

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
FOR THE COUNTY OF KING

Case No. 14-2-07669-0 SEA

MOVE, INC., a Delaware corporation,
REALSELECT, INC., a Delaware corporation, TOP PRODUCER SYSTEMS COMPANY, a British Columbia unlimited liability company, NATIONAL ASSOCIATION OF REALTORS®, an Illinois non-profit corporation, and REALTORS® INFORMATION NETWORK, INC., an Illinois corporation,

[PROPOSED] SECOND AMENDED COMPLAINT

[FILED UNDER SEAL PER COURT ORDER DATED _____]

Plaintiffs,

vs.

ZILLOW, INC., a Washington corporation, ERROL SAMUELSON, an individual, CURT BEARDSLEY, an individual, and DOES 1-20,

Defendants.

Plaintiffs Move, Inc.; RealSelect, Inc.; Top Producer Systems Company, ULC; National Association of Realtors®; and Realtors® Information Network, Inc., make the following allegations against defendants Zillow, Inc.; Errol Samuelson; Curt Beardsley; and DOES 1-20 on information and belief:

1 **I. PARTIES, JURISDICTION, AND VENUE**

2 1.1 Plaintiff National Association of Realtors (“NAR”) is an Illinois non-profit
3 corporation.

4 1.2 Plaintiff Realtors Information Network, Inc. (“RIN”) is an Illinois corporation. It
5 is a wholly-owned subsidiary of NAR.

6 1.3 Plaintiff Move, Inc. (“Move”) is a Delaware corporation. Move has been in
7 existence for over 20 years.

8 1.4 Plaintiff RealSelect, Inc. (“RS”) is a Delaware corporation. It is a subsidiary of
9 Move.

10 1.5 Plaintiff Top Producer Systems Company (“TopProducer”) is a British Columbia
11 Unlimited Liability Company. It is a wholly-owned subsidiary of Move.

12 1.6 Defendant Zillow, Inc. (“Zillow”) is a Washington corporation with its principal
13 place of business in King County, Washington. Zillow is publicly traded on the NASDAQ
14 exchange.

15 1.7 Zillow is a substantial competitor to Move. Zillow and Move are two of the top
16 consumer sites for the online U.S. residential real estate market.

17 1.8 Defendant Errol Samuelson is a resident of Vancouver, British Columbia, Canada.
18 For over a decade leading up to March 5, 2014, Mr. Samuelson was an executive of Move. As
19 Move’s employee, he spent substantial time travelling in the United States, including in King
20 County, Washington.

21 1.9 Zillow announced that Mr. Samuelson had joined Zillow on March 5, 2014. Mr.
22 Samuelson is subject to Zillow’s control and is acting on its behalf.

23 1.10 Defendant Curt Beardsley is a resident of the state of Washington. Mr. Beardsley
24 worked for Move for nearly a decade leading up to March 16, 2014, and prior to his departure

1 Mr. Beardsley was an executive of Move.

2 1.11 Zillow announced that Mr. Beardsley had joined Zillow on March 17, 2014. Mr.
3 Beardsley is subject to Zillow's control and is acting on its behalf.

4 1.12 The breaches of contract, breaches of fiduciary duty, misappropriation of trade
5 secrets, and other tortious conduct alleged below took place, in substantial part, in King County,
6 Washington. King County, Washington is the place where defendants have received or will
7 receive the benefit of their wrongdoing.

8 1.13 Jurisdiction and venue are appropriate in this Court.

9 **II. FACTS**

10 **The Plaintiffs' relationships and businesses.**

11 2.1 NAR is a trade organization for real estate professionals.

12 2.2 Move's business is varied but all relates to the online residential real estate
13 market.

14 2.3 In 1996, NAR, RIN, RS, and Move entered into a strategic partnership that allows
15 Move to operate NAR's website www.realtor.com.

16 2.4 The agreements that memorialize the strategic partnership between NAR, RIN,
17 RS, and Move have been revised and renegotiated over the years.

18 2.5 The strategic partnership between NAR and Move allowed NAR to appoint one
19 member of Move's seven-member Board of Directors.

20 2.6 The strategic partnership also involves and requires the sharing of confidential
21 information between NAR, RIN, RS, and Move for the purpose of developing synergistic
22 business strategies and products. Non-disclosure agreements between NAR, RIN, RS, and Move
23 prevent the sharing of certain confidential information outside of the strategic partnership.
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1 2.7 For over a decade, beginning in the mid-1990s, Move consistently commanded
2 the most online traffic of any company in the online residential real estate market.

3 2.8 Realtor.com®, a division of Move, is the primary vehicle for Move’s business-to-
4 consumer and consumer line of business. Realtor.com provides consumers with comprehensive
5 real estate information, including real estate listings for purchase or rent.

6 2.9 Move offers business-to-business products and services through its
7 TopProducer®, TigerLead®, and FiveStreet™ lines of business. TopProducer, TigerLead, and
8 FiveStreet provide real estate agents with lead-generation, relationship-management, and
9 website-development services.

10 2.10 Move also operates ListHub™. ListHub aggregates data directly from multiple
11 listing services (“MLSs”) and real estate brokers. ListHub syndicates the compiled data to
12 approximately 130 publishers who are online real estate oriented companies.

13 2.11 Move’s access to data direct from the MLSs is unique in the online real estate
14 market.

15 **Mr. Samuelson’s long-held significant positions at Move.**

16 2.12 Mr. Samuelson began working for Move in 2001. After a brief interlude as a
17 consultant, Mr. Samuelson rejoined Move in 2003 as a Senior Vice President of Operations and
18 President of TopProducer.

19 2.13 In 2006, Mr. Samuelson became the head of sales at Move and an officer of Move
20 for purposes of section 16 of the Securities Exchange Act of 1934 (15 U.S.C. § 78a).

21 2.14 In 2007, Mr. Samuelson became President of Realtor.com.

22 2.15 In 2009, Mr. Samuelson became Chief Revenue Officer of RealSelect and Move,
23 with responsibility for revenue for all of Move’s businesses.

1 2.16 Mr. Samuelson was primarily responsible for Move's acquisition of ListHub in
2 September 2010, and Mr. Samuelson oversaw ListHub's operations.

3 2.17 In 2012, Mr. Samuelson was the chief negotiator for Move in the purchase of
4 TigerLead.

5 2.18 In 2013, Mr. Samuelson became Chief Strategy Officer for RealSelect and Move,
6 a position Move created for him. He directed strategy for all of Move's business lines. Mr.
7 Samuelson remained the President of Realtor.com.

8 2.19 In Mr. Samuelson's role as Chief Strategy Officer, he oversaw Move's business
9 development and personally directed the team of Move personnel responsible for identifying
10 assets and companies to consider acquiring or merging with.

11 2.20 Beginning in August 2013 Mr. Samuelson was involved in Move's discussions of
12 its budget, strategic planning, and technology development plan for 2014. That process was not
13 complete until the week before he resigned.

