

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

TEAM PRO-MOTION, INC.,	:	
	:	CIVIL ACTION NO: _____
<i>Plaintiff,</i>	:	
	:	
v.	:	<b>COMPLAINT</b>
	:	
NEW JERSEY MOTORSPORTS PARK, LLC,	:	
	:	JURY TRIAL DEMANDED
<i>Defendant.</i>	:	

Plaintiff TEAM PRO-MOTION, INC., by and through its attorneys, Zhang Law PC, files this Complaint against Defendant NEW JERSEY MOTORSPORTS PARK, LLC, and alleges as follows:

**PARTIES**

1. Plaintiff Team Pro-Motion, Inc. (“TPM”) is a Pennsylvania corporation with its principle place of business at 450 Caredean Drive, Suite 2, Horsham, PA 19044.
2. Defendant New Jersey Motorsports Park, LLC (“NJMP”) is a New Jersey limited liability company with its principle place of business at 47 Warbird Dr., Millville, NJ 08332.

**JURISDICTION**

3. This Court has original jurisdiction pursuant to 28 U.S.C. § 1332 because the amount in controversy exceeds the sum or value of \$75,000 and because the parties are citizens of different states.
4. This Court also has jurisdiction over this action pursuant to 29 U.S.C. § 1331, as Plaintiff’s claim under the Defend Trade Secret Act (“DTSA”), 18 U.S.C. § 1832, *et seq.*, arises under a law of the United States.
5. This Court has personal jurisdiction over Defendant pursuant to Pennsylvania’s long-arm statute, 42 Pa. C.S. § 5301 *et seq.* because Defendant has caused harm or tortious

injury in Pennsylvania, contracted to supply services or things in Pennsylvania, and transacted business within and purposefully availed itself of Pennsylvania.

**VENUE**

6. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b) and (c).

**FACTUAL BACKGROUND**

**a. Plaintiff's Industry is Highly Competitive**

7. Plaintiff Team Pro-Motion, Inc. ("TPM") is an operator of motorcycle trackdays – events where motorcycle riders gather to ride on the racetrack away from traffic and other hazards. TPM first started operating trackdays in 1997. The president of TPM is Glen Goldman (hereinafter "GG"). Team Pro-Motion Inc. has two shareholders, Glen Goldman and Dafan Zhang (hereinafter "DZ") who serves as business manager.

8. Trackday operators usually rent specific dates from a given racetrack well in advance of the event date, in some cases more than one year in advance. This allows the operator to market the event to potential customers, generate interest, and sell advance registration/reservations.

9. Trackday operators traditionally have three main revenue sources. First, motorcycle riders may purchase a membership with a particular operator in order to receive membership benefits unavailable to guests. Second, motorcycle riders pay a fee each time they register for a specific date either as members or guests. Third, operators sell related products and services to their members and guests, such as parts, accessories, tires, and mechanical services.

10. Due to the event-specific nature of the motorcycle trackday market, specific dates at racetracks are highly valuable commodities. With an attractive schedule, a trackday operator can attract more members, more registrations, and sell more related products and services.

11. The motorcycle trackday industry is highly competitive. Due to the membership and pricing structure of the operators, riders are incentivized to stay with one operator after they become a member of that operator. This relationship can last years if not decades – some riders only ride with one operator for the entirety of their riding career. Thus, the customer relationships and customer lists of any operator are usually the most valuable asset of that operator.

**b. Plaintiff Protects and Secures the Confidential Information and Trade Secrets It Has Developed Over Time**

12. TPM has been in operation for over twenty years. Over those twenty years, it has developed relationships with tens of thousands of motorcycle trackday riders. It has developed into one of the largest, most enjoyable, safest operators in the market place. TPM derives substantial economic benefits from its customer relationships and customer lists.

13. Additionally, over the past two decades, TPM has developed an incredible amount of information which is extremely valuable to any competing or aspiring trackday operators.

14. In order to protect the confidential information and trade secrets TPM has developed over time, TPM has taken many steps to safeguard said information and trade secrets. First, GG, the president of the company, has entered into a non-disclosure, non-competition, and non-solicitation agreement. Second, all staff and instructors have entered into a non-disclosure and non-solicitation agreement prior to their association with TPM. Third, a multi-level and need-to-know access system was put in place on TPM's information technology systems. TPM has taken the security of its confidential information and trade secrets seriously and has taken reasonable steps to secure them.

**c. Plaintiff's relationship with NJMP**

15. New Jersey Motorsports Park is a racetrack operating in Millville, NJ. It first opened its doors in 2008.

16. Upon information and belief, New Jersey Motorsports Park LLC (hereinafter "NJMP") is a New Jersey Limited Liability Company. Upon information and belief, NJMP is the operator of the New Jersey Motorsports Park racetrack, and the Chief Operating Officer of NJMP since at least 2013 has been Brad Scott (hereinafter "BS").

