

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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BDO USA, P.C., :  
 :  
 Plaintiff :  
 :  
 -vs.- :  
 :  
 DAVID FREEMAN, JEFFERY T. FREEMAN, :  
 MATTHEW B. JUDGE, KAITLYN P. :  
 AROZARENA, and ATLANTIC EDGE WEALTH :  
 MANAGEMENT :  
 :  
 Defendants.

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**COMPLAINT**

Plaintiff BDO, by and through its attorneys, files this complaint against Defendants Jeffery T. Freeman (“Jeff Freeman”), Matthew B. Judge (“Judge”), Kaitlyn P. Arozarena (“Arozarena”), David Freeman (“Dave Freeman”) and Atlantic Edge Private Wealth Management, LLC (“Atlantic Edge”) (all collectively, “Defendants”) for tortious interference, civil conspiracy, breach of contract, faithless servant, and breach of the common law duty of loyalty.

In support of these claims, BDO alleges as follows:

### **INTRODUCTION**

1. In the spring of 2017, BDO, through its subsidiary BDO Wealth Advisors, LLC (“BDOWA”), acquired certain assets of LBA Wealth Management, LLC (“LBA”), Dave Freeman’s company and Jeff Freeman’s, Judge’s, and Arozarena’s former employer, for a sum of \$5 million. In connection therewith, BDOWA offered Dave Freeman, Jeff Freeman, Judge, and Arozarena positions at BDOWA.

2. As a condition of employment with BDOWA, Dave Freeman, Jeff Freeman, Judge, and Arozarena signed a Manager Agreement when they were hired. In these Agreements, Dave Freeman, Jeff Freeman, Judge, and Arozarena promised not to solicit or service any of the clients or prospective clients with which they had relationships that they acquired, developed, or otherwise maintained while employed with BDOWA. In exchange, Dave Freeman, Jeff Freeman, Judge, and Arozarena received employment with BDOWA, including compensation and benefits, insurance coverage, and access to confidential information.

3. Dave Freeman was the leader of BDO's wealth advisory business until he retired in April 2022, but continued with BDOWA as a consultant under a Consulting Agreement from May 1, 2022 to September 21, 2023.

4. BDO sought to sell BDOWA, its wealth advisory business, to Choreo, LLC ("Choreo") in May 2023, and arranged for its wealth advisors, including Jeff Freeman, Judge, and Arozarena, to receive offers of employment from Choreo.

5. Dissatisfied with the terms of Choreo's employment offer, Jeff Freeman, Judge, and Arozarena demanded increasingly more extreme cash payouts from BDO in exchange for joining Choreo.

6. Their plan was to hold up the deal. Indeed, they are the only BDOWA wealth advisors who decided not to join Choreo. Their charade of feigned interest in the Choreo offer and ultimate decision to not join Choreo cost BDO millions of dollars.

7. In an attempt to appease Jeff Freeman's, Judge's, and Arozarena's stated desire to remain as BDO employees, BDO formed BDO USA Wealth Advisors, LLC ("BDO USA WA") to allow Jeff Freeman, Judge, and Arozarena to remain employed at BDO and continue to service BDO clients without joining Choreo.

8. BDO advised Choreo that Jeff Freeman, Judge, and Arozarena would not be joining Choreo and the BDO Jacksonville clients would be carved out of the transaction, Choreo reduced the proposed acquisition price of BDOWA by \$13 million due to the reduced client base and assets under management that would remain with BDO.

9. BDO advised Jeff Freeman, Judge, and Arozarena that they could continue their employment with BDO USA WA under the same terms and conditions of employment that they had at BDOWA.

10. However, it turns out that Jeff Freeman, Judge, and Arozarena had already hatched a scheme to disregard their contractual promises to BDO, abscond with BDOWA's clients, and tank the value of the Choreo deal.

11. On July 25, 2023, unbeknownst to BDO, Jeff Freeman, Judge, and Arozarena covertly established a competing Registered Investment Association ("RIA"), Atlantic Edge Private Wealth Management ("Atlantic Edge"), to service BDOWA's clients and make off with BDO's business via unlawful means.

12. Public SEC filings show that Atlantic Edge began conducting business in August 2023—while Jeff Freeman, Judge, and Arozarena were still employed with BDOWA and owed a duty of loyalty to their employer.

13. BDO did not learn of this betrayal until September 20, 2023, nearly two months after Atlantic Edge formed.

14. Further, the formation of Atlantic Edge and its subsequent registration with Schwab, and application for registration with Fidelity, interfered with BDO's ability to secure registration with those platforms for its new RIA, BDO USA WA.


15. Based on their unlawful and disloyal conduct, BDO terminated Jeff Freeman, Judge, and Arozarena on September 22, 2023.


16. Upon information and belief, Dave Freeman has orchestrated this scheme from behind the scenes and worked with Jeff Freeman, Judge, and Arozarena to solicit clients away from BDOWA to Atlantic Edge.

17. At least one client has informed BDO that Dave Freeman personally visited him at his home to secure the transfer of his business from BDOWA to Atlantic Edge.

18. Since their departure from BDOWA, the Defendants have solicited away 120 BDOWA clients worth over \$340 million in managed assets and \$1.77 million in management fees over the last four quarters.

19. To make matters worse, BDO had already expended over \$300,000 to form BDO USA WA to accommodate Jeff Freeman's, Judge's, and Arozarena's decision not to join Choreo and remain with BDO. BDO USA WA has been crippled by the Defendants' solicitation, leaving BDO with no choice but to close its newly formed RIA.

20. The Defendants' disloyal, faithless conduct blatantly violates the contractual and common law obligations they owe to BDO and has caused BDO significant financial damage. Consequently, BDO seeks monetary and equitable relief as needed against the  Defendants for their tortious behavior, conspiracy, and breach of contractual and common law obligations.

21. Further, the attempt to kill the Choreo deal and the subsequent reduction in deal price constitutes tortious interference with prospective economic advantage as to BDO's sale of its wealth advisory practice to Choreo. It is also the consequence of Jeff Freeman's, Judge's, and Arozarena's unlawful breach of their duty of loyalty and the illicit purpose of the conspiracy between them, Dave Freeman, and Atlantic Edge as co-conspirators. BDO is also entitled to monetary and equitable relief against the  defendants for these causes of action.

**PARTIES**

22. Upon information and belief, Jeff Freeman is an individual domiciled in the state of South Carolina.

23. Upon information and belief, Judge is an individual domiciled in the state of South Carolina.


24. Upon information and belief, Arozarena is an individual domiciled in the state of South Carolina.

25. Upon information and belief, Dave Freeman is an individual domiciled in the state of South Carolina.

26. Upon information and belief, Atlantic Edge is a limited liability company organized under the laws of the state of South Carolina with its principal place of business in South Carolina. Upon information and belief, Jeff Freeman, Judge, and Arozarena are the sole members of Atlantic Edge.

27. BDO is a professional corporation incorporated under the laws of the Commonwealth of Virginia with its principal place of business in Chicago, Illinois.

#### **JURISDICTION & VENUE**

28. Jeff Freeman, Judge, and Arozarena have consented to this Court's personal jurisdiction by filing the Complaint in this Court, and this  is related to the subject matter of Jeff Freeman's, Judge's, and Arozarena's original action. Jeff Freeman, Judge, and Arozarena also consented to this Court's jurisdiction in Paragraph 19 of their Manager Agreements with BDO.

29. Dave Freeman consented to this Court's personal jurisdiction in Paragraph 18 of his Manager Agreement.

30. This Court has jurisdiction over Atlantic Edge under N.Y. C.L.R. § 302(a)(3) where, although Atlantic Edge's tortious interference occurred outside of the state of New York, the situs of the injury was New York because the tortious conduct caused BDO to lose business in New York through the loss of multiple clients that are located in New York. *Cf. Pincione v. D'Alfonso*, 506 F. App'x 22, 26 (2d. Cir. 2012). Further, Atlantic Edge interfered with New York

contracts. Based on this conduct, Atlantic Edge reasonably should have expected to be haled into this Court.

31. This Court has subject matter jurisdiction over the claims against Jeff Freeman, Judge, and Arozarena, which arise out of the same transaction or occurrence as Jeff Freeman's, Judge's, and Arozarena's original claims and do not require adding another party over whom the court cannot acquire jurisdiction. F.R.C.P. 13(a)(1).


