

IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA

HOWARD HANNA d/b/a HOWARD  
HANNA REAL ESTATE SERVICES,

NO.: GD-21-001894

Plaintiff,

Code:020

v.

FIRST AMENDED COMPLAINT

MICHAEL HORNUNG, an individual,  
JENNIFER CROUSE, an individual, LEAH  
GEORGE, an individual, COMP ASS, INC.  
f/k/a URBAN COMPASS, INC. a Delaware  
corporation, and COMP ASS  
PENNSYLVANIA, LLC, a Delaware limited  
liability company,

FILED ON BEHALF OF PLAINTIFF  
HOWARD HANNA d/b/a HOWARD  
HANNA REAL ESTATE SERVICES

Defendants.

COUNSEL FOR PLAINTIFF:

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JURY TRIAL DEMANDED

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FILED

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COURT OF COMMON PLEAS  
ALLEGHENY COUNTY, PA

IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA

HOWARD HANNA d/b/a HOWARD	)	CIVIL DIVISION
HANNA REAL ESTATE SERVICES,	)	
	)	NO.: GD-21-001894
Plaintiff,	)	
	)	
v.	)	
	)	
MICHAEL HORNUNG, an individual,	)	
JENNIFER CROUSE, an individual,	)	
LEAH GEORGE, an individual, URBAN	)	
COMPASS, INC. a Delaware corporation,	)	
and COMPASS PENNSYLVANIA, LLC,	)	
a Delaware limited liability company,	)	
	)	
Defendants.	)	

NOTICE TO DEFEND

You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the court without further notice for any money claimed in the complaint or for any other claim or relief requested by the plaintiff. You may lose money or property or other rights important to you. YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

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920 City-County Building  
Pittsburgh, PA 15219  
Telephone: (412) 261-0518

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Plaintiff,	)	
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MICHAEL HORNUNG, an individual,	)	
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COMPASS, INC. a Delaware corporation,	)	
and COMPASS PENNSYLVANIA, LLC,	)	
a Delaware limited liability company,	)	
	)	
Defendants.	)	

FIRST AMENDED COMPLAINT

Plaintiff Howard Hanna d/b/a Howard Hanna Real Estate Services ("Howard Hanna"), by and through its undersigned counsel, files this First Amended Complaint against Defendants Michael Hornung ("Hornung"), Jennifer Crouse ("Crouse"), Leah George ("George"), Compass, Inc, f/k/a Urban Compass, Inc., and Compass Pennsylvania, LLC for injunctive relief and damages. In support thereof, Plaintiff avers as follows:

Executive Summary

1. This case involves a real estate company on the brink of going public and its no-holds-barred approach to soliciting new agents in order to justify its narrative as a technology firm poised to upend the real estate industry.

2. Compass, Inc, f/k/a Urban Compass, Inc. and its affiliate Compass Pennsylvania, LLC (the "Compass Defendants") present a false narrative of technological disruption to cover

their unlawful, inappropriate, and unjustified interference with Howard Hanna's contracts, employees, and trade secrets in order to unfairly compete with Howard Hanna.

3. Indeed, the business model of the Compass Defendants revolves around stealing employees and trade secrets from competitors and then claiming that such disruption was the result of technology, rather than simple unlawful conduct.

4. As one publication has put it: "Losing agents is not an option for Compass right now.... In order to be valued as a technology company as opposed to a traditional brokerage, Compass will have to demonstrate explosive growth, which a large headcount helps ensure!"<sup>1</sup>

5. Standing in the path of the Compass Defendants are local and regional real estate brokers like Howard Hanna, which have spent decades serving clients and building relationships in their communities.

6. Like many real estate brokerage companies, Howard Hanna enters into non-compete, non-solicitation, and confidentiality agreements with select agents, employees, managers, and independent contractors. Howard Hanna does this in order to protect its intellectual property and the investments it has made in supporting and training its agents and collecting and systematizing its business data.

7. Compass has knowingly run roughshod over these agreements in an attempt to expand at any cost to support the narrative associated with its business model and initial public offering. Interfering with existing contractual relationships is inherent to the Compass Defendants' alleged value proposition.

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<sup>1</sup> See E.B. Solomont & Erin Hudson, *When Compass comes clawing: How the firm's contracts lock agents in*, The Real Deal: New York Real Estate News, Feb. 18, 2021, 12:00 PM, available at: [https://therealdeal.com/issues\\_articles/when-compass-comes-clawing/amp/](https://therealdeal.com/issues_articles/when-compass-comes-clawing/amp/).

8. The truth, however, at least when it comes to the circumstances of the present case, is far from the public narrative: the Compass Defendants do not compete more effectively through technology but rather through a corporate policy of convincing real estate agents to break their existing contracts and disclose clients, trade secrets, and confidential information to Compass.

9. In Michael Hornung, the Compass Defendants located a person with a similarly low opinion of proprietary company information and contractual responsibilities. In the days prior to leaving Howard Hanna, Hornung, among other things, emailed himself the profit and loss report for Howard Hanna's Adams Township/Seven Fields and Butler locations and the email addresses of at least 80 Howard Hanna agents and ran weekly office sales reports, production reports, budget reports, and insurance reports.

10. Howard Hanna brings this Complaint in order to enjoin the Defendants from benefitting from breaches of contract, trade secret misappropriation, and other inappropriate conduct and to prevent the unquantifiable harm that Howard Hanna will otherwise suffer due to this misconduct.

### Factual Background

#### Parties

11. Howard Hanna is a Pennsylvania corporation with its principal place of business located in Pittsburgh, Pennsylvania, with a corporate headquarters of 119 Gamma Drive, Pittsburgh, PA 15238.

12. Howard Hanna is engaged in the business of providing full-service real estate services, including real estate, mortgage, title, and insurance services.

13. Founded and developed in western Pennsylvania, Howard Hanna has invested in community growth through participation in local events, fundraisers, and community service.

Howard Hanna has devoted substantial time, energy, and resources into building a valuable brand and goodwill by nurturing relationships with property owners, buyers, sellers, clients, and developers. Howard Hanna has grown to become one of America's ten largest real estate brokerage companies.

14. Howard Hanna maintains offices across Pennsylvania and several other states, including at 100 Highpoint Dr., Seven Fields, PA 16046 (the "Adams Township/Seven Fields office"), at 130 Bon Aire Plaza, Butler, PA 16001 (the "Butler office"), at 1597 Washington Pike Suite B-1, Collier Township, PA 15017 (the "Collier office"), and at 6310 Forbes Ave, Pittsburgh, PA 15217 (the "Squirrel Hill office").

15. Defendant Michael Hornung is an individual who is a resident and citizen of the Commonwealth of Pennsylvania, with a residential address of 127 Middleground Place, Cranberry Township, Pennsylvania 16066.

16. Defendant Jennifer Crouse is an individual who is a resident and citizen of the Commonwealth of Pennsylvania, with a residential address of 3304 Willow View Court, Bridgeville, PA 15017.

17. Defendant Leah George is an individual who is a resident and citizen of the Commonwealth of Pennsylvania, with a residential address of 5201 Gem Way, Pittsburgh, PA 15224.

18. Defendant Compass Pennsylvania, LLC is a Delaware limited liability company licensed to do business in the Commonwealth of Pennsylvania. Defendant Compass Pennsylvania, LLC has registered as a foreign corporation authorized to do business in Pennsylvania. According to the Pennsylvania Department of State website as accessed on February 4, 2021, Compass

Pennsylvania, LLC also has a name of "Compass Real Estate PA, LLC" and a Certificate of Registration for Compass Pennsylvania, LLC was submitted on March 3, 2021.

19. Defendant Compass, Inc. is a Delaware corporation with a principal place of business of 90 Fifth Avenue, 3rd Floor, in New York, New York 10011. Compass, Inc. operates an online real estate service and has recently sought to expand its business by offering employment to employees and/or agents of its competitors, including Defendant Hornung. Upon information and belief, Defendant Compass, Inc. is responsible for and/or has directed the activities of Defendant Compass Pennsylvania, LLC, which is registered as a foreign corporation authorized to do business in Pennsylvania. Collectively, Compass Pennsylvania, LLC and Compass, Inc. are collectively referred to as the "Compass Defendants."

#### Jurisdiction and Venue

20. This action arises under the laws of the Commonwealth of Pennsylvania and is within the subject matter jurisdiction of this Court.

21. Jurisdiction is appropriate as follows:

a. As to Michael Hornung, Jennifer Crouse, and Leah George under:

i. 42 Pa.C.S.A. § 5301(a)(1) because Michael Hornung, Jennifer Crouse and Leah George have at all relevant times been domiciled in this Commonwealth and continue to be domiciled in this Commonwealth;

b. As to Compass Pennsylvania, LLC under:

i. 42 Pa.C.S.A. § 5301(a)(2)-(3) because Compass Pennsylvania, LLC has registered and qualified as a foreign entity under Pennsylvania law and carried on a continuous and systematic part of its general business in Pennsylvania; and

- ii. 42 Pa.C.S.A. § 5322 because Compass Pennsylvania, LLC, among other things, has: transacted business in this Commonwealth and caused harm or tortious injury by an act or omission in this Commonwealth and this lawsuit arises from the particular business done, transaction or occurrence entered into, and/or harm caused in this Commonwealth;
- c. As to Compass, Inc. under:
  - i. 42 Pa.C.S.A. § 5301(a)(2)-(3) because Compass, Inc. has carried on a continuous and systematic part of its general business in Pennsylvania; and
  - ii. 42 Pa.C.S.A. § 5322 because Compass, Inc., among other things, has: transacted business in this Commonwealth, caused harm or tortious injury by an act or omission in this Commonwealth, caused harm or tortious injury in this Commonwealth by an act or omission outside this Commonwealth, and this lawsuit arises from the particular business done, transaction or occurrence entered into, and/or harm caused in this Commonwealth.