14 2.21 In 2009-2013, Mr. Samuelson was Move's second-highest compensated
15 employee. He was the only employee to receive perquisites.

16 2.22 Mr. Samuelson's former roles at Move gave him access to and knowledge of
17 essentially all of Move's confidential information and trade secrets across all of its business
18 lines, including but not limited to confidential information and trade secrets related to finance,
19 technology, data content, strategy, marketing, budgeting plans, potential mergers and
20 acquisitions, target lists for potential acquisition, Move's relationship with NAR, Move's
21 compilations of contact information for leaders and key personnel in the real estate industry,
22 Move's views regarding the strengths and weaknesses of its products and business lines, and
23 nearly every other aspect of the business.

1 **Mr. Samuelson's and Mr. Beardsley's contractual obligations to avoid**
2 **conflicts of interest and preserve confidentiality.**

3 2.23 On an ongoing basis in the course of their employment with Move, Mr.
4 Samuelson and Mr. Beardsley agreed to abide by Move's Code of Conduct and Business Ethics.

5 2.24 Section B of the Code, "Conflict of Interest," required every Move employee to
6 avoid any interest that conflicts or appears to conflict with the interests of the company or that
7 could reasonably be determined to harm the company's reputation.

8 2.25 Section C of the Code required Mr. Samuelson and Mr. Beardsley to keep
9 proprietary and confidential information concerning Move's business and the business of the
10 company's clients and suppliers confidential during and after their employment. Section C also
11 required Mr. Samuelson and Mr. Beardsley to comply with Move's Invention Assignment and
12 Confidentiality Agreement ("Confidentiality Agreement").

13 2.26 Section 1 of the Confidentiality Agreement recognizes that the identity and
14 particular needs of Move's customers and suppliers, as well as the documents and information
15 regarding Move's customer suppliers, services, methods of operation, sales, pricing, and costs
16 are trade secrets.

17 2.27 Section 1 of the Confidentiality Agreement recognizes that the loss of Move's
18 trade secrets cannot be adequately compensated by damages in an action at law.

19 2.28 Section 8 of the Confidentiality Agreement required Mr. Samuelson and Mr.
20 Beardsley, during and after employment, to keep and hold all of Move's proprietary information,
21 including all of its confidential information and trade secret information, in strict confidence and
22 trust.

23 2.29 Section 8 of the Confidentiality Agreement required Mr. Samuelson and Mr.
24 Beardsley, upon termination, to promptly deliver to Move all documents and materials of any

1 nature pertaining to their work with Move and not to keep or store, including with third party
2 email services, any documents or materials or copies thereof containing any proprietary
3 information.

4 2.30 Section 13 of the Confidentiality Agreement prohibited Mr. Samuelson and Mr.
5 Beardsley, after termination from Move, from directly or indirectly soliciting Move's suppliers or
6 customers if information about the supplier or customer relationship constitutes the proprietary
7 information of Move.

8 2.31 Section 15 of the Confidentiality Agreement recognizes that a breach or
9 threatened breach of the Confidentiality Agreement by Mr. Samuelson or Mr. Beardsley may
10 cause irreparable harm to Move and therefore entitle Move to an immediate injunction or other
11 appropriate restraining order, without the need for Move to prove any actual damage.

12 2.32 The secrets known to Mr. Samuelson and Mr. Beardsley, including memorized
13 information, would inevitably be useful to them and to Zillow in their roles at Zillow.

14 [REDACTED]

15
16 2.33 The three largest competitors in the online real estate market have until recently
17 been Move, Zillow, and Trulia.

18 2.34 [REDACTED]

19 2.35 [REDACTED]

20 [REDACTED]

21 [REDACTED]

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2.39 [REDACTED]

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[REDACTED]

[REDACTED]

2.40 [REDACTED]

[REDACTED]

[REDACTED]

Mr. Samuelson and Mr. Beardsley also knew many other pieces of confidential information and trade secrets of Move, RS, NAR, and RIN.

2.41 Mr. Samuelson was involved in developing all almost all of the key business strategies at Move. Mr. Beardsley, while his position was lower than that of Mr. Samuelson, was also privy to many aspects of Move’s confidential information and trade secret information.

2.42 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2.43 In November 2013, while Mr. Samuelson and Mr. Beardsley were secretly

1 developing their strategy to leave and damage Move and join Zillow, [REDACTED]

2 [REDACTED]

3 [REDACTED]

4 2.44 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 2.45 As President of Realtor.com, and in later roles within Move, Mr. Samuelson was
12 involved in negotiations of amendments to the strategic partnership between NAR, RIN, and
13 Move. Mr. Beardsley was also involved in the relationships with these important partners.

14 2.46 Mr. Samuelson was the chief negotiator of a major update to the strategic
15 partnership agreement between Move, RS, NAR, and RIN in the middle of 2013.

16 2.47 The negotiation of the strategic partnership involved the sharing of confidential
17 information under the protection of a mutual non-disclosure agreement.

18 2.48 While the primary document memorializing the Move/RS/NAR/RIN strategic
19 partnership agreement is public, the attachments to that agreement are not. Mr. Samuelson and
20 Mr. Beardsley are familiar with the non-public details of the agreements and the non-public
21 working relationship between NAR, RIN, RS, and Move.

22 2.49 In the course of negotiations with NAR and RIN, in the day-to-day operations of
23 Realtor.com, and in joint strategy discussions with NAR and RIN, Mr. Samuelson and Mr.

1 Beardsley gained access to the strategic trade secrets of NAR and RIN as well as confidential
2 information of NAR and RIN.

3 2.50 For much of his work at Move, Mr. Samuelson relied heavily upon the assistance
4 of Mr. Beardsley, who was vice-president, product marketing at Move (prior to Mr. Samuelson's
5 departure) and who served as Mr. Samuelson's confidant and right-hand man. Mr. Beardsley
6 was privy to much, if not all, of the same Move confidential information as Mr. Samuelson.

7 2.51 Because Zillow competes with Move and Realtor.com, knowledge of the
8 confidential information and trade secrets of Move, NAR, and RIN were not known to Zillow.
9 These entities carefully protected their confidential information and trade secrets from disclosure
10 to Zillow.

11 **Mr. Samuelson and Mr. Beardsley arranged to defect to Zillow.**

12 2.52 On or before November 2013, while still employed by Move, Mr. Samuelson had
13 secretly begun discussing with Zillow leaving Move to join Zillow.

14 2.53 At or about that same time, Mr. Samuelson and Mr. Beardsley secretly discussed
15 joining Zillow, and purposely withheld this information from Move.

