

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF PENNSYLVANIA**

SYSTEM ONE HOLDINGS, LLC,)	
)	
Plaintiff,)	Case No. 2:24-202
)	
v.)	
)	
ACARA SOLUTIONS, INC.,)	
)	
Defendant.)	

VERIFIED COMPLAINT

Plaintiff, System One Holdings, LLC (“System One”), by its counsel, Clark Hill PLC, hereby files this Verified Complaint against Defendant, Acara Solutions, Inc. (“Acara”).

NATURE OF THE ACTION

1. This is an action by System One against Acara based on Acara’s possession and use of System One’s trade secret information, based on Acara’s interference with non-solicitation agreements between System One and its employees by hiring those employees in violation of those agreements, and based on Acara’s interference with Service Agreements between System One and a System One customer, Alstom Transportation, Inc. (“Alstom”), by indirectly hiring System One employees for placement at Alstom and by receiving and using System One confidential business information that Alstom has provided to Acara.

2. System One asserts claims in this action for violation of the Defend Trade Secrets Act, 18 U.S.C. § 1832 et seq., and of the Pennsylvania Uniform Trade Secrets Act, 12 P.S. § 5301 et seq., and for tortious interference with contract, unjust enrichment, and unfair competition.

3. The relief that System One is seeking in this action includes, inter alia, an injunction restraining Acara from its continued possession and use of System One’s confidential,

proprietary, and trade secret business information; a monetary award for the harm that Acara has caused to System One as a result of Acara's unlawful conduct; and awards of exemplary damages, punitive damages, and attorneys' fees.

PARTIES

4. System One is a limited liability company that is organized and existing under the laws of the State of Delaware, that is registered to do business in the Commonwealth of Pennsylvania, and that has its principal place of business at 210 Sixth Avenue, Suite 3100, Pittsburgh, Pennsylvania 15222.

5. Acara is a corporation that is organized and existing under the laws of the State of New York, that is registered to do business in the Commonwealth of Pennsylvania, and that has its principal place of business at 500 Pearl Street, Suite 800, Buffalo, New York 14202.

6. Subject matter jurisdiction is proper in this Court pursuant to 28 U.S.C. § 1331, as this action arises, in part, under a federal statute, the Defend Trades Secret Act, 18 U.S.C. § 1832 *et seq.*, and pursuant to 28 U.S.C. § 1332, as this is an action between corporations that are citizens of different states and the matter in controversy exceeds the sum or value of \$75,000.00, exclusive of interest and costs. Subject matter jurisdiction is proper in this Court over the pendent state law claims pursuant to 28 U.S.C. § 1367.

7. This Court has personal jurisdiction over Acara pursuant to the United States Constitution, the Pennsylvania Long Arm Statute, 42 Pa.C.S.A. § 5301, *et seq.*, and principles of due process.

8. Venue is proper in this District pursuant to 28 U.S.C. § 1391, because a substantial part of the events giving rise to System One's claims occurred within the judicial district of the United States District Court for the Western District of Pennsylvania.

Factual Background

A. Nature of System One's Business.

9. System One is an employment staffing firm that is engaged in the business of, inter alia, identifying, recruiting, screening, and hiring employees for the purpose of staffing those employees to System One customers.

10. System One solicits and does business throughout North America, and places System One employees with customers throughout North America.

11. The employment staffing industry is a highly-competitive industry, as numerous staffing firms vie with each other to hire qualified employees who are willing to work as temporary employees, and vie with each other to place those employees with a limited number of companies that choose to hire employees through staffing firms.

B. System One's Confidential Compilations of Information Concerning the Identities of, and Contact Information for, System One Employees.

12. System One expends considerable time, effort, and expense in identifying recruiting, screening, and hiring employees who are suitable for placement at System One customers.

13. The measures that System One takes to identify, recruit, screen, and hire employees include, among other things, developing relationships with clients to understand their staffing needs and technical requirements, holding intake conversations with client managers, assigning seasoned recruiters who understand the industry in which System One is staffing employees to develop a recruiting strategy for each client, and assigning seasoned and trained recruiters and sourcers to develop a passive candidate pool in the industry. System One employs its team of recruiting professionals and sourcers to utilize online platforms, including proprietary

tools, and System One's extensive internal database to identify qualified candidates to screen, interview and present to our clients.

