UNITED STATES DISTRICT COURT EASTERN DISTRICT OF LOUISIANA

| THE RUBY SLIPPER CAFE, LLC, |) Civil Action No.: |
|-----------------------------|-----------------------|
| Plaintiff, |)) Judge: |
| versus |) Magistrate: |
| CHRISTOPHER BELOU and CB |) |
| HOSPITALITY, LLC, |) JURY TRIAL DEMANDED |
| Defendants. |)) |
| |) |

VERIFIED COMPLAINT FOR INJUNCTIVE RELIEF AND DAMAGES

Plaintiff The Ruby Slipper Café, LLC ("Ruby Slipper") brings this Verified Complaint for Injunctive Relief and Damages ("Complaint") against Defendants Christopher Belou ("Belou") and CB Hospitality, LLC ("CBH"), and as cause therefor states:

INTRODUCTION

- 1. Ruby Slipper, the owner and operator of the Ruby Slipper Café restaurants, brings this action to stop its former senior executive, Defendant Belou, and his newly formed operating entity, Defendant CBH, from violating their contractual, civil law, and statutory obligations to Ruby Slipper, and to recover damages resulting from their unlawful conduct.
- 2. In the Fall of 2017, with the imminent opening of a new location and corporate headquarters on South Broad Street in New Orleans, Ruby Slipper faced a critical business decision whether to remain at its original New Orleans location on South Cortez Street until the end of its lease on April 30, 2018, or to negotiate with the landlord to vacate that space by year end.

- 3. Naturally, Ruby Slipper sought the input of Belou, who was Ruby Slipper's long standing in-house expert on the siting and opening of new restaurant locations. When Belou urged Ruby Slipper to vacate by year end, Ruby Slipper believing Belou to be acting solely in Ruby Slipper's best interest, as he was obligated to do took his advice, negotiated an early termination of the lease, and vacated the space on December 31, 2017.
 - 4. As it turns out, Belou deceived Ruby Slipper.
- 5. Ruby Slipper has discovered that Belou committed a gross breach of trust. While purporting to act in Ruby Slipper's best interest, Belou was in fact secretly negotiating with the landlord to lease, *for himself*, the Cortez Street location, in order to open, in Ruby Slipper's original location, a competing restaurant; a restaurant, moreover, based on Ruby Slipper's Southern-breakfast-and-brunch-all-day model.
- 6. Even worse, it now appears that Belou was sharing with the landlord the details of Ruby Slipper's confidential internal business discussions.
- 7. It is clear also that Belou attempted to, and likely did, misappropriate confidential information from Ruby Slipper and attempted, as part of his illicit plans, to disrupt Ruby Slipper's operations. After he abruptly resigned from Ruby Slipper, but before his computer access was terminated, Belou accessed Ruby Slipper's computer systems and, at a minimum, took steps to delete operational data from at least one of Ruby Slipper's computer databases.
- 8. Belou is now working to realize the fruits of his illegal scheme. He has already begun construction at the Cortez Street location, and he has put signs in the windows, using colors and fonts similar to Ruby Slipper's, announcing that, "BRUNCH is coming back to this location!!!"

- 9. Based on Defendants' unlawful conduct, Ruby Slipper asserts claims for:
 Violation of the Defend Trade Secrets Act; Violation of the Louisiana Uniform Trade Secrets
 Act; Violation of the Computer Fraud and Abuse Act; Violation of the Louisiana Unfair Trade
 Practices Act; Breach of Contract; Bad Faith Breach of Contract; Breach of the Implied
 Covenant of Good Faith and Fair Dealing; Unjust Enrichment; Conversion; Breach of Fiduciary
 Duty/Duty of Loyalty; and Fraud.
- 10. In addition, to prevent further irreparable harm, Ruby Slipper seeks a temporary restraining order and preliminary and permanent injunctive relief requiring Defendants, and all those in active concert with them, to, among other things, honor their contractual, statutory, and civil law obligations concerning Ruby Slipper's confidential information, and to postpone any actions to open or operate a restaurant at the Cortez Street location until Ruby Slipper has received the benefit from remaining in the space for the full lease term, which it would have enjoyed but for Belou's unlawful and unethical conduct.

PARTIES

- 11. Plaintiff Ruby Slipper is a Louisiana limited liability company, with a principal place of business in New Orleans, Louisiana.
- 12. Defendant Belou, upon information and belief, is a citizen of Louisiana, residing at 58109 Abs Road, Slidell, Louisiana.
- 13. Defendant CBH is a Louisiana limited liability company, with a registered principal place of business at 58109 Abs Road, Slidell, Louisiana. Upon information and belief, however, CBH actually operates out of 139 South Cortez Street, New Orleans, Louisiana.
- 14. Upon information and belief, Belou is the sole member, manager, and officer of CBH.

JURISDICTION AND VENUE

- 15. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §1331. More specifically, this action arises under the Defend Trade Secrets Act of 2016, 18 U.S.C. §1836, and the Computer Fraud and Abuse Act, 18 U.S.C. §1030, and this Court has supplemental jurisdiction over the remaining claims pursuant to 28 U.S.C. §1367.
- 16. Venue in this district is proper pursuant to 28 U.S.C. §1391, because all Defendants reside in this district, and because a substantial part of the events or omissions giving rise to the claims asserted herein occurred in this district.
- 17. This Court has personal jurisdiction over Defendants because, among other bases, they are citizens of Louisiana.

FACTS

Ruby Slipper's Business.

- 18. Ruby Slipper owns and operates Ruby Slipper Café, a restaurant concept with locations around New Orleans, as well as in Baton Rouge; Pensacola, Florida; and Orange Beach, Alabama.
- 19. Ruby Slipper Café is an award-winning restaurant famous for its all-day breakfast, brunch, and lunch offerings, which bring a New Orleans flair to southern breakfast standards, brunch classics, and fresh lunch dishes, as well as for its signature cocktails.
- 20. Ruby Slipper Café was founded in 2008 by the husband and wife team of Jennifer Weishaupt ("Jennifer") and Erich Weishaupt ("Erich"), former engineers who opened the first Ruby Slipper Café location at 139 South Cortez Street (the "Cortez Street Location") to help revitalize their Mid-City New Orleans neighborhood as it was recovering from the devastation of Hurricane Katrina.

- 21. The original Ruby Slipper Café was a resounding success, winning a loyal following and attracting the attention of New Orleans' top food critics.
- 22. Ruby Slipper expanded rapidly over the next several years, opening additional locations in Louisiana, Alabama, and Florida.

Ruby Slipper's Trade Secrets and Confidential Information.