16 2.54 Mr. Samuelson made enormous compensation demands on Zillow, far beyond the
17 normal compensation that would be offered to an executive at his level. Mr. Samuelson sought
18 to justify his salary demands by providing [REDACTED]

19 [REDACTED] Mr. Samuelson communicated with
20 Zillow executives regarding the state of the online real estate market. He had these
21 communications at the same time as he was being compensated by Move and owed fiduciary
22 duties to Move. He was having these communications about the market at approximately the
23 same time as he was attending meetings at which Move was discussing [REDACTED]

1 [REDACTED] At the same time, as part of his compensation demands, Mr.
2 Samuelson demanded that Zillow indemnify him for any “unintentional, inadvertent disclosure
3 of Move confidential information.” Zillow agreed to Samuelson’s demands and indemnified Mr.
4 Samuelson in the event he disclosed confidential information to Zillow.

5 2.55 Shortly thereafter, Zillow agreed to provide Mr. Samuelson a compensation
6 package that far exceeded what he had previously made and would make him Zillow’s second
7 highest paid employee.

8 2.56 Mr. Samuelson’s final compensation package from Zillow included an initial
9 stock grant worth \$5 million at the time, additional annual stock grants based on “performance
10 goals,” a signing bonus of \$390,000, and an annual salary of \$350,000. In part, Zillow justified
11 Mr. Samuelson’s compensation based on his “insights.”

12 2.57 By February, Mr. Beardsley and Mr. Samuelson were planning their collective
13 departure from Move. The detailed plans included a communications strategy designed to
14 maximize the damage to Move. Mr. Samuelson and Mr. Beardsley hatched and then executed
15 their plans to damage Move through their communications strategy while they were being
16 compensated by Move and during periods of time when they each owed fiduciary obligations to
17 Move.

18 **Mr. Samuelson deleted computer files and destroyed evidence before leaving**
19 **Move.**

20 2.58 On March 4, 2014, after deciding to join Zillow, Mr. Samuelson erased all data
21 from his Move-issued electronic devices, including his laptop, an iPhone, and an iPad. He also
22 deleted all emails from his corporate email account. This destruction of evidence took place
23 after Mr. Samuelson had asked for indemnity because he might “inadvertently” disclose
24

1 confidential information of Move and while he was being compensated by Move and owed
2 fiduciary obligations to Move.

3 2.59 Mr. Samuelson erased the memory on the devices after consistently being
4 informed that the devices and the data they contained belonged to Move.

5 2.60 Prior to erasing Move's proprietary data from his devices, Mr. Samuelson copied
6 and stored Move's data for his future use by transferring files to a USB drive and his personal
7 Gmail accounts. Mr. Samuelson was aware that transfer of Move's data to personal email
8 accounts violated Move's Code of Conduct.

9 2.61 Every time Mr. Samuelson logged into his Move-issued Dell laptop, he was
10 confronted with a screen that required him to click an "OK" button certifying that he understood
11 that the computer belonged to Move, that all activity on the computer can be monitored by
12 Move, and that he has no expectation of any privacy in connection with his use of the computer.

13 2.62 Numerous times over the last several years, Move informed Mr. Samuelson that it
14 was placing "litigation holds" for various lawsuits on all related business documents, including
15 paper files and electronic files on his laptop and other devices, and instructed him to retain,
16 preserve, and not discard, destroy, delete, purge, or alter in any way documents, files, or any data
17 on those devices.

18 2.63 Move has been unable to recover any data from the iPhone or iPad.

19 2.64 Move also issued Mr. Samuelson a Dell laptop for business purposes.

20 2.65 Though it was issued to Mr. Samuelson to use for business purposes while he was
21 employed by Move, the Dell laptop remained Move's property.

22 2.66 After he left Move, Move instructed Mr. Samuelson to return the Dell laptop to
23 Move. Mr. Samuelson only agreed to turn this computer over to Move after he was ordered to do
24

1 so by the Court. The laptop contained confidential information and trade secrets belonging to
2 Move.

3 2.67 Mr. Samuelson gave the Dell laptop to a third party who, at Mr. Samuelson's
4 instruction, copied data from the laptop and subsequently deleted data from the laptop. The Dell
5 laptop and a hard drive containing data from the Dell laptop are now in the possession of Move.
6 Move has been unable to recover all of the data deleted from this laptop and hard drive.

7 **Mr. Samuelson took Move's phone number for his own personal use without**
8 **Move's authorization or consent.**

9 2.68 On March 3, 2014, Mr. Samuelson told a Move employee he wanted to transfer
10 his mobile phone account into his own personal name, and take Top Producer off of his business
11 mobile phone account.

12 2.69 Mr. Samuelson said that executives in Move's United States offices pay for their
13 own mobile phones and then request reimbursement for work-related expenses. Mr. Samuelson
14 said he wanted that same arrangement. At the time, Mr. Samuelson was preparing to execute his
15 plan to work for Zillow.

16 2.70 Mr. Samuelson also told the Move employee to get him a new handset so he could
17 have the phone number he was using ported into the new handset.

18 2.71 The phone number Mr. Samuelson was using belongs to Move.

19 2.72 Based on Mr. Samuelson's representations, the Move employee instructed the
20 service provider on the phone's account to release the account to Mr. Samuelson.

21 2.73 On March 3rd and/or March 4th, Mr. Samuelson visited the phone service
22 provider's store for the purpose of switching the phone number and account from Move's name
23 into solely his own personal name.

24 2.74 Mr. Samuelson completed the transfer of Move's phone number to his own name

1 on March 4, 2014. When Mr. Samuelson applied to have the phone service account switched to
2 his name, he used the Top Producer business license number to secure a discount-rate small
3 business account for the phone line.

4 **Mr. Samuelson resigned from Move in a manner designed to damage Move.**

5 2.75 On Tuesday, March 4, 2014, at 4:00 p.m., while still an employee and officer of
6 Move, Inc., Mr. Samuelson sent an electronic invitation to Move's head of human resources,
7 Carol Brummer, to join him for a phone call at 9:00 a.m. the next morning.

8 2.76 At 9:00 a.m. on Wednesday, March 5, 2014, Mr. Samuelson called Ms. Brummer
9 and announced that he was resigning from Move effective immediately.

10 2.77 In his employment with Move, Mr. Samuelson did not report to Ms. Brummer.
11 He reported to the Chief Executive Officer of Move, Steven Berkowitz.

12 2.78 Ms. Brummer asked Mr. Samuelson if he had spoken with Mr. Berkowitz. Mr.
13 Samuelson stated he had not spoken with Mr. Berkowitz.

14 2.79 Mr. Samuelson told Ms. Brummer that he was going to work for Zillow.

15 2.80 In a later phone call to Ms. Brummer, Mr. Samuelson mentioned that Zillow
16 would be putting out a press release at 1:00 p.m. that day about his transition and that he was
17 aware of the contents of the press release.

18 2.81 Mr. Samuelson later notified Mr. Berkowitz by voicemail message that he had
19 resigned from Move and that Zillow would be issuing a press release at 1:00 p.m. that day.

20 2.82 Zillow issued its press release regarding Mr. Samuelson at 1:00 p.m. that day.

