be transferred to the King of Prussia store, but was never given the opportunity to manage this store, despite success in all her assignments.
- In 2008, Hawkins was transferred to the Cherry Hill New Jersey store, 71. which has a larger percentage of minority shoppers than King of Prussia. The Cherry Hill store was visited by Thomas, Harris and Bachman at or around the end of 2008. In or around late February or early March, 2009, Hawkins was told by the Philadelphia District Manager that the executive management of WET SEAL had said that if Hawkins did not "diversify" the staff at the Cherry Hill store by hiring more non-black employees within thirty days, she would be terminated. At that time, the Cherry Hill store employees were Hawkins (African-American), one Co-Manager (Asian-American), two Assistant Managers (one African-American and one white), and approximately eight Sales Associates (four African-American, three Latina, and one white).

- 72. On or about March 3, 2009, Hawkins saw the "huge issue" email from Bachman (Exhibit 1). Hawkins was highly offended, but as a single mother she did not feel she had alternatives but to keep working for WET SEAL. On information and belief, WET SEAL executives were aware that Bachman's email had been forwarded to WET SEAL employees, including Hawkins. In March 2009, the Philadelphia District Manager told Hawkins that WET SEAL management wanted to get rid of her and that she should "watch her back."
- 73. After both the Regional and District Managers to whom she reported left the company, in March 2009, the new District Manager made hiring decisions for the Cherry Hill store, and hired non-minority employees, rejecting without explanation an African American recommended by Hawkins. This was contrary to the usual WET SEAL practice, which was for Store Managers to make hiring decisions for their store. On information and belief, these hiring decisions were taken over by the new District Manager in order to assure that new hires at the Cherry Hill store were white.
- 74. Shortly after the new District Manager assumed her duties, she gave Hawkins a written discipline for shrink, despite the fact that the store audit upon which the discipline was based included a period before Hawkins began to work in her store, and WET SEAL senior management were aware that the sensor tags did not work with the Cherry Hill equipment. Hawkins protested the discipline to HR but never received a response. On information and belief, this discipline was unwarranted, was out of proportion to what was imposed on similarly-situated white Store Managers, and was a pretext to begin the process of terminating Hawkins because of her race.
- 75. By 2010, Hawkins was one of only two African-American Store Managers in the Philadelphia District; the other was assigned to the Gallery location Hawkins had previously managed. Hawkins was advised by the Philadelphia District Manager in February 2010 that she was terminated for having

low sales and high shrink results.

- 76. In fact, the Cherry Hill shrink figures had improved since Hawkins took over as Store Manager and were continuing to improve, at the time of her termination. Nor had Hawkins been afforded the benefit of mentoring or progressive discipline, which, on information and belief, was routinely offered to similarly-situated white Store Managers.
- 77. When she had sought transfer to other stores, Hawkins was told that it was WET SEAL policy that Store Managers in high shrink stores are not eligible for promotion or transfer; however, in or around November 2009, an Asian-American Co-Manager from the Cherry Hill store was promoted to manage an Arden B. store.
- 78. Although as Store Manager Hawkins was charged with hiring subordinates, at no time during her employment with WET SEAL did Hawkins receive any training regarding equal opportunity policies or procedures.
- 79. Hawkins observed that African-American employees were terminated despite doing a good job and without any explanation. On information and belief, an African-American employee she supervised, K. Benson, was singled out for termination by Bachman because of her race, as she was a good worker who was liked and respected by her colleagues and by the Philadelphia District Manager, who cried as she terminated Benson.
- 80. On information and belief, during the last two years of her employment at WET SEAL Hawkins' performance was as good as or better than that of white Store Managers. Despite WET SEAL policy that employees receive regular reviews, Hawkins received no performance reviews during her last two years at WET SEAL, which made her ineligible to receive any raise. On information and belief, similarly-situated white employees received performance reviews and raises during this period.
  - 81. On information and belief, similarly-situated white employees with

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82. After her termination, Hawkins sought employment. Despite her

lesser qualifications were promoted to higher paying positions than Hawkins.

- qualifications, she was unable to secure employment until November 2011. On information and belief, WET SEAL discriminated against and retaliated against Hawkins because of her race and opposition to discriminatory practices by failing to provide a fair reference to potential employers.
- 83. During the pendency of the Cogdell and other similar EEOC charges of discrimination, Hawkins filed a timely charge of discrimination with the EEOC, a copy of which is attached hereto as Exhibit 5 and incorporated by reference. The EEOC subsequently issued a Notice of Right to Sue on this charge, and this First Amended Complaint was timely filed within 90 days of this Notice.

### **PLAINTIFF SAINT-HILAIRE**

- 84. Plaintiff Myriam Saint-Hilaire ("Saint-Hilaire") was hired by WET SEAL in January 2007 as an Assistant Manager at WET SEAL's King of Prussia store. She had retail loss prevention experience from her prior work at one of WET SEAL's competitors.
- 85. Although she understood that she was going to be hired into the Co-Manager position, Saint-Hilaire was given the title of Assistant Manager but required to perform the duties of a Co-Manager.
- According to WET SEAL policy, Saint-Hilaire should have received periodic written performance reviews. Salary increases are provided as a result of positive reviews. Saint-Hilaire never received a written performance review. Every time she was due for a review, her Store Manager made an excuse to explain why Saint-Hilaire would not receive a review. As a result, Saint-Hilaire never received the pay increases that would have resulted from positive reviews. On information and belief, similarly-situated white employees received performance reviews and periodic raises.
  - 87. Saint-Hilaire's performance at WET SEAL should have resulted in

- 88. On one occasion in 2007, Saint-Hilaire was written up by her Store Manager for being late (after working late the night before—hours past her scheduled shift—because the store was understaffed), but white associates were frequently late and not written up.
- 89. In or around December 2007, Thomas, then-President and CEO of WET SEAL, visited the King of Prussia store. A few weeks after Thomas's visit to the King of Prussia store, Saint-Hilaire heard from the Philadelphia District Manager that she had been present with Thomas and three or four other high-level corporate executives of WET SEAL when Thomas or his assistant said that they were "not comfortable" with the staff at the King of Prussia store, and that while the store had been doing well, it would do better if the employees had a "different look" that would attract more customers. The Philadelphia District Manager was told to hire an all-new management staff, keeping only the Store Manager (who was white) and an African-American Assistant Manager with a very light complexion. The District Manager later told Saint-Hilaire that Thomas and the other high-level officials wanted her to fire the African-American employees, and that she was under intense pressure to fire the African-American employees in the King of Prussia store.
- 90. Saint-Hilaire was upset by what the Philadelphia District Manager told her. The Philadelphia District Manager said that she would do her best to keep her, and that Saint-Hilaire should "stay under the radar" by keeping the store as clean as possible and not doing anything that would make her a target to be fired.
- 91. At around the same time, in late 2007 or early 2008, the King of Prussia store was understaffed. One Associate said that she knew someone with retail experience who could work in the store. The Store Manager, who was white, asked, "Is she black?" and when the Associate said yes, the Store Manager said that she had been told that they could not hire any more African-Americans, because

there were too many African-Americans and the company "needed diversity."

