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(ENDORSED)  
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12 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
13 **COUNTY OF SAN MATEO**

CIV 498076

15 S.D. JADEJA, individually and on behalf of  
all those similarly situated,

16 Plaintiff,

17 vs.

18 REDFLEX TRAFFIC SYSTEMS, INC.;  
19 REDFLEX TRAFFIC SYSTEMS  
(CALIFORNIA), INC.; AMERICAN  
20 TRAFFIC SOLUTIONS, INC.; and DOES 1-  
21 20,

22 Defendants.

CASE NO.

CLASS ACTION

COMPLAINT FOR DAMAGES

- 1) Violation of Business & Professions Code § 17200, et seq.
- 2) Unjust Enrichment

DEMAND FOR JURY TRIAL

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I. INTRODUCTION

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1. Plaintiff Subhadrasinhji Dilipsinhji Jadeja ("S.D. Jadeja," or "Mr. Jadeja") brings this action on behalf of himself and all other similarly-situated individuals who received traffic citations for a red light violation under California Vehicle Code §§ 21453(a) or 21453(b), issued by a city or state agency utilizing an automated detection system pursuant to a contract involving a contingency fee or "cost neutral" provision.

2. This action arises under California Vehicle Code § 21455.5(g)(1), which makes illegal contracts for automated traffic systems that include an incentive provision under which the private contractor/operator receives a fee that is contingent upon the number of traffic tickets issued, and California Business & Professions Code §§ 17200, *et seq.*, which outlaw unfair business acts or practices.

3. Defendants Redflex Traffic Systems, Inc., Redflex Traffic Systems (California), Inc. (collectively, "RTS"), American Traffic Solutions, Inc. ("ATS"), and Does 1-20 operate automated traffic enforcement systems under contracts with various municipalities throughout California. Many of these contracts have contingency fee or "cost neutral" contracts, which condition the level of payment upon the number of citations generated, in violation of California Vehicle Code § 21455.5(g)(1).

4. For example, the City of San Mateo had a contract with RTS under which RTS was to receive a \$6,030 monthly fee for each camera it operated at one of San Mateo's intersections. However, this monthly fee was constrained by a "cost neutral" clause in the contract between RTS and San Mateo, pursuant to which RTS guaranteed a refund if the monthly revenue created for San Mateo by each camera did not meet or exceed \$6,030. Thus, RTS was incentivized to ensure that each camera produced enough citations to pay for itself. In fact, RTS cut twenty percent off of its monthly fee in August of 2005, when the number of citations failed to cover the \$6,030 fee.

5. Operating under contracts such as the San Mateo contract, Defendants have reaped enormous fees throughout the state, all of which have been generated by the fines paid by Plaintiff and other Class Members.

6. Plaintiff and Class Members have suffered damages in the form of traffic light

1 citation fines, and they bring this action to recover those damages as well as the costs and  
2 expenses of this litigation and further relief as may be just and proper.

3 **II. JURISDICTION AND VENUE**

4 7. The claims asserted herein arise under, and pursuant to, California Vehicle Code §  
5 21455.5(g)(1), California Business & Professions Code §§ 17200, *et seq.*, and the common law of  
6 California.

7 8. This Court has jurisdiction over the subject matter of this action pursuant to  
8 California Code of Civil Procedure § 410.10. Plaintiff seeks damages on behalf of himself and all  
9 others similarly situated under the statutory and common law of California.

10 9. The amount in controversy exceeds the \$25,000 minimum to qualify this action for  
11 unlimited jurisdiction within the California Superior Court.

12 10. At all relevant times, each Defendant named herein maintained contacts with and  
13 conducted business in California. RTS, ATS, and others, at all times relevant to this lawsuit,  
14 maintained offices and conducted substantial business operations in California. Through their  
15 employees and agents, RTS, ATS, and the Doe Defendants, as defined below, entered into illegal  
16 contracts with public entities in California, operated automated traffic enforcement equipment in  
17 California, and caused tickets to be issued to plaintiff and Class Members throughout California.

