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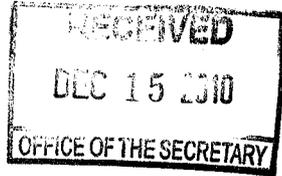
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December 8, 2010



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**BY HAND**

Securities and Exchange Commission  
Attn: Filing Desk  
100 F Street, N.E.  
Washington, D.C. 20549



Re: *Trust Company of the West v. DoubleLine Funds Trust et al.*, BC 450413 (Sup. Ct. of the State of California)

Dear Sir or Madam:

On behalf of DoubleLine Funds Trust and the Trustees of the Trust named as defendants in the above-captioned action, I enclose for filing a copy of the complaint filed in the above-captioned action. This filing is being made pursuant to Section 33 of the Investment Company Act of 1940, as amended.

Very truly yours,

Nathan D. Briggs

Enclosure



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SUPERIOR COURT OF CALIFORNIA  
COUNTY OF LOS ANGELES

DEC 01 2010

John A. Clarke, Executive Officer/Clerk  
BY Nancy Alvarez, Deputy

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 COUNTY OF LOS ANGELES

12 TRUST COMPANY OF THE WEST,  
a California Corporation,

13 Plaintiff,

14 vs.

15 DOUBLELINE FUNDS TRUST, a Delaware  
16 statutory trust; JOSEPH J. CIPRARI, an  
individual; JOHN C. SALTER, an individual;  
17 ROBERT J. UNTRACHT, an individual;  
RAYMOND B. WOOLSON, an individual;  
18 and DOE DEFENDANTS 1 THROUGH 10,

19 Defendants.

CASE NO.

BC450418

COMPLAINT FOR:

MISAPPROPRIATION OF TRADE  
SECRETS

BUS. & PROF. CODE § 17200

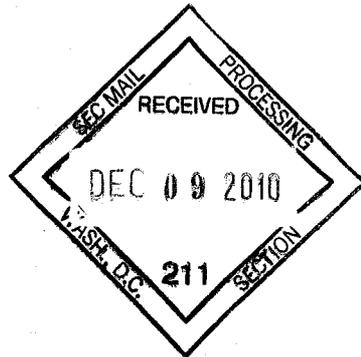
COMMON LAW UNFAIR  
COMPETITION

CONSPIRACY TO ACQUIRE AND USE  
GOOD WILL, TRADE SECRETS, AND  
OTHER CONFIDENTIAL,  
PROPRIETARY AND VALUABLE  
INFORMATION

AIDING AND ABETTING THE  
ACQUISITION AND USE OF GOOD  
WILL, TRADE SECRETS, AND OTHER  
CONFIDENTIAL, PROPRIETARY AND  
VALUABLE INFORMATION

UNJUST ENRICHMENT

VIOLATION OF PENAL CODE § 496



1 Plaintiff Trust Company of the West ("TCW"), with knowledge as to its own conduct and  
2 upon information and belief as to all others, complains against DoubleLine Funds Trust, Joseph J.  
3 Ciprari, John C. Salter, Robert J. Untracht, Raymond B. Woolson, and DOES 1 through 10 as  
4 follows:

5 **A. Background**

6 1. Jeffrey Gundlach was a director of TCW and its Chief Investment Officer until  
7 December 4, 2009. While still an officer, director and employee of TCW, Gundlach and other  
8 TCW employees, including Barbara VanEvery, Cris Santa Ana and Jeffrey Mayberry (collectively  
9 "Co-Conspirators") abandoned their duties of loyalty and faithful service to TCW and encouraged  
10 other employees to do likewise. Acting in concert, Co-Conspirators engaged in, among other  
11 unlawful, unfair and deceptive acts, wholesale theft of TCW confidential and proprietary data,  
12 including client and portfolio holdings data and confidential and proprietary client contact and  
13 related information for 24,000 TCW client contacts and prospects, by secretly downloading such  
14 data to external drives and "flash" drives. The total amount of stolen information, if printed out,  
15 would total approximately nine million pages, or 3,700 banker boxes of documents. In so doing,  
16 Co-Conspirators violated federal and state statutes, including but not limited to California Civil  
17 Code § 3426 (misappropriation of trade secrets), California Civil Code § 502 (Computer Access  
18 Data and Fraud Act), 18 U.S.C. § 1832 *et seq.* (misappropriation of trade secrets), 18 U.S.C. §  
19 1030 *et seq.* (Computer Fraud and Abuse Act) and Penal Code § 496 (receipt of stolen property).

20 2. Co-Conspirators are defendants in a civil action brought by TCW on January 7,  
21 2010, in the Superior Court for Los Angeles County, State of California, styled *Trust Company of*  
22 *the West v. Jeffrey Gundlach, et al.*, Case No. BC 429385 ("*TCW v. Gundlach*"). The complaint  
23 in *TCW v. Gundlach* sets forth in detail Co-Conspirators' wrongful and illegal conduct. The  
24 allegations in *TCW v. Gundlach* are incorporated by reference as if fully set forth herein.

25 3. To exploit the economic value of the confidential and proprietary information  
26 stolen by the Co-Conspirators, on January 11, 2010, Gundlach formed a trust, DoubleLine Funds  
27 Trust (the "Trust"). The purpose of the Trust was and is to market mutual funds and to generate  
28 fees and profits for Gundlach and the money management firm he had formed, DoubleLine

1 Capital LP ("DoubleLine"). The Trust has retained DoubleLine as its agent in the capacity of its  
2 Investment Adviser. The Trust and individual trustees identified below knew that Co-  
3 Conspirators had stolen confidential and proprietary information from TCW; knew that their  
4 agents would in fact use the stolen confidential and proprietary information in the management of  
5 the Trust's mutual funds; and knowingly joined and thereafter participated in the conspiracy to  
6 possess and use TCW confidential and proprietary information by marketing mutual funds in  
7 direct competition with identical or similar TCW mutual funds, with the unfair competitive  
8 advantage of using TCW's confidential and proprietary information. Without the Trust's active  
9 participation in the conspiracy, the Co-Conspirators could not fully exploit the value of the  
10 property they had stolen from TCW.