- 92. The Store Manager also told Saint Hilaire and other store employees that they "need to hire more diversity," that they had a lot of African-American employees, and that they should try to attract the kind of clientele that shopped at their more upscale competitors, such as Abercrombie & Fitch.
- 93. In mid-2008, a white, tall, thin, blond Sales Associate named Leslie was hired to work in the King of Prussia store. The Store Manager hired Leslie because she thought she could "help them" with the "diversity issue" and because she fit the "brand image," which was understood to mean white females. On information and belief, Leslie was also approved for higher pay than the other Associates. When Leslie later indicated that she might leave WET SEAL, she was offered a raise because the management wanted to keep her in the store.
- 94. On information and belief, the Vice President for Store Operations told the Philadelphia District Manager that they needed to hire "people like Leslie for the WET SEAL look" to "be profitable in every way."
- 95. Saint-Hilaire went on maternity leave in late 2008. Several weeks after she returned from leave, she was fired by the Philadelphia District Manager on February 13, 2009. The District Manager was crying when she fired Saint-Hilaire.
- 96. The District Manager told Saint-Hilaire that she was being fired because she was not covering all the areas in the store while training a new associate, and that she did not greet a manager who came into the store. White employees were not disciplined for such conduct, and the store was too short-staffed to allow full coverage of the store. On information and belief, these reasons were a pretext for terminating Saint-Hilaire based on race.
- 97. On information and belief, the Philadelphia District Manager was instructed by senior management to fire Saint-Hilaire because she was African-American.
  - 98. On information and belief, during Saint-Hilaire's employment at WET

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SEAL, she was paid less than similarly-situated white employees, and was denied promotions to better paying positions that less qualified white employees received.

- On information and belief, all or nearly all of the current employees in 99. the King of Prussia store are white.
- 100. On March 9, 2009, Saint-Hilaire filed a race discrimination charge with the EEOC alleging that her termination was discriminatory, a copy of which is attached hereto as Exhibit 6 and incorporated by reference. The EEOC subsequently issued a Notice of Right to Sue on this charge, and this First Amended Complaint was timely filed within 90 days of this Notice.
- 101. After her termination, Saint-Hilaire attempted to find employment. WET SEAL refused to give her a reference or even verify her employment. On information and belief, this refusal to verify employment or give a reference was in retaliation to Saint-Hilaire's opposition to WET SEAL's discriminatory practices and filing of an EEOC charge and was intended to and did interfere with Saint-Hilaire's ability to find subsequent employment.

#### **PLAINTIFF GUIDER**

- 102. Plaintiff Michelle Guider ("Guider") was hired by WET SEAL in or around September of 2009 as a Sales Associate in the Arden B. store in Durham, North Carolina. Guider had prior management experience.
- 103. At that time, the Durham store management team was made up of one Store Manager (white) and two Assistant Managers (one white and one African-American). All but one of the four to seven Sales Associates were African-American.
- 104. According to WET SEAL policy, Guider should have received periodic written performance reviews. WET SEAL employees are awarded salary increases based on positive performance reviews.
- 105. Guider never received a written performance review. On information and belief, similarly-situated white employees received performance reviews and

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periodic raises.

- 106. Guider orally received positive feedback about her performance from her Store Manager, including the Store Manager's recommendation that Guider be promoted to Assistant Manager. Guider's performance at WET SEAL should have resulted in positive performance reviews.
- 107. In or around July 2010, the Durham Store Manager promoted Guider to Assistant Manager.
- 108. In mid-2010, the Store Manager resigned and a white Assistant Manager was promoted to Store Manager.
- 109. On one occasion in 2010, Guider overheard the North Carolina District Manager, Marleen Coakley, and the new Store Manager discussing store hiring. One of them stated that the store needed to hire "some white girls, some Hispanic girls to broaden the horizon." She stated that the store needed to hire more students from the University of North Carolina at Chapel Hill, a school that is known in the area to be predominantly white.
- 110. On another occasion in 2010, the Store Manager told Guider that the store "needed to hire a more diverse group of girls." At that time, nearly all of the Sales Associates in the Durham store were African-American.
- 111. When Coakley visited the Durham store, she did not speak to African-American employees, except to criticize an African-American Sales Associate about her appearance. The Sales Associate was fired in or around February 2011.
- 112. On information and belief, Coakley imposed a new rule that Store Managers were not permitted to hire Sales Associates without Coakley's participation in a second-round interview. During one such interview at another Arden B. store in North Carolina, Coakley asked the candidate "So what are you?" referring to the candidate's ethnicity.
- 113. In or around February of 2011, Coakley visited the Durham store and told Guider that her performance needed to improve. Although Coakley had visited

the Durham store on at least two prior occasions, this was the first time Guider received any feedback from Coakley on Guider's performance at WET SEAL.

- 114. Coakley told Guider that she wanted to work with her to improve Guider's performance in the areas of sales and store displays. Coakley stated that she would visit the store more often to assist Guider in these areas. Guider responded positively to what she believed to be an opportunity for professional development, and she expressed a willingness to work on the stated performance objectives.
- 115. Later that same week, Coakley informed Guider that she was being demoted to Sales Associate at a lower rate of pay.
- 116. On information and belief, Coakley instructed the Store Manager to reduce Guider's work hours. Guider had previously worked full-time as an Assistant Manager and before that, three to four days per week as a Sales Associate. After she was demoted, Guider was scheduled to work only one regular shift and two "call-in" shifts, which meant she would not work unless another employee was absent.
- 117. Guider felt humiliated by having to work alongside employees whom she had previously supervised. She was unable to support herself without regularly scheduled shifts. Guider believes that Coakley demoted her and reduced her hours and pay to force Guider to resign.
- 118. Guider believed that employment under these conditions had become intolerable. A reasonable African-American employee in the same circumstances would have concluded that continued employment would be intolerable.

  Accordingly, Guider was constructively discharged. Guider resigned from WET
- 119. On information and belief, during Guider's employment at WET SEAL, she was paid less than similarly-situated white employees.

SEAL in or around February 2011.

120. On information and belief, Guider was replaced as Assistant Manager

by a white employee with less experience who was hired after Guider and whom Guider had trained. An African-American Sales Associate also expressed interest in the vacant Assistant Manager position, but she was denied an interview even though she had a positive performance record and more experience than the white employee who was ultimately selected.

- 121. On information and belief, after Guider was forced to resign from WET SEAL, three additional African-American women who had been Sales Associates at the Durham store were fired.
- 122. On information and belief, Coakley instructed the Store Manager to terminate the employment of one of the African-American Sales Associates for leaving her cell phone in the break room instead of inside her locker, but white Sales Associates frequently carried cell phones on the sales floor and were not disciplined or fired.
- 123. On information and belief, Coakley also instructed the Store Manager of the WET SEAL store in Greenbrier, North Carolina to fire or demote black employees and replace them with white employees. All or nearly all of the current employees at the Durham store are white.

