CAUSE N2012-58748

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NATIONAL OILWELL VARCO, L.P., *Plaintiff*,

v. CERAM-KOTE, INC.,

KEVIN FREEMAN, and NELSON CALDERON

Defendants.

IN THE DISTRICT COUR

OF HARRIS COUNTY, TEXA

JUDICIAL DISTRICT

PLAINTIFF'S VERIFIED ORIGINAL PETITION AND APPLICATION FOR TEMPORARY RESTRAINING ORDER, TEMPORARY INJUNCTION, AND PERMANENT INJUNCTION

Plaintiff National Oilwell Varco, L.P. ("NOV") files this Verified Original Petition and Application for Temporary Restraining Order, Temporary Injunction, and Permanent Injunction complaining of Defendants CeRam-Kote, Inc., ("CeRam-Kote"), Nelson Calderon and Kevin Freeman.

I. <u>INTRODUCTION</u>

This case is about bribery of a NOV Tuboscope¹ employee and trade secret theft. After receiving an anonymous tip from a former employee, NOV recently unearthed evidence that CeRam-Kote along with its president, Kevin Freeman, secretly recruited and paid Nelson Calderon—while he was still working at NOV Tuboscope—to build a knock-off of a NOV Tuboscope 6 lance blast machine, otherwise known as a "blast unit," a sophisticated piece of industrial machinery. After receiving this tip NOV learned, through Calderon's own confession, that CeRam-Kote has been secretly paying Calderon \$40,000 over a year to design, oversee construction, and troubleshoot CeRam-Kote's new blast unit. All this time, by virtue of his management position at NOV Tuboscope, Calderon had unfettered access to highly confidential

¹ NOV Tuboscope is an operational division of NOV.

and proprietary engineering blueprints, as well as direct access to the inner workings of NOV Tuboscope's operational blast unit. Calderon's actions were unauthorized by NOV, and he did not inform NOV of his intentions to work for CeRam-Kote. Because of this flagrant bribery, CeRam-Kote has been able to build an industrial quality blast unit that is a copy of NOV Tuboscope's blast unit. Without unfairly gaining access to NOV's proprietary and Trade Secret information and without the hands-on help of a current NOV Tuboscope employee, CerRam-Kote would have been unable to construct the blast unit it has now.

This is a brazen case of trade secret theft and tortious interference with contract. CeRam-Kote's long hidden scheme to copy NOV Tuboscope's trade secrets has now born fruit, and this Court must step in and order CeRam-Kote to return NOV's confidential and proprietary trade secrets and prevent CeRam-Kote from ever viewing, using, disclosing, or selling such information. Furthermore, CeRam-Kote must be enjoined from continuing to operate its stolen blast unit because each day that unit is in operation NOV is being incalculably damaged through the loss of customers and business.

II. <u>PARTIES</u>

- 1. Plaintiff National Oilwell Varco, L.P. ("NOV") is a limited partnership organized and existing under the laws of the state of Delaware with its principal place of business in Houston, Texas.
- 2. Defendant CeRam-Kote, Inc. ("CeRam-Kote") is a corporation organized and existing under the laws of the state of Delaware with its principal place of business located at 1800 Industrial Drive Big Spring, Texas, 79721. CeRam-Kote may be served through its registered agent, Kevin J. Freeman, at 1800 Industrial Road Big Spring, Texas, 79720.

- 3. Defendant Kevin Freeman is an individual residing at 901 Dallas Street, Big Spring, Texas, 79720-5323. He is the President of CeRam-Kote. Freeman may be served at his residence or wherever he may be found.
- 4. Defendant Nelson Calderon is an individual residing at 7719 Battle Creek Drive, Houston, Texas, 77040. He was until recently the maintenance manager at NOV's West Little York facility in Houston, Texas. Calderon may be served at his residence or wherever he may be found.