18 11. Venue is proper in the San Mateo Superior Court pursuant to California Code of  
19 Civil Procedure § 395, because the acts and omissions complained of herein, including the  
20 creation and signing of contracts, the issuance of tickets, and the operation of automated traffic  
21 enforcement equipment took place, caused damages to, and had other adverse effects upon,  
22 Plaintiff and other Class members within the territorial jurisdiction of this Court.

23 **III. PARTIES**

24 **A. Plaintiff Jadeja**

25 12. Plaintiff S.D. Jadeja is a natural person, residing in Palo Alto, California. At 7:45  
26 a.m. on August 30, 2009, Mr. Jadeja drove through the intersection at El Camino Real and  
27 Ravenswood Avenue in Menlo Park, California. An automated traffic enforcement camera  
28 mounted at the intersection recorded a video of Mr. Jadeja proceeding through the intersection.



1 18. Defendants Redflex Traffic Systems, Inc. and Redflex Traffic Systems (California),  
2 Inc. are referred to collectively as "RTS."

3 **C. Defendant ATS**

4 19. Defendant American Traffic Solutions, Inc. ("ATS") is a Kansas corporation,  
5 headquartered in Scottsdale, Arizona. ATS is a leading provider of technology and business  
6 solutions for photo traffic safety and electronic toll enforcement programs worldwide. ATS  
7 provides "Road Safety Programs" to many of America's municipalities, including: New York  
8 City, Philadelphia, Washington, D.C., St. Louis, San Diego, Seattle, Houston, and New Orleans.  
9 Altogether, ATS serves more than 200 municipalities and government agencies with intersection  
10 safety cameras and road safety programs. It has installed nearly 1,100 cameras around the country,  
11 with hundreds more in various planning stages. Notably, ATS operates cameras in Millbrae and  
12 other municipalities in California.

13 **D. Doe Defendants**

14 20. Plaintiff is ignorant of the true names and capacities of the other Defendants sued  
15 herein as Does 1 through 20, inclusive (the "Doe Defendants"), and therefore sues these Doe  
16 Defendants by such fictitious names. Plaintiff will amend this Complaint to allege the Does' true  
17 names and capacities when ascertained. Plaintiff is informed and believes, and thereon alleges,  
18 that each such fictitiously named Doe Defendant is legally responsible in some manner for the  
19 events and conduct referred to herein, and legally caused injury and damages to Plaintiff as herein  
20 alleged.

21 **E. Agency / Aiding and Abetting**

22 21. At all times pertinent, each Defendant was an agent and/or employee of the other  
23 Defendants, and each of them, and was acting in the course and scope of such agency and/or  
24 employment, and with the consent, permission, and/or authorization of the other Defendants, and  
25 each of them. Defendants, and each of them, are individually sued herein as participants and  
26 aiders and abettors in the improper acts and transactions alleged herein.

27 **F. Public Entities**

28 22. At all times relevant to these claims, non-parties Baldwin Park, Bell Gardens,

1 Capitola, Cathedral City, Citrus Heights, Commerce, Corona, Costa Mesa, Covina, Culver City,  
2 Daly City, Davis, Escondido, Fullerton, Gardena, Glendale, Grand Terrace, Hemet, Highland,  
3 Inglewood, Laguna Woods, Lancaster, Loma Linda, Los Alamitos, Los Angeles County,  
4 Lynwood, MRCA, MTA/Metro, Marysville, Menlo Park, Millbrae, Modesto, Montebello, Moreno  
5 Valley, Murrieta, Napa, Newark, Oroville, Rancho Cucamonga, Redding, Redwood City,  
6 Riverside, Rocklin, Roseville, San Bernardino, San Juan Capistrano, San Leandro, San Mateo,  
7 Santa Ana, Santa Maria, South Gate, Union City, Upland, Ventura, Victorville, Walnut, Whittier,  
8 Yucaipa, and Yuba City, amongst others, (collectively, "Municipalities") have been and are  
9 municipalities incorporated within the state of California. The Municipalities issued or authorized  
10 Defendants to issue citations to Plaintiff and Class Members, and those citations were paid after  
11 Plaintiff and Class Members either plead guilty or no contest, or contested the charges  
12 unsuccessfully.

