VIRGINIA:

ICHMOND

RECEIVED AND FILED

IN THE CIRCUIT COURT OF THE CITY OF RICHMOND

BOLEMAN LAW FIRM, P.C.

Plaintiff

v.

CIVIL CASE NO: CL 13-4582-4

JULIA B. ADAIR

SERVE: JULIA B. ADAIR 3412 Cutshaw Avenue Richmond, Virginia 23230

DEANNA H. HATHAWAY

SERVE: DEANNA H. HATHAWAY 3412 Cutshaw Avenue Richmond, Virginia 23230

and

HATHAWAY ADAIR, P.C.

SERVE: (registered agent) Robert S. Carter, Esq. 9030 Stony Point Parkway, Suite 500 Richmond, Virginia 23235

Defendants.

COMPLAINT

Comes now your plaintiff, BOLEMAN LAW FIRM, P.C., and for their Complaint

against JULIA B. ADAIR, DEANNA H. HATHAWAY, and HATHAWAY ADAIR, P.C., states

as follows:

Parties

1. Plaintiff Boleman Law Firm, P.C. ("Boleman"), is a professional corporation licensed in Virginia to provide legal services and in good standing with the Commonwealth of Virginia, organized in Virginia.

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2. Defendant Julia B. Adair ("Adair") is a lawyer and was a long standing employee of Boleman where she was employed from December 1, 2004 to April 11, 2013. Since approximately 2007, her primary responsibilities were to meet with new Boleman clients, take part in the overall intake process of new clients, evaluate their financial and legal circumstances, and serve as part of a team of lawyers and para-professionals who assisted clients in filing bankruptcy, if appropriate. Adair, along with Hathaway, resigned from Boleman on April 11, 2013 after a very contrived and deceptive plan to establish their new, local, and competing law firm, Hathaway Adair, P.C. ("HA"). That plan involved using Boleman-owned resources, including, but not limited to, their Boleman cell phones and computers, to lure perspective clients to HA and steal current clients from Boleman.

3. Deanna H. Hathaway ("Hathaway") is a lawyer and was a long standing employee of Boleman where she was employed from October 14, 2003 to July 24, 2008 and again from November 24, 2008 to April 11, 2013. Her primary responsibilities during her latest tenure were identical to those of Adair. Hathaway was the additional defendant involved in this plan to deceptively and illegally direct current and prospective Boleman clients to HA. Just as Adair did, Hathaway used Boleman resources to establish HA, to lure prospective and current Boleman clients to HA and along with Adair, conspired to damage the Boleman firm.

Jurisdiction and Venue

4. This Court has jurisdiction over the defendants pursuant to Section 8.01328.1(A)(1) or (3), because the relevant causes of action arose from each defendant's actions and

breach of their accompanying duties resulting in causing tortious injury by an act or omission in this Commonwealth.

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5. Venue is properly laid in this Court pursuant to Section 8.01-262(1), (3) and (4) because the defendants reside or maintain a principal place of employment in the City of Richmond and did regularly conduct said employment and business activity while employed at Boleman, located in the City of Richmond, or because the causes of action set forth herein arose in substantial part in the City of Richmond.

Nature of Action

6. This action arises out of the deceptive and deceitful conduct of Adair and Hathaway that began months before their departure from Boleman on April 11, 2013. Both Adair and Hathaway had longstanding employment with Boleman and were trusted employees of Boleman. Both Adair and Hathaway were provided by Boleman with firm-owned cell phones, computers and firm vehicles for their use as firm employees.

7. Prior to their departure, both Adair and Hathaway set forth on a contrived course to begin a new law firm, HA, that would directly compete with Boleman. They used Boleman resources and firm time to contact business entities to establish HA services and entity formation. On March 16, 2013, for example, Adair sent Hathaway a text message, which the firm obtained from Hathaway's firm-owned cell phone, that states "[g]oing to call credit union today to see if I can get process started. Told rob carter to start and hold." Mr. Carter is the attorney Hathaway and Adair engaged to perform the corporate formation of HA, and he currently serves as their registered agent.

8. Boleman treated Adair as a lawyer who was on track to become a Sharcholder of the firm. Adair set forth on a course of conduct using her position of trust with Boleman where

her pending elevation to Shareholder (or as later described by Hathaway as partnership) would be abused in order to have access to detailed client information and firm financial information. This was confirmed via text between Hathaway and Adair when on April 4, 2013, Hathaway texted Adair "[t]hey offered you partnership officially?" Additionally, on March 26, 2013, Hathaway texted Adair, stating "now that you or [*sic*] in the inner circle can you get that ss that shows who file what (like other lawyers)," referring to a proprietary spreadsheet Boleman developed and uses for business purposes.

