

**SMITH MULLIN, P.C.**

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*Attorneys for Plaintiffs*

-----x	SUPERIOR COURT OF NEW JERSEY
YAYINE ABEBA MELAKU, and	: LAW DIVISION: ESSEX COUNTY
THE Y GROUP LLC,	: DOCKET NO.:
	:
Plaintiffs,	: Civil Action
	:
v.	:
	:
THE TOWNSHIP OF SOUTH ORANGE	:
VILLAGE, ANTHONY GRENCI, THE	:
PUBLIC SERVICE ENTERPRISE	:
GROUP, and PUBLIC SERVICE	:
ELECTRIC & GAS COMPANY d/b/a	:
PSE&G,	: <u>COMPLAINT AND JURY DEMAND</u>
	:
Defendants.	:
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Plaintiffs, Yayine Abeba Melaku, residing at 9 Hawthorne Court, in the Town of Morristown, County of Morris, State of New Jersey, and The Y Group LLC, residing at 9 Hawthorne Court, Morristown, New Jersey, County of Morris, by way of complaint against the Defendants jointly and severally, allege and say:

**NATURE OF THIS ACTION**

1. This is an action brought to remedy Defendants’ violation of the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1 et seq. Essentially, the Defendants acted jointly and severally to discriminate against the Plaintiff because she is a woman, an African-American, and of Ethiopian descent by undermining her efforts as a developer to complete a mixed-use project in the Township of South Orange. The Defendants created a hostile environment and placed unfair and undue obstacles and hurdles to her completing the

aforesaid project while not placing such obstacles before white male developers and other non-African-American and/or non-female developers. The aforesaid developers who are comparators in this discrimination action are, for example and without limitations: Jonathan Rose Companies, HUB Realty, Meridia Village Commons, and Mark Built Homes. As a result of the hostility, obstruction, and delays caused to, or directed at, Plaintiffs by the Defendants, Plaintiffs have suffered substantial delay-related economic losses and lost economic opportunities and Plaintiff Melaku, a mother of three, has suffered humiliation and emotional distress, as well as physical injury and illness arising from Defendants' disparate and hostile treatment of her.

### PARTIES

2. The Plaintiff Yayine Abeba Melaku (hereinafter, "Ms. Melaku") is an African-American woman of Ethiopian descent who has been, during times relevant to this cause of action, a real estate developer in the State of New Jersey and elsewhere. She is a graduate of Seton Hall University's Stillman Business School and has developed properties in New Jersey for approximately 20 years. On information and belief, she is the first woman, and the first African-American developer of mixed-use projects in the Defendant South Orange Village.

3. The Plaintiff Y Group LLC (hereinafter, "the Y Group") is a New Jersey limited liability corporation created by Plaintiff Melaku on or about September 5, 2012 and owned and managed by her.

4. The Defendant Township of South Orange Village (hereinafter, "South Orange") is a municipal body politic in Essex County in the State of New Jersey.

5. The Defendant Anthony Greci (hereinafter, “Greci”), a white male, is, on information and belief, a resident of New Jersey and during all times relevant to this cause of action has been an official of Defendant South Orange in the Department of Building and Code Enforcement.

6. Defendant The Public Service Enterprise Group owns and operates the Defendant Public Service Electric & Gas Company, a New Jersey Utility company (hereinafter collectively, “PSE&G”).

7. Pursuant to a contract between PSE&G and the Sustainable Essex Alliance Energy Procurement Cooperative (“SEAEPC”), a consortium of municipalities including the Defendant South Orange, PSE&G was, during times relevant to this cause of action, obligated to supply gas and electric services to persons and/or entities residing and/or operating therein. Plaintiffs were and are third-party beneficiaries of the aforesaid contract entitled to receive timely provision by PSE&G of adequate gas and electric utilities.

#### VENUE

8. Pursuant to Rule 4:3-2, venue is proper in Essex County because the cause of action set forth herein arose in Essex County in the Township of South Orange Village; the property involved in this cause of action is located in Essex County; and the Plaintiff business entity involved herein actually does business in Essex County.

