IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

APPLIED SYSTEMS, INC., Plaintiff, v. PBC CONSULTING INC. AND ARDENT LABS, INC., d/b/a COMULATE, Defendants.	)	Case No. 1:25-cv-14251 District Judge Manish S. Shah Magistrate Judge Maria Valdez

MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFF'S MOTION FOR A PRELIMINARY INJUNCTION

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Applied Systems, Inc. ("Applied") files this Memorandum in support of its Motion for Preliminary Injunction ("Motion") against Defendants PBC Consulting Inc. ("PBC") and Ardent Labs, Inc., d/b/a Comulate ("Comulate") (collectively, "Defendants").

INTRODUCTION

Applied sells an industry leading piece of insurance agency management software named Epic. PBC reached out to Applied, claiming to be a new, three-person insurance agency who needed access to Applied's Epic software to purportedly run its insurance agency operations as well as permit it to integrate into Epic a piece of third-party software to operate PBC's insurance business. Peterlin Decl. ¶¶ 6-7. On that basis, PBC obtained access to Epic for over a year and a half.

Turns out, PBC was a sham. As Comulate's CEO, [redacted] Katz Decl.[1] ¶ 5. PBC was Comulate, Applied's competitor in the insurance automation space. [redacted]. *Id.* at 3, ¶ 12. Applied allegedly would not give Comulate access to Epic software system ("Epic") and Applied's software development kit ("SDK") unless Comulate agreed to certain standard restrictions, so Comulate set up a fraudulent front to get access on its behalf. [redacted] PBC, however, agreed to extensive contractual restrictions preventing exactly this sort of behavior. These restrictions protect Applied's confidential and trade secret information in and obtained from Epic and its SDK ("Confidential Information"), and these restrictions prohibit that

[1] The Katz Decl. is Ex. P to the Declaration of Nathan Hamstra filed herewith.

information from being used for competitive purposes.

Compounding its injury, Applied recently learned that Comulate has launched a competitive agency billing product to Applied's and Comulate's joint customers, presumably after using Applied's Confidential Information, to rapidly accelerate its development and reverse engineer Applied's software. Blackwell Decl. ¶ 13. This product directly competes with Applied's new Recon product, which has been deployed to a small number of customers and is set for general launch in early 2026. *Id.* ¶ 15.

Comulate must be held to account. It agreed to restrictions on the use of Applied's systems, which it disregarded. Applied will suffer untold customer losses, market share losses, reputational injuries, and harm to its goodwill with customers if Comulate is not enjoined from trading on Applied's Confidential Information and using it to compete against Applied. Defendants must a) cease all use of all Confidential Information obtained through the scheme, and b) cease the use, sale, or provision of any products or services that were developed or tested using Confidential Information to any new customers.

FACTUAL AND PROCEDURAL BACKGROUND

Applied is a leading provider of insurance agency management systems. Its flagship product, Epic, is widely renowned for its advanced capabilities in billing, reconciliation, and accounting. Blackwell Decl. ¶ 3. Epic offers its own web-based user interface to allow its customers to access Epic and Epic's underlying data stores and functions. *Id.* ¶ 6. Epic software may also be integrated into customer systems and accessed using SDKs. *Id.* Applied does not, however, expose all functions of Epic through the SDK. Some Epic functions may be performed only through the web-based interface, and are not part of the SDK. In addition, although Applied publishes some documentation on the SDK, including its interfaces and how software should connect to it, Applied does not publish the code or the specific algorithms in that code that actually

implement the SDK calls. Peterlin Decl. ¶ 3.

Comulate is Applied's competitor. Blackwell Decl. ¶ 15. Comulate was founded in 2022 by two individuals who lacked any background in insurance. Complaint ¶ 58. When Comulate launched, it offered a product that was intended to automate the process of revenue reconciliation using AI. *Id.* ¶ 59. Some of Applied's customers have integrated some of Comulate's offerings pursuant to Applied's licenses with those customers. Blackwell Decl. ¶ 9. But Comulate wanted a higher level of Epic access than it could obtain from its customer access, [redacted] Katz Decl. ¶ 9. However, Applied would not provide Comulate with direct access to Epic on account of Comulate's competitive intentions.