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9. Adair engaged in a course of deceit and fraud with Boleman, specifically deceiving the firm president, G. Russell Boleman, III ("Mr. Boleman") into writing a letter to her mortgage company in support of her application to refinance her home mortgage. Upon Adair's request, Mr. Boleman vouched for Adair's secure employment position in the Boleman firm. Adair requested this, knowing that she was intending to resign as soon as the refinance closing occurred and intending to use the money from the refinance to fund the start-up of the new law firm, HA. In a series of text messages between Adair and Hathaway on Friday April 5, 2013, Adair informed Hathaway that the closing would occur the following Monday, prompting follow-up text messages regarding the timing of their resignations.

10. Adair and Hathaway, using their front line personal contact with clients to their advantage, conspired and engaged in a course of deceitful and deceptive conduct by persuading existing and potential Boleman clients to defer their personal bankruptcy filings until Adair and Hathaway had resigned from Boleman and their own firm, HA, was prepared to do business. Hathaway confirmed this in a text to Adair on April 5, 2013, in which she blatantly admitted "FYI - John got a referral yesterday he's holding for us. Whoo-hoo!!!" 11. In their capacity as part of the Boleman intake team, Hathaway and Adair had the unique opportunity to sign, on behalf of the firm and other team members, bankruptcy petitions. By dent of doing so, they appeared to be attorney of record for thousands of Boleman clients. In many cases, there was little, if any, contact between Hathaway and Adair and these Boleman clients. As salaried employees who served with a number of lawyers on the Boleman intake team, Hathaway and Adair held no expectation of a specific attorney-client relationship nor was their compensation related to any specific client fee.

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12. Beginning as early as December 2012, Hathaway and Adair began to violate the firm's trust and breach their fiduciary duties by giving Boleman clients false impressions that Hathaway and Adair would be the client's only attorney. In fact, Hathaway and Adair rarely, if ever, performed any services for these clients after the bankruptcy case was filed. Other Boleman lawyers were assigned to perform the substantial, critical, and voluminous post-bankruptcy services in each case.

13. Adair and Hathaway deceitfully conspired and knowingly interfered with Boleman's clients and clearly understood such as evidenced by Hathaway's text sent on March 28, 2013 to Anne Blackwell, a former Boleman employee, that stated, "Tortuous [sic] interference how? Just wait until we tell him we are sending letters about taking cases. He'll be positively apoplectic!!" This message illustrates that Hathaway and Adair planned their departure far in advance of their actual resignations and, during their remaining weeks at Boleman, conspired to tortiously interfere with Boleman's ongoing business practice and client engagements. 14. Adair was privy to confidential Boleman firm documents and financial information that she later shared outside the confines of her authority as an employee of Boleman.

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15. Adair and Hathaway conspired to engage in a course of conduct intended to deliberately and deceitfully interfere with Boleman's standard business practices and unlawfully solicit Boleman clients.

Causes of Action

COUNT 1 – BREACH OF FIDUCIARY DUTY

16. Plaintiffs repeat and re-allege all prior allegations above.

17. Adair and Hathaway owed fiduciary duties to Boleman.

18. Adair and Hathaway breached their fiduciary duties to Boleman as more particularly set forth above, which proximately caused substantial damage to Boleman.

19. The actions of Adair and Hathaway in this regard were willful, wanton and malicious.

20. Boleman seeks judgment against all of the defendants in an amount equal to the compensatory damages proved or the presumed damages fixed at trial, plus punitive damages, attorney's fees and costs to punish the defendant's willful, wanton, and malicious conduct and to deter them and others from engaging in such conduct in the future.

COUNT II – TORTIOUS INTERFERENCE WITH BUSINESS

21. Plaintiffs repeat and re-allege all prior allegations above.

22. Boleman possessed reasonable business expectancy that Adair and Hathaway would not share firm proprietary information outside the parameters of Boleman employees.

23. Both Adair and Hathaway owed fiduciary duties to Boleman, including the duty to not tortiously interfere with potential and current Boleman client choices as to ongoing and future choice of legal counsel.

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24. Both Adair and Hathaway owed fiduciary duties to Boleman to not lie or be deceitful in their communications with both current and potential Boleman clients.

25. Adair and Hathaway's intentional interference with Boleman's current and potential clients and business proximately caused Boleman to suffer substantial damages as will be proven at trial.

26. Boleman seeks judgment against all of the defendants in an amount equal to the compensatory damages proved or the presumed damages fixed at trial, plus punitive damages, attorney's fees and costs to punish the defendant's willful, wanton, and malicious conduct and to deter them and others from engaging in such conduct in the future.

