

FILED

OCT 14 2011

IN THE CIRCUIT COURT OF THE FIRST JUDICIAL DISTRICT
OF HINDS COUNTY, MISSISSIPPI

BARBARA DUNN, CIRCUIT CLERK
BY _____ D.C.

F. HALL BAILEY AND VIKKI J. TAYLOR

PLAINTIFFS

VS.

CIVIL ACTION NO. 2011-925011

WILLIAM E. DOSSETT; DENNIS W. MILLER;
NEVILLE H. BOSCHERT; AILEEN S. THOMAS;
JEFFREY R. BARBER; CRAIG N. LANDRUM;
GARY P. SNYDER; AND
WATKINS LUDLAM WINTER & STENNIS, P.A.

DEFENDANTS

COMPLAINT

(Jury Trial Requested)

COME NOW the Plaintiffs, F. Hall Bailey and Vikki J. Taylor, and file this civil action for damages and other relief against the Defendants, William E. Dossett, Neville H. Boschert, Dennis W. Miller, Aileen S. Thomas, Jeffrey R. Barber, Craig N. Landrum, Gary P. Snyder, and Watkins Ludlam Winter & Stennis, P.A., and in support thereof would show the following:

PARTIES

1. The Plaintiffs are:
 - A. F. Hall Bailey, an adult resident citizen of the First Judicial District of Hinds County, Mississippi; and
 - B. Vikki J. Taylor, an adult resident citizen of Madison County, Mississippi.
2. The Defendants are:
 - A. William E. Dossett, an adult resident citizen of Madison County, Mississippi who may be served with process at his office located at 190 East Capitol Street, Suite 800, Jackson, Mississippi 39201.

- B. Dennis W. Miller, an adult resident citizen of Madison County, Mississippi who may be served with process at his office located at 190 East Capitol Street, Suite 800, Jackson, Mississippi 39201.
- C. Neville H. Boschert, an adult resident citizen of the First Judicial District of Hinds County, Mississippi who may be served with process at his office located at 190 East Capitol Street, Suite 800, Jackson, Mississippi 39201.
- D. Aileen S. Thomas, an adult resident citizen of the First Judicial District of Hinds County, Mississippi who may be served with process at her office located at 190 East Capitol Street, Suite 800, Jackson, Mississippi 39201.
- E. Jeffrey R. Barber, an adult resident citizen of Rankin County, Mississippi who may be served with process at his office located at 190 East Capitol Street, Suite 800, Jackson, Mississippi 39201.
- F. Craig N. Landrum, an adult resident citizen of the First Judicial District of Hinds County, Mississippi who may be served with process at his office located at 190 East Capitol Street, Suite 800, Jackson, Mississippi 39201.
- G. Gary P. Snyder, an adult resident citizen of DeSoto County, Mississippi who may be served with process at his office located at 6897 Crumpler Blvd., Suite 100, Olive Branch, Mississippi 38654.
- H. Watkins Ludlam Winter & Stennis, P.A., a professional corporation organized pursuant to the laws of the State of Mississippi having its principal office and address located at 190 East Capitol Street, Suite 800, Jackson, Mississippi 39201 and having as its registered agent for process

Jeffrey R. Barber whose address is 190 East Capitol Street, Suite 800,
Jackson, Mississippi 39201.

JURISDICTION AND VENUE

3. This is an action in which this Court has original jurisdiction pursuant to Miss. Const. Art. 6, §59, and Miss. Code Ann. §9-7-81.

4. Venue is proper in this Court pursuant to Miss. Code Ann. §11-11-3 in that the alleged actions and omissions and substantial events that caused the injuries alleged occurred in Hinds County, Mississippi, and one or more of the Defendants reside in this county.

STATEMENT OF FACTS

5. Although certain claims brought by the Plaintiffs in this action are derivative in nature as shareholders of Watkins Ludlam, Plaintiffs bring this action as a direct action for their individual recovery as it will not unfairly expose the corporation to a multiplicity of actions, materially prejudice the interests of creditors of the corporation or otherwise interfere with a fair distribution of the recovery among all interested persons.

6. Watkins Ludlam Winter & Stennis, P.A., hereinafter referred to as "Watkins Ludlam," is a closely held professional corporation organized pursuant to the laws of the State of Mississippi for the purpose of conducting the practice of law through individuals authorized to practice law in the State of Mississippi, and which at all times material had less than fifty (50) shareholders.