21 2.83 While he was an officer of Move, commencing at least as early as November
22 2013, Mr. Samuelson and Mr. Beardsley planned their defections to Zillow and cooperated with
23 Zillow in developing a plan for accepting employment with Zillow and to damage Move and
24

1 NAR.

2 2.84 Immediately prior to Mr. Samuelson's departure, with knowledge that Mr.
3 Samuelson was soon leaving Move, Mr. Beardsley sold Move stock options worth \$450,000,
4 even though he had never before exercised an option.

5 2.85 On March 4 and 5, 2014, Morgan Stanley hosted a long-scheduled conference for
6 significant investors in technology companies.

7 2.86 Mr. Samuelson and Zillow were aware well ahead of time that Zillow was
8 scheduled to give a presentation on March 4 and Move was scheduled to present to the
9 conference on March 5.

10 2.87 Mr. Samuelson and Zillow knew that Mr. Berkowitz was going to be spending the
11 day on March 5, 2014 in meetings with significant investors and would be unable to devote
12 himself to responding to the news of Mr. Samuelson's departure from Move and joining rival
13 Zillow.

14 2.88 Mr. Samuelson and Zillow also knew that Zillow's press release announcing Mr.
15 Samuelson's transition would go public in the middle of Move's investor meetings. The timing
16 of the press release was obviously designed to harm Move and benefit Zillow.

17 **Mr. Beardsley remained at Move for two additional weeks to harvest even**
18 **more confidential and trade secret information before joining Mr. Samuelson**
at Zillow.

19 2.89 Although Mr. Beardsley had been planning his departure for Zillow alongside Mr.
20 Samuelson, Mr. Beardsley remained at Move for two additional weeks.

21 2.90 During this time, Mr. Beardsley was promoted to Mr. Samuelson's previous
22 position at Move in charge of industry relations. With knowledge that he would leave Move for
23 Zillow as well, Mr. Beardsley used his position to continue gathering sensitive information about
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1 Move and NAR, including how the plaintiffs would respond to Mr. Samuelson's departure. Mr.
2 Beardsley did this with Zillow's knowledge and encouragement.

3 2.91 Mr. Beardsley met, for instance, with multiple MLSs to discuss Move's future
4 relationships with them, including the status of their agreements for data-feeds.

5 2.92 Mr. Beardsley, after strongly assuring all concerned that he would not leave Move
6 for Zillow, attended a meeting with NAR in which NAR shared key confidential business
7 strategies with Mr. Beardsley under the impression that Mr. Beardsley was now their point
8 person at NAR's key partner Move.

9 2.93 Like Mr. Samuelson had done before him, Mr. Beardsley copied and erased
10 electronic data from his Move computer shortly before leaving Move.

11 2.94 On March 16, 2014, Mr. Beardsley announced his departure for Zillow, effective
12 March 19, 2014.

13 [REDACTED]
14 2.95 In a January 6, 2014 email, while still Move's Chief Strategy Officer, and while
15 communicating secretly with senior executives from Zillow, Mr. Samuelson explained to Zillow
16 the [REDACTED] Mr. Samuelson also told Zillow he expected

17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]

22 2.96 [REDACTED]
23 [REDACTED]
24 [REDACTED]

1 [REDACTED]
2 2.97 Although Mr. Samuelson had, in breach of his fiduciary and other legal duties to
3 Move and others, and with Zillow's inducement, [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 2.98 [REDACTED]

7 [REDACTED]

8 **Defendants have continued to use Move's trade secret information in**
9 **violation of this Court's Order.**

10 2.99 On June 30, 2014, following the beginning of this lawsuit and in response to an
11 application from the plaintiffs, the Superior Court issued a preliminary injunction against Zillow
12 and Mr. Samuelson.

13 2.100 The preliminary injunction specifically identified sixteen detailed examples of
14 Move's trade secret information.

15 2.101 Under the preliminary injunction, Mr. Samuelson and Zillow were enjoined from
16 directly or indirectly using, disclosing, or relying on Move's trade secret information.

17 2.102 Among the activities prohibited by the preliminary injunction were direct or
18 indirect efforts to encourage data feeds from Multiple Listing Services.

19 2.103 Immediately after the preliminary injunction was issued, Mr. Samuelson and
20 Zillow contrived a scheme to circumvent its provisions by proxy.

21 2.104 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

1 activities prohibited by the injunction. For example, the Preliminary Injunction expressly
2 prohibits Mr. Samuelson from, among other things, engaging in efforts to obtain direct-feeds of
3 listing data from MLSs. [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 2.105 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 2.106 Multiple other email communications evidence that Mr. Samuelson himself
13 continued to work for Zillow during the term of the injunction.

14 **Mr. Samuelson will continue to divulge other trade secrets to Zillow.**

15 2.107 Zillow created a new role within its organization for Mr. Samuelson: Chief
16 Industry Development Officer in charge of Zillow's industry relations strategy. Under his
17 Executive Employment Agreement, Mr. Samuelson will spend at least 100 days per year at
18 Zillow's headquarters in Seattle, Washington.

19 2.108 Mr. Samuelson's job will be to build Zillow's relationships with real estate
20 brokers, franchisors, MLSs, and trade associations and to oversee Zillow's business-to-business
21 product solutions; such duties mirror those that Mr. Samuelson had at Move.

22 2.109 In all of Mr. Samuelson's roles at Zillow, his task will be to help Zillow compete
23 more effectively against Move.

1 2.110 Mr. Samuelson's vast knowledge, including memorized knowledge, of Move's
2 confidential information and trade secrets, strategies, products, and business relationships, and
3 particularly his knowledge of Move's strategic plans vis-à-vis Zillow, makes it impossible for
4 him to function in his new position at Zillow without disclosing, using, and/or relying on Move's
5 confidential information and trade secrets in a manner harmful to Move.

6 2.111 Mr. Samuelson oversaw all negotiations with ListHub publishers, including
7 Zillow, and personally negotiated Zillow's contract with ListHub™. He is aware of Move's
8 strategic motivations in its negotiations with Zillow. ListHub is the primary source of real estate
9 listing information for Zillow. Mr. Samuelson's knowledge of Move's side of Zillow's
10 relationship with ListHub will inevitably be useful to Mr. Samuelson and Zillow if Mr.
11 Samuelson continues in his new role at Zillow. Indeed, Zillow's recent course change away from
12 ListHub reveals it is already using information from Mr. Samuelson about ListHub.

13 2.112 On March 4, and March 10, 2014, Move heard statements by third parties that
14 contained information or ideas that the speakers could not have known unless Mr. Samuelson
15 had shared Move trade secrets with Zillow.

16 2.113 Not long after he joined Zillow, Mr. Beardsley gave a presentation at an industry
17 conference. The document he used for the presentation, a Powerpoint presentation, was a Move
18 document that Mr. Beardsley had taken with him from Move when he began working at Zillow.
19 Despite this obvious misappropriation, Mr. Beardsley continues to claim he is not using Move
20 documents for the benefit of Zillow.

