1 2 3 4 5 6 7	William H. Littlewood #202877 DOWLING AARON INCORPORATED 8080 North Palm Avenue, Third Floor P.O. Box 28902 Fresno, California 93729-8902 Tel: (559) 432-4500 Fax: (559) 432-4590 wlittlewood@dowlingaaron.com  Attorneys for Defendants/Cross-Complainants M HESAM HOBAB, ALI NEKUMANESH and DE	E-FILED 9/27/2019 3:19 PM Superior Court of California County of Fresno By: C. York, Deputy  OHAMAD HOBAB, ELI DELICIOUS FRANCHISE, INC.
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9	SUPERIOR COURT OF CALIFORNIA, COUNTY OF FRESNO	
10	CIVIL UNLIMITED	
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12	TIM CAMPELL	Case No. 19CECG02930
13	Plaintiff,	DEFENDANTS/CROSS-COMPLAINANTS DELI DELICIOUS FRANCHISE, INC.'S
14	v.	AND ALI NEKUMANESH'S CRÓSS- COMPLAINT AGAINST TIM CAMPBELL
15	MOHAMAD HOBAB, an individual; HESAM HOBAB, an individual; ALI	
16 17	NEKUMANESH, an individual; DELI DELICIOUS FRANCHISE, INC., a California Corporation; and ROES 1-20,	Complaint filed: August 13, 2019
18	Defendants.	
19	ALI NEKUMANESH, an individual; DELI	
20	DELICIOUS FRANCHISE, INC., a California Corporation	
21	Cross-Complainants,	
22	v.	
23	TIM CAMPELL; and ROES 1-20,	
24	Cross-Defendants.	
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CROSS-COMPLAINT

COMES NOW Cross-Complainants DELI DELICIOUS FRANCHISE, INC., a California Corporation ("DDFI") and ALI NEKUMANESH, an individual, and aver and allege for their cross-complaint against Cross-Defendant TIM CAMPELL ("Cross-Defendant") named herein below as follows:

- 1. Cross-Complainant DELI DELICIOUS FRANCHISE, INC. ("DDFI") is a corporation duly organized, existing and authorized to conduct business in California under California law, with its principle place of business located in the City and County of Fresno, State of California.
- 2. Cross-Complainant ALI NEKUMANESH ("Mr. Nekumanesh") is an individual residing in the County of Fresno, State of California.
- 3. DDFI and Mr. Nekumanesh are informed and believe, and thereon allege, that Cross-Defendant is an individual residing in the County of Fresno, State of California.
- 4. DDFI and Mr. Nekumanesh are unaware of the true names and capacities of cross-defendants sued herein as Roes 1 through 20, inclusive, and therefore sue these cross-defendants by such fictitious names. When their true names are ascertained, DDFI and Mr. Nekumanesh will amend this complaint by inserting their true names herein.
- 5. DDFI and Mr. Nekumanesh are informed and believe, and thereon allege, that each of the cross-defendants named herein was the agent, servant, employee or co-conspirator of each of the remaining cross-defendants, and that at all times herein mentioned, each was acting within the scope of such agency, employment and/or conspiracy and for the mutual benefit or for the benefit of one or more of the cross-defendants named herein.
- 6. Venue is proper in the County of Fresno as to all parties because the wrongful conduct and acts alleged herein occurred, in part, within the County of Fresno.

# GENERAL ALLEGATIONS COMMON TO ALL CAUSES OF ACTION

7. DDFI is a successful restaurant franchise with over 100 stores operating or in development throughout California. DDFI began as a family-owned restaurant

approximately 20 years ago and due to the popularity of its products and services grew into a thriving franchise system. Through DDFI's proprietary system, franchisees obtain a recognized brand name, turnkey operations, and access to DDFI's proprietary recipes, systems and procedures. Mr. Nekumanesh is the Executive Vice President of DDFI and had been instrumental in contributing to the overall growth and success of DDFI.

- 8. Cross-Defendant was employed by DDFI as an at-will employee in approximately 2015 until his termination from employment in or about June 2017. During his employment, and in connection with his job duties, Cross-Defendant had access to DDFI's confidential and proprietary information. Cross-Defendant acknowledged both orally and in writing the confidential and proprietary nature of such information, and further agreed that he would not share such information with third parties (including DDFI franchisees) or outside of DDFI unless specifically authorized to do so by DDFI.
- 9. DDFI is informed and believes, and thereon alleges, that Cross-Defendant, without authorization, disclosed DDFI's confidential, proprietary and trade secret information to third parties, including DDFI franchisees, both during and after his employment with DDFI. By way of example, and not limitation, DDFI is informed and believes and thereon alleges that Cross-Defendant has improperly misappropriated and used DDFI's confidential, proprietary and trade secret information in connection with his "consulting business," and has further disclosed such information to DDFI franchisees as its "consultant" to assist those franchisees to form an association to challenge the operation of DDFI.
- 10. DDFI and Mr. Nekumanesh are informed and believe, and thereon allege, that Cross-Defendant defamed and disparaged DDFI, its owners, officers and directors since his termination, including, without limitation, a defamatory campaign directed at Mr. Nekumanesh.

