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CLERK
U.S. BANKRUPTCY COURT
DISTRICT OF DELAWARE

PATRICK DeROSA and CHRIS SCHAUB

IN THE UNITED STATES
BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

Individually and on behalf of all others
similarly situated

Case No: 09-11516(MFW)

Plaintiffs

Civil Action

v.

COMPLAINT – CLASS ACTION

ACCREDITED HOME LENDERS, INC.;
ACCREDITED HOME LENDERS HOLDING
COMPANY; JAMES M. MORAN, CHIEF
EXECUTIVE OFFICER – ACCREDITED HOME
LENDERS, INC.; JEFFREY WALTON,
PRESIDENT and CHIEF OPERATIONS
OFFICER – ACCREDITED HOME LENDERS,

ADVERSARIAL PROCEEDING

Defendants

NATURE OF THE ACTION

This is a lawsuit brought under Title 34:21-1 et seq. of New Jersey Statutes Annotated alleging a violation of the statutory provisions under New Jersey law which provides that an employer terminating its employee workforce of more than 50 employees must give advance notification to said employees at least sixty (60) days prior to their separation. Defendants have given neither sixty (60) days advance notice to plaintiffs and their fellow employees, nor have they provided one week of severance pay for each year of service in lieu of said advance sixty (60) days notice at its sole, New Jersey location at 123 Tice Boulevard, Woodcliff Lake, New



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Jersey, 07617. Additionally, defendants owe bonus and investment fund monies to its employees which have not been paid.

THE PARTIES

Plaintiff, PATRICK DeROSA, who resides at 1540 Ridge Avenue, Jackson, New Jersey, 08527, was an employee of Defendant ACCREDITED HOME LENDERS, INC. at the time of the cessation of operations.

Plaintiff, CHRISTOPHER SCHAUB, who resides at 18 Tartan Road, Mahwah, New Jersey, 07430, was an employee of Defendant, ACCREDITED HOME LENDERS, INC. at the time of the cessation of operations.

All of the Plaintiffs were employed by the employer for at least one year of service and in most instances much longer.

Defendant ACCREDITED HOME LENDERS, INC. operates as a mortgage lending company in the non prime issuance of mortgages from its location in Woodcliff Lake, Bergen County, New Jersey, which business is operated at least the past five years. The address of Defendant is 123 Tice Boulevard, Suite 200, Woodcliff Lake, New Jersey, 07677.

Defendant, ACCREDITED HOME LENDERS HOLDING COMPANY, is a domestic corporation with its main business office located at 123 Tice Boulevard, Suite 200, Woodcliff Lake, New Jersey, 07677.

Defendant, JAMES M. MORAN, is the Chief Executive Officer of Defendant ACCREDITED HOME LENDERS, INC., with his principal office located at 15253 Avenue of Science, Building 1, San Diego, California, 92128.

Defendant, JEFFREY WALTON, is the President/Chief Operations Officer of Defendant ACCREDITED HOME LENDERS, INC., with his principal office located at 15253 Avenue of Science, Building 1, San Diego, California, 92128.

Plaintiffs, PATRICK DeROSA and CHRISTOPHER SCHAUB were injured by Defendants' failure to provide 60 days' warning of its mass layoff or 60 days' pay as required by the New Jersey Statute.

Defendants also injured Plaintiffs by not paying other monies and benefits due them as employees.

JURISDICTION AND CLASS

Jurisdiction in this matter is predicated upon N.J.S.A. 34:21-1 et seq of New Jersey Statutes Annotated. Specifically, N.J.S.A. 34:21-6 provides for this lawsuit by aggrieved or former employees affected by a violation of the provisions of the statute which statute became effective December 20, 2007.

Jurisdiction is also predicated upon N.J.S.A. 34:11-4.1, known as the New Jersey Wage Payment Law. Said statutes permit Superior Court jurisdiction on behalf of employee claims such as plaintiffs as well as on behalf of all former employees affected by the violation of the provisions of the statutes which on behalf of themselves and all others in the class plaintiff asserts.

