



**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

ARDENT LABS, INC., d/b/a	)	
COMULATE,	)	
	)	
Plaintiff,	)	
	)	C.A. No. 2025- _____ - _____
v.	)	
	)	
APPLIED SYSTEMS, INC.,	)	
	)	
Defendant.	)	
	)	

**VERIFIED COMPLAINT**

Plaintiff Ardent Labs, Inc., d/b/a Comulate (“Comulate”), for its complaint against Applied Systems, Inc. (“Applied”), hereby alleges as follows:

**PRELIMINARY STATEMENT**

1. Applied does not compete—it destroys. When a startup builds technology that Applied cannot match, Applied’s playbook is simple: acquire or annihilate. Comulate, the fastest-growing insurance brokerage technology company, refused to be acquired. So Applied is trying to annihilate it. Applied has weaponized a sham lawsuit, lied to customers that Comulate is about to “go out of business,” and threatened to cut off any client that continues working with Comulate—all to eliminate the competitor that Applied and its private equity owner, Hellman & Friedman LLC, are “very scared of” and track as “#1 on their list of competition.”

2. Applied has established its dominance through anticompetitive conduct that violates the letter and spirit of antitrust laws. Its Epic agency management system has over 80% market share among enterprise insurance brokers. And Applied owns and controls Ivans, the essential data infrastructure that every competitor to Epic—and every customer—needs to operate. Applied acquired Ivans in 2013 after promising to keep it an “open platform.” It broke that promise. Today, Applied controls who gets access to Ivans, on what terms, and for how long. Competitors survive at Applied’s pleasure.

3. Applied leverages its market power to squash competitors and eliminate customer choice. Applied lured customers into Applied Epic with the promise of being able to integrate cutting-edge third-party products into Applied Epic’s “open” ecosystem. Applied knows that it is extremely costly and time-intensive for insurance brokerage firms to leave Applied Epic. So after years of marketing Applied Epic as an “open platform” and locking in the vast majority of the largest brokerage firms as captive Applied Epic users with no feasible way out, Applied is illegally leveraging its monopoly power to swallow up or destroy third-party applications at will. Applied Epic customers are now being offered fewer and fewer options, with Applied’s ultimate goal being to force all of its customers to exclusively use Applied’s inferior products.

4. Comulate represents everything Applied fears: genuine innovation it cannot replicate and founders who refuse to sell. Two Silicon Valley engineers with no insurance background founded Comulate in 2022. They quickly solved a problem Applied never could—automating insurance accounting, a process that costs brokers millions annually in manual labor and errors. Comulate’s AI-powered platform became trusted core software for the industry’s largest players, allowing insurance brokers to increase efficiencies and reduce costs—ultimately benefitting millions of policyholders.

5. Applied’s response followed its standard predatory pattern. After witnessing Comulate’s market leading capabilities in a June 2023 demonstration, Applied abandoned ongoing partnership discussions and moved to try to acquire. Comulate’s founders refused—repeatedly.

6. Applied’s President, Graham Blackwell, then launched a campaign of retaliation. When Comulate questioned if Applied was intentionally undermining Comulate’s operations, Graham responded there was “*friction that you guys are going to feel*” because Applied was trying to build its product that, in Blackwell’s own words, is “*very similar to what you guys [Comulate] have done from a functionality perspective.*” Rather than build a better product, Applied was determined to erect roadblocks to Comulate’s success. In Blackwell’s words, Applied was intentionally hampering Comulate’s growth because “why would

we . . . make it easier for everyone else?” Applied has deployed this playbook before. When it was threatened by TechCanary, another innovative startup, Applied acquired it for nearly eight times revenue—then shut it down.

7. Unable to acquire Comulate, Applied set out to destroy it through coordinated interference. Beginning in 2023, and building gradually through 2025, Applied systematically sabotaged Comulate’s customer relationships by:

- Breaching a contractual agreement to grant Comulate access to a test environment under a pilot program;
- Telling mutual customers that Comulate would “shortly go out of business”;
- Promising its own accounting automation product, “Applied Recon,” on timelines Applied knew were unrealistic—for a product that is not market-ready;
- Fabricating months-long delays for giving customers access to Applied Epic’s Software Development Kit (“SDK”)—and thereby delaying customers’ ability to use and realize savings from Comulate;
- Demanding that Comulate sign agreements containing intellectual property assignment clauses designed to steal Comulate’s technology; and
- Declaring in November 2025 that Applied would block use of Comulate entirely.

8. Applied even corrupted a supposedly independent industry trade organization to serve its anticompetitive aims. The Applied Client Network (“ACN”) purports to be an independent 501(c)(6) organization serving the interests of users of Applied products and the insurance technology industry generally. In reality, it operates as an extension of Applied’s commercial strategy, as Applied selectively blackballs competitors from participating in the organization’s flagship annual event, Applied Net.

9. Comulate participated in Applied Net for years—even paying \$75,000 to be a platinum sponsor of Applied Net 2024—building relationships with customers and demonstrating its technology. But when Comulate’s product gained traction, Applied decided to use its improper control of ACN to shut out Comulate. ACN admitted that Applied had directed it to bar Comulate from Applied Net 2025—breaching ACN’s contract with Comulate—because Blackwell decided that Applied’s “*strategic direction and evolving priorities no longer align*” with Comulate being present. Applied’s in-house legal counsel tried to conceal Applied’s involvement, falsely telling Comulate that Applied did not control who may exhibit at Applied Net. But Applied’s thinly veiled corporate-speak and its lawyer’s misrepresentations simply could not be squared with what ACN itself said: that the decision of who could present at Applied Net was made by Applied, who *would not*

*allow “overlapping offerings within their products”* to present to customers at Applied Net.

10. When interference alone proved insufficient, Applied escalated to litigation as a weapon. On November 21, 2025, Applied filed a frivolous lawsuit falsely accusing Comulate of trade secret misappropriation and claiming that Comulate’s use of the Applied Epic SDK—the exact same use that Applied had previously repeatedly authorized and endorsed—was somehow illegal. Within hours, Applied sent emails to Comulate’s customers accusing Comulate of “theft” and warning that customers who continued working with Comulate risked breach-of-contract claims.

11. Applied’s selective targeting reveals the scheme’s true purpose. Some customers were told to cease using Comulate immediately. Others were told they could continue until Q2 2026. Others received no follow-up at all. Applied’s Chief Customer Officer told at least one customer that Applied would not interfere with Comulate access until the litigation resolved—an admission that *Applied faces no actual harm from Comulate’s continued operation*. The motive is clear: Applied knows its claims are baseless, but it is targeting Comulate’s largest and most strategic clients to inflict maximum financial damage.

12. The strategy is working as intended. Within days of Applied’s defamation campaign, one of Comulate’s largest customers moved to terminate its

Master Services Agreement with Comulate—not because of any dissatisfaction with Comulate’s product, but solely because of Applied’s accusations of trade secret misappropriation and theft. Other clients have raised grave concerns, saying that they were “*stuck in the middle*” after receiving cease and desist letters from Applied and noting that they were forced to continue using Applied Epic because “*moving away from an agency management system takes years.*” Nonetheless, clients have been clear-eyed about Applied’s ploy. One stated that it was “pulling for” Comulate because “competition is good and healthy, and so this shouldn’t be a way to stifle that,” but the reality is that “they’ve [Applied] got the *stranglehold on the industry.*” Another acknowledged that Applied “has leverage in this situation” because customers “can turn off [Comulate’s] end point solution much faster and pivot away from [Comulate] than they can Applied.” Applied is holding the insurance industry hostage: use Applied’s products, or Applied will punish you.

13. Applied’s own employees recognize the exploitation. As its Senior Director of Partnerships put it, Applied’s model is “*the shittiest way ever to build partnerships*” and “*triple dipping.*” Yet Applied maintains this system because it can. Customers are locked into Epic, switching costs are prohibitive, and Applied controls the essential data infrastructure (Ivans) that makes alternatives viable. Applied has not even lived up to its promise to deploy modern application programming interfaces (“APIs”) for accounting applications—forcing customers

and third parties to rely on its antiquated SDK as the only way to connect custom-built customer solutions and third-party applications within a customer's Epic environment. Applied has rigged the game in its favor.

14. This is not speculation. Applied's executives have openly confessed their intent. As Blackwell put it, Applied is willing to create "*friction*" and play "*tactics*" in furtherance of "*a message from the top [that] we want to win.*" According to a senior Applied employee, Applied CEO Taylor Rhodes has specifically called out Comulate with "strong language" during senior management meetings. Applied has simultaneously attempted to acquire Comulate and, on information and belief, engaged with smaller players like Ascend and Eventual Treasury, while developing Applied Recon—proving that Applied's objective is total market control. In fact, Applied has even told at least one customer (in form or substance) that Applied "*will likely cut off SDK for Ascend next because Applied Recon will work for agency bill as well*"—meaning Ascend may be next in line for elimination.

15. Comulate seeks emergency relief to halt Applied's unlawful campaign before it succeeds. Every day Applied's scheme continues, Comulate risks losing customers, revenue, and reputation—damage that may become irreversible. Through this action, Comulate seeks a temporary restraining order,



preliminary and permanent injunctive relief, and compensatory damages expected to exceed mid-nine figures.

16. This case will determine whether an entrenched monopolist can use sham litigation and market power to destroy innovation that customers want and need—and which ultimately benefits millions of policyholders. Applied must be stopped.

### **THE PARTIES**

17. Plaintiff Ardent Labs, Inc., which operates under the name “Comulate,” is a highly successful insurance technology startup. Comulate’s first-of-its-kind accounting automation platform is used by the top insurance brokers nationwide to streamline their accounting functions. Comulate is a Delaware corporation headquartered in San Francisco, California.

18. Defendant Applied Systems, Inc. is a Delaware corporation with its headquarters in Chicago, Illinois. Applied is the dominant player in the insurance agency management system market. Its flagship software, Applied Epic, is used by the vast majority of insurance brokers, including eight of the 10 top insurance brokerage firms in the United States. Applied’s majority owner is the private equity firm Hellman & Friedman LLC.

## **JURISDICTION AND VENUE**

19. This Court has subject matter jurisdiction over this controversy under 10 *Del. C.*, § 341 because Plaintiff asserts equitable claims, including claims for violations of the California Unfair Competition Law, Cal. Bus. & Prof. Code § 17200 *et seq.*, tortious interference with prospective economic advantage, tortious interference with contract, and trade libel.

20. This Court has personal jurisdiction over Defendant Applied because it is incorporated in Delaware.

## **FACTUAL ALLEGATIONS**

### **I. Comulate was Founded in 2022 to Modernize Insurance Accounting**

21. In 2022, after years of working for Silicon Valley tech companies, Comulate's co-founders Jordan Katz and Michael Mattheakis decided they wanted to solve a problem that no one else had cracked.

22. The two were longtime friends with backgrounds in tech companies, known for their strong product and engineering skills. They originally considered building revenue management software for SaaS companies but pivoted to insurance after recognizing a larger opportunity to deliver transformative solutions in that industry.

23. Katz and Mattheakis quickly learned that the insurance industry offered them a perfect opening. Accounting functions in the industry were bogged

down by paper and spreadsheets, with people spending hours moving data from one to the other. Teams of people would work around the clock to complete these labor-intensive tasks.

24. By founding Comulate, Katz and Mattheakis hoped to offer the market something completely different: a game-changing accounting automation and intelligence platform designed specifically for insurance brokers. Comulate provides artificial intelligence-driven automation for accounting processes in insurance brokerage firms, focusing on tasks through the accounting lifecycle.

25. Before Comulate, brokers experienced substantial error rates in their manual billing processes that sometimes required teams of hundreds of people. By automating the end-to-end direct billing process, Comulate allows that same task to be completed with a fraction of the number of people, saving brokerage firms significant costs and dramatically reducing error rates. As Comulate customers attest, this is a game-changing product.<sup>1</sup>

26. The market reception to Comulate has been overwhelmingly positive with a **99% customer retention rate**. Satisfied customers report that “our accounting team raves about it with unique passion,” Comulate is the “best thing since sliced bread,” and Comulate has “changed our lives.”

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<sup>1</sup> *Story of Comulate's First User*, Comulate, <https://comulate.wistia.com/medias/kvczsytmwd> (last visited Nov. 30, 2025).

27. The company has matured rapidly, becoming the fastest growing company in the segment and becoming trusted core software for some of the industry's largest players. In February 2025, Comulate announced \$20 million in Series B funding led by top investors and currently employs approximately 30 people.

## **II. Applied Uses Vertical Integration and Catch-or-Kill Acquisitions to Cement Monopoly Power in the Insurance Agency Management Systems Market**

28. Applied is an insurance technology giant that provides an insurance agency management system through its software known as Applied Epic and a legacy system called Applied TAM. Insurance agency management systems are one-stop-shop software platforms designed to assist insurance agencies in managing their day-to-day operations, including their accounting, client management, claims tracking, and policy management. This allows insurance agencies to track policy-related information—including renewals, cancellations, and broker commissions—in a unified manner.

29. While many large companies in other industries employ commonly used business software, such as customer relationship management software (*e.g.*, Salesforce) and enterprise resource planning software (*e.g.*, Oracle NetSuite), these traditional platforms do not adequately address the needs of the insurance brokerage industry. Given their general nature and inability to address

insurance brokerage-specific needs, platforms like Salesforce and Oracle NetSuite are not reasonable substitutes for an insurance agency management system.

30. Applied is the overwhelmingly dominant player in the enterprise market with few participants. It has provided insurance agency management systems for over forty years, and as of today, its flagship insurance agency management system, Applied Epic, is the “world’s most widely used insurance agency management system . . . for growth-minded, mid-size, and enterprise independent agencies.”<sup>2</sup>

31. In a recent press release, Applied boasted that it is the “*leading insurance technology specialist*” because “more agencies are leveraging an Applied agency management system than *any other system* among the largest agencies in the U.S.”<sup>3</sup> In a year-end 2024 report, Applied publicly claimed it is the “world’s most widely used management system, with exponential growth in users since its

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<sup>2</sup> *Applied Epic: Insurance Agency Management Software*, Applied: Solutions <https://www1.appliedsystems.com/en-us/solutions/for-agents/agency-management-system/applied-epic/> (last visited Nov. 30, 2025).

<sup>3</sup> Press Release, Applied, Applied Remains the Industry’s Leading Provider of Agency Management Systems According to Multiple Industry Lists (Sept. 18, 2025), <https://www1.appliedsystems.com/en-us/news/press-releases/2025/applied-remains-the-industrys-leading-provider-of-agency-management-systems-according-to-multiple-industry-lists/> (emphases added).

launch.”<sup>4</sup> Among large brokers,<sup>5</sup> Epic is the agency management system used by more than 81% of the market.<sup>6</sup> Eight of the top 10 largest insurance brokers in 2025 currently use an Applied agency management system.<sup>7</sup>

32. To become the dominant market player and maintain that power, Applied has leveraged a two-pronged strategy to crush competition: catch or kill. Applied grows its business by acquiring smaller industry participants and industry-essential infrastructure and kills companies it views as threats to its market dominance.

33. Through brass-knuckled consolidation efforts, Applied has successfully developed an insurance ecosystem upon which much of the industry depends and has no real choice but to continue to use. Applied then uses this market control to derive above-market prices and fees, while stifling innovation and holding the industry hostage to using Applied’s own inferior products.

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<sup>4</sup> Applied, *The Applied Difference* (2025), <https://www1.appliedsystems.com/siteassets/the-applied-difference.pdf>.

<sup>5</sup> Large brokers are those ranked in the top 100 of Business Insurance’s 100 Largest Brokers of U.S. Business. *BI Top 100 U.S. Brokers*, Bus. Ins. (June 26, 2025), <https://www.businessinsurance.com/biresources/bi-top-100-u-s-brokers/>. Business Insurance’s 2025 Top 100 U.S. Brokers is based on 2023 brokerage revenue generated by U.S.-based clients.