- 23. Over the nearly 10 years of its existence, Ruby Slipper has developed and maintains a substantial amount of trade secrets and confidential and proprietary information, including but not limited to: business policies; pricing, marketing, distribution, finances, and sales information and business plans; customized software and marketing tools; customer lists; lists of suppliers; recipes; training materials, including methodologies, processes, and practices developed and/or used by Ruby Slipper; management and administrative systems; intellectual property rights; and license agreements for use of third-party intellectual property ("Confidential Information"). Ruby Slipper's Confidential Information is unique to its specific business model.
- 24. Amongst Ruby Slipper's most sensitive Confidential Information, in addition of course to its secret recipes, is its formula for opening new restaurants, including kitchen configuration and other design and construction strategies for ideal operational efficiency; strategies developed and built upon Jennifer's and Erich's unique background as engineersturned-restaurateurs.
- 25. Ruby Slipper also has developed its own specific designs and configurations of menus, tables, chairs, plates, glasses, silverware, and similar items, optimized for maximum efficiency in opening and operating its restaurants.

- 26. Additionally, Ruby Slipper has relationships with a number of vendors who sell items to Ruby Slipper, or have deals with Ruby Slipper, that are not available to other purchasers.
- 27. Some food vendors, for example, source specialty items that are not part of their regular offerings to Ruby Slipper's specifications, and sell those items only to Ruby Slipper.
- 28. Similarly, Ruby Slipper has worked with its equipment vendors to develop and refine packages of equipment and small wares specifically for, and sold only to, Ruby Slipper.
- 29. Ruby Slipper's Confidential Information was developed over many years, and with substantial expenditure of time and resources. Indeed, Ruby Slipper developed its Confidential Information over the course of a decade with an extensive investment of labor, skill, money, and knowledge gained from experiences with customers, vendors, and government boards and agencies.
- 30. Ruby Slipper's Confidential Information, moreover, has been memorialized in written form, most of which is stored on Ruby Slipper's computer systems under password protections.
- 31. The Confidential Information is highly valuable, not generally known outside of Ruby Slipper, and would be of significant value to Ruby Slipper's competitors if known by them. Ruby Slipper derives a competitive advantage and independent economic value, both actual and potential, from its Confidential Information, because the Confidential Information is not generally known to the public or to others who can obtain economic value from its disclosure or use. Ruby Slipper has become an award-winning market leader based in part on its Confidential Information.

32. Consequently, Ruby Slipper takes extensive measures to preserve the secrecy of its Confidential Information, including but not limited to: requiring employees to sign confidentiality agreements; requiring employees to read and sign an acknowledgment of a handbook that includes Ruby Slipper's confidentiality policy; and employing physical and electronic security measures, including locked filing cabinets and password protected access to Ruby Slipper's computer systems and databases.

Belou's Relationship With Ruby Slipper.

- 33. Excluding the period between September 2010 and January 2013, when Belou left to pursue experience in the hotel industry, Belou has been associated with Ruby Slipper, in various capacities, since 2008 the year of its founding.
- 34. Other than the two founders, there is no one in the 10 years of Ruby Slipper's existence who has been more involved in or knows more about Ruby Slipper than Belou.
- 35. Ruby Slipper initially hired Belou in the Fall of 2008 as a consultant and temporary general manager in connection with the opening of its first restaurant at the Cortez Street Location. In January 2009, Ruby Slipper brought on Belou full time, as a permanent restaurant manager at the Cortez Street Location.
- 36. Over the ensuing years, Belou worked for Ruby Slipper in positions of increasing responsibility, eventually becoming Ruby Slipper's Head of Business Development a part of its Executive Leadership Team in March 2015.
- 37. Belou was Ruby Slipper's expert and trusted confidant in siting and opening new restaurant locations. He was intimately involved with all aspects of opening each new Ruby Slipper restaurant, and there was no one in the Ruby Slipper organization with more knowledge or expertise in siting and opening new Ruby Slipper locations than Belou.

- 38. Belou, therefore, occupied an executive-level position of particular trust and confidence within Ruby Slipper.
- 39. Throughout his employment, Belou had access to, and deep knowledge of, Ruby Slipper's Confidential Information. Ruby Slipper disclosed its Confidential Information to Belou under circumstances giving rise to an obligation not to use or disclose that information to the detriment of Ruby Slipper.
- 40. In particular, as a member of Ruby Slipper's Executive Leadership Team, Belou was given access to and entrusted with Ruby Slipper's most valuable Confidential Information concerning such matters as: the Ruby Slipper formula for opening a new restaurant; kitchen configuration and other design and construction strategies for ideal operational efficiency; development and refinement of equipment and small wares packages; lists of business partners, preferred vendors and purveyors, and the specialty items they make available to Ruby Slipper; financial information, such as costs, profits, pricing strategies and location profitability; brand selection; and Ruby Slipper's secret recipes.
- 41. Additionally, Belou regularly participated in meetings during which the Executive Leadership Team discussed and made decisions regarding Ruby Slipper's business strategies, including decisions regarding the siting, opening, operation, and closing of restaurants.

Belou Enters Into a Confidentiality Agreement With Ruby Slipper.

- 42. As part of the consideration for his employment with Ruby Slipper, on or about August 6, 2015, Belou entered into the Ruby Slipper Café Confidentiality Agreement (the "Confidentiality Agreement").
- 43. A true and accurate copy of the Confidentiality Agreement, with Belou's electronic acknowledgment, is attached at Exhibit A hereto.

- 44. Belou signed a paper copy of the Confidentiality Agreement, and the signed agreement was placed in his Ruby Slipper personnel file. Ruby Slipper has recently discovered, however, that the signed agreement as well as Belou's signed acknowledgment of receipt of the employee handbook, which contained additional confidentiality provisions is missing.
- 45. Upon information and belief, Belou without authority removed the signed agreement and handbook receipt from his personnel file.
- 46. Pursuant to the Confidentiality Agreement, Belou acknowledged and agreed that use or disclosure of Ruby Slipper's Confidential Information would subject him to claims for "breach of contract, detrimental reliance, misappropriation of trade secrets, breach of fiduciary duty, breach of unfair trade practices and unfair competition statutes, unjust enrichment and all damages associated with such claims[.]" See Exhibit A.
- 47. The Confidentiality Agreement further advised Belou that, "[o]ur internal business practices, procedures and recipes are of great value to The Ruby Slipper Café," and that, "[e]mployees are not to disclose any proprietary processes or recipes to any person for any reason." See Exhibit A.
 - 48. The Confidentiality Agreement provided further:

Employee acknowledges that this Confidential Information includes information that was provided by Ruby Slipper to Employee as well as intellectual property developed by Employee during the course and scope of his employment with Ruby Slipper, which information and intellectual property Employee acknowledges is and will continue to be the sole and exclusive property and/or trade secrets of Ruby Slipper. Information includes, without limitation, the following: (i) business policies, finances, sales information and business plans; (ii) customized software and marketing tools; (iii) lists/identity of Ruby Slipper's customers and suppliers; (iv) recipes developed, used or tested within the user or developer's employment at Ruby Slipper; (v) training materials, including methodologies, processes, and practices developed and/or used by Ruby Slipper; (vi) management and administrative systems; and (vii) intellectual property rights, and license agreements for use of third-party intellectual property, all of which was previously provided by Ruby Slipper to Employee.