13 23. Because criminal convictions cannot be vacated as a result of pleas entered or guilt  
14 found, absent an appeal of that criminal court ruling, there is no need to name the Municipalities  
15 involved in the contracts alleged as defendants. Plaintiffs do not seek either damages against or  
16 disgorgement by the Municipalities, whom Plaintiffs believe were induced to enter the illegal  
17 contracts by Defendants.

18 24. In addition to the Municipalities, certain other public entities and agencies  
19 (collectively, "Agencies") have performed the same function as the Municipalities in contracting  
20 for automated traffic enforcement systems and issuing citations. These Agencies have not been  
21 named as Defendants for the same reason that the Municipalities were not named.

22 25. This action does not seek any relief from the underlying traffic citations, nor does it  
23 seek to overturn criminal convictions. This action asks only for restitution and damages related to  
24 the amounts obtained by Defendants under the illegal contracts as herein alleged.

#### 25 IV. FACTUAL ALLEGATIONS

##### 26 A. State Law Governing Traffic Enforcement Contracts

27 26. Pursuant to California Vehicle Code § 21455.5, a municipality may install and  
28 operate automated traffic enforcement systems, including red light cameras.

1           27.     In 2003, however, the California State Legislature passed AB 1022, amending  
2 California Vehicle Code § 21455.5 to specifically prohibit contingency fee agreements for  
3 automated traffic enforcement systems. Stats. 2003, ch. 511, § 1; Veh. Code, § 21455.5(g)(1).

4           28.     California Vehicle Code § 21455.5(g)(1) states:

5           A contract between a governmental agency and a manufacturer or supplier of  
6 automated enforcement equipment may not include provision for the payment or  
7 compensation to the manufacturer or supplier based on the number of citations  
8 generated, or as a percentage of the revenue generated, as a result of the use of the  
9 equipment authorized under this section.

10          29.     This new prohibition applies to any contracts signed, modified, or renewed after  
11 January 1, 2004, the date the bill took effect. Thus, any contracts signed, modified, or renewed by  
12 the Defendants and Municipalities or Agencies after January 1, 2004 are subject to the new  
13 Vehicle Code provision.

14           **B.     Municipal Contracts**

15          30.     On or after January 1, 2004, Defendants RTS and ATS entered into, modified, or  
16 renewed contracts to provide automated traffic enforcement systems to state Municipalities and  
17 Agencies, including but not limited to Baldwin Park, Bell Gardens, Capitola, Cathedral City,  
18 Citrus Heights, Commerce, Corona, Costa Mesa, Covina, Culver City, Daly City, Davis,  
19 Escondido, Fullerton, Gardena, Glendale, Grand Terrace, Hemet, Highland, Inglewood, Laguna  
20 Woods, Lancaster, Loma Linda, Los Alamitos, Los Angeles County, Lynwood, MRCA,  
21 MTA/Metro, Marysville, Menlo Park, Millbrae, Modesto, Montebello, Moreno Valley, Murrieta,  
22 Napa, Newark, Oroville, Rancho Cucamonga, Redding, Redwood City, Riverside, Rocklin,  
23 Roseville, San Bernardino, San Juan Capistrano, San Leandro, San Mateo, Santa Ana, Santa  
24 Maria, South Gate, Union City, Upland, Ventura, Victorville, Walnut, Whittier, Yucaipa, and  
25 Yuba City.

26          31.     In an effort to circumvent the new Vehicle Code section barring contingency  
27 contracts, these contracts each contained one form or another of a "cost neutral" or contingency  
28 clause. The contracts provided for a fixed payment from the Municipality or Agency, usually on a  
monthly per camera or per intersection basis. However, the "cost neutral" clause guaranteed that  
the red light cameras would pay for themselves, and that the Municipalities would pay no money

1 out of pocket, even if the cameras failed to pay for themselves. That is, if the fixed monthly fees  
2 charged by Defendants were to exceed the total revenue brought in by the cameras, Defendants  
3 would refund, credit, or otherwise repay the Municipality for the difference.

4 32. For example, the City of San Mateo contracted with RTS to install and operate red  
5 light cameras at multiple intersections. Under a "cost neutral" provision in the contract, the City  
6 of San Mateo agreed to pay RTS a monthly fee of \$6,030 per camera. However, if the fines  
7 generated from the red light cameras did not meet or exceed \$6,030 per month per camera, RTS  
8 promised to refund or credit the City of San Mateo with the difference. Thus, the City of San  
9 Mateo could avoid all financial risk associated with the cost of operating red light cameras.

