

Lateral Link Sues Its Former Recruiters





Summary: Two former legal recruiters at Lateral Link are being sued by their former employer for using the company's information to start their own recruiting agency.

Lateral Link, a legal recruiting boutique, is suing two of their former recruiters. The agency is alleging that the former employees stole client data in order to start their own rival agency. They filed their federal complaint last week in Los Angeles against Ryan Turley and Austin Wilson.

The claim against Turley and Wilson specifies that they made unauthorized copies of personal information from the recruiting agency's clients. This includes contact information, law school transcripts, resumes, and client lists.

NJ Attorney Charged with Fraud; Stole $$40,\!000$ from Law Firm

The two former recruiters originally met as corporate lawyers at Sidley Austin. They began working at Lateral Link in 2013 and then resigned this January. The agency believes the two sent themselves copies of "confidential and proprietary information and trade secrets" so that they could form their own agency.

The agency has also filed for a temporary restraining order against Turley and Wilson to stop them from using or destroying any of Lateral Link's data. The filing read: "The mere possession of this information by a third part who is no longer affiliated Lateral Link (such as former recruiters, i.e., defendants) is wrongful and potentially exposes plaintiff to claims by attorney candidates, and client law firms, that they company failed to protect the confidentiality of their data."

Woman Convicted of Stealing \$1.7 Million from Law Firm Faces New Charges

The defendants have shot back at the agency claiming they are being retaliated against because they protested their employment classification at Lateral Link. Their attorney Daniel Jett is calling the change in employee classification from their change in corporate structure that requires the recruiters to become members of a limited liability company "a tax evasion scheme."

The defendants started as regular employees but were asked to become "members" after the agency went through a restructuring phase. They hired a CPA to review the new structure and it was determined that the agency had taken "aggressive tax positions." They quit after receiving their commission and bonus checks.

The brother of Lateral Link's managing principal Michael Allen, solo practitioner Kevin Allen, is representing the agency.

Source: http://www.americanlawyer.com/id=1202750704031/Lateral-Link-Sues-Former-Recruiters-Over-Client-Data

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