11 **B. Parties**

12 4. Plaintiff TCW was founded in 1971. TCW offers institutional and individual  
13 investors a wide array of investment strategies. TCW has over \$100 billion in assets under  
14 management. Its continued success is dependent on maintaining its clients' trust and confidence.  
15 Its principal place of business is in Los Angeles, California.

16 5. The Trust is a Delaware statutory trust, doing business in the County of Los  
17 Angeles, through four funds: DoubleLine Total Return Bond Fund, the DoubleLine Core Fixed  
18 Income Fund, the DoubleLine Emerging Markets Fixed Income Fund and DoubleLine Multi-  
19 Asset Growth Fund (collectively, the "Funds"). Gundlach created the Trust on or about January  
20 11, 2010 (within days of the filing of the complaint in *TCW v. Gundlach*). The Certificate of Trust  
21 shows Gundlach and a longtime associate and DoubleLine principal as the only Trustees at the  
22 time the Trust was created. Gundlach controlled the decisions and conduct of the other Trustee.  
23 On or about January 11, 2010, when the Trust was controlled exclusively by Gundlach, Gundlach  
24 designated DoubleLine as the agent and adviser of the Funds, with Gundlach and others he  
25 selected serving as portfolio managers of the Funds. Months later, Gundlach selected four other  
26 Trustees of the Trust, whom he knew he could influence and control, to be presented as candidates  
27 in a shareholder election. These candidates were defendants Joseph J. Ciprari, John C. Salter,  
28

1 Robert J. Untracht and Raymond B. Woolson (collectively, the "Trustees"). Each was  
2 subsequently elected as Trustee.

3 6. Defendant Joseph J. Ciprari ("Ciprari") is a Trustee of the Trust. Ciprari works and  
4 resides in the County of Los Angeles.

5 7. Defendant John C. Salter ("Salter") is a Trustee of the Trust. Salter works and  
6 resides in the County of Los Angeles.

7 8. Defendant Robert J. Untracht ("Untracht") is a Trustee of the Trust. Untracht  
8 works and resides in the County of Los Angeles.

9 9. Defendant Raymond B. Woolson ("Woolson") is a Trustee of the Trust. Woolson  
10 has performed his duties as a trustee to the Trust, in whole or in part, in the County of Los  
11 Angeles.

12 10. TCW is ignorant of the true names of DOES 1 through 10 and such names are  
13 fictitious. Once TCW learns of the true names of DOES 1 through 10, TCW will amend its  
14 complaint to include the real name of such party or names of such parties.

15 **C. The Trust Appoints DoubleLine as Its Investment Adviser, Designating**  
16 **DoubleLine as Its Agent in All Material Aspects Relating to Investment and**  
17 **Management Services.**

18 11. DoubleLine acted at all relevant times as the agent of the Trust. The operative  
19 instrument that defines the legal relationship between DoubleLine and the Trust states that  
20 DoubleLine is the agent of the Trust. Specifically, the Investment Advisory and Management  
21 Agreement by and between the Trust and DoubleLine (the "IAMA") provides: "The Adviser shall  
22 be indemnified by the Trust *as an agent of the Trust* in accordance with the terms of Section  
23 10.02(c) of the Declaration of Trust." IAMA ¶ 9 (emphasis added).

24 12. In addition to designating the Trust an agent of DoubleLine, the IAMA also  
25 enumerates the specific ways in which the Trust has the right to control and supervise  
26 DoubleLine's day-to-day conduct. Paragraph 1(c) of the IAMA provides that the Adviser's  
27 selection of employees and associates is subject to the Trust's supervision and control:  
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“The Adviser, *subject to the prior approval of the Trust’s Board of Trustees*, may from time to time employ or associate itself with such person or persons as the Adviser may believe to be particularly fitted to assist it in the performance of this Agreement . . . .”

(Emphasis added). Paragraph 2 of the IAMA provides that the Trust shall “direct[] and supervis[e]” the Adviser with respect to the following:

“(a) Manag[ing] the investment of each Fund’s assets including, by way of illustration, the evaluation of pertinent economic, statistical, financial and other data, the determination of the industries and companies to be represented in that Fund’s portfolio, the formulation and implementation of the Fund’s investment program, and the determination from time to time of the securities, cash and other investments, contracts, agreements or transactions (collectively “Securities”) to be purchased, retained, sold, entered into or terminated by the Fund;

“(b) Plac[ing] orders for the purchase or sale of securities for each Fund’s account with broker-dealers or other execution agents or counterparties selected by the Adviser;

“(c) Administer[ing] the day to day operations of each Fund;” and

“(d) Furnish[ing] to the Trust office space at such place as may be agreed upon from time to time, and all office facilities, business equipment, supplies, utilities and telephone services necessary for managing the affairs and investments and keeping those accounts and records of the Trust and the Funds that are not maintained by the Trust’s transfer agent, custodian, accounting or subaccounting agent, and arrange for officers or employees of the Adviser to serve, without compensation from the Trust, as officers, trustees or employees of the Trust, if desired and reasonably required by the Trust”.

1 On information and belief, the Trust and Trustees in fact exercised their right to control and  
2 supervise DoubleLine's conduct as provided by the IAMA.

3 13. In addition to classifying DoubleLine as an agent of the Trust, the IAMA provides  
4 that DoubleLine may also act as an independent contractor under certain circumstances. An agent  
5 may simultaneously act as an independent contractor and an agent. *See City of Los Angeles v.*  
6 *Meyers Brothers Parking System* (1975) 54 Cal.App.3d 135, 138 ("Agency and independent  
7 contractorship are not necessarily mutually exclusive legal categories as independent contractor  
8 and servant or employee are. . . . One who contracts to act on behalf of another and subject to the  
9 other's control, except with respect to his physical conduct, is both an agent and an independent  
10 contractor") (Internal citations omitted).