10 33. Specifically, the San Mateo-RTS contract provides, at section 6.5, entitled Cost  
11 Neutrality:

12 After an initial twelve (12) month period, if the total compensation  
13 paid to Redflex pursuant to this agreement exceeds that portion of  
14 Fines received by Customer (City of San Mateo) for Citations issued  
15 during the same twelve (12) month period, then Redflex agrees to  
16 absorb, eliminate, or reimburse Customer for the excess expense  
17 thereby covering the cost for system operation so that the Customer  
18 achieves cost neutrality in accordance with the representation that  
19 the system(s) shall pay for themselves. This cost neutrality  
20 provision shall be applied for each twelve (12) month period for  
21 which the agreement is in effect in order to ensure cost neutrality  
22 throughout the Term of this agreement.

23 34. Similarly, RTS contracted with the City of Menlo Park on a "cost neutral" basis. In  
24 their contract, Menlo Park agreed to pay \$6,350 per month, per intersection as a "flat fee."  
25 However, the "flat fee" was contingent upon Menlo Park receiving in excess of \$6,350 per month  
26 in revenue from the issuance of traffic citations at the RTS-policed intersections. Specifically, the  
27 Menlo Park-RTS contract's cost neutrality provision states:

28 **Cost Neutrality**

**Cost neutrality is assured to Customer (City of Menlo Park). Cost Neutrality is  
assured to Customer using this methodology as Customer will never pay  
Redflex more than actual cash received.**

(Bold and underline in original agreement)

35. The Menlo Park-RTS contract further provides:

Payment will only be made by Customer up to the amount of cash received by

1 Customer from the County through the collection of red light citation up to the  
2 amount currently due.

3 36. Yet another example of a cost neutral clause is found in the City of Millbrae's  
4 contract with ATS, which provides:

5 After the First Year Pilot Program, ATS warrants that the Customer  
6 (City of Millbrae) shall not be required to pay ATS more than  
7 Customer (City of Millbrae) has collected and received in fines  
8 payments through the county courts as a result of the use of the Axis  
9 System cumulatively throughout the term of the contract. For the  
10 purposes of this clause, the term 'fines' applies to that portion of  
11 fines actually retained by the Customer (City of Millbrae) according  
12 to the distribution method applicable under California law.

13 37. In essence, these "cost neutral" contracts are merely contingency contracts under  
14 which the contracted vendor is paid on a per-ticket basis, with a monthly cap on total fees.

15 38. Indeed, in August of 2005, RTS was forced to cut twenty percent off of the City of  
16 San Mateo's bill for failure to generate sufficient fines to support the cost of the red light cameras  
17 installed. Thus, RTS suffered a loss of revenue when its cameras issued too few citations. This  
18 clearly demonstrates that RTS and other companies utilizing a "cost neutral" contract are  
19 financially incentivized to ensure that the cameras they install produce a sufficient number of  
20 infractions to cover their monthly fees for operating red light camera systems. Payment is made to  
21 the vendor based upon the number of citations issued.

22 39. Defendants have engaged in similar or identical contracts with numerous  
23 Municipalities and Agencies, and have issued a substantial number of citations during the Class  
24 Period. These contracts have proven to be extremely lucrative, bringing in millions of dollars in  
25 revenue for Defendants and non-party Municipalities and Agencies alike.

26 **C. San Mateo Civil Grand Jury Findings**

27 40. The Superior Court of San Mateo recently commissioned a Civil Grand Jury to  
28 investigate the use of red light cameras operated by defendants in the County of San Mateo.  
Amongst the Grand Jury's findings were the following:

41. The Grand Jury outlined the process for choosing which intersections would best  
be suited to red light cameras: "The cities choose locations for the two suppliers of red light  
cameras to evaluate. The vendors then recommend the location of cameras based on studies which

1 evaluate the potential number of possible red light violations and not necessarily the number of  
2 accidents that can be prevented."

