

1
2
3
4
5
6
7
8
9

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

12 ISAAC AVENDANO and ROLAND DUENAS,) 3:13-cv-00168-HDM-VPC
13 Plaintiffs,)
14 vs.) ORDER
15 SECURITY CONSULTANTS GROUP, INC.,)
et al.,)
16 Defendants.)
17)

18 Before the court is a motion to dismiss pursuant to Federal
19 Rule of Civil Procedure 12(b) (6), or in the alternative a motion
20 for a more definite statement pursuant to Federal Rule of Civil
21 Procedure 12(e) (#17), filed by defendants Security Consultants
22 Group, Inc. ("SCG"), Paragon Systems, Inc. ("Paragon"), and
23 Securitas Security Services USA, Inc. ("Securitas"). The
24 plaintiffs have opposed (#18), and the defendants have replied
25 (#23).

26 The plaintiffs, who were employees of SCG (Compl. ¶¶ 12-13),
27 assert in their complaint eleven different claims for relief
28 against defendants SCG, Paragon, and Securitas. These include

1 multiple Title VII claims, a claim under § 1981, claims under NRS
2 §§ 613.330 and 613.340, a breach of contract claim under NLRA §
3 301, and a claim of "tortious interference with prospective
4 business relationship / economic advantage." (See Compl. ¶¶ 112-
5 197, 204-212.) Plaintiffs also assert one claim for relief under
6 NLRA § 301 against defendants United Government Security Officers
7 of America, International Union ("UGSOA International") and United
8 Government Security Officers of America, Local 283 ("UGSOA Local
9 238"). (See Compl. ¶¶ 198-203.) Defendants UGSOA International
10 and UGSOA Local 238 are not parties to the motion (#17) presently
11 before the court.

12 **Standard**

13 In considering a motion to dismiss under Rule 12(b)(6), the
14 court must accept as true all material allegations in the complaint
15 as well as all reasonable inferences that may be drawn from such
16 allegations. *LSO, Ltd. v. Stroh*, 205 F.3d 1146, 1150 n.2 (9th Cir.
17 2000). The allegations of the complaint also must be construed in
18 the light most favorable to the nonmoving party. *Shwarz v. United
19 States*, 234 F.3d 428, 435 (9th Cir. 2000).

20 "Under the notice pleading standard of the Federal Rules,
21 plaintiffs are only required to give a 'short and plain statement'
22 of their claims in the complaint." *Paulsen v. CNF, Inc.*, 559 F.3d
23 1061, 1071 (9th Cir. 2009) (quoting *Diaz v. Int'l Longshore &
24 Warehouse Union, Local 13*, 474 F.3d 1202, 1205 (9th Cir. 2007)).
25 While this rule "does not require 'detailed factual allegations,' .
26 . . it demands more than an unadorned, the-defendant-unlawfully-
27 harmed-me accusation." *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009)
28 (citing *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007)).

1 A pleading is insufficient if it offers only labels and
2 conclusions, a formulaic recitation of the elements of a cause of
3 action, or "naked assertions devoid of further factual
4 enhancement." *Id.* (internal punctuation omitted). Thus, a
5 complaint "must contain sufficient factual matter . . . to state a
6 claim to relief that is plausible on its face." *Id.* The
7 plausibility standard demands "more than a sheer possibility that a
8 defendant has acted unlawfully." *Id.*

9 Where a complaint "is so vague or ambiguous that [a] party
10 cannot reasonably prepare a response," the court may order the
11 plaintiff to file a more definite statement. Fed. R. Civ. P.
12 12(e); see also *Bautista v. Los Angeles County*, 216 F.3d 837, 843
13 n.1 (9th Cir. 2000).

14 **Analysis**

15 Defendants SCG, Paragon, and Securitas jointly move to dismiss
16 all claims against Paragon and Securitas, or in the alternative,
17 for a more definite statement against those defendants. The
18 defendants state that at the time of the plaintiffs' alleged
19 injuries, the plaintiffs were employed by SCG, not by Paragon or
20 Securitas. (D. Mot. 6.) They argue that Paragon and Securitas are
21 "affiliated corporate entities with no independent allegations
22 against them," and as such should be dismissed. (D. Mot. 7.)

