

**SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF ALBANY**

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**WHITE MANAGEMENT CORP., M & W FOODS, INC.,  
LOG JAM OF GLENS FALLS, INC., BOUNTIFUL  
BREAD, INC., PLATTSBURGH TACO INC., KODIAK  
CREAMERY, INC., NORPCO RESTAURANT, INC.,  
ALBANY-PLATTSBURGH UNITED CORP.,  
CCB REALTY LLC and DAVID R. WHITE****Plaintiffs,****-against-****SECOND  
AMENDED  
COMPLAINT  
Index # 904783-20****RAY E. ALEY, III,****Defendant.**

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Plaintiffs by their attorneys Feeney and Centi, for a Second Amended Complaint herein, respectfully allege and show the Court as follows:

1. Plaintiff White Management Corp. is a close corporation organized under the laws of the State of Delaware and authorized to do business in the State of New York, with principal office in Oneida County, New York.

2. Plaintiffs M & W Foods, Inc., Log Jam of Glens Falls, Inc., Bountiful Bread, Inc., Plattsburgh Taco Inc., Kodiak Creamery, Inc., Norpco Restaurant, Inc. and Albany-Plattsburgh United Corp. are close corporations and organized under the laws of the State of New York, each having its principal office in Oneida County, New York.

3. Plaintiff CCB Realty LLC is a close limited liability company authorized under the laws of the State of New York, with principal office in Albany, New York.

4. Plaintiff David R. White (“White”) is a resident of Albany County, New York.

5. All of the aforesaid plaintiff entities (hereinafter collectively referred to as the “White Companies”) are engaged in the restaurant industry.

6. At all times relevant herein, the controlling shareholder or controlling member of each of the White Companies was and is plaintiff White.

7. Additionally, plaintiff White at all such relevant times, held positions as director, officer and/or manager of the White Companies.

8. Also, White has appointed members of his family to key positions in the White Companies, and he has provided that the shares or membership interests therein are exclusively or primarily owned by himself and his family members so as to maintain the White Companies as a family business.

9. At all times relevant herein, defendant Ray E. Aley, III (“Aley”) was a shareholder, Vice President and Director in plaintiffs M & W Foods, Inc. and Plattsburgh Taco, Inc.

10. For many years, plaintiff White Management Corp. has provided oversight and assistance to the other White Companies.

11. In order to effect and facilitate such oversight and assistance, certain confidential and proprietary information concerning the White Companies and White has been compiled and maintained by White Management Corp.

12. Such information has been and is safeguarded by White Management Corp. to prevent its disclosure to unauthorized parties, and defendant promised and agreed with plaintiffs not to engage in disclosure of confidential and proprietary of the White Companies however obtained by him, and was obligated not to do so by policy of the White Companies and contained in the White Management Corp. Employee Handbook.

13. Such information is compiled and maintained on a private computer network (the "White Network"), owned and operated by White Management Corp., access to which can be gained only by someone possessing valid credentials issued by White Management Corp.

14. The credentials so required are the user's personal login code and password.

15. At all such times relevant herein, two types of such credentials were issued; one type allows for only limited access to information maintained on the White Network; the other type allows for unlimited access to the information maintained on the White Network.

16. Specifically, White Management Corp. issued credentials to the

managers of the restaurants operated by the White Companies; however, the credentials held by each such manager have enabled access only to the White Network section containing the ledgers of the restaurant or store such user manages, profit and loss statements of certain comparable stores, certain generic non-financial information, and to no other information.

17. However, unlike the credentials issued to such restaurant managers, those issued to defendant Aley, Brian White, and White Management Corp.'s Chief Financial Officer have enabled them to access all information maintained on the White Management network, which consists of confidential and proprietary information about White and the White Companies.

18. White Management Corp.'s Chief Financial Officer reports directly to White who is the President and Director of such Corporation.

19. Brian White and defendant Aley are close family members of White, and were entrusted with such unlimited access to such confidential and proprietary information concerning White and the White Companies in order to maintain, facilitate and foster family oversight, input, interaction and continuity for the businesses of the White Companies.

20. When entrusted with such credentials and thereafter, defendant Aley understood that the information contained on the White Network was to be kept confidential, and he agreed and promised to plaintiffs that he would maintain such

confidentiality.

21. In consideration of same, defendant was granted such unlimited access to the White Network, and allowed such access through the years.

22. Such access granted to defendant assisted him in his duties to the White Companies, and enhanced his knowledge, skills and experience, all to his benefit, and the benefit of certain business entities owned by defendant and which were not White Companies.