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#### FIRST CAUSE OF ACTION

# (Breach of Duty of Loyalty [Labor Code §2860] by DDFI against Cross-Defendant)

- 11. DDFI hereby incorporates by reference paragraphs 1 through 9, hereinabove, as if set forth in full herein.
- 12. By virtue of his employment and position with DDFI, Cross-Defendant had access to DDFI's confidential and proprietary information. Cross-Defendant acknowledged both orally and in writing the confidential and proprietary nature of such information, and further agreed that he would not share such information with third parties (including DDFI franchisees) or outside of DDFI unless specifically authorized to do so by DDFI.
- Defendant owed, and continues to owe, DDFI a duty of loyalty, which includes refraining from use of any information acquired by him by virtue of his employment with DDFI. In this regard, California Labor Code section 2860 provides: "Everything which an employee acquires by virtue of his employment, except the compensation which is due to him from his employer, belongs to the employer, whether acquired lawfully or unlawfully, or during or after the expiration of the term of his employment." This duty includes the duty not to use the confidential information of his employer for his own benefit, or for the benefit of others.
- Defendant breached his duty of loyalty to DDFI both during and after his employment by, among other things, taking and using DDFI's confidential information to secure consulting relationships with individual DDFI franchisees and to secure a consulting relationship with a franchisee association which he was instrumental in forming. DDFI is further informed and believes, and thereon alleges, that Cross-Defendant disclosed such information to third parties, including DDFI franchisees, in further breach of his duty of loyalty.
- 15. DDFI has incurred, and will continue to incur, damages as a proximate result of Cross-Defendant's multiple and continuing breaches in an amount according to proof

at trial, but in excess of this Court's jurisdictional minimum.

### SECOND CAUSE OF ACTION

# (Misappropriation of Trade Secrets by DDFI against Cross-Defendant and Roes 1-20)

- 16. DDFI hereby incorporates by reference paragraphs 1 through 14, hereinabove, as if set forth in full herein.
- 17. As a result of his former employment with DDFI, Cross-Defendant became intimately familiar with DDFI's proprietary franchise system, financial information, pricing and operations and, thus, was granted access to DDFI's trade secrets.
- 18. DDFI is informed and believes, and thereon alleges, that by his unjustified and unprivileged conduct as alleged above, Cross-Defendant wrongfully acquired DDFI's trade secrets. DDFI is informed and believes, and thereon alleges, that Cross-Defendant disclosed DDFI's trade secrets to various DDFI franchisees and the franchise association which he helped to organize and form.
- 19. Cross-Defendant's wrongful acquisition, use and disclosure of DDFI's trade secrets has given Cross-Defendants and others a substantial wrongful advantage in competing with DDFI, and further interferes with, and harms, DDFI's contractual relations with its existing and prospective franchisees.
- 20. Cross-Defendant knew or had reason to know that DDFI's trade secrets that were acquired as alleged herein constituted or contained protectable trade secrets in that the information had independent economic value, was not generally known to the public or to others who could have obtained economic value from the disclosure or use of the information, and was the subject of reasonable efforts by DDFI to ensure the secrecy of such information.
- 21. Cross-Defendant misappropriated and will continue to misappropriate DDFI's trade secrets to their own economic benefit by the wrongful disclosure and use of such information, without the consent of DDFI while knowing or having reason to know that he had acquired the trade secrets under circumstances giving rise to a duty on his part to maintain their secrecy.

22. As a direct, proximate, and foreseeable result of Cross-Defendant's acts of misappropriation and use of DDFI's trade secrets, DDFI has suffered damages to date based on, among other things, loss of goodwill, damage to its business reputation, and expenses incurred in its efforts to remedy the effects of Defendants' unlawful conduct, in an amount according to proof at trial.

