

District Court, Denver, Colorado Court Address: 1437 Bannock St., Denver, CO 80202	DATE FILED: October 10, 2017 1:28 PM FILING ID: B28F57E860804 CASE NUMBER: 2017CV33770
<p>Lincoln Energy Partners II, LLC, a Colorado limited liability company,</p> <p><i>Plaintiffs</i></p> <p>v.</p> <p>Ferrari Energy, LLC, a Colorado limited liability company; Wolfhawk Energy Holdings, LLC d/b/a Ferrari Energy, a Colorado limited liability company; and Adam Ferrari, an individual.</p> <p><i>Defendants</i></p>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p>
Attorney for Plaintiff Name: Jordan Porter Address: 515 Clarkson No. 708, Denver, CO 80218 Phone Number: 720-295-9028 E-mail: jdporter@jdporterlaw.com Atty. Reg. No.: 46726	Case Number: Division: Courtroom:
COMPLAINT	

COMES NOW, Plaintiff Lincoln Energy Partners II, LLC (“LEP II”), for its Complaint, and states as follows:

THE PARTIES

1. LEP II is a Colorado limited liability company with offices located at 852 Broadway Ave, Suite 300, Denver, CO 80203.

2. Ferrari Energy, LLC (“Ferrari Energy”) is a Colorado limited liability company with a principal address of 1580 Lincoln Street, Suite 1110, Denver, CO 80203 formed by Adam Ferrari in February 2014.

3. Wolfhawk Energy Holdings, LLC d/b/a Ferrari Energy (“Wolfhawk”) is a Delaware limited liability company, registered in Colorado, conducts business in Colorado, and maintains a principal address of 1800 Glenarm Pl., Ste. 701, Denver, CO 80202.

4. Adam Ferrari (“Mr. Ferrari”) is an individual who lives and resides at 1650 Wewatta, Unit 1021, Denver, CO 80202. Upon information and belief, Adam Ferrari is an owner and operator of Ferrari Energy and Wolfhawk, both of which conduct business in Colorado.

JURISDICTION AND VENUE

5. By virtue of the facts alleged herein, this Court has subject matter jurisdiction over the claims in this lawsuit and personal jurisdiction over the parties.

6. Venue is appropriate in Denver County, Colorado because the Parties work and maintain their principal places of business in Denver, Colorado as reflected in their respective business registration filings. Additionally, the claims in this lawsuit stem, in part, from actions taken in relation to an employment agreement with confidentiality provisions. The employment agreement was negotiated and signed in Denver, Colorado.

FACTUAL ALLEGATIONS

7. On or about March 7th, 2016, Justin Deschene and Bulldog Energy, LLC (collectively “Bulldog Parties”) entered into a contract (“Contract”) with LEP II. The Contract stated that the Bulldog Parties would perform services for LEP II including, among other things, scouting and obtaining information for oil and gas development activity as well as soliciting leads for oil and gas acquisitions that LEP II could obtain.

8. The Contract further stated that the Bulldog Parties would provide those services for “the exclusive benefit of [LEP II].” In exchange for the Bulldog Parties’ services, the Bulldog Parties were given consideration in the form of, among other things, a monthly retainer, reimbursement costs, and a percentage equity share of oil and gas acquisitions that had been directly sourced to LEP II by the Bulldog Parties.

9. Further, as part of the Contract, LEP II and the Bulldog Parties entered into a Non-Disclosure and Non-Compete Agreement (the “Non-Disclosure Agreement”).

10. The Non-Disclosure Agreement identified certain “Confidential Information” belonging to LEP II as confidential and proprietary, that information included, among other things:

. . . ownership reports; lease purchase reports; title opinions; business records and plans; customer lists, information and pricing; revenue, profitability and other performance data and reports; market research, business plans and strategies; personal data; trade secrets; technical information; marketing materials; offer letters; business contracts and agreements; purchase agreements; pricing structure . . .

11. Under the Non-Disclosure Agreement, the Bulldog Parties acknowledged that the Confidential Information was proprietary and constituted trade secrets of LEP II.

