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9 Lateral Link Group Co-Op, LLC

10 **UNITED STATES DISTRICT COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**
12 **WESTERN DIVISION**

13 LATERAL LINK GROUP CO-OP, LLC, a
14 California limited liability company,

15 Plaintiff,

16 vs.

17 RYAN TURLEY, an individual, AUSTIN
18 WILSON, an individual,

19 Defendants.

Case No. 2:16-CV-01096

**COMPLAINT FOR INJUNCTIVE
RELIEF**

20 Plaintiff LATERAL LINK GROUP CO-OP, LLC complains and alleges as follows:

21 1. Plaintiff LATERAL LINK GROUP CO-OP, LLC (hereinafter “Lateral Link”) is,
22 and at all relevant times herein was, a limited liability company organized and existing under the
23 laws of the state of California with its principal place of business in the County and City of Los
24 Angeles. Lateral Link is in the business of attorney recruiting for various large law firms and
25 companies seeking to hire associates, partners and/or general counsel.

26 2. On information and belief, Defendant Ryan Turley (hereinafter “Turley”) is an
27 individual who is believed to currently reside in Cook County, Illinois. He was, until on or about
28 January 18, 2016, a Director/Managing Director providing legal recruiting services for Lateral
Link.

3. On information and belief, Defendant Austin Wilson (hereinafter “Wilson”) is an

1 individual who is believed to currently reside in Cook County, Illinois. He was, until on or about
2 January 18, 2016, a Director/Managing Director providing legal recruiting services for Lateral
3 Link.

4 4. Plaintiff is informed and believes and thereupon alleges that, at all times herein
5 mentioned, each Defendant was the agent of the other Defendant, and in doing the things alleged
6 herein, were acting within the course and scope of said agency, in that the actions of the
7 Defendants as herein alleged were authorized, approved, and/or ratified by each of the remaining
8 Defendants as principals.

9 5. This Court has jurisdiction under 28 U.S.C. 1332, because the value of the
10 injunctive relief to the Plaintiff, i.e., the amount in controversy, exceeds the sum of \$75,000 and is
11 between citizens of different States. Venue is proper in the Central District of California, under 28
12 U.S.C. 1391 because a substantial part of the events or omissions giving rise to the claim occurred
13 in the Central District. For example, Plaintiff alleges that Defendants misappropriated trade secrets
14 and other proprietary information that was compiled, located, managed, and/or secured in
15 California, including at Plaintiff's headquarters in Los Angeles.

16 **BACKGROUND**

17 6. Plaintiff Lateral Link is boutique legal search firm based out of California. The
18 company currently has over 30 recruiters (referred to as Principals, Directors, Senior Directors or
19 Associate Directors) representing markets throughout the United States and abroad.

20 7. Defendant Ryan Turley worked for Lateral Link as a Director for the Chicago,
21 Illinois market up until his resignation on or around January 18, 2016. In his role as Director,
22 Turley was responsible for recruiting and marketing efforts for Plaintiff, as well as overseeing
23 Lateral Link recruiters hired for the Chicago office.

24 8. Defendant Austin Wilson worked for Lateral Link as a Director for the Chicago,
25 Illinois market until his resignation on or about January 18, 2016. In his role as Director, Wilson
26 was responsible for recruiting and marketing efforts for Plaintiff, as well as overseeing Lateral
27 Link recruiters hired for the Chicago office

28 9. At the time of their resignation, Defendants Turley and Wilson's ("Defendants")

1 employment with Lateral Link was subject to identical employment agreements with provisions
2 discussing the use of Lateral Link's confidential and proprietary information. Attached hereto as
3 Exhibit "1" is a copy of Exhibit "B" to the Employment Agreements entitled "Confidentiality
4 Provisions." As reflected therein, the confidentiality provisions are aimed at protecting Lateral
5 Link's trade secrets and proprietary information and not intended to curtail fair competition.

6 10. As part of their work with Lateral Link, Defendants received access to certain
7 confidential and proprietary information and trade secrets that belonged to Plaintiff and were not
8 otherwise accessible to the public. This included Plaintiff's database of attorney candidates who
9 had submitted confidential contact information and details about their employment history to
10 Plaintiff so that Plaintiff and its recruiters could determine whether those candidates were a good
11 fit for current law firm or corporate legal job openings that Lateral Link was working on or worked
12 on in the future. Defendants also received access to compilations and/or lists of law firms and legal
13 employers that were currently hiring as well as those which Plaintiff was currently working, had
14 worked with in the past and/or desired to work with in the future.