7. Under the terms of the Articles of Incorporation and bylaws of the corporation, there are three classes of stock: Class A, Class B and Class C. Each share of stock has a par value of \$100.00 which must be paid by the shareholder to the corporation upon admittance as a shareholder.

8. A Class A shareholder may or may not own Class B shares. However, each holder of Class B shares is similarly situated to each other Class B shareholder as he or she owns 44 shares of Class B stock and one share each of Class A stock. A holder of Class C shares is a non-voting shareholder.

9. Only Class B shareholders are entitled to share in the net assets of the corporation upon its dissolution, payment of debts and reimbursement to all shareholders of the par value of their stock.

10. All Class A shareholders are entitled to vote on all matters coming before shareholders except those specifically reserved to the holders of Class B stock.

11. At all times material, Defendants, William E. Dossett, Dennis W. Miller, Neville H. Boschert, Aileen S. Thomas, Jeffrey R. Barber, Craig N. Landrum and Gary P. Snyder, hereinafter referred to collectively as "Watkins Ludlam Defendants," were the duly elected and/or appointed officers and/or members of the Board of Directors of Watkins Ludlam with William E. Dossett serving as Chairman of the Board, Dennis W. Miller serving as Chief Executive Officer, and Jeffrey R. Barber serving as Secretary, and, who, like the Plaintiffs, as described hereinafter, each owned one share of Class A and 44 shares of Class B stock in Watkins Ludlam.

12. Plaintiff F. Hall Bailey is a duly licensed, active and practicing attorney having been duly admitted to the practice of law in all state and federal courts in Mississippi in 1982.

13. Plaintiff F. Hall Bailey joined Watkins Ludlam as an attorney and Class A and B shareholder and employee December 1, 2003, and anticipated continuing to practice law with the firm for the indefinite future.

14. Plaintiff Vikki J. Taylor is a duly licensed, active and practicing attorney having been duly admitted to the practice of law in all state and federal courts in Mississippi in 1993.

15. Plaintiff Vikki J. Taylor joined Watkins Ludlam as an attorney and Class A and B shareholder and employee in January, 2000, and anticipated continuing to practice law with the firm for the indefinite future.

16. Each Plaintiff owned at all times material, one share of Class A and 44 shares of Class B stock in Watkins Ludlam and by virtue of this ownership are entitled to an equitable pro rata share of the net value of the corporation upon the sale of substantially all of its assets and/or dissolution.

17. In addition to their status as shareholders in Watkins Ludlam, the Plaintiffs were parties to individual employment contracts with Watkins Ludlam which set out and described their terms of employment for and in consideration of designated salaries, bonuses and fringe benefits, as set forth in the respective contracts and as determined by the Board of Directors by Watkins Ludlam. Because the contracts contain and make reference to personal financial information, sufficient justification exists for not attaching them to the Complaint.

18. Plaintiffs faithfully performed all the requirements and obligations of their respective employment contracts and were at all times ready, willing and able to continue to perform their contractual obligations but for the willful termination of their contracts by the actions of the Defendants without authority or just cause.

19. In the latter part of 2010 or early 2011, the Watkins Ludlam Board of Directors began confidential discussions with representatives of the law firm of Jones, Walker, Waechter, Poitevent, Carrere & Denegre, LLP (hereinafter referred to as "Jones Walker") about a possible merger or joining of the two firms.

20. As the discussions evolved, the Watkins Ludlam Board of Directors appointed a “negotiating committee” consisting of board members William E. Dossett and Dennis W. Miller, and non-board members Thomas B. Shepherd, III, and Alveno N. Castilla to continue discussions with Jones Walker and to develop a plan for the joining of the two firms. This committee acted with the authority of the Board of Directors and owed all duties to Plaintiffs that the Board of Directors itself owed to Plaintiffs.

21. It became readily apparent in the early stages of the negotiations that for financial reasons, not all of the shareholders of Watkins Ludlam would be included in the newly constituted group and that some shareholders would be invited into the new group only under terms less favorable than those they currently had with Watkins Ludlam, yet the Watkins Ludlam Defendants failed to timely disclose these material facts to Plaintiffs or the financial terms being negotiated until after the negotiations had been concluded and the terms of the agreement were reached among the Defendants.