17. In order to provide trackday services to its customers including members and guests, TPM rents certain dates from racetracks, then host trackday events for its members and guests on those dates.

18. A large number of TPM's customers are from the Pennsylvania, New York, and New Jersey area. New Jersey Motorsports Park racetrack is the only racetrack available to host the kind of trackday events TPM operates in New Jersey. Thus, while TPM also rents dates from other racetracks in other states, TPM nonetheless generates a substantial portion of its revenues from its trackday events rented from NJMP.

19. TPM first rented dates from NJMP in 2008, when New Jersey Motorsports Park racetrack first opened. TPM has rented dates continuously from NJMP since 2008, on average rents 30-50 dates per year, and is one of the largest renters of NJMP.

20. As one of the largest renters at NJMP, NJMP held certain practices and policies for TPM such as discounts and "date equity" which is preference in renting dates which TPM traditionally held – it has a first right of refusal to keep its weekends and weekdays that it rented from the previous year for any subsequent years. Further, NJMP provided "date protection" in

refusing to rent the same date (NJMP has two race tracks available to rent at any given time) to multiple motorcycle trackday operators simultaneously to prevent diluting the market.

21. Further, when TPM encounters significant issues such as adverse weather conditions, NJMP would work with TPM to reschedule or provide credit – motorcycle riders generally do not choose to ride in adverse conditions therefore leading to a substantial decline in revenue for TPM.

22. Lastly, in the event that TPM carried any open balances, NJMP would work out a payment plan to pay off the balance by the start of the following year or season. It is the industry norm to carry balances and make arrangements to pay off due to the unpredictable nature of the weather and risk undertaken by operators.

**d. NJMP Changes Its Policies and Set Its Sight on Consolidating the Market and Run Its Own Exclusive Trackday Business**

23. Starting with the 2017 season, BS started to deviate away from the same rental practices and policies that TPM was accustomed to from prior years.

24. First, NJMP ceased providing discounts to TPM based on the volume of the dates TPM rented.

25. Then, NJMP took away certain dates from TPM despite the practice of “date equity.” BS assured TPM at the time that dates would only be taken away for spectator events and would be returned to TPM if they were no longer held for spectator events. But instead, dates were taken but awarded to TPM’s competitors.

26. Further, NJMP stopped the practice of “date protection” and started to permit multiple motorcycle operators in renting both tracks at the same time, breaking a long-time tradition not to do so and over the objection of TPM.

27. As a result of NJMP's change in practices and policies, an oversupply of motorcycle trackday availability developed, and drove both utilization of the New Jersey Motorsports Park racetrack and profitability of the operators declined. GG repeatedly complained to NJMP about the changes, to no avail.

28. Upon seeing the above-mentioned decline in utilization and profit, NJMP encouraged TPM to join forces with Absolute Cycle Experience, Inc. (hereinafter "ACE") and rent dates together. This joint venture experiment ended in October of 2017, when ACE denounced and separated from TPM.

29. Immediately after the end of the TPM/ACE joint venture, on or about October 5, 2017, BS invited GG to have dinner with BS and an individual owner of NJMP. The dinner was held in a restaurant in South Philadelphia. GG brought DZ to the dinner meeting.

30. During the meeting, GG again complained about the changes in the relationship and operating practices and policies of NJMP, and how the changes has hurt TPM's business. GG also complained about how two former instructors and managers of TPM have left to start competing trackday operations which are currently operating at NJMP. BS appeared to be concerned about GG's complaints and agreed that both former TPM manager should not have conducted themselves in those ways, and NJMP do not welcome those kinds of behavior.

31. BS reassured GG that NJMP respects the tradition of "date equity" and "date protection" and will abide by those practices and policies in the future.

32. Additionally, it was mutually agreed between NJMP and TPM at the meeting that there was an open balance of about \$40,000 from 2017 and that TPM will make arrangement to pay off that balance by the end of 2017. The balance was duly paid by TPM as agreed to.

33. Also, at the same dinner, BS started to express NJMP's desire to run its own NJMP trackdays. BS casually proposed that TPM should operate jointly with NJMP to run NJMP's trackdays. BS expressed that with the track's backing, this new venture would dominate the market and exclude every other operator from New Jersey Motorsports Park racetrack.

34. Understanding the value of the TPM brand and its existing customer base, as well as the business TPM has at other tracks, DZ politely rebuffed NJMP's new venture idea. DZ replied the next day with suggestion that TPM can instead operate NJMP's trackdays for NJMP. This suggestion was not responded to.

**e. NJMP Deviates From Its Promises Then Reneges on Accepted Date Offerings**

35. Immediately after the October 5, 2017 meeting, TPM submitted date requests to NJMP for 2018.

36. On November 13, 2017, BS notified TPM that TPM would be awarded four Friday race practice days in 2018 at New Jersey Motorsports Park racetrack. Friday practice days are held before a weekend of racing and therefore is well-attended and a great revenue opportunity for trackday operators.

