

2. As Branch Manager of Douglas Elliman's Armonk office, Theiss was charged with the fiduciary responsibility to Douglas Elliman of recruiting, developing and maintaining its relationships with the agents at its Armonk branch, she was Douglas Elliman's main point of contact with those agents and she had access to sensitive and confidential business information about those agents and their businesses. Raveis, which had unsuccessfully attempted to recruit from Douglas Elliman's Armonk branch in the past, was well aware of Theiss's role and her strong relationship with the agents in her branch.

3. Rather than properly and faithfully discharging her fiduciary responsibilities, Theiss told a fellow agent that she intended to "decimate" Douglas Elliman's Armonk branch, and then, all while a salaried Douglas Elliman manager, hatched and implemented a scheme whereby she and ten agents, including the most productive agents, in the branch would resign and join Raveis. Raveis helped plan and aided and abetted this unlawful scheme, directing Theiss during the recruiting process and directing her to remain in her position as manager at Douglas Elliman until as many Douglas Elliman brokers as possible had moved from Elliman to Raveis.

4. During February and March 2015, Theiss and Raveis's recruiting of Elliman's agents was intense. Theiss, Chris Raveis and Glenn Felson communicated with and met with the agents repeatedly. Theiss had a role in setting up and was aware of the recruiting meetings between Raveis and Elliman's Armonk agents. She even held a clandestine meeting at her own home during regular business hours at which certain agents were asked by Theiss to sign a secrecy agreement to conceal her plan. There, she conducted a diatribe against Douglas Elliman designed to induce those agents who remained in attendance to resign from Elliman and join Raveis.

5. Theiss also directed the agents not to renew listings so that they could be transferred to Raveis after the defections; instructed the office's administrative assistant to remain employed at Douglas Elliman long enough to serve Theiss and Raveis's plan, including, by, among other things, completing the necessary paperwork at Douglas Elliman to transfer the defecting agents' real estate licenses to Raveis; and instructing her to copy confidential information to be used for the benefit of Theiss and Raveis.

6. So egregious was Theiss's betrayal of her duty to Douglas Elliman that shortly after one meeting where she discussed with Felson their plan for her to recruit from inside Elliman, she explicitly informed Felson that she felt "compromised" at Douglas Elliman and looked forward to joining Raveis. In response, Chris Raveis directed that she remain inside Douglas Elliman until the goals of their scheme were achieved. Felson told Theiss "**that it was in her best interest, and in the best interest of having the biggest impact, if we were to keep her in place at DE for now.** I told her I would reach out to the agents and confirm the meetings." (Emphasis added). Theiss remained for another five weeks, until shortly after Elliman's Armonk branch was successfully decimated by her recruitment to Raveis of the brokers she supervised.

7. Felson selected March 13, 2015 as the target date for the resignation of agents from Douglas Elliman to join Raveis. As planned, Theiss remained in place as manager inside Douglas Elliman throughout the recruitment, planning and resignations to ensure that the plan was successful, even helping with the drafting of an agent resignation letter, and, as part of the deception, went on vacation just prior to the majority of the resignations.

8. In gross violation of her fiduciary duty to her employer, manager Theiss reported none of this activity and conduct to her superiors at Douglas Elliman; to the contrary, she did

everything she could to keep it secret, conducting her meetings in hotels or at her home, using personal email and text messages, and even cynically professing shock to her superiors when she received resignation notices she herself had seen in draft before they were submitted to her or otherwise knew were coming.

9. Pursuant to Theiss and Raveis's plan, eleven agents – including the most productive agents – resigned from Douglas Elliman's Armonk office and joined Raveis's Armonk office. Theiss is now Raveis's Vice President of Business Development for Westchester County, as well as the manager of its Armonk office, located across the street from Douglas Elliman's Armonk office. Further, Theiss took Douglas Elliman's confidential and proprietary business information to Raveis that she is using to unfairly compete with Douglas Elliman to Douglas Elliman's economic detriment.

10. Theiss was paid handsomely by Raveis to recruit Douglas Elliman agents to resign from Elliman while she was an Elliman manager. Raveis determined to pay her over \$50,000 in recruiting bonuses only weeks after the agents moved to Raveis. Her Raveis employment agreement states that she would be paid that bonus only if she was "actively involved with sourcing and/or the recruiting process" of these agents. Theiss plainly was instrumental in their recruitment.

11. On or about April 6, Raveis's Chief Executive Bill Raveis sarcastically told an industry journalist who had asked him about Raveis's poaching of Douglas Elliman's Armonk office, writing for *The Real Deal*, "I have great admiration for everyone at Douglas Elliman. They'll eventually be out of Westchester County." The recruitment of a current Douglas Elliman manager, insisting that she remain inside Douglas Elliman in a managerial role, and using her to

move tens of millions of dollars in sales production all unlawfully served Raveis's goal of destroying Douglas Elliman's Westchester presence.