Defendant's misappropriation as alleged above was willful and/or malicious within the meaning of California Civil Code section 3426.3 so as to warrant an award of double damages in favor of DDFI for Cross-Defendant's misappropriation. DDFI is further informed and believes, and thereon alleges, that DDFI will be entitled to an award of attorney's fees and costs for Cross-Defendant's willful and/or malicious misappropriation pursuant to California Civil Code section 3426.4.

Defendant acted with oppression, fraud, and/or malice, and has deliberately caused and has intended to cause great economic harm to DDFI with full knowledge of the wrongfulness of his conduct. DDFI is further informed and believes, and thereon alleges, that Cross-Defendant's conduct as alleged above was despicable, was carried on with a willful and conscious disregard of DDFI's rights, and subjected DDFI to unjust hardship. Therefore, DDFI should be awarded punitive and exemplary damages sufficient to punish Cross-Defendant from engaging in this conduct and to deter similar conduct on his part in the future.

## THIRD CAUSE OF ACTION

# (Defamation by DDFI against Cross-Defendant)

- 25. DDFI hereby incorporates by reference paragraphs 1 through 23, hereinabove, as if set forth in full herein.
- 26. DDFI is a successful restaurant franchise with over 100 stores operating or in development throughout California. DDFI began as a family-owned restaurant approximately 20 years ago and due to the popularity of its products and services grew into a

thriving franchise system. Through DDFI's system, franchisees obtain a recognized brand name, turnkey operations, and access to DDFI's proprietary recipes, systems and procedures.

- DDFI is informed and believes, and thereon alleges, that within the last three (3) years, Cross-Defendant without justification or privilege published, or republished, orally and in writing a series of false and defamatory communications to third persons including, but not limited to, DDFI's franchisees, among others, stating among other things that DDFI (1) is unable to support the needs of franchisees; (2) does not provide adequate marketing efforts to franchisees, describing those efforts as "anemic and sophomoric;" (3) has unqualified leadership that is sailing a "rudderless ship;" (4) has officers in place with no prior experience of running a franchise; (5) has taken loans from franchisees; and (6) is cheating its franchisees by requiring them to purchase through approved vendors.
- 28. The comments and statements alleged above were false when made and remain false to this day.
- 29. DDFI is informed and believes, and thereon alleges, that Defendant knew of the falsity of the above-described statements when made or republished, or acted with reckless and/or conscious disregard for their falsity when made or republished.
- 30. DDFI is further informed, believes and thereon alleges that such statements are in fact false and communicated, published or republished by Cross-Defendant with malice, ill-will, and hatred toward DDFI and without any reasonable grounds for believing that such statements were true.
- 31. As a proximate result of Cross-Defendant's defamatory communications, DDFI has suffered damages to its reputation and its ability to contract with new franchisees, in an amount to be proven at trial but in excess of this Court's jurisdictional minimum.
- 32. At all times herein mentioned Cross-Defendant, in doing the things described herein, acted with malice, knowing the falsity of his actions, in reckless disregard of the truth, such that DDFI is entitled to and hereby requests punitive damages.

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33. DDFI is informed and believes, and thereon alleges, that if not enjoined by this Court, Cross-Defendant will continue to defame DDFI, which will cause great and irreparable injury in that DDFI will continue to suffer damage to its business reputation and established goodwill with its franchisees, vendors, banking institutions and the general public. DDFI has no adequate remedy at law for the injuries being suffered in that a judgment for money damages will not end Cross-Defendant's dissemination of false and defamatory information about DDFI. Preliminary and permanent injunctive relief, therefore, should be ordered enjoining Cross-Defendant from continuing to publish false and defamatory information about DDFI.

## **FOURTH CAUSE OF ACTION**

## (Intentional Interference with Contract by DDFI against Cross-Defendant and Roes 1-20)

- 34. DDFI hereby incorporates by reference paragraphs 1 through 33, hereinabove, as if set forth in full herein.
- 35. Over the past 11 years, DDFI has entered into written franchise agreements with various franchisees of the Deli Delicious brand.
- 36. DDFI is informed, believes and thereon alleges that Cross-Defendant knew of the contracts between DDFI and its franchisees by virtue of his employment with DDFI.
- DDFI is informed and believes, and thereon alleges, that Cross-Defendant intended to disrupt and did in fact intentionally interfere with DDFI's contracts with its franchisees by publishing a series of false and defamatory communications indicating that DDFI (1) is unable to support the needs of franchisees; (2) does not provide adequate marketing efforts to franchisees, describing those efforts as "anemic and sophomoric;" (3) has unqualified leadership that is sailing a "rudderless ship;" (4) has officers in place with no prior experience of running a franchise; (5) has taken loans from franchisees; and (6) is cheating its franchisees by requiring them to purchase through approved vendors. DDFI is further informed and believes, and thereon alleges, that Cross-Defendant has interfered with these contractual

relations by misappropriating DDFI's confidential and trade secret information and sharing it was various DDFI franchisees as an alleged consultant to those franchisees.

