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MACK-CALI SERVICES, INC., MACK-	: SUPERIOR COURT OF NEW JERSEY
CALI REALTY, L.P., M-C SO. PIER L.L.C.,	: LAW DIVISION: HUDSON COUNTY
and MACK-CALI SUB XI, INC., individually	: DOCKET NO.:
and derivatively on behalf of CAL-HARBOR	:
SO. PIER URBAN RENEWAL	:
ASSOCIATES L.P., HARBORSIDE LAND	: <u>Civil Action</u>
LLC, and HARBORSIDE HOTEL LLC,	:
	: VERIFIED COMPLAINT
Plaintiffs,	:
vs.	:
HYATT CORPORATION, and HT-JERSEY	:
PIER, L.P.,	:
Defendants.	:
-and-	:
CAL-HARBOR SO. PIER URBAN	:
RENEWAL ASSOCIATES L.P.,	:
HARBORSIDE LAND LLC, and	:
HARBORSIDE HOTEL LLC,	:
Nominal Defendants.	:
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Plaintiffs Mack-Cali Services, Inc. (“MC Services”), Mack-Cali Realty, L.P. (“MC Realty”), M-C So. Pier, L.L.C. (“MC So. Pier”) and Mack-Cali Sub XI, Inc. (“MC Sub”) (collectively, “Mack-Cali” or “Plaintiffs”), individually and derivatively on behalf of Cal-Harbor So. Pier Urban Renewal Associates L.P., Harborside Land LLC and Harborside Hotel LLC, by and through their attorneys, Herrick, Feinstein LLP, allege and state as follows:

THE PARTIES

1. Plaintiff Mack-Cali Services, Inc. is a corporation organized and existing under the laws of the State of New Jersey, with an address c/o Mack-Cali Realty Corporation, Harborside 3, 210 Hudson Street, Suite 400, Jersey City, New Jersey 07311.

2. Plaintiff Mack-Cali Realty, L.P. is a limited partnership organized and existing under the laws of the State of Delaware, with an address c/o Mack-Cali Realty Corporation, Harborside 3, 210 Hudson Street, Suite 400, Jersey City, New Jersey 07311.

3. Plaintiff M-C So. Pier, L.L.C. is a limited liability company organized and existing under the laws of the State of Delaware, with an address c/o Mack-Cali Realty Corporation, Harborside 3, 210 Hudson Street, Suite 400, Jersey City, New Jersey 07311.

4. Plaintiff Mack-Cali Sub XI, Inc. is a corporation organized and existing under the laws of the State of Delaware, with an address c/o Mack-Cali Realty Corporation, Harborside 3, 210 Hudson Street, Suite 400, Jersey City, New Jersey 07311.

5. Defendant Hyatt Corporation (“Hyatt Corp.”) is a corporation organized and existing under the laws of the State of Delaware, with an address c/o Hyatt Hotels Corporation, 150 North Riverside Plaza, Chicago, Illinois 60606.

6. Defendant HT-Jersey Pier, L.P. (“HT,” and together with Hyatt Corp., “Hyatt” or “Defendants”) is a limited partnership organized and existing under the laws of the State of Delaware, with an address c/o Hyatt Hotels Corporation, 150 North Riverside Plaza, Chicago, Illinois 60606.

7. Defendant Cal-Harbor So. Pier Urban Renewal Associates L.P. (“URE”) is a limited partnership organized and existing under the laws of the State of New Jersey, with an address c/o Hyatt Hotels Corporation, 150 North Riverside Plaza, Chicago, Illinois 60606.

8. Defendant Harborside Land LLC (“Harborside Land”) is a limited liability company organized and existing under the laws of the State of Delaware, with an address c/o Mack-Cali Realty Corporation, Harborside 3, 210 Hudson Street, Suite 400, Jersey City, New Jersey 07311.

9. Defendant Harborside Hotel LLC (“Harborside Hotel”) is a limited liability company organized and existing under the laws of the State of Delaware, with an address c/o Hyatt Hotels Corporation, 150 North Riverside Plaza, Chicago, Illinois 60606.

BACKGROUND

10. In this action, Mack-Cali seeks to recover damages suffered by reason of Hyatt’s breaches of contractual and common law duties owed in connection with a joint venture for the construction, ownership and operation of a hotel in Jersey City, New Jersey (the “Hotel”).