1 **III. CAUSES OF ACTION**

2 **Cause of Action 1: Violation of the Washington Trade Secrets Act, RCW**
3 **19.108, against all Defendants.**

4 3.1 Plaintiffs incorporate by reference sections I and II of this Complaint.

5 3.2 The trade secrets at issue in this cause of action consist of the confidential
6 information, compilations, programs, methods, techniques, and processes known to Mr.
7 Samuelson and Mr. Beardsley as a result of the roles they had as employees, executives, and
8 officers of Move and Realtor.com. Those trade secrets include but are not limited to information
9 about finance, budget, technological capabilities, data content, products, initiatives, strategies,
10 marketing, strengths and weaknesses of business lines and products, contract negotiation
11 positions, the terms of various contracts between the plaintiffs and other parties, and other
12 aspects of plaintiffs' businesses and the strategic partnership between plaintiffs.

13 3.3 The trade secrets derive independent economic value for plaintiffs from the fact
14 that they are not generally known to competitors of Move, Realtor.com, and RIN, including
15 Zillow. The trade secrets guide plaintiffs' competitive efforts. The fact that the trade secrets are
16 not known to competitors and/or are novel provides plaintiffs with competitive advantages that
17 translate into revenue for Move, Realtor.com, and RIN that would not be realized or would be
18 decreased if the competitive actions of competitors like Zillow were also guided by the trade
19 secrets.

20 3.4 The trade secrets are novel and/or are not reasonably ascertainable through proper
21 means because they cannot be determined through the reasonable examination of public
22 knowledge.

23 3.5 The trade secrets are the subject of measures that are reasonable under the
24 circumstances to maintain their secrecy. Those measures include, but are not limited to, Move's

1 limiting access to certain financial, strategic, and other sensitive information to the executive
2 team or an even smaller group of executives; Move's requiring confidential password logins for
3 all company computers; Move's requirement that all employees to abide by the confidentiality
4 provisions in the Code of Conduct and the Confidentiality Agreement; Move's requirement of
5 non-disclosure agreements in significant negotiations and contracts; Move's requirement that
6 third-party email systems, such as Gmail, not be used because of security concerns; Move's
7 requirement that executives certify their compliance with the Code of Conduct each quarter; and
8 the mutual non-disclosure agreements between Move, RS, NAR, and RIN.

9 3.6 Mr. Samuelson and Mr. Beardsley knew, at all relevant times, that they acquired
10 the plaintiffs' trade secret information under circumstances giving rise to a duty to maintain its
11 secrecy and limit its use.

12 3.7 Mr. Samuelson and Mr. Beardsley misappropriated plaintiffs' trade secrets
13 because they acquired them through misrepresentation. Through their actions, including their
14 agreements to abide by Move's Code of Conduct, and through their failure to disclose that they
15 were defecting to Zillow, Mr. Samuelson and Mr. Beardsley led plaintiffs to believe that they
16 would safeguard the plaintiffs' trade secrets. Because they were misled by Mr. Samuelson and
17 Mr. Beardsley, plaintiffs continued to supply them with trade secrets during the time period
18 including, but not limited to, January, 2014 through March, 2014. This includes the period
19 following Mr. Samuelson's departure from Move in which the plaintiffs continued to supply Mr.
20 Beardsley with trade secrets due to Mr. Beardsley's misrepresentation that he planned to remain
21 at Move in his new role as Vice President of Industry Relations when in reality he had already
22 decided to defect to Zillow and convey these trade secrets to Zillow.

23 3.8 Mr. Samuelson and Mr. Beardsley misappropriated plaintiffs' trade secrets
24

1 because they acquired them by breaching their duty to maintain the secrecy of Move's
2 information. Their duty to maintain secrecy arises from the fact that at the time they acquired the
3 trade secrets, they were employees, executives, and officers of Move and Realtor.com,
4 signatories to the Move Code of Conduct, and bound by the non-disclosure agreements between
5 Move, RS, NAR, and RIN. They breached this duty by, among many other actions, using
6 personal email accounts to store Move's confidential data for future use, thereby breaching one
7 of Move's numerous measures to maintain the secrecy of its trade secrets.

8 3.9 Mr. Samuelson and Mr. Beardsley misappropriated plaintiffs' trade secrets
9 because they have disclosed them to Zillow and used them on Zillow's behalf without express or
10 implied consent from plaintiffs.

11 3.10 Zillow misappropriated plaintiffs' trade secrets because it acquired them knowing,
12 or with reason to know, that they were acquired by Mr. Samuelson and Mr. Beardsley through
13 improper means including misrepresentation. Zillow knew that plaintiffs continued to
14 communicate trade secrets to Mr. Samuelson and Mr. Beardsley after they had decided to leave
15 Move and Realtor.com because plaintiffs were misled into believing that Mr. Samuelson and Mr.
16 Beardsley could still be trusted with their trade secrets.

17 3.11 Zillow misappropriated plaintiffs' trade secrets because it has used them without
18 the express or implied consent of plaintiffs. At the time of use, Zillow knew that the trade secrets
19 were acquired or derived from or through Mr. Samuelson and Mr. Beardsley, who owed a duty to
20 plaintiffs to maintain the secrecy of the trade secrets. Zillow encouraged Mr. Samuelson and Mr.
21 Beardsley to engage in such conduct.

22 3.12 In late January 2014, Mr. Samuelson and Zillow discussed and negotiated an
23 indemnification agreement. When negotiating the scope of the indemnification, Mr. Samuelson
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1 requested indemnification for the unintentional, inadvertent disclosure of Move’s confidential
2 information. Zillow agreed to broad indemnification of Mr. Samuelson, thereby diminishing or
3 eliminating Mr. Samuelson’s incentive to protect plaintiffs’ trade secret information.

4 3.13 Zillow poached Mr. Samuelson for his [REDACTED]
5 [REDACTED] as well as Move’s business information that Zillow believes will build
6 Zillow’s relationships with MLSs and brokerages. On February 24, 2014, Zillow identified Mr.
7 Samuelson as one of three “owners” of a task to assemble call down lists for MLSs and
8 brokers. On or before March 1, 2014, Mr. Samuelson sent Zillow a markup of talking points
9 relating to his new position with Zillow and a markup of the planned press release. Zillow knew
10 that Mr. Samuelson was an officer and employee of Move, Inc. on February 24, 2014 and on
11 March 1, 2014.

12 3.14 Zillow poached Mr. Beardsley to act as Mr. Samuelson’s deputy and to use his
13 personal knowledge of Move’s trade secrets to allow Zillow to unfairly compete.

14 3.15 Zillow has given Mr. Samuelson and Mr. Beardsley a say in how Zillow creates
15 products.

16 3.16 Zillow is directly and vicariously liable for Mr. Samuelson and/or Mr. Beardsley’s
17 acts. Zillow is also vicariously liable for Mr. Samuelson and/or Mr. Beardsley’s threatened
18 misappropriation.

