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

HYDRATION STATION USA FRANCHISE	
SYSTEM, LLC and VIDA-FLO USA FULFILLMENT, )	)
LLC,	
Plaintiffs,	
V. ()	
	Civil Action
JARED CHRISTIAN SEAVERNS, RYAN	
HEAVERN, EVA HEAVERN, BRETT	File No
MCCULLOUGH, BRIAN MCCULLOUGH,	
MICHAEL GAYLE, MATTHEW "WEB"	
RAULSTON, SHAWN FOBAS, MATT BORAH,	) JURY TRIAL
JASON TREMBLY, PETER PARK, LAUREN	DEMANDED
KAUFMAN, BRETT SNELLGROVE, DERRICK	
PURDY, JONATHAN FROST, BRENDAN JOSEPH	
DOUCETTE, TIMOTHY NOWAK, VIDA FLO	
ALABAMA, LLC, CRIMSON & RED HOLDINGS,	
LLC, HYDRALIFE SANDY SPRINGS, LLC f/k/a VF	
SANDY SPRINGS, LLC, HYDRALIFE BUCKHEAD, )	
LLC f/k/a VF BUCKHEAD, LLC, HYDRALIFE	
HIGHLANDS, LLC f/k/a VF HIGHLANDS, LLC,	
REVA INVESTMENTS, LLC, FLO WEST, LLC,	
HOLISTIC HYDRATION ORGANIZATION, LLC,	
VIDA-FLO LOUISIANA, L.L.C., GEAUX FLEAUX,	
LLC, MOOSE, LLC f/k/a VIDA-FLO	
CHATTANOOGA, THE WHYDRATE GROUP, INC., )	
WHYDRATE FULFILLMENT GROUP INC., and	
JOHN DOES 1-10,	
Defendants.	

# **COMPLAINT FOR DAMAGES AND INJUNCTIVE RELIEF**

Plaintiffs Hydration Station USA Franchise System, LLC ("HS-USA Franchise") and Vida-Flo USA Fulfillment, LLC ("VF-Fulfillment" and, collectively with HS-USA Franchise, "Vida-Flo") file this Complaint for Damages and Injunctive Relief against Jared Christian Seaverns, Ryan Heavern, Eva Heavern, Brett McCullough, Brian McCullough, Michael Gayle, Matthew "Web" Raulston, Shawn Fobas, Matt Borah, Jason Trembly, Peter Park, Lauren Kaufman, Brett Snellgrove, Derrick Purdy, Jonathan Frost, Brendan Joseph Doucette, Timothy Nowak, Vida Flo Alabama, LLC, Crimson & Red Holdings, LLC, HydraLife Sandy Springs, LLC f/k/a VF Sandy Springs, LLC, HydraLife Buckhead, LLC f/k/a VF Buckhead, LLC, HydraLife Highlands, LLC f/k/a VF Highlands, LLC, REVA Investments, LLC, Flo West, LLC, Holistic Hydration Organization, LLC, Vida-Flo Louisiana, L.L.C., Geaux Fleaux, LLC, Moose, LLC f/k/a Vida-Flo Chattanooga, the wHydrate Group Inc., wHydrate Fulfillment Group Inc., and John Does 1 through 10, each of which is an individual, partnership. business entity, unincorporated association (collectively or "Defendants") and in support thereof alleges as follows:

### **I. NATURE AND BASIS OF ACTION**

1. In 2012, Vida-Flo founded and continues to operate one of the first and

#### Case 1:19-cv-05192-LMM Document 1 Filed 11/15/19 Page 3 of 65

most reputable businesses providing intravenous hydration and vitamin infusion.

2. Due to its initial success and consumer demand, Vida-Flo started franchising its business model in 2014.

3. Defendants are primarily former Vida-Flo franchisees and entities and individuals with interests in those former franchisees, along with entities and individuals who otherwise acted to advance Defendants' conspiracy.

4. Vida-Flo brings this action to combat Defendants' brazen conspiracy to violate various federal and state laws, including but not limited to violations of the Sherman Act, the Lanham Act, the Defend Trade Secrets Act, the Georgia Trade Secrets Act, and the Georgia Deceptive Trade Practices Act in addition to common law fraud, conversion, tortious interference with contractual and business relations, defamation, breaches of contract, and unjust enrichment.

5. The object of Defendants' conspiracy was to drive Vida-Flo from the market to free themselves and their affiliated individuals and entities from obligations to Vida-Flo and from future competition with Vida-Flo.

6. Defendants engaged in concerted tactics to drain resources from Vida-Flo with the objective of weakening Vida-Flo to such a degree that it would be unable to pursue Defendants for their numerous violations of federal and state law.

7. For example, Defendants conspired to simultaneously withhold royalties

and other funds franchisees were obligated to pay to Vida-Flo so that Vida-Flo would have no choice but to renegotiate with its franchisees, forgiving, and abating amounts owed under the franchise agreements, and shortly thereafter, when Vida-Flo had a reduced cash position due to these renegotiations, those franchisees unilaterally walked away from their franchise agreements.

8. Like most franchise relationships, franchisees' financial obligations to Vida-Flo are consideration primarily for benefits conferred by Vida-Flo to franchisees early in the franchise relationships, including but not limited to training, sharing confidential information unknown to competitors, business planning, branding, marketing, publicity, and site-related consultation.

9. After receiving initial benefits from the franchise relationship, Defendants simply decided that they no longer needed Vida-Flo and that, if a group of franchisees acted together, they could weaken Vida-Flo to reduce the likelihood that Vida-Flo would enforce contractual duties owed to it by the franchisees.

10. In one particularly egregious illustrative event that occurred toward the end of Defendants' conspiracy, Defendant HydraLife Sandy Springs, LLC f/k/a VF Sandy Springs, LLC ceased performance just days after entering into a Franchise Agreement with Vida-Flo.

11. Among other things, Defendants' actions have jointly and severally caused

compensatory damages of at least \$3,360,000 to Vida-Flo in the form of lost royalties and at least \$6,240,000 in the form of lost revenue from other services, and Vida-Flo is entitled to treble and/or punitive damages pursuant to statute and due to Defendants' willfulness and maliciousness.

12. However, damages suffered by Vida-Flo are much greater than the sum of damages caused by Defendants' individual unlawful actions because Defendants' actions impeded Vida-Flo from expanding its franchisee network and obtaining investment capital at a critical time in its development.

#### **II. THE PARTIES**

13. Plaintiff HS-USA Franchise is a Georgia limited liability company with a principal office address at 1819 Peachtree Road, NE, Suite 205, Atlanta, Georgia 30309. HS-USA Franchise does business under the brand "Vida-Flo" which is a federally registered service mark, U.S. Reg. No. 5221191, owned by HS-USA Franchise.

14. Plaintiff VF-Fulfillment is a Georgia limited liability company with a principal office address at 1819 Peachtree Road, NE, Suite 205, Atlanta, Georgia 30309.

15. Defendant Jared Christian Seaverns is a citizen of the State of Georgia who resides within the jurisdictional territory of this Court. Mr. Seaverns has an ownership interest in and operated a Vida-Flo franchise in Kennesaw, located at 745 Chastain Road NW, Suite 1060, Kennesaw, Georgia 30144 (the "Kennesaw Location"), now known as the wHydrate Group, Inc. ("wHydrate"), which is affiliated with the wHydrate Fulfillment Group Inc. ("wHydrate Fulfillment").

16. Defendant Ryan Heavern is a citizen of the State of Colorado. Mr. Heavern has an ownership interest in REVA Investments, LLC ("REVA") and Flo West, LLC ("Flo West"), which operated a Vida-Flo location in Breckenridge, located at 100 N. Main Street, Unit 104, Breckenridge, Colorado 80424 (the "Breckenridge Location"), now known as "Elite IV Lounge."

17. Defendant Eva Heavern is a citizen of the State of Colorado. Ms. Heavern has an ownership interest in REVA and Flo West, which operated the Breckenridge Location, now known as "Elite IV Lounge."

18. Defendant Brett McCullough is a citizen of the State of Louisiana. Brett McCullough has an ownership interest in Vida-Flo Louisiana, L.L.C. ("Vida-Flo Louisiana") which operated a Vida-Flo location in Baton Rouge, located at 11445 Coursey Boulevard, Suite B, Baton Rouge, Louisiana 70816 (the "Baton Rouge Location"), now known as Geaux Fleaux, LLC ("Geaux Fleaux").

19. Defendant Brian McCullough is a citizen of the State of Louisiana. Brian McCullough has an ownership interest in Vida-Flo Louisiana, which operated the

Baton Rouge Location, now known as Geaux Fleaux.

20. Defendant Michael Gayle is a citizen of the State of Alabama. Mr. Gayle has an ownership interest in Vida Flo Alabama, LLC ("Vida Flo Alabama") which operated a Vida-Flo location in Birmingham, located at 796 Montgomery Highway, Suite 100, Birmingham, Alabama 35216 (the "Birmingham Location"), now known as Holistic Hydration Organization, LLC ("Holistic Hydration").

21. Defendant Matthew "Web" Raulston is a citizen of the State of Tennessee. Mr. Raulston has an ownership interest in Moose, LLC f/k/a Vida-Flo Chattanooga ("Vida-Flo Chattanooga"), which operated a Vida-Flo location in Chattanooga, located at 518 Georgia Avenue, #100, Chattanooga, Tennessee 37403 (the "Chattanooga Location") now known as "RevIVe Chattanooga."

