



Plaintiffs allege that defendants (not including defendant Port Authority of New York and New Jersey) were aware of dangerous, long-standing flaws in airport security and knew that commercial passenger aircraft were extremely vulnerable to and a likely target of terrorist activities such as those that occurred on September 11, 2001. Defendants knew or should have known that the airline and airport security system routinely failed to detect even the most obvious dangerous and deadly weapons in numerous undercover evaluations. Defendants were negligent and reckless in failing to develop, implement, and maintain adequate airline and airport security systems at the subject airports, and failing to deter and prevent hijackers from carrying dangerous and deadly weapons aboard Flight 5930 (which departed Portland International Jetport, and was a connection for Flight 11 and Flight 175) and Flight 11 and Flight 175 departing Logan International Airport wherein the hijackers entered the unprotected cockpits of Flight 11 and Flight 175 and caused the aircraft to crash.

These actions further allege that the Port Authority failed to design, maintain and repair the subject buildings so that they were safe from dangerous and hazardous conditions and to ensure the building structure could withstand the effects of a fire as required. These defendants also failed to ensure safety features such as structural fireproofing and sprinkler systems were properly installed, serviced, maintained and operated and failed to develop, maintain and implement adequate and effective egress and evacuation plans for the subject buildings and its occupants.

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only aggravation of property damage with regard WTC 7 as the result of the  
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## **JURISDICTION AND VENUE**

1. Jurisdiction exists based upon federal question jurisdiction pursuant to 28 U.S.C. ' 1331.

2. Jurisdiction also exists, and venue is properly laid in this court, based on the Air Transportation Safety and Systems Stabilization Act,<sup>6</sup> Pub.L. 107-42, 115 Stat. 230 (the Act); section 408(b)(1) and (3) of the Act establishes that A[t]he United States District Court for the Southern District of New York shall have original and exclusive jurisdiction over all actions brought for any claim (including any claim for loss of property, personal injury, or death) resulting from or relating to the terrorist-related aircraft crashes of September 11, 2001.<sup>6</sup>

3. Jurisdiction also exists based upon diversity of citizenship, pursuant to 28 U.S.C. ' 1332, in that there is complete diversity of citizenship and in the amount of controversy exceeds the sum of \$75,000, exclusive of interest and costs.

4. Jurisdiction is also based upon supplemental jurisdiction, pursuant to 28 U.S.C. ' 1367, with respect to any claims forming part of the same case or controversy.

5. Venue is also proper in this court because The Port Authority of New York and New Jersey resides within the Southern District of New York.

## **THE PARTIES**

### **Underwriter Plaintiffs**

6. Plaintiffs include Certain Underwriters at Lloyd=s of London comprising Syndicates No. 33, 1003, 2003, 0218, 1176, 1208, 1243 and 0376, all of which maintain

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actions of The Port Authority.  
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their principal places of business in London, England; and Great Lakes Reinsurance (UK), Plc., an insurer also with its principal place of business in London, England (together Underwriters).

7. Underwriter Plaintiffs are subrogees of Silverstein Properties Inc.; Silverstein WTC Mgmt. Co. LLC; World Trade Center Properties LLC; 1 World Trade Center LLC; 2 World Trade Center LLC; 4 World Trade Center LLC; 5 World Trade Center LLC; Westfield WTC LLC; Westfield Corporation, Inc.; Westfield America, Inc.; and other various insureds who sustained property damage as the result of the damage to the World Trade Center properties on September 11, 2001 (these insureds collectively referred to as Subrogors).

8. Underwriter Plaintiffs insured the Subrogors for various perils including property loss, business loss, and other related losses concerning the World Trade Center complex in New York, New York. Property, business, and other losses so insured have been incurred as a result of the negligence, wrongdoing, carelessness, fault, omissions, commissions, willful conduct, tortious conduct, and wanton disregard of defendants, jointly and severally.

9. Subrogors have made claim on the insurance issued by Underwriters for property loss and other damages caused by defendants= negligence, wrongdoing, carelessness, fault, omissions, commissions, willful conduct, tortious conduct, and wanton disregard, by and/or on behalf of defendants. Underwriters have paid substantial insurance proceeds to such Subrogors and as a result, by contract and common law, are subrogated to the rights of such Subrogors against defendants to the

extent of such payments.

### **The Citigroup Plaintiffs**

10. Plaintiffs also include those Insurers that insured Citigroup Inc. and its subsidiary, Salomon Smith Barney Holdings Inc., against property damage and consequential loss on September 11, 2001 (hereinafter the *Insurers*). Those Insurers have paid, and will continue to pay, Citigroup Inc. for all insured loss arising out of the damages suffered at 7 World Trade Center (hereinafter *7 WTC*) on September 11, 2001.

11. At all times relevant hereto, Certain Underwriters at Lloyd's, London, Ace Global Markets Ltd, Copenhagen Reinsurance Co. Ltd., Essex Insurance Co., Great Lakes Reinsurance UK plc, and Sumitomo Marine & Fire Insurance Co. were/are foreign entities that have their principal place of business in London, England. Federal Insurance Co., and US Fire Insurance Co. are domestic entities that have their principal place of business in New Jersey. American Alliance Insurance Co. is a domestic place of business in New Jersey. Citicorp Insurance USA Inc. is a domestic entity that has its principal place of business in Vermont. All are business entities authorized to engage in the insurance business in the State of New York.

12. Salomon Smith Barney Holdings Inc. is a successor to Salomon Inc. At all relevant times, Salomon Smith Barney Holdings Inc. was a subsidiary of Citigroup Inc. (hereinafter referred to collectively as *Citigroup*).

13. The Insurers issued policies of insurance to Citigroup Inc. and all of its subsidiaries for all of their real and personal property including, *inter alia*, 7 WTC for

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losses to real and personal property and various other coverage that were in effect on September 11, 2001.

14. In December 1980, The Port Authority agreed to lease air and land rights at 7 WTC to Silverstein Properties, Inc. and/or 7 WTC Company Inc. (collectively referred to as Silverstein).

15. In November 1988, Silverstein entered into a twenty (20) year lease with Salomon Brothers, which has since become a subsidiary of Citigroup, Inc. The lease recognized that Salomon could make necessary alterations to the leased premises, which they did.

16. During the lease period, Citigroup spent in excess of \$280,000,000 in improvements and betterments for its leased premises in 7 WTC. Citigroup maintained ownership of these improvements according to the terms of the lease with Silverstein.

17. The Insurers have made payments and have agreed to make additional payments to Citigroup for its insured losses and has been subrogated to the rights of its insured for the recovery of the same.

18. Defendant American Airlines is a Delaware corporation with its principal place of business located in Fort Worth, Texas. At all relevant times, American Airlines was a common carrier, duly authorized under 14 C.F.R. Part 121 to engage in the business of transporting passengers for hire in interstate commerce, operating regularly scheduled domestic passenger flights, including flights operating from Logan National Airport in Boston, Massachusetts. By common law and contract, the Insurers have subrogation rights against third parties that caused or contributed to damages for which

the Insurers were required to pay their insured.