11 14. Moreover, pursuant to the IAMA, DoubleLine acts as the Trust's agent except in  
12 those limited circumstances which are not expressly provided or authorized by the IAMA. *See*  
13 *IAMA ¶ 10* ("The Adviser is an independent contractor and, *except as expressly provided or*  
14 *authorized in this Agreement*, shall have no authority to act for or represent the Trust") (emphasis  
15 added). DoubleLine can only act as an independent contractor with respect to conduct that is not  
16 encompassed by the IAMA. The IAMA stipulates that the Trust has the right to direct and  
17 supervise the day-to-day conduct of DoubleLine in every aspect that is material to DoubleLine's  
18 provision of investment and management services, including with respect to its "day to day  
19 operations of each Fund," its management of each Fund's assets, and its evaluation of economic,  
20 statistical, financial and other data (which TCW herein alleges DoubleLine and the Trust  
21 misappropriated from TCW). Thus, with respect to all material allegations in this Complaint,  
22 DoubleLine acted as an agent of the Trust.

23 15. Although TCW has alleged that Gundlach, as both a principal of DoubleLine and a  
24 Trustee of the Trust, sought to exert and exerted undue influence over the ostensibly independent  
25 Trustees, those allegations are not inconsistent with the allegations in this Complaint that  
26 DoubleLine acted as the Trust's agent. Federal law ensures that the Trust retains its right of  
27 control over the investment adviser by requiring that no less than three-fifths of the Board of  
28 Trustees of the Trust are required to be independent from its investment adviser. Furthermore, the

1 Trust has the right to remove DoubleLine through its power to terminate the relationship.  
2 Pursuant to the IAMA, the Trust may terminate its agency relationship with DoubleLine “at any  
3 time and without payment of any penalty . . . upon sixty days’ written notice to the Adviser.”  
4 IAMA ¶ 11. Accordingly, the Trust retained the power to terminate the relationship with minimal  
5 notice to DoubleLine.

6 **D. The Trust And “Independent” Trustees Confirm the Appointment Of**  
7 **DoubleLine As The Trust’s Investor Adviser, Retaining The Legal Right Of**  
8 **“Direction and Supervision” of DoubleLine.**

9 16. On or about March 5, 2010, the Trust filed a Declaration of Trust of DoubleLine  
10 Funds Trust (the “Declaration of Trust”) with the Security and Exchange Commission (“S.E.C.”).  
11 Section 3.01(c) of the Declaration of Trust provides:

12 Except for the Trustees named herein or appointed to fill vacancies  
13 pursuant to Section 3.04 of this Article III, the Trustees shall be  
14 elected by the Shareholders owning of record Shares representing a  
15 plurality of the votes cast by Shareholders present in person or by  
16 proxy at a meeting of Shareholders at which a quorum is present.  
17 Such a meeting shall be held on a date fixed by the Trustees. In the  
18 event that less than a majority of the Trustees holding office have been  
19 elected by Shareholders, the Trustees then in office will call a  
20 Shareholders’ meeting for the election of Trustees.

21 Section 3.02 of the Declaration of Trust further provides:

22 The initial Trustees shall be the persons named herein. On a date  
23 fixed by the Trustees, the Shareholders shall elect at least three but not  
24 more than twenty-five Trustees, as specified by the Trustees pursuant  
25 to Section 3.06 of this Article III.

26 The trustees named in the Declaration of Trust were Gundlach and a longtime associate of  
27 Gundlach. Gundlach and the longtime associate of Gundlach signed the Declaration of Trust as  
28 “being all of the initial Trustees of the Trust . . . .”

1           17.     On or about March 30, 2010, the Trust filed an Initial Capital Agreement with the  
2 S.E.C. The Initial Capital Agreement, which is addressed to the Board of Trustees and is dated  
3 March 22, 2010, states that “to provide the DoubleLine Funds Trust (the ‘Trust’) with initial  
4 capital to enable the public offering of each series of shares of beneficial interest of the Trust  
5 (each, a ‘Fund’), DoubleLine Capital LP (‘DoubleLine Capital’) is hereby purchasing from the  
6 Trust shares of beneficial interest in each Fund . . . .” DoubleLine’s March 22, 2010 purchase  
7 “from the Trust shares of beneficial interest in each Fund” resulted in the Trust having  
8 “Shareholders,” as defined in the Declaration of Trust, Section 1.02(g), capable of voting in an  
9 election of Trustees pursuant to Section 3.01(c).

10           18.     On information and belief, on or before March 25, 2010, the Shareholders of the  
11 Trust elected Ciprari, Salter, Untracht, and Woolson as Trustees pursuant Section 3.01(c) of the  
12 Declaration of Trust. On or about March 30, 2010, the Trust filed with the S.E.C. an Amended  
13 and Restated Declaration of Trust of DoubleLine Funds Trust entered into as of March 29, 2010,  
14 (the “Amended Declaration of Trust”). Ciprari, Salter, Untracht, Woolson, Gundlach, and a  
15 longtime associate of Gundlach signed the Amended Declaration of Trust as Trustees. On or  
16 about April 1, 2010, the Trust filed with the S.E.C. a Second Amended and Restated Declaration  
17 of Trust entered into as of April 1, 2010 (the “Second Amended Declaration of Trust”). Ciprari,  
18 Salter, Untracht, Woolson, Gundlach, and a longtime associate of Gundlach signed the Second  
19 Amended Declaration of Trust as Trustees.