22. The terms of the agreement the Watkins Ludlam Defendants and Jones Walker ultimately agreed to called for the purchase by Jones Walker of substantially all of the assets of Watkins Ludlam for designated sums of money and the dissolution of Watkins Ludlam as a separate entity. Certain shareholders of Watkins Ludlam would join the newly constituted firm of Jones Walker while other shareholders would not be invited to join the new firm. Under the terms of the agreement, the Watkins Ludlam Defendants stood to gain financially if not all shareholders joined the newly constituted entity and if the financial obligations to those departing shareholders were less than their equitable share in the firm upon dissolution.

23. The Watkins Ludlam Defendants knew that the value of the economic gain they would receive from the proposed agreement was contingent in part upon reducing the number of shareholders joining the newly constituted firm and in minimizing the payments made to the departing shareholders.

24. On June 29, 2011, the Board of Directors of Watkins Ludlam at a specially called meeting of shareholders of Watkins Ludlam, announced that it was negotiating a sale of Watkins Ludlam assets to the law firm of Jones Walker and had agreed to a “combination” of the two law firms which called for the dissolution of Watkins Ludlam as a separate entity. It was also announced at the meeting that not all shareholders of Watkins Ludlam would be invited to join the new firm, but the specific financial terms were not disclosed nor was it disclosed who would or would not be invited to join the proposed newly constituted firm.

25. On August 3, 2011, Plaintiff F. Hall Bailey was called to a meeting with Defendants William E. Dossett and Dennis W. Miller, at which time he was told that he was not going to be invited to join the proposed new law firm and that he was being requested to withdraw from employment with Watkins Ludlam and resign as a shareholder of the corporation.

26. The Plaintiff F. Hall Bailey was presented with a release and separation agreement agreeing for the Plaintiff’s employment with Watkins Ludlam to cease no later than September 30, 2011, releasing all claims Plaintiff had against Watkins Ludlam and other parties and that in consideration of such agreement, the Plaintiff would be paid his salary up to September 30, 2011, a sum equal to the par value of his stock for the transfer of his shares of stock in Watkins Ludlam and a severance payment of \$5,000.00. The release and separation agreement also provided that it was to be executed within 21 days of delivery to the Plaintiff.

27. The financial terms of the proposed separation offered by the Watkins Ludlam Defendants were substantially less than the Plaintiff's pro rata share of the net value of Watkins Ludlam and failed to fairly compensate him under the employment contract and, as a result, the Plaintiff declined to execute the said agreement or agree to resign from the firm, because the compensation offered was a grossly inadequate consideration for his pro rata value in the assets of the firm.

28. Also on August 3, 2011, Plaintiff Vikki J. Taylor was called to a meeting with Defendants, William E. Dossett and Dennis W. Miller, at which time she was told that she was not going to be invited to join the proposed new law firm and that she was being requested to withdraw from employment with Watkins Ludlam and resign as a shareholder of the corporation.

29. The Plaintiff Vikki J. Taylor was presented with a release and separation agreement agreeing for the Plaintiff's employment with Watkins Ludlam to cease no later than September 30, 2011, releasing all claims Plaintiff had against Watkins Ludlam and other parties and that in consideration of such agreement, the Plaintiff would be paid her salary up to September 30, 2011, a sum equal to the par value of her stock for the transfer of her shares of stock in Watkins Ludlam and a severance payment of \$5,000.00. The release and separation agreement also provided that it was to be executed within 21 days of delivery to the Plaintiff.

30. The financial terms of the proposed separation offered by the Watkins Ludlam Defendants were substantially less than the Plaintiff's pro rata share of the net value of Watkins Ludlam and failed to fairly compensate her under the employment contract and, as a result, the Plaintiff declined to execute the said agreement or agree to resign from the firm, because the compensation offered was a grossly inadequate consideration for her pro rata value in the assets of the firm.

31. After the Plaintiffs refused to voluntarily resign their positions with Watkins Ludlam as requested, the Watkins Ludlam Defendants and other shareholders and employees of Watkins Ludlam entered into a course of conduct to mislead, intimidate, threaten, coerce and harass the Plaintiffs into abandoning their positions and withdrawing from the firm by first having intermediaries talk with the Plaintiffs about leaving and then by ostracizing the Plaintiffs in their day to day dealings.