3 42. "Police Departments and traffic engineers provide their input as to where cameras  
4 should be installed with primary emphasis on safety rather than the number of citations that can be  
5 issued. Ultimately, both the city and the vendor must agree on the location for installation."

6 43. Thus, the cameras are installed not so much as a public safety measure, but as a  
7 means of revenue generation. While the Municipalities are certainly concerned about public  
8 safety, there will be no installation if Defendants believe the intersection chosen to be  
9 insufficiently lucrative.

10 44. The Grand Jury noted the value of each ticket to the participating Municipalities:  
11 "The red light camera systems installed in the county are generating significant revenue for the  
12 cities. In 2009, the amount the cities receive per citation ranges from \$119.17 (San Mateo) to  
13 \$142.49 (San Carlos)."

14 45. The Grand Jury estimated the annual revenue brought in by the use of red light  
15 cameras throughout San Mateo County: They found that the cameras brought in average monthly  
16 revenues of \$86,792 from four intersections in Daly City; \$94,500 from three intersections in  
17 Menlo Park; \$49,351 from one intersection in Millbrae; \$65,636 from two intersections in  
18 Redwood City; \$6,280 from one intersection in San Carlos; and \$69,940 from three intersections  
19 in San Mateo.

20 46. In fact, in 2009 San Mateo County issued 30,948 red light camera-generated  
21 tickets, which, at \$446.00 per citation, would amount to \$13,802,808 in fines. Some individual  
22 cities within San Mateo County each issued nearly \$300,000 in red light camera-generated tickets  
23 *per month*.

24 47. As the Grand Jury noted, "Most cities are protected from losses by a 'cost neutral'  
25 clause in their contracts. In the event that fine revenue received does not cover the monthly cost  
26 of the contract, the city is only required to pay the actual amount that it did receive. San Carlos  
27 and San Mateo among other cities have voluntarily nullified the 'cost neutral' clause in their  
28 contracts following a recent court case where a citation issued with this clause in place was

1 dismissed by the court." In short, the Municipalities are beginning to realize that the contracts  
2 they signed are illegal, and the revenue they generate under those contracts is vulnerable to attack.

3 48. In a footnote, the Grand Jury noted that "California law states that a company such  
4 as Redflex or American Traffic Solutions can't charge based on the number of tickets the camera  
5 issues."

6 49. The Grand Jury's report also noted that Millbrae contracted with ATS for  
7 automated traffic enforcement systems, while San Mateo, Burlingame, Daly City, Menlo Park,  
8 Redwood City, and San Carlos all contracted with RTS.

9 50. Monthly fees paid for each installation vary amongst cities, ranging from \$5,395 to  
10 \$6,350 throughout San Mateo County.

11 51. The citations issued for red light violations are governed year to year by a state  
12 mandate. In 2010, the state mandated fine is \$446.00. However, each Municipality receives only  
13 around 1/3 of the total citation fee, although the exact fraction of the fee collected varies from city  
14 to city. The remainder of the money goes to the State of California and the county in which the  
15 Municipality is located. Thus, if a city receives 1/3 of each \$446 ticket, it will receive an average  
16 payout of around \$148 per ticket.<sup>1</sup> To recover the full \$6,030 cost of operating a single red light  
17 traffic camera, a vendor such as ATS or RTS would have to cause at least 40 tickets to be issued  
18 per month, per camera. In the case of a city like San Mateo, which only collects around \$120 per  
19 ticket, that number would rise to more than 50.

20 **D. Issuance of Citations**

21 52. Individuals can be issued traffic citations for a red light violation under California  
22 Vehicle Code §§ 21453(a) and 21453(b). The first section of the statute prohibits running a red  
23 light or a making a right turn at a red light without first coming to a complete stop. The second  
24 section prohibits turning right on a red light in an unsafe manner. The second section carries a  
25 much lower fine.

26 \_\_\_\_\_  
27 <sup>1</sup> As noted above, according to the San Mateo County Civil Grand Jury, the actual amount  
28 collected by cities ranged from \$119.17 for San Mateo to \$142.49 for San Carlos.

1           53. California Vehicle Code § 21455.5 allows for the use of automated traffic  
2 enforcement systems to regulate red light violations in California. As stated above, many citations  
3 have been issued by automated detection systems pursuant to illegal contracts involving  
4 contingency fee or "cost neutral" provisions.