20           19.     The Declaration of Trust, which was in effect until the Amended Declaration of  
21 Trust was entered into on March 29, 2010, provides in Section 4.04 that:

22                   The Trustees shall act by majority vote of a quorum at a meeting duly  
23                   called or by unanimous written consent without a meeting or by  
24                   telephone meeting provided a quorum of Trustees participate in any  
25                   such telephone meeting, unless the 1940 Act requires that a particular  
26                   action be taken only at a meeting at which the Trustees are present in  
27                   person. At any meeting of the Trustees, a majority of the Trustees  
28                   shall constitute a quorum.

1 On information and belief, on or about March 25, 2010, a quorum of the Trustees—including at  
2 least two of the following: Ciprari, Salter, Untracht, and Woolson—held a meeting of the  
3 Trustees pursuant to Section 4.04 and approved the Trust entering into the IAMA with  
4 DoubleLine. On or about March 25, 2010, the Trust did enter into the IAMA with DoubleLine.

5 20. Paragraph 11 of the IAMA provides:

6 The Trust (either by vote of its Board of Trustees or by vote of a  
7 ‘majority of the outstanding voting securities’ of each Fund) *may, at*  
8 *any time and without payment of any penalty, terminate this*  
9 *Agreement upon sixty days’ written notice to the Adviser.*

10 (Emphasis added). By letter dated April 22, 2010, counsel for TCW in *TCW v. Gundlach*,  
11 informed Ciprari, Salter, Untracht, and Woolson that

12 It is our belief that DoubleLine Funds is currently and improperly  
13 benefitting from the information that the defendants in *TCW v.*  
14 *Gundlach, et al.* misappropriated. Both entities are profiting from the  
15 same theft of TCW’s trade secrets, and benefitting from the same  
16 wrongdoing. . . . DoubleLine Funds is therefore also liable to TCW.

17 Although the IAMA permits the Trust to terminate DoubleLine “at any time and without payment  
18 of any penalty,” on information and belief, the Trust has not terminated the IAMA.

19 **E. The Trust And Trustees Offer Substantial Assistance And Engage In Active**  
20 **Participation With the Co-Conspirators To Exploit The Valuable And**  
21 **Confidential TCW Information, Data, Methods and Good Will That The Co-**  
22 **Conspirators Misappropriated From TCW.**

23 21. As alleged with greater particularity in the complaint in *TCW v. Gundlach*,  
24 beginning at least as early as September 2009, Co-Conspirators, while officers of TCW, conspired  
25 to steal and stole vast amounts of TCW’s source code, software, programs, spreadsheets, databases  
26 and other files that comprise TCW’s proprietary suite of loan analysis, pricing, data aggregation  
27 and reporting tools (the “Proprietary Systems”); a confidential and proprietary customer database  
28 containing decades of accumulated information about TCW’s more than 24,000 client and

1 prospective client contacts, including primary, secondary, and tertiary contact information,  
2 holdings and account information, net worth, tax identification numbers and custodial account  
3 information; original, hand-written documentation for each trade executed by TCW's Mortgage  
4 Backed Securities Group from 1989 through November 2009 (the "Trade Tickets"), which serve  
5 as documentation of a portfolio manager's track record, and allow the portfolio manager to rely on  
6 its prior performance in marketing itself to clients and prospects; client directives regarding  
7 investment preferences, prohibitions and limitations, and risk tolerance; hundreds of confidential  
8 client investment management agreements; daily and monthly holdings and security master data  
9 ("Holdings Data"), containing detailed holdings and analysis derived from TCW's Proprietary  
10 Systems, client accounting data, and positions for each client and portfolio in the Mortgage  
11 Backed Securities Group, and each individual security therein, from December 2004 through  
12 December 2009; and additional stores of TCW's and its clients' confidential, proprietary and/or  
13 trade secret data and information.

14 22. With the exception of publicly available loan information and other databases, the  
15 data and information Co-Conspirators stole from TCW comprised in the aggregate everything that  
16 Co-Conspirators would need to establish DoubleLine and the Trust—new business ventures that  
17 could offer to the investing public a series of mutual funds to compete with TCW's mutual funds.

18 23. Co-Conspirators conspired to and did covertly download, transfer, copy and use the  
19 foregoing confidential, proprietary and trade secret data and information, and conspired to and did  
20 conceal the thefts from TCW, for the purpose of establishing competing business ventures.

21 24. Co-Conspirators planned to use and did use TCW's data and information to  
22 establish competing ventures (which Co-Conspirators later formed as DoubleLine and the Trust)  
23 that would offer and market to the public mutual funds that were virtually identical to TCW's  
24 mutual funds in that they would consist of portfolios with investment objectives, policies and  
25 strategies that are substantially similar in all material respects to the portfolios comprising TCW's  
26 mutual funds. It was Co-Conspirators plan from the outset of the conspiracy to use the same  
27 analytical methods they had used at TCW in managing TCW's mutual funds (*i.e.*, TCW's  
28 Proprietary Systems and proprietary analysis) at the new competing ventures.

1           25.    As part of their conspiracy, Co-Conspirators conspired to and did steal TCW's  
2 good will, by among other things, using TCW's client database containing detailed, confidential  
3 information for more than 24,000 clients and prospects to take TCW's clients, and to assure  
4 TCW's clients and other prospective that it would be able to use the same analytical methods that  
5 TCW had used based on the same technology, systems, tools and databases used by TCW in  
6 establishing, marketing and administering its mutual funds.

7           26.    As a further part of their conspiracy, Co-Conspirators conspired to and did breach  
8 their fiduciary duty to TCW by recruiting substantially all of TCW's Mortgage Backed Securities  
9 group (as well as all of TCW's Fixed Income group), persuading TCW's employees to leave TCW  
10 en masse, with insufficient notice of their departure, with the intent to cripple TCW and  
11 immediately start a competing firm to issue a series of competing mutual funds virtually identical  
12 to TCW's funds.

13           27.    Each of the foregoing wrongful acts of the Co-Conspirators and DoubleLine were  
14 performed for the purpose of creating the Trust and offering the Trust's mutual funds to the  
15 investing public, and to compete with the funds offered by TCW.