COUNT III – BREACH OF CONTRACT

27. Plaintiffs repeat and re-allege all prior allegations above.

28. Adair had an employment contract with Boleman signed on December 1, 2004. (Attached as Exhibit A). Adair breached this contract of employment. Adair engaged in deceptive and deceitful conduct and failed to safeguard Boleman firm confidential information, in violation of the contract terms.

29. Adair further breached this contract of employment by not simply informing Boleman firm clients of their choice of counsel but, in fact, soliciting Boleman firm clients in advance of her resignation and departure from Boleman.

30. Hathaway had an employment contract with Boleman signed on October 14,2003. (Attached as Exhibit B). Hathaway breached this contract of employment. Hathaway

engaged in deceptive and deceitful conduct and failed to safeguard Boleman firm confidential information, in violation of the contract terms.

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31. Hathaway further breached this contract of employment by not simply informing Boleman firm clients of their choice of counsel but, in fact, soliciting Boleman firm clients in advance of her resignation and departure from Boleman.

32. Boleman seeks judgment against all of the defendants in an amount equal to the compensatory damages proved or the presumed damages fixed at trial, plus attorney's fees and costs as provided for in said employment contracts.

COUNT IV – STATUTORY CONSPIRACY

33. Plaintiffs repeat and re-allege all prior allegations above.

34. The defendants violated Section 18.2-499(A) and are liable to Boleman under Section 18.2-500 therefore, because Defendants combined, associated, agreed, mutually undertook and concerted willfully, maliciously and without lawful justification to injure Boleman in their respective trade, business and profession as more particularly set forth above.

35. Defendants' violation of Section 18.2-499(A) has proximately caused and will continue to proximately cause substantial damage to Boleman in their trade, business, and profession as will be proven at trial through lay and expert testimony. Boleman has lost substantial revenue because Adair and Hathaway conspired and solicited current and prospective Boleman clients in violation of their employment contracts and the Rules of Professional Conduct of the Supreme Court of Virginia.

36. Boleman seeks judgment against all defendants in an amount equal to three times the compensatory damages proved at trial, punitive damages, and attorney's fees and costs as permitted by Section 18.2-500. WHEREFORE, plaintiff BOLEMAN LAW FIRM, P.C. prays that this Honorable Court enter judgment against the defendants, JULIA B. ADAIR, DEANNA H. HATHAWAY and HATHAWAY ADAIR, P.C., jointly and severally, as follows:

(a) for compensatory damages in an amount not less than Five Hundred Thousand Dollars (\$500,000.00);

(b) for One Million Five Hundred Thousand Dollars (\$1,500,000.00) comprising three times Boleman's compensatory damages in relation to Defendant's Section 18.2-500 violation;

(c) for Three Hundred and Fifty Thousand Dollars (\$350,000.00) in punitive damages;

(d) plus reasonable attorney's fees and court costs;

and for such other relief as the Court may find just and equitable.

TRIAL BY JURY IS HEREBY DEMANDED.

Respectfully submitted,

BOLEMAN LAW FIRM, P.C.

Counsel

Leslie A.T. Haley, Esq. VSB No. 36333 Haley Law, PLC P.O. Box 943 Midlothian, Virginia 23113 804-399-6576 (T) 804-420-1056 (F)

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EMPLOYMENT AGREEMENT

THIS AGREEMENT (the "Agreement"), dated as of this $\frac{V}{2}$ day of December, 2004 (the "Effective Date"), by and between The Boleman Law Firm, P.C., a Virginia professional corporation ("the Firm") and Julia B. Adair, ("the Employee").

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WITNESSETH:

WHEREAS, the Firm is a professional corporation engaged in the practice of law and organized and existing under the laws of the Commonwealth of Virginia with its principal office in Richmond, Virginia;

WHEREAS, the Firm desires to employ the Employee and the Employee desires to be employed by the Firm pursuant to the terms, provisions, and conditions set forth herein;

WHEREAS, Employee and the Firm believe that it is of benefit to the Firm and its employees and stockholders to protect the confidential information, clients and practice of the Firm as provided for in this Agreement; and

WHEREAS, part of the consideration for the Employee's employment and/or continued employment and an additional amount paid this date, the sufficiency and receipt of which is hereby acknowledged by the Employee's signature upon this document, for the Employee's promise not to compete as herein set forth and the Employee's promise to honor the confidentiality of the Firm's business;

NOW, THEREFORE, for and in consideration of the premises, of the mutual agreements, promises and covenants hereinafter contained, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Firm and the Employee (together, the "Parties") covenant and agree as follows:

ARTICLE ONE POSITION OF EMPLOYEE

The Firm shall employ the Employee and the Employee accepts such employment upon the terms and conditions of this Agreement. Employee agrees to serve in such capacity on behalf of the Firm and to perform such duties as may be reasonably requested by the board of directors or other authorized management, officials or officers of the Firm. It is the intention of the Parties that the Employee will devote fulltime to the conduct of the Firm's practice and such other duties as the board of directors or authorized management, officers or officials may reasonably request.