37. GG accepted the offer of the four Friday practice days.

38. On November 27, 2017, NJMP sent contract to TPM for 2018 rental dates. TPM executed and returned the contract and exhibits for TPM's 2018 rental dates (hereinafter the "Rental Contract"), which included the four Friday race practice days. (A true and correct copy of the Rental Contract including individual exhibits setting forth each individual rented date is attached here to as Exhibit "A"). Thereafter, TPM started to market its 2018 New Jersey Motorsports Park event dates widely to its members and the public in reliance on the date

offerings. TPM also started to sell memberships and advanced registrations based on those published dates.

39. On or about January 10, 2018, TPM received notification from its customers that a competitor of TPM was publicly bashing TPM for advertising dates TPM does not have, particularly the four Friday practice days. Upon inquiry by TPM, NJMP informed TPM that NJMP has retracted the four Friday practice dates due to “internal decision” and awarded them instead to TPM’s competitor. NJMP did not warn or notify TPM of those actions. BS admitted to TPM that it was his “fault” and that it was his decision that NJMP reneged and dates given to TPM’s competitor.

40. Further, in contrary to BS’s prior assurances to uphold date equity and date protection, multiple dates traditionally rented to TPM were taken away and given to TPM’s competitors, and multiple motorcycle trackdays would be held on the same date on several occasions.

**f. NJMP Refuses to Abide By Its Own Contract and Unreasonably Refusing to Reschedule Events with Snow and Sub-Freezing Temperature in the Forecast**

41. TPM’s first scheduled events at New Jersey Motorsports Park racetrack were to be held on April 7 and April 8. About a week prior to the events, multiple forecasts predicted snow and temperatures ranging from high 20s to low 30s. TPM deemed it to be unsafe to operate motorcycles in such conditions. Traditionally, the 50-degree mark was viewed as a line between safe and unsafe for riding motorcycles on the racetrack. When TPM requested NJMP to reschedule the trackdays to another weekend or to credit TPM for the lost weekend, as TPM contract allows, NJMP refused.

42. This is contrary to the established protocol at NJMP. During the previous years, there was always a “gentleman’s agreement” that any temperature below 50 degrees is too cold to ride motorcycles on a racetrack, and accommodations were made to TPM in the form of rescheduling or credits.

43. When DZ pressed NJMP and BS on making a safety determination – making a declaration whether 30-degree temperature and snow is hazardous to operate motorcycles on the racetrack, BS responded that the forecast would provide “an amazing weekend at NJMP.” BS did not respond to the request to make a hazardous determination as the rental contract provided for.

44. Upon information and belief, NJMP allowed a different renter to cancel its event at New Jersey Motorsports Park racetrack the same weekend for weather concerns.

45. In several conversations with GG, BS repeatedly told GG that he would not work with DZ. BS stated that if it was “only [GG],” BS would “work something out” but since DZ is involved, he would not because he does not like or trust DZ.

46. DZ disputed all the charges that NJMP assessed for this weekend on behalf of TPM and never conceded that TPM should have been charged (hereinafter the “April Disputed Charges”).

**g. NJMP Starts to Pressure Goldman and Refuses to Include All Shareholders of TPM in Discussion of New Venture**

47. While DZ and BS were at dispute regarding the April weekend, BS started to clandestinely contact GG regarding a joint venture between NJMP, ACE, and GG. With NJMP unreasonably unwilling to negotiate the April weekend, GG was feeling the pressure to discuss NJMP’s proposal.

48. On or about May 31, 2018, BS sent GG a Letter of Intent (hereinafter the “LOI”). The LOI provides that NJMP, GG, and Roy Cadoo, purported owner of ACE, would form “ACETPM LLC,” and GG must transfer all assets of TPM to NJMP and cease TPM operations. Then GG would dissolve TPM and enter the partnership individually.

49. Upon receiving the LOI, GG responded to BS that DZ needed to be involved in the dissolution of TPM and transferring assets of TPM as a partner. BS responded: “Yes but understand the submitted term sheet is a preliminary non-binding letter of intent.”

50. BS did not address GG’s request to involve DZ in the discussions.

51. On or about June 1, 2018, BS invited GG to attend a dinner meeting to discuss the LOI, without inviting DZ.

52. During the meeting, it was mutually agreed between all parties present that the April Weekend was in deed too cold to operate, and NJMP would not attempt to collect the April Disputed Charge as one incentive for GG to join the new venture. BS assured GG that NJMP would forward whatever balance, including the April Disputed Balance and any other balance which may accrue in 2018, to future years to be repaid by GG’s profit from the new venture.

**h. Goldman Demands Inclusion of Other Shareholder and NJMP Starts to Use the Disputed Charge as Leverage for Goldman to Agree**

53. On June 4, 2018, GG emailed BS and stated again that in order for GG to sign the agreement, DZ must also agree and sign because he is a partner with GG in TPM.