12. Additionally, the Non-Disclosure Agreement required the Bulldog Parties to keep any Confidential Information received from LEP II confidential, prohibited the Bulldog Parties from disclosing “any Confidential Information to third parties,” and required the Bulldog Parties to turn over any Confidential Information received from LEP II upon termination of the Contract.

13. Through the course of their performance under the Contract, the Bulldog Parties acquired certain Confidential Information from LEP II, including leads for mineral rights acquisition contracts.

14. During the course of performance of the Contract, Mr. Ferrari, on behalf of himself, Wolfhawk, and Ferrari Energy, began contacting the Bulldog Parties on or about July 5, 2016 to incentivize the Bulldog Parties to break their Contract with LEP II.

15. In particular, on July 5, 2016, Mr. Ferrari texted Justin Deschene directly asking the Bulldog Parties to join Mr. Ferrari and his related companies and specifically directing Justin Deschene not to inform Mr. Schuessler or LEP II about the proposal.

16. Upon information and belief, Mr. Ferrari knew the Bulldog Parties were working with LEP II, were in possession of LEP II’s Confidential Information, and that the Bulldog Parties were under a Non-Disclosure Agreement to keep LEP II’s Confidential Information secret.

17. Mr. Ferrari, on behalf of himself, Wolfhawk, and Ferrari Energy, specifically targeted the Bulldog Parties to obtain LEP II’s Confidential Information, including, but not limited to, leads for mineral rights acquisition contracts that LEP II had been developing and pursuing.

18. On or about July 31, 2016, approximately 5 months after the Contract was entered into, the Bulldog Parties terminated the Contract. Importantly, the Contract provided that upon termination of the Contract, the confidentiality provisions of the Non-Disclosure Agreement would survive for 6 months extending from the date of termination.

19. Notably, during the month prior to the Bulldog Parties' termination of the Contract, Mr. Ferrari, on behalf of himself, Wolfhawk, and Ferrari Energy, had been texting Justin Deschene and discussing the specific deals the Bulldog Parties had been working on while under their Contract with LEP II.

20. Upon termination of the Contract, the Bulldog Parties immediately began working for and with Mr. Ferrari, Wolfhawk, and Ferrari Energy in the mineral rights acquisition industry.

21. Over the next several months, Mr. Ferrari, Wolfhawk, and Ferrari Energy acquired or profited from mineral rights acquisition deals that LEP II had previously been working on and developing and that the Bulldog Parties were aware of. Specific deals Mr. Ferrari, Wolfhawk, and Ferrari Energy profited from include, but are not limited to, mineral rights acquisition deals with Max and Judy True, Marsha Haas, and Janet Roth.

22. Upon information and belief Mr. Ferrari, Wolfhawk, and Ferrari Energy used the Bulldog Parties to acquire LEP II's confidential information, misappropriate LEP II's trade secrets, and profit off the information acquired or otherwise obtain a competitive advantage in the same industry as LEP II.

23. On or about August 23, 2016, LEP II specifically informed Mr. Ferrari, Wolfhawk, and Ferrari Energy that the Bulldog Parties had ongoing obligations under the Non-Disclosure Agreement, including non-compete obligations and confidentiality obligations with respect to the Confidential Information the Bulldog Parties had acquired from LEP II. Mr. Ferrari, Wolfhawk, and Ferrari Energy purposefully and intentionally continued working with the Bulldog Parties after being informed of the Bulldog Parties' ongoing obligations.

24. Upon information and belief, Mr. Ferrari, Wolfhawk, and Ferrari Energy have used and are using LEP II's Confidential Information in violation of Colorado's Uniform Trade Secrets Act, C.R.S. § 7-74-101, et seq. ("CUTSA").

25. Mr. Ferrari's, Wolfhawk's, and Ferrari Energy's interference with LEP II's contract with the Bulldog Parties; interference with prospective mineral rights acquisitions LEP II was working to acquire; and their misappropriation of LEP II's Confidential Information have damaged LEP II in the form of, among other things, financial harm and future lost profits.