15 11. Defendants performed partner level searches for Lateral link so also received access
16 to highly confidential information about partner candidate's practices including billing rates for
17 clients and summaries of historic and projected revenue by client.

18 12. As a legal recruiting company Lateral Link's database and proprietary candidate
19 information is akin to its inventory and makes up the single most valuable asset the company owns.

20 13. Due to the highly sensitive nature of the information Lateral Link collects about its
21 candidates, associates and partners alike, the company goes through great effort to secure the
22 confidentiality of its proprietary information and trade secrets. As a condition of their engagement
23 with Lateral Link and in exchange for the compensation and fees they received from the Plaintiff,
24 Lateral Link requires all of its recruiters to agree to only use Lateral Link's confidential and
25 proprietary information and trade secrets for purposes of performing services for Lateral Link, and
26 not to disclose such information to any third party except as necessary to carry out their services
27 for the company.

28 14. Lateral Link's recruiters also agree to inform Lateral Link of any unauthorized

1 release of proprietary and trade secret information and take reasonable measures to prevent any
2 unauthorized disclosure by others. They also agree that they will promptly return all such
3 information (and all copies thereof) to Plaintiff upon request and/or the termination of their
4 engagement with Plaintiff. Plaintiff's recruiters also agree that the documents and data they
5 received from Plaintiff during their engagement are the property of Plaintiff. Defendants agreed to
6 abide by all of the above terms and, in exchange, received compensation and were provided tools
7 by Lateral Link to perform recruiting services for Plaintiff.

8 15. Defendants abruptly resigned from their positions with Lateral Link on January 18,
9 2016 in order to start their own legal recruiting company, called Madison West Legal Search, LLC.
10 Plaintiff believes and thereupon alleges that Defendants started Madison West Legal Search, LLC,
11 on or around October 15, 2015.

12 16. Plaintiff believes and thereupon alleges, that prior to their resignation, Defendants
13 made unauthorized copies of Plaintiff's confidential and proprietary information and trade secrets
14 with the intent to use the same for their own personal economic gain. This information included,
15 without limitation, candidate's contact information, candidate's resumes, and law school
16 transcripts. Furthermore, Plaintiff believes and thereupon alleges that Defendants planned to use
17 and/or have used Plaintiff's proprietary information to further their new legal recruiting venture,
18 and to otherwise gain an unfair advantage in the legal recruiting marketplace.

19 17. Following their resignation, Plaintiff requested that Defendants promptly return
20 Lateral Link's confidential and proprietary information and trade secrets including copies of work
21 product that existed on devices and/or media outside of Lateral Link's control. Defendants claimed
22 that they did not use any devices and/or media outside of those provided by Lateral Link. However,
23 Plaintiff believes and thereupon alleges that this was not true as, in the months leading up to their
24 resignation, Defendants' work email accounts reveal them sending proprietary candidate
25 information (including but not limited to resumes, law school transcripts, "Lateral Partner
26 Questionnaires," client lists) from their work email accounts to their personal email. Their work
27 computers also show evidence of proprietary documents being accessed in such a way that they
28 were likely copied to Defendants' personal "cloud" storage accounts or other memory devices.

1 18. Plaintiff also asked Defendants to identify all searches they had been working on in
2 the months leading up to their resignation and which candidates had been identified for said
3 searches and/or submitted to said law firms. Plaintiff specifically asked about one partner level
4 search in Chicago for a large law firm’s real estate practice group. Defendants represented that they
5 had not submitted any candidates for the real estate partner search and had not identified any
6 candidates for that search. However, Plaintiff learned from the client and is now informed,
7 believes, and thereupon alleges, that Defendants had compiled a “target list” of at least thirty
8 candidates for the above referenced real estate partner search and, contrary to their representations,
9 had actually submitted at least one candidate for the search without using Lateral Link’s email
10 accounts or admin database so as to prevent Lateral Link from learning of their efforts and/or
11 competing with them on those searches.

