

IN THE CIRCUIT COURT OF THE  
SEVENTH JUDICIAL CIRCUIT, IN AND  
FOR VOLUSIA COUNTY, FLORIDA

CASE NO.:

SCCY INDUSTRIES, LLC.,  
a Florida limited liability company,

Plaintiff,

v.

DARREN O. PETERS,  
an individual,

Defendant.

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**COMPLAINT**

Plaintiff, SCCY Industries, LLC ("SCCY"), by and through undersigned counsel, hereby  
sues Defendant, Darren Peters ("Peters"), and in support thereof, states as follows:

**NATURE OF THE ACTION**

1. This is an action for damages and permanent injunctive relief against Peters. This  
action arises from Peters' breach of the non-competition and confidentiality covenants contained  
in his Employment Agreement, dated January 4, 2017, with SCCY (the "Agreement"). A copy  
of the Agreement is attached hereto as Exhibit "A."

**PARTIES**

2. SCCY is a Florida limited liability company, with its principal place of business  
at 1800 Concept Court, Daytona Beach, Florida 32114.

3. Peters is an individual who, upon information and belief, resides at 99 Pergola  
Place, Ormond Beach, Florida 32174.

## JURISDICTION AND VENUE

4. This action is brought in Volusia County Circuit Court.
5. This Court has jurisdiction pursuant to Section 26.012(2)(a), Florida Statutes, as the amount in controversy exceeds \$15,000.00.
6. This Court has jurisdiction pursuant to Section 26.012(2)(c), Florida Statutes, as SCCY is seeking injunctive relief.
7. This Court has jurisdiction over the parties as SCCY's primary place of business is located in Volusia County, Florida and upon information and belief, Peters resides in Volusia County, Florida.
8. Pursuant to Section 8 of the Agreement, the parties have consented and agreed to the laws of the State of Florida and venue in Volusia County, Florida.
9. All conditions precedent to bringing this action have occurred, have been waived, or have otherwise been satisfied.

## GENERAL ALLEGATIONS

### A. SCCY's Business

10. SCCY is a licensed firearms manufacturer focusing on the design, manufacture and sale of firearms and related products (the "**Business**") SCCY's firearms are sold throughout the United States in 49 states, but for purposes of the non-compete provision of the Agreement, SCCY's geographic business area consists of Florida, Georgia, Alabama, Mississippi, Tennessee, South Carolina, North Carolina, Virginia, West Virginia and Kentucky.
11. Among other things, SCCY and its employees have thorough product, market, and industry knowledge. More particularly, SCCY's executive team has knowledge of SCCY's research and development of future products, strategic plans, license and regulatory compliance

efforts, marketing plans, specific financial condition and performance (historical and projected), trade secrets, personnel matters, and other matters not generally known to SCCY's employees or the public at large.

12. Competition among the gun manufacturing industry is fierce and highly competitive. SCCY competes with both large industry mainstays as well as smaller regional manufacturers.

13. Since its inception, SCCY has devoted immeasurable time and resources in developing and creating its confidential information, including, but not limited to: any and all discoveries, ideas, facts or any other information of whatever type and whatever form, from any source that (a) is used the Business or SCCY's related businesses and is proprietary to SCCY, (b) gives SCCY a competitive advantage or the opportunity to obtain a competitive advantage, (c) is designated by SCCY as confidential, proprietary or secret or that should be reasonably assumed to be confidential, proprietary or secret, (d) is not known by actual or potential competitors of SCCY or is generally unavailable to the public, (e) has been created, discovered, developed or otherwise become known to SCCY in which property rights have been assigned, or otherwise conveyed to SCCY, (f) has material economic value or potential material economic value to SCCY's present or future Business, and (g) all work product, property, data, documentation or information of any kind prepared, conceived, discovered, developed or created by Peters for SCCY.

14. SCCY's confidential information is highly protected and SCCY executes a variety of precautions to prevent disclosure of its proprietary information. Because its employees have access to SCCY's confidential information, SCCY's employees, and especially, its leadership team, are required to execute agreements containing restrictive covenants.

