#### UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS

FRANLINK, INC. a Texas corporation,	)	CASE NO.	
	)		
Plaintiff,	)		
	)		
VS.	)		
	)		
BACE SERVICES, INC., formerly known as	)		
Craig Wells Enterprises, Inc., a Florida	)		
corporation; STEVEN CRAIG WELLS, a	)		<b>COMPLAINT</b>
Florida resident; AMY POPE-WELLS, a	)		
Florida resident; STEVEN BRADLEY	)		
MORTON, a Florida resident; PAYDAY	)		
SOLUTIONS, LLC, a Florida limited	)		
liability company; and JTL STAFFING &	)		
PAYROLL, LLC, an Alabama limited	)		
liability company,	)		
	)		
Defendants.	)		

Plaintiff Franlink, Inc. dba Link Staffing Services ("Link"), for its Complaint against Defendants BACE Services, Inc. f/k/a Craig Wells Enterprises, Inc. ("BACE"), Steven Craig Wells, Amy Pope-Wells, Bradley Morton, PayDay Solutions, LLC, f/k/a Tire Diva, LLC ("PayDay"), and JTL Staffing & Payroll, LLC ("JTL") (collectively "Defendants"), states and alleges as follows:

#### INTRODUCTION

1. This is an action for injunctive relief to enjoin Defendants' trademark infringement under the Trademark Act of 1946 ("Lanham Act"), 15 U.S.C. § 1051, et seq., to enforce the terms of a Franchise Agreement between Link and BACE, and to enjoin tortious interference by JTL. Defendants Steven Craig Wells and Amy Pope-Wells (collectively "Guarantors") personally guaranteed BACE's obligations under the Franchise Agreement. Link validly terminated the Agreement due to the BACE and Guarantors' (collectively "BACE")

Defendants") abandonment of its Franchised Business. Upon termination, the Franchise Agreement and Guaranty require, among other things, that the BACE Defendants: (a) cease using Link's trademarks; (b) comply with the covenants against competition and solicitation in the Franchise Agreement; (c) authorize the transfer of telephone numbers and directory listings to Link; (d) return all manuals and confidential information to Link; (c) provide to Link a list of all full-time and temporary employees, a list of past and existing Clients, and a list of all prospective clients; and (d) pay Link all amounts due and owing. The BACE Defendants have failed to perform these obligations.

2. Link has learned that Defendants are acting in concert and participation with one another to operate a competing employment staffing business under the name "JTL Staffing" in Jacksonsville, Florida using Link's trademarks and confidential information. Link, therefore, seeks: (a) an immediate and permanent injunction enjoining Defendants' trademark infringement; (b) an immediate and permanent injunction prohibiting Defendants and those acting in concert and participation with them from operating a competing employment staffing business in the Jacksonville, Florida area, in violation of the non-compete and non-solicitation provisions of the Franchise Agreement; (c) monetary damages relating to Defendants unlawful conduct; and (d) an award of attorneys' fees and costs.

#### **PARTIES**

- 3. Link is a corporation organized under the laws of the state of Texas with its principal place of business located at 1800 Bering Drive, Suite 800, Houston Texas 77057.
- 4. Link is the franchisor of the Link Staffing® franchise system. Link Staffing® franchisees operate under franchise agreements with Link.

-2-

- 5. BACE is a Florida corporation with its principal place of business located at 1496 Park Avenue, Orange Park, Florida 32073.
- 6. Guarantors are residents and citizens of Green Cover Springs, Florida 32043. They are also the owners of BACE.
- 7. Steven Bradley Morton is a resident and citizen of Middleburg, Florida 32068.

  Mr. Morton is the son of Guarantors.
- 8. PayDay is a Florida limited liability company with its principal place of business located at 1496 Park Avenue, Orange Park, Florida 32073.
- 9. The sole members of PayDay are Guarantors Steven Craig Wells and Amy Pope-Wells.
- 10. JTL is an Alabama limited liability company with its principal place of business located at 125 Electronics Boulevard, Suite H, Huntsville, Alabama 35824.
- 11. The sole member of JTL is James T. Lowdell, a resident and citizen of Meridianville, Alabama.

#### **JURISDICTION AND VENUE**

- 12. This action involves trademark infringement under the Trademark Act of 1946 ("Lanham Act"), 15 U.S.C. § 1051, *et seq.* It also involves breach of a Franchise Agreement executed by BACE and a guaranty executed by Guarantors, and tortious interference by Steven Bradley Morton, PayDay, and JTL.
- 13. This Court has jurisdiction pursuant to §§ 34(a) and 39 of the Lanham Act, 15 U.S.C. §§ 1116(a), 1121, and 28 U.S.C. §§ 1331 and 1338.

- 14. This Court has supplemental (diversity) jurisdiction pursuant to 28 U.S.C. § 1332 because (a) the parties are citizens of different states and (b) the amount in controversy exceeds \$75,000.
- 15. Venue is proper in this District because the BACE Defendants have voluntarily consented to venue in this Court pursuant to Section 19.F of the Franchise Agreement and the Guaranty. Venue is also proper in this District under 28 U.S.C. § 1391(b) because a substantial part of the events giving rise to the claims herein occurred in this District.
- 16. This Court has personal jurisdiction over the BACE Defendants because they voluntarily consented to personal jurisdiction in the state of Texas pursuant to Section 19.F of the Franchise Agreement and the Guaranty. This Court also has personal jurisdiction over the BACE Defendants because they have purposefully availed themselves of the privileges of doing business in Texas, have intentionally done business in Texas, enjoying the privileges and benefits of Texas's laws and regulations, and have purposefully directed their actions toward Texas. Finally, Bradley Morton, PayDay, and JTL are so closely related to the BACE Defendants and the contractual dispute arising from the Franchise Agreement that it is foreseeable that they could and should be brought into this District to account for their actions.

#### FACTUAL BACKGROUND

#### A. The Link Staffing® Trademark and Franchise System

17. Link owns the Link® and Link Staffing® name and related trademarks, tradenames, service marks, and other commercial symbols (the "Link Staffing® Marks" or "Marks"), as well as the goodwill associated with those Marks. True and correct copies of United States Patent and Trademark Office trademark registrations for Link's Marks are attached as Exhibit A.