See Exhibit A.

Ruby Slipper Decides to Open a New Flagship Location and Corporate Headquarters.

- 49. Ruby Slipper did not own the building that housed its original restaurant at the Cortez Street Location but, rather, leased the property from the owner, Sugarland Holdings, L.L.C. (the "Landlord").
- 50. In or about October 2007, Ruby Slipper and the Landlord entered into a 10-year commercial lease of the Cortez Street Location (the "Lease").
 - 51. A true and accurate copy of the Lease is attached as **Exhibit** B hereto.
 - 52. The Lease term ran from May 1, 2008 through April 30, 2018.
- 53. In 2015, Ruby Slipper purchased a building at 315 South Broad Street in Mid-City (the "Broad Street Location"), with the intent of relocating the Mid-City restaurant from the original Cortez Street Location to the new Broad Street Location.
- 54. The Broad Street Location required substantial renovation and build-out to accommodate a Ruby Slipper restaurant, but would provide a larger space for both the restaurant and the Ruby Slipper corporate offices, as well as space for outdoor seating, a parking lot, and a children's play area.
- 55. Belou was closely involved in all aspects of selecting the Broad Street Location as the site for Ruby Slipper's new restaurant, including designing the space and preparing to open the restaurant.

Belou "Advises" Ruby Slipper to Vacate the Cortez Street Location Early.

56. The Broad Street Location had its "soft opening" just before Christmas 2017, and was fully open for business by mid-January 2018.

- 57. During the latter half of 2017, with the opening of the Broad Street Location and the end of the Lease term approaching, Ruby Slipper's Executive Leadership Team, including Belou, engaged in extensive discussions concerning whether it was in Ruby Slipper's best interest to remain at the Cortez Street Location through the Lease term, *i.e.* through April 2018, or to vacate the premises early.
- 58. As Ruby Slipper's Head of Business Development, it was Belou's obligation to provide his honest advice on that subject, free from any conflicts of interest and solely in the best interests of Ruby Slipper. It was Belou's obligation also to disclose to Ruby Slipper if he had any actual or potential conflicts of interest.
- 59. At the time, Ruby Slipper believed incorrectly, as it turned out, for the reasons detailed below that Belou was living up to these obligations, had no conflicts of interest, and was providing his honest, unbiased opinion of what would be in Ruby Slipper's best interest.
- 60. The Executive Leadership Team with the exception of Belou was in favor of staying through the Lease term, for several reasons.
- 61. First, Ruby Slipper had discovered that, as a result of an accounting error, it had actually been overpaying rent and was already paid in full through the end of the Lease term in April 2018.
- 62. Second, maintaining control of the Cortez Street Location through the end of the Lease term would ensure that, after the Broad Street Location opened, Ruby Slipper customers who came to the Cortez Street Location could easily and effectively be referred to the new location, which was particularly close to the original location (less than a mile away in the same neighborhood; a mere 12 blocks down the street).

- 63. Third, remaining through the Lease term would allow Ruby Slipper to start up its new location without the risk of having a competing restaurant operating out of the Cortez Street Location. Otherwise, customers coming to the Cortez Street Location looking for Ruby Slipper but finding a competing restaurant might choose to eat at the competing restaurant, rather than go to another location to eat at Ruby Slipper, particularly if the competing restaurant was copying Ruby Slipper's breakfast-and-brunch-all-day model.
- 64. Despite the many benefits to staying for the full Lease term, Belou advocated, forcefully and repeatedly, that Ruby Slipper should terminate the Lease and vacate the Cortez Street Location as soon as possible.
- 65. Belou told other members of the Executive Leadership Team that they were "crazy" to even consider staying through the end of the Lease, because they were "already stretched too thin."
- 66. Belou argued also that the substantial amount of fixed restaurant equipment at the Cortez Street Location, which was owned by Ruby Slipper, had little or no value, and that Ruby Slipper should leave that equipment behind.
- 67. Ultimately, Belou's "advice" advice which, again, unbeknownst to Ruby Slipper, was tainted by Belou's conflicts of interest and defalcations of duty persuaded the rest of the Executive Leadership Team that Ruby Slipper should vacate the Cortez Street Location by the end of the year.
- 68. Had Belou disclosed the facts described below -i.e. that he planned to open his own restaurant mimicking Ruby Slipper at the Cortez Street Location, that he was negotiating on his own behalf with the Landlord and that, upon information and belief, he was disclosing Ruby Slipper's Confidential Information to the Landlord Ruby Slipper never would have accepted

Belou's "advice" to terminate the Lease and vacate the Cortez Street Location before the end of the Lease term. Instead, Ruby Slipper would have remained through the end of the lease on April 30, 2018, thereby maintaining control of the Cortez Street Location.

The Landlord Makes an Unsolicited Proposal for Ruby Slipper to Vacate Early.

- 69. On November 14, 2017 while Ruby Slipper was in the midst of internal discussions about whether to vacate the Cortez Street Location early the Landlord's attorney sent an unsolicited letter to Ruby Slipper (the "November 14 Letter").
- 70. A true and accurate copy of the November 14 Letter is attached at <u>Exhibit</u> C hereto.
- 71. The November 14 Letter offered "an incentive for an early move out," which "would be a reduction of two months off of the remaining four months of rent due[.]" <u>See</u>

 <u>Exhibit</u> C.
- 72. The November 14 Letter asserted also that, "[a]ll other terms of the lease would remain in full force and effect, *including your obligation to leave in place all equipment and fixtures*." (Emphasis supplied.) See Exhibit C.
- 73. At the time, Ruby Slipper thought the Landlord's attorney had simply made an error as regards the supposed "obligation to leave in place all equipment and fixtures," because the Lease contained no such term. On the contrary, the Lease expressly provided that all equipment and fixtures remained the property of Ruby Slipper, and that Ruby Slipper had the right, at any time, to remove its property, provided Ruby Slipper repaired any resulting damage.

 See Exhibit B, §6.
- 74. As detailed below, Ruby Slipper eventually came to learn that the November 14 Letter was no mistake.

