

CAUSE NO. DC-21-17023

CIGNITI TECHNOLOGIES, INC.,	§	IN THE DISTRICT COURT OF
<i>Plaintiff,</i>	§	
	§	
	§	
vs.	§	
	§	DALLAS COUNTY, TEXAS
QUALIZEAL, INC., PRADEEP	§	
GOVINDASAMY, KALYANA RAO	§	
KONDA, AND DOUG HALL	§	
<i>Defendants.</i>	§	101ST JUDICIAL DISTRICT

TEMPORARY INJUNCTION

On the 6th day of September 2022, the Application of Plaintiff Cigniti Technologies, Inc. ("Plaintiff" or "Cigniti") for a Temporary Injunction was heard by the Court as to Defendants QualiZeal, Inc., Pradeep Govindasamy, and Kalyana Rao Konda (collectively "Defendants"). The Court having considered the supporting evidence, argument, and law, and arguments of counsel, finds that the Application for Temporary Injunction should be and hereby is granted. Accordingly, the Court makes the following findings and orders:

1. Cigniti is an information technology services company that provides software testing services to businesses developing software in-house.
2. Qaulizeal, Inc. ("QualiZeal") is a competitor of Cigniti's and provides, among other things, software testing services.

3. Pradeep Govindasamy ("Govindasamy") was President of Cigniti, West, until October 19, 2021. Kalyana Konda ("Konda") was President of Cigniti, East, until November 10, 2021. As the presidents of Cigniti, Govindasamy and Konda (hereinafter, the "Individual Defendants") enjoyed access to Cigniti's confidential and trade secret information, including client lists, employee lists, methodologies, and trade secrets.

4. After leaving employment with Cigniti, Govindasamy was appointed CEO of QualiZeal. Since leaving Cigniti employment, Konda provides consulting and other services to QualiZeal.

5. After leaving Cigniti, Govindasamy returned his Cigniti laptop to that company. Using a forensic expert, Cigniti was able to recover data from Govindasamy's laptop that shows that, as early as February 2021, Govindasamy was involved in the creation of a competitor company to Cigniti. The competing company was initially named "QualiZest," but the name was changed to QualiZeal.

6. Data recovered from Govindasamy's laptop includes QualiZeal presentations and information created before either Govindasamy or Konda resigned from Cigniti. Cigniti's Forensic experts from Ernst & Young determined that certain of those documents were created by Govindasamy and were modified by Konda.

7. A May 6, 2021 QualiZeal presentation deck recovered from Govindasamy's laptop reveals that QualiZeal touted a number of "anchor clients" at that time. An "anchor client" is a customer with a continuous and predictable flow of business. The presentation deck listed the following QualiZeal anchor clients: European Wax Center; Neptune Technology Group; Omni Logistics; RAC; iHeart; Elevate; and ASTM International. At the hearing on the Motion for Temporary Injunction, testimony by Cigniti's Director of Operations, Brian Farrell, revealed that all of QualiZeal's "anchor clients" were Cigniti clients at the time of the May 6 presentation. At least one of those clients no longer works with Cigniti and provides their business to QualiZeal. The other clients still provide work to Cigniti but now also provide work to QualiZeal. Farrell testified that the work now provided to QualiZeal could have gone to Cigniti.

8. The May 6, 2021 QualiZeal presentation deck includes six excel spreadsheets embedded to the presentation: Market Research of 10 MN; List of Prospects from 2012 to 2018: EAST Prospects from 2012 to 2018: Consolidated Prospects list: Prospects Data Analysis: and Prospects and Contacts. Brian Farrell testified that each of the embedded spreadsheets constitute Cigniti confidential and trade secret analysis and data. He further testified that the lists and data are created by Cigniti through the expense of time, money, and resources. Farrell testified that use of the data and lists by a competitor give that company a roadmap as to Cigniti's

operations, its target clients, and its manner of identifying clients. Moreover, possession or use of this confidential information and these trade secrets by a competitor give the competitor an opportunity to cut corners as well as a competitive edge. Farrell further testified that access and use of that information allows a competitor to damage Cigniti's goodwill, company stability, and brand recognition, particularly when used by former Cigniti officers. Farrell further stated that it was impossible to calculate the value of the lost goodwill or the extent of the damage incurred by use of the client and prospective client lists. Farrell also testified that the conduct of the Defendants Govindasamy and Konda caused dysfunction in Cigniti that was incapable of calculation.

9. Evidence presented at the hearing on the Motion for Injunction further revealed a number of additional Cigniti officers that left Cigniti in late 2021/early 2022 who are now officers at QualiZeal. Specifically, Ravi Sindri; Ashwin Bakshi; Koteswara Rao Bipilli; Ramanathan Ponnusamy; and Doug Hall. Further evidence at the hearing revealed that, during these individuals' employment at Cigniti, those officers, as well as that of Govindasamy and Konda, held meetings with prospective QualiZeal clients. At those meetings, email addresses using both @cigniti.com and @qualizeal.com were used by the above-listed officers. The evidence indicates that the officers were working for QualiZeal while employed by Cigniti.

