

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

ONAXIS FRANCHISING GROUP,)	
LLC, as successor-in-interest to JC)	
FRANCHISING GROUP, LLC,)	
)	
Plaintiffs,)	CIVIL ACTION FILE
)	
v.)	NO. _____
)	
EITAN HAROD, an individual, and)	
HAROD VENTURES, LLC, a)	
California limited liability company,)	
)	
Defendants.		

**VERIFIED COMPLAINT FOR
TEMPORARY RESTRAINING ORDER, PRELIMINARY
AND PERMANENT INJUNCTIVE RELIEF AND DAMAGES**

Plaintiff OnAxis Franchising Group, LLC as successor-in-interest to JC Franchising Group, LLC (“Plaintiff” or “OnAxis”), by and through its counsel, submits this Verified Complaint for Temporary Restraining Order, Injunctive Relief, and Damages, against Eitan Harod (“Mr. Harod”) and Harod Ventures, LLC (“Harod Ventures”) (together, “Defendants”), and shows the following:

PARTIES

1. Plaintiff OnAxis Franchising Group, LLC is a Delaware limited liability company registered to transact business in Georgia with its principal place

of business located at 136 School Street #286, Spring Mills, Pennsylvania 16875.

OnAxis is the successor-in-interest under certain franchise agreements with JC Franchising Group, LLC, which previously offered franchises for sale under the brand name “Green Home Solutions” from 2010 to 2022. OnAxis transacts regular business in and with the state of Georgia, including its Georgia franchisees.

2. Plaintiff’s successor-in-interest, JC Franchising Group, LLC, formed as a Georgia company in 2010, founded by Georgia residents John Antolini and Carl Carlson.

3. Defendant Eitan Harod is a citizen and resident of Los Angeles County, California and is the member-manager of Harod Ventures LLC.

4. Defendant Harod Ventures, LLC is a California limited liability company with a principal place of business at 525 Ave F, Redondo Beach, CA 90277.

JURISDICTION AND VENUE

5. This Court has subject matter jurisdiction over the federal claims alleged herein pursuant to Lanham Act § 39, 15 U.S.C. § 1121, and pursuant to 28 U.S.C. §§ 1331, and 1338(a). As to the related state law claims alleged herein, this Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1338(b), and supplemental jurisdiction pursuant to 28 U.S.C. § 1367.

6. This Court also has diversity jurisdiction under 28 U.S.C. § 1332 because: (a) there is diversity of citizenship as between each of the members of Plaintiff, on the one hand, and Defendant Eitan Harod and each member of Defendant Harod Ventures, on the other hand; and (b) the aggregate amount of Plaintiff's claims against Defendants, including the value to Plaintiff of the injunctive relief requested *infra*, far exceeds \$75,000.00. Specifically, Plaintiff is the owner of a multi-million dollar franchise business, with over 200 franchises around the country, including Georgia and California. The value of Plaintiff's business and the goodwill of the Green Home Solutions® trademarks, all of which Defendants' current misconduct is threatening and harming as detailed herein, is well in excess of \$75,000. Likewise, the value to Plaintiff of its current inability to relicense Defendants' territories for the reasons detailed herein is alone in excess of \$75,000.00 given that a prospective franchisee would pay OnAxis at least \$51,485 in initial fees, followed by a minimum royalty of 8.25% of sales for an initial franchise term of 7 years which, based on an average unit, would be an additional \$64,778.75.

7. None of the members of Plaintiff are citizens or residents of California, and the sole member of Defendant Harod Ventures is Defendant Eitan Harod, a citizen of California. Thus, there is complete diversity of citizenship as

between Plaintiff and Defendants.

8. The exercise of personal jurisdiction over Defendants by this Court is proper under Georgia's Long Arm Statute, O.C.G.A. § 9-10-91, and by written agreement of the parties.

9. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(2), because a substantial part of the events or omissions giving rise to the claims asserted herein occurred in this District, pursuant to 28 U.S.C. § 1391(b)(3), because the Defendants are subject to this Court's personal jurisdiction, and by written agreement of the parties.

10. Per written agreement of the parties, Georgia law governs the terms of the Franchise Agreements and the interpretation and enforceability of the Non-Compete provisions therein, as defined below.

FACTUAL BACKGROUND

The Green Home Solutions™ Franchise System

11. OnAxis, among other things, engages in franchising the Green Home Solutions System, as defined below, which is a distinctive system of standardized and unique methods and procedures for providing environmentally friendly cleaning services. In the Green Home Solution's System, franchisees provide the Green Home Solutions environmentally friendly cleaning services to residential




homeowners, real estate professionals, property managers, environmental specialists, and healthcare professionals throughout the United States.

