SUPREME COURT OF NEW YORK
NEW YORK COUNTY

SHAHID BUTTAR, HAROON RASHID, JOSE RODRIGUEZ, ARTHUR NACE, individually and on behalf of all other similarly situated Plaintiffs,	Index No. 651088/2019
- against -	CLASS ACTION COMPLAINT
ELITE LIMOUSINE PLUS, INC., FIRST CORPORATE SEDANS, INC., GUY BEN ZION, AMIR BEN ZION, SHAFQUAT CHAUDHARY, and DOE 1-10.	JURY TRIAL DEMANDED
Defendants.	

Plaintiffs Shahid Buttar, Haroon Rashid, Jose Rodriguez, and Arthur Nace (the "Plaintiffs"), on their own behalves and on behalf of all other similarly-situated class members (the "Class Members") with respect to the class allegations, by and through their attorneys, Slarskey LLC and Imbesi Law P.C., allege upon information and belief as follows for their complaint against Elite Limousine Plus, Inc., First Corporate Sedans, Inc., Guy Ben Zion, Amir Ben Zion, and Shafquat Chaudhary:

NATURE OF CASE

1. Plaintiffs are professional drivers, who acquired franchise rights from Defendant First Corporate Sedans, Inc. (including affiliates and principals, "FCS") from the 1990s through 2017, when FCS was acquired by Defendant Elite PLUS Limousine, Inc. ("Elite").

2. The fundamental bargain between FCS and Plaintiffs underlying the franchises was that Plaintiffs would pay $25,000-$40,000 over a 5-10 years span and in return, they would (i) obtain the right to drive within the FCS network, (ii) receive a percentage of

revenues from the rides they serviced as independent contractors to FCS, and (iii) upon resignation or termination, Plaintiffs would be able to transfer the franchise to a third-party or to the seller of the franchise. Plaintiffs had equity invested in their franchises, which had transferable value.

3. For more than thirty years, FCS flourished, generating revenues in excess of $25 million annually at its peak. Beginning around 2014, however, FCS's principals, the Ben Zion family, began to feel pressure from the family's unrelated financial missteps, including lavish expenditures and questionable investments into restaurants, nightclubs, art, and real estate in Florida. The Ben Zion family pledged shares in FCS and, on information and belief, FCS made partner distributions to fuel Ben Zion's personal expenses, even though FCS's distributions lacked a legitimate business purpose and left FCS unable to fund its own obligations, *i.e.,* FCS fraudulently transferred funds to satisfy the Ben Zion's personal obligations. FCS then took on a series of loans that caused additional financial distress. Ultimately, FCS's assets were transferred to Elite, resulting in significant damage to Plaintiffs when their franchise rights were rendered valueless.

4. FCS shirked its responsibility to existing FCS drivers (and non-driver employees) by issuing bouncing checks, denying drivers the right to transfer their franchises, insisting that FCS drivers pay them in cash (as opposed to checks), and generating accounts payable of more than $1.2 million in unpaid vouchers due to drivers. And notwithstanding its sale of accounts (without assuring the transferability of the corresponding franchise obligations) FCS issued a series of franchises leading up through its final months—without proper disclosure—and continued to collect installment payments from existing franchisees. FCS thus effectively collected franchise fees without incurring any reciprocal obligation.

5. In May 2017, FCS announced that it was being acquired by Defendant Elite, a competitor. In this $13.5 million transaction, Elite received tens of millions of dollars in client accounts, with express covenants, representations, and asset transfers agreements transferring to Elite the FCS franchises for more than 300 drivers who serviced those accounts. Despite every indicator that Elite acquired the FCS franchises in connection with those accounts, Elite refused and continues to refuse to honor the FCS franchises, and neither entity has provided Plaintiffs with any recourse: Elite says it won't honor the transferability provisions, and FCS claims it is insolvent. FCS, Elite, or a combination of the two have thus frustrated, and constructively terminated, the FCS franchise agreements.

6. Elite has stated that Plaintiffs are now Elite franchisees. Elite calls Plaintiffs "franchisees," lends the Elite name to drivers, allows them to participate on the Elite network, and charges them an array of franchise-like fees. But Elite (i) has not issued Plaintiffs the legally-required Franchise Disclosure Documentation under the New York Franchise Disclosure Act, (ii) is not affording Plaintiffs the same benefits of owning an Elite franchise as other franchisees, and (iii) has made materially false statements and acted deceitfully in duping Plaintiffs into working for Elite. Elite treats Plaintiffs as though they are second-class drivers: Elite discriminates against Plaintiffs in assigning jobs, charges them arbitrary and duplicative fees, and refuses to honor transferability provisions, while its legacy drivers continue to enjoy a more favorable working relationship.

7. Separate and apart from the franchise issues, Plaintiffs now working for Elite as independent contractors have been working without proper documentation disclosing compensation practices, in violation of the New York's Freelance Isn't Free Act. As a result of Elite's non-disclosure, Elite has predatorily failed to pay Plaintiffs in the proper amounts or with any regularity, instead padding the invoices with bogus "discount" and other fees chargeable to

drivers, and holding thousands of dollars in "voucher" payments hostage. Instead of respecting Plaintiffs' requests for documentation and clarity, Elite retaliates against Plaintiffs when they seek explanations, hurling threats and insults, and constructively discharging them.

8. Lastly, Elite has discriminated against Plaintiffs, compared to existing Elite drivers and relatives/close friends of the Chaudhary family, *i.e.,* Elite's principals. Despite Elite's agreement to assign work "in an evenly distributed manner," Elite manually overrides the automated work distribution mechanism to tip more lucrative and regular jobs towards favored drivers. Plaintiffs, in contrast, despite being in the correct "zone" for a pick-up, may wait for long periods of time burning gas, and receiving only adversely-selected jobs (if any). Some Plaintiffs have seen their earnings reduced by 60% or more working for Elite, and now earn less than $20,000 annually, before tax, automobile insurance, and car payments (for which the drivers are personally responsible).

9. Ultimately, Plaintiffs have been stripped of the valuable equity they built up in their FCS franchises; overpaid transfer fees and arbitrary costs to Elite without the benefit of Elite franchise rights; failed to receive all payments due; endured retaliation and harassment; been unfairly treated for attempting to assert their rights; and been further damaged by Elite's uneven distribution of work.

JURISDICTION

10. Venue is proper under CPLR 503(a) because these claims arise out of the parties' business relationship in providing private car driving services in New York County and a substantial part of the events or omissions giving rise to the claim occurred in New York County.

11. Venue is also proper under CPLR 503(c) because FCS Corporate Sedans, Inc. has its principal place of business in New York County.