**FIRST CAUSE OF ACTION**  
(On Behalf of all Plaintiffs)

23. Plaintiffs repeat the allegations of paragraphs 1 through 22 above.

24. Accordingly, defendant Aley was in a fiduciary or confidential relationship with the White Companies and White, being in a position of trust as a White family member, active in the family business, and entrusted with such confidential and proprietary information of the White Companies and White.

25. On or about June 18, 2019 and other dates listed below, defendant Aley breached his fiduciary duties to plaintiffs by utilizing his credentials to gain access to the White Network, or by other means obtained confidential and proprietary information of plaintiffs, and disclosing such information to a person and/or entity having no relationship to plaintiffs or their businesses, and who was not entitled to receive such information.

26. Such information was contained in documents disclosed as follows:

on June 18, 2019 to Ever Santana entitled “Debt Schedules” relating to years 2011 to 2018; on June 18, 2019 to Ever Santana entitled “M & W Budgeted Management Expenses 2019”; on June 16, 2019 to Ever Santana of “Weekly Results Dunkin Donuts for the Week Ending June 15, 2019”; on June 24, 2019 to Ever Santana and Andrew Hirshon of “Weekly Sales Report” for Dunkin Donuts, Taco Bell and KFC; and on July 1, 2019 to Ever Santana and Andrew Hirshon of “ARM/M&W Foods Weekly Sales and Labor Report” for Dunkin Donuts, Taco Bell and KFC; and on July 22, 2019 to Ever Santana of “Weekly Results Dunkin Donuts for the Week Ending July 20, 2019” for Dunkin Donuts, KFC and Taco Bell stores.

27. The information included identification of plaintiffs’ loans or debts, and amounts, purposes, terms, maturities, and balances thereof, together with debt service amounts, identification of creditors, equipment purchases and locations, leaseholds, rents, and lease expirations, and budget, expenses, sales, labor and productivity data.

28. Upon information and belief, the person(s) and/or entity (ies) to whom or to which defendant Aley made such disclosures, was and is engaged in the restaurant industry, and is a competitor, potential competitor, and/or has business dealings or communications with other parties with which plaintiffs compete or do business; and was involved in communications with defendant about a certain

purchase and sale, or other business transactions, involving personal interests of defendant.

29. The aforesaid disclosures by defendant Aley were made without consent of or notice to plaintiffs, and moreover was in violation of certain Letters of Intent dated June 5, 2019 and July 29, 2019 entered into by David R. White, M & W Foods, and defendant, including provisions on confidentiality, no material changes and no shop of his interest, and he has failed to satisfy demand for a true and complete account of such conduct.

30. Further, defendant Aley made such disclosures while utilizing the time, equipment and resources of certain of the plaintiffs, including but not limited to White Management Corp., M & W Foods, Inc. and/or Plattsburgh Taco, Inc.

31. Such clandestine disclosures by defendant were not made for any legitimate business purpose, and but to advance his own personal interests and/or injure plaintiffs, particularly White.

32. Also, in making such disclosures, defendant Aley's conduct was wanton and reckless, or malicious, or both.

33. By reason of the above, plaintiffs have been damaged in the amount of Two Million (\$2,000,000.00) Dollars or such other amount as demonstrated herein.

**SECOND CAUSE OF ACTION**  
(On Behalf of All Plaintiffs)

34. Plaintiffs repeat the allegations of paragraphs 1 through 32 above.

35. By reason of the above, defendant should be made to account to plaintiffs for the profits, benefits, gains, and advantages derived by defendant from his wrongful conduct, and account to plaintiffs for all damages sustained by them.

36. Plaintiffs do not have an adequate remedy at law.

**THIRD CAUSE OF ACTION**  
(On Behalf of Plaintiffs M & W Foods, Inc.  
White Management Corp. and David R. White)

37. Plaintiffs M & W Foods, Inc., White Management Corp. and White repeat the allegations of paragraphs 1 through 32 above.

38. At all times relevant herein, the only shareholders of M & W Foods, Inc. were White, and two of his family members, one of whom was defendant Aley.

39. Additionally, at all times relevant herein, defendant Aley was a Vice President and Director of M & W Foods, Inc.

40. As such, defendant Aley was a fiduciary, required to act with honesty, the highest degree of fidelity and good faith, and unqualified loyalty towards M & W Foods, Inc., White Management Corp. and White.

41. At all times relevant herein, defendant received from White Management Corp. certain salary and other benefits for performance of his services for M & W Foods, Inc. and/or White Management Corp.



42. In accordance with plaintiffs' operating practice, M & W Foods, Inc. subsequently reimbursed White Management Corp. for such expenditures of those wages and benefits.

