

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

PERELLA WEINBERG PARTNERS LLC, PWP MC LP,
PWP EQUITY I LP, and PERELLA WEINBERG
PARTNERS GROUP LP,

Plaintiffs,

- against-

MICHAEL A. KRAMER, DERRON S. SLONECKER,
JOSHUA S. SCHERER, ADAM W. VEROST, and
DUCERA PARTNERS LLC,

Defendants.

Index No.

COMPLAINT

JURY TRIAL DEMANDED

Plaintiffs Perella Weinberg Partners LLC, PWP MC LP, PWP Equity I LP, and Perella Weinberg Partners Group LP (collectively, “Plaintiffs” or “PWP”), by and through their undersigned counsel, complain and allege as follows against Defendants Michael A. Kramer (“Kramer”), Derron S. Slonecker (“Slonecker”), Joshua S. Scherer (“Scherer”), Adam W. Verost (“Verost” and, together with Kramer, Slonecker, and Scherer, the “Individual Defendants”), and Ducera Partners LLC (“Ducera,” and, together with the Individual Defendants, “Defendants”):

NATURE OF ACTION

1. This action arises out of a scheme among Kramer, Slonecker, Scherer, and Verost—hatched and executed while they were current partners or employees of PWP—to enrich themselves at PWP’s expense by lifting out PWP’s entire Financial Restructuring Group (the “Restructuring Group”) to a new competing firm that they were secretly forming, in breach of their contractual and fiduciary duties to PWP. Kramer, then head of PWP’s Restructuring Group and a member of PWP’s management committee, resolved to start his own restructuring financial advisory firm to compete with PWP, but rather than build his new practice from the ground up or

pay for a complete practice group by acquiring another firm, Kramer decided to steal the practice group that PWP had spent millions of dollars and over seven years of effort to develop. He recruited Slonecker, Scherer, and Verost to join him, and, with their help, began surreptitiously encouraging the other members of PWP's Restructuring Group to resign from PWP and join them. The Individual Defendants did not merely intend to leave PWP and compete fairly. They intended to damage PWP by decimating the Restructuring Group and eliminating PWP's ability to compete in the restructuring business for an uncertain period of time. As a result of their unlawful conduct, PWP lost eight of the twelve members of its Restructuring Group—including all but one of the group's senior members—over the course of a single week, plus existing client engagements and tangible business opportunities. This harm is continuing, as the Individual Defendants and their new firm, Ducera, continue to interfere with, solicit and service PWP's clients and prospective clients.

2. The Individual Defendants deliberately violated the partner and employee non-solicitation covenants contained in their PWP partnership and employment agreements (together, the "PWP Agreements"). The PWP Agreements expressly prohibit the Individual Defendants from "hir[ing] or solicit[ing], recruit[ing], induc[ing], entic[ing], influenc[ing], or encourag[ing] any Firm employee (or any Limited Partner) to leave the Firm or become hired or engaged by another firm."

3. The Individual Defendants also breached the client non-solicitation covenants contained in the PWP Agreements. The PWP Agreements expressly prohibit the Individual Defendants from "solicit[ing] or entic[ing] away or in any manner attempt[ing] to persuade any client or customer, or prospective client or customer, of the Firm" to discontinue its relationship with PWP or give its business to a competing firm. Yet taking PWP's clients and prospects to

Ducera was a crucial component of the Individual Defendants' business plan for their new firm—and they have in fact done precisely that.

4. In October 2014, Kramer devised his scheme to lift out the Restructuring Group (and several of its clients) after PWP removed him from one of his management positions because he had been creating strife within the Firm. But PWP did not seek to have Kramer leave the Firm. PWP believed that Kramer was a productive partner and valued his contributions to the Firm.

5. Nonetheless, in January 2015, Kramer told PWP that he had not made a decision about whether he would leave the Firm. That was untrue. In fact, Kramer had begun planning to leave PWP in October 2014 to start his own competing firm, and was well along in the process of organizing his new firm. Moreover, Kramer did not disclose that he had recruited Slonecker, Scherer, and Verost to leave PWP with him to join his new firm, and, with their help, had been soliciting other members of the Restructuring Group to join them, with the goal of effecting a nearly complete lift out of PWP's Restructuring Group (which was reflected in the business plans the Individual Defendants devised) and putting PWP out of the restructuring business.

6. Indeed, the Individual Defendants' solicitation efforts—all undertaken while they were associated with PWP—included preparing business development and compensation related documents for the new firm that they shared with one another and with other members of the Restructuring Group. Their efforts also included meetings and communications with one another and other members of the Restructuring Group, both one-on-one and as a group, to discuss and put into action their plan to leave PWP for the new firm.

7. For example, in December 2014, after meeting with Kramer, Bradley Meyer ("Meyer"), then a Managing Director in the Restructuring Group and now a partner at Ducera,

drafted a document entitled “Draft Business Plan Considerations,” which referred to “Transition[ing] ... initial team to NewCo” and included a “to do” list for starting a new firm. Similarly, on January 11, 2015, several weeks before Kramer informed PWP that he was uncertain about his future at the Firm, Kramer hosted a meeting at his “home office” for all of the senior members of the Restructuring Group during which he encouraged them to join him in establishing the new firm, and proposed specific allocations of ownership interests in the new firm and compensation amounts to each individual present at the meeting. Those ownership and compensation percentages were reflected in a spreadsheet entitled “NewCo Equity Split.xlsx” that included a “Kramer Proposal” allocating ownership and compensation among the Restructuring Group’s former senior members.

8. Under the PWP Agreements, breach of the non-solicitation covenants constitutes “cause” for termination. PWP uncovered the Individual Defendants’ scheme to lift out the Restructuring Group and its clients in February 2015—months after it began and after Kramer had lied to PWP’s leadership that he was uncertain about his future at the Firm—and immediately fired Defendants for “cause.” By engaging in a covert plan to steal nearly an entire practice group, as well as current and prospective clients of PWP, the Individual Defendants betrayed the trust of the partnership and breached the non-solicitation covenants in the PWP Agreements.

9. As a result of the Individual Defendants’ wrongful conduct and PWP’s lawful termination of the partnerships or employment of the Individual Defendants, eight out of the twelve members of PWP’s Restructuring Group departed over the course of a single week. Within days of PWP firing the Individual Defendants for cause, Restructuring Group Managing Directors Meyer and Agnes Tang (“Tang”)—both of whom attended Kramer’s January 11th

meeting at which he discussed planning the new business—and Directors Mark Davis (“Davis”) and Cody Leung (“Leung”) resigned to join Kramer’s new firm. Meyer and Tang are now partners at Ducera, Leung is a managing director at Ducera, and Davis is employed there as well. The Individual Defendants’ “hiring” of these former members of PWP’s Restructuring Group whom they wrongfully solicited to leave PWP constitutes a further violation of the non-solicitation covenants to which the Individual Defendants are subject.

10. PWP also lost several restructuring engagements as a direct result of the Individual Defendants’ conduct. Further, after PWP uncovered the Individual Defendants’ plan to lift out the Restructuring Group to form a new competing firm and terminated their partnerships or employment for cause, the Individual Defendants filed a Summons with Notice to commence a lawsuit against PWP seeking to recover millions of dollars in deferred compensation and equity to which they are not entitled. Upon information and belief, the Individual Defendants also leaked inaccurate information to the press about PWP’s financial performance and the Individual Defendants’ contributions to PWP in an attempt to give their new firm a competitive advantage and pressure PWP to pay them equity and deferred compensation that they forfeited as a result of their misconduct.