Comulate's solution was to obtain direct access to Epic by inventing a fake insurance company. In January of 2023, a person claiming to be Jordan Bates, proactively reached out to Applied on behalf of PBC[2] to seek Epic access, misrepresenting that it was a new, three-person insurance agency. Peterlin Decl. ¶ 6. On March 15, 2024, PBC entered into the Master Agreement and Schedule SDK, which imposed various restrictions on Defendants' use of Epic. Exs. A, B[3]. Only PBC and its employees were permitted to access Epic pursuant to those agreements. Ex. A §§ 3.2, 3.6(c). To protect Applied's "valuable trade secrets, proprietary information, and other Confidential Information," *id.* § 4.3, PBC agreed to use Epic "exclusively for authorized and legal purposes," *id.* § 5.1; Ex. C. In agreeing to engage only in authorized uses, PBC agreed not to "reverse-engineer, modify, transform, otherwise translate, or attempt to gain unauthorized access

[2] PBC goes by "BBC Consulting Inc." in some documents. Exs. A, B. It nevertheless operates as a single association using a single Epic instance, as each agreement was signed by the same alleged individual, Jordan Bates.

[3] Exhibits cited herein are exhibits to the Declaration of Nathan Hamstra filed herewith.

to the Software," "create derivative works," "use [Epic] for purposes of benchmarking, competitive analysis, or for developing, using, or providing a competing software product, or service," "transfer or otherwise make available" to third parties "the Software, Work Product, or Documentation," or "allow another entity or person" to do the same. *Id.* § 3.6; *see also id.* § 4.3 (prohibiting "use or disclosure to third parties"); Ex. B § 5.5 (prohibiting PBC from "leverag[ing] knowledge gained from access and use of the Applied Epic Integration Service SDK or of the Run-Time SDK to develop, create, link, and/or connect Interfaces, Integrations, tools, or other solutions"). PBC agreed that, to the extent it violated the agreement by "develop[ing] derivative works," "modifications," or "improvements" to Applied's Software, PBC automatically assigns ownership to Applied. Ex. B § 5.8. PBC likewise understood that "Confidential Information" could only be used "for the purpose for which it was disclosed," Ex. A § 10.1, which was "to develop an integration between Hubspot and Applied Epic," Ex. B § 5.1. PBC agreed that breaching those provisions was "prohibited," Ex. A § 4.3, "and may be illegal," Ex. B § 5.7.

In addition to the above contractual restrictions on use of Applied confidential information, Applied takes other significant efforts to protect its confidential information. Applied requires all Applied employees to sign an Employee Confidentiality, Restrictive Covenant, and Work Product Agreement (the "Employee Confidentiality Agreement"). Ex. Q. Among other things, the Employee Confidentiality Agreement provides that, during and after employment with Applied, "Confidential Information," which includes "proprietary computer code," "specifications," and "trade secrets," may not be disclosed to any unauthorized person or used for any unauthorized purpose without the prior written consent of Applied. Applied also requires all employees to comply with the Global Employment Handbook (the "Handbook"). Ex. R. The Handbook sets forth restrictions with respect to usage of Applied's confidential information, and it specifies that

each employee is responsible for complying with Applied's Information Security Program and Information Security Policies, as well as Applied's Acceptable Use Policy, all of which reinforce the security and confidentiality of Applied's confidential information and trade secrets.

Defendants set about breaching their contractual obligations immediately. During the roughly nineteen months Defendants had improper access to Epic, they made ***over ten million*** expressly prohibited calls to the Epic SDK using the PBC account. Declaration of Richard Peters ("Peters Decl.") ¶ 13. None of these calls had any valid business purpose and breached the agreements between the parties. Because Applied does not make the specific algorithms underlying Epic or its SDK ("Epic Algorithms") available to anyone outside of Applied, the only way to attempt to expose those Epic Algorithms is to reverse-engineer those Epic Algorithms by exhaustively testing the system as Comulate did. Blackwell Decl. ¶ 12.

