

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OKLAHOMA**

1. DOUBLE EAGLE ALLOYS, INC.	)	
	)	
Plaintiff,	)	
	)	
vs.	)	Case No. 19-CV-243-TCK-FHM
	)	
2. MICHEL HOOPER and	)	
3. ACE ALLOYS, LLC,	)	
	)	
Defendants.	)	

COMPLAINT

Plaintiff Double Eagle Alloys, Inc., for its Complaint against Michael Hooper and Ace Alloys, LLC, alleges and states that Hooper, on behalf of himself and Ace Alloys, engaged in industrial espionage and also fraud and related activity in connection with computers against Double Eagle. Hooper surreptitiously stole at least 18 of Double Eagle's confidential electronic customer files. Hooper and Ace did this to compete unfairly against Double Eagle, using Double Eagle's own confidential customer information against it, in violation of both federal and state law. Double Eagle further alleges as follows.

PARTIES

1. Plaintiff Double Eagle Alloys is incorporated in Oklahoma and it has its principal place of business in Oklahoma. It is a unique specialty metals service center specializing in high alloy and nickel alloy products. It is an industry expert in pump shaft quality long bar products.

2. Defendant Michael Hooper was hired by Double Eagle on November 5, 2007 as a saw operator. Hooper was subsequently promoted to Inside Sales on March 1, 2008. Hooper's title changed to Inside Sales Coordinator on February 15, 2012. Hooper's final

position with Double Eagle was Inside Sales Manager, which role he held from August 16, 2014 until his resignation of April 5, 2019. Double Eagle came to learn on April 29, 2019 that Hooper also was working for Ace Alloys since at least March 22, 2019 while Hooper was still employed by Double Eagle. Hooper officially joined the employment of Ace Alloys on April 5, 2019.

3. Defendant Ace Alloys is an Oklahoma limited liability company with its principal place of business in Oklahoma, operating in interstate commerce. This company, founded by former Double Eagle Alloy employees less than two years ago, is trying to compete in the same space as Double Eagle. One of its employees is Peter Hooper, the brother of defendant Michael Hooper. Peter Hooper left his employment with Double Eagle on April 20, 2018. Ace Alloy owner, Brandon Gerhart, left his employment with Double Eagle on February 2, 2018.

JURISDICTION AND VENUE

4. Jurisdiction in this Court is proper under 28 U.S.C. § 1331 as Double Eagle brings one Federal claim against Hooper and Ace under 18 U.S.C. § 1030(g), concerning fraud and related activity in connection with computers, a law of the United States. Double Eagle also brings a second federal claim under the Defend Trade Secrets Act, 18 U.S.C. § 1836(b).

5. Supplemental jurisdiction over the state law claims is appropriate under 28 U.S.C. § 1367 as this Court has original jurisdiction over the Federal claims and the state law claims are so related to the Federal claims that they form part of the same case or controversy.

6. Venue is proper in this Judicial District under 28 U.S.C. § 1391(a) and (b) as both Defendants reside in this District and a substantial part of the events giving rise to the claims occurred in this District.

FACTS

7. Double Eagle restates and re-alleges each of the prior allegations as if fully rewritten herein.

8. Double Eagle was founded in the year 2000 and it specializes in the fabricating and procuring of high alloy and nickel alloy products, for use in submersible pumps, for the oil and gas industry and for a variety of other end uses.

9. Double Eagle has a personnel policy on Confidentiality as follows:

Company employees are expected to maintain the information they receive which is of a nonpublic or confidential character in the strictest of confidence and may not disclose such information to any persons not authorized to receive it. The obligation to maintain the confidentiality of Company matters is a condition of employment and the responsibilities for not disclosing confidential information received during the course of employment *continues after employment with the Company ceases.* (emphasis added)

10. In his Inside Sales roles, Hooper had computer access to Double Eagle's confidential customer information including customer names, addresses, contact persons, email addresses, order information, drawings of parts, specifications for parts, gross pricing, profit margins and other information. Hooper's authorized access to and use of that information and Double Eagle's computers was limited to only such access and use as needed in his employment with and for the benefit of Double Eagle.

