

CAUSE NO. _____

HILLCO PARTNERS,

Plaintiff,

v.

SNAPPER CARR, BRANDON
AGHAMALIAN, and FOCUSED
ADVOCACY, LLC,

Defendants.

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IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS,

____ JUDICIAL DISTRICT

PLAINTIFF'S ORIGINAL PETITION AND APPLICATION
FOR TEMPORARY INJUNCTION

TO THE HONORABLE JUDGE OF SAID COURT:

HillCo Partners ("HillCo"), Plaintiff in the above-styled and numbered cause, files this Original Petition and Application for Temporary Injunction against Snapper Carr ("Carr"), Brandon Aghamalian ("Aghamalian"), and Focused Advocacy, LLC ("Focused Advocacy") (collectively, "Defendants").

I. PARTIES

1. HillCo is a Texas Limited Liability Partnership formed under the laws of the State of Texas and doing business in Travis County, Texas.

2. Snapper Carr is an individual residing in Travis County, Texas. He may be served with process at his residence at 3945 Sendero Drive, Austin, Texas 78735, his place of employment at 823 Congress Avenue, Suite 200, Austin, Texas 78701, or wherever he may be found.

3. Brandon Aghamalian is an individual residing in Travis County, Texas. He may be served with process at his residence at 2641 Barton Hills, Austin, Texas 78704, his place of employment at 823 Congress Avenue, Suite 200, Austin, Texas 78701, or wherever he may be

found.

4. Focused Advocacy, LLC is a Texas limited liability company, which has its office in Travis County, Texas. It may be served with process by serving its registered agent, National Registered Agents, Inc., 16055 Space Center Boulevard, Suite 235, Houston, Texas 77062.

II. VENUE AND JURISDICTION

5. Venue is proper in Travis County, Texas under section 15.002(a)(1) of the Texas Civil Practice and Remedies Code because it is the county in which all or a substantial part of the events or omissions giving rise to these claims occurred. In addition, venue is proper under 15.002(b) of the Texas Civil Practice and Remedies Code because one or more of the Defendants resides in Travis County. Moreover, venue is mandatory in Travis County, Texas under section 56.023 of the Texas Civil Practice and Remedies Code because the Defendants, who are subject to HillCo's claims for injunctive relief reside in Travis County.

6. This Court has subject matter jurisdiction over all parties and claims herein pursuant to Article 5, Section 19 of the Texas Constitution and section 24.007 of the Texas Government Code. All parties are Texas residents and the amount in controversy is within the jurisdictional limits of the Court.

III. DISCOVERY

7. Discovery in this cause is intended to be conducted pursuant to Level 3 under Texas Rule of Civil Procedure 190.3.

IV. BACKGROUND

8. HillCo is a full service government affairs consultancy based in Austin, Texas. As part of HillCo's plan to further develop its municipal government practice, HillCo hired Carr and Aghamalian in February of 2006. Carr and Aghamalian abruptly resigned on January 15, 2010, after several years of employment with HillCo. During the months leading up to their

formal resignation, Carr and Aghamalian engaged in a scheme to denude HillCo of clients and confidential information for their own personal financial gain and for that of their future employer.

9. At the beginning of their employment with HillCo, Carr and Aghamalian were presented with HillCo's Personnel Policy Guidelines ("Guidelines"), which included HillCo's confidentiality policy. They were notified of the Guidelines, knew the Guidelines were binding, and accepted the Guidelines by continuing their employment with HillCo and accepting salary and bonuses from HillCo. They agreed to be bound by the Guidelines. The Guidelines required that Carr and Aghamalian execute confidentiality agreements. They both did so. Then confidentiality agreements required they maintain the confidentiality of information, material, and work product of HillCo. A true and correct copy of the Guidelines and Confidentiality Agreement executed by Carr is attached hereto as Exhibit "A." Aghamalian signed an agreement containing identical terms. The Guidelines also required that Carr and Aghamalian: (1) obtain prior approval in writing prior to undertaking any outside employment or work activity; (2) refrain from theft and misuse of company property; (3) refrain from falsifying or altering any HillCo record or report; (4) refrain from disclosing confidential information pertaining to HillCo; (5) refrain from acts of dishonesty in dealing with HillCo or with supervisors; (6) refrain from using or allowing others to use HillCo work product or HillCo confidences other than in the ordinary course of their employment; and (7) deliver and surrender all HillCo confidences upon their departure. Carr and Aghamalian breached their agreements and their duties owed to HillCo for their own financial advantage and to the detriment of HillCo.

10. As employees of HillCo, Carr and Aghamalian managed client relationships, negotiated contracts with new and existing clients, and coordinated billing. Carr also served as

in-house counsel to HillCo and was formally appointed its General Counsel effective January 1, 2010. During the many months that Carr served as in house counsel, he advised, counseled, and directed HillCo personnel on a variety of legal issues. These issues included reporting of expenditures, the methods and substance of all reports required by Texas Ethics Commission, and compliance with the letter and spirit of the Texas Government Code and Texas Election Code, as well as other laws and ethical obligations. HillCo personnel relied on Carr's advice, counsel, and judgment in these respects in order to comply with the letter and spirit of all applicable laws.

11. Carr and Aghamalian conceived and executed a plan to steal HillCo's clients and to use HillCo's confidential information in order to set up a new business for themselves. As part of their plan, Carr and Aghamalian told existing HillCo clients not to renew their contracts. They also manipulated clients and HillCo personnel so that HillCo contracts with clients were allowed to lapse or to fall into default. They took such extreme steps as secretly rewriting standard HillCo agreements and submitting them to existing clients with new language (unapproved by their employers at HillCo) making these contracts immediately terminable if Carr and Aghamalian departed from HillCo. They also instructed HillCo employees not to renew client contracts, deceived the employees and owners of HillCo, downloaded and used proprietary HillCo documents and data to compete against HillCo, and obtained both salary and reimbursements from HillCo for expenses Carr and Aghamalian incurred while supposedly conducting business for HillCo, but while in reality they were stealing clients and setting up a competing business.

12. Beginning in at least September of 2009, Carr and Aghamalian began taking actions for their own financial benefit and for that of their soon-to-be new employer, Focused

Advocacy. Carr and Aghamalian conspired with Focused Advocacy in order to steal clients and confidential information from HillCo. In addition to the duties owed by management level employees, like Carr and Aghamalian, Carr owed HillCo ethical and fiduciary duties due to his position as in-house and General Counsel for HillCo. As more fully described below, they both repeatedly violated their duties to HillCo.

13. During their time with HillCo, Carr and Aghamalian obtained access to proprietary documents, including agreements created by and belonging to HillCo, as well as client lists and other competitively sensitive records. They downloaded and “exported” these confidential and proprietary files and documents for their personal use and for the benefit of Focused Advocacy. In at least one instance, there is proof that Focused Advocacy’s principals were insisting that these materials be stolen, leading Carr to send a curt e-mail to Focused Advocacy attaching the stolen files and saying “[h]ere you go. Leave me alone. Snap.” Though all these stolen documents were exported from HillCo to Focused Advocacy computers, and despite the fact that this was brought to the attention of all the principals at Focused Advocacy, no property has been returned to date. HillCo has made repeated requests to Focused Advocacy that the documents exported from HillCo unlawfully to the computers at Focused Advocacy be returned to HillCo. Focused Advocacy, Carr, and Aghamalian have all refused to return these sensitive and proprietary documents as of the date of the filing of this action, thereby depriving HillCo of sole use of its proprietary documents.