22.Defendant Shawn Fobas is a citizen of the State of Georgia who resides within the jurisdictional territory of this Court. Mr. Fobas has an ownership interest in Crimson & Red Holdings, LLC ("Crimson"), HydraLife Sandy Springs, LLC, which was VF Sandy Springs, LLC until January 24, 2019 ("HydraLife SS"), HydraLife Buckhead, LLC, which was VF Buckhead, LLC until January 24, 2019 ("HydraLife Buckhead"), and HydraLife Highlands, LLC, which was VF Highlands, LLC until January 24, 2019 ("HydraLife Buckhead"). Mr. Fobas operated a Vida-Flo franchise in Sandy Springs, located at 6400 Bluestone Road,

#120, Sandy Springs, Georgia 30328 (the "Sandy Springs Location"), now known as HydraLife SS, a Vida-Flo franchise in Buckhead, located at 2221 Peachtree Road NE, Suite Q, Atlanta, Georgia 30309 (the "Buckhead Location"), now known as HydraLife Buckhead, and a Vida-Flo franchise in Virginia Highlands, located at 675 North Highland Avenue NE, Suite 4000, Atlanta, Georgia 30306 (the "Highlands Location"), now known as HydraLife Highlands.

23. Defendant Matt Borah is a citizen of the State of Georgia who resides within the jurisdictional territory of this Court. Mr. Borah has an ownership interest in Crimson, HydraLife SS, HydraLife Buckhead, and HydraLife Highlands. Mr. Borah operated the Sandy Springs Location, the Buckhead Location, and the Highlands Location.

24. Defendant Jason Trembly is a citizen of the State of Georgia who resides within the jurisdictional territory of this Court. Mr. Trembly has an ownership interest in Crimson, HydraLife SS, HydraLife Buckhead, and HydraLife Highlands. Mr. Trembly operated the Sandy Springs Location, the Buckhead Location, and the Highlands Location.

25. Defendant Peter Park is a citizen of the State of Georgia who resides within the jurisdictional territory of this Court. Mr. Park has an ownership interest in Crimson, HydraLife SS, HydraLife Buckhead, and HydraLife Highlands. Mr.

Park operated the Sandy Springs Location, the Buckhead Location, and the Highlands Location.

26. Defendant Lauren Kaufman is a citizen of the State of Colorado. Ms. Kaufman has an ownership interest in Hydration Station TWNBRK, LLC which operates a Vida-Flo franchise in Brookhaven, located at 205 Town Boulevard, A-240, Atlanta, Georgia 30319 (the "Brookhaven Location"). Ms. Kauffman has filed baseless litigation in the Superior Court of Fulton County, Case No. 2019CV318120 (the "Fulton Litigation"), upon information and belief, as part of the concerted effort to attack and drain funds from Vida-Flo.

27. Defendant Brett Snellgrove is a citizen of the State of Georgia. Mr. Snellgove has an ownership interest in and operated the Kennesaw Location, now known as wHydrate Group, Inc., which is affiliated with the wHydrate Fulfillment.

28. Defendant Derrick Purdy is a citizen of the State of Alabama. Mr. Purdy has an ownership interest in Vida Flo Alabama which operated the Birmingham Location, now known as Holistic Hydration.

29. Defendant Jonathan Frost is a citizen of the State of Tennessee. Mr. Frost has an ownership interest in Vida-Flo Chattanooga, which operated the Chattanooga Location, now known as "RevIVe Chattanooga."

30. Defendant Brendan Joseph Doucette is a citizen of the State of Georgia who resides within the jurisdictional territory of this Court. Dr. Doucette has an ownership interest in Crimson, HydraLife SS, HydraLife Buckhead, and HydraLife Highlands.

31. Defendant Timothy Nowak is a citizen of the State of Georgia. Mr. Nowak has an ownership interest in and operated the Kennesaw Location, now known wHydrate, which is affiliated with the wHydrate Fulfillment, along with another wHydrate location at 200 Parkbrooke Drive, Suite 100, Woodstock, Georgia 30189.

32. Defendant Vida Flo Alabama is an Alabama limited liability company with an unknown principal office address, and it may be served through its registered agent and address: Second Row Law LLC, 2324 Second Avenue North, Birmingham, Alabama 35203.

33. Defendant Crimson is a Georgia limited liability company with a principal office address at 2221 Peachtree Road NE, Unit Q, Atlanta, Georgia 30309, and may be served through its registered agent and address: Shawn R. Fobas, 2221 Peachtree Rd NE, Unit Q, Atlanta, Georgia 30309. Crimson has an ownership interest in HydraLife Buckhead and HydraLife Highlands.

34. Defendant HydraLife SS, which changed its named from VF Sandy

Springs, LLC on January 24, 2019, is a Georgia limited liability company with a principal office address at 2358 Perimeter Park Drive, Suite 370, Atlanta, Georgia 30341, and may be served through its registered agent and address: Peter Park, 4045 Randall Mill Road, NW, Atlanta, Georgia 30327. HydraLife SS operates under the brand name "Hydra+" and created a website, www.hydraplus.com, which advertises locations in Sandy Springs, Buckhead, and Virginia Highlands.

35. Defendant HydraLife Buckhead, which changed its name from VF Buckhead, LLC on January 24, 2019, is a Georgia limited liability company with a principal office address at 2221 Peachtree Road NE, Unit Q, Atlanta, Georgia 30309, and may be served through its registered agent and address: Shawn Fobas, 2358 Perimeter Park Drive, Suite 370, Atlanta, Georgia 30341. HydraLife Buckhead operates under the brand name "Hydra+" and created a website, www.hydraplus.com, which advertises locations in Sandy Springs, Buckhead, and Virginia Highlands.

36.Defendant HydraLife Highlands, which changed its name from VF Highlands, LLC on January 24, 2019, is a Georgia limited liability company with a principal office address at 675 N. Highland Avenue NE, Suite 4000, Atlanta, Georgia 30306, and may be served through its registered agent and address: Shawn Fobas, 2358 Perimeter Park Drive, Suite 370, Atlanta, Georgia 30341. HydraLife Highlands operates under the brand name "Hydra+" and created a website, www.hydraplus.com, which advertises locations in Sandy Springs, Buckhead, and Virginia Highlands.

37. Defendant REVA is a Georgia limited liability company with a principal office address at 2610 Muskogee Lane, Braselton, Georgia 30517, and may be served through its registered agent and address: Ryan James Heavern, 881 Memorial Drive SE #107, Atlanta, Georgia 30316.

38. Defendant Flo West is a Colorado limited liability company with its principal office address at 100 N. Main Street, #104, Breckenridge, Colorado 80424, and may be served through its registered agent and address: Ryan Heavern, 100 N. Main Street, #104, Breckenridge, Colorado 80424.

39.Defendant Holistic Hydration is an Alabama limited liability company with an unknown principal office address, and it may be served through its registered agent and address: Michael Gayle, 796 Montgomery Highway Suite 100, Birmingham, Alabama 35216.

40. Defendant Vida-Flo Louisiana is a Louisiana limited liability company with a principal office address at 25641 Wax Road, Denham Springs, Louisiana 70726, and may be served through its registered agent and address: Brian McCullough, 25641 Wax Road, Denham Springs, Louisiana 70726. 41. Defendant Geaux Fleaux is a Louisiana limited liability company with a principal office address at 11445 Coursey Boulevard, Suite B, Baton Rouge, Louisiana 70816, and may be served through its registered agent and address: Brian McCullough, 1145 Coursey Boulevard, Suite B, Baton Rouge, Louisiana 70816.

42.Defendant Vida-Flo Chattanooga was a Tennessee limited liability company with a principal office address at 518 Georgia Avenue, Suite 101, Chattanooga, Tennessee 37403, and may be served through its registered agent and address: Justin G. Woodward, 518 Georgia Avenue, Suite 100, Chattanooga, Tennessee 37403.

43. Defendant wHydrate is a Georgia corporation with a principal office address at 745 Chastain Rd, Suite 1060, Kennesaw, Georgia 30144, and may be served through its registered agent and address: David Stoker, 202 River Park N. Dr., Woodstock, Georgia 30188.

44. Defendant wHydrate Fulfillment is a Georgia corporation with a principal office address at 745 Chastain Rd, Suite 1060, Kennesaw, Georgia 30144, and may be served through its registered agent and address: David Stoker, 202 River Park N. Dr., Woodstock, Georgia 30188.

45. Upon information and belief, Defendants John Does 1 through 10 are

individuals, partnerships, business entities, or unincorporated associations who authorized, directed, and/or participated in Defendants' conspiracy to violate various federal and state laws, including but not limited to violations of the Sherman Act, the Lanham Act, the Defend Trade Secrets Act, the Georgia Trade Secrets Act, and the Georgia Deceptive Trade Practices Act in addition to common law fraud, conversion, tortious interference with contractual and business relations, defamation, breaches of contract, and unjust enrichment to the detriment of Vida-Flo.

#### **III. JURISDICTION AND VENUE**

46. This Court has subject matter jurisdiction over Vida-Flo's federal claims pursuant to 15 U.S.C. §§ 1114, 1121, 18 U.S.C. § 1836, and 28 U.S.C. §§ 1331, 1337, 1338, and 2201 because this action arises under the Federal Lanham Act, 15 U.S.C. §§ 1051 et seq., the Sherman Antitrust Act, 15 U.S.C. §§ 1 et seq., the Defend Trade Secrets Act, 18 U.S.C. §§ 1836 et seq., and involves allegations of service mark misuse infringement under 15 U.S.C. § 1125, in addition to state statutory and common law claims.