14. As a result of System One's extensive efforts to identify, recruit, screen, and hire employees, System One is able to place, at System One customers, employees who have the specific aptitudes, qualifications, and skill sets that those customers seek.

15. Because of the considerable amount of time, effort, and expense that System One expends to identify, recruit, screen, and hire employees, System One maintains, in strict confidence, information concerning the identities of, and contact information for, those employees and maintains, in strict confidence, all lists and other compilations of that information.

16. Pursuant to the Defend Trade Secrets Act and the Pennsylvania Uniform Trade Secrets Act, compilations of business information, including but not limited to compilations of business information that would not otherwise constitute a trade secret, can constitute a trade secret. See 18 U.S.C. § 1839(3); 12 P.S. § 5302.

17. Among the measures that System One takes to protect the confidentiality of the identities of and contact information for the employees whom System One places at specific customers, and to protect the confidentiality of lists and other compilations of that information, are to include, in System One's service agreements with customers, confidentiality provisions prohibiting the customer from disclosing System One personnel information to third parties; to include, in System One's agreements with its employees, provisions which prohibit those employees from using or disclosing information regarding System One personnel for their own benefit or for the benefit of any third parties; and to include, in System One's agreements with its

employees, provisions which prohibit those employees, after their employment with System One ends, from soliciting System One personnel.

18. Possession and/or use, by a System One competitor, of System One's confidential information relating to the identities of and contact information for the employees whom System One places at specific customers, including lists and other compilations of that information, would enable the competitor to compete unfairly with System One, and to cause significant competitive harm to System One, by enabling the competitor to use the information to solicit those employees to leave the employment of System One and to become employed by the competitor, for placement by the competitor at the System One customer or for placement by the competitor with other customers.

19. Possession and/or use, by a System One competitor, of System One's confidential information relating to the identities of and contact information for the employees whom System One places at specific customers, including lists and other compilations of that information, would also enable the competitor to compete unfairly with System One, and to cause significant competitive harm to System One, by enabling the competitor to divert customers from System One based on the competitor's use of the confidential information to solicit, recruit, and hire employees whom the competitor knows have been determined by the customer to be suitable for employment with the customer.

C. System One's Confidential Pricing Information.

20. System One maintains a complex structure regarding the prices that it charges to specific customers. The structure includes, without limitation, pay rates, bill rates, markup, rebates, conversion fees, conversion periods, placement fees, payment terms, business terms and conditions, and pricing strategies. System One uses these and various other factors in its relationships with customers.

21. The prices that System One charges to specific customers constitute confidential and trade secret information of System One.

22. System One takes significant measures to protect the confidentiality of its pricing information including, but not limited to, including, in System One's service agreements with customers, confidentiality provisions prohibiting the customer from disclosing, to third parties, System One's pricing information and System One fees and charges; including, in System One's agreements with its employees, provisions which prohibit those employees from using or disclosing information regarding System One personnel for their own benefit or for the benefit of any third parties; and including, in System One's agreements with its employees, provisions which prohibit those employees, after their employment with System One ends, from soliciting System One personnel.

23. Possession by a System One competitor of System One's confidential pricing information would enable the competitor to compete unfairly with System One, by enabling the competitor to divert business from specific customers by underbidding System One with regard to the prices that the competitor charges to those customers.

D. System One's Non-Solicitation Agreements with its Employees.

24. As a condition of employment, System One requires its employees to enter into and comply with Confidentiality, Non-Solicitation, and Work Product Assignment Agreements ("Non-Solicitation Agreements"). A copy of the relevant portions of System One's current standard Non-Solicitation Agreement is attached to this Complaint as Exhibit 1.

25. Pursuant to the Non-Solicitation Agreements, and except as authorized by System One, a System One employee is precluded for a period of one year after the date of the employee's employment separation from System One, from providing services to any customer

to which the employee provided services during the last 12 months of the employee's employment with System One.

