

**IN THE CIRCUIT COURT OF THE NINTH JUDICIAL CIRCUIT  
IN AND FOR ORANGE COUNTY, FLORIDA  
CIVIL ACTION**

DIVERSIFIED RECYCLING, INC., a  
Florida Corporation, individually and on  
behalf of its related entities, and  
DIVERSIFIED RECYCLING, LLC, a  
Florida limited liability company,

Plaintiffs,

vs.

JAMES P. QUINN, JQ INDUSTRIES,  
INC., a Florida corporation, and  
JOSEPH B. CHOBOT,

Defendants.

CASE NO.:

**COMPLAINT**

Plaintiffs Diversified Recycling, Inc. (“DRI”), individually and on behalf of its related entities, and Diversified Recycling, LLC (“DRL”), through their undersigned counsel, hereby bring the claims below against Defendants, James P. “Jimmy” Quinn (“Quinn”), JQ Industries, Inc. (“JQI”) and Joseph B. Chobot (“Chobot”), and allege as follows:

**Nature of the Action**

1. In this case, Plaintiffs bring a series of claims seeking injunctive relief, as well as monetary damages in excess of \$15,000, exclusive of costs,

interest, or attorneys' fees. The claims arise from Quinn's and JQI's willful breach of their contractual commitments through, among other things, their breach of the non-compete, non-solicitation and confidentiality provisions within an Independent Contractor Agreement ("Independent Contractor Agreement") as well as Chobot's willful breach of his contractual commitments through, among other things, his breach of the non-compete, non-solicitation and confidentiality provisions within a Non-Competition Agreement ("Chobot Agreement") as explained in more detail below.

### **Parties**

2. Plaintiff DRI is a Florida corporation having its principal place of business located at 2700 Hazelhurst Avenue, Orlando, Florida 32804, in Orange County, Florida. DRI owns a number of affiliated entities engaged in the electronic recycling industry including DRL (collectively the "DRI Entities"). DRI is the sole owner and member of DRL and the other DRI Entities. DRI operates through its operating companies - the DRI Entities - including DRL.

3. Plaintiff DRL is a Florida limited liability company having its principal place of business located at 2700 Hazelhurst Avenue, Orlando, Florida 32804, in Orange County, Florida. DRL is one of the operating companies owned by DRI, and is one of the entities through which DRI conducts its business operations. DRL is engaged in the electronic recycling business.

4. Defendant Quinn is a Florida resident who resides at 2070 Terrace Boulevard, Longwood, Florida 32779. Quinn is the President and Director of JQI. According to the records of the Florida Secretary of State, JQI has registered “JQ Recycling” as a fictitious name. Upon information and belief, Quinn and JQI are doing business as JQ Recycling. This Court has jurisdiction over Quinn because he is a Florida resident and has breached a contract with DRI that was executed in, and was to be performed in, Orange County, Florida.

5. Defendant JQI is a Florida corporation whose mailing address is 2070 Terrace Boulevard, Longwood, Florida 32779. JQI entered into the Independent Contractor Agreement with DRI’s predecessor, Diversified Recycling Holdings LLC, on March 5, 2015. This Court has jurisdiction over JQI because it is a Florida corporation and breached the Independent Contractor Agreement that was executed in Orange County, Florida.

6. Upon information and belief, Quinn and JQI are currently operating a business which directly competes with Plaintiffs: JQ Recycling (“JQR”). Upon information and belief JQR is headquartered at 309 Altamonte Commerce Boulevard, Suite 1506, Altamonte Springs, Florida 32714, a location less than 9 miles from DRI’s facilities. The fictitious name itself was registered on October 14, 2015. As made plain by its own website located at [www.jqrecycling.com](http://www.jqrecycling.com), JQR

engages in the electronics recycling business. JQR directly competes with Plaintiffs in all aspects of Plaintiffs' business.

7. Chobot is a Florida resident. This Court possesses jurisdiction over Chobot because he is a Florida resident and breached the Chobot Agreement that was executed in Orange County, Florida.

### **Jurisdiction and Venue**

8. Pursuant to Florida Statutes §§ 26.012, 86.011, jurisdiction exists in this Court as Plaintiffs seek damages in excess of \$15,000, as well as injunctive relief.

9. Pursuant to Florida Statutes §§ 47.011, 47.041, and 47.051, venue exists in this court because the causes of action arose in Orange County, Florida.

### **General Background**

10. Since January 11, 2010, DRI, or its predecessor, through the DRI Entities or their predecessors, has operated and grown its business providing IT Asset Disposition and Secure Data Destruction services as well as recycling, refurbishing and remarketing surplus computer equipment, electronic scrap, or end of life electronic components. It has developed goodwill with local, state and federal government agencies as well as various vendors and customers as a result of its on-going operations primarily throughout Florida and Georgia. Aff. Bruce Manssuer ¶ 3.

11. DRI, through the DRI Entities, has spent significant resources recruiting a sales team and developing both its customers and its vendors, from whom the DRI Entities receive surplus computer equipment, electronic scrap, and end of life electronics, as well as businesses that can reuse parts of the surplus equipment, electronic scrap, and end of life electronics. DRI, through the DRI Entities, maintains these confidential and proprietary lists or listings of its customers and vendors. Aff. Manssuer ¶ 4.

12. DRI and the DRI Entities are charged with protecting its clients' confidential information; indeed, the foundation of its service model is based on protecting data integrity and security of its customers through trust and secure management of their client files. Aff. Manssuer ¶ 5.

13. DRI and the DRI Entities maintain proprietary and confidential information including, among other things, customer lists, customer contact information, business forms, procedures, policies, pricing strategies and price points, business plans and strategies including that identified in the Independent Contractor Agreement. Aff. Manssuer ¶ 6.

14. All the proprietary and confidential information referred to above is not readily available to the public and has a limited circulation. Aff. Manssuer ¶ 6.

15. In addition, DRI and the DRI Entities have taken certain actions to prevent the disclosure of their proprietary and confidential information, including

obtaining confidentiality, non-compete and non-solicitation agreements from its employees and independent contractors and limiting access to its confidential and proprietary information. Aff. Manssuer ¶ 7.

16. This proprietary and confidential information is or would be valuable to the competitors of DRI and the DRI Entities. Aff. Manssuer ¶ 7.

**Defendants Quinn and JQI and the Independent Contract Agreement**

17. Until February 2015, Quinn had an equity interest and had been employed, either directly or pursuant to an independent contractor agreement by DRI, its predecessor, or one or more of the DRI Entities for years. On or about March 5, 2015, and in return for relinquishing his ownership interests in DRI and its related entities, Quinn and JQI (Quinn's corporation through which he conducted business) entered into the Independent Contractor Agreement with Diversified Recycling Holdings, LLC ("DRH"), a copy of which is attached as Exhibit "A." DRH, at the time, conducted business primarily through its operating entities, including DRL. Aff. Manssuer ¶¶ 8-9.

18. On March 4, 2015, the day before Exhibit A was entered into, in accordance with the relevant provisions of Florida law, DRH was converted to Integer Holdings, Inc. ("Integer"). It was the intent of the parties that the Independent Contractor Agreement was to be entered into between JQI and Integer

but, by virtue of a mutual mistake, it was entered into by DRH and not Integer. Aff. Manssuer ¶ 10.

19. DRI is the ultimate successor of Integer with respect to the Independent Contractor Agreement. Aff. Manssuer ¶ 10.

20. The Independent Contractor Agreement provided that JQI would be an independent sales consultant performing numerous duties specified in the Independent Contractor Agreement. It was the understanding of the parties that Quinn would be the individual actually performing the duties specified in the Independent Contractor Agreement. Aff. Manssuer ¶ 11. The Independent Contractor Agreement also contained non-competition, non-solicitation and confidentiality provisions discussed below which, by its terms, were equally applicable to both JQI and Quinn individually.