32. This Court has subject matter jurisdiction over the claims against Atlantic Edge and Dave Freeman because each are residents of South Carolina whereas BDO is not a citizen of South Carolina, and BDO seeks damages in excess of \$75,000.00, costs of suit, and reasonable attorneys' fees. 28

U.S.C. § 1332(a)

33. Venue is proper in this Court because this Court is adjudicating Jeff Freeman's, Judge's, and Arozarena's original claims against BDO. Further, Dave Freeman, Jeff Freeman, Judge, and Arozarena consented to this venue in their Manager Agreements with BDO. Ex. A ¶ 19; Ex. B ¶ 19; Ex. C ¶ 19; Ex. D ¶ 18.

## **FACTUAL ALLEGATIONS**

### **A. BDO's Business and the Wealth Advisory Industry**

34. BDO is a professional services corporation that provides a variety of services to its clients, including, at the time of  Defendants' misconduct, wealth management and wealth advisory services through its subsidiary BDOWA.

35. The wealth advisory industry heavily relies on client relationships to thrive. BDO invests substantial amounts in acquiring, developing, and maintaining those client relationships through its employees. Specifically, client-facing employees use BDO's financing, training, guidance, and reputation to develop lasting relationships with clients. These relationships, in turn, strengthen clients' goodwill with BDO. If a competitor were able to divert this goodwill to its own business, it would harm BDO's substantial and strategic investments in its employees and its client relationships.

36. In furtherance of BDO's client development goals, BDO reimburses employees for entertaining clients and business development and pays its wealth advisors and portfolio managers substantial salaries and bonuses to develop and maintain these client relationships as part of their job duties.

37. For example, in the last two years of their employment, BDO reimbursed Jeff Freeman, Judge, and Arozarena for expenses related to business development in excess of \$20,000, \$41,000, and \$36,000, respectively.

38. Because BDO subsidizes and financially supports all client development efforts by its employees, BDO has a protectable business interest in all client relationships acquired, developed, or maintained by its employees.

39. To protect BDO's investment in its client relationships, as well as to safeguard its confidential information, BDO requires employees to enter into Manager Agreements (or similar

agreements) containing restrictive covenants that restrict the solicitation of BDO's current and prospective clients.

**B. BDO's Acquisition of LBA & the Manager Agreements**

40. LBA was a small wealth advisory firm based in Columbia, South Carolina, founded by Dave Freeman. LBA employed Jeff Freeman, Judge, and Arozarena as wealth advisors and portfolio managers. Upon information and belief, LBA utilized similar methods as BDO to subsidize and financially support the client development efforts of Dave Freeman, Jeff Freeman, Judge, and Arozarena throughout their employment with LBA. Upon information and belief, LBA required its employees to enter into restrictive covenants that restricted the solicitation of LBA's current and prospective clients.

41. BDOWA acquired certain assets of LBA, including assigned client investment management agreements, in the spring of 2017 to expand its wealth advisory practice.

42. BDOWA acquired LBA's client relationships and goodwill as part of the acquisition. In fact, the acquisition was conditioned on at least 85% of LBA's clients consenting to transfer their business to BDOWA.

43. Clients that Dave Freeman, Jeff Freeman, Judge, and Arozarena serviced on behalf of LBA consented to transferring their business to BDOWA.

44. As part of the acquisition of certain assets of LBA, BDOWA offered Dave Freeman, Jeff Freeman, Judge, and Arozarena employment in its wealth advisory business.

45. As a condition of employment, each of Dave Freeman, Jeff Freeman, Judge, and Arozarena signed a BDO Manager Agreement.

46. Each Manager Agreement provides that the employee would not solicit or service (i) clients with whom the employee had a relationship which BDO enabled the employee to

acquire, develop, and/or otherwise maintain while employed by BDO; and (ii) prospective clients to which BDO had made a proposal for services and for which the employee was involved in such proposal or had access to confidential information regarding such proposal.

47. Dave Freeman, Jeff Freeman, Judge, and Arozarena agreed to abide by the terms of these non-solicitation provisions during their employment and for eighteen months after their termination.

48. Each Manager Agreement provides that in the event of a breach, Dave Freeman, Jeff Freeman, Judge, and Arozarena each agree to pay damages to BDO in such amounts set out in the Agreements: one and one-half times the fees charged by BDO either during the last fiscal year that the clients were clients of BDO (or its predecessor) or during the last twelve (12) month period prior to the date upon which BDO (or its predecessor) performed services for those clients, whichever is greater.

49. Each Manager Agreement provides that Dave Freeman, Jeff Freeman, Judge, and Arozarena will pay BDO all amounts owing “at the prime rate as charged from time to time by the principal bank(s) used by the Firm at such times, in five equal annual installments commencing thirty days from the date of notice from the Chief Executive Officer or his/her designee, with succeeding payments to be made on the anniversary of such notice.”

50. Notwithstanding the damages provision, each Manager Agreement provides that BDO is entitled to pursue all legal or equitable remedies under the law, including its reasonable costs and attorneys’ fees.

51. Each Manager Agreement provides that New York law applies to any dispute arising thereunder, and that New York state and federal courts are the proper jurisdiction and venue for such claims.

52. Dave Freeman, Jeff Freeman, Judge, and Arozarena signed these Manager Agreements and began working for BDO as employees in its wealth advisory practice in or around May 2017.

53. Dave Freeman later expressed disappointment with the terms of the BDO–LBA deal as he received a smaller payout from the deal than he had hoped.

54. Dave Freeman also expressed a desire to buy the Columbia wealth management business from BDO. Before his retirement, on several occasions, Dave Freeman approached Mark Biegel, his successor in leading BDO’s wealth advisory business, saying, in sum and substance, that “we” should buy the wealth business back from BDO, indicating that the value of the business has increased.

55. Upon information and belief, Dave Freeman encouraged his son Jeff Freeman, as well as Judge and Arozarena, to leave BDOWA and form their own entity with BDO’s clients.

56. Upon information and belief, Jeff Freeman, Judge, and Arozarena never intended to stay at BDOWA long-term and always intended to abscond with BDO’s clients.

**C. The BDO–Choreo Deal**

57. In the spring of 2023, BDO began negotiations with Choreo to sell BDO’s wealth advisory business to Choreo.

58. The transfer of BDO’s existing wealth advisory clients was a condition of the proposed BDO–Choreo deal.

59. In May 2023, Mark Biegel (“Biegel”), the national head of BDO’s wealth advisory business, informed BDO’s wealth advisors—including Jeff Freeman, Judge, and Arozarena— of the pending Choreo deal.

60. In June 2023, Biegel further explained that the wealth advisors—including Jeff Freeman, Judge, and Arozarena—would receive offers of employment from Choreo in connection with the proposed deal as BDO was planning to exit the wealth advisory industry.

61. At this time, Dave Freeman was semi-retired and working as a consultant for BDO in the wealth advisory business. Dave Freeman did not receive an offer to continue as a consultant with Choreo, but Dave Freeman was aware of the pending deal, having originally brought the Choreo deal to BDO’s attention.

62. Jeff Freeman, Judge, and Arozarena received offer letters containing the restrictive covenant terms from Choreo shortly thereafter, on or about June 9, 2023.

63. Upon information and belief, Dave Freeman, Jeff Freeman, Judge, and Arozarena were aware that if Jeff Freeman, Judge, and Arozarena did not join Choreo, they would cause harm to BDO.

64. Jeff Freeman, Judge, and Arozarena expressed dissatisfaction with Choreo’s terms of employment to Biegel in several conversations throughout June 2023.

65. Specifically, Jeff Freeman, Judge, and Arozarena opposed the terms of Choreo’s restrictive covenants, even though the only meaningful difference between Jeff Freeman’s, Judge’s, and Arozarena’s covenants with BDO and the proposed Choreo covenants was the term—18 months for BDO and 24 months for Choreo.

66. Biegel never gave Jeff Freeman, Judge, and Arozarena any advice that was intended to be legal advice. Rather, Biegel attempted to counsel each through their decision-making process and present reasons why it would be beneficial to each to join Choreo.

67. Jeff Freeman, Judge, and Arozarena repeatedly claimed to Biegel that they were happy with their employment and wished to remain at BDO.

68. Biegel told Jeff Freeman, Judge, and Arozarena that they should consider the terms of the Choreo deal and emphasized why joining Choreo would be good for their careers and provide an opportunity for success, but ultimately, advised that they should do what is best for their respective families.

69. Indeed, Biegel was long a champion of Jeff Freeman, Judge, and Arozarena. Biegel ensured, for example, Judge's and Arozarena's promotions to Managing Director, as well as significantly increased their compensation.

