

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
CALIFORNIA

True Gentlemen's Jerky, Inc. v. 1K1V TGJ Holdings, LLC

True Gentlemen's Jerky · No. 21-cv-04073-VC · Decided March 7, 2023

SUMMARY

The United States District Court for the Northern District of California denied the motion to dismiss claims against 1K1V TGJ Holdings, LLC and Hendrik Jordaan for intentional and negligent interference with prospective economic relations. The court held that the allegations plausibly supported a theory that the defendants aided and abetted a director's breach of fiduciary duty and interfered with negotiations involving King Hawaiian. One Thousand and One Voices was dismissed without leave to amend, while the claim directly against Evans was not adjudicated because he had not been properly served.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Vince Chhabria
JURISDICTION	United States District Court for the Northern District of California
DECIDED	March 7, 2023
DOCKET	21-cv-04073-VC
DISPOSITION	other
PROCEDURAL POSTURE	Defendants moved to dismiss the complaint under Federal Rule of Civil Procedure 12(b)(6). The court denied the motion as to the interference claims against 1K1V TGJ Holdings, LLC and Hendrik Jordaan, while dismissing One Thousand and One Voices without leave to amend.
STANDARD OF REVIEW	On a motion to dismiss, the court accepted well-pleaded allegations and reasonable inferences in True's favor and assessed whether the complaint plausibly stated a claim.
PRECEDENTIAL VALUE	unpublished district court order

TOPICS

motions to dismiss

intentional interference with expectancy

breach of fiduciary duty

civil procedure

commercial litigation

PRACTICE AREAS

civil procedure

commercial litigation

corporate law

torts

QUESTIONS PRESENTED

1. Whether True plausibly alleged that 1K1V and Jordaan aided and abetted Evans's alleged breach of fiduciary duty.
2. Whether True plausibly alleged intentional and negligent interference with prospective economic relations based on the defendants' conduct concerning the King Hawaiian offer and the allegedly false default letter.
3. Whether the alleged interference plausibly caused harm despite True's board having rejected King Hawaiian's initial term sheet.
4. Whether the complaint stated any claim against One Thousand and One Voices.

HOLDINGS

1. True adequately stated intentional and negligent interference claims against 1K1V and Jordaan based on allegations that they aided and abetted Evans in breaching his fiduciary duty to True.
2. True adequately stated interference claims based on 1K1V's counsel's letter to King Hawaiian insofar as the letter allegedly falsely accused True of being in default on its promissory notes.
3. True plausibly alleged that the defendants' interference caused harm even though True's board had rejected King Hawaiian's initial term sheet.
4. One Thousand and One Voices was dismissed without leave to amend because the complaint directed no allegations against that defendant and True presented no defendant-specific arguments concerning it.

FACTUAL BACKGROUND

True alleged that Evans, a True board member, initially rejected 1K1V's financing offer and characterized it negatively, but later abstained from voting on a substantially similar 1K1V offer while describing himself as the 1K1V director. Evans also allegedly rejected a King Hawaiian offer after initially praising it, following efforts by 1K1V and Jordaan to oppose that offer and an alleged threat by 1K1V to Evans's board seat. True further alleged that 1K1V's counsel sent King Hawaiian a letter falsely accusing True of defaulting on promissory notes and threatening litigation, causing King Hawaiian to rescind or discontinue further negotiations.

PROCEDURAL HISTORY

True Gentlemen's Jerky, Inc. sued defendants in the Northern District of California. The defendants moved to dismiss. The court concluded that the complaint plausibly alleged intentional and negligent interference with prospective economic relations against 1K1V and Jordaan, but dismissed One Thousand and One Voices because

the complaint asserted no allegations specifically against that defendant. The court also allowed True an additional eight weeks to serve Evans, whose direct fiduciary-duty claim was not adjudicated.

DISPOSITION

other

CASES CITED

- Apple Inc. v. Superior Court, 18 Cal. App. 5th 222, 254 (2017)
- Bader v. Anderson, 179 Cal. App. 4th 775, 792 (2009)
- Rock River Communications, Inc. v. Universal Music Group, Inc., 745 F.3d 343, 351 (9th Cir. 2014)

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