21. Paragraph 6(b) of the Independent Contractor Agreement reads in pertinent part (emphasis added):

Non-Competition/Non-Solicitation. During the Restricted Period [the 18-month period following termination] ... the Contractor agrees that he shall not, ...: (A) become engaged or involved in any business, which is in the business of distribution, or retail or wholesale marketing or selling of electronic recycling in the states of Florida, Georgia and any other state that the Company maintains a facility at the time of termination; (B) directly or indirectly, induce or attempt to induce any customer, client, supplier, employee, agent or independent contractor of the Company or any of its affiliates to reduce, terminate, restrict or otherwise alter its business relationship with the Company or its affiliates. . . . [or], ... participate in the ownership, control, or management of, or perform any services for or be employed (as an employee or independent contractor) by any company in

*the business of distribution, or retail or wholesale marketing or selling of electronic recycling in the states of Florida, Georgia and any other state that the Company maintains a facility at the time of termination.*

22. The Independent Contractor Agreement also contains a confidentiality provision at Paragraph 6(a), which is enforceable regardless of which party terminated the Independent Contractor Agreement or the reasons for such termination, which reads as follows (emphasis added):

Confidentiality. (i) *The Contractor shall not, at any time during or after his engagement hereunder with the company, use (other than in the ordinary course of and for the purpose of fulfilling his duties hereunder), divulge or otherwise disclose, directly or indirectly, any confidential and proprietary information (including without limitation any customer or prospect list, supplier list, acquisition or merger target, business plan or strategy, data, records, bid information, prices for various electronic commodities, downstream vendor lists, financial information or other trade secrets) concerning the Company's business, policies or operations of the Company or its affiliates (or any predecessors or successors thereof) that the Contractor may have learned or become aware of at any time on or prior to the date hereof or during the term of the Contractor's engagement by the Company.*

(ii) The Contractor further acknowledges and agrees that *all "Company Materials"*, which include, but are not limited to, computers, computer software, computer disks, tapes, printouts, source, HTML, and other code, flowcharts, schematics, designs, graphics, drawings, photographs, charts, graphs, notebooks, customer lists, sound recordings, other tangible or intangible manifestation of content, and all other documents, whether printed, typewritten, handwritten, electronic, or stored on computer disks, tapes, hard drives, or any other tangible medium, as well as samples, prototypes, models, products and the like, *shall be the exclusive property of the Company and upon termination of the Contractor's engagement with the Company, regardless of the reason or who the initiating party is, or upon the request of the Company, all Company Materials, including all copies thereof, as well as all other property of the Company then in the Contractor's possession or control, shall be returned to the company.* "Company



Materials” shall include all such materials of the Company, its subsidiaries and its affiliates and any predecessors or successors thereof.

23. The Independent Contractor Agreement contains additional protections regarding confidentiality at Paragraph 7(ii), which are enforceable regardless of which party terminated the Independent Contractor Agreement or the reasons for such termination, and which reads as follows (emphasis added):

All records, files, lists, including computer generated lists, drawings, documents, equipment, and similar items relating to Company’s business that Contractor shall prepare or receive from the Company shall *remain the Company’s sole and exclusive property*. Upon termination of this Agreement, regardless of the reason for such termination or which party initiated the termination or upon Company’s request, Contractor shall promptly return to Company all property of the Company in his possession or control. Contractor further represents that he will not copy, cause to be copied, print out, or cause to be printed out any software, documents, or other materials originating with or belonging to the Company except in the ordinary course of his duties. Contractor additionally represents that, upon termination of this Agreement, regardless of the reason for such termination or which party initiated termination, he will not retain in his possession any such software, documents, or other materials.

24. DRI’s predecessor was protecting its legitimate business interests through the non-competition, non-solicitation and several confidentiality covenants with Quinn and JQI. Those legitimate business interests included protection of: (i) the continuity and growth of its business; (ii) its good will and substantial customer, prospective customer, and employee relationships; (iii) its trade secrets, including but not limited to its customer lists and confidential business information and practices; and (iv) protection of various non-trade secret but otherwise

confidential business information; all of which are set forth above and in the Independent Contactor Agreement. Aff. Manssuer ¶ 12.

25. Quinn resigned from DRI on September 22, 2015 and, soon thereafter both he and JQI – through the fictitious entity “JQ Recycling” – began directly competing with DRI and the DRI Entities in an office park less than 9 miles away from DRI’s facilities. Aff. Manssuer ¶ 13. Indeed, it appears that Quinn and JQI began taking steps to compete with DRI before Quinn’s resignation. By way of illustration only, upon information and belief, Quinn and/or JQI registered the internet domain name for JQ Recycling prior to Quinn’s resignation on September 22, 2015.

26. Quinn’s post-resignation efforts to compete with DRI are brazen, and not concealed. On or around October 13, 2015, DRI learned that Quinn had approached a longstanding DRI customer – Orlando Health – and solicited his competing services. DRI thereafter discovered Quinn began a similar campaign of targeted communications directed to other DRI customers, in a vigorous effort to solicit their business on behalf of JQR. This campaign has involved, *inter alia*, coordinating equipment pickups from customers, who were already scheduled for an equipment pickup with DRI. Aff. Manssuer ¶ 14.

27. Upon learning of his actions, DRI hired a private investigator. Aff. Manssuer ¶ 15. On Thursday, November 12, 2015, the private investigator

observed several palettes of computer equipment in the front of the JQR address, which was later moved inside the business. Over the course of the next few days, the investigator observed shipping material and other evidence of equipment deliveries at the JQR address. Aff. MMJ Investigations, Inc., Exhibit 1 to Affidavit.

28. These discoveries by the private investigator are consistent with other evidence of Quinn and JQI's efforts to compete with DRI. By way of example, on Monday, November 23, 2015, JQR picked up equipment for recycling from a long-standing customer – Taylor County School District – that had been scheduled for collection by DRI. JQI and/or Quinn, operating as JQR collected the equipment and left the premises just moments before the DRI employee arrived to collect the equipment. Aff. Manssuer ¶ 17.

29. Likewise, on or about November 25, 2015, JQI and/or Quinn, operating as JQR collected material from another DRI customer, University of Central Florida, which had already scheduled a pickup with DRI. Upon information and belief, JQI and/or Quinn has also recently approached Tatnall County Schools, a DRI customer located in Georgia, and attempted to schedule pickups. Aff. Manssuer ¶¶ 18–19.

30. DRI has reason to believe such efforts are not isolated incidents, but rather, were simply part and parcel of the implementation of JQI and Quinn of a

concerted and willful plan to compete with DRI and to entice or encourage DRI customers to do business with Quinn and JQI and not DRI. Aff. Manssuer ¶¶ 14–20.

31. These facts also evidence JQI's and Quinn's continued use of DRI's confidential customer contact information and other protected trade secret information. While working for DRI and the DRI Entities, Quinn also worked from home and accessed and maintained this information on his home computer. When the relationship of JQI and Quinn with DRI terminated, DRI immediately demanded that Quinn return all confidential information, to no avail. Aff. Manssuer ¶ 21. To the contrary, JQI and Quinn instead continue to utilize such information – including customer lists, customer contact information and business forms – in violation of their obligation not to do so.

32. The solicitation and competitive efforts of JQI and Quinn have been successful. A number of DRI's customers have indicated that they are moving business to them. Such departures began shortly after the Independent Contractor Agreement termination and have been ongoing. Aff. Manssuer ¶ 20.

33. As a result of the breaches of the non-competition, non-solicitation, and confidentiality provisions of the Independent Contractor Agreement by JQI and Quinn and use of the trade secrets of DRI and the DRI Entities, DRI has suffered and will continue to suffer irreparable harm. By way of example, DRI has

been forced to lay off two-thirds of its workforce in Orlando due in part to the reduction of customer pick-ups either directly or indirectly resulting from JQI and Quinn's solicitation of DRI's customer base. Aff. Manssuer ¶ 20.

34. Quinn cannot be engaged, directly or indirectly in the ownership or management of JQI or any other entity or business regardless of its legal form in the electronic recycling business in Florida, Georgia or any other state within which DRI and the DRI Entities conduct business without violating the Independent Contractor Agreement.

35. DRI has no adequate remedy at law for its claims because the wrongful actions of JQI and Quinn are causing damage to the goodwill, relations with current and prospective customers of DRI and the DRI Entities, and market share. Some or all of the current and continuing injury cannot be readily, adequately, and completely compensated by money damages.

36. The public interest, including, but not limited to, the need to enforce and provide certainty regarding parties' contractual agreements and the protection of confidential business information, will be supported by the entry of DRI's requested injunctive relief.

37. The harm to Diversified if an injunction is not issued greatly outweighs any harm to Quinn and JQI. Because of Quinn's and JQI's pre-existing duty to abide by the confidentiality, non-solicitation and non-compete provisions

of the Independent Contractor Agreement and not to misappropriate trade secrets under the Florida Uniform Trade Secrets Act, they will not suffer prejudice as a result of the entry of an order granting DRI's requested injunctive relief. Rather, the injunction merely maintains the status quo between the parties, and prevents further violation of the Independent Contractor Agreement. Quinn and JQI remain free to obtain employment, ownership or management in other fields not covered by the confidentiality, non-solicitation and non-compete provisions of the Independent Contractor Agreement or involving DRI's trade secrets.

**Defendant Joseph Chobot and the Chobot Agreement**

38. On July 8, 2010, Chobot and Diversified Asset Recovery, LLC ("DAR") entered into the Chobot Agreement, a copy of which is attached as Exhibit "B" which, among other things, prohibits Chobot from competing with DAR or any of its affiliated businesses during the non-competition period provided in the Chobot Agreement. Aff. Manssuer ¶ 22.