19. On July 8, 2002, Plaintiffs submitted a Notice of Claim requesting payment of the damage sustained by Plaintiffs. To date, The Port Authority has failed to respond to that request.

### **The Industrial Risk Insurer Plaintiffs**

20. Plaintiff Industrial Risk Insurers, (hereinafter Industrial Risk) on behalf of its members, is an unincorporated underwriting association that maintains its principal place of business in Hartford, Connecticut.

21. On September 11, 2001, Silverstein had in force a certain property insurance policy underwritten by Industrial Risk in an amount of excess of \$75,000.

22. Industrial Risk has paid in excess of \$75,000.00 in property loss damages to Silverstein as a direct result of the September 11, 2001 destruction of 7 WTC.

23. By common law and contract, Industrial Risk has subrogation rights against such third parties as have caused or contributed to damages for which the insurer was required to pay its insured.

### **The Aegis and Con-Ed Plaintiffs**

24. Plaintiff Aegis Insurance Services, Inc. (hereinafter referred to as Aegis) with place of business at 10 Exchange Place, Jersey City, New Jersey 07302; Plaintiff Liberty International Underwriters Inc. (hereinafter referred to as Liberty) with a place of business at 61 Broadway, New York, New York 10006; Plaintiff National Union Insurance Company of Pittsburgh (hereinafter referred to as National) with a place of business at 70 Pine Street, New York, New York 10270; Plaintiff Nuclear Electric

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Insurance Limited (hereinafter referred to as **ANuclear**) with a place of business at 1201 Market Street, Suite 1200, Wilmington, DE 19801; and Plaintiff Certain Underwriters at Lloyds (hereinafter referred to as **ALloyds**) with a place of business at Lime Street, London, England, are business entities authorized to engage in the insurance business in the State of New York.

25. Collectively, Aegis, Liberty, National, Nuclear, and Lloyds (hereinafter referred to collectively as **AAegis**) are suing herein as subrogee of Consolidated Edison Company of New York, Inc.

26. Plaintiff Consolidated Edison Company of New York, Inc. (hereinafter referred to as **ACon Edison**) is a New York corporation, with its principal place of business at 4 Irving Place, New York, New York, and was a tenant of a premises located under 7 WTC.

27. At all relevant times, Aegis issued policies of insurance to Con Edison for its property, operation and business. Pursuant to the aforementioned policies of insurance, Aegis insured Con Edison for losses to real and personal property and various other coverages pursuant to the policies of insurance issued.

28. By common law and contract Aegis has subrogation rights against such third parties as have caused or contributed to damages for which the insurer was required to pay their insured.

29. Aegis submitted a Notice of Claim on June 11, 2002, incorporated herein, requesting adjustment and payment of the damage sustained by plaintiffs. The defendant has failed to take any action to date.



30. Aegis undertook to make payment to Con Edison for its insured losses and has been subrogated to the rights of its insured for the recovery of the same.

**Karoon Capital Management, Inc.**

31. At all times hereinafter mentioned, and at the time of the commencement of this action, Plaintiff, Karoon Capital Management, Inc., (AKaroon@) was and still is a resident of the State of New York.<sup>3</sup>

32. Karoon was a tenant of the building known as 1 World Trade Center, Suite 2227.

33. 1 World Trade Center was the sole place of operation on Karoon Capital Management, Inc. and virtually all of Karoon Capital Management, Inc. revenue was derived from and as a result of its location at 1 World Trade Center.

**The Asbestos Plaintiffs**

34. At all times hereinafter mentioned, the plaintiff Mayore Estates LLC is a limited liability company, duly organized and existing under and by virtue of the laws of the State of New York.

35. At all times hereinafter mentioned, the plaintiff 80 Lafayette Associates, LLC is a limited liability company, duly organized and existing under and by virtue of the laws of the State of New York.

36. At all times hereinafter mentioned, the defendant Port Authority was and still is doing business in the State of New York and is headquartered in New York

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<sup>3</sup> Karoon, and other similar plaintiffs listed on the attached Appendix A, bring suit only against American Airlines and Globe.

Country.

37. Plaintiffs hereby reserve the right to proceed against any other parties that may be liable as soon as they are identified.

38. This action is being filed in this Court to protect the plaintiffs= in the event that this action is governed by Air Transportation Safety and System Stabilization Act, (Pub. Law 107-42, 115 Stat. 230), 49 U.S.C. '40101, Title IV, '408(b)(3), designating the Southern District of New York as the exclusive venue for all civil litigation arising out of or related to the September 11, 2001 attacks.

39. Plaintiffs have filed an action in the New York State Supreme Court but are filing this back-up action in the event it is found that the Federal courts have exclusive jurisdiction.

40. Plaintiffs (hereinafter collectively the Abstetos Plaintiffs) jointly own and operate the building known as 22 Cortlandt Street, New York, New York.

41. The plaintiffs= building was located directly across the street from the World Trade Center.

42. Prior to commencement of this action and sixty days of today, to wit, on December 6, 2001, plaintiffs served a Notice of Claim upon the Port Authority.

43. That more than sixty days have elapsed since the said notice of claim was presented for adjustment or payment thereof, and the defendants have failed, refused and/or neglected to adjust or settle this action.

44. That the Port Authority never requested oral examination of the plaintiffs and plaintiffs were willing to appear if so requested.

45. That this action is being commenced within a year of the occurrence complained of and is thus timely brought.

**The Airline Defendants**

46. Defendant Globe is a Delaware corporation, with its principal place of business located in Irving, Texas. At all relevant times, Globe was in the business of owning, operating, managing, supervising, and maintaining passenger screening and security systems for various airlines, including American Airlines= flights departing from Logan Airport.

47. Defendants AMR Corporation (AMR) and American Airlines, Inc. (American) (collectively hereinafter the American Defendants) at all times pertinent, were and are corporations organized and existing under the laws of Delaware which maintain their principal place of business in Texas. American is a subsidiary of defendant AMR. The American Defendants are common carriers engaged in the business of transporting passengers by air and operate regularly scheduled flights from Logan International Airport, Boston, Massachusetts (Logan).

48. Defendants UAL Corporation (hereinafter UAL) and United Airlines, Inc. (collectively hereinafter the United Defendants) at all times pertinent were and are corporations duly organized and existing under the laws of the State of Illinois and maintain their principal place of business in Illinois. United Airlines is a subsidiary of defendant UAL. The United Defendants are common carriers engaged in the business of transporting passengers by air and operate regularly scheduled flights from Logan.

