

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA**

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TELLURIDE ASSET MANAGEMENT, LLC,)	Civil Action No. 04-4862 (JMR/FLN)
Plaintiff,)	
vs.)	
BRIDGEWATER ASSOCIATES, INC,)	JURY TRIAL DEMANDED
Defendant.)	
_____)	

AMENDED COMPLAINT

This is a complaint for a Declaratory Judgment under the Declaratory Judgment Act and for Tortious Interference with Contractual Relations under Minnesota law:

THE PARTIES

1. Plaintiff Telluride Asset Management (“Telluride”) is a limited liability company organized under the laws of the State of Delaware, having its principal place of business in Wayzata, Minnesota.

2. Upon information and belief, Defendant Bridgewater Associates, Inc. (“Bridgewater”) is a corporation incorporated under the laws of the State of Connecticut, having its principal place of business in Westport, Connecticut.

JURISDICTION

3. Jurisdiction is proper under 28 U.S.C. §§ 2201, 2202 and 1332(a). There is complete diversity of citizenship between the parties and the amount in controversy exceeds the sum of \$75,000.00.

FACTS

4. Telluride operates hedge funds and its clients include individual and institutional investors. Telluride has extensive experience in investments, risk management, and in operating investment businesses.

5. On November 3, 2003, Telluride hired Vivin Oberoi (“Oberoi”) as a Portfolio Manager.

6. Upon information and belief, Oberoi was previously employed by Bridgewater in the account management group. Oberoi resigned from this position at Bridgewater on September 5, 2003.

7. Prior to hiring Oberoi, Telluride took steps to ensure Oberoi did not use or disclose any confidential information of Bridgewater. At the initial job interview and thereafter, Telluride informed Oberoi that Telluride respected the intellectual property rights of others and that Telluride under no circumstance was interested in the confidential information of any third parties. Telluride specifically instructed Oberoi not to disclose any confidential information belonging to any third party. Telluride further instructed Oberoi not to use any confidential information belonging to a third party.

8. In addition, at the start of his employment with Telluride, Telluride had Oberoi execute an agreement in which Oberoi represented that he had not misappropriated, or otherwise have in his possession, any confidential information or material obtained from Bridgewater.

9. As a further precaution, Telluride asked Oberoi to describe the nature of his work at Bridgewater so that he could be assigned tasks that would not cause any inadvertent disclosure of confidential information. Oberoi advised Telluride that during his position as a researcher at Bridgewater his work primarily involved building currency models. In light of this, Telluride did not allow Oberoi to perform any work on Telluride's currency models.

10. Telluride hired Oberoi as a portfolio manager and instructed him to develop and implement fixed income and single stock equity models for Telluride. Telluride also instructed Oberoi not to work on or develop any currency models of any kind for Telluride.

11. On November 13, 2003, Bridgewater sent a letter to Oberoi claiming that "any association between you and Telluride would violate the terms of the non-compete covenant in your Agreement with Bridgewater [and] would also necessarily entail your use of confidential information of Bridgewater, in violation of both Section 1 of the Agreement and your continuing fiduciary duties to Bridgewater."

12. Telluride then interviewed Oberoi and he assured Telluride that he had not used or disclosed any confidential information from Bridgewater. He further assured Telluride that he did not retain any confidential information from Bridgewater in hard copy, computer storage, audio, video, or any other form. As a precaution, Telluride instructed Oberoi not to initiate communications, other than purely social contact, with any employees, representatives, or customers of Bridgewater.

13. On November 20, 2003, Telluride's attorney responded that Telluride had taken all reasonable steps to ensure that Oberoi would not disclose any confidential information. The letter then outlined the precautions undertaken by Telluride before hiring Oberoi discussed

above. Telluride also told Bridgewater that the non-compete provision in Oberoi's employment agreement was overbroad and unenforceable under Connecticut law.

14. On December 9, 2003, Bridgewater's attorney proposed a conference call to discuss this matter.

15. This conference call took place on December 19, 2003, but the parties were unable to reach any an understanding.

16. On January 16, 2004, Bridgewater filed suit against Telluride and Oberoi in the United States District Court for the District of Connecticut, Civ. No. 3-04-cv-76 (JCH) (the "Connecticut District Court"), alleging that both Telluride and Oberoi violated the Connecticut Uniform Trade Secrets Act and the Connecticut Unfair Trade Practices Act and that Oberoi breached his contract with Bridgewater. Specifically, Bridgewater alleged that Oberoi misappropriated Bridgewater's trade secrets and that Telluride misappropriated Bridgewater's trade secrets by employing Oberoi. Bridgewater also alleged that both Oberoi and Telluride used Bridgewater's confidential information and that such use constituted an unfair trade practice. Bridgewater asked the Connecticut District Court for a preliminary injunction to prevent disclosure of its alleged trade secrets and to prevent Oberoi from working for Telluride.