26. System One requires its employees to enter into Non-Solicitation Agreements containing non-solicitation provisions of this nature in order to protect the confidentiality of System One's confidential business information to which the employees become privy by virtue of their employment with System One, in order to protect System One's customer relationships with the System One customers with which the employees are placed, and in order to protect the investment that System One has made in identifying, recruiting, screening, and hiring employees whom System One has placed at specific customers.

E. System One's Staffing Relationship with Alstom Transportation, Inc.

27. In or about April 2016, System One entered into a Services Agreement for the Provision of Recruitment Process Outsourcing Services ("RPO Agreement") with Alstom Transportation, Inc., pursuant to which System One agreed to identify, recruit, screen, and hire employees, for placement of those employees with Alstom.

28. Alstom is an international provider of transportation-related equipment and services, having its principal place of business in Saint-Ouen-sur-Seine, France.

29. In November 2017, System One entered into a second agreement with Alstom, entitled "Service Agreement for the Provision of Temporary Staffing Services" ("TSS Agreement"), pursuant to which System One agreed to provide staffing services to Alstom. (The RPO Agreement and the TSS Agreement will hereinafter also be referred to collectively as "the Service Agreements").

30. Pursuant to the Service Agreements, the agreements are terminable by either party upon 90 days' written notice.

31. Under the Service Agreements, System One was the exclusive staffing service provider for Alstom, for placement of employees at Alstom locations in the United States and Canada.

32. Pursuant to the Service Agreements, System One has placed thousands of employees at Alstom locations in the United States and Canada.

33. Pursuant to the Service Agreements, approximately 200 System One employees are currently placed at Alstom locations. Upon information and belief, Acara is planning to hire those System One employees as Acara's own employees.

34. The positions for which System One has placed System One employees at Alstom include, for example, Project Managers, Industrial Quality Inspectors, Technicians, Project Planners, Senior Systems Engineers, Logistics Operators, and Employee Health and Safety Managers.

35. System One estimates that it has incurred expenses in excess of \$10,000,000 in identifying, recruiting, screening, and hiring employees for Alstom and in placing those employees with Alstom.

F. Confidentiality Provisions of System One's Service Agreements with Alstom.

36. The RPO Agreement contains a provision that is intended to protect confidential information that the parties to that agreement provide to the other party. That provision states, in relevant part, as follows:

ARTICLE VIII
Confidential Information

Each party (each, along with its Affiliates (as defined below) who may receive Confidential Information, a 'recipient') acknowledges and agrees that as a result of the services to be provided hereunder, it has acquired and may acquire knowledge and information of a secret and confidential nature of the other party or its Affiliates (the "discloser"). "Confidential Information" shall mean all technical information, personnel records, fees

and charges, and all information evidencing business plans, proposals, strategies, customers, sales and marketing Information, training and operations material candidate and memoranda, operating methodologies and procedures, and pricing and financial information, and all computer software and computer programs identified to the recipient of such information by the discloser as proprietary, and which are obtained by or furnished, disclosed or disseminated to the recipient during the course of Service Provider's engagement by Company, as well as all other information provided to one party to this Agreement by the other party orally or in writing which is identified as confidential prior to disclosure or delivery to the recipient, and all information and matters which constitute trade secrets of the disclosing party, all of which are hereby agreed to be the property of and confidential to the owner and discloser of such Confidential Information.

Each party further acknowledges and agrees that the other party's Confidential Information constitutes valuable property of the other party, its parents or their subsidiaries or Affiliates, generally not being disseminated or made known to persons or organizations outside of the other party at all or, if made known, being done so only under specific and restrictive conditions such as to ensure that it does not become readily available to the public and, also, that confidential information of others may be received by the other party with restrictions on its use and disclosure. Accordingly, each party agrees that:

(i) The recipient shall not, during the term of this Agreement nor at any time thereafter, disclose to anyone outside Its or its Affiliates company or use other than In connection with the services performed under this Agreement Confidential Information of the discloser or its Affiliates, except as authorized by authoritative personnel or the discloser.

(ii) Recipient shall not knowingly disclose or use secret or confidential information of others, disclosed to discloser with restrictions on the use or disclosure thereof, in violation of those restrictions, to the extent such restrictions are made known to recipient.

(iii) Each party shall not disclose to the other party or induce the other party to use, without prior permission of the owner, any secret or confidential information or material of others of which the first party is or may become possessed.