PARTIES

12. Plaintiff Shahid Buttar working for FCS in 2010, and paid $37,500 for his franchise rights, which are fully paid off. He worked for Elite until recently, and is owed thousands of dollars from Elite on behalf of unpaid vouchers. Mr. Buttar has vocally advocated on behalf of himself and similarly situated ex-FCS drivers. He is a proposed lead plaintiff.

13. Plaintiff Haroon Rashid is a natural person residing in Branchburg, New Jersey. He paid $38,500 for his franchise with FCS. Mr. Rashid's earnings fell over 50% in 2017, and over 85% in 2018 compared to what he earned working for FCS from 2015 through 2017. Mr. Rashid has also advocated vocally on behalf of Elite drivers. Elite has subjected Mr. Rashid and his colleagues to verbal insult. He is a proposed lead plaintiff.

14. Plaintiff Jose Rodriguez began working for FCS in 2015. Mr. Rodriguez paid $5,000 in cash to FCS as a condition of driving for FCS. He is a proposed lead plaintiff.

15. Plaintiff Arthur Nace is a natural person residing in Forest Hills, New York. Mr. Nace began working for FCS in 2013. He paid $24,000 to FCS before the FCS-Elite Transaction. Mr. Nace's salary fell by over 85% from what he earned working for FCS in 2016-2017 compared to what he earned working for Elite in 2018. Mr. Nace attempted to negotiate a contract with Elite, but was rejected. He is a proposed lead plaintiff.

16. The proposed Class consists of all individuals who owned FCS franchises up through the FCS-Elite Transaction in 2017. Upon information and belief, there are over 300 individuals within the Class definition.

17. First Corporate Sedans, Inc. (including its principals and affiliated entities, "FCS") is a family owned luxury livery car company that serves the New York metropolitan area. They advertise as "one of the largest fleets in New York City." According to its website,

"FCS maintains a fleet of over 375 cars, including [its] green car hybrid division, OZOcar." FCS has a business address at 60 East 42nd Street, New York, New York 10165.

18. Defendant Amir Ben Zion ("Amir") is a natural person residing in Florida, with a business address at 60 East 42nd Street. Amir is Guy Ben Zion's brother, the former CEO of FCS, and the majority owner of FCS. Amir is affiliated (on information and belief, as a member or manager) with an entity called "RTC 51 LLC,"[1] which designates service at "c/o First Corporate Sedans, Attn: Amir Ben Zion," 60 East 42nd Street, New York, NY 10165.

19. Defendant Guy Ben Zion ("Guy") is a natural person residing at 1003 Centre Road, Staatsburg, NY 12580. Guy is Amir's brother, the nominal CEO and President of FCS through 2017, and an owner of FCS. Guy now serves as the Vice President of Client Relations at Elite. On information and belief, Amir and Guy maintain an address at 22 Watts Street, New York, New York.

20. Defendant Elite Limousine Plus Inc. (including its principals and affiliates) ("Elite") is a corporation organized and existing under the laws of the State of New York, located at 32-72 Gale Avenue, Long Island City, New York 11101. Elite represents itself as the "largest fleet or late model executive and luxury class vehicles in New York." On information and belief, Elite generated in excess of $37 million in revenue in 2017, and $23 million in revenue in 2016. One of Elite's affiliate entities is Gale Avenue, LLC.

21. Shafquat Chaudhary ("Shafquat") is the President of Elite. On information and belief, Shafquat resides at 200 East 89th Street, Unit 20C, New York, New York 10128.

[1] Amir and Guy are principals in Ben-Zion Holdings II, LLC; Ben-Zion Holding III, Inc., a Florida corporation dissolved in 2017; BZ Management, Inc., a New York corporation; Ben-Zion Group, LLC, a Delaware limited liability company; G.B. Torres LLC, a Florida limited liability company; and a number of entities, on information and belief, affiliated with Amir's Florida restaurants and business ventures.

DETAILED ALLEGATIONS

A. Background

22. FCS is a family-owned company that served the New York-metropolitan area for more than thirty (30) years with luxury livery cars. According to FCS's website, FCS "maintains a fleet of over 375 cars …" (https://www.fcsny.com/) (*last visited June 5, 2019*). Though the FCS website appears to show an ongoing operational company, upon information and belief, FCS has ceased to conduct regular operations, since the acquisition of its assets by Elite as alleged herein.

23. FCS's "fleet" was a network of drivers who owned their own vehicles and paid their own insurance, but who purchased "franchises" that entitled them to work on FCS's network.

24. Plaintiff FCS drivers were typically immigrant and/or minority persons, often of South Asian (*e.g.,* Pakistani) or Hispanic descent, with limited formal US-based education.

25. Plaintiffs purchased their franchise from the early-1990s to as recently as 2017, each in a similar fashion.

26. Plaintiffs, as prospective FCS drivers, were only allowed onto the platform if "sponsored" by an existing FCS Driver. Plaintiffs were only permitted to enter the FCS office for an initial meeting after signing an acknowledgement that he or she reviewed the FCS Franchise Disclosure Document. In reality, Plaintiffs signed the acknowledgement in the lobby of the FCS office, without any time or ability to review the several-hundred-page document (much less consult with an attorney or digest the document's contents).

27. When they became FCS franchisees, Plaintiffs (i) obtained a franchise within the FCS network and a permanent right to drive, (ii) were promised a percentage of

revenues from rides they serviced as independent contractors, and (iii) upon a driver's resignation or termination, the driver was permitted to transfer the franchise to a third-party, either directly or by consignment "on the shelf," a process managed by FCS.

28. Underlying the franchises were two agreements, a "Transfer Sales Agreement" and an "Independent Contractor Agreement."

29. The "Transfer Sales Agreement" was a document by which Plaintiffs purchased a "System" within the FCS network. Each System was associated with a four-digit number, *i.e.,* a dispatch radio number by which Plaintiffs became identified.

30. While Plaintiffs believed themselves to be entering into an agreement directly with FCS, the Transfer Sales Agreement was frequently entered into between Plaintiffs, as incoming FCS drivers, and "Outgoing Drivers." FCS, managing the process, told Plaintiffs that the Outgoing Driver was an ex-driver looking to sell his or her franchise, giving Plaintiffs the false impression of a liquid market for FCS franchises.

31. Confusingly, while the Transfer Sales Agreements were replete with references to FCS, FCS collected the fees on behalf of the Transfer Sales Agreements, and FCS was the only point of contact for FCS *vis a vis* the FCS's driver's franchise, the Transfer Sales Agreements explicitly stated that "FCS is not a party" to the Transfer Sales Agreement.