CLAIM ONE
(Violation of the CUTSA – Alleged Against All Defendants)

26. LEP II hereby incorporates the foregoing allegations by reference as if fully set forth herein.

27. The Bulldog Parties received confidential and proprietary information during their employ with LEP II which consisted of trade secrets within the definition of the CUTSA.

28. The Bulldog Parties improperly disclosed or used LEP II's trade secrets by failing to keep the information secret and by using the trade secret information to profit.

29. The Bulldog Parties did not have consent or authorization from LEP II to use LEP II's trade secrets in the manner that they used them, including disclosing them or assisting in Mr. Ferrari's, Wolfhawk's, and Ferrari Energy's use of them.

30. Mr. Ferrari, Wolfhawk, and Ferrari Energy employed and worked with the Bulldog Parties to acquire LEP II's trade secret information.

31. Mr. Ferrari, Wolfhawk, and Ferrari Energy knew that LEP II's trade secrets had been acquired by the Bulldog Parties by improper means due to, among other things, their knowledge of the Bulldog Parties ongoing confidentiality obligations to LEP II and the Bulldog Parties' breach of those obligations.

32. Mr. Ferrari, Wolfhawk, and Ferrari Energy disclosed or otherwise used LEP II's trade secret to profit, including by pursuing and closing leads for mineral rights acquisition contracts that LEP II had also been pursuing.

33. Mr. Ferrari, Wolfhawk, and Ferrari Energy were specifically informed of the Bulldog Parties obligations of confidentiality to LEP II and yet continued to work with the Bulldog Parties to obtain and use LEP II's trade secret information.

34. Mr. Ferrari's, Wolfhawk's, and Ferrari Energy's misappropriation of LEP II's trade secrets was done with the knowledge of the Bulldog Parties' confidentiality obligations to LEP II and constituted malicious, willful, and wanton disregard of LEP II's rights.

35. Mr. Ferrari's, Wolfhawk's, and Ferrari Energy's misappropriation of LEP II's trade secrets has caused LEP II harm in the form of, among other things, lost profits and loss of prospective economic advantage.

CLAIM TWO
(Conversion – Alleged Against All Defendants)

36. LEP II hereby incorporates the foregoing allegations by reference as if fully set forth herein.

37. Mr. Ferrari, Wolfhawk, and Ferrari Energy intentionally exercised dominion or ownership over LEP II's Confidential Information, including proprietary information, trade secrets, oil and gas acquisition prospect lists LEP II developed, and oils and gas assets that LEP II had been pursuing.

38. Mr. Ferrari, Wolfhawk, and Ferrari Energy exercised that dominion and ownership over LEP II's Confidential Information without authorization to exercise dominion and ownership over that information. Further, Mr. Ferrari, Wolfhawk, and Ferrari Energy, once in control of LEP II's Confidential Information, used that information to their benefit or to otherwise profit off of it.

39. Mr. Ferrari's, Wolfhawk's, and Ferrari Energy's exercise of dominion and ownership over LEP II's Confidential Information constitutes conversion and has caused LEP II financial and economic harm.

CLAIM THREE
(Intentional Interference with Prospective Business Relations – Against All Defendants)

40. LEP II hereby incorporates the foregoing allegations by reference as if fully set forth herein.

41. During the relevant time frame, the Bulldog Parties had access to LEP II's client and prospective acquisitions lists and other confidential information as provided under the Contract and Non-Disclosure Agreement. Further, the Bulldog Parties agreed to source prospective clients and oil and gas acquisitions for the exclusive benefit of LEP II as provided in the Contract.

42. Mr. Ferrari, Wolfhawk, and Ferrari Energy used and worked with the Bulldog Parties to obtain information regarding LEP II's prospective business relationships and improperly used that information, including LEP II's trade secrets and other proprietary information, to source prospective oil and gas acquisitions to themselves for their own benefit. Specifically, and by way of example, Mr. Ferrari, Wolfhawk, and Ferrari Energy entered directly into oil and gas acquisition contracts with LEP II's prospective relationships which interfered with the exclusive right LEP II otherwise would have had to acquire those contracts.