16           28.    The Trust's formation in or around January 11, 2010, was in furtherance of the Co-  
17 Conspirators' and DoubleLine's scheme to misappropriate and convert TCW's proprietary and  
18 confidential information and trade secrets and good will for the purpose of creating, offering,  
19 marketing and administering the Trust's mutual funds.

20           29.    The formation of the Trust in or around January 11, 2010, and its ability to offer the  
21 mutual funds to the investing public in or around April 2010, would not have possible but for the  
22 Co-Conspirators' misappropriation and conversion of TCW's proprietary and confidential  
23 information and trade secrets and good will.

24           30.    From its inception in or around January 11, 2010, the Trust, originally controlled  
25 solely by Gundlach (and nominally by Gundlach's longtime associate and fellow Trustee), and  
26 later by Gundlach, his longtime associate and the four ostensibly "Independent" Trustees, used  
27 DoubleLine and its employees and agents to misappropriate and convert TCW's confidential and  
28 proprietary information, trade secrets and good will, by among other things, copying and using

1 TCW's Proprietary Systems, client database, Holdings Data, Trade Tickets and other data and  
2 information the Co-Conspirators stole from TCW; creating derivative source code, software,  
3 spreadsheets, databases, files, and data from the stolen data and information; using the stolen data  
4 and information to lure clients (including TCW's clients); touting DoubleLine's and the Trust's  
5 ability to obtain returns for investors using objectives, policies and strategies that are substantially  
6 similar in all material respects to the portfolios comprising TCW's mutual funds and by using the  
7 same analytical methods used by TCW.

8 31. Furthermore, the Trust actively participated in its agent DoubleLine's conversion,  
9 acquisition, use, and disclosure of TCW's confidential and proprietary information, trade secrets  
10 and good will, and ratified DoubleLine's conduct, by retaining DoubleLine as its investment  
11 adviser and agent, even after receiving constructive notice of DoubleLine's theft (on January 7,  
12 2010, when TCW filed its Complaint in *TCW v. Gundlach*) as well as actual notice (on April 22,  
13 2010, when TCW alerted the Independent Trustees of their potential liability for their active  
14 participation in Co-Conspirators' and DoubleLine's wrongdoing).

15 32. By conspiring to steal TCW's confidential and proprietary information, trade  
16 secrets, and good will, Co-Conspirators, DoubleLine and the Trust conspired to and did obtain a  
17 "head start" that a newly formed investment adviser and funds trust competing by legitimate  
18 means would not have. This head start has allowed Co-Conspirators, DoubleLine and the Trust to  
19 immediately compete for billions of dollars of assets under management, whereas if Co-  
20 Conspirators, DoubleLine, and the Trust had conducted themselves lawfully, they would not have  
21 been in a position to compete with TCW and its funds for many months, if not years.

22 **FIRST CLAIM FOR RELIEF**

23 **Misappropriation of Trade Secrets**

24 **(Against the Trust, Ciprari, Salter, Untracht and Woolson)**

25 33. TCW hereby realleges as if set forth fully herein, the allegations in paragraphs 1  
26 through 32.

27 34. As set forth above, Gundlach and the other Co-Conspirators formed DoubleLine  
28 for the specific purpose of exploiting the confidential and proprietary information they had stolen

1 from TCW. To accomplish his objective, Gundlach and the other Co-Conspirators next created  
2 the Trust. The creation of the Trust and its Funds was a key element and goal of the conspiracy  
3 from its inception. It was also their intention from the inception that the Funds the Trust would  
4 offer would unfairly compete directly with identical or nearly identical funds offered by TCW.

5 35. Gundlach formed the Trust on January 11, 2010, four days after the filing of the  
6 complaint in *TCW v. Gundlach*. At the time Gundlach formed the Trust, the only Trustees were  
7 Gundlach and a longtime associate and Gundlach controlled the longtime associate's conduct as  
8 Trustee. As the founding Trustee, with life tenure, Gundlach exercised and exercises broad  
9 powers over the Trust, including (as recited in the Declaration of the Trust) exercising (along with  
10 the other Trustees) "exclusive and absolute control over the Trust property and over the business  
11 of the Trust," with "full authority and power to make any and all investments which [Gundlach  
12 and his hand-picked Trustees], in their sole discretion, shall deem proper" and the power to select  
13 the officers of the Trust.

14 36. From the creation of the Trust until the election of additional Trustees, Gundlach,  
15 founding Trustee, controlled it. In or about April 2010, Gundlach caused a shareholder election to  
16 occur, the purpose of which was to elect four "independent" Trustees, because of the legal  
17 requirement that a majority of the Trust's trustees be independent of the investment adviser. The  
18 Trustees were selected by Gundlach because they were friendly and could be controlled by him,  
19 and he does in fact control their decisions as trustees. Because of the control Gundlach exercises  
20 over it, the Trust is a mere instrumentality of Gundlach and the other Co-Conspirators who created  
21 it.

22 37. On or about January 11, 2010, at the time the Trust was controlled exclusively by  
23 Gundlach, Gundlach designated DoubleLine as the investment adviser for the Funds to be offered  
24 by the Trust. As such, DoubleLine and Gundlach were designated to act and have acted as agents  
25 of the Trust. At that time, the Trust knew and intended that DoubleLine would use the  
26 misappropriated TCW confidential and trade secret information for the benefit of the Trust.

27 38. After their election as Trustees, the Trustees confirmed the Trust retaining  
28 DoubleLine as its Investment Adviser, with knowledge that the Trust was created by the Co-

1 Conspirators for the express purpose of exploiting the intellectual property and good will  
2 originally misappropriated by the Co-Conspirators.

3 39. As the Trust's agent, DoubleLine manages the Trust's Funds. In so doing,  
4 DoubleLine is using misappropriated confidential and trade secret information for the benefit of its  
5 principal, the Trust.