11. Because of Defendants’ ongoing misconduct, and in order to resolve the real and immediate dispute between PWP and Defendants, PWP seeks, among other things, a declaration that the non-solicitation covenants in the PWP Agreements are valid and enforceable, and PWP lawfully terminated the partnerships or employment of the Individual Defendants for cause for violating those covenants. PWP also seeks damages in an amount to be proved at trial for the Individual Defendants’ breaches of their obligations under the PWP Agreements and Defendants’ unfair competition and tortious interference with PWP’s contracts, as well as

disgorgement of all revenues, earnings, profits, compensation, and benefits that Defendants may have obtained or may in the future obtain as a result of such business acts or practices.

PARTIES

12. Perella Weinberg Partners LLC is a limited liability company organized under the laws of Delaware, with its principal place of business in New York, New York.

13. PWP MC LP is a Delaware limited partnership, with its principal place of business in New York, New York. Perella Weinberg Partners LLC is the sole general partner of PWP MC LP.

14. PWP Equity I LP is a Delaware limited partnership, with its principal place of business in New York, New York. PWP MC LP is the sole general partner of PWP Equity I LP.

15. Perella Weinberg Partners Group LP is a Delaware limited partnership, with its principal place of business in New York, New York.

16. On information and belief, Kramer is a resident and citizen of the State of Connecticut and does business in New York, New York. Kramer was a Limited Partner of PWP MC LP from January 1, 2007 through May 17, 2015.

17. On information and belief, Slonecker is a resident and citizen of the State of Connecticut and does business in New York, New York. Slonecker was a Limited Partner of PWP Equity I LP from January 1, 2007 through May 17, 2015.

18. On information and belief, Scherer is a resident and citizen of the State of New York and does business in New York, New York. Scherer was a Limited Partner of PWP Equity I LP from January 1, 2011 through May 17, 2015.

19. On information and belief, Verost is a resident and citizen of the State of New York and does business in New York, New York. Verost was employed by PWP as a Director

from January 1, 2007 through December 31, 2009, and as a Managing Director from January 1, 2010 through May 17, 2015.

20. Ducera Partners LLC is a New York limited liability company, which maintains its principal place of business at 499 Park Avenue, 16th Floor, New York, New York 10022.

JURISDICTION AND VENUE

21. This Court has personal jurisdiction over the Individual Defendants under CPLR § 302(a), because they were each partners in or an employee of PWP in New York, New York. They performed their job responsibilities and committed the contractual breaches and the tortious acts described herein within the State of New York with both the knowledge and intention that those acts would injure PWP within the State of New York.

22. This Court also has personal jurisdiction over Scherer and Verost under CPLR § 302(a) because, on information and belief, they are residents and citizens of New York, New York.

23. This Court has personal jurisdiction over Ducera under CPLR §§ 301 and 302(a) because it is domiciled in and transacts business within the State of New York. Further, Ducera's principal place of business is in New York, New York.

24. In addition, this Court has personal jurisdiction over the Individual Defendants because this action arises in significant part out of their breaches of their contractual obligations to PWP under the PWP Agreements, as described below, in which each Individual Defendant consented to the exclusive jurisdiction of the Federal and state courts of the State of New York.

25. Venue is proper in this Court under CPLR § 503(a) because PWP is located and does business in New York, New York, and, on information and belief, Defendants all do

business in New York, New York and a significant number of the relevant events from which this matter arose occurred in New York, New York.

FACTUAL ALLEGATIONS

A. PWP's History

26. PWP is a leading independent, privately-owned financial services firm established in 2006. PWP provides corporate advisory and asset management services to a global client base, including corporations, institutions, and governments. PWP's corporate advisory business advises clients on mergers and acquisitions, strategic situations requiring specialized analytical, industry and/or structuring expertise, financial restructuring, capital structuring, and raising private capital.

27. PWP has a reputation for expertise as a financial advisor, and has developed significant goodwill embodied in its relationships with its clients. To develop and maintain its client relationships, PWP has devoted substantial resources to the recruitment, training, development, and compensation of partners and employees so that they can perform the necessary services for clients, as well as develop and nurture the close relationships necessary to keep clients satisfied. To that end, PWP invests in its partners' and employees' relationships with PWP's clients by providing financial compensation and support, establishing business connections and providing access to a client network, and providing the necessary infrastructure and information resources.

28. As a provider of investment banking and financial advisory services, PWP's principal assets are its personnel, the goodwill embodied in PWP's relationships with current clients, and PWP's standing in the marketplace with respect to prospective clients. Once clients establish a rapport with PWP personnel, clients typically continue their relationship with PWP.

The success of PWP's advisory business, including the Restructuring Group, depends heavily on the personal relationships that the individuals at PWP develop with both existing and potential clients.

29. By attracting and hiring talented professionals whose work serves to expand and reinforce PWP's client base and client loyalty, and by developing and safeguarding those valuable business assets, PWP has been able to expand its business.

B. Background on PWP's Restructuring Group

30. PWP's Restructuring Group is part of PWP's corporate advisory business. The Restructuring Group provides investment banking services and financial advice to debtors, creditors, equity constituencies, government agencies, and other parties-in-interest in bankruptcy reorganizations and other restructurings, as well as buyers and sellers of distressed assets and post-reorganized assets.

31. From its inception, PWP considered having a financial restructuring capability to be an important component of its overall strategic business plan. In furtherance of that plan, shortly after PWP's launch, PWP announced that it would acquire Kramer Capital Partners LLC ("Kramer Capital") effective January 1, 2007. Kramer was the founder of Kramer Capital, and a partner in the firm at the time PWP acquired it. He joined PWP as a partner effective January 1, 2007. At that time, Kramer was named head of PWP's Restructuring Group and appointed to PWP's management committee.

32. After acquiring Kramer Capital, PWP devoted substantial resources as part of its continuing efforts to build its Restructuring Group, including by hiring additional professionals to fill crucial roles in the Restructuring Group, all of whom reported directly or indirectly to Kramer.

33. Immediately before the Individual Defendants effectuated their secret raid of PWP's Restructuring Group, the group was comprised of Limited Partners Kramer, Slonecker, and Scherer; Managing Directors Verost, Kevin Cofsky ("Cofsky"), Tang, Meyer, Nikhil Menon ("Menon," who was promoted to Managing Director effective January 1, 2015), and M.K. Alisdairi ("Alisdairi," who also was promoted to Managing Director effective January 1, 2015); Directors Davis and Leung; and Associate Adel El Senoussi.

C. The Individual Defendants' Contractual Non-Solicitation Obligations to PWP

34. On June 15, 2007, Kramer executed the Third Amended and Restated Agreement of Limited Partnership of PWP MC LP (the "PWP MC Agreement"). This is the same agreement that all members of the firm's management committee signed. Perella Weinberg Partners LLC is a party to the PWP MC Agreement, and a general partner in PWP MC LP.

35. The PWP MC Agreement expressly prohibits Kramer, during the period in which he was an Active Limited Partner of PWP (as defined in the PWP MC Agreement) and for a period of one year thereafter, from, among other things, soliciting or playing any role in the recruitment of other PWP Limited Partners or PWP employees:

Non-Solicitation of Employees. Each Limited Partner agrees that, during the period in which such Limited Partner is an Active Limited Partner (including during such Limited Partner's Notice Period) and for a period of one year thereafter, such Limited Partner will not, directly or indirectly in any capacity (including through any person, corporation, partnership or other business Entity of any kind), hire or solicit, recruit, induce, entice, influence, or encourage any Firm employee (or any Limited Partner) to leave the Firm or become hired or engaged by another firm.