B. Peters' Employment With SCCY

15. Prior to joining SCCY, Peters was the General Manager at Tactical Machining, LLC ("**Tactical**") for approximately eight (8) years. Tactical is a firearms manufacturer, owned by Peters' father, located in Deland, Florida. While at Tactical, Peters was responsible for managing day to day operations, new product design and development, and quality control processes.

16. On or about January 3, 2017, Peters was hired by SCCY in the position of Director of Engineering. The following day, Peters executed the Agreement.

C. The Restrictive Covenants

17. The Agreement requires Peters to hold all Confidential and Proprietary Information, as defined in Paragraph 1 of the Agreement, in "strictest confidence and not to disclose, copy, publish, make available to unauthorized third parties, sell, transfer or otherwise use or exploit such Confidential and Proprietary Information for [Peters'] benefit or to the benefit of third parties." The Agreement further requires Peters to protect the Confidential and Proprietary Information with the highest degree of care" and to return all Confidential and Proprietary Information within 10 days of demand.

18. The Agreement restricts Peters from "soliciting customers of SCCY" and from "carrying on or engaging in a similar business within the same geographic areas as [SCCY] so long as [SCCY] continues to carry on a like business therein." SCCY is continuing the Business as of the date hereof.

19. Because of Peters' prior employment with Tactical and because Tactical is a competitor in the industry which is owned by Peters' father, Peters expressly agreed in writing that the restriction covenants in the Agreement would extend through the 5-year anniversary of Peters'

termination of employment, which term was a condition precedent for SCCY agreement to hire the son of an actual or potential competitor and for SCCY's immersion of Peters into SCCY's confidential and proprietary procedures.

20. The restrictive covenants contained in the Agreement are reasonable and necessary to protect SCCY's legitimate business interests, including its confidential information, because of Peters' family relationship with an actual or potential competitor and because of the training and access provided by SCCY.

21. During Peters' employment, SCCY provided Peters with specialized, regulatory and compliance training.

D. Peters' Actions and Wrongful Conduct

22. SCCY engaged Peters as Director of Engineering on January 3, 2017 and promoted him to Chief Operating Officer ("COO") on October 17, 2018.

23. As Director of Engineering, Peters' job responsibilities included, without limitation, supervising all engineering aspects of the design and manufacture of all of SCCY's products.

24. As COO, Peters was responsible for overseeing engineering, marketing, manufacturing and customer relations.

25. Throughout 2017 and early 2018, Peters was involved in the design and development of SCCY's pistols, models CPX-1 (generation 3), CPX-2 (generation 3), CPX-3 and CPX-4. Additionally, Peters was responsible for the design of the lower receiver for the DVG-1 in 2019.

26. Despite Peters' representations regarding his design and development skills, the lower receiver design of the DVG-1 faced numerous, irregular delays, revisions, and eventually, after multiple failed iterations, the design work had to be assumed and completed entirely by

another SCCY employee. Peters did not have the necessary 3-D modeling design skills, which he had represented to SCCY that he held.

27. All material purchases for SCCY, require the prior consent of SCCY's chief executive officer and sole owner, Joe Roebuck ("**Roebuck**").

28. On September 14, 2018, SCCY ordered nine (9) Doosan DNM 4000 machines from APT Machine Tools ("**APT**") for \$675,000. Peters recommended the machines and the vendor. SCCY subsequently discovered that Peters is close friends with APT's salesperson, Josh Butz, who was involved in the transaction.

29. However, because SCCY was not in a financial position to purchase the machines at the time, at the direction of Roebuck, SCCY took delivery on only three (3) of the machines. Roebuck directed that the remaining six (6) machines were to be put on indefinite hold.

30. In addition to falsely representing his design and manufacturing ability, Peters also represented that he was experienced in marketing, including obtaining a degree in marketing. Peters assumed responsibility for marketing in February of 2018.