12. OnAxis and its predecessor-in-interest have been in existence for twelve (12) years, and throughout that time, have invested significant amounts of money and years of careful governance to cultivate and protect a menu and proprietary system of environmentally preferred indoor air quality solutions, including air quality testing, mold cleaning, odor management, disinfection, air duct cleaning, and other related services to its customers.

13. The value of the Green Home Solutions brand includes vigilant protection of its registered trademarks, service marks, logos, trade dress, as well as proprietary products, procedures, and the formula and quality standard thereof, as well as instructional materials and training courses developed by OnAxis (the “Green Home Solutions System”).

14. OnAxis is the owner of the following federal trademark registrations:

TRADEMARK	REGISTRATION NUMBER	REGISTRATION DATE
GREEN HOME SOLUTIONS	6061864	May 26, 2020
GREEN HOME SOLUTIONS	4570179	July 15, 2014

	5548146	August 28, 2018
	5675658	February 12, 2019
	5377612	January 16, 2018

15. The trademarks protected by these registrations, along with OnAxis’ common law rights in its trademarks, service marks, logos and trade dress, shall hereafter be referred to as the “Green Home Solutions Marks.”

16. The Green Home Solutions Marks are registered in connection with a variety of cleaning services utilizing natural products, including mold remediation services, odor elimination services, indoor air quality, and disinfecting services.

17. OnAxis and its predecessor-in-interest and their authorized franchisees have for the past twelve (12) years continuously used the Green Home

Solutions Marks to identify the services provided by the Green Home Solutions System and to distinguish those services from the services of others.

18. OnAxis and its predecessor-in-interest have expended significant resources promoting the Green Home Solutions Marks.

19. OnAxis also relies on the Green Home Solutions System and the confidential information provided in the confidential Operations Manual to derive independent value by maintaining uniformity throughout the brand that is distinctive from its competitors.

20. OnAxis takes all reasonable measures to keep its trade secrets and proprietary information confidential, including, but not limited to, requiring each and every franchisee to enter into agreements that restrict the misuse and disclosure of such information.

21. OnAxis's franchise agreements thus expressly require its franchisees to, among other things, (i) not reproduce the confidential Operations Manual or any part of it; (ii) treat the confidential Operations Manual as confidential and proprietary; (iii) refrain from using any part of the Green Home Solutions System in another business; and (iv) refrain from communicating or disclosing any trade secrets or confidential or proprietary information or know-how of the Green Home Solutions System to any unauthorized person or entity, or do or perform, directly

or indirectly, any other acts injurious or prejudicial to any of Green Home Solutions Marks or the Green Home Solutions System.

22. The foregoing commercially sensitive and confidential information is critical to the success of the Green Home Solutions System.

23. If franchisees could use OnAxis's confidential and proprietary information and trade secrets in connection with other competing concepts, it would be detrimental to OnAxis and the Green Home Solutions System.

24. For these reasons, OnAxis's franchise agreements also include a non-competition provision, which prohibits franchisees from owning or operating within a certain geographic area a business competitive to the Green Home Solutions Franchised Business both during the term of the franchise and for a period of two years following the expiration or termination of the franchise agreement.

25. The non-compete provision is reasonable and necessary to protect the Green Home Solutions System and prevent brand dilution, customer confusion, and the creation of improper and unfair competition using OnAxis's confidential, proprietary and otherwise commercially sensitive information.

26. The non-compete provision also protects existing franchisees from having to compete with former franchisees who have re-branded but who continue

to use OnAxis's trade secrets and proprietary business and training while operating their competing concept.

27. In addition, the non-compete provision preserves the integrity of the Green Home Solutions System by allowing new or existing franchisees to operate within the protected territory and continue serving the customer base that was built upon OnAxis's goodwill and reputation.