70. Further, whether Jeff Freeman, Judge, and Arozarena joined Choreo would not impact Biegel's compensation.

71. Biegel and Choreo attempted to work with Jeff Freeman, Judge, and Arozarena to alleviate any concerns about joining Choreo, but Jeff Freeman, Judge, and Arozarena simply reiterated their refusal to accept employment with Choreo and their wish to remain with BDO.

72. For example, Biegel and Choreo's CEO traveled to BDO's Columbia office to meet with the wealth advisory team and explain Choreo's business and plans for the practice going forward.

73. Biegel also arranged a dinner meeting with himself, another BDOWA employee, Judge, and Arozarena and the CEO of Choreo to discuss Choreo's business and the plans for the practice going forward. Jeff Freeman did not attend this dinner because he was on vacation.

74. Biegel further arranged for Jeff Freeman, Judge, and Arozarena to have direct lines of communication with the CEO of Choreo regarding their potential employment with Choreo.

75. In exchange for joining Choreo, in addition to earn-out equity payments, BDO offered the former advisors significant signing bonuses. BDO offered Jeff Freeman a \$100,000 signing bonus and \$100,000 in earn-out equity. BDO offered Judge and Arozarena signing bonuses of \$250,000 each, which BDO later increased to \$500,000 each. Arozarena and Judge were also offered \$250,000 each in earn-out equity. Biegel also negotiated for a \$165,000 cash payment in year two of their BDOWA long-term incentive compensation for each of Judge and Arozarena (which otherwise would have been paid out over ten years).

76. Judge countered this offer with a demand for a \$1,500,000 bonus *and* 40% of fees for accounts he managed, indefinitely. Arozarena's counteroffer was a demand for a \$1,400,000 bonus and 40% of the fees for accounts she managed, indefinitely. Both of these demands were highly unreasonable in the context of the deal and industry standards.

77. BDO also attempted to negotiate a deal with Choreo to accept Jeff Freeman's, Judge's, and Arozarena's existing restrictive covenants for three years.

78. Stephen Ferrara ("Ferrara"), BDO's Chief Operating Officer, met with Jeff Freeman, Judge, and Arozarena on or about June 25, 2023, to discuss options that would address their concerns.

79. At this point, all other employees of the BDO wealth advisory business who had received offers of employment from Choreo had accepted those offers, and all other advisors had signed the exact restrictive covenant agreements that Jeff Freeman, Judge, and Arozarena claimed were unreasonable. Jeff Freeman, Judge, and Arozarena were the only three holdouts

out of the 34 employees in the wealth advisory practice who were offered continued employment with Choreo.

80. The advisors that agreed to continued employment with Choreo were allowed to take clients that they had serviced at BDOWA with them to Choreo.

81. Curiously, at the June 25 meeting, Jeff Freeman, Judge, and Arozarena inquired what Ferrara and BDO would do if they refused to sign the Choreo agreements, left BDO, and took BDO's clients.

82. Ferrara responded that BDO would seek to enforce their contractual obligations under the Manager Agreements if Jeff Freeman, Judge, and Arozarena violated their obligations to BDO and solicited away BDO clients.

83. Ferrara did not threaten litigation should Jeff Freeman, Judge, and Arozarena refuse to sign the Choreo agreements. Ferrara never threatened their families Defendants conted. In fact, it was Judge who repeatedly raised his family in these discussions, responding to BDO's position that it would enforce its restrictive covenants, asking, in sum and substance, " You would do that to my family?"

84. Ferrara also offered at this meeting to set up a new RIA for Jeff Freeman, Judge, and Arozarena so that they could remain with BDO and service the same clients on behalf of BDO. Despite their repeated averments that they wished to stay with BDO, the offer to stay with BDO and work at a new RIA garnered little reaction from Jeff Freeman, Judge, and Arozarena.

85. Biegel followed up with emails to Jeff Freeman, Judge, and Arozarena on June 27 stating that (1) none of the terms of their employment would change following the sale to Choreo and (2) BDO expected that they abide by the terms of their Manager Agreements.

86. Neither Ferrara nor Biegel ever threatened litigation should Jeff Freeman, Judge, and Arozarena decide not to join Choreo.

87. On June 27, Karen Stone—a colleague of Arozarena—had a conversation with Arozarena at Biegel’s request in an effort to further allay any of Arozarena’s concerns.

88. Put simply, Jeff Freeman, Judge, and Arozarena were not satisfied with BDO’s repeated offers to compromise because Jeff Freeman, Judge, and Arozarena had never intended to join Choreo or stay employed with BDO.

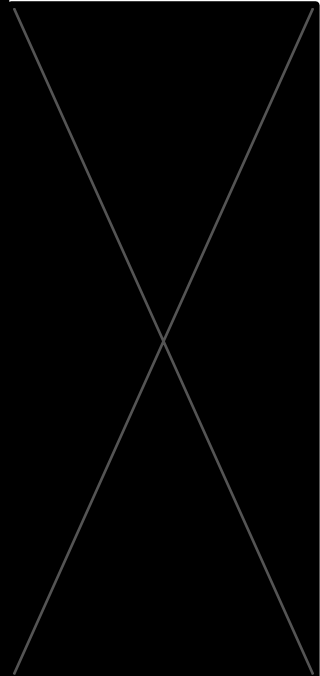
89. On information and belief, Dave Freeman instructed Jeff Freeman, Judge, and Arozarena to use, and Jeff Freeman, Judge, and Arozarena did use, their advantageous position as holdouts as cover to form a competing business and begin soliciting BDO’s clients.

90. As a result of Dave Freeman’s, Jeff Freeman’s, Judge’s, and Arozarena’s duplicitous conduct, BDO had to discount the Choreo deal and ultimately lost out on \$13,000,000 it would have earned in purchase price that had been previously negotiated.

**D. Defendants’ Disloyalty**

91. Unbeknownst to BDO, Jeff Freeman, Judge, and Arozarena formed their own competing RIA, Atlantic Edge, on July 24, 2023, and filed Articles of Organization with the South Carolina Division of Corporations on July 25, 2023:

Detail by Entity Name	
Florida Limited Liability Company	
ATLANTIC EDGE PRIVATE WEALTH MANAGEMENT, LLC	
<u>Filing Information</u>	
Document Number	L23000352522
FEI/EIN Number	NONE
Date Filed	07/25/2023
State	FL
Status	ACTIVE
Last Event	LC AMENDMENT
Event Date Filed	08/14/2023
Event Effective Date	NONE



92. Even though they were still employed, Jeff Freeman, Judge, and Arozarena did not inform BDO about the formation of this directly competitive entity.

93. The formation of Atlantic Edge is a violation of Jeff Freeman's, Judge's, and Arozarena's Manager Agreements, as well as a violation of their common law duty of loyalty to BDO and faithless servant conduct under New York law.

94. Further, Arozarena amended Atlantic Edge's Articles of Organization on August 15, 2023, to list each of Jeff Freeman, Judge, and Arozarena as Atlantic Edge's Managers, while they were still employed with BDO:

**"ARTICLE IV – MANAGEMENT OF THE COMPANY"**

The Company is to be managed by one or more managers and is, therefore, a manager-managed company. The names the initial managers of the Company are: [REDACTED]

4. The Articles of Organization are hereby further corrected and amended to insert as the date of execution of the original Articles of Organization, the 24<sup>th</sup> day of July, 2023, which date was inadvertently left blank at the time of the filing of the original Articles of Organization.

5. Except as amended hereby, the Articles of Organization of the Company shall remain in full force and effect.

**IN WITNESS WHEREOF**, the undersigned, being a duly authorized manager of the Company, has caused these Articles of Amendment to Articles of Organization to be executed on behalf of the Company this 15<sup>th</sup> day of August, 2023.

**ATLANTIC EDGE PRIVATE WEALTH  
MANAGEMENT, LLC**

[REDACTED]

95. This conduct is also a violation of policies in BDO’s Code of Ethics and Business Conduct, which prohibit employees from (i) engaging in outside employment or activities that would create a conflict with BDO’s interest and (ii) service as a director or officer of an outside entity without approval of the Office of the General Counsel and the appropriate business leader.

