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**IN THE UNITED STATES BANKRUPTCY COURT  
 FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re )

QUEBECOR WORLD (USA) INC., et al. )

Debtors. )

QUEBECOR WORLD (USA) INC. )

Plaintiff, )

v. )

RICHARD WALTMAN, ROBERT )  
 HARTMANN, JOSEPH S. CHA and CHA )  
 MANAGEMENT, LLC f/k/a ANDREW )  
 CHA INTERNATIONAL, INC. )

Defendants. )

**Chapter 11**

**Case No. 08-10152 (JMP)**

**Adv. Pro. No. \_\_\_\_\_**

**COMPLAINT**

**JURY TRIAL DEMANDED**

Plaintiff, Quebecor World (USA) Inc. (“Quebecor”), by its attorneys Morgan, Lewis & Bockius LLP, alleges the following for its complaint against Richard Waltman (“Waltman”), Robert Hartmann (“Hartmann”), Joseph S. Cha (“Mr. Cha”), and Cha Management, LLC, f/k/a Andrew Cha International Inc. (“CHA LLC”) (collectively, the “Defendants”):

**NATURE OF THE ACTION**

1. Quebecor brings this action seeking immediate and permanent injunctive relief to prevent Waltman, who is acting in concert with Hartmann, Mr. Cha, and CHA LLC, from

misappropriating Quebecor's confidential information and trade secrets, as well as damages arising out of Waltman's and Mr. Cha's breaches of their obligations to Quebecor and Defendant's various tortious acts.

2. Waltman, until his termination on April 17, 2008, was Vice President Operations East for Quebecor World Premedia, a division of Quebecor. Prior to his termination for cause, Waltman took steps that would lead and amount to misappropriation of Quebecor's confidential information and trade secrets. On information and belief, Waltman did so, acting in concert with Hartmann, Mr. Cha, and CHA LLC, so that Waltman, Hartmann, Mr. Cha, and CHA LLC could establish a rival business and solicit Quebecor's clients as well as Quebecor's employees through improper and unlawful means.

3. Waltman has breached his employment obligations to Quebecor and breached the duty of loyalty and the fiduciary duty he owes to Quebecor.

4. Hartmann, Mr. Cha, and CHA LLC have, on information and belief; tortiously interfered with Quebecor's contractual relations, aided and abetted Waltman's breaches of his duty of loyalty and fiduciary duty, and engaged in unfair competition. In addition, Mr. Cha has breached his own contractual obligations to Quebecor by misappropriating Quebecor's confidential information and trade secrets and by violating his own non-compete and non-solicit agreements with Quebecor.

### **The Parties**

5. Quebecor is a Delaware corporation, headquartered in North Haven, Connecticut.

6. Waltman is a resident of New Jersey, residing at 14 Ramapo Lane, Upper Saddle River, New Jersey 07458. At all relevant times herein, Waltman was Vice President Operations

East for Quebecor World Premedia, working out of Quebecor's New York offices located at 570 Lexington Avenue, 6<sup>th</sup> Floor, New York, New York.

7. On information and belief, Hartmann is a resident of Pennsylvania, residing at 107 Northbrook Drive, Gibsonia, Pennsylvania 15044.

8. On information and belief, Mr. Cha is a resident of California, residing at 1930 Via Del Rey, South Pasadena, California 91030. Mr. Cha was President of Quebecor World Premedia from July 2007 until his termination for cause on January 10, 2008. In his capacity as President of Quebecor World Premedia, Mr. Cha regularly transacted business in New York; in his current capacity as head of CHA LLC, Mr. Cha is believed to transact business in New York. Mr. Cha has also engaged in tortious acts within New York.

9. CHA LLC is, upon information and belief, a California corporation, headquartered at 1100 Corporate Center Drive, Suite 100, Monterey Park, California.

10. On information and belief, CHA LLC regularly transacts business in New York.

### **Jurisdiction and Venue**

11. Quebecor commenced a case under Chapter 11, Title 11, U.S.C. by filing its petition in this Court on January 21, 2008. Quebecor remains a debtor in possession.

12. This Court has subject matter over this dispute pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b).

13. Venue is proper in the Southern District of New York pursuant to 28 U.S.C. § 1409.

## **FACTUAL BACKGROUND**

14. Quebecor is in the business of providing printed products and services. Quebecor World Premedia is a division of Quebecor.

