

2. This court has jurisdiction for the following reasons: (1) the incidents that made the basis of this lawsuit occurred in Harris County, Texas; (2) Plaintiff is a non-profit organization whose primary office is located in Harris County, Texas; (3) The Defendant is located in and/or does business in

Harris County, Texas; (4) the relevant transactions in question were entered into in Harris County, Texas; and (5) the amount in controversy is within the court's jurisdiction. Venue is proper in Harris County, Texas because all or a substantial part of the incidents giving rise to the lawsuit were in Harris County.

C. PARTY IDENTIFICATION INFORMATION

3. The Plaintiff, Pride Houston, Inc., is a non-profit organization based in Texas and may be served through their attorney of record, LaToya Jarrett, of the Jarrett Law Firm PLLC, located at 3033 Chimney Rock Rd. Ste. 610, Houston, Texas 77056.

4. The Defendant, Lorin Roberts, is an unmarried individual who resides in Texas and may be served at 11257 Albert Moorehead Road Conroe, Texas 77302.

D. FACTS

1. Defendant, Lorin Roberts, was the first executive director of Pride Houston, Inc. from March 2020 to June 22, 2021. The executive director is the only paid, salaried position with the organization.

2. Before commencing her role as executive director, Defendant Roberts was president of Pride Houston, Inc/Pride Committee of Houston from 2017 until 2021. To reinforce the separation of powers, Roberts was required to relinquish her role as president to assume the role of executive director.

3. Defendant Roberts was terminated for violating the terms of her employment agreement¹ and the Bylaws of Pride on June 22, 2021.² She was also relieved of any and all volunteer roles with the organization.

¹ See attached **Exhibit "1"-Employment Agreement**. All exhibits made reference to herein are attached and are fully incorporated by reference for all purposes.

² See attached **Exhibit "2"-Pride Houston's Bylaws**. All exhibits made reference to herein are attached and are fully incorporated by reference for all purposes.

4. Specifically, Roberts engaged in the following non-exhaustive conduct:

- a. Disbursed approximately \$1,200 USD to a personal acquaintance and non-Pride staff member for which there are no receipts evidence of it being an approved budget line item or approved business purpose;
- b. Failed to submit to an internal audit of Pride Houston's financial accounts during her tenure as Executive Director and/or President of the organization despite multiple written attempts;
- c. Failed to disclose all lines of credit established on behalf of Pride Houston, Incorporated;
- d. Failed to disclose and/or withheld requested confidential, work product, materials and/or proprietary information relating to departments she was appointed to manage
- e. Refused to provide and reveal to the Board the financial affairs and status of her costs and expenses on behalf of the Board despite multiple written requests;
- f. Failed and refused to provide the Board with copies of contracts/agreements she entered with vendors, clients, and sponsors, on behalf of the organization despite multiple written requests; and
- g. Willfully and purposefully mislead the Board of Directors of Pride Houston, Incorporated regarding the status of the Houston Pride Parade, including, but not limited to, approval from the City of Houston regarding the set up, route, space, and permitting for the Parade;
- h. Misrepresented to the Board that she secured permits from the City of Houston for the Pride Parade to occur in 2021, when in fact, she did not.
- i. Defendant Robert's employment agreement contained a non-disclosure and non-compete agreement. Roberts was informed during her termination meeting on June 22, 2021 that the non-disclosure and non-compete agreements survive her tenure as executive director. She immediately and intentionally violated both clauses.

5. As the former president of Pride Houston, Roberts had control over all the organization's assets in the form of accounts associated with Pride Houston, Inc., including bank accounts, credit card accounts, social media accounts, email accounts and the organization's website, as administrator.

6. Roberts was required to relinquish the organization's assets to the incoming president,

Thasia Madison. As earlier stated, she refused for approximately 15 months despite multiple verbal and written requests, and currently, has still failed to do so.