47. Defendants are subject to personal jurisdiction in this Court because Defendants purposefully availed themselves of the benefits of doing business in the State of Georgia by (i) executing Vida-Flo franchise agreements with HS-USA Franchise, detailed below, which contain Fulton County, Georgia venue-selection provisions; (ii) operating Vida-Flo franchises pursuant to Vida-Flo franchise agreements; (iii) conspiring to breach and breaching Vida-Flo franchise agreements, and/or (iv) by creating or consisting of entities that profited from Defendants' misuse, disclosure, and theft of trade secrets and intellectual property that belong to Vida-Flo. Defendants have transacted business in Georgia, are committing tortious acts in Georgia, and have wrongfully caused Vida-Flo substantial injury in Georgia.

a. Flo West executed a Franchise Agreement with Vida-Flo dated April 15, 2015 for the Breckenridge Location. Under Section 22 of the Franchise Agreement, the parties consent to jurisdiction in the state and federal courts of Fulton County, Georgia for violations of Sections 14 and 17 of that agreement. The Franchise Agreement includes Georgia venue-selection and choice of law provisions at Sections 22 and 24.1.

b. Vida Flo Alabama executed a Franchise Agreement with Vida-Flo dated May 16, 2016 for the Birmingham Location. The Franchise Agreement includes venue-selection and choice of law provisions whereby the parties consent to jurisdiction in the state and federal courts of Fulton County, Georgia.

c. Vida-Flo Louisiana executed a Franchise Agreement with Vida-Flo dated

November 6, 2015 for the Baton Rouge Location. The Franchise Agreement includes venue-selection and choice of law provisions whereby the parties consent to jurisdiction in the state and federal courts of Fulton County, Georgia.

d. Vida-Flo Chattanooga executed a Franchise Agreement with Vida-Flo dated August 9, 2016 for the Chattanooga Location. The Franchise Agreement includes venue-selection and choice of law provisions whereby the parties consent to jurisdiction in the state and federal courts of Fulton County, Georgia.

e. Mr. Seaverns executed a Franchise Agreement with Vida-Flo dated October 24, 2016 for the Kennesaw Location. The Franchise Agreement includes venue-selection and choice of law provisions whereby the parties consent to jurisdiction in the state and federal courts of Fulton County, Georgia.

f. Crimson executed a Franchise Agreement with Vida-Flo dated January 20, 2017 for the Highlands Location. The Franchise Agreement includes venueselection and choice of law provisions whereby the parties consent to jurisdiction in the state and federal courts of Fulton County, Georgia.

g. Crimson executed another Franchise Agreement with Vida-Flo dated July 6, 2017 for the Buckhead Location. The Franchise Agreement includes venueselection and choice of law provisions whereby the parties consent to jurisdiction in the state and federal courts of Fulton County, Georgia. h. HydraLife SS executed a Franchise Agreement with Vida-Flo dated December 17, 2018 for the Sandy Springs Location. The Franchise Agreement includes venue-selection and choice of law provisions whereby the parties consent to jurisdiction in the state and federal courts of Fulton County, Georgia.

48.Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b)(2) and (b)(3) because a substantial part of the events or omissions giving rise to Vida-Flo's claims occurred in this district, and each of Defendants are subject to jurisdiction in this district.

#### IV. FACTUAL BACKGROUND

49. HS-USA Franchise grants franchises to qualified persons for the operating of a "Vida-Flo" franchised business, which employs a Vida-Flo branded proprietary system of operating a hydration therapy business offering intravenous hydration, including certain vitamins and minerals (collectively referred to as the "System").

50. The System is characterized by, among other things, uniform standards and procedures for business operations; trade secrets and confidential information; procedures and strategies for sales, marketing, advertising and promotions; business techniques; a confidential and proprietary Vida-Flo Operations Manual (the "Manual"); supplier relationships; training courses; and ongoing support and

education.

51. Vida-Flo franchisees are licensed to use trademarks, service marks, logos, designs and materials, including the following service marks:

a. U.S. Reg. No. 5221191 for VIDA-FLO, registered on the Principal Register of the U.S. Patent and Trademark Office on June 3, 2017, in International Class 044, for medical services; therapeutic services, namely, hydration therapy;

b. U.S. Reg. No. 5878620 for VIDA FLO ON THE GO, registered on the Principal Register of the U.S. Patent and Trademark Office on October 8, 2019, in International Class 044, for medical services; therapeutic services, namely, hydration therapy.

52. Vida-Flo provides additional trade names, logos, slogans, and designs for use by Vida-Flo franchisees in their franchised businesses. The registered service marks and such additional trade names, logos, slogans, and designs are collectively referred to herein as the "Marks."

53. Vida-Flo trains franchisees in the use and operation of its proprietary system, including imparting trade secrets and confidential information, and requires its franchisees to operate their Vida-Flo franchised businesses in accordance with written franchise agreements.

54. Vida-Flo has invested considerable time, effort, and resources to develop the business methods, specialized services, trade secrets, confidential information, Marks, advertising materials, marketing strategies, brand value, supplier relationships, and training techniques for use in Vida-Flo franchised businesses.

55. Vida-Flo has, for instance developed a proprietary software platform, the "Wellness Program Assessment", for use in developing a service plan specifically tailored for each customer based on his or her input and treatment goals. Vida-Flo invested significant time and financial resources in developing the Wellness Program Assessment, and the program is an integral part of Vida-Flo's Trade Secrets (defined in Paragraph 56).

56. Vida-Flo's Manual, specifications, supplier relationships, pricing, sales techniques, customer relationship practices, uniform standards and procedures for business operations, procedures and strategies for sales, marketing, advertising and promotions, testing processes, supplier relationships, client relationships, customer lists, treatment protocols, and training curricula and methods, in addition to other non-public valuable Vida-Flo information, all of which are provided to and shared with franchisees, are proprietary trade secrets and confidential information belonging to Vida-Flo. All proprietary, confidential, and trade secret information, including but not limited to that disclosed to or used by franchises in the operation

of the franchised business, is collectively referred to as "Trade Secrets."

57. Trade Secrets and System components are licensed to Vida-Flo franchisees and authorized for use only pursuant to the Franchise Agreement between Vida-Flo and each Vida-Flo franchisee. Trade Secrets, the Manual, and other System components are protected from unauthorized use, or disclosure pursuant to the terms of the Franchise Agreement and collateral, but vitally important, agreements: a Nondisclosure, Nonsolicitation and Noncompetition Agreement ("NDA") and a Confidentiality Agreement. The Franchise Agreement and collateral agreements are signed by Vida-Flo franchisees and their owners, respectively.

58. Typically, Vida-Flo franchisees would not have any significant knowledge about how to operate a hydration therapy business without the Trade Secrets and other documentation and training provided by Vida-Flo, especially since Vida-Flo was the first hydration clinic in the United States.

### A. The Franchise Agreements

59. On April 15, 2015, Vida-Flo entered into its first Franchise Agreement with Flo West for the Breckinridge Location.

60. A true and accurate copy of the Breckinridge Franchise Agreement is attached hereto as Exhibit A.

61. Subsequently, Vida-Flo entered into virtually identical Franchise

Agreements with:

- a. Vida-Flo Louisiana for the Baton Rouge Location on November 6, 2015;
- b. Vida Flo Alabama for the Birmingham Location on May 16, 2016;
- c. Vida-Flo Chattanooga for the Chattanooga Location on August 9, 2016.
- d. Mr. Seaverns for the Kennesaw Location on October 24, 2016;
- e. Crimson, which owns VF Highlands, LLC, for the Highlands Location on January 20, 2017;
- f. Crimson, which owns VF Buckhead, LLC, for the Buckhead Location on July 6, 2017; and
- g. VF Sandy Springs, LLC for the Sandy Springs Location on December 17, 2018.

62. True and accurate copies of the forgoing Franchise Agreements (collectively with the Breckenridge Franchise Agreement, the "Operative Franchise Agreements") are attached hereto as Exhibits B-H, respectively.

63. In connection with the Operative Franchise Agreements, franchise operators executed personal guaranties, nondisclosure agreements, and confidentiality agreements, as follows:

a. Mr. Seaverns executed a personal guaranty, NDA, and confidential agreement for the Kennesaw Location;

- b. Mr. Heavern executed a personal guaranty, NDA, and confidentiality agreement for the Breckenridge Location;
- c. Brett McCullough executed a personal guaranty, NDA, and confidentiality agreement for the Baton Rouge Location;
- d. Mr. Gayle executed a personal guaranty, NDA, and confidentiality agreement for the Birmingham Location;
- e. Mr. Raulston executed a personal guaranty, NDA, and confidentiality agreement for the Chattanooga Location;
- f. Mr. Fobas and Mr. Borah executed a personal guaranty and NDA, and Mr. Fobas executed a confidentiality agreement for the Highlands Location;
- g. Mr. Fobas and Mr. Borah executed a personal guaranty and NDA, and
  Mr. Fobas executed a confidentiality agreement for the Buckhead
  Location;
- h. Mr. Fobas and Mr. Borah executed an NDA, Mr. Trembley and Mr. Park executed an NDA, and Mr. Fobas, Mr. Borah, and Mr. Park executed a confidentiality agreement for the Sandy Springs Location;
- 64. Among other things, the Operative Franchise Agreements provide that:
- a. Vida-Flo franchisees are unconditionally obligated to pay 7% royalties in

addition to other fees required under the Operative Franchise Agreements for at least ten years (Sections 4 and 13);

- b. Vida-Flo franchises are excused from performance only after providing written notice of a material breach by Vida-Flo and allowing Vida-Flo 90 days to cure the purported breach (Section 20.1);
- c. Vida-Flo provides franchisees with a confidential Manual, startup package, and substantial assistance with guidance, training, standards, marketing, online presence, supply sourcing, research and development, and site selection (Sections 5, 6, 7, 8, and 12); and
- d. Vida-Flo franchisees are subject to contractual limitations, in addition to those at law generally, on disclosure, solicitation, competition information and assistance provided by Vida-Flo, which extends to family members, employees, and manager (Sections 2, 8, 14, 17, 21).