19 3.17 Mr. Samuelson’s act of accepting employment as Zillow’s Chief Industry
20 Development Officer in charge of Zillow’s industry relations strategy—a job which he could not
21 perform to the best of his ability without using or disclosing plaintiffs’ trade secrets—and
22 Zillow’s act in hiring him and assigning him tasks (including tasks before March 5, 2014)
23 constituted a threatened misappropriation of plaintiffs’ trade secrets.

1 3.18 Since the entry of a preliminary injunction order enjoining the defendants' use,
2 disclosure, or reliance on the plaintiff's trade secret information, defendants have continued to
3 engage in acts which violate the terms of this injunction, allowing the inference that the
4 defendants will continue to misappropriate the plaintiffs' trade secrets unless further steps are
5 taken to permanently enjoin this conduct.

6 3.19 Given the nature of Mr. Beardsley's role as Zillow's Vice President of Industry
7 Development, the unauthorized disclosure or use of plaintiffs' trade secrets by Mr. Beardsley and
8 Zillow has been and continues to be inevitable. Following Mr. Samuelson's re-installation in the
9 role of Zillow's Chief Industry Development Officer, the unauthorized disclosure or use of
10 plaintiffs' trade secrets by Mr. Samuelson and Zillow will be inevitable.

11 3.20 The misappropriation of trade secrets by defendants has harmed and will continue
12 to harm plaintiffs because it provides Zillow with a competitive advantage it would not have in
13 the absence of the misappropriation. This advantage damages plaintiffs' reputation, goodwill,
14 relationships with customers and vendors, and damages plaintiffs financially.

15 Move is also entitled to recover all devices containing its trade secret information
16 under RCW 19.108.020(3).

17 **Cause of Action 2: Conspiracy to Violate the Washington Trade Secrets Act,**
18 **RCW 19.108, against all Defendants.**

19 3.21 Plaintiffs incorporate by reference the allegations in sections I and II of this
20 Complaint. Plaintiffs also incorporate by reference the allegations accompanying the first cause
21 of action regarding violations of the Washington Trade Secrets Act, RCW 19.108, by all
22 defendants.

23 3.22 Mr. Samuelson, Mr. Beardsley, and Zillow knowingly and willfully combined to
24 accomplish the unlawful purpose of misappropriating Move's trade secrets.

1 3.31 Mr. Samuelson and Mr. Beardsley breached their contracts with Move by actively
2 dividing their loyalties while still employed at Move, thereby creating a conflict of interest which
3 damaged their respective job performances and Move’s business during the period when Mr.
4 Samuelson and Mr. Beardsley had decided to join Zillow and were actively plotting to damage
5 Move, and take its confidential information and trade secret information, but continued to work
6 for Move and be compensated by Move.

7 3.32 Mr. Samuelson and Mr. Beardsley breached their contracts with Move by
8 divulging confidential information to Zillow.

9 3.33 Mr. Samuelson and Mr. Beardsley breached their contracts with Move by
10 destroying business records belonging to Move when they erased the memory on Move’s
11 electronic devices that were in their possession. This includes Mr. Samuelson’s deletion of all
12 emails from his corporate email account.

13 3.34 Mr. Samuelson and Mr. Beardsley breached their contracts with Move by taking
14 documents and other information from Move in connection with their plan to begin working for
15 Zillow.

16 3.35 Mr. Samuelson and Mr. Beardsley’s respective breaches of contract have harmed
17 and will continue to harm Move because they provide Zillow with a competitive advantage it
18 would not have in the absence of the breaches. This advantage damages Move’s reputation,
19 goodwill, relationships with customers and vendors, and damages Move financially.

20 **Cause of Action 4: Breach of Fiduciary Duty against Mr. Samuelson and Mr.**
21 **Beardsley.**

22 3.36 Plaintiff Move incorporates by reference the allegations in sections I and II of this
23 Complaint.

24 3.37 As an officer of Move, Mr. Samuelson owed fiduciary duties to Move, including

1 duties of good faith and the utmost duty of undivided loyalty.

2 3.38 Mr. Samuelson breached his fiduciary duties by choosing to damage Move and
3 benefit himself by accepting employment with Move's chief competitor while he was still an
4 officer of Move.

5 3.39 Mr. Samuelson breached his fiduciary duties when, for personal reasons, he
6 shared confidential information with Move's biggest competitor while he was still an officer of
7 Move. In so doing, Mr. Samuelson exploited his position within Move for personal gain.

8 3.40 Mr. Samuelson breached his fiduciary duties when, for personal reasons and while
9 still an officer of Move, he erased the memory from Move's electronic devices in his possession.

10 3.41 Mr. Samuelson breached his fiduciary duties when he usurped a corporate
11 opportunity for his own benefit and the benefit of another. Mr. Samuelson did so by ensuring
12 that Move did not [REDACTED]

13 [REDACTED]
14 3.42 Mr. Samuelson breached his fiduciary duty to Move and usurped a corporate
15 opportunity for his own benefit and the benefit of another by disclosing [REDACTED]

16 [REDACTED]
17 3.43 Mr. Samuelson's breaches of fiduciary duty have harmed and will continue to
18 harm Move because they provide Zillow with a competitive advantage it would not have had in
19 the absence of the breaches. This advantage damages Move's reputation, goodwill, relationships
20 with customers and vendors, and damages Move financially.

21 3.44 As an officer of Move, Curt Beardsley owed fiduciary duties to Move, including
22 duties of good faith and the utmost duty of undivided loyalty.

23 3.45 Mr. Beardsley breached his fiduciary duties when, for personal reasons, he shared
24

1 confidential information with Move's biggest competitor while he was still an officer of Move.
2 In so doing, Mr. Beardsley exploited his position within Move for personal gain.

3 3.46 Mr. Beardsley breached his fiduciary duties when, for personal reasons and while
4 still an officer of Move, he erased the memory from Move's electronic devices in his possession.
5 This includes his deletion of all emails from his corporate email account.

6 3.47 Mr. Beardsley breached his fiduciary duties when he accepted a promotion to Vice
7 President of Industry Relations at Move and misrepresented his intention to remain at Move to
8 both Move and NAR when in reality he planned to defect to Zillow within two weeks. Mr.
9 Beardsley made these misrepresentations in order to induce Move and NAR to divulge further
10 confidential business strategies that Mr. Beardsley could then convey to Zillow.

11 3.48 Mr. Beardsley's breaches of fiduciary duty have harmed and will continue to harm
12 Move because they provide Zillow with a competitive advantage it would not have in the
13 absence of the breaches. This advantage damages Move's reputation, goodwill, relationships
14 with customers and vendors, and damages Move financially.

15 **Cause of Action 5: Aiding and Abetting Breach of Fiduciary Duty against**
16 **Zillow.**

17 3.49 Plaintiff Move incorporates by reference the allegations in sections I and II of this
18 Complaint. Plaintiff also incorporates by reference the allegations accompanying the fourth
19 cause of action regarding Mr. Samuelson and Mr. Beardsley's breach of their fiduciary duties
20 owed to Move.