54. BS expressed concern about “wasting time and money” and reluctantly agree to schedule a meeting to answer questions from GG and DZ. DZ asked in advanced to the meeting if BS would revise the LOI to include an offer to DZ, BS refused.

55. About one hour after BS expressed concern about DZ involvement and frustration that GG was not signing, NJMP, for the first time, sent an email asking to collect the April Disputed Balance.

56. At about 4 P.M., BS, GG, and DZ conferred via telephone. BS explained to GG and DZ that NJMP wishes to operate trackdays to the exclusion of all trackday operators at New Jersey Motorsports Park racetrack. The success of the new venture would depend on the elimination of all competition. DZ responded that TPM has business at other racetracks and is unwilling to give up said business away from New Jersey. BS seemed unimpressed and repeated that NJMP does not want competition against this new venture. Nonetheless, BS agreed to give DZ time to review the proposal and respond.

57. On the evening of June 5, GG received an email from NJMP that ACE had already signed the LOI, and GG is the holdout.

58. On the morning of June 6, NJMP sent another email to DZ, copying GG, to ask about the payment for the April Disputed Charges.

**i. TPM Disputes More Charges and NJMP Officially Withdrew its Offer**

59. On June 9 and 10, 2018, TPM held two trackday events at New Jersey Motorsports Park racetrack. On the afternoon of June 9, severe thunderstorms rolled through the area, and NJMP was forced to shut down track operations for the entire afternoon due to lightning strikes and later, mud, debris, and flooding on the track surface.

60. At the end of day on June 9, TPM inspected the racetrack surface with NJMP safety staff, and made a request for NJMP to clean the track surface after the rain ceased so trackday operations could be held on time the following morning.

61. On the morning of June 10, TPM staff arrived at the track to find the track inoperable because NJMP had failed to perform any cleanup. NJMP staff did not notify TPM staff, and it took well over one hour to clean the track enough to start operations due to NJMP's delay. Instead of properly cleaning the areas in issue, said area remained problematic and had to be avoided by riders.

62. Additionally, several contracted safety workers were not present, despite the fact that NJMP's contract with TPM requires a certain number of safety workers be provided by NJMP. TPM has previously discovered that NJMP repeatedly provided less safety workers than agreed or contracted to, but failed to notify TPM or reduce the invoice to TPM.

63. On June 11, TPM sent an email to NJMP, recapping the issues encountered during the June 9 and 10 weekend. TPM asked for NJMP to "split the weekend" by providing 50% credit to account for the weather issues and by providing a credit for the missing safety workers (hereinafter the "June Disputed Charges"). NJMP did not address or respond to the request. Instead, BS sent an email to GG and DZ asking for response to the LOI.

64. On June 12, DZ responded to BS stating that he was out of state for a conference and would provide a response or proposal to the LOI when he could. He also inquired about a partnership NJMP was having with a automobile trackday provider and whether that might be the best solution for motorcycles.

65. BS immediately responded that "Don't think you guys are interested and will keep the current relationship as is with TPM" and that they have been patient. BS followed up with another email later that states "We are dropping the agreement proposal we generated" and NJMP and TPM would go back to "business as normal."

66. DZ was therefore under the impression that this would be the end of any discussion regarding the NJMP motorcycle trackdays.

**j. NJMP Clandestinely Restarts Solicitation of Goldman Alone While Simultaneously Increasing Financial Pressure on TPM**

67. After NJMP announced that they withdrew the proposal for the new venture, the communication between BS and DZ returned to the financial matters.

68. On June 13, BS sent DZ an email regarding both a bounced check due to an administrative error and the open disputed balance. BS stated that payment terms for rental dates from that point on should be 30 days advance payment based on the Rental Contract.

69. On June 14, BS sent DZ an email containing a letter dated June 15, 2018 (hereinafter the “June 15<sup>th</sup> Letter”). While the June 15<sup>th</sup> letter does not constitute adequate notice pursuant to the notice requirement in the Rental Contract, BS nonetheless demanded TPM to make payment arrangement regarding the disputed balance. (A true and correct copy of the June 15<sup>th</sup> Letter from BS is attached hereto as Exhibit “B”).

70. The June 15<sup>th</sup> Letter did not acknowledge the April balance as disputed. It did acknowledge that TPM requested a credit for the June 9 and 10 weekend, but NJMP “will consider” a credit upon full payment of past balances including the April Disputed Charge.

71. The June 15<sup>th</sup> Letter did not acknowledge the missing safety worker issue.

72. Further, the June 15<sup>th</sup> Letter states “until a we have a mutually agreed to payment plan, TPM will not be permitted any future dates at New Jersey Motorsports Park and we will begin the process to market interest on current dates.”

73. DZ immediately contacted BS to discuss a payment plan. BS agreed that as long as payments were made at future events, TPM events could be held as usual. TPM abided by the

payment for the next two events by providing mutually agreed upon payments prior to the start of each event, and events were held without issue. BS or NJMP did not send another letter or any other communication similar to the June 15<sup>th</sup> Letter thereafter.