- 75. In the meantime, though, over the next month, because Belou had convinced Ruby Slipper it was the right course to take, Ruby Slipper and the Landlord engaged in negotiations over Ruby Slipper's early termination of the Lease.
- 76. A substantial part of the negotiations concerned which, if any, of Ruby Slipper's equipment would be left behind, and how much the Landlord would pay for that equipment.
- 77. On or about December 15, 2017, Ruby Slipper and the Landlord entered into a written agreement for an early termination of the lease (the "Lease Termination Agreement"), but were unable to agree on terms for any of the equipment to be left behind.
- 78. A true and accurate copy of the Lease Termination Agreement is attached at Exhibit D hereto.
- 79. Pursuant to the Lease Termination Agreement, Ruby Slipper and the Landlord agreed that Ruby Slipper would vacate the Cortez Street Location by December 31, 2017, and that Ruby Slipper would remove all of its equipment; the Landlord agreed that it was entitled to no additional rent payments from Ruby Slipper. See Exhibit D.
- 80. Ruby Slipper closed its restaurant at the Cortez Street Location on December 17, 2017 and vacated the premises on December 31, 2017.

Belou Abruptly Resigns From Ruby Slipper and Immediately Begins Construction of a Competing Restaurant at the Cortez Street Location.

- 81. On January 2, 2018, Belou abruptly resigned from Ruby Slipper.
- 82. Belou explained his resignation by stating that he wanted to do something that would allow him to make more use of his culinary skills, but that he did not have another job and did not know specifically what he would be doing. Belou stated also that he "already had a couple of irons in the fire."

- 83. As Ruby Slipper now knows (but did not know at the time), these were blatant lies. Ruby Slipper has since learned but Belou never disclosed to Ruby Slipper that, immediately following his resignation (if not sooner), Belou began work to build out and open his own restaurant, at the Cortez Street Location, intended to mimic Ruby Slipper.
- 84. On January 24, 2018, Belou submitted an application for a building permit at the Cortez Street Location (the "Permit Application").
 - 85. A true and accurate copy of the Permit Application is attached at Exhibit E hereto.
- 86. The scope of work is described in the Permit Application as, "[n]on-structural repairs to existing restaurant" for a "[n]ew tenant." See Exhibit E.
- 87. The proposed use is described in the Permit Application as, "[r]estaurant." See Exhibit E.
- 88. The Permit Application states that construction is expected to be complete by March 1, 2018. See Exhibit E.
- 89. On the same day that Belou submitted the Permit Application, a request to reserve the corporate name, "CB Hospitality, LLC," was submitted to the Louisiana Secretary of State's Office.
- 90. On February 2, 2018, Belou registered CBH with the Louisiana Secretary of State's Office.
- 91. Upon information and belief, the purpose of CBH is to own, operate, and/or lease Belou's new restaurant at the Cortez Street Location.
- 92. From at least January 24, 2018 the date that the CBH name reservation was submitted Belou's email signature line has included CBH, with the address stated as the Cortez Street Location.

- 93. The construction permit at the Cortez Street location shows that Belou is using at least one Ruby Slipper business affiliate for the build-out of his new restaurant.
- 94. Signs in the windows of the Cortez Street Location advertise that, "BRUNCH is coming back to this location!!!" The signs use red and black fonts that are similar to the fonts used in Ruby Slipper's signage and menus.

Belou was Secretly Negotiating With the Landlord on His Own Behalf While Still a Senior Executive With Ruby Slipper.

- 95. Since Belou's resignation, Ruby Slipper has discovered that, for at least two and a half months before the Landlord's proposal as set forth in the November 14 Letter, Belou was communicating secretly with (at least) the Landlord's principal, Ms. Romney Richard ("Richard"), regarding his interest in leasing the Cortez Street Location, for himself, for a new restaurant; a restaurant, moreover, that would attempt to usurp Ruby Slipper's business model and compete with Ruby Slipper's newly opened restaurant on Broad Street; a restaurant, moreover, for which Belou spearheaded the opening.
- 96. Ruby Slipper's phone records reveal that, unbeknownst to Ruby Slipper, Belou maintained regular contact with Richard throughout Ruby Slipper's internal deliberations concerning the Cortez Street Location, and during negotiations with the Landlord over Ruby Slipper possibly vacating the Cortez Street Location.
- 97. For instance, on Friday, October 27, 2017, Ruby Slipper held a meeting of the Executive Leadership Team, in which Belou argued strenuously for Ruby Slipper to vacate the Cortez Street Location and to leave behind Ruby Slipper's restaurant equipment.
 - 98. Belou then spoke with Richard *on the very next Monday*, October 30, 2017.
- 99. The same thing happened the next week. Ruby Slipper held an executive team meeting on Friday, November 3, then Belou spoke with Richard on Sunday, November 5.

- 100. Belou was not Ruby Slipper's point of contact with the Landlord, was not authorized by Ruby Slipper to communicate with the Landlord on its behalf, and there was no legitimate Ruby Slipper business reason for any such communications.
- 101. Upon information and belief, Belou revealed to the Landlord the details of Ruby Slipper's confidential internal deliberations and executive team meetings, including information about Ruby Slipper considering remaining through the end of the Lease term.
- 102. Upon information and belief, Belou also told the Landlord, among other things, that he wanted all of Ruby Slipper's equipment to be left in place so that he could use the equipment for his soon-to-be-opened restaurant at the Cortez Street Location.
- 103. Upon information and belief, Belou's desire to use Ruby Slipper's equipment for his new restaurant was the reason for the (incorrect) statement in the November 14 Letter that Ruby Slipper was required to leave the equipment behind upon termination of the Lease.
- 104. Upon information and belief, it was critical to Belou to take possession of the Cortez Street Location by the end of 2017 so that his new restaurant could be open in time for the peak Spring tourist season, as opposed to the low Summer season.

Belou Misappropriated Ruby Slipper's Confidential Information and Sabotaged Ruby Slipper's Computer Systems.

- 105. As a senior executive of Ruby Slipper, Belou had broad access to Ruby Slipper's paper files and electronic systems.
- 106. Upon information and belief, Belou used this broad access, prior to his resignation, to remove and/or destroy paper and electronic files of Ruby Slipper, including files containing Ruby Slipper's Confidential Information.

- 107. As described above, Ruby Slipper believes that Belou removed his signed Confidentiality Agreement and employee handbook acknowledgment form from his personnel file.
- 108. In addition and even more concerning Ruby Slipper has discovered that, around the time of his resignation, but before his computer access was terminated, Belou accessed Ruby Slipper's computer systems and took steps to delete operational data, including Ruby Slipper's Google calendar, from at least one of Ruby Slipper's computer systems.
- 109. Moreover, on January 2, 2018, Belou returned two of Ruby Slipper's laptop computers and stated that he had "wiped" the computers before returning them.
- 110. Through forensic analysis, a number of highly suspicious documents were recovered from the computers that Belou returned. In particular, in October and November of 2017, Belou appears to have downloaded at least the following confidential Ruby Slipper documents, which he had no legitimate Ruby Slipper business reason to access: (a) a detailed supply history report from one of Ruby Slipper's equipment vendors; (b) a detailed listing of pay rate guidelines for various positions at Ruby Slipper; and (c) Ruby Slipper's recipe for caramel sauce.
- 111. Ruby Slipper has discovered also that, on July 30, 2017, Belou forwarded to his personal Yahoo email an email account to which Ruby Slipper had no access a highly confidential document containing Ruby Slipper's financial results for the second quarter of 2017.
- 112. Upon information and belief, Belou has disclosed Ruby Slipper's Confidential Information to, at a minimum, the Landlord and CBH.