32. In an effort to induce the Plaintiffs into voluntarily resigning their position, the Watkins Ludlam Defendants presented the Plaintiffs with knowingly false, misleading and fraudulent financial reports and information about the financial condition of the firm in an attempt to convince the Plaintiffs that the financial position of the corporation was substantially worse than it was, and that the net equity in the firm was in a negative position.

33. On or about August 11, 2011, the Board of Directors sent a notice to shareholders of a special meeting of shareholders to consider the sale of substantially all of the assets of Watkins Ludlam and a liquidation and dissolution of the corporation.

34. Accompanying the notice of special meeting was a draft of a term sheet purportedly outlining the proposed asset sale and liquidation transaction along with certain exhibits, but which documents failed to make material disclosures as to the true financial terms of the agreement, compensation arrangements with shareholders or other material information relative to the proposed transaction.

35. Also accompanying the Notice of Special Meeting, was a notification by the Board of Directors of the rights under Mississippi statutory law of shareholders to dissent from the proposed action and to obtain and be paid a fair value of their shares in the corporation if the proposal was adopted, pursuant to Miss. Code Ann. §79-4-13.01 through 79-4-13.40.

36. Pursuant to the applicable provisions of Mississippi law, the Plaintiffs notified the directors that they opposed the proposed asset sale and liquidation of the corporation and wished to assert their appraisal rights under Miss. Code Ann. §§79-4-13.01 through 79-4-14.40.

37. On August 22, 2011, pursuant to the notice previously given, a meeting of shareholders was held to consider the recommendation of the Board of Directors to sell substantially all the assets of Watkins Ludlam and dissolve and liquidate the corporation at which time the shareholders, with the Plaintiffs and others dissenting, voted to approve the sale of assets to Jones Walker and to liquidate and dissolve Watkins Ludlam.

38. At the said shareholder meeting, the Watkins Ludlam Defendants did not provide a full and fair disclosure of material facts relative to the acquisition and dissolution plan or of the financial terms of the agreement and of the conflicts of interest between the directors and shareholders similarly situated, providing instead only redacted information of a general nature and drafts designated for illustration purposes to the effect that the full information of the terms and provisions of the acquisition agreement between the firms is still unknown to the Plaintiffs and to other shareholders.

39. Under terms of the agreement not disclosed to shareholders was the fact that the Watkins Ludlam Defendants negotiated for themselves financial terms materially better than that of other Watkins Ludlam shareholders similarly situated and in particular the Plaintiffs, whereby they achieved pecuniary gain at the expense of the Plaintiffs.

40. When the Plaintiffs declined to voluntarily resign their position from the firm by the deadline set forth in the release and separation agreements provided to them and declined to voluntarily resign their positions and release all claims against the Watkins Ludlam Defendants

and other parties by September 30, 2011, the Secretary of the Board of Directors sent out a notice to shareholders on September 30, 2011, of a special meeting of shareholders to be held on October 10, 2011, to consider and vote upon the expulsion of the Plaintiffs from the firm allegedly pursuant to designated sections of the corporate bylaws but which was, in fact, in contravention of the Plaintiffs' contracts with Watkins Ludlam, its Articles of Incorporation, its Bylaws and the Plaintiffs' statutory rights, which Plaintiffs have previously elected or exercised.

41. No reason was given in the notice for the proposed expulsion of the Plaintiffs and the termination of their employment, nor did any legitimate or arguably justifiable reason exist.

42. The sole and only reason for the proposed action recommended by the Board of Directors was in retaliation for and as retribution to the refusal of the Plaintiffs to resign their positions with the firm and tender their stock in the firm for grossly inadequate consideration, and to increase the compensation and economic gain for the Watkins Ludlam Defendants at the Plaintiffs' expense and financial detriment.

43. Guided by their own pecuniary interests and ill will resulting from the refusal of the Plaintiffs to accept the Watkins Ludlam Defendants' inadequate compensation termination proposal, the Watkins Ludlam Defendants embarked on a concentrated campaign to spread disparaging, false, misleading and malicious information about the Plaintiffs in an effort to induce other shareholders to accept and vote for their recommendation to expel the Plaintiffs from the corporation.