III. JURISDICTION AND VENUE

- 5. This Court has jurisdiction over this matter because the dispute involves an amount in controversy that greatly exceeds any minimum jurisdictional limit of this Court, to the extent such a minimum limit exists. This Court has personal jurisdiction over CeRam-Kote, Freeman, and Calderon because they are citizens of Texas, do business in Texas, and committed torts in Texas. Jurisdiction is proper in the district court pursuant to Tex. Const. Art. V, § 8 and Tex. Gov't Code Ann. § 24.007.
- 6. Venue is proper in Harris County because all or a substantial part of the events or omissions that gave rise to NOV's claims occurred in Harris County. Tex. Civ. Prac. & Rem. CODE § 15.002(a)(1). Venue is also proper in Harris County because one or more of the defendants resided in Harris County, Texas when the causes of action asserted herein accrued. Tex. Civ. Prac. & Rem. CODE § 15.002(a)(2).

IV. <u>DISCOVERY PLAN</u>

7. NOV intends that discovery be conducted under Level 3 of Texas Rule of Civil Procedure 190.

V. FACTUAL BACKGROUND

- 8. NOV designs, manufactures, sells, and operates systems, components, and products for oil and gas drilling and production, and employs over 54,000 people worldwide. NOV is comprised of various divisions, which each specialize in particular areas of drilling technologies. One such operational division is NOV Tuboscope, which, among other things, researches, designs, manufactures and operates blast units, along with other drilling technologies. A blast unit is a large piece of industrial equipment used to clean used drill pipe. Drill pipe is coated, thick-walled hardened steel pipe used to facilitate drilling a wellbore. It is both extremely expensive and extremely heavy since it needs to be strong enough to support its weight at depths that often exceed a mile into the earth's crust. After the wellbore is dug the drill pipe is reclaimed for future use. Before it can be reused, however, it needs to be cleaned and primed so that a new coating can be applied to the inside of the pipe. NOV Tuboscope operates several facilities specifically designed for this purpose.
- 9. The blast unit is at the heart of each of these facilities. The blast unit is an enormous piece of industrial equipment that carefully holds large pieces of drill pipe in place while simultaneously rotating the drill pipes and blasting the inside of the pipes with abrasive materials. This is a narrow and specific industry, and there are very few people nationally who have even a passing understanding of how these machines are made. Furthermore, NOV Tuboscope has developed its own proprietary designs for blast units by making critical changes to their blast units over the years. These changes have made NOV Tuboscope's blast units more durable and more reliable while simultaneously protecting the pipes cleaned from accidental damage. In the competitive oil field services industry these improvements allow NOV Tuboscope to produce a

superior product at a reduced cost. This technical edge over its competitors has given NOV Tuboscope an edge in the drill pipe refurbishing industry in Texas.

- 10. CeRam-Kote is a Texas company which appears to specialize in industrial coating technology. Historically, CeRam-Kote did not have the technology to do the blasting and coating of large drill pipe on the scale or magnitude that NOV Tuboscope is able to. Rather than investing in research and development themselves, they decided to cheat--by paying an NOV Tuboscope employee \$40,000 to design a large scale blast unit for them by using NOV's proprietary technology.
- NOV on and off throughout his entire career and more recently has worked at NOV's West Little York pipe blasting facility located in Houston, Texas continually since 2002. Like all employees in this sort of highly competitive and technical area, Calderon has on multiple occasions signed confidentially agreements with NOV Tuboscope. In all, he has signed at least a half-dozen such agreements. Most recently in 2002 Calderon signed an employee Agreement with NOV Tuboscope in which he promised both not to ever reveal NOV's confidential information but also to refrain for two years from working for a competitor within a 100 miles of an NOV facility.
- 12. After signing this agreement Calderon was permitted to work at NOV Tuboscope's West Little York location where Calderon was intimately involved in researching and designing improvements to NOV Tuboscope's blast units as well as managing and maintaining operational blast units. In this capacity Calderon has been instrumental in designing some of NOV Tuboscope's blast unit improvements. Additionally, by virtue of his role as maintenance supervisor Calderon has seen firsthand how the improvements to the NOV Tuboscope technology have increased the machines reliability. Although Calderon was tangentially involved in the

design of these improvements, his 2002 employment agreement is clear that the improvements are not his own, but are rather owned by NOV Tuboscope.

