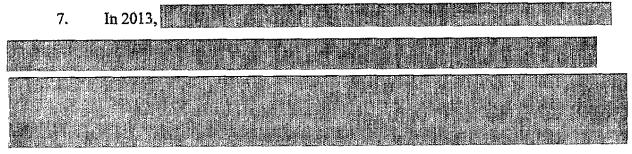
RECEIVED JUDGES MAIL RUOM 1 2014 MAY 27 PM 12: 10 2 HONORABLE BARBARA LINDE 3 KING COUNTY OTED FOR HEARING: May 28, 2014 SUPERIOR COUR'S WITHOUT ORAL ARGUMENT WHAT. 4 JUL 0 1 2014 5 SUremoni odlemii Clienk BAY DANGAL TIMEBERS 6 IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON 7 FOR THE COUNTY OF KING 8 Case No. 14-2-07669-0 SEA MOVE, INC., a Delaware corporation, 9 REALSELECT, INC., a Delaware corporation, TOP PRODUCER SYSTEMS FINDINGS OF FACT, CONCLUSIONS OF 10 COMPANY, a British Columbia unlimited LAW, AND PRELIMINARY liability company, NATIONAL 11 INJUNCTION PROPOSED ASSOCIATION OF REALTORS®, an Illinois non-profit corporation, and 12 REALTORS® INFORMATION NETWORK, INC., an Illinois corporation. 13 DATED 6-30-14 Plaintiffs, 14 Redacted [RCW 19.108.050] VS. 15 ZILLOW, INC., a Washington corporation, 16 and ERROL SAMUELSON, an individual, 17 Defendants. 18 This matter is before the Court on Plaintiffs Move, Inc., RealSelect, Inc., Top Producer 19 Systems Company, National Association of Realtors®, and Realtors® Information Network, 20 Inc.'s ("Plaintiffs") Motion for Preliminary Injunction against Defendants Zillow, Inc. and Errol 21 Samuelson ("Defendants"). This document constitutes the court's findings and conclusions 22 23 pursuant to Civil Rule 52.

FINDINGS OF FACT AND CONCLUSIONS OF LAW - 1 [CASE NO. 14-2-07669-0 SEA] ATTORNEYS' EYES ON Redacted [RCW 19.108.050]



- 8. In his capacity as employee and executive officer of Move and president of realtor.com, Samuelson was Move's primary contact with NAR and all high level strategy, budgeting, and planning communications flowed through Samuelson to Move. Samuelson had access to and gained knowledge of material, non-public information belonging to all of the Plaintiffs. Much of this material, non-public information constitutes trade secret information belonging to Plaintiffs.
- 9. In this order, the term "Plaintiffs' Trade Secret Information" includes non-public information learned by Samuelson about Plaintiffs' budgets; finances; marketing plans; product and technology development plans; competitive strategy and strategic plans; agreements and relationships with strategic partners, contact lists; vendors and customers; technological capabilities; and strategies that are planned, in process, and/or not yet launched. Specific examples of Plaintiffs' Trade Secret Information are contained in testimony in and exhibits accompanying the declarations filed under seal, such as
  - a. The reasons and strategies behind

    See the sealed Declaration of Ernest Graham and the sealed Declaration of Joe Hanauer;