11. Double Eagle's computers, including but not limited to those used by Hooper, are used in or affecting interstate and foreign commerce and communication.

12. On Friday March 22, 2019, Hooper, acting on his own behalf and on behalf of his undisclosed new employer Ace Alloys, between 5:35 p.m. and 5:38 p.m. CDT, downloaded from the Double Eagle computer system customer information on Double Eagle's largest 18 customers. This download was to a portable memory device. This downloaded information,

which Hooper labeled “Customer Files,” included (a) customer contact information, (b) contracts and pricing agreements with amendments, (c) material specifications, (d) drawings/prints of customer parts, (e) Double Eagle invoices to customers, (f) material test reports, (g) packing slips of shipments, (h) letter of credit agreements for international customers, (i) current price quotes, (j) detailed information about ongoing contract negotiations with customers, (k) audits and forms, (l) customer AMLs, (m) terms and conditions of sales, and (n) power points of quarterly business reviews with Double Eagle’s partners in business. All of these downloads were done after regular work hours, when everyone else had left to start their weekends.

13. Also on March 22, 2019, at 5:33:08 p.m. Hooper downloaded a Double Eagle Report titled “ISR Invoice Analysis outlining month to date customer specific sales and gross information by salesperson” to his portable memory device. This information is protected, confidential, and not available to the public.

14. At about the same time on the same date, he downloaded a number of other confidential customer-specific files owned by Double Eagle.

15. Hooper did not divulge to any other Double Eagle employee that he had stolen Double Eagle’s confidential customer files on behalf of himself and Ace Alloys.

16. The morning of April 5, 2019, Hooper told Double Eagle that he was resigning to go to work for a competitor.

17. Hooper left Double Eagle on April 5, 2019 and went that same morning to Ace Alloys to begin his public employment with Ace.

18. On April 5, 2019, Hooper started to email customers that he had worked with at Double Eagle notifying them that he had moved to Ace, and soliciting the business of these

Double Eagle customers on behalf of Ace. Also on April 5, 2019, Hooper emailed Double Eagle customers that he had not worked with at Double Eagle, soliciting their business on behalf of Ace. Hooper used the confidential trade secret information he stole from Double Eagle to do this.

19. On April 11, 2019, counsel for Double Eagle sent a letter to Hooper telling him that it seemed to the Company that since Hooper was sending emails on April 5 both to his Double Eagle customers and to Double Eagle customers that he had not dealt with, that the Company naturally concluded that Hooper had pirated trade secrets and confidential customer information from Double Eagle prior to his April 5 departure from Double Eagle. Counsel asked, if Hooper had taken such information, that it be returned.

20. On April 18, 2019, counsel for Hooper and Ace Alloys sent to counsel for Double Eagle a letter that stated, in part: “In response to your letter dated April 11, 2019, Mr. Hooper can confirm that he did not pirate any trade secrets of his former employer, Double Eagle. Mr. Hooper has no Double Eagle confidential information to return or delete.”

21. In response to the representation by counsel for Hooper, Double Eagle hired a computer forensic specialist to determine whether Hooper accurately reported to his counsel that he had taken no Double Eagle confidential or trade secret information.

22. On April 22, 2019, Double Eagle became aware that Hooper made an in-person sales pitch to a Double Eagle customer on behalf of Ace Alloys. During this sales pitch, Hooper offered the Double Eagle customer a quote on behalf of Ace Alloys to supply to it the same part that Double Eagle supplied, at \$1.00 less per part than the contract price with Double Eagle. The contract price between Double Eagle and its customer was information known only to Double Eagle and the customer.

23. On April 29, 2019, the computer forensic specialist told Double Eagle about the downloads Hooper made from the Double Eagle computer system containing confidential Double Eagle information and its trade secrets, as described above.