PWP MC Agreement, § 14.04.

36. The PWP MC Agreement also expressly prohibits Kramer, during the period in which he was an Active Limited Partner of PWP (as defined in the PWP MC Agreement) and for

a period of 180 days thereafter, from, among other things, soliciting any client or prospective client of PWP to end its existing or prospective relationship with PWP:

Non-Solicitation of Clients. Each Limited Partner agrees that, during the period in which such Limited Partner is an Active Limited Partner (including during such Limited Partner's Notice Period) and for a period of 180 days thereafter, such Limited Partner will not, directly or indirectly in any capacity (including through any person, corporation, partnership or other business Entity of any kind), solicit or entice away or in any manner attempt to persuade any client or customer, or prospective client or customer, of the Firm (i) to discontinue his, her or its relationship or prospective relationship with the Firm or (ii) to otherwise provide his, her or its business to any person, corporation, partnership or other business Entity which engages in any line of business in which the Firm is engaged (other than the Firm); provided, however, that a Limited Partner who has been involuntarily terminated other than for Cause shall not be bound by the provisions of this Section 14.02.

PWP MC Agreement, § 14.02.

37. On January 1, 2007, Slonecker executed the Second Amended and Restated Agreement of Limited Partnership of PWP Equity I LP to become a Limited Partner of PWP. On August 10, 2007, Slonecker executed the Third Amended and Restated Agreement of Limited Partnership of PWP Equity I LP (the "PWP Equity I Agreement"). These are the same agreements that all partners who are not members of the firm's management committee signed. PWP MC LP is a party to the PWP Equity I Agreement, and a general partner in PWP Equity I LP.

38. On January 1, 2011, Scherer executed the PWP Equity I Agreement to become a Limited Partner of PWP.

39. The PWP Equity I Agreement expressly prohibits Slonecker and Scherer, during the period in which they were Active Limited Partners of PWP (as defined in the PWP Equity I Agreement) and for a period of one year thereafter, from, among other things, soliciting or playing any role in the recruitment of other PWP Limited Partners or PWP employees:

Non-Solicitation of Employees. Each Limited Partner agrees that, during the period in which such Limited Partner is an Active Limited Partner (including during such Limited Partner's Notice Period) and for a period of one year thereafter, such Limited Partner will not, directly or indirectly in any capacity (including through any person, corporation, partnership or other business Entity of any kind), hire or solicit, recruit, induce, entice, influence, or encourage any Firm employee (or any Limited Partner) to leave the Firm or become hired or engaged by any other firm.

PWP Equity I Agreement, § 14.04.

40. The PWP Equity I Agreement also expressly prohibits Slonecker and Scherer, during the period in which they were Active Limited Partners of PWP (as defined in the PWP Equity I Agreement) and for a period of 180 days thereafter, from, among other things, soliciting any client or prospective client of PWP to end its existing or prospective relationship with PWP:

Non-Solicitation of Clients. Each Limited Partner agrees that, during the period in which such Limited Partner is an Active Limited Partner (including during such Limited Partner's Notice Period) and for a period of 180 days thereafter, such Limited Partner will not, directly or indirectly in any capacity (including through any person, corporation, partnership or other business Entity of any kind), solicit or entice away or in any manner attempt to persuade any client or customer, or prospective client or customer, of the Firm (i) to discontinue his, her or its relationship or prospective relationship with the Firm or (ii) to otherwise provide his, her or its business to any person, corporation, partnership or other business Entity which engages in any line of business in which the Firm is engaged (other than the Firm); provided, however, that a Limited Partner who has been involuntarily terminated other than for Cause shall not be bound by the provisions of this Section 14.02.

PWP Equity I Agreement, § 14.02.

41. As a condition of his employment with PWP, on January 1, 2010, Verost executed the Perella Weinberg Partners Group LP Confidentiality and Related Covenants Agreement (the "Verost Restrictive Covenant Agreement"). Perella Weinberg Partners Group LP is the counterparty to the Verost Restrictive Covenant Agreement.

42. The Verost Restrictive Covenant Agreement expressly prohibits Verost, during the period in which he was an Active Employee of PWP (as defined in the Verost Restrictive

Covenant Agreement) and for a period of one year thereafter, from, among other things, soliciting or playing any role in the recruitment of other PWP Partners or PWP employees:

Non-Solicitation of Employees. The Recipient agrees that, during the period in which the Recipient is an Active Employee (including during the Recipient's Notice Period) and for a period of one year thereafter, the Recipient will not, directly or indirectly in any capacity (including through any person, corporation, partnership or other business Entity of any kind), hire or solicit, recruit, induce, entice, influence, or encourage any Company employee (or any Company "Partner") to leave the Company or become hired or engaged by another firm; provided, however, that the provisions of this Section 5 shall not apply to the hiring or solicitation of the person who was the Recipient's assistant at the time that the Recipient's tenure with the Company was terminated.

Verost Restrictive Covenant Agreement, § 5.

43. The Verost Restrictive Covenant Agreement also expressly prohibits Verost, during the period in which he was an Active Employee of PWP (as defined in the Verost Restrictive Covenant Agreement) and for a period of 90 days thereafter, from, among other things, soliciting any client or prospective client of PWP to end its existing or prospective relationship with PWP:

Non-Solicitation of Clients. The Recipient agrees that, during the period in which the Recipient is an Active Employee (including during the Recipient's Notice Period) and for a period of 90 days thereafter, the Recipient will not, directly or indirectly in any capacity (including through any person, corporation, partnership or other business Entity of any kind), solicit or entice away or in any manner attempt to persuade any client or customer, or prospective client or customer, of the Company (i) to discontinue his, her or its relationship or prospective relationship with the Company or (ii) to otherwise provide his, her or its business to any person, corporation, partnership or other business Entity which engages in any line of business in which the Company is engaged (other than the Company); provided, however, that the Recipient has been involuntarily terminated other than for Cause, he or she shall not be bound by the provisions of this Section 3.

Verost Restrictive Covenant Agreement, § 3.

44. The PWP MC Agreement, the PWP Equity I Agreement, and the Verost Restrictive Covenant Agreement each define "Cause" for purposes of removal from the

partnership or termination of employment to include, among other things, a violation of the respective non-solicitation provisions of each of the agreements. PWP MC Agreement, § 1.31(f); PWP Equity I Agreement, §1.31(f); Verost Restrictive Covenant Agreement, § 8(c)(vi).

45. The PWP MC Agreement, the PWP Equity I Agreement, and the Verost Restrictive Covenant Agreement each vest PWP with exclusive discretion to determine whether “Cause” supporting termination exists. PWP MC Agreement, § 5.02(a)(ii)(A); PWP Equity I Agreement, § 5.02(a)(ii)(A); Verost Restrictive Covenant Agreement, § 8(c).

D. Kramer’s History at PWP

46. At PWP, Kramer led the Restructuring Group and served on the Firm’s management committee. Beginning in 2012, Kramer also led PWP’s Telecom, Media, and Technology (“TMT”) practice group.

47. While Kramer was a talented and productive partner, he had difficulty working within the Firm’s culture and often engaged in divisive behavior that created strife within the Firm. As a result, in October 2014, PWP’s leadership decided that it was not productive for Kramer to continue to lead the TMT practice group.