32. In most cases, Plaintiffs never met or discovered the true identity of the "Outgoing Driver." There was a pattern of cryptic or obfuscated names or entities of "Outgoing Driver," for example: "H.K. Alpiner" (an unknown entity with only a P.O. Box), "Paradise Properties" (same), or "Evandro Miranda" (a person allegedly located at "RUA 1B Quandra Lot 7 Garalao B, 73454-209 Goinana Goias," a province in Brazil).

33. Pursuant to the Transfer Sales Agreement, Plaintiffs paid approximately $25,000 to $40,000 in consideration to FCS for their franchise, according to a payment schedule

which amortized over 5-10 years. While working for FCS, Plaintiffs made all payments to FCS (as opposed to an Outgoing Driver or a third-party).

34. The Franchise Agreements gave Plaintiffs upon his or her resignation or termination the right to offer the System for sale to a future FCS Driver at a market rate, to assign or delegate the System to a person of choice, to return the System to the Outgoing Contractor, or, colloquially, to put the System "on-the-shelf" with FCS. Putting a System "on-the-shelf" meant consigning the System to FCS, such that FCS helped market the System to potential new drivers.

35. In reliance on the franchise relationships, Plaintiffs typically acquired their own vehicles (usually, higher-end livery cars) and paid for their own automobile insurance.

36. Additionally, Plaintiffs typically signed an Independent Contractor Agreement.

37. Under the FCS Independent Contractor Agreements, Plaintiffs historically paid a "commission" to FCS (*i.e.,* the portion of the billable fee to a client payable to FCS) of approximately 18% (depending on the type of job).

B. FCS's Financial Distress

38. FCS was owned and operated at all relevant periods by brothers Amir and Guy Ben Zion, whose family had owned and operated FCS since the 1980s.

39. FCS was a profitable company, generating in excess of $25 million annually, at its peak, across accounts serviced by Plaintiffs.

40. Up until the mid-2000's, Amir resided in New York, and served as CEO and spokesperson for FCS. Amir then moved to Florida, and Guy became responsible for FCS' day-to-day operations. Thereafter, Amir had limited involvement with the operations of FCS.

41. On information and belief, the Ben Zion family began making expensive purchases and risky investments. In Florida, Amir became a self-proclaimed art "junkie" and restauranteur. He publicly boasted about filling his home with expensive art, "as well as a storage space which houses about 75 pieces."[2] Amir invested in a number of restaurants in Miami (mostly flashy and upscale properties, with expensive addresses): a hotel, nightclubs, and music festivals.

42. But a number of Amir's Miami restaurant ventures failed in a short period: Bond Street (closed in 2013), South Street (closed in 2013 after seven months), Cooper Avenue (closed in 2013 in "just 10 weeks"), Domo Japones (closed in 2008), Gigi (closed in 2017), and Bardot (closed in 2017).[3] (Interestingly, Gigi and Bardot closed within weeks of FCS's sale to Elite in 2017, also abruptly and under similar circumstances of unpaid wages.[4]

43. Despite Amir's preoccupation with his Miami business ventures and art collection, he remained affiliated with FCS as the "Founder" and "CEO" of FCS, and continued to be listed as such on FCS documentation through its demise in 2017.

Amir Ben-Zion CEO - Founder	**Guy Ben-Zion** President

Source: FCS Rate Book, Effective January 1, 2017

[2] https://whitehotmagazine.com/articles/interview-with-amir-ben-zion/1880
[3] https://www.hotel-online.com/News/2013_Jun_06/k.MIG.1370545642.html
[4] https://www.miaminewtimes.com/restaurants/midtown-miamis-gigi-closes-after-employees-cite-nonpayment-of-back-wages-9530203

Source: Amir Ben Zion's LinkedIn.com profile page.

44. Upon information and belief, FCS and/or its principals made payments to Amir and/or his business enterprises. FCS made such payments to Amir, notwithstanding Amir's lack of contribution to FCS, FCS's inability to live up to its own financial obligations, and the fact that such conveyances to Amir only worsened FCS's financial situation.

45. On information and belief, Amir's restaurant failures and expensive taste, and the Ben Zion's family's other investments, caused financial strain on FCS and/or the Ben Zion family.

46. In 2016, Amir pledged his "majority share" in FCS as a secured transaction in Florida:

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - INSERT ONLY ONE SECURED PARTY NAME (3a OR 3b)

3a. ORGANIZATION'S NAME			
3b. INDIVIDUAL'S SURNAME MAROM	FIRST PERSONAL NAME DORON	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS Line One 6750 NE 4TH COURT	This space not available.		
MAILING ADDRESS Line Two	CITY MIAMI	STATE FL	POSTAL CODE 33138	COUNTRY US

4. This FINANCING STATEMENT covers the following collateral:

The debtor's majority share in First Corporate Sedans, Inc., a New York Corporation and the debtor's membership interest in Centro Retail Downtown, LLC, a Florida limited liability company.

Source: State of Florida UCC Financing Statement dated July 18, 2016.

47. On information and belief, Amir pledged his shares in FCS to Doron Marom to support ventures or interests other than FCS.

48. On information and belief, beginning in or around 2014, FCS took on one or more rounds of financing, which caused the company additional financial distress. Among FCS's creditors was Rosenthal & Rosenthal, Inc.

C. FCS's Pre-Acquisition Breaches

49. On information and belief, despite FCS's mounting debt, it continued to generate an operating profit.

50. On information and belief, FCS sought to boost revenue, maintain profitability, and generate cash, while servicing the debt that was used to support the Ben Zion personal expenditures. FCS did so at the expense of Plaintiffs.

51. In the years and months leading up to FCS's eventual sale to Elite in 2017, FCS sought to pass the burden of its own financial irresponsibility onto Plaintiffs.

52. FCS issued checks to Plaintiffs and non-driver employees that bounced, and otherwise simply failed to pay Plaintiffs. By the time FCS assets were sold to Elite, there were in excess of $1.2 million in accounts payable to Plaintiffs on behalf of unpaid "vouchers."[5]

53. FCS typically demanded that Plaintiffs pay their franchise fees in cash. Feeling obligated to do so, Plaintiffs routinely paid FCS in hundreds (or thousands) of dollars in cash.

54. As FCS became financially distressed, it denied Plaintiffs and other FCS Drivers the right to retire franchises and/or transfer them to third parties. And though FCS had assumed responsibility for reselling "Systems" that FCS Drivers had placed on the shelf, FCS

[5] The historic "voucher" system is now technologically obsolete, but the industry still uses the term "voucher" colloquially to refer to payments due on behalf of jobs (*i.e.,* rides) worked.

stopped reselling those franchise, instead opting to sell *new* franchises, which generated greater short-term revenue for FCS, to the detriment of Plaintiffs.