96. Public Form ADV papers filed with the SEC state that Atlantic Edge began conducting business in August 2023, again while Jeff Freeman, Judge, and Arozarena were employed with BDO:

**Item 4 Advisory Business**

Atlantic Edge Private Wealth Management, LLC (“Atlantic Edge or Firm”) is an investment advisor registered with the United States Securities and Exchange Commission (“SEC”) engaged in providing advisory services and products to clients [REDACTED]

97. Upon information and belief, Atlantic Edge formed a partnership with Brock CPA for accounting services as part of their establishment and operation of a competing entity while employed by BDO.

98. Upon information and belief, Jeff Freeman, Judge, and Arozarena formed this competing entity under the guidance of Dave Freeman with the intent to solicit away BDO's clients and damage the value of the BDO–Choreo deal.

99. Upon information and belief, Dave Freeman encouraged Jeff Freeman, Judge, and Arozarena to form Atlantic Edge and steal BDO's clients due to Dave Freeman's dissatisfaction with his profits from the BDO–LBA sale.

100. Upon information and belief, Dave Freeman, Jeff Freeman, Judge, and Arozarena determined that the Choreo sale presented an opportunity for Jeff Freeman, Judge, and Arozarena to manufacture a dispute with BDO so that they could attempt to set aside their contractual obligations to BDO.

101. Upon information and belief, Dave Freeman and Jeff Freeman, Judge, and Arozarena always intended to steal back the client relationships Dave Freeman sold to BDO in the BDO–LBA deal in order to compete with BDO and unjustly profit from these client relationships.

102. Upon information and belief, Jeff Freeman was already speaking to BDO clients about leaving BDOWA and moving to their newly formed RIA in July and August of 2023.

103. On or about June 20, 2023, Arozarena had downloaded her client contact list, and then immediately deleted that client contact list from BDO's systems.

104. During the entire time Jeff Freeman, Judge, and Arozarena started up Atlantic Edge, they continued to be employed with BDO and receive their regular salary and benefits.

During this same time period, Dave Freeman continued to provide consulting services to BDO and received compensation in accordance with his Consulting Agreement.

105. BDO also paid Jeff Freeman, Judge, and Arozarena their incentive compensation bonuses on August 29, 2023, consistent with the terms of their incentive compensation plan. The incentive compensation plan, however, provides that employees are ineligible for such bonuses if they have violated BDO's Code of Conduct or Workplace Guide or otherwise engaged in unethical conduct.

106. BDO further paid Jeff Freeman, Judge, and Arozarena any reimbursements submitted, totaling \$168.97, \$1,125.17, and \$595.91 respectively, in August and September 2023.

107. BDO also paid Dave Freeman an equity incentive distribution of approximately \$6,500 in late September 2023. That distribution has a provision providing for forfeiture for competition or violation of the Manager Agreement.

108. Jeff Freeman, Judge, and Arozarena formed Atlantic Edge and began operations at the same time BDO took steps to form its new RIA, BDO USA WA in July and August 2023. The new RIA was created for the purpose of allowing Jeff Freeman, Judge, and Arozarena to continue servicing BDO clients at BDO, as they had falsely led BDO to believe was their desire.

109. In order to manage client accounts, an RIA must be registered with a custodian such as Schwab and Fidelity.

110. BDO USA WA applied to operate on Fidelity and Schwab's platforms with Jeff Freeman as a named manager in August 2023. Curiously, Jeff Freeman, Judge, and Arozarena attempted to discourage BDO USA WA from making these registrations.

111. BDO USA WA's applications for registration were rejected by both Fidelity and Schwab in September 2023.

112. BDO later learned that BDO USA WA's registrations were rejected because the Defendants had already filed to register Atlantic Edge as an RIA with Fidelity and Schwab, effectively blocking BDO USA WA from operating on those platforms as an RIA and servicing BDO's clients.

113. Jeff Freeman and Arozarena are certified by the CFP Board, and Judge is certified by the CFA Institute, both of which promote ethical standards in the investment services industry.

114. The CFA Standards of Professional Conduct require members "to abstain from independent competitive activity that could conflict with the interests of their employer" and provides that "members . . . who plan to engage in independent practice for compensation must notify their employer and describe the types of services they will render to prospective independent clients, the expected duration of the services, and the compensation for the services."

115. By establishing and operating an independent, competing RIA—without disclosure to his employer, BDO—Judge breached the CFA Standards of Professional Conduct.

116. The CFA Standards of Professional Conduct further provide that "[w]hen members . . . are planning to leave a current employer, they must continue to act in the employer's best interest" and "must not engage in activities that would conflict with this duty until their resignation becomes effective."


117. By establishing and operating an independent competing RIA—without disclosure to his employer, BDO—Judge breached the CFA Standards of Professional Conduct.

118. The CFP Standards of Conduct state that “A CFP professional may not, directly or indirectly, in the conduct of Professional Services: (i) Employ any device, scheme, or artifice to defraud; (ii) Make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or (iii) Engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.”

119. By establishing and operating an independent competing RIA—without disclosure to their employer, BDO—Jeff Freeman and Arozarena breached the CFP Standards of Conduct.

120. In fact, for a period of time, Jeff Freeman was dual registered with two RIAs (BDO USA WA and Atlantic Edge), which is impermissible.

**E. Defendants’ Continued Disloyal Conduct and Termination from BDO**

121. On August 14, 2023, Judge sent an email to Ferrara on behalf of all three employees claiming that “It has always been our intention to remain BDO employees,” despite the fact that the  Defendants had been operating a competing venture in secret since July 25.

122. In that same email, Judge offered to pay to leave BDO with “their” clients rather than join Choreo. Judge offered to pay an amount of 1.5 times the fees charged during the last fiscal year for clients originated during Jeff Freeman’s, Judge’s, and Arozarena’s time at BDO.

123. This email was a clear threat to BDO that Jeff Freeman, Judge, and Arozarena would abscond with BDO’s client relationships. The offer also did not include payment for clients that BDO purchased from LBA, and thus only offered a small fraction of the compensation that BDO was entitled to under the Manager Agreements.

124. While BDO was considering their offer, Jeff Freeman, Judge, and Arozarena filed a claim against BDO on August 18, 2023.

125. Upon information and belief, with Dave Freeman's guidance, Jeff Freeman, Judge, and Arozarena used that action as a distraction to continue soliciting clients away from BDO to their secret new entity, Atlantic Edge, and fabricate a justification for Jeff Freeman, Judge, and Arozarena to breach or void their contractual obligations to BDO.


126. On August 19, 2023, Ferrara informed Jeff Freeman, Judge, and Arozarena that BDO USA WA had been established—consistent with prior representations—and that they could continue their employment with BDO USA WA under the same terms and conditions of their employment with BDO.

127. Jeff Freeman, Judge, and Arozarena rejected this offer.

128. BDO and its counsel continued to work diligently with Jeff Freeman, Judge, Arozarena, and their counsel to try to meet their demands and address concerns raised in their Complaint throughout August and September 2023.

129. On September 20, 2023, Jeff Freeman, on behalf of all three employees, emailed Ferrara revealing their disloyalty and the formation of the Atlantic Edge RIA.

130. Yet Jeff Freeman's email still obscured the truth. He claimed the entity was not yet operational as of September 20, despite the fact that publicly available documents show that Atlantic Edge was formed in July and operational by August.

131. When BDO discovered the extent of  efendants' betrayal, BDO had no choice but to terminate Jeff Freeman, Judge, and Arozarena on September 22 due to violations of their contractual obligations to BDO, the harm they caused BDO, and disloyal conduct.

132. In the termination letters, BDO explained that it had “no alternative but to fire you immediately for cause based upon your gross misconduct and disloyal conduct,” a result that, upon information and belief, Dave Freeman intended to force.

**F. Th  Defendants Abscond with BDO’s Clients**

133. Days later, a mass exodus of BDO clients began, which continues to the date of filing this Complaint.

134. On information and belief, the Defendants solicited BDO’s clients, informed those clients of Jeff Freeman’s, Judge’s, and Arozarena’s departure from BDO, and requested that they transfer their business to Atlantic Edge.

135. On information and belief, all of these clients have or will transfer their business to the Defendants at Atlantic Edge.

136. For example, Client 11 indicated that they would not go with Choreo. Their business is worth \$128,896.39 in management fees.

137. Clients 2 also indicated that they would not go with Choreo. Their business is worth \$40,066.20 in management fees.

138. Client 3 indicated that they would not have their accounts transferred to Choreo. Their business is worth \$3,962.82 in management fees.

139. On September 24, Client 4 informed BDO that they would be “staying with Jeff [Freeman].” Their business is worth \$32,569.84 in management fees.