49. Defendant Colgan Air, Inc. (hereinafter Colgan) at all times pertinent

was and is a corporation duly organized and existing under the laws of Virginia and maintaining its principal place of business in Manassas, Virginia.

50. Defendants US Airways Group, Inc. (hereinafter USAG) and US Airways, Inc. (US Airways) at all times pertinent were and are corporations duly organized and existing under the laws of the State of Delaware and maintain their principal place of business in Arlington, Virginia.

51. USAG is the parent corporation of, and exercised control over, its wholly-owned subsidiary US Airways. As a result, USAG is liable for the acts and omissions of US Airways (USAG and US Airways are collectively referred to as the US Airways Defendants).

52. Defendants Colgan and US Airways are common carriers engaged in the business of transporting passengers by air and operate regularly scheduled flights to and from Portland (Maine) International Jetport (Portland Jetport) and Logan (hereinafter collectively referred to as the subject airports).

53. On September 11, 2001, Colgan operated as US Airways Flight 5930, a regularly scheduled passenger flight for hire, carrying hijackers from Portland Jetport to Logan. Colgan's aircraft displayed US Airways' logo, trade dress, paint scheme and livery, under the full actual and apparent authority, knowledge and consent of defendant US Airways.

54. At all times pertinent, on and prior to September 11, 2001, the American Defendants operated a Boeing 767 aircraft, registration no. 334AA, as Flight 11, which departed from Logan with an intended destination of Los Angeles International Airport,

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California.

55. At all times pertinent, on and prior to September 11, 2001, the United Defendants operated a Boeing 767-200 aircraft, registration no. N612UA, as Flight 175 which departed from Logan with an intended destination of Los Angeles International Airport, California.

### **The Security Company Defendants**

56. Defendant Huntleigh USA Corporation (hereinafter [AHuntleigh@](#)) at all times pertinent, was and is a corporation organized and existing under the laws of Missouri which maintains its principal place of business in Missouri.

57. Defendant ICTS International NV (hereinafter [AICTS@](#)) at all times pertinent, was and is a business entity of unknown form duly organized and existing under the laws of The Netherlands and maintaining its principal place of business in The Netherlands. Defendant Huntleigh is a subsidiary of defendant ICTS.

58. Defendants Globe is a Delaware corporation, with its principal place of business located in Irving, Texas. At all relevant times, Globe was in the business of owning, operating, managing, supervising, and maintaining passenger screening and security systems for various airlines, including American Airlines= flights departing from Logan Airport.

59. Defendants Globe Aviation Services (hereinafter [AGlobe@](#)) and Burns International Security Services Corporation (collectively hereinafter [Athe Globe Defendants@](#)) at all times pertinent, were and are corporations duly organized and existing under the laws of Delaware and maintaining their principal place of business in

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Irving, Texas. Defendant Globe is a subsidiary of Burns.

60. Defendant Pinkerton=s Inc. (APinkerton@) is a corporation organized and existing under the laws of Delaware which maintains its principal place of business in Illinois. The Globe Defendants are subsidiaries of Pinkerton.

61. Securitas AS (ASecuritas@) was and is a business entity of unknown form duly organized and existing under the laws of Sweden and maintaining its principal place of business in Sweden. The Globe Defendants and Pinkerton are subsidiaries of defendant Securitas.

62. The Security Company Defendants were corporations engaged in the business of, and separately and collectively assumed responsibility for, developing, owning, operating, managing, maintaining and supervising airline and airport security for the Airline Defendants for their flights departing from the subject airports, including US Airways Flight 5930, American Flight 11 and United Flight 175.

### **The Public Authorities**

63. Defendant City of Portland, Maine (hereinafter APortland@) at all times pertinent, was and is a government entity duly organized and existing under the laws of Maine and maintaining its principal place of business in Portland, Maine.

64. Defendant Portland developed, owned, controlled, operated, managed and maintained Portland Jetport.

65. Defendant Massachusetts Port Authority (hereinafter AMassport@) at all times pertinent, was and is a government entity duly organized and existing under the laws of Massachusetts and maintaining its principal place of business in Boston,

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Massachusetts.

66. Defendant Massport developed, owned, controlled, operated, managed and maintained Logan.

67. Defendant The Port Authority of New York and New Jersey (hereinafter referred to as <sup>A</sup>The Port Authority<sup>@</sup>) is a governmental body that maintains its principal place of business in New York, New York.<sup>4</sup>

## **GENERAL ALLEGATIONS**

### **The Destruction of 1 and 2 World Trade Center**

68. Prior to September 11, 2001, the Department of Transportation, through its Federal Aviation Administration, licensed the Airline Defendants as commercial air carriers authorized to transport passengers for hire, pursuant to which the Airline Defendants had an obligation to comply with all federal statutes, rules, regulations, and environmental directives to achieve the highest duty of care to provide airport and airline security to protect their passengers from harm as a result of a terrorist action.

69. On and prior to September 11, 2001, the Airline Defendants, Portland, Massport, and the Security Defendants, through their agents, servants, officers, employees, designees and/or contractors jointly and severally undertook to develop, implement, own, operate, manage, supervise, staff, equip, maintain, control and/or oversee the airline and airport security system at the subject airports (including, but not limited to passenger screening, security checkpoint operations, pre-boarding passenger and luggage inspections, controlling access to secure areas and other security

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<sup>4</sup> Underwriter Plaintiffs do not make claim against The Port Authority.  
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activities, ticketing purchase and check-in procedures and passenger identification and document checks for the subject aircrafts and flights), to ensure property and the safety, the public persons traveling in air transportation against acts of criminal violence and air piracy.

70. Prior to September 11, 2001, the Airline Defendants, Portland and Massport entered into contractual relationships with the Security Company Defendants to provide security screening services at the subject airports.

71. On and prior to September 11, 2001, the Security Company Defendants and Portland and Massport, by their respective officers, agents, employees, servants and/or representatives selected, hired, trained, instructed and supervised the security checkpoint screeners, metal detector and x-ray machine monitors and others who operated, maintained and controlled the security checkpoints at the subject airports.

72. On and prior to September 11, 2001, all defendants, their aggregates, associates, and partners, and each of them, were the agent, servant, employee, assignee, successor in interest, or joint venturer of each other and were acting within the time, purpose, or scope of such agency or employment; and all acts or omissions alleged herein of each defendant were authorized, adopted, approved, or ratified by each of the other defendants.

73. All defendants, and each of them, were fully informed of the actions of their agents and employees, and no officer, director, or managing agent of defendants repudiated those actions, which failure to repudiate constituted adoption and approval of said actions and then all defendants, and each of them, thereby ratified those actions.