12. Accordingly, Douglas Elliman seeks to recover compensatory damages for the harm it has suffered as a result of Theiss and Raveis's egregious misconduct, as well as punitive damages.

THE PARTIES

13. Plaintiff Douglas Elliman of Westchester LLC is a limited liability company with offices in Westchester County, New York.

14. Defendant Theiss resides in New York State.

15. Defendant William Raveis Real Estate, Inc. is a Connecticut corporation whose headquarters are in Shelton, Connecticut and which does business in Westchester County, New York.

16. Defendant William Raveis – New York, LLC is a New York limited liability corporation doing business in Westchester County, New York.

JURISDICTION AND VENUE

17. Jurisdiction is proper pursuant to C.P.L.R. §§ 301 and 302(a) in that, among other things, the Defendants have all transacted business and committed tortious acts within the State of New York.

18. Venue is proper pursuant to C.P.L.R. §§ 501 and 503, in that at least one of the parties resides or has its principal place of business within Westchester County, New York.

ALLEGATIONS COMMON TO ALL CLAIMS

A. Douglas Elliman's Business

19. Douglas Elliman, a regional real estate brokerage company serving Westchester County, New York, has for many years (along with its legal predecessor Holmes & Kennedy (“H&K”)) owned and operated a branch office in Armonk, New York. It conducts business through individual licensed real estate agents who associate with its branches. Douglas Elliman carefully recruits, trains and retains these agents at considerable expense, and they are its primary means of generating revenue, through the commissions earned on the purchase and sale of real estate.

20. A primary source of revenue for Douglas Elliman and its agents are “listing agreements” or “listings,” whereby property owners retain Douglas Elliman, through particular agents, to find buyers for their property. Listing agreements are by their terms effective for a particular term of months, during which time the agent and Douglas Elliman market the property, including designing and maintaining an online listing of the property, holding “open houses,” showing the property to interested buyers, advertising the property, and engaging in other marketing efforts to sell the property at the highest price possible. Once a listing expires, the property owner is free to renew the listing or to list the property through a different agent, including outside of Douglas Elliman.

21. Douglas Elliman advertises heavily to attract new listing relationships. The Douglas Elliman name, its local branch office presence, print, internet and other advertising, agent training, and other investments all work together to attract new listings to Douglas Elliman.

22. In addition, Douglas Elliman's efforts also attract real estate buyers, who work with Douglas Elliman agents to identify, view and negotiate for properties to purchase. Douglas

Elliman typically also earns a commission when a Douglas Elliman agent who is not the listing agent shows a property to its eventual buyer. Many such relationships are obtained by Douglas Elliman agents through Douglas Elliman's name, advertising, goodwill and other efforts.

B. Douglas Elliman's Investment In, And Dependence On, Its Relationships With Its Agents

23. As with most real estate companies, Douglas Elliman's business relies on its relationship with its real estate agents – independent contractors who affiliate with Douglas Elliman. In exchange for a portion of an agent's commissions on real estate sales, Douglas Elliman provides training, support, marketing, brand recognition and referrals of new clients.

24. Douglas Elliman provides its branch managers with many tools to support their responsibilities and efforts to recruit and retain agents. One of those tools is Douglas Elliman's award-winning website, Elliman.com, which posts agents' listings to a sophisticated web platform with global reach. It is one of the most highly trafficked real estate websites and has search tools that cover all available properties in the areas Douglas Elliman services. Douglas Elliman further uses a sophisticated search engine optimization strategy to ensure that its agents' listings enjoy top placement within Google, Bing, and Yahoo!'s organic search results. Douglas Elliman's significant investment in Elliman.com provides its agents with a powerful marketing tool.

25. Douglas Elliman also provides AskElliman©, an online platform that allows clients to ask questions and receive answers from top experts in their fields about topics ranging from home buying to mortgage financing. It further maintains a strong social media presence, allowing consumers to connect with Douglas Elliman and its agents on whatever platform best suits their needs.

26. Douglas Elliman invests heavily in training and support. This includes basic real estate sales coursework, with topics including mortgages, titles, working with buyers, working with renters, working with sellers, negotiating, compliance, agency disclosure, networking, listing design and presentation, and creating a business plan. Douglas Elliman trains agents in Douglas Elliman's capabilities and its diverse businesses, including its marketing capabilities and tools, listing systems, technology tools, and ancillary services Douglas Elliman provides. It also tailors training for regional needs. Douglas Elliman provides advanced coursework as well for more seasoned agents, with topics including working with foreign buyers, client financials, social media and digital marketing, and photographing a property, among others. All of this is supplemented with speakers, retreats and roundtables, among other things.