15. In July 2007, Quebecor purchased Colorscope from Mr. Cha pursuant to a Purchase and Sale Agreement dated May 23, 2007 (the “PSA”). As part of that deal, Quebecor hired Mr. Cha as President of Quebecor World Premedia.

16. On June 1, 2007, Mr. Cha entered into an employment agreement with Quebecor to be its President by signing an offer letter that contained the terms of his employment.

17. Mr. Cha’s employment agreement included the following:

- Covenant not to solicit employees

During the period of your employment with QW USA and for a period of twelve (12) months after the termination of your employment with QW USA for any reason, except in the performance of your duties, you will not directly or indirectly solicit, induce, recruit or encourage any of QW USA’s employees or consultants to leave their employment or consulting relationship with QW USA or hire or retain any such employees or consultants, either for you or on behalf of any other person or entity.

- Covenant not to solicit customers

During the period of your employment with QW USA and for a period of (12) months after the termination of your employment with QW USA for any reason, except in the performance of your duties, you will not, directly or indirectly solicit or attempt to solicit any person or entity which is a customer of QW or with whom there is an active proposal on the date your employment terminates, with respect to products or services competitive with those offered or actively proposed to be offered by QW USA on the date your employment terminates.

18. In the fall of 2007, Mr. Cha recruited Waltman to join Quebecor World Premedia.

19. On October 17, 2007, Waltman received a written offer of employment with Quebecor on November 5, 2007. Waltman commenced his employment with Quebecor World Premedia on November 5, 2007.

20. Pursuant to Waltman's written offer of employment, Waltman agreed to the provisions of the Quebecor Corporate, Group, and Sales Employee Handbook (the "Handbook"). On November 5, 2007, Waltman signed the Employee Declaration for the Handbook; it provides as follows:

I have received the [Quebecor World Corporate, Group and Sales Employee Handbook], and I understand that it is my responsibility to read and comply with the policies contained in this Handbook and any revisions made to it.

21. Waltman was also provided Quebecor's Code of Business Conduct (the "Code"). On November 5, 2007, Waltman signed the Employee Declaration that accompanies the Code; it provides as follows:

I, the undersigned, hereby acknowledge that I have read and understood the Code of Business Conduct of Quebecor World Inc. and that I agree to comply with its provisions.

22. The Handbook contains the following protections and rules governing employee treatment of "Confidential Information":

The basic rule is that no information which is not public knowledge is to be released to a non-employee by any employee without proper authorization. The need to safeguard private information extends to Company records as well. If there is any uncertainty as to what information may be released and to whom it may be directed, employees are expected to ask their manager for clarification.

Items that could be of interest to other businesses or industries include estimates, letters of quotation, customer pricing, supplier pricing and discount programs, contracts, visual aids, training

manuals, plant equipment, customer files and business plans, computer programs, and equipment modifications and capabilities.

Employees should not discuss confidential information with unauthorized persons inside or outside of the Company. Any attempts to obtain confidential information by unauthorized personnel should be immediately referred to the employee's manager.

23. The Handbook contains the following protections and rules governing employee treatment of "Inside Information":

Individuals who are in possession of any confidential information which is not generally available to the financial community, so-called "inside information," are prohibited from disclosing that information to any unauthorized person . . . .

24. The Handbook contains the following protections and rules governing employee treatment of "Business Records":

Accurate, reliable records of many types are required to meet the legal and financial obligations and to manage the Company's business affairs.

\* \* \*

Employees should not remove or destroy any integral record without the authorization of their manager.

Quebecor World provides employees with a wide range of information systems as business tools and encourages the use of these media for business-related purposes only. Employees are prohibited from using codes, accessing files or retrieving any stored information unless authorized to do so. Unauthorized access to information systems is prohibited.

25. The Handbook contains the following protections and rules governing employee treatment of "Company Property":

Company equipment is for use by employees on the job and not for personal purposes.

Intangible assets such as inventions, ideas, documents, patents, transcripts and other forms of intellectual property, as they related to the Company's actual or anticipated business, which are made during or after working hours, are also the property of Quebecor World.

26. The Handbook contains the following prohibitions and rules concerning any "Conflict of Interest":

The Company expects and requires employees to be and remain free of any conflicting interests or relationships and to refrain from acting in ways that appear to be or are in conflict with the Company's best interests.