- 13. Samuelson and Zillow had discussed employment before 2013 and renewed their discussions toward the end of 2013. On January 11, 2014, Samuelson sent Zillow a "term sheet" outlining the employment terms to which he would agree.
- 14. Samuelson and Zillow agreed to a "deal" about Samuelson's employment with, and stock grants in, Zillow on or before February 19, 2014. Samuelson did not disclose the negotiations or the agreement to Plaintiffs. Samuelson then stayed on as an executive officer of Move for two more weeks, during which he harvested additional trade secret information.
- 15. In a February 28, 2014 chat message with the CEO of Zillow, Samuelson stated the possibility that he could unintentionally or inadvertently disclose Move's information to Zillow. Samuelson's deal with Zillow included an indemnification agreement. Samuelson insisted upon, and received, indemnification for unintentional or inadvertent disclosure of Move's information.
- 16. On March 3-4, 2014, using deception, Mr. Samuelson improperly used Move's business license and caused Move employees and Bell telephone to switch his Move phone number from Move to him personally.
- 17. On March 4, 2014, Samuelson erased the memory from his Move-issued iPad and iPhone, and took steps to erase data from his Move-issued Apple computer. The court draws negative inferences from defendant's handling of electronic information prior to and after his resignation, especially because Mr. Samuelson consulted with an employment litigation attorney in Seattle on February 19 and 25, 2014.
- 18. On March 3-4, 2014, at a time that Mr. Samuelson knew he would resign from Confidence and join Zillow, Mr. Samuelson received additional information on several sensitive

strategies being pursued by Move and NAR. Mr. Samuelson obtained some of this information in response to communications he initiated.

- 19. Late in the afternoon on March 4, 2014, after Mr. Samuelson had decided to resign from Move, he rekindled a conversation with NAR about secret strategies for a NAR initiative. Because Mr. Samuelson did not disclose his intention to resign, NAR, RIN, and Move all entrusted Samuelson with additional trade secret information. See, e.g., Goldberg Sealed Dec., Ex. 2, Brummer Sealed Dec., Ex. 7, Berkowitz Sealed Dec., ¶ 16.
- 20. Samuelson copied computer data without authorization on to a USB drive and then on to the computer of a Move employee (the employee should not have been in possession of the information because of the employee's job title/status).
- 21. At the time he resigned from Move, Samuelson took an electronic version of his contact lists without authorization. At the time he resigned, Samuelson had a copy of his presentations prepared while employed by Move, Samuelson has not returned the presentations to Move.
- 22. On March 5, 2014, at approximately 9:00 a.m., Samuelson informed Move that he was resigning effective immediately. Samuelson resigned without notice and had already negotiated employment commencing immediately with a direct competitor.
- 23. At the time he resigned, Samuelson still had a Dell laptop computer belonging to Move which contains Move's confidential and trade secret information. Move demanded return of the computer. Samuelson subsequently gave the Dell laptop to a third party vendor and authorized the vendor to copy information from the laptop. Asserting that the laptop had personal items on it, Samuelson refused to return the laptop. As of May 9, 2014, Samuelson had not

returned Move's Dell laptop computer to Move or copies of any information made from the Dell laptop.

- 24. Zillow, Inc. is the primary direct competitor of Move in the online real estate advertising industry. Zillow's headquarters are in Washington State and Zillow is a Washington corporation.
- 25. Samuelson commenced employment with Zillow at 9:30 a.m. on March 5, 2014. Samuelson joined Zillow as its Chief Industry Development Officer. Samuelson was served with the Summons and Complaint at Zillow's Seattle headquarters, indicating that threatened misappropriation is occurring in Washington. The benefits that would be reaped by defendants from trade secret misappropriation would be received in Washington State.
- 26. Zillow's talking points for Samuelson's employment indicate that Zillow hired Samuelson for his "insights."
- 27. During negotiations for employment in December 2013, Samuelson disclosed information to Zillow.
- In February 2014, while Samuelson was still an executive officer of Move, Zillow identified Samuelson as the part "owner" of a task to prepare a "call down list for multiple listing services." While still an executive officer of Move, Mr. Samuelson prepared notes about people he intended to contact after joining Zillow. While employed by Move, Mr. Samuelson also provided input to Zillow for "talking points" to be used as part of his joining Zillow.
- 29. In February 2014, Samuelson disclosed information about a strategy that he was not authorized to disclose. In February 2014, knowing that he was likely going to work for Zillow, but not disclosing that fact, Samuelson misrepresented an important fact when