22. Venue is appropriate in Allegheny County under Rules 1006 and 2179 of the Pennsylvania Rules of Civil Procedure because Allegheny County is a county where all of the Defendants regularly do business, Allegheny County is a county where the cause of action arose, and Allegheny County is a county where a transaction or occurrence took place out of which the cause of action arose. One of the non-compete agreements at issue here relates to the Collier office, of Howard Hanna, which is located in Allegheny County. A second the non-compete agreement at issue here relates to the Squirrel Hill, Pittsburgh office of Howard Hanna, which is located in

Allegheny County The third non-compete agreement at issue here is triggered by certain actions in Allegheny County because the Howard Hanna Adams Township/Seven Fields office of Howard Hanna is within five (5) miles of Allegheny County. Further, properties covered by the trade secrets and confidential information at issue are in Allegheny County. Finally, Defendants Jennifer Crouse and Leah George reside in Allegheny County.

#### Defendant Hornung's Relationship with Howard Hanna

23. Hornung joined Howard Hanna in early 2018, signing his Broker-Manager Contract (the "Manager Contract"), attached hereto as Exhibit A, on January 27, 2018 and indicating that employment would be effective beginning February 2018.

24. In exchange and as consideration for these employment benefits, Defendant Hornung made a number of commitments to Howard Hanna, including the following restrictive covenants:

#### 4. Restrictive Covenants

The Manager agrees that during the term of employment and for a period of eighteen (18) months commencing on the date of any separation from the Employer, the Manager shall not, directly or indirectly (a) induce or attempt to induce any manager, real estate licensee, agent or representative of the Employer or its affiliated entities to terminate here [sic] or his relationship with the Employer or its affiliated entities; or (b) employ, hire, or be involved in hiring any such Manager, real estate licensee, agent or representative.

The Manager agrees that, for a period of twelve (12) months, commencing on the date of any separation from the Employer, the Manager will not, without prior written consent of the Employer, either directly or indirectly enter into the employ of, render any services or assistance to, or otherwise become associated with any person or entity in the capacity of residential real estate manager, owner, employee, or otherwise with said person or entity that is, in any respect, competitive with the business of the Employer in any office within a five mile radius around any of Employer's offices in which Manager ever worked as an employee or independent contractor for Employer. Nothing in this paragraph shall prohibit the Manager from working for the Employer as a real estate licensee. The Manager

acknowledges that both the length of time and geographic restrictions in the paragraph are reasonable and necessary for the legitimate protection of the Employer in connection with the operation of its business and the manager agrees that she or he has received adequate consideration for the personal covenant not to compete as set forth herein.

Manager agrees that during the period of employment and hereafter, Manager shall not directly or indirectly use or disclose any Confidential Information as herein defined. "Confidential Information" means all information relating to the terms and conditions of this agreement, and all information belonging to, used by, or which is in the possession of Employer or Manager relating to Employer's business to the extent that such information is not intended to be disseminated to the public or is otherwise not generally known to Employer's competitors.

(Exhibit A, § 4.)

25. The Manager Contract includes non-compete, non-solicitation, and confidentiality provisions that survive the end of the relationship with Howard Hanna, and which are designed to protect Howard Hanna's legitimate business interests.

26. Managers bound by these Manager Contracts, such as Hornung, are prohibited from directly or indirectly participating for themselves or for any other Person or Affiliate participating in any business competitive with Howard Hanna's business according to the terms of the Contracts.

27. Hornung agreed that Howard Hanna would suffer irreparable harm from a breach of the restrictive covenants set forth in the Manager Contract, including the noncompete provisions. See Exhibit A, § 4.

28. Further, Hornung was and is bound during his relationship with Howard Hanna and during the term of post-relationship covenants from using confidential, proprietary, or trade secret information to solicit from clients of Howard Hanna or to solicit any officer, director, employee, consultant, agent or independent contractor employed or retained by Howard Hanna to leave the employ or retention of Howard Hanna or any of its affiliates.

29. Additionally, Hornung covenanted and agreed to keep secret and confidential all Confidential Information the agent has or obtains regardless of its type or source unless authorized by Howard Hanna within the scope of their relationship and on Howard Hanna's behalf.

30. From early 2018 until February 27, 2021, when Hornung terminated his Manager Contract, Hornung and Howard Hanna enjoyed a mutually successful business and employment relationship.

#### The Compass Defendants Solicit Hornung and Seek Howard Hanna's Trade Secrets and Confidential Information

31. Upon information and belief, sometime in early 2021, the Compass Defendants began to solicit Hornung to leave Howard Hanna and to come work for Defendant Compass Pennsylvania, LLC and/or Defendant Compass, Inc.

32. In so doing, the Compass Defendants sought to achieve economic benefits from hiring Hornung and deny those benefits to Howard Hanna.

33. Upon information and belief, in connection with this solicitation, the Compass Defendants knew about the Manager Contract, as well as Hornung's access to Howard Hanna's trade secrets and confidential information. The Compass Defendants solicited Hornung to misappropriate such trade secrets and confidential information and provide to the Compass Defendants in connection with Hornung's employment with Defendant Compass Pennsylvania, LLC and/or Defendant Compass, Inc.

34. The Compass Defendants, upon information and belief, were aware that Howard Hanna managers, including Hornung, are subject to written restrictive covenants and confidentiality agreements, which agreements prevent the transfer of the trade secrets and confidential information sought by the Compass Defendants.

35. The Compass Defendants actively encourage Howard Hanna managers, employees, agents, and/or independent contractors, including Hornung, to breach their agreements in an attempt to gain a competitive advantage and to misappropriate Howard Hanna's trade secrets and confidential information.

36. It is a pattern and practice of the Compass Defendants, upon information and belief, to solicit employees of other real estate brokerages such as Hornung to breach their employment agreements and in order to access the trade secrets and confidential information of those competitor real estate brokerages.

37. In another lawsuit, it has been averred that:

This is not the first time Compass implemented this business model of luring employees away from competitors in violation of their employment contracts and then extracting proprietary information from them. In fact, this is a well-trodden path for Compass. There have been over a dozen lawsuits filed against Compass within the past five years that contain allegations of Compass's efforts to incite theft of proprietary trade secret information, Compass allegedly has gone so far as to: (a) hack into the databases of competing real estate companies; (b) conscript its competitors' employees to act as double agents; and (c) falsely express interest in purchasing its competitors to gain access to proprietary information.

*See Zillow, Inc. v. Urban Compass, Inc., et al.*, Case 2:19-cv-00592-TSZ, Complaint ¶ 3, (W.D. Wash. Apr. 19, 2019).

38. Upon information and belief, Hornung is about to disclose or is in the process of disclosing Howard Hanna's trade secrets and confidential information to the Compass Defendants.

39. Upon information and belief, the Compass Defendants either have or are about to use Howard Hanna's trade secret and confidential information obtained from Hornung to the benefit of the Compass Defendants and the detriment of Howard Hanna.

Hornung Improperly Accesses and Misappropriates Howard Hanna's Trade Secrets and Confidential Information for the Benefit of Himself and the Compass Defendants

40. In the final days and weeks before leaving Howard Hanna and joining the Compass Defendants, Hornung emailed himself and/or otherwise intentionally accessed and copied trade secrets and confidential information of Howard Hanna.

41. Specifically, the trade secrets and/or confidential information that Hornung inappropriately accessed, copied, emailed, communicated, and/or misappropriated included, among other things, the following documents and information:

- a. Howard Hanna Weekly Report Sales Offices thru 1/29/2021, Adams Township/Seven Fields Office;
- b. Howard Hanna Title Capture Report Summary run for 1/1/2021 through 1/31/2021, Adams Township/Seven Fields Office;
- c. Howard Hanna Title Capture Report, run for 1/1/2021 through 1/31/2021, Agent Status: All, Adams Township/Seven Fields Office;
- d. Howard Hanna Sales Associate Written Transaction Detail Report for period of 1/1/2020 through 12/31/2020, run for: Butler;
- e. Howard Hanna Agent Snapshot Report run for 1/1/2020 thru 12/31/2020 for open sales as of 12/31/2020, Office: Butler;
- f. Howard Hanna Agent Detail Report for period of 1/1/2020 through 12/31/2020, Butler;
- g. Howard Hanna Sales Associate Closed Transaction Detail Report for period of 1/1/2020 through 12/31/2020 run for: Butler;
- h. Howard Hanna Sales Associate AEF Production Report, Adams Twp/Seven Fields;
- i. Howard Hanna Office Monthly Comparison by Measure, Adams Twp/Seven Fields, showing years 2015-2021, and including information such as listing volume, listing units, average listing price, listing volume per agent, etc.;
- j. Howard Hanna Mortgage Capture Report, run for 1/1/2021 through 1/31/2021, Adams Twp/Seven Fields;

- k. Howard Hanna Insurance Capture Report, run for 1/1/2021 through 1/31/2021, Adams Twp/Seven Fields;
- l. Howard Hanna Budget Office Report, thru Jan 21, Butler;
- m. Howard Hanna Open Transactions by Office Report, run for Adams Twp/Seven Fields and Butler for Period Mar 21, including dates 2018-2021;
- n. Howard Hanna Weekly Report - Month To Date thru 1/31/2021, Adams Twp/Seven Fields and Butler;
- o. Howard Hanna Office Comparison Report, Current Period Mar 20, showing budgetary information and financial figures from numerous Howard Hanna offices for years 2019 and 2020;
- p. Adams Twp/Seven Fields P&L Actual Compare Prior Year For The One Month Ending Sunday, January 31, 2021;
- q. Email addresses for over 80 Howard Hanna employees, agents, and/or independent contractors; and
- r. Any other documents and/or information as revealed in discovery.

42. Additionally, on February 24, 2021, Hornung sent the Adams Township/Seven Fields Office Profit & Loss Report for the period ending January 31, 2021 and the Butler Office Profit & Loss Report for the period ending January 31, 2021 from his Howard Hanna email address (michaelhornung@howardhanna.com) to his personal email address (mhornung@hotmail.com).

