

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division**

**THE VARIABLE ANNUITY LIFE
INSURANCE COMPANY, *et al.*,**

Plaintiffs,

v.

Case No. 3:21cv223

CHARLES CORETH, *et al.*,

Defendants.

ORDER

Plaintiffs The Variable Annuity Life Insurance Company (“VALIC”) and VALIC’s wholly owned subsidiary, VALIC Financial Advisors, Inc. (“VFA”) submitted their Motion for Temporary Restraining Order (the “Motion”), (ECF No. 5), along with the memorandum, (ECF No. 6), declarations, and exhibits in support of the Motion, to the Court on April 5, 2021, with notice having been provided to Defendants Charles Coreth (“Coreth”), Michael Rawls (“Rawls”), and Thomas Robertson (“Robertson”) (collectively, “Defendants”) through email and overnight delivery service.

On April 12, 2021, Defendants responded in opposition to the Motion for Temporary Restraining Order (the “Opposition”) along with a memorandum, declaration, and exhibits. (ECF No. 17.) On April 14, 2021, Plaintiffs replied (the “Reply”) and provided additional exhibits. (ECF No. 18.) On April 16, 2021, the Parties appeared before the Court for a hearing on the Motion.

Having heard argument and having considered the Motion, the Opposition, and the Reply alongside all supporting documents, for good cause shown,¹ and for the reasons stated in the forthcoming Memorandum Opinion, the Motion for Temporary Restraining Order is

GRANTED. The Court hereby:

- (1) ENJOINS the Former Advisors and any officer, agent, employee, or representative of CG Advisory Services from soliciting or inducing, or attempting to solicit or induce, any Protected Customer² to end or alter his, her, or its relationship with the VALIC Companies;
- (2) ENJOINS the Former Advisors and any officer, agent, employee, or representative of CG Advisory Services from soliciting or inducing, or attempting to solicit or induce, any of the VALIC Companies' employees to end or alter his or her relationship with the VALIC Companies or to contract or associate with a competitor or potential competitor;
- (3) ENJOINS each Former Advisor from using, altering, disclosing, or transmitting for any purpose any and all property, trade secrets, and other confidential and proprietary information of the VALIC Companies;
- (4) ENJOINS each Former Advisor, whether alone or in concert with others, from processing any change of broker-dealer forms signed by the Protected Customers that were contacted by the Former Advisors, unless the Protected Customers' choice is confirmed by both Parties;

¹ During the April 16, 2021 hearing, the Parties informed the Court that, pursuant to the Financial Industry Regulatory Authority rules, arbitration would proceed within 15 days. Therefore, based on the good cause shown, the Court extends the terms of this temporary restraining order beyond the fourteen-day requirement as set forth in Federal Rule of Civil Procedure 65(b)(2). Therefore, the terms of the temporary restraining order SHALL expire upon the arbitrator's modification of any such injunction or determination of the merits of the dispute.

² The financial professional agreements define "Protected Customer" as:

[A]ny person who is or was a customer of any Protected Company who was within Financial Professional's assigned Territory or, with respect to a customer outside the Territory, for which the Financial Professional was assigned, and who, within the one-year period immediately preceding the termination of this Agreement, was either assigned to Financial Professional or with whom Financial Professional communicated regarding Protected Companies' products or services"

(FPA § IX.P, ECF Nos. 1-1-1-3.)

- (5) ORDERS each Former Advisor and anyone acting in concert or participation with him to return to the VALIC Companies' counsel any and all property of the VALIC Companies, including the VALIC Companies' client information, whether in original, copied, computerized, handwritten, or any other form;
- (6) ORDERS each Former Advisor to certify that he and any person acting at his direction no longer possesses any of the VALIC Companies' Client Information, either in electronic, hard copy, or any other format;
- (7) ORDERS each Former Advisor to identify each electronic device that may be storing or once had stored VALIC Companies trade secrets, confidential and proprietary information, or nonpublic client information;
- (8) ORDERS each Former Advisor to refrain from destroying, erasing, altering, or otherwise making unavailable for further proceedings in this matter any records or documents in their possession or control which were obtained from, or contained information derived from, any of the VALIC Companies' records, which pertain to the VALIC Companies' clients, or which relate to any of the events alleged in the Complaint in this action (including those identified in Paragraph 7 above); and,
- (9) WAIVES, based on the FPAs, any bond requirement for this temporary restraining order.

This Order SHALL take effect immediately. Let the Clerk send a copy of this Order to all counsel of record.

It is SO ORDERED.



M. Hannah Lauck
United States District Judge

Date: April 16, 2021
Richmond, Virginia