

1 Rafey S. Balabanian (SBN 315962)
2 rbalabanian@edelson.com
3 Todd Logan (SBN SBN 305912)
4 tlogan@edelson.com
5 EDELSON PC
6 123 Townsend Street, Suite 100
7 San Francisco, California 94109
8 Tel: 415-212-9300
9 Fax: 415-373-9435

10 **UNITED STATES DISTRICT COURT**
11 **FOR THE EASTERN DISTRICT OF CALIFORNIA**

12 RBB2, LLC, a California limited
13 liability company, individually and
14 on behalf of all others similarly
15 situated,

16 *Plaintiff,*

17 v.

18 CSC SERVICEWORKS, INC., a
19 Delaware corporation,

20 *Defendant.*

Case No.

21
22 **CLASS ACTION COMPLAINT AND DEMAND FOR JURY TRIAL**

23 Plaintiff RBB2, LLC (“RBB2” or “Plaintiff”) brings this Class Action
24 Complaint and Demand for Jury Trial against Defendant CSC ServiceWorks, Inc.
25 (“CSC” or “Defendant”) for its practice of unlawfully underpaying Plaintiff and
26 the putative Class on their laundry service contracts, and to obtain redress for all
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1 persons injured by its conduct. Plaintiff alleges as follows upon personal
2 knowledge as to itself and its own acts and experiences, and as to all other matters,
3 upon information and belief, including investigation conducted by its attorneys.

4 **NATURE OF THE ACTION**

5 1. Defendant CSC is one of the largest coin-operated laundry businesses
6 in the country, largely providing services to multi-unit apartment buildings.

7 2. CSC’s market dominance is largely attributable to its practice of
8 buying out its competition. Most notably, CSC has merged the operations of
9 Coinmach, Mac-Grey, and Continental Laundry Services—all major players in the
10 coin-operated business—under its current entity.

11 3. After CSC acquired its competitors (and the existing customer
12 contracts along with them) it disregarded the actual terms of those contracts and
13 imposed a 9.75% “administrative fee” on its services, thereby systematically
14 shortchanging building owners on contracted-for revenue shares.

15 4. Plaintiff and members of the Class never agreed to pay the so-called
16 administrative fee and such a fee was never included in contracts with CSC (or the
17 companies acquired by CSC).

18 5. Plaintiff RBB2, individually and on behalf of all others similarly
19 situated, brings this lawsuit against CSC for breach of contract, and unjust
20 enrichment.

21 **PARTIES**

22 6. Plaintiff RBB2, LLC is a corporation organized and existing under the
23 laws of the California with its principal place of business located in this District.

24 7. Defendant CSC ServiceWorks, Inc. is a corporation organized and
25 existing under the laws of the State of Delaware with its principal place of business
26 located at 303 Sunnyside Boulevard, Suite 70, Plainview, New York 11803.

1 **JURISDICTION AND VENUE**

2 8. This Court has subject matter jurisdiction over this action pursuant to
3 28 U.S.C. 1332(d)(2), because (i) at least one member of the Class is a citizen of a
4 different state than the Defendant, (ii) the amount in controversy exceeds
5 \$5,000,000, exclusive of interests and costs, and (iii) none of the exceptions under
6 that subsection apply to this action.

7 9. This Court has personal jurisdiction over Defendant because it
8 conducts business throughout this District.

9 10. Venue is proper in this District because a substantial part of the events
10 giving rise to Plaintiff’s claims occurred in, were directed to, and/or emanated
11 from this District. 28 U.S.C. § 1391(b).

12 **COMMON FACTUAL ALLEGATIONS**

13 *The History and Growth of CSC*

14 11. CSC is the largest provider of coin-operated laundry machines to
15 commercial and residential clients in the United States. Defendant provides
16 laundry equipment to colleges and universities, laundromats, and to laundry
17 facilities in residential multi-unit buildings.

18 12. Over the last few years, CSC has grown tremendously by acquiring
19 other players in the coin-operated laundry business. Indeed, in its latest form, CSC
20 is the result of a \$1.4 billion acquisition and merger of Coinmach and AIR-serv by
21 Pamplona Capital Management—a private hedge fund sponsor. In part, CSC has
22 acquired Laundry Tek, RAF Equipment Co., Sparkle Solutions (Canada’s third-
23 largest laundry operator), and Continental Laundry Services (Pittsburgh’s largest
24 laundry operator). In early 2014, CSC completed its acquisition of Mac-Gray
25 Corp.—one of its largest competitors—for \$584 million. Mac-Gray provided debit-
26 card and coin-operated laundry machines for multi-unit buildings, including
27 apartments, condominiums, and university student dorms, and operated its laundry
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1 machines in 44 states. These acquisitions helped CSC reach a major milestone by
2 expanding its network to over one million laundry machines worldwide.