**COUNT ONE – FRAUD AND RELATED ACTIVITY IN CONNECTION WITH
COMPUTERS, 18 U.S.C. § 1030**

24. Double Eagle restates and re-alleges each of the prior allegations as if fully rewritten herein.

25. 18 U.S.C. § 1030(g) states in pertinent part that: “Any person who suffers damage or loss by reason of a violation of this section may maintain a civil action against the violator to obtain compensatory damages and injunctive or other equitable relief. A civil action for a violation of this section may be brought only if the conduct involves 1 of the factors set forth in subclauses (I), (II), (III), (IV) or (V) of subsection (c)(4)(A)(i).”

26. Subclause (I) of subsection (c)(4)(A)(i) applies where the offense results in “loss to 1 or more persons during any 1-year period . . . aggregating at least \$5,000 in value.”

27. Hooper, and Ace Alloys through Hooper, intentionally accessed a Double Eagle protected computer without authorization or exceeding authorized access and thereby obtained information from a protected computer in violation of 18 U.S.C. § 1030(a)(2)(C).

28. Hooper, and Ace Alloys through Hooper, knowingly and with intent to defraud, accessed a Double Eagle protected computer without authorization, or exceeding authorized access, and by means of such conduct furthered the intended fraud and obtained information of value in violation of 18 U.S.C. § 1030(a)(4).

29. Upon information and belief, Hooper and Ace Alloys conspired to commit an offense under 18 U.S.C. § 1030(a) in violation of 18 U.S.C. § 1030(b).

30. Hooper, on behalf of himself and his undisclosed new employer Ace Alloys, without authorization and in excess of authorized access, intentionally accessed confidential Double Eagle information and trade secrets on a protected computer. Hooper, on behalf of himself and his undisclosed new employer Ace Alloys, without authorization and in excess of authorized access, intentionally used a Double Eagle protected computer to download confidential Double Eagle information and its trade secrets on the afternoon of March 22, 2019. By April 5, 2019 and continuing, Hooper and Ace Alloys were using confidential Double Eagle information and trade secrets to the detriment of Double Eagle and to the benefit of Hooper and Ace Alloys.

31. Double Eagle has suffered and continues to suffer loss in excess of \$5,000, in an amount that it will prove at trial.

32. Double Eagle is entitled to preliminary and permanent injunctive relief under this statute to prohibit Hooper and Ace Alloys from using the information Hooper downloaded on March 22, as well as any other downloads of Double Eagle's confidential Double Eagle information and its trade secrets that Hooper made in order to compete against it. Double Eagle is further entitled to injunctive relief to have Hooper and Ace return Double Eagle's information to it.

COUNT TWO – VIOLATION OF THE DEFEND TRADE SECRETS ACT

33. Double Eagle restates and re-alleges each of the prior allegations as if fully rewritten herein.

34. All of the information that Hooper downloaded from Double Eagle on March 22, 2019 is a "trade secret" as defined by the Defend Trade Secrets Act, 18 U.S.C. § 1836 *et seq.*, which statute grants a private right of action under 18 U.S.C. § 1836 (b). The information

downloaded by Hooper contains Double Eagle's financial, business, scientific, technical, economic, and engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs, or codes.

35. The information downloaded by Hooper derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use. Double Eagle has compiled the information contained in the "Customer Files," "ISR Invoice Analysis outlining month to date customer specific sales and gross information by salesperson," and other customer-specific files over many years that were downloaded by Hooper. The information downloaded by Hooper gives Double Eagle a competitive advantage over its competitors who do not have access to such information.

36. The information downloaded by Hooper was and is the subject of reasonable measures by Double Eagle to maintain secrecy. Such efforts include but are not limited to the maintenance of personnel policies requiring employees during and after employment to maintain the information in the strictest of confidence, limiting the number of employees who have access to such information, and limiting access to the computers on which the information is stored.

37. Hooper and Ace Alloys willfully and maliciously misappropriated Double Eagle's protected trade secrets in violation of the Defend Trade Secrets Act.

38. Hooper used improper means to acquire knowledge of the trade secrets. Such improper means include but are not limited to Hooper's accessing, collecting, downloading, and removing Double Eagle's trade secrets without authorization. Hooper breached a duty to

maintain the secrecy of Double Eagle's trade secrets. Hooper engaged in espionage through electronic means to access, collect, download, and remove from Double Eagle its trade secrets.