17. Telluride responded to the Bridgewater complaint by filing a motion to dismiss for lack of personal jurisdiction on January 28, 2004. The Connecticut District Court took this motion under advisement and proceeded to hold an evidentiary hearing on Bridgewater's motion for a preliminary injunction.

18. On February 4, 5, and 6, 2004, the Connecticut District Court heard testimony from Oberoi and Bridgewater's Founder and Chief Executive Officer Ray Dalio.

19. During this testimony, Dalio admitted that he had no evidence that Oberoi took any documents or computer files with him after leaving Bridgewater and provided no evidence that Oberoi had disclosed or used any of Bridgewater's alleged trade secrets.

20. After the hearing, the Connecticut District Court ruled that there was no evidence that Oberoi took, disclosed or used any of Bridgewater's trade secrets. The Connecticut District Court also preliminarily found that the covenant not to compete in Oberoi's agreement with Bridgewater was unreasonable and, therefore, unenforceable.

21. The Connecticut District Court refused to enjoin Oberoi from working for Telluride but ordered Oberoi not to use or disclose in his work for Telluride any Bridgewater trade secrets. Furthermore, the Connecticut District Court refused to enjoin Telluride in any manner.

22. In the summer of 2004, discovery began in the Connecticut case. Telluride asked Bridgewater to provide evidence sufficient to show what trade secrets it believed Oberoi had access to and what trade secrets it believed Oberoi and Telluride had misappropriated.

23. Believing Bridgewater would comply with these discovery requests and, out of an abundance of caution, Telluride placed Oberoi on suspension from his employment at Telluride pending review of Bridgewater's discovery responses and documents.

24. Bridgewater failed to comply with Telluride's discovery requests, instead refusing to answer the relevant interrogatories and objecting to the most relevant document requests. Instead, Bridgewater produced more than 10,000 pages of old research and emails that failed to shed any light or provide any details concerning its alleged trade secrets or its claims of trade-secret misappropriation.

25. On November 4, 2004, the Connecticut District Court granted Telluride's motion to dismiss for lack of personal jurisdiction.

26. On November 9, 2004, Bridgewater's attorney threatened that notwithstanding the dismissal by the Connecticut District Court Bridgewater intended to file suit in Minnesota unless a prompt settlement could be reached between the parties. Subsequently there have been no settlement discussions, and no prior proposal from Bridgewater has been or is acceptable to Telluride.

27. Having reviewed Bridgewater's discovery responses from the Connecticut action and finding no evidence that Oberoi had taken, disclosed or used or would inevitably use any Bridgewater trade secrets, Telluride reinstated Oberoi's employment on February 1, 2005.

Count I: Declaratory Judgment

28. Telluride repeats and realleges the allegations contained in paragraphs 1 through 27 as if fully contained herein.

29. Telluride's dismissal from the Connecticut case and Bridgewater's threat that Bridgewater will refile the lawsuit in Minnesota absent prompt settlement create a reasonable apprehension of suit. Therefore, an actual controversy exists between Telluride and Bridgewater as required by 28 U.S.C. § 2201.

Count II: Tortious Interference with Contractual Relations

30. Telluride repeats and realleges the allegations contained in paragraphs 1 through 27 as if fully contained herein.

31. Telluride hired Oberoi pursuant to an at-will employment contract on November 3, 2003.

32. Bridgewater had knowledge of this contract as shown by Dalio's letter of November 13, 2003 to Oberoi.

33. During Oberoi's employment with Bridgewater, he signed a non-compete agreement which states: "[Oberoi] shall not, directly or indirectly, enter into, or in any manner take part in any business, profession or other endeavor either as an employee, agent, independent contractor, owner or otherwise which in the opinion of the President of [Bridgewater] shall be in direct competition with the business of the Employer, which opinion of the President shall be conclusive for the purposes hereof. Further, during said two (2) year period, the Employee shall not work for or in any manner do business with any entity which was a customer of Bridgewater during [Oberoi's] period of employment." This non-compete provision is unlimited in geographic scope and vested sole discretion over where, for whom, and on what Oberoi could work in the hands of Dalio.

34. Upon information and belief, Bridgewater knew or should have known that this non-compete provision was facially invalid and unenforceable under Connecticut law.

35. In ruling on Bridgewater's motion for a preliminary injunction in the Connecticut case, the Connecticut District Court concluded that "Bridgewater has failed to establish even a serious question of (sic) going to the merits of whether the non-compete agreement is reasonable."