3 13. CSC has continued to expand its market dominance by acquiring
4 commercial laundry and appliance leasing companies around the country. In so
5 doing, CSC has eliminated its competition and limited the options available in the
6 market.

7 ***CSC Breached Contracts by Charging Undisclosed Administrative Fees***

8 14. As a result of its mergers and acquisitions, CSC now services all
9 previous laundry service contracts and agreements that its predecessors—like Mac-
10 Grey, Coinmach, and Continental, among other numerous unnamed companies
11 (collectively, the “Original Installers”)—entered into with individuals and
12 businesses.

13 15. Under these agreements, the Original Installers entered into long-term
14 agreements to install coin-operated laundry machines in Plaintiff’s and Class
15 members’ buildings for use by residents. The Original Installers maintained the
16 machines, collected payment from them, and processed any refunds.

17 16. In return, Plaintiff and members of the Class (collectively, the
18 “Landlords”) received a share of the net revenue generated by the laundry
19 machines.

20 17. As described above, CSC began a campaign to eliminate competitors
21 and consolidate market share. Once consolidated, and knowing that Landlords
22 lacked any alternative service providers, CSC began breaching its contracts with
23 the Landlords by collecting a 9.75% administrative fee not provided for under its
24 contracts.

25 18. In a May 2017 letter to the Landlords, CSC announced it was
26 imposing a 9.75% “administrative fee” calculated from gross revenues. CSC
27 explains that more than half of the administrative fee covers its *own* costs like
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1 billing processing, refund processing, website maintenance, clothing claim
2 processing, and commission check processing.

3 19. But, the “administrative fee” includes items CSC is not allowed to
4 deduct from the Landlords. At most, the Landlords’ contracts allow CSC to deduct
5 expenses attributable to vandalism and all applicable fees and/or taxes.

6 20. To soften the Landlords’ backlash, CSC explained that the 9.75%
7 administrative fee amounts to approximately ten cents per machine per day.

8 21. But, on its face, CSC’s calculation was misleading because a 9.75%
9 administrative fee would only rarely equate to ten cents per machine per day and
10 can easily reach twenty cents per machine per day. For example, in a 32-day
11 collection period, CSC charged RBB2 a \$69.42 administrative fee from its 12
12 machines. Had CSC calculated the administrative fee based on ten cents per
13 machine per day, CSC would have assessed only a \$38.40 fee—over half of what
14 was actually charged.

15 22. While CSC claims that the administrative fee covers necessary costs
16 related to its operation and features new products and services that benefit the
17 Landlords, it is nothing more than an attempt to withhold contractually guaranteed
18 revenue from the Landlords.

19 23. Equally troubling is CSC’s approach to withholding taxes from the
20 Landlords by using the administrative fee. According to CSC’s website, 16% of
21 the administrative fee includes taxes. But, CSC fails to explain how this fee
22 somehow accounts for various tax rates in each state in which CSC conducts
23 business, and remarkably, why the fee includes a value-added tax (VAT) that is not
24 even imposed in the United States.

25 24. Worse yet, CSC’s administrative fee forces or “crams” unwanted
26 products and services onto the Landlords. For instance, CSC released a new
27 product called the CSC “technology suite.” The technology suite is a client portal
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1 that purportedly allows the Landlords to, *inter alia*, place maintenance requests and
2 view payment details. The Landlords—who have already contracted for the
3 services they pay for—are charged by CSC for this service even if they don’t want
4 it or if they don’t use it.

5 25. Similarly, 25% of the administrative fee includes “vandalism &
6 security coverage” that ostensibly gives the Landlords insurance-like coverage for
7 vandalism to CSC-owned laundry machines. Landlords are charged this fee even if
8 they *already have coverage* from other sources.

9 26. The Landlords never agreed to the imposition of an administrative fee
10 nor the additional products and services it “crams.” In fact, the Landlords’
11 contracts with CSC and the Original Installers never included such a fee nor
12 allowed CSC to deduct for the costs and products it includes under the
13 “administrative fee.” Indeed, CSC’s imposition of this new administrative fee begs
14 the question of what services the Landlords have already paid for.

15 27. As it stands, CSC’s administrative fee is extra-contractual and not
16 bargained for, and CSC’s unilateral conduct to reduce payments under its revenue-
17 sharing contracts have cost Landlords nationwide each thousands of dollars in
18 revenue.