6 40. The Trust and each of its Trustees knew and intended that the Trust's adviser,  
7 DoubleLine, would illicitly use TCW confidential and proprietary information in order to obtain  
8 superior investment returns. For example, on or about March 5, 2010, the Trust filed its  
9 registration statement on Form N-1/A with the S.E.C., which included the disclosure that the  
10 Funds' Adviser—DoubleLine—intended "to use the same analytical methods" as the Co-  
11 Conspirators had used when at TCW. The "analytical methods" at TCW were, and are, the  
12 proprietary and confidential information of TCW, which the Co-Conspirators had surreptitiously  
13 downloaded onto electronic storage devices and stolen. In publicly disclosing that its managers  
14 would use TCW analytical methods, the Trust acknowledged the use of TCW proprietary  
15 information in the management of the funds.

16 41. In addition, the Trust and each of its Trustees received explicit notice that their  
17 retained advisers and agents have in their possession, custody and control, and were using, devices  
18 and documents containing TCW confidential and proprietary information. By letter dated April  
19 22, 2010, TCW informed the Trustees of the Trust that TCW had discovered incontrovertible  
20 forensic evidence that DoubleLine, Gundlach and the other Co-Conspirators misappropriated the  
21 equivalent of nine *million* pages of proprietary and confidential information from TCW. After  
22 such notice, the Trust continued to use the services of DoubleLine and Gundlach. They have  
23 therefore ratified and adopted their wrongful conduct.

24 42. As a result of the foregoing, the Trust itself and the Trustees have directly acquired,  
25 used and are using TCW's confidential and trade secret information. With the knowledge and  
26 agreement of each of the Trustees, Gundlach and others at DoubleLine are using TCW's trade  
27 secret information in advising and managing the Funds. Because of DoubleLine's and Gundlach's  
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1 acquisition and use of TCW's trade secrets on behalf of their principal, the Trust and the Trustees  
2 acquired and are using, and therefore have misappropriated, TCW's trade secrets.

3 43. TCW's remedy at law is not by itself sufficient to compensate TCW for all the  
4 irreparable injuries inflicted and threatened by the Trust and the Trustees, including but not limited  
5 to, loss of confidential and trade secret information and business opportunities. In particular, due  
6 to the Co-Conspirators' theft of TCW's confidential and trade secret information, the Trust and the  
7 Funds obtained an unfair and illegal "head start" of at least six months in the establishment of its  
8 business and ought to be enjoined from operating for a commensurate period of time.

9 44. The Court should find that the Trust and the Trustees have threatened to  
10 misappropriate and have actually misappropriated TCW's confidential and trade secret  
11 information and should award TCW damages as well as injunctive relief (including but not limited  
12 to a temporary restraining order, preliminary injunction and permanent injunction) and other relief  
13 consistent with the prayer for relief below.

14 45. In threatening to and actually misappropriating TCW's trade secrets, the Trust and  
15 the Trustees are guilty of oppression, fraud and malice. Such conduct constituted despicable  
16 conduct carried on by the Trust and the Trustees with a willful and conscious disregard for the  
17 rights of TCW. TCW is entitled to an award, in addition to compensatory damages, of punitive  
18 damages sufficiently large, taking into account the Trust's and the Trustees' substantial wealth, to  
19 punish the Trust and the Trustees and to discourage such conduct in the future.

20 **SECOND CLAIM FOR RELIEF**

21 *Bus. & Prof. Code § 17200*

22 **(Against the Trust, Ciprari, Salter, Untracht and Woolson)**

23 46. TCW hereby realleges as if set forth fully herein, the allegations in paragraphs 1  
24 through 45.

25 47. The acts of the Trust and its Trustees, Ciprari, Salter, Untracht and Woolson as  
26 herein alleged constitute unlawful, unfair and deceptive business practices in violation of  
27 California Business & Professions Code § 17200 *et seq.*, based upon, but not limited to, the  
28 Trust's violation of California Civil Code § 3426 (misappropriation of trade secrets) in that the

1 Trust is using misappropriated trade secret information and in violation of California Penal Code §  
2 496.

3 48. The Trust has also competed unfairly with TCW by exploiting, through its agent  
4 DoubleLine, the benefits derived from the breaches of fiduciary duty, interference with existing  
5 contracts and prospective economic advantage and conversion of TCW's good will and other  
6 valuable, confidential, proprietary tangible and intangible assets, by the Co-Conspirators.

7 49. In breach of their fiduciary duty, Co-Conspirators planned to launch DoubleLine  
8 and trigger an en masse departure of virtually the entire Mortgage Backed Securities group at  
9 TCW to join DoubleLine. While employed by TCW, from September 3, 2009 (or earlier) through  
10 December 4, 2009, they secretly planned to create a new company, first called Able Grape, then  
11 DoubleLine, for the precise purpose of unfairly competing with TCW. They established  
12 DoubleLine to exploit the benefits derived from their breaches of fiduciary duty, interference with  
13 existing contracts and prospective economic advantage and conversion of TCW's good will and  
14 other valuable, confidential, proprietary tangible and intangible assets. An integral part of their  
15 efforts to exploit such benefits included the creation of the Trust to market a group of fixed  
16 income Funds identical to the funds managed by TCW. The Trust's Funds would be managed by  
17 its agent, DoubleLine.

