

The Legal Intelligencer

THE OLDEST LAW JOURNAL IN THE UNITED STATES 1843 - 2023

PHILADELPHIA, THURSDAY, OCTOBER 12, 2023

VOL 268 • NO. 72 \$5.00

An **ALM** Publication

Phila. Hotel Faces \$37.5M Arbitration Award Over Sex Trafficking of Minors

BY RILEY BRENNAN

Of the Legal Staff

An arbitrator has awarded \$37.5 million to three women who were sex trafficked as minors.

The award for the women, who are being represented by attorneys with Kline & Specter, comes after North American Motors Inns and Ramara Inc., which formerly owned the West Philadelphia hotel where the trafficking occurred, as well as its then-President Richard Melius, agreed to arbitrate.

The arbitrator's Oct. 6 order awarded damages to the women, who were trafficked more than a decade ago, in the respective amounts of \$13 million, \$12.5 million and \$12 million.

The plaintiffs, who were referred to in court papers as V.S., K.C. and T.E., filed suits against numerous hotels and involved parties after they were the victims of sex trafficking as teenagers, alleging in their complaints that they were trafficked for commercial sex at numerous hotels in Philadelphia.



MARKS



BEZAR

Defendants Melius and Ramara had filed motions for summary judgment, arguing that they had been out-of-possession landlords during the time when the plaintiffs were trafficked and therefore owed no duty of care.

However, according to a Kline & Specter press release, the plaintiffs, North American Motors Inns, Ramara and Melius agreed to arbitration before William Ricci, resulting in the multimillion-dollar award.

"The big point to realize is that this trafficking occurred more than a decade ago and these women have been living with it for more than a decade and will be living with it for the

Hotel continues on 11

Hotel

continued from 1

rest of their lives," said Nadeem Bezar, who represented the plaintiffs along with Emily Marks, both of Kline & Specter, adding that they're excited for their clients and think the award sends a message that they intend to litigate these cases and pursue full recovery.

Bezar also noted that the plaintiffs do not currently have any ongoing claims against the remaining entities.

"I'm happy for our clients. Despite being through so much in their young lives, they were able to persevere through this nightmare," Marks said in the press release. "It was important for them to tell their stories so that they could help other girls."

According to the complaints, which named a total of eight defendants, some of whom subsequently settled, the trafficking occurred from late 2011 and early 2012 through mid-2012 and the survivors were between the ages of 14 and 16. The complaints argued that the hotels should have been aware of the

trafficking, and cited, among other things, interactions between housekeepers, front desk staff and security guards as evidence that employees at the hotel were or should have been aware of the trafficking.

The complaints raised several counts of negligence, negligent infliction of emotional distress, as well as negligent training, hiring and supervision.

The complaints also noted that "Pennsylvania has long held that hotel and motel owners are liable for the reasonably anticipated harm that may occur to their

guests from third persons," according to the Pennsylvania Supreme Court's 1968 decision in *Moran v. Valley Forge Drive-In Theater*, and, therefore, asserted claims for negligence against the hotels, companies and hotel employees.

Hugh P. O'Neill III, a partner at Thomas, Thomas & Hafer in Harrisburg, represented Ramara, Melius and North American Motors Inns and was not immediately reached for comment.

Riley Brennan can be contacted at rbrennan@alm.com. •