- 18. Link and its affiliates have developed methods, procedures, standards, and specifications (the "System") for providing staffing services involving the placement of temporary and/or permanent employees specializing in skilled and semi-skilled crafts and trades, in unskilled/light industrial labor, in clerical/administrative/professional labor, other industries or specialty-skillsets designated by Link, and other industries or fields (collectively "Services") to a variety of businesses and organizations ("Clients") under the Link Staffing® Marks.
- 19. Link Staffing® franchisees enjoy a license from Link that allows them to use the Link Staffing® Marks and System in connection with the operation of their Link Staffing® Franchised Businesses.
- 20. Thirty-five Link Staffing® franchise locations exist and operate throughout the United States.
- 21. Since their first use in 1992, the Link Staffing® Marks have been used continuously by Link and its predecessors and affiliates.
- 22. The validity of the Link Staffing® Marks, their registration, and Link's exclusive right to use them in commerce are deemed incontestable under 15 U.S.C. §§ 1065 and 1115(b), as those Marks have been in continuous use in commerce for more than five (5) years and the required affidavit has been filed with the United States Patent and Trademark Office.
- 23. Link and its affiliates have expended a great amount of money, time, and effort in creating, maintaining, improving, advertising, and promoting the Link Staffing® Marks and System throughout the United States, including the state of Florida. By virtue of such efforts, the Link Staffing® Marks have become associated in the minds of employers and employees, and in the mind of the general public, with Link and Link alone, and valuable goodwill has been built up in the Link Staffing® Marks.

#### B. The BACE Defendants' Franchise Agreement and Guaranty

- 24. The BACE Defendants originally became Link Staffing® franchisees in 2007. In 2017, BACE renewed its franchise by entering into an agreement dated October 6, 2017 (the "Franchise Agreement") with Link.
- 25. The Franchise Agreement granted BACE the right to operate a Link Staffing® franchised business (the "Franchised Business") and to offer Services to Clients in Duval County, Clay County, and St. Johns County, Florida (the "Designated Market Area" or "DMA"), using Link's Marks and System, for a period of 15 years. A true and correct copy of the Franchise Agreement is attached as Exhibit B.
- 26. At or about the same time that Link and BACE executed the Franchise Agreement, Guarantors entered into a Guaranty and Assumption of Obligation ("Guaranty") in which they guaranteed to Link that they would be personally liable for BACE's payment and performance obligations under the Franchise Agreement. A true and correct copy of the Guaranty is attached as Exhibit C.
- 27. The BACE Defendants' Franchised Business was located at 1946 Park Avenue, Orange Park, Florida 32073, and used the telephone number 904-644-8350. The telephone number was, and is, listed in telephone directories and multiple websites associated with the Link Staffing® Marks. True and correct copies of Yelp.com, Manta.com, Americanstaffing.net, and Google directories for the 904-644-8350 telephone number used in the BACE Defendants' former Link Staffing® Franchised Business are attached as Exhibit D.
- 28. Defendant Steven Bradley Morton is the Guarantor's son. He was an employee of BACE and was involved in the operation of the BACE Defendants' former Link Staffing® Franchised Business.

- 29. Pursuant to Section 8 of the Franchise Agreement, the BACE Defendants acknowledged that their right to use the Marks (and any goodwill associated with the Marks) was derived solely from the Franchise Agreement; that unauthorized use of the Marks would be a breach of the Franchise Agreement and an infringement of Link's rights in and to the Marks; that their use of the Marks and any goodwill established by their use of the Marks was exclusively for Link's benefit; and that the BACE Defendants would not use any Mark in any advertising concerning the transfer, sale, or other disposition of the BACE Defendants' Link Staffing® business or Guarantors' ownership interest in BACE.
- 30. Section 6 of the Franchise Agreement establishes recurring Service Fees (as that term is defined in the Franchise Agreement) to which Link was entitled over the term of the Franchise Agreement.
- 31. Under Section 6.B of the Franchise Agreement, Link is entitled to Service Fees equal to the greater of 8% of the Gross Billing (as the term is defined by the Franchise Agreement) of the Franchised Business, or Link's share of the Gross Margin (as the term is defined by the Franchise Agreement) of the Franchised Business, calculated as follows:

Monthly	Gross Billings	LINK's Share of Gross Margin	FRANCHISEE's Share of Gross Margin
4-Week Month	5-Week Month		
First \$40,000	First \$50,000	42%	58%

Next \$80,000 (\$40,000.01 - 120,000)	Next \$100,000 (\$50,000.01 - 150,000)	40%	60%
Next \$80,000 (\$120,000.01 - 200,000)	Next \$100,000 \$150,000.01 - 250,000)	38%	62%
Next \$120,000 (\$200,000.01 - 320,000)	Next \$150,000 (\$250,000.01 - 400,000)	36%	64%
Over \$320,000	Over \$400,000	34%	66%

These calculations were subject to certain adjustments under Section 6.C of the Franchise Agreement.

- 32. The BACE Defendants received access to certain confidential information from Link regarding the Link Staffing® System, including but not limited to Link's methods, specifications, standards, systems, procedures, techniques, client names and contact persons, client lists, and knowledge of the operating results and financial performance of Link Staffing® franchised businesses, as well as Link's Manuals (collectively "Confidential Information").
- 33. Pursuant to Section 9 of the Franchise Agreement, the BACE Defendants acknowledged and agreed, among other things, that the Confidential Information "is proprietary, includes LINK's trade secrets and is disclosed to [the BACE Defendants] solely on the condition that [the BACE Defendants] agree[], and [the BACE Defendants do] hereby agree, that [they] ... will not use Confidential Information in any other business or capacity."
- 34. Under Section 16.B(4) of the Franchise Agreement, Link has the right to terminate the Franchise Agreement, effective upon delivery of written notice of termination, if BACE "abandons or fails actively to operate the BUSINESS for three or more consecutive business days, unless the BUSINESS has been closed for a purpose LINK has approved or because of casualty or government order."

- 35. Pursuant to Section 17.A of the Franchise Agreement, the BACE Defendants acknowledged that if the Franchise Agreement was terminated, they would pay, within fifteen (15) days after the effective date of the termination, any amounts due to Link that were then unpaid, accrued, or otherwise arising in connection with the Franchised Business, including but not limited to: (a) fees or other amounts payable to Link under the Franchise Agreement; (b) all accounts receivable due to Link from Clients that the BACE Defendants serviced; (c) all amounts due to Link arising from Client accounts receivable that the BACE Defendants may have received from Clients and failed to forward to Link in accordance with Section 4.B of the Franchise Agreement; and (d) estimated reserve funds necessary to cover the BACE Defendants' share of certain costs and expenses.
- 36. Pursuant to Section 17.B of the Franchise Agreement, the BACE Defendants agreed that, upon termination of the Agreement:
  - (1) [the BACE Defendants] may not directly or indirectly at any time or in any manner ... identify [themselves] or any business as a current or former LINK Business, or as one of LINK's licensees or franchisees, use any Mark, any colorable imitation thereof or other indicia of a LINK Business in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with LINK; (2) [the BACE Defendants] agree[] to take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to [the BACE Defendants'] use of any Mark; (3) [the BACE Defendants] agree[] to deliver to LINK within thirty (30) days after the termination or expiration all materials containing any Mark or otherwise identifying or relating to a LINK Business and allow LINK, without liability to [the BACE Defendants] or third parties, to remove all such items from wherever they are located; (4) [the BACE Defendants | agree | to notify the telephone company and all telephone directory publishers of the termination or expiration of [the BACE Defendants'] right to use any telephone, telecopy or other numbers and any telephone directory listings associated with any Mark, authorize the transfer of such numbers and directory listings to LINK or at LINK's direction and/or instruct the proper authorities to forward all calls made to [the BACE Defendants'] numbers to numbers LINK specifies; and (5) [the BACE Defendants] agree[] to furnish LINK, within thirty (30) days after the effective date of termination or expiration,

with evidence satisfactory to LINK of [the BACE Defendants'] compliance with the foregoing obligations.