7. Robert's refusal to transfer the aforementioned assets has delayed and hindered President Thasia Madison and current board members from furthering the business of Pride Houston without Roberts intervention or assistance.
8. In essence Defendant Roberts was acting as a *de facto* president and executive director concurrently. Her intentional usurpation of the president's powers resulted in her having exclusive or primary access to most of Pride Houston's assets, including but not limited to, cloud storage, bank accounts, and vendor and sponsorship agreements for Pride.
9. Starting on June 22, 2021, the date of Roberts' termination, Defendant Roberts began destroying assets and property of Pride Houston, including but not limited to the following: Pride's Google Drive Account and the super administration usernames and passwords thereto, cloud storage, bank accounts, and vendor and sponsorship agreements for Pride.
10. Because of her exclusive access to certain Pride Houston documents and property, the true extent of the damage caused by Defendant Roberts is currently unknown. The hiring of an expert will be required to reveal this information.
11. In addition to the intentional destruction of Pride Houston property, Defendant Roberts has continuously violated her non-compete/non-solicitation agreement by contacting Pride Houston sponsors and misrepresenting herself as an agent of the organization and entering contracts with Pride's vendors, sponsors, and/or affiliates in violation of the non-compete/non-solicitation agreement.
12. On June 30, 2021 Defendant Roberts tagged the Pride Houston in a video on an Instagram account with her with Pride Houston sponsors, Athleta and Gap. By "tagging" of Pride Houston's official Instagram account Roberts was intentionally misrepresenting herself as an official representative of Pride Houston with the authority to accept donations and conduct business on behalf of the organization.
13. Additionally, agents acting at the direction of Defendant Roberts, have leaked

confidential Pride Houston correspondence and information, including resignation letters of prior Pride Houston board members and videos of executive committee and board meetings, with the intention of destroying sponsor and public confidence in the organization.

14. Recently, it was discovered that Defendant Roberts' egregious behavior started in at least 2018. Roberts was informed by the City of Houston in 2018 that the 2020 and 2021 Houston Pride Parade would no longer be allowed to use the routes and/or locations of previous years. Pride Houston, Inc. would be required to apply for new permitting from the City of Houston and change the location. The Defendant acknowledged acceptance of the City's letter.

15. During the planning of the 2020 Houston Pride Parade (also referred to as Celebration), the Defendant lied to the board of directors stating that permitting had been secured from the City of Houston; however, the City had purposely not confirmed the venue because of discrimination of the organization's LGBTQIA-oriented mission and purpose.

16. Based on the Defendant's untrue statements regarding the City's failure to confirm the location and venue for Pride, a board member contacted the City in writing requesting a formal explanation. The City replied with the aforementioned letter showing that the Defendant had known for approximately 2 years about the venue change and the rationale for the changes were necessary due to Pride's proposed venue (Hermann Square) being negatively impacted by the street construction surrounding the park.

17. In December 2020 the Defendant traveled to Washington, D.C. to apply for a paid position with a D.C. based LGBTQIA advocacy organization with Pride Houston, Inc. funds. This was not business or Pride Houston-related travel. All Pride Houston-related travel and disbursement of funds require authorization from the board of directors and must be a budgeted line item.

18. The Defendant then purposely hide this personal travel by cancelling the December 10, 2020 meeting for the board of directors and cited "inclement weather". There was no inclement weather. It was later discovered that she was having dinner in Washington DC with Natalie Thompson of Capital Pride Alliance. This was a purposeful and willful misuse of Pride Houston, Inc. funds from donors, disruption of the board's activities, and violation of her non-compete/non-solicitation agreement.

19. During the 2020 and 2021 Houston Pride Parade planning meetings, the Defendant repeatedly lied to the board of directors about obtaining a permit from the City for the 2021 Celebration. On June 22, 2021 the Defendant explicitly stated that she had obtained a permit. It was later discovered that Pride Houston had been denied the permit in writing.³ The Defendant received said letter and had not informed the board of directors. The current president of Pride Houston, Thasia Madison, was able to secure permitting on or around July 1st, 2021.

20. On or about June 24th, 2021, Plaintiff through its counsel, served Defendant with a Demand, Cease & Desist, and No-Spoliation Letter.⁴

E. CAUSES OF ACTION

COUNT 1 – BREACH OF FIDUCIARY DUTY

21. The preceding factual background and allegations are incorporated herein by reference as though fully set forth herein.

22. As an officer of Pride, Defendant Roberts owes a statutory and fiduciary duty to Plaintiff to not usurp and use the corporate assets of Plaintiff for her own personal benefit. Plaintiff has misused and misappropriated Pride funds in both her capacity as former president and executive director.

23. Defendant owes Plaintiff a fiduciary duty, not to appropriate Plaintiff's trade secrets, not to solicit Plaintiff's clients, vendors, sponsors, donors or potential future clients, vendors, sponsors, donors, and not to engage in the same or similar business as Plaintiff.

24. Further, Defendant has committed multiple breaches of her fiduciary duty to Pride,

³ See attached **Exhibit "3"-Letter from City of Houston**. All exhibits made reference to herein are attached and are fully incorporated by reference for all purposes.