31. In October of 2018, Peters, without consulting SCCY's executives, implemented a new marketing "strategy" wherein he singlehandedly withdrew SCCY from its largest advertising forum. To wit, Peters withdrew all of SCCY's advertisement from Outdoor Sportsman Group ("**OSG**"), the industry's largest print media company. OSG's publications include Guns & Ammo, Shooting Times, Shotgun News and Firearms News and Handguns. Peters unilaterally elected to focus SCCY's resources on social media and internet marketing despite the unquestionable fact that print magazines remain the most effective form of marketing in the gun industry. Following Peters' decision to withdraw from print advertising, SCCY's sales declined 61% from \$15.8 million to \$6.2 million.



32. Around the time that Peters sabotaged SCCY's marketing strategy, and before SCCY was aware of the impact of same, Peters was promoted to the role of COO. This was largely because SCCY was relocating its manufacturing facility to Tennessee and Peters agreed to relocate and oversee same. In addition, SCCY's other executives were unaware of the extent of Peters' incapability at the time, as later, they found out that he had intentionally cut off communication between the employees that he oversaw and other executives of the company so that he could take credit for their work and/or blame them for his mistakes, making him look more capable than he really was.

33. As part of Peters' promotion to the role of COO, Peters agreed to move to Tennessee to oversee SCCY's new manufacturing facility. On October 30, 2018, Peters, Roebuck and Dan Lapinski ("**Lapinski**"), SCCY's Director of Engineering, flew to Tennessee to scout locations for SCCY and a residence for Peters. In addition to his normal and customary salary, Roebuck paid Peters \$6,250 to cover rent for his new residence in Tennessee and assisted in having Peters' child placed in a preferred school in Tennessee.

34. In December of 2018, it became evident that SCCY would need to lay off several employees due to a sharp decline in sales, which decision was within Peters' control as COO. After ignoring Roebuck's recommended number of layoffs, Peters failed to accurately calculate the correct number of employees to layoff, which lead to extra or unnecessary employment costs exceeding \$150,000.

35. Peters wanted to sell SCCY equipment, including 11 Makino machines, because the annual maintenance costs for the machines were excessive, and because annual maintenance costs for Doosan machines (purchased through Peters' friend) were lower. However, SCCY confirmed that the annual maintenance costs of the Makino machines was minimal and instructed

Peters not to sell the machines. Nevertheless, shortly after Peters' move to Tennessee, Roebuck was informed by Lipinski that Peters was pressuring Lipinski to sell SCCY equipment, including the 11 Makino machines.

36. In March of 2019, Peters agreed to subject SCCY's newest gun, the CPX-3, to a publicized stress test with RECOIL magazine. Peters made this high-risk decision without consulting with Roebuck or anyone else within SCCY's executive team. Up until this point, SCCY had never agreed to such a test.

37. Unfortunately, under Peters' oversight, the CPX-3 that was sent was defective. As a result, the gun failed RECOIL's initial test. Peters failed to inform Roebuck or anyone else on SCCY's executive team of the matter.

38. RECOIL afforded SCCY the opportunity to provide a new gun to allow RECOIL to finish the stress test. However, against Lapinski's advice, Peters personally treated the second gun with a boat lubricant that SCCY had never previously used on any guns. Additionally, Peters would not allow anyone from SCCY to test the gun with the lubricant prior to providing it to RECOIL. Unsurprisingly, the second gun had severe issues caused by the unapproved lubricant and again, failed RECOIL's testing.

39. On April 4, 2019, RECOIL offered SCCY yet another opportunity to remedy the matter before its story was written. However, Peters failed to respond to RECOIL's third opportunity. Accordingly, an extremely unfavorable article was written about SCCY's new CPX-3 based on the two failed tests.

40. Peters did not notify Roebuck or anyone on SCCY's executive team of Peters' decision to send SCCY's gun to RECOIL, to use an untested lubricant, the multiple failures, RECOIL's offer for a third opportunity, or the unfavorable article.



41. Rather, SCCY's executive team learned of the negative review by chance when SCCY's Chief Financial Officer, David Bolton ("**Bolton**"), picked up a copy of RECOIL while traveling and read the article.

42. In April of 2019, Peters, while editing SCCY's response to the U.S. Dept of State regarding ongoing compliance issues which was prepared by FFLGuard in the ordinary course of FFLGuard's engagement with SCCY, Peters sent SCCY's confidential response and many other related SCCY files to his wife's personal email account asking her to edit the response. In addition, on May 10, 2019, Peters forwarded a version of SCCY's response to the Department of State from his SCCY email account to his personal email account.