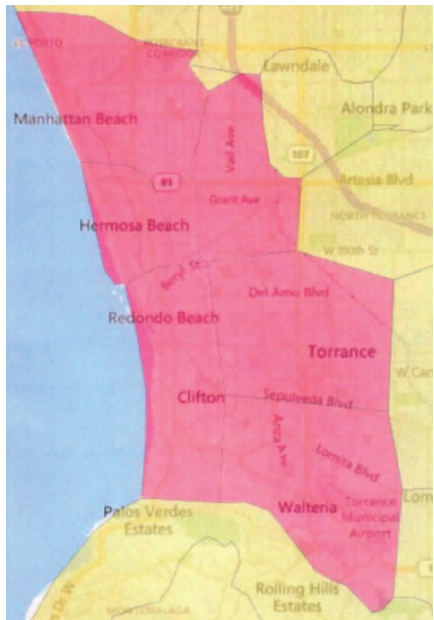
28. As a result, OnAxis requires franchisees and their owners to agree to the non-compete provisions as a material condition and prerequisite to OnAxis granting franchise rights and allowing a franchisee to operate a franchised business.

29. The non-compete provision is therefore critical to maintaining the integrity and value of the Green Home Solutions System.

Defendants Each Enter into Franchise Agreements

30. On or about December 14, 2015, Mr. Harod individually entered into a Franchise Agreement (the "First Franchise Agreement") with OnAxis's predecessor-in-interest whereby Mr. Harod agreed to (among other things) operate a Green Home Solutions franchise (the "First Franchised Business") within eight (8) zip codes within Southern California (90254, 90266, 90267, 90277, 90278, 90503, 90505, 90510), as set forth in Schedule A to the First Franchise Agreement

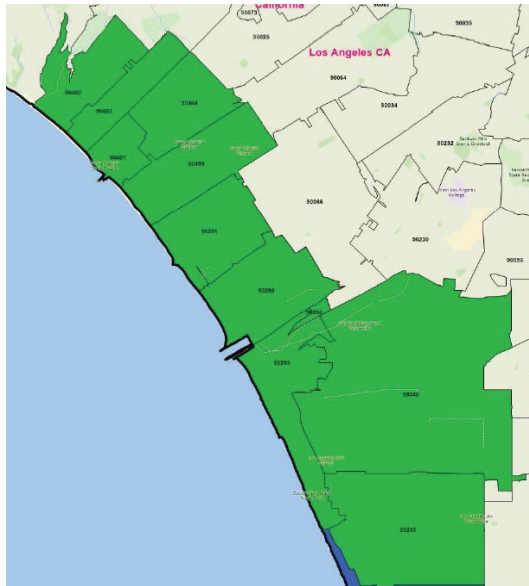
(the “First Protected Territory”). A true and correct copy of the First Franchise Agreement is attached as **Exhibit A** and incorporated herein by reference, with the First Protected Territory reflected below:



<u>Zip Code</u>	<u>City</u>
90254	Hermosa Beach
90266	Manhattan Beach
90267	Manhattan Beach
90277	Redondo Beach
90278	Redondo Beach
90503	Torrance
90505	Torrance
90510	Torrance

31. On or about July 15, 2016, Harod Ventures entered into a Franchise Agreement (the “Second Franchise Agreement”) with OnAxis’s predecessor-in-interest whereby Harod Ventures agreed to (among other things) operate a Green Home Solutions franchise (the “Second Franchised Business”) within eleven (11) zip codes within Southern California (90402, 90045, 90245, 90293, 90292, 90094, 90291, 90405, 90401, 90404, 90403), as set forth in Schedule A to the Second Franchise Agreement (the “Second Protected Territory”). A true and correct copy of the Second Franchise Agreement is attached as **Exhibit B** and incorporated

herein by reference, with the Second Protected Territory reflected below:



Zip	Area	State	Estimated Population
90402	Santa Monica	CA	11,544
90045	Los Angeles	CA	44,557
90245	El Segundo	CA	16,847
90293	Playa del Rey	CA	12,338
90292	Marina del Rey	CA	22,034
90094	Los Angeles	CA	1,666
90291	Venice	CA	27,242
90405	Santa Monica	CA	28,241
90401	Santa Monica	CA	6,372
90404	Santa Monica	CA	21,435
90403	Santa Monica	CA	24,991
	Total		217,267

32. Also on or about July 15, 2016, Mr. Harod, as the principal owner of Harod Ventures, executed a Personal Covenant in support of the Second Franchise Agreement in which Mr. Harod individually and unconditionally agreed to be personally bound by all of the obligations and covenants of Harod Ventures contained in Section 11 of the Second Franchise Agreement and specifically the non-competition covenant. A true and correct copy of the Personal Covenant is attached as Schedule E to the Second Franchise Agreement and is incorporated herein by reference.

33. In the Personal Covenant, Mr. Harod agreed that the obligations and covenants in Section 11 of the Franchise Agreement (*i.e.*, the Non-Compete as defined below) are fair and reasonable and that Mr. Harod was entering into the

Personal Covenant as an inducement to OnAxis to enter into the Second Franchise Agreement and in consideration of the direct and personal benefits that Mr. Harod would derive from the Second Franchise Agreement.