ALLEGATIONS

COUNT ONE

1. Plaintiffs were employees of the employer at its Woodcliff Lake, New Jersey facility employed in various capacities.

2. On or about June 4, 2008, Plaintiffs learned that the facility in which they were employed in Woodcliff Lake, New Jersey operated by the Defendants was being permanently shut down and not reopened as a result of Defendants' decision to cease operations.

3. Notice to the Plaintiffs was not given sixty (60) days in advance prior to the closing of the job and separation from employment. Notice was not given to any other employee sixty (60) days in advance as well to the best of Plaintiffs' information and belief.

4. Plaintiffs were also not provided one week's severance pay for each year for their previous years of service with the employer.

5. Plaintiffs were thus terminated without the Defendants adhering to the provisions of the statute by separating Plaintiffs without a commitment to reinstate Plaintiffs and all other employees within six (6) months.

6. The termination of operations by Defendant Accredited Home Lenders, Inc. without notification by Accredited Home Lenders, Inc., subsidiaries, alter-egos and related entities and its individual officers and other companies associated with same without notice to its employees or pay in lieu thereof is not privileged or permitted under any provision of the statute.

WHEREFORE, Plaintiffs request on behalf of themselves and all other employees similarly situated be awarded:

- (i) Certification as a class of all employees, said class being defined as all employees employed by the Defendants at its Woodcliff Lake, New Jersey location;
- (ii) Costs of this action including reasonable attorneys fees;
- (iii) Compensatory damages including lost wages, benefits and other remuneration;

- (iv) All lost wages;
- (v) Such other or further relief as the Court deems proper.

COUNT TWO

- 1. The allegations of Count One are repeated as if set forth fully herein.
- 2. The enumerated defendants are either officers, directors, parent companies or agents having responsibility for the management of the defendant corporation Accredited Home Lenders, Inc., the employer of plaintiffs.
- 3. By failing to pay the wages and benefits due plaintiffs, the defendants are in violation of the New Jersey Wage Payment Law, N.J.S.A. 34:11-4.1 et seq.

WHEREFORE, plaintiffs demand damages, both compensatory and punitive, for:

- (i) Unpaid wages and benefits for time worked;
- (ii) Unpaid wages and benefits
- (iii) Interest thereon;
- (iv) Counsel fees and costs.

COUNT THREE

- 1. The allegations of Counts One and Two are repeated as if set forth fully herein.
- 2. The employer declined to pay all its employees entitled to receive same a bonus for work produced for the months of May and June 2008 prior to the cessation of operations. Said bonus monies were part of compensation for employees for production of business and comprised wages within the meaning of N.J.S.A. 34:11-4.1 et seq.

WHEREFORE, plaintiffs demand damages, both compensatory and punitive for:

- (i) Unpaid bonuses;

- (ii) For work performed in May and June of 2008;
- (iii) Interest thereon;
- (iv) Counsel fees and costs.

COUNT FOUR

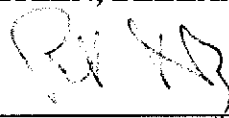
1. The allegations of Counts One through Three are repeated as if set forth fully herein
2. The employer took money from employees' pay as part of deferred compensation into a deferred benefit plan which was put toward stock purchases. The employer has paid none of that money back to employees and provided no information to employees relative to repayment of said monies to employees taken out of their pay for purposes of stock purchase even though many employees are partially and/or fully vested in same.

WHEREFORE, plaintiffs demand damages, both compensatory and punitive for:

- (i) Unpaid funds for stock purchases made with employees' monies;
- (ii) Interest thereon;
- (iii) Counsel fees and costs.

O'BRIEN, BELLAND & BUSHINSKY, LLC

By: _____


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Dated: June 9, 2009