## FIRST CLAIM FOR RELIEF: DISCRIMINATION IN VIOLATION OF 42 U.S.C. § 1981

- 124. Paragraphs 1-123 are incorporated by reference. This claim is brought on behalf of Plaintiffs and the class they represent. The foregoing conduct violates 42 U.S.C. § 1981 because such conduct discriminates against the Plaintiffs and class on the basis of their color and race.
- 125. As a result of WET SEAL's discriminatory conduct, Plaintiffs and the class they represent have been denied equal pay and have lost compensation and benefits they would have been entitled to in the absence of discrimination, and have suffered emotional distress and consequential damages.
  - 126. WET SEAL has performed the acts alleged with malice, fraud,

oppression, and/or reckless indifference to the protected rights of Plaintiffs and the class. Plaintiffs and the class are thus entitled to recover punitive damages in an amount according to proof.

### SECOND CLAIM FOR RELIEF: RETALIATION IN VIOLATION OF 42 U.S.C. § 1981

- 127. Paragraphs 1-126 are incorporated by reference. This claim is made on behalf of Plaintiffs Cogdell, Hawkins, and Saint-Hilaire.
- 128. The foregoing conduct violates 42 U.S.C. § 1981 because such conduct was in retaliation to the opposition by Cogdell, Hawkins, and Saint-Hilaire of discrimination on the basis of race and color. As a result of WET SEAL's discriminatory conduct, Plaintiffs Cogdell, Hawkins, and Saint-Hilaire have lost compensation and benefits to which they would have been entitled in the absence of discrimination, and have suffered emotional distress and consequential damages.
- 129. WET SEAL has performed the acts alleged with malice, fraud, oppression, and/or reckless indifference to the protected rights of Cogdell, Hawkins, and Saint-Hilaire. Cogdell, Hawkins, and Saint-Hilaire are thus entitled to recover punitive damages in an amount according to proof.

## THIRD CLAIM FOR RELIEF: DISCRIMINATION IN VIOLATION OF TITLE VII OF CIVIL RIGHTS ACT OF 1964

- 130. Paragraphs 1-129 are incorporated by reference. This claim is brought on behalf of Plaintiffs and the class they represent. The foregoing conduct violates Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000e et seq.) because such conduct discriminates against the Plaintiffs and class on the basis of their color and race. Plaintiffs and the class have met all statutory prerequisites to suit and have filed these claims in a timely manner.
- 131. As a result of WET SEAL's discriminatory conduct, Plaintiffs and the class they represent have been denied back pay and front pay and have lost compensation and benefits they would have been entitled to in the absence of

132. WET SEAL has performed the acts alleged with malice, fraud, oppression, and/or reckless indifference to the protected rights of Plaintiffs and the class. Plaintiffs and the class are thus entitled to recover punitive damages in an amount according to proof.

### FOURTH CLAIM FOR RELIEF: RETALIATION IN VIOLATION OF TITLE VII OF CIVIL RIGHTS ACT OF 1964

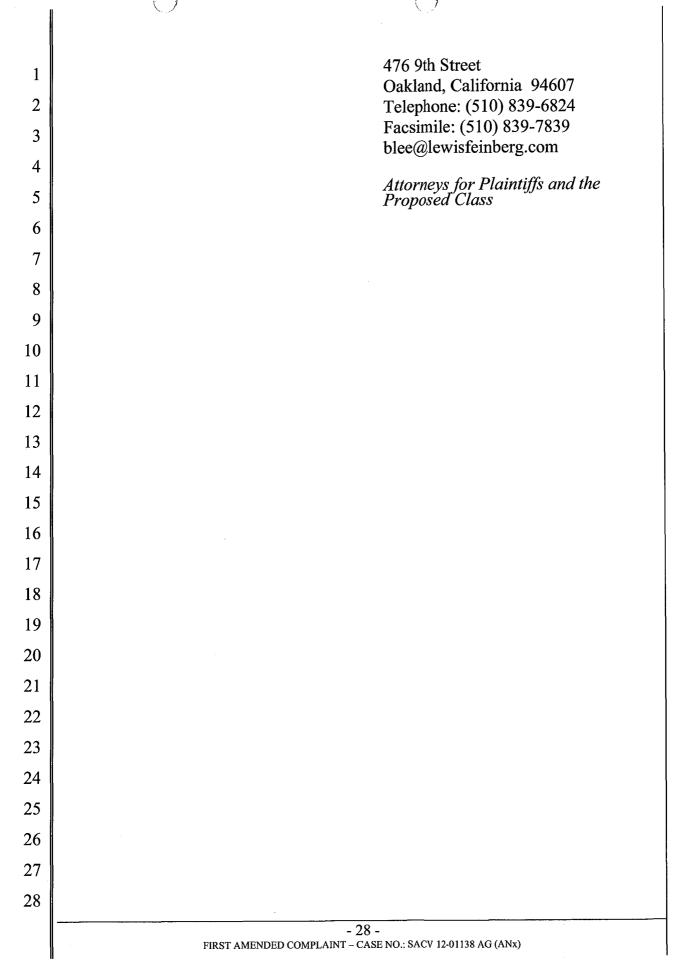
- 133. Paragraphs 1-132 are incorporated by reference. This claim is made on behalf of Plaintiffs Cogdell, Hawkins, and Saint-Hilaire. Plaintiffs have met all statutory prerequisites to suit and have filed these claims in a timely manner.
- 134. The foregoing conduct violates Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000e et seq.) because such conduct was in retaliation to the opposition by Cogdell, Hawkins, and Saint-Hilaire of discrimination on the basis of race and color. As a result of WET SEAL's discriminatory conduct, Plaintiffs Cogdell, Hawkins, and Saint-Hilaire have lost compensation and benefits to which they would have been entitled in the absence of discrimination, and have suffered emotional distress and consequential damages.
- 135. WET SEAL has performed the acts alleged with malice, fraud, oppression, and/or reckless indifference to the protected rights of Cogdell, Hawkins, and Saint-Hilaire. Cogdell, Hawkins, and Saint-Hilaire are thus entitled to recover punitive damages in an amount according to proof.