Count I Violation of Defend Trade Secrets Act, 18 U.S.C. §1836 – Belou and CBH

- 113. Ruby Slipper incorporates the allegations set forth in the preceding paragraphs as if set forth in full herein.
- 114. Ruby Slipper's Confidential Information constitutes trade secrets within the meaning of the Defend Trade Secrets Act, 18 U.S.C. §1836.
- 115. Ruby Slipper is headquartered in Louisiana but operates restaurants in multiple states, and regularly transacts business in states other than Louisiana, including in person and by phone, internet, and mail. Ruby Slipper's trade secrets relate to this business and, thus, are frequently used by Ruby Slipper in interstate commerce.
- 116. Belou acquired Ruby Slipper's trade secrets by improper means, including but not limited to stealing Ruby Slipper's records, sabotaging Ruby Slipper's computer systems, and receiving and using Ruby Slipper's trade secrets while failing to disclose to Ruby Slipper his improper self-dealing and breaches of trust.
- 117. Upon information and belief, CBH acquired Ruby Slipper's trade secrets from Belou, and knew or had reason to know that Belou acquired the trade secrets from Ruby Slipper by improper means.
- 118. Upon information and belief, Belou, without Ruby Slipper's express or implied consent, disclosed Ruby Slipper's trade secrets to, at a minimum, the Landlord, Richard, and CBH.
- 119. Belou intends to use and, upon information and belief, has used Ruby Slipper's trade secrets, without Ruby Slipper's express or implied consent, in connection with opening and operating a competing restaurant at the Cortez Street Location, despite knowing or having reason

to know that the trade secrets were acquired by improper means, and that Belou had a duty to maintain the secrecy and limit the use of Ruby Slipper's trade secrets.

- 120. Upon information and belief, CBH has used and/or intends to use Ruby Slipper's trade secrets, without Ruby Slipper's express or implied consent, in connection with opening and operating a competing restaurant at the Cortez Street Location, despite knowing or having reason to know that the trade secrets were acquired by improper means, and that the trade secrets were obtained by Belou, who had a duty to maintain the secrecy and limit the use of Ruby Slipper's trade secrets.
 - 121. Defendants' acts of misappropriation were willful and malicious.
- 122. As a direct and proximate result of Defendants' acts of misappropriation, Ruby Slipper has suffered and will suffer irreparable harm and damages. Moreover, Defendants gained an unfair competitive advantage and other unjust enrichment through the misuse of Ruby Slipper's trade secrets.
- 123. Under the Defend Trade Secrets Act, Ruby Slipper is entitled to and requests preliminary and permanent injunctive relief against Defendants to prohibit their actual and/or threatened misappropriation of Ruby Slipper's trade secrets.
- 124. Under the Defend Trade Secrets Act, Ruby Slipper is entitled to and requests an award of damages in its favor for actual loss caused by the misappropriation, damages for all unjust enrichment caused by the misappropriation that is not addressed in computing damages for actual loss, and/or damages measured by imposition of liability for a reasonable royalty for the unauthorized disclosure or use of Ruby Slipper's trade secrets.

125. Under the Defend Trade Secrets Act, as a result of Defendants' willful and malicious misappropriation, Ruby Slipper is entitled to and requests exemplary damages in an amount not more than two times Ruby Slipper's actual damages, plus reasonable attorneys' fees.

Count II

<u>Violation of Louisiana Uniform Trade Secrets Act, R.S. 51:1431 et seq. – Belou and CBH</u>

- 126. Ruby Slipper incorporates the allegations set forth in the preceding paragraphs as if set forth in full herein.
- 127. Ruby Slipper's Confidential Information constitutes trade secrets within the meaning of the Louisiana Uniform Trade Secrets Act, R.S. 51:1431 et seq.
- 128. Belou acquired Ruby Slipper's trade secrets by improper means, including but not limited to stealing Ruby Slipper's records, sabotaging Ruby Slipper's computer systems, and receiving trade secrets from Ruby Slipper while failing to disclose to Ruby Slipper his improper self-dealing.
- 129. Upon information and belief, CBH acquired Ruby Slipper's trade secrets from Belou, and knew or had reason to know that Belou acquired the trade secrets from Ruby Slipper by improper means.
- 130. Upon information and belief, Belou, without Ruby Slipper's express or implied consent, disclosed Ruby Slipper's trade secrets to, at a minimum, the Landlord, Richard, and CBH.
- 131. Belou intends to use and, upon information and belief, has used Ruby Slipper's trade secrets, without Ruby Slipper's express or implied consent, in connection with opening and operating a competing restaurant at the Cortez Street Location, despite knowing or having reason to know that the trade secrets were acquired by improper means, and that Belou had a duty to maintain the secrecy and limit the use of Ruby Slipper's trade secrets.

- 132. Upon information and belief, CBH has used and/or intends to use Ruby Slipper's trade secrets, without Ruby Slipper's express or implied consent, in connection with opening and operating a competing restaurant at the Cortez Street Location, despite knowing or having reason to know that the trade secrets were acquired by improper means, and that the trade secrets were obtained by Belou, who had a duty to maintain the secrecy and limit the use of Ruby Slipper's trade secrets.
 - 133. Defendants' acts of misappropriation were willful and malicious.
- 134. As a direct and proximate result of Defendants' acts of misappropriation, Ruby Slipper has suffered and will suffer irreparable harm and damages. Moreover, Defendants gained an unfair competitive advantage and other unjust enrichments through the misuse of Ruby Slipper's trade secrets.
- 135. Under the Louisiana Uniform Trade Secrets Act, Ruby Slipper is entitled to and requests preliminary and permanent injunctive relief against Defendants to prohibit their actual and/or threatened misappropriation of Ruby Slipper's trade secrets.
- 136. Under the Louisiana Uniform Trade Secrets Act, Ruby Slipper is entitled to and requests an award of damages in its favor for actual loss caused by the misappropriation, and damages for all unjust enrichment caused by the misappropriation that is not taken into account in computing damages for actual loss.
- 137. Under the Louisiana Uniform Trade Secrets Act, as a result of Defendants' willful and malicious misappropriation, Ruby Slipper is further entitled to and requests an award of its reasonable attorneys' fees.

