2/29/2024 5:00 PM Steven D. Grierson CLERK OF THE COUR 1 Patrick G. Byrne, Esq. Nevada Bar No. 7636 2 Erik J. Foley, Esq. Nevada Bar No. 14195 3 SNELL & WILMER L.L.P. 3883 Howard Hughes Parkway, Suite 1100 CASE NO: A-24-888182-4 Las Vegas, Nevada 89169 Department 1 Telephone: 702.784.5200 5 Facsimile: 702.784.5252 Email: pbyrne@swlaw.com 6 efoley@swlaw.com 7 Attorneys for Plaintiff Wynn Las Vegas, LLC 8 **DISTRICT COURT** 9 **CLARK COUNTY, NEVADA** 10 WYNN LAS VEGAS, LLC, 11 Case No.: Plaintiff. 12 Dept. No.: VS. 13 **COMPLAINT** FONTAINEBLEAU LAS VEGAS II, LLC; 14 FONTAINEBLEAU DEVELOPMENT, LLC; **[EXEMPT FROM ARBITRATION –** BOWTIE HOSPITALITY LV LLC d/b/a INJUNCTIVE RELIEF REQUESTED 15 Fontainebleau Las Vegas; and ROE **DEFENDANTS 1-10** 3883 Howard 16 Defendants. 17 18 Plaintiff Wynn Las Vegas, LLC ("Plaintiff" or "WLV"), by and through its counsel, the law 19 firm of Snell & Wilmer L.L.P., complains against Fontainebleau Las Vegas II, LLC, Fontainebleau 20 Development, LLC, and Bowtie Hospitality LV LLC (collectively, "Fontainebleau") as follows: 21 Introduction 22 1. This litigation involves the repeated and outrageous attempts of Fontainebleau to 23 interfere with WLV's employment contracts. After a prior lawsuit between the parties—addressing 24 the same misconduct Fontainebleau repeats here—Fontainebleau entered into a settlement 25 agreement with WLV wherein Fontainebleau unequivocally agreed to refrain from soliciting WLV 26 employees. Fontainebleau then breached that agreement repeatedly. 27 2. Indeed, Fontainebleau's violations have been brazen, even going so far as to solicit 28 WLV employees while on WLV property as WLV's (albeit) paying guests. After breaches related 4893-5414-2889

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to those solicitations, WLV and Fontainebleau again reached an understanding, whereby Fontainebleau recommitted itself to the prior settlement agreement.

- 3. But Fontainebleau simply cannot stop interfering with WLV's employment contracts. Fontainebleau's conduct is demonstrative of an unhealthy obsession with everything Wynn, from its amenities to its employees. Once again, Fontainebleau attempted to induce a WLV contractually restricted employee into breaching his contract to work for Fontainebleau.
- 4. Hence, WLV had no choice but to file this suit to protect its interests from Fontainebleau's continued misconduct.

# **PARTIES**

- 5. Plaintiff Wynn Las Vegas, LLC is a Limited Liability Company formed under the laws of the State of Nevada and doing business in Clark County, Nevada.
- 6. On information and belief, Defendant Fontainebleau Las Vegas II, LLC is a Florida limited liability company, registered in the State of Nevada and doing business in Clark County, Nevada.
- 7. On information and belief, Defendant Fontainebleau Development, LLC is a Florida limited liability company, doing business in Clark County, Nevada.
- 8. Defendant Bowtie Hospitality LV LLC d/b/a Fontainebleau Las Vegas is a Limited Liability Company formed under the laws of the State of Nevada and doing business in Clark County, Nevada.
- 9. Defendant Roe Defendants 1-10 are entities that are affiliated and/or closely related to the three Fontainebleau defendants described above. These defendants maintain a web of corporations and limited liability companies, both in Nevada and Florida. Hence, Plaintiff cannot be sure which specific such entities have participated in the wrongful conduct described herein. On information and belief, the Fontainebleau defendants described above and these Roe Defendants have acted jointly or severally to, among other things, interfere with Plaintiff's contractual relationships with its employees. Upon learning the identity of these Roe Defendants, Plaintiff will seek leave of the Court, as needed, to expressly name such defendants herein.

# Snell & Wilmer LLP. LAW OFFICES 3883 Howard Hughes Parkway, Suite 1100 Las Vegas, Newada 89169 702.7845200

# JURISDICTION AND VENUE

- 10. This Court has subject matter jurisdiction over this action under Section 6, Article 6 of the Nevada Constitution and pursuant to NRS 3.220.
- 11. This Court has jurisdiction over all the parties pursuant to NRS 14.065, because the parties are either (1) domiciled in the State of Nevada or (2) "purposefully establishe[d] contacts with the forum state and affirmatively direct[ed] conduct toward the forum state, and . . . the cause of action arises from that purposeful contact with the forum or conduct targeting the forum." *See Trump v. Eighth Jud. Dist. Ct.*, 109 Nev. 687, 700, 857 P.2d 740, 748 (1993).
  - 12. Venue is proper in this judicial district pursuant to NRS 13.040.