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<sup>1</sup> BDO has anonymized lost clients’ names to protect their privacy.

<sup>2</sup> The management fees described for each client are the total fees charged to that client by BDO over the last four quarters.

140. On September 24, after BDO USA WA reached out to Client 5 about Jeff Freeman's, Judge's, and Arozarena's departure, Client 5 emailed Arozarena's former BDO email address, asking if he should "reply and say we are staying with you and your team?"

141. On September 24, Client 6 informed BDO that he was moving his business away from BDO. His business is worth \$499.09 in management fees.

142. On September 25, Client 7 informed BDO that he was "going with Jeff [Freeman] and his group." His business is worth \$7,626.04 in management fees.

143. On September 25, after BDO USA WA reached out to Client 8 about Jeff Freeman's, Judge's, and Arozarena's departure, Client 8 emailed Judge's former BDO email address, stating "I don't want to cause trouble for you but would love to tell them to go pound sand. Should I fire them or wait?"


144. On September 26, four days after the disloyal advisers were terminated, Client 9 informed BDO that she did not wish to continue with BDO USA WA with a new set of advisers. Her business is worth \$14,308.86 in management fees.

145. On September 26, Client 10 disconnected BDO from managing his accounts with no notice. His business is worth \$7,511.64 in management fees.

146. On September 27, Client 11 informed BDO that they would be "moving our assets with the team we joined BDO with," namely Jeff Freeman, Judge, and Arozarena. Their business is worth \$5,017.21 in management fees.

147. On September 28, Client 12 informed BDO that she was "going to stay with Kaitlyn [Arozarena]." Her business is worth \$11,755.54 in management fees.

148. On September 28, Client 13 informed BDO that he was canceling his management with BDO “in light of the unexplained turmoil.” His business is worth \$8,023.81 in management fees.

149. Upon information and belief, at some point on or before September 28, the  Defendants solicited BDO’s clients and informed them to request that their accounts be “delinked” from BDO’s management.

150. “Delink” is a specific term BDO uses internally when a client terminates BDO’s management services. BDO does not use this term with clients, and it is unusual that a client would use this term when canceling services.

151. Starting September 28, dozens of clients suddenly began requesting that BDO “delink” their accounts.

152. On September 28, Client 14 requested to “de-link” her accounts from BDO. Her business is worth \$123.12 in management fees.

153. On September 28, Client 15 requested to “de-link” their accounts from BDO. Their business is worth \$28,695.79 in management fees.

154. On September 28, Client 16 requested to “delink” his account from BDO. His business is worth \$43,843.37 in management fees.

155. On September 28, Client 17 requested to “delink” her account from BDO. Her business is worth \$26,483.56 in management fees.

156. On September 28, Client 18 requested to “delink” their account from BDO and informed BDO that they would be “moving our accounts to Atlantic Edge.” Their business is worth \$5,022.95 in management fees.

157. On September 28, Client 19 requested to “de-link” her accounts from BDO. Her business is worth \$10,285.29 in management fees.

158. On September 28, Client 20 requested to “delink” her accounts from BDO. Her business is worth \$15,797.52 in management fees.

159. On or about September 28, Client 21 informed BDO that he would be transferring his business to Judge and Arozarena. His business is worth \$11,520.03 in management fees.

160. On September 28, Client 22 requested to “de-link” his and his family’s accounts from BDO. His family’s business is worth \$8,059.50 in management fees.

161. On September 28, Client 23 requested to “delink” their accounts from BDO. Their business is worth \$10,422.29 in management fees.

162. On September 28, Client 24 requested to “delist” BDO as manager of their accounts. Their business is worth \$40,674.71 in management fees.

163. On September 28, Client 25 requested to “delink” her accounts from BDO. Her business is worth \$5,840.48 in management fees.

164. On September 28, Client 26 requested to “d-link” his accounts from BDO. His business is worth \$240.38 in management fees.

165. On September 28, Client 27 requested to “delink” their accounts from BDO. Their business is worth \$11,030.63 in management fees.

166. On September 29, Client 28 disconnected BDO from managing her accounts with no notice. Her business is worth \$6,809.69 in management fees.

167. On September 29, Client 29 requested to “delink” their accounts from BDO. Their business is worth \$27,363.71 in management fees.

168. On September 29, Client 30 requested to “delink” their accounts from BDO. Their business is worth \$12,264.71 in management fees.

169. On September 29, Client 31 requested to “delink” their accounts from BDO. Their business is worth \$15,793.24 in management fees.

170. On September 29, Client 32 requested to remove BDO from their accounts. Their business is worth \$138,383.81 in management fees.

171. On September 29, Client 33 requested to “delink” his accounts from BDO. His business is worth \$10,490.59 in management fees.

172. On September 29, Client 34 requested to “delink” his accounts from BDO. His business is worth \$3,054.32 in management fees.

173. On September 29, Client 35 requested to “delink” their accounts from BDO. Their business is worth \$6,626.66 in management fees.

174. On September 29, Client 36 requested to remove BDO from their accounts. Their business is worth \$17,585.36 in management fees.

175. On September 29, Client 37 requested to remove BDO from their accounts. Their business is worth \$15,427.03 in management fees.

176. On September 29, Client 38 requested to “delink” their accounts from BDO. Their business is worth \$17,428.94 in management fees.

177. On September 29, Client 39 requested to “delink” their accounts from BDO. Their business is worth \$14,330.26 in management fees.

178. On September 29, Client 40 requested to “delink” his account from BDO. Their business is worth \$8,470.68 in management fees.

179. On September 30, Client 41 disconnected BDO from managing his accounts with no notice. His business is worth \$20,200 in management fees.

180. On September 30, Client 42 requested to “delink” his accounts from BDO. His business is worth \$6,016.34 in management fees.

181. On September 30, Client 43 requested to “delink” their accounts from BDO. Their business is worth \$41,284.44 in management fees.

182. On September 30, Client 44 informed BDO he was “continuing with Matt [Judge] and Atlantic Edge.” His business is worth \$51,294.51 in management fees.

183. On September 30, Client 45 requested to “delink” their accounts from BDO. Their business is worth \$21,925.91 in management fees.

184. On September 30, Client 46 requested to “delink” their accounts from BDO. Their business is worth \$8,255.95 in management fees.

185. On October 1, Client 47 requested to “unlink” their accounts from BDO. Their business is worth \$16,649.26 in management fees.

186. On October 1, Client 48 requested to “delink” his accounts from BDO. Their business is worth \$21,284.00 in management fees.

187. On October 1, Client 49 requested to “delink” their accounts from BDO. Their business is worth \$21,641.22 in management fees.

188. On October 2, Client 50 informed BDO that she wished to continue her relationship with her prior advisors, Jeff Freeman, Judge, and Arozarena. Her business is worth \$26,964.08 in management fees.

189. On October 2, Client 51 informed BDO that she would be “staying with Jeff Freeman.” Her business is worth \$2,974 in management fees.

190. On October 2, Client 52 requested to “de-link” her accounts from BDO. Her business is worth \$16,960.03 in management fees.

191. On October 2, Client 53 requested to “delink” her accounts from BDO. Her business is worth \$7,173.49 in management fees.

192. On October 2, Client 54 requested to “de-link” their accounts from BDO. Their business is worth \$24,088.46 in management fees.

193. On October 2, Client 55 requested to remove BDO from her accounts. Her business is worth \$5,106.12 in management fees.

194. On October 2, Client 56 requested to “delink” his accounts from BDO and informed BDO that he will be “going with Matt Judge at Atlantic Edge.” His business is worth \$14,355.54 in management fees.

195. On October 2, Client 57 requested to “delink” their accounts from BDO and copied Arozarena’s former BDO email address in this request. Their business is worth \$7,021.10 in management fees.

196. On October 2, Client 58 cancelled BDO’s management of their accounts. Their business is worth \$9,061.31 in management fees.

197. On October 2, Client 59 requested to terminate their relationship with BDO. Their business is worth \$23,781.17 in management fees.

198. On October 2, Client 60 requested to terminate their relationship with BDO. Their business is worth \$22,481.95 in management fees.

199. On October 3, Client 61 requested to “de-link” their accounts from BDO. Their business is worth \$28,782.44 in management fees.

200. On October 4, Client 62 requested to terminate their relationship with BDO. Their business is worth \$45,123.66 in management fees.

201. On October 4, Client 63 requested to “de-link” their accounts from BDO and confirmed that they were engaging Atlantic Edge for services. Their business is worth \$24,835.25 in management fees.