27. Douglas Elliman also supports its managers and agents with a large network of domestic offices and a strategic partnership with international real estate firm Knight Frank Residential. It has the largest international referral network, allowing its agents to connect clients with other agents across the globe. An agent who sells the Florida home of a client relocating to Westchester can easily refer that client to one of Douglas Elliman's agents to assist with purchasing a new home. This referral system can and does provide Douglas Elliman managers with another tool to attract and retain agents.

28. When Douglas Elliman took over H&K's Westchester offices in 2010, Laura Scott, Douglas Elliman's Executive Vice President of Professional Development, frequently visited the Westchester offices in order to educate the managers and agents about Douglas Elliman and these resources. Ms. Scott attended staff meetings in the Westchester offices on a regular basis and organized conferences and roundtables to help the Westchester agents make the most of Douglas Elliman's website, referral network and other resources. She and the company

expended significant time and resources to educate the new Westchester agents concerning Douglas Elliman's resources and to train them to use those resources to optimize their businesses.

C. Douglas Elliman's Reliance On Theiss To Manage Its Relationship With Its Agents

29. Douglas Elliman entrusts the development and maintenance of its relationships with its agents to its branch managers, like Theiss. Theiss had been the manager of the Armonk office when it was an H&K office, and she became a Douglas Elliman employee at the time of the 2010 acquisition. She was a Douglas Elliman employee from 2010 until she defected to Raveis in March 2015.

30. Theiss had impressed Douglas Elliman with the strength of her relationships with the agents she managed in Armonk, and she became a valued member of the Douglas Elliman branch management team. Theiss was the Armonk agents' primary point of contact with Douglas Elliman. She routinely discussed their business with them and interacted with them on a daily basis. She monitored their listings and client relationships, and was responsible to provide feedback and support to help make the agents more productive. She was also required to help ensure that her agents knew how to use Douglas Elliman's resources effectively and that the agents were representing Douglas Elliman appropriately. Her responsibility extended over every agent in her branch.

31. To perform this job as branch manager, Theiss was provided with detailed information about her agents' client connections, books of business and productivity. Because of this, Theiss was in a unique position to know the strengths and weaknesses of every agent in the Armonk branch, how many listings and how much revenue they generated for Douglas Elliman, and how their business might develop in the future. She was also privy to confidential

information concerning her agents' listings, such as when they would expire and become vulnerable to poaching by rival agents.

32. Because of Theiss's close relationship with her agents, Douglas Elliman, as it does with all of its branch managers, relied on her to maintain and protect its relationships with its agents. The manager will be the first to know if there is a problem with an agents' business, or whether the agent needs additional support. A significant portion of a manager's responsibilities is to make sure that any such problems are addressed expeditiously and to provide support so that agents remain satisfied and affiliated with Douglas Elliman.

33. Theiss was thus uniquely positioned to identify the most promising agents on behalf of a competitor, and to both foment and exploit any feelings on the part of an agent that might make them vulnerable to recruitment by a competitor. Theiss's managerial job at Douglas Elliman was to protect Douglas Elliman's relationships, to guard its confidential information, and to deter or repel efforts by competitors to attract Douglas Elliman agents. Given this position of trust, she was also in the optimal position should she breach that trust to do the most damage.

D. Aided and Abetted by Raveis, Theiss Breached Her Duties to Elliman By Luring Elliman's Agents To A Competitor

34. From January to March 2015, encouraged, directed, aided and abetted by Raveis, Theiss used her unique, insider knowledge of Douglas Elliman's business, her strong business relationships with Douglas Elliman's agents, and a series of secret communications had without senior management's knowledge to lure away the top producing real estate agents from the Armonk branch office, and others, to Raveis's rival office across the street.

35. She sowed seeds of discontent and suggested to Douglas Elliman agents that they defect to Raveis with her. She spoke positively about Raveis, disparaged Douglas Elliman and

its senior management, and told them that they would be more successful at a rival. She told one Douglas Elliman employee she intended to “decimate” Douglas Elliman’s Armonk branch. She met and spoke repeatedly with Raveis and facilitated recruiting meetings between Raveis and the agents. She did not tell her Douglas Elliman superiors that she was actively recruiting Douglas Elliman’s agents to work at a competitor firm.

36. During the fall of 2014 and earlier, Raveis’s Felson had tried unsuccessfully to recruit Elliman’s Armonk agents to Raveis. Some told him they did not want to waste his time; one told him to stop emailing her. None moved to Raveis in 2014 or early 2015, that is, until Theiss recruited them from inside Douglas Elliman. Felson and Raveis thus knew they needed Theiss to execute their plan.

37. Senior Vice President Felson initially met with Theiss in January 2015. On February 3, 2015 Theiss travelled to Raveis’s headquarters in Shelton, Connecticut, to meet with Executive Vice President Chris Raveis and Felson. Prior to the meeting, Felson told Chris Raveis that he believed “we should be able to get most of [the] production” of Elliman’s Armonk branch, approximately \$83 million, but that “I would like that representation to come from Lisa [Theiss].”