14. Moreover, in the fall of 2009, Defendants altered standard HillCo agreements without HillCo’s approval and submitted them to existing clients in order to clear a path to steal business from HillCo. For example, in September or October of 2009, Defendants submitted an

altered HillCo agreement to Client No. 1,¹ an existing HillCo client. Without the knowledge or approval of their employers at HillCo, Carr and Aghamalian inserted the following language into the contract before submitting it to Client No. 1:

Snapper Carr and Brandon Aghamalian are deemed essential personnel for the Consultant as part of this Contract, if one or both is no longer able to service this contract the City, at its discretion, may immediately terminate the remainder of the contract by providing written notice

15. Defendants utilized HillCo documents in order to compete directly with HillCo and they are now competing with HillCo using these proprietary materials. Despite the fact that Carr and Aghamalian attempted to erase their calendars and e-mail from their HillCo computers in order to purge evidence of their efforts and avoid leaving a paper trail, searches of their computers reveal that Defendants utilized HillCo documents to compete directly with HillCo. HillCo documents have been recovered that contain Focused Advocacy logos. These actions were in violation of their contractual and common law duties owed to HillCo.

16. Defendants also engaged in a systematic pattern of deception and illegal competition by misleading and misrepresenting facts to HillCo employees regarding the status of client renewal agreements. On November 5, 2009, Carr made written assurances to HillCo that, with limited exceptions, all clients would be renewing their annual representation agreements. Despite these reassurances, Carr and Aghamalian manipulated the situation so that contracts were not renewed with numerous clients, including Client No. 2 and Client No. 3.

17. Evidence obtained from HillCo records also reveals that Carr and Aghamalian repeatedly told HillCo's accounting department to hold off billing of clients, as part of a secret plan to ensure that these HillCo clients would be unencumbered and available to enter into agreements with Focused Advocacy. On December 22, 2009, for example, HillCo employee

¹ HillCo's clients are identified as "Client No. ___" in order to maintain confidentiality regarding HillCo's business relationships and client information.

Kimberly Dodson inquired as to whether HillCo should bill Client No. 4 for January of 2010 because their contract with HillCo was set to expire on December 31, 2009. In response, Carr instructed Ms. Dodson “[n]o. Pls. don’t bill until I give you the OK.” He reassured her that they would renew after the first of January. Also on December 22, 2009, Ms. Dodson inquired regarding Client No. 1, Client No. 5, and Client No. 6 to Carr and Aghamalian. Carr stated “[s]ame story. They are all going to renew but pls wait for my ok.” Again, on December 22, 2009, Ms. Dodson inquired regarding the status of Client No. 7 and Carr gave the same response. On December 28, 2009, Ms. Dodson inquired regarding the status of the agreement with Client No. 3. He again told her to “[h]old off. I need to speak to Brandon about that one.” Later, on January 11, 2010, HillCo employee Courtney Collins Mehaffey received an inquiry from Client No. 8 regarding when a new contract would be in their possession. When she told Carr about the conversation, he told her “I will handle,” despite the fact that he was planning to resign in four days.

18. As a result of Carr and Aghamalian’s actions prior to their resignation, existing HillCo clients are now under agreement with Focused Advocacy. HillCo has sustained monetary damages attributable to lost business as a result of Defendants’ actions.

19. Documents and communications recovered by HillCo reveal that Carr and Aghamalian carefully coordinated their wrongful activities with representatives of Focused Advocacy. They met with Focused Advocacy as early as July of 2009 and had many contacts with Focused Advocacy in the summer and fall of 2009. On information and belief, they met with Curt Seidlits of Focused Advocacy about their transition away from HillCo on or about December 16, 2009. E-mails reveal that as of December 16, 2009 – 30 days before they announced their departure from HillCo – Carr and Aghamalian were already involved in hiring

decisions for Focused Advocacy. On December 21, 2009, Carr and Aghamalian again met with representatives of Focused Advocacy. All of the meetings and communications with Focused Advocacy took place during the time that Defendants were supposed to be managing, strengthening, and extending HillCo's client relationships, and were being paid to do so by HillCo. Instead, they were actively engaged in stealing HillCo's clients. For example, on December 14, 2009, Carr met with numerous individuals including representatives from Client No. 9, at HillCo's expense, in order to obtain their business for Focused Advocacy. Also during December, Defendants made misrepresentations to existing clients regarding HillCo. Also prior to their departure from HillCo, Defendants secured new agreements involving Focused Advocacy, including an agreement involving the TexasExes. These actions were never disclosed to HillCo.

20. During the final days of their employment, Defendants accelerated their efforts to deprive HillCo of business. Carr and Aghamalian flew to Fort Worth immediately prior to their resignation in order to solicit Client No. 6 for their new business venture. As part of their meeting, they made disparaging statements to HillCo clients to the effect that HillCo would be unable to meet Client No. 6's needs in the future. Defendants told municipalities that HillCo was incapable of representing their interests without Carr and Aghamalian. They continue to make such false and disparaging statements to HillCo clients and others. Throughout their efforts to steal business from HillCo, Carr and Aghamalian were being paid a salary by HillCo and even sought and received reimbursement of some of their expenses from HillCo, under the guise that they were travelling in order to strengthen HillCo's business. In January 2010, Carr and Aghamalian were using HillCo e-mail and resources to schedule meetings to take place after their departure from HillCo. For example, on January 11, 2010 Carr scheduled a January 21,

2010 meeting with they mayor of Client No. 10, utilizing his HillCo e-mail account. In addition, Defendants were in communication with a Client No. 1 representative three days prior to the resignation of Carr and Aghamalian from HillCo. On January 13, 2010, Defendants met with representatives of Client No. 1. On January 14, 2010, just one day prior to his resignation from HillCo, Carr met with representatives of Client No. 7 and Client No. 8. Moreover, on January 12, 2010, Defendants attempted to arrange a meeting with HillCo Client No. 11. All of these efforts were undertaken in order to steal HillCo's business, while Carr and Aghamalian were masquerading as loyal HillCo employees.

21. Carr and Aghamalian, while employed by HillCo and ostensibly working for HillCo's best interests, were in fact attempting to recruit and threatening to recruit opponents for incumbent members of the Texas House of Representatives, all to the detriment of HillCo, its brand, and its reputation. They also utilized HillCo computers to complete work and prepare documents on behalf of Focused Advocacy. Carr and Aghamalian took these steps in violation of their duties to HillCo, in order to benefit their own personal interests and those of their soon-to-be employer, Focused Advocacy.

22. Upon their resignation from HillCo on January 15, 2010, Defendants told clients and others that their separation from HillCo was "seamless and amicable." Despite this misrepresentation, Defendants continue their pattern of utilizing HillCo resources and proprietary information in an effort to harm HillCo and benefit themselves financially. They've also failed to promptly deliver upon termination all copies of HillCo company work product and proprietary documents in violation of the Guidelines and their agreements with HillCo. Carr and Aghamalian have retained HillCo's proprietary information, including its Agreement for Legislative Representation, its Contract for Local Government Public Affairs Consulting

Services, its Contract for Public Affairs Consulting Services, letter agreements for extension of contracts, and HillCo's master contacts list. Carr and Aghamalian continue to use HillCo's proprietary documents as part of their employment with Focused Advocacy.

23. Separate and apart from their Focused Advocacy venture, Defendants used HillCo resources to form a private and unrelated business. On December 9, 2009, Carr and Aghamalian utilized their HillCo e-mail accounts to purchase an address marker for a separate new business venture. They set up, coordinated, and conducted this new business on HillCo time and travel, all in violation of the terms of their employment agreements, which required them to disclose such plans to HillCo, and obtain prior approval from HillCo before engaging in any such ventures. A November 18, 2009, e-mail sent from Aghamalian to Carr, for example, reveals their intent to use HillCo assets to pursue a private business venture.

