

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

CORMEUM LAB SERVICES, LLC

VERSUS

**COASTAL LABORATORIES, INC.,
AMSONSITE, INC. and PATRICK
BRITTON-HARR**

CIVIL ACTION NO. 20-2196

JUDGE MORGAN

MAGISTRATE JUDGE CURRAULT

JURY TRIAL DEMANDED

FIRST AMENDED COMPLAINT

Pursuant to Federal Rule of Civil Procedure 15(a)(1), Plaintiff Cormeum Lab Services, LLC files this First Amended Complaint and alleges the following:

PARTIES

1. Plaintiff herein is Cormeum Lab Services, LLC (“Cormeum”), a Limited Liability Company with all members thereof being citizens of Florida and South Carolina.

2. Defendants herein are:

- (a) Coastal Laboratories, Inc. (“Coastal”), a Delaware corporation with, on information and belief, its principal place of business in Maryland,
- (b) AMSONsite, Inc. (“AMSONsite”), a Delaware corporation with, on information and belief, its principal place of business in Maryland,
- (c) Patrick Britton-Harr (“Britton-Harr”), an individual of the full age of majority who, on information and belief, is domiciled in and a citizen of Maryland; and
- (d) Britton-Harr Enterprises, Inc. (“BHE”), a Delaware corporation with, on information and belief, its principal place of business in Maryland.

JURISDICTION AND VENUE

3. Subject matter jurisdiction is invoked pursuant to 28 U.S.C. § 1332 because this dispute is between citizens of different states and the amount in controversy is in excess of \$75,000.00 exclusive of interest and costs.

4. This Court has personal jurisdiction over all Defendants because the contractual relationship between Defendant Coastal and Plaintiff that is the subject of this lawsuit arises out of contacts that the Defendants themselves created with the forum state of Louisiana, and this dispute arises directly from those contacts. Further, in Section 12.1 of its contract with Cormeum (Ex. A), Coastal expressly consented to personal jurisdiction in this Court, and Coastal's personal jurisdiction through its contractual relationship with Plaintiff is imputed to Defendants Britton-Harr, BHE and AMSONsite as Coastal's principal and affiliated companies/single business enterprises, respectively. Moreover, the contractual arraignment between the parties called for performance in the State of Louisiana, and the Defendants purposefully availed themselves of the benefits of doing business in the State of Louisiana by contracting to have lab samples and payments sent to the State of Louisiana, where performance under the contracts at issue in this case was rendered. Defendant Britton-Harr, the Executive Director and CEO of Coastal, BHE and AMSONsite, physically traveled to Kenner, Louisiana to meet with Cormeum to negotiate the agreements that are the subject of this proceeding, and originally solicited Cormeum in Louisiana to enter into those agreements. Defendants Britton-Harr, BHE and Coastal further directed their tortious conduct towards Cormeum in Louisiana with knowledge that the damages resulting from their tortious conduct would be felt inside the state of Louisiana by Louisiana citizens.

5. Venue is proper in this judicial district because a substantial part of the events or omissions giving rise to the claims brought in this action occurred in this district. Venue is further proper in this judicial district because Section 12.1 of the Laboratory Services Agreement at issue

in this proceeding (discussed in detail below) provides that “[v]enue for any litigation filed with respect to this Agreement or any Order (or the Work performed thereunder) shall be exclusive in the courts, state or federal, sitting in Orleans Parish, Louisiana. Each party consents to the personal jurisdiction of the state and federal courts of such parish and waives any objection that such courts are an inconvenient forum.” *See* Ex. A at Section 12.1 (emphasis added).

BACKGROUND

A. Breaches of the Laboratory Services Agreement and Letter Agreement

6. The Defendants contacted Cormeum, which was and has always been located in the State of Louisiana, to solicit Cormeum’s services for the facilitation, processing and testing of COVID-19 patient samples procured from providers associated with clients or customers of Defendants and/or their affiliates.

7. On April 7, 2020, Defendant Coastal entered into a Laboratory Services Agreement (attached as Ex. A) for Cormeum to provide these services to Defendants on open account.