5           54. Automated traffic enforcement systems are deployed at intersections using a variety  
6 of systems. Almost all of these include the use of a mounted red light camera that records a  
7 picture or video of a car as it proceeds through an intersection. The red light cameras are mounted  
8 on poles to provide the cameras with a vantage point from which they can easily record violations.  
9 Various systems are employed in conjunction with a camera to detect when a driver proceeds  
10 through an intersection against a red light.

11           55. For example, some systems use inductive sensor loops imbedded in the pavement  
12 of intersections. These sensor loops detect vehicles that may run a red light, and then send  
13 activation signals to the red light cameras. Generally speaking, for a violation to be recorded,  
14 three conditions must be satisfied – first, the traffic signal display facing the motorist must be red;  
15 second, the pre-determined delay or grace time (for example, 0.3 seconds), if any, must have  
16 expired; and third, the vehicle speed crossing from the first loop to the second loop must be  
17 greater than a pre-determined minimum speed threshold.

18           56. Most vendors contract to own, operate, and maintain the camera systems in  
19 exchange for a fee. As part of their duties, these vendors install, repair, and service equipment,  
20 collect and process film, review film images to determine whether they meet a city's criteria for  
21 the issuance of citations, and obtain information on vehicle owners from the Department of Motor  
22 Vehicles ("DMV"). These records, including video or still photographic images of the infraction,  
23 are then electronically transmitted to the police department of the city for approval or disapproval  
24 of the issuance of a citation. If approved, the city, *or oftentimes the vendor itself*, then mails a  
25 Notice of Violation to the vehicle's owner of record. The vendors generally also either provide  
26 expert witnesses to testify on the technical aspects of the operation of the automated enforcement  
27 equipment or train police officers or city officials to give such expert testimony.

28

1           57. For example, most cities in San Mateo County employed part time sworn officers  
2 to help evaluate possible violations, appear in court, and answer questions from the general public.  
3 Only the City of San Mateo itself had full time dedicated sworn staff to evaluate videos recorded  
4 by red light cameras.

5           58. Plaintiff S.D. Jadeja received a Notice to Appear sent directly from RTS, on behalf  
6 of the City of Menlo Park. The Notice to Appear contained a declaration that may have been  
7 signed by one such staff member or sworn officer.

8           59. When an individual runs a red light at an intersection monitored by an automated  
9 traffic enforcement system, a mechanism is used to determine that the individual's vehicle has  
10 entered the intersection against a red light, and a camera records a video, a photograph, or multiple  
11 photographs of the vehicle as it proceeds through the intersection.

12           60. Once a vehicle has been caught on camera, the operator of the enforcement  
13 equipment compiles all available data, including extracting the make, model, and license number  
14 of the vehicle from the video, and requests identification of the individual who owns the vehicle  
15 from the DMV.

16           61. The operator of the enforcement equipment then transmits all compiled  
17 information, including video or photographic evidence, to the police department or traffic  
18 enforcement department of the corresponding city. The city employs its own procedure for  
19 reviewing the evidence and determines whether to issue a citation.

20           62. If the city chooses to issue a citation, it sends or authorizes a vendor to send the  
21 citation by mail to the owner of the vehicle, and includes a copy of a photograph of the vehicle in  
22 the intersection, usually with the vehicle's license plate visible. The citation denotes the time and  
23 location of the traffic violation, and demands that the owner of the vehicle either pay a fine or  
24 appear in court. The fine is determined annually by the state. As noted above, the 2010 state  
25 mandated fine is \$446.00. This fine applies to individuals who proceed directly through an  
26 intersection against a red light, as well as to individuals who fail to completely stop before making  
27 a right turn at a red light. By contrast, the fine for running a stop sign is \$214.00, and the fine for  
28 going 15 mph over the speed limit is also \$214.00. Once the fine is paid, the city receives a pre-

1 determined portion of the money paid.

2 63. At the end of each month, or in some cases each twelve month period, Defendants  
3 review the revenue received by the contracting Municipality or Agency, and determine if any  
4 refunds or credits are due. If such credits or refunds are due, the vendor then settles the account  
5 with the Municipality or Agency, thereby ensuring that the contracts remain "cost neutral."