48. When Peter Weinberg (“Weinberg”), co-founder of PWP, informed Kramer that he (Kramer) would no longer lead the TMT group, Kramer suggested that he might consider leaving the Firm. Weinberg, however, told Kramer that PWP valued his contributions and wanted him to remain a partner with the Firm.

49. To that end, various members of PWP’s leadership met with Kramer multiple times between October 2014 and early 2015 to ensure that PWP retained Kramer. During each

of those meetings, including as late as January 26, 2015, Kramer maintained that he had not made any decisions about his future, including about whether he would leave PWP.

50. PWP took Kramer at his word that he had not made a decision about whether to leave PWP, and continued to demonstrate its commitment to having him remain part of the team. Indeed, as late as February 4, 2015, PWP provided Kramer with the opportunity to lead an engagement with a new client. If PWP had known that Kramer had decided to leave the Firm, it would have asked another partner to lead the engagement.

51. PWP's efforts to retain Kramer ultimately proved unsuccessful. On February 10, 2015, Kramer notified Weinberg that he (Kramer) was resigning from PWP. This was the first time that Kramer informed PWP's leadership that he had in fact decided to leave the Firm. Kramer, however, said that he had not decided what he would do after leaving the Firm.

E. The Individual Defendants Breach Their Non-Solicitation Obligations to PWP By Recruiting and Encouraging Each Other and Other PWP Employees to Leave PWP and Start a Competing Firm

52. On information and belief, Kramer's representations to PWP from October 2014 through February 9, 2015 that he had not made a decision about whether to leave the Firm were untrue. In fact, unbeknownst to PWP, Kramer decided in or about October 2014 to leave PWP and start a new restructuring financial advisory firm to compete with PWP.

53. To create a viable restructuring financial advisory practice that is capable of handling large, complex matters and competing with established firms like PWP, Kramer needed more than himself. He needed a team of talented professionals. Building such a team from the ground up takes years and significant capital, but Kramer did not want to wait years to have a viable practice. He wanted to have a restructuring financial advisory practice that was immediately capable of competing with firms like PWP that had teams in place that had been

built over the course of many years with significant expense. But rather than pay for a complete practice group by, for example, acquiring another firm, Kramer decided to steal the Restructuring Group that PWP had invested millions of dollars and years of effort to establish.

54. Upon information and belief, in furtherance of his plan, beginning in or about October 2014, Kramer began soliciting and encouraging Slonecker, Scherer, and Verost to leave PWP with him and help him establish a new competing firm. Kramer also convinced Slonecker, Scherer, and Verost to aid him in his plan to steal PWP's Restructuring Group. As a result, from October 2014 through February 2015, Kramer, Slonecker, Scherer, and Verost colluded to effectuate a near complete lift out of all of the professionals in PWP's Restructuring Group to join the new firm that they were in the process of organizing.

55. Upon information and belief, the Individual Defendants put their covert plan to lift out PWP's Restructuring Group into action in December 2014, when they began soliciting and encouraging other employees in PWP's Restructuring Group to leave PWP and join them in establishing their new firm.

56. Upon information and belief, in furtherance of the Individual Defendants' plan to solicit PWP employees to join their new firm, in or about December 2014, Kramer met with Meyer, a Managing Director in PWP's Restructuring Group, and solicited Meyer to leave PWP and join Kramer at his new firm.

57. As a result of the December 2014 meeting between Kramer and Meyer, Meyer prepared a typewritten document entitled "Draft Business Plan Considerations." This document discussed, among other things, "Key Initial Considerations" for building a new "restructuring/private capital/M&A" advisory practice, and included a "to do" list for starting the new firm. This was not a hypothetical business plan: Meyer's document references the

“Transition of initial team to NewCo,” and the need to understand “gardening leave and non-compete provisions” to which the members of PWP’s Restructuring Group were subject. A copy of Meyer’s “Draft Business Plan Considerations” document is attached as Exhibit A.

58. On January 5, 2015, Kramer invited Managing Director Cofsky to meet in Kramer’s office. During that meeting, Kramer told Cofsky that he (Kramer) was considering, among other things, leaving PWP “as a team” to “start something new” in New York. Kramer also told Cofsky that he (Kramer) had been having discussions with other members of PWP’s Restructuring Group, including with Slonecker, Meyer and Scherer, about leaving PWP together. Kramer encouraged Cofsky to participate in the new venture, assuring Cofsky that, unlike Kramer Capital, the new firm would be a “real competitor” of PWP and would be located in New York, and that Cofsky would be a partner in the new firm.

59. On Sunday, January 11, 2015, Kramer hosted a meeting at his “home office” in New Canaan, Connecticut. At the January 11th meeting at Kramer’s home office, Kramer discussed his plan for leaving PWP and establishing a new firm. All of the senior members of PWP’s Restructuring Group—Kramer, Slonecker, Scherer, Verost, Tang, Meyer, and Cofsky—attended this meeting.

60. At the meeting at Kramer’s home office, Kramer led a discussion about the opportunities that existed if members of the Restructuring Group left PWP and formed a firm of their own. Kramer—and all of the Individual Defendants—referred to the new venture as “NewCo.” Kramer promised that everyone present at the meeting would be partners in NewCo, that the firm’s management philosophy would be total transparency, and that each partner would have a say in partner compensation at the end of each year, taking into account each partner’s respective contributions to the firm that year.

61. During the meeting, Kramer also made a specific proposal to the group for each individual's proposed income and initial share of the equity in "NewCo." Kramer read from (but did not distribute) a spreadsheet to present precise proposed income and equity distributions for the initial members of NewCo, which included, but were not limited to, the individuals present at the meeting.

62. Upon information and belief, the spreadsheet from which Kramer read at the January 11th meeting contemplated that 11 out of the 12 members of PWP's Restructuring Group would join NewCo as either partners or employees. The only member of PWP's Restructuring Group who was not included on Kramer's spreadsheet was the Restructuring Group's most junior member. The group from PWP that Kramer specifically identified included the following current PWP partners or employees whom he wanted to join him at NewCo: Limited Partners Slonecker and Scherer; Managing Directors Verost, Tang, Meyer, Cofsky, Menon and Alisdairi; and the more junior employees at the Director level, Leung and Davis. Kramer's proposal included economic terms for everyone listed on the spreadsheet, including PWP employees Menon, Alisdairi, Davis, and Leung who were not present at the meeting. Within seven days of PWP terminating the partnership and/or employment of Kramer, Slonecker, Scherer and Verost for cause, Tang, Meyer, Davis, and Leung resigned from PWP— notwithstanding PWP's efforts to persuade them to remain at the Firm. Tang, Meyer, Davis, and Leung have all since joined the Individual Defendants at Ducera, Kramer's new firm.

63. After Kramer presented his economic proposal, Scherer told the group that he viewed Kramer's proposal as a "great opportunity." The group then had a broad discussion about Kramer's proposal during which everyone present participated. They discussed the types and amounts of anticipated costs and expenses for NewCo, anticipated NewCo revenue for

different time periods, and NewCo partner compensation. Kramer told the group that his proposal called for him to receive most of the equity in NewCo because he would be forfeiting his significant equity in PWP by competing with PWP.

64. The group also discussed what lines of business the group would engage in at NewCo. The group agreed that NewCo's focus initially would be restructuring, before expanding to include other areas, such as mergers and acquisitions and possibly an asset management business.