V. CAUSES OF ACTION

A. *Conversion*

24. HillCo incorporates the allegations in paragraphs 1-23 as if set forth here in full.

25. HillCo owns valuable proprietary data including contracts, business practices, and procedures, which have been secured from being accessed by unauthorized persons. Carr and Aghamalian had access to these materials and converted them for their own use. HillCo had an ownership interest in all documents created and utilized by it, which were retained and not returned by Carr and Aghamalian at the conclusion of their employment with HillCo. They improperly exercised control over not only HillCo's proprietary documents, but also exercised control over HillCo's funds for unauthorized use and in order to further the prospective and ongoing business of Focused Advocacy.

26. Carr and Aghamalian wrongfully exercised dominion and control over HillCo's personal property.

27. Carr and Aghamalian's wrongful acts proximately caused injury to HillCo, which resulted in actual damages.

28. HillCo seeks unliquidated damages within the jurisdictional limits of the Court.

29. HillCo's injuries and actual damages resulted from Carr and Aghamalian's malice or actual fraud, which entitles HillCo to exemplary damages under section 41.003(a) of the Texas Civil Practice and Remedies Code. HillCo also seeks exemplary damages from defendants Carr and Aghamalian.

B. Violations of the Texas Theft Liability Act

30. HillCo incorporates the allegations in paragraphs 1-23 as if set forth here in full.

31. HillCo had a possessory right to its representation agreements, funds, and other documents taken by Carr and Aghamalian

32. Carr and Aghamalian unlawfully appropriated, secured, and stole HillCo's property.

33. The actions of Carr and Aghamalian were taken with the intent to harm HillCo and deprive it of property.

34. HillCo seeks unliquidated damages within the jurisdictional limits of the Court, which it sustained as a result of Carr and Aghamalian's actions. HillCo also seeks \$1,000.00 in additional damages under section 134.005(a)(1) of the Texas Civil Practice and Remedies Code.

35. Moreover, HillCo seeks exemplary damages. HillCo's injuries and actual damages resulted from Carr and Aghamalian's malice or actual fraud, which entitles HillCo to exemplary damages under sections 41.003(a) and 41.005 of the Texas Civil Practice and Remedies Code.

C. Breach of Fiduciary Duty

36. HillCo incorporates the allegations in paragraphs 1-23 as if set forth here in full.

37. Carr and Aghamalian had a fiduciary relationship with HillCo under Texas law because they were both management level employees of HillCo.

38. Carr and Aghamalian breached the duty of loyalty, engaged in self dealing, failed to act with integrity of the strictest kind, failed to act fairly and honestly in their dealings with HillCo, and failed to disclose matters that might influence the rights of HillCo.

39. The breaches of fiduciary duty by Carr and Aghamalian injured HillCo. Further, their breach of the fiduciary duties owed to HillCo benefitted themselves to the detriment of HillCo.

40. HillCo seeks unliquidated damages within the jurisdictional limitation of this Court and disgorgement of all gains made by Carr and Aghamalian in violation of their fiduciary duties.

41. HillCo also seeks exemplary damages. HillCo's injuries and actual damages resulted from Carr and Aghamalian's malice or actual fraud, which entitles HillCo to exemplary damages under section 41.003(a) of the Texas Civil Practice and Remedies Code.

D. Breach of Fiduciary Duty by an Attorney, Snapper Carr

42. HillCo incorporates the allegations in paragraphs 1-23 as if set forth here in full.

43. In addition to his role as a management level employee, Carr served as in-house counsel and most recently General Counsel for HillCo. Accordingly, he owed HillCo one of the highest fiduciary duties recognized under the law.

44. "An attorney breaches his fiduciary duty when he benefits improperly from the attorney-client relationship by, among other things, subordinating his client's interests to his own, retaining the client's funds, engaging in self-dealing, improperly using client confidences, failing to disclose conflicts of interest, or making misrepresentations to achieve these ends." *Gibson v. Ellis*, 126 S.W.3d 324, 330 (Tex. App.—Dallas 2004, no pet.). As an attorney for

HillCo, Carr's fiduciary duties included the duty of loyalty, utmost good faith, integrity, fair and honest dealing, avoidance of conflicting positions, and the duty to disclose all information that could prejudice his client, HillCo. Carr also had the duty to refrain from self dealing and was required to put his client's best interests ahead of his own.

45. Carr breached the duty of loyalty by preparing to compete and by competing directly against HillCo while working for HillCo and serving as an attorney for HillCo. He was not honest and open about his activities as described in this petition. Instead, he engaged in an elaborate and systematic pattern of concealment and deception. He failed to disclose his conflicts of interest. Carr breached his duty of good faith by failing to disclose all information related to the business and breached his duty of integrity by hiding information from HillCo. Carr violated his duty of fair and honest dealing by using information acquired by virtue of his position for a personal benefit at the expense of and to the detriment of HillCo. He also failed to avoid conflicting positions because he failed to disclose information that could and did prejudice HillCo. Carr engaged in self dealing, failed to act with integrity of the strictest kind, failed to act fairly and honestly in his dealings with HillCo, and failed to disclose matters that might influence the rights of HillCo.

46. The breaches of fiduciary duty by Carr injured HillCo and benefitted himself to the detriment of HillCo.

47. HillCo seeks unliquidated damages within the jurisdictional limitation of this Court and disgorgement of all gains made by Carr in violation of his fiduciary duties.

48. HillCo also seeks exemplary damages as a result of Carr's actions that constituted his breach of his fiduciary duties to his client, HillCo, which flowed from his attorney-client relationship with HillCo. HillCo's injuries and actual damages resulted from Carr's malice or

actual fraud, which entitles HillCo to exemplary damages under section 41.003(a) of the Texas Civil Practice and Remedies Code.

E. Common-Law Fraud

49. HillCo incorporates the allegations in paragraphs 1-23 as if set forth here in full.

50. Carr and Aghamalian made misrepresentations to HillCo and its employees that were false. For example, they represented that all existing clients would be renewed. They also represented that they would take care of the renewals and billing.

51. Carr and Aghamalian made these representations with the intent that HillCo rely upon and act upon the misrepresentations. HillCo relied on Defendants' representations and this reliance caused HillCo injury.

52. HillCo seeks unliquidated damages within the jurisdictional limits of this Court.

F. Professional Negligence by an Attorney

53. HillCo incorporates the allegations in paragraphs 1-23 as if set forth here in full.

54. A lawyer employed by an organization represents that entity. Carr was employed by HillCo and therefore represented HillCo.

55. As an attorney, Carr owed HillCo as a duty as an in-house attorney and General Counsel to exercise the standard of care that would be exercised by a reasonable prudent attorney. Attorneys always owe their clients a duty of care.

56. Carr neglected matters entrusted to him and failed to carry out to completion the obligations he owed to HillCo. Carr's negligent acts and omissions breached the duty he owed his client, HillCo. He breached the duty of care owed to HillCo by failing to give advice, opinion, and relevant information when he was legally obligated to do so. For example, he failed to provide relevant information regarding his efforts to alter contracts, delay contracts, and steal clients. He disobeyed HillCo's instructions by failing to secure the renewal of certain HillCo

clients. Carr also took actions when not instructed to by altering standard HillCo contractual language and utilizing HillCo resources for his own personal gain and in order to compete against the very entity he owed a duty to. He also delayed matters entrusted to his care by failing to timely negotiate and renew existing HillCo client contracts. All of these actions caused HillCo injury for which it seeks damages.

57. HillCo seeks unliquidated damages within the jurisdictional limits of this Court.

58. HillCo also seeks exemplary damages against Carr. HillCo's injuries and actual damages resulted from Carr's malice or actual fraud, which entitles HillCo to exemplary damages under section 41.003(a) of the Texas Civil Practice and Remedies Code.

G. *Negligence Per Se*

59. HillCo incorporates the allegations in paragraphs 1-23 as if set forth here in full.

60. The Texas Disciplinary Rules of Professional Conduct create duties owed by attorneys to their clients. Carr violated these duties.

61. Sections 31.03 and 31.05 of the Texas Penal Code prohibit theft of personal property and trade secrets, respectively.