11. Under the parties’ joint venture agreements, Hyatt was designated as the manager of the various entities formed for the purpose of carrying out the business of the joint venture.

12. Unfortunately, Hyatt abused its management position to make two crucial decisions that have benefitted Hyatt to the detriment of Mack-Cali.

13. Specifically, in order to resolve its national labor dispute with UNITE HERE, Hyatt agreed to subject the Hotel to collective bargaining agreements that have significantly decreased the profitability and value of the Hotel.

14. In addition, Hyatt permitted a franchisee to open a competing hotel, the Hyatt House Jersey City (the “Hyatt House”), 289 feet from the Hotel, thereby further decreasing the profitability and value of the Hotel.

15. Hyatt's decisions in this regard constitute breaches of Hyatt's contractual and common law obligations to Mack-Cali and have caused Mack-Cali, either directly or indirectly, millions of dollars in damages.

16. Mack-Cali seeks to recover in this action the millions of dollars in damages that it has suffered, and will continue to suffer, by reason of Hyatt's inexcusable conduct.

THE JOINT VENTURE

17. On or about November 17, 1999, Hyatt and Mack-Cali formed several entities for the purpose of carrying out the business of the joint venture.

18. Specifically, Mack-Cali and Hyatt formed URE, with Mack-Cali and Hyatt, either directly or indirectly, each holding one-half of the membership interests therein. URE was formed for the purpose of owning the land on which the Hotel was to be constructed (the "Land").

19. Mack-Cali and Hyatt also formed Harborside Land, with Mack-Cali and Hyatt, either directly or indirectly, each holding one-half of the membership interests therein. Harborside Land was formed for the purpose of leasing the Land from URE.

20. Mack-Cali and Hyatt also formed Harborside Hotel, with Mack-Cali and Hyatt, either directly or indirectly, each holding one-half of the membership interests therein. Harborside Hotel was formed for the purpose of subleasing the Land from Harborside Land and owning the Hotel.

21. Each of URE, Harborside Land and Harborside Hotel was subject to operating agreements. Additionally, Harborside Hotel entered into a management agreement with Hyatt Corp. The salient details of those agreements are as follows.

A. URE's Operating Agreements

22. On or about November 17, 1999, HT, MC Realty and MC Sub entered into an Amended and Restated Limited Partnership Agreement with respect to URE. The Amended and Restated Limited Partnership Agreement, as amended by amendments dated as of August 24, 2000, December 28, 2000 and January 29, 2004, is hereinafter referred to as the "Amended and Restated URE Operating Agreement."

23. On or about September 14, 2016, HT, MC Realty and MC So. Pier entered into a Second Amended and Restated Limited Liability Company Agreement with respect to URE (the "Second Amended and Restated URE Operating Agreement"). The Amended and Restated URE Operating Agreement and the Second Amended and Restated URE Operating Agreement are hereinafter referred to as the "URE Operating Agreements."

24. Section 6.1 of the URE Operating Agreements provides that HT shall be the Managing Partner of URE, and grants HT broad authority with respect to the management of URE.

25. Section 6.3 of the URE Operating Agreements, however, limits the Managing Partner's authority with respect to Major Decisions:

[N]o Partner, including, without limitation, the Managing Partner, shall have any right, power or authority to take any action on behalf of or otherwise to bind or commit the Partnership with respect to any of the matters set forth below (herein referred to as "**Major Decisions**") without the written consent and approval of all Partners:

* * *

(b) The Sale or other disposition of the Hotel (including, without limitation, a sale/leaseback transaction), or otherwise encumbering, or granting any liens, licenses, easements or other interests therein .

...

* * *

(h) Taking any action, or consenting to any action, which is in violation of any of the terms or provisions of this Agreement, or which is otherwise limited, restricted or prohibited in accordance with the provisions hereof

* * *

(dd) Deviating materially from the terms of acquisition, disposition or other course of action with respect to the Hotel, or any interest therein, that required the approval of the Partners, except that a Partner may deviate from any course of action approved by the Partners as necessary to respond to an “emergency” unless such action is prohibited by contracts of the Partnership (including contracts entered into in connection with the acquisition or disposition of Partnership assets)

26. Section 6.4(b) of the URE Operating Agreements grants URE’s partners authority to conduct competing businesses. However, that authority is circumscribed by Section 6.4(c), wherein it is stated that the operations of HT and its affiliates are subject to the non-competition provisions of the parties’ management agreement.