36. Upon information and belief, Oberoi's work at Bridgewater up until the summer of 2001 involved researching economic indicators for possible use as factors that would be evaluated, weighed, and possibly later incorporated into Bridgewater's investment formulas by others.

37. Upon information and belief, during Oberoi's work as a researcher, he was never given access to the investment formulas that were actually used by Bridgewater, the factors that were actually used to create those formulas, or the weights that were actually assigned to those factors. Oberoi tested the economic indicators that Dalio asked him to test and reported his results to Dalio. Oberoi was never told what, if any, useful results his research produced or how, if at all, his research would be incorporated into the actual factors and formulas being used in Bridgewater's investment systems.

38. Upon information and belief, in the summer of 2001, Oberoi was moved to the account management group. From this date until his departure from Bridgewater, Oberoi had no access to his prior research or Bridgewater's research databases. Instead, his role in the account management group was to input portfolio constraints imposed by clients into their accounts.

39. Upon information and belief, Bridgewater's investment management systems and the multiple formulas on which they are based are continually evolving and being updated. New factors or indicators are added, old ones removed, and the weights assigned to such factors are modified in response to new understandings or changing market conditions.

40. Dalio testified at the Preliminary Injunction Hearing that the weighting among indicators used in Bridgewater's system changes over time in response to new data and that the indicators are periodically monitored to see if they are still valid. Dalio further testified that Bridgewater is constantly doing new research to create new factors for use in its investment systems.

41. Upon information and belief, Oberoi's exposure, if any, to Bridgewater's factors or economic indicators actually in use in Bridgewater's investment systems ended in the summer of 2001.

42. Bridgewater's letter of November 13, 2003, to Oberoi, then Telluride's employee, threatened legal action to enforce the facially invalid non-compete provision and contained unsubstantiated claims that Oberoi would inevitably disclose Bridgewater's trade secrets.

43. Dalio's assertion in his November 13, 2003 letter that Oberoi would necessarily use Bridgewater's trade secrets in his employment with Telluride and Dalio's threat to sue were neither justified, nor reasonable given that Oberoi never knew the actual formulas that went into Bridgewater's investment systems, the actual factors that made up the formulas, or the actual weights assigned to those factors. Dalio further knew that Oberoi's knowledge of the research on which some of those factors may or may not have been based was already more than two years old. Given this passage of more than two years, the massive amount of research involved, and the continually evolving understandings and manipulations of the factors by Dalio and his investment committee, Dalio knew or should have known that Oberoi could not possibly have retained any useful memory of his research.

44. Because the non-compete provision is facially invalid and Dalio knew or should have known that his assertions of inevitable disclosure of trade secrets lacked any objective, factual support, his November 13, 2003 letter constitutes an unjustified interference with Telluride's contract with Oberoi under Minnesota law.

45. Bridgewater's unjustified interference with Telluride's contractual relationship with Oberoi was both intentional and malicious.

46. Due to Bridgewater's unjustified, malicious interference, Telluride's has suffered damages including the loss of the benefit of Oberoi's services.

47. Bridgewater's unjustified interference has also caused, and continues to cause, serious damage to Telluride's business reputation.

PRAYER FOR RELIEF

WHEREFORE, Telluride prays for the following relief:

- a. A Declaration that defines the nature, scope, and details of Bridgewater's trade secrets.
- b. A Declaration that Telluride is not in possession of any of Bridgewater's trade secrets.
- c. A Declaration that Telluride has no knowledge of any of Bridgewater's trade secrets.
- d. A Declaration that Telluride has not received any of Bridgewater's trade secrets from Oberoi.
- e. A Declaration that the fixed-income and equity models developed by Oberoi for Telluride do not contain any of Bridgewater's trade secrets.
- f. Compensatory damages for Bridgewater's tortious interference with Telluride's contractual relations with Oberoi.
- g. A Judgment and Order requiring Bridgewater to pay the costs of this action, including all disbursements, and attorneys' fees.
- h. Such other and further relief as this Court may deem just and equitable.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a trial of all issues triable by jury.

Plaintiff TELLURIDE ASSET
MANAGEMENT, LLC

By its attorneys,

s/ R.J. Zayed

Alan G. Carlson (MN Bar # 14,801)

R.J. Zayed (MN Bar # 309,849)

Russell J. Rigby (MN Bar # 323,652)

CARLSON, CASPERS, VANDENBURGH &
LINDQUIST

225 South Sixth Street, Suite 3200

Minneapolis, MN 55402

Telephone: (612) 436.9600

Facsimile: (612) 436.9605