39. On the date the Chobot Agreement was executed, DAR was one of the operating entities by which DRI's predecessor, conducted electronic recycling operations. Subsequently, the operations of DAR came to be performed by DRL, which was Chobot's employer at the time Chobot terminated his employment on November 16, 2015. The Chobot Agreement has been assigned to DRL. On the

date Chobot terminated his employment, DAR and DRL were affiliated entities and were both owned by DRI. Aff. Manssuer ¶¶ 22–23.

40. Chobot resigned from DRL, without notice, on November 16, 2015, and immediately began working for Quinn and JQI at JQR. Aff. Manssuer ¶ 25.

41. As known by JQI and Quinn, Chobot was a trusted employee of DRL who had knowledge of, and access to, confidential and proprietary information of DRI and DRL by virtue of his position as Director of Retail and Finished Goods Sales, Computer and Laptop Technician and, more importantly, Primary Data Destruction Specialist directly responsible for accessing, managing and sanitizing confidential and proprietary information from customer media-containing devices under the control of DRL or its predecessors. Aff. Manssuer ¶ 24.

42. Quinn was aware of the Chobot Agreement, and upon information and belief was directly involved in recruiting Chobot to become an employee, or otherwise affiliated, with JQR. Aff. Manssuer ¶ 26.

43. All conditions precedent to the maintenance of this action have occurred, been satisfied or waived.

44. Plaintiffs have retained the undersigned law firm to represent them in this action and have obligated themselves to pay said firm a reasonable fee for its services.

**COUNT I – CLAIM BY DRI AGAINST QUINN AND JQI TO REFORM INDEPENDENT CONTRACTOR AGREEMENT**

45. This is an action by DRI against Quinn and JQI to reform the Independent Contractor Agreement.

46. The allegations of paragraphs 1 through 37, 43 and 44 are incorporated by reference.

47. It was the intent of the parties to the Independent Contractor Agreement that it would be between Integer, JQI and Quinn. Due to a mutual mistake, occasioned by the fact that DRH was converted to Integer the day before the Independent Contractor Agreement was signed, it was purported to be made by DRH and not Integer.

WHEREFORE, DRI requests the Court:

- a. Reform the Independent Contractor Agreement to provide it was made by Integer and not DRH;
- b. Enforce the Independent Contractor Agreement in all other respects;
- c. Award DRI its costs of this action; and
- c. Grant DRI such other and further relief as the Court deems proper.

**COUNT II – CLAIM BY DRI AGAINST QUINN AND JQI FOR  
BREACH OF THE NON-COMPETITION AND NON-SOLICITATION  
PROVISIONS OF THE INDEPENDENT CONTRACTOR AGREEMENT**



48. This is an action by DRI individually and on behalf of the DRI Entities against Quinn and JQI for breach of the non-competition and non-solicitation provisions of the Independent Contractor Agreement as reformed.

49. The allegations of paragraphs 1 through 45 and 47 are incorporated by reference.

50. Paragraph 6(b) of the Independent Contractor Agreement imposed a contractual obligation on Quinn and JQI prohibiting them from establishing or working for any competing business within the same geographic regions as DRI's established business for 18 months following termination of the Independent Contractor Agreement, and from soliciting DRI's customers and employees. Quinn and JQI are in breach of these covenants.

51. These breaches have caused, and will continue to cause, irreparable harm as well as money damages to DRI and the DRI Entities.

52. DRI is entitled, under Section 542.335(1)(k) of the Florida Statutes, to an award of attorneys' fees and costs in connection with this claim.

WHEREFORE, DRI requests that the Court provide the following relief:

a. Award injunctive relief against Quinn and JQI restraining them from engaging, in any capacity, directly or indirectly, in the business of distribution, or retail or wholesale marketing or selling of electronic recycling within Florida, Georgia, or any other state in which DRI and the DRI Entities maintained a facility

at the time of the termination of the Independent Contractor Agreement for a period of 18 months; and

b. Award injunctive relief against Quinn prohibiting him from soliciting, for a period of 18 months, any customers or prospective customers of DRI or the DRI Entities;

c. Award monetary damages caused by Quinn's and JQI's breach of the non-solicitation and non-compete provisions of the Independent Contractor Agreement, including but not limited to all benefits and monies realized as a result of their wrongful conduct.

d. Require Quinn and JQI to account for all benefits and monies realized as a result of their wrongful conduct and, upon the rendering of such accounting, render judgment against them for the amount shown due and for the cost of the accounting;

e. Impose a constructive trust on all proceeds, assets, and benefits accruing to Quinn and JQI as a result of their wrongful conduct;

f. Award DRI its attorneys' fees and costs in connection with this claim; and

g. Award DRI such other and further relief as this court deems just and appropriate.

**COUNT III – CLAIM BY DRI AGAINST QUINN AND JQI**

**FOR BREACH OF THE CONFIDENTIALITY PROVISIONS OF THE  
INDEPENDENT CONTRACTOR AGREEMENT**

53. This is an action by DRI individually and on behalf of the DRI Entities against Quinn and JQI for breach of the confidentiality provisions of the Independent Contractor Agreement as reformed.

54. The allegations of paragraphs 1 through 45 and 47 are incorporated herein by reference.

55. Paragraphs 6(a) and 7(ii) of the Independent Contractor Agreement impose a contractual obligation on Quinn and JQI not to use or disclose any confidential and proprietary information concerning DRI's business.

56. Quinn and JQI have violated and are continuing to violate those provisions.

57. Quinn's and JQI's breaches of the confidentiality provisions of the Independent Contractor Agreement have caused, and will continue to cause, irreparable harm as well as money damages to DRI and the DRI Entities.

58. DRI is entitled, under Section 542.335(1)(k) of the Florida Statutes, to an award of attorney's fees and costs in connection with this claim.

WHEREFORE, DRI requests that the Court provide the following relief:

a. Award injunctive relief against Quinn and JQI prohibiting them from using and/or disclosing, and requiring them to return, any and all DRI confidential and proprietary information in their possession including, without limitation, all

“Company Materials,” documents, and/or any compilations prepared by JQI or Quinn either from DRI documents or from memory containing any DRI business documents and customer information;

b. Award monetary damages caused by Quinn’s and JQI’s breach of the confidentiality provisions of the Independent Contractor Agreement, including but not limited to all benefits and monies realized as a result of their wrongful conduct.

c. Require Quinn and JQI to account for all benefits and monies realized as a result of their wrongful conduct and, upon the rendering of such accounting, that judgment be rendered against them for the amount shown due and for the cost of the accounting;

d. Impose a constructive trust on all proceeds, assets, and benefits accruing to Quinn and JQI as a result of their wrongful conduct;

e. Award DRI its attorneys’ fees and costs in connection with this claim;  
and

f. Award DRI such other and further relief as this court deems just and appropriate.

**COUNT IV – CLAIM BY DRI AGAINST QUINN AND JQI FOR BREACH OF FLORIDA’S UNIFORM TRADE SECRETS ACT**

59. This is an action by DRI individually and on behalf of the DRI Entities against Quinn and JQI for breach of Florida’s Uniform Trade Secrets Act.

60. The allegations of paragraphs 1 through 44 are incorporated herein by reference.

61. DRI's proprietary and confidential information described in paragraphs 11 through 16 above constitutes a "trade secret" because it:

- a. Derives independent economic value, actual or potential, from not being general known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and
- b. Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy, including utilization of restrictive covenants.

62. Disclosure or use, threatened disclosure or use, or inevitable disclosure or use of DRI's trade secrets by Quinn and/or JQI violates Chapter 688 of the Florida Statutes.

63. Upon information and belief, the disclosure and/or use of DRI's trade secrets by Quinn and JQI is willful and malicious.

64. Quinn's, JQI's, and JQR's breaches of FUTSA have caused, and will continue to cause, irreparable harm as well as money damages to DRI and the DRI Entities.

WHEREFORE, DRI requests that the Court provide the following relief:

a. Award injunctive relief against Quinn, JQI, and JQR to prohibit them from utilizing or disclosing any trade secret of DRI;

b. Award monetary damages caused by Quinn's and JQI's use or disclosure of any trade secret of DRI, including but not limited to all benefits and monies realized as a result of their wrongful conduct.

c. Require Quinn and JQI to account for all benefits and monies realized as a result of their wrongful conduct and, upon the rendering of such accounting, that judgment be rendered against them for the amount shown due and for the cost of the accounting;

d. Impose a constructive trust on all proceeds, assets, and benefits accruing to Quinn and JQI as a result of their wrongful conduct;

e. Award DRI its attorneys' fees and costs in connection with this claim;  
and

f. Award DRI such other and further relief as this court deems just and appropriate.