The following provides examples of potential conflicts of interests . . .

Make use of information to benefit the employee . . . by . . . making available such information to interests outside the Company, or uses the information in any other manner to further their interests . . . . This includes "inside," privileged or customer information entrusted to or obtained by the employee in the course of Company business;

Has a direct or indirect financial interest, personal or business relationship harmful or detrimental to the Company's best interests.

27. Quebecor terminated Mr. Cha's employment for cause on January 10, 2008.
28. Andrew Cha International, Inc., a company formed by Mr. Cha's father, filed a Certificate of Dissolution on January 25, 2008. On information and belief, Mr. Cha formed CHA LLC.
29. On information and belief, Mr. Cha thereafter became head of CHA LLC.
30. On information and belief, Mr. Cha and CHA LLC have created or are in the process of creating an entity that is or will be a subsidiary, division, or affiliate of CHA LLC.
31. On information and belief, that entity is operating or will operate as a direct competitor of Quebecor Premedia.

32. On information and belief, that entity has hired or has committed to hiring Hartmann as its Executive Vice President. Hartmann just last fall interviewed at Quebecor (and with Mr. Cha at Quebecor World Premedia) for the position of Vice President of Sales for Quebecor Premedia.

33. On April 8, 2008, Hartmann met with Stephanie Reed, an employee of Quebecor World Premedia who works in Lexington, Kentucky, and at that meeting Hartmann attempted to recruit Ms. Reed to join the competing entity described above. On April 11, 2008, Hartmann spoke with Ms. Reed on the telephone in a further attempt to recruit her. During the course of their conversations, Hartmann informed Reed that:

- (a) Waltman would be joining that entity in approximately five weeks;
- (b) Waltman was in the process of surreptitiously gathering confidential customer information from Quebecor World Premedia to bring with him to that competing entity in an attempt to take business away from Quebecor World Premedia through improper and illegal means;
- (c) Waltman was soliciting other Quebecor World Premedia employees to be part of his “team” at that competing entity; and
- (d) Waltman was delaying his resignation from Quebecor World Premedia so as to carry out his plans to use Quebecor World Premedia’s confidential information and trade secrets at that competing entity.

34. Quebecor World Premedia thereafter discovered that Waltman had, on April 14, 2008, downloaded from his work computer and emailed to a personal Yahoo email account, with the email address of [rwiw14@yahoo.com](mailto:rwiw14@yahoo.com), two documents:

- (a) Quebecor World Premedia Strategic Five-Year Business Plan dated March 12, 2008 (the “5 Year Plan”);
- (b) an Excel spreadsheet called FacilityX (the “Spreadsheet”).

35. The 5 Year Plan Waltman downloaded and emailed to his personal Yahoo account in violation of the Handbook and the Code is a highly confidential document that

contains critical and highly sensitive business information, such as the identity of top customers, Quebecor's contracts with those customers, and expiration dates of those contracts, and confidential sensitive customer relationship issues. In addition, the 5 Year Plan details, among other things, Quebecor's strengths and weaknesses with its existing and prospective customers, and other business and financial information concerning Quebecor products, prices, profitability considerations, marketing strategies, vendors, costs, training techniques, distribution, and delivery systems.

36. The Spreadsheet contains a breakdown of the costs and expenses, ranging from server storage costs to labor costs, required to run Quebecor World Premedia's New York on-site business. In the hands of a competitor, the Spreadsheet is a virtual roadmap setting forth the costs and expenses required to establish a premedia competitor.

37. On information and belief, Waltman downloaded and emailed these documents to his personal account as part of his plan to misappropriate Quebecor Premedia's confidential information and trade secrets and use them to compete unfairly with Quebecor Premedia, *e.g.*, by taking its customers.

38. On information and belief, Hartmann, CHA LLC, and Mr. Cha have been acting in concert with Waltman to carry out his and their improper and unlawful plan.

39. As a result of the foregoing, on April 17, 2008, Quebecor terminated Waltman's employment for cause.

40. Mr. Cha, subsequent to his departure from Quebecor, has separately violated non-compete and non-solicit clauses contained in his employment agreement by, among other things:

- (a) directly or indirectly soliciting Quebecor's employees to join a competing entity; and

- (b) directly or indirectly soliciting Quebecor's customers to do business with a direct competitor of Quebecor.