65. After the meeting at Kramer's house, later on that same day, Meyer emailed Verost, Tang, and Cofsky, attaching a spreadsheet entitled "NewCo Equity Split.xlsx." The spreadsheet included an economic model that Meyer created based on Kramer's description at the meeting of his economic proposal for NewCo. Meyer labeled the summary of the proposal Kramer conveyed to the group earlier that day the "Kramer Proposal." Meyer also presented in the spreadsheet a new alternative version of an economic model for NewCo, which Meyer had prepared and which reduced the compensation and ownership percentages of Kramer, Slonecker, and Scherer and shifted more towards Verost, Meyer, Tang, and Cofsky. Meyer called his revised model the "BM Proposal," which Meyer developed and suggested that the group of Managing Directors propose to Kramer as a counteroffer. A copy of the spreadsheet Meyer circulated is attached as Exhibit B.

66. Later on January 11, 2015, Verost prepared and sent to Meyer, Tang, and Cofsky his own revised spreadsheet, which included Verost's additional thoughts about the initial equity distribution for NewCo (the "Verost Proposal"). A copy of the Verost Proposal is attached as Exhibit C.

67. Also on January 11, 2015, following the meeting at Kramer's home office, Slonecker called Cofsky to further encourage Cofsky to agree to join NewCo. During this call, Slonecker told Cofsky that he (Slonecker) believed that the Restructuring Group could bring approximately \$70 million of revenue with them from PWP to NewCo. Slonecker also identified the specific PWP clients he believed he could continue servicing immediately after moving to NewCo. Cofsky took notes during this call with Slonecker, and Cofsky's notes reflect Slonecker's comments about the amount of revenue Slonecker said the group could bring from PWP to NewCo, as well as the specific PWP clients Slonecker said he believed he could continue servicing at NewCo immediately after the move.

68. On January 12, 2015, at Verost's suggestion, Meyer, Verost, Tang, and Cofsky met at a diner near PWP's offices to talk about the economics of Kramer's proposal, develop a counter offer, and discuss timing issues.

69. On January 13, 2015, just two days after the recruiting and planning meeting at Kramer's home office and, upon information and belief, with knowledge that the Individual Defendants and others in the Restructuring Group would be leaving PWP, Meyer prepared and emailed to Verost, Tang, and Cofsky (copying Scherer) a strategy document that identified client opportunities that the group would prioritize "in the near to medium term."

70. Over the next several weeks, upon information and belief, the Individual Defendants engaged in multiple, one-on-one conversations—in person, over the telephone, in emails, and via text message—about NewCo with each other and with each of Cofsky, Verost, Tang, and Meyer. During those conversations, the Individual Defendants encouraged and solicited each other's and Cofsky's, Tang's, and Meyer's participation in NewCo.

71. During one discussion in January 2015 between Slonecker and Cofsky, Slonecker told Cofsky that he (Slonecker) did not believe that the group's plan for NewCo would violate the non-competition provisions to which any of the group members were subject. Slonecker said in substance that if the entire Restructuring Group left PWP, NewCo would not be competing with PWP because PWP *would no longer be* in the restructuring business. In other words, the Individual Defendants intended to circumvent any non-competition provisions by putting PWP out of the restructuring business. Upon information and belief, the Individual Defendants acted with malice and intended to deprive PWP of the ability to compete in the restructuring business.

F. PWP Uncovers the Individual Defendants' Scheme and Terminates Their Partnerships and Employment for Cause

72. When Kramer informed Weinberg on February 10, 2015 that he was resigning from PWP, PWP was unaware that Kramer had been colluding with the other Individual Defendants to coordinate a lift out of nearly the entire Restructuring Group. Indeed, because of Kramer's deception, PWP did not even know that Kramer had decided to form his own competing firm.

73. Beginning on February 11, 2015, the day after Kramer informed Weinberg that he was resigning, Weinberg led a concerted effort to ensure that PWP retained the other members of the Restructuring Group notwithstanding Kramer's departure.

74. As part of that process, on February 11, 2015, Weinberg met with Scherer. Scherer told Weinberg that he, Kramer, and Slonecker, and possibly others in the Restructuring Group, began discussing their career options in October 2014, and that Scherer planned to leave with the others wherever they went.

75. Over Presidents' Day weekend 2015, PWP learned, for the first time, the full scope of the Individual Defendants' scheme, including that:

a. since at least October 2014—months before Kramer told Weinberg that he had reached no decision about his future plans—Kramer in fact had decided to establish a competing firm, had been planning the establishment of this new firm with others at PWP, and had been working toward being in a position to lift out nearly the entirety of PWP's Restructuring Group to his new firm;

b. Slonecker, Scherer, and Verost were part of Kramer's plan, and had played an instrumental role in helping Kramer effectuate his plan by encouraging Tang, Meyer, Cofsky, and, upon information and belief, Davis and Leung to leave PWP and join Kramer's new firm;

c. on January 11, 2015, Kramer hosted a recruiting and planning meeting for his new firm at his home office in New Canaan, Connecticut, which all of the senior members of PWP's Restructuring Group—Kramer, Slonecker, Scherer, Verost, Cofsky, Tang, and Meyer—attended and during which Kramer proposed detailed income and equity splits for all those present, who, under Kramer's proposal, would be the new firm's initial partners.

76. On February 16, 2015, after learning of, and based on, the Individual Defendants' conduct in engaging in a coordinated plan to lift out PWP's Restructuring Group, PWP terminated Kramer's, Slonecker's, and Scherer's partnerships for cause under the applicable partnership agreements. On the same date, PWP also terminated Verost's employment for cause.

77. On February 19, 2015, Meyer and Tang resigned their employment, despite PWP's efforts to convince them to remain at the Firm.

78. On February 23, 2015, Davis and Leung also resigned from PWP, despite PWP's efforts to convince them to remain at the Firm.

79. The Individual Defendants have since established their competing firm: Ducera Partners LLC. Kramer, Slonecker, Scherer, Verost, Tang, and Meyer are partners at Ducera. Leung is a Managing Director at Ducera and Davis is employed at Ducera as well.

G. PWP Loses Client Engagements as a Result of Defendants' Conduct

80. Defendants not only solicited PWP partners and employees in violation of the partner and employee non-solicitation covenants in the PWP Agreements, but they also solicited current and prospective clients of PWP in violation of the client non-solicitation covenants in the

PWP Agreements. As a direct result of Defendants' unlawful conduct, PWP has lost client engagements and tangible business opportunities.

81. For example, the Individual Defendants' conduct caused PWP to lose an engagement in a major bankruptcy. Pursuant to an engagement letter dated October 30, 2014 between PWP and the law firm representing the company considering filing a bankruptcy petition, PWP was engaged to provide financial advisory and investment banking services, restructuring services, and litigation services to the prospective debtor. Under the engagement letter between the law firm and PWP, PWP was due a financial advisory fee of hundreds of thousands of dollars per month and a restructuring fee of several million dollars. Kramer, Scherer, Verost, and Leung provided the services called for under the engagement letter on behalf of PWP. On February 27, 2015, the debtor terminated PWP's services as a result of Kramer's, Scherer's, Verost's, and Leung's departure from the Firm.