# **GENERAL ALLEGATIONS**

# A. <u>WLV's Executive Employment Contracts</u>

- 13. WLV expends considerable resources to recruit, retain, and train executive-level employees. Accordingly, WLV protects its valuable investments into these executives with employment agreements, often with a multi-year employment term.
- 14. In exchange for these generous employment terms and consistent with practices in the gaming industry, WLV requires its executive-level employees to agree to a non-competition provision that precludes the employee, during their employment term, from accepting similar employment with a WLV competitor.
- 15. The executive employment agreements also include a non-solicitation provision that precludes employees, during their employment term, from soliciting other WLV employees to leave WLV to take employment with a WLV competitor.

# B. <u>Fontainebleau's Pattern of Interfering with WLV's Employment Contracts</u>

- 16. Since mid-2022, Fontainebleau has engaged in a pattern of soliciting WLV's executive employees while knowing that they (1) are under contract with WLV and (2) have non-competition agreements with WLV that would preclude them from working for Fontainebleau.
- 17. Fontainebleau encouraged multiple WLV executives to breach the term of their employment agreements and the non-competition provisions contained therein.
  - 18. To avoid a clear breach of contract, Fontainebleau would attempt to obscure the

breach of the non-competition provisions by claiming the employees would work in Fontainebleau's Miami, Florida location. But, on information and belief, this was a façade meant to hide the direct competition only temporarily until the non-competition provisions expired.

- 19. Fontainebleau has then used these former WLV executives to solicit other WLV employees while knowing that such solicitations would breach the former WLV executives' non-solicitation provisions.
- 20. Indeed, Fontainebleau's General Counsel, Mike Pappas, has been duplicitously involved in this interference. Specifically, Pappas negotiated directly with WLV's counsel after the first such instances of contractual interference, agreeing to cease the tortious conduct. Yet, as is the subject of the instant Complaint, Pappas was instrumental in Fontainebleau's latest interference.

# 1. Fontainebleau Solicits David Snyder and Uses Him to Solicit Multiple Others

- 21. In January 2021, David Snyder ("Snyder") entered into an employment agreement with WLV. Under Snyder's employment agreement, Snyder agreed to the non-competition provision described above. He also agreed not to solicit any of WLV's employees to leave employment with WLV. This non-solicitation covenant was to remain in effect for one year after termination of the employment relationship.
- 22. In June 2022, Snyder provided notice to WLV of his intent to unilaterally terminate his employment with WLV on July 8, 2022. Hence, the non-solicitation covenant in his employment agreement remained in effect through July 8, 2023. Snyder informed WLV's COO that he intended to engage in a similar function for Fontainebleau as he had for WLV. Fontainebleau had recruited and hired Snyder to help open its new resort on the Las Vegas Strip.
- 23. Fontainebleau solicited Snyder knowing that he was still under contract with WLV and subject to a non-competition agreement.
- 24. On July 9, 2022, WLV filed suit against Snyder and Fontainebleau in Department 3 of the Eighth Judicial District Court, State of Nevada (Case No. A-22-855182-C) (the "Prior Litigation"). On July 12, 2022, WLV filed an *Ex Parte* Application for Temporary Restraining Order, which the Court granted on the same day.

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- 25. On or about August 2022, as a result of the negotiations that followed, WLV, Snyder, and Fontainebleau entered into a Settlement Agreement and Mutual Release ("Settlement Agreement").
- 26. Under the Settlement Agreement, Snyder and Fontainebleau agreed, among other things, that they would "not directly solicit any WLV employees, including by any outside recruiting agents working on behalf of Defendants." This non-solicitation covenant was to remain in effect through July 8, 2023.

### 2. Fontainebleau Breaches the Settlement Agreement Almost Immediately

- 27. Shortly after the execution of the Settlement Agreement, a recruiting agency working on behalf of Fontainebleau solicited a WLV employee in violation of the Settlement Agreement.
- 28. Negotiations again followed, wherein WLV agreed not to file suit for breach of the Settlement Agreement in exchange for an extension of the non-solicitation provision from July 8, 2023, to August 7, 2023. In December 2022, WLV, Snyder, and Fontainebleau memorialized this amendment in the Amendment to Settlement Agreement and Mutual Release. (The Settlement Agreement as amended is hereinafter referred to as the "Amended Settlement Agreement.")