B. Harborside Land’s Operating Agreements

27. On or about November 17, 1999, HT and MC Realty entered into a Limited Liability Company Agreement with respect to Harborside Land. The Limited Liability Company Agreement, as amended by amendment dated as of January 29, 2004, is hereinafter referred to as the “Harborside Land Operating Agreement.”

28. On or about September 14, 2016, HT and MC Realty entered into an Amended and Restated Limited Partnership Agreement with respect to Harborside Land (the “Amended and Restated Harborside Land Operating Agreement”). The Harborside Land Operating Agreement and the Amended and Restated Harborside Land Operating Agreement are hereinafter referred to as the “Harborside Land Operating Agreements.”

29. Section 7.1 of the Harborside Land Operating Agreements provides that HT shall be the Managing Member of Harborside Land, and grants HT broad authority with respect to the management of Harborside Land.

30. Section 7.3 of the Harborside Land Operating Agreements, however, limits the Managing Member’s authority with respect to Major Decisions:

[N]o Member, including, without limitation, the Managing Member, shall have any right, power or authority to take any action on behalf of or otherwise to bind or commit the Company with respect to any of the matters set forth below (herein referred to as “**Major Decisions**”) without the written consent and approval of all Members:

* * *

(a) Any action, which, under the provisions of this Agreement (including the provisions of Section 7.2) may not be taken by any Member acting alone

* * *

(j) Taking any action, or consenting to any action, which is in violation of any of the terms or provisions of this Agreement, or which is otherwise limited, restricted or prohibited in accordance with the provisions hereof

* * *

(ff) Deviating materially from the terms of acquisition, disposition or other course of action with respect to the Property that required the approval of the Members, except that a Member may deviate from any course of action approved by the Members as necessary to respond to an “emergency” unless such action is prohibited by contracts of the Company (including contracts entered into in connection with the acquisition or disposition of Company assets)

31. Section 7.4(b) of the Harborside Land Operating Agreements grants Harborside Land’s members authority to conduct competing businesses. However, that authority is

circumscribed by Section 7.4(c), wherein it is stated that the operations of HT and its affiliates are subject to the non-competition provisions of the parties' management agreement.

C. Harborside Hotel's Operating Agreements

32. On or about November 17, 1999, HT, Hyatt Corp. and MC Services entered into a Limited Liability Company Agreement with respect to Harborside Hotel. The Limited Liability Company Agreement, as amended by amendment dated as of January 29, 2004, is hereinafter referred to as the "Harborside Hotel Operating Agreement."

33. On or about September 14, 2016, HT, Hyatt Corp. and MC Services entered into an Amended and Restated Limited Liability Company Agreement with respect to Harborside Hotel (the "Amended and Restated Harborside Hotel Operating Agreement"). The Harborside Hotel Operating Agreement and the Amended and Restated Harborside Hotel Operating Agreement are hereinafter referred to as the "Harborside Hotel Operating Agreements."

34. Section 6.1 of the Harborside Hotel Operating Agreements provides that Hyatt Corp. shall be the Managing Member of Harborside Hotel, and grants Hyatt Corp. broad authority with respect to the management of Harborside Hotel.

35. Section 6.3 of the Harborside Hotel Operating Agreements, however, limits the Managing Member's authority with respect to Major Decisions:

[N]o Member, including, without limitation, the Managing Member, shall have any right, power or authority to take any action on behalf of or otherwise to bind or commit the Company with respect to any of the matters set forth below (herein referred to as "**Major Decisions**") without the written consent and approval of all Members:

* * *

(c) The Sale or other disposition of the Hotel (including, without limitation, a sale/leaseback transaction), or otherwise encumbering,

or granting any liens, licenses, easements or other interests therein .
...