A. An anonymous former employee alerts NOV to CeRam-Kote's theft.

- 13. In late August 2012, NOV received an anonymous tip from a former NOV Tuboscope employee (the reporter) who had been to CeRam-Kote's facility in Big Springs, Texas. While at the facility, the reporter saw blueprints posted on the wall of an office and immediately recognized them as blueprints for an NOV Tuboscope blast unit. The reporter was very familiar with the particulars of NOV Tuboscope blast units because of his previous employment at NOV Tuboscope. When the reporter asked CeRam-Kote president Kevin Freeman about the blueprints Freeman told the reporter that Nelson Calderon had been helping CeRam-Kote build the blast unit. Based on his status as a former NOV Tuboscope employee, the reporter knew Nelson Calderon and knew that he was currently employed by NOV Tuboscope. After admitting to these tortious acts Freeman tried to avoid detection by telling the reporter not to tell any of this to NOV.
- 14. However, the reporter did the right thing, rather than remain silent as Freeman had asked. Instead the reporter took photographs of the CeRam-Kote machine and noted various similarities between it and the NOV Tuboscope machine. The reporter then delivered these photos along with a full report of what he had seen to NOV.²

B. Nelson Calderon confesses to conspiring with CeRam-Kote.

15. After receiving this tip, NOV launched an investigation. A review of Calderon's company cell phone records revealed that over the course of the last year Calderon had exchanged at least 73 calls with Freeman. It is believed that Calderon and Freeman discussed the particularities of implementing CeRam-Kote's knock-off blast unit. These phone records also

Because of their proprietary nature, NOV is not attaching the photographs of the blasting unit. The photographs will be made available to Defendants and the Court for in camera review.

revealed that Calderon placed several calls to Williams Industrial Fabricators, a company which is believed to have fabricated the CeRam-Kote blast unit designed by Calderon using NOV Tuboscope's trade secrets.

- a statement. A true and correct copy of this statement is attached as Exhibit A. In this statement, Calderon confesses that he was paid \$40,000 over the course of year to help CeRam-Kote properly assemble their new industrial sized blast unit. Calderon recounts how he specifically laid out the design of the blasting cabinet, the part of the blast unit which holds the pipes while they are being cleaned. In Calderon's layout he specifically included unique NOV Tuboscope innovations, including but not limited to NOV Tuboscope's unique method of rotating pipe and protecting pipe within the machine.
- 17. While still employed by NOV Tuboscope, Calderon went further by actually travelling to CeRam-Kote's facility on two occasions to inspect and direct the CeRam-Kote blast unit construction. On Calderon's first trip to CeRam-Kote's facility, he was shocked to discover that CeRam-Kote had so misunderstood the construction of a blast unit that they were preparing to construct the machine backwards. Indeed, but for the constant stream of information from Calderon, CeRam-Kote would have had no chance of building a working blast unit.
- 18. After admitting to selling NOV Tuboscope's proprietary information Calderon provided NOV with copies of some of the blueprints he provided to CeRam-Kote. NOV carefully protects and guards its proprietary information by restricting access to its blueprints and blast units, both of which are trade secrets. However, Calderon, by virtue of his role at the company, could walk right through these security protocols and physical barriers and look at whatever he wished to see, including the detailed blueprints and inner workings of NOV Tuboscope blasting

units. In other words, throughout the second half of 2011 and the first half of 2012, Calderon treated NOV Tuboscope's Trade Secrets as if they were a public library, referencing whatever he needed to help CeRam-Kote build their machine.

C. NOV Engineer determines that the CeRam-Kote blueprints are substantially similar to NOV's blueprints.

19. Given the seriousness of NOV's accusations, NOV Tuboscope had one of its engineers carefully examine the CeRam-Kote blueprints to determine whether CeRam-Kote copied NOV's technology and proprietary information. NOV's engineer has completed his review and determined that CeRam-Kote did indeed copy NOV's proprietary blueprints. Even from these limited drawings several similarities between the NOV Tuboscope blast unit and CeRam-Kote's machine leap out. First, the CeRam-Kote machine appears to employ NOV Tuboscope thrust bearings and NOV Tuboscope pipe rotators both of which are unique technical enhancements to NOV Tuboscope blast units. Additionally, the particular details of the configuration and size of the CeRam-Kote machine appear to be identical to NOV Tuboscope designs. Once it is able to fully inspect the blast unit at issue, NOV will be able to determine other unique blasting unit innovations that CeRam-Kote stole from NOV through Calderon.