ARTICLE TWO TERM

This Agreement shall continue until terminated by either of the Parties "at will."

ARTICLE THREE COMPENSATION

1.

As full compensation for all services and duties to be rendered and performed by the Employee pursuant to this Agreement, as well as for all covenants made by the Employee herein, the Firm shall pay the Employee a salary at the rate of \$50,000.00 per annum (the "Annual Salary"), payable in equal monthly installments, less such deductions or amounts to be withheld as shall be required by applicable law and regulations. Such salary may be modified from time to time as determined by the Firm.

ARTICLE FOUR NO PRIOR AGREEMENTS

Employee represents that the Employee is not a party to, or otherwise subject to or bound by, the terms of any contract, agreement, or understanding which in any manner would limit or otherwise affect the ability of the Employee to perform the obligations under this Agreement. The Employee further represents and warrants that employment of the Employee with the Firm will not require the disclosure or use of any confidential information belonging to prior employers or other persons or entities.

ARTICLE FIVE NON-DISCLOSURE OF CONFIDENTIAL INFORMATION

A. The Employee understands and agrees that any non-public information about the Firm or the Firm's clients is the property of the Firm and is essential to the protection of Firm and should be kept secret (hereafter referred to as "Firm Confidential Information"). Such Firm Confidential Information shall include, but not be limited to, information concerning the Firm's clients and prospective clients, identity of the Firm's clients and prospective clients, the work related to any client of the Firm, the Firm's computer programs, trade secrets, processes, ideas and methods or other confidential or proprietary information belonging to the Firm or relating to the Firm's affairs, specifically including, without limitation, intake, petition preparation and post-petition case administration procedures, data base structures, screen designs for case administration systems, or other documentation, computer programs, or information or property relating to the handling and processing of and representing clients in bankruptcy proceedings.

B. The Employee agrees to hold and safeguard any Firm Confidential Information gained by Employee during the course of the Employee's employment with the Firm. Employee shall not, without the prior written consent of the Firm, misappropriate, disclose or make available to anyone for use outside the Firm's organization at any time, either during employment of Employee or subsequent to any termination of the employment of the Employee, whether such termination is effected by the Employee or the Firm, with or without cause, any Firm Confidential Information, whether or not developed by the Employee, except as required in the performance of the Employee's dutics for the Firm.

C. The Employee further agrees that upon termination of employment of the Employee for any reason, the Employee will return to the Firm all property and documents belonging to the Firm, including, but not limited to, files, correspondence, plans, forms, manuals,

client lists, planning documents, computer programs and software and any other documentation, information or property.

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D. The Employee agrees that any and all Firm Confidential information made or developed by the Employee during employment of The Employee by the Firm which relate to or are useful in the practice of the Firm will be the exclusive property of the Firm, and will be regarded as part of the Firm's trade secrets, and Employee hereby assigns irrevocably any processes, improvements, and any other information or material which he may invent or develop while employed by Firm.

E. The Employee agrees that after termination of employment of the Employee for any reason, the Employee will sign any and all documents necessary or appropriate to evidence the ownership of Firm in the development, processes, improvements and other computer programs or processes or information materials, which the Employee may invent or develop while employed by Firm.

ARTICLE SIX COVENANT NOT TO COMPETE

Employee acknowledges that during the course of his employment, he will have access to and will acquire confidential information about the Firm's practice methods, procedures and systems and clients and that he may be responsible for contacting and developing relationships with the Firm's clients. Accordingly:

A. The parties agree that a "competing business" to the firm includes all law firms within the Commonwealth of Virginia that during the twelve-month period preceding the Employee's separation from the Firm (whether voluntary or involuntary) have derived more than ten (10) percent of their revenues from the representation of debtors in consumer bankruptcy matters.

B. The Employee agrees that for so long as Employee remains employed by the firm and for a period of one (1) year after Employee's employment with the firm ceases, whether voluntarily or involuntarily and whether with or without cause, the Employee will be restricted from working for a competing business either as an individual, partner, shareholder, or joint venturer with any other person or entity, or as an employee, agent, director, officer, owner, consultant, independent contractor to or representative of any such competing business. This covenant does not preclude Employee from working for a law firm that is not a competing business to the Employer.

C. The Employee recognizes that this covenant not to compete is of mutual benefit to the Firm and the Employee and is supported by full and adequate consideration including, but not limited to, the employment of the Employee by the Firm and the attendant compensation, and that the Firm, as a result of successful operation and an investment of time and capital, has developed good will and earning power, that the restrictions and covenants set forth in this Agreement are reasonable and necessary for the protection of the Firm's legitimate business interests and that the Firm will suffer irreparable harm in the event of a breach by the Employee of any of the foregoing provisions of this Article Six.