* * *

(i) Taking any action, or consenting to any action, which is in violation of any of the terms or provisions of this Agreement, or which is otherwise limited, restricted or prohibited in accordance with the provisions hereof

* * *

(ee) Deviating materially from the terms of acquisition, disposition or other course of action with respect to the Hotel, or any interest therein, that required the approval of the Members, except that a Member may deviate from any course of action approved by the Members as necessary to respond to an "emergency" unless such action is prohibited by contracts of the Company (including contracts entered into in connection with the acquisition or disposition of Company assets)

36. Section 6.4(b) of the Harborside Hotel Operating Agreements grants Harborside Hotel's members authority to conduct competing businesses. However, that authority is circumscribed by Section 6.4(c), wherein it is stated that the operations of Hyatt Corp. and its affiliates are subject to the non-competition provisions of the parties' management agreement.

D. The Management Agreement

37. On or about November 17, 1999, Harborside Hotel and Hyatt Corp. entered into a management agreement with respect to the Hotel. The management agreement, as amended by addenda dated as of July 2, 2002, July 26, 2012 and September 14, 2016, is hereinafter referred to as the "Management Agreement."

38. Pursuant to the Management Agreement, Harborside Hotel retained Hyatt Corp. to manage the Hotel subject to the terms and conditions set forth therein.

39. Pursuant to Section 3.5(a) of the Management Agreement, Hyatt Corp. was prohibited from entering into any collective bargaining agreements without Harborside Hotel's approval:

Hyatt shall not enter into any collective bargaining agreement regarding any bargaining unit of Hotel employees without [Harborside Hotel's] approval, which shall not be unreasonably withheld or delayed and which approval shall be based upon the cost of any such agreements which may be incurred by [Harborside Hotel]. Hyatt shall at all times keep [Harborside Hotel] informed of the status of union negotiations.

40. Article XVIII of the Management Agreement further prohibits Hyatt Corp. and its affiliates from permitting Hyatt hotels to be operated or managed in the "Restricted Area":

Hyatt hereby agrees that, during the Term, neither Hyatt nor any of its Affiliates will operate or manage, or cause or permit to be operated or managed, any hotel (other than the Hotel) which includes in its name any of the Protected Names anywhere within the "Restricted Area"; it being understood and agreed, however, that nothing herein contained shall limit or restrict the right or ability of Hyatt or any of its Affiliates to (i) operate or manage any hotel, motel, lodge or other facility providing transient accommodations under any name which does not include any of the Protected Names; or (ii) enter into any management agreements, joint ventures or other understandings or contractual arrangements contemplating the future management or operation of any hotel so long as the hotel shall either not be opened for business to the public (whether because it is under construction or otherwise), or Hyatt's active management thereof has not commenced, in either case until after expiration of the Term or termination of this Agreement. For purposes hereof, the term "Restricted Area", as used herein, shall mean the Cities of Jersey City, New Jersey and Hoboken, New Jersey.

DEFENDANTS' WRONGFUL CONDUCT

41. Hyatt has breached its contractual and common law duties to Mack-Cali by (i) subjecting the Hotel to collective bargaining agreements containing accretion, neutrality and card check provisions without Mack-Cali's consent; and (ii) permitting a competing hotel, the Hyatt House, to be opened 289 feet from the Hotel.

A. The Collective Bargaining Agreements

42. The Hotel opened for business in or about July 2002. At the time the Hotel opened, it was not subject to any collective bargaining agreements.

43. However, in or about September 2014, Hyatt unilaterally subjected the Hotel to the Greater Regional Industry-Wide Agreement with the New York Hotel and Motel Trades Council, AFL-CIO (the "GRIWA").

44. At the time Hyatt subjected the Hotel to the GRIWA, Hyatt was embroiled in a national labor dispute with UNITE HERE involving many of its hotels.

45. In order to resolve that dispute, Hyatt agreed to subject some of its hotels -- including the Hotel -- to collective bargaining agreements.

46. When deciding to subject the Hotel to the GRIWA, Hyatt did not obtain Mack-Cali's consent as it was obligated to do.

47. Further, in or about December 2017, Hyatt renewed the Hotel's commitment to the GRIWA effective as of April 1, 2018.

48. When deciding to renew the Hotel's commitment to the GRIWA, Hyatt did not obtain Mack-Cali's consent as it was obligated to do.

49. The GRIWA and a second collective bargaining agreement entered into with Local 68-68A-68B, AFL-CIO have significantly increased the operating costs of the Hotel, thereby decreasing the profitability of the Hotel and its value.