62. HillCo belongs to the class of persons the foregoing rules of conduct and statutes were designed to protect, and its injuries are of the type the rules and statutes were designed to prevent.

63. Tort liability may be imposed when the rules of conduct and statutes identified above are violated. Carr was without excuse when he violated these rules and statutes.

64. The violations of the rules and statutes by Carr proximately caused the occurrences made the basis of this action and HillCo's damages.

65. HillCo seeks unliquidated damages within the jurisdictional limits of this Court.

H. Business Disparagement

66. HillCo incorporates the allegations in paragraphs 1-23 as if set forth here in full.

67. Defendants published disparaging words about HillCo's economic interests during meetings with HillCo clients, including statements that HillCo was incapable of representing them.

68. These statements cast doubt on the quality of HillCo's abilities and services.

69. The disparaging words were false, spoken with malice, and without privilege.

70. Defendants' publication of disparaging words caused actual and special damages to HillCo.

71. HillCo also seeks exemplary damages. HillCo's injuries and actual damages resulted from Carr and Aghamalian's malice or actual fraud, which entitles HillCo to exemplary damages under section 41.003(a) of the Texas Civil Practice and Remedies Code.

I. Breach of Contract

72. HillCo incorporates the allegations in paragraphs 1-23 as if set forth here in full.

73. HillCo had valid enforceable contracts with Carr and Aghamalian. They both agreed to be bound by the Guidelines and executed Confidentiality agreements with HillCo.

74. HillCo fully performed its contractual obligations.

75. Carr and Aghamalian materially breached their contracts by disclosing and using privileged, confidential, and proprietary information including Client Confidences, Company Confidences, and Company Work Product as defined in their respective employment agreements. They also breached their agreements by failing to disclose separate business ventures.

76. Carr and Aghamalian's breach of their employment contracts caused injury to HillCo, which resulted in damages.

77. HillCo seeks unliquidated damages within the jurisdictional limits of this Court.

J. Tortious Interference with Contract

78. HillCo incorporates the allegations in paragraphs 1-23 as if set forth here in full.

79. HillCo had valid contracts with its clients.

80. Carr and Aghamalian willfully and intentionally interfered with these contracts (and continue to do so) through a variety of actions including letting them lapse, altering contractual language, making disparaging remarks to HillCo's clients, failing to exercise renewal rights, and hindering performance of those contracts.

81. HillCo sustained actual damages and loss as a result of Defendants' actions, and seeks unliquidated damages within the jurisdictional limits of this Court.

82. HillCo also seeks exemplary damages. HillCo's injuries and actual damages resulted from Carr and Aghamalian's malice or actual fraud, which entitles HillCo to exemplary damages under section 41.003(a) of the Texas Civil Practice and Remedies Code.

K. Tortious Interference with Business Relations

80. HillCo incorporates the allegations in paragraphs 1-23 as if set forth here in full.

81. HillCo had an ongoing business relationship with numerous municipal and other clients.

82. Carr and Aghamalian knew of HillCo's business relationships with these clients and were charged with managing these relationships. They intentionally interfered with these relationships and continue to do so.

83. Carr and Aghamalian's interference was independently tortious, regardless of the effect those actions had on HillCo's business relationships.

84. Carr and Aghamalian's tortuous interference proximately caused injury to HillCo and caused HillCo to suffer actual damages.

85. HillCo seeks unliquidated damages within the jurisdictional limits of this Court.

86. HillCo also seeks exemplary damages. HillCo's injuries and actual damages resulted from Carr and Aghamalian's malice or actual fraud, which entitles HillCo to exemplary damages under section 41.003(a) of the Texas Civil Practice and Remedies Code.

L. Conspiracy Among All Defendants

87. HillCo incorporates the allegations in paragraphs 1-23 as if set forth here in full.

88. Defendants, in combination with each other, agreed to take proprietary information and property from HillCo. They knew the agreed acts would result in harm to HillCo. To accomplish the object of their agreement, they utilized proprietary HillCo agreements, lied to and misled HillCo employees, and stole HillCo clients. The conspiracy proximately caused injury to HillCo. As a result, Defendants are jointly and severally liable for all damages.

M. Conditions Precedent

89. All conditions precedent to HillCo's claims for relief have occurred.

N. Attorneys' Fees

90. Plaintiff retained the undersigned law firm to represent it in connection with this action and seeks attorneys' fees and costs as authorized by Texas law. Attorneys' fees are authorized in this case under sections 38.001 and 134.005(b) of the Texas Civil Practice and Remedies Code.

VI. APPLICATION FOR TEMPORARY INJUNCTION

91. HillCo incorporates the allegations in paragraphs 1-23 as if set forth here in full.

92. HillCo's Application for Temporary Injunction is authorized by Texas Civil Practice and Remedies Code sections 65.001(1), (2), (3), and (5).

93. HillCo requests a temporary injunction that prevents Defendants, their officers,

agents, servants, employees, attorneys, and representatives, and all other persons in active concert or participation with Defendants who receive actual notice of the Court's order by personal service or otherwise from:

- (1) Using Client Confidences or Company Confidences without HillCo's consent. "Client Confidences" are defined as any and all (i) information or documents provided to HillCo by or on behalf of a client of HillCo, (ii) information obtained from a client of HillCo, or from another source in connection with HillCo's representation of that client, including, but not limited to, information concerning the client's personal family matters, business affairs, personnel, finances, accounts, properties and methods of operation, and (iii) Company Work Product. "Company Work Product" includes any and all written or oral communications, notes, or memoranda made by the attorneys of HillCo or their assistants at the direction of an attorney of HillCo in connection with the representation of a client of HillCo. "Company Confidences" means and includes all information of HillCo or its clients, including financial reports, billing and collection reports, marketing and business development information that is or was within the care, custody, or control of HillCo;
- (2) Disclosing Client Confidences or Company Confidences without HillCo's consent;
- (3) Allowing any person or entity to examine or make copies of Client Confidences or Company Confidences, including those prepared by Carr and Aghamalian during their employment with HillCo, which were or are in their possession or under their control without HillCo's consent;
- (4) Failing to deliver and surrender to HillCo all copies, in whatever form, of Company Work Product and documents constituting Client Confidences or Company Confidences in Defendants' possession, custody, or control;
- (5) Altering, destroying, modifying, or otherwise tampering with any documents, electronic information, or software in whatever form that relate to the matters alleged in Plaintiff's Original Petition, Application for Temporary Restraining Order, and Application for Temporary Injunction, including, but not limited to, Company Work Product and documents constituting Client Confidences or Company Confidences; and
- (6) Unreasonably withholding cooperation with HillCo in any discovery this Court may order in this matter.

94. HillCo asserts causes of action for damages and equitable relief, and also seeks permanent injunctive relief as explained more fully herein.

95. It is probable that HillCo will ultimately recover from Defendants after a trial on the merits because Defendants have clearly violated their legal duties owed to HillCo, as alleged above. Carr and Aghamalian agreed to be bound by HillCo's Guidelines and executed confidentiality agreements. Their confidentiality agreements required them to ensure HillCo's confidential documents remain confidential and that they be returned at the conclusion of their employment with HillCo. In conjunction with Focused Advocacy, Carr and Aghamalian have impermissibly used, disclosed, allowed persons to examine, and refused to return Client Confidences, Company Confidences, and Company Work Product, all in violation of their agreements and duties to HillCo. Carr and Aghamalian also converted valuable proprietary data including contracts, client contacts, business practices, and procedures belonging to HillCo. Focused Advocacy participated in the conversion by encouraging Carr and Aghamalian, accepting the information, and subsequently utilizing the information. Carr and Aghamalian altered standard HillCo documents in order to permit clients to escape contractual obligations upon their departure from HillCo. HillCo lost not only confidential and proprietary information, but also clients as a result of the actions of Defendants. In addition, Carr and Aghamalian breached common law duties owed by them to HillCo by utilizing confidential, proprietary, and trade secret information against HillCo's interests for their own benefit and for that of Focused Advocacy. Moreover, Carr and Aghamalian sought to destroy electronic data belonging to HillCo by attempting to erase their calendars and e-mail from their HillCo computers and exported information belonging to HillCo from their HillCo computers to their Focused Advocacy computers. Finally, Defendants have retained HillCo's confidential and proprietary information despite demand that it be returned and continue to utilize it in the course of their business. The claims identified herein and the facts and evidence supporting such claims reveal

a substantial likelihood HillCo will prevail in this lawsuit and recover against Defendants.