74. Prior to September 11, 2001, the Airline Defendants, the Security Company Defendants and The Public Authority Defendants knew of the grave risk of attacks upon commercial aircraft. The Department of Transportation Inspector General, Federal Aviation Administration, Government Accounting Office and other independent and industry auditors repeatedly advised of threats to civil aviation. For example, in its 1999 annual report, *Criminal Acts Against Civil Aviation* (hereinafter "The 1999 Report"), the FAA's Office of Civil Aviation Security advised of potential dangers, including identification of Osama Bin Laden as a specific threat to hijack an airliner and target the United States:

"Another threat to civil aviation is from Saudi terrorist financier Usama Bin Ladin. In a May, 1998 interview, Bin Ladin implied that he could use a shoulder-fired surface-to-air missile to shoot down a military passenger aircraft transporting U.S. military personnel. He reiterated that his attacks would not distinguish between U.S. civilians and military personnel. Moreover, an exiled Islamic leader in the United Kingdom proclaimed in August 1998 that Bin Ladin would "bring down an airliner, or hijack an airliner to humiliate the United States."

The 1999 Report at 59.

The Report also points to the 1994 Ramzi Yousef conspiracy to place explosive devices on as many as 12 U.S. airliners flying out of the Far East as further evidence of the desire and intent to attack U.S. commercial aircraft. Id. The FAA then issued the following warning:

"There is every reason to believe that civil aviation will continue to be an attractive target for terrorist groups. Increased awareness and vigilance are necessary to deter future incidents, be they from terrorists like Ramzi Yousef or non-terrorists bent on suicide, as

occurred in Brazil in 1997, It is important to do the utmost to prevent such acts rather than to lower security measures by interpreting the statistics [which showed a decrease in incidents between 1993 and 1998] as an indicating of a decreased threat. @

75. Prior to September 11, 2001, the defendants knew or should have known about documented and reported numerous security breaches involving unauthorized access to secure areas (including ramps and aircraft) and warnings that security was at risk and the passenger and carry-on baggage screening system was vulnerable; those reports detailed dangerous, long-standing flaws in airport security and warned the defendants that the airline and airport security system was unsafe and needed significant improvements in staffing, training and equipment in order to ensure the safety of persons traveling by air transportation against acts of criminal violence and air piracy; and the defendants were repeatedly warned that the ability of the airline and airport security system to detect threat objects located on passengers or contained on their carry-on luggage was unsafe and had been significantly worsening for nearly 20 years.

76. The Airline Defendants knew or should have know that the airline and airport security system they supervised, designed and controlled through the Security Company Defendants was grossly inadequate and posed a severe danger to their passengers, the public and property.

77. The Airline Defendants, Portland and Massport knew or should have known that the airline and airport security system was a sieve, unable to detect even the most obvious of dangerous weapons in numerous undercover evaluations; that the Security Company Defendants provided screening services which were grossly

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inadequate and that such inadequacies posed severe dangers to their passengers and the public; that the Security Company defendants failed to adequately train their employees, hired illegal aliens, failed to conduct required criminal background checks, and routinely failed in undercover security evaluations.

78. On September 11, 2001, the hijackers penetrated the airline and airport security system at the subject airports and were permitted to board Flight 5930, Flight 11 and Flight 175 carrying dangerous and deadly weapons, and entered the unprotected cockpits of Flight 11 and Flight 175. While under the control of these hijackers, Flight 11 and Flight 175 were operated in an unusual and extreme manner and thereafter crashed the aircraft into the subject buildings igniting fires in the subject buildings and subsequently causing their collapse.

79. The destruction of the subject buildings resulted in significant loss of life, limb, and property. Underwriters, individually and collectively, sustained significant monetary and economic loss as a direct and proximate result of the destruction of the subject buildings and other properties at the World Trade Center complex.

80. The destruction of the subject buildings and the resulting monetary and economic loss to Underwriters were the direct and proximate result of the joint and several negligence, fault, wrongdoing, carelessness, recklessness, willful and wanton misconduct on the part of the defendants and defendants= authorized agents, servants, officers and employees acting in the scope of their agency and employment.

81. On and before September 11, 2001, defendants individually and collectively, had knowledge of, or should have had knowledge of, terrorist or terrorist-

related threats to the United States commercial aviation system. This includes, but is not limited to, American and United domestic and international departures from Logan International Airport in Boston, Massachusetts.

82. On and before September 11, 2001, defendants, individually and collectively, had knowledge of, or should have had knowledge of, the vulnerability of the commercial aviation system, including the system in place at Logan International Airport, as it pertains to terrorist or terrorist-related threats to commercial aircraft.

83. On and before September 11, 2001, defendants individually and collectively, had knowledge of, or should have had knowledge of, the vulnerability of commercial aircraft, including Flight 175 and Flight 11, to pre-flight or in-flight hijacking and the potential for destruction of life and property in the event of such a hijacking, including the use of such aircraft as weapons for the destruction of life and property.

84. As a direct and proximate result of the conduct of all defendants, the defendants are jointly and severally liable for damages sustained by each plaintiff and each plaintiff is entitled to recover such damages to the extent allowed under applicable state law.

### **The Destruction of 7 World Trade Center**

85. 7 WTC was a 47-story office building located in New York, New York.

86. 7 WTC was owned by The Port Authority and principally leased to Silverstein. However, The Port Authority retained to its own power and discretion the right to review, reject or revise plans and specifications for all building tenants' use and occupancy.

87. On September 11, 2001, 7 WTC caught fire and ultimately collapsed to the ground.

88. The Port Authority of New York and New Jersey=s negligence, recklessness and/or breach of contract was a direct and proximate cause of the collapse of 7 World Trade Center and the resulting property and economic losses.

89. In or about 1999, the City of New York constructed a command bunker on the 23<sup>rd</sup> floor of 7 WTC. Multiple diesel fuel tanks were positioned within 7 WTC along with electricity generators for the bunker in the event of a power failure.

90. On May 1, 2002, the United States Emergency Management Agency issued a report entitled World Trade Center; Building Performance Study (AThe Study@). This document reported preliminary investigative findings about the causes of the destruction of 7 WTC on September 11, 2001. The Study suggested that the building collapsed due to the failure of critical, non-redundant transfer trusses. In turn, these structural supports appear to have been subjected to significant and prolonged fire heating fed by diesel fuel stored in 7 WTC. Such fuel was present to serve the approximately 16 emergency standby generators located in relatively close proximity to the over-heated trusses.

91. The Port Authority at all relevant times retained final control over the design, use and occupancy of 7 WTC, including all tenant improvements, modifications and occupancy.

92. Such control included the location and design of all diesel fuel storage tanks, pumps, generators, and related systems.

93. The Port Authority retained the right and discretion as to how, when and where to apply, interpret and enforce New York City, State and national fire safety codes and regulations, as well as safe engineering practices and standards in and about 7 WTC.

94. The Port Authority at all times retained final control over Silverstein=s subtenants and such architects, engineers and contractors, using, occupying or otherwise performing services in 7 WTC.