34. Also on or about July 15, 2016, Mr. Harod, as the sole member of Harod Ventures, executed a Personal Guaranty of Franchisee's Principal Owners (the "Guaranty") in support of the Second Franchise Agreement whereby Mr. Harod individually and unconditionally guaranteed the financial and performance obligations of Harod Ventures under the Second Franchise Agreement. A true and correct copy of the Guaranty is attached as Schedule D to the Second Franchise Agreement and is incorporated herein by reference.

35. The First Franchise Agreement and the Second Franchise Agreement are substantially similar in their terms and are therefore referred to collectively herein as the "**Franchise Agreements.**" Likewise, the First Franchised Business and Second Franchised Business are referred to collectively herein as the "**Franchised Businesses,**" and the First Protected Territory and Second Protected Territory are collectively referred to herein as the "**Protected Territories.**"

36. Pursuant to Section 2.1 of the Franchise Agreements, the initial term of both Franchise Agreements was seven (7) years (the "Initial Term").

37. Pursuant to Section 2.2 of the Franchise Agreements, Defendants had

a conditional right to renew their Franchise Agreements for additional terms of seven (7) years. Defendants could exercise their conditional right to renew by notifying OnAxis of their intent to renew not less than nine (9) months and not more than twelve (12) months prior to the expiration of the Initial Term.

38. Pursuant to Section 11.4 of the Franchise Agreements, Defendants further agreed that, for a period of twenty-four (24) months from the date of the expiration of the Franchise Agreements, Defendants would not, directly or indirectly, “own, manage, operate, maintain, engage in, consult with or have any interest in any Competing Business within the Protected Territor[ies] of the former Franchised Business[es]” (the “Non-Compete”).

39. For purposes of Section 11.4, a “Competing Business” is defined to include “any business that provides . . . residential or commercial mold removal or cleaning services” and any business that provides “any product or service that [Defendants] sold or offered to customers or prospective customers as part of the Green Home Solutions franchise System during the term of [the Franchise Agreements].”

40. Further pursuant to Section 11.4 of the Franchise Agreements, Defendants agreed that, for a period of twenty-four (24) months from the expiration of the Franchise Agreements, Defendants would not solicit business

from customers of the former Franchised Businesses or OnAxis national accounts, contact any OnAxis suppliers for competitive purposes, solicit former employees or the employees of any other franchisee, OnAxis employees, or OnAxis affiliate employees (the “Non-Solicit”).

41. Pursuant to Section 14 of the Franchise Agreements, Defendants agreed that, upon expiration of the Franchise Agreements, Defendants would immediately, among other things:

- a) Cease to operate the Franchised Businesses, and not hold out the former Franchised Businesses as in any way connected with OnAxis;
- b) Return to OnAxis the confidential Operations Manual, trade secret and confidential materials, equipment and other property owned by OnAxis, as well as all signage and other materials bearing the Green Home Solutions Marks or Green Home Solutions System trade dress;
- c) Provide OnAxis a complete list of Defendants’ employees, clients, customers, and contacts; and
- d) Cease using any of the Green Home Solutions Marks, logos, confidential information, methods, techniques, or the like used in connection with the Franchised Businesses.

The obligations set forth in this Paragraph shall be collectively referred to in this

Complaint as the “Post-Expiration Obligations.”

42. By agreeing to the Post-Expiration Obligations, upon expiration of the Franchise Agreements, Defendants specifically agreed to immediately cease operating the Green Home Solutions Franchised Businesses and to cease and desist all use of the Green Home Solutions Marks.

43. Section 15.7 of both Franchise Agreements provides that “In the event of any litigation arising out of this Agreement or based upon the relationship between the parties, venue for any such litigation shall be any court of general jurisdiction in Fulton County, Georgia or the United States District Court for the Northern District of Georgia, Atlanta Division. Franchisee hereby accepts and submits to, generally and unconditionally, for itself and with respect to its property, the jurisdiction of any such courts in any such action or proceeding and hereby waives, to the greatest extent permitted by applicable law defenses based on jurisdiction, venue, or forum non conveniens.”

44. Therefore, Defendants expressly agreed that the exclusive venue for litigation of disputes related to both Franchise Agreements is either the federal or state court of general jurisdiction in Fulton County, Georgia (the “Venue Clause”).