55. Notwithstanding FCS's financial distress, upon information and belief, FCS continued to sell and make promises concerning its franchises, which it could not, and did not, have any intention of honoring.

56. FCS continued to collect franchise fees from Plaintiffs, even though FCS had repudiated the transferability provisions of the FCS franchise agreements and FCS had no intention to honor its obligations under the franchise agreements. Put differently, FCS was collecting money from FCS drivers without the reciprocal benefit due to FCS drivers.

57. FCS continued to sell franchises through 2017. The franchise disclosure documentation that FCS issued in connection with these sales did not properly apprise the incoming Plaintiffs of the risks associated with purchasing an FCS franchise, including FCS's imminent financial collapse and the fact that FCS's collapse would render the franchises worthless. Moreover, FCS's practice was to not allow Plaintiffs the appropriate opportunity to review, understand, and give informed consent over the FDD, and thus Elite's disclosure was ineffective, and Plaintiffs' content was not informed.

D. FCS-Elite Transaction

58. Without advanced notice to Plaintiffs, FCS announced in May 2017 it had entered into a transaction with Elite Limousine Plus, Inc. ("Elite") (the "FCS-Elite Transaction").

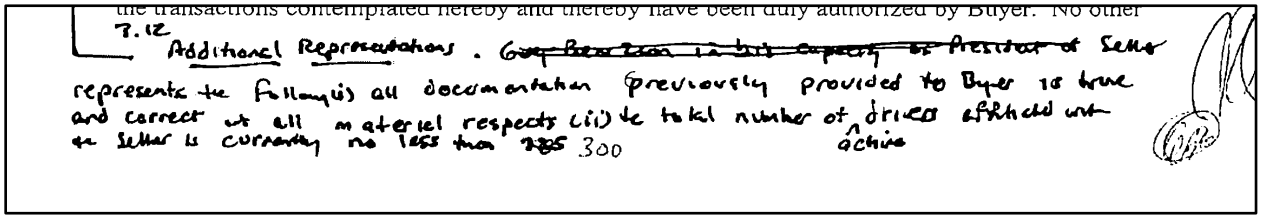
59. The FCS-Elite Transaction has been publicized by FCS and Elite as a "merger," a "combination," an "acquisition," and an "asset purchase," depending on the audience.

60. Elite made substantial efforts to obtain valuable rights associated with FCS's franchises with its drivers.

61. Pursuant to the Asset Purchase Agreement documenting the FCS-Elite Transaction, Elite acquired all the assets that underlie the company-driver relationship.

62. Elite acquired FCS's "Base License" and the list of all drivers under FCS's Base License, including Plaintiffs.

63. Elite had FCS represent that (i) FCS was current on its annual franchise filings, and (ii) it had at least 300 drivers. Elite's insistence that it obtain the Plaintiff franchises was specifically bargained-for, as highlighted by the fact the parties supplemented the asset purchase agreement with a hand-written representation concerning the number of drivers, at the closing:


the transactions contemplated hereby and thereby have been duly authorized by Buyer. No other
3.12 Additional Representations. ~~Each Person in his capacity as President of Seller~~
represents the following: all documentation previously provided to Buyer is true
and correct in all material respects (ii) the total number of drivers affiliated with
the Seller is currently no less than ~~285~~ 300 active

Source: FCS-Elite Asset Purchase Agreement.

64. Elite explicitly assumed a number of the liabilities of FCS concerning Plaintiffs, including (i) $1.24 million of FCS's accounts payable to Plaintiffs due and owing concerning unpaid vouchers, (ii) Plaintiffs' savings accounts, and (iii) Plaintiffs' security deposits (on information and belief relating to the technology FCS drivers' Transfer Sales Agreements). Upon information and belief, Elite assumed these liabilities because they were necessary to ensure that Plaintiff franchises would transfer to Elite and continue to service customers.

65. Elite acquired the "Aleph" and "Sherlock" technology systems, *i.e.,* technologies integral to the FCS Systems that underlie Plaintiffs' franchises.

66. Conversely, Elite did not exclude from its purchase any liabilities or assets related to Plaintiffs, including the Independent Contractor Agreements or any obligations related to the FCS Transfer Sales Agreements.

67. According to FCS, the FCS-Elite Transaction "brought together two of the best livery car service companies in the city." FCS's call center phone numbers, billing, billing receipts, and historical reports were transferred to Elite.

68. On or around the closing of the FCS-Elite Transaction, Rosenthal & Rosenthal, Inc. (one of FCS's creditors) became a creditor of Elite.

69. As part of the FCS-Elite Transaction, Guy Ben Zion became the Vice President of Client Relations at Elite.

70. Elite paid over $13.5 million in consideration for the FCS-Elite Transaction. Upon information and belief, a substantial portion of the valuation was based upon the value of FCS's fleet of drivers, *i.e.,* the value associated with the Plaintiffs.

71. Effectively, Plaintiffs had contributed meaningfully to the value of FCS's assets—*i.e.,* by paying valuable franchise installments, building the goodwill of FCS, and going unpaid when FCS hit financial distress so that FCS could meet its financial obligations—for which FCS generated $13.5 million through a sale to Elite.

72. By entering into the FCS-Elite Transaction, FCS and its principals attempted to relieve themselves of their obligations to creditors (including Rosenthal). FCS's relief effectively enriched the company and its principals at the expense of Plaintiffs, to whom FCS owed valuable obligations under the FCS franchise agreements, and which Elite then refused to acknowledge.

73. Upon Plaintiffs' learning about the FCS-Elite Transaction, Elite and FCS hosted a several-hundred-person meeting in a hotel, to tell Plaintiffs that their franchises would

not be supported by Elite (notwithstanding the asset transfers). Effectively, the $25,000-40,000 in equity FCS drivers had paid into their franchises over years (or decades) evaporated.

74. FCS refused to refund or rebate any portion of the FCS franchise fees (including those paid when FCS knew that it could not live up to its obligations to franchisees). Moreover, FCS refused to offer recourse to FCS drivers for any of FCS's obligations to its drivers, instead claiming that FCS is insolvent.

75. Elite has failed and continues to fail to honor the FCS franchises, particularly the transferability provisions.

E. Elite's Franchise Breaches

76. Instead of honoring the FCS franchises, Elite's position has been that Elite issued new franchises to Plaintiffs who elect to work with Elite. Elite promised that Plaintiffs would be treated just like existing Elite drivers, and receive the benefits of owning an Elite franchise.