- 38. Cross-Defendant's conduct has interfered with and prevented performance of DDFI's franchise agreements with its franchisees and/or made performance more difficult, causing DDFI to suffer damages in an amount to be proven at trial but in excess of this Court's jurisdictional minimum.
- 39. At all times herein mentioned Cross-Defendant, in doing the things described herein, acted with malice, knowing the falsity of his actions, in reckless disregard of the truth, such that DDFI is entitled to and hereby requests punitive damages.

#### FIFTH CAUSE OF ACTION

## (Negligent Interference with Contract by DDFI against Cross-Defendant and Roes 1-20)

- 33. DDFI hereby incorporates by reference paragraphs 1 through 38, hereinabove, as if set forth in full herein.
- 40. Over the past 11 years, DDFI has entered into written franchise agreements with various franchisees of the Deli Delicious brand.
- 41. DDFI is informed and believes, and thereon alleges. that Defendant knew of the contracts between DDFI and its franchisees by virtue of his employment with DDFI.
- 42. DDFI is informed and believes, and thereon alleges, that Cross-Defendant owed DDFI a duty of care to refrain from publishing false and defamatory communications concerning DDFI, or from interfering or otherwise disrupting DDFI's contracts with its franchisees based on Cross-Defendant's previous knowledge and awareness of DDFI's business and business practices.
- 43. DDFI is informed and believes, and thereon alleges, that Cross-Defendant breached his duty of care by disrupting and interfering with DDFI's written franchise agreements with its franchisees by publishing a series of false and defamatory communications indicating that DDFI (1) is unable to support the needs of franchisees; (2) does

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not provide adequate marketing efforts to franchisees, describing those efforts as "anemic and sophomoric;" (3) has unqualified leadership that is sailing a "rudderless ship;" (4) has officers in place with no prior experience of running a franchise; (5) has taken loans from franchisees; and (6) is cheating its franchisees by requiring them to purchase through approved vendors. DDFI is further informed and believes, and thereon alleges, that Cross-Defendant has negligently interfered with these contractual relations by misappropriating DDFI's confidential and trade secret information and sharing it was various DDFI franchisees as an alleged consultant to those franchisees.

#### SIXTH CAUSE OF ACTION

# (Unfair Competition [Bus. & Prof. §§17200 et seq.] by DDFI against Cross-Defendant and Roes 1-20)

- 44. DDFI hereby incorporates by reference paragraphs 1 through 42, hereinabove, as if set forth in full herein.
- California Business & Professions Code sections 17200, et seq., 45. prohibits any unlawful, unfair or fraudulent business act.
- Cross-Defendant's acts and practices as detailed herein constitute acts of 46. unfair competition. Cross-Defendant has engaged in unlawful, unfair or fraudulent business acts and/or practices within the meaning of California Business & Professions Code, section 17200, et seq. Cross-Defendants need only violate one of the three prongs to be held strictly liable.
- 47. Cross-Defendant's business acts and practices are unlawful in that, as set forth herein, they violate California Labor Code section 2860 and California Civil Code 3426 et seq., and, thus, is in violation of the unlawful prong of California's Unfair Competition Law.
- 48. Cross-Defendant has also violated the unfair prong of California Business & Professions Code, section 17200, by intentionally or negligently interfering with DDFIs' contractual relations as alleged hereinabove.

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49. Cross-Defendant, through its actions in violation of California Business & Professions Code, section 17200, has caused DDFI to suffer harm and, as such, DDFI is entitled to an injunction and damages in an amount to be proven at trial. DDFI further seeks disgorgement of any ill-gotten gains received by Cross-Defendant as a result of his violation of the Unfair Competition Law, including, without limitation, any and all remuneration received by Cross-Defendant through his unlawful use and disclosure of DDFI's confidential and proprietary information.

