

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

HEIDRICK & STRUGGLES, INC.,

Plaintiff,

v.

KATIE BELL,

Defendant.

Case No.

COMPLAINT

Plaintiff Heidrick & Struggles, Inc. (“Heidrick” or the “Company”) brings this Complaint seeking damages and other relief against its former employee, Defendant Katie Bell (“Bell”). Bell has breached the terms of her employment agreement with Heidrick by refusing to repay a portion of the \$350,000 in bonuses that she received from Heidrick before abruptly resigning to work for one of Heidrick’s competitors and, as a result, Heidrick has sustained damages.

Parties

1. Heidrick & Struggles, Inc. is a Delaware corporation with its headquarters and principal place of business located at 233 South Wacker Drive in Chicago, Illinois. Heidrick is a worldwide professional services firm, specializing in the fields of executive search, culture shaping and leadership consulting. Heidrick has an office located at 1180 Peachtree Street NE in Atlanta, Georgia.

2. Katie Bell is an individual who, on information and belief, resides at 6800 Wright Road, Atlanta, Georgia 30328. Bell is a former employee of Heidrick, who worked at the Company's Atlanta, Georgia office.

Jurisdiction and Venue

3. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1332. Heidrick is a Delaware corporation whose principal place of business is located in Illinois. Bell is a citizen of Georgia. The matter in controversy in this action exceeds \$75,000, exclusive of interest and costs.

4. Venue in this Court is proper under 28 U.S.C. § 1391 because this judicial district is where a substantial part of the events giving rise to the claim occurred.

Bell's Employment with Heidrick

5. In consideration and as a condition of her employment with Heidrick, Bell signed a letter agreement which set forth the terms and conditions of her employment with Heidrick. (A copy of Bell's signed offer letter dated February 28, 2015 (the "Letter Agreement") is attached as Exhibit A).¹

6. Bell's first day of employment with Heidrick was April 20, 2015.

¹ The Consultant Business Protection Agreement exhibit referenced at page 3, paragraph 8 of the Letter Agreement has been intentionally omitted from Exhibit A hereto because it is not relevant to the allegations in this Complaint and contains confidential business information of the Company.

7. Bell was employed as a Partner in the Life Sciences Practice based in Heidrick's Atlanta, Georgia office.

8. Upon her hire, Bell began receiving an annual base salary of \$200,000.

9. As a Partner, Bell was eligible to participate in the Company's bonus programs and benefits programs.

10. The Company also agreed to provide Bell with the following additional compensation: (1) a one-time sign-on payment of \$50,000, payable within thirty (30) days of her first day of employment (the "Sign-On Payment"); (2) a minimum 2015 bonus of \$150,000, payable in March 2016 (the "2015 Bonus"); and (3) a minimum 2016 bonus of \$150,000, payable in March 2017 (the "2016 Bonus"). (Ex. A., ¶ 5).

11. The Letter Agreement obligates Bell to reimburse Heidrick for portions of the Sign-On Payment, 2015 Bonus, and 2016 Bonus if she were to resign her employment with Heidrick within three (3) years of the payment date of the Sign-On Payment:

The additional payments set forth in Paragraph 5 may be subject to certain repayment obligations based on your decision to leave Heidrick Should you resign from Heidrick for any reason . . . within three years of the payment date of the Sign-On Payment, you agree to reimburse Heidrick the amount of any Sign-On Payment and the difference between any minimum portion of such amounts set forth in the Agreement and any amounts you would have received under the

Company's bonus programs, reduced on a pro-rated basis by one thirty-sixth (1/36th) per full month from the date of payment, within thirty (30) business days following your termination date.

Further, you agree to, at the time of such separation, provide Heidrick with written authorization to deduct and/or offset that amount from any compensation or other sums that may be due to you as part of your final pay. If you fail to provide such authorization or to timely repay your minimum compensation amounts described above, you agree to reimburse Heidrick for all reasonable cost and fees associated with its attempt to recover the amounts owed by you.

(Ex. A., ¶ 6).

12. Bell executed the Letter Agreement on March 6, 2015, thereby “acknowledg[ing her] acceptance of [its] terms” and “agree[ing] to be bound by [the] letter agreement,” including with regard to her repayment obligations as set forth in Paragraph 6. (Ex. A., p. 5).