### FIFTH CLAIM FOR RELIEF: HOSTILE ENVIRONMENT IN VIOLATION OF TITLE VII OF CIVIL RIGHT ACT OF 1964

136. Paragraphs 1-135 are incorporated by reference. This claim is brought on behalf of Plaintiff Cogdell. The foregoing conduct violates Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000e et seq.) because such conduct created a hostile racial environment and forced the constructive termination of Plaintiff Cogdell. As a result of WET SEAL's discriminatory conduct, Plaintiff

1	Cogdell has lost compensation and benefits to which she would have been entitled				
2	in the absence of discrimination, and has suffered emotional distress and				
3	consequential damages.				
4	137.	WET SEAL has performed the acts alleged with malice, fraud,			
5	oppression,	ppression, and/or reckless indifference to the protected rights of Cogdell. Cogdell,			
6	is thus entitled to recover punitive damages in an amount according to proof.				
7	PRAYER FOR RELIEF				
8	WHEREFORE, Plaintiffs pray for relief as follows:				
9	1.	An order reinstating Plaintiffs and class members to their rightful			
10	positions;				
11	2.	All lost pay and benefits sustained by Plaintiffs and the class as a result			
12	of WET SEAL's conduct according to proof;				
13	3. Compensatory damages for emotional distress;				
14	4. Front pay for Plaintiffs and the class;				
15	5.	5. Punitive damages for Plaintiffs and the class;			
16	6.	Costs incurred, including reasonable attorneys' fees to the extent			
17	allowable by law;				
18	7.	Pre-judgment and post-judgment interest, as provided by law; and			
19	8.	Such other and further legal and equitable relief as this Court deems			
20	necessary, just, and proper.				
21	JURY TRIAL DEMAND				
22	Plaintiffs on behalf of themselves and all other similarly, situated, demand a				
23	jury trial in this action for all claims so triable.				
24	Dated: January 9, 2013 By:				
25		Bill Lann Lee			
26		Bill Lann Lee (SBN 108452)			
27		LEWIS, FEINBERG, LEE,			
28		RENAKER & JACKSON, P.C.			
		- 27 -			

FIRST AMENDED COMPLAINT - CASE NO.: SACV 12-01138 AG (ANx)



# EXHIBIT 1

Prom: Berberg Bachman VICE PUSIGENT WHILE TO: Cristina Sanchez

Co: Barble Harris Sent: Mon Mer 02 14:33:48 2009

Subject: FW: Barbara/Maria/Andrea Store Visit Notes

#### Christing.

Plasse review and we can talk tomorrow! I really need you to work around the clock to get these Issues resolved and get this market turned appund immediately! I will call you sometime tomorrow! Thanks! bo

Store Visits - Maryland, and Philadelphia Markets

20 stores ( 6 AB & 14 WA)

Stores Visited;

**WS Lake Forest** 

**AB Montgomery** 

WS Owing Mills

WS/AB Towson

WS White March

WS Galleria at Harbor

alfiM lebnurA SW

WS Annapolis

W6 Tyson's

W6/AB King of Prussia

WS Plymouth Mesting

**AB Willow Grove** 

WS/AB, Cheny Hill

AB Wainut.Street

WS Gallery at Market



WS Deptford

Ws springfield

Global Issues:

Lack of Leadership

DD's need clarity of expectations - DD's must work around the clock and do what it takes to get this market turned around

Store Teams - need divertification American dominate - huge leave

ristoor Place Galleria - Antipolis and the Grante Run stores were embarressing and totally unacceptable. Some of the worst stores i flave seen in a long time!

Majority of stores are not still in tollowing marketing and visual directives - tend to do their own thing

Stores are borrowing back from other stores (Galleria - Harbor Piece borrowed a case from Victoria Secret Charry Hill using WS back)

The majority of stores do indigunderstand the "shop" concept within the store

Majority of stores had not satisfied or completed the honger size ring task

WS King of Prussia .....

Store Manager is not right his this store - she has been in this store for a munth!

The new fixture package in this store looked femasticil

AB King of Prussia

Staff appeared Irlandly

Store presented well

WS Plymouth Meeting

Melise and Tine (Melises: Hot Topic lock)

Employee came to work #5 minutes early and started to watch a parsonal video in the backroom

Compleined of Air conditioning being broken - people have been sent to fix if twice and still not fixed

Empty wall unit cannot be used as it has caused 2 fires

"E" of Wet Seal - flames.

Visually solid

AB Willow Grove

Staff was friendly

Strong week - up 30 percent

Need to check damages

"Backroom Inspection" log still posted on backroom door - No longer use

WS Cherry Hill

WS - Store was visually unappealing -

Long lines at the cash wrap and fitting rooms - of the & fitting rooms they had - one was housing fixtures and could not be used

15

Nordstrom - opening Mackage7th

Mail renovation looked gradity Lots of traffic - 2 level XXI going in

Missing Clearance BIG1 had 1 cant - rounder not signed

Did not execute Velettine markdown

Take down manusquine differs high in the sir

Maria - Andrea, Matt and lifte "adopting" this store

Had not even started to exist the hanger size rings

Need to get some of the exite mannequins form Tyson's

**AB Cherry Hill** 

Holiday Policy signs were still posted at the cash wrap

Kamai - Asst working - did not appear friendly

Store using W8 bags

**AB Wainut Street** 

Great layout of store

Staff was friendly

DD communicated an LP ligue

Leatheratte jackets dong vijill

Good traffic

WS Gallery at Market

Good Manager for this store . .

EAS system has not worked properly in a year! If you throw the merchandise in the air up high . It activates the

1 Htting room door bedieve

Sont a vacuum - needs bugs

Directed store to put ENR merchandles adjacent from the cash wrep

Candidate for Panty tables?

Lease does not expire until 2013 - there is the original Contempo store with a small face lift

DD has only been there twice since November

Guard service - not good - Managar has to tell him not to read the newspaper -

WS Deptord

Store is AAA - borderline AAAA - liventory level and assortment was worse than an A store Staff was very friendly - Liked the store manager - Stephanie - a lottl

Granite Run

Store had hung the BA Peace signature the platform

Store had no music on - the player had broken the day before

Store was embarressing) Visuals and outlite looked ridiculousi

WS Springfield

New Store Manager lacked fast pased retail skill - bad hire Stephania from Deptford was in this atore training her Gave direction to rework sport and boot wall

# EXHIBIT 2

- Case 8:12-cv-01138-AG-AN Document 49 Filed 01/09/13 Rage 36 of 50 Page ID #:380