95. The Port Authority retained final control over the installation and deployment of all emergency standby generator systems installed and utilized within 7 WTC. Such control included the location and design of all diesel fuel storage tanks, pumps, pipes, generators, and related systems.

96. The Port Authority did not properly and adequately apply, interpret and enforce New York City and State fire safety codes, regulations, and practices.

97. The Port Authority did not apply, interpret and enforce safe engineering practices and standards commonly known and utilized in high-rise office buildings throughout the State of New York.

98. The Port Authority permitted large amounts of diesel fuel to be located close to a non-redundant critical system of transfer trusses, which supported the building structure.

99. The Port Authority=s determination as to the location and deployment of multiple diesel fuel systems within 7 WTC was a significant factor in causing damage and the collapse of 7 WTC.

100. Upon information and belief, the aggravated fire at 7 WTC was fueled by diesel fuel, storage in tanks that The Port Authority designed, and/or approved.

101. The Port Authority did not properly or adequately adhere to, interpret or enforce New York City and State fire safety codes, rules, regulations and practices.

102. The Port Authority did not properly or adequately adhere to, interpret or enforce safe engineering practices and standards commonly known and utilized in high-rise office buildings throughout the City and State of New York.

103. As a result of the aggravated fire and collapse, 7 WTC was completely destroyed. Citigroup lost personal property, extensive improvements and betterments it made to the leased property as well as consequential loss exceeding \$280,000,000.

104. Citigroup=s property could not have been damaged, or would have sustained lesser damage, absent the aggravated fire and collapse of 7 WTC.

105. Industrial Risk would not have incurred damages, or would have incurred lesser damages, absent the aggravated fire and collapse in Building 7.

### **The Destruction of the Con Edison Substation**

106. The Port Authority is the owner of the property located at Washington and Barclay Streets, New York, New York.

107. On or about May 29, 1968, The Port Authority entered into an agreement of lease with Con Edison.

108. Pursuant to that lease, in or about 1970 a Con Edison substation, together with cables and equipment to and from the substation, was built at Washington and Barclay Streets and provided electricity to the World Trade Center complex and the

surrounding area.

109. In or about 1983, 7 World Trade Center was built on top of and alongside the Con Edison substation.

110. In or about 1999, the City of New York (hereinafter referred to as the City) constructed a command bunker on the 23<sup>rd</sup> floor of 7 World Trade Center. Multiple diesel fuel tanks were positioned within 7 World Trade Center along with electricity generators for the bunker in the event of a power failure.

111. The Port Authority at all relevant times retained final control over the design, use and occupancy of 7 WTC, including all tenant improvements, modifications and occupancy. Such control included the location and design of all diesel fuel storage tanks, pumps, generators and related systems.

112. The Port Authority did not properly and adequately apply, interpret and enforce New York City and State fire safety codes, rules, regulations and practices.

113. The Port Authority did not apply, interpret and enforce safe engineering practices and standards commonly known and utilized in high-rise office buildings throughout the City and State of New York.

114. On September 11, 2001, at 8:46 a.m. and 9:03 a.m. respectively, airplanes hijacked by a number of terrorists crashed into the World Trade Center North Tower and World Trade Center South Tower.

115. At approximately 9:59 a.m., the World Trade Center South Tower collapsed. At approximately 10:28 a.m., the World Trade Center North Tower collapsed.

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116. 7 World Trade Center was set on fire and at approximately 5:20 p.m. collapsed.

117. As a result of the collapse of 7 World Trade Center, Con Edison's substation and other cables and equipment were destroyed and Con Edison was required to incur other expenses to reestablish and maintain services to lower Manhattan.

118. The substation, which included nine transformers, ancillary equipment and fire protection, was housed immediately beneath 7 World Trade Center. The substation was an enclosed space with no entrance to 7 World Trade Center and both the space and equipment were fire protected.

119. Con Edison's substation, equipment, and other facilities would not have been damaged, or would have sustained minor damage, absent the collapse of 7 World Trade Center and Con Edison would not have incurred its other expenses absent the collapse of 7 WTC.

120. The damage that was suffered was proximately caused by The Port Authority's negligence, recklessness and carelessness;

121. Con Edison sustained damage, including, but not limited to, its deductible and uninsured losses, that were not covered by insurance, and also incurred costs to re-established and maintain services to lower Manhattan as a result of the collapse of 7 World Trade Center.

### **COUNT I**

### **NEGLIGENCE**

**Underwriter Plaintiffs v. The Airline Defendants,  
The Security Company Defendants,  
Portland , and Massport**

122. Plaintiffs repeat and re-allege each and every allegation contained in the foregoing paragraphs as if fully set forth at length herein

123. At all times pertinent, on and prior to September 11, 2001, the Airline Defendants, by and through their officers, agents, employees, servants or representatives, had an independent and nondelegable duty to exercise the highest degree of care to safeguard its airplanes and passengers to prevent hijackers from breaching the airline and airport security system and carrying dangerous weapons aboard the subject aircraft to threaten its safety and those aboard it; ensure the subject aircraft was safe and secure from unreasonable dangers; and operate the subject aircraft so as not to cause injury, death or property damage.

124. At all times pertinent, on and prior to September 11, 2001, the Airline Defendants, Portland and Massport subcontracted for security services for all flights departing from the subject airports. The Airline Defendants, Portland and Massport had a nondelegable degree and/or voluntarily undertook a duty through its contract with the Security Company Defendants to exercise the highest degree of care for the safety and security of all passengers passing through security at the subject airports.

125. At all times pertinent, on and prior to September 11, 2001, the Security Company Defendants and Portland and Massport, by and through their officers, agents, employees, servants or representatives, had an independent and nondelegable duty and owed to each plaintiff the highest duty of care to safeguard their airplanes and

passengers to prevent hijackers from breaching the airline and airport security system and carrying dangerous and deadly weapons aboard the subject aircraft to threaten its safety and those aboard it; ensure the subject aircraft was safe and secure from unreasonable dangers; and, operate the subject aircraft so as not to cause injury or death to passengers or property damage to plaintiffs.