<sup>6</sup> As measured by commercial retail revenue from U.S. offices of firms using Applied Epic.

<sup>7</sup> *Id.*

**a. In 2013, Applied Systems Acquired Ivans, Provider of Essential Industry Infrastructure**

34. Applied's dominance depends on controlling chokepoints that every market participant must pass through. The most important of these is Ivans: the insurance industry's primary data-exchange network, which Applied acquired in 2013 and now controls to deny or restrain competitors the infrastructure they need to operate.

35. The insurance industry requires constant data exchange among carriers, agencies, brokers, wholesalers, and reinsurers. In 1984, a consortium of industry participants founded Insurance Value Added Network Services ("Ivans") to provide this essential infrastructure. Ivans became the standard: today, no agency management system can function without Ivans connectivity, and no meaningful alternative exists for carrier-to-agency data exchange.

36. From its founding until 2013, Ivans operated as an open platform available to all industry participants on equal terms. It was designed to serve the industry collectively, not to confer market power on or competitive advantage to any single firm.

37. Applied's 2013 acquisition of Ivan's property and casualty division immediately raised alarms. It is unclear whether the transaction, which was potentially accomplished through a corporate transfer among commonly controlled entities, was subject to antitrust review. But industry participants recognized that

Applied would now control the infrastructure on which Applied's own competitors depended. Applied could leverage that control to exclude rivals, raise their costs, or deny them access entirely. To address these concerns, Applied publicly committed to maintain Ivans as an "open platform."

38. Six months after acquiring Ivans, Applied was itself acquired by private equity firm Hellman & Friedman LLC for \$1.8 billion. Hellman & Friedman publicly touted that Applied was "uniquely positioned" as the dominant player in agency management systems.<sup>8</sup> On information and belief, Hellman & Friedman maintains board representation and remains active in directing Applied's strategy, including with respect to Ivans.

39. Applied broke its commitment to maintain Ivan's "openness." Today, Ivans operates under the same name (Ivans) but as a business unit under Applied's direct control. Its business head reports to Applied's President, Graham Blackwell, who personally oversees access decisions and has taken a hands-on role in leveraging Ivans against competitors. As one former Applied employee who left because "[the company was] *not being ethical*" explained with respect to Ivans'

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<sup>8</sup> Press Release, Hellman & Friedman LLC, Hellman & Friedman to Acquire Applied Systems (Nov. 26, 2013), <https://hf.com/hellman-friedman-to-acquire-applied-systems/>.



management team: “Ivans really has lost a lot of power in the last couple of months. It’s writing on the wall. ***Our [Ivans’] marketing has been taken over***” by Applied.

40. Put differently, Applied’s executive team destroyed any semblance of Ivans’ independence from Applied’s business objectives.

41. Applied now uses Ivans as a tool of exclusion. Even industry giants have been denied access, with Applied citing pretextual policies to justify refusals. As a senior employee at one leading CRM provider described it, Applied ***“shuts [Ivans] down to Applied land.”***

42. For the competitors that do obtain access, Applied structures contracts to maintain its leverage. Ivans’ licenses run for only one year and may be terminated on 60-120 days’ notice, leaving competitors perpetually at Applied’s mercy. Anti-assignment clauses give Applied the unilateral power to terminate access if a competitor is acquired by any “direct competitor of Applied Systems”—an express acknowledgment that Applied wields Ivans to eliminate competitive threats rather than serve industry needs. These provisions chill competition by hanging an existential threat over any new entrant.

43. Applied also uses Ivans to extract exorbitant fees. A former Ivans executive described Ivans (under Applied’s control) as having “a ***very bad reputation of being the extractor***”—“***just raising prices because they could***

*because they had 80% of the market” while “giving [customers] the same technology and not enhancing it.”*

44. When exclusion and extraction are not enough, Applied resorts to delay. Comulate’s experience is illustrative. After requesting a standard Ivans partnership agreement on December 4, 2023, Comulate endured six weeks of obstruction caused by Applied:

- **December 4:** Comulate provides its details for an agreement.
- **December 6:** Comulate follows up. No agreement.
- **December 12:** Ivans replies “I do not believe that there is a viable opportunity for a partnership here.”
- **December 14:** Comulate pushes back, affirming it will proceed via Ivans.
- **January 2:** Ivans blames its legal team and the holidays.
- **January 5:** Ivans promises a document “early next week.”
- **January 11:** Still no agreement. Ivans explains it needed to “*jump through a few hoops*” to get it approved.
- **January 17:** Ivans claims the agreement is legal’s “highest priority today.”
- **January 19:** Comulate finally receives the agreement, 46 days after its initial request.

45. A six-week delay for Applied to provide a standard agreement for review is not an ordinary process. It is obstruction designed to slow or prevent competitor access to essential infrastructure.

**b. In 2019, Applied Kills TechCanary, a Potential Competitor**

46. In addition to wielding its monopolistic power to control new entrants to the market, Applied further ensures it maintains market dominance by acquiring smaller, would-be competitors to kill competition. For example, in 2019, Applied acquired a promising insurance agency management system called TechCanary. Before being acquired, TechCanary, which was built by integration with Salesforce, had gained traction among large insurance brokerages. Determined to maintain its position as the dominant insurance agency management system, Applied paid a steep price for TechCanary—while TechCanary only generated \$10 million in annual revenue, Applied paid nearly \$80 million for TechCanary. Applied was willing to swallow this hefty premium to guarantee it could stop TechCanary before it became a real threat.

47. Applied told the market that it would integrate TechCanary into Applied Epic to enable customers to use Salesforce to manage their sales and marketing. But instead, Applied killed it. As one former TechCanary user explained, “Applied purchased [TechCanary] and shut it down six weeks after we

launched the new management system.”<sup>9</sup> By all appearances, Applied made no effort to integrate TechCanary into Applied Epic. Applied’s actual goal was to eliminate an up-and-coming competitor.

**c. Applied Obtains Market Dominance in Agency Management Systems by Claiming That Applied Epic Is an “Open” Platform**

48. Applied has long marketed Applied Epic as an “open” agency management system that empowers customers to choose the best technology partners for their operations. By marketing Applied Epic as an open and flexible platform, customers were enticed to adopt Applied Epic with promises that the platform would integrate seamlessly with their needs and stay at the cutting edge of technology by fostering an ecosystem of third-party developers who would provide functionality to meet their evolving needs. And, by the same token, third-party technology developers were invited and encouraged by Applied to invest time and effort into developing tools and products that would improve end customers’ overall experience.

49. For example, on August 23, 2021, Applied announced that its latest version of Applied Epic was a “[n]ew, open architecture” that would “enable greater choice, flexibility and operational efficiency” and allow customers “choice for how

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<sup>9</sup> Jason Contant, *How Brokers Feel About BMS Provider M&A*, Canadian Underwriter (Feb. 17, 2020), <https://canadianunderwriter.ca/uncategorized/how-brokers-feel-about-bms-provider-ma/>.

to *build in and around Applied Epic*.”<sup>10</sup> Applied proclaimed that Epic would be an open platform for customers to build on and around through its “open, API-based architecture.”<sup>11</sup> This open architecture would “enable[] easier data exchange in and out of the platform” so that customers and third parties would have “the flexibility to build the tech stack that is right for their business[es].”<sup>12</sup>

50. Applied advertised the “Open Architecture” of Applied Epic in detail on its website, illustrating how applications developed by Applied would stand on an equal footing with third-party applications like Comulate, within the Applied Epic ecosystem. As illustrated by the below graphic, “Applied Applications” and “Third Party Applications” are depicted as having the same level of access.<sup>13</sup>

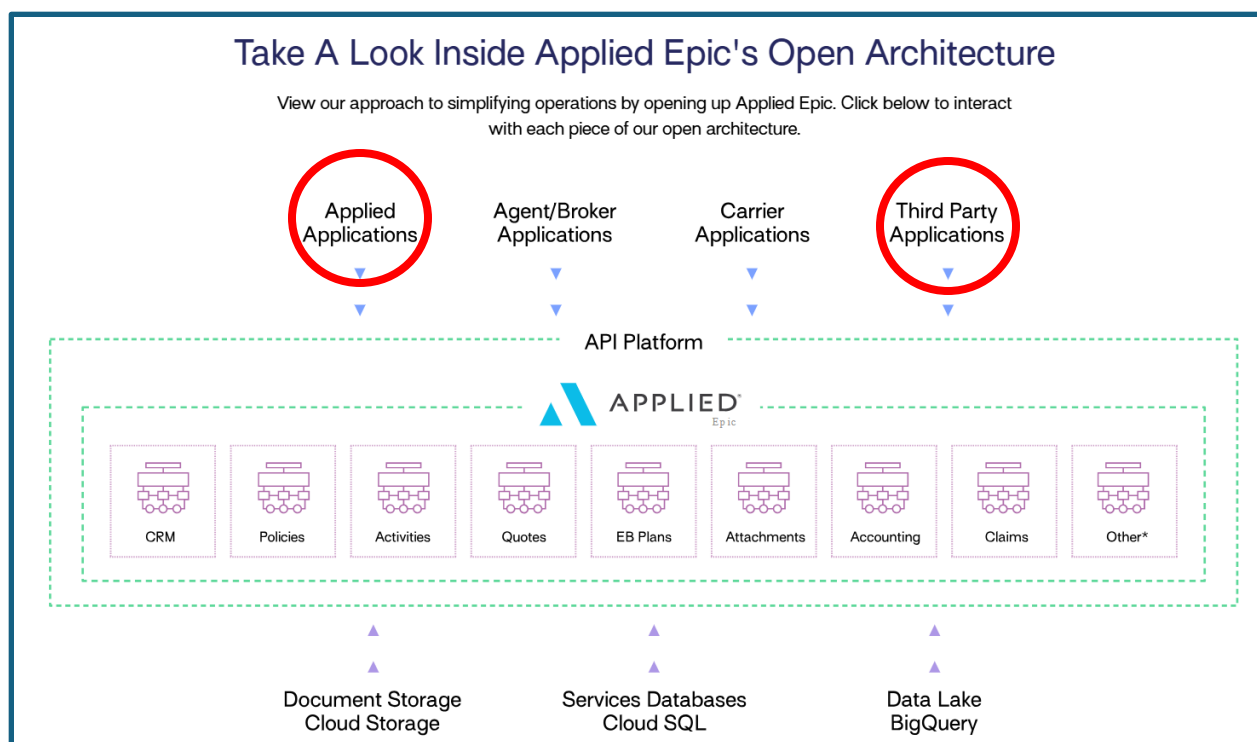
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<sup>10</sup> Press Release, Applied, Applied Launches Fully Browser-Native Version of Applied Epic (Aug. 23, 2021), <https://www1.appliedsystems.com/en-us/news/press-releases/2021/applied-launches-fully-browser-native-version-of-applied-epic>


<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> *Opening Up Innovation*, Applied, <https://web.archive.org/web/20211204094256/https://interact.appliedsystems.com/opening-up-innovation/p/1> (last visited Nov. 30, 2025).



51. Applied emphasized to customers that Applied Epic’s “open architecture” would allow customers to choose their own third-party technology solutions so customers could “be in control of [their] own tech destiny.”<sup>14</sup>



### Choice and Flexibility to Innovate

Choice remains with our customers on their technology strategies and we want to partner to provide the best tech stack. Your technology should adapt and be agile to your needs – not keep you constrained. Our open architecture provides flexibility and easier access to more quickly integrate third-party applications so you can be in control of your own tech destiny.

**Make choice and flexibility yours ➞**

<sup>14</sup>

*Id.*

52. Applied proudly proclaimed to the world that its commitment to providing customers an open and neutral platform was a full “company transformation” as “closed business models are a thing of the past.”<sup>15</sup> Applied advertised that Epic would serve as the foundation of a “digital ecosystem” that would bring all industry stakeholders together.

**This is more than a technology transformation –  
this is a company transformation.**

Closed business models are a thing of the past. Applied is here as your partner to connect all stakeholders of the insurance lifecycle to create a more vibrant and valuable digital ecosystem of insurance. Peek into how our business is transforming beyond product innovation – from customer success and our partnership approach to how our internal culture is opening up to bring more diversity to our great industry.

53. This “Open Approach” was a central pillar of Applied’s promotion of Applied Epic. *Until recent months*, Applied’s main webpage touted Applied’s “Open Approach” as the first pillar of the corporate philosophy that made up “the Applied Difference.”<sup>16</sup>

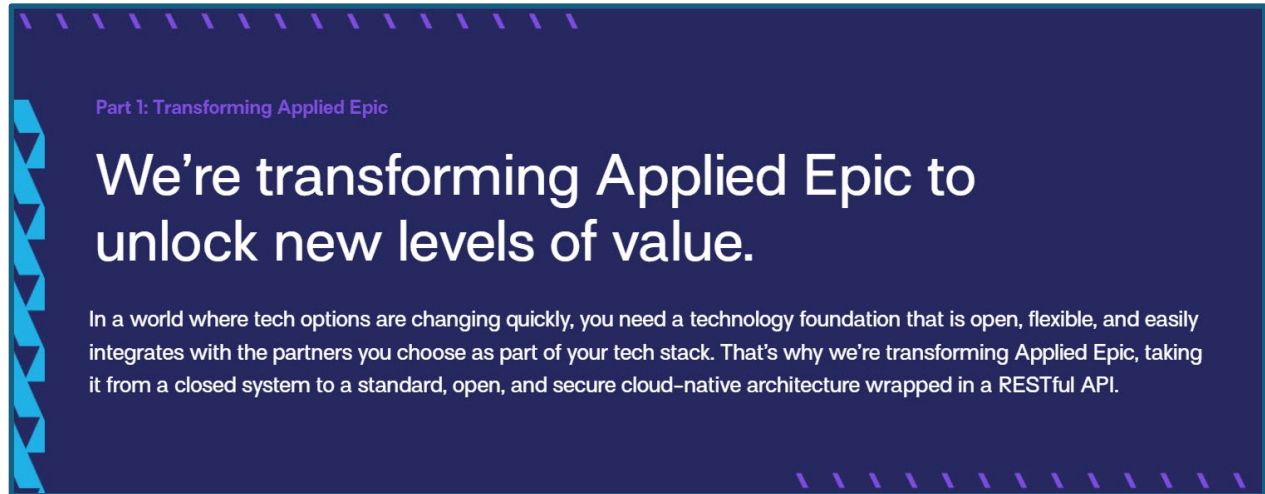
54. Applied has used this “open ecosystem” messaging consistently, defining Applied Epic as a “technology foundation” using a “standard, open, and

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<sup>15</sup> *Id.*

<sup>16</sup> *Your Indispensable Insurance Technology Partner*, Applied, <https://web.archive.org/web/20211210060223/https://www1.appliedsystems.com/en-us/> (last visited Nov. 30, 2025).

secure cloud-native architecture” so that customers can “easily *integrate [Epic] with the partners you choose* as part of *your* tech stack.”<sup>17</sup>



55. To assist developers in creating products on the Epic platform, Applied hosts a “Developer Center” webpage that “accelerates [developers’] design, development, and deployment processes by providing a comprehensive environment to explore available APIs [application programming interfaces], understand their capabilities, [and] generate credentials to connect your apps.”<sup>18</sup>

56. As mentioned above, Applied also provides an SDK that “allows developers to access the Applied Epic database from their own code—giving

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<sup>17</sup> *The Next Chapter in Our Innovation Story*, Applied, <https://web.archive.org/web/20230110154116/https://interact.appliedsystems.com/opening-up-innovation-the-next-chapter/p/1> (last visited Nov. 30, 2025).

<sup>18</sup> *Overview*, Applied DevCenter, <https://devcenter.myappliedproducts.com/docs/overview> (last visited Nov. 30, 2025).



developers the ability to read and write data to and from the Epic database.” These tools allow third-party innovators to provide solutions to brokers (and others) who use Applied Epic.