⁴ See attached **Exhibit "4"-Demand/Cease & Desist/ No Spoliation Letter**. All exhibits made reference to herein are attached and are fully incorporated by reference for all purposes.

including, but not limited to, using Pride's property and assets for her own personal gain which has damaged Pride; deleting Prides intellectual property including, but not limited to, files and/or documents on Google Drive, Pride's cloud storage, Pride's computers and laptops. Not only is this conversion, but it is a reckless disregard of the safekeeping of Pride's proprietary information. Plaintiff has no knowledge of the whereabouts of the proprietary information of Pride which was/is located on a Pride Google Drive account that Defendant may have deleted. Defendant managed this information daily, and the majority of the proprietary information is/was being kept on Pride's Super Admin Google Suite Drive which she refuses to turn over. It is a fact that most of the key proprietary information is being kept away of Pride's Board of Directors, mainly the President. As a former officer and staff member of Pride Defendant has a duty to safeguard this information and return it to Pride, immediately.

25. For weeks, Defendant has intentionally withheld the usernames and passwords for Pride's Super Admin portion of Pride's Google Suite Drive, and agreements/contracts with vendors, sponsors, donors, and clients. Madison, who is President and chief officer, requires this proprietary information of Pride in order to carry out her duties. She cannot make informed decisions as the President, if she is not privy to this information.

26. Defendant has breached her duty of loyalty to Pride by either intentionally converting this information and/or refusing to provide it to Pride.

27. Defendant's actions have caused damages to P r i d e in that it is unable to locate key proprietary information only she accesses on a daily basis.

28. Additionally, Defendant's refusal to provide the President all usernames and passwords to Pride and her refusal to provide key proprietary information to Plaintiff is a breach of §3.151, §3.152, §21.218(b) and §21.219(c) of the Texas Business Organizations Code.

Plaintiff has made a demand for the return of its confidential financial and proprietary information of Defendant.

29. As the President, Madison requires this information in order to make important decisions regarding Pride business. Without this information, her judgment is impaired.

30. By concealing Pride's financial and proprietary information, and denying Plaintiff the right to it's on property and assets, Defendant has breached her fiduciary duty. Additionally, Defendant's multiples breaches of fiduciary duty, including refusing to provide Pride with its bank and credit card accounts and statements, have not only caused damages to Pride, but also to Pride's Board of Directors, as it must comply with federal tax reporting requirements for it's 501 c3 status with the IRS.

31. Plaintiffs' legal remedy is inadequate, as such they are entitled to equitable remedies to protect their interests, including a permanent injunction requiring Defendant to return and maintain the proprietary information of Pride, so that the President and all directors may have access to the proprietary information.

COUNT 2-BREACH OF CONTRACT AND NON-COMPETE/NON-SOLICITATION

32. The preceding factual background and allegations are incorporated herein by reference as though fully set forth herein.

33. On or about February 1st, 2021, the Parties entered into a valid and enforceable written contract. (See Exhibit 1) The contract provided that Defendant would uphold the Bylaws of Pride, maintain and safekeep all of Pride's property and ownership interests for the benefit of Pride, keep Pride's proprietary information confidential, and not compete with Pride during Defendant's employment and 6 months following termination, thereafter. (See Ex. 1, Section 8).

34. Plaintiff has fully performed its obligations under the contract.

35. Defendant materially breached the contract.

36. Defendant's breach caused injury to the Plaintiff, which resulted in the following damages:

Loss of profits; monetary damages in an amount exceeding \$100,000.

COUNT 3- FRAUD

37. Plaintiff pleads fraud against Defendant. "A common law fraud claim is established by showing proof of the following elements: a material misrepresentation that was false, was known to be false when made or was made recklessly as a positive assertion without knowledge of its truth, that was intended to be acted

upon, that was relied upon, and which caused injury." *Trinity Indus. v. Ashland, Inc.*, 53 S.W.3d 852, 867 (Tex. App.—Austin 2001).

38. "The elements of statutory fraud under section 27.01 of the Texas Business and Commerce Code are essentially identical to the elements of common law fraud except that section 27.01 does not require proof of knowledge or recklessness as a prerequisite to the recovery of actual damages." *Trinity Indus. v. Ashland, Inc.*, 53 S.W.3d 852, 867 (Tex. App.—Austin 2001).

COUNT 4- CONVERSION

39. Defendant has been utilizing Pride's funds and materials for her own personal benefit.

40. Defendant has wrongfully exercised dominion and control over Plaintiff's personal property when she began using Pride's funds/monies, proprietary information, bank and credit accounts, work product, vendor and sponsor information, and materials for her own personal benefit without compensating Pride.

