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**FILED**  
Superior Court of California  
County of Los Angeles

OCT 13 2016

Sherri R. Carter, Executive Officer/Clerk  
By Judi Lara, Deputy

9 Attorneys for Plaintiff,  
10 VIRGIN GALACTIC, LLC

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
12 FOR THE COUNTY OF LOS ANGELES

13 VIRGIN GALACTIC, LLC,  
14 Plaintiff,

15 v.

16 FIREFLY SYSTEMS, INC., PATRICK JOSEPH KING,  
17 MICHAEL BLUM AND DOES 1-10

18 Defendants.

Case No.: BC 6 37 340

VIRGIN GALACTIC, LLC'S COMPLAINT  
AGAINST FIREFLY, INC., PATRICK JOSEPH KING  
AND MICHAEL BLUM FOR MISAPPROPRIATION  
OF TRADE SECRETS, UNFAIR COMPETITION,  
CONVERSION, INTENTIONAL INTERFERENCE  
WITH CONTRACT AND CONSPIRACY

DEMAND FOR INJUNCTIVE RELIEF AND JURY  
TRIAL

CIT/CASE: BC637340  
LEA/DEF#:

RECEIPT #: CCH520872110  
DATE PAID: 10/13/16 03:22 PM  
PAYMENT: \$435.00 310  
RECEIVED:

CHECK: \$435.00  
CASH: \$0.00  
CHANGE: \$0.00  
CARD: \$0.00

CASE NO.

VIRGIN GALACTIC, LLC'S COMPLAINT AGAINST FIREFLY SYSTEMS ET AL

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1 Plaintiff Virgin Galactic, LLC (“Virgin Galactic”) by and through its attorneys of record  
2 asserts this Civil Complaint against Defendants Firefly Systems, Inc. (“Firefly”), Patrick Joseph King  
3 (“King”), Michael Blum (“Blum”) and DOES 1-10.

4 **INTRODUCTION**

5 1. Defendant Firefly is a start-up founded in late 2013 by Defendants Patrick King,  
6 Michael Blum and non-party Thomas Markusic. It was established using trade secrets,  
7 confidential information and technology that were stolen from Virgin Galactic by Defendants and  
8 their agent and co-conspirator, former Virgin Galactic Vice President of Propulsion Thomas  
9 Markusic, while Markusic was still a Virgin Galactic employee. Virgin Galactic did not know at  
10 the time that its trade secrets, confidential information and technology were being stolen to form  
11 Firefly.

12 2. From 2011 to 2013, during the time period that Thomas Markusic worked as Virgin  
13 Galactic’s Vice President of Propulsion, Virgin Galactic invested substantial resources into developing  
14 small rocket engine, cluster, aerospike and composite structure small launcher designs. Blum and  
15 King were early astronaut customers of Virgin Galactic's commercial space program and as such were  
16 familiar with Virgin Galactic's technology.

17 3. In 2013, Blum and King met Markusic during a tour of Virgin Galactic's facilities in  
18 Mojave, California. After Markusic left Virgin Galactic, Virgin Galactic later learned that by as early  
19 as October 2013, while Markusic was still employed by Virgin Galactic and without Virgin Galactic's  
20 knowledge, Blum and King engaged with Markusic to secretly start their own, competing company  
21 using Virgin Galactic’s confidential, proprietary and trade secret information (the “Confidential  
22 Information”), resources and employees. In furtherance of this venture and without Virgin Galactic's  
23 knowledge, Blum and King conspired with Markusic to steal Virgin Galactic Confidential  
24 Information, and solicit Virgin Galactic employees, customers and investors to join Firefly, Blum and  
25 King.

26 4. When Markusic finally voluntarily ended his employment with Virgin Galactic in late  
27 December 2013, he took not only a Firefly business plan that was created using Virgin Galactic’s  
28 resources, but also stole his Virgin Galactic engineering notebooks; Virgin Galactic PowerPoint and

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1 other documents reflecting his work on the small rocket engine, cluster, aerospike and composite  
2 structure small launcher designs; and Virgin Galactic USB drives. At the time of these wrongful acts  
3 Markusic was acting in his capacity as Defendants' agent and co-conspirator, and Defendants used the  
4 stolen Virgin Galactic Confidential Information to further Firefly's business plans and technical  
5 development.

6 5. Following discovery of Markusic's duplicity, and after several months of seeking a  
7 resolution, which Markusic repeatedly rebuffed, Virgin Galactic filed a demand against Markusic  
8 before the American Arbitration Association pursuant to Markusic's employment agreement for,  
9 among other things, misappropriation of trade secrets and breach of contract pursuant to an agreement  
10 executed by Markusic during his employment with Virgin Galactic. The Arbitration is pending  
11 before the Honorable Louise LaMothe and styled *Virgin Galactic, LLC v. Thomas E. Markusic*, AAA  
12 Case No. 01-14-0002-2467 ("the Arbitration"). Blum, King and Firefly are not parties to the  
13 Arbitration.

14 6. Markusic, Firefly, Blum and King have gone to great lengths to conceal their theft and  
15 use of Virgin Galactic's Confidential Information. Markusic admits he destroyed portable storage  
16 devices "with a hammer and screwdriver," disposed his personal and Firefly laptops, and re-formatted  
17 hard drives. In a further attempt to shield Markusic from producing first-party discovery in the  
18 Arbitration, Blum and King manipulated Firefly and issued a "sham" board resolution in their role  
19 as directors purporting to strip Markusic – CEO, co-founder, and 34% shareholder of Firefly – of  
20 the authority to produce any company documents in the Arbitration. Defendants also filed and  
21 opposed multiple lawsuits spanning several jurisdictions and three states in an effort to avoid  
22 producing any evidence of their theft. Markusic's and Defendants' activities led to judicial  
23 findings and comments that repeatedly confirmed their nefarious activities. For example:

24 7. In connection with Virgin Galactic's petition to enforce its subpoena to obtain  
25 documents from Firefly, in *Virgin Galactic, LLC v. Firefly Systems, Inc.*, Los Angeles Superior Court  
26 Case No. BC609407, the court ruled:

27 Galactic, in opposition to the motion to quash, has offered evidence that Markusic violated the  
28 Intellectual Property Agreement in acting to establish Firefly as a competitor. Markusic made

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1 presentations to potential investors in Firefly, describing his new company. . . He solicited a  
2 technical team of four key employees to join Firefly, hoping thereby to 'hold all the cards WRT  
3 VG.' . . He deleted information (by reformatting) from company computers before returning  
4 them; he destroyed storage devices that had accessed his company computers; he did not return  
5 engineering notebooks. These facts support a reasonable inference that Markusic violated the  
6 Intellectual Property Agreement by allowing Firefly to obtain confidential business  
7 information belonging to Galactic by (1) failing to return his computers, storage devices and  
8 engineering notebooks as they existed before his resignation; and (2) assisting Firefly before  
9 his resignation by soliciting key employees and preparing presentations to investors Markusic's  
10 acts in furtherance of Firefly's interests occurred in California. The benefits that Firefly  
11 obtained from these acts occurred in 2013 and the first part of 2014 at a time when Firefly's  
12 only office was in California.

13 . . .

14 Galactic tried to discover what information Markusic may have taken from his Galactic  
15 employ but failed in that endeavor because, Markusic, after resigning from Galactic,  
16 reformatted his computers and destroyed the storage devices that had accessed the computer he  
17 used during his Galactic employment. Markusic was the CEO of Firefly when he prevented  
18 such discovery and was presumably acting in its interest.

19 . . .

20 Special circumstances also exist here that indicate that any delay in enforcing the SDT against  
21 Firefly may jeopardize Galactic's trade secrets. Firefly is a start-up having no body of  
22 confidential information of its own at least before January, 2014. Markusic, Firefly's  
23 incorporator, and now Firefly's chief officer, had full access to Galactic's confidential  
24 information, and used that information in soliciting employees and investors for Firefly before  
25 leaving Galactic, but he nonetheless has blocked Galactic's efforts to learn whether he had  
26 transmitted its confidential information to Firefly (or his associates in forming Firefly) by  
27 reformatting his computers and destroying storage devices that had accessed his computers.  
28 The arbitrator considered this issue and concluded that Galactic had made a strong showing

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1 that Markusic likely had communicated Galactic's confidential information to Firefly and that  
2 Firefly today may be unfairly competing with Galactic by making use of the confidential  
3 information it received from Markusic.

4 8. In connection with the petition King filed against Virgin Galactic and his own CEO  
5 and board member, Markusic, styled *Patrick Joseph King v. Virgin Galactic, LLC*, Los Angeles  
6 Superior Court Case No. BS159554, to try and overturn the Arbitrator's ruling in the Arbitration that  
7 Markusic had possession, custody and control of Firefly's documents and information and in the  
8 course of granting Virgin Galactic's motion to enforce its subpoena to King, the Los Angeles Superior  
9 court also ruled:

10 The court notes too that Evidence Code section 1060 contains a qualification that is pertinent  
11 here. Section 1060 reads:

12 'If he or his agent or employee claims the privilege, the owner of a trade secret has a  
13 privilege to refuse to disclose the trade secret, and to prevent another from disclosing it,  
14 if the allowance of the privilege will not tend to conceal fraud or otherwise work  
15 injustice.'

16 There is evidence, in this case, that imposing a delay to King's production of 'trade secret'  
17 documents will tend to conceal fraud or work injustice.

18 Galactic designs, tests and sells rockets for suborbital flight. Galactic, in this  
19 arbitration, alleges that Markusic, while employed as its vice president, formed Firefly as a  
20 company that would compete with Galactic and recruited its key technical employees. These  
21 allegations are supported by documentary exhibits . . . Galactic alleges that Markusic  
22 delivered to Firefly confidential information including trade secret information. This  
23 allegation cannot be proven directly because Markusic reformatted his computers after leaving  
24 Galactic so as to erase any company information on those computers and destroyed external  
25 storage devices that had been used to access his company computer; and failed to produce all  
26 but one of the engineering notebooks he created during his Galactic employment. From  
27 discovery of information he obtained through his Galactic employment and that, therefore,  
28 preventing (or delaying) reasonable investigation through other avenues of the extent and

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1 nature of information that Markusic may have provided to Firefly personnel will conceal fraud  
2 or otherwise work injustice.