65. Sections 14 of the Operative Franchise Agreements contain a restrictive covenant. Under Section 14.2 of the Operative Franchise Agreements, Defendants agreed: (i) that neither it or its owners would use Vida-Flo's "Know-how in any business or capacity other than the operation of [the] business pursuant to this Agreement"; (ii) that they would "maintain the confidentiality of the Know-how at all times"; (iii) that they would not "make unauthorized copies of any

documents containing any Know-how"; (iv) that they would "take all reasonable steps . . . to prevent unauthorized use or disclosure of the Know-how"; and (v) that they would "stop using the Know-how immediately upon the expiration, termination or Transfer of this Agreement and will stop using the Know-how immediately at the time he or she ceases to be an Owner."

66. In Attachment A to each of the Operative Franchise Agreements, "Knowhow" is defined as all of Vida-Flo's:

"trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a Vida-Flo clinic, including but not limited to methods, techniques, specifications, medical treatments, procedures, policies, marketing strategies and information comprising the System and the Manual."

67. Under Section 14.3 of each of the Operative Franchise Agreements,

Defendants agreed that neither they nor their owners would unfairly compete with

Vida-Flo by engaging in the following "Prohibited Activities":

(i) owning, operating or having any other interest (as an owner, officer. employee, partner, director. manager, consultant. shareholder, creditor, representative, agent or in any similar capacity) in any Competitive Business, other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business; (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees), including any attempt to cause a Vida-Flo member to cancel their existing membership with another clinic and sign up as a member at your Clinic; or (iii) inducing (a) any of our employees or managers (or those of our affiliates or franchisees) to leave their position or (b) any customer of ours (or of one of our affiliates or franchisees) to

transfer their business to you or to any other person that is not then a franchisee of ours.

68. Under Section 14.4 of each of the Operative Franchise Agreements, the restriction against Prohibited Activities applies for two years following the termination of the agreement, and Defendants, and their owners agreed to not have an interest in any Competitive Business (a business that generates at least 50% of its gross revenue from hydration therapy services) within 15 miles of the Breckenridge Location, Baton Rouge Location, Birmingham Location, Kennesaw Location, Highlands Location, Buckhead Location, Sandy Springs Location, or Chattanooga Location Vida-Flo franchises, or within 15 miles of any then existing or contemplated franchise.

69. The NDAs executed by the individual signatories all contain restrictive covenants identical in substance to the language in Sections 14.2, 14.3, and 14.4 of each Operative Franchise Agreement.

70. In his Personal Guaranty, Mr. Seaverns personally and unconditionally guaranteed obligations under the Operative Franchise Agreement for the Kennesaw Location.

71. In the Personal Guaranty, Mr. Fobas and Mr. Borah jointly and severally, personally and unconditionally guaranteed Crimson's obligations under the Operative Franchise Agreements for the Buckhead Location and the Highlands

Location.

72. In his Personal Guaranty, Mr. Seaverns personally and unconditionally guaranteed obligations under the Operative Franchise Agreement for the Breckenridge Location.

73. In his Personal Guaranty, Mr. McCullough personally and unconditionally guaranteed obligations under the Operative Franchise Agreement for the Baton Rouge Location.

74. In his Personal Guaranty, Mr. Gayle personally and unconditionally guaranteed obligations under the Operative Franchise Agreement for the Birmingham Location.

75. In his Personal Guaranty, Mr. Raulston personally and unconditionally guaranteed obligations under the Operative Franchise Agreement for Chattanooga Location.

76. Confidentiality Agreements likes those listed in Paragraph 63 above contain language identical in substance to Section 14.2. of each Operative Franchise Agreement.

77. Defendants agreed that the aforementioned restrictive covenants are reasonable and waived any right to challenge their terms as being "overly broad, unreasonable or otherwise unenforceable," as stated in Section 14.7 of each

Operative Franchise Agreement and repeated in the ancillary agreements.

78. Operation of Vida-Flo franchised businesses and use of the Vida-Flo intellectual property was authorized only by, and in compliance with, the Operative Franchise Agreements, including attachments. "Intellectual Property" under Attachment A to each Operative Franchise Agreement, means "collectively or individually, [Vida-Flo's] Marks, Copyrights, Know-how, System and Improvements."

## **B.** The Conspiracy

79. In or around July 2017, Mr. Seaverns, the Kennesaw Location franchisee, initiated a dispute with Vida-Flo by claiming that Vida-Flo and its affiliated entities were overcharging for supplies.

80. Vida-Flo operated an online store for the convenience of franchisees but did not require franchisees purchase from this online store—the Operative Franchise Agreements allowed franchisees to purchase from any approved supplier and allowed franchisees to submit additional suppliers to Vida-Flo for approval.

81. Mr. Seaverns ignored the contractual notice and cure provision and breached his Operative Franchise Agreement by ceasing to remit royalty payments and other funds due to Vida-Flo, which became the modus operandi for participants in Defendants' conspiracy against Vida-Flo.

82. After extorting a favorable resolution of his dispute, Mr. Seaverns communicated to other Defendants his belief that, by ceasing all payment obligations under the Operative Franchise Agreements, franchisees could walk away from their obligations to Vida-Flo.

83. In or around November 2017, Defendants initiated or solidified their conspiracy on a conference call (the "November 2017 Call") joined by individuals who are affiliated with most of Defendants or who are themselves Defendants.

84. Upon information and belief, the November 2017 Call included the individual Defendants listed below along with the corporate Defendants with which they are affiliated and/or created subsequent to Defendants' conspiracy:

a. Mr. Seaverns, affiliated with wHydrate and wHydrate Fulfillment;

b. Mr. Heavern, affiliated with REVA and Flo West;

c. Ms. Heavern, affiliated with REVA and Flo West;

d. Brett McCullough, affiliated with Vida-Flo Louisiana and Geaux Fleaux;

e. Brian McCullough, affiliated with Vida-Flo Louisiana and Geaux Fleaux;

f. Mr. Gayle, affiliated with Vida Flo Alabama and Holistic Hydration;

g. Mr. Raulston, affiliated with Vida-Flo Chattanooga;

h. Mr. Purdy, affiliated with Vida Flo Alabama and Holistic Hydration;

i. Mr. Frost, affiliated with Vida-Flo Chattanooga;

j. Mr. Snellgrove, affiliated with wHydrate and wHydrate Fulfillment;

85. Based on evidence obtained from participants in the November 2017 Call, some of the participants agreed upon a strategy to "bankrupt Vida-Flo."

86. On November 5, 2017, Defendants Brian McCullough, Brett McCullough, Mr. Gayle, and Mr. Heavern, on behalf of Defendants Vida-Flo Louisiana, Vida Flo Alabama, and Flo West, respectively, sent two similar letters to Vida-Flo investors, dated November 1, 2017 and November 3, 2017, defaming Vida-Flo and its management.

87. True and correct copies of the November 1, 2017 and November 3, 2017 letters are attached hereto as Exhibit I and Exhibit J, respectively.

88. Thereafter, each of the franchisees associated with Defendants who participated in the November 2017 Call stopped remitting royalties and other funds they were contractually obligated to pay to Vida-Flo and ignored the 90-day notice and cure provision in the Operative Franchise Agreements.

89. Because Vida-Flo valued its business relationship with franchisees, Vida-Flo genuinely sought to listen to and resolve the concerns of the defaulting franchisees, and while Vida-Flo's conversations with each franchisee was separate, all of the defaulting franchisees made virtually identical demands, which included (a) forgiveness of royalties and other arears that accrued since the concerted default and (b) abatement of the royalty rate for a period of time going forward.

90. The terms of Vida-Flo's conversations with the defaulting franchisees were memorialized by the parties in separate agreements entitled Amendment to Vida-Flo Franchise Agreement (collectively, the "Amendments"), each of which contained a confidentiality clause.

91. Vida-Flo entered into Amendments with the following Defendants on the following dates:

- a. Amendment to Franchise Agreement with Flo West on March 6, 2018; and
- b. Amendment to Franchise Agreement with Vida-Flo Louisiana, on April 13, 2018.

92. These Amendments are attached hereto as Exhibits K and L, respectively.

93. Within a matter of months, Defendants who entered into the Amendments breached those Amendments and the Operative Franchise Agreements, by again withholding payment with no notice and opportunity to cure, for an increasingly ridiculous list of purported concerns.

94. Defendants who entered into the Amendments also breached the

Amendments' confidentiality provisions by continuing to communicate unimpeded with other Defendants in furtherance of the ongoing conspiracy to "bankrupt Vida-Flo."

95. Upon information and belief, the franchisees who entered into Amendments knew at the time of execution that they fraudulently intended to breach these agreements.

96. In furtherance of the conspiracy and in violation of the Amendments, the franchisees who entered into Amendments communicated with other Defendants to encourage continued use of this blueprint for walking away from their obligations to Vida-Flo, which included ceasing payment of royalties and other payments to Vida-Flo with no notice and opportunity to cure.

97. On December 26, 2018, a mere nine days after the execution of the Sandy Springs Location Franchise Agreement, Crimson, through counsel, sent a letter to Vida-Flo threatening to withhold all future Franchise and Technology Fees unless and until several outrageous demands were met.

98. The December 26, 2018 letter is attached as Exhibit M.

99. The demands made by Crimson were for actions not required under any contract between the parties, including:

- the restructuring Vida-Flo's senior management;

- an outside equity infusion of \$750,000 into Vida-Flo;
- addition of three additional personnel by Vida-Flo;
- addition of two outside corporate Board members to Vida-Flo, with a to-be-formed Franchisee Advisory Board, consisting of one member appointed by each franchisee, having equal say in the appointment of the two new corporate Board members; and
- changed pricing models for all units.