**Defendants' Acts Have Caused And Are  
Causing Quebecor Immediate, Severe, And Irreparable Harm.**

41. Waltman's taking of Quebecor's trade secrets, along with the establishment of Mr. Cha's rival premedia company and Mr. Cha's improper solicitation of Quebecor employees, is causing Quebecor to suffer immediate, severe, and irreparable harm.

**FIRST CAUSE OF ACTION  
BREACH OF CONTRACT AGAINST DEFENDANT WALTMAN**

42. Quebecor realleges the allegations contained in paragraphs 1 through 41.

43. At all relevant times, Waltman was bound by, among other things, the terms of his employment agreement, the Handbook and the Code, and the obligations arising out of his employment arrangement to maintain the integrity and non-disclosure of Quebecor's confidential, privileged, and proprietary information. The terms of his employment agreement, the Handbook and the Code, and the obligations arising out of his employment arrangement similarly prevented Waltman from making use of Quebecor's confidential, privileged, and proprietary information for personal gain, including any attempt to further his own interests or the interests of his relatives or friends through the improper and unlawful use of Quebecor's confidential, privileged, and proprietary information.

44. Despite the obligation to maintain the integrity and non-disclosure of Quebecor's confidential, privileged, and proprietary information, Waltman misappropriated such information in violation of, among other things, the terms of his employment agreement, the Handbook, the Code, and the obligations arising out of his employment arrangement.

45. Upon information and belief, Waltman has gathered and misused Quebecor's confidential, privileged, and proprietary information, including confidential information related to Quebecor's customers, to help establish a rival media company formed by Mr. Cha.

46. In further breach of his employment agreement, the obligations arising out of it, the Code, and the Handbook, Waltman created the Spreadsheet using Quebecor's property and confidential information and trade secrets so that he, in concert with Hartmann, Mr. Cha and CHA LLC could set up a rival business using that Quebecor property, confidential information, and trade secrets.

47. As a direct and proximate result of Waltman's breaches of his employment agreement and the obligations arising out of it, Quebecor is at risk of losing valuable customers and has thus suffered irreparable harm.

48. Quebecor has been damaged and continues to be damaged as a result of Waltman's actions and is therefore entitled to compensatory damages in an amount to be determined at trial.

**SECOND CAUSE OF ACTION**  
**BREACH OF FIDUCIARY DUTY AGAINST DEFENDANT WALTMAN**

49. Quebecor realleges the allegations contained in paragraphs 1 through 48.

50. At all relevant times, Waltman, as Vice President Operations East for Quebecor World Premedia, owed a fiduciary duty to Quebecor to act with the utmost good faith and loyalty in the performance of his duties. This obligation required him to use his best efforts on behalf of Quebecor, throughout the time he was employed by Quebecor, to act in its best interests and to refrain from any activity that would damage Quebecor's interests.

51. As a high ranking employee of Quebecor, Waltman was privy to the confidential and proprietary information of Quebecor. Upon information and belief, Waltman gathered and misused Quebecor's confidential, privileged, and proprietary information, including confidential information related to Quebecor World Premedia's customers in the 5 Year Plan, and in the creating of the Spreadsheet, to establish a rival premedia company in New York.

52. Upon information and belief, Waltman had been using this confidential and proprietary information to help establish a client base at Quebecor's expense through improper and unlawful means.

53. As a direct and proximate result of Waltman's breaches of fiduciary duty, Quebecor is at risk of losing valuable customers and has suffered irreparable harm.

54. Quebecor has been damaged and continues to be damaged as a result of Waltman's actions and is therefore entitled to compensatory damages in an amount to be determined at trial.

55. Waltman's wrongful actions were done in disregard for the highest standards of fiduciary conduct required of corporate managers. Accordingly, an award of punitive damages is warranted and would serve to deter him and others from engaging in such conduct.

**THIRD CAUSE OF ACTION**  
**BREACH OF DUTY OF LOYALTY AGAINST DEFENDANT WALTMAN**

56. Quebecor realleges the allegations contained in paragraphs 1 through 55.

57. Waltman was the Vice President Operations East for Quebecor World Premedia and an employee of Quebecor. As such, he owed Quebecor a duty of loyalty not to take any actions contrary to Quebecor's interest while still in its employ. In addition, he continues to owe

a duty to Quebecor not to use or disclose Quebecor's confidential and proprietary information that he acquired while employed by Quebecor.