VI. CAUSES OF ACTION

A. Misappropriation of Trade Secrets

- 20. Plaintiff realleges, as if fully set forth herein, each allegation contained in the previous paragraphs.
- 21. Defendants CeRam-Kote, Nelson Calderon and Kevin Freeman acquired Trade Secret information related to NOV's blast units through improper means—by buying the information from a current NOV employee Nelson Calderon.

- 22. NOV Tuboscope's blast units are entitled to trade secret protection under Texas law. NOV Tuboscope researched, designed, and developed its blast units at great expense. The particulars of an NOV Tuboscope blast unit are not generally known outside of NOV and not available to the general public. The design advantages of an NOV Tuboscope blast unit give NOV Tuboscope a considerable competitive advantage over its peers who do not have access to NOV Tuboscope's Trade Secrets. NOV Tuboscope has taken reasonable steps to protect both the plans for its blast unit and the blast units themselves as well as other confidential and proprietary information from its competitors, including but not limited to password-protecting access to the information, restricting access to the information, tracking access to the information, and requiring employees to sign confidentiality agreements regarding this information and physically restricting access to the information.
- 23. NOV has suffered harm as a result of Defendants' misappropriation. NOV is entitled to recover its actual and consequential damages, including all losses suffered by NOV and unjust gains acquired by Defendants, exemplary damages, pre- and post-judgment interest, and costs. NOV also seeks injunctive relief to restrain Defendants from their improper conduct.

B. Breach of Contract – The 2001 Employee Agreement.

- 24. Plaintiff realleges, as if fully set forth herein, each allegation contained in the previous paragraphs.
- 25. In 2001 Defendant Nelson Calderon and Plaintiff's predecessor in interest ICO entered into a valid and enforceable employment agreement (the "ICO Contract"), a copy of which is attached here as Exhibit B.³

³ In July 2002, Tuboscope, a division of Varco, LP, purchased the U.S. assets of ICO, including employees and their contracts. In 2005, the parent companies of Plaintiff and Varco, LP merged, and NOV absorbed the former Tuboscope and ICO employees and their contracts. Tuboscope now operates as a division of Plaintiff NOV.

- 26. This agreement contains a confidentiality provision in which Calderon promised "Not to use any such Confidential Information for himself/herself or others; and not to take such Confidential Information or copies thereof from Employer's facilities." Defendant Calderon further promised "not to disclose to any third party any confidential information, trade secrets, business information . . . at any time."
- 27. In flagrant disregard and breach of these contractual provisions Calderon disclosed significant amounts of confidential and trade secret information to Freeman and CeRam-Kote.
- 28. NOV has suffered harm as a result of Defendant's breach. NOV is entitled to recover its actual and consequential damages, including all losses suffered by ICO and unjust gains acquired by Defendants, exemplary damages, pre- and post-judgment interest, and costs. ICO also seeks injunctive relief to restrain Defendants from their improper conduct.

C. Breach of Contract – The 2002 Employee Agreement.

- 29. Plaintiff realleges, as if fully set forth herein, each allegation contained in the previous paragraphs.
- 30. In 2002 Defendant Nelson Calderon and Plaintiff's predecessor in interest Tuboscope entered into a valid and enforceable employment agreement (the "Tuboscope Contract"), a copy of which is attached here as Exhibit C.
- 31. This agreement contains a confidentiality provision in which Calderon promised "[N]ot to use or reveal to others any of Tuboscope Varco's proprietary information and not to make any copy or photograph of any device, drawing or document disclosing or concerning such proprietary information."
- 32. This agreement also contains a valid and enforceable non-compete provision in which Calderon promised not to work directly or indirectly for any competitor of Tuboscope

located within a 100 mile radius of any Tuboscope facility, or location where Tuboscope's customers are located.

- 33. In flagrant disregard and breach of both of these contractual provisions Calderon disclosed significant amounts of confidential and trade secret information to Freeman and CeRam-Kote, as well as actively assisting CeRam-Kote's continued competition with Defendants.
- 34. NOV has suffered harm as a result of Defendant's breach. NOV is entitled to recover its actual and consequential damages, including all losses suffered by NOV and unjust gains acquired by Defendants, exemplary damages, pre- and post-judgment interest, and costs. NOV also seeks injunctive relief to restrain Defendants from their improper conduct.