57. Applied thus established market dominance as brokers adopted Epic not just for its core capabilities, but because they believed they could use Epic as the foundation for a market of innovative and flexible third-party integrated solutions that meet their individual needs. Customers reasonably believed that, as promised, Applied would allow them to use the third-party solutions that best meet their needs in conjunction with Applied Epic. And developers like Comulate reasonably believed they would be allowed to compete fairly to sell products developed on top of the Applied Epic platform.

### **III. Applied Invites Comulate to Develop Within Applied’s “Open Ecosystem,” but Reverts to its Capture-or-Kill Playbook After Comulate Demonstrates a Groundbreaking Product**

58. Despite its market dominance as a platform, Applied Epic lacked certain functionality that customers desired. In 2022, Applied Epic had limited accounting automation functionality, meaning that customers were forced to manually perform much of their accounting work. For large broker customers, this meant that hundreds of people were required to complete these manual tasks.

59. Customer demand thus existed for a product that would complement existing insurance agency management systems, including Applied Epic, to provide this functionality.

60. Comulate changed the landscape entirely, offering insurance brokers the ability to automate 90% of the manual work involved in end-to-end policy accounting processes, saving insurance brokers time and eliminating the risk of human error.

61. Comulate works on top of Applied Epic, so brokers buy Comulate's product from Comulate to integrate with the agency management system they already use. In practice, Comulate customers need access to the Applied Epic SDK for Comulate to integrate with Applied Epic. Applied charges fees just to enable customers to access the Epic SDK.

**a. Comulate Integrates with the Applied Epic Platform at Customers' Requests**

62. Comulate was first introduced to Applied in November 2022 when an early Comulate customer asked Comulate to integrate its product into the customer's existing Applied Epic instance. Applied facilitated Comulate's and the customer's access to the Applied Epic SDK, which Comulate used to successfully integrate its product into the Epic platform.

63. Applied did not require Comulate to sign any contracts to access the SDK for this customer. This absence of legal barriers was unsurprising; Applied

had designed and pitched Applied Epic to this customer and the entire market as an “open” platform that would allow third parties to integrate their “apps” seamlessly into the Applied Epic ecosystem, and providing access to third parties to develop and implement their “third party applications” was the natural result of Applied’s “company transformation” to an open “business model.” (As explained below, Applied would later repeatedly demand that Comulate sign onerous so-called “third party consultant contracts,” and then back down in the face of Comulate’s refusal and customers’ continued demand for Comulate).

64. Comulate’s user base rapidly exploded after its launch. Comulate identified a previously underappreciated problem that industry experts have called “critical,” and insurance brokers quickly realized the massive savings that could be achieved by using Comulate—to the ultimate benefit of policyholders. Indeed, Comulate’s customers are some of the largest insurance brokerage agencies in the world.

#### **b. The Parties Explore Mutually Beneficial Strategic Partnership**

65. In or around November 2022, Comulate’s and Applied’s joint customers initiated discussions between Comulate and Applied regarding a potential collaboration. To safeguard the confidentiality of technical and business information shared during these talks, the parties entered into a non-disclosure agreement on November 21, 2022.

66. In December 2022, Applied requested a product demonstration from Comulate, which Comulate delivered.

67. Applied liked what it saw and pursued Comulate. On January 25, 2023, a senior Applied employee inquired about Comulate’s long-term vision, including whether Comulate’s team was interested in a strategic partnership or an acquisition. Katz, on behalf of Comulate, responded that Comulate was not interested in being acquired, calling such discussions “premature.”

68. After Comulate made clear that it was interested in a partnership and not acquisition, Applied’s reaction suggested that it remained interested in proceeding on those terms. That reaction was unsurprising: after all, Comulate was a complementary product, and greater integration between Comulate and Applied would benefit Applied’s existing customers and make Applied Epic more attractive to the insurance brokers not already using it.

**c. Applied Invites Comulate to Participate in a Pilot Program to Offer Cutting-Edge Automation Technology to Major Client 1**

69. Beginning in February 2023, Comulate’s and Applied’s teams explored the contours of the financial relationship between Comulate and Applied, evaluating revenue-sharing models to ensure a partnership would be both operationally viable and strategically beneficial.

70. Applied realized that Comulate would be beneficial for Applied’s largest customers. On March 3, 2023, Katz, on behalf of Comulate, and

Brian Giometti, Applied's Senior Vice President of Corporate Development, held a conference call to discuss enhancing the companies' partnership. On this call, Giometti asked Comulate to provide its product to assist in the onboarding of Applied's largest customer ("Major Client 1"), which was in the early stages of adopting Applied Epic as its agency management system. Giometti acknowledged that bringing Comulate to Major Client 1 was a "value-add" and a "good solution" for Major Client 1. Major Client 1 thus added a heightened sense of urgency and a time-critical requirement for functionality that Epic lacked—and which it wanted Comulate to provide.

71. So, while Applied worked to entice Major Client 1, Applied negotiated with Comulate on the financial structure of a more formal partnership as Comulate continued developing its product. The parties discussed revenue sharing arrangements whereby Comulate would pass on a percentage of revenue from its clients using Applied's Epic platform. The parties discussed a 5% revenue share, while Applied would remove the requirement for clients to pay Applied for an SDK license to integrate with Comulate's software (which customers considered part of Comulate's pricing).

72. This proposal was well received by certain members of the Applied team. As a senior Applied employee bluntly observed on an April 2023

call, the requirement to buy an SDK license on top of other fees is “*the shittiest way ever to build the partnerships*” and “*triple dipping*.”

**d. Applied Encourages Comulate to Continue Developing its Epic Integration While Strategic Negotiations are Ongoing**

73. While financial discussions were ongoing in parallel, Applied and Comulate had in-depth discussions regarding the technical aspects of Comulate’s Epic integration, including data security, system compatibility, and workflow interoperability.

74. Over the next several months, Comulate’s team worked with Applied’s engineers to address the technical aspects of integration, much of which centered on Applied’s Epic SDK, which Comulate used for connectivity with Applied Epic. Most of Applied Epic’s third-party integrations rely on the Epic SDK for both development and to operate post-deployment.

75. Comulate had used the Applied Epic SDK to develop and deploy its Epic-integrated product to its customers.

76. Prior to the integration discussions, Comulate had accessed and developed its integration with Applied Epic using the SDK licenses of Comulate’s and Applied’s joint customers. Comulate needed to access Applied Epic’s SDK to develop its product because most of Applied Epic’s third-party integrations rely on the SDK. As Epic’s core function is to house the insurance data of customers who use it, neither customers nor their third-party service providers can access the

customer's own data without going through Applied Epic. For example, after Comulate's AI reconciles transactions to policies, it must use Epic's SDK to post entries into a customer's general ledger in Epic.

77. As Applied knew, without its own environment, Comulate could only gain access to the Applied Epic SDK through its customers. Applied knew that Comulate was accessing the Applied Epic SDK through its customers—indeed, Applied readily acknowledged as much, and facilitated this setup. Applied never objected to Comulate accessing the Applied Epic SDK through its customers, and at no time had Applied ever required Comulate to agree to contractual restrictions in order to develop its product or use the Applied Epic SDK. For example, Applied executives had given Comulate direct access to the Epic SDK months earlier to perform work, and pointed Comulate to its publicly available resources detailing the methods and functionality of the Epic SDK, without requiring any agreements from Comulate.

**Re: Comulate and Applied**

**Ricky Lopez** <RLopez@appliedsystems.com>

Thu, Dec 1, 2022 at 6:34 PM

To: Jordan Katz <jordan@comulate.com>

Cc: "Michael@Comulate.com" <michael@comulate.com>, Brian Giometti <>BGiometti@appliedsystems.com>

Hey Jason -

To keep you moving while the client works with sales. See below for connection info to a test environment.

SDK URL - [REDACTED]

Auth Key - [REDACTED]

database name [REDACTED]

documentation:

<https://help.appliedsystems.com/Help/EpicSDK/2022.1/html/8292f241-9ab2-43f7-ab2f-25fc3843128b.htm>

WSDL URL: [REDACTED]t/epicsdk/epicsdk.svc?wsdl

Thanks,  
Ricky

Ricky Lopez  
VP, Solutions

78. In the discussions between Comulate and Applied's engineers, the parties discussed that Epic's SDK "doesn't work very well," including because it "breaks down for large updates." Applied's employees admitted that requiring customers and developers to rely on the Epic SDK for day-to-day operations was a poor approach.

79. Comulate identified numerous potential improvements to the Epic SDK and APIs that would improve their functionality for customers using third-party integrations. For instance, Comulate highlighted the SDK's inability to grant differentiated levels of access to a given customer's data, which is customarily possible with modern APIs. At the same time, Comulate flagged gaps in



functionality, such as problems with real-time updates to account information that made the SDK cumbersome and not readily scalable.

80. Applied and Comulate’s teams examined options to address the limitations of the SDK. Both teams agreed that a modern API-based integration would provide better security and scalability, and they discussed plans for Applied to build APIs for this purpose. In the interim, Comulate had no other option but to build integrations using the Epic SDK, with Applied providing technical support.

81. To give Comulate its own access to a dedicated test environment, including an Epic SDK, on May 25, 2023, Comulate and Applied signed a Pilot Agreement (the “POC Agreement”). Through the POC Agreement, Applied promised to grant Comulate its own license to access a test environment to more conveniently develop its integration with Applied’s SDK and Data Lake to facilitate Comulate’s development and testing of its product outside its customers’ SDK environments.

82. Once the POC Agreement was signed, Comulate followed up about getting access to an Epic SDK test instance repeatedly over the course of several months. When Comulate first asked about getting access to the test environment that it was entitled under the POC Agreement, on June 14, 2023, Applied replied that it would “get this moving.” But that was not true. Despite Comulate following up on July 6, August 8, and August 14, Applied was radio silent.

In the August 14 follow up, Comulate specifically told Applied that Comulate needed access to demo to a potential customer how Comulate works within the Applied Epic ecosystem. Ultimately, Applied never provided the access that Comulate was entitled to under the POC Agreement, thus breaching the POC Agreement and leaving Comulate with no other choice but to continue using Applied Epic's SDK through Comulate's and Applied's joint customers.

83. Applied knew that breaching its promise to give Comulate its own environment and SDK key meant that Comulate would have to continue accessing the Applied SDK through its customers. Applied and Comulate discussed Comulate's use of the Epic SDK on scores of occasions during 2023, and Applied knew that Comulate was actively using the SDK to develop, refine, and implement its Epic-integrated product. Applied did not object to or ask Comulate to stop using its customers' SDK access.

**e. Applied Suddenly Ends Partnership Discussions in June 2023 and Focuses on Acquiring Comulate**

84. On June 9, 2023, after months of technical cooperation, Comulate delivered a highly successful demonstration that showcased its product integration with Applied's Epic platform. The demo highlighted real-time data synchronization and automation features, which was very well received by Applied stakeholders. Applied recorded the technical demonstration and it was viewed by

Applied's President, then-CFO, Graham Blackwell, who was responsible for mergers and acquisitions at Applied.

85. Applied was impressed by the June 9, 2023 demo of Comulate's technology. With the demo's successful showing of Comulate's capabilities, it appeared to Comulate that a formal agreement to continue the Applied-Comulate partnership was inevitable.

86. However, following the successful demo, Applied wanted to own the capabilities they saw. Not only that, Applied understood that Comulate was offering a product with functionality—AI-driven automation—that Applied was not offering and would take years to develop in-house. As Giometti had explained months earlier:

“It's sort of like *how long you think it [will] take [Applied] to, like, get smart on everything you're doing and go try and do it ourselves, right?* And like, [Applied would] actually have to execute it. I mean, *that's like you're years away*, you know, from being realistic.”

87. So rather than partner with Comulate, Applied began implementing its catch-or-kill strategy.

88. During a June 15, 2023 call between Katz, Blackwell and Giometti, Applied made clear it viewed Comulate as a target, not a partner. Applied congratulated Comulate's team on the impressive success Comulate had already demonstrated and conveyed that Applied wanted to acquire, rather than partner with,

Comulate. Comulate declined, as its enterprise value was set to increase significantly due to the company's and product's strong growth as an independent business.

89. Applied was furious at Comulate's refusal to be caught. In retaliation, Applied killed the pilot project and put a formal partnership agreement on ice, throwing all of Comulate's efforts in furtherance of a formal partnership out the window and leaving in place what Applied itself called the "shitty" business model of requiring Comulate's customers to pay for SDK access through Applied. Applied also continued to deny Comulate its rights under the POC Agreement, freshly signed in May, failing to provide Comulate the test environment it promised in the POC Agreement.

90. Nonetheless, Applied supposedly committed to keeping partnership discussions open. While there were talks of "discussing a framework for commercial partnership," the discussions did not materialize for months. When the parties finally resumed discussions in September 2023, Applied demanded revenue shares of Comulate's services up to 30%, which went far beyond the 5%-10% the parties had originally discussed. At this point, Applied was solely interested in acquisition.

91. Applied doubled down on its efforts to acquire Comulate. In late 2023, for example, Comulate and Applied had several meetings during which

Applied emphasized that any partnership with Comulate would be in furtherance of a later acquisition. During a December 20, 2023 meeting between Blackwell and Katz, Blackwell went as far as proposing an immediate acquisition. Blackwell's offer was a short-term "partnership" that would have required Comulate to enter into an exclusivity agreement with Applied to create "a degree of integration that [the parties would not] replicate with others in the market." The exclusivity agreement would restrict the features and functionality Comulate would offer to competing agency management system providers and grant Applied an option to purchase Comulate at a predetermined price once Comulate achieved a certain revenue mark.

92. Given Applied's dominance in the market, Comulate had no choice but to remain on friendly terms with Applied, and Comulate remained interested in pursuing a partnership with Applied. But since every "partnership" option Applied offered was "marriage without dating," and Comulate refused to be swallowed by Applied, Comulate kept declining Applied's overtures.

93. Meanwhile, Applied remained laser-focused on catching Comulate via acquisition. Applied's Blackwell flatly rejected a non-acquisition focused partnership with Comulate, claiming that it was "hard for [Applied] to wrap our head around."

94. Still, Comulate's product remained integrated with Applied Epic, and an increasing number of Applied's large customers continued to use and demand

access to Comulate. Comulate continued to utilize Applied's tools, including its SDK, through Comulate's mutual customers with Applied.

95. Applied was aware of this and even supported it. Applied benefitted from customers' use of Comulate, both through higher overall customer satisfaction and also through a free revenue stream. Because Applied had never fully developed the APIs it promised would enable efficient connectivity for customer and third-party solutions, customers were forced to use Applied's Epic SDK to implement their preferred technology solutions. And though granting access to the SDK required trivial effort from Applied, Applied charged customers monthly fees for this access. Applied charged a lower up-front price for a "runtime" SDK to be used with existing solutions and a substantially higher up-front price for a "developer" SDK for custom integrations. Other than Applied's fees, the distinction between the two is not meaningful, as both offer substantially the same functionality. Applied conveyed that higher fees for "developer" SDK access reflects that active development assumes a greater degree of support from Applied software engineers, such as by troubleshooting issues and implementing technical requests. However, the fee Applied charged for SDK access—especially the significantly higher up-front fee for "Developer" SDK access—was yet another barrier Applied controlled to impede fair competition.

96. In 2024, Applied began leveraging Comulate customers' requirement for SDK access to squeeze more cash out of its customers and cause additional friction for Comulate. For example, in January 2024, Applied falsely (and intentionally) told a mutual customer that it needed to purchase the more expensive "developer" SDK access, not just the "runtime" SDK access it had previously purchased, in order to work with Comulate. This made little sense, as Comulate's integration had already been built and could be deployed in a plug and play fashion, and previously Applied's policy was that Comulate customers would only require a runtime SDK. After Comulate called Applied out on its falsity, Applied backed off, claiming it had made a "mistake." But within months, Applied began requiring *all* Comulate customers to purchase "developer" SDK access, even though the customer's Comulate implementation was not actively being developed. On information and belief, Applied changed its policy to add greater friction and extract value from its customers who had chosen to work with Comulate.