77. The relationship between Elite and Plaintiffs has the features of a franchisor-franchisee relationship: Elite refers to Plaintiffs as "franchisees" in communications, charges Plaintiffs monthly installment fees and radio fees, dispatches to Plaintiffs jobs from the Elite networks, and insists Plaintiffs use the "Elite" name and brand (including most recently in license plates).

78. Moreover, Elite has insisted on upfront "transfer fees," typically between $2,500 and $5,000, that resemble a down payment for a franchise. (On information and belief, Elite is remitting some of these fees to creditors of FCS and/or the Ben Zion family.)

79. Many of the fees Plaintiffs pay or are being asked to pay to Elite are duplicative of fees already paid to FCS.

80. But, despite Plaintiffs paying into the Elite franchises, and performing their obligations as franchisees, Elite and Elite's CEO have failed to provide Plaintiffs with the legally-required documentation to sell a franchise in New York. Elite (i) has not provided Plaintiffs a franchise disclosure document, and (ii) has not provided Plaintiffs with a franchise contract.

81. Plaintiffs have been operating as franchises for Elite without receiving the proper disclosure and documentation from Elite.

82. Elite's failure to provide disclosure documentation, and deceiving Plaintiffs about how they could expect to be compensated and treated, has resulted in Plaintiffs' payment of fees duplicative of fees already paid to FCS, being charged fees arbitrarily and in amounts well above market standard, and being unfairly and disparately treated, as compared to Elite's preferred drivers.

F. Elite's Independent Contractor Breaches

83. Plaintiffs have requested information as to the compensation structure associated with their retention as independent contractors by Elite, including information as to their rate and method of compensation, timing of payments, and treatment of costs and deductions.

84. Elite has refused to provide that documentation, such that Plaintiffs have effectively been working for Elite without the proper documentation required under the law.

85. Plaintiffs have gone unpaid for their work beyond the typical time when they would expect to be paid, sometimes for weeks or months. Elite's payment invoices are confusing and incomprehensible, and contain facial inaccuracies concerning rates, discounts, voucher values, and deductions.

86. When Plaintiffs attempt to exercise their rights to written documentation and timely payment of vouchers, Elite has retaliated against and harassed Plaintiffs, threatening to discharge them or withhold additional payments. Plaintiffs have, accordingly, been terminated, constructively discharged, and/or gone unpaid from their positions at Elite, all as a consequence of Elite's illegal actions with respect to its independent contractors.

87. Ultimately, as a result of Elite's delinquent invoicing and payment practices; arbitrary, discriminatory, and predatory compensation policies; and additional retaliation against FCS drivers, Plaintiffs earn a fraction working for Elite versus what they earned working for FCS.

G. Elite's Uneven Dispatch of Jobs

88. Complicating and deepening the issues with respect to Plaintiffs' franchises with FCS and/or Elite are issues relating to Elite's disparate treatment of FCS drivers compared to existing Elite drivers, and Elite family members.

89. Although Elite represents that its technology system for distributing driving jobs is automated, upon information and belief, Elite's managers (including the Chaudhary family) override the system and manually assign jobs to favored drivers and away from Plaintiffs (ex-FCS drivers).

90. Elite gives preferential treatment to drivers who are closely related to the Chaudhary family and management by directing the most valuable jobs to specific Elite drivers.

91. Plaintiffs find themselves waiting for long periods of time without being assigned jobs, resulting in suspicion of Elite management.

92. Elite's uneven distribution of jobs violates industry standards, FCS practices, and Elite's own written documentation (notwithstanding the fact that Plaintiffs have never signed it). Elite's franchise agreements (which should have been distributed to Plaintiffs

under the law) contain language directly on point, *i.e.,* ensuring that jobs will be "evenly distributed" among drivers:

> 11.6. Dispatch Assignment Policy
>
> 11.6.1. All transportation requests will be assigned in an evenly distributed manner to the responding and bidding Franchise vehicle, except that at the request of customers and under specified arrangements, Elite shall have the right to assign specific transportation requests to a specific Franchisee or group of operators regardless of the normal allocation system based upon the preference of the customer or any other criteria specified by an Elite customer.
>
> 11.6.2. Franchisees shall not conspire or attempt to conspire with Elite Dispatchers or other staff members in an effort to secure favorable jobs assignment.

Source: Elite franchise agreement (which Elite has not provided to Plaintiffs, and Plaintiffs have not signed).

93. Additionally, Elite demonstrates favoritism towards existing Elite drivers (*i.e.,* drivers that worked for Elite before the FCS-Elite Transaction).

. . .

94. Plaintiffs have been significantly damaged as a result of FCS's and Elite's misconduct.

95. Plaintiffs have (i) refused to join Elite or have been constructively discharged from Elite, or (ii) are working at Elite in the face of consistent underpayment, unequal and unlawful practices, hostile relations, and non-transparency into the fundamental deal between FCS drivers and Elite.

96. Invariably, Plaintiffs' earnings since the Elite/FCS transaction have plummeted, often by more than 60%. Several drivers are now ***earning less than $20,000 annually***, before taking into account taxes, car payments, gas, or insurance.

97. Lastly, Elite is improperly holding Plaintiffs' deposits and compensation.

H. Class Allegations

98. Plaintiffs bring this action as a class action, pursuant to CPLR § 901, on behalf of themselves and all other drivers who (i) entered into franchise agreements with FCS from 1990 through 2017, and (ii) have not sold their franchises to a third-party (the "Class," and each member a "Class Member"). Excluded from the Class are Defendants; any person, firm, trust, corporation, or other entity related to or affiliated with Defendants, including, without limitation, persons who are officers, director, employees, associate or partners of FCS or Elite; any judicial officer presiding over this matter and the members of their immediate families and judicial staff; and class counsel.

99. Plaintiffs reserve the right to amend or modify the Class definitions in connection with a motion for class certification or as warranted by discovery.

100. This action satisfies the requirements of CPLR § 901 and is properly maintained as a class action.

101. Courts have previously upheld complaints brought on a class basis by livery car drivers against franchisors, based on common terms in various contracts between drivers and fleet companies, and common practices by the fleet companies, to the extent that the plaintiffs seek to determine common issues of law and fact affecting the class.

102. The proposed Class is so numerous that joinder of all members is impracticable and the disposition of their claims in a class action will provide substantial benefits to the parties and the Court. Upon information and belief, hundreds of persons have entered into franchise agreements with FCS, and have bargained for (i) their payment of installments to FCS over time, and (ii) a transferable franchise. Scores of drivers have been affected by Elite's practices towards drivers formerly associated with FCS.