Beginning in late October 2025, Applied discovered unusual activity by PBC as part of a broader review of third-party access to its systems. Upon launching an investigation, Applied quickly learned that PBC was not an insurance agency but was, in fact, a fraudulent front for Comulate. PBC's website was a fake GoDaddy shell. Peters Decl. ¶ 27. PBC even provided an email address that was associated with a fraudulent Comulate LinkedIn page. Peters Decl. ¶¶ 18-22. Comulate accessed Applied Epic from its own network. Peters Decl. ¶ 36. Hundreds of emails to and from Comulate employees were loaded directly into Epic with subject lines like "test 3," and "another test." *See, e.g.*, Exs. D-O; Peters Decl. ¶¶ 29-37. Emails loaded into Epic were from domains that expressly reference Comulate, such as "comulate.com" and "jordancomulate.onmicrosoft.com."[4] *See, e.g.*, Exs. D-O; Peters Decl. ¶¶ 29-31. Comulate has admitted that PBC's sandbox account was [redacted] Katz

[4] "Jordan" here likely refers to Jordan Katz Comulate's CEO.

Decl. ¶ 24.[5]

On November 21, 2025, after learning about Defendants' fraudulent scheme, Applied terminated the agreement, but competitive harms were already done. Comulate is using its scheme to develop its own competing products. Blackwell Decl. ¶¶ 12-15; Peterlin Decl. ¶¶ 10, 22. Comulate has admitted that [redacted] Katz Decl. ¶ 24. By improperly accessing Applied's system, Comulate was able to accelerate its product development and save millions of dollars to unfairly compete with Applied. Immediate injunctive relief is necessary to halt the harm Comulate is inflicting on Applied.

ARGUMENT

"A plaintiff seeking a preliminary injunction must establish that [it] is likely to succeed on the merits, that [it] is likely to suffer irreparable harm in the absence of preliminary relief, that the balance of equities tips in [its] favor, and that an injunction is in the public interest." *City of Chi. v. Noem*, 2025 WL 3251222, at *1 (N.D. Ill. Nov. 21, 2025) (Shah, J.). "This balancing test is done on a sliding scale: 'If the plaintiff is likely to win on the merits, the balance of harms need not weigh as heavily in his favor.'" *Life Spine, Inc. v. Aegis Spine, Inc.*, 8 F.4th 531, 539 (7th Cir. 2021). Each factor weighs in favor of a preliminary injunction here.

I. APPLIED IS LIKELY TO SUCCEED ON THE MERITS OF ITS CLAIM

Applied is likely to succeed on its breach of contract claim because: (1) the Master Agreement and Schedule SDK are valid and enforceable; (2) Applied performed under the agreements; (3) Defendants breached the agreements and (4) Defendants' breach injured Applied.

[5] All emphasis herein is added, unless indicated otherwise.

See KAP Holdings, LLC v. Mar-Cone Appliance Parts Co., 55 F.4th 517, 522 (N.D. Ill. 2022).[6]

A. The Master Agreement And Schedule SDK Are Valid And Enforceable

PBC entered into the Master Agreement and Schedule SDK with Applied, pursuant to which PBC was granted access and a license to Epic and the SDK for defined business purposes. Exs. A, B.[7] Comulate's agent, misrepresenting himself as Jordan Bates, executed these documents. *Id.*; Katz Decl. ¶ 5. Upon information and belief, "Jordan Bates" was Comulate's similarly named CEO, Jordan Katz.

Comulate is bound by the Master Agreement and Schedule SDK because Comulate is PBC. Comulate admits this: [redacted] Katz Decl. ¶ 5.[8] Under an alter ego theory, corporate entities are treated as one and the same where (1) one entity is a "mere instrumentality of another" and (2) "observance of the fiction of separate existence would … sanction a fraud or promote injustice." *Johnke v. Espinal-Quiroz*, 2017 WL 3620745, at *7 (N.D. Ill. Aug. 23, 2017). Both prongs of the alter ego test apply here, as Comulate appears to admit.

Comulate's co-founder and CEO admits that [redacted] Katz Decl. ¶ 5. With no separate existence of its own, PBC is a "mere instrumentality" of Comulate because PBC was formed and used for the exclusive purpose

[6] Illinois law governs the Master Agreement and Schedule SDK. Ex. A § 14.16.