96. Harm to HillCo is imminent because the illegal acts of Defendants are ongoing. Accordingly, HillCo requires immediate injunctive relief. As the owner of confidential, proprietary, and trade secret information, HillCo is entitled to prevent Defendants from using such information. Similarly, HillCo is entitled to the return of such information. If Defendants are not ordered to return HillCo's property and are not enjoined from using and disclosing such information, Carr and Aghamalian will continue to violate their agreements with HillCo and the Defendants will continue to use HillCo's confidential and proprietary documents to steal HillCo clients and compete against HillCo. HillCo's business relationships have been and continue to be harmed as a result of the actions of the Defendants. HillCo is at risk of immediate harm in the marketplace and further depletion of clients. Defendants have refused and continue to refuse to return the materials taken from HillCo, despite demand by HillCo that they do so. The actions of Defendants, including their continued refusal to comply with the obligations outlined in the Guidelines and their confidentiality agreements and prior deletion of electronic information, reveal they will continue to engage in such conduct unless they are immediately enjoined. The continuing nature of Defendants actions reveals harm to HillCo is imminent.

97. If the conduct of Carr, Aghamalian, and Focused Advocacy, as well as their respective agents, servants, employees, and representatives and all other persons in active concert or participation with them is not immediately enjoined, the actions of Carr, Aghamalian, and Focused Advocacy will result in irreparable harm to HillCo. HillCo's business will continue to be disrupted and it will be deprived of clients, contracts, and business opportunities. Defendants' use or disclosure of HillCo's confidential and proprietary information will cause HillCo harm unless Defendants are enjoined from acts causing such harm, and are ordered to

take certain steps to redress their wrongdoing. Carr and Aghamalian's destruction of information and refusal to return documents will result in irreparable harm because the information may be lost forever.

98. There is no adequate remedy at law for injury to HillCo. The nature of some of HillCo's damages is not easily calculated and the full extent of injury to HillCo would be very difficult to ascertain or quantify. Defendants should not be permitted to engage in illegal conduct and enjoy the fruit of their illegal conduct without repercussion, based on any future contention that damages would be speculative or difficult to prove. A future award of damages would not fully or adequately compensate HillCo for the ability of Defendants, if not enjoined, to continue causing irreparable harm. It is difficult if not impossible to calculate the value of client relationships, confidential client contact lists, proprietary agreements, and other confidential and proprietary information developed and maintained by HillCo. Injunctive relief is also necessary in order to protect the status quo. HillCo does not have a legal remedy that is adequate in lieu of injunctive relief. Even to the extent that a legal remedy may be available, it will be limited and inadequate. Carr and Aghamalian already acknowledged in paragraph 6 of their confidentiality agreements that "in the event of a breach or threatened breach of any provision of this Agreement, [HillCo's] remedies at law would be inadequate, and [HillCo] shall be entitled to an injunction" Complete, final, and equal relief can't be easily calculated or measured by a certain standard in this case. HillCo does not have an adequate remedy at law because Defendants' wrongful conduct has resulted in the ongoing breach of Carr and Aghamalian's employment agreements, use and disclosure of confidential information, loss of HillCo clients, disparagement of HillCo, and Defendants' continued conduct threatens to further deplete HillCo of clients.

99. In order to preserve the status quo and rights of HillCo during the pendency of this action, Defendants should be cited to appear and show cause why they should not be temporarily restrained, and ordered to act as set forth herein, up to and until a conclusion of the final trial on the merits. HillCo requests a hearing be set on its Application for Temporary Injunction and that a temporary injunction be issued against the enjoined parties.

100. HillCo is willing to post bond.

101. HillCo also requests the Court set its request for permanent injunction against Defendants for a full trial and, after the trial, issue a permanent injunction against Defendants.

VII. PRAYER

HillCo prays that Defendants be cited to appear and answer herein, and that it be granted the following relief:

- (a) that a temporary permanent injunction be issued as set forth herein and in the accompanying draft order;
- (b) a judgment in HillCo's favor against Defendants, awarding it actual damages and special damages;
- (c) specific performance of Carr and Aghamalian's employment and confidentiality agreements, including the return of HillCo's property;
- (d) an award of exemplary damages against Defendants in an amount found by the fact finder to be sufficient to punish and deter Defendants;
- (e) prejudgment and post-judgment interest on all damages at the highest rate allowed by law;
- (f) reasonable and necessary attorneys' fees, costs and expenses incurred in this cause; and
- (g) all other and further relief, at law and equity, to which HillCo may show itself justly entitled.

Respectfully submitted,

SKELTON & WOODY

P.O. Box 1609

Austin, Texas 78767-1609

Telephone: (512) 651-7000

Facsimile: (512) 651-7001

By:

A handwritten signature in black ink, appearing to read "J. Hampton Skelton", written over a horizontal line.

J. Hampton Skelton

State Bar No. 18457700

Brandon Gleason

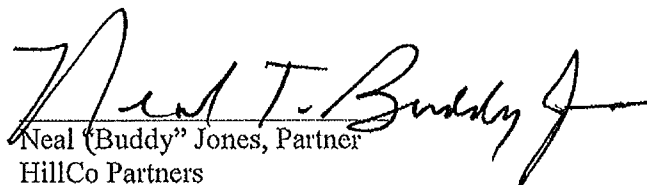
State Bar No. 24038679

ATTORNEYS FOR PLAINTIFF

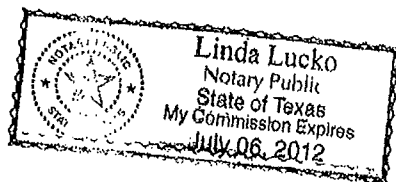
VERIFICATION

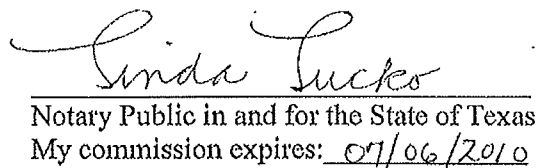
STATE OF TEXAS §
COUNTY OF TRAVIS §

Before me, the undersigned Notary Public, on this day personally appeared Neal "Buddy" Jones, and after being duly sworn stated under oath that he is a Partner of HillCo Partners, the Plaintiff in the foregoing matter, that he has read the above Original Petition, and Application for Temporary Injunction ("Petition") and that paragraphs 8-23 contained in the Petition are within his personal knowledge and are true and correct.


Neal "Buddy" Jones, Partner
HillCo Partners

SUBSCRIBED AND SWORN TO ME on this 8th day of June, 2010




Notary Public in and for the State of Texas
My commission expires: 07/06/2010

PERSONNEL POLICY GUIDELINES

This Manual is the property of Neal T. "Buddy" Jones and William "Bill" Miller. Recipient is responsible for knowing its contents and updates, for safeguarding it, and for returning it upon termination.

FUNCTIONS OF THIS MANUAL

It is the policy and intent of the Offices of Neal T. "Buddy" Jones and HillCo Partners, L.L.P. (hereafter referred to as "Employer" or the "Company") that this Manual be used as a guideline for the basic personnel policies, practices, and procedures for the office. The Manual, however, is not intended to replace the sound business judgment of individuals or to alter the employment-at-will relationship between employer and any employee.