45. Section 22 of both Franchise Agreements provides that the Franchise Agreements will be governed by the laws of the State of Georgia, without regard to

conflicts of law rules.

46. Section 22 of the Second Franchise Agreement goes on to state that the Non-Compete in Section 11 of the Second Franchise Agreement shall be interpreted in accordance with the laws of the state in which the Franchisee, Harod Ventures, is located.

47. However, concurrently with executing the Second Franchise Agreement, Harod Ventures executed an amendment thereto (the “Second Franchise Agreement Amendment”) which among other things supplanted Section 22 of the Second Franchise Agreement with a different Governing Law clause, which provides that Georgia law is the exclusive governing law over “[a]ll matters arising out of or related to the [Second] Franchise Agreement or this Amendment, including without limitation all matters arising out of or related to the making, existence, construction, enforcement, and sufficiency of performance of the [Second] Franchise Agreement or this Amendment.” A true and correct copy of the Second Franchise Agreement Amendment is attached hereto as **Exhibit C**.

48. Therefore, Georgia law exclusively governs both the First Franchise Agreement and the Second Franchise Agreement (the “Governing Law Clause”).

Non-Renewal and Expiration of the Franchise Agreements

49. As the renewal date approached for both Franchise Agreements,

OnAxis and Defendants agreed via additional amendments to limited extensions of the Initial Terms through August 31, 2023.

50. Defendants ultimately declined to renew the Franchise Agreements.

51. On August 25, 2023, six days prior to the Franchise Agreements' expiration, an attorney for Defendants wrote to OnAxis stating that Defendants "intend[] to comply with the Franchise Agreements section 14 'Post Term Obligations,' and seeks your further instructions." A true and correct copy of this e-mail exchange is attached hereto as **Exhibit D**.

52. OnAxis responded by e-mail on August 28, 2023, providing a closing checklist with specific instructions related to inventory and trademarks. OnAxis also asked Defendants' counsel to confirm that Defendants intended comply with the Non-Compete and Non-Solicit covenants under Section 11 of the Franchise Agreements. *See* Ex. D.

53. Defendants did not respond to OnAxis' August 28, 2023 e-mail.

54. Instead, and notwithstanding the Franchise Agreements' Venue and Governing Law Clauses, on August 30, 2023 (one day before the Franchise Agreements expired), Defendants filed a Complaint for Declaratory Relief in the United States District Court for the Central District of California seeking a declaration that the Franchise Agreements' Non-Compete and Non-Solicit were

unenforceable under California law (the “California Lawsuit”).

55. OnAxis had no notice of and was not served with the California Lawsuit until September 5, 2023.

56. In addition to disregarding the Franchise Agreements’ Venue and Governing Law Clauses, Defendants filed the California Lawsuit prior to the development of an actual case or controversy between the parties as to the enforceability of the Franchise Agreements.

57. At the time Defendants filed the California Lawsuit, the Franchise Agreements had not expired, and Defendants had not responded to OnAxis’ inquiry regarding their intent to comply with the Non-Compete and Non-Solicit. Nor had OnAxis made any sort of demand that Defendants comply with the Non-Compete and Non-Solicit because OnAxis had no evidence or other indication at that time that Defendants were violating or intended to violate these provisions.

58. Indeed, OnAxis had no belief that a dispute existed until it was served with the California Lawsuit on September 5, 2023.

59. Defendants filed the California Lawsuit prematurely, and prior to the formation of an actual controversy, in a deliberate and calculated effort to improperly secure venue in their home state and circumvent the Venue and Governing Law Clauses of the Franchise Agreement.

60. On September 18, 2023, the parties entered into an agreement whereby Defendants would dismiss the California Lawsuit without prejudice so that the parties could attempt to negotiate a resolution regarding the Non-Compete obligations (the “Litigation Hold Agreement”).

61. The Litigation Hold Agreement provided that no party would institute a lawsuit or other proceeding for thirty (30) days following the filing of the notice of voluntary dismissal in the California Lawsuit, or earlier upon five (5) days’ prior written notice to the other party (the “Litigation Hold Period”).

62. Defendants filed the notice of voluntary dismissal in the California Lawsuit on September 20, 2023.

63. The parties thereafter engaged in good faith discussions in an effort to resolve their dispute, but no resolution was reached.

64. In addition, neither party terminated the Litigation Hold Period early.

65. Therefore, under the Litigation Hold Agreement, no party was permitted to institute a lawsuit or other proceeding any time from September 21, 2023, through and including October 20, 2023. Any such lawsuit or proceeding could not be instituted until October 21, 2023.

