PHILADELPHIA, Oct. 7, 2013 /PRNewswire-USNewswire/ -- On October 4, 2013, the law firm of Berger & Montague, P.C. and Kreindler & Kreindler LLP filed a class action Complaint in the Los Angeles County Superior Court on behalf of investors in Rexford Industrial Fund III, LLC ("Rexford III"), alleging breach of fiduciary duty, violation of the California Corporate Securities Laws of 1968, negligent misrepresentation, and fraud on the part of the managers of Rexford III in connection with a
July 2013
rollup transaction where Units of Rexford III were converted into shares or Units convertible into shares of Rexford Industrial Realty, Inc.

Rexford III was a California Limited Liability Company formed in 2005 for the purpose of investing in Southern California industrial real estate. From 2005 to 2013, it was managed by Rexford Industrial, LLC. In 2013, the principals of Rexford Industrial, LLC initiated a transaction through which the Units of Rexford III would be converted into common shares (or Units convertible into common shares) of a new publicly traded Real Estate Investment Trust, Rexford Industrial Realty, Inc.

The Complaint alleges that the rollup transaction resulted in the Rexford III investors losing over 95% of the value of their capital investments, while the three principal officers of Rexford Industrial, LLC received shares worth over $42 million. The Complaint further alleges that Rexford Industrial, LLC and its three principals breached their fiduciary duties to the Unit Holders of Rexford III by arranging for a rollup transaction that resulted in the huge losses, grossly undervalued Rexford III and unlawfully overvalued the interests of the manager and affiliated entities. It further alleges that the same defendants are also liable for fraud and negligent misrepresentation for their role in drafting or disseminating disclosure documents through which investors' consent to the rollup transaction was procured. As alleged in the Complaint, those documents did not disclose either the value of the consideration that Rexford

III Unit Holders would receive, or the amount by which the principals of Rexford Industrial, LLC would be enriched, and they were otherwise materially misleading.

The attorneys listed below represent the plaintiffs in the class action lawsuit:

Sherrie R. Savett, Esq.Arthur Stock, Esq.Russell Paul, Esq.BERGER & MONTAGUE, P.C.1622 Locust Street Philadelphia, PA 19103
800-424-6690
info@bm.net
www.bergermontague.com

- and -

Gretchen M. Nelson, Esq.Gabriel S. Barenfeld, Esq.**KREINDLER & KREINDLER LLP**707 Wilshire Boulevard, Suite 3600
Los Angeles, CA
90017Telephone: (213) 622-6469
gnelson@kreindler.com
gbarenfeld@kreindler.com
www.kreindler.com

Berger & Montague, P.C., founded in 1970, is a pioneer in class action litigation and have extensive expert in securities litigation and a long track record of success in such cases. The firm's 60 attorneys concentrate their practice in complex litigation, including securities fraud, whistleblower and false claims actions and have recovered several billion dollars for consumers and investors.

Kreindler & Kreindler LLP, based in Los Angeles, also concentrate their practice in class action and multi-district litigation.

SOURCE Berger & Montague, P.C.

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