10. Another example of dual dealing was shown with respect to Cigniti's client Neptune Technology, Inc. As previously stated, in May 2021, QualiZeal listed Neptune as an "Anchor Client". In July 2021, as found on Govindasamy's laptop, QualiZeal created a Build, Operating, & Transfer presentation for Neptune designed specifically to entice Neptune away from Cigniti and to QualiZeal. On August 19, 2021, Cigniti officer Bakshi sent an e-mail to Konda and Govindasamy, using their Cigniti emails and copying Ponnusamy, outlining questions between QualiZeal and Neptune that documented QualiZeal's capabilities for Neptune. Neptune is now a client of QualiZeal.

11. On November 24, 2021, Cigniti requested a temporary restraining order. At that time, while the Court believed there might be something to Cigniti's claims, it did not feel enough evidence existed to warrant injunctive relief. Thereafter, Cigniti engaged a forensic expert and compiled additional information. A hearing was held on September 6, 2022, at which time the aforementioned evidence was presented to the court.

12. To obtain a temporary injunction, an applicant need only show a probable right to recover on final trial and probable injury in the interim. The applicant seeking a temporary injunction does not have to prove that it will finally prevail in the litigation.

13. The Court finds that Cigniti will suffer imminent and irreparable harm unless QualiZeal, Govindasamy, and Konda are enjoined as set forth below. Likewise, there is a reasonable probability of success on Cigniti's claims for affirmative relief (breach of contract, breach of fiduciary duty, tortious interference with prospective and existing contracts, fraud, conspiracy, and aiding and abetting); if not restrained, QualiZeal's, Govindasamy's, and Konda's acts will alter the status quo, causing further harm and damage to Cigniti because it appears to the Court that the Defendants have used and are using, or likely using, and intend to continue using Cigniti's confidential information and trade secrets for their benefit with Cigniti customers and prospective customers, and to Cigniti's detriment. Further, the harm is irreparable because of the lack of any remedy at law to adequately compensate for the damage which may be done to Cigniti.

IT IS THEREFORE ORDERED that the Defendants QualiZeal, Govindasamy, and Konda, and all persons acting in active concert or participation with them who receive actual notice of the order by personal service or otherwise are hereby enjoined from the date of this Order until trial, from the following:

- a. from directly or indirectly soliciting or accepting business from:
 - (i) any person or entity that was a client of Cigniti's for the period October 1, 2020 through November 30, 2021; and
 - (ii) any person or entity that was a prospective client of Cigniti, as known by Cigniti and any of the Individual Defendants, for the period October 1, 2020 through November 30, 2021;

- b. from directly or indirectly using or disclosing any trade secret, confidential, or proprietary information of Cigniti and its clients. For purposes of this injunction, "trade secret, confidential, or proprietary information" means information or material that was not in the public domain and that was disclosed or otherwise made available by Cigniti to the Individual Defendants in the course of their employment with Cigniti. For purposes of this injunction, "using" any trade secret, confidential, or proprietary information shall include using any material or other work product that the Individual Defendants developed, created, or generated that was based in whole or in part on any of Cigniti's trade secret, confidential, and proprietary information. This includes, but is not limited to, Cigniti Statements of Work and Master Service Agreements, as well as Cigniti client lists and prospective client lists;
- c. from directly or indirectly altering, destroying, modifying, tampering with, removing, deleting, or destroying any data, documents, files, electronic data, information, or other records or property of Cigniti that are now or were in the Individual Defendants' or QualiZeal's possession, including any information stored on any computer, mobile phone, tablet, or other electronic or digital storage device (cloud, USB, or otherwise).

Furthermore, the Defendants are ordered to return to Cigniti all: (a) tangible and electronically stored trade secret, confidential, and proprietary information and other property belonging to Cigniti; (b) devices (including computers, electronic storage devices, phones, and tablets) that contain or at one point contained any tangible or electronically stored trade secret, confidential, or proprietary information belonging to Cigniti or any other information taken from Cigniti's computer systems; (c) any other devices to which any electronic storage device (cloud, USB, or otherwise) that contained Cigniti's trade secret,

confidential, and proprietary information have ever been plugged in or otherwise connected to, so that Cigniti can forensically confirm that trade secret, confidential, and trade secret information does not exist on such device. All passwords or other information necessary to access such devices and information shall be provided at the same time.

IT IS FURTHER ORDERED that trial in this matter be set in this Court for the 3rd day of October, 2023, at 9:00 a.m. *for the 2-week trial docket*

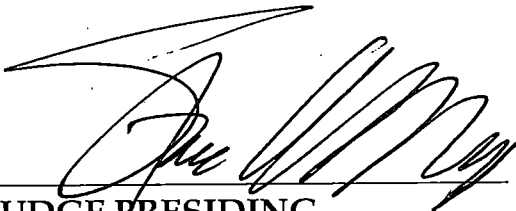
An agreed scheduling order must be filed with the court within 20 days of this order

IT IS FURTHER ORDERED that the Dallas County District Clerk issue a

Writ of Injunction upon the posting of a bond in the amount of \$10,000.00 filed with the Dallas County District Clerk.

SIGNED on this 13th day of September, 2022 at 2:45 o'clock

P.m.


JUDGE PRESIDING