### 3. Fontainebleau Breaches the Amended Settlement Agreement

- 29. Upon information and belief, on or before April 6, 2023, Snyder, again acting on behalf of Fontainebleau, contacted WLV Dim Sum Executive Chef Sandy Shi to offer her employment at Fontainebleau. The salary Snyder offered was higher than Chef Shi's salary at the time.
- 30. Fontainebleau solicited Chef Shi, again knowing that she was still under contract with WLV and subject to a non-competition agreement.
- 31. Wynn Resorts' (the parent of WLV) CEO Craig Billings contacted Fontainebleau CEO Jeff Soffer to discuss this breach of the Amended Settlement Agreement. Mr. Soffer assured Mr. Billings that Snyder's solicitation of Ms. Shi was an inadvertent mistake that would be corrected. Mr. Soffer reaffirmed Fontainebleau's commitment to its obligations in the Amended Settlement Agreement.

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32. In reliance upon Mr. Soffer's promises, WLV opted to forego filing a new action.

### 4. Fontainebleau Breaches the Amended Settlement Agreement Again

- 33. On January 23, 2020, Brian Kenny ("Kenny") entered into a three-year employment agreement with WLV to act as WLV's Executive Sous Chef. Kenny's employment agreement included a non-solicitation agreement that runs through one year after termination of the employment. In January 2023, Kenny's employment at WLV terminated.
- 34. In May 2023, Kenny, on behalf of Fontainebleau, contacted WLV Executive Sous Chef Corey Francis to (1) persuade him to leave WLV and (2) to obtain contact information for other WLV employees for the same purpose.
- 35. Fontainebleau solicited Chef Francis again knowing that he was still under contract with WLV and subject to a non-competition agreement.

### *5*. Fontainebleau Breaches the Amended Settlement Agreement a Third Time

36. On or before June 1, 2023, Brett Mufson, President of Fontainebleau Development LLC, and David Grutman contacted WLV's Vice President of Nightlife Ryan Jones. Mr. Grutman offered Mr. Jones a position as Chief Executive Officer of his affiliated company, which would include overseeing all restaurants and nightlife venues to be operated by that company at Fontainebleau's Las Vegas resort. Exemplifying Fontainebleau's infatuation with Wynn, this offer occurred at a meeting on WLV property, at the Wynn Tower Suite Bar. Mr. Mufson was supportive of Mr. Grutman's offer and told Mr. Jones that he need not worry about his current contract with WLV.

## 6. Fontainebleau Breaches the Amended Settlement Agreement Two More Times

- 37. On August 9, 2019, Patrice Caillot ("Caillot") entered into a three-year employment agreement with WLV to act as WLV's Executive Pastry Chef. Caillot's employment agreement included a non-solicitation agreement that runs through one year after termination of the employment. Caillot resigned from his employment with WLV effective July 9, 2022.
- 38. In or about early fall 2022, Caillot contacted WLV Pastry Chef Vivian Lam and offered her an open door if she ever wanted to leave WLV, presumably to work for Fontainebleau.
  - 39. In May 2023, WLV Garde Manger Executive Chef Michael Verno gave his notice

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of resignation to WLV Vice President of Culinary Operations and Restaurant Development Christopher Lee. At the time of his resignation, Mr. Verno informed Mr. Lee that Snyder and Kenny had reached out to him and offered him the position of General Manager – Banquet Chef at Fontainebleau.

40. Fontainebleau solicited Mr. Verno knowing that he was still under contract with WLV and subject to a non-competition agreement.

### C. Fontainebleau Tries to Induce Yet Another WLV Employee to Breach His Contract

- 41. Effective January 1, 2022, Wayne Crane entered into an employment agreement with WLV. Under the agreement, Crane agreed to work as WLV's "Executive Director – Talent – Wynn Nightlife" for a term of three years beginning on January 1, 2022, and concluding on January 1, 2025. Consistent with WLV's employment practices, Crane's contract included both a noncompetition and a non-solicitation provision.
- 42. In January 2024, Michael Waltman ("Waltman"), the Senior Vice President of Nightlife at Fontainebleau, called Crane to encourage Crane to leave his employment at WLV and work for Fontainebleau. Waltman told Crane that Crane was "not appreciated over there" at WLV.
- 43. On information and belief, Waltman knew that Crane was subject to a noncompetition agreement and that accepting employment with Fontainebleau would breach that agreement.
- 44. Waltman offered Crane a tour of the Fontainebleau resort on the Las Vegas strip. In mid- to late-January, Crane accepted the offer for the tour. Waltman took Crane on a tour of the resort, including the club, hotel, and pool.
- 45. Crane informed Waltman that Crane still had nearly one year left on his contract with WLV. Nevertheless, Waltman asked Crane, "What would it take to bring you over [to Fontainebleau]?"
- 46. Fontainebleau solicited Crane knowing that he was still under contract with WLV and subject to a non-competition agreement.
- 47. Shortly thereafter, Crane received an email from Mike Pappas, General Counsel and Chief Administrative Officer for Fontainebleau Development. As Fontainebleau's chief legal

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counsel, who was directly involved in the prior settlement negotiations with WLV, Pappas was well-aware that Crane's contract with WLV would include both a non-competition and nonsolicitation provision.