3 9. It was not only the Los Angeles Superior court that found when Markusic engaged in  
4 his campaign of theft and document/media destruction he was "presumably acting in [Firefly's]  
5 interest." Nevada Discovery Commissioner Bonnie Bulla stated her conclusion at a hearing before  
6 her on March 11, 2016 in *Virgin Galactic v. Blum*, Case No. A-15-729494:

7 I think problematically, though, is that the non-party and Firefly and the defendant [Blum] in  
8 the California arbitration case are aligned. They have the same interest. They are aligned.

9 So I think it's a little bit disingenuous to look at the parties independently in a vacuum. I think  
10 we have to look at them – I mean, they've got the same counsel, they have the same interests.

11 10. And, in *Firefly Systems v. Virgin Galactic*, W.D. Tex. Case No. A-16-ca-083-SS, a  
12 case in which Firefly sued Virgin Galactic and *its own CEO*, Markusic, to again try and overturn the  
13 Arbitrator's order made in the Arbitration that Markusic had possession, custody and control of Firefly  
14 information and was thus obligated to produce it in the Arbitration, Judge Sparks observed: "There is  
15 no question this legal proceeding was filed purposefully to avoid problems in the California arbitration  
16 and to delay or eliminate Thomas E. Markusic and Firefly Systems, Inc. from delivering pertinent  
17 materials to the arbiter." Judge Sparks further observed that Firefly's positions in the litigation, which  
18 positions Firefly board members at the time King and Blum promoted (in fact, Blum attended the  
19 hearing before Judge Sparks as Firefly's representative), were "absurd", "preposterous", "a ruse easily",  
20 and couldn't "sell paint to a barn."

21 11. The Arbitrator also repeatedly found and/or otherwise observed that Defendants and  
22 Markusic were acting in a coordinated effort to prevent production of any information that might  
23 reveal Markusic's theft and improper use of Virgin Galactic information. For example, in an order  
24 dated January 29, 2016, the Arbitrator ruled:

25 Given the King filing in Los Angeles County Superior Court, and the Firefly filing in Texas  
26 state court, it appears that the Firefly directors/shareholders are continuing to work closely in  
27 their efforts in several fora to avoid the impact of this tribunal's orders. Their interests are  
28 aligned and their actions coordinated, even though to achieve their purposes in certain

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1 instances they have been required to appear to be on opposite sides. . . it is apparent that  
2 Respondent is resisting discovery in this forum using all of the tools at his and his company's  
3 disposal.

4 12. Markusic's extensive document and media destruction (including his failure to direct  
5 Firefly or any of its personnel to preserve Firefly documents—over which he had possession, custody  
6 and control—even after Virgin Galactic filed its demand for arbitration against him) and coordinated  
7 efforts with the Defendants to thwart discovery in the Arbitration lead the Arbitrator to issue  
8 terminating sanctions against him, including striking his answer and counterclaims and ordering issue  
9 and evidentiary sanctions against him. The Arbitrator's terminating sanctions ruling in the Arbitration  
10 is attached to this Complaint as Exhibit A. In that August 16, 2016 order, the Arbitrator made the  
11 following issue/evidentiary findings:

- 12 • In January 2014, Dr. Markusic destroyed each of the six portable storage devices  
13 used to access his Virgin Galactic laptop computer.
- 14 • Virgin Galactic confidential and proprietary information, including the trade-secret  
15 concepts identified on Virgin Galactic's Disclosure of Trade Secrets, were  
16 transferred by Dr. Markusic from his Virgin Galactic laptop computer to these six  
17 potable storage devices prior to Dr. Markusic returning the computer to Virgin  
18 Galactic.
- 19 • Prior to destroying the six portable storage devices, Dr. Markusic transferred Virgin  
20 Galactic confidential, proprietary, and trade secret information to other computer  
21 media, including his personal computers and drives, and the laptop computer that  
22 he purchased for his work with Firefly in 2014.
- 23 • The six portable media devices were destroyed by Dr. Markusic in January 2014 in  
24 an effort to conceal his misappropriation of Virgin Galactic confidential,  
25 proprietary, and trade-secret information. Dr. Markusic disposed of his HP laptop  
26 computer and Firefly laptop computer in the Fall of 2014 in an effort to conceal  
27 subsequent transfers of Virgin Galactic information to those media. Finally, Dr.  
28 Markusic formatted his external hard drives and used file shredding software on his  
HP desktop computer in October and November 2015 in an effort to conceal  
subsequent transfers of Virgin Galactic information to those media.
- Virgin Galactic confidential, proprietary, and trade-secret information continues to  
exist on Firefly computers, drives, and other electronic sources.

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1 13. Judicial intervention is necessary to ensure that Firefly, Blum and King are held  
2 responsible for their unlawful conduct and to prevent further harm to Virgin Galactic from the  
3 misappropriation of its proprietary trade secrets and confidential business information.

4 14. Through this action, Virgin Galactic seeks an order (i) enjoining Defendants from  
5 disclosing or utilizing Virgin Galactic's Confidential information; (ii) directing Defendants to  
6 immediately return Virgin Galactic's Confidential information, including the technology and  
7 business plans developed by Dr. Markusic while he was a Virgin Galactic employee; (iii) ordering  
8 Defendants to pay Virgin Galactic damages according to proof at trial; and (iv) for other  
9 appropriate relief such as disgorgement of Defendants' ill-gotten gains.

10 **PARTIES**

11 15. Virgin Galactic is a California-based, privately owned Delaware limited liability  
12 company. Its principal place of business is in California. Virgin Galactic is also the Claimant in the  
13 Arbitration.

14 16. Defendant Firefly is a Delaware Corporation with its principal place of business  
15 located in Cedar Park, Texas. Prior to June 4, 2014, Firefly's principal placed of business was  
16 Hawthorne, California. At the time of initial misappropriation of Virgin Galactic's trade secrets and  
17 confidential information, Firefly was domiciled in California. The misappropriation continues to this  
18 day. Judge Fruin already found that Firefly is subject to personal jurisdiction in California: "The  
19 Court denies Firefly's motion to quash because the facts establish that California may exercise  
20 jurisdiction against Firefly as a matter of specific jurisdiction as well as general jurisdiction." *Virgin*  
21 *Galactic, LLC v. Firefly Systems, Inc.*, Los Angeles Superior Court Case No. BC609407, Ruling on  
22 Submitted Motions, April 14, 2016. Firefly's president and chief executive officer is Thomas E.  
23 Markusic, who is the Respondent in the Arbitration. Firefly is not a party to the Arbitration.

24 17. Defendant Patrick Joseph King is an individual who maintains a residence in Los  
25 Angeles County, California. He is a citizen of California. King is a co-founder and current member  
26 of the Board of Directors of defendant Firefly. King is not a party to the Arbitration.

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27  
28



1 18. Defendant Michael Blum is an individual who maintains a residence in Las Vegas,  
2 Nevada. Blum is a co-founder and former member of the Board of Directors of defendant Firefly and  
3 also serves as Firefly's Chief Financial Officer. Blum is not a party to the Arbitration.

4 19. Virgin Galactic is ignorant of the true names or capacities of the Defendants sued  
5 herein under the fictitious names Doe 1-10 inclusive. Such Defendants are legally responsible  
6 for the events and happenings described herein and for the damages proximately caused thereby.  
7 Virgin Galactic will seek leave of court to amend this complaint to set forth the true names and  
8 capacities of such Defendants and the specific allegations pertaining thereto when such  
9 information has been ascertained.

10 20. Virgin Galactic is informed and believes, and on that basis alleges, that at all times  
11 mentioned herein, each Defendant acted as the actual or ostensible agent, employee and/or co-  
12 conspirator of each other defendant and, in performing the actions alleged herein, acted in the  
13 course and scope of such agency, employment and/or conspiracy. At all relevant times,  
14 Defendants Blum and King were acting as officers, directors and/or agents of Defendant Firefly.

15 21. Virgin Galactic is informed and believes, and on that basis alleges, that at all times  
16 mentioned herein, non-party Thomas Markusic acted as the actual or ostensible agent, employee  
17 and/or co-conspirator of each of Firefly, King and Blum and, in performing the actions alleged  
18 herein, acted in the course and scope of such agency, employment and/or conspiracy.

19 **JURISDICTION AND VENUE**

20 22. This Court has jurisdiction over defendant Firefly because Firefly was domiciled with  
21 its principal place of business in Hawthorne, California at the time that Firefly initially received Virgin  
22 Galactic's Confidential Information and because the wrongful acts committed in furtherance of  
23 Firefly's interests by Defendants Blum and King and non-party Markusic occurred in California while  
24 Firefly was domiciled in this judicial district. Moreover, Firefly had California-based employees  
25 even after moving to Texas.

26 23. This Court has jurisdiction over defendant Blum because Blum is an officer of  
27 Defendant Firefly and because Blum participated in the formation of Firefly at the time it was  
28

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1 domiciled with its principal place of business in Hawthorne, California. On information and belief,  
2 Blum transacted business on behalf of Firefly in this judicial district and elsewhere in California.

3 24. This Court has jurisdiction over defendant King because he is a resident of this judicial  
4 district.

5 25. Accordingly, this Court has personal and general jurisdiction over Defendants by  
6 virtue of their residence and/or the wrongful conduct in which they engaged in the State of  
7 California, which harmed Virgin Galactic in this state.

8 26. Venue is proper in this pursuant to California Code of Civil Procedure § 395.

9 **STATEMENT OF FACTS**

10 ***Markusic's Role at Virgin Galactic***

11 27. Virgin Galactic is an American-based commercial spaceflight company within Richard  
12 Branson's Virgin Group that will provide suborbital spaceflights to space tourists, suborbital and  
13 orbital launches for space science missions, and orbital launches of small satellites.

14 28. Virgin Galactic is attempting to accomplish something never previously achieved:  
15 affordable, accessible spaceflight for consumers, businesses and researchers. In furtherance of this  
16 mission, Virgin Galactic is constantly exploring new approaches to spaceflight; researching and  
17 experimenting with both known and new technologies; and pushing the boundaries on what was  
18 previously assumed about space travel and its necessary science, materials and vehicles. Through this  
19 research and experimentation, Virgin Galactic discovers what works and does not work, what might be  
20 feasible in the near term and what might be better used further down the development cycle, and has  
21 otherwise developed an arsenal of potential technologies to be accessed and used (or not) as needed,  
22 either now or in the future as the company grows.