202. On October 4, Client 64 requested to “delink” their accounts from BDO and confirmed that they were engaging Atlantic Edge for services. Their business is worth \$14,435.05 in management fees.

203. On October 4, Client 65 informed BDO he was engaging Atlantic Edge for services. His business is worth \$19,278.09 in management fees.

204. On October 4, Client 66 requested to “delink” their accounts from BDO. Their business is worth \$14,010.23 in management fees.

205. On October 4, Client 67 requested to terminate her relationship with BDO. Her business is worth \$10,048.05 in management fees.

206. On October 4, Client 68 informed BDO they were staying with their existing advisors, Jeff Freeman, Judge, and Arozarena. Their business is worth \$13,917.42 in management fees.

207. On October 4, Client 69 requested to terminate her relationship with BDO. Her business is worth \$9,081.93 in management fees.

208. On October 4, Client 70 requested to terminate his relationship with BDO. His business is worth \$5,997.45 in management fees.

209. On October 4, Client 71 requested to terminate his relationship with BDO. His business is worth \$674.46 in management fees.

210. On October 5, Client 72 requested to “delink” their accounts from BDO. Their business is worth \$45,180.80 in management fees.

211. On October 5, Client 73 requested to terminate his relationship with BDO due to the sale to Choreo. His business is worth \$7,963.41 in management fees.

212. On October 5, Client 74 requested to terminate their relationship with BDO. Their business is worth \$10,985.83 in management fees.

213. On October 5, Client 75 requested to terminate her relationship with BDO. Her business is worth \$19,921.27 in management fees.

214. Client 76 disconnected BDO from managing his accounts with no notice. His business is worth \$10,394.72 in management fees.

215. Client 77 requested to terminate their relationship with BDO. Their business is worth \$12,985.37 in management fees.

216. Client 78 requested to terminate her relationship with BDO. Her business is worth \$310.77 in management fees.

217. Client 79 requested to terminate her relationship with BDO. Her business is worth \$13,633.65 in management fees.

218. Client 80 requested to terminate her relationship with BDO. Her business is worth \$1,227.49 in management fees.

219. Client 81 requested to terminate their relationship with BDO. Their business is worth \$18,657.57 in management fees.

220. Client 82 requested to terminate her relationship with BDO. Her business is worth \$22,247.58 in management fees.

221. Clients 83 requested to terminate their relationship with BDO. Their business is worth \$29,980.75 in management fees.

222. Client 84 requested to terminate their relationship with BDO. Their business is worth \$18,559.70 in management fees.

223. Client 85 requested to terminate her relationship with BDO. Her business is worth \$16,422.19 in management fees.

224. Client 86 requested to terminate her relationship with BDO. Her business is worth \$1,902.12 in management fees.

225. Client 87 requested to terminate their relationship with BDO. Their business includes \$212,039.71 in assets under management.

226. On October 6, 2023, Client 88 requested to terminate his relationship with BDO. His business is worth \$10,528 in management fees.

227. Client 89 requested to terminate their relationship with BDO. Their business is worth \$14,113.59 in management fees.

228. Client 90 requested to terminate her relationship with BDO. Her business is worth \$8,035.72 in management fees.

229. Client 91 requested to terminate her relationship with BDO. Her business is worth \$10,425.56 in management fees.

230. Client 92 requested to terminate her relationship with BDO. Her business is worth \$8,604.34 in management fees.

231. Clients 93 requested to terminate their relationship with BDO. Their business is worth \$12,280.43 in management fees.

232. Client 94 requested to terminate her relationship with BDO. Her business is worth \$8,328.15 in management fees.

233. Client 95 requested to terminate their relationship with BDO. Their business is worth \$1,100.46 in management fees.

234. Client 96 requested to terminate his relationship with BDO. His business is worth \$3,825.59 in management fees.

235. Client 97 requested to terminate their relationship with BDO. Their business is worth \$2,289.81 in management fees.

236. Client 98 requested to terminate their relationship with BDO. Client 98 is a good friend of Dave Freeman and curiously, no management fees were ever charged to his account.

237. Client 99 requested to terminate his relationship with BDO. His business is worth \$1,288.02 in management fees.

238. Client 100 requested to terminate his relationship with BDO. His business includes \$78,640.04 in assets under management.

239. Client 101 requested to terminate her relationship with BDO. Her business includes \$68,858.59 in assets under management.

240. Client 102 requested to terminate his relationship with BDO. His business is worth \$238.28 in management fees.

241. Client 103 requested to terminate his relationship with BDO. His business is worth \$12,985.37 in management fees.

242. Client 104 informed BDO she intended to terminate her relationship with BDO. Her business is worth \$12,226.96 in management fees.

243. On October 6, 2023, Client 105 requested to terminate his relationship with BDO. His business is worth \$14,289.04 in management fees.

244. On October 6, 2023, Client 106 informed BDO he would continue to work with Jeff Freeman. His business is worth \$2,740.42 in management fees.

245. On October 6, 2023, Client 107 requested that BDO “delink” their accounts as “Jeffery and Matt from Atlantic Edge will continue to be our financial advisors.” Their business is worth \$13,440.80 in management fees.

246. On October 9, Client 108 informed BDO that they would be leaving BDO. Their business is worth \$16,902.16 in management fees.

247. On October 9, Client 109 informed BDO that they would be leaving BDO. Their business is worth \$13,613.96 in management fees.

248. On October 9, Client 110 informed BDO that they would be leaving BDO . Their business is worth \$13,066.12 in management fees.

249. On October 9, Client 111 informed BDO that he would be leaving BDO. His business is worth \$11,918.86 in management fees.

250. On October 9, Client 112 informed BDO that he would be “going to Matt Judge’s new company.” His business is worth \$10,227.76 in management fees.

251. On October 9, Client 113 informed BDO that she decided to stay with Jeff Freeman. Her business is worth \$5,366.37 in management fees.

252. On October 9, Client 114 informed BDO that they would be moving their business to “Kaitlyn [Arozarena] and Atlantic Edge.” Their business is worth \$928.30 in management fees.

253. Client 115 informed BDO that she was intending to leave BDO. Her business is worth \$4,000.00 in management fees.


254. Client 116 informed BDO that they were intending to leave BDO. Their business is worth \$2,623.64 in management fees.

255. Client 117 informed BDO that they were intending to leave BDO. Their business is worth \$6,352.63 in management fees.

256. Client 118 informed BDO that they were intending to leave BDO. Their business is worth \$5,438.61 in management fees.

257. Client 119 informed BDO that he was intending to leave BDO. His business is worth \$12,132.8 in management fees.

258. Client 120 informed BDO that they were intending to leave BDO. Their business is worth \$15,133.24 in management fees.

259. As of October 12, 2023, 120 clients have departed BDOWA since September 24, 2023. 42 of those used the internal phrase “delink” in their request to cancel BDO’s management. And 24 clients outright admitted to transferring their management services to the  Defendants.


260. These 120 clients are worth over \$340 million in managed assets and \$1.77 million in management fees over the last four quarters.

261. On information and belief, all of these clients have transferred their business to Atlantic Edge.

262. Upon information and belief, Dave Freeman, Jeff Freeman, Judge, and Arozarena have violated the non-solicitation provisions in their Manager Agreements by

soliciting and providing services to clients that LBA, and later, BDO, allowed them to acquire, develop, and maintain, through Atlantic Edge.

263. BDO sent notice to Dave Freeman, Jeff Freeman, Judge, and Arozarena that each owed agreed upon liquidated damages for their breach of the non-solicitation provisions in their Manager Agreement. That notice identified the applicable fees—\$1,773,510.76—and that each owed \$2,660,266.14 plus interest in five equal annual installments commencing February 12, 2024. The notice asked each to respond, confirm an intent to comply and pay the liquidated damages. BDO did not receive a response and has not received payment of any liquidated damages demanded.

264. BDO expended an additional \$300,000 to form BDO USA WA in order to satisfy Jeff Freeman's, Judge's, and Arozarena's decision not to join Choreo. Yet because BDO USA WA had lost so many clients to the  Defendants, BDO USA WA was no longer a viable business.

265. And because Jeff Freeman, Judge, and Arozarena declined to join Choreo, and BDO carved out the South Carolina wealth advisory business so that they could continue servicing the clients at BDO, Choreo reduced its offer to buy BDO's wealth management practice by \$13 million.