D. Tortious Interference with Contract

- 35. Plaintiff realleges, as if fully set forth herein, each allegation contained in the previous paragraphs.
- 36. CeRam-Kote and Freeman had knowledge of Nelson Calderon's confidentiality contracts with NOV Tuboscope or had knowledge of facts and circumstances that would have lead a reasonable person to believe that Calderon was bound by non-disclosure agreements.
- 37. Nonetheless, CeRam-Kote and Freeman knowingly and intentionally paid Calderon \$40,000 to induce Calderon into breaching his contracts with NOV.
- 38. NOV has suffered harm as a result of Defendant Calderon's breach and CeRam-Kote and Freeman's tortious conduct and is therefore entitled to recover its actual and consequential damages, including all losses suffered NOV and unjust gains acquired by Defendants, exemplary damages, pre- and post-judgment interest, and costs.

E. Conversion

- 39. Plaintiff realleges, as if fully set forth herein, each allegation contained in the previous paragraphs.
- 40. As detailed above, NOV developed its Trade Secrets over a long period of time and with much effort and expense. By stealing NOV Tuboscope's Trade Secrets, Defendants are wrongfully exercising dominion and control over NOV Tuboscope's trade secret information for their own benefit and to the detriment of NOV. Defendants' taking of NOV Tuboscope's Trade Secrets was not authorized by NOV and is illegal. Defendants' conduct with respect to NOV Tuboscope's Trade Secrets was deliberate, knowing, willful, and malicious. As a result of Defendants' conversion of NOV Tuboscope's Trade Secrets, NOV has suffered damages in an amount within the jurisdictional limits of this Court.
- 41. NOV brings his action to recover from the conversion of its Trade Secrets by Defendants or any other individual or entity with which Defendants are employed or associated. NOV also brings this action to prevent the inevitable or imminent conversion or use of its trade secret information and property rights. NOV further seeks an award of damages to recover the value of the Trade Secrets stolen by Defendants, as well as exemplary damages, pre- and post-judgment interest, and costs. NOV also seeks injunctive relief to restrain Defendants from their improper conduct.

F. Conspiracy

- 42. Plaintiff realleges, as if fully set forth herein, each allegation contained in the previous paragraphs.
- 43. Defendants have knowingly encouraged, participated in, and/or benefited from the foregoing wrongful conduct to the detriment of NOV. Defendants engaged in a civil conspiracy

against NOV to misappropriate NOV's trade secrets and confidential information, to convert NOV's property, and to commit theft. Defendants engaged in one or more wrongful acts in furtherance of this conspiracy.

44. As a result of Defendants' wrongful conduct, NOV has suffered substantial and irreparable harm and NOV is entitled to cover compensatory and exemplary damages, and disgorgement of any sums gained through such wrongful conduct. As a result of Defendants' wrongful conduct, NOV suffers additional damages that will continue to accrue, in an amount to be proven at trial.

G. Unjust enrichment

- 45. Plaintiff realleges, as if fully set forth herein, each allegation contained in the previous paragraphs.
- 46. In the alternative, NOV seeks relief under the equitable doctrine of unjust enrichment. As a result of Defendants' wrongful conduct, Defendants have been unjustly enriched and NOV has suffered damages in an amount within the jurisdictional limits of this Court.

H. Constructive trust

- 47. Plaintiff realleges, as if fully set forth herein, each allegation contained in the previous paragraphs.
- 48. Defendants have stolen NOV's property without NOV's permission and without legal right. Accordingly, a constructive trust must be imposed upon any revenue or benefit derived from NOV's illegal activities or the use of NOV's Trade Secret blueprints, which were wrongfully taken from NOV as a result of Defendants' illegal activities. These funds held in trust should be used for the benefit of NOV to compensate for the damage it has suffered.