97. Though partnership talks had fallen through, Comulate and Applied ultimately executed an Ivans API Agreement in February 2024 after months of friction and six weeks of delay just to get the standard agreement (the "Ivans Agreement") for Comulate to review. As noted above, by early 2024, Applied was leveraging its control over Ivans to create friction and impede would-be competitors

who sought to enter the market. Pursuant to the Ivans Agreement, Applied licensed its Ivans API directly to Comulate.

98. Even without a formal partnership with Applied, Comulate continued to not only grow but thrive. By the end of 2024, Comulate had tripled its revenue over the past year, signed several dozen of the 100 largest insurance brokers as customers, and achieved more than 120% net revenue retention. On the strength of its performance, meteoric growth trajectory, and strategic vision, Comulate attracted \$20 million in Series B financing.

99. With increased revenue, fundraising, and business, Comulate was able to further expand its product to include the first ever real-time automated cash-to-production dashboard, eliminating all spreadsheet tracking for the revenue cycle. This type of innovation—one that identifies an issue that no one else has solved and develops a solution that is unique, fast, efficient, and client-centered—is what sets Comulate apart and is the reason why Comulate was able to attract so many major customers within just a few years of its founding.

#### **IV. Applied Intensifies its Anti-Competitive Campaign Against Comulate in 2024 to Unfairly Assist Applied's New Competing Product**

100. In the latter half of 2024, Applied began to accept that it could not catch Comulate by acquiring it. Applied thus changed its tack, launching a campaign designed to eliminate Comulate's ability to integrate with Applied,



destroy Comulate's relationship with joint Applied clients, and push Comulate out of the market.

101. At the same time, Applied began to develop a new product intended to perform the same functionality as Comulate, called "Applied Recon." Like Comulate, Applied marketed Applied Recon as an AI-powered automated insurance accounting reconciliation tool that would handle direct bill automation, carrier payables, policy reconciliation, and other accounting functions.

**a. Applied Initiates Baseless Legal Threats Against Comulate**

102. In August 2024, Nicole Chimienti, an in-house attorney for Applied served Comulate with a cease-and-desist letter, falsely claiming that Comulate advertising on its website that Comulate could be integrated with Applied Epic was trademark infringement and breach of the Ivans Agreement. The accusations in the letter were frivolous, and Applied knew it: Comulate's access under the Ivans Agreement was wholly unrelated to the Epic integration Comulate advertised.

103. Incredibly, when Comulate raised the cease-and-desist letter with Blackwell and Giometti, they both feigned ignorance of it. Giometti tried to shirk the blame by pointing the finger at Applied's legal team, claiming they "sent out a bunch of those" and that the letter "would never get written from anybody coming from my [Giometti's] group."

104. Shortly after serving Comulate with the letter, Applied withdrew it, claiming—despite the letter being addressed to Katz and attaching the Ivans Agreement between Comulate and Applied—that the letter was sent in error, so Applied would take “no further action.” Applied’s frivolous legal threat went nowhere, but it illustrates one example of how Applied systematically weaponizes its control over the essential Ivans facility against disfavored competitors. Moreover, the legal threat affirms that in-house attorneys for Applied assessed Comulate’s integration with Applied Epic and *raised no issues with Comulate’s access to the Epic SDK*—which Comulate had been using for years with Applied’s knowledge and consent.

**b. Applied Takes A Hostile Approach To Comulate At Applied Net 2024**

105. In September 2024, Applied changed tack toward Comulate, shifting away from partnership or acquisition and toward direct hostility. The shift was marked by an in-person conversation between Blackwell and Katz at Applied Net, the annual industry conference for users of Applied products.

106. On September 11, 2024, Blackwell met in person with Katz at Applied Net. In that conversation, Blackwell expressed that Applied was no longer interested in acquiring Comulate, as Applied had begun organically developing its own product in the hopes of replicating Comulate. According to Blackwell, because

Applied viewed Comulate as competition, Applied would block Comulate from Applied events going forward.

**c. Applied Surreptitiously Attends a Salesforce Event to Learn About Salesforce's Plans to Enter Applied's Market**

107. A week later, between September 17-19, 2024, Salesforce held its annual Dreamforce conference. Salesforce hosts Dreamforce each year in San Francisco to promote its newest products and developments to customers and industry players. Unlike Applied Net, Dreamforce is organized by Salesforce, not any non-profit user group, so Salesforce determines who may attend Dreamforce.

108. Under its Program Agreement, Salesforce specifically prohibits any of "Salesforce's direct competitors" from attending Dreamforce, and prohibits any Dreamforce attendee from "[a]ccess[ing] or us[ing] [Dreamforce] for any competitive purposes, including to build a competitive product or service, or any product or service using similar ideas, features, functions or graphics as [Dreamforce], or for purposes of benchmarking or otherwise monitoring the Program's availability, performance or functionality."<sup>19</sup>

109. In the days before Dreamforce, Applied learned that Salesforce would be announcing plans to expand its offerings to the insurance brokerage industry at Dreamforce. On information and belief, Applied was alarmed at the

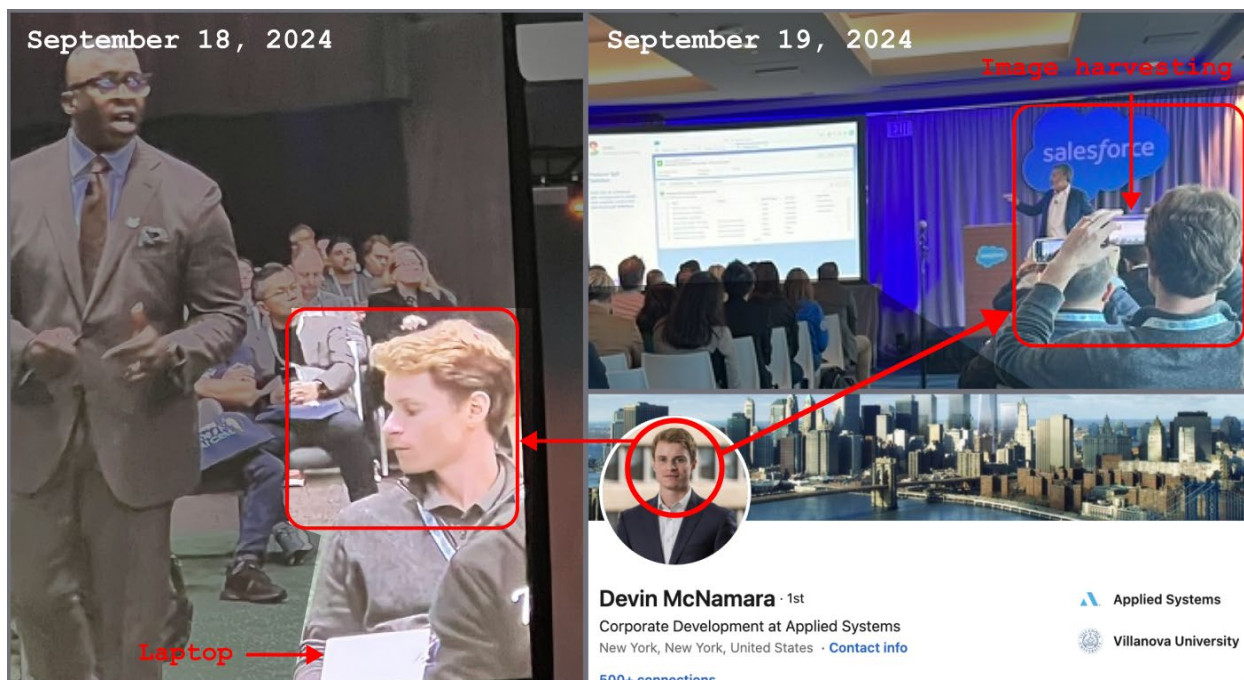
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<sup>19</sup> *Salesforce Program Agreement*, Salesforce (last updated May 2, 2025), <https://www.salesforce.com/company/legal/program-agreement/#events>.

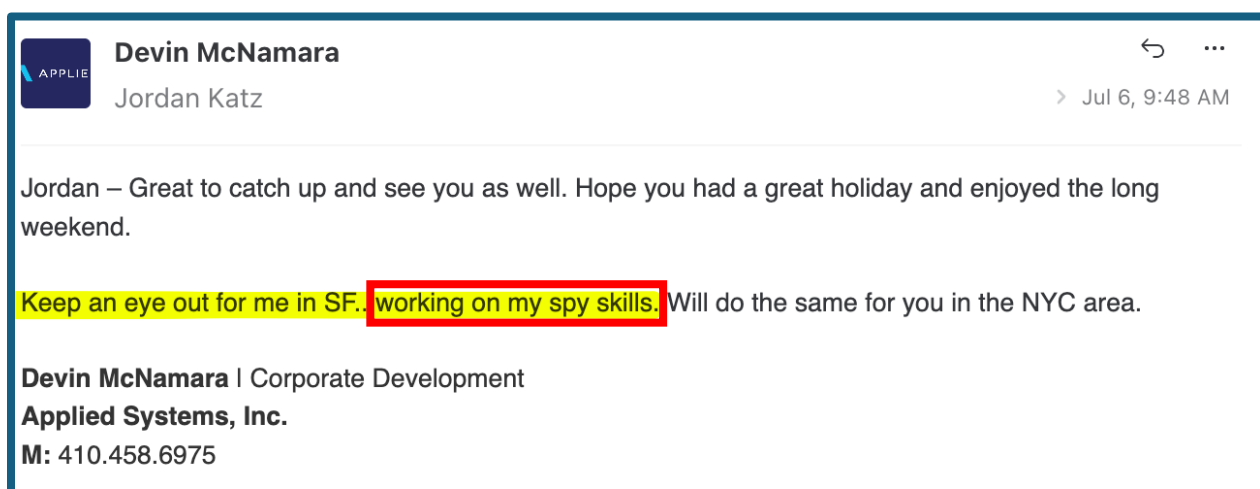
potential entry of a major player into a market it monopolizes. So Applied sent a Corporate Development employee, Devin McNamara (reporting to Brian Giometti), to attend Dreamforce and perform competitive intelligence on Salesforce's business plans to expand offerings to the insurance industry.

110. Applied was required to agree to Salesforce's Program Agreement when it obtained credentials to attend Dreamforce. By agreeing to the Program Agreement, Applied misrepresented its intention to attend Dreamforce to conduct competitive intelligence. Applied had been concerned about the possibility of competition from Salesforce for years, and, on information and belief, had acquired TechCanary years ago to prevent Salesforce from gaining a foothold in the insurance brokerage market.

111. At Dreamforce, Salesforce announced that it was expanding its Financial Service Cloud for Insurance Brokerages, an insurance broker-specific customer relationship management software, to include AI-powered automation. Applied employee Devin McNamara attended the event and captured images and detailed notes of Salesforce's planned offerings.



112. Applied makes light of its conduct. In a subsequent e-mail with Katz of Comulate, McNamara joked that Katz should “keep an eye out for [him] in [San Francisco].. working on [his] spy skills.”



113. After seeing firsthand the customer excitement for Salesforce’s planned entry into the insurance financial services technology space, the confidence

Blackwell projected when he met with Comulate at Applied Net a week before evaporated. Applied believed that its tightly maintained control of the insurance agency management system market could slip. In an effort to shore up its product offerings, Applied's Giometti, at Blackwell's request, reached out to Comulate requesting a call *less than 24 hours later*. On September 20, 2024, Giometti gauged Comulate's openness to acquisition by Applied. Giometti told Comulate that Applied was "looking to go make a really hard run" in the automated accounting space and offered Comulate a "narrow window" to revisit a potential acquisition of Comulate, claiming that "at the end of the day, we want happy customers." Applied's overture was a direct about-face from the message Blackwell had conveyed less than two weeks earlier.

**d. Applied Exercises Improper Control Over 501(c)(6) Non-Profit User Group, ACN, to Freeze Out Comulate and Other Perceived Competitors**

114. Giometti's claim that Applied "wants happy customers" could not have been further from the truth, as Applied's next move was to improperly use the Applied user group, ACN, to exclude Comulate from the segment's largest annual conference.

115. ACN is a 501(c)(6) non-profit organization that was founded in the mid-1980s by a group of like-minded users of Applied agency management

systems to educate and facilitate the entire user community.<sup>20</sup> As a 501(c)(6) non-profit, ACN is required to operate to the advantage of the entire insurance industry and cannot allow itself to make a cudgel for the dominant market monopolist to wield against competitors.<sup>21</sup>

116. ACN organizes the Expo Hall at Applied Net, which provides vendors a critical opportunity to build relationships with customers and demonstrate their products to customers in the Applied ecosystem. Comulate participated in Applied Net in 2023 and in 2024, and paid ACN \$75,000 as part of a two-year agreement to be a platinum sponsor of Applied Net. Comulate's contract with ACN provided that the agreement "shall renew . . . provided ACN or Comulate does not provide notice of intent to make changes to the terms by October 31, 2024." Neither ACN nor Comulate notified the other of any changes before the deadline, and the agreement renewed by its terms.

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<sup>20</sup> *About Applied Client Network*, Applied Client Network: About, <https://www.appliedclientnetwork.org/About/About-Applied-Client-Network> (last visited Nov. 30, 2025).

<sup>21</sup> IRS regulations require 501(c)(6) organizations' activities to be devoted to improving business conditions for an entire line of business. 501(c)(6) organizations are expressly prohibited from engaging in activities designed to help a particular company.

117. In November 2024, Comulate fully expected and intended to attend Applied Net 2025, and repeatedly followed up with ACN for payment instructions for its platinum sponsorship of Applied Net 2025.

118. But on November 22, 2024—more than three weeks after the termination notice period ended—Emily Marxer of ACN emailed Comulate to advise that “Applied has made the decision not to renew your sponsorship contract for Applied Net 2025 or any sponsorships associated with Applied Client Network and Applied Systems.” Applied caused ACN to breach its contract with Comulate to serve its own anticompetitive ends.

119. Marxer made no pretense for why Comulate was being blackballed: “As **Graham [Blackwell]** discussed with Jordan, our company’s strategic direction and evolving priorities no longer align with the opportunity to host Comulate as a sponsor at our events or within **our** organization.” Marxer also had previously admitted that “**every single group who exhibits or sponsors is run past Brian [Giometti]**” of Applied, that Giometti “has to give the final approvals on that list of individual companies,” and that Giometti intentionally does not grant approval to competitors because Applied “do[esn’t] really want anyone with high **overlapping offerings within their products and services**” at Applied Net.

120. Applied’s actions toward Comulate are part and parcel of its usual anticompetitive playbook. For example, before 2022, Applied Net hosted



vendors who sold insurance payments processing products. But once Applied began developing its own payment processing product, called Applied Pay, it started cutting payment processing vendors out of Applied Net. As Marxer candidly put it, Applied Net “used to have tons of payment systems people. But now, . . . Applied Pay has come in and so now *they’ve nixed all of those exhibitors and sponsors because they aren’t to compete with Applied.*”

121. One such vendor was ePayPolicy. Before Applied developed Applied Pay, Applied recommended that its users use ePayPolicy to process payments. When Applied decided to create Applied Pay, it tried to buy ePayPolicy to give Applied greater market control in the insurance payments processing market. But when ePayPolicy refused to be bought, Applied kicked ePayPolicy out of Applied Net, forcing ePayPolicy out of a critical marketing opportunity so that Applied’s users would use Applied Pay over ePayPolicy. To try and further control the insurance payments processing market, Applied also falsely suggested to its customers that using ePayPolicy presented security risks for customers, claiming that ePayPolicy’s use of the Epic SDK left it at risk of being hacked and that these security risks would be “eased up” with Applied Pay. Applied’s conduct toward Comulate is only part of a larger pattern of antitrust-violative behavior.