38. In Theiss they found a willing turncoat. At the meeting, Felson asked Theiss to provide him with a list of the agents she believed would move with her to Raveis and they discussed a plan to recruit them. On February 4, 2015, the day after meeting, Theiss sent Felson a document she called “my recruitment and sales volume analysis for you and Chris’s review. I have provided a conservative analysis and only addressed three out of our six offices” Identifying the agents by office, production and a letter of the alphabet, Theiss listed 21 Douglas

Elliman agents she believed she could recruit to Raveis, having a total 2014 closed transaction sales volume of \$148,350,000.

39. After these discussions and sharing this information with Raveis, Theiss wrote to Raveis that, “I feel compromised staying there and look forward to moving on.”

40. Raveis insisted that Theiss remain inside Douglas Elliman for the duration of the recruiting process in order to maximize the number and quality of the brokers Theiss and Raveis could recruit. Chris Raveis told Felson she had to stay, and Felson delivered that instruction to Theiss. Reporting back up the chain, Felson told Chris Raveis in an e-mail dated February 10, 2015:

I had a nice conversation with Lisa today and explained that it was in her best interest, and in the best interest of having the biggest impact, if we were to keep her in place at DE for now. I told her I would reach out to the agents and confirm the meetings, and that she should not be a part of them. She agreed.

Felson also suggested to Chris Raveis that he call Theiss to assure her “that she has the backing of ownership.” Felson then told Chris Raveis that meetings with two of Theiss’ most productive Armonk agents were confirmed for the following day. These meetings were explicitly with Theiss’s knowledge, as demonstrated by an email from Felson to the agents the same day stating, “Per my conversation with Lisa, I know you both have limited time to meet . . .” With Theiss’s knowledge, that recruiting meeting occurred. Two days later, also with Theiss’s knowledge, Felson met with two more of Theiss’s branch agents. Indeed, Theiss was “cc’d” on e-mail correspondence between one of the agents with Felson to schedule a follow-up meeting for all four of those brokers he met that week, the future meeting to occur at Raveis’s Shelton, Connecticut headquarters to continue the recruiting process. **The four brokers were Lauren Goldenberg, Lisa Koh, Stacey Sporn and Angela Schuler – the top 4 brokers in Theiss’**

branch and who collectively represented approximately half of the closed sales production at Elliman's Armonk branch in the past year.

41. Theiss then actively recruited four more agents from her Armonk branch. On March 2, 2015 at 4:00 p.m., during regular business hours, she held a secret meeting at her home for the four agents. In an email with one of the brokers, she said, "We are on bring on the wine!" Approximately the first hour of the meeting was dedicated to disparaging Douglas Elliman and Douglas Elliman's management. Theiss made specific comments about what she said was the ineffectiveness of Douglas Elliman's Westchester regional manager. She further complained that Douglas Elliman did not provide sufficient support, particularly with regards to marketing, to the agents in the Armonk office. Then, Theiss produced non-disclosure agreements, which she asked all attendees of the meeting to sign. Three of them signed the agreements and one left the meeting. Once the non-disclosure agreements had been signed by all remaining attendees, Theiss laid out her plan to leave Douglas Elliman and become the manager of Raveis's Armonk office. She convinced the agents present to terminate their relationships with Douglas Elliman and become affiliated with Raveis instead. Theiss offered them a \$10,000 bonus, plus a \$10,000 marketing budget, if they signed a three-year contract with Raveis. All of this had been discussed with Raveis in advance and was done on behalf of Raveis – all while Theiss remained a Douglas Elliman employee and was being trusted by Douglas Elliman to carry out her duties as Armonk Branch Manager.

42. Theiss was not yet finished recruiting for Raveis while she remained a Douglas Elliman branch manager; for example, Theiss then recruited Elliman Armonk agent Stacy Miller. Theiss was copied on email correspondence between Felson and Stacy Miller on March 9, 2015 in which Miller told Felson, "It was so nice to meet with you today. I look forward to joining

Raveis . . . Lisa said that Elliman will cut my current split back to 40% after I leave . . .” Miller also disclosed to Felson her pending deals in the email.

43. Theiss also did not limit her recruiting to Armonk. Theiss’s list of agents by office, production and letter whom she would recruit while she was still a Douglas Elliman manager included agents from Elliman’s Chappaqua and Scarsdale offices. In fact, Felson sent Chris Raveis a copy of a contract for Theiss which listed the actual names of the Elliman Scarsdale agents Theiss would be recruiting and requiring that “they must be on board by April 1, 2015.” Chris Raveis responded to Felson, “if they don’t come over by April 1 after the entire office in Armonk walks out and Lisa comes over, they are not likely to come over.” This reflected Raveis’s intention that Theiss remain an Elliman manager until the mass transition from Elliman to Raveis in Armonk had been successfully completed. In fact, a top producer from Elliman’s Scarsdale office did move to Raveis in concert with the Armonk departures.