43. On February 25, 2021, Hornung sent the email addresses for over 80 Howard Hanna employees, agents, and/or independent contractors from his Howard Hanna email address (michaelhornung@howardhanna.com) to his personal email address (mhornung@hotmail.com).

44. Immediately thereafter, on February 27, 2021, Hornung submitted his resignation of employment with Howard Hanna.

45. Upon information and belief, Hornung inappropriately accessed, copied, emailed, and/or communicated the above information and documents in order to misappropriate the trade

secrets and confidential information contained therein for his own benefit and for the benefit of the Compass Defendants.

46. The information above constitutes trade secrets, because it includes patterns and compilations that reveal Howard Hanna's methods, techniques, and processes for conducting business and that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use. Specifically, compilations relating to insurance placements, mortgages, budgetary and financial documents, personnel productivity, office and company-wide productivity and averages are valuable because they provide economic benefit to Howard Hanna and would allow other entities to understand these key business and community metrics without actually doing the work to develop such information or experience legitimately.

47. Defendants' actions are willful, intentional, malicious and/or taken in wanton disregard of Howard Hanna's rights.

48. It is believed and therefore averred that Hornung and the Compass Defendants acted in concert and a conspiracy in order to violate Howard Hanna's contractual relations and to misappropriate Howard Hanna's trade secrets and confidential information.

49. It is believed and therefore averred that the Compass Defendants encouraged, aided, and abetted Defendant Hornung as he violated his Contract and misappropriated Howard Hanna's trade secrets and confidential information, to the benefit of his new employer.

50. Specifically, immediately upon recruiting and orally or otherwise contracting with Hornung, on March 3, 2021, the Compass Defendants filed a Certificate of Registration with the Pennsylvania Secretary of State for Compass Pennsylvania, LLC. It is believed and therefore

averred that this Certificate of Registration was filed in order to unlawfully limit the liability of Defendant Compass, Inc.

Defendants Crouse and Defendant George's Relationship with Howard Hanna

51. Defendant Crouse entered into an Agreement between Broker and Sale Associate (the "Crouse Associate Contract") with Howard Hanna on June 29, 2015. A copy of the Crouse Associate Contract is attached hereto as Exhibit B.

52. The Crouse Associate Contract provides:

THIRD: Sales Associate shall engage in the real estate business exclusively on behalf of Broker to the best of Sales Associate's ability, and shall solicit listings and customers and otherwise promote Broker's business of serving the public in real estate transactions. Sales Associate will comply with all Federal and State Laws and Regulations, and the Codes of Ethics of any real estate professional associations to which Broker belongs. Sales Associate also agrees to adhere to Broker's policies, as established from time to time. [...]

FIFTH: [...] if a dispute, arbitration or litigation arises solely as a result of the negligence, misrepresentation, misfeasance or malfeasance of Sales Associate, Sales Associate agrees to pay all expenses, costs and fees and Broker will have the right to charge Sales Associate's account for any and all expenses, costs and fees. [...]

SEVENTH: All information, paper, contracts, books of account, methods of doing business, or copies thereof, shall remain the sole property of Broker. During the term of this agreement, or after termination of this agreement, Sales Associate shall not use any information, paper, contracts, books of account or other methods of doing business to Sales Associates advantage, nor permit the same to be used by any other competing person, corporation, company and remove same from Broker's premises. Sales Associate shall use his/her best efforts to promote and increase the goodwill and business of Broker. All prospects acquired during the term of this agreement shall be the sole and exclusive property of Broker. [...]

EIGHTH: All real estate listings and all Buyer Broker agreements shall be the sole and exclusive property of Broker. The Sales Associate shall immediately deliver to Broker, all listing and Buyer Broker Agreements. All real estate or interests in real estate purchased through or sold by Sales Associate during the term of this agreement will be the sole and exclusive property of Broker. Upon termination of this agreement, any listing or Buyer Broker agreement still in effect shall remain the sole and exclusive property of Broker and Sales

Associate shall have no right to commission or division thereof. Sales Associate agrees that he/she is licensed solely with Broker and may not engage in the real estate business in any manner, except with Broker and under the terms and conditions of this agreement. [...]

TENTH: [...] During the term of this Agreement and for a period of eight (8) months thereafter, Sales Associate shall not, directly or indirectly, acting alone or in conjunction with others: (1) list or sell real estate in which said real estate is located within a five (5) mile radius around any of Broker's branch offices in which Sales Associate worked during the term of this Agreement; (2) furnish to any person, partnership or corporation or any other entity engaged in any business that is in competition with any business then being conducted by Broker, any information regarding Broker's clients, customers, properties, prices, terms of negotiations, policies or relationships with clients and customers, nor any other information and all materials supplied by Broker to Sales Associate, including, but not limited to, publications, cards, records, and any other material files or data; (3) solicit, either directly or indirectly, any listing or buyer brokerage contract held by Broker at the time of termination of this Agreement; and (4) solicit, either directly or indirectly, any personnel or other Sales Associate or other persons associated with Broker to terminate their relationships with Broker. It is expressly agreed that the aforementioned records and information are the sole property of the Broker.

(Exhibit B, §§ 3, 5, 7, 8 and 10.)

53. Upon information and belief, the Compass Defendants have solicited and conspired with Defendant Crouse in order to encourage and abet Defendant Crouse to breach her contract with Howard Hanna.

54. Specifically, Defendant Crouse, prior to terminating the Crouse Associate Contract on March 2, 2021, attempted to transfer at least one listing with Howard Hanna to the Compass Defendants in violation of her Associate Contract with Howard Hanna.

55. Upon information and belief, Defendant Crouse attempted to transfer the 2354 Mill Grove Road, Upper Saint Clair, PA 12541 listing from Howard Hanna to the Compass Defendants.

56. Defendant George entered into an Agreement between Broker and Sale Associate (the "George Associate Contract") with Howard Hanna on October 9, 2015. A copy of the George Associate Contract is attached hereto as Exhibit C.

57. The George Associate Contract provides:

THIRD: Sales Associate shall engage in the real estate business exclusively on behalf of Broker to the best of Sales Associate's ability, and shall solicit listings and customers and otherwise promote Broker's business of serving the public in real estate transactions. Sales Associate will comply with all Federal and State Laws and Regulations, and the Codes of Ethics of any real estate professional associations to which Broker belongs. Sales Associate also agrees to adhere to Broker's policies, as established from time to time.[ ... ]

FIFTH: [...] if a dispute, arbitration or litigation arises solely as a result of the negligence, misrepresentation, misfeasance or malfeasance of Sales Associate, Sales Associate agrees to pay all expenses, costs and fees and Broker will have the right to charge Sales Associate's account for any and all expenses, costs and fees. [...]

SEVENTH: All information, paper, contracts, books of account, methods of doing business, or copies thereof, shall remain the sole property of Broker. During the term of this agreement, or after termination of this agreement, Sales Associate shall not use any information, paper, contracts, books of account or other methods of doing business to Sales Associates advantage, nor permit the same to be used by any other competing person, corporation, company and remove same from Broker's premises. Sales Associate shall use his/her best efforts to promote and increase the goodwill and business of Broker. All prospects acquired during the term of this agreement shall be the sole and exclusive property of Broker. [...]

EIGHTH: All real estate listings and all Buyer Broker agreements shall be the sole and exclusive property of Broker. The Sales Associate shall immediately deliver to Broker, all listing and Buyer Broker Agreements. All real estate or interests in real estate purchased through or sold by Sales Associate during the term of this agreement will be the sole and exclusive property of Broker. Upon termination of this agreement, any listing or Buyer Broker agreement still in effect shall remain the sole and exclusive property of Broker and Sales Associate shall have no right to commission or division thereof. Sales Associate agrees that he/she is licensed solely with Broker and may not engage in the real estate business in any manner, except with Broker and under the terms and conditions of this agreement. [...]

TENTH: [...] During the term of this Agreement, and for a period of six (6) months thereafter, Sales Associate shall not, directly or indirectly, acting alone or in conjunction with others: (1) engage as a director, officer, employee, partner, shareholder, sole proprietor, independent contractor, or in any other capacity, in any business in competition with any business then being conducted by Broker within a geographic region consisting of five (5) square miles around the "Hanna" office from which Sales Associate was based during and at the

time of termination of this Agreement; (2) furnish to any person, partnership or corporation or any other entity engaged in any business that is in competition with any business then being conducted by Broker, any information regarding Broker's clients, customers, properties, prices, terms of negotiations, policies or relationships with clients and customers, nor any other information and all materials supplied by Broker to Sales Associate, including, but not limited to, publications, cards, records, and any other material, files or data; (3) solicit, either directly or indirectly, any listing or buyer brokerage contract held by Broker at the time of termination of this Agreement; and (4) solicit, either directly or indirectly, any personnel or other sales associate or other persons associated with Broker to terminate their relationships with Broker. It is expressly agreed that the aforementioned records and information are the sole property of the Broker. [...]

(Exhibit C, §§ 3, 5, 7, 8 and 10.)

58. Upon information and belief, the Compass Defendants have solicited and conspired with Defendant George in order to encourage and abet Defendant George to breach her contract with Howard Hanna.

59. Upon information and belief, Defendant George, prior to terminating the George Associate Contract on March 5, 2021, refused to submit offers on Howard Hanna listings—2009 West St., Homestead, PA 15120; 800 East I Ith St., Homestead, PA 15120; and 129 E. 15th Ave., Homestead, PA 15120—so that she could submit those offers when she was employed by the Compass Defendants.

60. Upon information and belief, Defendant George, after terminating the George Associate Contract, has solicited current Howard Hanna real estate agents to leave Howard Hanna and join the Compass Defendants.

#### The Defendants' Actions Harm Howard Hanna

61. Defendants' wrongful activities are causing Howard Hanna to suffer irreparable harm because its agent and client relationships, contacts, and industry knowledge and expertise, are essential to its success.

62. Howard Hanna will continue to suffer damages unless Hornung and the Compass Defendants are enjoined from their illegal activity.