(iv) Upon the expiration or other termination of this Agreement for any reason, or at any other time the discloser requests, recipient shall thereupon deliver up to the discloser all documents, plans, drawings, letters, notebooks, reports or other papers and copies thereof in whatever form containing Confidential Information of the discloser which are then in his possession or control.

The obligations of confidentiality contained in this Agreement do not apply to Information or material:

- (a) which is in or comes into the public domain otherwise than by reason of a breach of this Agreement;
- (b) which the recipient can demonstrate it has received or acquired from a third party; provided, that such third party was not bound by or subject to an obligation of confidentiality owed to discloser or its Affiliates in respect thereof;
- (c) which the recipient can demonstrate was available to it prior to it being provided by the discloser, or which was independently developed by the recipient without violating any of its obligations under this Agreement, and which is free from restrictions as to its use or disclosure . . .

37. The TSS Agreement similarly contains a confidentiality provision relating to the production of confidential information by one party to the other. That confidentiality provision provides, in relevant part, as follows:

ARTICLE VI — Confidential Information

Each Party (and its Affiliates (as defined below) who may receive Confidential Information, a “recipient”) acknowledges and agrees that as a result of Services to be provided hereunder, it has acquired and may acquire knowledge and information of a secret and confidential nature of the other Party or its Affiliates (the “discloser”). “Confidential Information” shall mean all technical information, personnel or candidate personnel records, fees and charges, business plans, proposals, strategies, customers, sales and marketing information, training and operations material and memoranda, operating methodologies and procedures, pricing and financial information, computer software and computer programs identified to the recipient by the discloser as proprietary, and which are obtained by or furnished, disclosed or disseminated to the recipient during the term of this Agreement, as well as all other information exchanged between the Parties under this Agreement orally or in writing which is identified as confidential prior to disclosure or delivery to the recipient, and all information and matters which constitute trade secrets of the disclosing Party, all of which are hereby agreed to be the property of and confidential to the owner and discloser of such Confidential Information.

Each Party further acknowledges and agrees that the other Party's Confidential Information constitutes valuable property of the other Party, its parents or their subsidiaries or Affiliates, generally not being disseminated or made known to persons or organizations outside of the other Party at all or, if made known, being done so only under specific and restrictive conditions such as to ensure that it does not become readily available to the public. Accordingly, each Party agrees to:

- (i) Use the same degree of care as it uses to protect the confidentiality of its own Confidential Information of like nature, but no less than a reasonable degree of care;
- (ii) Use Confidential Information only for purposes of this Agreement;
- (iii) Disseminate Confidential Information only to its employees, agents, representatives and Affiliates in relation to this Agreement who have a need to know and ensure they comply with these confidentiality obligations;
- (iv) Copy or reproduce Confidential Information only to the extent required under this Agreement;
- (v) Not disclose Confidential Information to any third party without first receiving the express consent of the discloser;
- (vi) Return Confidential Information to the discloser upon first demand.

The obligations of confidentiality contained in this Agreement do not apply to information or material which was/is:

- (i) Already lawfully in the possession of a Party prior to the coming to force of this Agreement;
- (ii) Readily and legally available in the public domain prior to the coming to force of this Agreement;
- (iii) Lawfully acquired from a third party having right to convey such information;
- (iv) Developed independent of this Agreement without violating any of the obligations of this Agreement . . .

G. Provisions of System One's Service Agreements with Alstom Relating to Alstom's Hire of System One Employees.

38. Both Service Agreements also restrict Alstom's right, directly or indirectly, to hire employees whom System One has placed at Alstom.

39. Under the TSS Agreement, Alstom has the right to directly hire employees whom System One has placed at Alstom and who have worked for Alstom for less than 150 days, provided that Alstom pays System One a “conversion fee” in an amount specified in the agreement.

40. Under the TSS Agreement, Alstom has the right to directly hire, without payment of a conversion fee, employees whom System One has placed at Alstom and who have worked for Alstom for at least 150 days.

41. Under the Service Agreements, although Alstom has the right to directly hire System One employees, Alstom does not have the right to refer System One employees to another staffing firm or other third party to provide services to Alstom, to provide System One’s confidential information to another staffing firm or other third party to assist that party in recruiting System One employees for continued placement at Alstom.