[7] The Master Agreement provides access to the Applied "Software," which includes Epic. Ex. A § 15. It requires compliance with Applied's Acceptable Use Policy, Ex. A § 5.1, and incorporates the Orders made thereunder. Ex. S at 6; Ex. T at 4. The Schedule SDK is "subject to the terms and conditions of the Master Agreement" that relates to the Epic Integration Service SDK and its "run-time" version, the "Run-Time SDK." Ex. B at 1.

[8] [redacted]. The remedy for an alleged breach of contract is not fraudulent self-help.

of furthering Comulate's interests. *See, e.g.*, *Koch Refin. v. Farmers Union Cent. Exch., Inc.*, 831 F.2d 1339, 1344 (7th Cir. 1987) ("The general reason for allowing the corporation's 'veil to be pierced,' for recognizing that the corporation is a 'fictitious entity' which is simply a business conduit of another entity"); *Johnke*, 2017 WL 3620745, at *8 (corporation with overlapping ownership and no employees that did not try to turn a profit was alter ego that existed "solely for the benefit" of second corporation); *Chi. Dist. Council of Carpenters Pension Fund v. Ceiling Wall Sys., Inc.*, 1999 WL 47078, at *5 (N.D. Ill. Jan. 20, 1999) (no respect for separate corporate identities evidenced by common management, business, employees, and control).

Moreover, treating PBC and Comulate as separate entities "would sanction fraud or promote injustice." *See Van Dorn Co. v. Future Chem. & Oil Corp*, 753 F.2d 565, 570 (7th Cir. 1985) (quotation marks omitted). It would sanction Comulate's fraudulent and deceptive creation of the fake insurance agency—PBC—to gain access to Epic and its SDK [redacted] via ***millions*** of SDK calls[9] over ***nineteen months***. Katz Decl. ¶ 24; Peters Decl. ¶¶ 8-15. Allowing Comulate to avoid liability for contractual breaches by PBC when PBC only exists through Comulate, and Comulate's executives, employees, and agents directed PBC's fraudulent actions would be manifestly unjust. *See, e.g.*, *Lumpkin v. Envirodyne Indus., Inc.*, 933 F.2d 449, 463 (7th Cir. 1991) (proof of fraud, intentional wrongdoing or injustice satisfies the second element for piercing the corporate veil). Thus, alter ego doctrine requires that the Master Agreement and Schedule SDK be enforced against both PBC and Comulate.

B. Applied Performed On Its Obligations

[9] [redacted] With direct access to an Epic "sandbox" account, Comulate had free reign to investigate Applied's methods and attempt to reverse engineer them. Blackwell Decl. ¶ 12. Comulate would not have lied to get the account if it added nothing new.

Applied at all times performed all its required obligations under the Master Agreement and Schedule SDK until Applied terminated the agreement for breach pursuant to their terms on November 21, 2025. Comulate used PBC Epic access it procured for over a year and a half, without apparent issue. Katz Decl. ¶ 6. Neither PBC nor Comulate have alleged any breach of PBC's agreements by Applied during the nineteen-month period PBC's account was active.

C. Defendants Breached The Master Agreement And Schedule SDK

Defendants materially breached multiple provisions of the Master Agreement and Schedule SDK. They acknowledged that Applied Epic software "constitutes, embodies, and/or contains valuable trade secrets, proprietary information, and other Confidential Information," and that "any use or disclosure to third parties not specifically authorized … is prohibited." Ex. A § 4.3. Defendants acknowledged the same about the SDKs—that they "constitute and/or contain valuable trade secrets and are considered Confidential Information," and that "[u]nauthorized use or disclosure of the [SDKs] is prohibited and may be illegal." Ex. B § 5.7. Defendants also agreed that its use of Epic and the SDK would be limited. For example, Defendants agreed that its use of the SDK would be "solely for the internal business purpose(s)": "an integration between Hubspot and Applied Epic via the SDK." Ex. B §§ 5, 5.1. Defendants breached all these provisions. Defendants' use of Epic and the SDK was not for an "internal" PBC business purpose, and it was not related to a Hubspot-Epic integration. Rather, it was for the purpose of [redacted] Katz Decl. ¶ 5; Blackwell Decl. ¶¶ 10, 12, 13, 15.