ARTICLE SEVEN NON-SOLICITATION OF CLIENTS

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The Employee further agrees that for a period of one (1) year following termination of this employment, whether such termination is effected by himself or the Firm, with or without cause, Employee shall not, directly or indirectly, as an owner, officer, director, employee, agent, representative, consultant or independent contractor: (i) solicit, contact, call upon, communicate with, or attempt to communicate with any Firm client for the purpose of providing competitive services to such client, (ii) sell, provide or divert any competitive services to any Firm client, (iii) perform or engage in any competitive services for any Firm client, or (iv) accept or receive any Firm client for the purpose of providing any competitive services. "Firm client" shall refer to: (i) any individual or entity that was a client, customer or referral source for clients or customers of the Firm within one (1) year of Employee's termination; or (ii) any individual or entity that actively was solicited for business by the Firm within one (1) year of Employee's termination. "Competitive services" shall refer to any services provided by the Firm to its clients at the time of Employee's termination.

ARTICLE EIGHT INJUNCTIVE RELIEF

The Employee acknowledges that the remedies at law for any breach by Employee of any restrictive covenant contained in this Agreement will be inadequate due to the potential for immediate and irreparable injury to the Firm and that the Firm shall be entitled to injunctive relief against Employee in addition to any other remedies available to the Firm, including, but not limited to, the recovery of damages from the Employee.

ARTICLE NINE REASONABLENESS OF RESTRAINT

It is the intention of the Parties that the provisions of the restrictive covenants herein shall be enforceable to the fullest extent permissible under the applicable law. The Parties agree that it is their intention that should any provision or subdivision of this Agreement, including, but not limited to, any aspect of the restraints or remedies imposed under Articles Six and Seven, be found by a court of competent jurisdiction to be unreasonable or otherwise unenforceable, any such provision shall nevertheless be enforceable to the extent such court shall deem reasonable, and in such event, it is the parties' intention, desire and request that the court reform such provision to the degree minimally necessary to render such provision, as reformed, reasonable and enforceable under applicable law. In the event of such judicial reformation, the Parties agree to be bound by this Agreement as reformed in the same manner and to the same extent as if they had agreed to such reformed agreement in the first instance.

ARTICLE TEN RESTRICTIVE COVENANTS OF THE ESSENCE

The restrictive covenants of the Employee set forth in Articles Five, Six and Seven herein are of the essence of this Agreement; they shall be construed as independent of any other provision in this Agreement; and the existence of any claim or cause of action of the Employee against the Firm, whether predicated on this Agreement or not, shall not constitute a defense to the enforcement by the Firm of the restrictive covenants contained herein. The Firm shall at all times maintain the right to seek enforcement of these provisions whether or not the Firm has previously refrained from seeking enforcement of any such provision as to the Employee or any other individual who has signed an agreement with similar provisions.

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ARTICLE ELEVEN MISCELLANEOUS

A. <u>MODIFICATIONS: WAIVER</u>: This Agreement may be modified only by an instrument in writing signed by the Parties. The failure of either of the Parties to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver thereof or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

B. <u>ATTORNEY'S FRES</u>: The Parties agree that in the event of any breach or attempted breach by the Employee of any of the provisions of this Agreement, the Firm shall be entitled to institute and prosecute proceedings at law or in equity with respect to such breach and, if the Firm is the prevailing party in any such proceeding, to recover from the Employee such costs, expenses and reasonable attorney's fees as may be incurred by the Firm in connection with any such proceedings.

C. <u>SEVERABILITY</u>: The Employee agrees that if any provision of this Agreement, or any portion thereof, shall be adjudged by any court of competent jurisdiction to be invalid or unenforceable for any reason, such determination shall be confined to the operation of the provision at issue and shall not affect or invalidate any other provision of this Agreement and such court shall be empowered to substitute, to the extent enforceable, provisions similar thereto or other provisions so as to provide the Firm to the fullest extent permitted by applicable law the benefits intended by such provisions.

D. <u>ASSIGNMENT</u>: The obligations of Employee under this Agreement shall continue after the termination of employment of the Employee with Firm, however such termination is effected, whether by the Employee or the Firm, with or without cause, and shall be binding on Employee's heirs, executors, legal representatives, assigns and shall inure to the benefit of any successors or assigns of the Firm. Employee specifically acknowledges that in the event of a sale of all or substantially all of the assets or stock of Firm, or any other event, merger, or transaction resulting in a change of ownership or control of Firm's practice, the rights and obligations of the parties hereunder shall inure to the benefit of any such transferee, purchaser or future owner of Firm's practice. Employee specifically consents to the assignment by the Firm of the Firm's rights pursuant to Articles Five, Six and Seven of this Agreement protecting the Firm from unfair competition.