Breach of the Non-Compete and Post-Expiration Obligations

66. OnAxis was not aware of Defendants’ intent to violate the Non-

Compete until after the Franchise Agreements had expired and OnAxis was served with and reviewed Defendants' allegations in the California Lawsuit.

67. Nor did OnAxis have any indication that Defendants were already violating the Non-Compete.

68. Indeed, in the California Lawsuit, Defendants merely alleged that “Following the expiration of the [Franchise Agreements], [Defendants] *plan* on engage in a business offering indoor air quality solutions, including both testing and cleaning services....”. (emphasis added).

69. However, Defendants are no longer “planning” to operate a Competing Business. To the contrary, OnAxis recently discovered that Defendants are already operating a Competing Business.

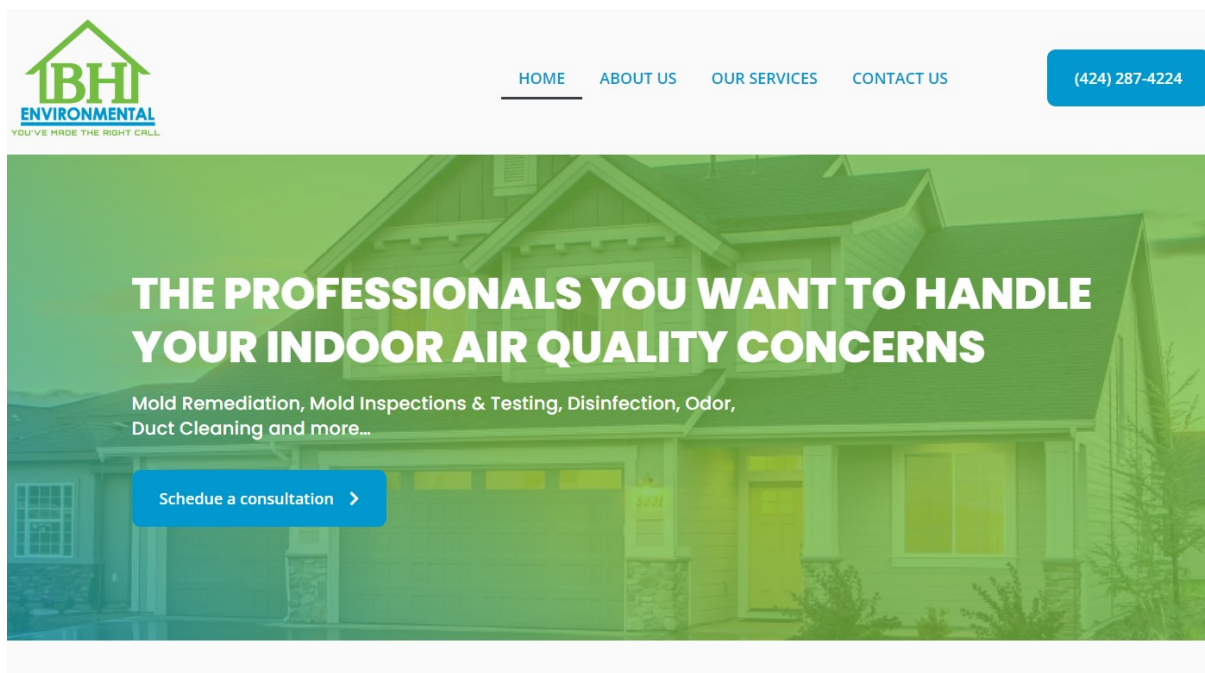
70. Specifically, OnAxis recently discovered that Defendants are operating an identical Competing Business within the Protected Territories under the new name BH Environmental, using a new website <www.envirobh.com> (the “BH Environmental Website”). Screenshots of the BH Environmental Website, last accessed on October 20, 2023, are attached hereto as **Exhibit E**.