EECC FORM & (BAD1)							
CHARGE OF DISCRIMINATION	Charge	Presented To:	Agency(ies) Charge No(s):				
This form is affected by the Privacy Act of 1874. See enclosed Privacy Act Statement and other information before completing this form.		FEPA					
t Company and Carlot Businessen; pototo opriprigating and route.	X	EEOC	530-2009-01834				
Pennsylvania Human Relatio		mission	and EEOC				
State or local Agency, ii Name (indicate Mr., Me., Mrs.)	eny	Home Phone (Incl. Area	Code) Date of Birth				
Nicole Cogdell							
Street Address City, State and Zir	Z Code						
		•					
	·						
Named is the Employer, Labor Organization, Employment Agency, Apprenticeship Com Discriminated Ageinst Me or Others. (If more than two, list under PARTICULARS below	mittee, or St v.)	ate or Local Government	Agency That I Believe				
Name ,	No. Employees, Membera		Phone No. (Include Area Code)				
WET SEAL		500 or More	(610) 768-0331				
Street Address City, State and Zif	Code						
160 North Gulph Road, King Of Prussia, PA 19460		•					
Name	No. Employees, Member		Phono Noc (Indials Price Code)				
•			AR LAD				
Street Address City, Blate and Zir	<sup>2</sup> Code		6 일을				
		•	. = E				
DISCRIMINATION BASED ON (Check appropriate box(es).)		DATE(S) DISCR	IMINATION TOOK POADE				
Transmit transmit transmit transmit	Earliest	SO CHARGE					
RETALIATION AGE DISABILITY OTHER	HER (Specify below.)  CONTINUING ACTION						
THE PARTICULARS ARE (# additional paper is needed, attach extra sheel(s)):							
I was hired by Respondent as a Store Manger at its Springfield	j, PA loca	tion on 11/10/200	8. On 1/02/2009, I				
was promoted to Store Manager for King of Prussia and I simul month and a half before splely concentrating on King of Prussi	litaneousi la I bad r	y ran boin siores i ac performance de	or approximately a eficiencies. On March				
month and a half before solely concentrating on King of Prussia. I had no performance deficiencies. On March 3, 2009, I was given my termination notice (given two weeks) by Christina Sanchez, District Director. I believe							
the reason for my termination was my race, black.							
I believe that in violation of Title VII of the Civil Rights Act of 19	964. as ar	nended. I have be	en notified of my				
termination on the basis of my race, black. I believe a class o	f blacks (	District-wide and p	erhaps nationally)				
have been denied hire or terminated because of this race-based decision. Respondent's Senior Executive							
Management has issued a directive to decrease the number of Black employees and hire Caucasians District wide. Approximately two weeks ago, I myself was told to discharge Black employees and hire white							
employees. I was actively trying to transfer my Black employees to another store (Springfield) so not to fire							
them. I transferred Cassie (white) and Kathleen (white) over to King of Prussia. Christina Sanchez told me to							
set up interviews solely based on hiring whites (race).	TARY William	necessary for State and Loo	ul Aronnu Bonnicomenie				
I want this charge filed with both the EEOC and the State or local Agency, if any. I will advise the agencies if I change my address or phone number and I will cooperate fully with them in the processing of my charge in accordance with their procedures.	i Mize Anishu i		a usanch wedninguesur				
l aw			ve charge and that it is true to				
	nowledge, information an COMPLAINANT	in holiel					
VI VALANTERNALANI	•		• •				
	SCRIBED AN	O SWORN TO BEFORE ME	THIS DATE				
Dale Charging Party Signsture	. 2.4.						
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Case 8:12-cv-01138-AG-AN Document 49 Filed 01/09/13 Rage 37 of 50 Page ID #:381

U.S. E બ્રી Employment Opportunity હ*િ*ાmission EEOC FORM 131 (5/01) PERSON FILING CHARGE Ms. Barbara Amiekiez V. P. of Human Resources Nicole D. Cogdell **WET SEAL** THIS PERSON (check one or both) 26792 Burbank Claims To Be Aggrieved Foothill Ranch, CA 92610 Is Filing on Behalf of Other(s) EEOC CHARGE NO. 530-2009-01834 NOTICE OF CHARGE OF DISCRIMINATION (See the enclosed for additional information) This is notice that a charge of employment discrimination has been filed against your organization under: Title VII of the Civil Rights Act The Americans with Disabilities Act The Age Discrimination in Employment Act The Equal Pay Act The boxes checked below apply to our handling of this charge: No action is required by you at this time. Please call the EEOC Representative listed below concerning the further handling of this charge. 2. 3. a statement of your position on the issues covered by this charge, with copies of any Please provide by supporting documentation to the EEOC Representative listed below. Your response will be placed in the file and considered as we investigate the charge. A prompt response to this request will make it easier to conclude our investigation. Please respond fully by to the enclosed request for information and send your response to the EEOC Representative listed below. Your response will be placed in the file and considered as we investigate the charge. A prompt response to this request will make it easier to conclude our investigation. EEOC has a Mediation program that gives parties an opportunity to resolve the issues of a charge without extensive investigation or expenditure of resources. If you would like to participate, please say so on the enclosed form and respond by If you DO NOT wish to try Mediation, you must respond to any request(s) made above by the date(s) specified there. For further inquiry on this matter, please use the charge number shown above. Your position statement, your response to our request for information, or any inquiry you may have should be directed to: William D. Cook, **Philadelphia District Office Enforcement Manager 801 Market Street** EEOC Representative **Suite 1300** Philadelphia, PA 19107 (215) 440-2634 Telephone Enclosure(s): Copy of Charge CIRCUMSTANCES OF ALLEGED DISCRIMINATION X RACE COLOR SEX RELIGION NATIONAL ORIGIN AGE DISABILITY RETALIATION See enclosed copy of charge of discrimination. Signature Date Name / Title of Authorized Official Marie M. Tomasso, March 19, 2009 **District Director** 