#### FACTS

9. In or about October 2012, Plaintiffs purchased property located at 14 Second Street in South Orange and thereafter created plans to build a 3 story, 8 unit plus commercial space mixed-use building of approximately 16,000 square feet. (Hereinafter referred to as “the Project”).

10. In or about August of 2018, the South Orange Zoning & Planning Board approved Plaintiffs' construction plans.

11. Plaintiffs began construction in or about October, 2018. As a result of the improper and unlawful delays caused by the Defendants, the Project was granted a Certificate of Occupancy ("CO") long after that CO would have and should have been granted but for the aforesaid discrimination-driven delays and obstruction.

12. Because of Defendants' discriminatory and contractually-violative dilatory conduct, the property was not ready for sale until the final CO was issued on or about December 30, 2022, a more than two-year delay caused by Defendants' racial, national origin, and/or gender discrimination and caused by Defendant PSE&G's breach of Plaintiffs' rights as a third-party beneficiary of the aforesaid PSE&G/SEAEPC contract.

13. By way of example only and without limitation, Municipal Code section 185-121 provides: "[f]or all new construction, the applicant shall arrange with the serving utility for the underground installation of all utility distribution supply lines and service connections." According to Defendant PSE&G, the cost of installing an underground transformer was approximately \$260,000 and the cost would fall entirely on the Plaintiffs. The Municipal Code provides for the possibility of a waiver of the provisions of section 185-121 by the Defendant Town Planning Board from the underground installation requirement "where such installation will result in peculiar and exceptional practical difficulties or exceptional and undue hardship upon the applicant." Defendant Town waived the requirements of Section 185-121 for an adjacent property developed by Meridia Capodagli Property Company, owned by white, male developer, George M. Capodagli, but refused to waive the requirements of Section 185-121 for Plaintiffs' Project. Defendant Town knew that

if Plaintiffs paid the \$260,000 for the new underground transformer, all of the adjacent properties owned by white and/or male developers would benefit.

14. Because of the Defendant Town's discriminatory practices and unequal application of the law, Plaintiffs turned to Defendant PSE&G to try and find a solution and connect the Project to the electrical grid at a reasonable expense. Plaintiffs wrote numerous emails to Defendant PES&G seeking guidance and seeking to resolve the matter. Often those inquiries went unanswered. When Defendant PSE&G did communicate with Plaintiffs, it provided incomplete responses and often did not address Plaintiffs' requests. Plaintiffs communicated with three separate "case managers" for Defendant PSE&G over the course of two years. Plaintiffs proposed dozens of potential alternatives to paying \$260,000 for an underground connection, all of which were unjustly denied by Defendant PSE&G. Defendant PSE&G did not treat adjacent developments owned by white, male developers with such obstinance.

15. Revealing Defendant PSE&G's discriminatory intent, in or around October 2020, Plaintiffs' electrician informed Plaintiff Melaku that during a phone call with a Defendant PSE&G employee, that Defendant's employee referred to Plaintiff Melaku as a "black bitch."

16. After more than two years of delay, on September 15, 2020, Plaintiff Melaku complained of race and sex-based discrimination to PSE&G employee, Henry M. Gregerson, writing "I am not a big entity, I am not a big corporation. I am [an] entrepreneur, woman of color, that is looking to make a small enhancement to a small NJ town. Would you be treating the larger, all male entity, next door the same way?"

17. On November 11, 2020, Plaintiff Melaku again complained about sex-based discrimination to PSE&G employee and Associate Counsel, Ana Murteira, writing “I am following up again on this request. My intentions are not to be difficult and/or abrasive, and I apologize if it comes off that way, but I am desperate. . . I literally don’t know what else to do, don’t know who else is my point of contact, to help facilitate this problem that I have. As you can imagine, being a woman in the construction industry, is difficult to navigate and taken seriously. Please, I am pleading with you to sympathize with me. This is an application that has been filed in 2018. . . . [a]gain, I am pleading with you to help me find a solution to this problem that I have. Any advice or direction that you can provide would be appreciated.”