8. After the Laboratory Services Agreement was entered into, Coastal, AMSONsite and Britton-Harr began performance on Coastal’s end, which involved (1) having samples shipped to Cormeum’s facility in Marrero, Louisiana for testing and (2) sending payments to Cormeum in Louisiana. Cormeum, in turn, began rendering COVID testing services to Coastal from its Marrero, Louisiana facility on open account, and invoiced Coastal for those services pursuant to the Laboratory Services Agreement.

9. Coastal became substantially delinquent to Cormeum for past due invoices.

10. On June 18, 2020, Defendants Coastal and AMSONsite entered into a Letter Agreement (attached as Ex. B) with Cormeum for the purposes of resolving the past due invoices

owed to Corneum. That Letter Agreement imposed numerous obligations on Coastal and AMSONsite which Coastal and AMSONsite failed to fulfill.

11. As part of that Letter Agreement, Corneum, Coastal and AMSONsite agreed to Updated Pricing Terms that were only to go into effect if Coastal and AMSONsite fulfilled their payment obligations set forth in the Letter Agreement.

12. Coastal and AMSONsite did not fulfill their payment obligations to Corneum set forth in the Letter Agreement. As such, the Updated Pricing Terms contained in the Letter Agreement did not take effect.

13. As of August 2020, Defendants have not paid the past due invoices (attached as Ex. C) issued by Corneum to Coastal/AMSONsite for services rendered under the Laboratory Services Agreement. Defendants are indebted to Corneum in the amount of these past due invoices, plus interest, costs and attorney's fees.¹

14. During the Spring and Summer of 2020, including at the time of negotiations of the Laboratory Services Agreement and Letter Agreement, at the time those contracts were entered into, and at the time they were breached, Defendant Britton-Harr—the Executive Director and CEO of both Coastal and AMSONsite—used Coastal and AMSONsite as his “alter-ego,” and practiced fraud and/or deceit on Corneum while acting through Coastal and AMSONsite, including but not limited to making false and deceitful representations to Corneum's principal Dr. Tarun Jolly at an in-person meeting at the Louis Armstrong New Orleans International Airport that:

- (a) Coastal and AMSONsite had state contract Covid-testing work “lined up” with the State of Maryland and other states. These statements were false at the time Britton-Harr made them to Dr. Jolly (and Britton-Harr knew them to be false), and were made for the specific purpose of inducing Corneum into entering into the

¹ Section 12.3 of the Laboratory Services Agreement provides that Corneum is entitled to recover attorney's fees, costs and other expenses in the event it is required to file suit to recover payments due by Coastal. *See* Ex. A at Sec. 12.3.

agreements that are the subject of this proceeding. Corneum was indeed induced into entering into said agreements due to Britton-Harr's false and deceitful representations, and has incurred substantial damages, reflected in Ex. C hereto, due to its reliance on the representations.

- (b) Coastal and AMSOnsite would give Corneum a "right of first refusal" to match or beat any agreement regarding laboratory services. This statement was false at the time Britton-Harr made it to Dr. Jolly (and Britton-Harr knew it to be false), and was made for the specific purpose of inducing Corneum into entering into the agreement that is the subject of this proceeding. Corneum was indeed induced into entering into said agreement due to Britton-Harr's false and deceitful representations, and has incurred substantial damages, reflected in Exhs. B and C hereto, due to its reliance on the representations.

15. During the Spring and Summer of 2020, including at the time of negotiations of the Laboratory Services Agreement and Letter Agreement, at the time those contracts were entered into, and at the time they were breached, Britton-Harr disregarded the requisite corporate formalities of Coastal and AMSOnsite to the extent that those corporations ceased to be distinguishable from him. Specifically, Britton-Harr engaged in the following with respect to Coastal and AMSOnsite during the Spring and Summer of 2020: (1) commingling of corporate and shareholder funds; (2) failure to follow statutory formalities for incorporating and transacting corporate affairs; (3) undercapitalization; (4) failure to provide separate bank accounts and bookkeeping records; and (5) failure to hold regular shareholder and director meetings.

