

IN THE CIRCUIT COURT OF KANAWHA COUNTY, WEST VIRGINIA

HILB GROUP OF WEST VIRGINIA, LLC,
a Delaware limited liability company,

Plaintiff,

v.

MICHAEL M. IDLEMAN, individually, and
MAIN STREET INSURANCE, LLC,
a West Virginia limited liability company,

Defendants.

FILED
2016 AUG 30 AM 11:08

CATHY S. GATSON, CLERK
KANAWHA COUNTY CIRCUIT COURT

Civil Action No.:

Judge:

16-C-1333
Webster

COMPLAINT

COMES NOW Plaintiff, Hilb Group of West Virginia, LLC by its attorneys, Kurt E. Entsminger and the law firm of Flaherty Sensabaugh Bonasso PLLC, as and for its Complaint against Defendants, Michael M. Idleman and Main Street Insurance, LLC (sometimes collectively hereafter referred to as "Defendants"), and alleges as follows:

PARTIES

1. Plaintiff, Hilb Group of West Virginia, LLC ("Hilb"), is a Delaware limited liability company. On January 1, 2015, Hilb acquired CityInsurance Professionals from City Holding Company and City National Bank of West Virginia. Hilb is presently doing business as CityInsurance Professionals with insurance brokerage offices located across West Virginia.
2. Defendant, Michael Idleman ("Idleman"), is an individual who resides in Kanawha County, West Virginia.
3. Defendant, Main Street Insurance, LLC ("Main Street"), is a West Virginia limited liability company which maintains insurance brokerage offices in Huntington, West Virginia.

VENUE

4. Venue is proper in this Court pursuant to West Virginia Code Section 56-1-1(a)(1) in that the causes of action asserted herein arose in Kanawha County, West Virginia and in that Defendant Idleman has at all relevant times resided in Kanawha County, West Virginia.

FACTS

5. From April 24, 2006 until July 8, 2016, Defendant Idleman was employed by Hilb and its predecessor in interest as Senior Vice President and Director, Workers' Compensation in which position he worked directly with Hilb customers in providing new insurance services and in servicing existing insurance accounts.
6. During the course of his employment with Hilb and its predecessor in interest, Defendant Idleman was contractually prohibited, for a period of 24 months after leaving his employment, from soliciting Hilb's customers.
7. During the course of his employment with Hilb and its predecessor in interest, Defendant Idleman was contractually prohibited from disclosing Hilb's confidential customer information.
8. On or about June 17, 2016, Hilb notified Defendant Idleman in writing that his employment relationship with Hilb would terminate effective July 8, 2016.
9. On or about July 17, 2016, Hilb and Idleman entered into a Severance Agreement and General Release ("Severance Agreement") which set forth various obligations of the parties in connection with Defendant Idleman's separation from employment.
10. In the Severance Agreement, Defendant Idleman expressly agreed that he would not solicit Hilb customers for a period of 24 months after the termination of his employment:

Employee agrees that during any remaining term of his employment relationship and for a period of 24 months after

separation of employment, he will not, directly or indirectly, for Employee's own account or in association with any other person or entity, solicit or attempt to solicit or attempt to solicit any person or entity who is or was a customer of Employer or City National since July 2, 2007 with whom Employee had direct or indirect contact on behalf of Employer or by City National while employed by Employer or City National, if such solicitation is for the purpose of inducing the person or entity to either cancel, reduce, or replace coverage under any insurance or other product previously obtained through either Employer or City National, or to transfer their insurance coverage or risk management/insurance business from Employer to City National to another agency.

11. In the Severance Agreement, Defendant Idleman also expressly agreed that he would not disclose any confidential customer information as was specifically prohibited in his previously-executed employment agreements.
12. Upon information and belief, on or before July 5, 2016, Defendant Idleman began to engage in an illicit pattern of deceptive and secretive conduct in order to directly or indirectly solicit numerous Hilb customers to transfer their business to Defendant Main Street which was to soon become Defendant Idleman's new employer.
13. Upon information and belief, on or before July 5, 2016, Defendant Idleman began to improperly utilize and disclose Hilb's confidential customer information in order to facilitate the improper solicitation of Hilb customers to transfer their accounts to Defendant Main Street which was to soon become Defendant Idleman's new employer.
14. Beginning on July 5, 2016 and continuing over the following weeks, Hilb received notices from numerous clients, whose accounts had been previously serviced by Defendant Idleman, that they intended to cancel their accounts with Hilb and to transfer their services to a new agent or broker.
15. Sometime on or before July 24, 2016, Defendant Idleman accepted and entered into new employment with Defendant Main Street as a commercial insurance account representative.