43. In addition to sending his wife SCCY's files related to its federal investigation and case, Peters sent her the company's Compliance Manual, asking her to edit it.

44. SCCY does not have a non-disclosure agreement with Peters' wife, who is not employed by SCCY. Such disclosures exposed SCCY to material potential liability.

45. In June of 2019, Peters informed SCCY's Tooling Supervisor, Luke Waples ("**Waples**"), that Peters was working on side projects, including an 80% frame for a P320 receiver. Peters had no reason to work on such a project for SCCY; however, 80% receivers are a major portion of his father's business, Tactical. At the same time, Peters informed Waples and Lapinski that he had been redesigning Tactical's website.

46. The browser history on SCCY's computer that Peters was using evidences Peters' side work for Tactical, and on projects unrelated to SCCY's products, as well as in furtherance of a new business Peters appeared to be starting, all on working time for SCCY and while using SCCY's resources.

47. On July 1, 2019, Peters unilaterally informed SCCY that he was moving from Tennessee back to Florida. At no time prior to informing SCCY of his return to Florida did Peters ask Roebuck how his return to Florida would influence his employment with SCCY.

48. Beginning the following week, Roebuck, Bolton and SCCY's Human Resources Director, April Dawson ("**Dawson**"), had multiple meetings to discuss Peters' job performance and his inability to perform his duties as COO. Ultimately, the decision was made to terminate Peters and re-distribute his duties by creating new director positions, including sales/marketing and manufacturing.

49. SCCY's advertising motto is, "The Ultimate Customer-Is-First Experience" and SCCY has built its company, in part, on its customer service. Despite SCCY's dedication to customer service and Peters' responsibility to oversee customer service, on July 12, 2019, Peters refused to address a complaint from an upset customer. At that time, Peters informed Dawson that he would never call a customer regarding customer service issues and stated that such actions were beneath that of a COO. Contrary to Peters' contention, customer service is the responsibility of all SCCY employees, including executives, and especially of the executive in charge of customer service. Roebuck, as CEO, contacted the disgruntled customer directly and positively resolved the dispute.

50. Unfortunately, the aforementioned customer service matter resulted in a Better Business Bureau complaint, to which Peters said he would respond prior to the deadline. However, Peters failed to do so. Instead, on July 15, 2019, Peters informed Dawson that he no longer wanted to be involved in Service or Customer Service. At this point, Peters had unilaterally withdrawn himself from supervising production in Tennessee and customer service.

51. On July 19, 2019, Roebuck met with a candidate for SCCY's Vice President of Sales and Marketing, in preparation for Peters' termination and replacement.

52. On July 22, 2019, SCCY posted a confidential job posting for a Director of Manufacturing located in Maryville, Tennessee.

53. In mid to late July 2019, Peters indicated to multiple SCCY employees that he was "on his way out" and thought he was going to be fired. During this time, Peters also made inaccurate and inappropriate statements to several employees that SCCY was in dire financial straits and likely would soon be out of business, so they should use all of their accrued leave at SCCY and start looking for other employment.

54. Despite telling multiple employees of SCCY's financial difficulties, Peters directed APT to deliver the remaining six (6) machines that he ordered in 2018, which Roebuck had expressly instructed him to put on hold. The 6 machines were delivered and SCCY is not able to return them because they were immediately uncrated upon delivery.

55. On July 29, 2019, in preparation for Peters' termination, Bolton contacted BB&T bank inquiring about procedures required to remove Peters from SCCY's bank account. Similarly, Roebuck contacted Bank of America for the same reason.

56. On July 30, 2019, Roebuck and Bolton signed new signature cards at both banks, removing Peters as a signatory.

57. On July 30 and 31, 2019, Peters made certain ITAR-related allegations to SCCY executives and FFLGuard representatives via email, in connection with ITAR registration and employment and an email Peters received on May 30, 2019.