18. It was not until approximately December 2020 that Plaintiffs were able to find a solution to the seemingly intractable problem of connecting their Project to the electrical grid. In or around August 2020, an adjacent, white, male, developer applied for an electrical connection to Defendant PSE&G. As soon as it became clear to Defendant PSE&G and Defendant Town that this white, male, developer would benefit from the underground connection, PSE&G agreed to cover the \$260,000 cost and Defendant Town finally approved Plaintiffs’ application in April 2021.

19. Defendant PSE&G, in concert with all other Defendants, delayed and undermined Plaintiffs’ Project by withholding full provision of gas and electricity while demanding an exorbitant, unjustifiable fee for such utilities. While denying such services to the African-American female Plaintiff and her Firm, Defendants generously facilitated the provision of such utility services at reasonable prices to projects developed by non-African-American male developers. In or about April of 2020, upon information and belief, one such project being constructed by a non-African-American, male developer put in a request for

PSE&G utilities similar to those sought by Plaintiffs and received such services from Defendants in or about January of 2021 at a price of approximately \$29,000.00. By contrast, Plaintiffs requested utility service for the Project in 2018 and Defendant PSE&G presented her with a completely unjustified bill of \$260,000.00 and required her to provide an underground transformer that would be shared by other developers without reimbursement to the Plaintiffs. Plaintiffs objected to this disparate treatment.

20. Similarly, in 2023, on information and belief, PSE&G proposed to white male developers in a start-up project adjacent to Plaintiffs' Project to provide underground gas and electric connection without charging the high price PSE&G had initially sought to charge Plaintiffs.

21. Defendants Grenci and the Town harassed the Plaintiffs and delayed the Project from its outset and throughout. By way of example and without limitation, from 2014 to 2022, said Defendants issued Plaintiffs six (6) tickets, baselessly and falsely accusing Plaintiffs of various violations. Upon receiving each ticket, Plaintiffs reached out to the said Defendants and each ticket was dismissed in turn. However, when Plaintiffs applied for the Temporary Certificate of Occupancy ("TCO") for the Project, said Defendants informed Plaintiffs that their application could not be approved due to the outstanding tickets. Defendants told Plaintiffs, through their attorney, that the tickets had continued accumulating fines and that Plaintiffs must pay \$75,000 to the Defendant Town before Plaintiffs could be issued a TCO. Plaintiffs objected to these outrageous and discriminatory fines and was even forced to appear in Court. The matter was heard by white, male Judge Jonathan Rosenbluth, J.S.C., an appointee of the Defendant Town acting within the scope of his employment by the Defendant Town. During one of the hearings prior to the final settlement of the tickets, Judge

Rosenbluth addressed Plaintiff Melaku directly and threatened “[y]ou don’t want me to deal with this. You know, I’m – I[‘m] known as a very harsh penalty guy. You really don’t want my hand on this. You want to make sure [Plaintiff Melaku’s attorney] takes care, okay? . . . I’m not a very friendly guy when it comes to that.” Defendants eventually reduced the wrongfully inflated fines to \$10,000. Plaintiffs continually objected to the lawfulness of this fine, but had no choice but to pay \$10,000 in order to secure the TCO. To Plaintiffs’ knowledge, non-African-American, non-female comparators were not subject to such bad faith administrative and judicial prosecution, harassment, and hostility.

22. Absent Defendants’ discriminatory conduct, the Project would have been authorized for rental via a Temporary Certificate of Occupancy (“TCO”) long before the Defendants actually issued a TCO. Because of the aforesaid delay, Plaintiffs could not even attempt to rent their property until the issuance of the TCO on or about August 26, 2021.

23. By way of example only, and without limitation, in order to harass the Plaintiff Melaku on account of her race, national origin and gender, undermine the Plaintiff’s LLC, and delay rental of Plaintiffs’ project, in December of 2020, Defendant Greci, acting within the scope of his employment by Defendant South Orange, baselessly posted an embarrassing “Stop Work Order” on Plaintiffs’ site and all workers on the project had to immediately cease working.