Defendants could only use Epic for its "Permitted Use," *i.e.*, "in connection with Licensee's internal insurance operations." Ex. A §§ 3.1, 15. Defendants agreed that their use of the SDK would be "solely in connection with managing [PBC]'s insurance agency or brokerage." Ex. B § 5. Defendants' use of Epic was not for PBC's internal insurance

operations— [redacted] Katz Decl. ¶ 5 [redacted] And for the same reason, Defendants' use of the SDK was not to manage the PBC agency or brokerage— [redacted] *Id.*

Defendants agreed that "[u]sers are provisioned on a Named Basis only … and must be Licensee's Employees." Ex. A § 3.2. PBC did not have any employees, and the users of PBC's Epic instance were employees of Comulate, not PBC. Katz Decl. ¶ 5 [redacted]

Defendants agreed that they "shall NOT," with respect to Epic, "reverse-engineer[;] … allow a non-Employee to access the Software; … create derivative works… ; [or] use the Software for purposes of benchmarking, competitive analysis, or for developing, using or providing a competing software product[.]" Ex. A § 3.6. By way of Section 4.2 of the Master Agreement, Defendants also agreed not "to make any derivative works, modifications of, or implement any program improvements to any Applied intellectual property, including without limitation, the Applied Software." Defendants also agreed that they had no right to "develop[] derivative works based upon" the SDK. Ex. B § 5.8. PBC violated all these provisions. [redacted]. Katz Decl. ¶¶ 24-30.

In Section 4.3 of the Master Agreement, Defendants expressly agreed that the software it was allowed by Applied to use, including Epic and the SDK, "constitutes, embodies, and/or contains ***valuable trade secrets, proprietary information, and other Confidential Information*** owned by Applied" and agreed that any "disclosure to third parties" was prohibited. Ex. A § 4.2; *see also* Ex. B § 5.7 (similar). Yet, in direct breach of those provisions, [redacted] Katz Decl. ¶¶ 5, 6, 7.

Defendants agreed to restrict the use of Confidential Information to "the purpose for

which it was disclosed or as otherwise permitted by the Agreement" and requires that Defendants shall disclose Confidential Information "only as permitted by the Agreement and only to those of their Employees, or Professional Advisors, with a need to know and who are subject to confidentiality obligations consistent with those set forth in this Master Agreement," and related provisions imposing strict confidentiality and use restrictions. *See* Ex. A §§ 4.3, 5.1, 10.1; Ex. B §§ 5.5, 5.7. PBC violated these provisions by giving unfettered access to Applied's Confidential Information to Comulate, which as a third party had no right whatsoever to access Applied's Confidential Information.

Not only is Comulate in continued possession of this Confidential Information, but Comulate spent ***nineteen months*** building products based on its ill-gotten access. Comulate has had months to integrate Applied's Confidential Information into its existing and new products. Without the Court's intervention, Comulate will continue to propagate the fruits of its theft unabated—to Applied's significant and irreparable injury.

Courts have routinely recognized that breaches analogous to those outlined above are sufficient to warrant a preliminary injunction due to the inherent harm a company suffers in the marketplace when victimized by a breach based on misappropriation of confidential information. *See, e.g.*, *Life Spine, Inc. v. Aegis Spine, Inc.*, 2021 WL 963811, at *12, *24 (N.D. Ill. Mar. 15, 2021) (granting injunction where "Life Spine has shown a high likelihood of success on its claim that Aegis breached the DBA's confidentiality provision by sharing its confidential information with L&K for the purpose of helping L&K develop its own expandable cage"); *Moss Holding Co. v. Fuller*, 2020 WL 1081730, at *9-11 (N.D. Ill. Mar. 6, 2020) (granting injunction upon evidence that defendants violated a non-disclosure provision by misappropriation); *nClosures Inc. v. Block & Co.*, 2013 WL 158954, at *2-4 (N.D. Ill. Jan. 15, 2013) (granting injunction where plaintiff

contended that "in designing and manufacturing the Atrio, [defendant] misused flat files, SolidWorks, and Pro–E Files in breach of the NDA").