103. There are questions of law and fact that are common to the Class and which predominate over questions affecting any individual Class member. The damages sustained by Plaintiffs flow from the common nucleus of operative facts surrounding Defendants' acts, omissions and misconduct. The common questions of law and fact include, without limitation:

a. Whether Elite and Chaudhary violated the New York Franchise Law by routinely failing to issue proper franchise documentation;

b. Whether Elite and Chaudhary violated New York General Business Law by engaging in deceptive and unfair franchising practices;

c. Whether Elite and Chaudhary violated New York's Freelance Isn't Free Act by failing to give Plaintiffs written documentation of the rate and periods at which they would be compensated;

d. Whether Elite and Chaudhary retaliated against Plaintiffs because of attempts by Class Members to exercise their rights to written documentation, and timely and accurate compensation;

e. Whether Elite commonly frustrated the FCS franchise agreements when it refused to honor the FCS franchise agreements;

f. Whether Elite, by unevenly distributing jobs to the detriment of Plaintiffs, has commonly breached a written or implied agreement with the Plaintiffs;

g. Whether FCS and Guy violated the New York Franchise Law by failing to issue proper disclosure of its financial distress and the fact that its franchises would likely not be honored upon the FCS-Elite Transaction;

h. Whether FCS commonly breached a written or implied agreement with Class Members by failing to make payments to Plaintiffs and collecting franchise fees, despite having repudiated the FCS franchise agreements;

i. Whether FCS and the Ben Zion family were unjustly enriched by the FCS-Elite Transaction, at the expense of Plaintiffs;

j. Whether Elite should be obligated, as a matter of law and contract, to disclose the means by which it distributes work among drivers;

k. Whether Elite should be obligated, as a matter of law or equity, to honor the transferability provisions of the FCS franchise agreements;

l. Whether Elite and FCS have been unjustly enriched, at the expense of Plaintiffs as a class;

m. Whether Elite has an obligation to provide reasonable disclosure of invoicing and the voucher system in connection with its relationship with Plaintiffs;

n. Whether FCS fraudulently transferred assets to Guy Ben Zion or Amir Ben Zion, *i.e.,* FCS partners, while insolvent and on the brink of selling its assets to Elite;

o. Whether Elite is liable as a successor to FCS's franchise agreements;

p. Whether Plaintiffs and Class Members have sustained damages or irreparable injury as a result of Elite's and FCS's unlawful actions, and, if so, the proper measure to be applied in determining damages and restitution;

q. Whether Elite owes FCS drivers attorneys' fees and reasonable costs under the New York Franchise Act, Freelance Isn't Free Act, New York Debtor and Creditor Law, or otherwise;

104. Plaintiffs' claims are typical of the claims of the Class since each Class member was subject to the same deceptive business practices and course of conduct by FCS, Elite, and their principals. Plaintiffs and all members of the Class sustained monetary damages including, but not limited to, ascertainable loss arising out of Defendants' wrongful conduct. Plaintiffs are advancing the same claims and legal theories on behalf of themselves and all similarly situated Class members.

105. Plaintiffs have no interests adverse or antagonistic to the interests of other members of the Class.

106. Plaintiffs will fairly and adequately represent and protect the interests of the Class and have retained experienced counsel who are qualified to pursue this litigation and who are competent in the prosecution of class action litigation.

107. A class action is superior to other methods for the fair and efficient adjudication of the claims asserted herein. Plaintiffs do not anticipate that unusual difficulties are likely to be encountered in the management of this class action.

108. A class action will permit a large number of similarly situated persons to prosecute their common claims in a single forum, simultaneously, efficiently, and without the duplication of effort and expense that numerous individual actions would engender, or the inconsistency in results that might occur if the claims were litigated independently.

109. By the manner in which they have consummated the FCS-Elite Transaction, FCS and Elite are acting on grounds generally applicable to the entire Class, thereby making appropriate final injunctive relief, or corresponding declaratory relief with respect to the Class as a whole.

FIRST CAUSE OF ACTION:
BREACH OF CONTRACT
UNEVEN DISPATCH OF JOBS
(Against Elite)

110. Plaintiffs repeat and reallege all preceding paragraphs of this Complaint as if fully set forth herein.

111. Elite and Plaintiffs have an agreement, express or implied, that requires Elite to assign driving jobs in an evenly distributed manner, and to not favor certain drivers with respect to distribution of work.

112. In violation of the agreement, Elite has favored certain drivers, in particular relatives of the Chaudhary family and non-FCS drivers, by distributing jobs to such drivers on a priority basis. This has left Plaintiffs with a disproportionately small amount of jobs and with jobs that are lower-paying.

113. Elite has thereby breached its obligation to Plaintiffs to evenly distribute jobs.

114. As a result of the breach, Elite has caused Plaintiffs to suffer reduced compensation and, in some cases, to be constructively discharged from Elite.

SECOND CAUSE OF ACTION:
FRANCHISE DISCLOSURE VIOLATION UNDER GBL § 683, 687, 691(3)
(Against Elite and Shafquat Chaudhary)

115. Plaintiffs repeat and reallege all preceding paragraphs of this Complaint as if fully set forth herein.

116. Upon Elite acquiring FCS assets, Elite issued franchises to Plaintiffs.

117. Elite has failed to give Plaintiffs copies of an offering prospectus, and a copy of the franchise contract, in accordance with the provisions of GBL § 683.

118. Elite has therefore violated GBL § 683.

119. Additionally, in connection with onboarding Plaintiffs to the Elite platform and issuing Plaintiffs Elite franchises, Elite made false statements of material fact, and otherwise engaged in deceit upon Plaintiffs, by (i) telling Plaintiffs that jobs would be evenly and equitably distributed among drivers, without favoritism to relatives of Elite management or existing Elite drivers, (ii) not fully disclosing the fees, deductions, and/or compensation practices of Elite, and (iii) falsely stating that the FCS franchises did not transfer to Elite as part of the FCS-Elite Transaction.

120. Elite knew that such statements or omissions were false, materially misleading, or otherwise deceitful because Elite does not, in fact, evenly distribute jobs; Elite's compensation structure is confusing, arbitrarily applied, and discriminatory against FCS drivers; and, in fact, the FCS franchise agreements did transfer to Elite.

121. Plaintiffs relied on Elite's representations in purchasing franchises from Elite, paying arbitrary transfer fees, and performing work for Elite with the expectation of evenly distributed jobs.