Count III Violation of Computer Fraud and Abuse Act, 18 U.S.C. §1030 – Belou

- 138. Ruby Slipper incorporates the allegations set forth in the preceding paragraphs as if set forth in full herein.
- 139. Pursuant to the Confidentiality Agreement, Belou agreed that he would not use or disclose Ruby Slipper's Confidential Information, except in the performance of his duties for Ruby Slipper.
- 140. Belou further owed a fiduciary duty to Ruby Slipper not to use or disclose Ruby Slipper's Confidential Information, except in the course of performing his duties for, and for the benefit of, Ruby Slipper.
- 141. In reliance on and in consideration of Belou's agreement to the Confidentiality Agreement and his fiduciary obligations to Ruby Slipper, Ruby Slipper gave Belou access to its computer systems, including computer systems containing Ruby Slipper's Confidential Information.
- 142. Through the conduct described above, Belou knowingly and with the intent to defraud Ruby Slipper, and in violation of his fiduciary duties to Ruby Slipper, improperly accessed Ruby Slipper's proprietary and confidential electronic data that is stored on its secure and protected computer system. Among other things, Belou deleted Ruby Slipper's computer files before quitting and took confidential electronic data from Ruby Slipper's computers to start a competing business.
- 143. Through the conduct described above, Belou acted without authorized access and/or he exceeded his authorized access to Ruby Slipper's computers.
- 144. Ruby Slipper has incurred and/or will incur expenses in excess of \$5,000 over a one-year period in investigating the wrongful acts committed by Belou, assessing the resulting

damages, and restoring or attempting to restore its computer systems and the data stored thereon to their condition prior to Belou's wrongful acts.

- 145. Ruby Slipper has suffered damage and loss by reason of these violations, including but not limited to harm to Ruby Slipper's data, programs, and computer systems and other losses and damage in an amount to be proved at trial, but, in any event, in an amount exceeding \$5,000 aggregated over a one-year period.
- 146. Under the Computer Fraud and Abuse Act, Ruby Slipper is entitled to and requests an award of compensatory damages and injunctive and other equitable relief.

Count IV

<u>Violation of Louisiana Unfair Trade Practices and Consumer Protection Law, La. R.S.</u> 51:1401 et seq. – Belou and CBH

- 147. Ruby Slipper incorporates the allegations set forth in the preceding paragraphs as if set forth in full herein.
- 148. Defendants' actions as alleged herein constitute unfair competition and unfair or deceptive acts or practices in the conduct of trade or commerce, including but not limited to misappropriation of Ruby Slipper's trade secrets, improper access to Ruby Slipper's computer systems, breaches of fiduciary duty, and fraud.
- 149. Defendants' actions as alleged herein have been immoral, unethical, oppressive, unscrupulous, and substantially injurious to Ruby Slipper.
- 150. Defendants have therefore violated the Louisiana Unfair Trade Practices and Consumer Protection Law, La. R.S. 51:1401 et seq.
- 151. As a direct and proximate result of Defendants' unfair competition and/or unfair or deceptive acts or practices, Ruby Slipper has suffered an ascertainable loss of money and property, for which Defendants are liable.

152. Defendants are further entitled to an award of reasonable attorneys' fees and costs, pursuant to La. R.S. 51:1409(A).

Count V Breach of Contract – Belou

- 153. Ruby Slipper incorporates the allegations set forth in the preceding paragraphs as if set forth in full herein.
- 154. The Confidentiality Agreement is a valid and enforceable contract between Belou and Ruby Slipper.
- 155. Ruby Slipper has performed all of its obligations, if any, under the Confidentiality Agreement.
- 156. By virtue of the conduct alleged herein, Belou has breached the Confidentiality Agreement.
- 157. Ruby Slipper has suffered damages as a direct and proximate result of Belou's breaches of the Confidentiality Agreement.

Count VI Bad Faith Breach of Contract – Belou

- 158. Ruby Slipper incorporates the allegations set forth in the preceding paragraphs as if set forth in full herein.
- 159. The Confidentiality Agreement is a valid and enforceable contract between Belou and Ruby Slipper.
- 160. Pursuant to Civil Code, Article 1759, "Good faith shall govern the conduct of the obligor and the obligee in whatever pertains to the obligation."
- 161. Pursuant to Civil Code, Article 1983, the Confidentiality Agreement "must be performed in good faith."

- 162. Ruby Slipper has performed all of its obligations, if any, under the Confidentiality Agreement.
- 163. By virtue of the conduct alleged herein, Belou has breached the Confidentiality Agreement.
- 164. Belou's actions in breach of the Confidentiality Agreement were undertaken in bad faith, and constitute the conscious doing of a wrong for dishonest or morally questionable motives; specifically, engaging in secret and duplications conduct by misappropriating Ruby Slipper's Confidential Information in order to use the Confidential Information in direct competition with Ruby Slipper, while misleading Ruby Slipper concerning his intentions, all in violation of his fiduciary duties to Ruby Slipper.
- 165. Ruby Slipper has suffered damages as a direct and proximate result of Belou's bad faith breaches of the Confidentiality Agreement.
- 166. Pursuant to Civil Code, Article 1997, Belou is liable to Ruby Slipper for all damages resulting from his breaches of the Confidentiality Agreement, whether or not said damages were foreseeable.

Count VII Breach of Implied Covenant of Good Faith and Fair Dealing – Belou

- 167. Ruby Slipper incorporates the allegations set forth in the preceding paragraphs as if set forth in full herein.
- 168. All contracts under Louisiana law, including the Confidentiality Agreement, include an implied covenant of good faith and fair dealing.
- 169. By virtue of his conduct as alleged herein, Belou breached the Confidentiality Agreement knowingly, intentionally, and/or with ill will towards Ruby Slipper, and thereby breached the implied covenant of good faith and fair dealing.

- 170. Ruby Slipper has suffered damages as a direct and proximate result of Belou's breaches of the implied covenant of good faith and fair dealing.
- 171. Pursuant to Civil Code, Article 1997, Belou is liable to Ruby Slipper for all damages resulting from his breaches of the implied covenant of good faith and fair dealing, whether or not said damages were foreseeable.

Count VIII Unjust Enrichment – Belou and CBH

- 172. Ruby Slipper incorporates the allegations set forth in the preceding paragraphs as if set forth in full herein.
- 173. By virtue of their conduct alleged herein, Defendants have been enriched by their unlawful acquisition, use, and/or disclosure of Ruby Slipper's Confidential Information.
- 174. As a consequence of Defendants' unlawful acquisition, use, and/or disclosure of Ruby Slipper's Confidential Information, Ruby Slipper has suffered an impoverishment.
- 175. Defendants' enrichment and Ruby Slipper's impoverishment were without justification or cause.
- 176. In the event Ruby Slipper is found to have no other remedy at law, then Defendants are bound to compensate Ruby Slipper in an amount equal to Defendants' enrichment or Ruby Slipper's impoverishment, whichever is less.