12 19. Lateral Link believes and thereupon alleges that Defendants intentionally stopped
13 logging details about their searches into the Lateral Link database and used personal email
14 accounts to prevent Lateral Link from learning about those searches and so Defendants could
15 attempt to continue to work on those searches after their resignation from Lateral Link. Plaintiff,
16 therefore, asks that the Court enjoin Defendants from destroying any Lateral Link search related
17 records still in their possession and, additionally, require Defendants to promptly turn this
18 information over to Plaintiff so that Plaintiff can continue working on those searches using its
19 proprietary information.

20 20. Plaintiff values the injunctive relief sought by this complaint as exceeding \$75,000
21 as the information Defendants have misappropriated could be used to generate hundreds of
22 thousands of dollars in search fees that should properly belong to Lateral Link. Put another way,
23 Lateral Link could miss out on over \$75,000 worth of placement fees if it cannot obtain copies of
24 its proprietary information that is now believed to be in Defendants’ possession. Additionally, if
25 Defendants were to disclose said proprietary information about Lateral Link candidates to a third
26 party, Lateral Link could be the target of a lawsuit by candidate(s) and the damages from such a
27 lawsuit and/or Lateral Link’s defense fees could easily exceed \$75,000.

28 21. Plaintiff’s investigation continues and Plaintiff therefore reserves the right to amend

1 this complaint to address additional violations discovered after the complaint is filed.

2 **First Cause of Action**
3 **Misappropriation of Trade Secrets**
4 **(Against all Defendants)**

5 22. Plaintiff incorporates in this cause of action each and every allegation of the
6 preceding paragraphs, with the same force and effect as though fully set forth herein.

7 23. At all relevant times alleged herein, Plaintiff Lateral Link was in possession of trade
8 secret information as defined by California's Uniform Trade Secrets Act ("CUTSA") Civil Code
9 Section 3426.1(d). As described above, Defendants were provided access to such trade secrets in
10 their positions with Lateral Link. The proprietary business and customer information of Lateral
11 Link that Defendants were provided access to, including the information in Plaintiff's attorney
12 candidate data base and the "LPQ's" for partner level searches, constitutes a trade secret because
13 Plaintiff, as described herein, derives independent economic value from that information, such
14 information is not readily ascertainable by proper means by other persons who can obtain
15 economic value from its disclosure or use, and because the information is the subject of reasonable
16 efforts to maintain its secrecy. Plaintiff's trade secret information described herein is not and was
17 not generally known to Plaintiff's competitors in the industry.

18 24. Lateral Link is informed and believes and thereupon alleges that Defendants, and
19 each of them, have actually misappropriated and continue to threaten to misappropriate Plaintiff's
20 trade secrets in violation of CUTSA.

21 25. As a result of their positions with Lateral Link, Defendants had access to Plaintiff's
22 valuable trade secrets as described herein. Defendants continue to have knowledge of that
23 information, notwithstanding the fact that they have started a new legal recruiting company that
24 competes with Plaintiff. Plaintiff believes and thereupon alleges that Defendants continue to
25 possess Plaintiff's trade secrets in electronic and in physical format, including on personal, non-
26 Lateral Link sanctioned "cloud" based storage accounts and/or personal non-Lateral Link approved
27 email accounts.

28 26. Defendants intend to improperly use or disclose Plaintiff's trade secrets to others in
violation of the CUTSA and their contracts with the Plaintiff.

1 38. Plaintiff believes and thereupon alleges that Defendant breached and threatens to
2 continue to breach his agreement with Plaintiff by, without limitation:

3 i. Failing to return all of Plaintiff's proprietary and confidential information and
4 property upon the termination of his engagement with Plaintiff and/or upon Plaintiff's
5 request that he do so;

6 ii. Refusing to return and/or destroy all copies of Lateral Link's proprietary and
7 confidential information in his possession including but not limited to electronic copies of
8 Plaintiff's client list;

9 iii. Calling on and/or soliciting Lateral Link customers or potential customers regarding
10 job openings he worked on while at Lateral Link;

11 iv. Communicating with and/or submitting Plaintiff's attorney candidates for positions
12 where he first became aware of and/or worked with the candidate during his tenure with
13 Plaintiff;

14 v. Colluding with his fellow Defendant to misappropriate Lateral Link's trade secrets
15 to further Defendants' legal recruiting search firm, Madison West Legal Search, LLC;

16 vi. Retaining electronic copies of proprietary information concerning candidate and
17 partner level searches in his personal email and personal "cloud" based storage account(s);
18 and,

19 vii. Utilizing Plaintiff's confidential and proprietary information and trade secrets to
20 benefit his new legal recruiting venture, Madison West Legal Search, LLC.