44. In a deliberate attempt to cut off any further contractual obligations to the Plaintiffs under their respective employment contracts and to circumvent the Plaintiffs' statutory rights to an appraisal and payment of the fair value of their shares of stocks in the corporation,

the Watkins Ludlam Defendants and shareholders, motivated solely by the prospect of economic gain for themselves at the cost of the Plaintiffs and without any legitimate, reasonably arguable or justifiable basis, willfully and maliciously and in reckless disregard for the Plaintiffs' rights, expelled the Plaintiffs from the law firm they had served collectively for 20 years.

COUNT I

BREACH OF CONTRACT

45. Plaintiffs adopt and incorporate herein the allegations contained and set forth in the previous paragraphs of this Complaint.

46. By causing the termination of the Plaintiffs' employment with Watkins Ludlam, the Defendants breached valid and binding employment contracts with the Plaintiffs which provided for the Plaintiffs' salary and other benefits and prevented the Plaintiffs from performing their respective obligations under the employment contract.

47. As a proximate result of the Defendants' willful breach of the employment contracts with the Plaintiffs, the Defendants are liable to the Plaintiffs for damages hereinafter set forth.

COUNT II

BAD FAITH BREACH OF CONTRACT

48. Plaintiffs adopt and incorporate herein the allegations contained and set forth in the previous paragraphs of this Complaint.

49. The termination of the Plaintiffs' respective employment contracts were motivated solely for economic gain and constituted a breach of the Plaintiffs' respective contracts for no legitimate or reasonably arguable reason and was willful and malicious and done with gross and

reckless indifference and disregard to the rights of the Plaintiffs as to subject the Defendants, and each of them, to punitive damages in addition to compensatory damages.

50. As a direct and proximate result of the breach of the Plaintiffs' contracts in bad faith, the Plaintiffs have suffered injury and damage as hereinafter set forth.

COUNT III

BREACH OF FIDUCIARY DUTY

51. Plaintiffs adopt and incorporate herein the allegations contained and set forth in the previous paragraphs of this Complaint.

52. As officers and directors of Watkins Ludlam, Defendants William E. Dossett, Dennis W. Miller, Neville H. Boschert, Aileen S. Thomas, Craig N. Landrum, Jeffrey R. Barber and Gary P. Snyder, were acting as agents for the Plaintiffs as well as the corporation and in such capacities had fiduciary duties to the corporation and directly to the Plaintiffs as shareholders in Watkins Ludlam and as the Plaintiffs' agents in acting for them and on their behalf on matters relating to their business. These duties included, but were not limited to, the following:

- A. To act in the best interest, and not to the detriment of, the Plaintiffs;
- B. To act with the utmost good faith and loyalty toward the corporation, its shareholders, and to the Plaintiffs;
- C. To refrain from using their position to obtain benefits for themselves to the exclusion of the Plaintiffs and other shareholders similarly situated;
- D. Not to use or communicate confidential information of shareholders without the shareholders' knowledge and/or approval, for their own purpose or for those of a third party;

- E. To provide timely disclosure to shareholders and principals of material facts and information which they knew, or had reason to know, the shareholder and principal would like to know which were material to their duties and business activities;
- F. To refrain from conduct that is likely to damage a shareholder or principal's enterprise or business relations;
- G. To avoid conflicts of interest;
- H. To avoid self-dealing;
- I. To be independently informed of matters within their fiduciary obligations as directors and not by reliance or direction of others;
- J. To be intrinsically fair to all shareholders and to avoid using their position of trust to remove or eliminate a minority shareholder without full and adequate compensation;
- K. To refrain from seizing or usurping a related business opportunity for themselves which were not made available to principals or other shareholders individually to their economic detriment.

53. Once it became known or readily apparent in the negotiations that not all shareholders would be included in the proposed newly constituted firm, the Watkins Ludlam Defendants owed a fiduciary duty to timely advise shareholders, and particularly those who would not or might not be included in the newly formed group, of that material fact.

54. By not timely notifying the Plaintiffs that they would likely not be included in the new group as soon as that information became known or readily apparent, the Watkins Ludlam Defendants breached their fiduciary duty to the Plaintiffs.

55. By negotiating an agreement that contained financial provisions more favorable to themselves than offered to other shareholders, the Watkins Ludlam Defendants breached their fiduciary duty to the Plaintiffs of loyalty and fidelity and to avoid conflicts of interest and self-dealing.