266. Upon information and belief, Dave Freeman encouraged and orchestrated this betrayal.

267. In fact, this is not the first time Dave Freeman has sought to disregard his contractual obligations to his employer and steal their clients.

268. In 2008, Dave Freeman filed a lawsuit against his former employer seeking a declaratory judgment that his non-solicitation agreement was unenforceable. *See Freeman v. St.*

*John's Investment Management Co. and St. John's Investment Management v. Freeman.*

269. LBA was formed during the pendency of this prior lawsuit in June 2009.

270. Upon information and belief, Dave Freeman used this prior lawsuit as cover to form LBA and solicit away clients from his former employer to LBA.

271. Upon information and belief, Dave Freeman instructed Jeff Freeman, Judge, and Arozarena to file a similar lawsuit against BDO in order to provide cover for soliciting away BDO's clients to Atlantic Edge.

272. BDO has suffered and continues to suffer significant financial losses due to the Defendants' disloyal and tortious conduct.

**COUNT I**

**(Tortious Interference with Prospective Business Advantage Regarding  
the BDO–Choreo Deal Against All Defendants)**

273. BDO incorporates and re-alleges paragraphs 1 through 272 as if fully set forth herein.

274. BDO has negotiated an agreement to sell its wealth advisory business, including its client relationships and goodwill, to Choreo.

275. Dave Freeman, Jeff Freeman, Judge, and Arozarena knew of the pending sale of BDO's wealth advisory business to Choreo, and knew of the importance of the transfer of client relationships and goodwill as part of the deal.

276. Upon information and belief, Jeff Freeman, Judge, and Arozarena intentionally, maliciously, and by improper motive or means, interfered with the sale of BDO's wealth advisory business to Choreo by threatening to solicit BDO's clients away from BDO and lower the value of BDO's wealth advisory business and its sale price to Choreo, as well as by forming Atlantic Edge as a competing entity to solicit away BDO's clients.

277. Upon information and belief, Dave Freeman shepherded Jeff Freeman, Judge, and Arozarena through this scheme with the intent to profit off of the formation of Atlantic Edge and to damage BDO.

278. As a result of the Defendants' interference, BDO has suffered injury to its prospective business relationship with Choreo as this interference has reduced the sale price of its wealth advisory practice by \$13 million.

279. BDO is entitled to relief and judgment against the Defendants of at least \$13 million, plus interest, costs, and other such relief as BDO can prove at trial and as this Court deems just and equitable.

**COUNT II**  
**(Tortious Interference with Prospective Business Advantage  
Regarding BDO USA WA and Atlantic Edge Against All Defendants)**

280. BDO incorporates and re-alleges paragraphs 1 through 279 as if fully set forth herein.


281. BDO formed BDO USA WA as an RIA in order for Jeff Freeman, Judge, and Arozarena to remain employed at BDO and continue serving BDO's clients.

282. Jeff Freeman, Judge, and Arozarena knew that BDO was forming BDO USA WA, and knew that BDO USA WA would need client accounts and access to Fidelity and Schwab in order to operate as an RIA.

283. Upon information and belief, Dave Freeman was also aware of BDO USA WA's formation and the fact that BDO USA WA required clients and access to Fidelity and Schwab to service those clients.

284. Upon information and belief, the Defendants intentionally, maliciously, and by improper motive or means, interfered with the establishment of BDO USA

WA by forming their own competing RIA, registering that RIA with Fidelity and Schwab to prevent BDO USA WA from doing so, and soliciting BDO's clients away from BDO USA WA.

285. As a result of the Defendants' interference, BDO has suffered injury to its prospective business relationship with BDO USA WA as this interference has reduced the value of BDO USA WA to nothing. BDO had also expended in excess of \$300,000 to establish BDO USA WA, which is now lost as BDO USA WA cannot operate without the client base that  Defendants stole.

286. BDO is entitled to relief and judgment against the Defendants of a sum to be proven at trial of at least \$300,000, plus interest, costs, and other such relief as this Court deems just and equitable.

### **COUNT III**

#### **(Civil Conspiracy to Commit Tortious Interference Against All Defendants)**

287. BDO incorporates and realleges paragraphs 1 through 285 as if fully set forth herein.

288. As alleged in Counts I and II, the Defendants committed tortious interference with BDO's prospective economic advantage in the sale to Choreo and the formation and operation of BDO USA WA.

289. Upon information and belief, Jeff Freeman, Judge, and Arozarena agreed to withhold consent to join Choreo in order to create cover to form a competing entity and damage BDO's business.

290. Jeff Freeman's, Judge's, and Arozarena's agreement is evidenced not only by their parallel decisions not to join Choreo throughout the summer of 2023, but also their filing of the instant action as co-Plaintiffs to create more distractions to draw attention away from their tortious behavior.

291. Jeff Freeman, Judge, and Arozarena committed several overt acts in furtherance of their conspiracy by forming Atlantic Edge as an RIA in July 2023, registering it with Fidelity and Schwab, and upon information and belief, beginning to provide services to BDO clients through Atlantic Edge in August 2023.

292. Upon information and belief, Dave Freeman conspired with Jeff Freeman, Judge, and Arozarena by providing them guidance and instruction to form Atlantic Edge and begin soliciting away BDO's clients.

293. Upon information and belief, the Defendants conspired to further commit tortious interference by providing services to BDO's clients beginning in August 2023.

294. As a result of the Defendants' conspiracy, BDO has suffered injury to its prospective business relationships with Choreo and BDO USA WA as detailed in Counts I and II.

295. BDO is entitled to relief and judgment against the Defendants for their conspiracy of a sum to be proven at trial, plus interest, costs, and other such relief as this Court deems just and equitable.

**COUNT IV**  
**(Tortious Interference with Contract  
Against Dave Freeman)**

296. BDO incorporates and realleges paragraphs 1 through 294 as if fully set forth herein.

297. BDO and Jeff Freeman, Judge, and Arozarena each entered into respective Manager Agreements.

298. The Manager Agreements are valid, binding, and enforceable contracts.

299. At all relevant times, Dave Freeman was aware that Jeff Freeman, Judge, and Arozarena had Manager Agreements with BDO and was aware that the Manager Agreements

contained non-solicitation provisions as he too had entered into a Manager Agreement with BDO at the same time as Jeff Freeman, Judge, and Arozarena.

300. In July, August, September, and October 2023, Jeff Freeman, Judge, and Arozarena breached their Manager Agreements by forming a competing RIA and soliciting away BDO's clients. That breach is ongoing as clients continue to cancel their services with BDO in favor of Atlantic Edge.

301. Upon information and belief, Dave Freeman intentionally and improperly facilitated Jeff Freeman's, Judge's, and Arozarena's breaches by assisting them with setting up the RIA and personally soliciting BDO clients for the RIA on their behalf.

302. Dave Freeman's conduct was improper and without justification.

303. Upon information and belief, Jeff Freeman's, Judge's, and Arozarena's breaches would not have occurred but for Dave Freeman's encouragement and assistance.

304. As a result of Dave Freeman's inducement of Jeff Freeman, Judge, and Arozarena to breach, BDO has suffered substantial losses due to clients and assets under management transferring their business to Atlantic Edge.

305. BDO is entitled to relief and judgment against Dave Freeman of a sum to be proven at trial, plus interest, costs, and other such relief as this Court deems just and equitable.

**COUNT V**  
**(Breach of Contract Against  
Dave Freeman, Jeff Freeman, Judge, and Arozarena)**

306. BDO incorporates and realleges paragraphs 1 through 304 as if fully set forth herein.

307. In or about March 2017, BDO and Dave Freeman, Jeff Freeman, Judge, and Arozarena each entered into valid, enforceable, and binding Manager Agreements.

308. Dave Freeman, Jeff Freeman, Judge, and Arozarena each entered into their respective Manager Agreements for good and valuable consideration, including but not limited to, employment with BDO; compensation; insurance, retirement, and healthcare benefits; and access to confidential information.

309. At all times during their employment with BDO, Dave Freeman, Jeff Freeman, Judge, and Arozarena each owed a contractual duty not to solicit (i) clients with whom Dave Freeman, Jeff Freeman, Judge, or Arozarena had a relationship which BDO enabled them to acquire, develop, and/or otherwise maintain while employed by BDO; and (ii) prospective clients to which BDO had made a proposal for services and for which Dave Freeman, Jeff Freeman, Judge, or Arozarena were involved in such proposal or had access to confidential information regarding such proposal.