82. PWP also lost an engagement with another client as a result of the Individual Defendants' conduct. PWP has been retained by the client on a number of different assignments over the last several years. Kramer provided the services called for under each engagement with the client on behalf of PWP. The engagement that was active at the time that Kramer's partnership was terminated was pursuant to an engagement letter dated February 8, 2013. Under this engagement letter, PWP provided general advisory services and was due to be paid an annual retainer of several hundred thousand dollars. On March 13, 2015, the client terminated this engagement letter as a result of Kramer's departure from the Firm. Furthermore, at the time that Kramer's partnership was terminated, PWP was actively pursuing an engagement by the client on a specific assignment, which PWP did not receive. PWP believes it would have been

engaged for the assignment if Kramer had not left the Firm. This assignment would have called for PWP to be paid substantial additional fees.

83. PWP also lost a tangible business opportunity in connection with the bankruptcy of Alpha Natural Resources Inc. (“Alpha”) because of Defendants’ conduct. In January 2015, Defendants began pitching the services of PWP’s Restructuring Group to Alpha and its creditors. At the time that the Individual Defendants’ left PWP, Alpha and its creditors remained prospective clients of PWP. On June 30, 2015, The Wall Street Journal reported that holders of Alpha’s senior loans had retained Ducera to provide financial advisory services in connection with Alpha’s bankruptcy. *See* Matt Jarzemsky, *Alpha Natural Resources Creditors Ready for Possible Restructuring Talks*, THE WALL STREET JOURNAL, June 30, 2015. On information and belief, the Individual Defendants solicited the holders of Alpha’s senior loans after their departure from PWP on behalf of Ducera—notwithstanding that the note holders were prospective clients of PWP, and, indeed, using the knowledge and intellectual capital about Alpha and its creditors that the Individual Defendants had developed at PWP using PWP’s resources. As a result of Defendants’ conduct, PWP was not engaged by Alpha or its creditors.

84. On July 16, 2015, Bloomberg reported that a group of Puerto Rico bondholders—Brigade Capital Management, Candlewood Investment Group, Fir Tree Partners, and Perry Corp.—had retained Ducera in connection with Puerto Rico’s restructuring of its debt. *See* Laura J. Keller and Jody Shenn, *Puerto Rico Lenders Said to Hire Ducera Partners as Advisor*, BLOOMBERG, July 16, 2015. Beginning in or about July 2014 and lasting through their departure from PWP in February 2015, Kramer, Slonecker, Scherer, and Meyer were pursuing an engagement on behalf of PWP by the same group of Puerto Rico bondholders in connection with Puerto Rico’s debt restructuring. On information and belief, the Individual Defendants solicited

the group of Puerto Rico bondholders after their departure from PWP on behalf of Ducera— notwithstanding that the bondholders were prospective clients of PWP, and, indeed, using the knowledge and intellectual capital about Alpha and its creditors that the Individual Defendants had developed at PWP using PWP's resources. As a result of Defendants' conduct, PWP was not engaged by the Puerto Rico bondholders.

COUNT I
(Declaratory Judgment)
(as against Kramer, Slonecker, Scherer, and Verost)

85. PWP realleges and incorporates by reference herein the allegations set forth in Paragraphs 1 through 84 above.

86. There is an actual and justiciable controversy of sufficient immediacy between the parties, who have adverse legal interests.

87. The PWP Agreements are valid and enforceable contracts.

88. The PWP Agreements prohibit Kramer, Slonecker, and Scherer for one year after the end of their partnerships with PWP, and Verost for 180 days after the end of his employment with PWP, from hiring, soliciting, recruiting, inducing, enticing, influencing or encouraging any PWP Limited Partner or employee to leave PWP or join another firm. The PWP Agreements further prohibit Kramer, Slonecker, and Scherer for 180 days after the end of their partnerships with PWP, and Verost for 90 days after the end of his employment with PWP, from soliciting or encouraging any current or prospective PWP clients to end their relationships and/or prospective relationships with PWP.

89. The non-solicitation covenants in the PWP Agreements are enforceable because they are reasonable in both duration and geographic scope, necessary to protect PWP's legitimate interests, not harmful to the public, and not unreasonably burdensome to the Individual

Defendants. Furthermore, the Individual Defendants' partnerships and employment with PWP, and the substantial salary and other compensation PWP paid to them, was sufficient consideration to support the non-solicitation covenants.

90. The Individual Defendants materially breached the PWP Agreements by, directly and indirectly, (i) soliciting and encouraging one another and various PWP employees, including but not limited to, non-parties Tang, Cofsky, Meyer, Davis, and Leung, to terminate their partnerships or employment with PWP for the purpose of competing with PWP; (ii) hiring the PWP Limited Partners and employees whom they wrongfully solicited to leave PWP to work at their new firm, Ducera; and (iii) soliciting and encouraging current and prospective PWP clients to end their relationships and/or prospective relationships with PWP.

91. As a result of the Individual Defendants' material breaches of the non-solicitation covenants to which they are subject, PWP terminated the Individual Defendants' partnerships or employment for cause, which the applicable partnership and employment agreements define to include any violation of a restrictive covenant of the Firm to which the Limited Partner or employee is subject.

92. By reason of the foregoing, PWP respectfully requests that the Court adjudge, declare and decree pursuant to CPLR 3001 and CPLR 3017(b) that the non-solicitation covenants in the PWP Agreements are valid and enforceable, and that PWP properly terminated Individual Defendants' tenure with the Firm for cause under the terms of the PWP Agreements because Individual Defendants violated the non-solicitation covenants to which they were subject.

COUNT II
(Breach of Contract: Violation of the Partner and Employee
Non-Solicitation Provisions in the PWP MC Agreement)
(as against Kramer)

93. PWP realleges and incorporates by reference herein the allegations set forth in Paragraphs 1 through 92 above.

94. Kramer breached his partner and employee non-solicitation obligations in the PWP MC Agreement by, among other things, directly and indirectly, soliciting one or more Limited Partners and/or employees of PWP to terminate their partnerships and/or employment with PWP for the purpose of competing with PWP, including, but not limited to, the other Individual Defendants and non-parties Tang, Cofsky, Meyer, Davis, and Leung.

95. Perella Weinberg Partners LLC and PWP MC LP have fully performed their obligations under the PWP MC Agreement.

96. As a direct and proximate result of Kramer's breaches of the partner and employee non-solicitation provisions in the PWP MC Agreement, PWP has suffered and will continue to suffer additional damages flowing from Kramer's breach, in the form of competitive harm, loss of profits, loss of business value, lost clients, and attorneys' fees and costs related to this litigation, in an amount to be proven at trial.

COUNT III
(Breach of Contract: Violation of the Partner and Employee Non-Solicitation Provisions
in the PWP Equity I Agreement)
(as against Slonecker and Scherer)

97. PWP realleges and incorporates by reference herein the allegations set forth in Paragraphs 1 through 96 above.

98. Slonecker and Scherer breached their partner and employee non-solicitation obligations in the PWP Equity I Agreement by, among other things, directly and indirectly,

soliciting one or more Limited Partners and/or employees of PWP to terminate their partnerships and/or employment with PWP for the purpose of competing with PWP, including, but not limited to, the other Individual Defendants and non-parties Tang, Cofsky, Meyer, Davis, and Leung.

99. PWP MC LP and PWP Equity I LP have fully performed their obligations under the PWP Equity I Agreement.

100. As a direct and proximate result of Slonecker's and Scherer's breaches of the partner and employee non-solicitation provisions in the PWP Equity I Agreement, PWP has suffered and will continue to suffer additional damages flowing from Slonecker's and Scherer's breaches, in the form of competitive harm, loss of profits, loss of business value, lost clients, and attorneys' fees and costs related to this litigation, in an amount to be proven at trial.