50. By reason of the foregoing, the joint venture has suffered damages in excess of \$58 million, resulting in over \$29 million in damages to Mack-Cali as a 50% stakeholder.

51. In addition, accretion, neutrality and card check provisions contained in the GRIWA may negatively impact Mack-Cali's operations at other locations.

52. Indeed, by letter dated December 18, 2018, the New York Hotel and Motel Trades Council, AFL-CIO has claimed that Mack-Cali's newly-opened Residence Inn at Port Imperial Weehawken is subject to the GRIWA's accretion, neutrality and card check provisions.

B. The Hyatt House

53. In or about December 2017, a Hyatt franchisee opened a competing hotel, the Hyatt House, 289 feet from the Hotel.

54. Prior to the opening of the Hyatt House, Hyatt approached Mack-Cali for a waiver of the restrictions contained in Article XVIII of the Management Agreement. At the time Hyatt did so, it represented that the Hyatt House would be a limited-service, extended-stay hotel that would not compete with the Hotel for business.

55. Critically, Hyatt failed to disclose (i) that the Hyatt House would have more rooms than any other similar Hyatt House in the country; (ii) that the Hyatt House would offer food and beverage services comparable to a full-service hotel, with a destination rooftop lounge and bar; (iii) that the Hyatt House would receive preference over the Hotel on Hyatt's website; and (iv) that the Hyatt House would, in fact, compete with the Hotel for business.

56. If these facts had been disclosed, Mack-Cali would have rejected Hyatt's request for a waiver.

57. Instead, in reliance on Hyatt's representation that the Hyatt House would not compete with the Hotel for business, Mack-Cali agreed to waive the restrictions contained in Article XVIII of the Management Agreement insofar as they would have applied to the Hyatt House.

58. The operation of the Hyatt House has caused a significant drop in the revenue at the Hotel, thereby decreasing its profitability and value.

59. Upon information and belief, the Hyatt House will likely cause an annual loss of net operating income of at least \$1.25 million, with a resulting loss of value to the joint venture of over \$16 million.

C. Demand and Refusal

60. By letter dated December 19, 2018, Mack-Cali demanded that URE, Harborside Land and Harborside Hotel commence an action against Hyatt to recover the millions of dollars in damages caused by its wrongful conduct.

61. URE, Harborside Land and Harborside Hotel have thus far refused to commence an action against Hyatt to recover the damages caused by its wrongful conduct.

62. Accordingly, MC Services, MC Realty, MC So. Pier and MC Sub are commencing this action to recover damages suffered either directly, or indirectly through URE, Harborside Land and Harborside Hotel.

FIRST COUNT
(Breach of Contract – Harborside Hotel Operating Agreements)

63. Plaintiffs repeat and reallege the allegations set forth in paragraphs 1 through 62 of the Complaint, as if fully set forth at length herein.

64. Pursuant to the Harborside Hotel Operating Agreements, Hyatt Corp., as the Managing Member of Harborside Hotel, cannot unilaterally take any action on behalf of Harborside Hotel with respect to any “Major Decisions” as defined therein.

65. Section 6.3 of the Harborside Hotel Operating Agreements defines “Major Decisions” as including the following: (i) encumbering the Hotel, (ii) taking actions in violation

of the Harborside Hotel Operating Agreements, and (iii) materially deviating from any course of action requiring approval of the members.

66. By entering into and renewing collective bargaining agreements without Mack-Cali's approval, Hyatt Corp. breached the Harborside Hotel Operating Agreements.

67. The Harborside Hotel Operating Agreements further provide that Hyatt shall be subject to the non-competition provisions of the Management Agreement.

68. By permitting the Hyatt House to be opened, Hyatt has breached the Harborside Hotel Operating Agreements.

69. By reason of Hyatt's breaches, Mack-Cali has been damaged, and continues to be damaged, in an amount to be determined at trial.

WHEREFORE, Plaintiffs demand judgment against Defendants as follows:

- (a) Awarding compensatory and punitive damages in an amount to be determined at trial, together with interest thereon;
- (b) Awarding Plaintiffs their attorneys' fees, costs and disbursements; and
- (c) Granting such other and further relief as the Court deems just and proper.

SECOND COUNT
(Breach of Contract – URE Operating Agreements)

70. Plaintiffs repeat and reallege the allegations set forth in paragraphs 1 through 69 of the Complaint, as if fully set forth at length herein.