41. Defendant's wrongful acts proximately caused injury to Plaintiff, which resulted in the following damages: loss of use of the converted property, loss of profits from any potential sale and/or use of the converted property.

42. Plaintiff seeks reimbursement of the converted property and liquated and unliquated damages within the jurisdictional limits of this court.

COUNT 5- TRADE SECRETS MISAPPROPRIATION

43. Plaintiff has invested substantial amounts of money, time, and effort in establishing, developing, and maintaining relationships with their clients and in developing and protecting its trade secrets.

44. Defendant has intentionally misappropriated the trade secrets of Plaintiff for her own personal benefit, and has engaged in employment with Plaintiff's vendors and/or sponsors, for the purpose of offering similar services as Plaintiff and/or engaging in direct competition with Plaintiff.

45. Defendant has used the trade secrets for her benefit and to the detriment of Plaintiff.

46. Plaintiff has been damaged in that they are unable to locate many important trade secrets of Pride. Defendant's conduct has caused, and will continue to cause irreparable harm unless this conduct is permanently enjoined.

COUNT6- D-THEFT LIABILITY ACT

47. Defendant's actions violate the Theft Liability Act. *See* TEX.CIV.PRAC. & REM. CODE §§ 134.001-134.005; TEX. PEN.CODE §§31.01(5)(B), 31.03. Plaintiff has a possessory right to its trade secrets, proprietary information, intellectual property, and all personal property, and Defendant unlawfully appropriated all of the aforementioned without its consent. Clearly, when Defendant misappropriated the trade secrets, proprietary information, and intellectual property of Pride, she intended to deprive Pride of its property, as she has yet to turn over Pride's trade secrets, proprietary information, and intellectual property, despite demands for such. Defendant was the gatekeeper of this information in her duties as executive director and past president. The proprietary information includes, but is not limited to:

- a) Super Admin Google Suite information and username and passwords thereto
- b) Keys to property owned by Pride
- c) Key codes
- d) Passwords to all Pride Houston Accounts
- e) Stripe account data/information/username/passwords
- f) Square account data/information/username/passwords
- g) Any and All financial information
- h) All Proprietary information

- i) Client and Vendor contact information and contracts/agreements
- j) Sponsorship contact information and contracts/agreements
- k) Queerish Interviews with the Montrose Center

48. Defendant Gloria Zermeño has the sole and exclusive access to the Main ZReady Mix Computer where the Company's proprietary information is supposed to be kept.

By operating Pride business from a cloud storage and storing it with usernames and passwords exclusive to Defendant, Defendant has wrongfully exercised dominion or control over the proprietary information of Pride to the exclusion of and inconsistent with Plaintiff's rights.

49. Plaintiff has demanded the return of all of its property, and Defendant has failed to return it.

Ojeda v. Wal-Mart Stores, Inc., 956S.W.2d 704, 707 (Tex. App. – San Antonio 1997, pet. denied).

Plaintiff has been irreparably damaged by such a blatant taking.

50. Moreover, large sums of money appear to be unaccounted for and/or missing. A recent inspection of the financial records of Plaintiff, specifically actual withdrawals recorded in the bank statements, there appears to indicate that large sums of money are unaccounted for. Defendant has the exclusive access to the monies received for Pride.

COUNT 7- TORTIOUS INTERFERENCE

51. Defendant's actions in engaging in employment with Plaintiff's vendors/sponsors, Athleta and Gap, is a direct violation of the parties non-compete and non-solicitation agreement and competes directly against Plaintiff, along with the wrongful taking of the trade secrets, proprietary and intellectual property, and work product of Plaintiff constitutes tortious interference with the business relationships of Pride.

52. Defendant has intentionally interfered with the business relationships of Pride's vendor/sponsors/donors, and/or clients by contacting them and actually taking away sponsorships and vendors which would have been done by Pride. Such conduct is tortious or unlawful.

53. Defendant continue to intentionally interfere with the business relationships of Plaintiff that interference has caused and will continue to cause damage to Plaintiff.

54. If such tortious interference is allowed to continue, Plaintiff will have no adequate remedy at law and will be irreparably damaged. The property rights are unique and irreplaceable so it would be difficult to accurately measure, in monetary terms, the damage caused by Defendants' willful, wanton, and outrageous conduct. The trade secrets and proprietary information are unique.

55. Plaintiff has been damaged in the form of loss of proprietary information, loss of income, and loss of trade secrets.