63. Damages caused from Defendants' unlawful activities are extremely difficult, if not impossible, to determine.

64. Greater injury will be inflicted on Howard Hanna by the denial of the relief requested herein than will be inflicted on Defendants by granting such relief.

65. An injunction would restore the parties to their status before Defendants' wrongful conduct began.

66. Plaintiff is likely to prevail on the merits of an injunction.

67. The requested injunction is reasonably suited to abate Defendants' offending activity.

68. An injunction will not adversely affect the public interest.

69. Therefore, an injunction is appropriate and necessary to prevent Defendants from continuing to irreparably harm and unlawfully compete with Howard Hanna by soliciting Howard Hanna agents, employees, managers, and independent contractors and misappropriating Howard Hanna's confidential, proprietary, and trade secret information.

#### COUNT I-BREACH OF CONTRACT

##### Howard Hanna Real Estate Services v. Michael Hornung

70.. Plaintiff incorporates all of the paragraphs of its Complaint as if set forth more fully herein.

71. A Manager Contract existed between Howard Hanna and Hornung. See Exhibit A.

72. Hornung breached his duties under the Contract, by, among other things, violating the Contract's non-compete, non-solicitation, and confidentiality provisions.

73. Howard Hanna has been damaged by Hornung's actions.

WHEREFORE, Plaintiff Howard Hanna d/b/a Howard Hanna Real Estate Services respectfully requests injunctive relief barring Defendants from continuing their wrongful actions, an award of compensatory damages in excess of the arbitration limits of Allegheny County, punitive damages, injunctive relief, attorneys' fees, and other such relief as this Court deems just and appropriate, including as set forth more fully in the Prayer for Relief.

COUNT II - BREACH OF DUTY OF LOYALTY

Howard Hanna Real Estate Services v. Michael Hornung

74. Plaintiff incorporates all of the paragraphs of its Complaint as if set forth more fully herein.

75. As an employee of Howard Hanna, Hornung owed a common law duty of loyalty to Howard Hanna.

76. By virtue of Hornung's knowledge of Howard Hanna's trade secrets and confidential information and his use of those trade secrets and confidential information to violate his Contract and to otherwise compete against Howard Hanna for his personal gain and the gain of the Compass Defendants, Hornung breached his duty of loyalty to Howard Hanna.

77. Contrary to his common law duty of loyalty, Hornung acted in his self-interest and engaged in self-dealing to further his new and/or anticipated employment with the Compass Defendants.

78. As a result of Hornung's breach of his common law duty of loyalty, Howard Hanna has suffered and will continue to suffer immediate and irreparable harm for which it has no adequate remedy at law.

79. Hornung's breach of his common law duty of loyalty has caused and will continue to cause Howard Hanna to suffer monetary damages, reputational costs, legal costs, and other damages.

WHEREFORE, Plaintiff Howard Hanna d/b/a Howard Hanna Real Estate Services respectfully requests injunctive relief barring Defendants from continuing their wrongful actions, an award of compensatory damages in excess of the arbitration limits of Allegheny County, punitive damages, injunctive relief, attorneys' fees, and other such relief as this Court deems just and appropriate, including as set forth more fully in the Prayer for Relief.

### COUNT III - BREACH OF CONTRACT

Howard Hanna Real Estate Services v. Jennifer Crouse and Leah George

80. Plaintiff incorporates all of the paragraphs of its Complaint as if set forth more fully herein.

81. An Associate Contract existed between Howard Hanna and Crouse. See Exhibit B.

82. A virtually identical Associate Contract existed between Howard Hanna and George. See Exhibit C.

83. Crouse breached her duties under the Contract, by, among other things, violating the Contract's non-compete, non-solicitation, and confidentiality provisions.

84. Howard Hanna has been damaged by Crouse's actions

85. George breached her duties under the Contract, by, among other things, violating the Contract's non-compete, non-solicitation, and confidentiality provisions.

86. Howard Hanna has been damaged by George's actions.

WHEREFORE, Plaintiff Howard Hanna d/b/a Howard Hanna Real Estate Services respectfully requests injunctive relief barring Defendants from continuing their wrongful actions,

an award of compensatory damages in excess of the arbitration limits of Allegheny County, punitive damages, injunctive relief, attorneys' fees, and other such relief as this Court deems just and appropriate, including as set forth more fully in the Prayer for Relief.

COUNT IV - BREACH OF DUTY OF LOYALTY

Howard Hanna Real Estate Services v. Jennifer Crouse and Leah George

87. Plaintiff incorporates all of the paragraphs of its Complaint as if set forth more fully herein.

88. As a Sales Associate with an Associate Contract, Crouse owed a common law duty of loyalty to Howard Hanna.

89. As a Sales Associate with an Associate Contract, George owed a common law duty of loyalty to Howard Hanna

90. By virtue of Crouse and George's knowledge of Howard Hanna's trade secrets and confidential information and their use of those trade secrets and confidential information to violate their respective contracts and to otherwise compete against Howard Hanna for their personal gain and the gain of the Compass Defendants, Crouse and George breached their respective duties of loyalty to Howard Hanna.

91. Contrary to her common law duty of loyalty, Crouse acted in her self-interest and engaged in self-dealing to further her new and/or anticipated employment with the Compass Defendants.

92. As a result of Crouse's breach of her common law duty of loyalty, Howard Hanna has suffered and will continue to suffer immediate and irreparable harm for which it has no adequate remedy at law.

93. Crouse's breach of her common law duty of loyalty has caused and will continue to cause Howard Hanna to suffer monetary damages, reputational costs, legal costs, and other damages.

94. Contrary to her common law duty of loyalty, George acted in her self-interest and engaged in self-dealing to further her new and/or anticipated employment with the Compass Defendants.

95. As a result of George's breach of her common law duty of loyalty, Howard Hanna has suffered and will continue to suffer immediate and irreparable harm for which it has no adequate remedy at law.

96. George's breach of her common law duty of loyalty has caused and will continue to cause Howard Hanna to suffer monetary damages, reputational costs, legal costs, and other damages.

WHEREFORE, Plaintiff Howard Hanna d/b/a Howard Hanna Real Estate Services respectfully requests injunctive relief barring Defendants from continuing their wrongful actions, an award of compensatory damages in excess of the arbitration limits of Allegheny County, punitive damages, injunctive relief, attorneys' fees, and other such relief as this Court deems just and appropriate, including as set forth more fully in the Prayer for Relief.

COUNT V -ACTUAL OR THREATENED MISAPPROPRIATION OF TRADE  
SECRETS (12 PA.C.S.A. §§ 5301-5308).

Boward Hanna Real Estate Services v. Michael Hornung, Compass, Inc., and Compass  
Pennsylvania, LLC

97. Plaintiff incorporates all of the paragraphs of its Complaint as if set forth more fully herein.

98. Howard Hanna, through its licensed agents and personnel has developed confidential, proprietary and trade secret information, which belongs to Howard Hanna for its sole enjoyment, including: extensive knowledge of all aspects of the real estate industry; marketing, business, selling and other strategies; unavailable personnel information and evaluations; and financial condition, compensation, etc.

99. Howard Hanna has a legitimate protectable interest in the information, in part, because it has invested significant time, money, and resources to develop this information,

100. This information derives an independent economic value from not being generally known.

101. Howard Hanna takes reasonable efforts under the circumstances to safeguard and maintain its confidential, proprietary, and trade secret information from disclosure by limiting the distribution of this information to necessary personnel and the use of confidentiality agreements for its agents.

102. Howard Hanna has a legitimate protectable interest in its confidential, proprietary and trade secret information.

103. Defendants have obtained Howard Hanna's confidential, proprietary and trade secret information through improper means by soliciting Howard Hanna managers and/or agents to leave Howard Hanna to work with or for the Compass Defendants, who the Compass Defendants know have Howard Hanna's confidential, proprietary, and trade secret information.

104. Defendants know these managers and/or agents are contractually obligated to keep this information confidential and may not use this information to benefit Compass.

105. Nevertheless, Defendants use these former Howard Hanna managers and/or agents to obtain confidential, proprietary and trade secret information to obtain a competitive advantage and solicit more Howard Hanna managers and/or agents.

106. Defendants have misappropriated or have threatened to misappropriate the information they obtain by illegally soliciting Howard Hanna's managers and/or agents.

107. Defendants have even offered Howard Hanna managers and/or agents incentives to use confidential, proprietary, and trade secret information to solicit other Howard Hanna managers and/or agents.

108. Defendants' actual or threatened misappropriation of Howard Hanna's confidential, proprietary and/or trade secret information will continue to cause irreparable harm to Howard Hanna that cannot be fully compensated by money damages alone.

109. Defendants have profited and will continue to profit from misappropriating Howard Hanna's confidential and trade secret information,

110. Greater injury will be inflicted on Howard Hanna by the denial of the relief requested herein than will be inflicted on Defendants by granting such relief.

111. Absent appropriate injunctive relief, Defendants will be able to use Howard Hanna's valuable trade secrets to continue to harm Howard Hanna by soliciting managers and/or agents and using confidential and trade secret information to obtain a competitive advantage.

112. As a result, Howard Hanna is entitled to injunctive and other relief to prevent actual or threatened misappropriation by Defendants of its valuable confidential information and trade secrets and to remedy any misappropriation to the extent that misappropriation has already occurred or is occurring.

113. Defendants' unlawful acts and conduct set forth above constitute willful and malicious actual or threatened misappropriation and were undertaken with reckless indifference to Howard Hanna's rights.

WHEREFORE, Plaintiff Howard Hanna d/b/a Howard Hanna Real Estate Services respectfully requests injunctive relief barring Defendants from continuing their wrongful actions, an award of compensatory damages in excess of the arbitration limits of Allegheny County, punitive damages, injunctive relief, attorneys' fees, and other such relief as this Court deems just and appropriate, including as set forth more fully in the Prayer for Relief.