COUNT IV

(Breach of Contract: Violation of the Partner and Employee Non-Solicitation Provisions in the Verost Restrictive Covenant Agreement) (as against Verost)

101. PWP realleges and incorporates by reference herein the allegations set forth in Paragraphs 1 through 100 above.

102. Verost breached his partner and employee non-solicitation obligations in the Verost Restrictive Covenant Agreement by, among other things, directly and indirectly, soliciting one or more Limited Partners and/or employees of PWP to terminate their partnerships and/or employment with PWP for the purpose of competing with PWP, including, but not limited to, the other Individual Defendants and non-parties Tang, Cofsky, Meyer, Davis, and Leung.

103. Perella Weinberg Partners Group LP has fully performed its obligations under the Verost Restrictive Covenant Agreement.

104. As a direct and proximate result of Verost's breaches of the partner and employee non-solicitation provisions in the Verost Restrictive Covenant Agreement, PWP has suffered and

will continue to suffer additional damages flowing from Verost's breaches, in the form of competitive harm, loss of profits, loss of business value, loss of clients, and attorneys' fees and costs related to this litigation, in an amount to be proven at trial.

COUNT V
(Breach of Contract: Violation of the Client and Prospective Client
Non-Solicitation Provisions in the PWP MC Agreement)
(as against Kramer)

105. PWP realleges and incorporates by reference herein the allegations set forth in Paragraphs 1 through 104 above.

106. Kramer breached his client and prospective client non-solicitation obligations in the PWP MC Agreement by, among other things, directly and indirectly, soliciting one or more clients or prospective clients of PWP to end their relationship or prospective relationship with PWP.

107. Perella Weinberg Partners LLC and PWP MC LP have fully performed their obligations under the PWP MC Agreement.

108. As a direct and proximate result of Kramer's breaches of the client and prospective client non-solicitation provisions in the PWP MC Agreement, PWP has suffered and will continue to suffer additional damages flowing from Kramer's breaches, in the form of competitive harm, loss of profits, loss of business value, lost clients, and attorneys' fees and costs related to this litigation, in an amount to be proven at trial.

COUNT VI
(Breach of Contract: Violation of the Client and Prospective Client Non-Solicitation Provisions in the PWP Equity I Agreement)
(as against Slonecker and Scherer)

109. PWP realleges and incorporates by reference herein the allegations set forth in Paragraphs 1 through 108 above.

110. Slonecker and Scherer breached their client and prospective client non-solicitation obligations in the PWP Equity I Agreement by, among other things, directly and indirectly, soliciting one or more clients or prospective clients of PWP to end their relationship or prospective relationship with PWP.

111. PWP MC LP and PWP Equity I LP have fully performed their obligations under the PWP Equity I Agreement.

112. As a direct and proximate result of Slonecker's and Scherer's breaches of the client and prospective client non-solicitation provisions in the PWP Equity I Agreement, PWP has suffered and will continue to suffer additional damages flowing from Slonecker's and Scherer's breaches, in the form of competitive harm, loss of profits, loss of business value, loss of clients, and attorneys' fees and costs related to this litigation, in an amount to be proven at trial.

COUNT VII
(Breach of Contract: Violation of the Client and Prospective Client Non-Solicitation Provisions in the Verost Restrictive Covenant Agreement)
(as against Verost)

113. PWP realleges and incorporates by reference herein the allegations set forth in Paragraphs 1 through 112 above.

114. Verost breached his client and prospective client non-solicitation obligations in the Verost Restrictive Covenant Agreement by, among other things, directly and indirectly,

soliciting one or more clients or prospective clients of PWP to end their relationship or prospective relationship with PWP.

115. Perella Weinberg Partners Group LP has fully performed its obligations under the Verost Restrictive Covenant Agreement.

116. As a direct and proximate result of Verost's breaches of the client and prospective client non-solicitation provisions in the Verost Restrictive Covenant Agreement, PWP has suffered and will continue to suffer additional damages flowing from Verost's breaches, in the form of competitive harm, loss of profits, loss of business value, loss of clients, and attorneys' fees and costs related to this litigation, in an amount to be proven at trial.

COUNT VIII
(Breach of Fiduciary Duty)
(as against Kramer, Slonecker, Scherer, and Verost)

117. PWP realleges and incorporates by reference herein the allegations set forth in Paragraphs 1 through 116 above.

118. By virtue of the Individual Defendants' contractual relationships with PWP and the special relationship of trust and confidence reposed by PWP in them, and the access provided to them to PWP's confidential, proprietary and trade secret information, the Individual Defendants were required to act solely in PWP's interest. Kramer, Slonecker, and Scherer had a statutory duty of loyalty to PWP requiring them to refrain from dealing with the partnership in the conduct of the partnership business or affairs as or on behalf of a party having an interest adverse to the partnership. Del. Code Ann. tit. 6, § 15-404. The Individual Defendants also had common law duties of loyalty and of utmost good faith to PWP, and were obligated not to subvert or misappropriate PWP's business opportunities.

119. The Individual Defendants breached their fiduciary duties to PWP by, among other things, directly or indirectly soliciting and diverting PWP's employees and business opportunities to a competitor of PWP to be formed by the Individual Defendants.

120. The Individual Defendants committed their actions knowingly, willfully and in conscious disregard of PWP's rights.

121. As a direct and proximate result of the Individual Defendants' breaches of their fiduciary duties, PWP already has suffered and will continue to suffer extensive injury, and harm to its business.

122. As a direct and proximate result of the Individual Defendants' breaches of fiduciary duties, PWP already has suffered and will continue to suffer additional damages, which continue to accrue in the form of attorneys' fees and costs related to this litigation.

COUNT IX
(Aiding and Abetting Breach of Fiduciary Duty)
(as against Kramer, Slonecker, Scherer, and Verost)

123. PWP realleges and incorporates by reference herein the allegations set forth in Paragraphs 1 through 122 above.

124. The Individual Defendants aided and abetted each other's breaches of their fiduciary duties by contributing to and encouraging their tortious activity, including, but not limited to, their solicitation of each other and Tang, Meyer, Cofsky, Davis, and Leung.

125. The Individual Defendants' aiding and abetting of each other's breaches of their fiduciary duties was intentional and without justification.

126. The Individual Defendants' participation in each other's breaches of their fiduciary duties directly and proximately caused substantial damage to PWP and its business, resulting in the loss of employees, the loss of clients, and other damage to its business.

COUNT X
(Breach of the Duty of Loyalty/Faithless Servant)
(as against Kramer, Slonecker, Scherer, and Verost)

127. PWP realleges and incorporates by reference herein the allegations set forth in Paragraphs 1 through 126 above.

128. By virtue of the Individual Defendants' senior positions at PWP, the special relationship of trust and confidence reposed by PWP in them, and the heightened and special access provided to them to PWP's trade secrets and other confidential and proprietary information, the Individual Defendants were required to act solely in PWP's interest. Kramer, Slonecker, and Scherer had a statutory duty of loyalty to PWP requiring them to refrain from dealing with the partnership in the conduct of the partnership business or affairs as or on behalf of a party having an interest adverse to the partnership. Del. Code Ann. tit. 6, § 15-404. The Individual Defendants also had common law duties of loyalty and of utmost good faith to PWP, and were obligated not to subvert or misappropriate PWP's business opportunities.