126. At all times pertinent, on and prior to September 11, 2001, the Airline Defendants, the Security Company Defendants, Portland, and Massport, by their respective officers, agents, employees, servants and/or representatives, breached their nondelegable duty to decedents and/or Tower Victims and engaged in conduct which was reckless, negligent, negligent per se, wrongful, unlawful, careless, and willful and wanton in conscious disregard of the rights and safety of the passengers by violating applicable rules and regulations, including Federal Aviation Regulations; and further by creating unreasonable dangers to Flight 11 and Flight 175 in that the Airlines Defendants, the Security Company Defendants, Portland and Massport:

- X developed and then operated, maintained, supervised and controlled an inadequate airline and airport security system that did not ensure the safety of or protect passengers against acts of criminal violence and air piracy;
- X failed to adequately train, staff and equip the subject airports= airline and airport security systems;
- X failed to improve airline and airport security despite knowledge and prior warnings of numerous security breaches and lapses and terrorist threats to airline security;
- X failed to properly screen the hijackers and allowed them aboard the subject aircraft with dangerous weapons;
- X violated proper security procedures, including FAA and internal

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airline/security guidelines and other security directives;

- X failed to properly scrutinize the hijackers= tickets and identification documents;
- X failed to properly monitor security checkpoints, x-ray machines and metal detectors;
- X failed to install state of the art security equipment and systems to prevent hijacking and routinely failed to detect dangerous weapons in undercover investigations;
- X failed to adequately protect the subject aircraft cockpit from unauthorized entry;
- X failed to prevent the hijackers from entering the unprotected cockpit;
- X failed to implement adequate safety and security measures to prevent hijacking;
- X failed to equip the subject aircraft with secure cockpit doors and adequate locking mechanisms; and
- X defendants were otherwise negligent, engaged in conduct that was negligent per se, reckless, wrongful, unlawful, careless, and/or willful in conscious disregard for rights and safety.

127. Defendants= negligence proximately caused Underwriters= damages.

128. Plaintiffs have been damaged as a direct and proximate result of the defendants= breach of duty, the defendants therefore are jointly and severally liable for damages sustained by each plaintiff and each plaintiff is entitled to recover such damages to the extent allowed under applicable state law.

WHEREFORE, plaintiffs Underwriters demand judgment against all defendants in an amount that exceeds the jurisdictional limits of this Court, together with interests and costs, and for such other relief as the Court deems just and appropriate.

## COUNT II

### NEGLIGENCE

#### **Citigroup Plaintiffs v. The Port Authority**

129. Plaintiffs repeat and re-allege each and every allegation contained in the foregoing paragraphs as if fully set forth at length herein.

130. The Port Authority retained the power, discretion and right to review, reject or revise plans and specifications for all building tenants= use and occupancy.

131. As such, The Port Authority owed a duty to Citigroup, as a tenant of 7 WTC, to act with reasonable care in maintaining and operating the building.

132. The Port Authority breached its duty of care and was negligent, careless and reckless when it:

- X Negligently designed, approved, inspected, installed, maintained, operated and/or controlled 7 WTC and the diesel fuel tanks inside 7 WTC;
- X Negligently approved and/or allowed the diesel fuel tanks to be built and located so as to contribute to the aggravated fire and collapse of 7 WTC;
- X Negligently allowed storage of a large quantity of diesel fuel in contravention of established New York City Fire and Building Codes and New York State Department of Environmental Conservation Petroleum Bulk Storage Regulations;
- X Negligently allowed a 6,000 gallon tank to be mounted fifteen-feet off the ground near an elevator bank on the 23<sup>rd</sup> floor, which was cited as unsafe by the Fire Department;
- X Negligently caused, permitted, or allowed the diesel fuel tanks to be defectively constructed so as to contribute to the aggravated fire and collapse of 7 WTC;
- X Negligently caused, permitted or allowed the diesel fuel tanks and other combustibles and flammables to be negligently constructed, located,

installed, operated, or maintained so as to cause, permit and to contribute to the aggravated fire and collapse of 7 WTC and seriously damage Citigroup=s property;

- X Failed to build or maintain the diesel fuel tanks in accordance with New York State Department of Environmental Conservation Petroleum Bulk Storage Regulations;
- X Failed to use and or enforce accepted fire and safety codes procedure rules and regulations;
- X Built, maintained and/or installed defective diesel fuel tanks and or related systems inside 7 WTC;
- X Failed to provide adequate fire protection, safeguards or barriers so as to prevent the aggravated fire and collapse of 7 WTC;
- X Failed to design, build, maintain, update, inspect, operate or safeguard 7 WTC necessary to provide the tenants with a safe premises; and
- X Failed to prevent the diesel tanks and other combustible and flammables from contributing to the collapse of 7 WTC.

133. The Port Authority=s negligence, carelessness, and recklessness proximately caused and materially contributed to Citigroup=s damages.

134. As a result of The Port Authority and its officers= and agents= negligence, carelessness and recklessness, Citigroup suffered damage to its personal property, extensive improvements and betterments that it made to the leased property as well as consequential loss exceeding \$280,000,000.

WHEREFORE, plaintiffs Underwriters demand judgment against all defendants in an amount that exceeds the jurisdictional limits of this Court, together with interests and costs, and for such other relief as the Court deems just and appropriate.

### **COUNT III**

## **NEGLIGENCE PER SE**

### **Citigroup Plaintiffs v. The Port Authority**

135. Plaintiffs repeat and re-allege each and every allegation contained in the foregoing paragraphs as if fully set forth at length herein.

136. The Port Authority owed a duty to Citigroup, as a 7 WTC tenant, to design, operate and maintain the building with reasonable care.

137. The Port Authority failed to properly comply with, adhere to, apply, interpret and enforce New York City and State fire and safety codes and regulations.

138. The Port Authority's failure to comply with, adhere to, apply, interpret and enforce with the fire and safety codes was a violation of its duty of care and constitutes negligence *per se*.

139. The Port Authority's negligence *per se* was a direct and proximate cause of the aggravated fire and collapse of 7 WTC and resulted in damage to Citigroup.

140. As a result of The Port Authority and its officers' and agents' negligence, carelessness and recklessness, Citigroup suffered damage to its personal property, extensive improvements and betterments that it made to the leased property as well as consequential loss exceeding \$280,000,000.

WHEREFORE, the plaintiffs demand judgment to be entered against defendant The Port Authority of New York and New Jersey for damages in excess of \$280,000,000, reasonable attorney fees, pre-judgment interest, post-judgment interest, costs and such other relief as the Court deems just and proper.

### **COUNT IV**

## **NEGLIGENCE**

### **Industrial Risk v. The Port Authority**

141. Plaintiff incorporates herein by reference the allegations contained in all preceding paragraphs.

142. As landlord and owner of 7 WTC, The Port Authority owed a duty of care to Silverstein to regulate and control the use of 7 WTC in a safe manner that minimized fire and structural hazards.

143. The Port Authority owed Silverstein a duty of care in 7 WTC that included applying, interpreting and enforcing New York City and State fire safety codes and regulations, and safe engineering practices and standards in full compliance with their required meaning which optimized prevention of fire and loss.

144. The Port Authority failed to exercise its aforementioned duties of care towards Silverstein which breaches of duty of care were the proximate cause of the extensive damages and ultimate collapse of 7 WTC, and caused Plaintiff to incur damages in an amount in excess of \$75,000.00, the exact amount to be determined at trial.

WHEREFORE, the plaintiffs demand judgment to be entered against defendant The Port Authority of New York and New Jersey for damages in excess of \$280,000,000, reasonable attorney fees, pre-judgment interest, post-judgment interest, costs and such other relief as the Court deems just and proper.