100. When Crimson made clear its intent to hold contractually obligated fees ransom until Vida-Flo effectively ceded control of its business, Vida-Flo responded to the anticipatory breach, through counsel, by sending a notice of default and immediate termination to counsel for Crimson on January 11, 2019 for the Buckhead Location and the Highlands Location.

101. The January 11, 2019 letter to Crimson is attached as Exhibit N.

102. Vida-Flo sent a similar notice of default and immediate termination to HydraLife SS for the Sandy Springs Location on January 11, 2019.

103. The January 11, 2019 letter to HydraLife SS is attached as Exhibit O.

104. In the termination letters, Vida-Flo identified numerous reasons for terminating the Operative Franchise Agreements, including the following:

- unauthorized use of the Marks through unauthorized websites, in violation of §§ 6.6 and 17;
- offering discounts and specials without franchisor's approval, in violation of § 12;
- offering unauthorized goods and services (specifically offering unauthorized infusion treatments, at risk to public health and safety), in violation of § 12;

- failure to remit Technology and Franchise Fees, in violation of §§ 12 and 13;
- failure to maintain proper staff levels, a violation of §§ 8 and 12;
- failure to keep proper product inventory levels, a violation of § 12;
- failure to properly maintain trained staff, a violation of §§ 5, 8, and 12;
- failure to provide current required safety documentation to nursing staff, a violation §§ 8 and 12;
- failure to comply with HIPPA regulations and standards, a violation §§ 8 and 12;
- failure to comply with OSHA regulations and standards, a violation §§ 8 and 12; and
- public disparagement of franchisor management, a violation §§ 14.

105. In the termination letters, Vida-Flo demanded that recipients immediately cease and desist all use of Vida-Flo's intellectual property, pay all owed fees, and comply with the Post Termination Obligations of the Operative Franchise Agreements.

106. On January 25, 2019, HydraLife SS infringed Vida-Flo's Marks by posting

the following to its Facebook® page:

"HydraLife (Formerly Vida-Flo Highlands) is open for business despite what is being falsely disseminated! Come check us out and learn about all of the Wonderful changes to come!"

107. On or about January 23, 2019, one or more of Defendants changed the Facebook page for the Highlands Location to HydraLife Highlands. The page continued to incorporate Vida-Flo ads, communications, and data, thus suggesting to the public an association, sponsorship, or approval of HydraLife SS by VidaFlo.

108. On January 25, 2019, HydraLife Highlands infringed Vida-Flo's Marks by posting the following to its Facebook® page:

"HydraLife (Formerly Vida-Flo Highlands) is open for business despite what is being falsely disseminated! Come check us out and learn about all of the Wonderful changes to come!"

109. On January 24, 2019, VF Sandy Springs, LLC filed a Certificate of Amendment with the Georgia Secretary of State to change its name to HydraLife Sandy Springs, LLC.

110. On January 24, 2019, VF Buckhead, LLC filed a Certificate of Amendment with the Georgia Secretary of State to change its name to HydraLife Buckhead, LLC.

111. On January 24, 2019, VF Highlands, LLC filed a Certificate of Amendment with the Georgia Secretary of State to change its name to HydraLife Highlands, LLC.

112. The HydraLife Defendants have since rebranded under the name "Hydra+", providing the same services they offered while operating as Vida-Flo franchisees. They created a webpage, www.thehydraplus.com, which advertises locations in Buckhead, Highlands, and Sandy Springs.

113. On January 29, 2019, Crimson emailed all customers of the Buckhead

Location to announce that the store was now operating as HydraLife Buckhead. In the email, Crimson again made unauthorized use of Vida-Flo's brand, disparaged Vida-Flo, and admitted to poaching one of Vida-Flo's employees:

Hello,

This is the management from HydraLife Buckhead, formally Vidaflo Buckhead. We are writing you today to ensure you that we are still open and providing IV hydration treatments and other services in the same location under our new brand name, HydraLife. The reasons behind the rebranding are due to:

- 1) Concerns of the ethics of the previous franchisor
- 2) Ongoing litigation with the ownership of the Brookhaven corporate store
- 3) Five other franchise owners having also left the Vida-flo brand name due to similar concerns

And finally, the medical director resigning his position from the Vida-flo brand due to his own concerns around the ownership of the Brookhaven corporate store.

The medical director has since joined the HydraLife team and will continue to oversee the safety and standards of administering our services . . .

114. Crimson's January 29, 2019 emails is attached as Exhibit P.

115. The HydraLife businesses at the Buckhead Location, Highlands Location,

and Sandy Springs Locations are the same businesses, operating at the same

locations, using the same personnel as their Vida-Flo franchised business.

116. Vida Flo Alabama similarly rebranded the Birmingham Location to

Holistic Hydration, operating at the same location as its Vida-Flo franchised business.

117. Flo West rebranded the Breckenridge Location to Elite IV Lounge, operating at the same location as its Vida-Flo franchised business.

118. Vida-Flo Louisiana rebranded the Baton Rouge Location to Geaux Fleaux, operating at the same location as its Vida-Flo franchised business.

119. Vida-Flo Chattanooga rebranded the Chattanooga Location to RevIVe Chattanooga, operating at the same location as its Vida-Flo franchised business.

120. Mr. Seaverns rebranded the Kennesaw Location to wHydrate, operating at the same location as its Vida-Flo franchised business.

121. Defendants associated with hijacked locations are diverting business from Vida-Flo franchised businesses to their competitive businesses, using the Marks and trading on the Vida-Flo name, reputation, and goodwill. These Defendants have misappropriated the goodwill associated with the Vida-Flo System and their Vida-Flo franchised businesses, by transferring their entire Vida-Flo franchise businesses, as a going concern, to their competitive business ventures.

122. Upon information and belief, these Defendants continue to contact their former Vida-Flo customers through their new, competitive business ventures.

123. Defendants associated with highjacked locations have engaged and

continue to engage in conduct that creates a likelihood of confusion or misunderstanding as to their services and those offered by Vida-Flo.

124. Defendants' actions breach numerous provisions of the Operative Franchise Agreement, Attachments to the Operative Franchise Agreements, the Personal Guaranties, the NDAs, and the Amendments, and constitute trademark infringement and dilution under the Lanham Act; violate the Defend Trade Secrets Act; violate the Georgia Deceptive Trade Practices Act; and offend other Georgia law, all as set forth in greater detail below.

125. Defendants conspiracy against Vida-Flo was the proximate cause of Vida-Flo's termination or suspension of any Operative Franchise Agreement.

126. The estimated royalties Vida-Flo would have earned from the Operative Franchise Agreements totals at least \$3,360,000 over the life of the Franchise Agreements.

127. But for Defendants' conspiracy, Vida-Flo would have also earned at least \$6,240,000 in other revenue derived directly from the Operative Franchise Agreements, as well as other opportunities Vida-Flo could have pursued.

#### C. The Campaign of Defamation and Harassment

128. Not content with merely hijacking Vida-Flo's intellectual property and converting Vida-Flo franchised stores into competing entities, Defendants have

also engaged in a campaign to defame and harass Vida-Flo and its management.

129. On January 12, 2019, Mr. Park disparaged Vida-Flo's president, Keith McDermott in an electronic message to Jamey Smirah, an owner of a separate Vida-Flo franchised business. Mr. Park wrote:

You need to tell the big fat dumb animal to turn back on our software be it will not be a good day in court for any of you if we lose revenue. Keith turned off all software. I'm telling Jamey, you don't want to wage war with me.

130. The January 12, 2019 message is attached as Exhibit Q.

131. Mr. Park also contacted the Atlanta Police Department falsely accusing Mr. McDermott of fraud.

132. On January 22, 2019, Mr. Trembley disparaged Mr. McDermott in an electronic message to a friend of Mr. McDermott:

If you see the Keith McDermott tell him I said to f[expletive] off... he's a POS

133. The January 22, 2019 message is attached as Exhibit R.

134. On January 26, 2019, Mr. Trembley again disparaged Mr. McDermott, this time in a Facebook message to Nick Aucoin, an owner of a separate Vida-Flo franchised business. Mr. Trembley called McDermott "bipolar and an alcoholic big time" and said "He's about to lose everything and I am going to enjoy every moment." Mr. Trembley also accused Vida-Flo of disseminating false information

about the termination of the Operative Franchise Agreements with Defendants.

135. The January 26, 2019 message is attached as Exhibit S.

136. As previously stated, Crimson made unauthorized use of Vida-Flo's brand,

disparaged Vida-Flo, and admitted to poaching one of Vida-Flo's employees in an

email to customers of the Buckhead Location franchise store on January 29, 2019.

137. On January 31, 2019, Mr. Trembley emailed a Vida-Flo customer and accused Vida-Flo of having committed fraud:

Anna

Please send this to shaun@vida-flo.com and holly@goVidaFlo.com and demand that they credit your card and cancel your account and what they did was fraud and you are reporting them to the better biz bureau..... Vida Flo corporate committed fraud another reason why we separated from them.

138. The January 31, 2019 email is attached as Exhibit T.

139. On March 5, 2019, HydraLife SS emailed a Vida-Flo customer regarding

his account and accused Vida-Flo of having committed a crime. HydraLife SS

wrote:

Good Evening Yousef,

On the 16th of February, you signed a Vida Flo Cancellation form and sent it to Vida Flo. We then emailed Vida Flo and Copied you for your records on the 27th as they did not honor it from the 9th. Unfortunately and unlawfully, Vida-Flo charged your account on February 28th without your permission. Rachel / Holly / Shaun, this is completely unacceptable. These charges are to be reversed immediately or we will be forced to file a formal complaint with the Brookhaven Police Department.