122. Elite has thereby violated GBL § 687.

123. Chaudhary controls and is an owner of Elite, has materially aided in the illegal sale of franchises as alleged herein, and otherwise had knowledge of the illegal sale of franchises as alleged herein. Under GBL § 691(3), Shafquat Chaudary is thus jointly and severally liable for damages arising out of Elite's violations hereunder.

THIRD CAUSE OF ACTION:
FREELANCE ISN'T FREE ACT
LOCAL LAW § 20-928, 929, 930, 934
(Against Elite)

124. Plaintiffs repeat and reallege all preceding paragraphs of this Complaint as if fully set forth herein.

125. Elite has failed to give Plaintiffs a written contract which includes the value of Plaintiff's services, the rate and method of compensation, and the timing of expected compensation. Elite has thereby violated § 20-928 of the Freelance Isn't Free Act ("FIFA").

126. Elite has failed to compensate Plaintiffs within the time specified in the agreement between Plaintiffs and Elite, or otherwise in a timely fashion, including by failing to pay Plaintiffs the proper amounts, charging Plaintiffs illegal discounts, and withholding jobs on behalf of rides that Plaintiffs have worked. Elite has thereby violated § 20-929 of FIFA.

127. Elite has retaliated against and threatened Plaintiffs as a result of Plaintiff's attempting to enforce their rights under FIFA, including by verbally insulting Plaintiffs, withholding compensation from Plaintiffs, directing valuable jobs away from Plaintiffs, and constructively discharging Plaintiffs. Elite has thereby violated § 20-930 of FIFA.

128. Elite's failure to provide a written contract (§ 20-928), failure to properly pay Plaintiffs (§ 20-929), and retaliation against Plaintiffs (§ 20-930) is a pattern or practice of violating FIFA because Elite has uniformly committed such conduct on a class-wide basis against all former FCS drivers. Elite has thereby violated § 20-934 of FIFA.

129. Plaintiffs are entitled to damages under § 20-933 of FIFA, plus an award of reasonable attorneys' fees and costs.

FOURTH CAUSE OF ACTION:
BREACH OF IMPLIED CONTRACT
(Against FCS)

130. Plaintiffs repeat and reallege all preceding paragraphs of this Complaint as if fully set forth herein.

131. FCS and Plaintiffs were not in privity of contract with respect to the FCS Transfer Sales Agreements and, in fact, the Transfer Sales Agreements explicitly state that FCS is not a party to such agreement.

132. Notwithstanding such language, FCS and Plaintiffs entered into franchise agreements whereby Plaintiffs paid $25,000-40,000 in installment fees, Plaintiffs were permitted to drive on the FCS network, Plaintiffs received compensation according to a formula, and Plaintiffs could transfer their franchises.

133. FCS frustrated the franchise agreements by selling them to Elite, under circumstances in which FCS knew that Elite would not honor them. Elite and FCS have refused to continue to provide the benefits of the franchise agreements.

134. Notwithstanding FCS's breach, FCS has continued to collect franchise payments and retain those payments, and refused FCS drivers the ability to transfer the franchises.

135. Equity and good conscience militate against permitting FCS to retain the value of those benefits at the expense of Plaintiffs.

FIFTH CAUSE OF ACTION:
BREACH OF IMPLIED CONTRACT
(Against Elite)

136. Plaintiffs repeat and reallege all preceding paragraphs of this Complaint as if fully set forth herein.

137. Elite and Plaintiffs are not parties to a written agreement governing the relationship between the parties. Nevertheless, there is an implied agreement between Elite and FCS drivers that Plaintiffs will pay franchise fees to Elite, Plaintiffs are permitted to drive on the Elite network, Plaintiffs receive compensation according to a formula, and Plaintiffs can transfer their franchises.

138. Elite has breached the implied contracts by systematically underpaying FCS drivers, improperly discounting FCS remittances to drivers, withholding payments from jobs that the drivers have worked, and charging FCS drivers for "vouchers," even though the voucher system is obsolete.

139. Elite has (i) systematically underpaid FCS drivers, (ii) received fees that resemble franchise fees, without giving FCS drivers the rights to a full franchise, and (iii) refused to honor the transferability provisions of FCS franchises.

SIXTH CAUSE OF ACTION:
UNJUST ENRICHMENT (FCS-Elite Transaction)
(Against FCS and Elite)

140. Plaintiffs repeat and reallege all preceding paragraphs of this Complaint as if fully set forth herein.

141. At the time of the FCS-Elite Transaction, neither FCS nor Elite had a written agreement with Plaintiffs concerning FCS's relationship with FCS drivers. Nevertheless, Plaintiffs had been paying into a system with an expectation that that their franchises had equity value and would be transferable.

142. FCS was unjustly enriched by the FCS-Elite Transaction because FCS and its principals evaded liability arising out of FCS's loan(s), obtained $13.5 million in compensation from Elite, continued to exist in another corporate form via a "combination" with Elite, and evaded liability to the Plaintiffs on behalf of the FCS franchise agreements.

143. Elite has been unjustly enriched by Plaintiffs because it received the benefit of more than 300 FCS drivers. Elite has systematically underpaid FCS drivers. Elite has received fees that resemble franchise fees, without giving Plaintiffs the rights to a full franchise, and Elite refuses to honor the transferability provisions of FCS franchises.

144. The FCS-Elite Transaction thus conferred onto both FCS and Elite an unjust enrichment: both received the value of more than 300 FCS drivers, but without the obligation to honor the transferability provisions of the franchise agreement.

145. Equity and good conscience militate against permitting FCS or Elite to retain the value of those benefits at the expense of Plaintiffs.

SEVENTH CAUSE OF ACTION:
NEW YORK DEBTOR AND CREDITOR LAW § 273, 274, 275, 278, and 279
(Against Elite and FCS)

146. Plaintiffs repeat and reallege all preceding paragraphs of this Complaint as if fully set forth herein.

147. In the FCS-Elite Transaction, FCS transferred to Elite valuable assets relating to FCS' client base and the its fleet of more than 300 drivers.

148. At the time of the FCS-Elite Transaction, FCS was insolvent, and faced substantial liabilities, including liability due to FCS drivers as unpaid obligations under the independent contractor and franchise agreements.

149. The FCS-Elite Transaction was consummated without fair consideration because (i) although FCS's balance sheet was weak (due to the Ben Zion family's gross mismanagement), FCS was a profitable company, (ii) the value of FCS's client base and more than 300 drivers outweighed the debt relief FCS received, and (iii) insofar as Elite had no intention of honoring the FCS franchise agreements, the FCS assets essentially transferred without any liabilities.