COUNT VI - TORTIOUS INTERFERENCE WITH CONTRACTUAL RELATIONS AS TO THE HOWARD HANNA- MICHAEL HORNUNG MANAGER-CONTRACT

Howard Hanna Real Estate Services v. Compass, Inc. and Compass Pennsylvania, LLC

114. Plaintiff incorporates all of the paragraphs of its Complaint as if set forth more fully herein.

115. The Compass Defendants, upon information and belief, by soliciting and hiring Hornung with knowledge of his contractual obligations to Howard Hanna, have interfered with and induced Hornung to breach the terms of his Manager Contract with Howard Hanna.

116. The conduct of the Compass Defendants in interfering with this existing contractual relationship was and is willful, intentional, and unprivileged, and has caused and is continuing to cause irreparable harm as well as monetary damages to Howard Hanna.

WHEREFORE, Plaintiff Howard Hanna d/b/a Howard Hanna Real Estate Services respectfully requests injunctive relief barring Defendants from continuing their wrongful actions, an award of compensatory damages in excess of the arbitration limits of Allegheny County, punitive damages, injunctive relief, attorneys' fees, and other such relief as this Court deems just and appropriate, including as set forth more fully in the Prayer for Relief.

COUNT VII - TORTIOUS INTERFERENCE WITH CONTRACTUAL RELATIONS AS  
TO THE HOWARD HANNA-CROUSE ASSOCIATE CONTRACT AND GEORGE  
ASSOCIATE CONTRACT

Howard Hanna Real Estate Services v. Compass, Inc. and Compass Pennsylvania, LLC

117. Plaintiff incorporates all of the paragraphs of its Complaint as if set forth more fully herein.

118. The Compass Defendants, upon information and belief, by soliciting and hiring Crouse with knowledge of her contractual obligations to Howard Hanna, have interfered and induced Crouse to breach the terms of her Associate Contract with Howard Hanna.

119. The Compass Defendants, upon information and belief, by soliciting and hiring George with knowledge of her contractual obligations to Howard Hanna, have interfered and induced George to breach the terms of her Associate Contract with Howard Hanna

120. The conduct of the Compass Defendants in interfering with these existing contractual relationships was and is willful, intentional, and unprivileged, and has caused and is continuing to cause irreparable harm as well as monetary damages to Howard Hanna.

WHEREFORE, Plaintiff Howard Hanna d/b/a Howard Hanna Real Estate Services respectfully requests injunctive relief barring Defendants from continuing their wrongful actions, an award of compensatory damages in excess of the arbitration limits of Allegheny County, punitive damages, injunctive relief, attorneys' fees, and other such relief as this Court deems just and appropriate, including as set forth more fully in the Prayer for Relief.

COUNT VIII - TORTIOUS INTERFERENCE WITH ACTUAL AND PROSPECTIVE  
BUSINESS ADVANTAGES AND ECONOMIC RELATIONS

Howard Hanna Real Estate Services v. Michael Hornung, Jennifer Crouse, Leah George,  
Compass, Inc., and Compass Pennsylvania, LLC

121. Plaintiff incorporates all of the paragraphs of its Complaint as if set forth more fully herein.

122. Howard Hanna had prospective contractual relationships with its managers, agents, customer and vendors.

123. The Defendants had the purpose and intent of harming Howard Hanna by preventing Howard Hanna from securing these contracts and instead to secure these contracts for themselves.

124. The Defendants are without privilege or justification for their interference.

125. Howard Hanna will suffer damages as a result of the Defendants' continued conduct.

WHEREFORE, Plaintiff Howard Hanna d/b/a Howard Hanna Real Estate Services respectfully requests injunctive relief barring Defendants from continuing their wrongful actions, an award of compensatory damages in excess of the arbitration limits of Allegheny County, punitive damages, injunctive relief, attorneys' fees, and other such relief as this Court deems just and appropriate, including as set forth more fully in the Prayer for Relief.

#### COUNT IX - UNJUST ENRICHMENT

Howard Hanna Real Estate Services v. Compass, Inc. and Compass Pennsylvania, LLC

126. Plaintiff incorporates all of the paragraphs of its Complaint as if set forth more fully herein.

127. Benefits were conferred by Howard Hanna upon the Compass Defendants, whether directly or indirectly.

128. The Compass Defendants have appreciated and retained such benefits.

129. The Compass Defendants' acceptance and retention of such benefits under these circumstances make it inequitable for the Compass Defendants to retain these benefits without the payment of value.

130. The enrichment of the Compass Defendants has been unjust.

WHEREFORE, Plaintiff Howard Hanna d/b/a Howard Hanna Real Estate Services respectfully requests injunctive relief barring Defendants from continuing their wrongful actions, an award of compensatory damages in excess of the arbitration limits of Allegheny County, punitive damages, injunctive relief, attorneys' fees, and other such relief as this Court deems just and appropriate, including as set forth more fully in the Prayer for Relief.

COUNT X - UNFAIR COMPETITION

Howard Hanna Real Estate Services v. Michael Hornung, Jennifer Crouse, Leah George,  
Compass, Inc., and Compass Pennsylvania, LLC

131. Plaintiff incorporates all of the paragraphs of its Complaint as if set forth more fully herein.

132. Howard Hanna, the Compass Defendants, and now Hornung, Crouse and George, are competitors within the real estate industry.

133. Defendants have undertaken a targeted campaign to solicit Howard Hanna managers and/or agents to leave Howard Hanna to come work for the Compass Defendants.

134. Defendants' interference with Howard Hanna's relationships with its managers and/or real estate agents and use of unlawfully seized confidential, proprietary, and trade secret information gave and gives Defendants an unfair advantage in their competition with Howard Hanna within the real estate market.

135. Specifically, Defendants have improperly solicited Howard Hanna managers and/or real estate agents and obtained confidential, proprietary and trade secret information by disparaging Howard Hanna through false or misleading representations of fact.

136. Defendants have offered former Howard Hanna managers and/or agents incentives to recruit more managers and/or agents from Howard Hanna offices to Compass.

137. Compass has acted through its agents and principals, including Hornung, who acted individually and on Compass's behalf.

138. Defendants have undertaken these actions in an attempt to obtain an unfair advantage over Howard Hanna and/or to injure Howard Hanna.

139. Defendants' actions have resulted in the loss of managers and agents who were valuable to Howard Hanna and the loss of confidential, proprietary and trade secret information,

140. Defendants' actions are intentional, malicious, willful, unprivileged, and/or taken in wanton disregard of Howard Hanna's rights.

141. Defendants will continue to engage in unfair competition against Howard Hanna unless enjoined by this Court from soliciting Howard Hanna managers and agents and/or using Howard Hanna's confidential, proprietary, or trade secret information.

WHEREFORE, Plaintiff Howard Hanna d/b/a Howard Hanna Real Estate Services respectfully requests injunctive relief barring Defendants from continuing their wrongful actions, an award of compensatory damages in excess of the arbitration limits of Allegheny County, punitive damages, injunctive relief, attorneys' fees, and other such relief as this Court deems just and appropriate, including as set forth more fully in the Prayer for Relief.

COUNT XI - COMPUTER FRAUD AND ABUSE ACT (18 U.S.C. §§ 1030, ET SEQ.)

Howard Hanna Real Estate Services v. Michael Hornung

142. Plaintiff incorporates all of the paragraphs of its Complaint as if set forth more fully herein.

143. Howard Hanna issued Hornung a password protected computer and allowed him access to its other protected computing devices, including printers so that he could perform his work duties and responsibilities, including managing the Adams Township/Seven Fields office and conducting the duties of a Howard Hanna agent in interstate commerce and interstate communication with other Howard Hanna managers, agents, employees, customers, and vendors.

144. At all times during his employment and after his resignation, Hornung knew that he was only authorized to use his protected, Howard Hanna-issued computer equipment to access Howard Hanna's trade secrets and confidential information for the benefit of Howard Hanna.

145. Hornung was not authorized to access and/or exceed his authorization when he accessed his Howard Hanna-issued computer equipment to obtain Howard Hanna's trade secrets and confidential information for his and/or the Compass Defendants' benefit. Moreover, Hornung's access and use of the Howard Hanna-issued computer equipment specifically violated section 4 of his Manager Contract with Howard Hanna.

146. Hornung's improper access of his protected Howard Hanna-issued computer equipment has caused loss to Howard Hanna of at least \$5,000.00 in value.

147. In addition to the value of Howard Hanna's trade secrets and confidential information that was misappropriated, Howard Hanna may be forced to hire a computer forensic firm to determine the extent of Hornung's malfeasance and has been forced to expend employee and company time and effort that would be more economically spent elsewhere to address Hornung's malfeasance.

148. Pursuant to the Computer Fraud and Abuse Act, 18 U.S.C. § 1030 *et seq.*, Howard Hanna is entitled to compensatory damages and all other appropriate relief.

WHEREFORE, Plaintiff Howard Hanna d/b/a Howard Hanna Real Estate Services respectfully requests injunctive relief barring Defendants from continuing their wrongful actions, an award of compensatory damages in excess of the arbitration limits of Allegheny County, punitive damages, injunctive relief, attorneys' fees, and other such relief as this Court deems just and appropriate, including as set forth more fully in the Prayer for Relief.

#### COUNT XII - CIVIL CONSPIRACY

Howard Hanna Real Estate Services v. Michael Hornung, Compass, Inc., Jennifer Crouse,  
Leah George and Compass Pennsylvania, LLC

149. Plaintiff incorporates all of the paragraphs of its Complaint as if set forth more fully herein.

150. Defendants, by engaging in the conduct described above, have agreed and conspired to commit unlawful acts against Howard Hanna and/or engage in competition with Howard Hanna by unlawful means with an intent to injure Howard Hanna and will continue to take acts in furtherance of such conspiracy.

151. Defendants' conduct was and is willful, intentional, and unprivileged, and has caused and is continuing to cause, irreparable harm as well as monetary damages to Howard Hanna,

WHEREFORE, Plaintiff Howard Hanna d/b/a Howard Hanna Real Estate Services respectfully requests injunctive relief barring Defendants from continuing their wrongful actions, an award of compensatory damages in excess of the arbitration limits of Allegheny County, punitive damages, injunctive relief, attorneys' fees, and other such relief as this Court deems just and appropriate, including as set forth more fully in the Prayer for Relief.

