

US Judge Says 5 Sex Trafficking Suits Against Hotels Belong in State Court

The cases—in which women say they were sold for sexual purposes as teenagers, and seek to have hotels held liable—have been returned to the Philadelphia Court of Common Pleas.

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Emily Marks, left, and Nadeem Bezar, right, of Kline & Specter. Courtesy photos

Lawsuits in which five women allege that several hotels allowed them to be trafficked for sex were sent back to state court after one of the defendants' bankruptcy threatened to stall proceedings.

Attorneys for the plaintiffs say that the venue change will allow the women to continue their litigation despite what the attorneys see as an attempt to derail trials.

Defendants Roosevelt Inn LLC and Roosevelt Motor Inn Inc. declared bankruptcy the day before jury selection began for the state court trial of plaintiff M.B.—the first of plaintiffs to file suit. The bankruptcy put an automatic stay on the case, and Roosevelt and the other defendants each filed to remove the cases to federal court in July because of the

bankruptcy. The defendants filed 10 separate notices of removal, which the court consolidated for pretrial purposes.

But U.S. District Judge Gene Pratter of the Eastern District of Pennsylvania ultimately declined to hear the claims and on Oct. 27 granted the plaintiffs' motion to abstain from the cases and remand them to the Philadelphia Court of Common Pleas.

"This court has jurisdiction over these claims." Pratter wrote of the EDPA in a memorandum, "But that does not mean that these claims should stay here in federal court." She said the cases centered on state tort issues, and therefore state court was the more appropriate venue. "These tort claims are, at most, peripherally related to the bankruptcy proceeding," she wrote.

The women's cases are now set to return to the Philadelphia Court of Common Pleas for individual trials. The claims against Roosevelt Inn will remain stayed for now, but the plaintiffs can continue with their cases against the other defendants.

"I think this is an important decision that gives victims of human trafficking the ability to seek redress for their devastating injuries and does not allow the bankruptcy to indefinitely stall this litigation," said Kline & Specter's Emily Marks, who represents the plaintiffs.

"The defendants don't get a windfall by filing for bankruptcy. They don't get to forum shop. ... And we are excited and happy to be moving forward and to get a trial date," she said.

The five plaintiffs all say that they were sold for sexual purposes at the Roosevelt Inn when they were teenagers. Several of the plaintiffs said they were trafficked at a Days Inn and North American Motor Inn as well.

Their individual suits list hotel owners, managers and security guards as defendants.

The women claim that the hotels should have known that they were being sold for sex. M.B. initially filed suit in 2017 in one of the early instances of sex trafficking victims seeking to hold hotels liable for allegedly turning a blind eye toward prostitution on their properties.

According to Kline & Specter partner Nadeem Bezar, who also represents the plaintiffs, M.B.'s case was the first of its kind to be scheduled for a trial.

Justina Byers and Charles Marion of Blank Rome represent Roosevelt Inn and Roosevelt Motor Inn, as well as two other defendants in the case. Attorneys with Cozen O'Connor and Marshall Dennehey Warner Coleman & Goggin are also representing defendants.

Byers and Marion did not respond to requests for comment, nor did Karalis P.C. attorneys Aris J. Karalis and Robert W. Seitzer, who are representing Roosevelt Inn and Roosevelt Motor Inn in their bankruptcy proceedings.