05/12/2010 11:04	61056、:57	GALLAGH	ER SCI	HOE( )	_LD		PAGE	02/02
AMENDED	CHARGE OF DISCRIMINATION ECY Act of 1974; See Privacy Act Statem	ent before	AGEN OFEPA	١ ١		number -2009	-018	24
	rasylvania Human Relations Commission	and EEOC				0		
NAME (Indicate Mr., Ms., Mrs.)  HOME TELEPHONE (Include Area Code)  Ms. Nicole Cogdell								
STREET ADDRESS	CITY. STATE AND ZI	P CODE		DA'	TE OF BIRT	ПН	·	
NAMED IS THE EMPLOYER, LABOR ORGANIZATION, EMPLOYMENT AGENCY APPRENTICESHIP COMMITTEE, STATE OR LOCAL GOVERNMENT AGENCY WHO DISCRIMINATED AGAINST ME (if more than one list below.)								
NAME: NUMBER OF EMPLOYEES, MEMBERS TELEPHONE NUMBER (Include Area Code) The Wet Seal, Inc. 590 or more								
STREET ADDRESS 160 North Gulph Read	CITY, STATE AND ZIP CO King of Provin, PA, 1946			COUNT Montgo	_			
CAUSE OF DISCRIMINATION BASED ON (Check appropriate box(cs))  B RACE   COLOR   C SEX   ORELIGION   C NATIONAL ORIGIN   EARLIEST   LA 2/109   3/10			TEST C	K PLACI				
THE PARTICULARS ARE:  I am a Black female with significant retail marketing experience. I was hired by Respondent as a Store Manager at its Springfield, PA location on 11/10/08. On 1/2/09, I was promoted to Store Manager for King of Prussia and I simultaneously ran both stores for approximately a month and a half before solely concentrating on King of Prussia. I had no performance deficiencies.  February, after visiting the King of Prussia store, Respondent's Senior Executive Management issued a directive complaining about the number of Black employees; they said the King of Prussia store looked great but I was "wrong" for the store (I believe this was a reference to my race). Shortly thereafter, I was told to discharge Black employees and hire white employees. Instead, I tried to transfer my Black employees to another store (Springfield) so as not to fire them. I transferred Cassie (white) and Kathleen (white) over to King of Prussia. District Director Cristina Sanchez told me to set up interviews solely based on hiring whites (race). On March 3, 2009, I was given my termination notice (given two weeks) by Cristina Sanchez. I believe she was instructed to terminate me because of my race, black, and because I was trying to save the jobs of Black employees. I filed a charge immediately.  After I told Wet Seal HR that I had filed a charge of discrimination, they said they would "take care" of the situation and asked me to return to work at the King of Prussia store. I returned on March 20, 2009. As soon as I arrived for work, I was approached by Black employees who reported they were being terminated based on race. I finished out my work day and then resigned because I could not work in an environment where senior management made decisions based on race, and where they had not taken steps to halt discrimination against these employees after they promised to fix the problems. My replacement was white. I believe she was less qualified than me, but was paid more.								
I believe that in violation of Title VII of the Civil Rights Act of 1964, as amended, and the PHRA. I have suffered hostility, discrimination, termination and constructive discharge on the basis of my race, black. I believe a class of blacks (District-wide and perhaps nationally) has been denied hire or terminated because of race-based decisions. I request that the EEOC conduct an investigation on behalf of me and all other similarly-situated employees or potential employees.  NOTARY - (when necessary for State and Local								
If want this charge filed with both the EBOC and the State or local Agency. I will advise the agencial charge my address or telephone number and ecoperate fully with them in the processing of my charge is accordance with their procedures.		B 18'   1	Requirem	icits)				
			;	I swear or affirm that I have read the above charge and is true to the best of my knowledge, information and be				
declare under penalty of perjury to the declare under the declare un	but the foregoing is true full correct.  High party (signature)	III	<u>_</u>	SUBSCR DATE		MPLANVANT SWORN TO BI	efore m	: THIS

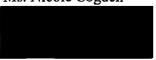


### U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION Philadelphia District Office

801 Market Street, Suite 1300 Philadelphia, PA 19107-3127 Intake Information Group: (800) 669-4000 Intake Information Group TTY: (800) 669-6820 Philadelphia Status Line: (866) 408-8075 Philadelphia Direct Dial: (215) 440-2602 TTY (215) 440-2610 FAX (215) 440-2632, 2848 & 2604

CHARGE NUMBER: 530-2009-01834

Ms. Nicole Cogdell



vs.

Wet Seal, Inc. 26972 Burbank Drive Foothill Ranch, CA 92610



#### **DETERMINATION**

Under the authority vested in me by the Commission, I issue the following determination as to the merits of the above-cited charge. All requirements for coverage have been met under Title VII of the Civil Rights Act of 1964, as amended (Title VII).

Charging Party alleges that because of her race (Black) she was subjected to harassment and a hostile work environment. Charging Party alleges that because of the harassment, she constructively discharged her employment. Charging Party further alleges that Respondent replaced her with a white female, who was less qualified and paid a higher salary.

Charging Party was re-hired with Respondent on November 10, 2008 as a Store Manager in its Springfield, PA store. In February 2009, Respondent's Regional Director, officially assigned her to the position of Store Manager in the King of Prussia location. Charging Party alleged that on March 3, 2009, she saw an email in which Barbara Bachman, former Sr. Vice President of Operations, drafted summarizing the results of her store visits. In Bachman's memo she referenced the King of Prussia store as having too many African Americans, which was problematic, and concluded that Charging Party was not "right" for the store. On March 4, 2009, Charging Party called Barbara Arneklev, former Vice President of Human Resources, to complain about Ms. Bachman's comments and expressed concern that Respondent was considering Charging Party's termination. Because of these events, Charging Party went on medical leave. Ms. Arneklev assured Charging Party her job was safe and instructed her to return to her assigned store at the completion of her medical leave.

Charging Party returned to work on March 20, 2009. Upon her return, African American employees approached her to report they were being terminated because of race. On the same day, Charging Party resigned in protest of the terminations and having to address the numerous

discrimination concerns of her employees. She alleges that her replacement was white, with less experience and paid a higher salary.

Respondent denies the charges and states that Cogdell resigned her position and, thus, there has been no adverse employment action. Respondent states it originally hired Charging Party in September 2002 and she resigned in January 2003 for unknown reasons. It further contends that Charging Party's race was not an issue since she was re-hired in November 2008. Respondent contends that on January 2, 2009, the Regional Director, Meghan Davey, transferred Charging Party to King of Prussia, a higher volume store with underperforming sales, without Respondent's approval. With respect to the Bachman e-mail, Respondent failed to address the issue in its position statement. However, during the August 10, 2010 deposition, Bachman averred that she wrote the memo to stress the importance of having diversity in all stores.

With respect to the wage issue, Respondent stated it hired Nicole Moser on March 23, 2009 to replace Charging Party. Respondent contends that it paid Moser a higher salary because of her experience as a District Manager and that she held a store manager position earning a salary of \$54,800 in a different retail environment that was significantly larger than Wet Seal. Therefore, she was offered a job with Respondent at a salary of \$48,999.12.

An analysis of documental and testimonial evidence reveal that corporate managers have openly stated they wanted employees who had "the Armani look, were white, had blue-eyes, thin, and blond in order to be profitable." A review of the e-mail Ms. Bachman distributed after conducting store visits in the Maryland and Philadelphia markets, stated the following: Global Issues: "Stores Teams- need diversity African Americans dominate – huge issue." Bachman proceeded to give her observations of individual stores. Under [Wet Seal] King of Prussia, Bachman wrote, "Store Manager is not right for this store-she has been in this store for a month!"

A review of Charging Party's employment record during her five-month employment shows she demonstrated outstanding performance and her store sales and shrinkage records exceeded standards. Charging Party's Regional Director and District Manager described her as having great energy, strong ability to hold all members of management accountable around payroll, shipment processing and placement, backroom and sales floor standards. Further records show that under Charging Party's leadership, the King of Prussia store received high ratings and positive feedback from the Field Visual Manager and Loss Prevention Manager. Under Charging Party's supervision, the records show the King of Prussia store ranked Number 8 in the company.

A review of Ms. Bachman's personnel file revealed that in previous years, Respondent warned her about making discriminatory remarks about males that ultimately resulted in a gender discrimination complaint. However, Respondent retained Ms. Bachman in high-level management positions with supervisory authority. With respect to the memo that generated the instant charge, Ms. Bachman only received a written warning but no further action was imposed to prevent such conduct from arising in the future. Ms. Bachman voluntarily resigned in Year 2011.