23 29. Between 2011 and late 2013, Virgin Galactic employed non-party Thomas  
24 Markusic as its Vice President of Propulsion. In this capacity, Markusic supervised Virgin  
25 Galactic's propulsion engineers and was an integral part of Virgin Galactic's research and  
26 development into liquid rocket propulsion technology and space vehicle architecture. Markusic  
27 helped develop Virgin Galactic's "Newton" class of liquid rocket engines, including (but not  
28 limited to) overseeing Virgin Galactic's research into a specific engine configuration called an

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1 “aerospike.” Markusic also investigated, worked on and developed designs for Virgin Galactic’s  
2 small satellite launcher “LauncherOne.” By virtue of his position, Markusic had access to Virgin  
3 Galactic’s most proprietary and valuable information.

4 30. As part of this work, Markusic created numerous Virgin Galactic documents (or  
5 parts of documents), including at least the documents entitled:

- 6 • Liquid Propulsion for Virgin Galactic Vehicles (August 5, 2011)
- 7 • SS2 Engine Path Ahead Discussion Commercial Ops and Simple Soonest
- 8 • Liquid Propulsion for Virgin Galactic Vehicles (September 20, 2011)
- 9 • VG Propulsion Newton 1A Preliminary Design Review (August 31, 2012)
- 10 • VG Propulsion Newton Engine Plan Revision 1 (March 31, 2012)
- 11 • PTP Immediate Look Briefing (October 24, 2012)
- 12 • 60 klbF Aerospike Assessment
- 13 • Advanced Development Point to Point

14 31. As part of this research, Markusic was also intimately involved with Virgin  
15 Galactic’s co-development agreement with NASA under which Virgin Galactic and NASA agreed  
16 to work together on the aerospike design. In his role as Vice President of Propulsion, Markusic  
17 was present at numerous meetings where highly confidential trade secret research, plans and  
18 technical data were discussed and presented in detail. During these meetings, Virgin Galactic  
19 employees recall seeing Markusic taking copious notes in engineering notebooks -- notebooks that  
20 have never been returned Virgin Galactic.

21 32. Markusic was a member of Virgin Galactic’s senior team, which was and is  
22 engaged in highly confidential, top-level strategy projects, the details of which were closely  
23 guarded even within the company and not disclosed to the public. As a senior leader of Virgin  
24 Galactic, Markusic was privy to Virgin Galactic’s Confidential Information, including information  
25 related to Virgin Galactic’s operative business strategies, pricing, customer relationships and  
26 product development. The disclosure of such Confidential Information would cause Virgin  
27 Galactic immediate and irreparable competitive injury.  
28

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1 access to those facilities by requiring employees to use card keys to enter and move between  
2 buildings and, in some cases, different areas within buildings; keeps copies of the passports for all  
3 visitors; requires employees and contractors to sign non-disclosure/confidentiality agreements and  
4 learn ITAR requirements; marks its company documents according to the level of necessary  
5 confidentiality; and restricts access to computer files by maintaining different levels of security  
6 access based on an employee's role through password and other protections.

7 36. As Vice President of Propulsion working on and with Virgin Galactic's senior  
8 management team, Markusic understood the security restrictions Virgin Galactic placed on access  
9 to its physical offices and paper and electronic files. The Company annually sends out reminders  
10 on the importance of ITAR compliance, which Markusic received.

11 37. On information and belief, as customers of Virgin Galactic, Defendants Blum and  
12 King were aware of at least some of the security restrictions, including ITAR, that Virgin Galactic  
13 placed on access to its physical offices and confidential information.

14 ***Firefly is Founded by King, Blum and Markusic During Markusic's Employment at Virgin***  
15 ***Galactic***

16 38. On or about March 28, 2013, Virgin Galactic arranged for a tour of its facility in  
17 Mojave, California for Blum and King, who at the time were both Virgin Galactic astronaut  
18 customers. As part of that tour, Blum and King met with Markusic to discuss Markusic's work  
19 on liquid propulsion systems.

20 39. On information and belief, soon after meeting Blum and King and unbeknownst to  
21 Virgin Galactic, Markusic secretly began plans to start his own rocket company to compete  
22 against Virgin Galactic. On September 16, 2013, while still employed at Virgin Galactic, and  
23 without Virgin Galactic's knowledge, Markusic incorporated Defendant Firefly Systems Inc. as a  
24 Delaware corporation.

25 40. No later than September 2013, without Virgin Galactic's knowledge, Markusic  
26 approached Blum and King and invited them to join him as co-founders in his new venture.  
27 Markusic wrote to Blum on September 27, 2013: "I'd like to get together with you and that other  
28 gentleman that I was chatting with at the party the other night. I felt like there was a bit of

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1 resonance of ideas and ambitions between us, and would like to finish that conversation – see if  
2 there is something there that we want to go and do.” On information and belief, and without  
3 Virgin Galactic's knowledge, Blum and King agreed to serve as Firefly's co-founders no later than  
4 October 2013.

5 41. Thereafter, without Virgin Galactic's knowledge, Markusic secretly sent Blum and  
6 King various iterations of a PowerPoint presentation that outlined a business plan for Firefly  
7 which included not just wholesale copying of Virgin Galactic technical and marketing  
8 information, but also a proposed plan to transfer Virgin Galactic technology to Firefly and make  
9 Virgin Galactic a customer ("Investor Presentation"). On information and belief, without Virgin  
10 Galactic's knowledge, versions of the Investor Presentation were used by Blum and King,  
11 individually and together with Markusic, to solicit Virgin Galactic customers and other potential  
12 investors to invest in Firefly.

13 42. In October, November and December while Markusic was still working for Virgin  
14 Galactic and without Virgin Galactic's knowledge, Blum and King continued to work with  
15 Markusic to develop this presentation. During this time, King (with Blum copied) asked  
16 Markusic detailed questions about the technical aspects of the Investor Presentation, which  
17 questions Markusic quickly answered, disclosing, in detail, Virgin Galactic's confidential,  
18 proprietary, and trade secret information—all without Virgin Galactic's knowledge.

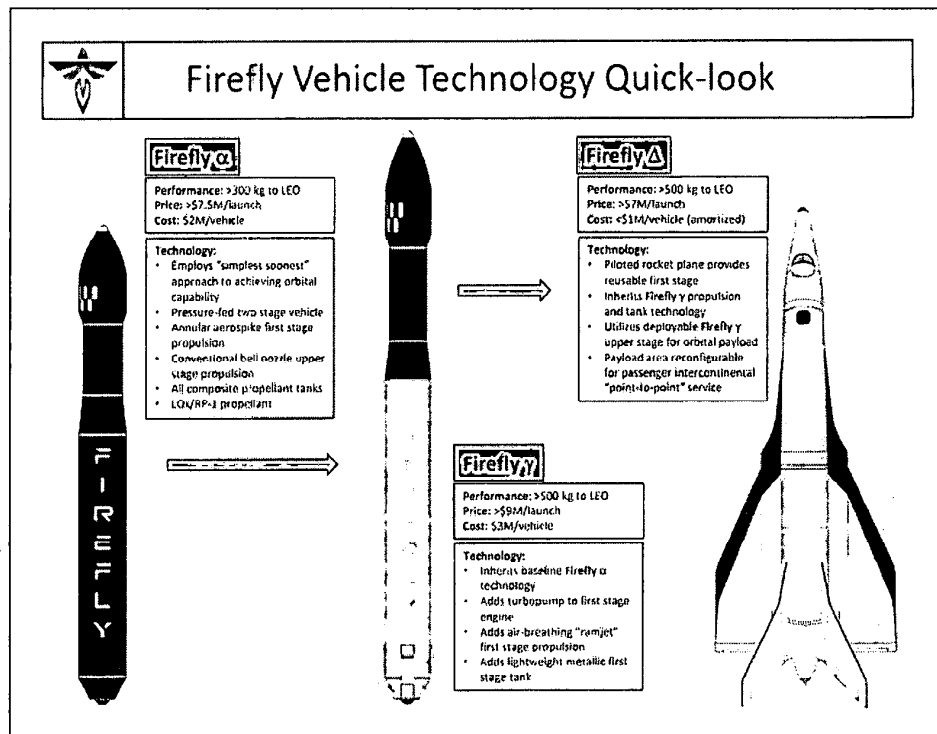
19 43. For example, immediately prior to answering King's questions and without Virgin  
20 Galactic's knowledge, Markusic requested that a Virgin Galactic employee email Markusic at his  
21 Virgin Galactic email address a copy of document prepared for Virgin Galactic titled: "MSFC VG  
22 Aerospace Feasibility Final Report.docx." Not realizing that Markusic was seeking to misappropriate  
23 Virgin Galactic information, the employee complied, providing Markusic with the requested  
24 confidential report, which Markusic knew was prepared specifically for Virgin Galactic.

25 44. Unbeknownst to Virgin Galactic, King (with Blum copied) also wrote to Markusic  
26 about the importance of securing a "constellation customer" for their planned Firefly venture.  
27 Markusic responded that "The customer exists. I am not at liberty to say more. Keep digging,  
28

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1 you are on the right track. You won't have to dig too deep." King responded "I think I have a  
2 fair idea of who we are talking about ☺."