6 64. An individual who receives such a ticket has the option to appear in court to contest  
7 the fine, or to pay the fine without contest. In addition to the fine, however, the DMV adds a point  
8 to the record of any driver who is not acquitted of the infraction. To avoid this point, which can  
9 cause severe escalations in the cost of automobile insurance, a driver has the option of attending  
10 traffic school, if he or she has not already attended traffic school within the past 18 months.  
11 Traffic school fees vary, but there is an additional administrative cost of \$60 for those who wish to  
12 attend traffic school.

13 65. Most individuals who receive red light infraction tickets opt to pay the fine, rather  
14 than going through the hassle of appearing in court on a weekday only to be convicted, as the  
15 evidence, though of questionable admissibility, clearly shows an image of the individual's car  
16 proceeding through the intersection, allegedly after the light had turned red. Some even make a  
17 court appearance, but are told that the only options are: (1) to plead not guilty and return yet again,  
18 on a future date, to argue the case; or (2) to plead guilty or no contest, in which case they often  
19 receive a \$100 reduction in the fee. The prospect of returning to court on yet another day, coupled  
20 with a reduced fine, is often enough to induce even the most outraged drivers to simply accept the  
21 ticket, plead no contest, and pay the fine.

22 66. Once these individuals pay a fine, a great number of them attend traffic school,  
23 often in an online format, expending as much as eight hours in class or online, in order to avoid  
24 the expensive consequences of an additional point on his or her record.

25 **V. CLASS ACTION ALLEGATIONS**

26 67. Plaintiff brings this action on behalf of himself and all persons similarly situated  
27 pursuant to Code of Civil Procedure § 382. This action satisfies the numerosity, commonality,  
28 typicality, adequacy, predominance and superiority requirements of that statute. The Class is

1 defined as follows:

2 All persons issued a citation for violation of California Vehicle  
3 Code §§ 21455(a) or 21455(b), where the alleged violation was  
4 recorded by an automated traffic enforcement system owned and/or  
5 operated by Defendants pursuant to an illegal contract with a  
6 Municipality or Agency made, or renewed, on or after January 1,  
2004. Excluded from the Class are (1) employees of the  
Defendants, including its officers or directors; (2) Defendants'  
affiliates, subsidiaries, or co-conspirators; and (3) the Court to which  
this case is assigned.

7 68. Plaintiff does not know the exact number of Class members because such  
8 information is in the exclusive control of the Defendants. However, Plaintiff believes that due to  
9 the nature of the citations and the automated enforcement equipment involved, Class Members are  
10 sufficiently numerous, most likely thousands of individuals, and geographically dispersed  
11 throughout the State, that joinder of all Class Members is impracticable. The information as to the  
12 identity of Class Members can be readily determined from records maintained by the Defendants  
13 and their agents, as well as non-party Municipalities and Agencies, including citation records,  
14 contracts with Municipalities and Agencies, receipts, and financial records.

15 69. Plaintiff's claims are typical of, and not antagonistic to, the claims of other Class  
16 Members because Plaintiff received a traffic citation under the California Vehicle Code for  
17 running a red light or turning without sufficiently stopping at a red light, and was observed and  
18 recorded by an automated traffic enforcement system owned and/or operated by Defendants under  
19 an illegal contract. By asserting his claims, Plaintiff will also advance the claims of all members  
20 of the Class who were damaged by the same wrongful conduct of RTS, ATS, and their co-  
21 conspirators as herein alleged, and the relief sought is common to the Class.

22 70. The common legal and factual questions which do not vary from Class Member to  
23 Class member, and which may be determined without reference to individual circumstances of any  
24 Class Member include, but are not limited to, the following:

- 25 (a) Whether Defendants entered into, or renewed, contracts containing  
26 "cost neutral" or otherwise illegal contracts after January 1, 2004;
- 27 (b) Whether "cost neutral" or other incentivized contracts are illegal  
28 under California Vehicle Code § 21455.5(g)(1);

- 1 (c) Whether Defendants engaged in unfair competition when they
- 2 operated automated traffic enforcement equipment pursuant to
- 3 illegal contracts;
- 4 (d) Whether Plaintiff and the Class are entitled to compensatory
- 5 damages, and the amount of such damages; and
- 6 (e) Whether Defendants should be ordered to disgorge, for the benefit
- 7 of the Class, all or part of their ill-gotten profits received from the
- 8 operation of automated traffic enforcement equipment under illegal
- 9 contracts.