58. International Traffic in Arms Regulations ("ITAR") control the export and import of defense-related articles and services on the United States Munitions List. All manufacturers,

exporters, and brokers of defense articles, defense services, or related technical data must be ITAR compliant. FFLGuard is SCCY's third-party ITAR compliance specialist. FFLGuard has represented SCCY since March of 2016, and Peters was unquestionably aware that FFLGuard was responsible for overseeing and addressing all compliance matters on behalf of SCCY.

59. If Peters truly believed that a violation could have potentially occurred in connection with the May 30th email, proper company procedure would be to provide immediate notice to FFLGuard for their investigation and analysis and not to wait two months (until after realizing that termination of employment was imminent as expressed to fellow co-workers).

60. Peters' decision not to disclose the potential violation to FFLGuard was a material breach of Peters' duties and could have resulted in material harm to SCCY.

61. Peters' July 30, 2019, correspondence regarding ITAR registration and employment was fielded immediately by FFLGuard's Subject Matter Expert, Mark Finnerty. Peters' July 31, 2019, correspondence regarding the May 30<sup>th</sup> email was addressed by Chris Chiafullo ("**Chiafullo**"), FFLGuard's National Coordinating Counsel.

62. As with all compliance matters, Chiafullo took Peters' allegations very seriously and immediately began investigating them, advising SCCY's executive team, including Peters, of the same.

63. On August 1, 2019, just one day after his compliance complaint, Peters turned in his company credit card, requested Family Medical Leave Act ("FMLA") paperwork, and continued instructing SCCY employees to begin looking for other jobs. At this time Bolton and Dawson were interviewing the soon-to-be Vice-President of Sales and Marketing.

64. That same day, Peters, through his legal counsel, sent correspondence to SCCY indicating that he was initiating a whistleblower action against SCCY. In his correspondence,

Peters alleged that SCCY instructed him to stop investigating compliance matters, stripped him of his responsibilities and required him to direct all further disclosures through Roebuck.

65. At that time, legal counsel for SCCY informed legal counsel for Peters that SCCY was already in the process of terminating Peters and had already interviewed persons for his replacement. Therefore, Peters and SCCY mutually-agreed that Peters would be placed on administrative leave while counsel for Peters and SCCY addressed Peters' allegations and the alleged whistleblower claim and while FFLGuard investigated Peters' compliance complaint.

66. After a comprehensive investigation by FFLGuard, FFLGuard determined that, while no violation expressly existed, Peters' July 30, 2019, concerns could be self-reported, at SCCY's discretion. FFLGuard determined there was no violation set forth in Peters' July 31, 2019, correspondence.

67. Also, on August 1, 2019, Roebuck discovered a primary Sig Sauer gun component, a receiver, on Roebuck's workbench in the engineering room at SCCY. Roebuck inquired who placed the gun there and Peters informed Roebuck that he had put it there. The component had no relevance to any work that Peters was performing for SCCY.

68. At that time, Lapinski informed Roebuck that he witnessed Peters carrying the receiver into SCCY's building at the start of the day. Peters failed to log the receiver out of SCCY's gun log as required by SCCY policy and federal regulations.

69. Peters was then terminated for cause and demands were made for Peters to turn over all SCCY property, including all SCCY computers in Peters' possession. Peters initially refused to return SCCY's computer in his possession.

70. After his termination, Peters immediately began officially working for Tactical. Since his termination from SCCY, Peters has repeatedly reached out to SCCY employees and on

August 29, 2019, Peters contacted Waples via text message and asked Waples, who performs paint/coating of metal pieces on the side, if he would like to perform work on multiple gun-related pieces for Peters.

71. After multiple demands, on September 23, 2019, Peters, through his counsel, finally turned over SCCY's laptop computer. However, prior to returning the computer, Peters encrypted the computer which had files titled under his wife's name.

### **COUNT I – BREACH OF CONTRACT**

72. SCCY re-incorporates and re-alleges the allegations contained in paragraphs 1 through 71 above, as if fully set forth herein.

73. This is an action for damages and injunctive against Peters.

74. On or about January 4, 2017, Peters willfully entered into the Agreement.

75. In exchange for agreeing to the covenants contained in the Agreement, SCCY continued to gainfully employ Peters.

76. The restrictive covenants are necessary, reasonable, and supported by adequate consideration.

77. The non-disclosure provision of the Agreement restricts Peters from disclosing SCCY's confidential information to third parties.