Count IX Conversion – Belou and CBH

- 177. Ruby Slipper incorporates the allegations set forth in the preceding paragraphs as if set forth in full herein.
- 178. Ruby Slipper's Confidential Information constitutes valuable property belonging to Ruby Slipper.

- 179. As alleged herein, Belou and, upon information and belief, CBH, acquired the Confidential Information in an unauthorized manner.
- 180. As alleged herein, Belou and, upon information and belief, CBH, are in wrongful possession of the Confidential Information.
- 181. As alleged herein, Belou took and exercised control over the Confidential Information without authorization, and is now using or is planning to use the Confidential Information in direct competition with Ruby Slipper.
- 182. As alleged herein, Belou and, upon information and belief, CBH have wrongfully exercised dominion and control over the Confidential Information.
- 183. As alleged herein, Belou and, upon information and belief, CBH have used and converted for their own benefit the Confidential Information.
- 184. Ruby Slipper has demanded that Defendants return the Confidential Information, but Defendants have not done so.
- 185. Ruby Slipper has suffered damages as a direct and proximate result of Defendants' conversion of the Confidential Information.

Count X Breach of Fiduciary Duties of Loyalty and Due Care – Belou

- 186. Ruby Slipper incorporates the allegations set forth in the preceding paragraphs as if set forth in full herein.
- 187. As an employee and senior executive of Ruby Slipper, and someone in whom Ruby Slipper reposed special trust and confidence, Belou owed Ruby Slipper a fiduciary duty, including duties of loyalty and due care.
- 188. Belou's duties of loyalty and due care to Ruby Slipper included, without limitation, duties: not to act in opposition to Ruby Slipper's interests; not to use his position with

Ruby Slipper for personal gain at the expense of Ruby Slipper; not to use Ruby Slipper's property and information, including but not limited to the Confidential Information, for his own purpose or for the purpose of any third party; to disclose any conflicts between his own business interests and those of Ruby Slipper, including but not limited to the fact that he was engaged in negotiations, for his own benefit and contrary to the interests of Ruby Slipper, with the Landlord to lease the Cortez Street Location for the purpose of operating a competing restaurant; not to damage or attempt to damage Ruby Slipper's computer systems; and not to misappropriate Ruby Slipper's trade secrets.

- 189. Belou's fiduciary duty not to use or disclose Ruby Slipper's Confidential Information for his own benefit or the benefit of a third party continued after the conclusion of his employment with Ruby Slipper.
- 190. By virtue of the conduct alleged herein, Belou breached his fiduciary duties to Ruby Slipper.
- 191. Ruby Slipper has suffered damages as a direct and proximate result of Belou's breaches of fiduciary duty.

Count XI Fraud – Belou

- 192. Ruby Slipper incorporates the allegations set forth in the preceding paragraphs as if set forth in full herein.
- 193. As alleged herein, Belou made at least the following representations to Ruby Slipper:
 - (a) On numerous occasions during the latter half of 2017 including, at a minimum, during executive leadership meetings on October 27, 2017 and November 15, 2017, Belou told Ruby Slipper's Executive Leadership Team that Ruby Slipper should terminate the Lease early and vacate the Cortez Street Location by the end of 2017.

- (b) On numerous occasions during the latter half of 2017 including, at a minimum, during executive leadership meetings on October 27, 2017 and November 15, 2017, Belou told Ruby Slipper's Executive Leadership Team that Ruby Slipper would be "crazy" to remain at the Cortez Street Location through the end of the Lease term.
- (c) On numerous occasions during the latter half of 2017 including, at a minimum, during executive leadership meetings on October 27, 2017 and November 15, 2017, Belou told Ruby Slipper's Executive Leadership Team that Ruby Slipper was "stretched too thin" to remain at the Cortez Street Location through the end of the Lease term while also operating a restaurant at the new Broad Street Location.
- (d) On numerous occasions during the latter half of 2017 including, at a minimum, during executive leadership meetings on October 27, 2017 and November 15, 2017, Belou told Ruby Slipper's Executive Leadership Team that Ruby Slipper's restaurant equipment at the Cortez Street Location had little or no value.
- (e) On or about January 2, 2018, Belou stated that he was resigning from Ruby Slipper because he wanted to do something that would allow him to make more use of his culinary skills, but that he did not have another job and did not know specifically what he would be doing. Belou stated also that he "already had a couple of irons in the fire."
- 194. Each of the foregoing representations by Belou was a statement of material fact.
- 195. Each of the foregoing representations by Belou was knowingly false.
- 196. In addition, Belou failed to disclose to Ruby Slipper that: (a) he was engaged in negotiations with the Landlord, for his own benefit and to the detriment of Ruby Slipper, to lease the Cortez Street Location and open a competing restaurant there; and (b) upon information and belief, he was disclosing to the Landlord Ruby Slipper's Confidential Information, including but not limited to Ruby Slipper's internal discussions regarding whether to terminate the Lease early.
 - 197. Belou had a duty to disclose to Ruby Slipper each of the foregoing facts.
- 198. Belou made each of the foregoing misrepresentations and failures to disclose with the intent to deceive Ruby Slipper.

- 199. Ruby Slipper justifiably relied on each of the foregoing misrepresentations and failures to disclose.
- 200. Ruby Slipper has suffered damages as a direct and proximate result of Belou's fraudulent misrepresentations and failures to disclose.

Count XII Injunctive Relief – Belou and CBH

- 201. Ruby Slipper incorporates the allegations set forth in the preceding paragraphs as if set forth in full herein.
- 202. Pursuant to the Defendant Trade Secrets Act, 18 U.S.C. §1836(b)(3)(A), and the Louisiana Uniform Trade Secrets Act, R.S. 51:1432, Ruby Slipper is entitled to an injunction preventing any actual or threatened misappropriation of its trade secrets by Defendants, their officers, agents, servants, employees, and attorneys, and other persons who are in active concert or participation with any of the foregoing (collectively, "Covered Persons").
- 203. This injunctive relief should include, without limitation, an Order prohibiting the Covered Persons from using or disclosing any of Ruby Slipper's trade secrets, including but not limited to its Confidential Information, in any manner. Further, the injunctive relief should include an Order requiring the Covered Persons to return to Ruby Slipper, and not keep, any and all trade secrets of Ruby Slipper, including but not limited to any Confidential Information.
- 204. Had Belou not breached his statutory, contractual, and civil law duties and obligations to Ruby Slipper in particular, but without limitation, his fiduciary duties not to act in opposition to Ruby Slipper's interests; not to use his position with Ruby Slipper for personal gain at the expense of Ruby Slipper; not to use Ruby Slipper's property and information, including but not limited to the Confidential Information, for his own purpose or for the purpose of any third party; and to disclose that he was engaged in negotiations, for his own benefit and

contrary to the interests of Ruby Slipper, with the Landlord – Ruby Slipper would have remained at the Cortez Street Location through the end of the Lease term, *i.e.* through April 30, 2018. The Cortez Street Location therefore would not have been available to Defendants prior to May 1, 2018, and Ruby Slipper would have had exclusive control of the space for an additional four months (*i.e.* the difference between the date Ruby Slipper actually vacated – December 31, 2017 – and the date it would have vacated – April 30, 2018).

