

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

Evangelical Lutheran Church in America
Board of Pensions,

Civil File No. 04-CV-4791 (ADM/AJB)

Plaintiff,

v.

COMPLAINT

Spherion Pacific Workforce LLC,

Defendant.

Plaintiff Evangelical Lutheran Church in America Board of Pensions (“Board of Pensions”), for its Complaint against defendant Spherion Pacific Workforce LLC (“Spherion”), states and alleges as follows:

INTRODUCTION

1. This is an action for breach of contract, fraud and fraudulent inducement, negligent misrepresentation and violation of the Minnesota Prevention of Consumer Fraud Act, Minn. Stat § 325F.68, et seq. Spherion contracted to provide the Board of Pensions with software and software-related services. The causes of action arise out of Spherion’s total failure to provide the contracted-for software and services in a competent, professional manner, and its deliberate and/or negligent deception of the Board of Pensions before and throughout the course of the project. The Board of Pensions eventually paid Spherion approximately \$5.7 million dollars for work and software that was ultimately of little or no value.

PARTIES

2. The Board of Pensions is a Minnesota non-profit corporation with its principal place of business in Minneapolis, Minnesota. The Board of Pensions provides health, retirement, disability and survivor benefits and related services for nearly 50,000 pastors, rostered laypersons and lay employees and their families, and nearly 11,000 congregations and other ELCA sponsoring organizations.

3. Spherion is a Delaware corporation with its principal offices located in Fort Lauderdale, Florida. Spherion has offices throughout Minnesota, including one in Bloomington, Minnesota. Spherion is in the business of providing project management and technical services for software design, development, implementation and support, and holds itself out as an expert in managing and implementing large complex projects and technologies.

JURISDICTION AND VENUE

4. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1332, as it is a matter between citizens of different states and more than \$75,000.00 is in controversy.

5. This Court has personal jurisdiction over Spherion, because Spherion does business in Minnesota and the acts giving rise to the Board of Pensions' claims occurred in Minnesota. Venue is proper pursuant to 28 U.S.C. § 1391(a).

THE BOARD OF PENSIONS UNDERTAKES TO DEVELOP A NEW SYSTEM

6. In 2000, the Board of Pensions was using an aging and increasingly difficult to maintain pension benefit system ("PBS"). The Board of Pensions determined that, in order to improve the quality of the data it maintained about its members, it needed