18 50. The intangible assets that the Co-Conspirators conspired to exploit at DoubleLine  
19 and at the Trust through the Funds include, without limitation, the value developed over more than  
20 two decades and at great expense associated with recruiting, training and developing the  
21 teamwork, collaboration and track record of more than 50 professional members of the TCW fixed  
22 income asset management team (including portfolio managers, traders, analysts and computer  
23 programmers), their collective relationships with institutional clients and consultants that advise  
24 public and private pension funds, employee benefit plans, endowment funds, foundations, labor  
25 unions, sovereign wealth funds, hospitals and other health care organizations and institutional  
26 investors. The combination of the intellectual talent of the TCW fixed income asset management  
27 team, their relations with each other, their relations with investors and consultants and their track  
28 record for delivering consistent results under different and varying market conditions results in

1 TCW's continued expectation of patronage, is the property of TCW and is "good will" within the  
2 meaning of California Business & Professions Code § 14100 *et seq.*

3 51. But for the breach of fiduciary duty by the Co-Conspirators, neither DoubleLine  
4 nor the Trust nor the Funds, as they are presently constituted, would exist.

5 52. The acts of the Trust and its Trustees have caused TCW to suffer injury in fact and  
6 to lose money or property it spent in an attempt to replace the good will that it lost due to  
7 Gundlach's breach of his fiduciary duty. TCW has also suffered injury in fact and loss of money  
8 or property as a result of the Trust's and Trustees' unfair competition due to its continuing efforts  
9 to replace the good will and to counter the Trust's unfair competition.

10 53. The acts of the Trust, as herein alleged, are unlawful because they violate federal  
11 and state statutes, including but not limited to California Civil Code § 3426 (misappropriation of  
12 trade secrets), California Penal Code § 502 (Computer Access Data and Fraud Act), California  
13 Penal Code § 496 (Receiving Stolen Property), 18 U.S.C. § 1832 *et seq.* (misappropriation of trade  
14 secrets) and 18 U.S.C. § 1030 *et seq.* (Computer Fraud and Abuse Act).

15 54. The acts of the Trust, as herein alleged, are unfair because they violate the policy  
16 and spirit of the antitrust laws, which promote free and fair competition and condemn the sort of  
17 direct and unfair competition engaged in by the Trust and Trustees.

18 55. The acts of the Trust, as herein alleged, are deceptive because the Trust and its  
19 agent, DoubleLine, have presented those acts as vigorous and fair competition on the merits, when  
20 in fact they are both illegal and unfair. The Trust and its agent DoubleLine have disparaged TCW  
21 for being unwilling to compete fairly on the merits, when the truth of the matter is exactly the  
22 opposite. The Trust wants to play with a stacked deck by converting, receiving and using TCW's  
23 trade secrets and good will instead of through the fruit of its own investment and labor. The Trust  
24 has misled actual and potential investors in its Funds into believing its management of the funds is  
25 proper and lawful when it is not.

26 56. The unlawful, unfair and deceptive business practices of the Trust described above  
27 presents a continuing threat to TCW's business and intellectual property portfolio.

28



1 contracts and prospective economic advantage and conversion of TCW's good will and other  
2 valuable, confidential, proprietary tangible and intangible assets, by the Co-Conspirators.

3 65. The Trust's direct and unfair competition has deprived TCW of business, revenues  
4 and profits it otherwise would have obtained and has caused it to lose customers to the Mutual  
5 Funds managed by the Trust that it otherwise would have retained.

6 66. The Court should award TCW damages it has suffered from the Trust's unfair  
7 competition, consistent with the prayer for relief below.

8 67. TCW has been irreparably injured by the Trust's unlawful, unfair and deceptive  
9 conduct as alleged herein, and will continue to be damaged until the unfair competition by the  
10 Trust is enjoined.

#### 11 **FOURTH CLAIM FOR RELIEF**

#### 12 **Conspiracy to Steal, Convert and Use Good Will and to Steal, Convert and Use Trade 13 Secrets, and Other Confidential, Proprietary and Valuable Information**

14 **(Against the Trust, Ciprari, Salter, Untracht and Woolson)**

15 68. TCW hereby realleges as if set forth fully herein, the allegations in paragraphs 1  
16 through 67.

17 69. As set forth above, the Co-Conspirators conspired to steal TCW's trade secrets in  
18 order to use such information in competition against TCW.

19 70. The Co-Conspirators agreed that they would establish DoubleLine to exploit the  
20 good will, trade secrets, and other confidential, proprietary and valuable information they had  
21 stolen from TCW. An integral part of this conspiracy was the later creation of the Trust to market  
22 a group of fixed income mutual funds identical to the funds managed by TCW for the purpose of  
23 exploiting and benefiting from the stolen TCW property and information.

24 71. After the Co-Conspirators misappropriated TCW's good will, trade secrets and  
25 non-trade secret confidential and proprietary information and methods, the Trust and its Trustees,  
26 including Ciprari, Salter, Untracht and Woolson, joined the conspiracy. The Trust and the  
27 Trustees had knowledge of the illegal actions of their Co-Conspirators because, for among other  
28 reasons, at least one of the Trustees, Gundlach, participated in the theft of the trade secrets.

1 Gundlach created the Trust with the purpose of exploiting the stolen trade secrets and used his  
2 position as Trustee to designate DoubleLine as the investment adviser of the Trust. As a direct  
3 result of Gundlach's influence and control over DoubleLine, the Trust and the Trustees, the Trust  
4 and each of the Trustees have actual knowledge of the illegal actions taken to acquire trade secrets  
5 and the opportunities and good will and joined the conspiracy to acquire and use trade secrets and  
6 the opportunities and good will of TCW.

7 72. As a result of the foregoing, the Trustees have also joined in the conspiracy and  
8 have provided assistance and encouragement to the other Co-Conspirators in their ongoing illegal  
9 conduct.

10 73. The original conspiracy, which the Trust, Ciprari, Salter, Untracht and Woolson  
11 joined, not only involved the misappropriation of trade secrets, but also the theft of TCW's good  
12 will and non-trade secret confidential and proprietary or otherwise valuable TCW information, for  
13 use at DoubleLine and the Trust. The Trust and each of the Trustees also joined in this aspect of  
14 the conspiracy.