42. A reason why System One contractually prohibits its customers from indirectly hiring System One employees through another staffing firm or other third party is to prevent the customer from taking the workforce that System One has recruited, screened, and placed at the customer, at considerable expense to System One, and from delivering that workforce to another staffing provider with which the customer has negotiated or seeks to negotiate lower prices or other more favorable terms than the prices and terms to which System One has agreed with the customer.

H. Alstom’s Termination of the Staffing Relationship between System One and Alstom.

43. In or around December 2023, Alstom notified System One that Alstom would be using another service provider to provide staffing services to Alstom.

44. On or about December 26, 2023, System One and Alstom entered into written amendments to the Service Agreements between System One and Alstom and agreed in the amendments that the term of those agreements would continue through March 31, 2024.

45. On January 9, 2024, Alstom's Commodity Leader – Indirect Procurement, Lucas Commelin, sent an email to System One Vice President, Todd Sullivan, in which Commelin advised Sullivan that Alstom had selected Acara Solutions, Inc., to replace System One as Alstom's staffing services provider for all Alstom locations in North America.

46. Acara is a New York-based employment staffing firm that competes directly with System One.

47. In Commelin's January 9, 2024 email to Sullivan, Commelin requested that System One provide, to Acara, census information on the System One employees whom System One had placed with Alstom; stated that System One employees would have the option of applying for employment with Acara to continue their existing assignment at Alstom; and advised System One that Acara would be contacting System One employees on January 11, 2024 regarding the transition of those System One employees to Acara.

48. Upon information and belief, Acara requested that Alstom provide System One's employee census information to Acara, or Acara asked that Alstom request that System One provide its employee census information to Acara, in order to facilitate Acara's hiring of the System One employees for placement at Alstom.

49. By letter from System One's General Counsel to Commelin dated January 10, 2024, System One informed Commelin and Alstom that Alstom had the right to hire System One employees directly upon payment of any applicable conversion fee; that Alstom lacked the right to transition the System One employees to another service provider, including Acara; that

Alstom would be in breach of its agreements with System One and that Acara would be unlawfully interfering with those agreements if Acara hired the System One employees; and that Alstom and Acara would be unlawfully interfering with System One's Non-Solicitation Agreements with its employees if Acara hired those employees for placement at Alstom.

50. On January 11, 2024, System One's President and Chief Operating Officer, Greg Lignelli, sent an email to Michael Kerouille, President of Alstom Americas, again advising Alstom that System One would not agree to the transition of System One employees to Acara.

51. On or about January 11, 2024, System One learned that Alstom may have provided Acara with confidential employee census information concerning the System One employees whom System One placed at Alstom, and may have provided Acara with one or both of the System One Service Agreements, which contain, among other confidential terms, System One's confidential pricing information.

52. Under the Service Agreements, Alstom had agreed to maintain the confidentiality of the System One business information that System One provided to Alstom, including System One's employee census information relating to the System One employees whom System One had placed at Alstom, and including the prices that System One was charging to Alstom under the Service Agreements.

53. Upon information and belief, Acara was provided by Alstom with the confidential employee census information regarding the System One employees whom System One had placed with Alstom, in order to facilitate Acara's hiring of System One employees for placement at Alstom, in violation of Alstom's Service Agreements with System One and in violation of the System One employees' Non-Solicitation Agreements with System One.

54. On January 19, 2024, Alstom confirmed to System One that a copy of a Service Agreement was provided to Acara.

55. On January 19, 2024, upon learning that Alstom may have provided Acara with System One's confidential employee census information and with the Service Agreements containing System One's confidential pricing and business information, System One, through its counsel, wrote to the Chief Executive Officer and President of Acara, to advise Acara that System One's Service Agreements with Alstom do not give Alstom the right to hire System One employees indirectly through a staffing firm other than System One; that Acara's hiring and employment of System One employees to provide services to Alstom would cause Alstom to be in breach of System One's Service Agreements with Alstom and would constitute tortious interference with those agreements by Acara; that System One's Non-Solicitation Agreements with its employees preclude the employees, for a period of one year after leaving the employment of System One, from performing services for any client to which the employee provided services at any time during the last 12 months of the employee's employment with System One; and that Acara's hiring and employment of System One employees to provide services to Alstom within 12 months after the employees' employment separation from System One would cause the employees to be in breach of their Non-Solicitation Agreements and would constitute a tortious interference with those agreements by Acara.

