

Venable Obtains Injunction on Behalf of Hedgeye in Trade Secret Lawsuit Against Former Managing Director

Venable obtained a preliminary injunction on behalf of firm client Hedgeye Risk Management LLC against former managing director Darius Dale for stealing the investment research house's financial models before resigning to start his own competing business.

Federal Judge Andrew L. Carter Jr. found that Venable "has established a likelihood of success on the merits" regarding its claims against Mr. Dale for misappropriating Hedgeye's trade secrets. Judge Carter granted Venable's motion for a preliminary injunction, enjoining Mr. Dale from further accessing and using Hedgeye trade secrets and other confidential information, including source models and customer lists.

"While Hedgeye considers Mr. Dale to have made meaningful contributions during his tenure at the company, that in no way gave him the right to take and use confidential and proprietary company information to run his competing business," said Venable partner Tom Wallerstein.

According to the complaint filed in the United States District Court for the Southern District of New York on April 26, 2021, Mr. Dale copied confidential source models, took screenshots of spreadsheets, downloaded client contact lists and created an account on a file hosting service that contained the same file and folder names as certain Hedgeye files and folders on his company-issued laptop. He then began to pitch his competing business immediately upon his resignation.

In addition to Mr. Wallerstein, the Venable team includes Eric Prager, Antonia Stabile, and Daniel Smith.