Yousef, until this charge is reversed, we will of course not double charge you for March. I apologize on behalf of Vida Flo for this inconvenience as they are suppose to honor the cancellation form.

HydraLife Sandy Springs

140. The March 5, 2019 email is attached as Exhibit U.

141. REVA and Ms. Kaufman filed the Fulton Litigation on March 11, 2019 to distract and drain Vida-Flo's resources and accuse it of fraud, while Defendants hijacked the Vida-Flo franchised businesses.

142. Upon information and belief, Mr. Heavern filed at least two baseless and false police reports in Atlanta, Georgia against Vida-Flo to harass, defame, and further Defendants' conspiracy to bankrupt Vida-Flo.

143. The above-referenced defamatory statements were false and malicious statements made to third parties, and the statements tended to injure the reputation of Vida-Flo and its officers, exposing them to public hatred, contempt, or ridicule.

# <u>COUNT I</u> <u>Violations of the Sherman Act</u>

144. Vida-Flo incorporates by reference the allegations set forth in the preceding paragraphs of the Complaint as if fully repeated and restated herein.

145. Defendants made an actual agreement to conspire to eliminate Vida-Flo as a competitor in the intravenous hydration market by participating in a horizontal group boycott in violation of Section 1 of the Sherman Act.

146. Among other collaborative efforts, Defendants participated directly or indirectly in the November 2017 Call, at which time Defendants made or furthered an explicit agreement to "bankrupt Vida-Flo."

147. Defendants are, or are currently associated with, direct competitors of Vida-Flo, and the purpose of Defendants' conspiracy to "bankrupt Vida-Flo" was to remove Vida-Flo as a competitor in the intravenous hydration market.

148. Defendants' conspiracy to "bankrupt Vida-Flo" was a three-stage plan, and Defendants' actions in carrying out this plan constitutes parallel conduct further proving Defendants' conspiracy to participate in a horizontal group boycott.

149. First, without complying with contractual notice-and-cure provisions, franchisees associated with Defendants alleged virtually identical grievances against Vida-Flo, and the franchisees used these grievances as a pretext to suddenly stop paying any funds owed to Vida-Flo pursuant to the Operative Franchise Agreements, including monthly royalty payments.

150. Second, franchisees associated with Defendants conditioned resumption of payments to Vida-Flo on, among other things, Vida-Flo's agreement to forgive arrears and abate the royalty rate going forward. Defendants orchestrated this with the intent to drain Vida-Flo of financial resources and with the intent to repeat this process if necessary.

151. Third, after draining Vida-Flo of financial resources and presumably crippling Vida-Flo's ability to legally pursue Defendants, Defendants concluded the conspiracy by collectively walking away from ten-year Operative Franchise Agreements that generated a significant portion of Vida-Flo's operating capital. Defendants orchestrated this collective walkaway with the intent to destroy Vida-Flo's ability to continue operations and compete with Defendants.

152. As a direct and proximate result of Defendants' violation of Section 1 of the Sherman Act, Plaintiffs have been damaged in an amount to be proven at trial, including treble damages as provided by law.

#### <u>COUNT II</u> <u>Violations of the Lanham Act</u>

153. Vida-Flo incorporates by reference the allegations set forth in the preceding paragraphs of the Complaint as if fully repeated and restated herein.

154. Franchisees associated with Defendants were licensed to use the Marks strictly as set forth in the Operative Franchise Agreements. These franchisees and their owners contractually acknowledged that any use of the Marks not authorized in the Operative Franchise Agreements or in writing by Vida-Flo constituted unfair competition and infringement of Vida-Flo's rights in the Marks, as set forth in § 14 of the Operative Franchise Agreement.

155. Notwithstanding the clear terms of the Operative Franchise Agreements to the contrary, during the term of the Agreements, Defendants employed the Marks, or colorable imitations thereof, to promote their competitive business ventures, to transition their entire Vida-Flo franchised businesses to their competitive business entities, and to misappropriate the goodwill in the Marks.

156. In addition to other conduct, some of which is described above, Defendants combined the Marks with those of Defendants' competitive ventures in their websites, on Facebook and in other social media, and on signage at its places of business; and appropriated Vida-Flo advertisements and communications to their competing ventures.

157. Subsequent to termination, Defendants persisted in their misuse, misappropriation and infringement of the Marks, as set forth above.

158. The wrongful actions of Defendants are likely to cause confusion to customers and potential customers of Vida-Flo services and to the public generally, by representing, suggesting or implying that Defendants' competitive businesses are Vida-Flo businesses, or are associated with, sponsored by or endorsed by Vida-Flo.

159. The actions of Defendants falsely designate Vida-Flo as the origin, sponsor, or endorser of the services of Defendants' competitive businesses, a violation of §43(a) of the Lanham Act, 15 U.S.C. § 1125(a).

160. The wrongful actions of Defendants constitute an infringement of Vida-Flo's rights in and to the Marks, a violation of § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).

161. Defendants' Lanham Act violations have caused and continue to cause injury and damage to Vida-Flo, the Marks, and Vida-Flo's franchisees. These injuries include loss of income from customers of Defendants' former Vida-Flo businesses, loss of business opportunities, adverse effects on the integrity of the Vida-Flo proprietary system, loss of goodwill associated with the Marks, and loss of client relationships. In addition, Defendants' infringements and false designation of origins or associations adversely impact the actual or potential revenues of other Vida-Flo franchisees, due to consumer confusion. Damages to Vida-Flo and the Marks impose on any new Vida-Flo franchisee the burden of overcoming the negative effects of Defendants' implicit representation that Vida-Flo has voluntarily withdrawn from the market or has sold out to competitors, making it extremely difficult for another Vida-Flo franchisee to operate in the affected business territories. These damages and injuries are amplified due to Defendants'

#### Case 1:19-cv-05192-LMM Document 1 Filed 11/15/19 Page 45 of 65

control of territories in the Kennesaw, Birmingham, Baton Rouge, Breckenridge, and the Atlanta metropolitan area.

162. Vida-Flo is entitled to recover actual damages caused by Defendants' violations, including lost profits and loss of business value, disgorgement of all profits attributable to Defendants' acts of infringement and false designation of origin, together with costs of the action, pursuant to 15 U.S.C. § 1117(a).

163. The willful and continuing actions of Defendants render this an exceptional case, entitling Vida-Flo to recover attorneys' fees from Defendants, pursuant to 15 U.S.C. § 1117(a).

164. The damage and injuries to the Marks, Vida-Flo, Vida-Flo's proprietary system, and the other Vida-Flo franchisees is immediate and irreparable and will continue so long as Defendants' conduct persists.

165. In addition to damages, Vida-Flo is entitled to preliminary and permanent injunctive relief from Defendants' wrongful actions pursuant to 15 U.S.C. § 1116, requiring Defendants to:

a. Immediately cease all use of the Marks, or any colorable imitation thereof, in any fashion whatsoever;

b. Refrain from all use of the Marks, or any colorable imitation thereof, at any time in the future;

c. Remove all signage, materials, forms, advertisements (regardless of media), promotions, lists, announcements or other document or media the Marks or any colorable imitation thereof, and return same to Vida-Flo;

d. Post conspicuous corrective advertising in every publication, website, advertisement, social media site, or other place in which Defendants promoted or publicized or made any competitive service business, in form and content acceptable to Vida-Flo and continue same for at least sixty (60) days, and provide Vida-Flo with proof of all such corrective advertising; and

e. Within ten (10) days, certify that all required actions are complete and, for those that are to continue into the future, will be fully honored.

# <u>COUNT III</u> <u>Violations of the Defend Trade Secrets Act, 18 U.S.C. §§ 1832 et seq. and</u> <u>O.C.G.A. § 10-1-760 et seq.</u>

166. Vida-Flo incorporates by reference the allegations set forth in the preceding paragraphs of the Complaint as if fully repeated and restated herein.

167. Vida-Flo imparted Trade Secrets that are an integral part of the Vida-Flo proprietary system to Defendants pursuant to the Franchise Agreements. Vida-Flo owns its Trade Secrets and other Intellectual Property.

168. Trade Secrets constitute trade secrets within the meaning of the Defend Trade Secrets Act (the "DTSA"), 18 U.S.C. §§ 1839(3). The Trade Secrets are a valuable part of the Vida-Flo System, their development and possession by Vida-Flo affords the System an advantage over its competition, and the information is not generally known or readily ascertainable by proper means by third parties.

169. Vida-Flo's Trade Secrets also constitute trade secrets within the meaning of the Georgia Secrets Act ("GTSA"), O.C.G.A. § 10-1-760. The information is a valuable part of the Vida-Flo System, its possession by Vida-Flo affords the Vida-Flo System an advantage over its competition, and the information is not generally known or readily ascertainable by proper means.

170. Vida-Flo employs means reasonable under the circumstances to protect its Trade Secrets from misappropriation or disclosure to persons or entities not authorized to receive them. Vida-Flo's server is password protected; all Vida-Flo employees are issued specific log-in credentials that must be used to access proprietary information, including Vida-Flo's Trade Secrets. Vida-Flo also requires employees and consultants to execute non-disclosure agreements. These safeguards ensure that unauthorized persons cannot access Vida-Flo Trade Secrets.