- 37. Pursuant to Section 17.C of the Franchise Agreement, the BACE Defendants agreed that, upon termination of the Agreement, they would (a) immediately cease to use any of the Confidential Information (including, but not limited to, any software Link had licensed to the BACE Defendants and all Link® Client and prospect Client lists) in any business or otherwise, (b) return to Link all copies of the Manuals and other confidential materials Link loaned to the BACE Defendants, and (c) provide to Link lists of all full-time and temporary employees and existing Clients and any other materials listing past and prospective Clients.
- 38. Pursuant to Section 17.D of the Franchise Agreement, the BACE Defendants agreed to the following covenants not to compete or solicit:
  - (1) Covenant Not to Compete. Upon (1) LINK's termination of this Agreement in accordance with its terms and conditions [or] (2) [the BACE Defendants'] termination of this Agreement without cause ... [BACE] and its owners agree that, for a period of two (2) years commencing on the effective date of termination or expiration of this Agreement, neither [BACE] nor any of its owners will have any direct or indirect interest (e.g., through a spouse or child [including Steven Bradley Morton]) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity in any Competitive Business [defined as any business operating, or granting franchises or licenses to others to operate, any temporary or permanent staffing business (other than a Link Business operated under a franchise agreement with Link) providing staffing services in or relating to any industry, field, or specialty skillset that Link does not prohibit from inclusion among the Services that Link Businesses may offer] operating within the DMA or the DMA's of any other LINK Businesses.

If [BACE] or any of its owners refuse or fail to comply with the foregoing obligations, the two (2) year non-competition period under this Section will be extended or "tolled" until, by the entry of an order of a court, an arbitrator, or otherwise (if necessary), [BACE] and its owners begin or resume compliance with the foregoing obligations. However, LINK shall continue to be entitled to all of its remedies for violations of these obligations during the tolling period.

- (2) Covenant Not to Solicit. Upon (1) LINK's termination of this Agreement in accordance with its terms and conditions, [or] (2) [the BACE Defendants'] termination of this Agreement without cause ... [BACE] and its owners agree that, for a period of two (2) years commencing on the effective date of termination or expiration of this Agreement, neither [BACE] nor any of its owners will: (A) in any way (or assist in any way to) solicit, divert, take away, interfere or engage in discussions or other communications with (regardless of who initiates such discussions or communications) any Restricted Customers (defined below) with the purpose or intent of promoting, selling or providing staffing services involving the placement of temporary and/or permanent employees specializing in skilled and semi-skilled crafts and trades, in unskilled/light industrial labor, in clerical/administrative/professional labor, or in any other Services then designated as part of the System during the Franchise term or not otherwise prohibited by LINK (see Section 1 above); or (B) solicit or hire any employee of LINK or any employee placed by a LINK Business.
- If [BACE] or any of its owners refuse voluntarily to comply with the foregoing obligations, the two (2) year non-solicitation period under this Section will be extended or "tolled" until, by the entry of an order of a court, an arbitrator, or otherwise (if necessary), [BACE] and its owners begin or resume compliance with the foregoing obligations. However, LINK shall continue to be entitled to all of its remedies for violations of these obligations during the tolling period.
- (3) **Restricted Customers**. A "Restricted Customer" is (a) any Client designated as, or having a connection to, a major account by LINK during the term of this Agreement (including, for example, Client-branded offices located in different cities); or (b) any other person, firm, trade, group, corporation, organization or other business or legal entity which, at any time during the five (5) year period immediately preceding the effective date of the termination or expiration of this Agreement:
  - (i) (I) was solicited by FRANCHISEE, (II) was an actual Client of the BUSINESS or LINK, or (III) participated in or influenced the hiring decisions of any such Client or prospective client; and
  - (ii) was solicited or serviced directly or indirectly by LINK, [the BACE Defendants,] the [Franchised] Business or any LINK Business.
- 39. Pursuant to Section 17.D(4) of the Franchise Agreement, the BACE Defendants acknowledged that Link has legitimate interests in protecting and preserving the Confidential Information, and that the Clients solicited or served by the BACE Defendants or their Franchised Business belong to Link.

- 40. Pursuant to Section 17.D(5) of the Franchise Agreement, Link has the right to examine the BACE Defendants' books, records, and any other documents relating to the operation of their staffing businesses during the two year non-compete and non-solicit period, including I-9 employment verification forms and all other employee records.
- 41. The BACE Defendants also acknowledged that the restrictions in Section 17.D "are reasonably necessary to protect the legitimate business interests of LINK and that, in particular, the time periods, territorial scope and scope of activity restricted by this Agreement are fair, appropriate and reasonable," and that the foregoing restrictions "will not (a) pose any unreasonable hardship on [BACE] and its owners, (b) deprive them of their personal goodwill or ability to earn a living, nor (c) prevent [BACE] or its owners from engaging in any trade or business including [BACE]'s and its owners' current occupations."
- 42. Pursuant to Section 19.C of the Franchise Agreement and Guaranty, the BACE Defendants agreed that, if it prevailed in any legal action, Link would be entitled to recover its reasonable costs and expenses (including attorneys' fees, arbitrators' fees, and expert witness fees, interest, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses, and travel and living expenses) incurred in connection with any judicial, arbitration, or other proceeding to enforce the terms of the Franchise Agreement.

### C. Link Terminated the Franchise Agreement due to the BACE Defendants' Abandonment of their Franchised Business

- 43. The BACE Defendants abandoned their Link Staffing® Franchised Business in violation of the terms of the Franchise Agreement.
- 44. The BACE Defendants sent Link a letter dated October 25, 2019, in which they stated they intended to terminate the Franchise Agreement and cease operating their Link Staffing® Franchised Business due to an unforeseen cyberattack on Link's technology system

that briefly caused an interruption to Link Staffing® franchised businesses but did not prevent those businesses from operating or providing services to Clients and Field Staff (as that term is defined in the Franchise Agreement). A true and correct copy of the October 25, 2019, letter is attached as Exhibit E.