56. By continuing to negotiate the terms of an acquisition of Watkins Ludlam after it became apparent that the Plaintiffs would not be included in the newly constituted firm, and by not timely disclosing those material facts to the Plaintiffs, the Watkins Ludlam Defendants breached their direct fiduciary duty to the Plaintiffs of good faith and loyalty to the Plaintiffs and by failing to act in the Plaintiffs' best interests and to their detriment.

57. By utilizing false and misleading financial information and not disclosing the true financial terms of their agreement with Jones Walker in an attempt to induce the Plaintiffs into voluntarily resigning their position with the firm and tendering their shares for inadequate consideration solely for the Watkins Ludlam Defendant's economic gain, the Watkins Ludlam Defendants breached their fiduciary duty to the Plaintiffs by failing to act in the Plaintiffs' best interests and not to their detriment; by breaching their duty of good faith and loyalty to the Plaintiffs; by utilizing their position of trust to benefit themselves to the detriment of the Plaintiffs; and by failing to timely disclose true and material facts to the Plaintiffs.

58. By recommending, inducing and aiding and abetting in the expulsion of the Plaintiffs from the corporation without recompense in order to maintain or improve upon their own economic gain and self-interests, the Watkins Ludlam Defendants breached their duty of loyalty and good faith to the Plaintiffs.

59. The Watkins Ludlam Defendants, if any, who claim that they were uninformed about the details of the terms of the agreement with Jones Walker or of the agreement to push the Plaintiffs out of the firm without cause or adequate compensation, breached their fiduciary duty to the Plaintiffs by not keeping themselves independently informed of material matters within their obligations as agents for the Plaintiffs and members of the Watkins Ludlam Board of Directors.

60. By maliciously and intentionally interfering with the Plaintiffs' business relations and prospects, the Watkins Ludlam Defendants breached their duty of good faith and loyalty to the Plaintiffs.

61. All of these breaches by Watkins Ludlam Defendants were willful and malicious and done with reckless disregard for the rights of Plaintiffs.

COUNT IV

BREACH OF DUTY OF GOOD FAITH AND FAIR DEALING

62. Plaintiffs adopt and incorporate herein the allegations contained and set forth in the previous paragraphs of this Complaint.

63. Each of the employment contracts between the Plaintiffs and Watkins Ludlam contained an implied covenant of good faith and fair dealing which imposed standards of decency, fairness and reasonableness in the performance of the respective duties between the parties.

64. The Plaintiffs had for many years faithfully performed their respective employment contracts with Watkins Ludlam with fidelity, integrity and competence and had given the Defendants no reason or cause to complain about their performance of the terms of their contracts.

65. As Watkins Ludlam shareholders and employees of Watkins Ludlam, the Plaintiffs had a justified expectation that the Defendants would act in a fair and reasonable manner toward them and that the Plaintiffs would be allowed to continue to perform their contracts of employment and represent their clients free from unfair and undue interference from the Defendants.

66. The Watkins Ludlam Defendants, as directors of Watkins Ludlam, had a duty to the Plaintiffs to refrain from conduct which hindered or prevented the Plaintiffs from performing their contracts.

67. By unilaterally and arbitrarily terminating the Plaintiffs' employment contracts for no justifiable reason, the Defendants and each of them violated basic standards of decency, fairness and reasonableness and prevented the Plaintiffs from performing their obligations under their contracts all to the damages to the Plaintiffs as hereinafter set forth.

COUNT V

FRAUDULENT INDUCEMENT, MISREPRESENTATION AND CONCEALMENT

68. Plaintiffs adopt and incorporate herein the allegations contained and set forth in the previous paragraphs of this Complaint.

69. In an effort to induce the Plaintiffs into accepting the Defendants' proposal for the Plaintiffs to withdraw from employment with Watkins Ludlam and resign as a shareholder of the corporation, the Watkins Ludlam Defendants acting by and through their agent and through their combined efforts to fraudulently misrepresent and affirmatively conceal the true nature of the financial condition of Watkins Ludlam, presented to them false, misleading and fraudulent

financial information which altered and misrepresented the true financial condition of the firm in an effort to convince the Plaintiffs that the firm had no value remaining.