39. Ace Alloys acquired the trade secrets from Hooper knowing or with reason to know that Hooper acquired them by improper means.

40. Hooper disclosed Double Eagle's trade secrets to Ace Alloys without the express or implied consent of Double Eagle, and both Hooper and Ace Alloys used the trade secrets without the express or implied consent of Double Eagle. At the time that the trade secrets were disclosed and used, both Hooper and Ace Alloys knew or had reason to know that Hooper used improper means to acquire knowledge of the trade secrets, and that Hooper owed a duty Double Eagle to maintain the secrecy and limit the use of its trade secrets.

41. All of the information that Hooper downloaded from Double Eagle on March 22, 2019 is a trade secret related to a product or service used in, or intended for use in, interstate and foreign commerce.

42. Hooper and Ace Alloys have damaged Double Eagle based on their violation of the Defend Trade Secrets Act in an amount to be proved at trial.

43. Hooper and Ace Alloys have been unjustly enriched based on their violation of the Defend Trade Secrets Act in an amount to be proved at trial.

44. Double Eagle is entitled to preliminary and permanent injunctive relief under this statute to prohibit Hooper and Ace Alloys from using the information Hooper downloaded on March 22, as well as any other downloads of Double Eagle's confidential Double Eagle information and its trade secrets that Hooper made in order to compete against it. Double Eagle is further entitled to injunctive relief to have Hooper and Ace return Double Eagle's information to it.

COUNT THREE – VIOLATION OF THE OKLAHOMA UNIFORM TRADE SECRETS ACT

45. Double Eagle restates and re-alleges each of the prior allegations as if fully rewritten herein.

46. All of the information that Hooper downloaded from Double Eagle on March 22, 2019 is a “trade secret” as defined by Oklahoma law. Okla. Stat. tit. 78, § 86.

47. The information downloaded by Hooper derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use. Double Eagle has compiled the information contained in the “Customer Files,” “ISR Invoice Analysis outlining month to date customer specific sales and gross information by salesperson,” and other customer-specific files over many years that were downloaded by Hooper. The information downloaded by Hooper gives Double Eagle a competitive advantage over its competitors who do not have access to such information.

48. The information downloaded by Hooper was and is the subject of reasonable efforts by Double Eagle to maintain secrecy. Such efforts include but are not limited to the maintenance of personnel policies requiring employees during and after employment to maintain the information in the strictest of confidence, limiting the number of employees who have access to such information, and limiting access to the computers on which the information is stored.

49. Hooper and Ace Alloys willfully and maliciously misappropriated Double Eagle’s protected trade secrets in violation of the Oklahoma Uniform Trade Secrets Act.

50. Hooper used improper means to acquire knowledge of the trade secrets. Such improper means include but are not limited to Hooper’s accessing, collecting, downloading, and

removing Double Eagle's trade secrets without authorization. Hooper breached a duty to maintain the secrecy of Double Eagle's trade secrets. Hooper engaged in espionage through electronic means to access, collect, download, and remove from Double Eagle its trade secrets.

51. Ace Alloys acquired the trade secrets from Hooper knowing or with reason to know that Hooper acquired them by improper means.

52. Hooper disclosed Double Eagle's trade secrets to Ace Alloys without the express or implied consent of Double Eagle, and both Hooper and Ace Alloys used the trade secrets without the express or implied consent of Double Eagle. At the time that the trade secrets were disclosed and used, both Hooper and Ace Alloys knew or had reason to know that Hooper used improper means to acquire knowledge of the trade secrets, and that Hooper owed a duty Double Eagle to maintain the secrecy and limit the use of its trade secrets.

53. Hooper and Ace Alloys have damaged Double Eagle based on their violation of the Oklahoma Uniform Trade Secrets Act, Okla. Stat. tit. 78, § 85 *et seq.*, in an amount exceeding \$5,000, in an amount to be proved at trial.

54. Hooper and Ace Alloys have been unjustly enriched based on their violation of the Oklahoma Uniform Trade Secrets Act, Okla. Stat. tit. 78, § 85 *et seq.*, in an amount to be proved at trial.