122. The retaliation Blackwell promised was now materializing against Comulate. Applied was exerting control over ACN—a purportedly independent 501(c)(6) nonprofit—to punish Comulate.

123. On May 9, 2025, Comulate spoke about ACN’s authority over Applied Net with Lauren Kingston, in-house counsel for Applied. Kingston denied Applied’s control of ACN. Despite Marxer’s confession that *Applied* decided to cut Comulate out of Applied Net, Kingston claimed that ACN is its “own separate organization” that decides who may exhibit at Applied Net independently from Applied. Kingston’s statement was not true, as Marxer expressly told Comulate’s team that her orders were coming from Blackwell, Giometti, and Applied.

**e. Applied Creates New Legal and Process Hurdles Designed to Hamstring Customers Attempting to Use Comulate**

124. Months before wrongfully freezing Comulate out of the most important industry group to its business, Applied began creating arbitrary hurdles to impede Comulate’s clients from implementing Comulate’s products, creating friction with customers’ use of Comulate wherever possible. Applied also delayed Comulate implementations, asking successive customers for the same information despite Comulate’s implementation being largely plug and play, and creating weeks or months of red tape to delay implementations.

125. In and around September 2024, Applied delayed the process of providing one insurance brokerage customer (“Insurance Brokerage A”) with the

necessary access to Applied Epic to implement Comulate. On information and belief, Applied aimed to get Insurance Brokerage A to drop Comulate. Comulate’s point of contact at Insurance Brokerage A put it bluntly: “*They’re [Applied] not making this easy for us.*”

126. In December 2024, Applied—for the first time ever—requested that Comulate execute a third-party consulting agreement to continue its business relationship with a joint Comulate-Applied client (“Insurance Brokerage B”). Applied’s demand was selectively targeted at Comulate, as even to this day, Comulate customers have other third-party vendors who are permitted to access Epic without a consulting agreement in place.

127. The proposed third-party agreement contained egregious terms that Comulate could not possibly accept. For example, Section 5 of the proposed agreement provided, without limitation, that Comulate may not use knowledge gained from its work relating to Applied software “to develop, create, link, and/or connect interfaces integrations tools or other solutions”—even though developing integration tools is the entirety of Comulate’s business and exactly what Comulate does with Applied Epic. In the same breath, the section included an IP assignment clause purporting to “automatically assign[] to Applied” Comulate’s intellectual property in case of breach of the provision.

128. Section 6 of the proposed agreement included a sweeping clause: “All right, title, and interest, including copyright and other intellectual property rights, in and to the software, work product, and documentation, and all graphics, user interfaces, logos, and trademarks in or on the same, are and shall remain the property of Applied or its licensors.” This language is written so broadly that it would allow Applied to argue that it covers anything Comulate develops in connection with Applied’s systems, putting Comulate’s own technology and innovations at risk of being claimed by Applied.

129. The agreement also imposed strict limitations on its duration, remaining in effect for only six months, with 30-day termination rights for any party. It also provided that Applied may revoke the consultant relationship “if Applied determines that Third-Party Consultant is a competitor of Applied.” In other words, Applied would have the right to terminate the business relationship if it classifies Comulate as a competitor.

130. As Applied knew, Comulate had previously worked with dozens of Applied Epic customers and never executed a third-party agreement of this nature. The proposed agreement directly contradicted Applied’s prior recognition of Comulate as a pre-built integration partner, ignored Comulate’s other agreements with Applied, such as the November 2022 non-disclosure agreement and the Ivans

Agreement, and completely undermined the integration efforts that Comulate had pursued jointly with Applied for years. More friction.

131. The work Comulate was doing with Insurance Brokerage B was identical to the work Comulate had done with other joint clients, including in that the work required Comulate to access Applied's systems through Insurance Brokerage B's license with Applied.

132. In January 2025, Applied once again requested that Comulate sign the third-party consulting agreement in order to access Applied's SDKs and other tools through Insurance Brokerage B. Kingston, in-house counsel at Applied, made clear that, without signing the agreement, Comulate would not be able to pursue its business relationship with Insurance Brokerage B. Applied insisted that Comulate sign the agreement despite Comulate's repeated clarification that, before December 2024, it had never once been asked to sign a similar document.

133. At this point, Applied's bad faith—and its playbook—became clear. Applied selectively demands third parties sign the third-party consulting agreement when Applied wants to create additional friction. Early in the relationship, when Applied wanted to acquire Comulate, Applied never required Comulate to sign a third-party consulting agreement because it was trying to remain in Comulate's good graces so it could acquire Comulate and capitalize on Comulate's ingenuity. But when Comulate's genesis reached a tipping point and

Applied realized it could neither acquire Comulate nor outdo it, Applied's strategy shifted to killing the competition. Applied's first step in killing Comulate was to erect new barriers to access.

134. Comulate refused to sign the agreement, and Comulate continued its work with joint Applied customers without further objection from Applied.

135. In April 2025, Comulate sought to contract with two further joint customers, Insurance Brokerages C and D. Once again, despite previously engaging in identical business arrangements without additional paperwork between Comulate and Applied, Applied arbitrarily insisted that Comulate execute the third-party consulting agreement that, in the event of a breach, would assign Comulate's own intellectual property to Applied and prevent Comulate from pursuing its core business, integrating with Applied. Put differently, Applied once again sought to neutralize Comulate by insisting that it give up its own IP simply to use Applied's platform.

136. Applied's insistence that Comulate execute the agreements delayed Insurance Brokerages C and D from gaining access to Comulate's services, harming Applied's own customers and jeopardizing Comulate's business relationships.

137. Comulate communicated its objections to the third-party agreement to Applied. In what can only be a concession of Applied's unreasonable

and anticompetitive conduct, on May 2, 2025, Applied’s counsel Lauren Kingston agreed that Comulate and Applied could enter into a direct agreement that would *categorically permit* Comulate to work with mutual Applied customers. Despite agreeing to allow Comulate to work with mutual Applied customers, Applied went dark and, in spite of multiple outreach attempts by Comulate, Applied never finalized the agreement.

138. On a May 9, 2025 call, when Comulate raised concerns about the inconvenience for existing mutual clients to sign third-party agreements, Kingston admitted that “we know there’s a lot [of clients] out there that we don’t even know about” who may be affected. In other words, Applied knew that its new demand impacted numerous customers it had not yet even tracked.

**V. In the Midst of its Campaign Against Comulate, Applied Announces its “Competing” Product**

139. Meanwhile, as Applied plowed forward with its campaign to thwart Comulate’s growth and development, Applied simultaneously forged ahead with developing its own (vastly inferior) competing product. On April 29, 2025, Applied announced that it was developing an automated accounting product, at the time called “Automated Statements,” which it planned to launch in fall 2025.

140. Applied’s nascent “Automated Statements”—which was later renamed Applied Recon—was nothing more than an extremely poorly designed copy-cat of what Comulate had offered several years earlier.

141. In its press release announcing the copy-cat product, Applied boasted that the system would feature an “AI-powered statement recording and reconciliation application for direct bill commission and agency bill payables”—the exact same base capabilities that Comulate already provided to customers. As Applied told the world, “Automated Statements” would “centralize[] and automate[] accounting workflows within Applied Epic to accelerate time-consuming reconciliation workflows and improve quality and confidence in an agency’s financial data.”<sup>22</sup>

142. But those capabilities were already available through Comulate, which provided both direct bill automation and carrier payable automation to its customers<sup>23</sup>:

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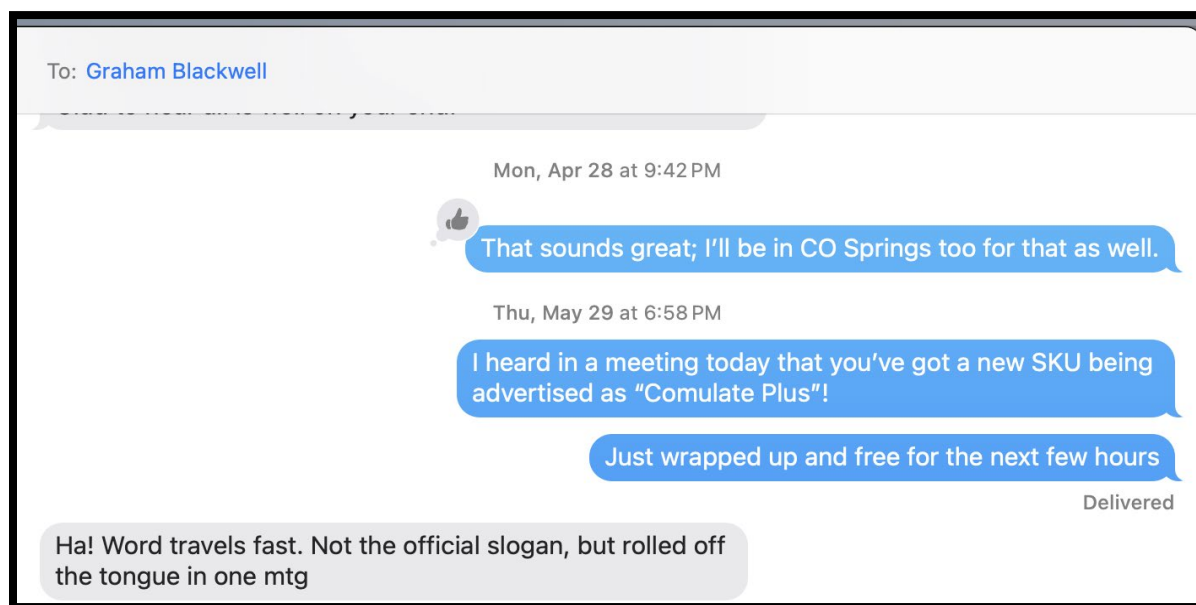
<sup>22</sup> Press Release, Applied, Applied Announces New AI-Powered Accounting Automation Solution (Apr. 29, 2025) <https://www1.appliedsystems.com/en-us/news/press-releases/2025/applied-announces-new-ai-powered-accounting-automation-solution/>.

<sup>23</sup> *Transforming Insurance With AI*, Comulate, <https://www.comulate.com/> (last accessed Nov. 30, 2025).



Industry first	Decisive choice for
<h2>Carrier Payables Automation</h2> <p>Reimagine the carrier payables workflow to automate reconciliation, prevent NOCs, auto-route discrepancies, and intelligently manage the timing of disbursements</p> <ul style="list-style-type: none"> <li>Automatically flag transactions with statuses based on receivables</li> <li>Identify billing errors early and automate tracking and resolution of discrepancies</li> <li>Instantly generates backup</li> </ul>	<h2>Direct Bill Automation</h2> <p>Reduce 90%+ of manual and error-prone accounting work with purpose-built end-to-end direct bill automation, from cash-to-production</p> <ul style="list-style-type: none"> <li>Capture transaction details from 100% of carrier statements – in spreadsheets, PDFs, snail mail, and email, out-of-the-box</li> <li>Automatically reconcile most transactions to policies in one or more integrated AMS databases, even when policy data differs</li> <li>Post reconciliations directly to your AMS or ERP's ledger in one-click</li> </ul>

143. In the ensuing months, Applied heavily marketed its would-be software to Comulate’s customers, though its software was not even fully developed. Blackwell acknowledged that Comulate was the market leader in automated accounting tools for insurance applications in his marketing efforts, promising to customers that Applied Recon would be “*Comulate Plus*”:



**a. Blackwell Confirms Applied's Intentional Antitrust-Violative and Anticompetitive Measures to Destroy Comulate in a May 29, 2025 Conversation**

144. On May 29, 2025, Katz, on behalf of Comulate, spoke with Blackwell to address the intentional friction Applied had imposed on Comulate and its customers over recent months. Incredibly, on this call, Blackwell *confessed that Applied was actively working to impede Comulate to give its impending Applied Recon product an unfair advantage.*

145. Blackwell initially feigned ignorance of the issues that were creating friction between Comulate and its customers. But when pressed, Blackwell dropped the false pretense and admitted that he was personally involved in directing this campaign. Blackwell acknowledged that Applied began developing a new product in an attempt to replicate Comulate's functionality. He confessed that because Comulate refused to be acquired by Applied, Applied changed course and was "going to go build" a product that was "*very similar to what you guys [Comulate] have done* from a functionality perspective" because that was the "*only alternative*" Applied had.

146. Blackwell further admitted that "Comulate integrates a lot of [Applied's] customers," that *Comulate* is a "*good product*" that does "*cool stuff*," and that Applied knew other third-party products were not truly competitive at all, as the third-party products were not on par with Comulate. According to Blackwell,

because Applied knew that Comulate was the key competitor in the automated accounting market and that Applied could not actually build a better product, Applied was intentionally obstructing Comulate's ability to integrate with Applied and was treating Comulate disparately from others.

147. Far from the fair platform that Applied promised Applied Epic's "Open Architecture" would facilitate, where "Applied Applications" would compete with "Third Party Applications" on a level playing field for the benefit of all end customers, Blackwell confirmed that the game was rigged, telling Comulate that there was "*friction that you guys [Comulate] are going to feel*" because there was a "*message*" that was coming "from the top of *we want to win.*"

148. Blackwell pointed to an exemplary instance in which a Comulate customer asked Applied to enable a minor feature within Applied Epic (allowing an additional transaction data element to be automatically written by Comulate). Although Blackwell admitted that Applied *could* have easily accommodated the customer's trivial request, Applied refused to enable the feature specifically because it would enable Comulate's product to function better for the customer, and Applied was "*trying to drive points of differentiation*" between its product and Comulate. That is, rather than build a better product, Applied was trying to create "points of differentiation" by including the trivial feature request as a core functionality *within Applied's competing product* while actively inhibiting Comulate's ability to make a

functional product for its customers. In Blackwell’s words, Applied’s view was “why would we . . . make it easier for everyone else?” Blackwell confirmed that the customer’s minor request had made it up to him—the President of a 2,800-employee company—before he finally approved it, under unrelenting pressure from the shared customer.

149. Although Applied eventually accommodated the request after acting as a significant roadblock, Blackwell’s words confirm that Applied was on an anticompetitive, antitrust-violative tirade to push Comulate out of the market by any means necessary and clear the way for Applied Recon.

150. On that same May 29 call, Blackwell engaged in threatening tone by previewing the nuclear option available to it against Comulate: denying Comulate access to the Epic SDK, which is the essential means for Comulate to function within Applied Epic’s “open architecture.” Mere months later, Applied played this trump card—attempting to deny Comulate access to the Epic SDK.

**b. Applied Confirms in a July 1, 2025 Meeting that Applied Views Comulate as the “Category Winner”**

151. On July 1, 2025, Applied executive Chase Petrey, the General Manager for Applied Pay and Applied Recon reporting to Blackwell, met with Katz to make one last overture to acquire Comulate.

152. During the meeting, Petrey explained how Applied sees the market: Comulate is the “*category winner*” in direct bill reconciliation—“*There is*

*very clearly only one dominant player ... which is Comulate.*” Petrey expressed that Comulate “understands the problem statement at a very different level than others in the space.”

153. Applied was far less optimistic about other technology solutions in the space, and Petrey admitted that Applied does not believe any are genuine competitors to Comulate. Applied viewed another third-party product, Ascend, as not competitive in the “direct bill” space where Comulate operates. In Petrey’s words, Applied believes “Ascend is closer to [Premium Finance Company A] than they are to Comulate. *[Ascend is] a premium finance company that has the pizzazz of a Silicon Valley SaaS company.* But . . . at [its] core, *it’s a premium finance company.*” New market entrant Eventual Treasury was far behind the curve as a latecomer to this space, and was “not nearly as tight on the problem statement” as Comulate is, according to Petrey.