**COUNT V – CLAIM BY DRL AGAINST CHOBOT FOR  
BREACH OF THE CHOBOT AGREEMENT**

65. This is an action by DRL individually and on behalf of the DRI Entities against Chobot for breach of the Chobot Agreement.

66. The allegations of paragraphs 1 through 44 are incorporated by reference.

67. The Chobot Agreement prevents Chobot from competing with DRL or its affiliated entities and inducing any of its prospective or current customers to curtail or cancel their business with DRL or its affiliated entities. It also prohibits Chobot from disclosing specified information including past or present customers and trade secrets.

68. Chobot has breached the non-competition provisions of the Chobot Agreement which breach has caused, and will continue to cause, irreparable harm and money damages to DRL and the other DRI Entities entitling them to damages and injunctive relief.

69. DRL and the other DRI Entities are also entitled to an injunction prohibiting Chobot from breaching the other provisions of the Chobot Agreement including those related to non-solicitation and the preservation of trade secrets.

70. DRL is entitled, under Section 542.335(1)(k) and Chapter 688 of the Florida Statutes, to an award of attorneys' fees and costs in connection with this claim.

WHEREFORE, DRL requests that the Court provide the following relief:

a. Award injunctive relief against Chobot restraining him from engaging, in any capacity, directly or indirectly, in the business of distribution, or retail or wholesale marketing or selling of electronic recycling within a three

hundred mile radius from any current office or store of DRL or any of its affiliated entities for a period of 24 months; and

b. Award injunctive relief against Chobot prohibiting him from soliciting any customers or prospective customers of DRL or its affiliated entities;

c. Award monetary damages caused by Chobot's breach of the non-solicitation and non-compete provisions of the Chobot Agreement, including but not limited to all benefits and monies realized as a result of his wrongful conduct.

d. Require Chobot to account for all benefits and monies realized as a result of his wrongful conduct and, upon the rendering of such accounting, render judgment against him for the amount shown due and for the cost of the accounting;

e. Impose a constructive trust on all proceeds, assets, and benefits accruing to Chobot as a result of his wrongful conduct;

f. Award DRL its attorneys' fees and costs in connection with this claim; and

g. Award DRL such other and further relief as this court deems just and appropriate.

**COUNT VI – CLAIM BY DRL AGAINST QUINN AND JQI  
FOR UNJUST ENRICHMENT**

71. This is an action by DRL individually and on behalf of the DRI Entities against Quinn and JQI for Unjust Enrichment.



72. The allegations of paragraphs 1 through 45 and 47 are incorporated herein by reference.

73. Upon information and belief, Quinn and JQI have earned, and will continue to earn, profits from sales obtained by themselves in breach of the Independent Contractor Agreement, and from sales obtained by Chobot in breach of the Chobot Agreement.

74. It would be inequitable for DRI and Quinn to retain such profits.

75. Quinn and JQI will be unjustly enriched if permitted to retain such profits.

WHEREFORE, DRL requests that the Court provide the following relief:

a. Impose a constructive trust on any profits earned by Quinn and JQI from business directly or indirectly obtained by Quinn and JQI based upon their breach of the Independent Contractor Agreement and Chobot's breach of the Chobot Agreement.

b. Award DRL such other and further relief as this court deems just and appropriate.

**COUNT VII – CLAIM BY DRL AGAINST QUINN AND JQI**  
**FOR TORTIOUS INTERFERENCE**

76. This is an action by DRL individually and on behalf of the DRI Entities against Quinn and JQI for Tortious Interference with a Business Relationship.

77. The allegations of paragraphs 1 through 44 are incorporated herein by reference.

78. The Chobot Agreement is a valid, enforceable agreement between Chobot and DRL.

79. Upon information and belief, Quinn and JQI were aware of the Chobot Agreement at the time they hired Chobot as an employee of JQR, or have since become aware of the agreement.

80. When Quinn and JQI hired Chobot, and because they continue to employ Chobot at JQR – a competitor of DRL – they have tortiously interfered and will continue to tortiously interfere with the business relationship between DRL and Chobot evidenced in the Chobot Agreement.

81. DRL and the other DRI Entities have been damaged as a result of this tortious interference.

WHEREFORE, DRL requests that the Court provide the following relief:

a. Award injunctive relief against Quinn and JQI restraining them from continuing to employ Chobot until the non-competition provision of the Chobot Agreement expires;

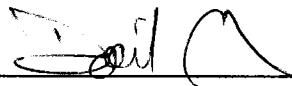
b. Award monetary damages caused by Quinn and JQI's interference with the Chobot Agreement, including but not limited to all benefits and monies realized as a result of the wrongful conduct.

c. Require Quinn and JQI to account for all benefits and monies realized as a result of their wrongful conduct and, upon the rendering of such accounting, render judgment against them for the amount shown due and for the cost of the accounting;

d. Impose a constructive trust on all proceeds, assets, and benefits accruing to Quinn and JQI as a result of their wrongful conduct; and

e. Award DRL such other and further relief as this court deems just and appropriate.

Respectfully submitted,



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Daniel C. Johnson  
Florida Bar No. 522880  
Christopher M. Sacco  
Florida Bar No. 557420  
Carlton Fields Jordan Burt, P.A.  
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Orlando, FL 32801  
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# INDEPENDENT CONTRACTOR AGREEMENT

This INDEPENDENT CONTRACTOR AGREEMENT (the "Agreement") is made as of *March 5<sup>th</sup>*, 2015 and entered into by and between Diversified Recycling Holdings, LLC, a Florida Limited Liability Company, and any new corporate formation or successor as a result of a conversion, merger or otherwise or any entity that ultimately files an S-1 Registration Statement with the Securities and Exchange Commission (the "Company"), with an office address at 2700 Hazelhurst Avenue, Orlando 32804, and JQ, Industries, Inc., a Florida corporation (the "Contractor") with a business address of 2070 Terrace Boulevard, Longwood, Florida 32779. The Company and the Contractor are collectively referred to herein as the "Parties".

**WHEREAS**, the Company desires to engage the services of the Contractor as a sales consultant; and

**WHEREAS**, the Company and the Contractor desire to enter into this Agreement to set forth the terms and conditions of the independent contractor relationship between the Company and Contractor.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Term.** The term of this Agreement (the "Term") shall commence on *March 5, 2015* (the "Commencement Date"), and shall continue for a period through and including 2020 ("Term Date"). If at the Term Date, this Agreement has not been terminated previously or Contractor and Company have not agreed to an extension or renewal of this Agreement or to the terms of a new independent contractor agreement, then the Term shall continue on a month-to-month basis until terminated.

2. **Duties of Contractor.** Contractor shall perform all duties as sales consultant as set forth in Exhibit A. Contractor agrees to abide by all Company by-laws, policies, practices, procedures and rules. The Contractor will be required to perform his duties for the Company on a full-time basis, weekly, Monday through Friday. .

3. **Exclusive Services and Best Efforts.** Contractor agrees to devote his best efforts, energies, and skill to the discharge of the duties and responsibilities attributable to his position as reflected in Exhibit A, and to this end, he will devote his full time and attention exclusively to the Company's business and its affairs. Contractor is not precluded from performing any charitable or civic duties, provided that such duties do not interfere with the performance of his duties hereunder or the confidentiality, non-competition and non-solicitation provisions set forth in Section 6 of this Agreement.

#### 4. **Compensation.**

A. **Compensation.** During the Term, the Company shall pay Contractor annual compensation of \$200,000 ("Annual Compensation") to be paid in 26 bi-weekly equal installments. Contractor shall be personally responsible for timely payment of all applicable taxes and other monies owed to government agencies in connection with the

Compensation received by Contractor hereunder, including bonus, if any. The Company's Board of Directors may, at its sole discretion, grant the Contractor a yearly bonus based on the assessment of Contractor's performance.

#### **B. Stock Compensation**

(i) Within 14 calendar days of the execution of this Agreement, the Company shall issue 1,000,000 Vested Restricted Common Stock Shares (the "Shares") of the Company to the Contractor that will be recorded in book entry upon the Company's books and records.

(ii) The Contractor's remaining Shares will vest over a 5-year period according to the vesting schedule attached hereto as Exhibit B. Unvested Shares shall become Vested Shares (or shall "vest") on such dates and in an amount equal to that which is set forth in Exhibit B. Shares that have been so earned during the applicable period shall be regarded as "Vested Shares" and Shares that have not been so earned with the Company during the applicable period shall be regarded as "Unvested Shares." If the Contractor's engagement with the Company ceases, voluntarily or involuntarily, no Unvested Shares shall become Vested Shares thereafter with respect to the Contractor. The Shares will vest pro rata during each respective calendar year and ending with the voluntary or involuntary termination of his engagement.