VII. APPLICATION FOR TEMPORARY RESTRAINING ORDER

- As explained above, unless Defendants are immediately restrained, NOV will be 49. irreparably injured, suffer loss and damage by Defendants' theft, access, and use its Trade Secret designs for blast units. Defendants have, or will very soon have, an operational NOV Tuboscope knock-off blast unit which will enable them to compete against NOV Tuboscope in a market they never could have entered but for their misdeeds. Additionally, CeRam-Kote continues to have access to NOV Tuboscope's trade secrets in the form of blueprints provided to them by Calderon, as well as the blueprints Calderon helped them make. These blueprints contain NOV Tuboscope's proprietary Trade Secrets and NOV is therefore at great risk that this information will be sold or otherwise disseminated by CeRam-Kote which risks the destruction of its trade secrets entirely. Such harms are imminent first because Defendants have begun to compete in the pipe refurbishing industry and because Defendants continue to access, and use NOV Tuboscope's Trade Secrets as embodied in the blueprints created with Calderon's assistance. These two harms are allowing NOV Tuboscope's competitors to develop their overall competitive position at the expense of NOV and NOV faces imminent loss of the competitive advantage NOV has gained by the extensive time and resources that it devoted toward the creation of its Trade Secrets.
- 50. Unless this Court issues a temporary restraining order against Defendants, NOV Tuboscope's Trade Secrets will be used for Defendants' business and/or sold to competitors or the general public. This risk is serious, although the full extent of the risk is unknown since NOV Tuboscope cannot know yet how much of its trade secret information has been misappropriated. The full damages that would result from CeRam-Kote's continued us of this Trade Secret information would (1) be incalculable, and (2) could never be recouped from Defendants.

- 51. NOV has demonstrated a likelihood of success on the merits of its claims against Defendants—NOV has caught Defendants red-handed in their theft of NOV's Trade Secrets and one of the core coconspirators, Nelson Calderon, has already confessed.
- 52. Further, unless Defendants are immediately restrained, NOV will have no adequate remedy at law. Unless Defendants are enjoined from retaining, accessing, using, disclosing, or selling NOV Tuboscope's Trade Secret blast unit, NOV will have no means by which to recover the information wrongfully stolen by Defendants.
- 53. The precise value of the information stolen and used by Defendants cannot be measured with precision or accuracy.
- 54. The balance of equities between NOV and Defendants favor the issuance of immediate injunctive relief. To not issue injunctive relief would, in effect, sanction Defendant's wrongful conduct. Injunctive relief is necessary for NOV to preserve the status quo between the parties pending a hearing on the preliminary injunction and a final trial on the merits of the issues.
- 55. For all of the reasons articulated and incorporated herein, NOV respectfully requests that a temporary restraining order be issued which provides:
 - (a) Defendants must refrain from using the 6 lance blast machine located in Big Spring Texas or any other blast unit incorporating, based on, or inspired by any NOV Tuboscope design, blueprint, schematic, drawing, or product, regardless of where or how obtained.
 - (b) Defendants must refrain from directly or indirectly possessing, accessing, using, or disclosing in any manner any information or tangible thing relating to, incorporating, based on, or inspired by any NOV Tuboscope design, blueprint, schematic, drawing, or product, including but not limited to any information provided to Defendant CeRam-Kote by Defendant Nelson Calderon, or any other person, whether that information is tangible or intangible, electronic, copy, original, extract, or elaboration of any sort.

All originals and copies of such information and things shall be turned over to counsel for NOV and held in trust pending further orders of this Court. The turnover of such information shall be made to attorney John Zavitsanos' office at 1221 McKinney Street, Suite 3460, Houston, Texas 77010 (713-655-1101) within three hours of Defendants receiving notice of

the order of this Court. During such time, Defendants shall exclusively devote their time to gathering NOV's information for return to counsel for NOV and shall not contact anyone regarding this temporary restraining order;

(c) To the extent the materials described in section (b) are contained on a computer or other electronic device owned by Kevin Freeman, Nelson Calderon, or CeRam-Kote, Defendants shall permit NOV to obtain a forensic image of these computers or other devices.

To verify compliance, CeRam-Kote shall also permit NOV to inspect its Big Spring facility, specifically including, but not limited to CeRam-Kote's Six Lance Blast Machine. During this inspection NOV shall be free to take any photographs, recordings or to make any other record of the inspection that it deems appropriate.