19 **FACTS SPECIFIC TO PLAINTIFF RBB2**

20 28. Plaintiff RBB2 is a real estate management company that owns and
21 manages a multi-unit apartment building in Bakersfield, California.

22 29. RBB2 entered in a long-term contract with CSC whereby it leased its
23 laundry rooms to CSC so that it could install its laundry machines and collect
24 money from their use.

25 30. On or around May 2017, CSC sent a letter to RBB2 announcing that it
26 will begin deducting a 9.75% “administrative fee” from its laundry machines’
27 gross collections. The letter explained that the fee will amount to approximately
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1 \$0.10 per machine per day.

2 31. RBB2 never agreed to an administrative fee. In fact, its contracts with
3 CSC didn't allow for such a fee or the costs, and products and services it purports
4 it covers.

5 32. RBB2 did not agree to or sign any amendments to its contracts, or
6 otherwise authorize the implementation of an administrative fee.

7 33. CSC's conduct has cost, and will continue to cost, RBB2 thousands of
8 dollars annually in lost revenue.

9 **CLASS ALLEGATIONS**

10 34. **Class Definition:** Plaintiff RBB2 brings this action pursuant to
11 Federal Rule of Civil Procedure 23(b)(2) and (b)(3) on behalf of itself and Class of
12 similarly situated individuals, defined as follow:

13 All individuals and entities residing in the State of California who were
14 assessed an administrative fee by CSC ServiceWorks, Inc.

15 Excluded from the Class are: (1) any Judge or Magistrate presiding over this action
16 and members of their families; (2) Defendant, Defendant's subsidiaries, parents,
17 successors, predecessors, and any entity in which the Defendant or its parents have
18 a controlling interest and its current or former employees, officers and directors;
19 (3) persons who properly execute and file a timely request for exclusion from the
20 Class; (4) persons whose claims in this matter have been finally adjudicated on the
21 merits or otherwise released; (5) Plaintiff's counsel and Defendant's counsel; and
22 (6) the legal representatives, successors, and assigns of any such excluded persons.

23 35. **Numerosity:** The exact number of Class members is unknown and not
24 available to Plaintiff at this time, but it is clear that individual joinder is
25 impracticable. Class members can be identified through Defendant's records.

26 36. **Commonality and Predominance:** There are many questions of law
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1 and fact common to the claims of Plaintiff and the putative Class, and those
2 questions predominate over any questions that may affect individual members of
3 the Class. Common questions for the Class include, but are not necessarily limited
4 to the following:

- 5 a. Whether Defendant's conduct constituted a breach of contract;
- 6 b. Whether Defendant was unjustly enriched; and
- 7 c. Whether Plaintiff and Class members agreed to Defendant's
8 administrative fee.

9 37. **Typicality:** Plaintiff's claims are typical of other members of the
10 Class, in that Plaintiff and the Class members sustained damages arising out of
11 Defendant's uniform wrongful conduct.

12 38. **Adequate Representation:** Plaintiff will fairly and adequately
13 represent and protect the interests of the Class, and has retained counsel competent
14 and experienced in complex class actions. Plaintiff has no interest antagonistic to
15 those of the Class, and Defendant has no defenses unique to Plaintiff.

16 39. **Policies Generally Applicable to the Class:** This class action is
17 appropriate for certification because Defendant has acted or refused to act on
18 grounds generally applicable to the Class as a whole, thereby requiring the Court's
19 imposition of uniform relief to ensure compatible standards of conduct toward the
20 members of the Class, and making final injunctive relief appropriate with respect
21 to the Class as a whole. Defendant's policies challenged herein apply and affect
22 members of the Class uniformly and Plaintiff's challenge of these policies hinges
23 on Defendant's conduct with respect to the Class as a whole, not on facts or law
24 applicable only to Plaintiff. Plaintiff and the members of the Class have suffered
25 harm and damages as a result of Defendant's unlawful and wrongful conduct.

26 40. **Superiority:** This case is also appropriate for class certification
27 because class proceedings are superior to all other available methods for the fair
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1 and efficient adjudication of this controversy because joinder of all parties is
2 impracticable. The damages suffered by the individual members of the Class will
3 likely be relatively small, especially given the burden and expense of individual
4 prosecution of the complex litigation necessitated by Defendant's actions. Thus, it
5 would be virtually impossible for the individual members of the Class to obtain
6 effective relief from Defendant's misconduct. Even if members of the Class could
7 sustain such individual litigation, it would still not be preferable to a class action,
8 because individual litigation would increase the delay and expense to all parties
9 due to the complex legal and factual controversies presented in this Complaint. By
10 contrast, a class action presents far fewer management difficulties and provides the
11 benefits of single adjudication, economies of scale, and comprehensive supervision
12 by a single Court. Economies of time, effort and expense will be fostered and
13 uniformity of decisions ensured.