43. If it were not for Mr. Ferrari's, Wolfhawk's, and Ferrari Energy's intentional interference with LEP II's prospective acquisition relationships, LEP II would have been able to acquire contracts for those oil and gas interests.

44. Mr. Ferrari's, Wolfhawk's, and Ferrari Energy's improper and intentional interference with LEP II's prospective business relations resulted in harm to LEP II in the form of, among other things, lost profits and lost economic advantage.

CLAIM FOUR
(Intentional Interference with Contact – Against All Defendants)

45. LEP II hereby incorporates the foregoing allegations by reference as if fully set forth herein.

46. Mr. Ferrari, Wolfhawk, and Ferrari Energy were aware of the Bulldog Parties Contract with LEP II, including the Bulldog Parties obligations to work exclusively for and source mineral rights acquisition deals to LEP II.

47. Mr. Ferrari, Wolfhawk, and Ferrari Energy intentionally worked to disrupt and interfere with the Contract, and ultimately succeeded as the Bulldog Parties breached their obligations under the Contract and ultimately terminated the Contract.

48. Mr. Ferrari's, Wolfhawk's, and Ferrari Energy's interference with the Contract was done with the intent to hurt or injure LEP II; was done with the intent to acquire information about business and mineral rights acquisition leads LEP II was pursuing; and Mr. Ferrari's, Wolfhawk's, and Ferrari Energy's actions that resulted in interference with the Contract were otherwise improper.

49. Mr. Ferrari's, Wolfhawk's, and Ferrari Energy's interference with the Contract caused LEP II damages in the form of, among other things, lost mineral rights acquisitions LEP II otherwise would have been able to acquire, lost services from the Bulldog Parties, and lost resources spent in training and employing the Bulldog Parties to develop mineral rights acquisition leads for LEP II.

CLAIM FIVE
(Unjust Enrichment – Against All Defendants)

50. LEP II hereby incorporates the foregoing allegations by reference as if fully set forth herein.

51. Mr. Ferrari, Wolfhawk, and Ferrari energy received a benefit from LEP II in the form of, among other things, information pertaining to specific mineral rights acquisition leads.

52. LEP II expended money in creating and obtaining that information through, among other ways, marketing, investment in geological data, and hiring employees such as the Bulldog Parties to pursue and develop mineral rights acquisition leads.

53. Mr. Ferrari, Wolfhawk, and Ferrari Energy profited as the result of receiving benefits from LEP II, including profiting from mineral rights acquisition contracts, and it would be unjust for Mr. Ferrari, Wolfhawk, and Ferrari Energy to retain that benefit without commensurate compensation to LEP II.

WHEREFORE, Plaintiff LEP II requests judgment in its favor and against Mr. Ferrari, Wolfhawk, and Ferrari Energy, jointly and severally, as follows:

- A. injunctive relief prohibiting the Bulldog Parties from continuing to use LEP II's Confidential Information, including trade secrets and other proprietary information in an improper or unlawful manner;
- B. damages for misappropriation of trade secrets in an amount to be proven at trial and as permitted under the CUTSA;
- C. damages for conversion in an amount to be determined at trial;
- D. damages for intentional interference of prospective business relations to be proven at trial;
- E. damages for intentional interference with LEP II's Contract with the Bulldog Parties in an amount to be proven at trial;
- F. damages for unjust enrichment received by the Bulldog Parties at the expense of LEP II in an amount to be proven at trial;
- G. pre-judgment interest as permitted by law;
- H. attorneys' fees as permitted by law;
- I. an award of punitive, treble, and exemplary damages for Mr. Ferrari's, Wolfhawk's, and Ferrari Energy's willful, malicious, and improper conduct as permitted by law;
- J. such other relief as the Court deems just and proper.

JURY DEMAND

PLAINTIFF DEMANDS TRIAL BY JURY ON ALL ISSUES SO TRIABLE.

/s/Jordan Porter
Jordan Porter
ATTORNEY FOR PLAINTIFF

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