3 45. By December 2013, without Virgin Galactic's knowledge, Markusic had developed  
4 a fully formed Firefly business and technical development plan using Virgin Galactic confidential  
5 information and resources. The excerpts below are taken from a powerpoint presentation titled  
6 "Firefly Space Systems Investor Presentation December 2013." This document was recovered from  
7 the Virgin Galactic laptop computer that Markusic returned to Virgin Galactic in January 2014 after  
8 his resignation:



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# Financial – Vehicle Recurring Costs

## Firefly α recurring cost

	number of flights		
	1	15	40
Payload/Bus Adapter	\$125,000	\$62,500.00	\$46,875.00
Stage 2 Tanks and Structures	\$750,000	\$375,000.00	\$281,250.00
Stage 2 Propulsion	\$826,600	\$413,300.00	\$304,875.00
Stage 2 Avionics	\$187,500	\$93,750.00	\$70,312.50
Stage 2 RCS	\$15,000	\$7,500.00	\$5,625.00
Stage 1 Tanks and Structures	\$4,250,000	\$2,125,000.00	\$1,643,750.00
Stage 1 Propulsion	\$750,000	\$375,000.00	\$281,250.00
Stage 1 Avionics	\$14,000	\$7,000.00	\$5,250.00
Stage 1 RCS	\$75,000	\$37,500.00	\$28,125.00
Stage Integration	\$750,000	\$375,000.00	\$281,250.00
Launch (Facility, Range, licensing)	\$150,000	\$75,000.00	\$56,250.00
Consumables and Misc.	\$150,000	\$75,000.00	\$56,250.00
<b>total cost per vehicle</b>	<b>\$5,147,500</b>	<b>\$2,573,750.00</b>	<b>\$1,918,437.50</b>

## Firefly γ recurring cost

	number of flights		
	1	15	40
Payload/Bus Adapter	\$125,000	\$62,500.00	\$46,875.00
Stage 2 Tanks and Structures	\$900,000	\$450,000.00	\$330,000.00
Stage 2 Propulsion	\$225,000	\$112,500.00	\$84,375.00
Stage 2 Avionics	\$187,500	\$93,750.00	\$70,312.50
Stage 2 RCS	\$15,000	\$7,500.00	\$5,625.00
Stage 1 Tanks and Structures	\$4,000,000	\$2,000,000.00	\$1,500,000.00
Stage 1 Propulsion	\$1,500,000	\$750,000.00	\$562,500.00
Stage 1 Avionics	\$75,000	\$37,500.00	\$28,125.00
Stage 1 RCS	\$15,000	\$7,500.00	\$5,625.00
Stage Integration	\$900,000	\$450,000.00	\$337,500.00
Launch (Facility, Range, licensing)	\$150,000	\$75,000.00	\$56,250.00
Consumables and Misc.	\$150,000	\$75,000.00	\$56,250.00
<b>total cost per vehicle</b>	<b>\$6,147,500</b>	<b>\$3,073,750.00</b>	<b>\$2,251,437.50</b>

## Firefly β recurring cost

	number of flights		
	1	15	40
Payload/Bus Adapter	\$125,000	\$62,500.00	\$46,875.00
Stage 2 Tanks and Structures	\$775,000	\$387,500.00	\$290,625.00
Stage 2 Propulsion	\$725,000	\$362,500.00	\$271,875.00
Stage 2 Avionics	\$187,500	\$93,750.00	\$70,312.50
Stage 2 RCS	\$15,000	\$7,500.00	\$5,625.00
Stage 1 Tanks and Structures	\$4,175,000	\$2,087,500.00	\$1,565,625.00
Stage 1 Propulsion	\$750,000	\$375,000.00	\$281,250.00
Stage 1 Avionics	\$14,000	\$7,000.00	\$5,250.00
Stage 1 RCS	\$75,000	\$37,500.00	\$28,125.00
Stage Integration	\$850,000	\$425,000.00	\$318,750.00
Launch (Facility, Range, licensing)	\$150,000	\$75,000.00	\$56,250.00
Consumables and Misc.	\$150,000	\$75,000.00	\$56,250.00
<b>total cost per vehicle</b>	<b>\$6,007,500</b>	<b>\$3,003,750.00</b>	<b>\$2,215,312.50</b>

## Firefly Δ recurring cost

	number of flights		
	1	15	40
Payload/Bus Adapter	\$125,000	\$62,500.00	\$46,875.00
Stage 2 Tanks and Structures	\$800,000	\$400,000.00	\$300,000.00
Stage 2 Propulsion	\$225,000	\$112,500.00	\$84,375.00
Stage 2 Avionics	\$187,500	\$93,750.00	\$70,312.50
Stage 2 RCS	\$15,000	\$7,500.00	\$5,625.00
Stage 1 (independent)	\$500,000	\$250,000.00	\$187,500.00
Stage Integration	\$450,000	\$225,000.00	\$168,750.00
Launch (Facility, Range, licensing)	\$150,000	\$75,000.00	\$56,250.00
Consumables and Misc.	\$150,000	\$75,000.00	\$56,250.00
<b>total cost per vehicle</b>	<b>\$7,072,500</b>	<b>\$3,536,250.00</b>	<b>\$2,651,312.50</b>

\* assume cost of rocket plane is \$50M amortized over 100 flights

All BOE is experience with comparable vehicles

46. In addition to soliciting Virgin Galactic's customers and investors, in the months leading up to Markusic's departure from Virgin Galactic, without Virgin Galactic's knowledge, Defendants Blum and King conspired with Markusic to engage in a systematic campaign to recruit several high-level Virgin Galactic engineers to join Firefly in violation of Markusic's contractual obligations to Virgin Galactic.

47. For example, without Virgin Galactic's knowledge, on November 8, 2013, Markusic informed Blum and King that he was soliciting a Virgin Galactic employee to work with them at Firefly: "He's very enthused, and wants to hear more. I'll meet with him Monday morning." Blum responded "Outstanding! Thanks for the update."

48. Additionally, sometime prior to December 5, 2013, while Markusic was still an employee of Virgin Galactic and without Virgin Galactic's knowledge, Blum, King and Markusic invited three Virgin Galactic engineers to King's office in Hawthorne, California to receive a presentation on Firefly. In a follow-up email, Markusic offered to discuss the venture further with one of these employees. When this individual told Markusic he was not interested, Markusic wrote to the other Virgin Galactic employees, King, and Blum stating that he was

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1 “disappointed,” because they “would now potentially be bringing a splintered team versus the  
2 whole enchilada.” According to Markusic, if the four of them would have “mov[ed] in unison,”  
3 they “would have ‘held all of the cards’ WRT VG.”

4 49. On information and belief, Blum and King were aware of Markusic's obligations to  
5 Virgin Galactic not to disclose or utilize Virgin Galactic Confidential Information, compete with  
6 Virgin Galactic or to solicit Virgin Galactic employees during Markusic's employment at Virgin  
7 Galactic at the time they conspired with and encouraged Markusic to do so. Indeed, at least by  
8 November 2013, unbeknownst to Virgin Galactic, Blum, King and Markusic discussed the  
9 possibility of litigation and sought legal advice in anticipation of such litigation.

10 50. On or about December 5, 2013, Markusic called Virgin Galactic's General Counsel  
11 to ask whether he could carve out his work on the aerospike technology from the scope of the  
12 intellectual property assignment provision of his Intellectual Property Agreement with Virgin  
13 Galactic. Markusic followed up with the General Counsel by email on or about December 23,  
14 2013, asking “any news...on the aerospike exemption amendment to my employment agreement?  
15 This is important to me.” Although Virgin Galactic did not know that Markusic had already  
16 started a competing business with Blum and King by this time, Virgin Galactic did not agree to  
17 Markusic's request. Nevertheless, Blum, King and Markusic continued to move forward with  
18 the Firefly plan.

19 51. On or about December 26, 2013, Markusic notified Virgin Galactic that he was  
20 resigning his position. At the time Markusic resigned, he did not disclose to Virgin Galactic that  
21 he already formed a competing small satellite launcher company with Blum and King and that in  
22 doing so he had used Virgin Galactic's Confidential Information, instrumentalities and facilities,  
23 and customers to create and bankroll his competing company.

24 52. On January 8, 2014, the day before Markusic was scheduled to conduct his exit  
25 interview and return his Virgin Galactic computer media, Blum issued a press release publicly  
26 announcing for the first time that Blum, Markusic and King were jointly starting a “ground-based  
27 small satellite launch company” called Firefly Systems, Inc. and that Markusic would serve as the  
28 new company's CEO. Later that day, Firefly announced on its Twitter account

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1 (@Firefly\_Space): “Thanks for all the follows. We’re thrilled to have you paying attention as our  
2 endeavor kicks off. #aerospike #ramjet #LEO #SSO.”

3 ***Firefly is Based on Virgin Galactic Confidential Information***

4 53. Given the detailed technical and other information Markusic provided to Blum and  
5 King during October, November and December 2013; the speed with which Markusic was able to  
6 work with Blum and King to develop a Firefly business plan sufficiently detailed to shop around  
7 to investors; and the efforts Defendants and Markusic went through to try and solicit "the whole  
8 enchilada" from Virgin Galactic's liquid propulsion team—all while Blum and King knew  
9 Markusic was still a Virgin Galactic employee—Blum and King either actually knew or should  
10 have known that the company they were forming with Markusic was based on, at its core, Virgin  
11 Galactic's Confidential Information. In sum, Blum and King conspired with Markusic to steal  
12 Virgin Galactic's Confidential Information and have used that information to develop their own  
13 competing business, defendant Firefly, in violation of California law.

14 54. On information and belief, Defendants are pursuing aerospike rocket engines and  
15 other technology with which Markusic was involved at Virgin Galactic. Firefly has publicly  
16 announced its so-called “Alpha” space vehicle, which is substantially similar in multiple respects  
17 to space vehicle concepts Markusic proposed, researched, and developed for Virgin Galactic’s  
18 LauncherOne vehicle. Additionally, Firefly has announced that the Alpha space vehicle will  
19 incorporate an aerospike rocket engine configuration that is substantially similar to concepts  
20 explored by Markusic on behalf of Virgin Galactic.

21 55. In an article printed in Ars Technica on November 30, 2014, Defendants used  
22 Markusic’s knowledge of Virgin Galactic’s technology developed while Markusic was a Virgin  
23 Galactic employee using Virgin Galactic resources to promote their secretly created company.  
24 For example, in the article, the author states that Firefly is making a rocket constructed from  
25 composite materials that will use a methane-fueled aerospike engine – technology Markusic was  
26 intimately involved with while he was a Virgin Galactic employee.

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1           56.     On information and belief, Defendants have sought to leverage Markusic's  
2 knowledge and possession of Virgin Galactic's confidential trade secrets to raise money for their  
3 new company. In a handout to potential investors, Defendants wrote:

4           We should repeat that our CEO, Dr. Tom Markusic, headed the Launcher One  
5 program. Our other co-founders were amongst the first customers of Virgin  
6 Galactic, so we are very familiar with this company.

7           Virgin Galactic are primarily focused on trying to send tourists into sub-orbit. A  
8 decade after commencement, they still have not started – let alone finished – a  
9 flight test program. Such a program would typically take several years, so it is safe  
10 to conclude that VG will need to deploy all of their assets in making this program  
11 succeed as a singular focus.

12           There is little synergy between the tourism project and the LauncherOne program,  
13 except for the carrier vehicle, WhiteKnight Two. Payload capacity is limited by the  
14 take-off weight of WhiteKnightTwo and does not match the performance or price  
15 of FireFly.

16           It has been reported in the media in the last ten days that the program may be sold  
17 to Google for a reported \$30M. In that eventuality, Google are likely to focus the  
18 project for their internal use, not on external customers. It is telling that the one part  
19 of the Virgin Galactic project that has worked successfully was the LauncherOne  
20 engine. That engine was developed by our CEO, who left the project when it  
21 became clear that Virgin were not going to pursue it.