21 3.50 Zillow was aware that Mr. Samuelson and Mr. Beardsley were officers of Move
22 during their communications and therefore Zillow had knowledge at this time that Mr.
23 Samuelson and Mr. Beardsley owed fiduciary duties to Move, including the duties of good faith
24 and the utmost duty of undivided loyalty.

1 3.51 During this period, Zillow knowingly and substantially assisted, encouraged, and
2 induced Mr. Samuelson's breach of his fiduciary duties. Zillow offered Mr. Samuelson an
3 above-market compensation package in exchange for Mr. Samuelson's disclosure of Move's
4 confidential information and strategized with Mr. Samuelson to arrange the logistics of his
5 departure from Move in a manner that would inflict the greatest possible damage on Move.

6 3.52 Zillow induced Mr. Samuelson to [REDACTED]
7 [REDACTED], in violation of his fiduciary duties. [REDACTED]
8 [REDACTED]

9 3.53 During this period, Zillow also knowingly and substantially assisted, encouraged,
10 and induced Mr. Beardsley's breach of his fiduciary duties, including his duty of confidentiality,
11 by encouraging Mr. Beardsley to stay at Move beyond the date of Mr. Samuelson's departure in
12 order to harvest additional confidential information from Move and NAR which he could then
13 convey to Zillow.

14 3.54 As a direct and proximate result of the aiding and abetting in the breaches of
15 fiduciary duty by Mr. Samuelson and Mr. Beardsley, Move has been harmed and will continue to
16 be harmed because these breaches provide Zillow with a competitive advantage it would not
17 have had in the absence of the breaches, including its [REDACTED] This
18 advantage damages Move's reputation, goodwill, relationships with customers and vendors, and
19 damages Move financially.

20 **Cause of Action 6: Tortious Interference with a Business Expectancy against**
21 **Zillow.**

22 3.55 Plaintiff Move incorporates by reference the allegations in sections I and II of this
23 Complaint.

24 3.56 [REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3.57 [REDACTED]

[REDACTED]

[REDACTED]

3.58 Zillow intentionally interfered with Move’s valid business expectancy when

[REDACTED]

[REDACTED]

[REDACTED] Zillow wrongfully obtained this information by inducing Mr. Samuelson to breach his fiduciary duties, to disclose confidential information, and to violate the terms of

[REDACTED] Zillow used this confidential information in order to consummate a merger with Trulia.

3.59 Zillow interfered by improper means by, among other things, financially rewarding and indemnifying Mr. Samuelson for: (a) breaching his fiduciary and contractual duties to Move; (b) [REDACTED]

[REDACTED] (c) providing Zillow with confidential information he obtained by virtue of his position at Move. These acts constitute Zillow’s inducement and/or aiding and abetting Mr. Samuelson’s breach of these duties owed to Move. When Zillow induced the disclosure of this information from Mr. Samuelson, it was aware of the prevailing business norm that

[REDACTED]

1 [REDACTED]
2 [REDACTED]
3 3.60 As a direct and proximate result of Zillow's interference, Move has been harmed
4 and will continue to be harmed because this interference prevented Move from consummating a
5 valid business expectancy [REDACTED]

6 **Cause of Action 7: Tortious Interference with Contractual Relations against**
7 **Zillow.**

8 3.61 Plaintiff Move incorporates by reference the allegations in sections I and II of this
9 Complaint. Plaintiff also incorporates by reference the allegations accompanying the third cause
10 of action regarding Mr. Samuelson's and Mr. Beardsley's breach of contract. Plaintiff also
11 incorporates by reference the allegations accompanying the fifth cause of action regarding
12 Zillow's aiding and abetting of Mr. Samuelson and Mr. Beardsley's breach of fiduciary duties
13 owed to Move.

14 3.62 Move possessed a valid contractual relationship with Mr. Samuelson in the form
15 of agreements that were drafted and executed to ensure the security of Move's confidential
16 business information.

17 3.63 Move possessed a valid contractual relationship with Mr. Beardsley in the form of
18 confidentiality agreements that were drafted and executed to ensure the security of Move's
19 confidential business information.

20 3.64 Move also possessed a valid contractual relationship in the form of a [REDACTED]
21 [REDACTED]
22 [REDACTED]

23 3.65 With knowledge of this contractual relationship between Mr. Samuelson and
24 Move, Zillow intentionally interfered with this contractual relationship by engaging in

1 communications with Mr. Samuelson designed to induce Mr. Samuelson's breach of his
2 contractual relationship with Move.

3 3.66 With knowledge of this contractual relationship between Mr. Beardsley and
4 Move, Zillow intentionally interfered with this contractual relationship by engaging in
5 communications with Mr. Beardsley designed to induce Mr. Beardsley's breach of this
6 contractual relationship with Move.

7 3.67 [REDACTED]
8 Zillow intentionally interfered with this contractual relationship by engaging in communications
9 designed to induce a Move officer to breach Move's [REDACTED]

10 3.68 Zillow interfered with an improper purpose given that Zillow hired Mr.
11 Samuelson and Mr. Beardsley in large part to access confidential information known about Move
12 by Mr. Samuelson and Mr. Beardsley, and intended to use this information to inflict the greatest
13 degree of harm possible upon Move. Zillow offered Mr. Samuelson and Mr. Beardsley above-
14 market compensation packages in their new positions at Zillow with a mutual understanding that
15 Mr. Samuelson and Mr. Beardsley would convey confidential information about Move in return.
16 This violates established business standards and constitutes the inducement and/or aiding and
17 abetting of Mr. Samuelson's and Mr. Beardsley's breach of their respective duties owed to Move,
18 including their contractual duties to comply with Move's Code of Conduct.

19 3.69 As a direct and proximate result of Zillow's interference, Move has been harmed
20 and will continue to be harmed because this interference permanently and irrevocably disturbed
21 the contractual relationships between Move and Mr. Samuelson, between Move and Mr.
22 Beardsley, and between [REDACTED]. This interference with contractual relations resulted in
23 the unlawful disclosure of Move's confidential business information to its largest competitor, it
24

1 [REDACTED]

2 [REDACTED]

3 **Cause of Action 8: Unjust Enrichment against Zillow.**

4 3.70 Plaintiff Move incorporates by reference the allegations in sections I and II of this
5 Complaint. Plaintiff also incorporates by reference the allegations accompanying the third cause
6 of action regarding Mr. Samuelson's and Mr. Beardsley's breach of contract; the fourth cause of
7 action regarding Mr. Samuelson's breach of fiduciary duty; and the fifth cause of action
8 regarding Zillow's aiding and abetting of Mr. Samuelson and Mr. Beardsley's breach of fiduciary
9 duties owed to Move.

10 3.71 In early 2014, Mr. Samuelson conferred a benefit on Zillow by supplying Zillow
11 with Move's confidential and proprietary information about [REDACTED]

12 [REDACTED] Mr. Samuelson disclosed this information at Move's expense given
13 that Move is placed at a competitive disadvantage when confidential information about its
14 business strategy is disclosed to its chief competitor.