#### **SEVENTH CAUSE OF ACTION**

#### (Defamation by Mr. Nekumanesh against Cross-Defendant)

- 50. Mr. Nekumanesh hereby incorporates by reference paragraphs 1 through 10 and 25-33, hereinabove, as if set forth in full herein.
- 51. Mr. Nekumanesh is the Executive Vice President of DDFI and has been instrumental in developing it into a successful restaurant franchise with over 100 stores operating or in development throughout California. Mr. Nekumanesh has years of experience in the restaurant franchise industry and has continually brought that experience to bear in growing the success of DDFI.
- 52. Mr. Nekumanesh is informed and believes, and thereon alleges, that within the last three (3) years, Cross-Defendant without justification or privilege published, or republished, orally and in writing a series of false and defamatory communications to third persons including, but not limited to, DDFI's franchisees, vendors, banking institutions among others, stating among other things that Mr. Nekumanesh (1) has prior experience of running a franchise; (2) does not have experience in the restaurant industry; and (3) is the cause of DDFI's "problems." Mr. Nekumanesh is further informed and believes, and thereon alleges, that Cross-Defendant has provided this knowingly false information to DDFI franchisees and has encouraged them to go to the press with it. Mr. Nekumanesh is further informed and believes, and thereon alleges, that these franchisees have republished this false information at Cross-Defendant's urging.

- 53. The comments and statements alleged above were false when made and remain false to this day.
- 54. Mr. Nekumanesh is informed and believes, and thereon alleges, that Defendant knew of the falsity of the above-described statements when made or republished, or acted with reckless and/or conscious disregard for their falsity when made or republished.
- 55. Mr. Nekumanesh is further informed and believes, and thereon alleges, that such statements are in fact false and communicated, published or republished by Cross-Defendant with malice, ill-will, and hatred toward Mr. Nekumanesh and without any reasonable grounds for believing that such statements were true.
- 56. As a proximate result of Cross-Defendant's defamatory communications, Mr. Nekumanesh has suffered damages to his business and personal reputation in an amount to be proven at trial but in excess of this Court's jurisdictional minimum. As a further proximate result of Cross-Defendant's defamatory communications, Mr. Nekumanesh has suffered emotional injuries from which compensation is sought, including without limitation, emotional distress, anxiety, loss of sleep, shame, and embarrassment.
- 57. At all times herein mentioned Cross-Defendant, in doing the things described herein, acted with malice, knowing the falsity of his actions, in reckless disregard of the truth, such that Mr. Nekumanesh is entitled to and hereby requests punitive damages.
- 58. Mr. Nekumanesh is informed and believes, and thereon alleges, that if not enjoined by this Court, Cross-Defendant will continue to defame him, which will cause great and irreparable injury in that he will continue to suffer damage to his business and personal reputation. Mr. Nekumanesh has no adequate remedy at law for the injuries being suffered in that a judgment for money damages will not end Cross-Defendant's dissemination of false and defamatory information about him. Preliminary and permanent injunctive relief, therefore, should be ordered enjoining Cross-Defendant from continuing to publish false and defamatory information about Mr. Nekumanesh.

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#### PROOF OF SERVICE 1 STATE OF CALIFORNIA 2 SS COUNTY OF FRESNO 3 I am a citizen of the United States and a resident of the County aforesaid; I am over the 4 age of eighteen (18) years and not a party to the within-entitled action. My business address is Dowling Aaron Incorporated, 8080 N. Palm Avenue, Third Floor, Fresno, California 93711. 5 On September 27, 2019, I served true and correct copies of the following document(s): 6 DEFENDANTS/CROSS-COMPLAINANTS DELI DELICIOUS FRANCHISE, INC.'S AND ALI NEKUMANESH'S CROSS-COMPLAINT AGAINST TIM CAMPBELL 7 BY FAX: By transmitting via facsimile transmission the document(s) listed above to 8 the fax number(s) set forth below on this date before 5:00 p.m. 9 BY HAND: By personally delivering the document(s) listed above to the person(s) at the address(es) set forth below. 10 X BY MAIL: By placing the document(s) listed above in a sealed envelope with postage 11 thereon fully prepaid, in the United States mail at Fresno, California, addressed as set forth below. 12 BY E-MAIL at the e- address indicated below. 13 BY OVERNIGHT COURIER: By causing the document(s) listed above to be picked 14 up by an overnight courier service company for delivery to the address(es) listed below on the next business day. 15 16 Mike Chappars, Esq. Law Office of Mike Chappars 17 1416 Clovis Avenue, Suite 206 Clovis, CA 93612 18 19 I am readily familiar with the firm's practices of collection and processing of correspondence for mailing. Under that practice, it would be deposited with the United States 20 Postal Service on that same day with postage thereon fully prepaid in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal 21 cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit. 22 I declare under penalty of perjury under the laws of the State of California that the 23 foregoing is true and correct. Executed on September 27, 2019 at Fresno, California. 24 25 Tara Bohlander 26 27 28

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