23 With regard to defendant Paragon, the plaintiffs allege that
24 "in or about April 2011 Paragon acquired SCG and assumed the
25 responsibilities and duties of SCG under its applicable collective
26 bargaining agreements . . ." and that "Paragon was involved in,
27 oversaw, ratified or otherwise authorized the actions of SCG as set
28 forth therein." (Compl. ¶ 8.) They also allege that "Paragon's

1 legal counsel represented SCG's interests in matters related to
2 issues arising on or after July 24, 2012 in regards to SCG's
3 compliance with Arbitrator Charles Askin's Award issued in FMCS
4 Case No. 11-53396-A." (*Id.*)

5 With regard to defendant Securitas, the plaintiffs allege that
6 "in or about 2010 Securitas acquired Paragon and thereafter in or
7 about April 2011 funded Paragon's acquisition of SCG for
8 \$22,000,000" and that "Securitas was involved in, oversaw,
9 ratified, or otherwise authorized the actions of SCG and Paragon
10 set forth therein." (Compl. ¶ 9.) They also claim that
11 "Securitas' in house counsel represented SCG's interests at EEOC
12 proceedings regarding the Plaintiffs held in Reno, NV on or about
13 December 4, 2012." (*Id.*)

14 The defendants are correct that there are no other independent
15 allegations made against either Paragon or Securitas. The
16 plaintiffs at times make allegations against "SCG/Paragon" without
17 explaining what relationship they intend to convey by referring to
18 the two parties in this manner. (See, e.g., Compl. ¶¶ 35, 65, 74,
19 125.) At other times, the plaintiffs make allegations against
20 "Company Defendants," referring collectively to SCG, Paragon, and
21 Securitas. (See Compl. ¶ 9; see, e.g., Compl. ¶¶ 115 ("While
22 Plaintiffs were employed by Company Defendants . . .), 116-122,
23 127-131.)

24 "It is a general principle of corporate law deeply ingrained
25 in our economic and legal systems that a parent corporation . . .
26 is not liable for the acts of its subsidiaries." *U.S. v.*
27 *Bestfoods*, 524 U.S. 51, 61 (1998) (internal citations omitted).
28 Additionally, while not all of the plaintiffs' claims are Title VII

1 claims, "in the absence of special circumstances," such as an
2 "indication that the parent-subsidiary relationship is a 'sham,'" or
3 that the parent corporation "participated in or influenced the
4 employment policies" of the subsidiary, "a parent corporation is
5 not liable for Title VII violations of its wholly owned
6 subsidiary." *Watson v. Gulf & W. Industries*, 650 F.2d 990, 993
7 (9th Cir. 1981).

8 As discussed above, while it is true that the plaintiffs need
9 only give a "short and plain statement" (*Paulsen*, 559 F.3d at 1071)
10 of their claims in their complaint and are not required to provide
11 "detailed factual allegations" (*Iqbal*, 556 U.S. at 678), the
12 complaint "must still contain sufficient factual matter . . . to
13 state a claim for relief that is plausible on its face" (*id.*). In
14 the case at hand, the plaintiffs have made the extremely limited
15 and vague allegations that Paragon and Securitas were "involved in,
16 oversaw, ratified or otherwise authorized the actions of SCG set
17 forth therein," (Compl. ¶¶ 8-9) and that Paragon's and Securitas'
18 in house counsels at certain times represented SCG (*id.*). While
19 making various allegations against "SCG/Paragon" and "Company
20 Defendants," the plaintiffs have provided no further specificity as
21 to Paragon's and Securitas' individual involvement in the events
22 described in the complaint or their individual relationships with
23 SCG, information necessary to demonstrate how Paragon and Securitas
24 might be held liable for the plaintiffs' claims. (See generally
25 Compl.)

26 The court must accept the plaintiffs' material allegations as
27 true (*LSO*, 205 F.3d at 1150 n.2) and construe them in the light
28 most favorable to the plaintiffs (*Shwarz v. United States*, 234 F.3d

1 at 435). However, even when doing so, the court finds that the
2 plaintiffs' allegations against Paragon and Securitas are "so vague
3 or ambiguous that [Paragon and Securitas] cannot reasonably prepare
4 a response. Fed. R. Civ. P. 12(e). See also *Bautista*, 216 F.3d at
5 843 n.1.

6 Accordingly, the defendants' motion for a more definite
7 statement (#17) is **GRANTED**. On or before February 14, 2014, the
8 plaintiffs shall file an amended complaint that clearly identifies
9 the alleged conduct engaged in by defendants Paragon and Securitas
10 that forms the basis for their liability under the plaintiffs'
11 claims. Failure to do so will result in the court's dismissal of
12 defendants Paragon and Securitas from this lawsuit.

13 In light of this order, the defendants' motion to dismiss
14 defendants Paragon and Securitas from this lawsuit is **DENIED**
15 **WITHOUT PREJUDICE**.

16 **IT IS SO ORDERED.**

17 DATED: This 27th day of January, 2014.

18 
19

20 UNITED STATES DISTRICT JUDGE
21
22
23
24
25
26
27
28