171. Vida-Flo also employs means reasonable under the circumstances to protect the Trade Secrets that are licensed to Vida-Flo franchisees as a part of the System. Vida-Flo's Trade Secrets are imparted to franchisees only under the protection of the Franchise Agreement, which obligates each franchisee to

maintain absolute confidentiality of the Trade Secrets during and following the term of the franchise; not duplicate or make unauthorized copies of the Trade Secrets; not use Vida-Flo's Trade Secrets for the benefit of any business other than the franchisee's Vida-Flo franchise; and adopt all reasonable measures to protect the Trade Secrets, including measures prescribed by Vida-Flo. In addition, the Manual is loaned to a Vida-Flo franchisee. During the term of the franchise, the franchisee is obligated to only share information from the Manual with persons authorized by Vida-Flo. Employees of Vida-Flo franchisees are only permitted to give their employees the minimum amount of information and material from the Manual that is necessary to enable them to perform their assigned tasks On expiration or termination of the Vida-Flo franchise, a franchise is required to return the Manual and all Know-how to Vida-Flo and delete or destroy all copies of the Manual and any Know-how from the franchisee's computers and electronic storage media. In addition, individuals associated with a franchisee are required to execute an NDA such as that signed by Defendants, to protect Vida-Flo's Trade Secrets.

172. The Vida-Flo System is a nationwide system with Vida-Flo franchisees in six states that are licensed by Vida-Flo to operate franchised businesses in which the Trade Secrets are put to use. The Trade Secrets are thus employed in, and an integral part of, operations in interstate commerce.

173. Vida-Flo's Trade Secrets were divulged to Defendants under license, namely the Franchise Agreements, which strictly limited their use and prohibited unauthorized use, transfer or disclosure, as described above. Defendants' misappropriation, disclosure, and unauthorized use of Vida-Flo's Trade Secrets breached Defendants' duty to maintain secrecy and constitutes improper means within the meaning of the DTSA, 18 U.S.C. § 1839(6).

174. With intent to misappropriate and use Vida-Flo's Trade Secrets for their personal benefit, in violation of their contractual duty to maintain secrecy of Vida-Flo's Trade Secrets, and intending or knowing that the wrongful conduct would injure Vida-Flo, Defendants:

a. Appropriated Vida-Flo's Trade Secrets for use in Defendants' competitive business ventures wHydrate, wHydrate Fulfillment, HydraLife SS, HydraLife Buckhead, HydraLife Highlands, Geaux Fleaux, Holistic Hydration, Elite IV Lounge, and RevIVe Chattanooga without authorization.

b. Communicated and/or conveyed Vida-Flo's Trade Secrets to Defendants' competitive business ventures without authorization.

c. Possess Vida-Flo's Trade Secrets, knowing same to have been appropriated to Defendants' competitive business venture without authorization.

175. Defendants' wrongful actions constitute the theft of Trade Secrets, a violation of the DTSA, 18 U.S.C. § 1832.

176. Defendants' wrongful actions constitute the misappropriation of Vida-Flo's Trade Secrets, as defined by GTSA, O.C.G.A. § 10-1-761.

177. Defendants' violations of the DTSA and GTSA have caused and continue to cause injury and damage to Vida-Flo, the Marks, the Vida-Flo System and Vida-Flo franchisees. These damages include loss of income from customers of Defendants' Vida-Flo business, loss of business opportunities, adverse effects on the integrity of the Vida-Flo System, loss of goodwill associated with the Marks, loss of client relationships, and compromise or loss of Vida-Flo's valuable Trade Secrets and confidential information.

178. In addition to these actual losses, Defendants' misappropriation, theft, and wrongful use of Vida-Flo's Trade Secrets have resulted in unjust enrichment to Defendants, in amounts to be determined.

179. Defendants' DTSA and GTSA violations are material, ongoing, and serious. They threaten the continued viability and value of Vida-Flo's Trade Secrets and have caused immediate and irreparable damage to Vida-Flo, the System, the Marks, Vida-Flo franchisees, Vida-Flo customers, and the public. These immediate and irreparable injuries are continuing and will continue so long as Defendants' conduct persists.

180. Defendants' conduct was undertaken in bad faith.

181. Vida-Flo is entitled to recover its actual damages from Defendants, in amounts to be determined, and to recover the unjust enrichment realized by Defendants from the theft, misappropriation, use, and disclosure of Vida-Flo's Trade Secrets pursuant to 18 U.S.C. § 1836(b)(3)(A), together with its attorneys' fees pursuant to 18 U.S.C. § 1836(b)(3)(D).

182. Vida-Flo is entitled to recover its actual damages from Defendants, in amounts to be determined, and recover the unjust enrichment realized by Defendants from the theft, misappropriation, use and disclosure of Vida-Flo's Trade Secrets pursuant to O.C.G.A. § 10-1-763, together with its attorneys' fees pursuant to O.C.G.A. § 10-1-764.

183. The threat to Vida-Flo's Trade Secrets, and damage to Vida-Flo, the Vida-Flo System, and Vida-Flo franchisees will continue so long as Defendants persist in their wrongdoing. Vida-Flo therefore seeks preliminary and permanent injunctive relief, pursuant to 18 U.S.C. § 1836(b)(3)(A) and O.C.G.A. § 10-1-762, requiring Defendants, and all persons, entities and others claiming rights through any such Defendant to:

a. Immediately cease using all Vida-Flo Trade Secrets, including product

specifications, operational and production techniques and methods, record keeping and reporting methods, accounting systems, management and personnel training techniques, sales and techniques, policies, procedures, standards, the Manual, research and development, pricing and cost information, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, drawings, processes, financial data, financial plans, product plans, passwords, and lists of actual or potential customers or suppliers;

b. Return to Vida-Flo all originals and copies of materials, media (including, but not limited to electronic and archive storage media) and documents that contain, summarize, or reflect Vida-Flo's Trade Secrets, including those listed above; and provide the Court with the original unaltered electronic media on which any such Trade Secret materials are stored;

c. Refrain from accessing any Vida-Flo Trade Secrets that may be stored in third party servers (the "cloud") until further order of the Court.

# <u>COUNT IV</u> <u>Violations of the Georgia Deceptive Trade Practices Act,</u> <u>O.C.G.A. § 10-1-370 et seq.</u>

184. Vida-Flo incorporates by reference the allegations set forth in the preceding paragraphs of the Complaint as if fully repeated and restated herein.

185. Defendants have engaged in the following deceptive trade practices in the

course of operating their business ventures wHydrate, wHydrate Fulfillment, HydraLife SS, HydraLife Buckhead, HydraLife Highlands, Geaux Fleaux, Holistic Hydration, Elite IV Lounge, and RevIVe Chattanooga:

a. Caused likelihood of confusion or of misunderstanding as to the source, sponsorship, approval, or certification of goods or services;

b. Caused likelihood of confusion or of misunderstanding as to affiliation, connection, or association with or certification by another;

c. Disparaged the goods, services, or business of another by false or misleading representation of fact;

d. Made false or misleading statements of fact concerning the reasons for, existence of, or amounts of price reductions; and

e. Engaged in other conduct that similarly creates a likelihood of confusion or of misunderstanding.

186. Defendants have caused likelihood of confusion or misunderstanding as to the source, sponsorship, approval, or certification of goods or services offered by their competing wHydrate, wHydrate Fulfillment, HydraLife SS, HydraLife Buckhead, HydraLife Highlands, Geaux Fleaux, Holistic Hydration, Elite IV Lounge, and RevIVe Chattanooga businesses through their website, social media, advertisements, and communications to the public. 187. Defendants have caused likelihood of confusion or misunderstanding as to the affiliation, connection, or association with or certification by Vida-Flo and the Vida-Flo franchise system through their website, social media, advertisements, and communications to the public.

188. Defendants have disparaged the business of Vida-Flo through their public "rebranding" efforts and through their campaign of defamation.

189. Defendants have made false or misleading statements of facts concerning reasons for price reductions by advertising to the public that their pricing changes, which were unauthorized, were a byproduct of their rebranding, which was unauthorized.

190. Defendants have engaged in other conduct that caused a likelihood of confusion or misunderstanding by their intentional misrepresentation of the circumstances under which their Franchise Agreements were terminated.

191. Defendants' deceptive trade practices have damaged and are likely to further damage Vida-Flo. Vida-Flo therefore seeks preliminary and permanent injunctive relief, pursuant to O.C.G.A. § 10-1-373, requiring Defendants, and all persons, entities and others claiming rights through Defendants to publicly retract or remove all confusing, misleading, or disparaging statements concerning Vida-Flo or the Vida-Flo System or brand.

# <u>COUNT V</u> <u>Fraud</u>

192. Vida-Flo incorporates by reference the allegations set forth in the preceding paragraphs of the Complaint as if fully repeated and restated herein.

193. Defendants made statements of material fact to Vida-Flo with knowledge that the statements were false or with reckless disregard for whether the statements were false, including falsely representing that franchisees associated with Defendants intended to comply with the Amendments after Defendants initiated their conspiracy to "bankrupt Vida-Flo."

194. Defendants also knowingly or recklessly made material statements of fact and omitted facts necessary to make the statements accurate and not misleading in the circumstances in which the statements were made, including negotiating the Amendments without informing Vida-Flo of their intent to "bankrupt Vida-Flo."

195. Defendants made these misstatements or omissions with the intention of causing Plaintiffs to rely upon the statements or omissions.

196. Plaintiffs reasonably relied on these misstatements or omissions and acted or refrained from acting based on this reliance

197. As a direct and proximate result of their reliance on Defendants' misrepresentations or omissions, Plaintiffs have been damaged in an amount to be proven at trial.

## COUNT VI Conversion

198. Vida-Flo incorporates by reference the allegations set forth in the preceding paragraphs of the Complaint as if fully repeated and restated herein.

199. Vida-Flo is the lawful owner of confidential information provided to Defendants for the purposes of operating Vida-Flo franchises and the lawful owner of royalties generated from Defendants' use of this information.