### **COUNT V**

### **NEGLIGENCE PER SE**



## **Industrial Risk=s Claim Against The Port Authority**

145. Plaintiff incorporates herein by reference the allegations contained in all preceding paragraphs.

146. The Port Authority failed to properly apply, interpret and enforce New York City and State fire safety codes, regulations, and practices.

147. The Port Authority=s failure to properly apply, interpret and enforce New York City and State fire and safety codes and regulations was negligence *per se* and in violation of its duty of care owed to Silverstein.

148. The Port Authority=s negligence *per se* was the direct and proximate cause of the extensive damages and collapse of 7 WTC and caused Plaintiff to incur damages in an amount in excess of \$75,000.00, the exact amount to be determined at trial.

WHEREFORE, the plaintiffs demand judgment to be entered against defendant The Port Authority of New York and New Jersey for damages in excess of \$280,000,000, reasonable attorney fees, pre-judgment interest, post-judgment interest, costs and such other relief as the Court deems just and proper.

### **COUNT VI**

#### **BREACH OF CONTRACT**

##### **Industrial Risk=s v. The Port Authority**

149. Plaintiff incorporates herein by reference the allegation contained in all preceding paragraphs.

150. On December 31, 1980 The Port Authority entered into a lease with

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Silverstein for the principal space of 7 WTC, which lease has been amended and modified thereafter (Athe Lease@).

151. Silverstein is a successor-in-interest and tenant-in-fact under the aforementioned lease.

152. Pursuant to the Lease, The Port Authority agreed not to be negligent in its ownership and control of 7 WTC. Further, pursuant to lease sections 26.4 and 33, The Port Authority agreed to be liable for damage in 7 WTC caused through its negligence.

153. The Port Authority=s failure to properly apply, interpret and enforce New York City and State fire safety codes and regulations, as well as codes and practices commonly applied in the State and region, was in breach of the terms and conditions of the lease.

154. The Port Authority=s breach of the terms and conditions of the lease were the direct and proximate cause of the extensive damages and ultimate collapse of 7 World Trade Center, and caused Plaintiff to incur damages in an amount in excess of \$75,000.00, the exact amount to be determined at trial.

WHEREFORE, the plaintiffs demand judgment to be entered against defendant The Port Authority of New York and New Jersey for damages in excess of \$280,000,000, reasonable attorney fees, pre-judgment interest, post-judgment interest, costs and such other relief as the Court deems just and proper.

## **COUNT VII**

### **BREACH OF CONTRACT: THIRD PARTY BENEFICIARY**

#### **Industrial Risk v. The Port Authority**

155. Plaintiff incorporates herein by reference the allegations contained in all preceding paragraphs.

156. On April 15, 1993 The Port Authority entered into an agreement (the Agreement) with the City of New York and the New York Fire Department to maintain and enhance the fire safety of Port Authority facilities, including 7 WTC.

157. Pursuant to the Agreement, The Port Authority agreed to apply and implement New York City fire safety recommendations, including compliance with all local codes and regulations.

158. This Agreement was for the benefit of all tenants and lessees of property within the World Trade Center, including 7 WTC.

159. Silverstein was a third-party beneficiary of the Agreement.

160. The Port Authority's actions and inactions, as set forth above, violated the terms and conditions of the Agreement to the substantial harm and damage to Silverstein.

161. The Port Authority's breach of the Agreement was the direct and proximate cause of the extensive damages and ultimate collapse of 7 WTC, and caused Plaintiff to incur damages in an amount in excess of \$75,000.00, the exact amount to be determined at trial.

WHEREFORE, Plaintiff Industrial Risk Insurers demands judgment against Defendant Port Authority as follows:

a. On Count I, an award of monetary damages in an amount in excess of \$75,000.00, to be determined at trial, together with interest thereon;

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- b. On Count II, an award of monetary damages in an amount in excess of \$75,000.00, to be determined at trial, together with interest thereon;
- c. On County III, an award on monetary damages in an amount in excess of \$75,000.00, to be determined at trial, together with interest thereon;
- d. On Count IV, an award of monetary damages in an amount of excess of \$75,000.00, to be determined at trial, together with interest thereon;
- e. An award of Plaintiff=s costs and expenses; and
- f. An award of such other relief as this Court deems just and proper.

WHEREFORE, the plaintiffs demand judgment to be entered against defendant The Port Authority of New York and New Jersey for damages in excess of \$280,000,000, reasonable attorney fees, pre-judgment interest, post-judgment interest, costs and such other relief as the Court deems just and proper.

### **COUNT VIII**

### **NEGLIGENCE**

#### **Aegis Plaintiffs v. The Port Authority**

162. Plaintiffs repeat and re-allege each and every allegation contained in the foregoing paragraphs as if fully set forth at length herein.

163. The collapse of 7 World Trade Center and the destruction and damage to the Con Edison substation, the equipment located therein, and equipment connecting to and from the substation, were caused by the negligence, carelessness, recklessness and breach of contract of The Port Authority including its agents, servants and/or employees, which consisted of the following, without limitation:

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- (a) in the negligent design, approval, inspection, installation, maintenance, operation, conduct and control of 7 World Trade Center, New York, New York and the diesel fuel tanks therein;
- (b) in approving and allowing the aforesaid fuel tanks to be built and located so as to contribute to the collapse of 7 World Trade Center;
- (c) in failing to build and maintain the aforesaid diesel fuel tanks under proper, reasonable and lawful control;
- (d) in causing, permitting, allowing and/or suffering the aforesaid diesel fuel tanks and other combustibles and flammables to be so negligently constructed, located, installed, operated, or maintained so as to cause, permit and/or contribute to the collapse of 7 World Trade Center, New York, New York, and seriously damage its property;
- (e) in failing to keep and maintain a proper look-out and watch;
- (f) in failing to properly and timely prevent the aforesaid diesel fuel tanks and other combustible and flammables from contributing to the collapse of 7 World Trade Center;
- (g) in failing to use and/or enforce accepted codes and procedures;
- (h) in building, maintaining, locating and installing said diesel fuel tanks;
- (i) in failing to set up proper safeguards, barriers and fire protection;
- (j) in failing to promulgate proper rules and regulations;
- (k) in failing to set up proper and adequate training programs;

- (l) in negligently and carelessly training personnel;
- (m) in failing to provide adequate, proper and necessary security to make the premises safe for its tenant; and
- (n) in failing to design, build, maintain, update, inspect, operate and safeguard 7 World Trade Center and/or the premises as necessary and/or proper to provide its tenant with a safe premises.

164. Defendant=s negligence, carelessness, recklessness and/or breach of lease was the proximate cause of, and materially contributed to, plaintiffs= damage.