78. Peters has violated the non-disclosure provision of the Agreement by using SCCY's confidential information for his own benefit and the benefit of Tactical, and possibly a new business that he was starting.

79. During and subsequent to Peters employment with SCCY, Peters disclosed confidential information belonging to SCCY to third parties, including Peters' wife and Tactical.



80. The non-compete provision of the Agreement restricts Peters from engaging in competitive activity with SCCY.

81. During and subsequent to Peters' employment with SCCY, Peters performed work for Tactical and ultimately became employed by Tactical.

82. Tactical is a gun manufacturer and a direct competitor of SCCY, located within the same county as SCCY.

83. By performing work on behalf of Tactical during and after his employment with SCCY, and becoming employed by, Tactical, Peters has violated the terms of the Agreement, the immediate, real and substantial damages from such potential violation the parties contemplated when Peters agreed to a 5-year term for the restrictive covenant to induce SCCY to engage him.

84. Unless Peters and those who are in active concert or participation with him are enjoined against violation of the Agreement, SCCY will suffer irreparable injury and harm in the form of, among other things:

- a.) use and or disclosure of confidential and proprietary information that is the property of SCCY;
- b.) present economic loss, which is unascertainable at this time, and future economic loss, which is incalculable; and
- c.) loss of customer goodwill, damage to customer relationships, loss of market position and reputation in the industry, and damage to its valuable competitive advantage — all of which cannot be compensated by an award of damages.

85. The balance of equities weighs in favor of SCCY because the injuries and threatened injuries to SCCY outweigh any harm an injunction poses of Peters.

86. As a result of the irreparable injury and harm detailed above, SCCY has no adequate remedy at law.

87. The public having a vested interest in ensuring the sanctity of contracts, entering the requested injunction will serve the public interest.

88. SCCY has a substantial likelihood of prevailing on the merits of this cause of actions at trial.

89. As a result of Peters' wrongful conduct, SCCY has suffered and will suffer certain calculable damages in an amount to be determined at trial.

**WHEREFORE**, Plaintiff, SCCY Industries, LLC, requests that this Court enter judgment against Defendant, Darren O. Peters, as follows:

- a) temporarily and permanently enjoining Peters, and all those who act in active concert or participation with him in violation of the Agreement, from the following:
  - i. directly or indirectly competing with SCCY within the restricted territory;
  - ii. using or disclosing SCCY's confidential and proprietary information; and
  - iii. directly or indirectly soliciting customers of SCCY;
- b) requiring Peters to return all documents or materials containing SCCY's confidential information;
- c) awarding SCCY damages in an amount to be determined at trial;
- d) awarding SCCY costs of this action, including attorney's fees pursuant to the Agreement and Section 542.335, Florida Statutes; and

e) granting such other relief as this Court deems just and proper under the circumstances.



By: /s/

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ATTORNEY FOR PLAINTIFF



## NON-DISCLOSURE AGREEMENT

### EMPLOYEE NON-DISCLOSURE / NON-COMPETE AGREEMENT

This Agreement is entered into as of the 4<sup>th</sup> day of JANUARY, 2017, by and between SCCY Industries, LLC, whose principal offices are located at 1800 Concept Court, Daytona Beach, Florida 32114 ("Employer") and, ("Employee") concerning Confidential and Proprietary Information, as defined herein, which

Employer may furnish to Employee or Employee possesses while employed by Employer.