D. Defendants' Breaches Harmed Applied

Defendants' breaches of the Master Agreement and Schedule SDK resulted in Comulate's acquisition of extensive Confidential Information regarding Epic and the SDK. Comulate used and continues to use this valuable Confidential Information to refine and develop competing products that unfairly compete with Applied. Blackwell Decl. ¶¶ 13, 15; Peterlin Decl. ¶¶ 10, 22. This harm alone is sufficient to justify injunctive relief. *See Life Spine*, 2021 WL 963811, at *21 (granting injunction where "[plaintiff] will continue to lose market share, suffer harm to its reputation and loss of good will from having a knockoff product on the market"). Applied also suffered damages in the form of costs incurred investigating PBC/Comulate's pilfered access. *See generally,* Peters Decl.

II. APPLIED WILL SUFFER IRREPARABLE HARM ABSENT THE INJUNCTION

Applied will suffer irreparable harm without the requested injunction because the "legal remedies are 'seriously deficient as compared to the harm suffered.'" *Medcor, Inc. v. Garcia*, 2022 WL 124163, at *12 (N.D. Ill. Jan. 13, 2022) (Shah, J.); *see also Life Spine*, 8 F.4th at 545 (Legal remedies do not need to be "wholly ineffectual" to be inadequate—they only need be "seriously deficient as compared to the harm suffered."). Comulate must be enjoined from further benefitting from its PBC scheme, including by ceasing use of the Applied information illicitly obtained, and cease selling existing products built using the Applied Confidential Information to new customers of Applied. If PBC/Comulate is not enjoined, Applied faces the prospect of unfair competition from Comulate based on misuse of Applied's own Confidential Information, including competition against Applied's forthcoming Applied Recon reconciliation product. Blackwell Decl. ¶ 15. This "risk" of Comulate using Applied's Confidential Information to cause

"***further*** losses to" Applied is sufficient to show irreparable harm. *Medcor*, 2022 WL 124163, at *12 (Plaintiff "has shown irreparable injury through lost customers, ***potential*** customers, and revenue.").

Comulate's breach of its obligations with respect to Confidential Information, future use of the Confidential Information, and sale of products and services that were developed by way of fraudulent access to the Confidential Information to new customers will result in harm that is incalculable in the future. *See, e.g.*, *GCM Partners, LLC v. Hipaaline Ltd.,* 2020 WL 6867207, at *14 (N.D. Ill. Nov. 23, 2020) ("The loss of customers and sales and the ***continuing threat*** of further loss can constitute irreparable harm."); *Medcor*, 2022 WL 124163, at *12 ("[H]arms associated with the use of [] trade secrets can't easily be remedied by damages because they are difficult to prove and quantify.").

Further, Comulate's continued access to the Confidential Information will allow it to continue to refine its existing product offerings and create new ones at Applied's expense and reduce Applied's competitive advantage. Blackwell Decl. ¶ ¶ 13, 15. Indeed, Comulate could very well be developing a general ledger product using the Confidential Information to compete with the entirety of Applied's Epic offering (as opposed to just the Recon product). *Id*. Applied's actual and potential loss of its competitive advantage constitutes irreparable harm. *Optionmonster Holdings, Inc. v. Tavant Techs., Inc.*, 2010 WL 2639809, at *9 (N.D. Ill. June 29, 2010) (finding "loss of competitive advantage" intangible where competing products "will in the future be used to unfairly compete with [plaintiff]"); *PepsiCo, Inc. v. Redmond*, 1996 WL 3965 at *30 (N.D. Ill. Jan. 2, 1996) (finding that loss of "[c]ompetitive position in an industry defies calculation").

Without a preliminary injunction requiring Comulate ***at a minimum*** to stop using Applied's Confidential Information to, for example, develop new products or refine existing

products, Comulate will continue to breach the Master Agreement and SDK Schedule and will cause irreparable injury to Applied. *See, e.g.*, *Currie*, 2024 WL 4528330, at *14; *Groupon v. Shin*, 2022 WL 60526, at *6 (N.D. Ill. Jan. 6, 2022) (access to and threatened use of confidential and trade secret information was irreparable harm sufficient to grant PI); *Aon Risk Services Cos. v. Alliant Ins Servs., Inc.*, 415 F. Supp. 3d 843, 851 (N.D. Ill. Nov. 25, 2019) (noting that "it would be essentially impossible to determine the costs" of defendant's use of trade secrets "in direct competition … [c]onsidering the type and amount of materials" taken); *Medcor*, 2022 WL 124163, at *12 (finding competitor's use of trade secrets could damage plaintiff's relationships with current and prospective customers causing irreparable "reputational harms").