14
15 **FIRST CAUSE OF ACTION**
16 **Breach of Contract**
17 **(On Behalf of Plaintiff and the Class)**

18 41. Plaintiff incorporates the foregoing allegations as if fully set forth
19 herein.

20 42. Plaintiff and Class members entered into lease agreements with CSC,
21 whereby CSC leased laundry rooms from Plaintiff and the Class members and in
22 return it paid rent according to a formula set out in its lease. Specifically, CSC
23 agreed to pay Plaintiff and the Class members a portion of the revenue it collected
24 from its laundry machines.

25 43. CSC installed and collected money from its laundry machines on
26 Plaintiff's and the Class member's properties.

27 44. CSC breached its contracts with Plaintiff and the Class members when
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1 it failed to make the proper rent payments. In other words, CSC breached its
2 contract with Plaintiff and the Class members by imposing an “administrative fee.”
3 Plaintiff and the Class members never agreed to such a fee or the deductions
4 imposed under this fee.

5 45. CSC’s breach of contract has directly caused Plaintiff and the Class
6 members economic injury in the form of deficient payment owed to them by CSC.

7 **SECOND CAUSE OF ACTION**
8 **Unjust Enrichment**
9 ***In the Alternative to Breach of Contract***
10 **(On Behalf of Plaintiff and the Class)**

11 46. Plaintiff incorporates the foregoing allegations as if fully set forth
12 herein, excluding paragraphs 41-45.

13 47. Plaintiff and the Class members have conferred a benefit upon CSC in
14 the form of money it improperly withheld from Plaintiff and the Class.

15 48. CSC has knowledge and/or appreciates the benefits conferred upon it
16 by Plaintiff and the Class members.

17 49. Under principles of equity and good conscience, CSC should not be
18 permitted to retain money belonging to Plaintiff and the Class members that it
19 unjustly withheld as a result of its wrongful conduct.

20 50. Accordingly, Plaintiff and the Class members seek restitution and
21 disgorgement of all amounts by which CSC has been unjustly enriched.

22 **PRAYER FOR RELIEF**

23 WHEREFORE, Plaintiff RBB2, individually and on behalf of the Class
24 prays for the following relief:

25 a. An order certifying the Class as defined above, appointing Plaintiff
26 RBB2 as the representative of the Class, and appointing its counsel as Class
27 Counsel;

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

RBB2, LLC, a California limited liability company, individually and on behalf of all others similarly

(b) County of Residence of First Listed Plaintiff Los Angeles, CA (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number) Edelson PC, 123 Townsend Street, Suite 100, San Francisco, CA 94107, (415) 212-9300

DEFENDANTS

CSC ServiceWorks, Inc., a Delaware Corporation

County of Residence of First Listed Defendant Nassau County, NY (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
2 U.S. Government Defendant
3 Federal Question (U.S. Government Not a Party)
4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State
Citizen of Another State
Citizen or Subject of a Foreign Country
PTF DEF
1 1 Incorporated or Principal Place of Business In This State
2 2 Incorporated and Principal Place of Business In Another State
3 3 Foreign Nation
4 4
5 5
6 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Table with 5 columns: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES. Includes various legal categories like Insurance, Personal Injury, Real Estate, etc.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding
2 Removed from State Court
3 Remanded from Appellate Court
4 Reinstated or Reopened
5 Transferred from Another District (specify)
6 Multidistrict Litigation - Transfer
8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 28 U.S.C. § 1332(d)(2)

Brief description of cause: Breach of Contract and Unjust Enrichment

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ 5,000,000.00 CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE DOCKET NUMBER

DATE 07/06/2018 SIGNATURE OF ATTORNEY OF RECORD /s/ Todd Logan

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

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Case 1:18-cv-00915-LJO-JLT Document 1-1 Filed 07/06/18 Page 2 of 2
INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
 United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
 United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
 Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
 Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an "X" in one of the seven boxes.
 Original Proceedings. (1) Cases which originate in the United States district courts.
 Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.
 Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
 Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
 Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
 Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [CSC ServiceWorks Sued After Charging Allegedly Unlawful Administrative Fee](#)