56. Defendant's conduct is the proximate cause of loss of income to Pride.

G. APPLICATION FOR TEMPORARY RESTRAINING ORDER

1. Plaintiff's application for a temporary restraining order is authorized by Texas Civil Practice and Remedies Code § 65.011.
2. Plaintiff requests that this Court issue a Temporary Restraining Order immediately enjoining Defendant from engaging in activity under the authority of Pride Houston, Inc., Pride Committee of Houston, Inc. including, but not limited to, the following: (1) continuing to convert Pride Houston's proprietary information, (2) withholding and/or destroying any of the organizations password information, (3) preventing board members from accessing to any accounts in social media platforms, created on behalf of the organization, (4) preventing board members from accessing the organization's billing statements for all accounts, (5) contacting, directly or indirectly, Pride Houston vendors and volunteers, (6) entering into or cancelling any contracts on behalf of Pride Houston, Inc., Pride Committee of Houston, Inc., acting in any way on behalf of Pride Houston, Inc., Pride Committee of Houston, Inc., and (7) sending or receiving emails on behalf of Pride Houston, Inc., Pride Committee of Houston, Inc.
3. It is probable that plaintiff will recover from defendant after a trial on the merits because the claim has merit.
4. If plaintiffs' application is not granted, harm is imminent because each day that the organization does not have access to their assets and it is controlled by a third party, who can and has used the assets for their own personal purpose, including unauthorized transactions and post the organization suffers irreparable harm.
5. The Plaintiff has no adequate remedy at law, because there is no way to gain the organization's assets without an order from the court
6. Notice was provided to the defendant that a hearing on this application will be requested, on July 2nd, 2021.

H. REQUEST FOR TEMPORARY INJUNCTION

1. Following the issuance of the Temporary Restraining Plaintiff's request that Defendant be cited to appear and show cause and that upon such hearing, a temporary injunction be issued enjoining Defendants, together with their respective agents, servants, employees and other representatives from directly or indirectly engaging in the conduct described above.
2. Plaintiffs have joined all indispensable parties under Texas Rule of Civil Procedure 39.

I. REQUEST FOR PERMANENT INJUNCTION

1. Plaintiff requests that this Court set Plaintiffs' request for a permanent injunction for a full trial on the merits and, after the trial, issue a permanent injunction to be ordered, enjoining Defendant, together with their respective agents, servants, employees and other representatives from directly or indirectly engaging in the conduct described above.

J. REQUEST TO CONDUCT EXPEDITED DISCOVERY PRIOR TO TEMPORARY INJUNCTION HEARING

57. Plaintiff requests leave of this Court to conduct telephonic, oral, written, and other depositions of witnesses, and parties prior to any scheduled Temporary Injunction hearing and prior to Defendant's answer date. Any depositions, telephonic or otherwise, would be conducted in five calendar days, shortened notice to Defendants and their attorneys. Responses to interrogatories, requests for production, and requests for admission would be shortened to three calendar days from the date of service which may be propounded and responded to via facsimile without the enlargement of time permitted by Tex. R. Civ. P., Rule 4.

K. JURY DEMAND

58. Plaintiffs demand a jury trial and tenders the appropriate fee with this petition.

L. CONDITIONS PRECEDENT

59. All conditions precedent to plaintiffs claim for relief have been performed or have occurred.

M. REQUEST FOR DISCLOSURE

60. Under Texas Rule of Civil Procedure 194, plaintiff requests that defendant disclose, within 50 days of the service of this request, the information or material described in Rule 194.2.

N. RULE 47

61. Plaintiff seeks equitable relief and monetary relief over \$100,000 but not more than \$600,000 and/or equitable relief.

62. The damages sought are within the jurisdictional limits of the court.

O. REQUEST FOR DISCLOSURE

63. Pursuant to Rule 194 of the Texas Rules of Civil Procedure, Plaintiff requests that each and every Defendant disclose, within fifty (50) days of service of this request, the information and material described in 194.2 (a) through (l).

P. PRAYER

64. For these reasons, The Plaintiffs pray the Court, after notice and hearing or trial, enters judgment in favor of Plaintiff, awards Plaintiff the costs of court, attorney's fees, and such other and further relief as Plaintiff may be entitled to in law or in equity, and Defendant take nothing.

65. Plaintiff further asks that defendant be cited to appear and answer and, on final trial, that plaintiff be awarded a judgment against defendant for the following:

- a. Temporary restraining order.
- b. Temporary injunction.
- c. Permanent injunction.
- d. Actual damages.
- e. Prejudgment and post judgment interest.
- f. Court costs.
- g. Attorney fees
- h. All other relief to which plaintiff is entitled.

Respectfully submitted,

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