10 71. These common questions and others predominate over questions, if any, that affect

11 only individual members of the Class.

12 72. The claims of the representative Plaintiff are typical of the claims of the Class.

13 There are no material conflicts with any other members of the Class that would make class

14 certification inappropriate. Plaintiff and his counsel will fairly and adequately represent the

15 interests of the Class. Plaintiff has retained attorneys experienced in the prosecution of class

16 actions, including complex cases and consumer actions, and Plaintiff intends to prosecute this

17 action vigorously.

18 73. A class action is superior to other available methods for the fair and efficient

19 adjudication of this controversy because individual litigation of the claims of all Class Members is

20 impracticable. Even if every Class Member could afford individual litigation, the court system

21 could not. It would be unduly burdensome on the courts if individual litigation of numerous cases

22 were to proceed. By contrast, the conduct of this action as a class action, with respect to some or

23 all of the issues presented in this Complaint, presents fewer management difficulties, conserves

24 the resources of the parties and of the court system, and protects the rights of each Class member.

25 74. Prosecution of separate actions by individual Class Members would create the risk

26 of inconsistent or varying adjudications, establishing incompatible standards of conduct for the

27 defendant, and would magnify the delay and expense to all parties and to the court system

28 resulting from multiple trials of the same complex factual issues.

75. Injunctive relief is appropriate as to the Class as a whole because Defendants have

acted or refused to act on grounds generally applicable to the Class.



1 Defendants' business acts and practices, as alleged herein, have caused injury to Plaintiff, the  
2 Class, and the public.

3 84. Plaintiff and the Class are entitled to relief, including full restitution and/or  
4 disgorgement of all revenues, earnings, profits, compensation, and benefits which may have been  
5 obtained by Defendants as a result of such business acts or practices, and enjoining Defendants to  
6 cease and desist from engaging in the practices described herein.

7 WHEREFORE, Plaintiff and the Class pray for relief as set forth below.

8 **VII. SECOND CAUSE OF ACTION**

9 **(Unjust Enrichment)**

10 85. Plaintiff incorporates by reference all the above allegations as though fully set forth  
11 herein.

12 86. As a direct and proximate result of Defendants' misconduct as set forth above,  
13 Defendants have been unjustly enriched.

14 87. Specifically, Defendants received compensation in exchange for the unlawful  
15 operation of automated traffic enforcement systems at the expense of Plaintiff and others, in  
16 violation of the California Vehicle Code. The fines and fees paid by Plaintiff and other Class  
17 members funded the very enforcement systems that caused the issuance of their citations. This has  
18 resulted in Defendants' wrongful receipt of profits and injury to Plaintiff and the Class.

19 WHEREFORE, Plaintiff and the Class pray for relief as set forth below:

20 **VIII. PRAYER FOR RELIEF**

- 21 1. Certification of the proposed Class and notice and claims administration to be paid  
22 by Defendants;
- 23 2. Damages and/or restitution in an amount sufficient to reimburse Class Members  
24 who have paid fines pursuant to citations issued;
- 25 3. Prejudgment interest at the maximum legal rate;
- 26 4. Compensatory, punitive, and exemplary damages according to proof;
- 27 5. Costs of the proceedings herein;
- 28 6. Reasonable attorneys' fees as allowed by statute;


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- 7. A declaration that "cost neutral" and other financially incentivized contracts are illegal;
- 8. Injunctive relief against the further use of red light cameras operating under a "cost neutral" or otherwise illegal contract; and
- 9. For all such other and further relief as the Court deems just and proper.

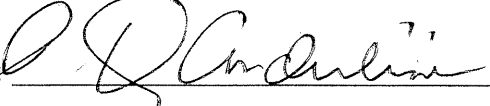
**DEMAND FOR JURY TRIAL**

Plaintiff hereby demands a trial by jury in this action.

Dated: August 19, 2010

By:  \_\_\_\_\_

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