With respect to Charging Party's constructive discharge claim, The Supreme Court held, to establish "constructive discharge" in a hostile environment claim the [Charging Party] must prove that she was the victim of a hostile work environment and that "the abusive working environment became so intolerable that her resignation qualified as a fitting response."

In the instant charge, the evidence demonstrates that Charging Party was under insurmountable pressure following the corporate visit in February 2009. The material facts of the case reveals, Barbara Harris, Vice President of Operations, instructed Sanchez to demote Charging Party and transfer her back to the Springfield location, which is a lower volume store. Respondent failed to proffer a legitimate business reason to justify transferring Charging Party to a lower volume store but for the fact, she was an African American.

Witness interviews corroborate Charging Party's claims that she was upset at the prospect of Respondent terminating African American employees in King of Prussia based on Bachman's assessment that African American dominance in the sales force was a "huge issue". Charging Party faced further humiliation to know corporate officials considered her as not being "right" for King of Prussia despite her glowing performance as its store manager. Witness interviews revealed that Bachman never expressed diversity concerns in stores with a predominantly White sales force but encouraged it because the sales force mirrored the community.

Charging Party complained to Human Resources about the discriminatory e-mail and comments but no corrective action was taken. Thus, Charging Party went on a medical stress leave due to the stressful working conditions. Upon her return to work, African American employees bombarded Charging Party with concerns of ongoing race discrimination and possible terminations over which she had no control. Respondent's failure to take effective remedial and corrective action to address the egregious managerial conduct of Bachman and other corporate officials, created a stressful and hostile working environment for Charging Party coupled with the fact, she was employed with a company where managers were instructed to make employment decisions based on race.

Based on this analysis I have determined that the evidence obtained during the investigation establishes a violation of Title VII in that Charging Party was subjected to a hostile work environment and the conditions were so intolerable, her only recourse was to resign. No finding is made with respect to any remaining issues.

Upon finding that there is reason to believe that a violation has occurred, the Commission attempts to eliminate the alleged unlawful practices by informal methods of conciliation. Therefore, the Commission now invites the parties to join with it in reaching a just resolution of this matter. In this regard, conciliation of this matter has now begun. Please be advised that upon receipt of this finding, any reasonable offer to resolve this matter will be considered. The Commission may seek an amount inclusive of the applicable cap to Respondent's organization for compensatory and punitive damages and actual monetary losses incurred by the Charging Party.

A Conciliation Agreement will be mailed with a demand to include actual and compensatory and/or punitive damages, if any; and, if appropriate attorney fees and costs which have accrued

to date. Again, the Commission's is postured to consider any reasonable offer during this period. If an offer has not been previously submitted, Respondent is requested to accept, reject, or submit a counteroffer within 15 days of its receipt of the conciliation proposal, which will be forthcoming shortly separately. The confidentiality provisions of the statute and Commission's Regulations apply to information obtained during conciliation.

If the Respondent declines to discuss settlement or when, for any other reason, a settlement acceptable to the office Director is not obtained, the Director will inform the parties and advise them of the court enforcement alternatives available to aggrieved persons and the Commission.

On Behalf of the Commission:

Date

11/24/2012

Cc: Nancy DeMis, Esquire Counsel for Charging Party

> Nancy Abell, Esquire Counsel for Respondent

Spencer H. Lewis District Director

### Case 8:12-cv-01138-AG-AN Document 49 Filed 01/09/13 Page 46 of 50 Page ID #:390

SUBSCRIBED AND SWORN TO BEFORE ME THIS

DATE (day, month and year)

10/05/2012 12:51 63	10ა668257	GALLAG	HER SU	HOENFELD	PAGE 03/04		
CHARGE OF DISCRIMINATION  This form is affected by the Privacy Act of 1974; See Privacy Act States or rolleting this form.			AGENCY BEEOC	CHARGE NUMBER 530-2413	-00151		
Pennsylvar	nia Human Relations Commissio	on and EBOC					
NAME (Indicate Mr., Ms., Mrs.) Kai Haw	vkins	HOME TELEPHON	E (Include	Area Code)			
STREET ADDRESS	CITY, STATE AND Z	CIP CODE		DATE OF BIRTH			
NAMED IS THE EMPLOYER, LABOR GOVERNMENT AGENCY WHO DISC	ORGANIZATION, EMPLOY CRIMINATED AGAINST ME (	MENT AGENCY A	PPRENT	TCESHIP COMMITTEE, STA	ATE OR LOCAL		
NAME: The Wet Seal, Inc.	NUMBER OF EMPLOYEES 500 or more	, MEMBERS		TELEPHONE NUMBER (Include Area Code) 949-699-3900			
Store: Cherry Hill Mall, Haddonfield Road at Kaighns Avenue, Cherry Hill NJ 08002				COUNTY Camden, NJ Orange County, CA.			
				ATE DISCRIMINATION TO ARLIEST LATEST √	OOK PLACE CONTINUING ACTION		
THE PARTICULARS ARE:  I bolieve I have been discriminated against on account of my race (African-American) and color (black). This discrimination is part of a pattern or practice and polley of discrimination against African-American and black employees and former employees of Wet Seal as follows:  I began working for WET SEAL in around July 2002 at the Pymouth Meeting Pennsylvania store. I was promoted to Store Manager (SM) within several months. In 2003 and 2004, I effectivoly managed WET SEAL stores in California. I returned to the Philadolphia region in 2004, where I had been promised a "high profile" store such as king of Prussia (KOP). Instead, I was assigned to the Callery Store at Market East in Philadelphia, a lower volume store with a larger percentage of minority shoppers. I repeatedly requested transfer to KOP or another better-ranked store. African American management employees were almost exclusively limited to positions in lower volume, Jower profile stores with higher minority eustomers, and were much less likely to be placed in better malls or those with largely white coustomer bassos.  In 2008, I was assigned to manage the Cherry Hill New Jersey store, which has a larger percentage of minority shoppers than KOP. The Cherry Hill store was visited by CEO Ed Thomas (white), and VPS Barbara Harris (white) and Barbara Bachman(white) in or around late 2008. Around Peb/March, 2009, Philadelphia District Manager ("DM") Cristina Sanchez told me that I was required to "diversity" my team by hitring more white employees within thirty days, or I would be terminated. At around the same time, Sanchez forwarded an email from Barbana saying African American dominance on store "saxs a "hage issue." I did not follow the order to "diversify" the store team, which would have meant terminating employees based on race.  **Jos was a "hage issue." I did not follow the order to "diversify" the store team, which would have meant terminating and propers and the was ordered to terminate Benson by VP Barbara Bachman (white							
change my address or telephone number and a accordance with their procedures.	OC and the State or local Agency. I will advise the agenc cooperate fully with them in the processing of my charge		ín l	equirements) swear or affirm that I have read th true to the best of my knowledge			
I declare under penalty of perjury that the	c foregoing is true and correct.		5	IGNATURE OF COMPLAINAN	IT .		

15:1 d S-130 1105

Charging Party (signature)

I declare under penalty of perjury that the foregoing is true and correct.