16. On July 24, 2016, *The Herald-Dispatch* newspaper published an article in its "Personnel" section announcing that Defendant Idleman had begun his employment with Defendant Main Street as a commercial account representative specializing in worker's compensation insurance.

17. On or about July 27, 2016, Defendant Main Street posted a link to the aforementioned *Herald-Dispatch* newspaper article on its corporate Facebook page with the following additional information:

We would like to welcome Mike Idleman, to our growing team, here at Main Street Insurance. Mike brings 35 years of experience to our agency. If you have any questions or concerns regarding Worker's Compensation, please contact Mike at our office, 304-697-4664 or by email, m.idleman@msiww.com.

18. Since becoming employed by Defendant Main Street, Defendant Idleman has been directly engaged in carrying on a business that provides the same business conducted by Hilb within the same geographical territories in which Hilb conducts its company business.

19. Hilb has since confirmed that numerous clients whose accounts were formerly serviced by Defendant Idleman while he was employed at Hilb have, in fact, transferred their accounts to be serviced by Defendant Main Street.

20. Upon information and belief, Defendant Idleman, with the assistance and encouragement of Main Street, is continuing to actively solicit various Hilb clients to transfer their accounts to Main Street.

LEGAL CLAIMS

Count I: Breach of Contract

21. Plaintiff hereby incorporates and reasserts all of the previous allegations of this Complaint.

22. Defendant Idleman has willfully and repeatedly breached the terms of his Severance Agreement with Hilb by, among other things, directly or indirectly soliciting or attempting to solicit Hilb's customers and by improperly utilizing and disclosing confidential customer information in connection with such improper solicitation efforts.
23. Defendant Idleman has willfully and repeatedly breached the terms of his prior employment agreements with Hilb and its predecessor in interest by, among other things, directly or indirectly soliciting or attempting to solicit Hilb's customers and by improperly utilizing and disclosing confidential customer information in connection with such improper solicitation efforts.
24. Defendant Idleman has also willfully breached the provisions of his Restricted Shares Award Agreement by entering into employment with a competitor of Hilb before allowing Hilb's parent corporation to repurchase his vested shares of stock and even though Hilb's parent corporation acted in good faith and paid Defendant Idleman the agreed price for the shares in question.
25. Defendant Main Street has, upon information and belief, aided and abetted Defendant Idleman in breaching these contractual obligations to Hilb.
26. These breaches by Defendant Idleman are causing and will continue to cause Hilb to suffer substantial damages and great irreparable harm to its business.

Count II: Breach of Fiduciary Duty

27. Plaintiff hereby incorporates and reasserts all of the previous allegations of this Complaint.
28. Defendant Idleman owed Hilb a fiduciary duty of undivided loyalty while employed by Hilb and while continuing to hold vested shares of Hilb's parent company.

29. Upon information and belief, Defendant Idleman breached his fiduciary duties to Hilb Group by interfering with and misappropriating Hilb's client relationships while he was still an employee of Hilb and, thereafter, while he continued to hold vested shares of Hilb's parent company.
30. These breaches by Defendant Idleman are causing and will continue to cause Hilb to suffer substantial damages and great irreparable harm to its business.
31. Defendant Main Street has, upon information and belief, aided and abetted Defendant Idleman in breaching these fiduciary duties to Hilb.
32. As a proximate result of these breaches, Hilb has and will continue to suffer substantial damages and great irreparable harm to its business.

Count III: Conversion

33. Plaintiff hereby incorporates and reasserts all of the previous allegations of this Complaint.
34. Hilb's confidential business information, including but not limited to existing and potential customer account and contact information, constitutes valuable property belonging to Hilb.
35. Upon information and belief, Defendants have used and converted for their own benefit the property of Hilb without permission or other legal authorization.
36. These breaches by Defendants are causing and will continue to cause Hilb to suffer substantial damages and great irreparable harm to its business.