- 45. Link responded by letter dated November 1, 2019, advising the BACE Defendants that their attempt to terminate the Franchise Agreement was not valid, because (a) Link did not breach the Franchise Agreement, (b) the BACE Defendants' October 25, 2019, letter failed to state or describe, with the required specificity, the express provisions of the Franchise Agreement that Link allegedly breached, (c) the BACE Defendants failed to provide Link with 60 days to cure the alleged breaches, as required by Section 16.A of the Franchise Agreement, and (d) the *force majeure* clause in Section 19.B prevented the BACE Defendants from relying on an unforeseen cyberattack to terminate the Franchise Agreement. A true and correct copy of the November 1, 2019, letter is attached as Exhibit F.
- 46. Shortly after sending its November 1, 2019, letter, Link learned that the BACE Defendants had abandoned their Link Staffing® Franchised Business and were operating a competing employment staffing business in violation of the non-compete and non-solicitation provisions of the Franchise Agreement. The BACE Defendants' abandonment was consistent with the previous representations they made to Link that they had "severed" and "terminated" their relationship with Link.
- 47. Specifically, on November 2, 2019, representatives of Link visited the BACE Defendants' Franchised Business and observed that the BACE Defendants had modified the "Link Staffing Services®" signs on the front door and in the front hallway of the business so that

they now say "Staffing Services®." True and correct copies of photographs of these signs are attached as Exhibit G.

- 48. By letter dated November 6, 2019 ("Notice of Termination"), Link advised the BACE Defendants that it was terminating the Franchise Agreement pursuant to Section 16.B(4) of the Agreement due to the BACE Defendants' abandonment of their Link Staffing® Franchised Business. A true and correct copy of the Notice of Termination is attached as Exhibit H.
- 49. The Notice of Termination also demanded that the BACE Defendants perform the following post-termination obligations:
  - a. Comply with all post-termination covenants against competition.
  - b. Comply with all post-termination covenants against solicitation.
  - c. Pay Link all amounts due and owing within fifteen days of the Notice of Termination, including all (a) all Service Fees in the estimated amount of \$13,000; (b) accounts receivable due to Link from Clients that the BACE Defendants serviced, estimated in the amount of \$444,000; (c) all amounts due to Link arising from Client accounts receivable that the BACE Defendants may have received directly from Clients and failed to forward to Link in accordance with Section 4.B of the Franchise Agreement, in an amount to be determined; (d) estimated reserve funds necessary to cover the BACE Defendants' share of pending workers' compensation cases, employment claims, or other legal, insurance, administrative, or other proceedings currently in process involving BACE or their or your employees, which are in the amount of \$111,000; and (e) lost future fees in the estimated amount of \$2,016,000.
  - d. Immediately cease using the Link Staffing Services® trademark and all other trademarks owned by Link.
  - e. Remove all Link Staffing® signage and displays from the BACE Defendants' Franchised Business premises, and alter the premise of the Franchised Business to differentiate it unmistakably from a Link Staffing® business.
  - f. Immediately take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to the BACE Defendants' use of any Mark;

- g. Notify the telephone company and all telephone directory publishers of the termination or expiration of the BACE Defendants' right to use any telephone, telecopy or other numbers and any telephone directory listings associated with any Mark.
- h. Authorize the transfer of such numbers and directory listings to Link or at Link's direction and/or instruct the proper authorities to forward all calls made to the BACE Defendants' numbers to numbers Link specifies.
- i. Immediately cease operating the Facebook page and Google account for the Franchised Business, and any other social media accounts associated with the Franchised Business.
- j. Return to Link all materials containing any Mark or otherwise identifying or relating to the BACE Defendants' former Franchised Business.
- k. Immediately cease using Link's Confidential Information (including, but not limited to, the software Link had licensed to the BACE Defendants and all Client and prospect lists) and return to Link all copies of the Manuals and any other confidential materials that Link has loaned to the BACE Defendants.
- 1. Provide to Link a list of all full-time and temporary employees, a list of all past and existing Clients, and a list of all prospective Clients.
- m. Notify all Clients and Field Staff that the BACE Defendants ceased operating their Franchised Business and advise Clients and Field Staff to contact Link for their employment and staffing needs.
- 50. As part of the Termination Notice, Link advised the BACE Defendants that if they failed to comply with the foregoing post-termination obligations, including the non-compete and non-solicitation provisions, Link would not hesitate to take legal action. Link stated that, as part of that action, it would seek (a) an immediate injunction seeking closure of any business being operated by the BACE Defendants in violation of Section 17.D of the Franchise Agreement, (b) an immediate injunction enforcing all of the BACE Defendants' post-termination obligations in the Franchise Agreement, (c) a disgorgement of all profits earned from any competing business operated by the BACE Defendants in violation of the Franchise Agreement, (d) damages related to the BACE Defendants' violations of the Franchise Agreement, including

their post-termination obligations, (e) all past due amounts; (f) lost future profits for the remaining term of the Franchise Agreement, and (g) attorneys' fees and costs, as allowed under Section 19.C of the Franchise Agreement.

- 51. Link has since learned that the Defendants have conspired to operate a competing business in the Jacksonville, Florida area under the names "PayDay Solutions" and/or "JTL Staffing," and are converting or attempting to convert Link Staffing® Clients and Field Staff to their competing staffing business, in violation of the Franchise Agreement and applicable law.
- D. Defendants are Collectively Operating or Assisting in the Operation of Competing Businesses Under the Names "PayDay Solutions" and "JTL Staffing," and are Infringing Upon the Link Staffing® Marks
- 52. Guarantors are owners, investors, directors, officers, employees, consultants, representatives, and/or agents of PayDay.
- 53. Defendants Steven Bradley Morton is an employee, consultant, representative, and/or agent of PayDay.
- 54. Defendants are diverting Link Staffing® Clients and Field Staff to their competing "PayDay Solutions" business.
- 55. Defendants Steven Bradley Morton is an employee, consultant, representative, and/or agent of JTL.
- 56. Guarantors, on their own and/or through their child Steven Bradley Morton, are employees, consultants, representatives, and/or agents of JTL.
- 57. Defendants are diverting Link Staffing® Clients and Field Staff to their competing "JTL Staffing" business.
- 58. Guarantors told other Link Staffing® franchisees and other third-parties that they would be operating a competing business following the termination of the Franchise Agreement.