71. The apparent purpose of this new trade name was to permit Defendants to continue operating an identical, competitive business without interruption, so that Defendants could leverage and convert the customers that they

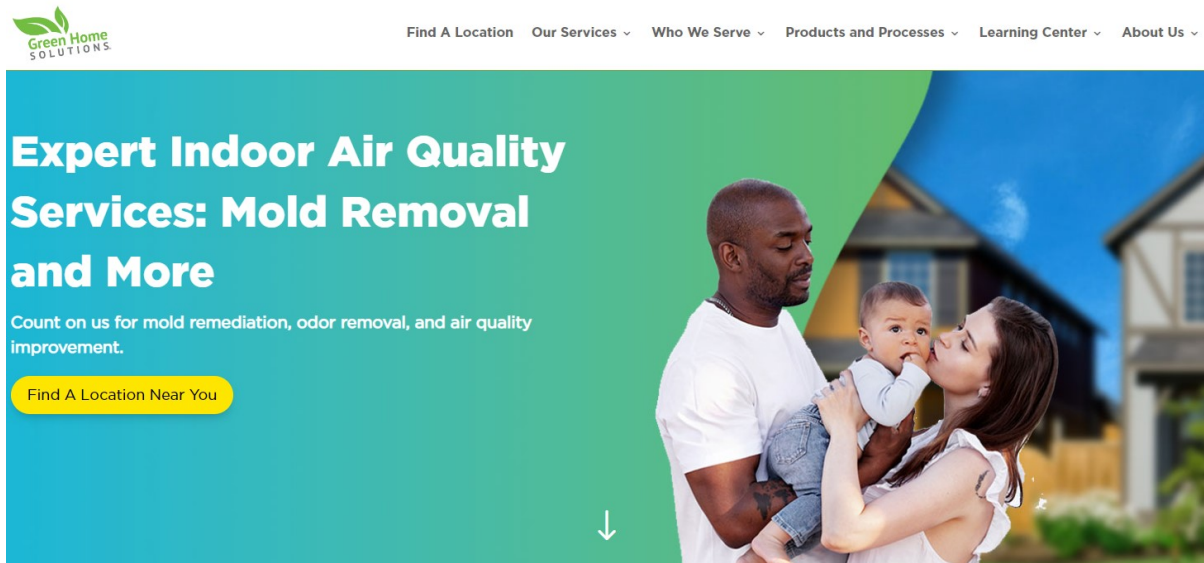
had developed using the goodwill and proprietary methods of OnAxis.

72. As can be seen from the BH Environmental Website, Defendants are actively operating the same business, under the new name BH Environmental, within the Protected Territories, by offering mold testing and remediation, disinfection, odor removal, duct cleaning, and water damage services – all services that are identical to those that Defendants learned, developed, and offered as a Green Home Solutions franchisee under the Franchise Agreements.

73. A side-by-side comparison of the BH Environmental Website and the Green Home Solutions website leaves no doubt that “BH Environmental” is simply a copycat continuation of Defendants’ prior franchise operations.



BH ENVIRONMENTAL (www.envirobh.com)



GREEN HOME SOLUTIONS (www.greenhomesolutions.com)

74. As can be seen from the Home page, although Defendants only assumed the “BH Environmental” trade name in September of 2023, the competing BH Environmental Website claims “BH Environmental is the area’s leader in professional mold remediation and indoor air quality services.” Likewise, the “About Us” page claims established expertise, protocols, and client relationships, all plainly leveraging Defendants’ seven years of operation as a Green Home Solutions franchisee to tout their experience in the industry and within Southern California.