55. Double Eagle is entitled to preliminary and permanent injunctive relief under this statute to prohibit Hooper and Ace Alloys from using the information Hooper downloaded on March 22, as well as any other downloads of Double Eagle's confidential Double Eagle information and its trade secrets that Hooper made in order to compete against it. Double Eagle is further entitled to injunctive relief to have Hooper and Ace return Double Eagle's information to it.

COUNT FOUR – MISAPPROPRIATION OF BUSINESS INFORMATION

56. Double Eagle restates and re-alleges each of the prior allegations as if fully rewritten herein.

57. To the extent that any portion of the information that Hooper downloaded from Double Eagle on March 22, 2019 is not a “trade secret” as defined by Oklahoma law, Hooper and Ace Alloys are alternatively liable for the misappropriation of business information.

58. The information that Hooper downloaded from Double Eagle on March 22, 2019 is business property of Double Eagle. It is confidential and not available to competitors by proper means. The confidential business information is a particular secret to Double Eagle.

59. The information downloaded by Hooper was and is the subject of reasonable efforts by Double Eagle to maintain secrecy. Such efforts include but are not limited to the maintenance of personnel policies requiring employees during and after employment to maintain the information in the strictest of confidence, limiting the number of employees who have access to such information, and limiting access to the computers on which the information is stored.

60. Hooper wrongfully procured the confidential business information by, but not limited to, accessing, collecting, downloading, and removing Double Eagle’s confidential business information without authorization or in excess of his authorization.

61. Ace Alloys wrongfully procured the confidential business information by, but not limited to, obtaining it from Hooper knowing or having reason to know that it was wrongfully procured.

62. Hooper and Ace Alloys have damaged Double Eagle based on their misappropriation of its confidential business information in an amount to be proved at trial.

63. Hooper and Ace Alloys have been unjustly enriched based on their misappropriation of Double Eagle's confidential business information in an amount to be proved at trial.

64. Double Eagle is entitled to preliminary and permanent injunctive relief to prohibit Hooper and Ace Alloys from using the information Hooper downloaded on March 22, as well as any other downloads of Double Eagle's confidential Double Eagle information and its trade secrets that Hooper made in order to compete against it. Double Eagle is further entitled to injunctive relief to have Hooper and Ace return Double Eagle's information to it.

COUNT FIVE – CIVIL CONSPIRACY

65. Double Eagle restates and re-alleges each of the prior allegations as if fully rewritten herein.

66. Upon information and belief, Hooper and Ace Alloys conspired to and acted together to misappropriate Double Eagle's confidential business information.

67. Hooper and Ace Alloys acted willfully and maliciously with an intent to injure Double Eagle when Hooper unlawfully accessed and obtained confidential Double Eagle information, when Hooper disclosed the same to Ace Alloys and when both Hooper and Ace Alloys used the confidential Double Eagle information.

68. Double Eagle suffered and continues to suffer damages as the proximate result of the unlawful conduct of the conspiracy. Double Eagle is entitled to redress as against both Hooper and Ace Alloys for all underlying tortious conduct.

PRAYER FOR DAMAGES AND INJUNCTIVE RELIEF AND ATTORNEY FEES

69. Double Eagle seeks damages in excess of \$5,000 in an amount to be proven at trial from Hooper and Ace Alloys.

70. Double Eagle seeks exemplary damages from Hooper and Ace Alloys.

71. Double Eagle is entitled to preliminary and permanent injunctive relief under both federal and state law to prohibit Hooper and Ace from further using the Double Eagle information Hooper downloaded on March 22, 2019, as well as any other downloads of Double Eagle that Hooper made in order to compete against it. Double Eagle is further entitled to injunctive relief to have Hooper and Ace return Double Eagle's information to it.

72. Double Eagle further seeks Hooper and Ace Alloys to pay its attorneys' fees incurred in this action, under applicable law.

73. Double Eagle further seeks whatever damages, costs and fees to which it is entitled.

JURY TRIAL DEMANDED.

Respectfully submitted,

s/ Jason S. Taylor

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