- 59. Guarantors had previously represented to Link that their company, "PayDay Solutions," did not offer services that were competitive with the Link Staffing® system.
- 60. After the Franchise Agreement was terminated, Link learned that the BACE Defendants have been conspiring since at least September 2019 to convert Clients and Field Staff to a competing staffing business. Attached as Exhibit I is a true and correct copy of a September 16, 2019, email from Defendant Steven Craig Wells to a Link Staffing® Client attaching a Recruitment Process Outsourcing Agreement for service competitive with the Link Staffing® System. The agreement states that PayDay Solutions "will source, screen, and select candidates for West Fraser positions on an ongoing basis based on the positions required." These are the same services that Link provides to its Clients.
- 61. Before the termination, the BACE Defendants instructed Link Staffing® Clients and Field Staff to contact them through their "Pay Day HR Solutions" business. For example, on October 28, 2019, a Link Staffing® Client emailed Defendant Steven Bradley Morton, who was using a "paydayhrsolutions" email address. A true and correct copy of this email is attached as Exhibit J.
- 62. On November 5, 2019, another of the BACE Defendants' employees emailed a Link Staffing® Client using a "paydayhrsolutions.com" email address. In this email exchange, the BACE Defendants' employee directs the Client to send a Field Staff to 1845 Town Center Blvd, Ste. J, Fleming Island, Florida, an apparent alternative address for Defendants' competing staffing business. A true and correct copy of this email is attached as Exhibit K.
- 63. Since the termination, Defendants have collectively begun operating as "JTL Staffing" to compete with Link. As evidenced below, Defendants' JTL Staffing business posted "Picker Packer Warehouse," "Welder Fabricator," "Non CDL Driver," "Entry Level-Machine"

Operator," "Production Worker-Lumber Mill," and "Assembly Technician (Automotive)" positions on ZipRecruiter, listing the address of Defendants' former Link Staffing® Franchised Business:

Why JTL? Because with JTL, you're not just a number. You're not just another employee. We know you; you become part of our JTL family. We're available 24/7 and strive hard to meet each employee's specific needs. When you succeed, WE succeed.



Address

1496 Park Ave. Orange Park, FL 32073

Jacksonville, FL

Defendants posted these positions before the November 6, 2019, termination of the Franchise Agreement. True and correct copies of these ZipRecruiter posts are attached as Exhibit L.

- 64. The record also demonstrates that Defendants are in the process of moving their competing business to another location within the BACE Defendants' former DMA. Specifically, Link obtained a Letter of Intent, dated November 5, 2019, in which the landlord agreed to lease an office to Defendants located at 1701 Smith Street, Orange Park, Florida 32073. The Letter of Intent lists the Tenant as "Link Staffing 1496 Park Avenue, Orange Park, FL 32073," demonstrating not only that Defendants are operating a competing staffing business, but that Defendants are using the Link Staffing® trademarks and holding themselves out as Link Staffing® franchisees. A true and correct copy of the November 5, 2019, Letter of Intent to Lease is attached as Exhibit M.
- 65. Guarantors are also continuing to identify themselves as Link Staffing® franchisees in other mediums. On his LinkedIn page, Mr. Wells identifies himself as "the Owner and Vice President of BACE Services dba Link Staffing Services operating in the Jacksonville,"

FL market." Ms. Pope-Wells' LinkedIn page also identifies her as "Owner of Link Staffing ..." and her reelection website states that she owns and operates "Link Staffing." True and correct copies of screenshots of Guarantors' LinkedIn pages and the reelection website are attached as Exhibits N through P.

- 66. The BACE Defendants also continue to own and use a Link Staffing® Facebook page to advertise staffing services. A true and correct copy of a screenshot of the BACE Defendants' Link Staffing® Facebook page is attached as Exhibit Q.
- 67. The BACE Defendants also have several directory listings in which they continue to use and advertise the Link Staffing® name.
- 68. Using invoices bearing the "JTL Staffing" name, Defendants are now billing Link Staffing® Clients for services that the BACE Defendants provided as Link Staffing® franchisees, causing actual confusion. Specifically, on November 11, 2019, a Client called Link because it had received an invoice from "JTL Staffing," and was not sure whom it should pay. While the invoice itself bore the name "JTL Staffing," Defendants had attached a timesheet dated October 30, 2019, which bore the Link® Mark. A true and correct copy of one of Defendants' JTL Staffing invoices is attached as Exhibit R.
- 69. Link also obtained an email dated November 12, 2019, from a Link Staffing® Client to Defendant Steven Craig Wells titled, "Multilingual Staff Services LLC/Link Staffing-JTL Solutions." The email demonstrates that this Client believes that Defendants' Link Staffing® Franchised Business and their competing JTL Staffing business are one and the same. A true and correct copy of the November 12, 2019, email is attached as Exhibit S.
- 70. JTL had no presence in the Jacksonville, Florida area before Defendants began operating their competing "JTL Staffing" business there.

- 71. By letter dated November 14, 2019 ("Cease and Desist Letter"), Link advised JTL of the existence of the Franchise Agreement and Guaranty, and the BACE Defendants' obligations thereunder. A true and correct copy of Cease and Desist Letter is attached as Exhibit T.
- 72. The Cease and Desist Letter also demanded that JTL immediately cease working with, or acting in concert or participation with, the BACE Defendants and Steven Bradley Morton in the operation of a competing staffing business in the BACE Defendants' former DMA. The Cease and Desist Letter also demanded that JTL immediately cease contacting, soliciting, diverting, or attempting to divert any Link Staffing® Clients, Field Staff, or employees to JTL. Further, the letter demanded that JTL cease and desist from using and infringing upon Link's Marks. Finally the letter demanded that JTL cease and desist from using Link's trade secrets and confidential information, including Link's client lists and Link's sales and service manuals.
- 73. By letter dated November 15, 2019, JTL confirmed that Defendant Steven Bradley Wells is currently employed by JTL. JTL also stated that it would not cease operating. A true and correct copy of JTL's November 15, 2019, letter is attached as Exhibit U.
- 74. JTL continues to send billing invoices to Link Staffing® Clients for services the BACE Defendants provided as Link Staffing® franchisees.
- 75. The fact that JTL is billing Link's Clients for services provided by the BACE Defendants demonstrates that the BACE Defendants have transferred Link's Client lists, account information, and other Confidential Information to JTL for JTL Staffing business.
- 76. Link is also receiving telephone calls from Link Staffing® Field Staff who are confused about the association between the Link Staffing® System and the BACE Defendants'

competing "JTL Staffing" business. For example, a Field Staff employee called Link on November 21, 2019, looking for another assignment. The employee had been working with a Client of Link that was improperly transferred to JTL after the BACE Defendants ceased operating their Link Staffing® Franchised Business. The employee came to Link for a new assignment because he thought he was still working for Link.