58. Waltman breached his duty of loyalty to Quebecor by taking actions contrary to Quebecor's interest while he was employed by Quebecor. Additionally, Waltman has breached his duty of loyalty by using Quebecor's confidential and proprietary information for his own benefit and for the benefit of Mr. Cha and CHA LLC.

59. Waltman's acts are unlawful, are being committed in furtherance of an unlawful objective, in deliberate disregard of the known rights of Quebecor.

60. As a direct and proximate result of Waltman's breach of fiduciary duty, Quebecor is at risk of losing valuable customers and has suffered irreparable harm.

61. Quebecor has been damaged and continues to be damaged as a result of Waltman's actions and is, therefore, entitled to compensatory damages in an amount to be determined at trial.

62. Waltman's wrongful actions were done in disregard of the duty of loyalty owed by the Vice President Operations East of Quebecor World Premedia. Accordingly, an award of punitive damages is warranted and would serve to deter him and others from engaging in such conduct.

**FOURTH CAUSE OF ACTION**  
**MISAPPROPRIATION OF TRADE SECRETS AGAINST DEFENDANT WALTMAN**

63. Quebecor realleges the allegations contained in paragraphs 1 through 62.

64. Quebecor World Premedia's 5 Year Plan constitutes confidential, proprietary trade secrets, the sole ownership of which rests with Quebecor.

65. Quebecor undertakes extensive efforts to maintain the confidentiality of its Quebecor World Premedia 5 Year Plan, including, among other things, requiring all employees to sign the Handbook and the Code prohibiting the disclosure of its confidential and proprietary business information and trade secrets, and prohibiting its employees from engaging in conduct that would conflict with their obligations to Quebecor.

66. Quebecor World Premedia's 5 Year Plan is not disseminated to the public at large, and none of this information is readily discoverable by Quebecor's competitors.

67. Waltman had access to Quebecor's confidential and proprietary information, including, but not limited to, the Quebecor World Premedia 5 Year Plan.

68. Waltman was contractually prohibited from using or disclosing Quebecor's confidential and proprietary information, and from misusing Quebecor's property.

69. In further violation of his duties, Waltman created the Spreadsheet.

70. Upon information and belief, Waltman breached his contractual agreements with Quebecor and the obligations arising out of his employment by downloading Quebecor World Premedia's 5 Year Plan and transmitting it and the Spreadsheet to his personal computer for his and CHA LLC's benefit.

71. By virtue of the foregoing, Waltman has misappropriated, and continues to misappropriate and wrongfully use, Quebecor's confidential, proprietary trade secrets with the intention to profit from them through improper and unlawful means.

72. Waltman's conduct, as described above, has caused Quebecor irreparable injury and, unless enjoined, will continue to cause irreparable injury to Quebecor's business including, but not limited to, loss of good will, reputation, client relationships, competitive advantage,

revenues, and profits that are impossible to calculate accurately and fully, all for which Quebecor has no adequate remedy at law.

73. As a direct and proximate result of Waltman's misappropriation of Quebecor's trade secrets, Quebecor is at risk of losing valuable customers and has suffered irreparable harm in an amount to be proven at trial.

**FIFTH CAUSE OF ACTION**  
**CONVERSION AGAINST DEFENDANT WALTMAN**

74. Quebecor realleges the allegations contained in paragraphs 1 through 73.

75. At all relevant times, Quebecor was in rightful and peaceable possession of its confidential, privileged, and proprietary information.

76. By gathering and misusing Quebecor's confidential, privileged, and proprietary information for his own personal gain and for the benefit of CHA LLC, Waltman has misappropriated and will inevitably continue to misappropriate Quebecor's confidential and proprietary information to the detriment, and in violation, of Quebecor's right to exclusive possession of such information.

77. Waltman's improper assumption and inevitable dominion and control over Quebecor's confidential, privileged, and proprietary information has interfered and will continue to interfere with and diminish Quebecor's right to, and will impair the quality of, that property.

78. Quebecor has lost the exclusive right of possession to its confidential, privileged, and proprietary information and Waltman can use such information to his advantage in ways that may cause Quebecor to have to expend significant money and resources to defend itself.