13. On April 30, 2015, Heidrick paid Bell the Sign-On Bonus in the amount of \$50,000.

14. On March 15, 2016, Heidrick paid Bell the 2015 Bonus in the amount of \$150,000.

15. Based upon her actual performance and in accordance with Heidrick's bonus programs, Bell would have received a 2015 Bonus in the amount of \$26,087. Therefore, the amount of Bell's 2015 Bonus subject to the repayment obligations set forth in the Letter Agreement is \$123,913.

16. On March 31, 2017, Heidrick paid Bell the 2016 Bonus in the amount of \$150,000.

17. Had Bell not been entitled to a minimum guaranteed 2016 Bonus of \$150,000 as provided for in the Letter Agreement, based upon her actual performance and in accordance with Heidrick's bonus programs, Bell would have received a 2016 Bonus in the amount of \$41,100. Therefore, the amount of Bell's 2016 Bonus subject to the repayment obligations set forth in the Letter Agreement is \$108,900.

18. Heidrick would not have employed Bell or paid her the Sign-On Payment, 2015 Bonus, or 2016 Bonus but for her agreement to perform the terms of the Letter Agreement.

**Bell's Resignation and Refusal To Comply
With Her Contractual Repayment Obligations**

19. On March 31, 2017, the very same day that Bell was paid her 2016 minimum guaranteed bonus of \$150,000, Bell informed Heidrick by email that she was resigning her employment with Heidrick, effective April 14, 2017.

20. On April 24, 2017, Heidrick sent Bell a memorandum confirming her contractual repayment obligations under the Letter Agreement. Enclosed with the memorandum was a detailed calculation and breakdown of the amounts Bell was required to repay to Heidrick, in accordance with Paragraph 6 of the Letter Agreement, and a repayment schedule with monthly payments in the amount of

\$10,919 beginning in June 2017 and ending in November 2018. (A copy of Heidrick's April 24, 2017 memorandum is attached as Exhibit B). In total, the Letter Agreement required Bell to repay Heidrick \$196,545.

21. On May 9, 2017, Heidrick sent Bell's attorney a letter re-affirming Bell's contractual repayment obligations under the Letter Agreement and demanding that Bell repay the full amount owed, in accordance with the repayment schedule Heidrick previously provided to Bell on April 24, 2017.

22. To date, Bell has repaid to Heidrick the total sum of \$16,667, representing only the portion of the Sign-On Bonus as demanded by Heidrick, leaving a remaining balance owed by Bell of \$179,879. Bell has not repaid any portion of either the 2015 Bonus or the 2016 Bonus.

23. Bell currently works for Korn Ferry, one of Heidrick's direct competitors.

COUNT I
(Breach of Contract – Letter Agreement)

24. Heidrick realleges Paragraphs 1 through 23 as though these Paragraphs were set forth fully herein.

25. Bell's Letter Agreement with Heidrick is a valid and enforceable contract.

26. Heidrick has performed all of its obligations under the Letter Agreement.

27. Bell has breached the terms of the Letter Agreement by: (1) refusing to repay \$74,004 of the 2015 Bonus; and (2) refusing to repay \$105,875 of the 2016 Bonus Payment.

28. As a direct result of Bell's breach of the terms of the Letter Agreement, Heidrick has sustained damages in an amount not less than \$179,879. Further, Heidrick has incurred and will continue to incur costs and fees in attempting to recover the repayment amounts owed by Bell, including but not limited to court costs and attorneys' fees.

29. Heidrick is entitled to an award of damages resulting from Bell's breach of the Letter Agreement.

PRAYER FOR RELIEF

WHEREFORE, Heidrick respectfully requests that this Court enter judgment in its favor and against Bell and enter an order:

- (a) ordering Bell to pay Heidrick its damages, together with pre-judgment interest, in an amount not less than \$179,879;
- (b) ordering Bell to reimburse Heidrick for its costs and attorneys' fees incurred in connection with attempting to recover the repayment amounts owed by Bell; and
- (c) granting Heidrick any such other and further relief that this Court deems just and proper.

Dated: August 28, 2017

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Counsel for HEIDRICK & STRUGGLES, INC

CERTIFICATION OF COMPLIANCE WITH L.R. 5.1B

I hereby certify that the foregoing has been computer processed with 14 point New Times Roman font in compliance with the United States District Court for the Northern District of Georgia Local Rule 5.1B.

Dated: August 28, 2017

/s/ Joshua P. Gunnemann

Joshua P. Gunnemann

Ga. Bar No. 152250