154. But Petrey also confidently declared that Applied was going to do an acquisition in this space in the coming months. Petrey expressed the benefits of Applied acquiring the “category winner” (Comulate) to accelerate its own development: *“If we can acquire a market leader like yourselves [Comulate] to start us off, it brings a huge accelerant.”* But Petrey hinted that Applied may still also be in ongoing acquisition discussions with Ascend and Eventual Treasury.

155. The fact that Applied, after investing substantial time and effort into building Applied Recon, wanted to buy both Comulate and potentially its smaller challengers is telling. *Applied was very far from building a product that could compete on its own merit with Comulate.*

#### **VI. Applied Ramps Up Interference with Comulate’s Customers While it Prepares to Launch its Competing Product**

156. Through the summer and fall of 2025, Applied held a customer pitch tour to promote Applied Recon. As part of that process, Applied provided demos to various customers and the negative feedback was damning. As one customer stated after seeing a demo of Applied Recon, “it’s just ... *it was a really bad product. I don’t know how else to say that.*”

157. One prospective customer reported that Applied Recon was even worse than other third-party competitors to Comulate, stating “*it was even worse than [another vendor], who wasn’t great either.*” Customers saw that Applied’s product was not anywhere near capable of performing what Comulate can do.

158. Customers even reported that they were “very leery” about Applied products generally because they are typically “half baked.” Customers were therefore extremely reluctant to be guinea pigs for Applied’s new products. As another customer stated, Applied Recon was “*not anywhere near capable* of what [Comulate] can do.”

**a. Applied's Prospective Customers See Applied Recon as an Inferior Replacement for Comulate**

159. Based on its product description and customer feedback, Applied Recon does not solve many of the insurance accounting inefficiencies that Comulate addresses. Comulate supports any statement type—scanned PDFs, carrier portal downloads, mailed checks, etc.—while Applied Recon is limited to electronic downloads and a preselected set of “Certified Carriers,” leaving brokers to manually key in a significant portion of their volume. As one prospective customer stated, Applied Recon is “really just an enhanced version of their download reconciliation because you can’t even drag and drop scanned PDFs. . . . So you still have to key in all your check statements or manual mailed statements.”

160. The difference extends far beyond ingestion. Comulate provides a comprehensive accounting automation platform that includes support for multiple AMS integrations, transaction type mapping, advanced reconciliation logic, full cash application workflows, direct bank integrations, automated receipt adjustments, passthrough processing, cash-to-production automation, and workload management, to name a few features. Applied Recon offers none of these capabilities. Where Comulate eliminates entire functions and fundamentally transforms how a finance team operates, Applied Recon automates just a few steps within an otherwise manual process.

161. Customers also reported that Applied was “so far away from having an actual product” because of the limitations in the types of carrier statements Applied Recon could handle. This customer expressed concern because, while Applied had developed Applied Recon to function with 93 types of carrier statements, this customer has to handle 5,000 different types of carrier statements. When this customer asked how to flexibly handle the system reading a statement incorrectly, Applied advised that the customer would be forced to “put in a ticket” for Applied support to manually address the problem.

162. Despite “not hav[ing] as much functionality” as Comulate, upon information and belief, Applied told customers that its pricing for Applied Recon would be similar to that of Comulate. As one customer stated, Applied Recon’s “pricing was too close [to Comulate] to even consider changing.”

163. Applied employees have directly admitted how disastrous Applied’s technology offerings are, corroborating these customer concerns. For example, a former senior employee with responsibility for technological solutions says that Applied struggles to even do basic features like password resets properly. Moreover, the employee disclosed that Applied’s leadership, including Blackwell, is focused solely on short-term strategy, and is transitioning to a practice of no longer issuing SDK licenses to competitors and trying to restrict customer data access.



**b. In August 2025, Applied Imposes New Legal Roadblocks and Operational Friction To Squeeze Comulate**

164. After the negative feedback from customers regarding its Applied Recon demo, Applied recognized that customers were not persuaded by its marketing pitch and that it could not build a better product than Comulate on its launch timeline (or ever). So instead of building a better product, beginning in August 2025, Applied took its campaign against Comulate to another level.

165. More specifically, Applied ramped up its efforts to hinder Comulate’s customers from using Comulate’s services and lied to Comulate’s customers about its products to stall these customers’ use of Comulate. In conversations with joint Applied and Comulate customers, Applied also blamed Comulate for technical issues with Applied’s own products, including the SDK. These were, again, aimed at destroying Comulate’s place in the market. Indeed, Applied stated in calls with Comulate’s clients that it did not want to connect *any* new customers to Comulate, and its subsequent behavior bore up that admission.

166. In or around August 2025, Comulate contracted with Insurance Brokerage E, a user of Applied Epic. When Insurance Brokerage E approached Applied to inform Applied that it would be purchasing Comulate’s product, Applied’s response—desperate and rife with personal animosity—was telling. As Insurance Brokerage E explained, Applied’s messaging was marked by direct “personal attacks.” Insurance Brokerage E reported that Applied acted like a “jilted

suitors,” accusing Comulate and its personnel of “crazy arrogance” for declining Applied’s repeated acquisition overtures. Applied also lied that Comulate was shortly going to be “out of business.” Nothing could have been further from the truth—Comulate had been growing by leaps and bounds, was profitable, and was signing up new customers like Insurance Brokerage E at a rapid clip.

167. When Insurance Brokerage E insisted that it use Comulate’s services, Applied reverted to its tried-and-true obstructionist tack, representing that it would take months to provide Insurance Brokerage E with access to its SDK, without which Comulate could not provide its services. Only after Insurance Brokerage E pushed back did Applied agree to provide access within two weeks. On information and belief, Applied’s misrepresentation about a lengthy, months-long timeline was a lie aimed at encouraging Insurance Brokerage E to ditch Comulate. More friction.

**c. Dissatisfied but Locked Into Applied Epic, Applied’s Largest Customer Asks to Adopt Comulate in September 2025**

168. By September 2025, Applied’s process of onboarding its largest customer onto Applied Epic was going poorly. Because of the customer’s size and the complexity of its needs, this client’s onboarding process was a multi-year operation. This client had been in the process of planning its onboarding to Applied Epic since 2023, when its interest in Comulate had prompted the pilot program (which never got off the ground) and initial acquisition interest. Major Client 1 had

again expressed interest in working with Comulate in 2024. The parties spent months in discussion, and Comulate presented Major Client 1 with pricing in October 2024. But behind the scenes, Applied dissuaded Major Client 1 from working with Comulate based on Applied's (false) representations that Comulate would not work at the scale required by Major Client 1, that it had a comparable product in development, and that this product would perform just as well as Comulate by the time the customer's onboarding was finished.

169. But by September 2025, Major Client 1 had reached its wits' end with Applied Epic. Major Client 1 reported extremely slow loading times within Applied Epic, such that some screens took five minutes to load and posting a single statement took hours. Major Client 1 experienced disastrous month-end closings, month after month, using Applied Epic, and desperately needed a solution to automate aspects of its workflow to alleviate internal resources that were under strain by the difficulties experienced with Applied Epic. Major Client 1 was no longer willing to wait for Applied to finally launch Applied Recon—and did not trust Applied in any case, in light of its experience with Applied Epic. As Major Client 1 explained, it “would never want to be the first group on a new Applied product,” and “if their code was good, we wouldn't even be having this conversation.” So Major Client 1 reached out to engage Comulate to purchase its proven Epic-integrated product.

170. Applied was panicked. The summer's Applied Recon roadshow had been a disaster and revealed to Applied just how far behind its technology was from Comulate. But losing its largest prospective purchaser of Applied Recon to Comulate would ensure the failure of Applied's new flagship AI product in the secondary market for applications built on the Applied Epic platform. Blackwell personally lobbied Major Client 1 not to adopt Comulate, and privately implied to Major Client 1 that Applied would make integration of Comulate difficult, because Applied would not "enable greater integration with Comulate."

171. Regardless of Blackwell's pleas and threats, Major Client 1 insisted that it needed Comulate and that Applied "need[ed] to not be a barrier and be prohibitive to the [Comulate] solution working." Applied acceded, but Blackwell personally ensured that Applied would slow-play ministerial steps necessary to Comulate's integration until Applied could give itself cover to attack Comulate overtly. Major Client 1 needed Applied to sign a simple statement of work to enable it to work with Comulate, but Applied dragged its feet for weeks. As Major Client 1 explained, it "[didn't] even have a statement of work to review and sign yet from Applied. . . . *It's literally with the president of Applied [Blackwell],* so we can't escalate any more than we're escalating it."

172. After weeks of foot-dragging, Applied committed to provide Major Client 1 the statement of work it needed to engage Comulate on November

21, 2025. Applied never intended to follow through—that day, it provided no statement of work and sued Comulate instead.

**d. Applied and its Controlling Stockholder Engage Private Investigators in October 2025 Out of Fear of Competition with Comulate**

173. On October 6, 2025, a Comulate employee reported informally connecting with an old friend who coincidentally worked at Hellman & Friedman. The Hellman & Friedman employee disclosed that Applied and Hellman & Friedman “are *very very scared* of” Comulate, and their internal market analysis of startups in the space placed *Comulate as #1 on their list of competition*.

“Was grabbing a beer with an old friend from middle school yday. I'm used to friends not having any clue what an insurance brokerage is but when I told him I work at Comulate his eyes lit up.

*Turns out he works with Applied at Hellman & Friedman. Was reporting they are very very scared of us [Comulate]. Apparently he led their market analysis of startups in the space and we're #1 on their list of competition.*

He had glowing things to say and was nerding out about how he thinks insurtech is a great space. Very invigorating and cool to hear.”

174. This unusually candid glimpse into Applied and Hellman & Friedman’s internal perspective on Comulate reveals other key details. Despite reporting Applied is “very very scared” of Comulate, this employee “had glowing things to say” about Comulate. This affirms that, notwithstanding Applied’s

growing hostility toward Comulate, Applied knew that Comulate was a good-faith actor and was not engaged in unfair competition toward Applied.

175. Three weeks later, an investment firm passing itself off as a potential investor in Comulate engaged a private investigator with the goal of gathering information on Katz, offering people \$450 per hour to speak and tell them “what makes Jordan Katz stand out” based on their prior work with Katz at other companies.

176. On information and belief, the investment firm behind the private investigator was Hellman & Friedman LLC. Comulate was not seeking investors or otherwise engaging in fundraising efforts at the time.

**e. Applied Renews its “Applied Recon” Marketing Blitz in October and November 2025 to Coincide with Plan to Eliminate Comulate**

177. While Applied was trying behind the scenes to prevent its customers from using Comulate, in October 2025, Applied launched a new marketing push to generate excitement for Applied Recon’s forthcoming launch in January 2026.

178. On October 7, 2025, during the Applied Net 2025 conference—which Applied banned Comulate from attending—Applied formally unveiled a demo of Applied Recon to its captive audience. Customers were initially confused and surprised that Comulate was not on the vendor list for the conference, until the “very first session [Applied] showed a product called Applied Recon.” Customers,

who have seen firsthand Applied's anticompetitive, anti-consumer ways made the connection to Applied's effort to spotlight Applied Recon, stating "oh, I know why Comulate's not here."

179. Unsurprisingly, Applied markets Applied Recon as if it were a Comulate equivalent, despite its gross shortcomings. But customers who attended Applied Net 2025 and saw Applied's demo recognized that Applied Recon is "nowhere near what [Comulate] has to offer." Another customer in attendance stated that Applied is "going to go live with [Applied Recon] pretty quick," but it's not anywhere near [...] capable of what [Comulate] can do."

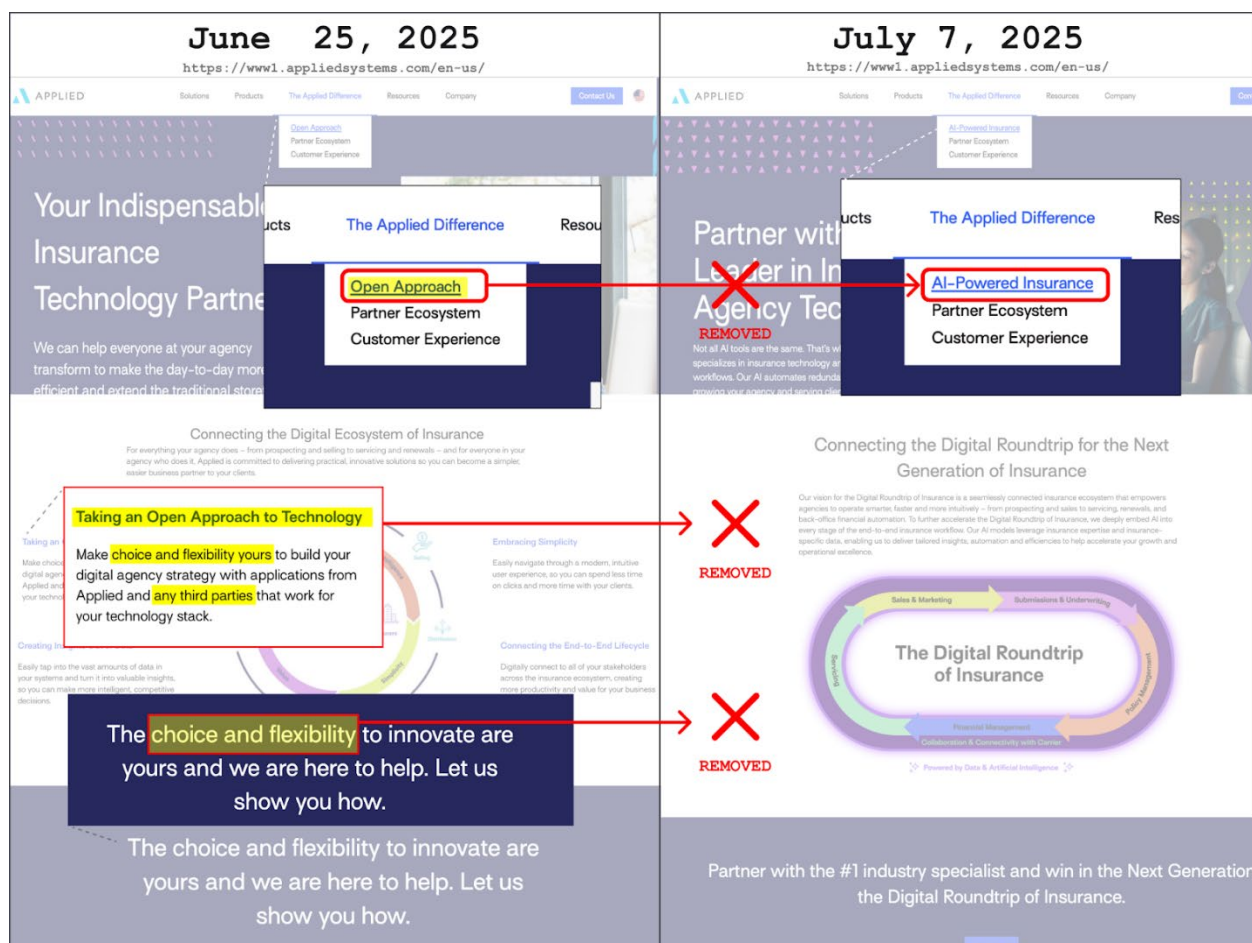
180. Around the same time, Applied updated its website to remove its commitment to operate Applied Epic as a purportedly "open" platform. Applied's customer-facing lies of being a neutral platform that allows third-party applications to compete on an even footing with Applied applications had served its purpose—Applied Epic had achieved market dominance and encouraged third-parties to develop innovative solutions dependent on Applied Epic integration, and excessive switching costs made it unrealistic for customers to leave the Applied Epic ecosystem.