150. Elite and FCS had actual and constructive knowledge of FCS' insolvency.

151. Plaintiffs were creditors to FCS as of the time of FCS-Elite because FCS had fallen behind on payments to Plaintiffs and because FCS had a material liability on behalf of the transferability liability due to Plaintiffs.

152. FCS' property after the FCS-Elite Transaction was unreasonably small capital to satisfy FCS' liabilities to the Plaintiffs and other creditors, because FCS was left with no operations, minimal cash, and no employees.

153. The Court should set aside the conveyances FCS-Elite Transaction to the extent necessary to satisfy obligations to Plaintiffs.

EIGHTH CAUSE OF ACTION:
NEW YORK DEBTOR AND CREDITOR LAW § 273, 274, 275, 277, 278, and 279
(Against Elite, FCS, Guy Ben Zion, and Amir Ben Zion)

154. Plaintiffs repeat and reallege all preceding paragraphs of this Complaint as if fully set forth herein.

155. Elite and FCS transferred to Guy Ben Zion and Amir Ben Zion, *i.e.,* FCS partners, valuable consideration, including monetary consideration and relief of debt obligations.

156. At the time of such conveyances, FCS was insolvent, and faced substantial liabilities, including liability due to Plaintiffs as unpaid obligations under the independent contractor and franchise agreements.

157. The conveyances to Guy Ben Zion and Amir Ben Zion were consummated without fair consideration because (i) they were overly inflated compared to the financial performance of FCS at the time, (ii) FCS was insolvent, (iii) Guy and Amir caused a substantial part of FCS's financial difficulties with their gross mismanagement of FCS and self-dealing transactions, and (iv) Guy Ben Zion did not perform any work for FCS.

158. Elite, FCS, Guy, and Amir had actual and constructive knowledge of FCS's insolvency, and that Guy and Amir should have received nothing on behalf of their equity at a time that FCS was insolvent.

159. Plaintiffs were creditors to FCS as of the time of the conveyances to Guy and Amir because FCS had fallen behind on payments to Plaintiffs and because FCS had a material liability on behalf of the transferability liability due to FCS drivers.

160. FCS's property after the conveyances to Guy and Amir was unreasonably small capital to satisfy FCS's liabilities to the FCS drivers and other creditors, because FCS was left with no operations, minimal cash, and no employees.

161. The Court should set aside the conveyances to Guy and Amir to the extent necessary to satisfy obligations to Plaintiffs.

NINTH CAUSE OF ACTION:
FRANCHISE DISCLOSURE VIOLATION UNDER GBL § 683, 687, and 691
(Against FCS)

162. Plaintiffs repeat and reallege all preceding paragraphs of this Complaint as if fully set forth herein.

163. Plaintiffs purchased franchises from FCS and made franchise payments to FCS while FCS was in the zone of insolvency, FCS knew that it would not survive, and FCS would not be able to ensure the transferability of its franchises.

164. FCS nevertheless sold Plaintiffs FCS franchises and collected franchise payments.

165. Before selling such franchises to Plaintiffs or collecting franchise payments, FCS failed to properly disclose the risks stated above, made materially false statements, and/or omitted material facts about FCS' financial position or the likelihood that the FCS franchises would not transfer.

166. Plaintiffs relied on FCS' representations in purchasing franchises from FCS and related equipment (including cars), and continuing to make franchise payments.

167. FCS' representations and omissions were false and misleading because soon after Plaintiffs purchased FCS franchises and made such payments, FCS failed, sold its assets in the FCS-Elite Transaction, and FCS and Elite failed to honor the transferability provisions of the FCS franchises.

168. Additionally, FCS failed to give Plaintiffs a copy of the prospectus, and a copy of the franchise contract, in accordance with the provisions of GBL **§** 683.

169. FCS has therefore violated GBL **§** 683.

170. By making the materially misleading and false statements to Plaintiffs, FCS has also violated GBL § 687.

171. Guy Ben Zion and Amir Ben Zion control FCS, are the owners of FCS, have materially aided in the illegal sale of franchises as alleged herein, and otherwise had knowledge of the illegal sale of franchises as alleged herein.

172. Under GBL § 691(3), Guy Ben Zion and Amir Ben Zion are thus jointly and severally liable for damages arising out of FCS's violations hereunder.

TENTH CAUSE OF ACTION:
DECLARATORY JUDGMENT
(Against Elite and FCS)

173. Plaintiffs repeat and reallege all preceding paragraphs of this Complaint as if fully set forth herein.

174. There is a genuine dispute as to whether the FCS franchises transferred from FCS to Elite in the FCS-Elite Transaction, and therefore whether Elite became the successor-in-interest to the FCS franchise agreements.

175. Elite received a fleet of more than 300 FCS drivers, including a host of covenants, representations, and asset transfers supporting the transfer of FCS franchises to Elite. Similarly, FCS did not explicitly retain any obligations related to the FCS drivers in the FCS-Elite Transaction documentation.

176. Elite has thereby contractually assumed the FCS franchise agreements.

177. Insofar as Elite has not contractually assumed the liabilities associated with the FCS franchises, the FCS-Elite Transaction constitutes a fraudulent transfer, as discussed *supra*. Therefore, Elite is liable as the successor-in-interest to the FCS franchises.

JURY TRIAL DEMANDED

Plaintiffs demand a trial by jury on all issues so triable.

WHEREFORE, Plaintiffs, on behalf of themselves and members of the Class, respectfully request relief against Defendants as follows

A. Awarding damages in an amount to be proved at trial for Defendants' violation of the Franchise Disclosure Act, violation of the Freelance Isn't Free Act, violation of the New York General Business Law, breach of contract and/or unjust enrichment, and fraudulent conveyance under New York Debtor and Creditor Law;

B. Declaring that, to the extent FCS and/or Elite has violated its obligations under the New York Franchise Act and otherwise breached its obligations to Plaintiffs, Plaintiffs are entitled to rescind the franchise agreements and to disgorgement of all fees paid thereunder;

C. Awarding Plaintiffs injunctive relief, requiring Elite to honor the FCS franchise agreements and the transferability provisions, and distribute jobs evenly;

D. Declaring that this action is properly maintainable as a class action, certifying Plaintiffs as Class representatives and appointing Slarskey LLC and Imbesi Law as Class Counsel;

E. Awarding Plaintiffs and the Class the costs of this action, including attorneys fees and costs under the New York General Business Law, Freelance Isn't Free Act, New York Debtor & Creditor Law, and otherwise;

F. Awarding pre- and post-judgment interest; and

G. Awarding Plaintiffs and the Class such other and further relief as the Court may deem just and proper.

New York, NY
Dated: July 22, 2019

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