56. In the January 19, 2024 letter to Acara from System One's counsel, System One demanded that, for a period of one year after the employee's last day of employment with System One, Acara refrain from soliciting and hiring any of the employees whom System One has staffed and is currently staffing to Alstom.

57. In the January 19, 2024 letter to Acara from System One's counsel, System One also demanded that, on or before January 23, 2024, Acara provide, to System One, a copy of any agreements between Alstom and System One and any System One employee census information that Alstom has provided to Acara; that Acara confirm to System One that Acara has permanently destroyed and has not retained in any tangible form any pricing information or other confidential business information of System One's; and that Acara confirm that it has not contacted any of System One's employees, subcontractors, or subcontractor employees.

58. On a follow-up call that System One's counsel had with Acara Associate General Counsel, Earl Cantwell, on January 23, 2024, Cantwell was dismissive of System One's demands and concerns regarding Acara's possession of System One's confidential business information and Acara's hiring of System One employees, and Cantwell refused to provide System One with any of the information demanded in System One's January 19, 2024 letter to Acara. During that call, Cantwell stated that he had reviewed a list of employees, work locations, and pay rates.

59. Upon information and belief, since the January 23, 2024 telephone conversation between Cantwell and counsel for System One, Acara has proceeded to use System One's confidential employee census information to recruit and hire System One employees for placement at Alstom.

60. To date, Acara has failed and refused to provide System One with the information that System One demanded in the January 19, 2024 letter to Acara from System One's counsel, including a copy of any agreements between Alstom and System One and any System One employee censuses that Alstom has provided to Acara; confirmation that Acara has permanently destroyed and has not retained in any tangible form any pricing information or other confidential

business information of System One's; and confirmation that Acara has not contacted any of System One's employees, subcontractors, or subcontractor employees.

COUNT I

Violation of the Defend Trade Secrets Act

61. System One hereby incorporates by reference the allegations of Paragraphs 1 through 60 of this Complaint.

62. The information that System One develops and maintains regarding the identities and contact information for System One employees, and the lists and other compilations that System One has developed and maintained regarding that information, constitute protected trade secrets within the meaning of the Defend Trade Secrets Act, 18 U.S.C. § 1839.

63. System One's pricing information constitutes a protected trade secret within the meaning of the Defend Trade Secrets Act, 18 U.S.C. § 1839. (The confidential information that System One has developed and maintains regarding its employees, and System One's confidential pricing and business information, will hereinafter also be referred to as the "Trade Secret Information").

64. The Trade Secret Information concerns services that System One provides in interstate commerce.

65. The Trade Secret Information is of independent economic value.

66. Knowledge of or use of the Trade Secret Information is of value to Acara.

67. Acara knows that the Trade Secret Information is confidential and proprietary to System One and that the information was not to be disclosed to or used by third parties, including Acara.

68. Acara understood the importance to System One of maintaining the confidentiality of the Trade Secret Information and knew that the use of that information by

Acara was improper, unethical, unlawful, and in violation of the legal obligations that Acara owes to System One.

69. Acara knew that it does not have System One's consent to share, possess, and/or use the Trade Secret Information.

70. Acara's possession and use of the Trade Secret Information, with the knowledge that the information is confidential to System One and is not to be disclosed to or used by third parties, including Acara, constitute a violation of the Defend Trade Secrets Act, 18 U.S.C. § 1831, *et seq.*

71. In violating the Defend Trade Secrets Act, Acara has acted willfully, maliciously, and with reckless disregard of System One's rights, entitling System One to the recovery of exemplary damages and reasonable attorneys' fees.

72. As a direct and proximate result of Acara's wrongful conduct, Acara has unjustly profited and System One has suffered and will continue to suffer immediate and irreparable harm, including but not limited to incalculable financial losses, loss of the confidentiality of the Trade Secret Information, and other continuing harm and damages in an amount to be determined at trial.