79. The foregoing constitutes unlawful conversion of Quebecor's property.

80. As a direct and proximate result of Waltman's actions, Quebecor has been and continues to be damaged as a result of Waltman's actions and is, therefore, entitled to compensatory damages in an amount to be determined at trial.

**SIXTH CAUSE OF ACTION**  
**BREACH OF CONTRACT AGAINST DEFENDANT MR. CHA**

81. Quebecor realleges the allegations contained in paragraphs 1 through 80.

82. At all relevant times, Mr. Cha was bound by the terms of his employment agreement and the PSA not to compete against Quebecor's business and/or solicit customers and employees of Quebecor for the benefit of any person or entity other than Quebecor during his employment and for a period of one year following his employment.

83. Despite the restrictive covenants in his employment agreement, upon information and belief, Mr. Cha has competed directly with Quebecor by, directly or indirectly, establishing and managing an entity designed to compete with Quebecor.

84. Despite the restrictive covenants in his employment agreement, upon information and belief, Mr. Cha has, directly or indirectly, solicited Quebecor employees to resign from their employment with Quebecor and begin working for that competing entity.

85. As a direct and proximate result of Mr. Cha's breaches of contract, Quebecor is at risk to lose valuable employees and has suffered irreparable harm and unquantifiable business losses.

86. Quebecor has been and continues to be damaged as a result of Mr. Cha's actions and is therefore entitled to compensatory damages in an amount to be determined at trial.

**SEVENTH CAUSE OF ACTION  
MISAPPROPRIATION OF TRADE SECRETS UNDER  
CALIFORNIA UNIFORM TRADE SECRETS ACT AGAINST DEFENDANT MR. CHA**

87. Quebecor realleges the allegations contained in paragraphs 1 through 86.

88. As described more particularly above, the 5 Year Plan, Spreadsheet and related confidential and proprietary information of Quebecor, all of which include Quebecor World Premedia's confidential customer list and account information contained therein, including the identity of Quebecor World Premedia existing and prospective customers, Quebecor World Premedia's strengths and weaknesses with its customers, and other business and financial information concerning products, prices, profitability considerations, marketing strategies, vendors, costs, training techniques, distribution and delivery systems, and/or other market considerations, are trade secrets subject to protection under the California Uniform Trade Secrets Act, Cal. Civ. Code § 3426 *et seq.*, and relevant precedents and standards established thereunder.

89. This information derives independent economic value by not being accessible, through proper means, to competitors such as Mr. Cha and CHA LLC, who can profit from its explicit and/or implicit and/or intentional and/or inevitable use or disclosure.

90. Quebecor has taken reasonable and adequate measures under the circumstances to maintain the secrecy of this information.

91. Mr. Cha, individually and/or in combination with Waltman and Hartmann, has knowingly and willfully conspired to misappropriate, and has misappropriated, Quebecor's trade secret information, without privilege, justification, or claim of right.

92. The foregoing individual and collective conduct of Mr. Cha, Waltman, and Hartmann constitutes an actual, planned, and/or inevitable misappropriation and misuse of Quebecor's confidential, trade secrets.

93. Mr. Cha's conduct, as described above, has caused Quebecor irreparable injury and, unless enjoined, will continue to cause irreparable injury to Quebecor's business including, but not limited to, loss of good will, reputation, client relationships, competitive advantage, revenues, and profits that are impossible to calculate accurately and fully, all for which Quebecor has no adequate remedy at law.

94. As a direct and proximate result of Mr. Cha's direct and/or indirect misappropriation of Quebecor's trade secrets, Quebecor is at risk of losing valuable customers and has suffered irreparable harm in an amount to be proven at trial.

**EIGHTH CAUSE OF ACTION  
TORTIOUS INTERFERENCE WITH CONTRACTUAL  
RELATIONS AGAINST DEFENDANTS HARTMANN AND CHA LLC**

95. Quebecor realleges the allegations contained in paragraphs 1 through 94.

96. CHA LLC and Hartmann knew that each of Waltman and Mr. Cha had employment provisions with Quebecor that included provisions precluding the disclosure of confidential information. Despite CHA LLC's and Hartmann's actual knowledge of these agreements, CHA LLC on information and belief intentionally encouraged Waltman to breach his employment provisions with Quebecor by misusing Quebecor's confidential and proprietary information in violation of his employment agreement.