22           57.     On information and belief, Firefly continues to use technology developed using Virgin  
23 Galactic's Confidential Information to solicit funding for Firefly. In an article published on  
24 spacenews.com on October 3, 2016, Firefly's CEO announced the company was seeking to raise  
25 additional capital for, among other things, the continued development of Alpha, its small launch  
26 vehicle, which, on information and belief, contains substantial technical and conceptual overlap with  
27 Virgin Galactic's LauncherOne vehicle, which Markusic worked on while employed by Virgin  
28 Galactic.

          58.     On information and belief, Firefly's technology stems directly from some or all of  
the same technologies Markusic was working on while he was a Virgin Galactic employee.

          59.     On information and belief, Markusic, acting as Defendants' agent and co-  
conspirator, continued to solicit the employment of Virgin Galactic employees after his  
resignation from Virgin Galactic, and before the expiration of the 12 month non-solicitation period  
in his Intellectual Property Agreement.

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1           60.    On information and belief, defendants Blum and King knew or had reason to know  
2 that Firefly’s technology was based in whole or in part on Virgin Galactic’s stolen Confidential  
3 Information at the time of their investment(s) in Firefly and at the time they joined or remained on  
4 Firefly’s Board of Directors and are thus responsible for that theft.

5           61.    A company’s director will be individually liable for trade secret  
6 misappropriation where he or she used, through the corporation,  
7 the misappropriated trade secrets ‘if at the time of the use of the  
8 confidential information they knew or had reason to know that  
9 knowledge of the trade secrets was derived from or through a  
person who had improperly acquired the knowledge, or the secrets  
were obtained by a person who owed a duty to plaintiffs to  
maintain the secrecy....

10 *PMC, Inc. v. Kadisha*, 78 Cal. App. 4th 1368, 1383 (2000), as modified on denial of reh'g (Apr. 7,  
11 2000). Thus, an individual director may be liable for trade secret misappropriation where he or  
12 she, “knowingly invested...in a corporation whose sole business assets consisted of stolen  
13 confidential information and processes, and subsequently controlled the entity which was  
14 engaging in unlawful conduct....” *Id.* at 1385. This is that case here.

15           62.    On information and belief, Blum and King continue to bankroll their competing  
16 company Firefly touting technology Markusic conceived and developed at Virgin Galactic using  
17 Virgin Galactic resources.

18           63.    On information and belief, Firefly’s technology, development, and growth as a  
19 business have benefited both directly and indirectly from Defendants’ theft of Virgin Galactic’s  
20 Confidential Information and other materials.

21           64.    On information and belief, Markusic’s breaches and wrongful conduct while still  
22 employed by Virgin Galactic referred to herein were committed on behalf of, and in furtherance  
23 of, Firefly’s business.

24           65.    Virgin Galactic was unaware and did not discover that its trade secrets,  
25 confidential information and technology were being stolen and used by Blum, King and non-party  
26 Markusic to form Firefly until after Markusic’s departure from Virgin Galactic.  
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1 *Defendants' Concerted Efforts to Conceal Their Illicit Activities*

2 66. Virgin Galactic filed a Demand for Arbitration against Markusic pursuant to the  
3 Intellectual Property Agreement between Virgin Galactic and Markusic on December 19, 2014.  
4 The Demand asserted claims for misappropriation of trade secrets, breach of fiduciary duty,  
5 breach of contract, conversion, trespass to chattel, unjust enrichment, unfair competition, and  
6 constructive trust and seeks legal, equitable, and declaratory relief. Defendants are not parties to  
7 the Arbitration.

8 67. Nonetheless, Firefly, Blum and King, along with Markusic, have engaged in a  
9 systemic and concerted effort to thwart the Arbitration and prevent the evidence of their illicit  
10 activities from coming to light.

11 68. On January 9, 2014, Markusic met with Virgin Galactic's General Counsel and  
12 Vice President of People for his exit interview. During that interview, Markusic returned his  
13 Virgin Galactic laptop, turned over a flash drive, and provided a single engineering notebook with  
14 only very high level information. Markusic told the General Counsel and Vice President of People  
15 that he had returned all Virgin Galactic materials in his possession, including all flash drives and  
16 engineering notebooks, of which he claimed there was only one. Markusic did not disclose to  
17 Virgin Galactic that he had just that very day engaged in forensic counter-measures including the  
18 execution of two pieces of scrubbing software that effectively removed an unknown amount of  
19 data on the laptop. In addition, all of the active files on the one flash drive that Markusic did  
20 return were deleted. On information and belief, Markusic took these forensic counter-measures  
21 at least in part to hide evidence of his development of the Firefly business using Virgin Galactic's  
22 instrumentalities, Confidential Information and intellectual property.

23 69. After Markusic's departure, Virgin Galactic conducted a forensic examination of  
24 the Virgin Galactic laptop returned by Markusic and discovered that Markusic accessed this laptop  
25 computer using six different portable storage devices (some capable of storing over a terabyte of  
26 data) between November 2013 and January 9, 2014. At least four of these drives were installed  
27 on the laptop after Markusic announced his resignation, and three of them were installed just hours  
28 before he scrubbed the laptop and returned it to Virgin Galactic. Markusic has admitted that he

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1 subsequently destroyed at least some of these portable storage devices with a “hammer and  
2 screwdriver” sometime in January 2014. On information and belief, he engaged in these  
3 activities to hide evidence of his development of the Firefly business.

4 70. Additionally, although Markusic was known to have taken extensive notes during  
5 his years of employment at Virgin Galactic in hardbound engineering notebooks, he returned only  
6 a single engineering notebook containing high level information. A subsequent search of his  
7 office uncovered only a single, empty engineering notebook with pages removed as though with a  
8 razor blade.

9 71. In addition to destroying the portable storage devices he used to connect to his  
10 Virgin Galactic laptop, as well as re-formatting the hard drive on that laptop, Dr. Markusic has  
11 admitted to disposing of both his personal and Firefly laptops before they could be inspected for  
12 relevant evidence. On information and belief, he engaged in these activities to hide evidence of  
13 his development of the Firefly business.

14 72. On October 1, 2015, the Arbitrator issued an order that Markusic was in  
15 “possession, custody, or control” of Firefly-related information by virtue of his role as director,  
16 president, chief executive officer, and 34% shareholder of Firefly. In direct response to this  
17 Order, Blum and King manipulated Firefly in an effort to shield Markusic from first-party  
18 discovery in the Arbitration. On October 7, 2015, in their capacity as Firefly board members,  
19 Blum and King voted to issue a "sham" board resolution purporting to strip Markusic, the  
20 Company’s CEO, and other Firefly officers of the authority to produce Firefly-related information  
21 in the Arbitration.

22 THEREFORE, BE IT RESOLVED, that neither the Chief Executive  
23 Officer of the Company nor any other Company officer or employee  
24 shall be authorized to release, or to direct any other Company officer  
25 or employee to release any Company information in any form  
26 whatsoever, including, without limitation, written, oral or digital  
27 Company information, to any person for us in conjunction with, or  
28 relating to, the Arbitration Proceedings, unless (1) such release will  
be authorized by the Board in writing, or (2) such release will be  
made in response to a non-appealable court order or will be required  
to comply with applicable laws or government regulations.

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1 78. Information contained in at least the following Virgin Galactic documents  
2 constitute protectable trade secrets as set forth in California Civil Code § 3426.1(d):

- 3 • Liquid Propulsion for Virgin Galactic Vehicles (August 5, 2011)
- 4 • SS2 Engine Path Ahead Discussion Commercial Ops and Simple Soonest
- 5 • Liquid Propulsion for Virgin Galactic Vehicles (September 20, 2011)
- 6 • VG Propulsion Newton 1A Preliminary Design Review (August 31, 2012)
- 7 • VG Propulsion Newton Engine Plan Revision 1 (March 31, 2012)
- 8 • PTP Immediate Look Briefing (October 24, 2012)
- 9 • 60 klbf Aerospike Assessment
- 10 • Advanced Development Point to Point
- 11 • Markusic's engineering notebooks.

12  
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14 79. Virgin Galactic's trade secret information derives independent economic value,  
15 actual or potential, from not being generally known to the public or to other persons who can  
16 obtain economic value from its disclosure or use as set forth in California Civil Code  
17 § 3426.1(d)(1).

18 80. Virgin Galactic's trade secret information is the subject of efforts that are  
19 reasonable under the circumstances to maintain its secrecy as set forth in California Civil Code  
20 § 3426.1(d)(2), including restricting access to the information to certain authorized employees.

21 81. Virgin Galactic did not consent to the use of any of its trade secrets by anyone  
22 other than authorized employees using them for Virgin Galactic's business purposes.

23 82. Firefly, King and Blum willfully and intentionally misappropriated Virgin  
24 Galactic's trade secrets when they acquired and/or disclosed and/or used Virgin Galactic's trade  
25 secret information for Defendants' purposes. Virgin Galactic is informed and believes that  
26 Firefly, King and Blum used Virgin Galactic's trade secret information to develop or offer to  
27 develop a commercial space flight business -- namely, Firefly -- that would compete with Virgin  
28 Galactic's commercial satellite launch business.

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1 83. Virgin Galactic is entitled to an injunction based on both actual and threatened  
2 misappropriation as set forth in California Civil Code § 3426.2(a).

3 84. Virgin Galactic also requests that the Court take affirmative acts to protect its trade  
4 secrets, as set forth in California Civil Code § 3426.2(c), including by ordering the inspection of  
5 Defendants' computers, USB drives, email accounts, cloud storage accounts and other sources and  
6 equipment by a forensics expert to determine whether Virgin Galactic trade secrets were  
7 wrongfully taken and/or disseminated to others, and to ensure that no Virgin Galactic trade secrets  
8 remain saved on those systems; issuing a writ of possession, a preliminary injunction, and a  
9 permanent injunction ordering the return of Virgin Galactic's trade secret information and  
10 prohibiting Defendants from continuing their unlawful actions; and ordering Defendants to stand  
11 down from further development of their competing spaceship business for a period of at least one  
12 year.

13 85. In addition to equitable relief, Virgin Galactic demands monetary damages, fees  
14 and costs, where allowed. As a natural and proximate result of Defendants' misappropriation,  
15 Virgin Galactic has been damaged. Furthermore, as a natural and proximate result of  
16 Defendants' misappropriation, Defendants have been and will continue to be unjustly enriched.  
17 The misappropriation enabled Defendants to avoid millions of dollars in costs that they would  
18 have been required to pay to develop the Virgin Galactic's Trade Secrets and Confidential  
19 Information on their own.