44. As part of the deal between Theiss and Raveis, Theiss would not only manage Raveis’ Armonk branch but also Scarsdale; however, Chris Raveis conditioned Theiss’s management of Scarsdale on Theiss’s successful recruitment of the agents: “Tell her you don’t see a problem with Scarsdale as long as we get the agents you have met with to sign and transition. That means the Armonk and Scarsdale agents . . .”

E. Theiss’s Plan To Poach Douglas Elliman’s Armonk Office Results In 10 Closely Timed Resignations

45. Raveis planned to have as many people resign on the same day as possible as part of Raveis’s concerted effort to inflict as much harm as possible on Elliman in the Westchester market. Raveis selected March 13, 2015 as the date for the mass resignation, and Theiss would follow shortly after all the brokers had moved.

46. Theiss and Raveis planned for resignations. On March 10, 2015, one of the top brokers, Angela Schuler, sent Theiss Schuler's draft resignation letter for her review and comment. Theiss told her it was "Beautifully written."

47. On March 11, 2015, Theiss left for an eight-day vacation in Puerto Rico.

48. On March 12, 2015, at 8:06 p.m., agent Claudia Costa, whom Theiss had recruited at the secret March 2, 2015 meeting at her home, terminated her relationship with Douglas Elliman. Ms. Costa had been an agent at Douglas Elliman (and its predecessor H&K) for twelve years. As part of the ruse, Costa (as would other agents) provided her notice of termination to Theiss to promote the fiction that Theiss had not been behind the resignations.

49. Less than two hours later, at 9:50 p.m., agent Jeanne Looney, also recruited at the Theiss home on March 2, 2015, terminated her relationship with Douglas Elliman, also via e-mail to Theiss. Ms. Looney had been with Douglas Elliman and its predecessor H&K for seven years. Ms. Costa and Ms. Looney worked together as partners and shared listings and commissions.

50. The next morning, Friday, March 13, 2015, at 9:26 a.m., Lisa Koh, a top producer at the Armonk office, also resigned via e-mail to Theiss.

51. Less than an hour later, at 10:23 a.m., Lauren Goldenberg, Armonk's number one producer in 2014, resigned via e-mail to Theiss.

52. Minutes later, at 10:39 a.m., Angela Schuler resigned via e-mail to Theiss. She had been with Douglas Elliman and its predecessor H&K since 2001.

53. Later that day, at 2:34 p.m., agent Olga Chama tendered her resignation via e-mail to Theiss, saying that she took a "better offer for my business from other [*sic*] company."

54. By 2:50 p.m. on Friday, March 13, all six of the agents that had resigned from Douglas Elliman over the previous 24 hours were listed as agents in Raveis's Armonk office on Raveis's website.

55. Ms. Costa, Ms. Looney, Ms. Koh, Ms. Goldenberg, Ms. Schuler and Ms. Chama all terminated their relationship with Douglas Elliman and became affiliated with Raveis at the urging of, and based on promises made by, Theiss during her tenure as manager of Douglas Elliman's Armonk office.

56. On March 14, Ms. Koh announced her move to Raveis on Facebook and posted a new photograph. The vacationing Theiss, who was still employed as branch manager of Elliman's Armonk office, posted a comment reading, "What a great picture koko you look beautiful!!!" indicating that Theiss was neither surprised nor disturbed by Ms. Koh's abrupt defection to Douglas Elliman's direct competitor.

57. Over the weekend of March 14-15, 2015, Douglas Elliman Westchester Regional Manager Gabe Pasquale visited the Armonk office. He noted that Theiss's work area had been stripped of all personal belongings, indicating that she did not intend to return to Douglas Elliman. Based on information learned by Mr. Pasquale relating to the secret meeting, the defections, the removal of all of Theiss's belongings and other facts, Douglas Elliman terminated Theiss's employment on the morning of March 16, 2015.

58. The pre-arranged defections of Douglas Elliman's Armonk agents continued. On Monday, March 16 at 5:28 a.m., Douglas Elliman agent Stacey Sporn resigned via e-mail. An hour and a half later, at 7:00 a.m., Douglas Elliman agent Stacy Miller resigned via e-mail. Both terminated their relationship with Douglas Elliman and moved to Raveis at the solicitation and urging of Theiss, which had occurred while Theiss was employed with Douglas Elliman. Later

in the week, on Friday, March 20, Diane Freedman terminated her relationship with Douglas Elliman and the following week, on Monday, March 23, Marilyn Hupfeld resigned. These two agents are now affiliated with Raveis's Armonk office as well.