71. Pursuant to the URE Operating Agreements, HT, as the Managing Member of URE, cannot unilaterally take any action on behalf of URE with respect to any "Major Decisions" as defined therein.

72. Section 6.3 of the URE Operating Agreements defines "Major Decisions" as including the following: (i) encumbering the Hotel, (ii) taking actions in violation of the URE

Operating Agreements, and (iii) materially deviating from any course of action requiring approval of the partners.

73. By entering into and renewing collective bargaining agreements without Mack-Cali's approval, Hyatt breached the URE Operating Agreements.

74. The URE Operating Agreements further provide that HT shall be subject to the non-competition provisions of the Management Agreement.

75. By permitting the Hyatt House to be opened, Hyatt has breached the URE Operating Agreements.

76. By reason of Hyatt's breaches, Mack-Cali has been damaged, and continues to be damaged, in an amount to be determined at trial.

WHEREFORE, Plaintiffs demand judgment against Defendants as follows:

- (a) Awarding compensatory and punitive damages in an amount to be determined at trial, together with interest thereon;
- (b) Awarding Plaintiffs their attorneys' fees, costs and disbursements; and
- (c) Granting such other and further relief as the Court deems just and proper.

THIRD COUNT

(Breach of Contract – Harborside Land Operating Agreements)

77. Plaintiffs repeat and reallege the allegations set forth in paragraphs 1 through 76 of the Complaint, as if fully set forth at length herein.

78. Pursuant to the Harborside Land Operating Agreements, HT, as the Managing Member of Harborside Land, cannot unilaterally take any action on behalf of Harborside Land with respect to any "Major Decisions" as defined therein.

79. Section 7.3 of the Harborside Land Operating Agreements defines "Major Decisions" as including the following: (i) taking actions that may not be taken by a member acting

alone, (ii) taking actions in violation of the Harborside Land Operating Agreements, and (iii) materially deviating from any course of action requiring approval of the members.

80. By entering into and renewing collective bargaining agreements without Mack-Cali's approval, HT breached the Harborside Land Operating Agreements.

81. The Harborside Land Operating Agreements further provide that HT shall be subject to the non-competition provisions of the Management Agreement.

82. By permitting the Hyatt House to be opened, Hyatt has breached the Harborside Land Operating Agreements.

83. By reason of Hyatt's breaches, Mack-Cali has been damaged, and continues to be damaged, in an amount to be determined at trial.

WHEREFORE, Plaintiffs demand judgment against Defendants as follows:

- (a) Awarding compensatory and punitive damages in an amount to be determined at trial, together with interest thereon;
- (b) Awarding Plaintiffs their attorneys' fees, costs and disbursements; and
- (c) Granting such other and further relief as the Court deems just and proper.

FOURTH COUNT

(Breach of the Implied Covenant of Good Faith and Fair Dealing)

84. Plaintiffs repeat and reallege the allegations set forth in paragraphs 1 through 83 of the Complaint, as if fully set forth at length herein.

85. A covenant of good faith and fair dealing is implied into every contract, including the URE Operating Agreements, the Harborside Land Operating Agreements and the Harborside Hotel Operating Agreements.

86. Hyatt breached that covenant by entering into and renewing collective bargaining agreements without Mack-Cali's approval, and by wrongfully permitting the Hyatt House to compete with the Hotel for business.

87. Mack-Cali has been damaged, and continues to be damaged, by Hyatt's breaches.

WHEREFORE, Plaintiffs demand judgment against Defendants as follows:

- (a) Awarding compensatory and punitive damages in an amount to be determined at trial, together with interest thereon;
- (b) Awarding Plaintiffs their attorneys' fees, costs and disbursements; and
- (c) Granting such other and further relief as the Court deems just and proper.

FIFTH COUNT
(Breach of Fiduciary Duty)

88. Plaintiffs repeat and reallege the allegations set forth in paragraphs 1 through 87 of the Complaint, as if fully set forth at length herein.

89. Hyatt Corp. and HT owed fiduciary duties of loyalty and care to the partners of URE and the members of Harborside Land and Harborside Hotel.

90. Hyatt breached those fiduciary duties by entering into and renewing collective bargaining agreements without the consent of Mack-Cali, and by wrongfully permitting the Hyatt House to compete with the Hotel for business.