20 86. Defendants' conduct as alleged herein was willful, malicious and wanton, and  
21 undertaken for the purpose of injuring or causing injury to Virgin Galactic. Virgin Galactic seeks  
22 exemplary and punitive damages against Defendants. Virgin Galactic also seeks its attorneys  
23 fees.

24 **SECOND CAUSE OF ACTION**

25 **(Unfair Competition - Cal. Bus. & Prof. Code § 17200 against Firefly)**

26 87. Virgin Galactic repeats, re-alleges, and incorporates by reference each of the  
27 allegations of paragraphs 1-29, 33, 38-40, 46-53, 59 and 61-75 as if set forth fully herein.  
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1 88. Defendants have engaged in unlawful business acts or practices by committing acts  
2 including conversion, interference with contract and other illegal acts and practices as alleged  
3 above, all in an effort to gain unfair competitive advantage over Virgin Galactic.

4 89. These unlawful business acts or practices were committed pursuant to Defendants'  
5 business activity related to providing launch services for small satellites.

6 90. The acts and conduct of Defendants constitute unlawful, and unfair competition as  
7 defined by California Bus. & Prof. Code §§ 17200, et seq.

8 91. In light of Defendants' conduct, it would be inequitable to allow Defendants to  
9 retain the benefit the advantages, including any funding, that they have obtained though the  
10 unauthorized and unlawful use of Virgin Galactic's property.

11 92. Defendants' unfair business practices have unjustly minimized Virgin Galactic's  
12 competitive advantage and have caused and are causing Virgin Galactic to suffer damages. As a  
13 result of such unfair competition, Virgin Galactic has also suffered irreparable injury and, unless  
14 Defendants are enjoined from such unfair competition, will continue to suffer irreparable injury,  
15 whereby Virgin Galactic has no adequate remedy at law.

16 93. Defendants should be compelled to disgorge and/or restore any and all revenues,  
17 earnings, profits, compensation, and benefits they may have obtained in violation of California  
18 Business & Professions Code § 17200 et seq., including, but not limited to, returning the value of  
19 the stolen property itself and any revenue earned from it, and should be enjoined from further  
20 unlawful, unfair, and deceptive business practices. Defendants should further be ordered to  
21 return all materials taken from Virgin Galactic, and all copies of such, in their possession, custody,  
22 or control.

23  
24 **THIRD CAUSE OF ACTION**

25 **(Conversion against Firefly, Blum and King)**

26 94. Virgin Galactic repeats, re-alleges, and incorporates by reference each of the  
27 allegations of paragraphs 1-29, 33, 38-40, 49-53, 59, 61-75 and 87-93 as if set forth fully herein.  
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1           95.     Virgin Galactic owns all of the confidential, proprietary business information that  
2 may be determined not to be trade secret information at issue in this Complaint.   Such  
3 information is or was housed on media, including storage media.   Defendants wrongfully  
4 acquired this media containing non-trade secret confidential and proprietary business information.

5           96.     Defendants have excluded Virgin Galactic from possession, custody, and control of  
6 this media by refusing to turn it over and/or destroying it.

7           97.     Defendants willfully and without legal justification interfered with Virgin  
8 Galactic's right to ownership of the non-trade secret confidential and proprietary business  
9 information.

10          98.     Virgin Galactic did not consent to Defendants' acquisition or use of Virgin  
11 Galactic's non-trade secret confidential and proprietary business information.

12          99.     Virgin Galactic continues to suffer harm from Defendants' conversion and  
13 continued use of Virgin Galactic's non-trade secret confidential and proprietary business  
14 information.

15          100.    Virgin Galactic has been injured and damaged, and irreparably so, by Defendants'  
16 conversion.

17          101.    Virgin Galactic is entitled to recover, and seeks from Defendants, monetary  
18 damages resulting from this conversion, including but not limited to its fees and costs in this  
19 action.

20          102.    Defendants acted in a wanton, willful and outrageous manner in converting Virgin  
21 Galactic's property.

22          103.    Virgin Galactic's remedy at law is not sufficient to compensate Virgin Galactic for  
23 all the irreparable injuries inflicted and threatened by Defendants.

24          104.    Unless restrained, Defendants will continue to inflict irreparable injury upon Virgin  
25 Galactic through Defendants' conversion of its property.   Accordingly, Virgin Galactic is entitled  
26 to preliminary injunctive and injunctive relief preventing Defendants from continuing to convert  
27 Virgin Galactic's property.

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**FOURTH CAUSE OF ACTION**

**(Intentional Interference with Contract against Firefly, Blum and King)**

105. Virgin Galactic repeats, re-alleges, and incorporates by reference each of the allegations of paragraphs 1-29, 33, 38-40, 46-53, 59, 61-75 and 87-104 as if set forth fully herein.

106. As part of his employment with Virgin Galactic, Markusic executed an Employment, Confidential Information and Intellectual Property Agreement with Virgin Galactic on April 20, 2011.

107. The Intellectual Property Agreement imposed on Markusic an obligation, among other things, (i) not to engage in any related business activity during his employment; (ii) not to engage in any activities that would conflict with his obligations to Virgin Galactic; (iii) not to disclose any Virgin Galactic Confidential Information; (iv) to assign to Virgin Galactic any intellectual property he developed during his employment with Virgin Galactic using Virgin Galactic equipment, supplies, or Confidential Information or related to Virgin Galactic's business, research or development; (v) to return all company documents and property at the end of his employment to Virgin Galactic; and (vi) not to solicit Virgin Galactic employees during or for twelve months after the end of his Virgin Galactic employment.

108. On information and belief, Defendants knew of the existence of the Intellectual Property Agreement.

109. Defendants intended to and did disrupt the performance of this contract by encouraging Markusic to disclose Virgin Galactic's confidential business information, to utilize that information to form a business in competition with Virgin Galactic, and to solicit Virgin Galactic employees, customers and investors during his employment. Defendants further intended to and did disrupt the performance of this contract and interfered with Markusic's contractual obligation to arbitrate his dispute with Virgin Galactic by failing to properly preserve Firefly documents over which Defendants had possession, custody and control even after Virgin Galactic filed its demand for arbitration in an attempt to thwart discovery and undermine the Arbitration.

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1 110. As a direct and proximate result of Defendants' conduct, Virgin Galactic has been  
2 damaged in an amount to be proven at trial.

3 **FIFTH CAUSE OF ACTION**

4 **(Civil Conspiracy against Firefly, Blum and King)**

5 111. Virgin Galactic repeats, re-alleges, and incorporates by reference each of the  
6 allegations of paragraphs 1-110 as if set forth fully herein.

7 112. Beginning in or about October 2013, Virgin Galactic is informed and believes that  
8 Defendants King, Blum and Firefly entered into an agreement and/or understanding, or otherwise  
9 conspired with each other and non-party Markusic to commit wrongful acts against Virgin Galactic,  
10 including misappropriation of trade secrets, conversion, interference with contract and other illegal  
11 acts and practices as alleged above, in order to develop a competing rocket business.

12 113. Virgin Galactic is informed and believes that Defendants King, Blum and Firefly  
13 entered into an agreement with each other and non-party Thomas Markusic whereby they intended  
14 to commit wrongful acts against Virgin Galactic, including misappropriation of trade secrets,  
15 conversion, interference with contract and other illegal acts and practices as alleged above.

16 114. Virgin Galactic demands monetary damages, fees and costs, where allowed. As a  
17 natural and proximate result of Defendants' conspiracy, Virgin Galactic has been damaged.  
18 Furthermore, as a natural and proximate result of Defendants' conspiracy, Defendants have been  
19 and will continue to be unjustly enriched.

20 115. Defendants' conduct as alleged herein was willful, malicious and wanton, and  
21 undertaken for the purpose of injuring or causing injury to Virgin Galactic. Virgin Galactic seeks  
22 exemplary and punitive damages against Defendants.

23 **PRAYER FOR RELIEF**

24 WHEREFORE Virgin Galactic requests the following relief:

25 (A) An award in favor of Virgin Galactic and against Defendants on all of  
26 Virgin Galactic's claims asserted in the Complaint;

27 (B) The issuance of a temporary restraining order, preliminary injunction, and  
28 final, permanent injunction against Firefly, Blum and King as follows:

10/13/2016

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1. That Firefly, Blum and King, and all those acting in concert with them, be preliminarily and permanently enjoined from disclosing or utilizing for any purpose Virgin Galactic's trade secrets and confidential information;

2. That Firefly, Blum and King, and all those acting in concert with them, be directed to immediately return to Virgin Galactic any and all of Virgin Galactic's trade secrets and confidential information in their possession, custody, or control;

3. That Virgin Galactic may seize Firefly's, Blum's and King's, home and business computers (including laptops and desktops), memory devices, electronic data storage media, "cloud"-based file storage accounts and hardcopy documents to search, at Firefly's, Blum's and/or King's, expense, for Virgin Galactic's trade secrets and confidential information and other property belonging or relating to Virgin Galactic and to arrange for the deletion of any and all such trade secrets and confidential information from those computers, media, devices and accounts;

4. That pending delivery to Virgin Galactic of the materials described in Paragraph (A)2 and (A)3 of this Prayer for Relief, Firefly, Blum and King, be enjoined and restrained from destroying: (i) any electronic or hard copy document, file, record, information or other property containing any of Firefly's, Blum's and/or King's, trade secrets and confidential information; (ii) any electronic or hard copy document, file, record, information or other property referring or relating in any way to any of Virgin Galactic's trade secrets and confidential information; and (iii) any data contained on any of their home and business computers (including laptops and desktops), memory devices, mobile telephones and other wireless communication devices, any other electronic data storage media and/or "cloud"-based storage accounts;

10/13/2016

1 (C) A constructive trust placed over the Confidential Information and an award  
2 finding that Defendants have no legal or equitable right, claim or interest in the Confidential  
3 Information that Defendants have refused to account for or return to Virgin Galactic, that  
4 Defendants are involuntary trustees holding the Confidential Information and any profits or  
5 proceeds derived from it in constructive trust for Virgin Galactic, with the duty to convey them to  
6 Virgin Galactic immediately;

7 (D) An award requiring Firefly, Blum and King to divulge the identity of the  
8 individuals, groups and companies to whom they have disclosed Virgin Galactic's trade secrets  
9 and confidential information;

10 (E) An award requiring Firefly, Blum and King to account for and pay to Virgin  
11 Galactic all ill-gotten gains, profits and savings obtained or derived from their improper conduct;

12 (F) Compensatory damages to be proven at trial and an Order that Firefly, Blum  
13 and/or King pay Virgin Galactic double damages on its claim for relief pursuant to Cal. Civ. Code  
14 § 3426.3;

15 (G) An award requiring Firefly, Blum and King stand down from further  
16 development of their competing spaceship business for a period of at least one year;

17 (H) Exemplary or punitive damages in an amount to be determined at trial for  
18 Firefly's, Blum's and King's intentional and tortious conduct;

19 (I) Reasonable costs and expenses incurred in this action, including attorneys'  
20 fees;

21 (J) Pre-judgment interest on all such damages, monetary or otherwise;

22 (K) Such other relief as the Court deems just and proper.