(iii) The unvested portion of the Shares will terminate automatically and be forfeited to the Company immediately and without further notice upon the voluntary or involuntary termination of the Contractor's engagement with the Company. No shares shall be issued or issuable with respect to any portion of the Shares unvested and will be forfeited.

(iv) The Contractor may not sell, assign, transfer, pledge, hypothecate, gift, mortgage or otherwise encumber or dispose of all or any of the Unvested Shares, or any interest therein, except to the Company (or any successor to the Company).

(v) The procedure for vested and unvested shares shall be determined by the Board of Directors in its sole discretion, including any Unvested Shares that may be held in escrow by the Company, as escrow holder, as determined by the Board of Directors. The Contractor hereby grants the Escrow Holder an irrevocable power of attorney coupled with an interest to take any and all actions required to affect such transfer. With respect to any Unvested Shares that become Vested Shares, the Company may, at its option, issue a new certificate for the number of shares which have become Vested Shares and shall deliver such certificate to the Contractor and shall deliver to the Escrow Holder a new certificate for the remaining Unvested Shares in exchange for the certificate then being held by the Escrow Holder. If, from time to time while the Escrow Holder is holding Unvested Shares, there is any stock dividend, stock split or other change in or respecting such shares, any and all new, substituted or additional securities to which the Contractor is entitled by reason of his ownership of the Unvested Shares shall be immediately subject to this escrow, deposited with the Escrow Holder and included thereafter as "Unvested Shares" for purposes of this Agreement.

(vi) The Contractor cannot transfer or assign the Vested Shares in the pre-publicly traded period. Post the first day of trading, the Contractor is subject to a one-year lockup, regardless of whether such shares are privately or publicly traded, and is prohibited in such period to assign or transfer the Vested Shares. Notwithstanding the foregoing, the Contractor will be subject to the volume limitations of Rule 144 of the Securities Act of 1933, as amended and all applicable provisions of state and federal securities laws, rules and regulations when purchasing or reselling the Contractor's securities, including, without limitation, those prohibiting sales and purchases of securities while in possession of material nonpublic information or that otherwise are in violation of the insider trading rules or any other applicable rules, laws or regulations promulgated by the Securities and Exchange Commission. Further, the Contractor is required to provide accurate and truthful insider and other reports and information with the Securities and Exchange Commission.

(vii). The Contractor agrees to open a securities brokerage account at the following registered securities brokerage firm:

Alpine Securities  
39 Exchange Place  
Salt Lake City, Utah 84111

The Contractor agrees that he will not open up any other securities brokerage account in connection with the deposit or sale of the Shares

(viii) The Contractor acknowledges and agrees that his Shares, any certificates or other documents evidencing ownership and the status of the Shares (i.e. whether they are vested or unvested or restricted or free-trading) are subject to review by the Company's transfer agent, ClearTrust, LLC ("ClearTrust") located at 16540 Pointe Village Drive, Suite 210, Lutz, FL 33558

ix) The Contractor agrees that Alpine Securities and ClearTrust's actions in connection with the Shares (or absence of such action), in addition to compliance with applicable securities laws, will be governed by the terms of this Agreement. In connection therewith, the Contractor hereby consents to Alpine Securities and ClearTrust being provided a copy of this Agreement and maintaining said Agreement as part of their records to ensure compliance with the terms of this Agreement.

**C. Repurchase Option.** In the event of the voluntary termination by Contractor or involuntary termination of Contractor's engagement for any reason, including death or disability, the Company shall upon the date of such termination ("Termination Date") have an irrevocable, exclusive option, but not an obligation (the "Repurchase Option") within 6 months of such voluntary or involuntary termination to exercise the Repurchase Option. The Company shall have 36 months from the date of the Repurchase Option Exercise to repurchase all or some of the Vested Shares held by the Contractor. In the

event the Company exercises such Repurchase Option, the Shares will be purchased by the Company at \$0.50 per share if the Company has not yet received an Effectiveness Notice from the Securities and Exchange Commission ("SEC") regarding the S-1 Registration Statement filing it will file with the SEC. Post SEC Effectiveness Notice, the Company will purchase the shares based on the average closing price for the last 10 days of trading from the Contractor's Termination Date, if and only if the Company exercises the Repurchase Option. The total purchase price pursuant to the Repurchase Option will be paid to the Contractor over a 36-month period in equal quarterly payments with the first such payment to be made within 30 days after the exercise of the Repurchase Option and the final payment reflecting the remainder of the Total Purchase Price. Notwithstanding anything to the contrary contained herein or otherwise, the Contractor and/or the Contractor's heirs, if applicable, shall not have the right to sell any of the Contractor's Vested Shares until such time that the Repurchase Option is exercised, or the above 6 month period has been completed, whichever occurs first. If the Company fails to exercise the Repurchase Option, the Contractor cannot transfer or assign the Vested Shares in the pre-publicly traded period. Post the first day of trading, the Contractor is subject to a one-year lockup, regardless of whether such shares are privately or publicly traded, and is prohibited in such period to assign or transfer the Vested Shares.

**D. No Vacation; Other Benefits.** The Contractor shall not be entitled to any paid vacation or any other benefits provided by the Company. The Contractor shall not be entitled to be reimbursed for any out of pocket expenses incurred by Contractor in connection with this Agreement.

## **5. Termination of the Agreement.**

**A. Contractor's Voluntary Termination.** Should Contractor voluntarily terminate his engagement hereunder, the Contractor shall be entitled to a pro-rata portion of his compensation for the previous 2 weeks of his engagement or any portion thereof. Further, the Contractor will be entitled to only those shares that have vested on a pro-rata basis up to the Termination Date and will be required to return any Unvested Shares to the Company immediately upon such termination.

**B. Termination for Cause.** Notwithstanding anything to the contrary herein, the Company's Board of Directors reserves the right to terminate Contractor's engagement and this Agreement for Cause, as this term is defined in (i) immediately below, with or without prior notice to Contractor, as applicable.

(i) For purposes of this Agreement, "Cause" means: (a) Contractor's conviction of, or nolo contendere or guilty plea to, a felony (whether any right to appeal has been or may be exercised); (b) Contractor's failure or refusal to perform his duties with Company, including his express obligations under this Agreement and in connection with the performance of his duties as provided for in Exhibit A hereto; (c) fraud, embezzlement, misappropriation, or material destruction of Company property by Contractor; (d) Contractor's breach of any statutory or common law duty of loyalty to the Company; (e) Contractor's violation of the confidentiality, non-compete or non-solicitation provisions as reflected in Section 6 of this

Agreement; (f) Contractor's conduct that is prejudicial to the Company and or its business; (g) Contractor's indictment (or its procedural equivalent) or conviction for a felony alleging fraud, embezzlement, misappropriation or destruction of Company property by him or alleging fraud, embezzlement, or monetary theft by him with respect to another party; (h) Contractor makes any disparaging or defaming remark(s) (verbal or written) regarding the Company or its business or the Company's officers, directors or employees. B. (i)(a)-(h) are referred to herein as "Triggering Events" or a "Triggering Event";

(ii) In the event of a triggering event under (i) (a)(c)(e)(g) or (h), the Company's Board of Directors will address such event and a vote will be taken whether immediate termination is appropriate. In event of a triggering event under (i)(b), (d) or (f) and notice to the Contractor by the Company's Board of Directors or its Chief Executive Officer, the Contractor shall have 5 business days to cure such event to the satisfaction of the Company's Board of Directors. If the Company's Board of Directors determines that the event (or events) under (i)(b) (i)(d) or (i)(f) has (have) not been cured, a vote will be taken whether immediate termination of Contractor is appropriate.

(iii) In the event that the Board of Directors terminates Contractor's engagement hereunder pursuant to Section 5B, the Company shall have no further obligation to Contractor other than to pay his compensation on a pro-rata basis with respect to the preceding bi-weekly payment period through the date of termination. Further, in the event of such termination, the Contractor shall be entitled to his Vested Shares on a pro-rata basis (but not to any Unvested Shares) up to the Termination Date, consistent with the terms of this Agreement.

**C. Disability and Death.** Notwithstanding anything to the contrary herein, the Company reserves the right to terminate Contractor's engagement on account of his disability upon approval by the Board of Directors consistent with its bylaws. If the Company terminates the Contractor's engagement because of his disability, the Company shall pay his compensation through the effective date of termination. For purposes hereof, the term "Disability" shall mean incapacity by accident, illness or other circumstances which renders the Contractor mentally or physically incapable of performing the duties and services required of him hereunder on a full-time basis for a period of at least 35 consecutive calendar days or 45 calendar days in the aggregate over a 60 day calendar period. Further, in the event of termination due to Disability, the Contractor shall be entitled to his Vested Shares, but not to any Unvested Shares. This Agreement shall automatically terminate upon the death of the Contractor. Upon such death, the Company shall pay Contractor's compensation through the date of death to the Contractor's heirs. In addition, the Contractor's heirs shall be entitled to his Vested Shares, but not the Unvested Shares. The Company shall not have any obligation to obtain key man life insurance or to purchase such shares with Company funds.