74. On June 16, 2018, GG went to New Jersey Motorsports Park racetrack to attend an auto racing event. While there, GG ran into BS. Despite having represented to DZ that NJMP had withdrawn the new venture proposal, BS again started to pressure GG into signing the LOI. When GG again responded that he could not proceed without DZ's agreement or consent, BS responded that GG should move forward as an individual, and that GG should separate from DZ and TPM.

75. BS stressed again that GG was holding up the deal, and that GG should sign with NJMP. BS further assured again that if GG signs the deal, any balance owed would be carried forward into future years and would not be an issue. BS also repeated that he does not like DZ, and GG should separate from DZ and join NJMP's new venture, even though that would require GG leaving or separating from TPM.

76. TPM held an event on June 25 at New Jersey Motorsports Park racetrack with no issues. BS demanded DZ to make payment via cashier check, which DZ provided on the date of the event.

77. on June 28, BS emailed GG, this time on GG's personal email address, again asking GG to sign the LOI. DZ was not copied.

78. On July 2, BS sent DZ an email inquiring about TPM's disputed balance, which includes the April Disputed Charges and the June Disputed Charges. GG was copied on the email.

79. Later in the afternoon on July 2, BS sent GG an Operating Agreement for the new “NJMP Rider’s Club” (hereinafter the “OA”). GG is requested to join as an individual and “to release, sell or remove his ownership interest in TPM.” DZ was not copied on the email.

80. On July 3, BS again emailed DZ regarding payment arrangement for an upcoming event, as well as TPM’s disputed balance, which includes the April Disputed Charges and the June Disputed Charges. GG was copied on the email.

81. On July 5, DZ and BS reached an agreement to pay for the upcoming event, they further agreed to discuss outstanding balance the following week. DZ requested a personal phone call the following week to which BS never responded.

**k. NJMP Steps Up Pressure for Goldman to Sign Their Offer, and Terminates Contract with TPM When He Refused**

82. On or about July 9, BS emailed GG to inquire about the OA, and requested a meeting between the two. DZ was not copied.

83. On the morning of July 12, GG met BS at NJMP office. BS pressured GG to sign the OA on the spot.

84. BS informed GG that there were rumors that TPM was no longer in business and would cease operating at New Jersey Motorsports Park racetrack. GG denied the rumor and insisted that he was not comfortable signing the OA. BS became upset and told GG that another competitor which was started by one of TPM’s ex-managers had approached him regarding the NJMP trackday venture and asked if they could become a part of it, BS said he responded that he would entertain it.

85. GG again repeated that he could not sign the agreement without DZ’s agreement and consent. BS responded that GG should sign the operating agreement personally and

individually. BS instructed GG to leave TPM and DZ, and that GG needs to bring with him any TPM assets and information by any means necessary. GG still refused to sign and left. BS appeared to be furious with GG as he left without signing.

86. Shortly thereafter, in the afternoon of July 12, counsel for NJMP sent an email to DZ that NJMP was terminating the remaining dates TPM contracted. Around the same time, the competitor that BS disclosed to GG that wanted to be a part of the NJMP trackday venture started to advertise that they became the operator of July 16, a date contracted to TPM, before DZ received the termination email.

87. TPM scrambled to accommodate customers who has already paid for the July 16 date by providing refunds and additional credits. Many TPM customers were unable to cancel hotel and other accommodations due to the cancellation of the July 16 date by NJMP. TPM additionally received refund requests for membership and other dates cancelled by NJMP.

88. TPM received a certified letter on July 16 containing the termination notice.

89. Subsequent to the June 15<sup>th</sup> Letter and the resulting mutually agreed payment plan, NJMP has not provide any notice that TPM was in default, or that it intended to terminate the Rental Contract with TPM. Further, according to the Rental Contract, all notices regarding the contract must be provided via certified mail, return receipt requested. No notice other than the termination notice were ever given pursuant to the Rental Contract's notice terms.

90. NJMP attributes the cancellation due to nonpayment. However, the Rental Contract expressly states that payment for future dates are required thirty days in advance of rental date. Several of the 2018 dates cancelled by NJMP were well outside of the 30-day window. Thus, payment for those dates are not yet due under the Rental Contract or the mutually agreed upon payment plan.

**I. NJMP Spreads Inaccurate Information About TPM to the Public**

91. Upon information and belief, prior to and subsequent to the termination, BS and other NJMP staff told the public misleading and false information regarding TPM.

92. Before the termination, NJMP provided false and misleading information to TPM's competitors regarding the circumstances of the dispute between NJMP and TPM.

93. After the termination, TPM started to receive inquiries regarding the circumstances surrounding the termination. Multiple persons relayed that NJMP was publicly informing competitors and customers that NJMP gave TPM an ultimatum and requested payment with a deadline, but TPM refused to pay. Such information is false and misleading, as NJMP has never, properly or otherwise, demanded TPM to pay off the disputed balances or be in default of the contract.