97. CHA LLC and Hartmann, therefore, on information and belief, intentionally, knowingly, and improperly induced Waltman to breach his contractual and fiduciary obligations

to Quebecor in a coordinated and concerted effort to obtain Quebecor's confidential and proprietary information in order to compete unfairly with Quebecor.

98. CHA LLC and Hartmann thereby wrongfully interfered with Quebecor's contractual rights and actual and prospective business relationships, causing Quebecor unquantifiable damages.

99. CHA LLC's and Hartmann's wrongful actions were willful and deliberate and in disregard of Quebecor's existing contractual and non-contractual relationships. Accordingly, an award of punitive damages is warranted and would serve to deter CHA LLC and others from engaging in such conduct.

**NINTH CAUSE OF ACTION  
AIDING AND ABETTING BREACH OF DUTY OF LOYALTY AND UNFAIR  
COMPETITION AGAINST DEFENDANTS HARTMANN AND CHA LLC**

100. Quebecor realleges the allegations contained in paragraphs 1 through 99.

101. At all relevant times, CHA LLC and Hartmann were aware of Waltman's position within Quebecor and were fully aware of Waltman's employment obligations as well as his duty of loyalty to Quebecor.

102. CHA LLC's and Hartmann's inducement, facilitation, and participation in Waltman's breaches of his duties to Quebecor were essential to their joint plan to misuse Quebecor's confidential information in order to bolster CHA LLC's and Hartmann's competing business.

103. As a result of CHA LLC's and Hartmann's unlawful and improper actions, Quebecor has been damaged and continues to be damaged in an amount to be determined at trial.

104. CHA LLC's and Hartmann's wrongful actions were willful and deliberate. Accordingly, an award of punitive damages is warranted and would serve to deter CHA LLC and others from engaging in such conduct.

**TENTH CAUSE OF ACTION**  
**UNFAIR COMPETITION AGAINST ALL DEFENDANTS**

105. Quebecor realleges the allegations contained in paragraphs 1 through 104.

106. By virtue of the foregoing, Defendants have engaged in unfair competition and continue to compete unfairly with Quebecor.

107. Waltman's acts of unfair competition include, but are not limited to, misappropriating Quebecor's confidential information against it with the apparent intent to induce Quebecor customers to terminate their relationships with Quebecor, all through improper and unlawful means.

108. Mr. Cha's acts of unfair competition include, but are not limited to, competing against Quebecor in violation of his employment agreement and PSA with Quebecor and soliciting Quebecor's employees to leave Quebecor in order to work for a competing entity, all through improper and unlawful means.

109. Hartmann and CHA LLC's acts of unfair competition include, but are not limited to, acting in concert with Waltman in order to use Quebecor's confidential information against it, all through improper and unlawful means.

110. Defendants' unfair competition has damaged and continues to damage Quebecor.

111. Therefore, all Defendants are liable to Quebecor for damages in an amount to be determined at trial.

WHEREFORE, Quebecor seeks relief as follows:

- A. Restraining and enjoining Defendant Waltman, and any persons acting on his behalf, from disclosing Quebecor's confidential information and trade secrets in violation of the terms of his employment agreement, employee handbook, and Code of Business Conduct;
- B. Restraining and enjoining Defendants Hartmann, Cha and CHA LLC, and any persons in active concert or participation with them, from soliciting Quebecor's employees and/or customers using Quebecor's confidential business information and/or trade secrets obtained by Defendant Waltman, or otherwise competing unfairly against Quebecor;
- C. Restraining and enjoining Defendant Cha from (i) competing directly or indirectly against Quebecor and/or (ii) soliciting Quebecor's employees until January 10, 2009 in violation of the terms of his employment agreement's non-solicitation and non-compete provisions;
- D. Ordering that all Defendants be required to return to Plaintiff Quebecor all proprietary and confidential materials and information of Quebecor in Defendants' possession, custody or control, and if such return is not practicable, that Defendants be required to destroy such materials and information of Quebecor;
- E. Awarding Quebecor jointly and severally against each Defendant all damages to which it is lawfully entitled, including punitive damages, together with interest, in an amount to be proven at trial;
- F. Awarding Quebecor its costs and disbursements of this action; and
- G. Granting such other and further relief to Quebecor as the Court may deem just and proper.

Dated: New York, New York  
April 23, 2008

Respectfully submitted,

MORGAN, LEWIS & BOCKIUS LLP

By: /s/ Michael A. Curley

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