24. Plaintiff Melaku contacted Defendant Greci and objected to the stop work order.

25. In emails and by direct communication, Greci stated, among other falsehoods, that he had shut down the project because during construction “no inspections” had been done by South Orange inspectors when, in truth, and as Greci well knew, South



Orange had performed extensive inspections on the Plaintiffs' project. Thus, Greci shut down the project based on an outright lie rooted in discriminatory animus. In that regard and in order to harass Plaintiffs because of Plaintiff Melaku's race, gender, and/or national origin, Defendant Greci falsely claimed his inspectors "did not have memory" of visiting the job site, even though the inspectors had completed multiple rounds of inspections and Plaintiffs had all the relevant inspection stickers confirming successful inspections in their possession. Greci's hostile, discriminatory behavior caused delay of the project.

26. Greci's baseless attack upon Plaintiffs' Project was part of a pattern of such behavior of baselessly harassing and delaying the Project while not subjecting non-female and/or non/minority developers to such demeaning treatment. In direct dealings with Plaintiff Melaku, Greci evinced contempt for Plaintiff Melaku. In one instance, Greci asked Plaintiff Melaku "[w]ho is your contractor? Who is your project manager?" When Plaintiff Melaku replied to Greci that she was acting as both, Greci replied "you cannot tell me that you are building a building of this magnitude while in Dubai . . . there are three engineers managing [a separate project in Maplewood] but had several major issues. If there were three guys managing and yet made several mistakes, how are you able to manage on your own?" Without justification and because of Plaintiff Melaku's gender and other protected characteristics, Greci questioned whether Plaintiff Melaku was capable of managing the project while "three guys" could not manage such a project, a sexist and discriminatory trope.

27. Notwithstanding Greci's many efforts at delay, once the building was completed and building inspections were cleared, the next step was to finalize zoning requirements. To do so, Defendants produced an ever-growing and/or shifting punch list of

allegedly outstanding items that caused extensive delay. Such unfair and shifting punch list items were not imposed on non-African-American and/or male developers.

28. By way of example and without limitation, Defendant South Orange unjustifiably required the sidewalk in front of the Project to be finished and re-finished three separate times. Plaintiffs had to lay the sidewalk three times and dig up the sidewalk twice in response to Defendant Town's unreasonable and baseless demands. A contractor Plaintiffs hired for the sidewalk work who had done extensive work for non-African-American male developers in South Orange commented, "Why are they [the Defendant Town] physically inspecting the work? We usually send them a picture of the work and they approve based on that."

29. Defendant Town insisted that tree pits with tree grates be installed around trees planted in front of the Project while not demanding such pits for Projects by non-African-American developers. The Defendant Town made the specific construction of two tree pits a major issue and stalled the Project for nearly one year. After objections from the Plaintiffs, Defendants ultimately abandoned their harassing and discriminatory tree pits requirements. Tree pits are not common in the Defendant Town, but Town authorities demanded them and baselessly rejected various of the Plaintiffs' proposed designs and then, after long delays, the Town abandoned the tree pit requirement. During this process, Plaintiffs wrote numerous emails to the Town seeking guidance and seeking to resolve the matter. Often those inquiries went unanswered by the Town. When the Town communicated with Plaintiffs, it provided incomplete responses and often did not address Plaintiffs' requests. When Plaintiffs took initiative to research and find solutions, the Defendant Town, which had been unresponsive, was prompt in rejecting what Plaintiffs installed.

30. Defendant Town did not require the non-African American and/or non-female developers of the other newly-constructed buildings in the Defendant Town to have any pits around adjacent trees like the structures originally and repeatedly demanded of Plaintiffs. For example but without limitation:





Third & Valley – approximately 16 trees total without protective coverings – Developed by Jonathan Rose Companies owned by Jonathan Rose



52 Taylor Place – approximately 26 trees total without protective coverings – Developed by HUB Realty owned by Les and Jared Lustbader



209 Valley Street, Meridia Village Commons – approximately 12 trees total without protective coverings – Developed by Capodagli Property Company owned by George Capidagli

31. Despite the Defendant Town’s Engineer of Record signing off on plans submitted by Plaintiffs for an ADA-compliant parking area, the Defendant Town baselessly required Plaintiffs to dig up and redo the ADA parking spot. During this process, the Town refused to cooperate with Plaintiffs and their engineer. For example, Town representatives came to measure the parking spot including specific slope requirements. Instead of doing such measurements jointly with Plaintiffs’ engineer, as was normal practice for non-female, non-African-American developers, the Defendant Town took such measurements without the presence of Plaintiffs’ engineer, despite the clear presence of debris on the ground skewing the results. This resulted in photographs falsely suggesting the slope of the parking spot was above ADA-required levels. Non-African-American and/or male developers were not subject to such bad faith conduct.