Case 8:12-cv-01138-AG-AN Document 49 Filed	01/09/13	Page 48 of 50	Page ID #:392	
CHARGE OF DIERIMINATION	Charge	Linted To:	Agency(ies) Charge No(s):	
This form is affected by the Privacy Act of 1974. See enclosed Privacy Act Statement and other information before completing this form.	X	FEPA EEOC	530-2009-01836	
Pennsylvania Human Re	elations Com	nission	and EEOC	
Name (indicate Mr., Ms., Mrs.)	ency, if any	Home Phone (Incl. Area	Code) Date of Birth	
Myriam Sainthilaire		Home Phone Inc. From		
	and ZIP Gode			
Named is the Employer, Lebor Organization, Employment Agency, Apprenticeship Discriminated Against Me or Others. (If more than two, list under PARTICULARS	p Committee, or Sta below.)	te or Local Government		
Namé :		No. Employees, Members	Phone No. (ladude Area Gode)	
WET SEAL.		500 or More	(610) 768-0331	
Street Address City, State of 160 North Gulph Road, King Of Prussia, PA 19460	and ZIP Code		•	
Name		No. Employaea, Mambara	Phone No. (Include Area Code)	
Street Address City, State	and ZIP Code			
RETALIATION AGE DISABILITY. OT THE PARTICULARS ARE (If additional paper is needed, attach extra eneetry):  I was hired by Respondent as an Asst. Store Manager at I falsely written up by Melissa Khan, Asst. Store Mgr., (race 2009, I was written up by Christina Sanchez (Hispanic), Dissues. It was a rule we never used/practiced at King of P Christina for not attending the front while I was doing fitting associate. Christina told me a manager came in the store issue. I believe the reason for my termination was my race is believe that in violation of Title VII of the Civil Rights Act basis of my race, black. I believe a class of blacks (District terminated because of their race, black. Barbie (race—with DeFelice (store mgr., race—white) that they need to his me maybe we will be profitable. The Civil Rights Act because she was black and we were not allowed to hire because she was black and we were not allowed to hire because to the black employees as "we need diversity". The want this charge filed with both the EEOC and the State or local Apency, If eny, I want this charge filed with both the EEOC and the State or local Apency, If eny, I	white) for no istrict Manage trussla. On Fig room, shipm and was not go, black.  of 1964, as and the istement of the istement	ssia location in 01.  It attending the me r, for not "Figure 8 rebruary 13, 2009 ent and "go-back" greeted and also re mended, I have be ationally) have be to look like Leslie ( eliesa said we coul er associate referre- told me (on seve-	continuing action  /2007. In 2007, I was peting. In February of Jing" loss prevention, I was fired by with the new my pay raise was an en denied hire or on's Asst., told Kim (white, tall blonde) and lid not hire her ed a friend and rai occasions) that we 2008.	
will advise the agencies if I drange my address or phone number and I will cooperate fully with them in the processing of my charge in accordance with their procedures.  I declare under penalty of penjury that the above is true and correct.  Mar 04, 2009  Date  Charging Party Signature	I swear or affirm the best of my ki SIGNATURE OF C	that I have read the abo nowledge, information ar OMPLAINANT D SWORN TO BEFORE ME	ve charge and that it is true to nd belief.	
	1			

Case 8:12-cv-01138-AGAN Document 49 Filed 01/09/13 Page 49 of 50 Page ID #:393 Il Employment Opportunity C EEOC FORM 131 (5/01) mission PERSÖN FILING CHARGE Ms. Barbara Amekiez V.P. of Human Resources **Myriam Sainthilaire WET SEAL** THIS PERSON (check one or both) 26972 Burbank Claims To Be Aggrieved Foothill Ranch, CA 92610 Is Filing on Behalf of Other(s) EEOC CHARGE NO. 530-2009-01836 NOTICE OF CHARGE OF DISCRIMINATION (See the enclosed for additional information) This is notice that a charge of employment discrimination has been filed against your organization under: Title VII of the Civil Rights Act The Americans with Disabilities Act The Age Discrimination in Employment Act The Equal Pay Act The boxes checked below apply to our handling of this charge: No action is required by you at this time. Please call the EEOC Representative listed below concerning the further handling of this charge. 3. a statement of your position on the issues covered by this charge, with copies of any Please provide by supporting documentation to the EEOC Representative listed below. Your response will be placed in the file and considered as we investigate the charge. A prompt response to this request will make it easier to conclude our investigation. Please respond fully by to the enclosed request for information and send your response to the EEOC Representative listed below. Your response will be placed in the file and considered as we investigate the charge. A prompt response to this request will make it easier to conclude our investigation. EEOC has a Mediation program that gives parties an opportunity to resolve the Issues of a charge without extensive investigation or expenditure of resources. If you would like to participate, please say so on the enclosed form and respond by If you DO NOT wish to try Mediation, you must respond to any request(s) made above by the date(s) specified there. For further inquiry on this matter, please use the charge number shown above. Your position statement, your response to our request for information, or any inquiry you may have should be directed to: William D. Cook, **Philadelphia District Office Enforcement Manager 801 Market Street Suite 1300 EEOC Representative** Philadelphia, PA 19107 Telephone (215) 440-2634 Enclosure(s): Copy of Charge CIRCUMSTANCES OF ALLEGED DISCRIMINATION RETALIATION OTHER X RACE COLOR RELIGION NATIONAL ORIGIN DISABILITY SEX AGE See enclosed copy of charge of discrimination.

Date Name / Title of Authorized Official

March 19, 2009 Marie M. Tomasso,
District Director

Signature

1	CERTIFICATE OF SERVICE				
2	I, Nate Jenkins, declare:				
3	My business address is 476 9th Street, Oakland, California, 94607. I am over				
4	the age of 18 years and not a party to the above-entitled action.				
5	On January 9, 2013, I served:				
6	FIRST AMENDED COMPLAINT				
7	on the persons listed below by e-mail, addressed as follows:				
8	NANCY L. ABELL				
9	nancyabell@paulhastings.com				
10	HOLLY R. LAKE hollylake@paulhastings.com				
11	LISA M. PAEZ				
12	lisapaez@paulhastings.com PAUL HASTINGS LLP				
13	515 South Flower Street, Twenty-Fifth Floor				
14	Los Angeles, CA 90071-2228				
15	JAMES P. CARTER				
16	jamescarter@paulhastings.com PAUL HASTINGS LLP				
17	695 Town Center Drive, Seventeenth Floor				
18	Costa Mesa, CA 92626				
19	I declare under penalty of perjury that the foregoing is true and correct.				
20	Executed on January 9, 2013 at Oakland, California				
21	$M+\Omega$ .				
22	1/Ml/Mhr				
23	Nate Jenkins				
24					
25					
26					
27					
28					
	FIRST AMENDED COMPLAINT CASE NO.: SACV 12-01138 AG (ANX)				