E. <u>PLACE OF MAKING AND GOVERNING LAW</u>: The Parties acknowledge and agree that this Agreement is made in the Commonwealth of Virginia, and that the interpretation and performance hereof shall be governed in all respects by the laws of the Commonwealth of Virginia.

F. <u>ENTIRE AGREEMENT</u>: This Agreement sets forth and embodies the entire agreement of the parties and no part hereof shall be considered to be merely a recital. This Agreement supersedes any and all prior agreements between the Firm and Employee. Neither Party shall be bound in any manner related to employment by promises or representations other than those set forth in this Agreement. The Parties acknowledge and agree that they have read this entire Agreement; that it sets forth their entire agreement; and that neither Party is to be considered the draftsman or scrivener hereof.

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IN WITNESS WHEREOF, the Parties have set their hands and seal to this Agreement as of the date first written above.

By: <u>C. Russell Boleman, President</u> (SEAL) G. Russell Boleman, President Mile B. Adair Julia B. Adair

The Boleman Law Firm, P.C.

EXHIBIT B

EMPLOYMENT AGREEMENT

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2.

THIS AGREEMENT (the "Agreement"), dated as of this 14th day of October, 2003 (the "Effective Date"), by and between The Boleman Law Firm, P.C., a Virginia professional corporation ("the Firm") and Deanna Hensley Hathaway, ("the Employee").

WITNESSETH:

WHEREAS, the Firm is a professional corporation engaged in the practice of law and organized and existing under the laws of the Commonwealth of Virginia with its principal office in Richmond, Virginia;

WHEREAS, the Firm desires to employ the Employee and the Employee desires to be employed by the Firm pursuant to the terms, provisions, and conditions set forth herein;

WHEREAS, Employee and the Firm believe that it is of benefit to the Firm and its employees and stockholders to protect the confidential information, clients and practice of the Firm as provided for in this Agreement; and

WHEREAS, part of the consideration for the Employee's employment and/or continued employment and an additional amount paid this date, the sufficiency and receipt of which is hereby acknowledged by the Employee's signature upon this document, for the Employee's promise not to compete as herein set forth and the Employee's promise to honor the confidentiality of the Firm's business;

NOW, THEREFORE, for and in consideration of the premises, of the mutual agreements, promises and covenants hereinafter contained, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Firm and the Employee (together, the "Parties") covenant and agree as follows:

ARTICLE ONE POSITION OF EMPLOYEE

The Firm shall employ the Employee and the Employee accepts such employment upon the terms and conditions of this Agreement. Employee agrees to serve in such capacity on behalf of the Firm and to perform such duties as may be reasonably requested by the board of directors or other authorized management, officials or officers of the Firm. It is the intention of the Parties that the Employee will devote fulltime to the conduct of the Firm's practice and such other duties as the board of directors or authorized management, officers or officials may reasonably request.

ARTICLE TWO TERM

This Agreement shall continue until terminated by either of the Partics "at will."

ARTICLE THREE COMPENSATION

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As full compensation for all services and duties to be rendered and performed by the Employee pursuant to this Agreement, as well as for all covenants made by the Employee herein, the Firm shall pay the Employee a salary at the rate of 66,000 per annum (the "Annual Salary"), payable in equal monthly installments, less such deductions or amounts to be withheld as shall be required by applicable law and regulations. Such salary may be modified from time to time as determined by the Firm.

ARTICLE FOUR NO PRIOR AGREEMENTS

Employee represents that the Employee is not a party to, or otherwise subject to or bound by, the terms of any contract, agreement, or understanding which in any manner would limit or otherwise affect the ability of the Employee to perform the obligations under this Agreement. The Employee further represents and warrants that employment of the Employee with the Firm will not require the disclosure or use of any confidential information belonging to prior employers or other persons or entities.

ARTICLE FIVE NON-DISCLOSURE OF CONFIDENTIAL INFORMATION

A. The Employee understands and agrees that any non-public information about the Firm or the Firm's clients is the property of the Firm and is essential to the protection of Firm and should be kept secret (hereafter referred to as "Firm Confidential Information"). Such Firm Confidential Information shall include, but not be limited to, information concerning the Firm's clients and prospective clients, identity of the Firm's clients and prospective clients, the work related to any client of the Firm, the Firm's computer programs, trade secrets, processes, ideas and methods or other confidential or proprietary information belonging to the Firm or relating to the Firm's affairs, specifically including, without limitation, intake, petition preparation and post-petition case administration procedures, data base structures, screen designs for case administration systems, or other documentation, computer programs, or information or property relating to the handling and processing of and representing clients in bankruptcy proceedings.