94. On the contrary, NJMP demanded TPM to make a payment plan in the June 15<sup>th</sup> Letter, after which a payment plan was mutually agreed to and abided with by TPM. NJMP never expressed any intention to discontinue the agreed upon payment plan, and TPM relied upon NJMP's promise to operate under said agreed payment plan. Said payment plan are consistent with industry practice and long-established practices between NJMP and TPM, as well as the express promise made by NJMP.

95. Instead, TPM's disputed balances were always used as pressure and leverage for GG to agree to NJMP's proposal.

**CAUSES OF ACTION**

**COUNT I:**

**Tortious Interference with Contracts**

96. Plaintiff repeats and re-alleges the allegations contained in the preceding paragraphs by reference as if fully set forth herein.

97. Plaintiff has existing contractual relationships with its customers to attend trackdays and other events at Defendant's racetracks. Plaintiff markets and sales both membership programs and advance registrations to its customers.

98. Defendant knew and should have known that Plaintiff has existing contractual relationships with its customers.

99. By intentionally and willfully terminating Plaintiff's Rental Contract in using Defendant's racetracks without notice and justification, leaving Plaintiff with virtually no time to accommodate its customers, Defendant acted purposefully with the intent to harm Plaintiff's existing contractual relationships.

100. By marketing TPM contracted dates to TPM's competitors before payment for those events are due under an express term of the Rental Contract and TPM successfully abiding by a mutually agreed upon payment plan, Defendant acted purposefully against its own promise with the intent to harm Plaintiff's existing contractual relationship with customers.

101. Further, by making inaccurate and misleading statements to the public, including Plaintiff's existing customers, Defendant tortuously interfered with existing contractual relationships between Plaintiff and its existing customers.

102. Defendant's interference with Plaintiff's contractual relationships is willful, wanton, and has been carried out with a specific intent to injure Plaintiff's business and Plaintiff's business relations with its customers.

103. Defendant lacked any privilege or justification for its tortious conduct.

104. As the proximate result of Defendant's tortious conduct, Plaintiff suffered actual damages in the form of lost profits, good will, and diminished relationships with its customers in an amount not less than \$75,000.

105. Defendant's actions were intentional, willful, outrageous, and justify the imposition of punitive damages.

106. Defendant tortuously interfered with Plaintiff's existing contractual relationship with customers.

## **COUNT II:**

### **Tortious Interference with Prospective Contracts**

107. Plaintiff repeats and re-alleges the allegations contained in the preceding paragraphs by reference as if fully set forth herein.

108. Plaintiff has prospective contractual relationships with motorcycle riders desiring to ride at trackdays operated by Plaintiff at Defendant's race tracks.

109. Defendant knew and should have known that Plaintiff has prospective contractual relationships with both Plaintiff's existing customers and potential new customers.

110. By intentionally and willfully terminating Plaintiff's Rental Contract in using Defendant's racetracks for all future events without notice and justification, Defendant acted purposefully to tortuously interfere with prospective contractual relationships between Plaintiff and customers who wished to attend the cancelled events as well as customer who wished to purchase Plaintiff's memberships based on events held at Defendant's racetracks.

111. By marketing TPM contracted dates to TPM's competitors before payment for those events are due under an express term of the Rental Contract and TPM successfully abiding

by a mutually agreed upon payment plan, Defendant acted purposefully against its own promise with the intent to harm Plaintiff's prospective contractual relationship with customers.

112. Further, by making inaccurate and misleading statements to the public, including Plaintiff's competitors and potential customers, Defendant tortuously interfered with prospective contractual relationships between Plaintiff and prospective customers.

113. Defendant's interference with Plaintiff's contractual relationships is willful, wanton, and has been carried out with a specific intent to injure Plaintiff's business.

114. Defendant lacked any privilege or justification for its tortious conduct.

115. As the proximate result of Defendant's tortious conduct, Plaintiff suffered actual damages in the form of lost profits, good will, and diminished relationships with its customers in an amount not less than \$75,000

116. Defendant's actions were intentional, willful, outrageous, and justify the imposition of punitive damages.

117. Therefore, Defendant tortuously interfered with Plaintiff's prospective contractual relationship with customers.

### **COUNT III:**

#### **Attempt to Misappropriation of Trade Secrets – 18 U.S.C. § 1832, *et seq.***

118. Plaintiff repeats and re-alleges the allegations contained in the preceding paragraphs by reference as if fully set forth herein.

119. Goldman, while an employee of TPM, accessed and relied upon confidential information and trade secrets to perform his job functions. Said confidential information and trade secrets, including but not limited to customer relationships and lists, competitive pricing and profitability information, utilization rates and forecasts, pricing structures, marketing

channels and returns, training methods and materials, and other confidential information and trade secrets, are basis of TPM's business and revenue and are likely to be used by Defendant to generate economic benefits for itself.