23 **DEMAND FOR JURY TRIAL**

24 Virgin Galactic hereby demands a trial by jury on all issues so triable.

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10/13/2016

1 DATED: October 13, 2016

Respectfully submitted,

2  
3 QUINN EMANUEL URQUHART  
& SULLIVAN, LLP

4 

5  
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14 *Attorneys for Virgin Galactic, LLC*

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ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address):  
Claude M. Stern (Bar No. 96737); Evette D. Pennypacker (Bar No. 203515)  
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ATTORNEY FOR (Name): Virgin Galactic, LLC

FOR COURT USE ONLY

**FILED ORIGINAL**  
Superior Court of California  
County of Los Angeles

OCT 13 2016

Sherri R. Carter, Executive Officer/Clerk  
By Judi Lara, Deputy

SUPERIOR COURT OF CALIFORNIA, COUNTY OF  
STREET ADDRESS: 111 North Hill Street  
MAILING ADDRESS:  
CITY AND ZIP CODE: Los Angeles, CA 90012  
BRANCH NAME: Stanley Mosk

CASE NAME:  
Virgin Galactic, LLC v. Firefly Systems, Inc. et al.

CASE NUMBER: **BC 6 87 840**

**CIVIL CASE COVER SHEET**  
 Unlimited (Amount demanded exceeds \$25,000)     Limited (Amount demanded is \$25,000 or less)  
**Complex Case Designation**  
 Counter     Joinder  
Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)

JUDGE:  
DEPT:

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

<p><b>Auto Tort</b></p> <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) <p><b>Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort</b></p> <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) <p><b>Non-PI/PD/WD (Other) Tort</b></p> <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input checked="" type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) <p><b>Employment</b></p> <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	<p><b>Contract</b></p> <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) <p><b>Real Property</b></p> <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26) <p><b>Unlawful Detainer</b></p> <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) <p><b>Judicial Review</b></p> <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	<p><b>Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403)</b></p> <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) <p><b>Enforcement of Judgment</b></p> <input type="checkbox"/> Enforcement of judgment (20) <p><b>Miscellaneous Civil Complaint</b></p> <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) <p><b>Miscellaneous Civil Petition</b></p> <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
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2. This case  is  is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- |  |  |
|--|--|
| a. <input type="checkbox"/> Large number of separately represented parties   | d. <input type="checkbox"/> Large number of witnesses  |
| b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve | e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court |
| c. <input type="checkbox"/> Substantial amount of documentary evidence   | f. <input type="checkbox"/> Substantial postjudgment judicial supervision  |
3. Remedies sought (check all that apply): a.  monetary    b.  nonmonetary; declaratory or injunctive relief    c.  punitive
4. Number of causes of action (specify): 5
5. This case  is  is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: 10/13/2016  
Patrick T. Schmidt

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

**NOTICE**

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

**INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET**

**To Plaintiffs and Others Filing First Papers.** If you are filing a first paper (for example, a complaint) in a civil case, you **must** complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check **one** box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the **primary** cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

**To Parties in Rule 3.740 Collections Cases.** A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

**To Parties in Complex Cases.** In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

**CASE TYPES AND EXAMPLES**

<p><b>Auto Tort</b>                  Auto (22)—Personal Injury/Property Damage/Wrongful Death                  Uninsured Motorist (46) <i>(if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto)</i></p> <p><b>Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort</b>                  Asbestos (04)                  Asbestos Property Damage                  Asbestos Personal Injury/Wrongful Death                  Product Liability <i>(not asbestos or toxic/environmental)</i> (24)                  Medical Malpractice (45)                  Medical Malpractice—Physicians &amp; Surgeons                  Other Professional Health Care Malpractice                  Other PI/PD/WD (23)                  Premises Liability (e.g., slip and fall)                  Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)                  Intentional Infliction of Emotional Distress                  Negligent Infliction of Emotional Distress                  Other PI/PD/WD</p> <p><b>Non-PI/PD/WD (Other) Tort</b>                  Business Tort/Unfair Business Practice (07)                  Civil Rights (e.g., discrimination, false arrest) <i>(not civil harassment)</i> (08)                  Defamation (e.g., slander, libel) (13)                  Fraud (16)                  Intellectual Property (19)                  Professional Negligence (25)                  Legal Malpractice                  Other Professional Malpractice <i>(not medical or legal)</i>                  Other Non-PI/PD/WD Tort (35)</p> <p><b>Employment</b>                  Wrongful Termination (36)                  Other Employment (15)</p>	<p><b>Contract</b>                  Breach of Contract/Warranty (06)                  Breach of Rental/Lease                  Contract <i>(not unlawful detainer or wrongful eviction)</i>                  Contract/Warranty Breach—Seller Plaintiff <i>(not fraud or negligence)</i>                  Negligent Breach of Contract/Warranty                  Other Breach of Contract/Warranty                  Collections (e.g., money owed, open book accounts) (09)                  Collection Case—Seller Plaintiff                  Other Promissory Note/Collections Case                  Insurance Coverage <i>(not provisionally complex)</i> (18)                  Auto Subrogation                  Other Coverage                  Other Contract (37)                  Contractual Fraud                  Other Contract Dispute</p> <p><b>Real Property</b>                  Eminent Domain/Inverse Condemnation (14)                  Wrongful Eviction (33)                  Other Real Property (e.g., quiet title) (26)                  Writ of Possession of Real Property                  Mortgage Foreclosure                  Quiet Title                  Other Real Property <i>(not eminent domain, landlord/tenant, or foreclosure)</i></p> <p><b>Unlawful Detainer</b>                  Commercial (31)                  Residential (32)                  Drugs (38) <i>(if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential)</i></p> <p><b>Judicial Review</b>                  Asset Forfeiture (05)                  Petition Re: Arbitration Award (11)                  Writ of Mandate (02)                  Writ—Administrative Mandamus                  Writ—Mandamus on Limited Court Case Matter                  Writ—Other Limited Court Case Review                  Other Judicial Review (39)                  Review of Health Officer Order                  Notice of Appeal—Labor Commissioner Appeals</p>	<p><b>Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)</b>                  Antitrust/Trade Regulation (03)                  Construction Defect (10)                  Claims Involving Mass Tort (40)                  Securities Litigation (28)                  Environmental/Toxic Tort (30)                  Insurance Coverage Claims <i>(arising from provisionally complex case type listed above)</i> (41)</p> <p><b>Enforcement of Judgment</b>                  Enforcement of Judgment (20)                  Abstract of Judgment (Out of County)                  Confession of Judgment <i>(non-domestic relations)</i>                  Sister State Judgment                  Administrative Agency Award <i>(not unpaid taxes)</i>                  Petition/Certification of Entry of Judgment on Unpaid Taxes                  Other Enforcement of Judgment Case</p> <p><b>Miscellaneous Civil Complaint</b>                  RICO (27)                  Other Complaint <i>(not specified above)</i> (42)                  Declaratory Relief Only                  Injunctive Relief Only <i>(non-harassment)</i>                  Mechanics Lien                  Other Commercial Complaint Case <i>(non-tort/non-complex)</i>                  Other Civil Complaint <i>(non-tort/non-complex)</i></p> <p><b>Miscellaneous Civil Petition</b>                  Partnership and Corporate Governance (21)                  Other Petition <i>(not specified above)</i> (43)                  Civil Harassment                  Workplace Violence                  Elder/Dependent Adult Abuse                  Election Contest                  Petition for Name Change                  Petition for Relief From Late Claim                  Other Civil Petition</p>
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10/13/201

**CIVIL CASE COVER SHEET ADDENDUM AND STATEMENT OF LOCATION  
(CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)**

**ORIGINAL**

This form is required pursuant to Local Rule 2.3 in all new civil case filings in the Los Angeles Superior Court.

**Step 1:** After completing the Civil Case Cover Sheet (Judicial Council form CM-010), find the exact case type in Column A that corresponds to the case type indicated in the Civil Case Cover Sheet.

**Step 2:** In Column B, check the box for the type of action that best describes the nature of the case.

**Step 3:** In Column C, circle the number which explains the reason for the court filing location you have chosen.

**Applicable Reasons for Choosing Court Filing Location (Column C)**

- 1. Class actions must be filed in the Stanley Mosk Courthouse, Central District.
- 2. Permissive filing in central district.
- 3. Location where cause of action arose.
- 4. Mandatory personal injury filing in North District.
- 5. Location where performance required or defendant resides.
- 6. Location of property or permanently garaged vehicle.
- 7. Location where petitioner resides.
- 8. Location wherein defendant/respondent functions wholly.
- 9. Location where one or more of the parties reside.
- 10. Location of Labor Commissioner Office.
- 11. Mandatory filing location (Hub Cases – unlawful detainer, limited non-collection, limited collection, or personal injury).

9102 Other Personal Injury/ Property Damage/ Wrongful Death Tort

<b>A</b> Civil Case Cover Sheet Category No.	<b>B</b> Type of Action (Check only one)	<b>C</b> Applicable Reasons - See Step 3 Above
Auto (22)	<input type="checkbox"/> A7100 Motor Vehicle - Personal Injury/Property Damage/Wrongful Death	1, 4, 11
Uninsured Motorist (46)	<input type="checkbox"/> A7110 Personal Injury/Property Damage/Wrongful Death – Uninsured Motorist	1, 4, 11
Asbestos (04)	<input type="checkbox"/> A6070 Asbestos Property Damage	1, 11
	<input type="checkbox"/> A7221 Asbestos - Personal Injury/Wrongful Death	1, 11
Product Liability (24)	<input type="checkbox"/> A7260 Product Liability (not asbestos or toxic/environmental)	1, 4, 11
Medical Malpractice (45)	<input type="checkbox"/> A7210 Medical Malpractice - Physicians & Surgeons	1, 4, 11
	<input type="checkbox"/> A7240 Other Professional Health Care Malpractice	1, 4, 11
Other Personal Injury Property Damage Wrongful Death (23)	<input type="checkbox"/> A7250 Premises Liability (e.g., slip and fall)	1, 4, 11
	<input type="checkbox"/> A7230 Intentional Bodily Injury/Property Damage/Wrongful Death (e.g., assault, vandalism, etc.)	1, 4, 11
	<input type="checkbox"/> A7270 Intentional Infliction of Emotional Distress	1, 4, 11
	<input type="checkbox"/> A7220 Other Personal Injury/Property Damage/Wrongful Death	1, 4, 11

SHORT TITLE: Virgin Galactic, LLC v. Firefly Systems, Inc. et al.