B. The Employee agrees to hold and safeguard any Firm Confidential Information gained by Employee during the course of the Employee's employment with the Firm. Employee shall not, without the prior written consent of the Firm, misappropriate, disclose or make available to anyone for use outside the Firm's organization at any time, either during employment of Employee or subsequent to any termination of the employment of the Employee, whether such termination is effected by the Employee or the Firm, with or without cause, any Firm Confidential Information, whether or not developed by the Employee, except as required in the performance of the Employee's duties for the Firm.

C. The Employee further agrees that upon termination of employment of the Employee for any reason, the Employee will return to the Firm all property and documents belonging to the Firm, including, but not limited to, files, correspondence, plans, forms, manuals,

client lists, planning documents, computer programs and software and any other documentation, information or property.

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D. The Employee agrees that any and all Firm Confidential information made or developed by the Employee during employment of The Employee by the Firm which relate to or are useful in the practice of the Firm will be the exclusive property of the Firm, and will be regarded as part of the Firm's trade secrets, and Employee hereby assigns irrevocably any processes, improvements, and any other information or material which he may invent or develop while employed by Firm.

E. The Employee agrees that after termination of employment of the Employee for any reason, the Employee will sign any and all documents necessary or appropriate to evidence the ownership of Firm in the development, processes, improvements and other computer programs or processes or information materials, which the Employee may invent or develop while employed by Firm.

ARTICLE SIX COVENANT NOT TO COMPETE

Employee acknowledges that during the course of his employment, he will have access to and will acquire confidential information about the Firm's practice methods, procedures and systems and clients and that he may be responsible for contacting and developing relationships with the Firm's clients. Accordingly:

A. The parties agree that a "competing business" to the firm includes all law firms within the Commonwealth of Virginia that during the twelve-month period preceding the Employee's separation from the Firm (whether voluntary or involuntary) have derived more than ten (10) percent of their revenues from the representation of debtors in consumer bankruptcy matters.

B. The Employee agrees that for so long as Employee remains employed by the firm and for a period of one (1) year after Employee's employment with the firm ceases, whether voluntarily or involuntarily and whether with or without cause, the Employee will be restricted from working for a competing business either as an individual, partner, shareholder, or joint venturer with any other person or entity, or as an employee, agent, director, officer, owner, consultant, independent contractor to or representative of any such competing business. This covenant does not preclude Employee from working for a law firm that is not a competing business to the Employer.

C. The Employee recognizes that this covenant not to compete is of mutual benefit to the Firm and the Employee and is supported by full and adequate consideration including, but not limited to, the employment of the Employee by the Firm and the attendant compensation, and that the Firm, as a result of successful operation and an investment of time and capital, has developed good will and earning power, that the restrictions and covenants set forth in this Agreement are reasonable and necessary for the protection of the Firm's legitimate business interests and that the Firm will suffer irreparable harm in the event of a breach by the Employee of any of the foregoing provisions of this Article Six.

ARTICLE SEVEN NON-SOLICITATION OF CLIENTS

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The Employee further agrees that for a period of one (1) year following termination of this employment, whether such termination is effected by himself or the Firm, with or without cause, Employee shall not, directly or indirectly, as an owner, officer, director, employee, agent, representative, consultant or independent contractor: (i) solicit, contact, call upon, communicate with, or attempt to communicate with any Firm client for the purpose of providing competitive services to such client, (ii) sell, provide or divert any competitive services to any Firm client, (iii) perform or engage in any competitive services for any Firm client, or (iv) accept or receive any Firm client for the purpose of providing any competitive services. "Firm client" shall refer to: (i) any individual or entity that was a client, customer or referral source for clients or customers of the Firm within one (1) year of Employee's termination; or (ii) any individual or entity that actively was solicited for business by the Firm within one (1) year of Employee's termination. "Competitive services" shall refer to any services provided by the Firm to its clients at the time of Employee's termination.

ARTICLE EIGHT INJUNCTIVE RELIEF

The Employee acknowledges that the remedies at law for any breach by Employee of any restrictive covenant contained in this Agreement will be inadequate due to the potential for immediate and irreparable injury to the Firm and that the Firm shall be entitled to injunctive relief against Employee in addition to any other remedies available to the Firm, including, but not limited to, the recovery of damages from the Employee.