## **6. Confidentiality and Privileged Information; Non-Competition/Non-Solicitation.**

(a) Confidentiality.



(i) The Contractor shall not, at any time during or after his engagement hereunder with the Company, use (other than in the ordinary course of and for the purpose of fulfilling his duties hereunder), divulge or otherwise disclose, directly or indirectly, any confidential and proprietary information (including without limitation any customer or prospect list, supplier list, acquisition or merger target, business plan or strategy, data, records, bid information, prices for various electronic commodities, downstream vendor lists, financial information or other trade secrets) concerning the Company's business, policies or operations of the Company or its affiliates (or any predecessors or successors thereof) that the Contractor may have learned or become aware of at any time on or prior to the date hereof or during the term of the Contractor's engagement by the Company.

(ii) The Contractor further acknowledges and agrees that all "Company Materials", which include, but are not limited to, computers, computer software, computer disks, tapes, printouts, source, HTML and other code, flowcharts, schematics, designs, graphics, drawings, photographs, charts, graphs, notebooks, customer lists, sound recordings, other tangible or intangible manifestation of content, and all other documents whether printed, typewritten, handwritten, electronic, or stored on computer disks, tapes, hard drives, or any other tangible medium, as well as samples, prototypes, models, products and the like, shall be the exclusive property of the Company and upon termination of the Contractor's engagement with the Company, regardless of the reason or who the initiating party is, or upon the request of the Company, all Company Materials, including all copies thereof, as well as all other property of the Company then in the Contractor's possession or control, shall be returned to the Company. "Company Materials" shall include all such materials of the Company, its subsidiaries and its affiliates and any predecessors or successors thereof.

(b) Non-Competition/Non-Solicitation.

During the Restricted Period (as defined below), the Contractor agrees that he shall not, without the Company's prior written consent, directly or indirectly, either as principal, agent, manager, employee, partner, shareholder, director, officer, consultant or otherwise: (A) becomes engaged or involved in any business, which is in the business of distribution, or retail or wholesale marketing or selling of electronic recycling in the states of Florida, Georgia and any other state that the Company maintains a facility at the time of termination; (B) directly or indirectly, induce or attempt to induce any customer, client, supplier, employee, agent or independent contractor of the Company or any of its affiliates to reduce, terminate, restrict or otherwise alter its business relationship with the Company or its affiliates. The Restricted Period in (A) and (B) shall mean the period of the Contractor's engagement hereunder and in the event of termination of such engagement, regardless of the reason for such termination or which party initiated such termination, the 18-month period following such termination. Contractor also agrees that for a period of 18 months following termination of his engagement hereunder, regardless of the reason for such termination or which party initiated such termination, he shall not, directly or indirectly, participate in the ownership, control, or management of, or perform any services for or be employed (as an employee or independent contractor) by any company in the business of distribution, or retail or wholesale marketing or selling of electronic recycling in the states of Florida, Georgia and any other state that the Company

maintains a facility at the time of termination. Notwithstanding anything to the contrary, Section 6. (b) shall not be operative in the event this Agreement is terminated due to breach by Company.

#### **7. Representations and Warranties of Contractor.**

(i) Contractor hereby represents and warrants to Company as follows: (i) he has the legal capacity and unrestricted right to execute and deliver this Agreement and to perform all of his obligations hereunder; (ii) the execution and delivery of this Agreement by him and the performance of his obligations hereunder will not violate or be in conflict with any fiduciary or other duty, instrument, agreement, document, arrangement, or other understanding to which he is a party or by which he is or may be bound or subject; (iii) the execution and delivery of, and his performance under this Agreement does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by him prior to his engagement with the Company; (iv) the execution and delivery of, and his performance under, this Agreement does not and will not breach any prior agreement not to compete with the business of any other company; (v) he will not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or other person or entity; (vi) he is not a party to any other agreement that will interfere with his full compliance with this Agreement; (vii) he will not enter into any agreement, whether written or oral, in conflict with the provisions of this Agreement; (viii) he agrees to indemnify and hold the Company harmless from and against any and all damages, claims, costs, and expenses, including reasonable attorneys' fees, based on or arising, directly or indirectly, from his willful breach of any agreement or understanding between him and another person or company, as finally determined by a court of competent jurisdiction or by an arbitrator or other adjudicator with jurisdiction to hear the matter (whether conferred by contract, statute, or otherwise) which has rendered a final and binding decision; this includes, but is not limited to, liability for the Company arising from or based on any confidential or proprietary information or trade secrets he has obtained from sources other than the Company and liability for the Company arising from or based on any non-competition agreement that he has signed with any other business or entity.

(ii) All records, files, lists, including computer generated lists, drawings, documents, equipment, and similar items relating to Company's business that Contractor shall prepare or receive from the Company shall remain the Company's sole and exclusive property. Upon termination of this Agreement, regardless of the reason for such termination or which party initiated the termination or upon Company's request, Contractor shall promptly return to Company all property of the Company in his possession or control. Contractor further represents that he will not copy, cause to be copied, print out, or cause to be printed out any software, documents, or other materials originating with or belonging to the Company except in the ordinary course of his duties. Contractor additionally represents that, upon termination of this Agreement, regardless of the reason for such termination or which party initiated the termination, he will not retain in his possession any such software, documents, or other materials.

#### **8. Dribble Out**

(i) Notwithstanding anything to the contrary herein, in the event of Contractor's voluntary or involuntary termination, regardless of the reason(s) for such termination or which party initiated the termination, the Contractor agrees to limit sales of the Vested Shares according to 8(ii) immediately below. The Vested Shares that he is not permitted to sell are referred to herein as the "Lock Up Shares". The Contractor will not otherwise: (a) sell any of the Lock-Up Shares or other securities of the Company that he may acquire; (b) transfer, assign or otherwise dispose of any of the Lock Up Shares; (c) pledge, hypothecate, mortgage, encumber or otherwise create a lien on or pertaining to any of the Lock-Up Shares; (d) loan to any person or entity any of the Lock Up Shares; (e) sell short the Lock Up Shares or otherwise affect short sales pertaining to any Lock Up Shares or other of the Company's securities; (f) acquire a put option or grant a call option with respect to any of the Lock-Up shares; (g) enter into any agreement, arrangement, or otherwise concerning or directly or indirectly pertaining to any of the foregoing transactions, or otherwise facilitate any other person or agent conducting any of the foregoing transactions.

(ii) For purposes of this Section, the Dribble Out Period shall mean the period beginning at the expiration of the Repurchase Option or at such time that the Company decides not to exercise the option and ending 1 year after the Company is publicly traded for whatever period the Contractor takes to sell the Vested Shares but not to exceed the 1000 shares per day limitation as further defined immediately below (the "Dribble Out Period"). Post the 1-year lock up period that starts the first day of trading, subject to any limitations imposed by applicable Federal and State securities laws, the Contractor may only publicly sell on a daily basis only 1,000 shares.

(iii) The certificate(s) for the Lock Up Shares of the Contractor shall have a legend in form and substance acceptable to the Company referring to the restrictions herein and the Company may instruct the Company's transfer agent to stop any transfer of any securities in violation of this Agreement or any applicable law, rule or regulation and may take any other action required to avoid violation of this Agreement or any applicable law, rule or regulation, including, without limitation, obtaining an injunction.

(iv) The Contractor agrees that the Company may issue instructions to its transfer agent that prohibits transfer in violation of this Agreement.

(v) The Contractor shall maintain voting rights attached to the Lock Up Shares.

(vi) Notwithstanding the foregoing, the Contractor will be subject to the volume limitations of Rule 144 of the Securities Act of 1933, as amended.

(vii) This section is applicable only for a 6-month period after the 3 month Post-Repurchase Option Period.

## **9. Compliance with State and Federal Securities Laws**

(i) The Contractor agrees that before and after termination of the Drizzle Out Period, the he will comply with all state and federal securities laws, rules and regulations when purchasing or reselling the his securities, including, without limitation, those prohibiting sales and purchases of securities while in possession of material nonpublic information or that otherwise are in violation of the insider trading rules or any other applicable rules, laws or regulations promulgated by the Securities and Exchange Commission. Further, the Contractor is required to provide accurate and truthful insider and other reports and information with the Securities and Exchange Commission.

(ii) Notwithstanding 9(i), the Contractor will comply with all state and federal securities laws, rules and regulations, and provide truthful and accurate disclosure to the public at large and to the SEC and state regulatory agencies.