165. By reason of the foregoing, plaintiffs have been damaged in the sum of \$314,500,000.00.

166. Accordingly, plaintiffs are entitled to recover from the defendant for all their losses.

WHEREFORE, the plaintiffs demand judgment to be entered against defendant The Port Authority of New York and New Jersey for damages in excess of \$280,000,000, reasonable attorney fees, pre-judgment interest, post-judgment interest, costs and such other relief as the Court deems just and proper.

### **COUNT IX**

#### **NEGLIGENCE PER SE**

#### **Aegis v. The Port Authority**

167. Plaintiffs repeat and re-allege each and every allegation contained in the foregoing paragraphs as if fully set forth at length herein.

168. The Port Authority failed to properly apply, interpret and enforce New York

City and State fire and safety codes, regulations and practices.

169. The Port Authority=s failure to properly apply, interpret and enforce New York City and State fire and safety codes and regulations was negligence *per se* and in violation of its duty of care.

170. The Port Authority=s negligence *per se* was a direct and proximate cause of the collapse of 7 WTC and caused plaintiffs to incur damages.

WHEREFORE, plaintiffs demand judgment against the defendant for all losses, and for such other, further and different relief as this Court may deem just and proper.

### **COUNT X**

#### **NEGLIGENCE**

##### **Karoon v. American Airlines and Globe Aviation Services Corp.**

171. Plaintiffs repeat and re-allege each and every allegation contained in the foregoing paragraphs as if fully set forth at length herein.

172. At all relevant times, defendant American Airlines, as an authorized air transportation common carrier, owed a duty to the general public and to Karoon Capital Management, Inc. to act with the utmost care in the operation, control, maintenance and supervision of the subject aircraft, passenger screening processes and security systems.

173. At all relevant times hereinafter, defendant Globe, as the owner and operator of the passenger screening and security system for an air transportation common carrier, owed a duty to the general public and to Karoon Capital Management, Inc. to act with the utmost care in the operation, control, maintenance and supervision of

the passenger screening processes and security systems.

174. On September 11, 2001, while plaintiff Karoon Capital Management, Inc. was lawfully occupying its place of business in the North Tower of the World Trade Center, it was destroyed as a result of the crash of Flight 11 into the North Tower of the World Trade Center.

175. The hijacking and subsequent crash of the subject aircraft into the North Tower of the World Trade Center was a direct and proximate result of the defendants' breach of duty, negligence, carelessness and recklessness in the ownership, operation, management, supervision, and maintenance of the subject aircraft, passenger screening processes and security systems, so as to permit the hijackers to take control of the aircraft and fly it into the North Tower of the World Trade Center.

176. The conduct of the defendants in their respective acts of commission and omission constituted a violation of the applicable state and federal rules, regulations and laws, including but not limited to the Air Transportation Security Act of 1974 and the General Business Law of the State of New York.

177. Defendants' inadequate security measures and deficient passenger screening system were insufficient to combat the risk of terrorist activity on domestic flights that was known or should have been known to the defendants.

178. The hijacking, crash and resulting damages were due to the careless, negligent and reckless misconduct of defendants, without any negligence of Karoon Capital Management, Inc. in any way contributing thereto.

179. By reason of the foregoing, Karoon Capital Management, Inc. was



damaged in an amount to be determined at trial, but in any event not less than \$10,000,000.00 (TEN MILLION DOLLARS) and is entitled to punitive damages in an amount to be determined at trial.

WHEREFORE, the plaintiffs demand judgment to be entered against defendant The Port Authority of New York and New Jersey for damages in excess of \$280,000,000, reasonable attorney fees, pre-judgment interest, post-judgment interest, costs and such other relief as the Court deems just and proper.

### **COUNT XI**

#### **NEGLIGENCE PER SE**

##### **Karoon v. American Airlines and Globe Aviation Services Corp.**

180. Plaintiffs repeat and re-allege each and every allegation contained in the foregoing paragraphs as if fully set forth at length herein.

181. The conduct of the defendants in their respective acts of commission and omission constituted a violation of the applicable state and federal rules, regulations, and laws, including but not limited to the Air Transportation Security Act of 1974 and General Business Law of the State of New York.

182. Defendants= inadequate security measures and deficient passenger screening system were insufficient to combat the risk of terrorist activity on domestic flights that was known or should have been known to the defendants.

183. The hijacking crash and resulting destruction of Karoon Capital Management, Inc. were due to the careless, negligent and reckless misconduct of defendants, without any negligence of Karoon Capital Management, Inc. in any way

contributing thereto, in their failure to take adequate security and passenger screening measures.

184. By reason of the foregoing, Karoon Capital Management, Inc. was damaged in an amount of approximately \$10,000,000.00, and, further, is entitled to punitive damages in an amount to be determined at trial.

WHEREFORE, the plaintiffs demand judgment to be entered against defendant The Port Authority of New York and New Jersey for damages in excess of \$280,000,000, reasonable attorney fees, pre-judgment interest, post-judgment interest, costs and such other relief as the Court deems just and proper.

## COUNT XII

### **NEGLIGENCE/RECKLESSNESS**

#### **Asbestos Plaintiffs v. The Port Authority**

185. The defendant, by its agents, servants and/or employees, was reckless, careless and negligent in failing to construct the World Trade Center Complex according to the New York City Building Code and other applicable building codes; in causing and/or permitting asbestos and other hazardous materials to be placed in the building and failing to remove it; in creating a nuisance and a public nuisance; in violating the applicable laws, rules and regulations which would apply, particularly if this were not a public entity; in creating a hazardous condition which endangered adjoining properties; and the defendants was otherwise reckless, careless and negligent.

186. Plaintiffs suffered severe and extensive damages in that their building became blighted; physical damage was caused to the building by parts of the World Trade Center which struck the building; asbestos and other materials from the World Trade Center struck plaintiffs= building; the building has become unsafe until the asbestos has been cleaned up; plaintiffs were required to perform extensive asbestos clean-up and clean-up for other toxic materials from the World Trade Center; the plaintiffs= buildings has been closed since September 11, 2001; tenants have not paid rent, many tenants have abandoned and will abandon the building since they claim the building cannot currently safely be occupied as required by the tenants= leases; the exterior and interior of the building will have to be replaced; carpeting in the building has to be torn up and replaced; the value of the building has been blighted and diminished;

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and plaintiffs have been otherwise damaged, all of which damages are continuing into the future.

187. By reason of the foregoing, plaintiffs are entitled to recover all of their damages from the defendant in an amount not to exceed the sum of One Hundred Million Dollars (\$100,000.000).

WHEREFORE, the plaintiffs demand judgment to be entered against defendant The Port Authority of New York and New Jersey for damages in excess of \$280,000,000, reasonable attorney fees, pre-judgment interest, post-judgment interest, costs and such other relief as the Court deems just and proper.

**JURY DEMAND**

All plaintiffs demand a trial by jury.

Dated: New York, New York  
December 3, 2002