129. The Individual Defendants' fiduciary duties to PWP also included, among other things, a duty not to solicit, directly or indirectly, PWP partners or employees for a competing business, a duty of loyalty not to be deceitful and a duty generally to not act for the benefit of a competing company while employed by PWP. Upon information and belief, the Individual Defendants breached their fiduciary duties owed to PWP by, among other things, directly or indirectly soliciting PWP's partners and employees to form and work for a competitor of PWP.

130. The Individual Defendants' breach of their fiduciary duties was not a single, isolated act, but was repeated during the period of time in which they contemplated and ultimately decided to leave PWP to establish a competitor of PWP.

131. The Individual Defendants' conduct exhibits dishonesty and disloyalty to PWP related to their service to PWP. As partners or employees of PWP, PWP entrusted the Individual

Defendants with its relationships with its partners and employees and clients, and the Individual Defendants owed PWP a duty to safeguard those relationships from competitors.

132. As a result of the Individual Defendants' disloyal and faithless service, the Individual Defendants forfeited their right to any compensation received or to be received from PWP, from the earliest date of their disloyalty.

133. As a direct and proximate result of the Individual Defendants' breaches of their fiduciary duties, PWP already has suffered and will continue to suffer additional damages, which continue to accrue in the form of attorneys' fees and costs related to this litigation.

COUNT XI
(Tortious Interference with Contractual Relationships with Partners and Employees)
(as against Kramer, Slonecker, Scherer, and Verost)

134. PWP realleges and incorporates by reference herein the allegations set forth in Paragraphs 1 through 133 above.

135. The Individual Defendants were aware of the existing employment relationships between PWP and the members of its Restructuring Group, including, but not limited to, each other, Tang, Meyer, Cofsky, Davis, and Leung.

136. Upon information and belief, the Individual Defendants improperly and without privilege engaged in the enticement and solicitation of partners and employees of PWP, and have unlawfully interfered with PWP's relationships with its partners and employees by, among other things, soliciting partners and employees in violation of the non-solicitation covenants in the PWP Agreements.

137. The foregoing conduct was willful and intentional, and has already caused and will continue to cause serious damage to PWP with respect to its relationships with its partners and employees.

138. As a direct and proximate result of the loss of eight out of the twelve members of PWP's Restructuring Group in such a concentrated period of time, PWP already has suffered and will continue to suffer extensive injury, including loss of clients, loss of profits, loss of business value.

139. As a direct and proximate result of the loss of eight out of the twelve members of PWP's Restructuring Group in such a concentrated period of time, PWP has suffered and will continue to suffer damages, which continue to accrue in the form of attorneys' fees and costs related to this litigation, and lost business, loss of profits, and loss of business value in an amount to be proven at trial. Moreover, Defendants' wrongful conduct entitles PWP to punitive damages in amounts to be proven at trial.

COUNT XII
(Tortious Interference with Existing and Prospective Business Relationships)
(as against all Defendants)

140. PWP realleges and incorporates by reference herein the allegations set forth in Paragraphs 1 through 139 above.

141. The Individual Defendants had detailed knowledge concerning the business relationships that existed between PWP and its restructuring clients.

142. Upon information and belief, Defendants, directly or indirectly, intentionally and with malice, and without privilege or justification, interfered with PWP's existing and prospective business relationships, causing such relationships to leave PWP-using unfair or improper means, and/or with the intent to interfere with such relationships.

143. As a direct and proximate result of the loss of business relationships, PWP has suffered and will continue to suffer extensive injury, including loss of existing and prospective clients.

144. As a direct and proximate result of the loss of existing and prospective business relationships, PWP has suffered and will continue to suffer damages, which continue to accrue in the form of attorneys' fees and costs related to this litigation, and lost business in an amount to be proven at trial. Moreover, Defendants' wrongful conduct entitles PWP to punitive damages in amounts to be proven at trial.

COUNT XIII
(Tortious Interference with Contractual Relationships: PWP's Contracts with the
Individual Defendants)
(as against Ducera)

145. PWP realleges and incorporates by reference herein the allegations set forth in Paragraphs 1 through 144 above.

146. Ducera was aware of the partnership and/or employment agreements with PWP to which Kramer, Slonecker, Scherer, and Verost were subject, including but not limited to the non-solicitation covenants in those agreements prohibiting Kramer, Slonecker, Scherer, and Verost from hiring PWP employees whom they had wrongfully solicited or soliciting and encouraging any PWP clients or prospective clients to terminate their relationships or prospective relationships with PWP.

147. Ducera, improperly and without privilege, has unlawfully procured the breach of PWP's partnership and/or employment agreements with Kramer, Slonecker, Scherer, and Verost, by, among other things, hiring PWP Limited Partners and employees whom Kramer, Slonecker, Scherer, and Verost wrongfully solicited and assisting Kramer's, Slonecker's, Scherer's, and Verost's solicitation and servicing of PWP clients and prospective clients in violation of those agreements.

148. The foregoing conduct was willful and intentional, and has caused and will continue to cause serious damage to PWP with respect to its existing and prospective client relationships.

149. As a direct and proximate result of the loss tangible business opportunities to Ducera in such a concentrated period of time, PWP has suffered and will continue to suffer damages, which continue to accrue in the form of attorneys' fees and costs related to this litigation, and lost business, loss of profits, and loss of business value in an amount to be proven at trial. Moreover, Defendants' wrongful conduct entitles PWP to punitive damages in amounts to be proven at trial.

COUNT XIV
(Unfair Competition)
(as against all Defendants)

150. PWP realleges and incorporates by reference herein the allegations set forth in Paragraphs 1 through 149 above.

151. Defendants undertook the foregoing acts in order to gain an unfair competitive advantage for themselves and their new competing entity over PWP.

152. As a direct and proximate result of Defendants' unfair competition, PWP has been and continues to be injured in its business and property.

WHEREFORE, PWP respectfully requests that the Court:

A. Declare that the non-solicitation covenants in the PWP Agreements are valid and enforceable, and that PWP properly terminated Defendants' tenure with the Firm for cause under the terms of the PWP Agreements because Defendants violated the non-solicitation covenants.

B. Enter judgment awarding PWP damages in an amount to be established at trial for all injury resulting from the Individual Defendants' breaches of their respective obligations under the PWP Agreements, and from all Defendants' unfair competition and tortious interference with PWP's contracts, and further order disgorgement of all revenues, earnings, profits, compensation, and benefits that may have been obtained or that may be obtained in the future by Defendants as a result of such business acts or practices.

C. Enter judgment requiring the Individual Defendants to forfeit and return to PWP, pursuant to the faithless servant doctrine, all compensation, in any form, including salary, that the Individual Defendants received from PWP during the entire period of their disloyalty, in an amount to be determined at trial;

D. Enter judgment awarding PWP pre-judgment and post-judgment interest;

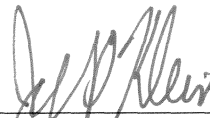
E. Enter judgment awarding PWP its attorneys' fees, costs and expenses of litigation;

F. Grant to PWP such other and further relief as the Court deems just and appropriate.

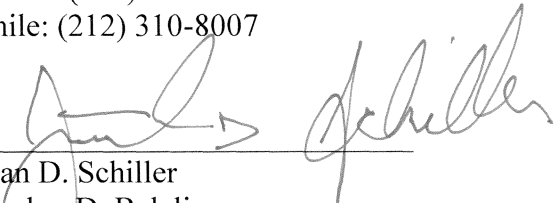
JURY DEMAND

PWP demands a trial by jury of all issues.

DATED this 20th day of October, 2015.



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