15 3.72 Zillow accepted this information with an appreciation and knowledge of the
16 strategic value of this information in [REDACTED]

17 [REDACTED]
18 3.73 Zillow used this information to acquire Trulia. By consummating this merger,
19 Zillow realized a competitive advantage in the online real estate data market given that this
20 merger represented the consolidation of the two leading players in this market. Additionally,
21 Zillow's CEO has announced that this consolidation will allow the merged company to realize
22 approximately \$100 million in cost savings by 2016.

23 3.74 It would be inequitable for Zillow to retain the benefits gained from its merger
24

1 with Trulia given that Zillow executed this merger using confidential information that it
2 knowingly procured by inducing and/or aiding and abetting Mr. Samuelson's breach of contract
3 and breach of fiduciary duty.

4 **Cause of Action 9: Trespass to Chattels against Mr. Samuelson.**

5 3.75 Plaintiff Move incorporates by reference the allegations in sections I and II of this
6 Complaint.

7 3.76 The business telephone number that Mr. Samuelson used while an employee and
8 officer of Move belongs to Move.

9 3.77 The computer devices that Mr. Samuelson used while an employee and officer of
10 Move belongs to Move.

11 3.78 Move has a possessory right to, and a property interest in, the phone number and
12 computer devices.

13 3.79 Move has a possessory right to, and a property interest in, the data that was copied
14 by Mr. Samuelson or his hired third party from Move's computer devices to an external
15 electronic drive.

16 3.80 Mr. Samuelson took intentional and affirmative steps to deprive Move of the
17 possession or use of the phone number, by instructing Move's employee to help him transfer the
18 phone number, and by working with the phone service provider to complete the transfer.

19 3.81 Mr. Samuelson took intentional and affirmative steps to deprive Move of the
20 possession or use of his Move-issued computer devices and the data therein, including by
21 refusing to return his Dell laptop to Move until the court ordered him to do so, by giving the Dell
22 laptop to the third party, by copying data from numerous Move-issued electronic devices, and by
23 deleting data from those devices.

1 3.82 Mr. Samuelson’s proffered justification for switching Move’s phone number into
2 his own personal name—that he intended to continue to use it for business purposes and receive
3 reimbursement from Move—was false. Thus, Mr. Samuelson did not have any justification for
4 taking Move’s phone number.

5 3.83 Mr. Samuelson switched the phone number and continued to use the number
6 himself, including for business purposes for Zillow.

7 3.84 By making the switch and continuing to use the phone number, Mr. Samuelson
8 has deprived, and continues to deprive, Move of all use and possession of the phone number.

9 3.85 By failing and refusing to return the Dell laptop, Mr. Samuelson deprived Move
10 of all use and possession of the laptop. Mr. Samuelson also deleted all data from this laptop,
11 which Move has been unable to recover despite repeated efforts to do so.

12 3.86 As a direct and proximate result of Mr. Samuelson’s actions, Move has been, and
13 continues to be, damaged in an amount to be proven at trial.

14 **Cause of Action 10: Conversion against Mr. Samuelson.**

15 3.87 Plaintiffs incorporate by reference the allegations in sections I and II of this
16 Complaint.

17 3.88 The business telephone number that Mr. Samuelson used while an employee and
18 officer of Move belongs to Move.

19 3.89 The Dell laptop that Mr. Samuelson used while an employee and officer of Move
20 belongs to Move.

21 3.90 Move has a possessory right to, and a property interest in, the phone number and
22 the Dell laptop.

23 3.91 Move has a possessory right to, and a property interest in, the data that was copied
24

1 by Mr. Samuelson or his hired third party from the Dell laptop and other laptops.

2 3.92 Mr. Samuelson has intentionally and willfully interfered with and appropriated
3 Move's telephone number by transferring the associated account into his own name and
4 continuing to use the number after he no longer worked for, or was an officer of, Move.

5 3.93 Mr. Samuelson has intentionally and willfully interfered with and appropriated
6 Move's Dell laptop, including by refusing to return the laptop to Move until the Court ordered
7 him to do so.

8 3.94 Mr. Samuelson has intentionally and willfully interfered with and appropriated the
9 data on Move's Dell laptop and other laptops by creating a copy of that data and withholding it
10 from Move.

11 3.95 Mr. Samuelson's willful interference with Move's phone number was wrongful, as
12 it was accomplished with the aid of false pretenses, including the improper use of Top Producer's
13 business license number and Mr. Samuelson's false statement to his assistants that all Move
14 executives were transferring their business phones into their personal names. The transfer was
15 also wrongful as it was not authorized by Move.

16 3.96 Despite the fact that Move did not authorize the transfer of its telephone number
17 and account into Mr. Samuelson's name, Mr. Samuelson took affirmative and intentional steps to
18 effectuate the transfer, including making false statements to his assistants at Move and visiting
19 the phone service provider's store to complete the transfer.

20 3.97 Mr. Samuelson's willful acts of transferring and continuing to use Move's phone
21 number have interfered with Move's right to use the number, and have deprived Move of all use
22 of the phone number.

23 3.98 Mr. Samuelson's willful interference with Move's Dell laptop was wrongful, as he
24

1 willfully refused to return the laptop that belongs to Move until the Court ordered him to do so.

2 3.99 Mr. Samuelson's willful deletion of Move data from his Move-issued electronic
3 devices was wrongful. Move has been unable to restore the data on this device despite repeated
4 efforts to do so.

5 3.100 As a direct and proximate result of Mr. Samuelson's acts, Move has been
6 damaged in an amount to be proven at trial.

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8 **IV. PRAYER FOR RELIEF**

9 4.1 Plaintiffs incorporate all earlier allegations.

10 4.2 Based on the foregoing, plaintiffs request the following relief:

11 4.3 An award of damages in an amount to be determined, for violations of law and
12 contract;

13 4.4 An order pursuant to RCW 19.108.020(3) requiring that the defendants return the
14 plaintiffs' property;

15 4.5 An order under RCW 19.108.020(3) requiring defendants to return plaintiffs'
16 trade secret information (and any copies);

17 4.6 An award of permanent injunctive relief to prevent further breaches of
18 confidentiality obligations and other violations of law, and to protect the plaintiffs' trade secrets
19 and to prevent further actual, threatened, and inevitable trade secret misappropriation, breaches
20 of fiduciary duty, and breaches of contract and to eliminate the commercial advantage that Mr.
21 Samuelson, Mr. Beardsley, and Zillow would otherwise derive from their unlawful conduct;

22 4.7 An award of attorney's fees, expenses, and costs; and

23 4.8 Such other relief as the Court deems just and equitable.
24

1 Respectfully submitted this 8th day of February, 2015.

2 CABLE LANGENBACH KINERK & BAUER LLP

3 /s/Jack M. Lovejoy

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