P R A Y E R   F O R   R E L I E F

WHEREFORE, the Plaintiff Howard Hanna d/b/a Howard Hanna Real Estate Services respectfully requests that this Honorable Court:

(a) Enter a Preliminary Injunction, and thereafter a Final Injunction, to issue immediately:

i. enjoining and restraining Defendant Michael Hornung from violating his Manager Contract with Howard Hanna, including but not limited to directly or indirectly, by entering into the employ of, rendering any services or assistance, either physically, telephonically or electronically to, or otherwise becoming associated with any person or entity, including but not limited to Urban Compass, Inc. f/k/a Urban Compass, Inc. and Compass Pennsylvania, LLC, in the capacity of residential real estate manager, real estate licensee, agent, owner, employee, or otherwise with said person or entity that is, in any respect, competitive with the business of Howard Hanna in any office within a five mile radius around the Howard Hanna offices where he worked, including but not limited to Howard Hanna's Adams Township/Seven Fields office and Howard Hanna's Butler office;

ii. enjoining and restraining Defendant Michael Hornung from violating his Manager Contract with Howard Hanna, including but not limited to directly or indirectly, inducing or attempting, by physical, telephonic or electronic means, to induce any manager, real estate licensee, agent or representative of Howard Hanna or its affiliated entities to terminate his or her relationship Howard Hanna or its affiliated entities; and/or employing, hiring, or being involved in hiring any such manager, real estate licensee, agent or representative away from Howard Hanna;

iii. enjoining and restraining Defendant Michael Hornung from violating his Manager

Contract with Howard Hanna, including but not limited to directly or indirectly, by using or disclosing any Trade Secrets or Confidential Information of Howard Hanna, such specific Trade Secrets to be enumerated in a Supplemental Order upon completion of the accounting described below and the forensic examination described below;

iv. enjoining and restraining Defendants Michael Hornung, Jennifer Crouse, Leah George, Compass, Inc. f/k/a Urban Compass, Inc., and Compass Pennsylvania, LLC, and any other individual or entity within Defendants' control or supervision and all other persons or entities acting in concert with Defendants individually or collectively, from, directly or indirectly, by possessing, misappropriating, selling, transferring, disclosing or otherwise using Howard Hanna valuable trade secrets, confidential, and/or sensitive business information, such specific Trade Secrets to be enumerated in a Supplemental Order upon completion of the accountings described below and the forensic examination described below;

v. enjoining and restraining Compass, Inc. f/k/a Urban Compass, Inc. and Compass Pennsylvania, LLC, and any other individual or entity within the control or supervision of Compass, Inc. f/k/a Urban Compass, Inc. and/or Compass Pennsylvania, LLC, and all other persons or entities acting in concert with Compass, Inc. f/k/a Urban Compass, Inc. and/or Compass Pennsylvania, LLC individually or collectively, from, directly or indirectly, possessing, misappropriating, selling, transferring, disclosing, or otherwise using Howard Hanna's valuable trade secrets, confidential, and/or sensitive business information, including but not limited to: (a) the Adams Township/Seven Fields Office Profit & Loss Report for the period ending January 31, 2021 and the Butler Office Profit & Loss Report for the period ending January 31, 2021; (b) the compilation of email addresses contained in the email forwarded from Michael Homing's Howard Hanna email address to his own personal email

address at 11:12 AM EST on February 25, 2021; and (e) the Trade Secrets and confidential information to be enumerated in a Supplemental Order upon completion of the accountings described below and the forensic examination described below;

vi. requiring Defendant Michael Hornung to provide an accounting to the Court identifying any and all Howard Hanna valuable confidential and sensitive business information accessed, downloaded, or removed from Howard Hanna by Defendant Hornung;

vii. requiring Defendant Michael Hornung to provide an accounting to the Court identifying any and all persons or entities, including but not limited to Urban Compass, Inc. f/k/a Urban Compass, Inc. and Compass Pennsylvania, LLC, with whom Defendant has disclosed any information taken from Howard Hanna, including identifying what information was provided to whom and when it was provided;

viii. requiring Defendants to submit for forensic examination analysis all computers, mobile devices and personal email accounts as well as all hard drives, external hard drives, thumb drives, or other data storage devices used by Defendant Michael Hornung since December 1, 2020;

ix. requiring Defendants Michael Hornung, Jennifer Crouse, Leah George, Compass, Inc. f/k/a Urban Compass, Inc., and Compass Pennsylvania, LLC to return to Howard Hanna all documents, files and/or folders or the like removed or copied from Howard Hanna's computers or offices, including but not limited to any and all copies of emails, hard drives, external hard drives, thumb drives or other data storage devices;

x" enjoining and restraining Jennifer Crouse from violating her Associate Contract with Howard Hanna, including but not limited to directly or indirectly, acting alone or in conjunction with others either physically, telephonically or electronically, by listing or selling

real estate in which said real estate is located within a five (5) mile radius around any of Howard Hanna's branch offices in which Jennifer Crouse worked during the term of her Sales Associate Agreement, including but not limited to Howard Hanna's Collier office;

xi. enjoining and restraining Jennifer Crouse from violating her Associate Contract with Howard Hanna, including but not limited to directly or indirectly, acting alone or in conjunction with others either physically, telephonically or electronically, by soliciting, either directly or indirectly, any listing or buyer brokerage contract held by Howard Hanna at the time of termination of her Sales Associate Agreement; or soliciting, either directly or indirectly, any personnel or other Sales Associate or other persons associated with Howard Hanna to terminate their relationship with Howard Hanna;

xii. enjoining and restraining Jennifer Crouse from violating her Associate Contract with Howard Hanna, including but not limited to directly or indirectly, acting alone or in conjunction with others either physically, telephonically or electronically, by furnishing to any person, partnership or corporation or any other entity engaged in any business that is in competition with any business then being conducted by Howard Hanna, including but not limited to Urban Compass, Inc. f/k/a Urban Compass, Inc. and Compass Pennsylvania, LLC, any information regarding Howard Hanna's clients, customers, properties, prices, terms of negotiations, policies or relationships with clients and customers, nor any other information and all materials supplied by Howard Hanna to Jennifer Crouse, including, but not limited to, publications, cards, records, and any other material files or data;

xiii. enjoining and restraining Leah George from violating her Associate Contract with Howard Hanna, including but not limited to directly or indirectly, acting alone or in conjunction with others either physically, telephonically or electronically, by engaging as a

director, officer, employee, partner, shareholder, sole proprietor, independent contractor, or in any other capacity, in any business in competition with any business being conducted by Howard Hanna, including but not limited to Urban Compass, Inc. f/k/a Urban Compass, Inc. and Compass Pennsylvania, LLC, within a geographic region consisting of five (5) mile radius around any of Howard Hanna's branch offices in which Leah George worked during the term of her Sales Associate Agreement, including but not limited to Howard Hanna's Squirrel Hill office;

xiv. enjoining and restraining Leah George from violating her Associate Contract with Howard Hanna, including but not limited to directly or indirectly, acting alone or in conjunction with others either physically, telephonically or electronically, by soliciting, either directly or indirectly, any listing or buyer brokerage contract held by Howard Hanna at the time of termination of her Sales Associate Agreement; or soliciting, either directly or indirectly, any personnel or other sales associate or other persons associated with Howard Hanna to terminate their relationship with Howard Hanna;

xv. enjoining and restraining Leah George from violating her Associate Contract with Howard Hanna, including but not limited to directly or indirectly, acting alone or in conjunction with others either physically, telephonically or electronically, by furnishing to any person, partnership or corporation or any other entity engaged in any business that is in competition with any business being conducted by Howard Hanna, including but not limited to Urban Compass, Inc. f/k/a Urban Compass, Inc. and Compass Pennsylvania, LLC, any information regarding Howard Hanna's clients, customers, properties, prices, terms of negotiations, policies or relationships with clients and customers, nor any other information and all materials supplied by Howard Hanna to Leah George, including, but not limited to,

publications, cards, records, and any other material, files or data; and

xvi. enjoining Defendants Michael Hornung, Jennifer Crouse, Leah George, Compass, Inc. f/k/a Urban Compass, Inc., and Compass Pennsylvania, LLC, and any other individual or entity within Defendants' control or supervision and all other persons or entities acting in concert with Defendants, individually or collectively, acting alone or in conjunction with others, from any and all such other conduct as the Court deems appropriate for injunctive relief.

(b) Award attorneys' fees and reasonable and necessary expenses incurred in the prosecution of this action;

(e) Award compensatory damages, in excess of the applicable compulsory arbitration limits;

(d) Award punitive damages in excess of the applicable compulsory arbitration limits;

(e) Require Defendants to disgorge all profits received as a result of the improper conduct described herein;

(f) Award interest; and

(g) Award such other relief as this Court may deem appropriate and proper.

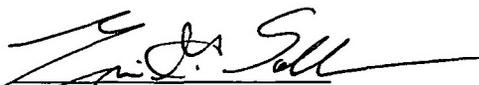
Plaintiff Howard Hanna d/b/a Howard Hanna Real Estate Services is willing to file an appropriate bond with the Court.

JURY TRIAL DEMANDED

Respectfully submitted,

PIETRAGALLO GORDON ALFANO BOSICK &  
RASPANTI, LLP

Dated: March 23, 2021

By: 

William Pietragallo, II, Esquire

Pa. I.D. No. 16413

Eric G. Soller, Esquire

Pa. I.D. No. 65560

John R. Bromberg, Esquire

Pa. I.D. No. 311352

38th Floor, One Oxford Centre

Pittsburgh, PA 15219

(412) 263-2000 (Phone)

(412) 263-2001 (Fax)

*Counsel for Plaintiff! Howard Hanna d/b/a  
Howard Hanna Real Estate Services*

609209Sv1

CERTIFICATE OF COMPLIANCE

I certify that this filing complies with the provisions of the *Public Access Policy of the Unified Judicial System of Pennsylvania: Case Records of the Appellate and Trial Courts* that require filing confidential information and documents differently than non-confidential information and documents.