- 48. The email from Pappas contained the draft of an employment agreement. On February 12, 2024, Crane executed the Fontainebleau employment agreement in direct violation of his WLV employment contract. It was contemplated that Crane would begin the new employment at the beginning of March 2024.
- 49. On February 13, 2024, Crane gave notice of his intent to terminate his employment at WLV. The same day, Crane met with Waltman and several others at Fontainebleau's Las Vegas resort.
- 50. WLV had only two options: (1) to allow Crane to leave, causing substantial harm to WLV's nightlife business, or (2) to mitigate damages by convincing Crane to stay at WLV for a substantial pay raise.
- 51. WLV was able to convince Crane to stay at WLV. However, to do so, WLV had to significantly increase Crane's salary – a direct result of Fontainebleau's tortious interference with Crane's employment agreement.

### D. WLV Is Entitled to Injunctive Relief

- 52. WLV is likely to succeed on the merits of its claims. Specifically, Fontainebleau has repeatedly engaged in tortious interference with WLV's contractual relations, including, most recently, by soliciting Crane to breach his WLV employment agreement while knowing that one year remained on that agreement and that he was subject to a non-competition provision.
- 53. WLV is likely to suffer irreparable harm from Fontainebleau's conduct, including in loss of employees, WLV's most valuable resource. Fontainebleau has shown that it will continue to solicit WLV employees, despite repeated agreements—both written and oral—to cease such activities.
- 54. WLV has a right to relief and will suffer immediate, severe, irreparable injury unless Fontainebleau is enjoined.
  - 55. The balance of hardship weighs in favor of WLV as, for example, refraining from

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tortious interference with contract is not a cognizable hardship.

- 56. Public policy weighs in favor of WLV, because public policy supports preventing tortious interference with contract.
- Thus, Fontainebleau should be prohibited and enjoined from interfering with 57. WLV's contractual relationships (e.g., employment agreements), including by soliciting third parties to break contractual agreements with WLV or to refrain from entering into prospective contractual agreements with WLV.

# **FIRST CAUSE OF ACTION**

# **Tortious Interference with Contractual Relations and with Prospective Contractual Relations – Against All Defendants**

- 58. Plaintiff incorporates herein by reference all preceding paragraphs as if fully set forth herein.
  - 59. Plaintiff has valid and existing contracts with its employees.
  - 60. Defendants have knowledge of these contractual relationships.
- 61. Defendants have engaged in intentional acts intended or designed to disrupt these contractual relationships, including, among other things, by soliciting Crane to terminate his employment relationship with WLV to work for WLV's competitor.
- 62. As a direct and proximate result of Defendants' misconduct, Plaintiff has suffered damages in excess of \$15,000, the specific amount to be proven at trial, plus interest, fees and costs.
- 63. If Defendants' continued misconduct is not enjoined, Plaintiff's damages will increase substantially, and Plaintiff will suffer irreparable harm.
- 64. In addition, Defendants' acts and omissions have been and are willful, wanton, intentional, and committed with malice or reckless indifference to Plaintiff's rights, entitling Plaintiff to damages in the form of compensatory damages and punitive damages to punish Defendants for their actions and to deter them, and others, from such actions in the future.
- 65. Plaintiff has been required to retain counsel to prosecute this claim and is entitled to an award of reasonable attorney's fees and costs.

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# PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief as follows:

- 1. For relief restraining and enjoining Defendants from interfering with WLV's contractual relationships (e.g., employment agreements), including by soliciting third parties to break contractual agreements with WLV or to refrain from entering into prospective contractual agreements with WLV.
  - 2. For judgment against Defendants for each cause of action contained herein;
- 3. For actual and compensatory damages in excess of \$15,000, the precise amount to be determined at trial;
  - 4. For punitive damages under applicable Nevada law;
  - 5. For pre- and post-judgment interest; and
  - 6. For reasonable attorney's fees and costs of suit.

Dated: February 29, 2024. SNELL & WILMER L.L.P.

By: /s/ Erik J. Foley

Patrick G. Byrne, Esq. Erik J. Foley, Esq.

3883 Howard Hughes Parkway, Suite 1100 Las Vegas, Nevada 89169

Attorneys for Plaintiff Wynn Las Vegas, LLC