- 1. From the date on which this injunction is effective until this matter is adjudicated, defendant Samuelson is enjoined from, directly or indirectly, using, disclosing, or relying on Plaintiffs Trade Secret Information or any Move, Inc. and/or NAR confidential information identified above.
- 2. From the date on which this injunction is effective until this matter is adjudicated, defendant Zillow is enjoined from, directly or indirectly, appropriating or obtaining or seeking to appropriate or obtain from Mr. Samuelson, any of Plaintiffs Trade Secret Information or any Move, Inc. and/or NAR confidential information identified above, or utilizing in any way such information previously obtained.
- 3. For a period of twelve months from the date on which this injunction is effective, Mr. Samuelson is enjoined from directly or indirectly engaging in the following:
  - a. Discussions or efforts pertaining to top level domains, including,
    b.
- 4. For a period of nine months from the date on which this injunction is effective, Mr. Samuelson is enjoined from directly or indirectly engaging in the following:
  - a. Efforts to sell leads or to develop or market products that gather and sell leads to real estate agents, brokers, or franchisors;<sup>3</sup>
  - b. Developing products that create websites for real estate agents<sup>4</sup>;

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<sup>2</sup> Goldberg ¶ 5-20 and Ex. 1.

<sup>3</sup> Berkowitz 6:11-17(Ex. 7). Hanauer ¶ 5.

<sup>&</sup>lt;sup>1</sup> Goldberg ¶5-10, 20.

[CASE NO. 14-2-07669-0 SEA] ATTORNEYS' EYES ONLY

Redacted [RCW 19.108.050]

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1	d. Providing information on home ownership and maintenance on Zillow's
2	website(s). <sup>28</sup>
3	e. Discussing NAR's plans or strategies surrounding realtor.com's integration of
4	NAR's public advocacy initiatives. 29
5	10. No later than June 4, 2014, at 4:00 p.m., Defendants are ordered to return to
6	Plaintiffs all copies of any confidential or trade secret information of Plaintiffs, including without
7	limitation all electronic or paper copies of contact lists, presentations, information stored on the
8	Dell laptop computer Move issued to Samuelson, and any memory devices on which such
9	information is stored.
10	This Preliminary Injunction is binding on defendants, their agents,
11	servants, employees, and attorneys, and those persons in active
12	concert or participation with them who receive actual notice of the
13	order by personal service or otherwise.
14	DATED this 30 day of May, 2014, at Seattle, Washington.
15	. Bulan Lucia
16	HONORABLE BARBARA LINDE
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23	<sup>28</sup> Kabati ¶ 4-10. <sup>29</sup> Kabati ¶ 1-16.

1	Presented By:
2	CABLE, LANGENBACH, KINERK & BAUER, LLP
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4	Instructor NAT T avvainage
5	/s/Jack M. Lovejoy Jack M. Lovejoy, WSBA No. 36962
	Lawrence R. Cock, WSBA No. 20326 Attorney for Plaintiffs
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FINDINGS OF FACT AND CONCLUSIONS OF LAW - 18 [CASE NO. 14-2-07669-0 SEA] ATTORNEYS' EYES ONLY Redacted [RCW 19.108.050]

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1	APPROVED AS TO FORM;	
2	NOTICE OF PRESENTATION WAIVED:	i.
3	PERKINS COIE LLP	
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5	By:Bruce M. Cross, WSBA No. 356	• •
6	James Sanders, WSBA No. 24565 Attorneys for Defendant Zillow, Inc.	
7	GRAHAM & DUNN PC	
9	Ву:	_
10	Clemens H. Barnes, WSBA No. 4905 Attorneys for Defendant Errol Samuelson	•
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FINDINGS OF FACT AND CONCLUSIONS OF LAW - 19 [CASE NO. 14-2-07669-0 SEA] ATTORNEYS' EYES ONLY Redacted [RCW 19.108.050]

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