32. The Defendant Town's Final Zoning Compliance Report was written three times. Each new report had additional items added. Each time the Plaintiffs completed the required items from a report, and requested an inspection of said completed items, there was no response from the Town to complete the inspection. Non-African-American male developers were not subject to this delaying and frustrating practice.

33. Consistent with its discriminatory treatment of the Plaintiffs, the Defendant Town denied Plaintiffs' tax abatement application immediately upon receipt, without any effort at careful evaluation. Defendant Town did this despite the fact that male and/or white developers in the Town routinely get 20 to 30-year abatements and 5-year abatements as of right. Instead of a tax abatement, prior to the completion of the Plaintiffs' Project, while the property was uninhabitable due to lack of electricity, heat, and water, the Defendant Town's Tax Assessor applied an increased tax on the overall property given the percentage of completed work to date. This was not applied to other projects by non-African-American, male developers in Town. Additionally, the Defendant Town increased the land value calculation for Plaintiffs' property while other non-African-American male developers saw no such increase.

34. In addition to Plaintiffs' Project located at 14 Second Street, Plaintiffs owned two additional properties in Defendant Town, located at 70 Second Street and 74 Second Street that they purchased in November 2019 and November 2020, respectively, with the intent to develop into eight brownstone buildings. Because of Defendants' unyielding discriminatory, hostile, and harassing conduct throughout Plaintiffs' development of the Project, Plaintiffs were forced to abandon these development plans and have since placed the properties up for sale to avoid further discrimination and harassment in the development of

these properties. Defendants have caused Plaintiffs to suffer extreme economic losses and lost opportunities because of the discriminatory hostile environment they created.

**CAUSES OF ACTION**

**COUNT I**

**VIOLATION OF THE NEW JERSEY LAW AGAINST DISCRIMINATION  
(against all Defendants)**

35. Plaintiffs repeat and re-allege all of the aforesaid allegations as if fully set forth herein.

36. By and through the aforesaid disparate treatment, disparate impact, creation of a hostile business environment, and harassment, Defendants have jointly and severally discriminated against the Plaintiffs on account of Plaintiff Melaku's race, gender and national origin in violation of the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1 et seq.

37. In particular, but without limitation, Defendants have violated N.J.S.A. 10:5-12(l) by undermining and/or preventing Plaintiffs from conducting their business as developers in the Defendant South Orange on account of Plaintiff Melaku's race, gender, and/or national origin.

38. As a direct and proximate cause of Defendants' aforesaid violations of the LAD, Plaintiffs have suffered economic loss, emotional distress, as well as physical sickness and injury.

**COUNT II**

**BREACH OF CONTRACT AND OF THE IMPLIED COVENANT  
OF GOOD FAITH AND FAIR DEALING**

**(Against The Public Service Enterprise Group, and  
Public Service Electric & Gas Company d/b/a PSE&G)**

39. Plaintiffs repeat and re-allege all of the aforesaid allegations as if fully set forth herein.

40. Defendant The Public Service Enterprise Group owns and operates the Defendant Public Service Electric & Gas Company, a New Jersey Utility company (hereinafter collectively, "PSE&G").

41. Pursuant to a contract between PSE&G and the Sustainable Essex Alliance Energy Procurement Cooperative ("SEAEPC"), a consortium of municipalities including the Defendant South Orange, PSE&G was, during times relevant to this cause of action, obligated to supply gas and electric services to persons and/or entities residing and/or operating therein including the Plaintiffs. Plaintiffs were and are third-party beneficiaries of the aforesaid contract entitled thereunder to receive timely provision by PSE&G of adequate gas and electric utilities.