The Manual contains general guidelines and statements of policy, and should not be read as including all requirements of the fine details of each policy. The Manual should not be read or otherwise interpreted as forming a contract, express or implied, or a promise of any nature that the guidelines and policies will be applied in any particular fashion or manner. Employer reserves the right to add policies to the Manual, or revoke or modify them from time to time. There may be times when policy will change before the material in the Manual can be revised.

All Manuals are Employer's and are assigned to the job position and not to the individual. All Manuals must be returned to Employer upon termination of employment.

EMPLOYMENT

PRODUCTIVE WORK ENVIRONMENT

Employer will promote a productive work environment consistent with its professional stature. Employer will not tolerate verbal or physical conduct by any employee who harasses, disrupts, or interferes with another's work performance or which creates an intimidating, offensive, or hostile environment.

Employees are expected to act in a positive, professional manner, and contribute to a productive work environment that is free from harassing or disruptive activity.

Specifically, each employee has a responsibility to maintain the work place free of any form of harassment, including but not limited to sexual harassment. No supervisor is to threaten or insinuate, either explicitly or implicitly, that an employee's refusal or willingness to submit to sexual advances will affect the employee's terms or conditions of employment.

Other sexually harassing or offensive conduct in the work place is also prohibited.

Any employee who believes that a supervisor's, another employee's, or a non-employee's actions or words constitute unwelcome harassment has a responsibility to report the incident as soon as possible. Such report or complaint should be made to the Employer.

Anyone who engages in harassment will be subject to corrective action and/or penalty determined to be warranted. Such action may include discipline up to and including termination.

INTRODUCTORY PERIOD

All new employees and all present employees transferred or promoted to a new job will be monitored and evaluated for an initial introductory period of at least three months. After satisfactory completion of the introductory evaluation, employees will be evaluated periodically by Employer.

EMPLOYMENT-AT-WILL

All employees are employed "at will" for an indefinite period and are subject to termination at any time, for any reason, with or without cause or notice. At the same time, such employees may terminate their employment at any time for any reason.

EXHIBIT

A

HOURS OF WORK

Hours of work are determined by Employer and may vary depending on time of year and workload. Such hours will be communicated by Employer to employees. Normal business hours are between 8:00 a.m. and 5:00 p.m. All associates are considered to be salaried; therefore, no overtime hours will be paid. All associates are expected to work some overtime hours during the Legislative Session.

OUTSIDE EMPLOYMENT

Employees may be permitted, but are not encouraged, to engage in outside employment or other work activity. While Employer recognizes the right of employees to engage in activities outside of their employment with the Company, where such activities are of a private nature and unrelated to Company business, a policy of full disclosure must be followed in order to assess and prevent potential conflicts of interest from arising. Employees must obtain prior approval in writing from Employer before any outside employment or other work activity is undertaken. Failure to do so will be cause of disciplinary action. Confidentiality and professionalism are required by the very nature of the Company's business. Even the appearance of impropriety can be damaging to the Company. Employees are also cautioned to consider carefully the demands that additional work activity will create before requesting permission to seek or accept outside employment. Outside employment will not be considered an excuse for poor job performance, absenteeism, tardiness, leaving early, or refusal to work long hours during a Legislative Session.

TERMINATION OF EMPLOYMENT

Employment termination may occur because of an employee's resignation, discharge, retirement, or a permanent reduction in the Company's work force. The Employer reserves the right to discharge for any reason. In the absence of a specific written agreement, employees are free to resign at any time and for any reason, and the Employer reserves the right to terminate employment at any time and for any reason.

Employees are requested to give adequate notice of their intent to resign. Failure to give such notice may result in forfeiture of nonvested benefits as determined by Employer. At least two weeks notice is required.

Employees who are absent from work for three consecutive days without being excused or giving proper notice will be considered as having voluntarily terminated without written notice.

PAY PRACTICES

SALARY ADMINISTRATION

All compensation policy decisions will take into consideration the Employer's overall economic condition, general business need and competitive position in the business marketplace.

PERFORMANCE APPRAISALS

The job performance of each employee will be evaluated annually (June) by Employer and/or Office Manager.

PAY PROCEDURES

Employer will pay employees by check or direct deposit on a regular basis and in a manner so that the amount, method, and timing of such payments comply with any applicable laws or regulations. Employees will normally be paid on the fifteenth day and the last day of the month. If the regular payday occurs on a Saturday, or a holiday, employees will be paid on the last working day prior to the regular payday.

Employees who discover a mistake in their pay check, lose their pay check, or have it stolen should notify employer immediately.

There will be no overtime compensation. All employees are exempt employees for this purpose.

EMPLOYEE BENEFITS

DISCLOSURE OF BENEFITS

Employer may provide its employees with various welfare (medical and dental insurance) and retirement (SARSEP) benefits. If applicable, information and summary communications intended to explain these benefit plans will be furnished to all plan participants on a timely basis. Employer reserves the right to modify, amend, or terminate its welfare and retirement benefits as they apply to all current, former and retired employees. The Administrator of each benefit plan determines the eligibility for benefits according to plan provisions and to interpret the plan's terms.

HOLIDAYS

Salaried employees are immediately eligible for seven paid holidays each year: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Friday following Thanksgiving Day and Christmas Day. Other paid holidays may be designated at the discretion of Employer.

VACATION

Salaried employees earn paid vacation allowance based on the length of their active employment with Employer, as follows:

From one through five years of service, employees earn ten days of vacation per year.

After five years of service, employees earn fifteen days of vacation per year.

New employees may take one week of vacation after working six months upon prior approval from Employer.

VACATION SCHEDULING

Vacations should be scheduled as far in advance as possible, but at least four weeks prior to the vacation time. Vacation plans should be approved by Employer. Employer makes every effort to accommodate employee vacation preferences. However, Employer reserves the right to reschedule vacations when necessary to fulfill work requirements.

Employees may not receive vacation pay in lieu of time off, and vacations are not cumulative or "bankable". Employees shall take their earned vacation in the year of eligibility. Employees will not be paid for any unused vacation remaining at the end of the vacation year.

VACATION DURING LEAVE

No vacation time accrues during a personal, family or disability leave.

ABSENCE FROM WORK

ATTENDANCE AND PUNCTUALITY

Absenteeism and/or tardiness are considered disruptive to the efficient functioning of the Company. Consideration will be exercised for employees who are absent or late for legitimate and serious reasons. However, unexcused or chronic absenteeism and/or tardiness, for whatever reason, are cause for disciplinary action, up to and including termination.

Employees who are going to be late or absent, must notify Employer of same no later than 8:30 a.m.

Employees who are absent from work for three consecutive days without giving proper notice to Employer will be considered as having voluntarily terminated without notice.

SHORT-TERM SICK LEAVE

Employer will permit employees to be absent from work on a short-term basis because of sickness or injury. To help employees maintain their income during such times, Employer will provide compensation according to the guidelines below.

Short-term sick leave generally is any absence for sickness or injury continuing two weeks or less. Absences longer than two weeks must be converted to a leave of absence if employment rights are to be maintained. (see LEAVE OF ABSENCE policy).

Authorized short-term sick leave may include absences because of sickness or injury resulting in the temporary disability of the employee or a member of the employee's immediate family (the phrase "immediate family" for the purposes of this policy includes the employee's spouse, father, mother, children, step-children and any other family member actually residing in the employee's household).

In order for short-term sick leave absences to be considered authorized and potentially eligible for compensation, employees must obtain approval for absence from employer. Employees must give employer as much advance notice of an absence as possible and keep employer informed during any absence exceeding three days.