15 74. Co-Conspirators joining an ongoing conspiracy are liable for all actions taken as  
16 part of the conspiracy, including actions pre-dating their joining the conspiracy. Accordingly, the  
17 Trust and the said Trustees are liable for the illegal acquisition of trade secrets and for all damages  
18 caused by their co-conspirators' conduct.

19 75. In addition to damages, TCW is entitled to injunctive relief (including but not  
20 limited to a temporary restraining order, preliminary injunction and permanent injunction).

21 76. In joining the conspiracy to misappropriate TCW's trade secrets, the Trust and its  
22 Trustees Ciprari, Salter, Untracht and Woolson are guilty of oppression, fraud and malice. Such  
23 conduct constituted despicable conduct carried on by the Trust and its Trustees Ciprari, Salter,  
24 Untracht and Woolson with a willful and conscious disregard for the rights of TCW. TCW is  
25 entitled to an award, in addition to compensatory damages, of punitive damages sufficiently large  
26 to punish the Trust and its Trustees Ciprari, Salter, Untracht and Woolson and to discourage such  
27 conduct in the future.

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1 **FIFTH CLAIM FOR RELIEF**

2 **Aiding and Abetting the Theft and Use of Good Will, the Theft and Use Trade Secrets,**  
3 **and Other Confidential, Proprietary and Valuable Information and the Violation of**  
4 **Business & Professions Code Section 17200**

5 **(Against the Trust, Ciprari, Salter, Untracht and Woolson)**

6 77. TCW hereby realleges as if set forth fully herein, the allegations in paragraphs 1  
7 through 76.

8 78. As set forth above, the Co-Conspirators conspired to steal TCW's trade secrets, to  
9 breach their fiduciary duties to TCW by converting TCW's opportunities and good will for their  
10 benefit and to violate Business & Professions Code § 17200 to compete unfairly against TCW.

11 79. The Co-Conspirators agreed that they would establish DoubleLine to exploit the  
12 good will, trade secrets, and other confidential, proprietary and valuable information they had  
13 stolen from TCW. An integral part of the Co-Conspirators' illegal conduct was the later creation  
14 of the Trust to market a group of fixed income mutual funds identical to the funds managed by  
15 TCW for the purpose of exploiting and benefiting from the stolen TCW property and information.

16 80. After the Co-Conspirators misappropriated TCW's opportunities, good will, trade  
17 secrets and non-trade secret confidential and proprietary information and methods, the Trust and  
18 its Trustees, including Ciprari, Salter, Untracht and Woolson, aided and abetted the Co-  
19 Conspirators with knowledge of the Co-Conspirators unlawful purpose. The Trust and the  
20 Trustees had knowledge of the illegal actions of the Co-Conspirators because, for among other  
21 reasons, at least one of the Trustees, Gundlach, participated in the theft of the trade secrets.  
22 Gundlach created the Trust with the purpose of exploiting the stolen trade secrets and used his  
23 position as Trustee to designate DoubleLine as the investment adviser of the Trust. As a direct  
24 result of Gundlach's influence and control over DoubleLine, the Trust and the Trustees, the Trust  
25 and the Defendant Trustees have actual knowledge of the illegal actions taken to acquire trade  
26 secrets and aided and abetted the Co-Conspirators with the purpose of encouraging or facilitating  
27 the Co-Conspirators illegal conduct.

28 81. As a result of the foregoing, the Defendant Trustees gave substantial assistance and  
encouragement to the Co-Conspirators in their ongoing illegal conduct.





1 93. As set forth above, TCW trade secrets and other valuable and confidential data and  
2 methods were stolen from TCW by the Co-Conspirators.

3 94. Defendants received, concealed or withheld the stolen property or aided in  
4 receiving, concealing or withholding the stolen property from TCW.

5 95. Defendants knew the trade secrets and other valuable and confidential data and  
6 methods were stolen from TCW by the Co-Conspirators.

7 96. As a result of the foregoing, TCW has been damaged and TCW is entitled to  
8 recover three times the amount of its actual damages, in addition to reasonable attorneys' fees.

9 **Prayer for Relief**

10 BASED ON THE FOREGOING, TCW requests the following relief:

- 11 1. Judgment in favor of TCW and against the Trust, Ciprari, Salter, Untracht and  
12 Woolson for TCW's First through Fifth and Seventh Claims for Relief asserted in its Complaint;
- 13 2. Judgment in favor of TCW and against the Trust for TCW's Sixth Claim for Relief  
14 asserted in its Complaint
- 15 3. On the First through Seventh Claims, that the Court grant TCW an award of lost  
16 profits, the Trust's ill-gotten gains or profits, disgorgement, restitution and/or damages in an  
17 amount according to proof at trial; and for an order declaring a constructive trust that the Trust  
18 holds its interest in the returns from the Funds in trust for TCW, injunctive relief and punitive  
19 damages;
- 20 4. That the Court enjoin the Trust from operating for a period of time equal to the  
21 illegal "head start" it obtained through Defendants' illegal conduct of not less than six months;
- 22 5. That the Court award damages against Defendants according to proof;
- 23 6. On the Seventh Cause of Action, that the Court award TCW three times the amount  
24 of actual damages;
- 25 7. That the Court grant TCW pre-judgment interest on all such damages, monetary or  
26 otherwise;
- 27 8. That the Court grant TCW an award for reasonable attorneys' fees and costs of suit  
28 incurred herein;

1           9.     That the Court order the Trust, Ciprari, Salter, Untracht and Woolson and the DOE  
2 Defendants to pay TCW punitive damages according to proof in an amount sufficient to deter each  
3 Defendant from engaging in similar conduct against TCW or others and to deter Defendants and  
4 each of them from engaging in similar malicious, offensive and fraudulent conduct against others  
5 in the future;

6           10.    That the Court grant TCW such equitable relief as is requested above, including but  
7 not limited to a writ of seizure and permanent injunctive relief; and

8           11.    That the Court award TCW such other and further relief as the Court deems just  
9 and proper.

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DATED: December 1, 2010

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