59. During the week of March 16, 2015, it became known in the Westchester real estate business community that Theiss was defecting to Raveis. For example, on March 17, Theiss received an e-mail from an associate agent at another firm asking "R u going to be the Raveis Armonk manager??" Raveis has announced that, in addition to serving as their new Vice President of Business Development for the Westchester County, Theiss will provide management oversight to its Armonk office.

F. Theiss and Raveis Left Behind An Operative Inside Douglas Elliman Newly Loyal To Raveis

60. Not until Friday, March 20, 2015 did the administrative assistant for Douglas Elliman's Armonk office, Barbara Bartfield, resign from Douglas Elliman to become the administrative assistant at Raveis, even though her decision to leave had been made weeks earlier. Senior management at Douglas Elliman had specifically asked Ms. Bartfield to stay, offering her a raise and increased responsibility at Douglas Elliman. Ms. Bartfield refused these generous offers, telling Mr. Pasquale that she could not "live on" what Douglas Elliman was offering. During the days after the agent defections began, Ms. Bartfield was responsible for processing the transfer of their real estate licenses from Douglas Elliman to Raveis. Ms. Bartfield was also privy to meetings held with Douglas Elliman senior management and had access to all of Douglas Elliman's files. Ms. Bartfield remained at Douglas Elliman for the week of March 16, 2015 at the direction of Theiss in order to process the license transfers as expeditiously as possible and to gather proprietary information and documents from Douglas Elliman to be used by Theiss at Raveis.

G. Theiss Procured Non-Renewals Of Existing Listings And Delay Of New Listings

61. At the urging of Theiss, the resigning agents purposefully did not renew listing agreements that had expired while they were at Douglas Elliman. This allowed them to then sign new listing agreements with the sellers after their move to Raveis. She also encouraged her defecting agents not to sign new listings before they joined Raveis so that those listings would generate revenue and income for Raveis, not Douglas Elliman.

H. Raveis Paid Theiss for “Actively” Sourcing and Recruiting Elliman Agents

62. Raveis paid Theiss for “decimating” Elliman’s Armonk branch, and such payment confirms Theiss’s active role in doing so while an Elliman manager. Her employment agreement with Raveis states that she would receive a substantial recruiting bonus only if she was “actively involved with sourcing and/or the recruiting process” of agent hires. On April 2, 2015, Chris Raveis instructed Raveis to pay Theiss recruiting bonuses for recruiting to Raveis Douglas Elliman brokers Lauren Goldenberg, Lisa Koh, Angela Schuler, Stacey Sporn, Stacy Miller, Claudia Costa, Jeanne Looney, Olga Chama, Diane Freedman, Carol Beck, Janey Varvara and Stephanie Dowicz. Raveis paid Theiss over \$50,000 for recruiting these brokers to Raveis – all done while she was a Douglas Elliman manager.

I. Douglas Elliman Has Been Harmed By Theiss’s Actions

63. As a direct result of Theiss’s breach of her lawful duties to Douglas Elliman and other tortious acts, including her misuse of Douglas Elliman’s information and resources, and of Raveis’s aiding and abetting of Theiss and its other tortious acts, Douglas Elliman has suffered severe economic harm.

64. Douglas Elliman has lost eleven agents – and the revenues they were generating and would generate – from its Armonk office. Recruiting new agents and/or training them to

become high producers will take significant time and financial resources from Douglas Elliman. Theiss used the knowledge she gained while at Douglas Elliman to specifically target the highest-earning agents in the Armonk office, exacerbating Douglas Elliman's losses. All of these agents were expected to develop new listings or renew current listings at Douglas Elliman, which activities would generate revenue for Douglas Elliman. In addition, although these losses are multi-year in nature, March begins a higher volume listing season in the residential real estate business in Westchester so those losses will be felt immediately, in addition to being sustained long-term. Theiss's procurement of the non-renewal of listings or the non-signing of new listings by Douglas Elliman agents who defected caused further harm.

FIRST CAUSE ACTION AGAINST DEFENDANT THEISS
(Breach of Fiduciary Duty and Duty of Loyalty)

65. Douglas Elliman repeats and realleges the allegations of paragraphs 1 through 64 as if fully set forth herein.

66. At all relevant times hereto, Theiss, as an employee and manager of Douglas Elliman, had fiduciary duties and a duty of loyalty to Douglas Elliman.

67. Theiss has breached her fiduciary duties and duty of loyalty to Douglas Elliman by, among other things:

- a) using company time and resources, and her supervisory position and position of trust, to convince Douglas Elliman's agents to terminate their relationships with Douglas Elliman and move to Raveis, a competitor real estate firm;
- b) using company time and resources, and her supervisory position and position of trust, to disparage Douglas Elliman and Douglas Elliman senior management to Douglas Elliman's agents;

- c) failing to inform her Douglas Elliman superiors of her recruiting activities, her instructions to her agents regarding defection to Raveis, her agents' intentions to resign, and other matters relating to her recruitment of, and the resignations of, Douglas Elliman's agents from the Armonk office;
- d) directing Douglas Elliman's agents to not renew lapsing listing agreements so that they could be re-listed with Raveis;
- e) directing Douglas Elliman's agents to not sign new listing agreements so that properties could be listed with Raveis;
- f) directing Douglas Elliman's employee, Barbara Bartfield, to copy confidential and proprietary information so that it could be used by Raveis; and
- g) other acts as detailed herein.