Full-time employees are eligible to be compensated for regular base wages lost during authorized absence for sickness or injury to the extent that they have accumulated days of short-term sick leave. Short-term sick leave may be accumulated as follows:

New employees during the first six months of employment. No accumulation of short-term sick leave, but three days of unpaid absence may be authorized at the discretion of Employer.

Employees with more than six months, but less than two years of service - five days; and

Employees with more than two years of service - seven days each year.

Employees may accumulate unused days of short-term sick leave up to a maximum of ten days (two work weeks) for use in future years. These unused days of short-term sick leave may be used in conjunction with a personal sick leave of absence or for a leave of absence to care for a parent, spouse, or child with a serious health condition if the absence extends beyond the limits of the policy set forth above. Unused days of short term sick leave are not convertible into cash, personal holidays or vacation. If employment is terminated by either the employee or Employer, pay for accumulated and unused days of short-term sick leave will not be granted. Employer reserves the right to require medical or other verification.

PERSONAL TIME

Salaried employees are given sixteen hours personal time off each year. This time should be used for urgent personal business which cannot be conducted outside of normal working hours. Employees should make an effort to schedule ordinary personal and business affairs outside working hours. Personal time may not be used in increments of less than one hour.

ESP TIME

ESP (Employer Supporting Parenting) time is available to all employees in one to two hour increments up to four times within a twelve month period. ESP time may be used for parent/teacher conferences, school programs, school related sporting events and doctor appointments for the employee's children or parents. ESP time will not be charged against an employee's available vacation and sick time when requested in writing in advance and approved by the Employer.

OTHER ABSENCES

Jury duty and testifying as a subpoenaed witness will not be charged against an employee's available paid vacation, sick or personal time.

Employees will be required to utilize available sick, vacation and/or personal time for time off relating to a death, funeral or estate settlement of the employee's immediate family.

LEAVE OF ABSENCE

Employer may grant employees extended leave of absence under certain circumstances. Except as stated below, employees will not receive compensation during a leave of absence.

When possible, requests for a leave of absence or any extension of a leave should be submitted in writing to the Employer thirty days prior to commencement of the leave period, or as soon as practicable. The final decision concerning the request will be made by the Employer. All employees on approved leave are expected to report any change of status in their need for a leave or their intention to return to work to Employer.

Employees on an approved leave of absence may not perform work for any other employer during that leave, except when the leave is for military service. Violation of this provision shall be cause for disciplinary action up to and including termination.

Employer will provide health insurance and other benefits to employees on leave only if mandated by law. Benefits that accrue according to length of service do not accrue during periods of leave.

Employees returning from a leave of absence may be reinstated to their same job or to an equivalent job with equivalent status and pay. Employees returning from sick leave must provide certification of their ability to perform the functions of their job. If the same job or one of equivalent status and pay is not available as a result of a reduction in force, the employee will be treated in the same manner as though he were not on leave at the time of the reduction in force.

If an employee fails to return to work at the conclusion of an approved leave of absence, including any approved extension of such leave, the employee will be considered to have voluntarily terminated employment.

APPENDIX: NOTICE TO EMPLOYEES REGARDING THE FAMILY AND MEDICAL LEAVE ACT OF 1993

SPECIFICS OF THE FAMILY AND MEDICAL LEAVE ACT OF 1993:

Employer is not required to comply with all applicable requirements of the Family and Medical Leave Act of 1993 ("FMLA"). However, should employee have a baby, she is entitled thirty calendar days of leave with pay beginning on the date of birth.

STANDARDS OF CONDUCT

Employer maintains high standards of professional conduct for employees. Since our work brings us into frequent contact with clients and prospective clients, our personal and professional conduct reflects on Employer as a professional organization as well as on ourselves individually.

Accordingly, Employer expects staff members to report for work regularly and on time, able to perform their required functions and appropriately attired. While at work or attending a business related social function, employees are expected to conduct themselves in a professional manner and to avoid situations or activities liable to discredit themselves or the Company.

Good professional conduct includes:

- Reporting to work regularly and promptly;

- Presenting a well-groomed professional image, including appropriate attire and hygiene;

- Maintaining disciplined work habits;

- Respecting Company facilities, including telephone and e-mail systems, fax machines, computer equipment, copiers and the like; and

- Interacting courteously with all clients, prospective clients, attorneys and fellow Company employees.

The following conduct is prohibited and will subject the individual involved to disciplinary action, up to and including termination:

The reporting to work under the influence of alcoholic beverages and/or illegal drugs and narcotics; or the use, sale, dispensing, or possession of alcoholic beverages and/or illegal drugs and narcotics on Company premises or at Company functions. (Alcoholic beverages may be approved for use at certain functions and on Company premises.);

Possession of firearms, other weapons or dangerous instruments on Company property;

Insubordination or the refusal by an employee to follow instructions concerning a job-related matter;

Fighting or assaulting a co-worker, client or anyone conducting business with the Company.

Theft, destruction, defacement, or misuse of Company property or of another employee's or client's property;

Gambling on Company property;

Falsifying or altering any Company record or report, such as an application for employment, a medical report, or a time record;

Threatening or intimidating co-workers, clients or anyone conducting business with the Company;

Smoking where prohibited by local ordinance or Company rules;

Offensive horseplay, pranks, or practical jokes;

Wearing attire or presenting a personal appearance that is deemed inappropriate for a professional environment;

Engaging in any form of harassment, sexual or otherwise;

Improper disclosure of confidential information pertaining to client matters or to the Company; and

Any act of dishonesty in dealing with the Company or with supervisors.

The above examples are illustrative of the type of behavior that will not be permitted, but are not intended to be an all-inclusive listing. Any violation of Company policies or any conduct considered inappropriate or unsatisfactory may, at the Employer's discretion, subject the employee to disciplinary action, up to and including termination.

DISCIPLINARY PROCEDURE

An employee's conduct becomes Employer's concern when it adversely affects job performance, other employees, clients or Employer's business. While Employer is an "at will" employer, it intends for employees to receive a reasonable chance to correct problems arising from poor performance or misconduct. Certain egregious conduct may be cause for immediate discharge.

Under normal circumstances, if the employee's performance or conduct is unsatisfactory, he or she will receive a warning in a private meeting in which the problem is defined, ways to correct the problem are discussed, and conditions or criteria for making the correction are established. If the problem persists, further disciplinary action, up to and including termination, will be taken.

CONFIDENTIALITY

All Company employees are required to read and execute a Confidentiality Agreement. Violation of the terms of this agreement shall be grounds for disciplinary action, up to and including termination.

SMOKING

Employer may smoke cigars in his office during working hours. Employee acknowledges this fact and grants consent to same for all purposes.

PERSONAL APPEARANCE OF EMPLOYEES

Employees are expected at all times to present a professional, business-like image to clients, prospective clients, and co-workers. Departures from generally accepted standards for professional dress or personal grooming and hygiene standards are not permitted. Standards for professional dress may be evaluated by Office Manager or Employer from time to time.

CLIENT RELATIONS

It is the policy of Employer to be client and service oriented and to require employees to treat clients in a courteous and respectful manner at all times. Failure to abide by this rule may result in termination at Employer's discretion.

MISCELLANEOUS

Employees have a responsibility to make sure their personnel records are up to date and should notify the Employer in writing of any changes in at least the following: name, address, telephone number, marital status (for benefits and tax withholding purposes only); number of dependents; addresses and telephone numbers of dependents and spouse or former spouse (for insurance purposes only); beneficiary designations for any of Employer's insurance, SARSEP and persons to be notified in case of emergency.

Requests for information from personnel files received from outside Company, including requests for references of former employees will be directed to the Employer. ALL EMPLOYEES ARE PROHIBITED FROM PROVIDING PERSONAL OR EMPLOYMENT REFERENCES ON FORMER OR CURRENT EMPLOYEES.