21 39. As a result of any one of these breaches of the agreements, Plaintiff has been injured
22 and faces irreparable injury. Plaintiff is threatened with losing law firm clients, its proprietary
23 attorney candidate lists, its competitive advantage, its trade secrets, and goodwill in amounts
24 exceeding the jurisdictional requirements of this Court, unless Defendant is enjoined and restrained
25 by the Court.

26 Wherefore, Plaintiff prays for judgment as set forth below.

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Fourth Cause of Action
Violation of Penal Code Section 502
(Against all Defendants)

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3 40. Plaintiff re-alleges and incorporates each and every allegation of the preceding
4 paragraphs with the same force and effect as though fully set forth herein.

5 41. Defendants, and each of them, violated the California Comprehensive Computer
6 Data Access and Fraud Act, Cal. Penal Code § 502, in that they knowingly and without permission
7 used and caused to be used computer services, as set forth and detailed above, in violation of Cal.
8 Penal Code § 502(c)(3).

9 42. Lateral Link is the owner and/or lessee of the computers, computer systems and
10 computer systems which were unlawfully accessed or used by Plaintiff, and has suffered damage
11 and loss by reason of their violation of the statute, as set forth above, and thus has standing to bring
12 this claim pursuant to Cal. Penal Code § 502(e)(1).

13 43. Plaintiff has suffered irreparable harm and damage from these unlawful activities.

14 44. Because Plaintiff's remedy at law is inadequate, Plaintiff seeks temporary,
15 preliminary, and permanent injunctive relief. Plaintiff is threatened with losing customers, its
16 competitive advantage, its trade secrets and goodwill in amounts which may be impossible to
17 determine, unless Defendants are enjoined and restrained by order of this Court, as alleged above.

18 Wherefore, Plaintiff prays for judgment as set forth below.

PRAYER FOR RELIEF

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20 **WHEREFORE**, Plaintiff prays that the Court enter an Order:

21 1. Temporarily, preliminarily, and permanently enjoining Defendants, and each of
22 them, and all persons acting in concert or participation with Defendants from directly or indirectly:

23 a. Obtaining, accessing, using, retaining, utilizing or disclosing Plaintiff's
24 confidential, proprietary, or trade secret information;

25 b. Accessing, retrieving, copying, transmitting, or disseminating any and all hard
26 copies or electronic data containing Plaintiff's trade secrets and/or confidential
27 information and/or any other Plaintiff data, documents, or property;

28 c. Deleting, destroying, shredding, altering, erasing, or otherwise modifying or

1 causing or permitting anyone else to delete, shred, destroy shred, alter, erase or
2 otherwise modify any evidence relating to this action;

3 2. Requiring the immediate disclosure and return to Plaintiff of all misappropriated
4 materials, including all media and electronic storage devices and virtual repositories, including but
5 not limited to any cloud-based storage account, portable USB storage devices utilized by either
6 Defendant, and digital hard drives utilized by any Defendant;

7 3. Requiring the production of all electronic devices operated by Defendant for
8 inspection to verify the use, access, disclosure, printing, copying, and return of Plaintiff's property,
9 including but not limited to the candidate contacts that Defendants looted from Plaintiff before
10 resigning; and the production of all passwords and links for all online storage areas utilized by one
11 or both of the Defendants for inspection;


12 4. Award of reasonable attorney's fees and costs pursuant to Cal. Penal Code §
13 502(e)(2) and Cal. Civ. Code § 3426.4; and,

14 5. Such other relief as the Court deems just and equitable.

15 Dated: February 17, 2016

Respectfully submitted,

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By: 
Kevin R. Allen, Esq.
Counsel for Plaintiff
Lateral Link Group Co-Op, LLC