10. **Miscellaneous.**

A. **Captions.** The section and sub-section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

B. **Specific Remedy.** In addition to such other rights and remedies as Company may have at equity or in law with respect to any breach of this Agreement, if Contractor commits a breach of any provision of this Agreement, Company shall have the right and remedy to have such provision specifically enforced by any court having competent jurisdiction, it being acknowledged that any such breach or threatened breach will cause irreparable injury to Company. Each respective party shall be responsible for their own legal fees and related out of pocket costs and expenses pertaining to any disputes or litigation arising from this Agreement.

C. **Governing Law.** This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Florida, without regard to the conflicts of law rules thereof.

D. **Jurisdiction.** Each of the parties hereto hereby irrevocably consents and submits to the jurisdiction of the courts of Orange County, Florida and the United States District Court for the Middle District of Florida in connection with any suit or action concerning the interpretation of this Agreement. Contractor waives and agrees not to assert any defense of lack of jurisdiction, that venue is improper, inconvenient forum, or otherwise. Contractor waives the right to a jury trial and arbitration and agrees to accept service of process by certified mail at his last known residential address.

E. **Successors and Assigns.** Neither this Agreement, nor any of Contractor's rights, powers, duties, or obligations hereunder, may be assigned by him. This Agreement shall be binding upon and inure to the benefit of Contractor and his heirs and legal representatives and Company and its successors. Successors of Company shall include, without limitation, any company or companies acquiring, directly or indirectly, all or substantially all of the assets of Company, whether by merger, consolidation, purchase, lease, or otherwise, and such successor shall thereafter be deemed the "Company" for the purpose hereof.

F. **Notices.** All notices, requests, demands, and other communications hereunder must be in writing and shall be deemed to have been duly given if delivered by hand or mailed within the continental United States by first class, registered mail, return receipt requested, postage and registry fees prepaid, to the applicable party and addressed as follows:

The Company  
2700 Hazelhurst Avenue  
Orlando, Florida 32804

Jimmy Quinn, President  
JQ Industries, Inc.  
2070 Terrace Boulevard  
Longwood, Florida 32779

Jimmy Quinn, Individually  
2070 Terrace Boulevard  
Longwood, Florida 32779

G. **Amendment.** This Agreement may only be amended, modified, superseded, cancelled, renewed or extended, and the terms or covenants hereof may be waived, only by a written instrument executed by Employee and the Company's Chief Executive Officer.

H. **Waiver.** Any waiver or consent from Company with respect to any term or provision of this Agreement or any other aspect of Contractor's conduct or employment shall be effective only in the specific instance and for the specific purpose for which given and shall not be deemed, regardless of frequency given, to be a further or continuing waiver or consent. The failure or delay of Company at any time or times to require performance of, or to exercise any of its powers, rights, or remedies with respect to, any term or provision of this Agreement or any other aspect of Contractor's conduct in no manner (except as otherwise expressly provided herein) shall affect Company's right at a later time to enforce any such term or provision.

I. **Severability.** If any provision of this Agreement is held to be invalid, the remainder of this Agreement shall not be affected thereby.

J. **Survival.** Sections 6, 7, 8 and 9 of this Agreement shall survive any termination of this Agreement.

K. **Entire Agreement.**

(i). This Agreement, including Exhibits A and B, embodies the entire agreement of the parties hereto with respect to its subject matter and merges with and supersedes all prior discussions, agreements, commitments, or understandings of every kind and nature relating thereto, whether oral or written, between Contractor and Company. Neither party shall be bound by any term or condition of this Agreement other than as is expressly set forth herein. Contractor further agrees

that this Agreement supersedes the Employment Agreement previously executed by the parties dated January 27, 2015.

(ii). Contractor represents and agrees that he has carefully read and fully understands all of the provisions of this Agreement, that he is competent to execute this Agreement, that his decision to execute this Agreement has not been obtained by any duress, that he freely and voluntarily enters into this Agreement, and that he has read this document in its entirety and fully understands the meaning, intent, and consequences of this Agreement.

**L. Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

**M. No Assignment.** No right or benefit under this Agreement shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, pledge, encumber or charge such rights or benefits shall be void.

#### **11. Acknowledgement**

Contractor hereby acknowledges that upon execution of this Agreement that he has been paid all compensation due by Diversified Recycling, LLC and Diversified Asset Recovery, LLC and any other companies related therein (the "Prior Entities"), he has been provided with all fringe benefits, rights or otherwise and that he has no claims against the Prior Entities regarding any aspect of his employment with the Prior Entities. Further, Contractor hereby acknowledges that upon execution of this Agreement that all prior understandings, agreements (verbal or written) regarding his employment with the Prior Entities are superseded by the terms of this Agreement.

12. It is hereby acknowledged and agreed that any reference in this Agreement to Contractor shall also at all times include Jimmy Quinn in his capacity as President of Contractor and individually.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the date first written above.

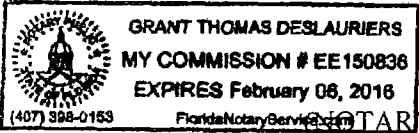
ON BEHALF OF THE  
COMPANY



Name: Bruce Manssuer  
Title: Chief Executive Officer

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 5th day of MARCH  
2015, by \_\_\_\_\_



[Signature]  
(Signature of Notary Public-State of Florida)

GRANT DESLAURIERS  
(Name of Notary Typed, Printed, or Stamped)

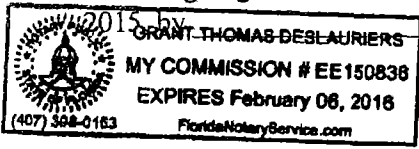
Personally Known  OR Produced Identification \_\_\_\_\_  
Type of Identification Produced

JQ Industries, Inc.

[Signature]  
Jimmy Quinn, President

STATE OF FLORIDA  
COUNTY OF ORANGE


The foregoing instrument was acknowledged before me this 5th day of MARCH



[Signature]  
(Signature of Notary Public-State of Florida)

GRANT DESLAURIERS  
(Name of Notary Typed, Printed, or Stamped)

Personally Known  OR Produced Identification \_\_\_\_\_  
Type of Identification Produced

  
Jimmy Quinn, Individually

## EXHIBIT A

# Sales Consultant Job Description

### Position Summary:

Sales Consultant is responsible for sales initiatives, including national territory development and alignment, key account identification, strategy to close business, analysis of competition, and sales training. The Sales Consultant will work with Company executives and the Company's sales team to drive business strategy and account satisfaction. The Sales Consultant is responsible for developing and executing strategic sales and marketing programs to meet growth objectives, develop market awareness and communicate customer results. The Sales Consultant works with business segment executives, senior leadership, and sales team in the development of supporting sales tools to attract, win and retain customers. The Sales Consultant shall drive successful, cross-functional marketing and sales initiatives and is responsible for the successful development and maintenance of key performance indicators to ensure efficiency and effectiveness. The Sales Consultant reports directly to the Company's Chief Executive Officer.

### JOB RESPONSIBILITIES

- Advise the sales team regarding design and implementation of sales forecasting and planning.
- Establish high levels of quality, accuracy and process consistency in planning and forecasting approaches used by the sales team.
- Provide a proactive approach in assisting all members of the sales team; respond timely to all inquiries from the sales team.
- Meet Sales Consultant's monthly quotas established by the Company's Chief Executive Officer.
- Provide advise to the sales team in implementing sales team objectives that appropriately reflect the Company's business goals.



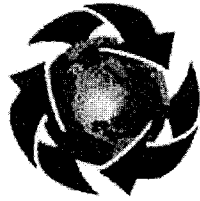
- Advise CEO of Company as to individual sales team quotas to ensure that the Company's financial objectives are optimally allocated to all sales channels and resources through the quota program.
- Prepare training programs for sales team.
- Ensure that sales reports and other internal intelligence are provided to the sales team; develop new reporting tools as needed.
- Coordinate with sales team to lead efficient and accurate sales force reporting initiatives.
- Conduct monthly meetings with the Company's Board of Directors reporting on previous monthly sales as it relates to previous monthly sales goals and provide the Company's Board of Directors with accurate monthly forecasting and sales analyses.
- Create and implement strategies for business development and means to achieving Company's sales goals.
- Conduct weekly sales meetings with all members of the sales team and present a report to the Chief Executive Officer detailing the agenda and findings of such meetings.
- Submit weekly sales reports to the Chief Executive Officer; conduct weekly meetings with the Chief Executive Officer and senior management providing detailed and accurate sales analyses and forecasting.
- Develop sales strategies based on customer feedback, market research and competitor analyses.
- Expand growth through development of new sales territories on a national and regional basis.
- Direct implementation and execution of sales training, policies and practices
- Develop annual sales plan in support of organizational strategy and objectives
- Provide detailed and accurate sales analysis and forecasting
- Oversee key customer relationships and participate in closing strategic opportunities.
- Travel for in-person meetings with customers when necessary and develop key relationships; develop strategic recommendations based on market insights on solution positioning, value proposition and differentiation in order to drive growth and customer loyalty.
- Create and manage the strategy for unique business segments to reflect growth, goals and objectives.
- Develop and implement marketing strategies and supporting sales tools for portfolio of solutions for ongoing cross-sell, up-sell and new clients.
- Maintain and oversee marketing data including measurement of effectiveness of marketing programs.
- Support the Company's mission and vision, core values.
- Oversee on-going lead generation.
- Accountable for the on-time implementation of sales team quotas and performance objectives.
- Accountable for accurate and on-time reporting essential for sales team effectiveness.