120. Defendant coveted TPM's confidential information and trade secrets for their economic value. Defendant repeatedly asked Goldman to obtain and disclose TPM's confidential information and trade secrets to Defendant in order to profit from said confidential information and trade secrets. Defendant asked Goldman to obtain TPM's confidential information and trade secrets anyway he could and disclose them to Defendant despite Goldman has signed an agree to not disclose confidential information and trade secrets, compete with TPM, or solicit TPM's customers.

121. Defendant intended to convert TPM's confidential information and trade secrets and use them in interstate commerce, as a substantial portion of TPM's customer base are residents of states other than New Jersey.

122. Defendant repeatedly expressed its desire and intent to use TPM's confidential information and trade secrets for Defendant's economic benefit. Defendant intended to convert TPM's confidential information and trade secrets to the economic benefit of parties other than TPM, as Defendant demanded Goldman to leave TPM but obtain and disclose TPM's confidential information and trade secrets.

123. Defendant's attempts to misappropriate TPM's confidential information and trade secrets are in bad faith, particularly because Defendant clandestinely demanded Goldman to obtain and disclose TPM's confidential information and trade secrets without Zhang's knowledge despite repeatedly being told by Goldman that he could not act without the consent and authorization by Zhang.

124. Plaintiff has taken steps to preserve the confidentiality of its information and trade secrets, which Defendant attempted to misappropriate.

125. As a direct and proximate result of NJMP's attempts to misappropriate confidential information and trade secrets, Plaintiff has suffered, and will continue to suffer, substantial damages the precise amount of which will be determined at trial.

126. Defendant's conduct has been willful and outrageous and undertaken with reckless indifference to the rights of Plaintiff.

127. Defendant's conduct violates the DTSA.

#### **COUNT IV:**

#### **Defamation**

128. Plaintiff repeats and re-alleges the allegations contained in the preceding paragraphs by reference as if fully set forth herein.

129. NJMP, through its employees, has willfully and maliciously communicated to TPM's customers and staff, as well as potential customers, vendors, and competitors inaccurate and misleading information regarding TPM's contractual relationship with NJMP. In particular, NJMP made statements to the public that TPM's contract was terminated because NJMP provided an ultimatum to TPM to pay off its balances and TPM refused. Said statements are false and defamatory. NJMP never made an ultimatum to TPM, on the contrary, NJMP has expressly offered a payment plan to TPM which were mutually agreed upon and were successfully performed by TPM. NJMP never communicated any intent to TPM that NJMP wishes to discontinue said payment plan before the termination.

130. NJMP's statements were indented, and did, harm TPM's reputations.

131. NJMP's defamatory statements are false or incorrect, and NJMP had knowledge of their falsity when the defamatory statements were uttered.

132. As a direct and proximate result of NJMP's defamatory statements, Plaintiff has suffered, and will continue to suffer, substantial damages and irreparable harm, including to its business, reputation, and good will, the precise amount of which will be determined at trial.

133. Defendant's actions were intentional, willful, outrageous, and justify the imposition of punitive damages.

**COUNT V:**

**Breach of Contract – Four Friday Practice Days**

134. Plaintiff repeats and re-alleges the allegations contained in the preceding paragraphs by reference as if fully set forth herein.

135. NJMP offered in writing the four 2018 Friday practice days to TPM. TPM accepted NJMP's offer. NJMP followed up by providing written rental contracts for those four dates. TPM executed those contracts. TPM relied on NJMP's promise and the executed contracts.

136. NJMP reneged, took away those four dates from TPM, and awarded them to TPM's competitor, all without any communication with or notification to TPM whatsoever.

137. As a direct and proximate result of NJMP's breach, Plaintiff has suffered, and will continue to suffer, substantial damages the precise amount of which will be determined at trial.

138. NJMP breached its contract with TPM with regards to those four 2018 Friday practice days.

**COUNT VI:**

**Breach of Contract - Termination**

139. Plaintiff repeats and re-alleges the allegations contained in the preceding paragraphs by reference as if fully set forth herein.

140. NJMP's Rental Contract with TPM provided express procedures when adverse weather conditions occur. NJMP repeatedly and continuously refused to follow its own express contractual terms or negotiate with TPM in good faith regarding the weather-related issues.

141. Further, NJMP's Rental Contract with TPM expressly provides that any notice relating to the contract must be given via certified mail, return receipt requested. The Rental Contract further does not contain any termination clause.

142. NJMP made no notification pursuant to an express term in the Rental Contract . NJMP never properly notified that TPM was in default, or that NJMP intended to terminate the Rental Contract with TPM. On the other hand, over the ten-year relationship NJMP has frequently made payment arrangements with TPM to allow the payoff of even undisputed balances. In 2018, TPM was not only disputing the balances with NJMP, it also continued to make payment arrangements with NJMP to pay the non-disputed charges for other rented dates. NJMP also expressly offered payment plan to TPM and accepted TPM's payments under those mutually agreed upon payment plan. NJMP never notified TPM that the mutually agreed upon payment plan was no longer valid, NJMP intended to terminate or modify said payment plan or provide an opportunity to cure any possible default. TPM relied upon NJMP's promise to operate under said agreed payment plan. NJMP's actions in terminating TPM's Rental Contract are against the terms of Rental Contract, industry norm, long-established and repeated practices between NJMP and TPM, and breaches an express agreement between NJMP and TPM.