91. Mack-Cali has been damaged, and continues to be damaged, by Hyatt's breaches.

WHEREFORE, Plaintiffs demand judgment against Defendants as follows:

- (a) Awarding compensatory and punitive damages in an amount to be determined at trial, together with interest thereon;
- (b) Awarding Plaintiffs their attorneys' fees, costs and disbursements; and
- (c) Granting such other and further relief as the Court deems just and proper.

SIXTH COUNT
(Fraud)

92. Plaintiffs repeat and reallege the allegations set forth in paragraphs 1 through 91 of the Complaint, as if fully set forth at length herein.

93. Hyatt represented to Mack-Cali that the Hyatt House would be a limited-service, extended-stay hotel that would not compete with the Hotel for business.

94. In addition, Hyatt failed to disclose the following material facts: (i) that the Hyatt House would have more rooms than any other similar Hyatt House in the country; (ii) that the Hyatt House would offer food and beverage services comparable to a full-service hotel, with a destination rooftop lounge and bar; (iii) that the Hyatt House would receive preference on Hyatt's website; and (iv) that the Hyatt House would, in fact, compete with the Hotel for business.

95. Mack-Cali reasonably relied upon Hyatt's conduct to its detriment.

96. Hyatt's fraudulent conduct as aforesaid was wanton, reckless, willful and outrageous, and has caused Mack-Cali, and will continue to cause Mack-Cali, substantial damages.

WHEREFORE, Plaintiffs demand judgment against Defendants as follows:

- (a) Declaring Plaintiffs' waiver of the non-competition provisions of the Management Agreement to be null and void;
- (b) Awarding compensatory and punitive damages in an amount to be determined at trial, together with interest thereon;
- (c) Awarding Plaintiffs their attorneys' fees, costs and disbursements; and
- (d) Granting such other and further relief as the Court deems just and proper.

SEVENTH COUNT
(Negligent Misrepresentation)

97. Plaintiffs repeat and reallege the allegations set forth in paragraphs 1 through 96 of the Complaint, as if fully set forth at length herein.

98. Hyatt negligently represented to Mack-Cali that the Hyatt House would be a limited-service, extended-stay hotel that would not compete with the Hotel for business.

99. In addition, Hyatt failed to disclose material facts as aforesaid.

100. Plaintiffs reasonably relied on Hyatt's conduct when waiving the non-competition provisions.

101. Mack-Cali has suffered damages, and will continue to suffer damages, as a proximate result of Hyatt's negligent misrepresentations.

WHEREFORE, Plaintiffs demand judgment against Defendants as follows:

- (a) Declaring Plaintiffs' waiver of the non-competition provisions of the Management Agreement to be null and void;
- (b) Awarding compensatory and punitive damages in an amount to be determined at trial, together with interest thereon;
- (c) Awarding Plaintiffs their attorneys' fees, costs and disbursements; and
- (d) Granting such other and further relief as the Court deems just and proper.

EIGHTH COUNT
(Tortious Interference With Contractual Relations)

102. Plaintiffs repeat and reallege the allegations set forth in paragraphs 1 through 101 of the Complaint, as if fully set forth at length herein.

103. Hyatt Corp. has intentionally interfered with the rights of Mack-Cali under the URE Operating Agreements and the Harborside Land Operating Agreements.

104. Hyatt Corp.'s interference with those agreements was malicious, without justification, and in wanton and willful disregard of Mack-Cali's rights.

105. Hyatt Corp.'s interference with the URE Operating Agreements and the Harborside Land Operating Agreements has caused Mack-Cali, and will continue to cause Mack-Cali, substantial damages.

WHEREFORE, Plaintiffs demand judgment against Defendants as follows:

- (a) Awarding compensatory and punitive damages in an amount to be determined at trial, together with interest thereon;

- (b) Awarding Plaintiffs their attorneys' fees, costs and disbursements; and
- (c) Granting such other and further relief as the Court deems just and proper.

NINTH COUNT
(Tortious Interference With Prospective Economic Advantage)

106. Plaintiffs repeat and reallege the allegations set forth in paragraphs 1 through 105 of the Complaint, as if fully set forth at length herein.

107. Defendants have intentionally interfered with Plaintiffs' pursuit of prospective business relationships where there was a reasonable expectation of economic advantage.