16. During the Spring and Summer of 2020, including at the time of negotiations of the Laboratory Services Agreement and Letter Agreement, at the time those contracts were entered into, and at the time they were breached, Coastal, AMSOnsite and BHE acted as a single business enterprise in that they:

- (a) Had an identity or substantial identity of ownership;
- (b) Had common directors or officers;
- (c) Had unified administrative control and had business functions are similar or supplementary;

- (d) Had directors and officers that did not act independently in the interest of one corporation, but acted in the interests of the other ones;
- (e) Financed each other;
- (f) Were inadequately capitalized and “thinly incorporated”;
- (g) Caused the incorporation of each other;
- (h) Paid the salaries and other expenses or losses of each other;
- (i) Received no business other than that given to it by each other;
- (j) Used each other’s corporate property as its own;
- (k) Did not comply with corporate formalities;
- (l) Had common employees;
- (m) Had services rendered by the employees of one corporation on behalf of another corporation;
- (n) Had common offices;
- (o) Had centralized accounting;
- (p) Had undocumented transfers of funds between corporations;
- (q) Had unclear allocation of profits and losses between corporations; and
- (r) Had excessive fragmentation of a single enterprise into separate corporations.

B. The Defendants’ Campaign of Defamation Against Corneum

17. In the summer of 2020, Defendants, through CEO Britton-Harr, Special Projects Manager David Robinson, and El Harris, another AMSONsite executive, began contacting various state health authorities in Maryland, South Carolina and Pennsylvania (and potentially other states) as well as nursing home facilities and their parent companies, including but not limited to PruittHealth, for the purposes of disseminating false information that Corneum was refusing to release COVID-19 test results and “holding the test results hostage,” and that Corneum was operating unlawfully and/or without proper licensure. *See* Ex. D for one specific example of many.

18. Specifically, on or around July 17, 2020, Britton-Harr and/or David Robinson/El Harris (and/or other individuals employed by Defendants at Britton-Harr's direction) contacted PruittHealth and made false statements about Corneum to Trupti Marshall (and likely others) at PruittHealth, including but not limited to false statements that Corneum was refusing to release COVID-19 test results and "holding the test results hostage," and that Corneum was operating unlawfully and/or without proper licensure.

19. Immediately before these false statements were made, PruittHealth was going to enter into contracts with Corneum for Covid-testing work. The false statements, however, caused PruittHealth to reverse course and not enter into these contracts with Corneum, thereby causing Corneum to lose substantial revenue and incur substantial monetary damages. Defendants' false statements also resulted in the loss of a lucrative contract for testing services for Microdrop LLC.

20. When making these statements, Defendants were fully aware of the falsity of the statements, as they knew that Corneum was continuing to timely provide testing results despite Coastal's failure to fulfill its payment obligations, and that Corneum was properly licensed to conduct Covid tests.

21. The Defendants' dissemination of this false information that Corneum was refusing to release COVID-19 test results and "holding the test results hostage" resulted in a Law360.com online article available at <https://www.law360.com/health/articles/1297587/md-lab-says-ex-partners-held-virus-test-results-hostage>. That article—which directly stemmed from Defendants' false and defamatory statements regarding Corneum—caused severe reputational damage to Corneum, and caused Corneum to lose business opportunities that it otherwise would have had, including but not limited to a contractual relationship with Microdrop LLC to provide testing services.

22. Each defamatory statement made by Britton-Harr, Robinson, Harris and other employees or agents of the Defendant corporations was authorized and ratified by Coastal, AMSONsite and BHE.

23. Plaintiff has incurred and continues to incur substantial monetary and reputational damages as a direct result of these false, defamatory and unprivileged statements made by Defendants to third-parties. These damages include but are not limited to the loss of lucrative contractual business opportunities with PruittHealth, Microdrop and other third parties, as well as a loss of substantial human capital, operational resources and attorney's fees incurred in responding to Defendants' ongoing and persistent campaign of defamation.

COUNT ONE: BREACH OF CONTRACT—AGAINST ALL DEFENDANTS

24. Plaintiff re-alleges the allegations contained in Paragraphs 1 through 23 of this Complaint as if the same were restated herein.