205. Ruby Slipper therefore is entitled to additional injunctive relief: (a) requiring the Covered Persons to cease immediately any and all construction work at the Cortez Street Location, excepting only repairs that are necessary to maintain the safety or structural integrity of the space or to comply with local, state, or federal regulations; (b) requiring the Covered Persons to remove any and all personal property from the Cortez Street Location; (c) requiring the Covered Persons to uninstall and remove from the Cortez Street Location any and all equipment and fixtures that were installed after December 31, 2017; and (d) requiring the Covered Persons to remove from the Cortez Street Location any and all signs, posters, flyers, handbills, or advertising of any kind.

206. Ruby Slipper is further entitled to injunctive relief prohibiting the Covered Persons, for a period of four months from the date of entry of the injunction, from in any way directly or indirectly doing any of the following at the Cortez Street Location: (a) opening or operating a restaurant; (b) performing any interior or exterior construction work, including but not limited to remodeling, renovating, building out, or improving the space, excepting only repairs required to maintain the safety or structural integrity of the space or to comply with local, state, or federal regulations; (c) installing any equipment or other fixtures; (d) moving in and/or

storing any furniture, supplies, or personal property of any kind; and (e) placing any signs, posters, flyers, handbills, or advertising of any kind in or on the space.

- 207. Ruby Slipper has a substantial likelihood of prevailing on the merits of its claims.
- 208. Unless the Covered Persons are enjoined from the conduct described herein, there is a substantial threat that Ruby Slipper will continue to suffer irreparable harm, including loss and misuse of its Confidential Information, loss of good will, and financial losses that are presently not calculable.
- 209. The irreparable harm that Ruby Slipper will suffer if injunctive relief is denied outweighs the potential harm (if any) to Defendants if injunctive relief is granted.
 - 210. Granting the requested injunctive relief will not disserve the public interest.
 - 211. Ruby Slipper has no adequate remedy at law.
- 212. Consequently, Ruby Slipper is entitled to a temporary restraining order and preliminary and permanent injunctive relief as set forth herein.

WHEREFORE, Plaintiff The Ruby Slipper Café, LLC respectfully requests that this Court:

- 1. Enter judgment in its favor and against Defendants, and order Defendants to pay damages to Plaintiff, in an amount to be proved at trial, plus interest, costs, exemplary damages, and attorneys' fees as allowed by law and/or contract;
- 2. Enter a temporary restraining order and preliminary and permanent injunction ordering that Belou and CBH, and their respective officers, agents, servants, employees, and attorneys, and other persons who are in active concert or participation with any of the foregoing (collectively, "Covered Persons"):
 - (a) are restrained and enjoined from, directly or indirectly, disclosing or making any use of any trade secrets, confidential information, knowledge,

data or other information of Ruby Slipper, including but not limited to business policies; pricing, marketing, distribution, finances, and sales information and business plans; customized software and marketing tools; customer lists; lists of suppliers; recipes; training materials, including methodologies, processes, and practices developed and/or used by Ruby Slipper; management and administrative systems; intellectual property rights; license agreements for use of third-party intellectual property; formula for opening new restaurants; kitchen configuration and other design and construction strategies; designs and configurations of menus, tables, chairs, plates, glasses, silverware, and similar items; and suppliers' customized configurations, packages, and pricing for Ruby Slipper (collectively, "Confidential Information");

- (b) must return to Ruby Slipper, within 48 hours, any Confidential Information that is in their possession, custody, or control, and to the extent that any such information is maintained in electronic form must, after such information is returned to Ruby Slipper, purge or destroy any electronic record of such information, in a manner that does not allow the Confidential Information to be retrieved or restored, and certify to Ruby Slipper, under oath, that the Confidential Information has been thus purged or destroyed;
- (c) must immediately cease any and all construction work at the Cortez Street Location, excepting only repairs that are necessary to maintain the safety or structural integrity of the Cortez Street Location or to comply with local, state, or federal regulations;
- (d) must immediately remove from the Cortez Street Location any and all signs, posters, flyers, handbills, or advertising of any kind;
- (e) are restrained and enjoined from removing from the Cortez Street Location any furnishings, tableware, linens, decorations, artwork, menus, recipes, supplies, files, documents, and any other property related in any way to opening, preparing to open, operating, and/or preparing to operate any restaurant at the Cortez Street Location;
- (f) are restrained and enjoined from removing from the Cortez Street Location any and all equipment and fixtures that were installed after December 31, 2017;
- (g) must permit representatives of Ruby Slipper and/or Ruby Slipper's counsel to enter and inspect the Cortez Street Location, including but not limited to taking photographs and cataloging any and all property located therein, said inspection to take place within three (3) days of the date of entry of this Order at a time to be mutually agreed by the parties; and

- (h) for a period of four months from the date of entry of this Order, are restrained and enjoined from, directly or indirectly, doing any of the following at the Cortez Street Location: (i) opening or operating a restaurant; (ii) performing any interior or exterior construction work, including but not limited to remodeling, renovating, building out, or improving the space, excepting only repairs required to maintain the safety or structural integrity of the space or to comply with local, state, or federal regulations; (iii) installing any equipment or other fixtures; (iv) moving in and/or storing any furniture, supplies, or personal property of any kind; and/or (v) placing any signs, posters, flyers, handbills, or advertising of any kind in or on the space; and
- 3. Grant Plaintiff such other and further relief as the Court deems just and proper.

PLAINTIFF DEMANDS A TRIAL BY JURY.

Dated: February 14, 2018 Respectfully submitted,

THE RUBY SLIPPER CAFE, LLC, By its attorneys,

/s/ David L. Patrón

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VERIFICATION

I, Jennifer Weishaupt, hereby state that I have read the foregoing Verified Complaint for Injunctive Relief and Damages ("Complaint"), that I am authorized to make this Verification on behalf of Plaintiff The Ruby Slipper Café, LLC, and that the factual allegations contained in Paragraphs 1-112 of the Complaint are true and based on personal knowledge or information available to me which I believe to be true to the best of my knowledge, information and belief. This statement is made subject to the penalties of 28 U.S.C. §1746 relating to unsworn declarations under penalty of perjury.

Executed on February 9, 2018.

Jennifer Weishaupt