68. As a direct result of Theiss's wrongdoing, Douglas Elliman has been damaged in an amount to be determined at trial.

69. Theiss's actions were committed knowingly, willfully and in conscious disregard of Douglas Elliman's fiduciary rights and right to loyalty from its employees. Accordingly, Douglas Elliman is entitled to recover punitive damages in an amount to be determined at trial.

70. Among other things, Douglas Elliman's damages also include all compensation paid to Theiss, and/or any compensation she might have collected, during the period of her disloyalty and faithless service.

SECOND CAUSE OF ACTION AGAINST DEFENDANT RAVEIS
(Aiding and Abetting Breach of Fiduciary Duty)

71. Douglas Elliman repeats and realleges the allegations of paragraphs 1 through 70 as if fully set forth herein.

72. At all relevant times hereto, Theiss, as an employee and manager of Douglas Elliman, had fiduciary duties to Douglas Elliman.

73. Theiss has breached her fiduciary duties to Douglas Elliman by, among other things:

- a) using company time and resources, and her supervisory position and position of trust, to convince Douglas Elliman's agents to terminate their relationships with Douglas Elliman and move to Raveis, a competitor real estate firm;
- b) using company time and resources, and her supervisory position and position of trust, to disparage Douglas Elliman and Douglas Elliman senior management to Douglas Elliman's agents;
- c) failing to inform her Douglas Elliman superiors of her recruiting activities, her instructions to her agents regarding defection to Raveis, her agents' intentions to resign, and other matters relating to her recruitment of, and the resignations of, Douglas Elliman's agents from the Armonk office;
- d) directing Douglas Elliman's agents to not renew lapsing listing agreements so that they could be re-listed with Raveis;
- e) directing Douglas Elliman's agents to not sign new listing agreements so that properties could be listed with Raveis;
- f) directing Douglas Elliman's employee, Barbara Bartfield, to copy confidential and proprietary information so that it could be used by Raveis; and
- g) other acts as detailed herein.

74. Theiss's actions were committed knowingly, willfully and in conscious disregard of Douglas Elliman's fiduciary rights and right to loyalty from its employees. As a direct result

of Theiss's wrongdoing, Douglas Elliman has been damaged in an amount to be determined at trial.

75. Raveis provided substantial assistance in effecting Theiss' breach of her fiduciary duties to Douglas Elliman by, among other things:

- i. encouraging Theiss to lure and recruit Douglas Elliman agents to Raveis;
- ii. assisting Theiss in her recruitment of Douglas Elliman agents to Raveis;
- iii. advising Theiss to remain a manager at Douglas Elliman during the recruitment of agents to maximize the impact of that recruiting;
- iv. encouraging, aiding and causing Theiss to share confidential information with Raveis; and
- v. other acts as detailed herein.

76. As a direct result of Raveis's wrongdoing, Douglas Elliman has been damaged in an amount to be determined at trial.

77. Raveis's actions were committed knowingly, willfully, and in conscious disregard of Douglas Elliman's fiduciary rights from its employees. Accordingly, Douglas Elliman is entitled to recover punitive damages in an amount to be determined at trial.

THIRD CAUSE OF ACTION AGAINST DEFENDANTS THEISS AND RAVEIS
(Unfair Competition)

78. Douglas Elliman repeats and realleges the allegations of paragraphs 1 through 77 as if fully set forth herein.

79. Theiss and Raveis have acted in bad faith and has engaged, and are continuing to engage, in unfair competition against Douglas Elliman by, among other things, misappropriating Douglas Elliman's agent relationships; misappropriating Douglas Elliman's client relationships; using and taking Douglas Elliman's confidential and proprietary information, including its listing

information and information regarding buyers and sellers with whom it has developed relationships; engaging in breach of fiduciary duty and duty of loyalty; aiding and abetting such breaches; and by doing so in a way that they knew or should have known would inflict significant competitive injury upon Douglas Elliman.

80. As a direct result of Theiss and Raveis's wrongdoing, Douglas Elliman has been damaged in an amount to be determined at trial.

81. Theiss and Raveis's actions were committed knowingly, willfully and in conscious disregard of Douglas Elliman's rights. Accordingly, Douglas Elliman is entitled to recover punitive damages in an amount to be determined at trial.