PIETRA GALLO GORDON ALFANO BOSICK &  
RASPANTI, LLP

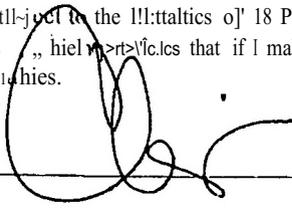
Date: March 23, 2021

  
By: \_\_\_\_\_  
Eric G. Soller  
PA ID No. 65560

VERIFICATION

I, MNIE, LA-NNA-IL-r I have read the foregoing *First Affidavit* of the Real Estate Services, have read the foregoing *First Affidavit*. The statements contained herein are true and correct to the best of my personal knowledge, information and belief.

This statement and verification is made subject to the penalties of 18 Pa. C.S. Section 4904 relating to unsworn testimony to authorities, which provides that if I make knowingly false statements, I may be subject to criminal penalties.



A handwritten signature in black ink is written over a horizontal line. The signature is cursive and appears to be the name 'Mnie, La-Nna-Il-r'.

Dated: 3-10-2021

HOWARD HANNA COMPANY  
BROKER-MANAGER CONTRACT

THIS AGREEMENT made and entered into this 27<sup>th</sup> day of January, 20 18  
(hereinafter referred to as the Employer), and Michael E. [Signature] hereinafter  
referred to as the Manager).

WHEREAS. Employer is engaged in the real estate brokerage business and related services;  
and,

WHEREAS, Employer desires to employ a manager for each of its branch offices to be  
responsible for sales production from such branch office and for recruiting, selecting, training,  
retaining and terminating of salespersons working from such branch office; and,

WHEREAS, the parties to this contract recognize that the knowledge, experience and  
reputation of the individual salespersons retained by, and employees hired by the manager at each  
branch office are essential to the operating, functioning and success of each branch office.

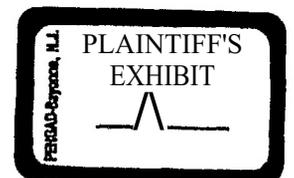
NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained,  
the undersigned hereby enter into this contract upon the terms and conditions set forth as follows:

1. Duties The Employer hereby employs the manager and the manager hereby  
accepts employment as manager of the branch office of the Employer located at  
11A. [Signature] / [Signature] hereinafter referred to as the Subject Branch). The Manager is engaged  
as office manager of the Employer at the Subject Branch, to retain and terminate retention of  
salespersons working from such branch office, to supervise and direct personnel working at such  
office, and to prepare records as deemed necessary by the Employer concerning all listing and sales  
transactions occurring at the Subject Branch. The Manager shall devote his or her entire time,  
attention and energies of a business nature solely to the business of the employer, and shall not  
utilize the time of this agreement to be engaged in any other business activity whether or not such  
business activity is pursued for gain or profit or other pecuniary advantage.

2. Employment This Agreement is for the purpose of outlining the terms of the  
Manager's compensation effective February 20, 2018, and other terms of employment. It is  
not an employment contract or promise of continued employment between the Employer and the  
Manager. The parties hereby specifically acknowledge that the employment relationship between the  
manager and the Employer is an "at will" employment relationship, which may be terminated at any  
time by either party.

3. Compensation

- (a) As outlined and attached hereto as an Addendum.
- (b) All rights and obligations of the Employer and the manager pertaining to  
compensation shall terminate upon the effective date of any separation of



employment or any notice of termination of employment, which may be given by either the Employer or the manager.

4. Restrictive Covenants

The Manager agrees that during the term of employment and for a period of eighteen (18) months commencing on the date of any separation from the Employer, the Manager shall not, directly or indirectly (a) induce or attempt to induce any manager, real estate licensee, agent or representative of the Employer or its affiliated entities to terminate here or his relationship with the Employer or its affiliated entities; or (b) employ, hire, or be involved in hiring any such Manager, real estate licensee, agent or representative.

The Manager agrees that, for a period of twelve (12) months, commencing on the date of any separation from the Employer, the Manager will not, without prior written consent of the Employer, either directly or indirectly enter into the employ of, render any services or assistance to, or otherwise become associated with any person or entity in the capacity of residential real estate manager, owner, employee, or otherwise with said person or entity that is, in any respect, competitive with the business of the Employer in any office within a five mile radius around any of Employer's offices in which Manager ever worked as an employee or independent contractor for Employer. Nothing in this paragraph shall prohibit the Manager from working for the Employer as a real estate licensee. The Manager acknowledges that both the length of time and geographic restrictions in the paragraph are reasonable and necessary for the legitimate protection of the Employer in connection with the operation of its business and the manager agrees that she or he has received adequate consideration for the personal net worth asset set forth herein.

Manager agrees that during any period of employment and thereafter, Manager shall not directly or indirectly use or disclose any Confidential information as herein defined. Confidential information is all information relating to the terms, conditions of this agreement and all information belonging to, used by, or which is the proprietary property of Employer or Manager relating to Employer's business to the extent that such information is not intended to be disseminated to the public or is otherwise not generally known to Employer's competitors.

5. Miscellaneous

- (a) This agreement shall be binding upon, and the benefit hereof shall inure to the heirs, successors and assigns of the parties hereto.
- (b) This agreement shall be governed by the laws of the Commonwealth of Pennsylvania.
- (c) The Manager agrees to use and abide by the policies and procedures set forth in the policy manual.
- (d) The waiver of the Employer of a breach of any provision of this agreement by the Manager, shall not operate or be construed as a waiver of any subsequent breach by the Manager.

- (e) No change in the Manager's amount, rate or method of compensation hereunder shall change in any way any other provision hereunder.
- (f) It is understood that "branch office" may also mean other departments and/or profit centers of the Employer.
- (g) Employer reserves the right to offset against any compensation owed to the Manager, any amount owed by the Manager to the Employer.
- (h) This agreement contains the entire agreement in writing signed by the parties, against who enforcement of any waiver, change, modification, extension, or discharges sought. If any portion of this agreement shall be found invalid or unenforceable in any jurisdiction the invalidity or unenforceability of any such provision of this agreement.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, hereby have hereunder set their hands and seals the day and year first above written.

ATTEST:

EMPLOYER:

\_\_\_\_\_

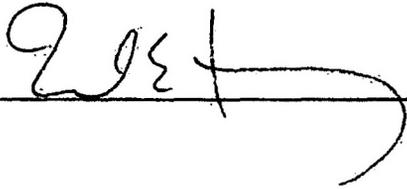
\_\_\_\_\_

President

WITNESS:

MANAGER:

\_\_\_\_\_

  
\_\_\_\_\_



Real Estate Services

AGREEMENT BETWEEN BROKER AND SALES ASSOCIATE



MADE THIS 29 day of June, 1961, by and between HOWARD HANNA COMPANY hereinafter referred to as "Broker", and Tenn. Leji Proise hereinafter referred to as "Sales Associate".

FIRST: Broker warrants that it is a duly licensed real estate Broker in the Commonwealth of Pennsylvania and the State of Ohio, Sales Associate warrants that he/she is a duly licensed real estate Sales Associate in the Commonwealth of Pennsylvania and/or the State of Ohio. During the term of this agreement, each party shall keep his/her license in full force and effect, paying all fees, taxes and any professional association dues at his/her own expense. Sales Associate will be a member of the appropriate Board of Realtors and will be responsible for the payment of all membership fees and expenses related to such membership.

SECOND: Broker shall provide such facilities for the operation of a real estate office as Broker shall determine from time to time in Broker's sole discretion. Broker will make available to Sales Associate all listings office, except for those listings that Broker places exclusively with another Broker, Associate Broker or Sales Associate. Broker will comply with all Federal and State Laws, Regulations and Codes of Ethics of any professional association to which Broker belongs.

THIRD: Sales Associate shall engage in the real estate business exclusively on behalf of Broker to the best of Sales Associate's ability, and shall solicit listings and customers and otherwise promote Broker's business of serving the public in real estate transactions. Sales Associate will comply with all Federal and State Laws and Regulations and the Codes of Ethics of any real estate professional associations to which Broker belongs. Sales Associate also agrees to adhere to Broker's policies established from time to time.

FOURTH: Broker shall determine the commissions to be charged clients for any services performed. When Sales Associate performs any service whereby a commission is earned, the commission when collected, shall be divided between Broker and Sales Associate in the manner as set forth in the current schedule attached hereto. Broker may change its commission schedule from time to time, and a copy of the current schedule shall be made available to Sales Associate upon request. Broker reserves the right to make special arrangements regarding the Commission of the Commission. If, however, or mere Sales Associate, participate in a real estate service, it shall claim to do so, the amount of the commission over that accruing to the Broker shall be divided between the Sales Associate pursuant to any agreement between them or as determined by arbitration. If there is a dispute over the payment of the commission, Broker's decision regarding a division of commission shall be final. Broker shall not be personally liable to Sales Associate for any commission, except to the extent received by Broker.

FIFTH: Broker shall not be liable to Sales Associate for any expense incurred by Sales Associate, nor shall Sales Associate be liable to Broker for any office expenses. Sales Associate shall not have authority to bind Broker by any promises or representations, unless specifically authorized to do so in a particular transaction. Sales Associate agrees that Broker may deduct from Sales Associate's commission, any expenses paid by Broker on behalf of Sales Associate. In any activity, occurrence and/or transaction in which Sales Associate is involved results in a dispute, arbitration or litigation, then Sales Associate will cooperate fully with Broker in the handling and resolution of such dispute, arbitration or litigation. Broker and Sales Associate shall share all related expenses including without limitation, the following: Broker's and Sales Associate's shared expenses, whether or not a commission was generated by the activity, occurrence and/or transaction, regardless of the amount of the commission. Costs and expenses shall be shared in proportion to the manner in which any commission was or would have been divided between Sales Associate and Broker. The provision is intended to survive the termination of this Agreement, and the Sales Associate agrees to share expenses even if the claim is instituted or pursued at a time when Sales Associate is no longer associated with Broker. However, if a dispute, arbitration or litigation arises solely as a result of the negligence, misrepresentation, misfeasance or malfeasance of Sales Associate, Sales Associate agrees to pay all expenses, costs and fees and Broker will have the right to charge Sales Associate's account for any and all expenses, costs and fees. Sales Associate hereby agrees...