70. The misrepresentations referred to herein were material, were false and known by the Defendants to be false, were made with the intention that the Plaintiffs rely upon them and be acted upon by the Plaintiffs in the manner reasonably contemplated, that for a time the Plaintiffs did not know that these representations and concealment were false and relied upon them as they had a right to do as a result at which the Plaintiffs were damaged as hereinafter set forth.

71. The facts were particularly within the Defendants' knowledge and unknown and unknowable by the Plaintiffs without full and complete disclosure which was not provided.

72. The conduct of the Defendants in affirmatively concealing the true nature and financial condition of Watkins Ludlam as hereinabove described was designed and intended to prevent, and did prevent, the discovery of the true facts regarding the financial condition of the firm and the terms and conditions of the assets sale and dissolution of the firm in a timely manner all to the Plaintiffs' injury and damage as hereinafter set forth.

COUNT VI

TORTIOUS INTERFERENCE WITH BUSINESS RELATIONS

73. Plaintiffs adopt and incorporate herein the allegations contained and set forth in the previous paragraphs of this Complaint.

74. By intentionally and wrongfully attempting to induce the Plaintiffs into terminating their employment contracts with Watkins Ludlam and withdrawing as a vested shareholder in the firm, and then expelling them from the firm without any legitimate or justifiable basis, the Defendants have maliciously interfered with and injured the ability of the

Plaintiffs in the legitimate pursuit of their occupation and profession and prospective business for which they have suffered and will continue to suffer injury and damage.

COUNT VII

INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS

75. Plaintiffs adopt and incorporate herein the allegations contained and set forth in the previous paragraphs of this Complaint.

76. The acts of the Defendants as hereinabove described were so willful and wanton as to show an utter indifference to the consequences of their actions and reckless disregard of the rights of the Plaintiffs which were so outrageous in character and so extreme in degree as to go beyond all bounds of decency and are atrocious and utterly intolerable in civilized society.

77. The Defendants knew or should have known that their conduct would evoke outrage or revulsion resulting in severe emotional distress and anxiety on the part of the Plaintiffs.

78. The Defendants knew or should have known that the Plaintiffs' mental and emotional pain and injury was a reasonably certain consequence of their actions, and, as a result, the Defendants are strictly liable for the resulting harm.

79. As a direct and proximate result of the willful, wanton and outrageous conduct of the Defendants, Plaintiffs have suffered severe emotional and mental anxiety, stress and worry, pain, humiliation and damages as set forth hereinafter.

COUNT VIII

PUNITIVE DAMAGES

80. Plaintiffs adopt and incorporate herein the allegations contained and set forth in the previous paragraphs of this Complaint.

81. Defendants' actions toward Plaintiffs were wrongful and intentional and were done with malice and forethought with the intent to harm Plaintiffs and destroy their reputation and to harm Plaintiffs' ability to practice law.

82. Defendants' actions caused humiliation and embarrassment to Plaintiffs.

83. Plaintiffs are entitled to punitive damages against the Defendants in the amount as allowed by Miss. Code Ann. §11-1-65 (2004) to punish Defendants and to deter others from engaging in similar wrongful conduct.

84. Since Plaintiffs are entitled to punitive damages in this cause, Plaintiffs are entitled to their costs and reasonable attorney fees incurred in pursuing all of Plaintiffs' damages.

DAMAGES

85. At all times material, the Defendants were all duly licensed and practicing attorneys and knew, or should have known, of their legal and fiduciary duties and responsibilities to the Plaintiffs, and, as a result, their actions and omissions material to this action were willful, knowing and intentional.

86. The conduct of the Defendants and each of them in breaching their duties and obligations to the Plaintiffs as set forth hereinabove was malicious, intentional, willful, fraudulent and in reckless disregard for the rights of the Plaintiffs thereby entitling each Plaintiff to an award of punitive damages, pre-judgment interest, post-judgment interest and attorney fees in addition to compensatory damages.

87. As a direct and proximate result of the acts and omissions on the part of the Defendants jointly and severally in breaching each Plaintiff's employment contract as set forth hereinabove, the Plaintiffs have suffered the loss of contractual earnings and benefits to which they were lawfully entitled and a permanent impairment of their future earning capacity, as well as suffered mental and emotional injury and damage as a reasonable foreseeable consequence of Defendants' actions.