25. Defendants Coastal, AMSONsite breached their payment obligations due under the Laboratory Services Agreement and the Letter Agreement (which breaches caused and continue to cause Corneum to incur substantial monetary damages), and are indebted to Corneum in the amount due under the invoices attached hereto as Ex. C, plus interest, costs and attorney's fees.

26. Defendant Britton-Harr is also individually liable for the indebtedness of Coastal and AMSONsite under the alter-ego doctrine, which permits veil piercing where the stockholder/shareholder and corporation have not maintained separate identities and adherence to the corporate fiction would sanction a fraud, promote injustice, or lead to evasion of legal obligations. Upon information and belief, Defendant Britton-Harr directed and controlled Defendants Coastal and AMSONsite to breach their payment obligations under the Laboratory Services Agreement and the Letter Agreement.

27. Defendants AMSONsite and BHE are liable for the indebtedness of Coastal because these entities all acted as a single business enterprise at all relevant times as detailed above.

COUNT TWO: SUIT ON OPEN ACCOUNT—AGAINST ALL DEFENDANTS

28. Plaintiff re-alleges the allegations contained in Paragraphs 1 through 27 of this Complaint as if the same were restated herein.

29. Corneum provided services to Coastal on open account pursuant to the Laboratory Services Agreement.

30. Coastal breached its payment obligations due for those services rendered on open account under the Laboratory Services Agreement (which breach caused and continues to cause Corneum to incur substantial monetary damages), and is indebted to Corneum in the amount due under the invoices attached hereto as Ex. C, plus interest, costs and attorney's fees.

31. Defendant Britton-Harr is also individually liable for this indebtedness of Coastal under the alter-ego doctrine, which permits veil piercing where the stockholder/shareholder and corporation have not maintained separate identities and adherence to the corporate fiction would sanction a fraud, promote injustice, or lead to evasion of legal obligations. Upon information and belief, Defendant Britton-Harr directed and controlled Defendant Coastal to breach its payment obligations due for those services rendered on open account on the Laboratory Services Agreement.

32. Defendants AMSONsite and BHE are liable for the indebtedness of Coastal because these entities all acted as a single business enterprise at all relevant times as detailed above.

COUNT THREE: DEFAMATION—AGAINST ALL DEFENDANTS

33. Plaintiff re-alleges the allegations contained in Paragraphs 1 through 32 of this Complaint as if the same were restated herein.

34. As detailed above, in the summer of of 2020, at the express direction of Britton-Harr, Defendants contacted and continue to contact various state health authorities in Maryland, South Carolina and Pennsylvania (and potentially other states) as well as nursing home facilities and their parent companies, including but not limited to PruittHealth, for the purposes of disseminating false information that Corneum was refusing to release COVID-19 test results and “holding the test results hostage,” and unlawfully operating without meeting required registration and licensure requirements.

35. When making these statements, Defendants were and are fully aware of the falsity of the statements, as they knew that Corneum was continuing to timely provide testing results despite Coastal’s failure to fulfill its payment obligations and that Corneum was in fact properly licensed to provide testing services.

36. Plaintiff has incurred and continues to incur substantial monetary and reputational damages as a direct result of these false, defamatory and unprivileged statements made by Defendants to third-parties, as detailed above

JURY DEMAND

37. Plaintiff prays for a trial by jury on all issues so triable.

WHEREFORE, Plaintiff, Corneum Lab Services, LLC, prays that after all due proceedings had, there be a judgment in favor of Plaintiff, and against Defendants, Coastal Laboratories, Inc., BHE, AMSONsite, Inc., and Patrick Britton-Harr for all sums due to the Plaintiff, together with interest thereon at the legal rate, as well as all reasonable costs and attorney’s fees associated with this litigation and proceedings. Plaintiff further prays for all other general and equitable relief in the premises.

Respectfully submitted,

/s/Tarak Anada

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing has been forwarded to opposing counsel of record by e-filing in the Court's CM/ECF system, this 22nd day of August, 2020.

/s/Tarak Anada