200. Defendants have converted this information and revenue to their own use.

201. As a direct and proximate result of Defendants' conversion, Vida-Flo has been damaged in an amount to be determined at trial

## <u>COUNT VII</u> <u>Tortious Interference with Contractual and Business Relations</u>

202. Vida-Flo incorporates by reference the allegations set forth in the preceding paragraphs of the Complaint as if fully repeated and restated herein.

203. By conspiring to have franchisees act in concert to violate their Operative Franchise Agreements and Amendments for the purpose of bankrupting Vida-Flo, certain Defendants acted without privilege, purposefully, and with malicious intent to injure Vida-Flo by inducing these breaches.

204. By interfering with the contracts or potential relationships between Vida-Flo and potential customers, Defendants acted without privilege, purposefully, and with malicious intent to injure Vida-Flo by inducing these breaches and interfering with these business relationships.

205. As a direct and proximate result of Defendants' interference with Vida-Flo's contractual and business relations, Vida-Flo has been damaged in an amount to be determined at trial

# <u>COUNT VIII</u> Defamation and Defamation Per Se

206. Vida-Flo incorporates by reference the allegations set forth in the preceding paragraphs of the Complaint as if fully repeated and restated herein.

207. Defendants made the statements as described in Paragraphs 86, 106, 113, and 128 through 143.

208. Each of the aforementioned statements was communicated to one or more persons other than Vida-Flo and its officers or employees.

209. The communications falsely and maliciously stated that:

a. Vida-Flo's president was bipolar and an alcoholic;

b. Vida-Flo was unethical;

c. HydraLife Buckhead or all HydraLife entities were engaged in ongoing litigation with Vida-Flo in late January;

d. Vida-Flo had committed fraud;

e. Vida-Flo had criminally charged a customer for services without that person's permission; and

f. Vida-Flo had committed crimes in the falsely filed police report.

210. Defendants' statements were false and malicious and were expressed in print to third persons with the intent to injure the reputation of Vida-Flo exposing it to public hatred, contempt, or ridicule.

211. Defendants' statements constitute libel under O.C.G.A. § 51-5-1 and accused Vida-Flo and its agents of criminal conduct and impugned Vida-Flo's business.

212. Vida-Flo has suffered damages as a result of Defendants' libel and is entitled to recover its actual damages from Defendants, in amounts to be determined at trial.

# <u>COUNT IX</u> Breaches Of Contract

213. Vida-Flo incorporates by reference the allegations set forth in the preceding paragraphs of the Complaint as if fully repeated and restated herein.

214. Vida-Flo and Flo West, Vida-Flo Louisiana, Vida Flo Alabama, Hydalife Buckhead, HydraLife Highlands, HydraLife SS, Crimson, Messrs. McCullough, Mr. Seaverns, Mr. Heavern, Mr. Raulston, Mr. Gayle, and Mr. Fobas entered into

Operative Franchise Agreements and Amendments under which these franchisees agreed to pay royalties and to fulfill other obligations to Vida-Flo for a period of ten years in exchange from valuable consideration from Vida-Flo.

215. These franchisees breached the Operative Franchise Agreements by unlawfully refusing to pay royalties and by failing to fulfill other obligations to Vida-Flo and breached the Amendments by continuing to conspire to bankrupt Vida-Flo.

216. These franchisees breached the Operative Franchise Agreements by misusing trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a Vida-Flo clinic, including but not limited to methods, techniques, specifications, medical treatments, procedures, policies, marketing strategies and information comprising the Vida-Flo System and the Manual.

217. Defendants breached the restrictive covenant in Sections 14 of the Operative Franchise Agreements whereby Defendants agreed: (i) that neither it or its owners would use Vida-Flo's "Know-how in any business or capacity other than the operation of [the] business pursuant to this Agreement"; (ii) that they would "maintain the confidentiality of the Know-how at all times"; (iii) that they would not "make unauthorized copies of any documents containing any Know-

how"; (iv) that they would "take all reasonable steps . . . to prevent unauthorized use or disclosure of the Know-how"; and (v) that they would "stop using the Know-how immediately upon the expiration, termination or Transfer of this Agreement and will stop using the Know-how immediately at the time he or she ceases to be an Owner."

218. Defendants breached Sections 14 of the Operative Franchise Agreements by forming, creating, owning, and having interests in competing businesses that provide intravenous hydration and vitamin infusion within 15 miles of the Breckenridge Location, Baton Rouge Location, Birmingham Location, Kennesaw Location, Highlands Location, Buckhead Location, Sandy Springs Location, and Chattanooga Location Vida-Flo franchises, or within 15 miles of any then existing or contemplated franchise.

219. Defendants breached the NDAs which contain restrictive covenants identical in substance to the language in Sections 14.2, 14.3, and 14.4 of each Operative Franchise Agreement.

220. Defendants breached the Personal Guaranties by failing to honor the obligations under the Operative Franchise Agreements.

221. Defendants breached the Operative Franchise Agreements by misusing Vida-Flo's Intellectual Property for the benefit of their competing businesses

wHydrate, wHydrate Fulfillment, HydraLife SS, HydraLife Buckhead, HydraLife Highlands, Geaux Fleaux, Holistic Hydration, Elite IV Lounge, and RevIVe Chattanooga

222. As a direct and proximate result of Defendants' breaches of contractual duties, Vida-Flo has been damaged in an amount to be proven at trial.

## <u>COUNT X</u> <u>Unjust Enrichment</u>

223. Vida-Flo incorporates by reference the allegations set forth in the preceding paragraphs of the Complaint as if fully repeated and restated herein.

224. Defendants have benefited and have been unjustly enriched by retaining royalties franchisees were obligated to pay to Vida-Flo and by otherwise benefitting financially from avoidance of obligations to Vida-Flo, which have been wrongfully retained in an amount to be proven at trial

## <u>COUNT XI</u> <u>Treble Damages</u>

225. Vida-Flo incorporates by reference the allegations set forth in the preceding paragraphs of the Complaint as if fully repeated and restated herein.

226. Due to Defendants' violations of the Sherman Act and Lanham Act, Vida-Flo is entitled to recovery of treble damages pursuant to 15 U.S.C. § 15(a), 1117(b), and 1114(1)(a).

#### <u>COUNT XII</u> <u>Punitive Damages</u>

227. Vida-Flo incorporates by reference the allegations set forth in the preceding paragraphs of the Complaint as if fully repeated and restated herein.

228. Defendants violated the Defend Trade Secrets Act and the Georgia Trade Secrets Act, and Defendants' actions as described in this Complaint showed willful misconduct, malice, fraud, wantonness, oppression, or that entire want of care which would raise the presumption of conscious indifference to consequences.

229. Defendants' actions justify the imposition of punitive damages.

# <u>COUNT XIII</u> <u>Attorneys' Fees</u>

230. Vida-Flo incorporates by reference the allegations set forth in the preceding paragraphs of the Complaint as if fully repeated and restated herein.

231. Vida-Flo is entitled to recover its costs of litigation, including attorney's fees, pursuant to O.C.G.A. § 13-6-11 because Defendants have acted in bad faith, have been stubbornly litigious, and have caused Vida-Flo unnecessary trouble and expense.

232. Vida-Flo is entitled to recover its attorneys' fees from Defendants, pursuant to O.C.G.A. §§ 10-1-763, 10-1-764, and 10-1-373(b).

233. Vida-Flo is entitled to recover its costs of litigation from Defendants,

including attorney's fees, pursuant Sections 14.6 and 22 of the Operative Franchise Agreements.

234. Vida-Flo is entitled to recover attorneys' fees from Defendants pursuant to 15 U.S.C. § 1117(a).

235. Vida-Flo is entitled to recover its attorneys' fees from Defendants pursuant to 18 U.S.C. § 1836(b)(3)(D).

WHEREFORE, Plaintiffs pray for judgment as follows:

(a) Judgment against Defendants on each applicable count of this Complaint;

(b)Compensatory and actual damages as a result of Defendants' conduct;

(c) Treble damages as permitted by statute and other law;

(d) Punitive damages as a result of Defendants' conduct;

- (e) Attorneys' fees and costs pursuant to O.C.G.A. §§ 13-6-11, 10-1-763, 10-1-764, and 10-1-373(b), 15 U.S.C. § 1117(a), 18 U.S.C. § 1836(b)(3)(D), and by contract; and
- (f) On each of their claims for relief, such further and other relief as the Court deems just and proper.

## **DEMAND FOR JURY TRIAL**

Plaintiffs hereby request trial by jury as to all triable issues in this case.

Respectfully submitted this 15th day of November, 2019.

<u>/s/ Ramsey A. Knowles</u> Ramsey A. Knowles Georgia Bar No.: 426726 rknowles@knowlesgallant.com Jared K. Hodges Georgia Bar No.: 225385 jhodges@knowlesgallant.com *Counsel for Plaintiffs* 

KNOWLES GALLANT LLC 6400 Powers Ferry Road – Suite 350 Atlanta, Georgia 30339 Telephone: (404) 590-3762 Facsimile: (404) 590-3687

# **CERTIFICATION OF FONT AND POINT**

Counsel hereby certifies that the foregoing has been prepared with one of the

font and point selections approved by the Court in LR 5.1B.

Respectfully submitted this 15th day of November, 2019.

/s/ Ramsey A. Knowles

Ramsey A. Knowles Georgia Bar No.: 426726 rknowles@knowlesgallant.com Jared K. Hodges Georgia Bar No.: 225385 jhodges@knowlesgallant.com *Counsel for Plaintiffs* 

KNOWLES GALLANT LLC 6400 Powers Ferry Road – Suite 350 Atlanta, Georgia 30339 Telephone: (404) 590-3762 Facsimile: (404) 590-3687