88. Additionally, the failure of the Defendants to timely notify the Plaintiffs that they were not going to be included in the newly constituted firm, has prevented the Plaintiffs a timely opportunity to secure alternative employment at or near the same level of earnings and benefits which they had previously earned and because of the Defendants' conduct, they seek to recover that loss as consequential damages for the Defendants' unlawful breach of the Plaintiffs' employment contracts.

89. In an effort to obscure that their true motives for expelling the Plaintiffs were solely to improve their own economic advantage, the Defendants and shareholders engaged in a pattern of conduct to cast aspersions upon, impugn and disparage the Plaintiffs' professional reputations in the legal community which has caused economic injury to the Plaintiffs' character and reputations and which has caused and will continue to cause Plaintiffs lasting mental and emotional injury and damage for which they are entitled to reasonable compensation.

90. Further, as a result of the Defendants' bad faith breach of their employment contracts and termination of the Plaintiffs from the firm in which they were equity shareholders without any legitimate or arguable reason, the Plaintiffs were unlawfully denied and deprived of the economic benefit of their pro rata share of the net value of the sale of substantially all its

assets in the firm upon dissolution and payment of its debts, and the Defendants are liable to the Plaintiffs in an amount equal to that value plus accrued interest.

91. Instead of notifying the clients whose cases the Plaintiffs were handling of the proposed dissolution of Watkins Ludlam and that the Plaintiffs were leaving the firm, and allowing the clients to designate who they wished to continue representing them as called for by the Mississippi Rules of Professional Conduct, the Defendants instead interfered with the Plaintiffs' relations with the clients by insisting that files be turned over to others without any approval of the client or by simply removing files from the Plaintiffs' office and instructing the Plaintiffs to have no further contact with the client or any of its representatives all in an attempt to unlawfully interfere with the Plaintiffs' prospective business relationships for which they are entitled to compensatory damages.

92. As a result of the Defendants' malicious acts and conduct in breaching their duties of good faith and fair dealing and intentional infliction of emotional distress, the Plaintiffs have suffered not only economic damage, but they fear and believe that their professional reputations have been disparaged and impaired and they have suffered and continue to suffer undue worry, stress, anxiety, depression and insecurity in their ability to re-establish a reliable career path at this stage in their lives which the Defendants should have known was a reasonable consequence of their actions. As a result, the Plaintiffs are entitled to appropriate damages for that loss.

93. All of the above described damage and injury to the Plaintiffs are due to, caused by, and the proximate result of the above referenced acts and omissions on the part of the Defendants and each of them jointly and severally all to the damage to the Plaintiffs in actual and punitive plus pre-judgment interest and post-judgment interest and reasonable attorney fees.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs demand judgment of and from the Defendants jointly and severally as follows:


1. All sums due each Plaintiff under their respective contracts including salary and all benefits;
2. A sum equal to each Plaintiff's pro rata share of the net equity in Watkins Ludlam immediately prior to the sale of its assets;
3. A sum payable to each Plaintiff to compensate each for expelling them from Watkins Ludlam in bad faith with no legitimate or arguable reason;
4. A sum payable to each Plaintiff by Defendants, William E. Dossett, Dennis W. Miller, Neville H. Boschert, Aileen S. Thomas, Jeffrey R. Barber, Craig N. Landrum, Gary P. Snyder, and Watkins Ludlam Winter & Stennis, P.A., jointly and severally, to compensate for their breach of fiduciary duties to each Plaintiff;
5. A sum payable to each Plaintiff to compensate them for fraudulent misrepresentations;
6. A sum payable to each Plaintiff for interfering with their prospective business relations;
7. A sum payable for the mental and emotional distress suffered by each Plaintiff;
8. A sum payable to each Plaintiff for the injury to their reputations and the permanent impairment to their earning capacity.
9. Punitive damages payable to each Plaintiff in an amount to punish each Defendant for willful and malicious conduct attributed to them; and

10. Reasonable attorneys fees, pre-judgment and post-judgment interest and all costs of this action.

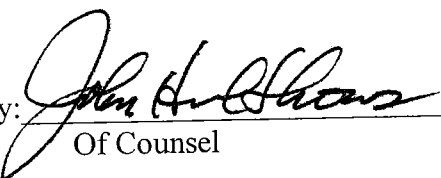
Respectfully submitted,

F. HALL BAILEY AND VIKKI J. TAYLOR,
PLAINTIFFS

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