1. FIRST: Broker warrants that it is a duly licensed real estate Broker in the Commonwealth of Pennsylvania and the State of Ohio. Sales Associate warrants that he/she is a duly licensed real estate Sales Associate in the Commonwealth of Pennsylvania and/or the State of Ohio. During the term of this agreement, each party shall keep his/hir license in full force and effect, paying all fees, taxes and any professional association dues at his/her own expense. Sales Associate will be a member of the appropriate Board or Realtors & will be responsible for the payment of all membership fees and expenses related to such membership.

SECOND: Broker shall provide such facilities for the operation of a real estate office as Broker shall determine from time to time in Broker's sole discretion. Broker will make available to Sales Associate all listings of the office, except those listings that Broker places exclusively with another Broker or Sales Associate. Broker will comply with all Federal and State Laws, Regulations and Codes of Ethics of any professions, associations to which Broker belongs.

THIRD: Sales Associate shall engage in the real estate business exclusively in behalf of Broker to the best of Sales Associate's ability, and shall solicit listings and customers and otherwise promote Broker's business of serving the public in real estate transactions. Sales Associate will comply with all Federal and State Laws and Regulations, and the Codes of Ethics of any real estate professional associations to which Broker belongs. Sales Associate also agrees to adhere to Broker's policies as established from time to time.

FOURTH: Broker shall determine the commission to be charged client for any service performed. When Sales Associate performs any service, whereby a commission is earned, the commission shall be divided between Broker and Sales Associate in the manner set forth in the current schedule attached hereto. Broker may change its commission schedule from time to time and a copy of the current schedule shall be made available to Sales Associate upon request. Broker reserves the right to make special arrangements regarding the division of the commission. If two or more Sales Associates participate in a real estate service, or claim to do so, the amount of the commission over that accrues to the Broker shall be divided between the Sales Associates pursuant to an agreement between them or as determined by arbitration. If there is a dispute over the payment of the commission, Broker's decision regarding a division of commission shall be final. Broker shall not be personally liable to Sales Associate for any commission, except to the extent retained by Broker.

FIFTH: Broker shall be liable for any expenses incurred by Sales Associate, nor shall Sales Associate be liable to Broker for any office expenses. Sales Associate shall not have authority to bind Broker by any promises or representations, unless specifically authorized to do so in a particular transaction. Sales Associate agrees that Broker may, deduct from Sales Associate's commission, any expense paid by Broker on behalf of Sales Associate. If any activity occurs in a transaction in which Sales Associate is involved, results in a dispute, arbitration or litigation, then Sales Associate shall cooperate fully with Broker in the handling and resolution of such dispute, arbitration or litigation. Broker and Sales Associate shall jointly share all related expenses including without limitation, attorney's fees on costs. Such expenses will be shared equally between Sales Associate and Broker or not a commission was generated by the activity, occurrence and/or transaction, regardless of the amount of the commission. Costs and expenses will be shared in proportion to the manner in which they were incurred. If they would have been divided between Sales Associate and Broker, the proportion is intended to be equal. If there is a dispute over the division of the commission, the Sales Associate shall share equally with Broker. However, if a dispute, arbitration or litigation arises solely as a result of the negligence, misrepresentation, malfeasance or maltreatment of Sales Associate, Sales Associate shall be responsible for all attorney's fees and Broker will have the right to claim, from Sales Associate's commission, for any and all expenses, including attorney's fees. Sales Associate hereby agrees to indemnify and hold Broker harmless against any and all loss or damage of any kind, including costs and attorney's fees, incurred by Broker in defending or paying for any claim brought by third parties arising out of the activities of Sales Associate for or on behalf of the Broker, other than the services provided for herein.

SIXTH: Sales Associate shall provide his/her own means of transportation in performing his/her work, and shall be responsible for the maintenance of such means of transportation that he/she may incur by reason of the use or performance of the work. Sales Associate shall be responsible for the maintenance of his/her own automobile in the performance of this agreement. All expenses involved in the use of the automobile will be paid by the Sales Associate. Sales Associate will carry, at Sales Associate's own expense, automobile liability insurance with limits of at least \$100,000.00 for bodily injury and \$50,000.00 for property damage liability, or such other amounts as Broker may determine in Broker's sole discretion. Sales Associate must provide a copy of the policy to Broker, and Broker shall be insured.









EIGHTH: All real estate listings and all Buyer Broker agreements shall be the sole and exclusive property of Broker. The Sales Associate shall immediately deliver to Broker all listing and Buyer Broker Agreements. All real estate or interests in real estate purchased through or sold by Sales Associate during the term of this agreement will be the sole and exclusive property of Broker. Upon termination of this agreement, any listing or Buyer Broker agreement still in effect shall remain the sole and exclusive property of Broker and Sales Associate shall have no right to commission or division thereof. Sales Associate agrees that he/she is licensed solely by Broker and may not engage in the real estate business in any manner, except with Broker and under the terms and conditions of this agreement.

NINTH: This agreement may be terminated by either party upon five (5) days' notice to the other party. This agreement is immediately terminated upon the death, disability or other inability of Sales Associate to perform his/her duties. This agreement may be terminated for cause at any time.

TENTH: Upon termination of the Agreement, any indebtedness owed by Sales Associate to Broker shall become immediately due and payable. Broker shall have the right to deduct such indebtedness from any funds that may be payable to Sales Associate. During the term of this Agreement, and for a period of six (6) months thereafter, Sales Associate shall not, directly or indirectly, acting alone or in conjunction with others: (1) engage as a director, officer, employee, partner, shareholder, sole proprietor, independent contractor, or in any other capacity, in any business in competition with any business then being conducted by Broker, within a geographic region consisting of five (5) square miles around the "Hanna" office from which Sales Associate was based during and at the time of termination of this Agreement; (2) furnish to any person, partnership or corporation or any other entity engaged in any business that is in competition with any business then being conducted by Broker, any information regarding Broker's clients, customers, properties, prices, terms or negotiations, policies or relationships with clients and customers, nor any other information and all materials supplied by Broker to Sales Associate, including, but not limited to, publications, cards, records, and any other material, files or data; (3) solicit, either directly or indirectly, any listing or buyer brokerage contract held by Broker at the time of termination of this Agreement; and (4) solicit, either directly or indirectly, any personnel or other sales associate or other persons associated with Broker to terminate their relationships with Broker. It is expressly agreed that the aforementioned records and information are the sole property of the Broker. In the event this Agreement is terminated and Sales Associate is involved in a sale where the commission is not yet collected, and Broker thereafter collects a commission in respect thereto, Broker shall, when collected, pay Sales Associate fifty percent (50%) of the commission that would, but for such termination, have been payable to Sales Associate.

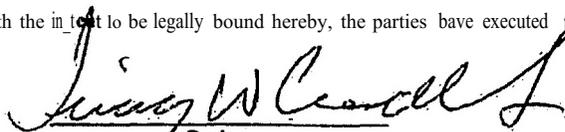
ELEVENTH: Sales Associate agrees to maintain and display his/her license in the office of Broker. Sales Associate will not accept any earnest money in his/her own name. Sales Associate agrees that he/she will not accept commissions or any form of compensation for real estate transactions during the term of this agreement from any other person, firm, corporation or business association. Sales Associate shall deliver immediately to Broker, all cash, checks, notes, money orders or other evidence of indebtedness or thing of value which Sales Associate may receive in connection with any real estate transaction which Broker is involved.

TWELFTH: The Broker and the Sales Associate subscribe to the concept of fair housing and equal opportunity for all persons, who wish to purchase or rent shelter, and also subscribe to the Affirmative Marketing Agreement as approved by the Department of Housing and Urban Development. The Sales Associate and the Broker hereby commit to work toward the realization of this goal by encouraging a fair and open housing market, supporting education of the public against segregation in housing and denial of access to any home, strict observance of anti-discrimination laws, providing equal service to those in need of shelter, without regard to race, color, national origin, religion or sex. The Sales Associate fully accepts responsibility to make all aware of the obligation and advantages of strict compliance with the spirit, as well as the letter of the fair housing laws.

THIRTEENTH: The parties hereto specifically agree that Sales Associate is an independent contractor and not an employee, servant or partner of Broker. The provisions of this agreement shall be construed to be directing the end result of Sales Associate's efforts, and not the method and manner by which Sales Associate provides real estate services. Sales Associate is not an employee with respect to the services performed hereunder for federal tax purposes. Broker shall not withhold income tax, social security or other similar taxes. If a court or administrative body decides, notwithstanding this provision, that such sums are due, or should fall Sales Associate be deemed to be an employee, Sales Associate shall be personally liable for all such taxes or sums that may be due thereby. This provision shall be binding upon their heirs, executors and administrators of the parties hereto.

SALES ASSOCIATE IS AN INDEPENDENT CONTRACTOR AND NOT A JOINT VENTURER, PARTNER, EMPLOYEE OR SERVANT OF BROKER IN ALL DEALINGS AND RELATIONSHIPS ARISING OUT OF THIS AGREEMENT. BROKER WILL HAVE NO CONTROL OR RIGHT TO CONTROL AS TO THE MANNER, METHOD, MEANS, HOURS OR LOCATION OF SALES ASSOCIATE'S PERFORMANCE HEREUNDER.

IN WITNESS WHEREOF, and with the intent to be legally bound hereby, the parties have executed this contract the day and year first above written,

  
\_\_\_\_\_  
Broker

  
\_\_\_\_\_  
Sales Associate

License N