ARTICLE NINE REASONABLENESS OF RESTRAINT

It is the intention of the Parties that the provisions of the restrictive covenants herein shall be enforceable to the fullest extent permissible under the applicable law. The Parties agree that it is their intention that should any provision or subdivision of this Agreement, including, but not limited to, any aspect of the restraints or remedies imposed under Articles Six and Seven, be found by a court of competent jurisdiction to be unreasonable or otherwise unenforceable, any such provision shall nevertheless be enforceable to the extent such court shall deem reasonable, and in such event, it is the parties' intention, desire and request that the court reform such provision to the degree minimally necessary to render such provision, as reformed, reasonable and enforceable under applicable law. In the event of such judicial reformation, the Parties agree to be bound by this Agreement as reformed in the same manner and to the same extent as if they had agreed to such reformed agreement in the first instance.

ARTICLE TEN RESTRICTIVE COVENANTS OF THE ESSENCE

The restrictive covenants of the Employee set forth in Articles Five, Six and Seven herein are of the essence of this Agreement; they shall be construed as independent of any other provision in this Agreement; and the existence of any claim or cause of action of the Employee against the Firm, whether predicated on this Agreement or not, shall not constitute a defense to the enforcement by the Firm of the restrictive covenants contained herein. The Firm shall at all times maintain the right to seek enforcement of these provisions whether or not the Firm has previously refrained from seeking enforcement of any such provision as to the Employee or any other individual who has signed an agreement with similar provisions.

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ARTICLE ELEVEN MISCELLANEOUS

A. <u>MODIFICATIONS: WAIVER</u>: This Agreement may be modified only by an instrument in writing signed by the Parties. The failure of either of the Parties to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver thereof or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

B. <u>ATTORNEY'S FEES</u>: The Parties agree that in the event of any breach or attempted breach by the Employee of any of the provisions of this Agreement, the Firm shall be entitled to institute and prosecute proceedings at law or in equity with respect to such breach and, if the Firm is the prevailing party in any such proceeding, to recover from the Employee such costs, expenses and reasonable attorney's fees as may be incurred by the Firm in connection with any such proceedings.

C. <u>SEVERABILITY</u>: The Employee agrees that if any provision of this Agreement, or any portion thereof, shall be adjudged by any court of competent jurisdiction to be invalid or unenforceable for any reason, such determination shall be confined to the operation of the provision at issue and shall not affect or invalidate any other provision of this Agreement and such court shall be empowered to substitute, to the extent enforceable, provisions similar thereto or other provisions so as to provide the Firm to the fullest extent permitted by applicable law the benefits intended by such provisions

D. <u>ASSIGNMENT</u>: The obligations of Employee under this Agreement shall continue after the termination of employment of the Employee with Firm, however such termination is effected, whether by the Employee or the Firm, with or without cause, and shall be binding on Employee's heirs, executors, legal representatives, assigns and shall inure to the benefit of any successors or assigns of the Firm. Employee specifically acknowledges that in the event of a sale of all or substantially all of the assets or stock of Firm, or any other event, merger, or transaction resulting in a change of ownership or control of Firm's practice, the rights and obligations of the parties hereunder shall inure to the benefit of any such transferee, purchaser or future owner of Firm's practice. Employee specifically consents to the assignment by the Firm of the Firm's rights pursuant to Articles Five, Six and Seven of this Agreement protecting the Firm from unfair competition.

E. <u>PLACE OF MAKING AND GOVERNING LAW</u>: The Parties acknowledge and agree that this Agreement is made in the Commonwealth of Virginia, and that the interpretation and performance hereof shall be governed in all respects by the laws of the Commonwealth of Virginia.

F. <u>ENTIRE AGREEMENT</u>: This Agreement sets forth and embodies the entire agreement of the parties and no part hereof shall be considered to be merely a recital. This Agreement supersedes any and all prior agreements between the Firm and Employee. Neither Party shall be bound in any manner related to employment by promises or representations other than those set forth in this Agreement. The Parties acknowledge and agree that they have read this entire Agreement; that it sets forth their entire agreement; and that neither Party is to be considered the draftsman or scrivener hereof.

IN WITNESS WHEREOF, the Parties have set their hands and seal to this Agreement as of the date first written above.

The Boleman Law Firm, P.C.

(SEAL) Bv (SEAL) Deanna Hensley Hathaway

HALEY LAW, PLC

October 10, 2013



VIA HAND DELIVERY

Bevill M. Dean, Clerk Circuit Court of the City of Richmond 400 North Ninth Street John Marshall Courts Building Richmond, Virginia 23219

Re: Boleman Law Firm, P.C. v. Julia B. Adair, Deanna H. Hathaway, and Hathaway Adair, P.C.

Dear Mr. Dean:

Enclosed please find a Complaint for filing in the Circuit Court of the City of Richmond. Filing fees in the amount of \$346.00 are enclosed and service will be by private process server.

Thank you for your attention to this matter.

Sincerely, ille Ataley lie A.T. Haley

LATH/lh

cc: Boleman Law Firm, P.C.