143. Further, NJMP's Rental Contract expressly states that payment for future dates are required thirty days in advance of rental date. Several of the 2018 dates cancelled by NJMP

were well outside of the 30-day window. Thus, payment for those dates are not yet fully due pursuant to the Rental Contract, and NJMP cannot use nonpayment as an excuse to terminate the contract for those future dates.

144. As a direct and proximate result of NJMP's breach, Plaintiff has suffered, and will continue to suffer, substantial damages the precise amount of which will be determined at trial.

145. Therefore, NJMP breached its contract with TPM.

**COUNT VII:**

**Breach of Contract – Safety Workers**

146. Plaintiff repeats and re-alleges the allegations contained in the preceding paragraphs by reference as if fully set forth herein.

147. NJMP repeatedly did not provide the required or contracted number of safety workers it requires in order to operate on the racetrack. NJMP has never voluntarily notified TPM when it was unable to provide the required or contracted number of safety workers on a given day. However, it has always invoiced and charged TPM for the required or contracted number of safety workers despite actual knowledge that it was not able to and did not actually provide said number of safety workers.

148. As a direct and proximate result of NJMP's breach, Plaintiff has suffered, and will continue to suffer, substantial damages the precise amount of which will be determined at trial.

149. NJMP breached its contract with TPM.

**COUNT VIII:**

**Breach of the Implied Covenant of Good Faith and Fair Dealing**

150. Plaintiff repeats and re-alleges the allegations contained in the preceding paragraphs by reference as if fully set forth herein.

151. NJMP has repeatedly breached the terms of its Rental Contract with TPM.

152. NJMP's Rental Contract with TPM provided express procedures when adverse weather conditions occur. NJMP repeatedly and continuously refused to follow its own express contractual terms or negotiate with TPM in good faith regarding the weather-related issues.

153. Further, NJMP's contract with TPM expressly provides that any notice relating to the Rental Contract must be given via certified mail, return receipt requested. The Rental Contract further does not contain any termination clause.

154. NJMP made no notification pursuant to an express term in the Rental Contract. NJMP never properly notified that TPM was in default, or that NJMP intended to terminate the contract with TPM. On the other hand, over the ten-year relationship NJMP has frequently made payment arrangements with TPM to allow the payoff of even undisputed balances. In 2018, TPM was not only disputing the balances with NJMP, it also continued to make payment arrangements with NJMP to pay the non-disputed charges for other rented dates. NJMP also expressly offered payment plan to TPM and accepted TPM's payments under those mutually agreed upon payment plan. NJMP never notified TPM that the mutually agreed upon payment plan was no longer valid, NJMP intended to terminate or modify said payment plan or provide an opportunity to cure any possible default. TPM relied upon NJMP's promise to operate under said agreed payment plan. NJMP's actions in terminating TPM's Rental Contract are against the terms of Rental Contract, industry norm, long-established and repeated practices between NJMP and TPM, and breaches an express agreement between NJMP and TPM.

155. Further, NJMP's Rental Contract with TPM expressly states that payment for future dates are required thirty days in advance of rental date. Several of the 2018 dates cancelled by NJMP were well outside of the 30-day window. Thus, payment for those dates are not yet

fully due pursuant to the Rental Contract, and NJMP cannot use nonpayment as an excuse to terminate the contract for those future dates.

156. Instead, due to a self-professed dislike for DZ and desire to pressure GG alone to join NJMP's new venture, BS used the contractual relationship between NJMP and TPM as leverage in an attempt to drive GG and DZ apart.

157. As a direct and proximate result of NJMP's unreasonable actions, Plaintiff has suffered, and will continue to suffer, substantial damages the precise amount of which will be determined at trial.

158. NJMP acted in bad faith and breached the implied covenant of good faith and fair dealing.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff Team Pro-Motion, Inc. prays that this Court enter judgment against Defendant as follows:

- A. That the Court award Plaintiff actual damages, compensatory damages, consequential damages, punitive damages, exemplary damages, statutory damages, pre-judgment interest, post-judgment interest, and costs all in amounts to be determined following a trial on the merits but in any event in excess of \$75,000;
- B. That the Court award Plaintiff reasonable attorneys' fees and costs; and
- C. That the Court grant Plaintiff all other relief to which it is entitled and such other or additional relief as is just and proper.

#### **JURY DEMAND**

Plaintiff hereby demands a trial by jury of all matters triable as of right in the instant cause of action.

Respectfully Submitted,

Date: July 24, 2018

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