COUNT II

Violation of the Pennsylvania Uniform Trade Secrets Act

73. System One hereby incorporates by reference the allegations of Paragraphs 1 through 72 of this Complaint.

74. Acara's misappropriation of the Trade Secret Information constitutes a violation of the Pennsylvania Uniform Trade Secrets Act, 12 P.S. § 5301, *et seq.*

75. In violating the Pennsylvania Uniform Trade Secrets Act, Acara has acted willfully, maliciously, and with reckless disregard of System One's rights, entitling System One to the recovery of exemplary damages and reasonable attorneys' fees.

76. As a direct and proximate result of Acara's wrongful conduct, Acara has unjustly profited and System One has suffered and will continue to suffer immediate and irreparable harm, including but not limited to incalculable financial losses, loss of the confidentiality of the Trade Secret Information, and other continuing harm and damages in an amount to be determined at trial.

COUNT III

Tortious Interference with System One's Service Agreements with Alstom

77. System One hereby incorporates by reference the allegations of Paragraphs 1 through 76 of this Complaint.

78. The Service Agreements between System One and Alstom prohibit Alstom from hiring, through a staffing firm other than System One or through any other third party, employees whom System One has placed at Alstom, and the Service Agreements require Alstom to maintain in confidence, and not to disclose to third parties, any confidential business information that System One provides to Alstom pursuant to those agreements.

79. At all times relevant to this Complaint, Acara has had knowledge that the Service Agreements between System One and Alstom prohibit Alstom from hiring, through a staffing firm other than System One or through any other third party, the employees whom System One has placed at Alstom, and that the Service Agreements require Alstom to maintain in confidence, and not to disclose to third parties, any confidential business information that System One provides to Alstom pursuant to those agreements.

80. Despite Acara's knowledge that the Service Agreements between System One and Alstom prohibit Alstom from hiring, through a staffing firm other than System One or through any other third party, the employees whom System One has placed at Alstom, Acara has intentionally induced Alstom to breach the Service Agreements, by hiring System One employees for placement at Alstom and by placing those employees at Alstom.

81. Despite Acara's knowledge that the Service Agreements between System One and Alstom require Alstom to maintain in confidence, and not to disclose to third parties, any confidential business information that System One provides to Alstom pursuant to the Service Agreements, Acara has intentionally induced Alstom breach the Service Agreements, by receiving from Alstom and retaining System One's Trade Secret Information.

82. No privilege or justification exists for Acara's intentional interference with Alstom's contractual obligations to System One.

83. Acara has acted intentionally, willfully, maliciously, and with reckless indifference to the rights of System One in inducing Alstom to breach its contractual obligations to System One. The conduct of Acara was and continues to be outrageous.

84. As a result of Acara's tortious interference with Alstom's contractual obligations, System One has been and will continue to be damaged, will continue to be immediately and irreparably harmed, and does not have a complete and adequate remedy at law.

COUNT IV

Tortious Interference with System One's Non-Solicitation Agreements

85. System One incorporates hereby by reference the allegations of Paragraphs 1 through 84 of this Complaint.

86. The Non-Solicitation Agreements between System One and its employees preclude the employees, for a period of one year after their employment separation from System

One, from providing services to any customer to which the employees provided services during the last 12 months of their employment with System One.

87. At all times relevant to this Complaint, Acara has had knowledge that the Non-Solicitation Agreements between System One and its employees preclude the employees, for a period of one year after their employment separation from System One, from providing services to any customer to which the employees provided services during the last 12 months of their employment with System One.

88. Despite Acara's knowledge of the restrictions set forth in System One's Non-Solicitation Agreements, upon information and belief, Acara has intentionally induced and is continuing to intentionally induce System One employees to be in breach of their Non-Solicitation Agreements, by hiring those employees to provide services to Alstom within 12 months after the employees' employment separation from System One.

89. No privilege or justification exists for Acara's intentional interference with System One's Non-Solicitation Agreements.

90. Acara has acted intentionally, willfully, maliciously, and with reckless indifference to the rights of System One in inducing System One employees to breach their Non-Solicitation Agreements with System One. The conduct of Acara was and continues to be outrageous.