Whereas, the Employee understands and agrees that, through the Employee's association and relationship with the Employer as one of its employees, the Employee has had, and shall continue to have, access to, and has acquired, and shall continue to acquire, a considerable amount of confidential and proprietary information, knowledge, and experience with respect to the Employer's business, employees, and customer list, and has established, and shall continue to establish, personal relationships with the Company's employees, vendors and its customers; that but for the Employee's association with the Employer as one of its employees, the Employee would not have had, or continued to have, access to, or have acquired, or continued to acquire, any of the confidential and proprietary information, knowledge, and experience with respect to, the Company's business, employees, or customers, and would not have established, or continued to establish, personal relationships with the Employer's employees, or customers; that the Employer's employees and customers are an integral part of the Employer's business; that the information and knowledge with respect to the Employer's employees, and customers are extremely confidential and constitute valuable, unique, and special property of the Employer; that it is extremely important for the Employer to use its maximum efforts to prevent the loss of confidential, valuable, special, and unique information, knowledge, or property with respect thereto; and that it would be extremely detrimental and result in irreparable injury to the Employer and its goodwill if disclosed or used by the Employee;

Whereas, Employee therefore understands and agrees that, because of the nature of the Employer's business, it is reasonable and necessary to afford fair protection to the Employer from such disclosures, uses, or loss of any such confidential, valuable, specialized, and unique information, knowledge, or

SCCY Industries 1800 Concept Court, Daytona Beach, FL 32114 P: 386.322.6336 F: 386.322.6326



### Non - Disclosure

property during and for a period of five (5) years subsequent to the Employment Term and within the same geographic areas in which the Employer conducts business.

### Employee hereby covenants and agrees as follows:

1. This Agreement shall apply to all Confidential and Proprietary Information disclosed by Employer to Employee or developed or created by Employee for Employer. For purposes of this Agreement, "Confidential and Proprietary Information" shall mean any and all discoveries, ideas, facts, or any other information of whatever type and whatever form, from any source, that: (a) is used in Employer's business or its related businesses and is proprietary to Employer; (b) gives Employer a competitive advantage or the opportunity to obtain a competitive advantage; (c) is designated by Employer as confidential, proprietary or secret or that should be reasonably assumed to be confidential, proprietary or secret; (d) is not known by actual or potential competitors of Employer or is generally unavailable to the public; (e) has been created, discovered, developed or otherwise become known to Employer in which property rights have been assigned, or otherwise conveyed to Employer; (f) has material economic value or potential material economic value to Employer's present or future business; and (g) all work product, property, data, documentation or information of any kind prepared, conceived, discovered, developed or created by Employee for Employer, which shall be deemed to be "work for hire" (as determined in the Copyright Act, 17 U.S.C.A. ' 101, et seq., as amended). Confidential and Proprietary Information shall include, but not be limited to, trade secrets (as defined under Fla. Stat. § 812.081) and all other discoveries, developments, designs, improvements, inventions, formulas, processes, techniques, tooling, know-how, data, research and any modifications or enhancements of any of the foregoing, and all computer software, software documentation, computer hardware and software systems, software support plans and descriptions, financial conditions, product plans, market strategies, firearm designs or other business information disclosed to Employee by Employer, either directly or indirectly, in writing or orally, or by drawings or observation. All Confidential and Proprietary Information furnished by Employer to Employee under this Agreement shall be used by Employee solely for Company purposes.

2. Employee agrees to hold the Confidential and Proprietary Information in strictest confidence and not to disclose, copy, publish, make available to unauthorized third parties, sell, transfer or otherwise use or exploit such Confidential and Proprietary Information for the Employee's benefit or to the benefit of third parties. Employee shall protect Employer's Confidential and Proprietary Information with the highest degree of care.

#### Non - Disclosure

3. The obligations regarding Confidential and Proprietary Information shall not apply to information that (a) is or becomes generally available to the public through no fault of Employee; (b) is disclosed to Employee by a third party who may transfer or disclose such information without restriction; (c) is required to be disclosed by Employee as a matter of law, provided, that Employee will use all reasonable efforts to provide Employer with prior notice of such disclosure and to obtain a protective order therefore; or (d) is disclosed by Employee with Employer written approval. In all cases above, Employee will use all reasonable efforts to give Employer thirty (30) days prior written notice of any disclosure of Confidential and Proprietary Information.