43. Defendant Aley's aforesaid improper disclosure of such confidential and propriety information was a breach of his fiduciary duties to M & W Foods, Inc., White Management Corp. and White.

44. By reason of the above, defendant should be made to account to such plaintiffs for defendant's profits, benefits, gains, and advantages derived from his misconduct, and for damages sustained by such plaintiffs, including the aforesaid wages and benefits received by defendant from the time he acted as a faithless servant.

45. Plaintiffs do not have an adequate remedy at law.

FOURTH CAUSE OF ACTION  
(On Behalf of Plaintiffs Plattsburgh Taco, Inc.  
White Management Corp. and David R. White)

46. Plaintiffs Plattsburgh Taco, Inc., White Management Corp. and White repeat the allegations of paragraphs 1 through 32 above.

47. At all times relevant herein, the only shareholders of Plattsburgh Taco, Inc. were White, and two of his family members, one of whom included defendant Aley.

48. Additionally, at all times relevant herein, defendant Aley was a Vice

President and Director of Plattsburgh Taco, Inc.

49. Defendant Aley was a fiduciary, required to act with honesty, the highest degree of fidelity and good faith, and unqualified loyalty towards Plattsburgh Taco, Inc., White Management Corp. and White.

50. At all times relevant herein, defendant received from White Management Corp. certain salary and other benefits for performance of his services for Plattsburgh Taco, Inc. and/or White Management Corp.

51. In accordance with plaintiffs' operating practice, Plattsburgh Taco, Inc. subsequently reimbursed White Management Corp. for such expenditures of those wages and benefits.

52. Defendant Aley's aforesaid improper disclosure of such confidential and propriety information was a breach of his fiduciary duties to Plattsburgh Taco, Inc., White Management Corp. and White.

53. By reason of the above, defendant should be made to account to such plaintiffs for all profits, benefits, gains, and advantages derived from his misconduct, and all damages sustained by such plaintiffs including the aforesaid wages and benefits received by defendant from the time he acted as a faithless servant.

54. Plaintiffs do not have an adequate remedy at law.

FIFTH CAUSE OF ACTION  
(On Behalf of Plaintiffs)

White Management Corp. and White)

55. Plaintiffs White Management Corp. and White repeat the allegations of paragraphs 1 through 32 above.

56. Defendant breached his agreement with said plaintiffs by his improper disclosure of such information whether obtained from the White Network or obtained by other means.

57. By reason of the above, plaintiffs have been damaged in the sum of Two Million (\$2,000,000) Dollars or such other amount as demonstrated herein.

**SIXTH CAUSE OF ACTION**  
(On Behalf of Plaintiffs White Management  
Corp. and David R. White)

58. Plaintiffs White Management Corp. and White repeat the allegations of paragraphs 1 through 32 above.

59. Such plaintiffs reasonably relied upon defendant's promise to maintain and protect the confidentiality of the information of the White Network and proprietary and confidential information of plaintiffs however obtained.

60. The avoidance by defendant Aley of that promise was and is unconscionable.

61. By reason of the above, plaintiffs have been damaged in the sum of Two Million (\$2,000,000) Dollars or such other amount as demonstrated herein.

Wherefore, plaintiffs demand judgment against defendant as follows:

1. On the First Cause of Action, for compensatory damages in the amount of Two Million (\$2,000,000) Dollars or such other amount demonstrated herein, together with punitive damages in the amount of Three Million (\$3,000,000) Dollars;

2. On the Second Cause of Action, that defendant account for his acts and conduct, and all profits, benefits, gains and advantages derived by defendant from such acts and conduct, and that he be required to make payment to plaintiffs for the value of same, and to account to plaintiffs for all damages sustained by them;

3. On the Third Cause of Action, mandating that defendant account to said named plaintiffs for defendant's profits, benefits, gains and advantages derived from his misconduct and for damages sustained by such plaintiffs, including wages and benefits received by defendant from the time he acted as a faithless servant;

4. On the Fourth Cause of Action, that defendant be made to account to said named plaintiffs for all profits, benefits, gains and advantages derived from his misconduct, and all damages sustained by plaintiffs including the wages and benefits received by defendant from the time he acted as a faithless servant;


5. On the Fifth Cause of Action, for damages sustained by said named plaintiffs in the amount of Two Million (\$2,000,000) Dollars or such other amount

as demonstrated herein;

6. On the Sixth Cause of Action, for damages awarded to said named plaintiffs in the amount of Two Million (\$2,000,000) Dollars or such other amount as demonstrated herein;

7. And on all causes of action, with such other and further relief the Court deems just and proper, with attorneys fees, interest, costs and disbursements.

Dated: May 31, 2022



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