91. As a result of Acara's tortious interference with System One's Non-Solicitation Agreements with its employees, System One has been and will continue to be damaged, will continue to be immediately and irreparably harmed, and does not have a complete and adequate remedy at law.

COUNT V

Unjust Enrichment

92. System One hereby incorporates by reference the allegations of Paragraphs 1 through 91 of this Complaint.

93. Acara is utilizing System One's confidential business information to transition, to Acara, for placement at Alstom, the System One workforce that System One had placed at Alstom.

94. System One has expended considerable time, efforts, and resources to identify, recruit, screen, and hire the employees whom System One has placed at Alstom.

95. In transitioning, to Acara, the System One workforce that System One had placed at Alstom, Acara is avoiding the expense of identifying, recruiting, screening, and hiring employees whom Acara will place at Alstom, and whom Alstom has already determined are suitable for employment at Alstom.

96. Acara will be unjustly enriched by the profits that Acara receives from Alstom as a result of the placement, at Alstom, of the System One employees whom System One has already identified, recruited, screened, and hired for placement at Alstom, and whom Alstom has already determined are suitable for employment at Alstom.

97. To prevent the continuing unjust enrichment of Acara, System One is entitled to payment from Acara of the profits that Acara has received and will receive as a result of its transition, to Acara, of the System One employees whom System One has identified, recruited, screened, and hired for placement at Alstom.

OUNT VI

Unfair Competition

98. System One hereby incorporates by reference the allegations of Paragraphs 1 through 97 of this Complaint.

99. Acara, by breaching its statutory and common law obligations to System One, as described above, has engaged in unfair competition with System One.

100. In inducing Alstom to breach its contractual obligations to System One, and in inducing System One employees to breach their Non-Solicitation Agreements with System One, Acara has engaged in further unfair competition against System One.

101. Acara's conduct has been contrary to honest commercial and industrial practices.

102. Acara's conduct has been willful, intentional, and unprivileged, and has caused and will continue to cause System One to suffer irreparable harm and monetary damages.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, System One Holdings, LLC, requests that the Court enter injunctive relief and a judgment in its favor and award the following relief with respect to the claims asserted in this Complaint:

- a. Award preliminary and permanent injunctive relief enjoining Defendant, Acara Solutions, Inc., for a period of one year after the end of the employee's employment with System One, from soliciting for hire or engagement, or hiring or engaging, any current or former System One employee who provided services to Alstom Transportation, Inc., within the last 12 months of the employee's employment with System One;
- b. Award preliminary and permanent injunctive relief ordering Defendant, Acara Solutions, Inc., to return to System One all originals and copies of all Trade Secret Information or other matter or materials containing confidential and/or proprietary business information of System One's;
- c. Award preliminary and permanent injunctive relief enjoining Defendant, Acara Solutions, Inc., from utilizing or disclosing, for any purpose, any

confidential information of System One's, including but not limited to the Trade Secret Information;

- d. Award preliminary and permanent injunctive relief enjoining Defendant, Acara Solutions, Inc., and all persons acting in concert with it, from using, disclosing, or otherwise misappropriating any and all trade secret, proprietary, and protected System One confidential information, including the Trade Secret Information;
- e. Award System One compensatory, punitive, and exemplary damages;
- f. Award System One its attorneys' fees and costs of suit; and
- g. Award System One such other and further relief as the Court may deem appropriate.

JURY DEMAND

A trial by jury is hereby demanded on all claims and issues so triable.

Respectfully submitted,

Dated: February 19, 2024

/s/ J. Alexander Hershey

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Counsel for Plaintiff,

System One Holdings, LLC

VERIFICATION

I, Greg Lignelli, as an authorized representative of System One Holdings, LLC, hereby verify that I am authorized to make this Verification on behalf of System One Holdings, LLC, and verify under penalty of perjury that the facts set forth in the foregoing Verified Complaint are true and correct, to the best of my knowledge, information, and belief. I understand that this verification is made subject to 28 U.S.C. § 1746.

A handwritten signature in black ink, appearing to read 'G. Lignelli', written over a horizontal line.

President and Chief Operating Officer
System One Holdings, LLC

Dated: February 15, 2024