- 77. The BACE Defendants continue to communicate with Link Staffing® Clients, in violation of the post-termination covenant not to compete. For example, on November 19, 2019, Link issued a statement to its Clients announcing the establishment of a replacement Link Staffing® in the Jacksonville, Florida area. A true and correct copy of the November 19, 2019, statement is attached as Exhibit V.
- 78. Within an hour of Link's November 19, 2019, statement, Defendant Steven Craig Wells went to Link's new Jacksonville, Florida office to complain about the statement.
- 79. Because the statement was issued only to Link Staffing® Clients, Mr. Wells could only have obtained a copy through his communications with those Clients, in violation of the post-termination covenant not to solicit.
- 80. On November 20, 2019, Defendant Steven Craig Wells posted a Facebook post stating "we must respond to [Link's November 19, 2019, statement] in order to preserve the transparency and honest communications we've always tried to provide to our friends, clients, and employees." A true and correct screenshot of this Facebook post is attached as Exhibit W.
- 81. Mr. Wells' actions demonstrate that the BACE Defendants are trying to maintain relationships with Link Staffing® Clients and Field Staff in order to divert, or assist in diverting, those Clients and Field Staff to Defendants' competing PayDay Solutions and/or JTL Staffing businesses.

- 82. The above facts demonstrate that the BACE Defendants have refused and/or failed to do the following in violation of their post-termination obligations: (a) cease operating their competing business; (b) cease soliciting Clients and Field Staff; (c) discontinue use of the Link Staffing® Marks; (d) cease identifying themselves as a current or former Link Staffing® Franchised Business; (e) authorize the transfer of the telephone numbers associated with their former Link Staffing® Franchised Business to Link (including the 904-644-8350 telephone number); (f) cease using and return to Link all Confidential Information, including, but not limited to, all Manuals and Client lists; (g) deliver to Link all materials containing the Link Staffing® Marks; and (h) provide to Link lists of all full-time and temporary employees and Field Staff and existing Clients, and any other materials listing past and prospective Clients.
- 83. These facts also demonstrate that the BACE Defendants continue to conspire with PayDay, JTL, and/or Defendant Steven Bradley Morton to operate a competing staffing business using the Link Staffing® Marks, and solicit and divert Clients and Field Staff, in violation of the Franchise Agreement.
- 84. Defendants Steven Bradley Morton, PayDay, and JTL are nothing more than the alter ego of the BACE Defendants and are being used as an instrumentality to continue the BACE Defendants' employment staffing business in violation of the Franchise Agreement. Mr. Morton, PayDay, and JTL are so closely related to the BACE Defendants and the contractual dispute arising from the Franchise Agreement that it is foreseeable that they could and should be brought into this District to account for their actions. In particular, all Defendants are availing themselves of the benefits of the Franchise Agreement, in which the BACE Defendants consented to jurisdiction in this District regarding any dispute related to those benefits.

- 85. Defendants have no legal right to assist each other in the operation of a competing staffing business in the BACE Defendants' former DMA, or use the Marks in the operation of that business. Although Defendants were instructed by Link to cease and desist from using the Link Staffing® Marks, and from acting in concert and participation to operate a competing business in violation of the Franchise Agreement, they have failed to do so.
- Defendants continue to operate the competing "PayDay Solutions" and "JTL Staffing" businesses in the BACE Defendants' former DMA, use Link's Mark and Confidential Information, and wrongfully suggest an association between their independent business and the Link Staffing® Business System. A dissatisfied Client or Field Staff of Defendants' competing business will incorrectly attribute that dissatisfaction to Link and other Link Staffing® franchisees. This is potentially damaging not only to Link, but also to all of its franchisees who rely on the reputation of the Link Staffing® Marks in the operation of their businesses. In addition, the harm suffered to Link's goodwill will likely make it difficult for Link to refranchise the area as it will have lost some of its established Client base and goodwill. Link requires immediate and permanent injunctive relief to prevent Defendants from continuing to trade off Link's name and trademark.
- 87. Because Defendants are not a current franchisee, Link has no control over them, their competing business, or their use of the Marks. Nor does Link have any control over the Services being offered by Defendants. This has the potential of causing significant harm to the reputation and goodwill associated with Link's System and the Marks.

- 88. To allow a competitor's business to continue to confuse the public as to its affiliation with the Link Staffing® System places the reputation, goodwill and integrity of the Link Staffing® Marks in jeopardy.
- 89. Defendants' continuing, deliberate, wanton, and fraudulent use of the Marks and continued operation of a competing business in the BACE Defendants' former DMA is causing confusion, mistake, and deception among the relevant consumer public as to the source of its services, and subjects Link's rights in the Marks to irreparable injury. Link has no adequate remedy at law, and the only meaningful relief is an injunction enjoining Defendants from unlawfully and wrongfully infringing upon the Marks.

# COUNT I BREACH OF FRANCHISE AGREEMENT AND GUARANTY FAILURE TO PAY FEES AND OTHER AMOUNTS (BACE Defendants)

- 90. Link hereby incorporates by reference all preceding paragraphs herein.
- 91. The Franchise Agreement and Guaranty constitute lawful and binding contracts.
- 92. BACE had a contractual obligation under the Franchise Agreement to pay Link certain Service Fees, and other fees as set forth in the Franchise Agreement.
- 93. BACE had a contractual obligation under the Franchise Agreement to pay Link all accounts receivable due to Link from Clients that the BACE Defendants serviced, and accounts receivable that the BACE Defendants received from Clients.
- 94. Upon termination, BACE had a contractual obligation under the Franchise Agreement to pay Link estimated reserve funds necessary to cover the BACE Defendants' share of certain costs and expenses.
- 95. Pursuant to the Guaranty, Guarantors agreed to be personally liable to Link for amounts owed by BACE under the Franchise Agreement.

- 96. Link has performed all conditions, covenants, and promises required to be performed by it pursuant to the Franchise Agreement and Guaranty.
- 97. The BACE Defendants are in breach of the Franchise Agreement and Guaranty as a result of their failure to pay all fees and other amounts due and owing under the Franchise Agreement.
- 98. As a direct result of the BACE Defendants' breaches, Link has been damaged in an amount to be proven at trial but in no event less than \$568,000, plus costs, disbursements, interest, and attorneys' fees.

### COUNT II BREACH OF FRANCHISE AGREEMENT AND GUARANTY FAILURE TO PAY FUTURE FEES

- 99. Link hereby incorporates by reference all preceding paragraphs herein.
- 100. The Franchise Agreement and Guaranty required the BACE Defendants to pay Link Service Fees and other fees set forth in the Franchise Agreement, for the entire term of the Franchise Agreement.
- 101. The BACE Defendants caused the premature termination of the Franchise Agreement by abandoning their Link Staffing® Franchised Business.
- 102. By virtue of the BACE Defendants' premature termination of the Franchise Agreement, Link sustained a loss of future revenue over the remainder of the term of the Franchise Agreement.
- 103. Link has been damaged by the BACE Defendants' breach of their obligations to operate the Link Staffing® franchise for the remaining term of the Franchise Agreement.