FOURTH CAUSE OF ACTION AGAINST DEFENDANTS THEISS AND RAVEIS
(Tortious Interference With Advantageous Business Relations)

82. Douglas Elliman repeats and realleges the allegations of paragraphs 1 through 81 as if fully set forth herein.

83. Douglas Elliman has developed and maintains advantageous business relations with its agents and clients.

84. Theiss and Raveis knew or should have known about the advantageous business relations of Douglas Elliman with Douglas Elliman's agents and clients.

85. Theiss and Raveis intentionally, maliciously and improperly interfered with Douglas Elliman's relationship with Douglas Elliman's agents and clients by, among other things, their efforts to induce such agents and clients to sever their relationships with Douglas Elliman and to induce them to do business with or become employed by Raveis, for the benefit of Theiss and Raveis. Theiss and Raveis used illegal, malicious, wrongful and improper means to carry out their tortious acts.

86. There is no privilege or justification for Theiss and Raveis's conduct.

87. As a direct result of Theiss and Raveis's wrongdoing, Douglas Elliman has been damaged in an amount to be determined at trial.

88. Theiss and Raveis's actions were committed knowingly, willfully and in conscious disregard of Douglas Elliman's rights. Accordingly, Douglas Elliman is entitled to recover punitive damages in an amount to be determined at trial.

FIFTH CAUSE OF ACTION AGAINST DEFENDANTS THEISS AND RAVEIS
(Misappropriation)

89. Douglas Elliman repeats and realleges the allegations of paragraphs 1 through 88 as if fully set forth herein.

90. Douglas Elliman has attempted to prevent disclosure of its confidential and proprietary information.

91. Nevertheless, Theiss and Raveis have knowingly and willfully misappropriated, and are exploiting for their own economic advantage, confidential and proprietary information of Douglas Elliman, including, but not limited to, confidential business strategies, client information, listing agreement information and information concerning the skills and efficacy of Douglas Elliman's agents to which Theiss gained access solely through her position as manager of Douglas Elliman's Armonk branch office.

92. In addition to having misappropriated and used Douglas Elliman's confidential and proprietary information for the wrongful purpose of recruiting agents for the benefit of herself and Raveis, given Theiss's daily exposure to and use of Douglas Elliman's confidential and proprietary information, she will inevitably put such information to further unfair use at Raveis. It would be virtually impossible for Theiss to successfully work for a competing real estate firm without relying on the confidential and proprietary information she gained while employed by Douglas Elliman.

93. Moreover, Theiss and Raveis have solicited and continue to solicit Douglas Elliman's agents and clients for the purpose of further misappropriating confidential and proprietary information. On information and belief, Theiss directed the administrative assistant in the Armonk office to stay on at Douglas Elliman for a week after the departure of the agents for the purpose of misappropriating confidential and proprietary information.

94. In addition, at all relevant times hereto, Theiss, as an employee and manager, had fiduciary duties and a duty of loyalty to Douglas Elliman.

95. Douglas Elliman's relationships with its agents and clients were an asset to Douglas Elliman in which it had a tangible expectancy of financial benefits.

96. Theiss and Raveis have knowingly and willfully misappropriated, and are exploiting for their own economic advantage, Douglas Elliman's tangible expectancy in the financial benefits of its relationships with its agents and clients by wrongfully convincing Douglas Elliman's agents to leave Douglas Elliman for its competitor, Raveis.

97. As a direct result of Theiss and Raveis's wrongdoing, Douglas Elliman has been damaged in an amount to be determined at trial.

98. Theiss and Raveis's actions were committed knowingly, willfully and in conscious disregard of Douglas Elliman's rights. Accordingly, Douglas Elliman is entitled to recover punitive damages in an amount to be determined at trial.

PRAYER FOR RELIEF

WHEREFORE, Douglas Elliman demands judgment against Theiss and Raveis as follows:

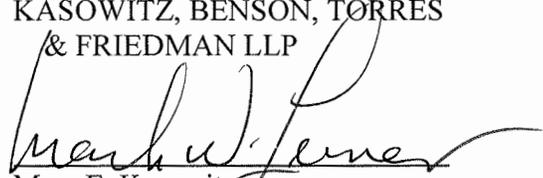
- 1) awarding Douglas Elliman compensatory damages in an amount to be determined at trial;

- 2) awarding Douglas Elliman return of compensation paid to Theiss, including any compensation which she might have collected, during her period of disloyalty and faithless service, in an amount to be determined at trial;
- 3) awarding Douglas Elliman punitive damages in an amount to be determined at trial;
- 4) ordering Theiss and Raveis to immediately return to Douglas Elliman any and all Douglas Elliman property;
- 5) awarding Douglas Elliman the costs and disbursements of this action, together with attorneys' fees; and
- 6) awarding Douglas Elliman such other and further relief as this Court may deem just and proper.

Dated: New York, New York
November 9, 2015

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