- (d) Defendants are prohibited from destroying or altering any document, tangible thing relating in any way to the information and documents obtained by Defendants from NOV. Defendants are prohibited from destroying, deleting, or altering any electronically-stored information relating in any way to the information and documents obtained by Defendants from NOV prior to forensic imaging of the device storing such electronically-stored information by NOV. This includes but is not limited to any and all personal or business electronic devices, computers, and servers storing any electronic information relating in any way to the information and documents obtained by Defendants from NOV.
- (e) Defendants are prohibited from contacting by phone, letter, mail, fax, email or any other form of communication whatsoever any employee, client, supplier, customer, competitor, or vendor of NOV for any purpose whatsoever regarding NOV's designs and blueprints for blast units.
- 56. NOV is not opposed to posting a bond if ordered to do so by the Court and requests that this court set the bond as low as is reasonably sufficient to comply with Rule 684 of the Texas Rules of Civil Procedure.

VIII. TEMPORARY INJUNCTION

57. NOV further requests that Defendants be cited to appear and show cause and that upon such hearing, a temporary injunction be issued enjoining Defendants, from directly or indirectly engaging in the conduct described in paragraph 39(a)-(c) above.

IX. PERMANENT INJUNCTION

- 58. NOV further requests that a permanent injunction be ordered on the final trial of this cause, enjoining Defendants, from directly or indirectly engaging in the conduct described in paragraph 39(a)-(c) above.
- 59. Attached hereto in support of the forgoing application for injunctive relief is the Verification of Bradley Ortego, which is incorporated herein by reference.

X. <u>CONDITIONS PRECEDENT</u>

60. All conditions precedent to NOV's right to recover as herein alleged, if any, have been performed, have occurred or have been waived.

XI. JURY DEMAND

61. NOV demands a trial by jury.

XII. PRAYER FOR RELIEF

WHEREFORE, PREMISES CONSIDERED, Plaintiff prays that the Court immediately issue a Temporary Restraining Order and, following notice and hearing, a Temporary Injunction as requested above and that, upon final trial hereon, it have and recover judgment for the sought after relief, injunctive relief, damages, punitive damages, attorneys fees, costs of court, prejudgment and post-judgment interest at the maximum lawful rates as requested above, together with such other and further relief to which it may be justly entitled.

Respectfully submitted,

AHMAD, ZAVITSANOS, ANAIPAKOS, ALAVI & MENSING P.C.

Paritraros

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CAUSE NO)				
NATIONAL OILWELL VARCO, L.P., Plaintiff,	§ § 8	IN THE DISTRICT COURT			
v. CERAM-KOTE, INC., KEVIN FREEMAN, and	» & & &	OF HARRIS COUNTY, TEXAS			
NELSON CALDERON Defendants.	8	JUDICIAL DISTRICT			
DECLARATION OF JOSH SHAW					

My name is Josh Shaw, my date of birth is 63/10/1983, and my address is 17822 TC Tester Blud. Spring, TX, 77379, United States of America. I declare of penalty of perjury that the following is true and correct.

I am a duly authorized agent for the Plaintiff in this action, I have read the Petition in the above-captioned case, and I have personal knowledge of the factual statements contained in paragraphs 8, 9 and 19 and they true and correct based on my knowledge and investigation of the facts, that the same are true and correct, and that the exhibits attached to the above Petition are a true and correct copies of the originals.

Joshua M Shavy

	CAUSE NO		
NATIO	NAL OILWELL VARCO, L.P., Plaintiff,	§ § 8	IN THE DISTRICT COURT
v.		8 8 8	OF HARRIS COUNTY, TEXAS
CERA	M-KOTE, INC.,	§	
KEVIN	FREEMAN, and	§	
NELS	N CALDERON	§	
	Defendants.	§	JUDICIAL DISTRICT
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VERIFICATION

STATE OF TEXAS

LAFAYETTE S

COUNTY OF HARRIS

Before me, the undersigned Notary Public, on this day personally appeared Bradley Paul Ortego, who after being duly sworn, stated under oath that he is a duly authorized agent for the Plaintiff in this action, that he has read the above Petition, that he has personal knowledge of the factual statements contained in paragraphs 11 through 18, or that they true and correct based on his knowledge and investigation of the facts, that the same are true and correct, and that the exhibit attached to the above Petition is a true and correct copy of the original.

Bradley Paul Ortego

Sworn to and subscribed before me on October 4, 2012.

William Bertrand Notary Public ID#78339 Parish of Lafayette My Commission is for life