104. As a direct result of their breaches, the BACE Defendants are liable to Link for damages in an amount to be proven at trial – but in no event less than \$2,000,000, plus costs, disbursements, interest, and attorney's fees.

# COUNT III BREACH OF FRANCHISE AGREEMENT AND GUARANTY FAILURE TO COMPLY WITH POST-TERMINATION OBLIGATIONS (BACE Defendants)

- 105. Link hereby incorporates by reference all preceding paragraphs herein.
- 106. The BACE Defendants have failed to comply with the post-termination obligations set forth in Sections 17.A, 17.B, and 17.C of the Franchise Agreement.
- 107. The BACE Defendants' failure to comply with the post-termination obligations set forth in the Franchise Agreement is causing irreparable harm and damage to Link, is causing confusion in the marketplace, and will impair the goodwill associated with Link's Marks.
- 108. Link has no adequate remedy at law to protect its substantial business and property rights. The damages from the BACE Defendants' failure to comply with the post-termination obligations are considerable and continuing, and thus not capable of ascertainment.
- 109. Link is entitled to immediate and permanent injunctive relief enforcing all post-termination obligations of the Franchise Agreement.
- 110. As a direct and proximate result of the BACE Defendants' actions, Link has suffered and is continuing to suffer irreparable injury, and has incurred and is continuing to incur monetary damages in an amount that has yet to be determined, plus costs, disbursements, interest, and attorneys' fees.

#### **COUNT IV**

## BREACH OF FRANCHISE AGREEMENT AND GUARANTY FAILURE TO COMPLY WITH NON-COMPETE AND NON-SOLICITATION (All Defendants)

- 111. Link hereby incorporates by reference all preceding paragraphs herein.
- 112. Defendants have failed to comply with the post-termination non-compete and non-solicitation provisions in Section 17.D of the Franchise Agreement.
- 113. Defendants' failure to comply with the post-termination covenants not to compete or solicit set forth in the Franchise Agreement is causing irreparable harm and damage to Link, is causing confusion in the marketplace, and will impair the goodwill associated with the Link Staffing® Marks.
- 114. Link has no adequate remedy at law to protect its substantial business and property rights. The damages from Defendants' failure to comply with the post-termination non-compete and non-solicitation provisions in Section 17.D is considerable and continuing, and thus not capable of ascertainment.
- 115. Link is entitled to immediate and permanent injunctive relief enforcing the non-compete and non-solicitation provisions in Section 17.D.
- 116. As a direct and proximate result of the BACE Defendants' actions, Link has suffered and is continuing to suffer irreparable injury, and has incurred and is continuing to incur monetary damages in an amount that has yet to be determined, plus costs, disbursements, interest, and attorneys' fees.

## COUNT V FEDERAL TRADEMARK INFRINGEMENT (All Defendants)

- 117. Link hereby incorporates by reference all preceding paragraphs herein.
- 118. Link has registered certain of its Marks with the United States Patent and Trademark Office.
- 119. Since registering its trademark, Link has extensively advertised its Marks in connection with its products and services.
  - 120. Defendants have no right to use Link's Marks.
- 121. Notwithstanding demands by Link for Defendants to cease use of Link's Marks in the operation of their competing business in violation of the Lanham Act, Defendants continue to do so.
- 122. Defendants' unauthorized use and display of Link's Marks constitutes willful and intentional infringement of the trademark in violation of Section 43(g) of the Lanham Act, 15 U.S.C. §§ 1114 and 1125(a).
- 123. Defendants' acts were done knowingly and intentionally to cause confusion, or to cause mistake, or to deceive.
- 124. Defendants' use in commerce of the Link Staffing® Marks without the consent of Link is causing confusion and deceiving the public into believing, contrary to fact, that the unauthorized activities of Defendants are licensed, franchised, sponsored, authorized, or otherwise approved by Link.
- 125. Link has suffered and is continuing to suffer irreparable injury, and has incurred and is continuing to incur monetary damage in an amount that has yet to be determined.

- 126. Link has no adequate remedy at law to protect its substantial business and property rights. The damages from Defendants' activities are considerable and continuing and thus not capable of ascertainment.
- 127. Link is entitled to immediate and permanent injunctive relief preventing Defendants from further infringement of the Marks.
- 128. As a direct and proximate result of Defendants' actions, Link has suffered and is continuing to suffer irreparable injury, and has incurred and is continuing to incur monetary damages in an amount that has yet to be determined, plus costs, disbursements, interest, and attorneys' fees.

#### COUNT VI FALSE DESIGNATION OF ORIGIN/FEDERAL UNFAIR COMPETITION (All Defendants)

- 129. Link hereby incorporates by reference all preceding paragraphs herein.
- 130. Defendants have infringed Link's rights by using the Link Staffing® Marks without authority. Defendants are using the Link Staffing® Marks in their advertising and operation of their competing business.
- and induced into using Defendants' services with the belief that the goods and services are delivered by an authorized licensee of Link. Customers have been or are likely to be confused as to the sponsorship of the products and services sold by Defendants, while they continue to hold themselves out to be a franchisee, or former franchisee, of the Link Staffing® System.
- 132. Defendants' actions constitute unfair competition in violation of 15 U.S.C. § 1125(a) and common law.

- 133. Defendants' acts were done knowingly and intentionally to cause confusion, or to cause mistake, or to deceive.
- 134. Link has suffered and is continuing to suffer irreparable injury, and has incurred and is continuing to incur monetary damage in an amount that has yet to be determined.
- 135. Link has no adequate remedy at law to protect its substantial business and property rights. The damages from Defendants' activities are considerable and continuing and thus not capable of ascertainment.
- 136. Link is entitled to preliminary and permanent injunctive relief preventing Defendants' unfair competition.
- 137. As a direct and proximate result of Defendants' actions, Link has suffered and is continuing to suffer irreparable injury, and has incurred and is continuing to incur monetary damages in an amount that has yet to be determined, plus costs, disbursements, interest, and attorneys' fees.

#### COUNT VII TORTIOUS INTERFERENCE (Steven Bradley Morton, PayDay, and JTL)

- 138. Link hereby incorporates by reference all preceding paragraphs herein.
- 139. Link and the BACE Defendants are parties to a written Franchise Agreement and Guaranty.
- 140. Steven Bradley Morton is aware of the existence of the Franchise Agreement and Guaranty as he was an employee of the BACE Defendants' former The Link Staffing® franchised business.
- 141. PayDay is aware of the existence of the Franchise Agreement and Guaranty as it is owned and operated by Guarantors.