4. Employee hereby acknowledges that all Confidential and Proprietary Information shall be owned solely by Employer and that the unauthorized disclosure or use of such Confidential and Proprietary Information could cause irreparable harm and significant injury which may be difficult to ascertain and for which Employer may not have an adequate remedy at law. Employee therefore agrees that, in the event of any breach of this Agreement, Employer may, in its sole discretion and in addition to any other remedies available to it, bring an action or actions for injunctive relief and have entered a temporary restraining order, preliminary or permanent injunction. Employee agrees that if, at any time, it becomes aware of any unauthorized access to or possession or knowledge of any Confidential and Proprietary Information, it shall immediately notify Employer. Further, in the event Employee breaches this Agreement, Employee shall defend and indemnify Employer against any and all claims or liability arising from breach of such obligation including, but not limited to reimbursement for any and all costs and attorney's fees that Employer may incur in protecting its rights herein.

5. Employee will return all Confidential Information within ten (10) days upon written or oral demand by Employer. 6. Employee agrees that, because of the nature of the Employer's business, it is reasonable and necessary to afford fair protection to the Employer from such disclosures, uses, or loss of any such confidential, valuable, specialized, and unique information, knowledge, or property during and for a period of five (5) years subsequent to the Employment Term and within the same geographic areas in which the Employer conducts business. Therefore Employee, for a period of five (5) years subsequent to the Employment Term, shall refrain from (1) soliciting customers of the Employer; and (2) carrying on or engaging in a similar business within the same geographic areas as the Employer so long as the Employer continues to carry on a like business therein. The Employer's geographic business area for the purposes of this Agreement consists of the following ten (10) states: Florida, Georgia, Alabama, Mississippi, Tennessee, South Carolina, North Carolina, Virginia, West Virginia and Kentucky.



## Non - Disclosure

6. This Agreement is not intended to and shall not be construed as creating a joint venture, partnership or other form of business association between the parties, nor as establishing a license grant of any kind from Employer to Employee.

7. The failure of Employer to enforce any right resulting from breach of any provision of the Agreement shall not be deemed a waiver of any right relating to a subsequent breach of such provision or of any other right hereunder.

8. This Agreement shall be governed by the law of the State of Florida and venue shall be in Volusia County, Florida.

9. The provisions of this Agreement shall be deemed independent and severable and the invalidity or partial invalidity or unenforceability of any one provision shall not affect the validity or enforceability of any other provision.

10. This Agreement states the entire Agreement and supersedes all prior agreements, written or verbal, between the parties with respect to the subject matter hereof and may not be amended except in writing signed by a duly authorized representative of the respective parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date written above.

Employee: SCCY Industries, LLC:

Print: DARREN PETERS

Sign: Darren Peters

Name: By: Joe Roebuck

Joe Roebuck

Position: Title: Chief Executive Officer

Date: 1 - 7 - 2017



## ATTACHMENT A

### Non-DISCLOSURE STATEMENT

I, Darren Peters acknowledge and understand that any classified information, technical data or defense services related to defense articles on the U.S. Munitions List, to which I have access to or which is disclosed to me in the course of my (insert which ever term is applicable, employment, assignment or visit) by/at SCCY Industries, LLC is subject to export control under the [REDACTED] Traffic in Arms Regulations (title 22, code of Federal Regulations, Parts 120-130). I hereby certify that such data or services will not be further disclosed, exported, or transferred in any manner to any foreign national or any foreign country without prior written approval of the Office of Defense Trade Controls, U.S. Department of State and in accordance with U.S. government security (National Industrial Security Program Operating Manual) and customs regulations.

Darren Peters

Print name

Darren Peters

Signature

12/29/2014

Date



**LAURA E. ROTH**  
CLERK OF THE CIRCUIT COURT

SEVENTH JUDICIAL CIRCUIT - VOLUSIA COUNTY  
P.O. BOX 6043 DELAND, FLORIDA 32721-6043 - WWW.CLERK.ORG

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Filing #:96436358

Filer:Douglas J Collins

Payment:\$410.00

1 Filing Fee: \$400.00

2 Summons Issuance: \$10.00

3 Complaints/Petitions Complaint: \$0.00

4 Complaints/Petitions Civil Cover Sheet: \$0.00

5 Complaints/Petitions Request that Summons be Issued: \$0.00

*This document is a Clerk generated receipt. This page was not included in the original court document submitted by the filer.*