- Meet quarterly with the Chief Executive Officer for a review of Contractor's performance. The performance review findings shall be documented by the Chief Executive Officer and shall include but not be limited to the following items/areas: (1) communications including verbal and written skills; (2) managing sales team, including direction, planning, training, taking responsibility for sales team activities, improves sales team members skills, motivates members of sales team, encourages sales team members development, successful team builder, shows interest in members of sales team, offers praise when appropriate; (3) leadership including influencing other in a positive manner, exhibits confidence in himself and others members of the sales team, gaining respect and trust from members of the sales and senior management; (4) teamwork, including building strong team spirit, exhibits a high degree of openness and objectivity to the views of others; (5) delegation--defines expectations, monitors properly, provides proper oversight to those who have received such delegated duties, allows for independence, gives credit to people for the results of work delegated (6) organizational skills including setting objectives, meeting deadlines, adapting to changes, proper follow-up to ensure work is completed properly, defines goals; (7) job knowledge (8) Problem analysis decision making including developing workable solutions, seeks input from appropriate parties, acts promptly, prioritizes, shows in-depth analysis; (9) dependability including attendance and punctuality, reliability, fulfills responsibility; and (10) professional development including honing professional skills and knowledge, identifies new learning sources, eager to learn new areas of Company's business.
- Participate in due diligence in connection with any of the Company's proposed acquisitions of companies or other entities at the request of Company's CEO,
- Meet quarterly or as reasonably required with each member of the sales team (individually and not as a group for a performance review of that sales member's work). The performance review findings shall be documented in a formal manner and shall be timely shared with the Chief Executive Officer. The findings of the performance review shall include at least the following as denoted in 1-24 below as relates to each individual member of the sales team: (1) computer expertise; (2) cold calling capabilities; (3) Following up on potential customer opportunities; (4) customer service; (5) ability to close sales; (6) negotiation skills; (7) verbal and written presentation skills; (8) ability to attain goals/quotas; (9) self motivated; (10) personality as relates to sales--aggressive vs. more passive; (11) overall initiative; (12) team player; (13) ability to focus; (14) managerial ability; (15) self confidence; (16) cooperative; (17) sets objectives--meets deadlines; (18) increasing skill levels; (19) (19) punctuality—reliable; (20) truthful; (21) loyalty to Company; (22) conducts oneself in a professional manner; (23) listening skills; and (24) clock watcher.
- Document weekly names of current and potential customers contacted by Contractor; outcome of such contact and furnish such information weekly to Company's CEO.
- Document weekly number of hours worked per week broken-down Monday-Friday and furnish such information weekly to Company's CEO.

**EXHIBIT B**

**VESTING SCHEDULE BASED UPON AN AGGREGATE TOTAL OF 2,000,000  
COMMON STOCK SHARES**

Year of Employment	% Vested	Number of Shares Vested
0-1	1%	20,000
1-2	9%	180,000
2-3	25%	500,000
3-4	30%	600,000
4-5	35%	700,000



DIVERSIFIED  
ASSET  
RECOVERY, LLC

## NON-COMPETITION AGREEMENT

IN CONSIDERATION OF EMPLOYMENT AND OTHER VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the Undersigned, Joseph B. Chert (hereinafter referred to as the "Employee") and DIVERSIFIED ASSET RECOVERY LLC, (hereinafter referred to as the "Company") covenant and agree as follows:

- The Employee shall not engage in a business in any manner similar to, or in competition with, the Company or the Company's affiliated businesses during the term of his or her employment.

Furthermore, the Employee shall not engage in a business in any manner similar to, or in competition with, the Company's business for a period of TWO, (2) years from the date of termination of his or her employment with the Company for any reason in the geographical area within a THREE HUNDRED, (300) mile radius of any present Company office or store, or any future office or store opened by the Company during the term of the Employee's employment with the Company.

The Employee agrees that the above restriction is reasonable as to length of time and geographical area and hereby irrevocably waives any objection thereto.

For the purpose of this agreement, the Employee shall be regarded as engaging in a "business in any manner similar to, or in competition with, the Company's business" if, directly or as an employee, independent contractor, or agent of any third-party business, person, firm, or corporation the Employee is engaged in the business of or such other business or businesses as the Company is engaged in either individually or as part of some other business entity or affiliate during the term of the Employee's employment by the Company.

The Employee shall not request or induce any customers of any business then being conducted or contemplated by the Company or its affiliates to curtail or cancel their business with the Company or its affiliates.

The Employee shall not disclose to any person, firm, or corporation any trade, technical, or technological secrets, any details of organizations or business affairs, any names of

past or present customers or vendors of the Company or its affiliates, or any other information relating to the Company or its affiliates, owners, shareholders, officers, directors, employees, independent contractors, or agents that the Employee knows, or reasonably should know, is a trade secret or confidential information of the Company.

The Employee shall not solicit or canvass any business, transaction, or compensation for any other business, person, firm, or corporation similar to any business of the Company or its affiliates.

The Employee shall not induce, or attempt to influence, any employee, independent contractor, or agent of the Company or its affiliates to terminate or curtail its relationship with the Company or its affiliates or to enter into any employment or other business relationship with any other person (including the Employee), firm, or corporation, concerning any business of the Company or in competition with the Company.

The Employee shall not act or conduct himself or herself in any manner that he or she shall have reason to believe is inimical or contrary to the best interests of the Company or its affiliates, owners, shareholders, officers, directors, employees, independent contractors, or agents.

The Employee shall not perform any act in violation hereof through any other person or entity, or through any plan, scheme, design, or subterfuge calculated to circumvent the requirements hereof.

The Employee agrees and acknowledges that immediate and irreparable damage inadequately compensable in money damages will result to the Company if the Employee breaches or threatens to breach any of the terms and conditions of this agreement and, accordingly, the Employee hereby consents to the entry of temporary, preliminary, and permanent injunctive relief by any court of competent jurisdiction against him or her to restrain any such breach or threatened breach in addition to any other remedies or claims for money damages to which the Company may be entitled.

The Employee agrees to render an equitable accounting of all earnings, profits, and other benefits arising from such violations, and to pay all attorneys' fees and costs incurred by the Company in enforcing this agreement at law or in equity.

The Employee represents and warrants to the Company that his or her experience and capabilities are such that he or she can obtain employment in his or her line of work without breaching the terms and conditions of this agreement and that his or her obligations under the provisions of this agreement (and the enforcement thereof by injunction or otherwise) will not prevent him or her from earning a livelihood.

The existence of any claim or cause of action of the Employee against the Company, whether predicated on this agreement or otherwise, shall not constitute a defense to the enforcement by the Company of this covenant.

No delay or omission by the Company in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

Service of all notices under this agreement shall be sufficient if personally delivered or made by U.S. Postal Service First Class Certified Mail, to the party at his or her address as set forth in this agreement or as such party may provide to the other from time to time in writing:

Notices to Employee:

Notices to Company:

This agreement constitutes the entire agreement between the parties hereto and supersedes all prior negotiations, understandings, and agreements, whether oral or written, of any nature whatsoever with respect to the employment that is the subject matter hereof, and there are no representations, warranties, understandings, or agreements other than those expressly set forth herein between the Company and the Employee.

This agreement is not to be changed, modified, or terminated, except in writing, signed by the parties.

If any provision of this agreement is determined to be invalid or unenforceable, to the maximum extent permissible under applicable law, the remainder of this agreement shall be unaffected thereby and shall be enforceable.

This agreement shall be construed and enforced in accordance with the laws of the State of Florida.

By signing below, the Employee represent and warrants to Company that the Employee understands and intends to be bound by all of the terms of this agreement, has had the opportunity to seek independent legal counsel regarding the agreement, and has received a signed copy of this agreement as of the date below.

Company: Diversified Asset Recovery LLC

Authorized Signature for Company: [Signature] GRANT DESLAURIERS

Print Name and Title: Joseph Charest / Sales

Employee Name: Joseph B. Charest

Employee Signature: [Signature]

Date Signed: 4/8/10

*This Space for Notary Public (Optional):*