- 142. JTL is aware of the existence of the Franchise Agreement and Guaranty as a result of Link's Cease and Desist Letter.
- 143. Steven Bradley Morton, PayDay, and JTL were aware of the obligations contained in the Franchise Agreement, including obligations to maintain the confidentiality of Confidential Information (including Client lists, Client contacts, and account information), refrain from operating a competitive business in the BACE Defendants' former DMA after the term of the Franchise Agreement, refrain from communicating, soliciting, or diverting (or attempting to solicit or divert) Link Staffing® Clients and Field Staff a competitive business, and other post termination obligations.
- 144. Steven Bradley Morten, PayDay, and JTL tortiously interfered with Link's contractual relationship with the BACE Defendants by conspiring with the BACE Defendants to establish a competing business in the BACE Defendants' former DMA, using and displaying Link Staffing® Marks in connection with that business, using Link's Confidential Information, and using Client and Field Staff contact information for the purpose soliciting and diverting Clients and Field Staff on behalf of "PayDay Solutions" and/or "JTL Staffing."
- 145. Steven Bradley Morton, PayDay, and JTL purposely conspired and constructed their competitive business operation with the intent to evade the BACE Defendants' obligations under the Franchise Agreements, including the obligation to refrain from diverting or attempting to divert Clients and Field Staff to a competitor, and/or operating a directly competitive business after termination of the Franchise Agreement.

- 146. Steven Bradley Morton, PayDay, and JTL also tortiously interfered with Link's contractual and business relationships with Link Staffing® Clients and Field Staff by soliciting those Clients and Field Staff and convincing them to cancel their service with Link and instead obtain staffing services from PayDay and/or JTL.
- 147. Steven Bradley Morton, PayDay, and JTL's tortious interference with Link's contractual rights and business relationships regarding its Clients and Field Staff was intentional and without justification.
- 148. As a direct result of Steven Bradley Morton, PayDay, and JTL's tortious interference with Link's contractual rights, Link has been damaged in an amount in an amount to be proven at trial, plus costs, disbursements, interest, and attorneys' fees.

#### COUNT VIII CIVIL CONSPIRACY (All Defendants)

- 149. Link hereby incorporates by reference all preceding paragraphs herein.
- 150. With full knowledge of the non-compete and non-solicitation obligations contained in the Franchise Agreement, Defendants developed a plan and scheme to set up the "PayDay Solutions" and/or "JTL Staffing" businesses in the BACE Defendants' former DMA for the specific purpose and intent of soliciting and diverting Link's customers to "PayDay Solutions" and/or "JTL Staffing" and evade the non-compete provisions in the Franchise Agreement.
- 151. The purpose and objective of Defendants' conduct was to make Link's Clients and Field Staff cease doing business with Link and transfer those customers to "PayDay Solutions" and/or "JTL Staffing" while at the same time avoiding the obligations under the terms of the Franchise Agreement.

- 152. In furtherance of the conspiracy described above, Defendants set up the competing "PayDay Solutions" and/or "JTL Staffing" businesses in the BACE Defendants' former DMA for the purpose of avoiding the BACE Defendants' obligations under the Franchise Agreement.
- 153. Defendants created, planned, and implemented their conspiracy in secret to deprive Link of financial benefits, deprive Link of benefits of the Franchise Agreement, and deprive Link of the opportunity to retain the customer goodwill developed under Link's name, Marks, System, and reputation.

#### COUNT IX ATTORNEYS' FEES (BACE Defendants)

- 154. Link incorporates by reference all preceding paragraphs herein.
- 155. Pursuant to Section 19.C of the Franchise Agreement and the Guaranty, Defendants agreed to pay Link for any and all reasonable costs and expenses (including attorneys' fees, arbitrators' fees, and expert witness fees, interest, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses, and travel and living expenses) incurred by Link in connection with any judicial, arbitration, or other proceeding to enforce the terms of the Franchise Agreement.
- 156. Link commenced this action to recover unpaid and past due fees and other amounts due and owing, and to obtain injunctive relief and specific performance to enforce the provisions of the Franchise Agreement. Link is entitled to recover their attorneys' fees and costs in connection with this action, in an amount to be proven at trial.

WHEREFORE, Link prays for judgment against Defendants as follows:

A. For an order ratifying and enforcing the termination of the Franchise Agreement;

- B. For an award against the BACE Defendants, jointly and severally, for past due Service Fees and other fees, plus accrued interest, in an amount to be proven at trial, but estimated to be in excess of \$75,000;
- C. For an award against the BACE Defendants, jointly and severally, for all lost future fees and profits resulting from their premature termination of the Franchise Agreement, plus accrued interest, in an amount to be proven at trial, but estimated to be in excess of \$2 million;
- D. For an award against all Defendants, jointly and severally, for all actual and consequential damages, in an amount to be proven at trial;
  - E. For an order for a preliminary and permanent injunction directing that:
  - (1) Defendants and their officers, directors, shareholders, members and/or partners, beneficial owners, investors, employees, consultants, representatives, attorneys and agents, and all others in active concert or participation with them, immediately cease using or employing any of Link's Marks, or any other name, designation, or mark which is deceptively or confusingly similar to, or likely to cause confusion with, any of Link's Marks in connection with the operation, promotion, or advertising of any business; and
  - (2) The BACE Defendants and their officers, directors, shareholders, members and/or partners, beneficial owners, investors, employees, consultants, representatives, attorneys and agents, and all others in active concert or participation with them including, but not limited to, Steven Bradley Morton, PayDay, and JTL to comply with all post-termination obligations of the Franchise Agreement, including, but not limited to, the non-compete and non-solicitation provisions in Section 17D;

- F. For an order, pursuant to 15 U.S.C. § 1116, requiring Defendants to file with the Court and serve on Link, within fifteen (15) days after service on it of an Order of injunction, a written report, under oath, setting forth in detail the manner and form in which Defendants have complied with the injunction;
- G. For an award against Defendants, jointly and severally, for the damages Link has sustained and the profits Defendants have derived as a result of their operation of a competing staffing business in violation of the non-compete and non-solicitation provisions in the Franchise Agreement;
- H. For an award against Defendants, jointly and severally, for the damages Link has sustained and the profits Defendants have derived as a result of their trademark infringement and unfair competition, assessing such damages in a separate accounting procedure, and then trebling those damages in accordance with Section 35 of the Lanham Act, 15 U.S.C. § 1117;
- I. For an award against the BACE Defendants, jointly and severally, for Link's reasonable costs and expenses, including attorneys' fees, incurred in enforcing the provisions of the Franchise Agreement and Guaranty;
- J. For an award against Defendants, jointly and severally, for Link's costs, disbursements, and attorneys' fees incurred in this action, as allowed by the Lanham Act;
- K. For an award against Defendants, jointly and severally, for prejudgment interest in accordance with § 35 of the Lanham Act, 15 U.S.C. § 1117; and
  - L. For such other and further relief as the Court deems just and equitable.

DATED: November 22, 2019

### AHMAD, ZAVITSANOS, ANAIPAKOS, ALAVI & MENSING P.C.

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