108. By reason of the foregoing, Mack-Cali has sustained, and will continue to sustain, severe financial injury and damages.

WHEREFORE, Plaintiffs demand judgment against Defendants as follows:

- (a) Awarding compensatory and punitive damages in an amount to be determined at trial, together with interest thereon;
- (b) Awarding Plaintiffs their attorneys' fees, costs and disbursements; and
- (c) Granting such other and further relief as the Court deems just and proper.

TENTH COUNT
(Conspiracy)

109. Plaintiffs repeat and reallege the allegations set forth in paragraphs 1 through 108 of the Complaint, as if fully set forth at length herein.

110. Defendants jointly pursued a common plan to commit the torts alleged in the Sixth, Seventh, Eighth and Ninth Counts set forth herein.

111. Defendants' common plan was successful, in that Defendants have wrongfully misappropriated for themselves economic value that rightfully belonged to Plaintiffs.

112. By reason of Defendants' joint actions, Mack-Cali has sustained, and will continue to sustain, severe financial injury and damages.

WHEREFORE, Plaintiffs demand judgment against Defendants as follows:

- (a) Awarding compensatory and punitive damages in an amount to be determined at trial, together with interest thereon;
- (b) Awarding Plaintiffs their attorneys' fees, costs and disbursements; and
- (c) Granting such other and further relief as the Court deems just and proper.

ELEVENTH COUNT
(Unjust Enrichment)

113. Plaintiffs repeat and reallege the allegations set forth in paragraphs 1 through 112 of the Complaint, as if fully set forth at length herein.

114. In the event Plaintiffs' waiver of the non-competition provisions is found to be valid, Plaintiffs will have unintentionally conferred a benefit upon Defendants.

115. Given Defendants' wrongful conduct, it would be unjust for Defendants to retain the benefits of their conduct.


116. By reason of the foregoing, Defendants should be required to disgorge any funds received by reason of their wrongful conduct.

WHEREFORE, Plaintiffs demand judgment against Defendants as follows:

- (a) Awarding compensatory and punitive damages in an amount to be determined at trial, together with interest thereon;
- (b) Awarding Plaintiffs their attorneys' fees, costs and disbursements; and
- (c) Granting such other and further relief as the Court deems just and proper.

Dated: December 27, 2018

HERRICK, FEINSTEIN LLP
Attorneys for Plaintiffs

By: 

Scott T. Tross
David R. King

CERTIFICATION PURSUANT TO RULE 4:5-1

I hereby certify that, to the best of my knowledge, the matter in controversy is not the subject of any action pending in any other court or of a pending arbitration proceeding, nor is any other action or arbitration proceeding contemplated, except that an action or arbitration proceeding may be commenced under the Management Agreement. I know of no other parties other than the parties set forth in this pleading who should be joined in the above action.

Dated: December 27, 2018



SCOTT T. TROSS

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a trial by jury as to all issues so triable.

Dated: December 27, 2018



SCOTT T. TROSS

DESIGNATION OF TRIAL COUNSEL

Scott T. Tross, Esq., of the firm of Herrick, Feinstein LLP, is hereby designated as trial counsel for the plaintiffs in the above-captioned matter.

Dated: December 27, 2018

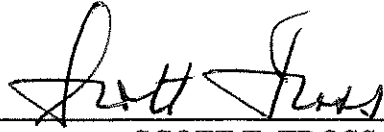


SCOTT T. TROSS

CERTIFICATION PURSUANT TO RULE 1:38-7(B)

I hereby certify that confidential personal identifiers have been redacted from documents now submitted to the Court, and will be redacted from all documents submitted in the future in accordance with Rule 1:38-7(b).

Dated: December 27, 2018



SCOTT T. TROSS

VERIFICATION

MICHAEL J. DEMARCO, of full age, hereby certifies as follows:

1. I am an authorized agent for plaintiffs Mack-Cali Services, Inc., Mack-Cali Realty, L.P., M-C So. Pier L.L.C. and Mack-Cali Sub XI, Inc.
2. I have read the foregoing Verified Complaint, and I hereby certify that all allegations contained therein are true and correct, except those made on information and belief.
3. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.


MICHAEL J. DEMARCO

Dated: December 27, 2018