181. Now, Applied would shift to leveraging its monopoly power in Applied Epic to crush competition and steal market share in applications, starting with Comulate. Applied's betrayal of its "open" platform model was punctuated by

a revision to Applied's webpage, as the "Open Approach" link on its homepage, which directed users to detail on Applied's "Open Ecosystem," was replaced with an "AI-Powered Insurance" link to a page describing Applied Recon and other as-yet unreleased AI-enabled features. On its new "AI-Powered Insurance" page, Applied touted itself as a "vertical market specialist"—indeed, Applied has established itself as a vertical monopolist, and it consistently leverages its power over customers locked into Applied Epic to monopolize the secondary applications market, in violation of the spirit and letter of the antitrust laws.

182. The side-by-side comparison of Applied's new updated website—from "open" to integration to "AI-Powered Insurance" is notable:





183. On November 12, 2025, Applied published a promotional video directed at customers claiming that Applied Recon was “the industry’s only AI-powered reconciliation solution built directly into Applied Epic.” Directly targeting Comulate, the video urged customers to switch to its product that had “AI reconciliation built in, *not bolted on.*”

184. Applied directly targeted Comulate customers with e-mails promoting its Applied Recon product *in parallel with* launching Applied’s PR-driven lawsuit against Comulate. For example, in one message to a mutual customer

dated November 21, 2025, Applied's representative offered discounts, promotional links, and requested a call to discuss Applied's AI-driven product suite. On information and belief, Applied's direct marketing push simultaneously with launching its lawsuit was designed to prime customers to adopt Applied Recon when it executed the next step of its plan.

**VII. Applied Launches its Retaliatory Campaign, Threatening Comulate's Customers, Defaming Comulate, Launching a Baseless Lawsuit, and Compelling Comulate's Customers to Stop Using Comulate**

185. Applied's Comulate problem came to a head in November 2025. Applied's marketing push for its forthcoming flagship AI product, Applied Recon, was flatlining as customers were unimpressed by the product. Applied and its controlling stockholder, Hellman & Friedman LLC, were "very very scared" of Comulate, which ranked #1 on their list of startup competitors. Hellman & Friedman LLC's purported private investigator had turned up nothing to weaponize against Comulate. And Major Client 1 was demanding a statement of work by November 21 so it could engage Comulate to make up for Applied's shortcomings. Applied needed to shut Comulate down, and fast.

186. With no legitimate options left, Applied filed a frivolous lawsuit accusing Comulate of stealing trade secrets to act as cover for locking Comulate out of the Applied Epic ecosystem and to defame Comulate to its customers. On November 21, 2025—the same day it had promised it would provide its largest

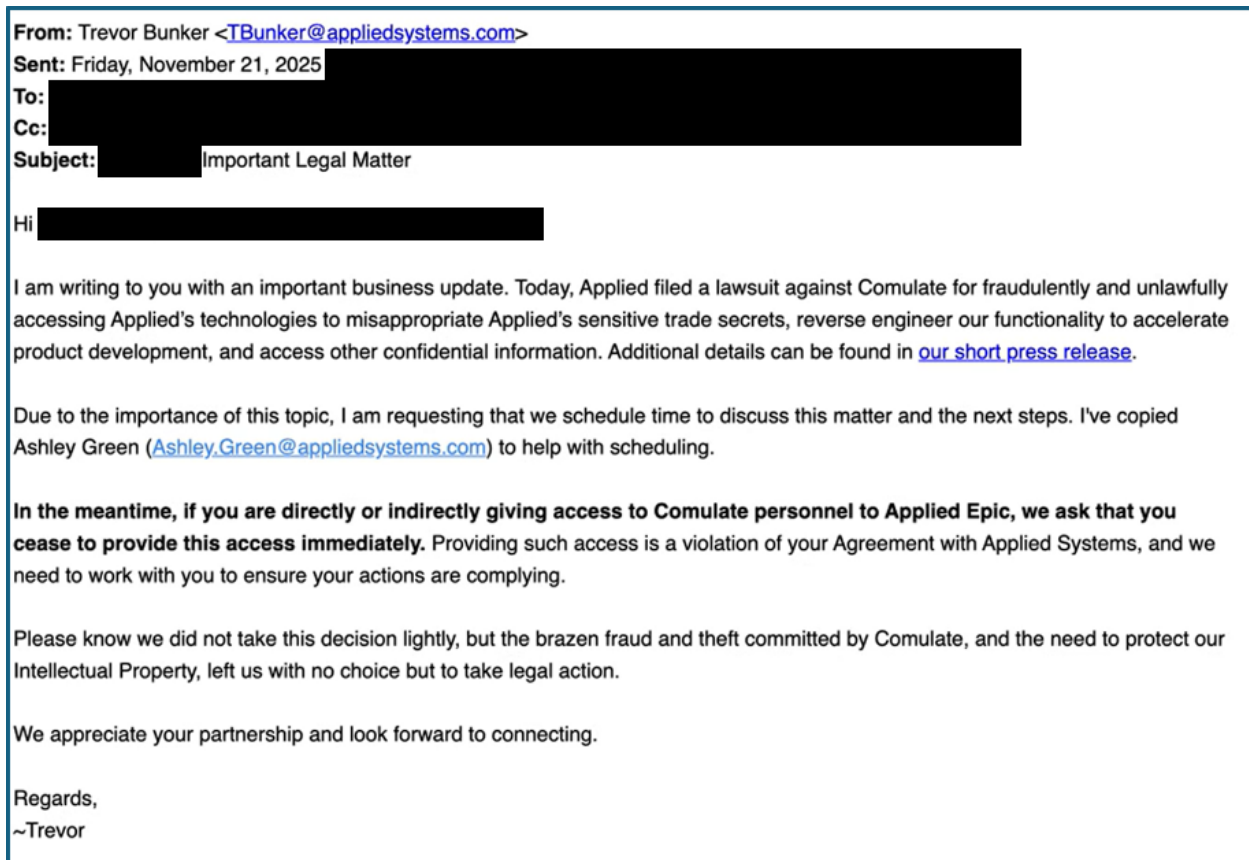
customer a statement of work to enable Comulate—Applied filed the action styled *Applied Systems, Inc. v. PBC Consulting Inc. and Ardent Labs, Inc., d/b/a Comulate*, N.D. Ill., Case No. 25-cv-14251, which is currently pending in the U.S. District Court for the Northern District of Illinois.

187. That this was Applied’s calculated legal gambit is corroborated by its response to a cease-and-desist letter Comulate sent telling Applied to stop spreading misinformation and interfering with Comulate’s customer contracts. In its two-and-a-half page response, Applied spent half the letter (defensively, and incorrectly) claiming that the litigation privilege immunized their tortious and defamatory conduct, and that the exception for bad faith litigation was purportedly inapplicable.

**a. Applied Directly Threatens Comulate’s Customers to Terminate Their Relationship With Comulate**

188. Applied’s lawsuit was coordinated with a simultaneous outreach effort directed at nearly all of Comulate’s joint customers with Applied. Within hours of filing, Applied began contacting joint Applied and Comulate customers to threaten them into terminating their relationships with Comulate and cease using Comulate services. Applied told Comulate’s customers that “directly or indirectly giving access to Comulate personnel to Applied Epic” is a purported “violation of your Agreement with Applied Systems.” Applied identified no provision in customers’ agreements that this assertion was based on, deliberately leaving

customers in doubt as to how Applied interpreted their agreements and whether they were indeed in violation. The language was intentionally vague, but the message was clear: ditch Comulate, or risk legal action from Applied.



189. Applied's anticompetitive scare tactics worked. Customers quickly began contacting Comulate, confused and outraged by Applied's actions but worried that they would have to cut ties with Comulate to stay out of Applied's crosshairs. One customer understood Applied's letter as a "cease and desist," commanding it to cease using Comulate. Another reported being told by Applied

that “having [Comulate] operate through the SDK” is a “breach of the Applied agreement” and that Applied would “be successful in shutting [Comulate] down.”

190. In the immediate aftermath of Applied’s message, customers recognized that Applied is engaged in wrongful anticompetitive conduct toward Comulate. One agency professed that it had a “knee-jerk reaction to bullying” and that its employees were reluctant to switch to Applied’s product that “doesn’t seem to have the same potential or work[.]” Another customer explained that “moving away from an agency management system takes years.” A third echoed this sentiment: it was “not like we could replace our agency management system.” A fourth summarized the situation adroitly:

“Obviously, *they've got the stranglehold on the industry* for the most part. You know, we think competition is good and healthy, and so this shouldn't be a way to stifle that for sure. That's how we feel. So any event, yeah, we're kind of pulling for you guys, *but we have a lot of eggs in that basket, too.*”

191. Applied also asked the customers to “discuss this matter and next steps” with Applied. Applied’s messaging on these calls has varied dramatically from customer to customer. But across its various conversations with Comulate customers, Applied revealed its scheme to use its monopoly power to steal the market for AI-powered accounting automation solutions for itself.

192. With some customers, Applied was clear that the customers had to immediately stop using Comulate; one even reported that its Comulate

functionality was abruptly deactivated without its knowledge or consent, threatening to disrupt the agency's financial closing for November. Several others were told that the absolute latest they could continue using Comulate was into the second quarter of 2026, by which time Applied Recon would purportedly be rolled out. Another customer currently in the process of onboarding Comulate into its workflow was told that customers "on Comulate are given until Q2 to unwind it," but for new customers, including this one, Applied would not enable Comulate at all.

193. Applied has selectively told some customers that they could replace Comulate with antiquated offshore services that rely on manual data entry, ResourcePro or Patra. But most customers have recently transitioned *away* from these sorts of manual solutions, and were not interested in taking a technological step back to antiquated and outdated manual processing. When some customers pushed back on this unworkable solution, Applied told some that Ascend could be a third-party alternative to Comulate—a curious suggestion given Petrey's characterization of Ascend not being competitive with Comulate as a direct bill solution, but rather describing them as "a premium finance company."

194. But Applied made a shocking admission to one customer, revealing its anticompetitive scheme is not limited to destroying Comulate. One customer said that Applied told it (in form or substance) that "*[Applied] will likely cut off SDK for Ascend next because Applied Recon will work for agency bill as*

well.” This corroborates the former senior employee’s perspective that Applied was moving toward no longer issuing new SDK licenses to competitors and trying to restrict customer data access as part of an overtly anti-competitive strategy. This makes clear that Applied’s recent actions have nothing to do with intellectual property and everything to do with eliminating competition to Applied. Therefore, Applied has forced customers to adopt their forthcoming Applied Recon solution, a different solution that Applied will ax next, or take a technological step back to antiquated and outdated solutions. This is yet another example of Applied’s extreme bad faith and a total disregard for customer welfare.

**b. Applied’s Accusations of “Theft” Are False and Defamatory**

195. Applied’s outreach to Comulate’s customers was predicated on the false and defamatory statement that Comulate had engaged in “theft.” Applied also directed customers to a press release intended to publicize its lawsuit against Comulate, and featured the release on its home page. The linked press release falsely claimed that Comulate “misappropriated Applied’s valuable trade secrets to speed up product development by reverse engineering critical functionality within Applied Epic, likely both to enhance the features and functionality of Comulate’s product

offerings and to build new offerings that would not have been viable without [Applied's] intellectual property.”<sup>24</sup>

196. Applied's accusations that Comulate somehow misappropriated trade secrets by accessing Applied Epic and “reverse engineering” Applied Epic's SDK and algorithms are not just completely false—they make no sense.

197. Applied has been aware *for years* that Comulate has access to the Applied Epic SDK. Indeed, Applied personnel, including Blackwell, have acknowledged Comulate's regular use of its SDK without objection. Applied's assertion that Comulate's use of the SDK is somehow improper is thus baseless.

198. Comulate never accessed Applied Epic to reverse engineer Applied Epic's SDK or algorithms. Instead, Comulate accessed Applied Epic for the sole purpose of improving its customers' experiences with Comulate. As explained above, Comulate is a complementary software that is integrated into the Applied Epic ecosystem. Comulate thus accessed Applied Epic to develop and test new functionalities of its product to improve user experience—not to misappropriate any trade secrets.

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<sup>24</sup> Press Release, Applied, Applied System Sues Comulate for Fraud and Misappropriation of Trade Secrets (Nov. 21, 2025), <https://www1.appliedsystems.com/en-us/news/press-releases/2025/applied-systems-sues-comulate-for-fraud-and-misappropriation-of-trade-secrets/>.



199. Moreover, nothing about Applied Epic’s SDK “methods” is a trade secret. Applied publicly posts articles on its website that provide the exact information Applied now claims is a trade secret.<sup>25</sup>

The screenshot shows a Google search for "applied epic sdk". The search results lead to the Applied Systems website, specifically the "Introduction to the Applied Epic SDK" page. A red box highlights the search bar and the search results. Another red box highlights the "Receipt\_2021\_01 Interface" page, which lists various methods for interacting with receipts in Epic. The methods listed include:

- Action\_GeneralLedger\_ReceiptFinalizeReceipt**: Finalizes a specified receipt.
- Action\_GeneralLedger\_ReceiptTransferOffunds**: Performs a Transfer of Funds action for a receipt.
- Delete\_GeneralLedger\_Receipt**: This method will delete a Receipt from Epic.
- Get\_GeneralLedger\_Receipt**: Retrieves a list of receipts from Epic that meet the requirements specified in the parameters.
- Get\_GeneralLedger\_ReceiptDefaultApplyCreditsToDebits**: Populates a receipt detail object with dynamic items necessary to Apply Debits to Credits during the insert receipt work flow.
- Get\_GeneralLedger\_ReceiptDefaultProcessOutstandingPayments**: Populates a receipt detail object with dynamic items necessary to process outstanding payments during the insert receipt work flow.
- Insert\_GeneralLedger\_Receipt**: This function will insert a receipt into Epic.

Red text and arrows highlight that this information is publicly accessible from Google and is therefore not a trade secret.

200. Applied’s claim that Comulate misappropriated proprietary Applied Epic algorithms is similarly frivolous. Comulate only ever accessed Applied Epic using the same view that any of Applied Epic’s more than 100,000 users can see. To Comulate’s knowledge, there is simply no way to reverse engineer

<sup>25</sup> E.g., *Generate Invoices*, Applied Epic: July 2023 Help File (July 2023), [https://help.appliedsystems.com/Help/Epic/2023.2en-CA/Procedures/Procedures\\_Generate\\_Invoices.htm](https://help.appliedsystems.com/Help/Epic/2023.2en-CA/Procedures/Procedures_Generate_Invoices.htm).

Applied Epic's algorithms by merely using Applied Epic or its SDK as a customer, and Applied gives no reason to believe there is any way to do this. If there were, *any* Applied Epic user could steal Applied Epic's algorithms at any time.

201. Applied thus knew that Comulate had not misappropriated any trade secrets when it sued Comulate. The baseless nature of Applied's claims lay bare its true motive—the very same motive that Applied has candidly admitted to customers: to leverage the allegations of wrongdoing to try and crush Comulate as soon as possible.

202. Applied's lack of urgency in pursuing its lawsuit further underscores that Applied's public statements of intellectual property theft are pure pretext. Despite alleging misappropriation of trade secrets, Applied has not acted with any urgency in its lawsuit and never sought a temporary restraining order, and waited until its coordinated public relations and litigation strategy was ready before stopping smaller Comulate customers from onboarding. Moreover, Applied told most customers they could transition away from Comulate by Q2 of next year—by which time Applied Recon will purportedly have launched. And for at least one customer, Applied's Chief Customer Officer Trevor Bunker affirmatively stated that Applied would not interfere with that customer's access to Comulate until litigation is resolved. Applied thus knows that Applied faces no threat to its

intellectual property whatsoever by providing customers full and unimpeded access to Comulate—and the allegations of theft are baseless and defamatory.

**c. Applied's Anticompetitive Conduct Will Irreparably Harm Comulate**

203. As a direct response to Applied's outreach, multiple Comulate customers who were under contract with Comulate or in the process of deploying Comulate's software, including Major Client 1, moved to back out of their contracts with Comulate. Each of these customers cited Applied's threat—or its outright refusal to allow customers to integrate Comulate with Applied Epic—as the reason.