CASE NUMBER

Non-Personal Injury/ Property Damage/ Wrongful Death Tort

A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Business Tort (07)	<input type="checkbox"/> A6029 Other Commercial/Business Tort (not fraud/breach of contract)	1, 2, 3
Civil Rights (08)	<input type="checkbox"/> A6005 Civil Rights/Discrimination	1, 2, 3
Defamation (13)	<input type="checkbox"/> A6010 Defamation (slander/libel)	1, 2, 3
Fraud (16)	<input type="checkbox"/> A6013 Fraud (no contract)	1, 2, 3
Professional Negligence (25)	<input type="checkbox"/> A6017 Legal Malpractice	1, 2, 3
	<input type="checkbox"/> A6050 Other Professional Malpractice (not medical or legal)	1, 2, 3
Other (35)	<input checked="" type="checkbox"/> A6025 Other Non-Personal Injury/Property Damage tort	1, 2, 3

Employment

Wrongful Termination (36)	<input type="checkbox"/> A6037 Wrongful Termination	1, 2, 3
Other Employment (15)	<input type="checkbox"/> A6024 Other Employment Complaint Case	1, 2, 3
	<input type="checkbox"/> A6109 Labor Commissioner Appeals	10

Contract

Breach of Contract/ Warranty (06) (not insurance)	<input type="checkbox"/> A6004 Breach of Rental/Lease Contract (not unlawful detainer or wrongful eviction)	2, 5
	<input type="checkbox"/> A6008 Contract/Warranty Breach -Seller Plaintiff (no fraud/negligence)	2, 5
	<input type="checkbox"/> A6019 Negligent Breach of Contract/Warranty (no fraud)	1, 2, 5
	<input type="checkbox"/> A6028 Other Breach of Contract/Warranty (not fraud or negligence)	1, 2, 5
Collections (09)	<input type="checkbox"/> A6002 Collections Case-Seller Plaintiff	5, 6, 11
	<input type="checkbox"/> A6012 Other Promissory Note/Collections Case	5, 11
	<input type="checkbox"/> A6034 Collections Case-Purchased Debt (Charged Off Consumer Debt Purchased on or after January 1, 2014)	5, 6, 11
Insurance Coverage (18)	<input type="checkbox"/> A6015 Insurance Coverage (not complex)	1, 2, 5, 8
Other Contract (37)	<input type="checkbox"/> A6009 Contractual Fraud	1, 2, 3, 5
	<input type="checkbox"/> A6031 Tortious Interference	1, 2, 3, 5
	<input type="checkbox"/> A6027 Other Contract Dispute(not breach/insurance/fraud/negligence)	1, 2, 3, 8, 9

Real Property

Eminent Domain/Inverse Condemnation (14)	<input type="checkbox"/> A7300 Eminent Domain/Condemnation Number of parcels_____	2, 6
Wrongful Eviction (33)	<input type="checkbox"/> A6023 Wrongful Eviction Case	2, 6
Other Real Property (26)	<input type="checkbox"/> A6018 Mortgage Foreclosure	2, 6
	<input type="checkbox"/> A6032 Quiet Title	2, 6
	<input type="checkbox"/> A6060 Other Real Property (not eminent domain, landlord/tenant, foreclosure)	2, 6

Unlawful Detainer

Unlawful Detainer-Commercial (31)	<input type="checkbox"/> A6021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)	6, 11
Unlawful Detainer-Residential (32)	<input type="checkbox"/> A6020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	6, 11
Unlawful Detainer-Post-Foreclosure (34)	<input type="checkbox"/> A6020F Unlawful Detainer-Post-Foreclosure	2, 6, 11
Unlawful Detainer-Drugs (38)	<input type="checkbox"/> A6022 Unlawful Detainer-Drugs	2, 6, 11

SHORT TITLE: <b>Virgin Galactic, LLC v. Firefly Systems, Inc. et al.</b>	CASE NUMBER
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	<b>A</b> Civil Case Cover Sheet Category No.	<b>B</b> Type of Action (Check only one)	<b>C</b> Applicable Reasons - See Step 3 Above
<b>Judicial Review</b>	Asset Forfeiture (05)	<input type="checkbox"/> A6108 Asset Forfeiture Case	2, 3, 6
	Petition re Arbitration (11)	<input type="checkbox"/> A6115 Petition to Compel/Confirm/Vacate Arbitration	2, 5
	Writ of Mandate (02)	<input type="checkbox"/> A6151 Writ - Administrative Mandamus	2, 8
		<input type="checkbox"/> A6152 Writ - Mandamus on Limited Court Case Matter	2
		<input type="checkbox"/> A6153 Writ - Other Limited Court Case Review	2
Other Judicial Review (39)	<input type="checkbox"/> A6150 Other Writ /Judicial Review	2, 8	
<b>Provisionally Complex Litigation</b>	Antitrust/Trade Regulation (03)	<input type="checkbox"/> A6003 Antitrust/Trade Regulation	1, 2, 8
	Construction Defect (10)	<input type="checkbox"/> A6007 Construction Defect	1, 2, 3
	Claims Involving Mass Tort (40)	<input type="checkbox"/> A6006 Claims Involving Mass Tort	1, 2, 8
	Securities Litigation (28)	<input type="checkbox"/> A6035 Securities Litigation Case	1, 2, 8
	Toxic Tort Environmental (30)	<input type="checkbox"/> A6036 Toxic Tort/Environmental	1, 2, 3, 8
	Insurance Coverage Claims from Complex Case (41)	<input type="checkbox"/> A6014 Insurance Coverage/Subrogation (complex case only)	1, 2, 5, 8
<b>Enforcement of Judgment</b>	Enforcement of Judgment (20)	<input type="checkbox"/> A6141 Sister State Judgment	2, 5, 11
		<input type="checkbox"/> A6160 Abstract of Judgment	2, 6
		<input type="checkbox"/> A6107 Confession of Judgment (non-domestic relations)	2, 9
		<input type="checkbox"/> A6140 Administrative Agency Award (not unpaid taxes)	2, 8
		<input type="checkbox"/> A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax	2, 8
		<input type="checkbox"/> A6112 Other Enforcement of Judgment Case	2, 8, 9
<b>Miscellaneous Civil Complaints</b>	RICO (27)	<input type="checkbox"/> A6033 Racketeering (RICO) Case	1, 2, 8
	Other Complaints (Not Specified Above) (42)	<input type="checkbox"/> A6030 Declaratory Relief Only	1, 2, 8
		<input type="checkbox"/> A6040 Injunctive Relief Only (not domestic/harassment)	2, 8
		<input type="checkbox"/> A6011 Other Commercial Complaint Case (non-tort/non-complex)	1, 2, 8
<input type="checkbox"/> A6000 Other Civil Complaint (non-tort/non-complex)		1, 2, 8	
Partnership Corporation Governance (21)	<input type="checkbox"/> A6113 Partnership and Corporate Governance Case	2, 8	
<b>Miscellaneous Civil Petitions</b>	Other Petitions (Not Specified Above) (43)	<input type="checkbox"/> A6121 Civil Harassment	2, 3, 9
		<input type="checkbox"/> A6123 Workplace Harassment	2, 3, 9
		<input type="checkbox"/> A6124 Elder/Dependent Adult Abuse Case	2, 3, 9
		<input type="checkbox"/> A6190 Election Contest	2
		<input type="checkbox"/> A6110 Petition for Change of Name/Change of Gender	2, 7
		<input type="checkbox"/> A6170 Petition for Relief from Late Claim Law	2, 3, 8
		<input type="checkbox"/> A6100 Other Civil Petition	2, 9

910276 Miscellaneous Civil Petitions

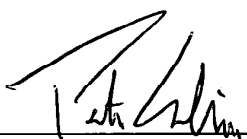
SHORT TITLE: Virgin Galactic, LLC v. Firefly Systems, Inc. et al.	CASE NUMBER
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**Step 4: Statement of Reason and Address:** Check the appropriate boxes for the numbers shown under Column C for the type of action that you have selected. Enter the address which is the basis for the filing location, including zip code. (No address required for class action cases).

<b>REASON:</b> <input checked="" type="checkbox"/> 1. <input checked="" type="checkbox"/> 2. <input checked="" type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/> 5. <input type="checkbox"/> 6. <input type="checkbox"/> 7. <input type="checkbox"/> 8. <input type="checkbox"/> 9. <input type="checkbox"/> 10. <input type="checkbox"/> 11.			<b>ADDRESS:</b> Virgin Galactic, LLC 4022 E. Conant Street Long Beach, CA 90806
<b>CITY:</b> Los Angeles	<b>STATE:</b> CA	<b>ZIP CODE:</b> 90012	

**Step 5: Certification of Assignment:** I certify that this case is properly filed in the Central District of the Superior Court of California, County of Los Angeles [Code Civ. Proc., §392 et seq., and Local Rule 2.3(a)(1)(E)].

Dated: 10/13/2016

  
 \_\_\_\_\_  
 (SIGNATURE OF ATTORNEY/FILING PARTY)

**PLEASE HAVE THE FOLLOWING ITEMS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:**

1. Original Complaint or Petition.
2. If filing a Complaint, a completed Summons form for issuance by the Clerk.
3. Civil Case Cover Sheet, Judicial Council form CM-010.
4. Civil Case Cover Sheet Addendum and Statement of Location form, LACIV 109, LASC Approved 03-04 (Rev. 02/16).
5. Payment in full of the filing fee, unless there is court order for waiver, partial or scheduled payments.
6. A signed order appointing the Guardian ad Litem, Judicial Council form CIV-010, if the plaintiff or petitioner is a minor under 18 years of age will be required by Court in order to issue a summons.
7. Additional copies of documents to be conformed by the Clerk. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.

10/13/2016