42. PSE&G breached the explicit terms of the contract and breached the implied covenant of good faith and fair dealing by repeatedly failing to fully supply gas and electric to the Project and by falsely attempting to grossly overcharge Plaintiffs for connection to utilities.

43. As a direct and proximate result of the breaches of contract and bad faith by Defendants, Plaintiffs have suffered economic loss.



WHEREFORE, Plaintiffs demand entry of judgment for the Plaintiffs and against the Defendants jointly and severally for compensatory and punitive damages under the LAD as well as interest and costs including statutory attorneys' fees;

And Plaintiffs further demand entry of judgment against the PSE&G Defendants for economic loss, interest and costs and such other relief as the Court may deem equitable and just.

**SMITH MULLIN, P.C.**  
Attorneys for Plaintiffs


  
\_\_\_\_\_  
NEIL MULLIN, ESQUIRE

Dated: February 6, 2024

**JURY DEMAND**

Plaintiffs demand trial by jury with respect to all issues that are so triable.

**SMITH MULLIN, P.C.**  
Attorneys for Plaintiffs

  
\_\_\_\_\_  
NEIL MULLIN, ESQUIRE

Dated: February 6, 2024

**DESIGNATION OF TRIAL COUNSEL**

Plaintiffs hereby designate Neil Mullin, Esq. as trial counsel of record in this matter.

**SMITH MULLIN, P.C.**  
Attorneys for Plaintiffs

  
\_\_\_\_\_  
NEIL MULLIN, ESQUIRE

Dated: February 6, 2024

**CERTIFICATION**

Pursuant to New Jersey Court Rule 4:5-1, I hereby certify that to my knowledge, the matter in controversy is not and will not be the subject of any other litigation or arbitration in any court or before any body nor do I know of any other party who should be joined in this action.

**SMITH MULLIN, P.C.**  
Attorneys for Plaintiffs

  
\_\_\_\_\_  
NEIL MULLIN, ESQUIRE

Dated: February 6, 2024

# Civil Case Information Statement

## Case Details: ESSEX | Civil Part Docket# L-000902-24

**Case Caption:** MELAKU YAYINE VS THE TOWNSHIP OF SOUTH ORANGE

**Case Initiation Date:** 02/06/2024

**Attorney Name:** NEIL M MULLIN

**Firm Name:** SMITH MULLIN, PC

**Address:** 240 CLAREMONT AVENUE

MONTCLAIR NJ 07042

**Phone:** 9737837607

**Name of Party:** PLAINTIFF : Melaku, Yayine

**Name of Defendant's Primary Insurance Company**

(if known): Unknown

**Case Type:** LAW AGAINST DISCRIMINATION (LAD) CASES

**Document Type:** Complaint with Jury Demand

**Jury Demand:** YES - 6 JURORS

**Is this a professional malpractice case?** NO

**Related cases pending:** NO

**If yes, list docket numbers:**

**Do you anticipate adding any parties (arising out of same transaction or occurrence)?** NO

**Does this case involve claims related to COVID-19?** NO

**Are sexual abuse claims alleged by: Yayine Melaku?** NO

**Are sexual abuse claims alleged by: The Y Group LLC?** NO

## THE INFORMATION PROVIDED ON THIS FORM CANNOT BE INTRODUCED INTO EVIDENCE

CASE CHARACTERISTICS FOR PURPOSES OF DETERMINING IF CASE IS APPROPRIATE FOR MEDIATION

**Do parties have a current, past, or recurrent relationship?** YES

**If yes, is that relationship:** Business

**Does the statute governing this case provide for payment of fees by the losing party?** YES

**Use this space to alert the court to any special case characteristics that may warrant individual management or accelerated disposition:**

**Do you or your client need any disability accommodations?** NO

**If yes, please identify the requested accommodation:**

**Will an interpreter be needed?** NO

**If yes, for what language:**

**Please check off each applicable category: Putative Class Action?** NO **Title 59?** NO **Consumer Fraud?** NO **Medical Debt Claim?** NO

I 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)*

02/06/2024

Dated

/s/ NEIL M MULLIN

Signed