III. THE EQUITIES AND PUBLIC INTEREST FAVOR AN INJUNCTION

The balance of the equities strongly favors an injunction because Defendants breached the Master Agreement and Schedule SDK and misappropriated Applied's Confidential Information; thus, any harm to Defendants is minimal and ***entirely of their own making***. *See, e.g.*, *Mintel Int'l Grp. v. Neergheen,* 2008 WL 2782818, at *6 (N.D. Ill. July 16, 2008) ("Granting the requested relief to that extent only would prohibit [defendant] from using material that it appears he should not have taken in the first place. Therefore, any harm that he may suffer . . . would be in large part a consequence of his own conduct. . . ."). The "harm to [Defendants] caused by requiring [them] to honor [their] obligations to avoid using [Applied's] information will be minimal, and would derive entirely from [Defendants'] breach of contract[.]" *Medcor*, 2022 WL 124163, at *13.

Moreover, if the injunction were granted, Comulate would still be able to, at minimum, service customers that are using agency management systems other than Applied's and offer reconciliation services to Epic customers without integrating with Epic. Blackwell Decl. ¶ 14. For example, Comulate is integrated with numerous agency management systems offered by other software providers, including AMS360, BenefitPoint, Dynamics, and Salesforce. *Id.*

The public interest strongly favors an injunction because the public has a compelling interest in enforcing contracts. *See, e.g.*, *Mazak Optonics Corp. v. Marlette*, 2017 WL 3394727, at *3 (N.D. Ill. Aug. 8, 2017) ("The public interest is supported by upholding the sanctity of confidential information … and preventing others from the unauthorized use of such confidential information for their own benefit."); *Groupon*, 2022 WL 60526, at *7 ("The public will not be harmed by holding [defendant] to his word[.]").

IV. THE COURT SHOULD NOT REQUIRE A BOND

A district court has discretion to decide whether to require posting of a security bond in connection with a preliminary injunction, and the amount of bond is subject to the district court's discretion. *Scherr v. Volpe*, 466 F.2d 1027, 1035 (7th Cir. 1972). A district court may waive the bond requirement when "the Court is satisfied that there's no danger that the opposing party will incur any damages from the injunction." *Blakelick Props., LLC v. Vill. of Glen Ellyn*, 2025 WL 1348569, at *4 (N.D. Ill. May 8, 2025) (waiving the bond requirement based on finding that the defendant will not incur any damages from the injunction). If Defendants fail to submit evidence establishing their likely costs if wrongfully enjoined, *see* Fed. R. Civ. P. 65(c), the court should not require a bond. *See, e.g.*, *id.*; *Doe v. Elkhorn Area School District*, 743 F. Supp. 3d 1053, 1082 (E.D. Wis. 2024); *Planned Parenthood of Ind. & Ky., Inc. v. Comm'r, Ind. State Dep't of Health*, 2018 WL 10580407, at *8 (S.D. Ind. 2018). Alternatively, the Court should "excuse the bond temporarily" until Applied has an opportunity to contest any bond Defendants request. *See Scholle Corporation v. Rapak LLC*, 2014 WL 3687734, at *2 (N.D. Ill. 2014).

CONCLUSION

For these reasons, Applied respectfully requests this Court grant the relief set forth in the accompanying proposed order.

Dated: December 15, 2025

Respectfully submitted,

/s/ Jonathan C. Bunge

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CERTIFICATE OF SERVICE

I hereby certify that on December 15, 2025, I filed the foregoing document with the United States District Court for the Northern District of Illinois using the CM/ECF system and caused it to be served on all registered participants via the notice of electronic filing.

/s/ Jonathan C. Bunge
Jonathan C. Bunge