204. Applied's scheme to try to kill Comulate is anticompetitive. Applied customers purchased, renewed, and kept their internal workflows compatible with Applied Epic with the belief Applied Epic was an “open architecture” that would allow customers to choose their own technology providers, whether that be an Applied application or a third-party application such as Comulate.

205. Applied thus locked in users to Applied Epic, knowing that it would take customers years and significant expense to exit Applied Epic and transition to a different insurance agency management system once onboarded.

206. After locking in users to Applied Epic, Applied has now sought to remove the choice to use Comulate with the clear aim of forcing users to instead use Applied's forthcoming Applied Recon software. Applied is relying on the

barriers to exit Applied Epic to kill Comulate and force insurance brokers to use Applied Recon.

207. Applied knows that its statements to customers and refusal to allow customers to use Comulate on Applied Epic will jeopardize Comulate's existing contracts and prospective economic advantage and threaten Comulate's very survival. In fact, jeopardizing Comulate's survival was Applied's entire goal.

208. Applied's unlawful, unfair, and anticompetitive conduct—including its deliberate interference with Comulate's contractual relations and business expectancies, and its dissemination of knowingly false information to Comulate's customers—has caused Comulate substantial harm. As a direct and intended response to Applied's actions, existing Comulate customers, as well as customers actively integrating Comulate into their instances of Applied Epic, have moved to terminate or paused further implementation of their agreements with Comulate. Comulate's agreements with these customers are expected to generate millions of dollars in annual recurring revenue. Applied's misconduct has also eroded Comulate's hard-earned customer goodwill and has damaged Comulate's reputation in ways that are difficult or impossible to quantify.

209. As a direct, foreseeable, and intentional consequence of Applied's actions, Comulate has lost substantial enterprise value. And because the

full consequences of Applied's wrongdoing will unfold over time, Comulate's damages will only continue to grow but are expected to exceed mid-nine figures.

### **COUNT I**

#### **Unlawful Business Practices in Violation of the California Unfair Competition Law, Cal. Bus. & Prof. Code § 17200 et seq.**

210. Plaintiff repeats and realleges each and every allegation above as if set forth fully herein.

211. Plaintiff is headquartered in California and has suffered (and will continue to suffer) the harm of Applied's unlawful conduct in California. Applied's conduct with respect to Comulate is thus subject to the California Unfair Competition Law.

212. Plaintiff has standing to assert a claim under the California Unfair Competition Law because it has suffered an injury-in-fact and economic injury as a result of Applied's unlawful acts. Applied's unlawful acts have caused one of Comulate's largest customers (Major Client 1) to move towards terminating its contract with Comulate, and has caused Comulate grave economic and reputational harm.

213. As described in Counts III, IV and V (*see infra* ¶¶ 233-263), Applied's conduct toward Comulate constitutes tortious interference with prospective economic advantage, tortious interference with contract, and trade libel,

which constitute unlawful business practices in violation of the Cal. Bus. & Prof. Code § 17200.

214. As a result of Applied's unlawful business practices, Comulate has suffered, and will continue to suffer, substantial irreparable harm.

215. For example, on November 25, 2025, Major Client 1, one of Comulate's largest clients, moved to terminate its Master Services Agreement with Comulate as a result of Applied's unlawful actions. Comulate has thus suffered grave economic and reputational harm as a result of Applied's unlawful actions.

216. A number of Comulate's other clients have indicated that they may have no choice but terminate their business relationships with Comulate as a result of Applied's unlawful actions if Applied is not stopped. Applied's actions are thus also likely to inflict additional substantial economic and reputational harm in the future.

217. Applied's actions risk more than economic harm. Given Comulate's size, its status as a startup, and its customer overlap with Applied, Applied's unlawful actions threaten Comulate's viability as a business, as well as its goodwill and reputation within the insurance industry. Unless Applied's unlawful actions are enjoined, Comulate will suffer irreparable harm through the destruction of business and goodwill.

218. Comulate thus has no adequate remedy at law absent injunctive relief.

## **COUNT II**

### **Unfair Business Practices in Violation of the California Unfair Competition Law, Cal. Bus. & Prof. Code § 17200 et seq.**

219. Plaintiff Comulate repeats and realleges each and every allegation above as if set forth fully herein.

220. Plaintiff is headquartered in California and has suffered and will continue to suffer the harm of Applied's unlawful conduct in California. Applied's conduct with respect to Comulate is thus subject to the California Unfair Competition Law.

221. Plaintiff has standing to assert a claim under the California Unfair Competition Law because it has suffered an injury-in-fact and economic injury as a result of Applied's unfair business practices. Applied's unfair business practices have caused one of Comulate's largest customers (Major Client 1) to move towards terminating its contract with Comulate, and has caused Comulate grave economic and reputational harm.

222. Among other things, Applied engaged in unfair business practices by, in retaliation for Comulate declining to sell, launching a campaign to push Comulate out of the automated accounting market and monopolize the market

with its own product. Applied's anticompetitive conduct includes, but is not limited to, the following acts:

- After maintaining a business relationship with Comulate for years, Applied suddenly insisted that Comulate sign third-party consulting agreements with onerous and anticompetitive terms. These actions were intended to cause friction for Comulate customers and hinder customer uptake, thus harming Comulate's business relationships.
- Applied attempted to dissuade several of its clients from using Comulate in order to push Comulate out of the market. Applied attempted to charge these clients for additional SDKs, gave unduly long timelines for providing the Applied tools needed to use Comulate, and lied about the long-term viability of Comulate's product.
- Applied, to joint clients, falsely blamed Comulate for issues with its own technology, including the SDK.
- Applied, through ACN, arbitrarily and self-servingly excluded Comulate from the key professional network and conference within the insurance technology industry.
- In addition to filing a frivolous lawsuit, Applied sent a defamatory email to joint customers accusing Comulate of misappropriating



trade secrets, falsely claiming that the joint clients would breach their contract if they continued to use Comulate, and threatening these joint clients with legal action if they continued to use Comulate.

- After sending its frivolous email, Applied had (and continues) to have one-on-one conversations with joint clients, telling them that they must cease using Comulate.

223. Applied's anticompetitive conduct violates the spirit and policy of antitrust law as it constitutes an attempt to monopolize the automated accounting market in violation of the spirit of the Sherman Act.

224. Applied used its monopolistic power in the agency management systems market (*i.e.*, the primary market) to lure clients into using Applied Epic. In doing so, it promised that Applied Epic was an open platform that would allow clients to use third-party extension services, including Comulate.

225. Applied has now taken anticompetitive actions to try to destroy Comulate, taking away that option from its customers and forcing customers to use Applied's own inferior product, Applied Recon, in the downstream (secondary) market.

226. Transitioning away from Applied Epic to another agency management system is not a viable option for Applied Epic clients because (i) it

would take Applied Epic customers years and be prohibitively expensive to switch to an alternative agency management system, and (ii) Applied's market dominance in the primary market leaves customers with no reasonable alternative options for an agency management system. Applied Epic has thus "locked in" its clients to the Epic platform and, as a result, into Applied Recon and out of Comulate.

227. Applied's unfair business practices have harmed competition in the automated accounting market by eliminating a major competitor in the market, thus decreasing the quality of products and leaving the market open to a takeover by Applied Recon.

228. As a result of Applied's unfair business practices, Comulate has suffered, and will continue to suffer, substantial irreparable harm.

229. For example, on November 25, 2025, Major Client 1, one of Comulate's largest clients, moved to terminate its Master Services Agreement with Comulate as a result of Applied's unfair business practices. Comulate has thus suffered grave economic and reputational harm as a result of Applied's unfair business practices.

230. A number of Comulate's other clients have indicated that they may have no choice but to terminate their business relationships with Comulate as a result of Applied's unfair business practices if Applied is not stopped. Applied's

actions are thus also likely to inflict additional substantial economic and reputational harm in the future.

231. Applied's unfair business practices risk more than economic harm. Given Comulate's size, its status as a startup, and its customer overlap with Applied, Applied's actions threaten Comulate's viability as a business, as well as its goodwill and reputation within the insurance industry. Unless Applied's actions are enjoined, Comulate will suffer irreparable harm through the destruction of business and goodwill.

232. Comulate thus has no adequate remedy at law absent injunctive relief.

### **COUNT III**

#### **Tortious Interference with Prospective Economic Advantage**

233. Plaintiff repeats and realleges each and every allegation above as if set forth fully herein.

234. Comulate has (or, in some instances, had) contractual business arrangements with its customers, including its joint clients with Applied. These contractual relationships constitute economic relationships.

235. As these contractual relationships contemplated payments to Comulate, they would yield future economic advantage for Comulate.

236. In addition, Applied was aware that Comulate continues to market its product to other prospective customers who use Applied Epic as their agency management system but have not yet adopted Comulate.

237. Applied was aware of Comulate's economic relationships with its clients and its potential for relationships with prospective customers. Many of Comulate's clients are joint clients with Applied.

238. On at least November 21 and November 24, 2025, Applied sent emails to Comulate's customers who used Applied Epic, including Major Client 1. Each of Applied's emails provided a link to a press release Applied posted on its website. The email and press release falsely stated that Applied customers providing Comulate access to Epic were in breach of their contractual agreements with Applied, and that Comulate had developed its intellectual property and product by "theft" of Applied's intellectual property. Applied then held calls with nearly all of Comulate's customers who used Applied Epic, further stating that Applied would no longer permit Comulate integration with Applied Epic such that existing customers would need to cease using Comulate. Applied also stated to some customers that, effective immediately, it would no longer allow new Comulate customers to enable Comulate.

239. Applied's communications to Comulate customers and prospective customers was an independently wrongful act as it constituted unfair

business practices under California's Unfair Competition Law (*see* Count II), trade libel (*see* Count V), and defamation.

240. These emails and subsequent conversations resulted in customers ending their business relationships with Comulate. On November 25, 2025, Major Client 1 moved to terminate its contract with Comulate as a result of Applied's email.

241. Comulate has suffered substantial economic harm from the loss of its contract with Major Client 1.

242. Other clients have expressed that they may have no choice but to terminate their agreements with Comulate as a result of Applied's actions if Applied is not stopped. Given Comulate's status as a startup, further terminations risk Comulate losing its entire business and goodwill and thus suffering irreparable harm.

243. Comulate has no adequate remedy at law absent injunctive relief.

#### **COUNT IV**

##### **Tortious Interference with Contract**

244. Plaintiff repeats and realleges each and every allegation above as if set forth fully herein.

245. Plaintiff had a contractual relationship with Major Client 1 and its other customers as further alleged herein.

246. Applied was aware of Comulate's contractual relationship with Major Client 1 to provide Comulate's product, as Applied deliberately delayed

approval of a statement of work that Major Client 1 asked from Applied so it could implement Comulate. Applied was also aware of Comulate's contractual relationships with its other customers who also used Applied Epic.

247. On at least November 21 and November 24, 2025, Applied sent emails to Comulate's customers who used Applied Epic, including Major Client 1. Each of Applied's emails provided a link to a press release Applied posted on its website. The email and press release falsely stated that Applied customers providing Comulate access to Epic were in breach of their contractual agreements with Applied, and that Comulate had developed its intellectual property and product by "theft" of Applied's intellectual property. Applied then held calls with nearly all of Comulate's customers who used Applied Epic, further stating that Applied would no longer permit Comulate integration with Applied Epic.

248. Applied made these statements to Comulate's clients to induce the clients to cease using Comulate, *i.e.*, to disrupt Comulate's contractual relationships with its clients.

249. As a result of Applied's email and pressure in subsequent discussions, Major Client 1 moved to terminate its Master Services Agreement with Plaintiff on November 25, 2025.

250. Because Applied's email (and its allegations) are false, Major Client 1's purported termination was not justified under the contract between

Comulate and Major Client 1. Applied thus caused Major Client 1 to breach its contract with Comulate.

251. Applied thus tortiously interfered with Comulate's contractual relations.

252. As Major Client 1 was one of Comulate's largest clients, its breach has caused substantial economic and reputational harm to Comulate.

253. Other clients have expressed that they may have no choice but to terminate their agreements with Comulate as a result of Applied's actions if Applied is not stopped. Given Comulate's status as a startup, further terminations risk Comulate losing its entire business and goodwill and thus suffering irreparable harm.

254. Comulate has no adequate remedy at law absent injunctive relief.

## **COUNT V**

### **Trade Libel**

255. Plaintiff repeats and realleges each and every allegation above as if set forth fully herein.

256. As set forth in greater detail above, Applied has made serial false statements to impugn Comulate and its product, specifically including statements to Major Client 1 that Comulate would not work at the scale required by Major Client 1, that Applied had a comparable product in development, and statements to other Comulate customers or prospective Customers that Applied was developing

“Comulate Plus.” In addition, on November 21, 2025, and over the following days, Applied emailed nearly all of Comulate’s clients who also use Applied Epic, and linking these clients to an Applied press release, falsely stating that Comulate’s customers would be in breach of their agreements with Applied if the Customer allowed Comulate to access Applied Epic, and falsely stating that Comulate developed its product and technology by “theft.” Applied’s statements were deliberately intended to, and did, cause Comulate customers to believe that they would be in breach of their Agreements by continuing to use Comulate, and that Comulate did not own its intellectual property. Applied affirmed its false statements in calls with Comulate’s customers in the days after its email, confirming to all Comulate customers that Applied would require each Comulate customer to cease using Comulate. Applied’s communications to Comulate’s customers falsely conveyed that Customers were required to cease using Comulate or else be in breach of their agreements with Applied, and that Comulate did not own its intellectual property.

257. These statements are lies; Comulate owns its intellectual property and did not engage in any “theft” in developing its Epic-integrated product. As Applied knows—because it provided Comulate access on multiple occasions—Comulate’s intellectual property is its own, and Comulate engaged in no “theft” to develop its product. Applied was long aware of Comulate’s SDK use and endorsed



it. Furthermore, the joint clients' continued use of Comulate was not a breach of those clients' contracts with Applied.

258. Applied knew its accusations were lies, and it made them intentionally, maliciously, in bad faith, and with the intent of destroying Comulate's business.

259. Applied's accusations were derogatory to Comulate's title to its product, the quality of its product, and its business in general as they (i) falsely alleged that the continued purchase and use of Comulate's product would subject joint clients to potential litigation and (ii) falsely accused Comulate of not having legitimate ownership of its intellectual property as a result of this false accusation of "theft."

260. In fact, Applied's false accusations have already caused grave pecuniary and reputational repercussions to Comulate's business. As one example, on November 25, 2025, Major Client 1 moved to terminate its business relationship with Comulate as a result of Applied's false statements.

261. Comulate has thus suffered particularized damages in the value of its contract with Major Client 1, as well as additional damages in the form of reputational damages and goodwill. These particularized damages will continue to grow as further customers move to terminate agreements with Comulate, or through the loss of as prospective customers.

262. Applied continues to contact Comulate's clients with false and defamatory accusations. Applied's ongoing outreach puts Comulate at risk of losing further clients, its industry reputation, goodwill, and possibly its entire business. Comulate thus faces irreparable harm if Applied's actions are not enjoined.

263. Comulate has no adequate remedy at law absent injunctive relief.

### **PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff requests the Court to enter judgment in their favor and enter an order:

- a. Issuing preliminary and permanent injunctive relief to enjoin Applied from disseminating false information about Comulate, engaging in unfair trade practices, and further interfering with Comulate's relations with its clients and prospective clients;
- b. Declaring that Applied violated the California Unfair Competition Law through both unlawful and unfair business practices;
- c. Awarding Plaintiff compensatory damages based on Applied's tortious and defamatory conduct;
- d. Awarding Plaintiff pre- and post-judgment interest, as well as Plaintiff's reasonable attorneys' fees, expert fees, and other expenses and litigation costs; and

e. Awarding Plaintiff such other relief as this Court deems just, equitable,  
and proper.

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