310. Dave Freeman's, Jeff Freeman's, Judge's, and Arozarena's duty under their respective Manager Agreements not to solicit clients or prospective clients continues for a period of eighteen months following termination. This period extends until October 29, 2023 for Dave Freeman and until February 22, 2025 for Jeff Freeman, Judge, and Arozarena.

311. BDO has a protectable interest in these client relationships as it subsidized and financially supported Dave Freeman's, Jeff Freeman's, Judge's, and Arozarena's client development efforts during his employment with BDO. *See, e.g., Johnson Controls, Inc. v. A.P.T. Critical Sys., Inc.*, 323 F. Supp. 2d 525, 535–36 (S.D.N.Y. 2004) (finding that clients were not “personal clients” of employee where employer financed and developed client relationships through the employee, and client relationships were not the result of the employee's independent efforts).

312. BDO has a protectable interest in clients that transferred their business to BDO after BDO acquired certain assets, including client relationships, from LBA because (1) LBA financially supported the development of these client relationships and (2) BDO purchased these client relationships and goodwill from LBA in the Asset Purchase Agreement. *Johnson Controls*, 323 F. Supp. 2d at 535 (finding employer had protectable interest in clients developed by another employer prior to acquisition due to purchase agreement containing terms relating to purchase of existing client relationships and goodwill).

313. The Manager Agreements contain damages provisions, which provide that in an event of a breach of the non-solicitation provisions, Dave Freeman, Jeff Freeman, Judge, and Arozarena are liable to BDO for damages based on the following calculation:


(i) (A) one and one-half times the fees charged for such engagement(s) by the Firm for services performed by the Firm either (1) during the last full fiscal year or (2) the 12 month period prior to the last date upon which the Firm performed services for the Client which the Firm loses as a result of such breach, whichever is greater, or (B) in the case of a Prospective Client or a prospective engagement for a Client, one and one-half times the amount of the proposed fee for the next 12 months of such lost engagement(s) -OR- (ii) one and one-half times the amount of the fee paid for such lost engagement(s) in the 12 month period following Employee's departure from the Firm.

314. Each Manager Agreement provides that Dave Freeman, Jeff Freeman, Judge, and Arozarena will pay BDO all amounts owing “at the prime rate as charged from time to time by the principal bank(s) used by the Firm at such times, in five equal annual installments commencing thirty days from the date of notice from the Chief Executive Officer or his/her designee, with succeeding payments to be made on the anniversary of such notice.”

315. Upon information and belief, Dave Freeman, Jeff Freeman, Judge, and Arozarena breached their contractual duty not to solicit by secretly contacting BDO’s clients and encouraging them to terminate business with BDO and work with their independent RIA, Atlantic Edge.

316. Upon information and belief, Dave Freeman, Jeff Freeman, Judge, and Arozarena instructed BDO's clients to contact BDO and request that their custodial accounts be "delinked" from BDO.

317. At least 24 BDO clients have expressly confirmed that they will be transferring their business to the Defendants.

318. Upon information and belief, the  Defendants have solicited away 120 BDO clients worth over \$340 million in managed value and at least \$1.77 million in management fees over the last four quarters.

319. BDO sent notice to Dave Freeman, Jeff Freeman, Judge, and Arozarena that each owed agreed upon liquidated damages for their breach of the non-solicitation provisions in their Manager Agreement. That notice identified the applicable fees—\$1,773,510.76—and that each owed \$2,660,266.14 plus interest in five equal annual installments commencing February 12, 2024. The notice asked each to confirm an intent to comply and pay the liquidated damages. BDO did not receive a response and has not received payment of any liquidated damages demanded.

320. Dave Freeman, Jeff Freeman, Judge, and Arozarena are liable to BDO for this breach of their Manager Agreements.

321. As a result of Dave Freeman's, Jeff Freeman's, Judge's, and Arozarena's breaches of their contractual duty not to solicit, BDO has suffered significant harm, including interference in BDO's business operations, interference with BDO's pending sale of its wealth advisory practice to Choreo, damage to BDO's reputation with its clients, and lost profits.

322. BDO is entitled to relief and judgment against Dave Freeman, Jeff Freeman, Judge, and Arozarena in an amount in accordance with the damages formula in the Manager

Agreements, and the disgorgement of Dave Freeman's LTIP payment in September 2023, plus interest, costs, and other such relief and damages as BDO can prove at trial and as this Court deems just and equitable.

**COUNT VI**  
**(Faithless Servant Against Jeff Freeman, Judge, And Arozarena)**

323. BDO incorporates and realleges paragraphs 1 through 319 as if fully set forth herein.

324. Jeff Freeman, Judge, and Arozarena owed BDO a common law duty of loyalty.

325. Jeff Freeman, Judge, and Arozarena engaged in repeated acts of disloyalty to BDO.

326. Jeff Freeman, Judge, and Arozarena intentionally violated their employment agreements with BDO, as well as BDO policies designed to protect BDO and its business and reputation.

327. The nature of the violations (including but not limited to, illicitly forming a competing venture while still employed with BDO and soliciting clients away from BDO to that new venture, attempting to hold up and interfere with the BDO–Choreo deal, and interfering with BDO's formation of BDO USA WA), the repetition of the violations over time, and the fact that the violations were deliberate and intentional demonstrate that Jeff Freeman, Judge, and Arozarena had no intention of complying with, and did not comply with, their fiduciary obligations of loyalty to BDO.

328. Under the faithless servant doctrine, Jeff Freeman, Judge, and Arozarena are not entitled to retain any of the compensation and bonuses they received while employed at BDO, including but not limited to the disgorgement of all salary, benefits, and bonuses paid from the

formation of Atlantic Edge onward, plus interest, costs, and other such relief and damages as BDO can prove at trial and as this Court deems just and equitable.

**COUNT VII**  
**(Breach of the Common Law Duty of Loyalty  
Against Jeff Freeman, Judge, And Arozarena)**

329. BDO incorporates and realleges paragraphs 1 through 325 as if fully set forth herein.

330. As employees, Jeff Freeman, Judge, and Arozarena owed their employer a common law duty of loyalty.


331. Jeff Freeman, Judge, and Arozarena breached that duty of loyalty by illicitly forming a competing venture while still employed with BDO, soliciting clients away from BDO to that new venture, attempting to hold up and interfere with the BDO–Choreo deal, and interfering with BDO’s formation of BDO USA WA.




332. Jeff Freeman’s, Judge’s, and Arozarena’s breaches have caused BDO to suffer damages in the form of lost clients, lost revenue, and a reduction in value of the BDO–Choreo deal.

333. BDO is entitled to relief and judgment against Jeff Freeman, Judge, and Arozarena in an amount to be proven at trial, plus interest, costs, and other such relief as this Court deems just and equitable.

**PRAYER FOR RELIEF**

WHEREFORE, BDO respectfully requests that this Court grant:

- a. An award of damages in excess of \$13 million as a result of the   
Defendants’ tortious interference with BDO’s sale of its wealth advisory business to Choreo;

- b. An award of damages in excess of \$300,000 as a result of the  Defendants' tortious interference with BDO's establishment of BDO USA WA;
- c. An award of damages in a sum to be proven at trial due to the  Defendants' conspiracy to commit tortious interference with BDO's prospective economic relationships with Choreo and BDO USA WA;
- d. An award of damages in a sum to be proven at trial due to Dave Freeman's tortious interference with Jeff Freeman's, Judge's, and Arozarena's contracts with BDO;
- e. An award of damages in an amount to be determined at trial as a result of Dave Freeman's, Jeff Freeman's, Judge's, and Arozarena's breaches of contract;
- f. Disgorgement of all compensation (including salary and bonuses) paid to Jeff Freeman, Judge, and Arozarena in an amount to be determined at trial, including but not limited to from the time of their formation of Atlantic Edge on July 25, 2023 through their termination from BDO on September 22, 2023;
- g. Disgorgement of Dave Freeman's September 2023 equity incentive payment in accordance with the incentive plan's provision providing for forfeiture for competition or violation of the Manager Agreement;
- h. An award of damages in an amount to be determined at trial as a result of Jeff Freeman's, Judge's, and Arozarena's breaches of the common law duty of loyalty;
- i. Equitable relief ensuring that no  Defendant continues to access, retain, use, or disclose any of BDO's confidential or proprietary information;
- j. An award of attorneys' fees, costs, and expenses incurred as a result of this action pursuant to the Manager Agreements; and

- k. Such further legal and equitable relief as the Court may deem just and necessary under the circumstances, including an award for unjust enrichment