Count IV: Unfair Competition

37. Plaintiff hereby incorporates and reasserts all of the previous allegations of this Complaint.
38. Upon information and belief, Defendants have engaged or will engage in acts of unfair competition by knowingly and intentionally misappropriating and exploiting Hilb's confidential and proprietary information and using such information to unfairly compete with

Hilb and to otherwise interfere with and cause damage to Hilb's business relationship with its clients.

39. Upon information and belief, such actions committed by Defendants constitute commercially improper and immoral acts.

40. These violations by Defendants are causing and will continue to cause Hilb to suffer substantial damages and great irreparable harm to its business.

Count V: Misappropriation of Trade Secrets

41. Plaintiff hereby incorporates and reasserts all of the previous allegations of this Complaint.

42. Upon information and belief, Defendants have misappropriated and are continuing to misappropriate Hilb's confidential and proprietary information which afforded Hilb a commercial advantage.

43. Such confidential and proprietary information is not known outside of Hilb's business, is known only by employees and others involved in Hilb's business, and is subject to measures to guard the secrecy of the information.

44. Hilb's information has been developed with a substantial amount of effort and investment and cannot readily be acquired or duplicated by others. Further, the information is valuable to Hilb competitors.

45. These misappropriations by Defendants are causing and will continue to cause Hilb to suffer substantial damages and great irreparable harm to its business.

Count VI: Tortious Interference with Contract

46. Plaintiff hereby incorporates and reasserts all of the previous allegations of this Complaint.

47. Defendant Main Street, prior to employing Defendant Idleman, was made aware of the contractual restrictions imposed upon Defendant Idleman by Hilb relating to the solicitation of customers and the disclosure of confidential information.
48. Notwithstanding such knowledge, Defendant Main Street, upon information and belief, has intentionally, maliciously, and unjustly induced, and continues to induce Defendant Idleman to breach his contractual obligations to Hilb.
49. Upon information and belief, Main Street's interference is in willful, wanton, and reckless disregard of Hilb's legal rights.
50. This tortious conduct is causing and will continue to cause Hilb to suffer substantial damages and great irreparable harm to its business.

Count VII: Tortious Interference with Business Relationships

51. Plaintiff hereby incorporates and reasserts all of the previous allegations of this Complaint.
52. Hilb has longstanding business relationships with numerous clients and has expended significant time and money in developing and maintaining those customer relationships.
53. Upon information and belief, Defendant Main Street is wrongfully and maliciously interfering with these relationships by using Hilb's confidential customer information and by aiding, abetting, and assisting Defendant Idleman in wrongfully soliciting Hilb's clients and thereby inducing those clients to leave Hilb and to transfer their accounts to Defendant Main Street.
54. This tortious conduct is causing and will continue to cause Hilb to suffer substantial damages and great irreparable harm to its business.

WHEREFORE, Plaintiff respectfully prays for the following relief:

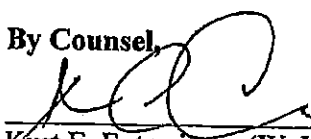
1. Compensatory damages for loss of profits and harm to business;
2. Punitive damages;

3. An order enjoining Defendant Idleman, and any other persons or entities acting on his behalf or in active concert or participation with him, including Defendant Main Street, from soliciting Hilb's clients for a period consistent with Idleman's contractual obligations;
4. An order enjoining Defendants from using any confidential and proprietary information of Hilb or information derived from Hilb's confidential and proprietary information;
5. An order enjoining Defendant Idleman, and any other persons or entities acting on his behalf or in active concert or participation with him, including Defendant Main Street, from otherwise acting in breach of Idleman's contractual obligations to Hilb;
6. An order requiring Defendants to return to Hilb all of its property;
7. Reasonable attorney's fees, forum fees and costs incurred in prosecuting this action; and
8. Such other and further relief as this Court deems just, proper, and equitable.

PLAINTIFF DEMANDS A JURY TRIAL ON ALL ISSUES

HILB GROUP OF WEST VIRGINIA, LLC

By Counsel,


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