CONFIDENTIALITY AGREEMENT

THIS AGREEMENT CREATES IMPORTANT OBLIGATIONS WHICH ARE BINDING
PLEASE READ IT IN FULL BEFORE YOU SIGN IT

I hereby conCompany and agree that I have an ethical and legal responsibility to serve and protect the clients of the Offices of Neal T. "Buddy" Jones and HillCo Partners, L.L.P. (the "Employer" or the "Company"). In particular, I agree that I have a duty to preserve the confidentiality of information and material of the Company and its clients acquired by me or by the Company, including the work product of the Employer and any assistants he may have. I afCompany that I take this duty of confidentiality seriously.

In consideration of my having accepted employment with the Company, in consideration of my continued at will employment with the Company and the compensation received by me as a result of my work for the Company, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged by me, I agree as follows:

1. Definitions. For the purposes of this Agreement:
 - a) "Client Confidences" mean and include any and all (i) information or documents provided to the Company by or on behalf of a client of the Company, (ii) information obtained from a client of the Company, or from another source in connection with the Company's representation of that client, including, but not limited to, information concerning the client's personal family matters, business affairs, personnel, finances, accounts, properties and methods of operation, and (iii) Company Work Product.
 - b) "Company Confidences" mean and include all information of the Company or its clients, including financial and performance information of the Company and its employees and including financial reports, billing and collection reports, marketing and business development information that is in the care, custody or control of the Company.
 - c) "Company Work Product" includes any and all written or oral communications, notes, or memoranda made by the attorneys of the Company or their assistants at the direction of an attorney of the Company in connection with the representation of a client of the Company.
2. Non-Disclosure of Client Confidences or Company Confidences. At all times during and subsequent to my employment with the Company, I agree to keep in strictest confidence and trust Company Work Product, Client Confidences and Company Confidences to which I have access, and I will not use or disclose such confidences or work product, nor will I allow any person to examine or make copies of client or work product documents or Company confidences either prepared by me or which come into my possession or under my control without the written consent of the governing body of the Company, except as may be necessary in the ordinary course of performing my duties as an employee of the Company.
3. Delivery of Company Work Product and Documents Constituting Client Company Confidences. Upon termination of my employment for whatever reason, I will promptly deliver and surrender to the Company all copies, in whatever for, of Company Work Product and documents constituting Client Confidences or Company Confidences in my possession, custody or control.
4. Confidentiality of Previous Employers. I represent, as part of the consideration for my employment by the Company, that I have not brought and will not bring with me to the Company, any materials or documents of a former employer that are not generally available to the public, unless I have obtained express written authorization from the former employer for the possession and use. I also understand that, in my employment with the Company, I am not to breach any obligation of confidentiality that I have to former employers, and I agree that I shall fulfill all such obligations to former employers during my employment with the Company.
5. No Conflicting Agreements. I have not entered into, and agree not to enter into, any agreement either written or oral in conflict with this Agreement.
6. Enforcement. I agree that in the event of a breach or threatened breach of the provisions of this Agreement, the Company's remedies at law would be inadequate, and the Company shall be entitled to an injunction to enforce such provisions (without any bond or other security being required), but nothing herein shall be construed to preclude the Company from pursuing any remedy at law or in equity for any breach or threatened breach of this agreement.

7. Termination of Employment. I understand and agree that breach by me of any term or provision of this Agreement shall be grounds for my immediate dismissal as an employee of the Company

8. General.

- a) This Agreement shall be construed in accordance with and be governed by the laws of the State of Texas.
- b) This Agreement supersedes all other agreements between the parties with respect to the subject matter thereof.
- c) No waiver or modification of this Agreement shall be valid unless in writing and signed by both parties.
- d) If any provision of this Agreement shall be held to be invalid, illegal or unenforceable in whole or in part, the remainder portions of this Agreement shall be construed as if that provision had never been contained in this Agreement and the remainder of this Agreement shall remain valid and enforceable.
- e) It is understood and agreed that this Agreement is between the Company and the undersigned employee, and that there shall be no legal or beneficial rights to any person, other than the undersigned employee, the Company and its employees.

I HAVE READ THIS AGREEMENT UNDERSTAND IT, AND AGREE TO ITS TERMS.

Signed this 12th day of FEB., 2006

Snapper J. Car
Employee

Offices of Neal T. "Buddy" Jones and
HillCo Partners, L.L.P.

Neal T. "Buddy" Jones

William Miller

1008

ADDENDUM

Effective as of May , under PAY PRACTICES, PERFORMANCE APPRAISALS, the job performance of each employee will be evaluated on a annual basis.

No-Harassment Policy

The Firm is committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. Therefore, the Firm expects that all relationships among persons in the workplace will be business-like and free of bias, prejudice and harassment. This policy prohibits acts that constitute an unlawful hostile work environment as well as conduct that could lead to the creation of a hostile work environment.

Equal Employment Opportunity

It is the policy of the Firm to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, religion, sex, age, national origin, disability or any other characteristic protected by law. The Firm prohibits and will not tolerate any such discrimination or harassment.

Definitions of Harassment

a. Sexual harassment constitutes discrimination and is illegal under federal, state and local laws. For the purposes of this policy, sexual harassment is defined, as in the Equal Employment Opportunity Commission Guidelines, as unwelcome sexual advances, requests for sexual favors and other verbal, visual or physical conduct of a sexual nature when, for example: (i) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; (ii) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (iii) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Sexual harassment may include a range of subtle and not so subtle behaviors and may involve individuals of the same or different gender. Depending on the circumstances, these behaviors may include, but are not limited to: unwanted sexual advances or requests for sexual favors; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual's body, sexual prowess or sexual deficiencies; leering, catcalls or touching; insulting or obscene comments or gestures; display or circulation in the workplace of sexually suggestive objects or pictures (including through e-mail); and other physical, verbal or visual conduct of a sexual nature.

b. Harassment on the basis of any other protected characteristic is also strictly prohibited. Under this policy, harassment is verbal, visual or physical conduct that (a) denigrates or shows hostility or aversion toward an individual because of his/her race, color, religion, sex, age, national origin, disability or any other characteristic protected by

complaint under this policy; the complaint instead must be made directly to Dan Pearson or Buddy Jones. Employees who experience repeat harassment after telling their harasser to stop, or who experience what they believe to be retaliation, are also expected to report their complaint directly to Dan Pearson or Buddy Jones. Employees should report harassing behavior even if others also witness the conduct.

IMPORTANT NOTICE TO ALL EMPLOYEES: Employees who have experienced conduct they believe is contrary to this policy have an obligation to take advantage of this complaint procedure. An employee's failure to fulfill this obligation could affect his or her rights in pursuing legal action.

Early reporting and intervention have proven to be the most effective method of resolving actual or perceived incidents of harassment. Therefore, while no fixed reporting period has been established, the Firm strongly urges the prompt reporting of complaints or concerns so that rapid and constructive action can be taken.

The availability of this complaint procedure does not preclude individuals who believe they are being subjected to harassing conduct from promptly advising the offender that his or her behavior is unwelcome and requesting that it be discontinued.

The Investigation

Any reported allegations of harassment, discrimination or retaliation will be investigated promptly. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge. Employees are expected to cooperate fully and honestly in the investigation process.

Confidentiality will be maintained throughout the investigation process to the extent consistent with adequate investigation and appropriate corrective action.

Responsive Action

Misconduct constituting harassment, discrimination or retaliation will be dealt with appropriately. Responsive action may include, for example, training, referral to counseling and/or disciplinary action such as warning, reprimand, withholding of a promotion or pay increase, reassignment, temporary suspension without pay or termination, as the Firm believes appropriate under the circumstances.

If an employee making a complaint does not agree with its resolution, the employee may appeal to the Firm's President.

Individuals who have questions or concerns about these policies should talk with Dan Pearson or Buddy Jones.