75. Both websites prominently feature similar “Certifications” at the bottom of their home pages:



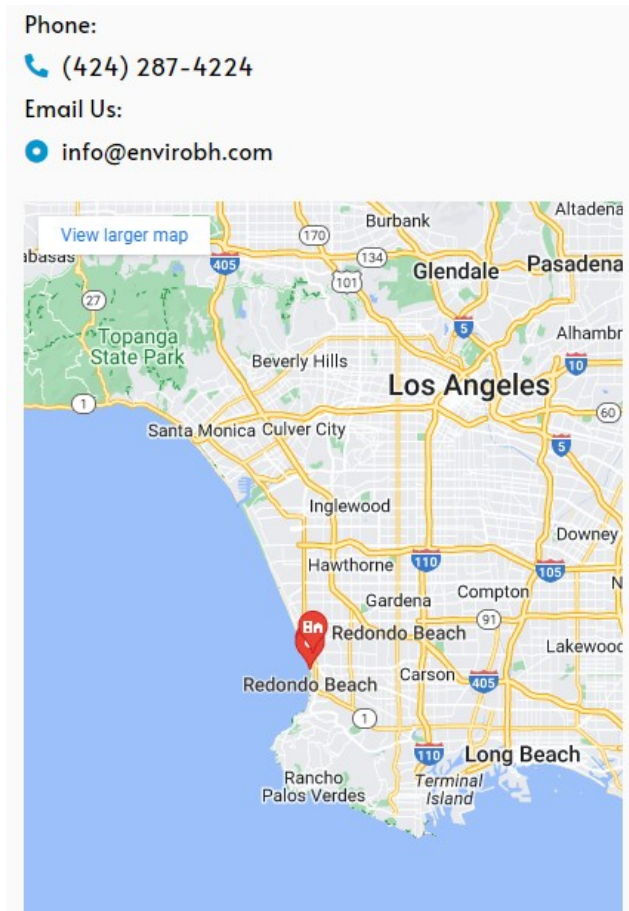
BH ENVIRONMENTAL



GREEN HOME SOLUTIONS

76. In fact, the certifications and accolades that Defendants tout on the BH Environmental Website, are certifications that Defendants obtained as franchisees of the Green Home Solutions franchise system.

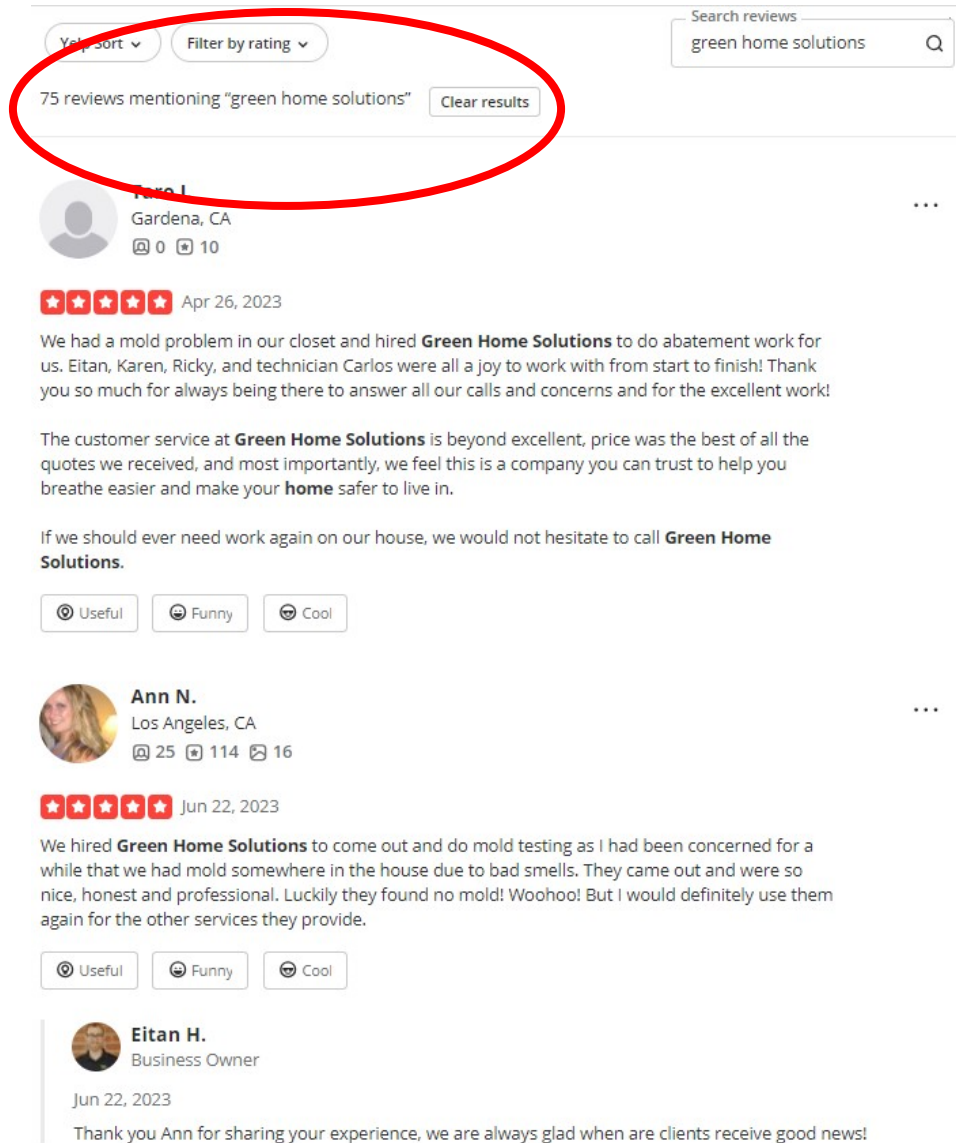
77. The BH Environmental Website “Contact Us” page also confirms that Defendants continue to operate in the Protected Territories, from Redondo Beach to Santa Monica:



78. Defendants' business listing on Yelp (<https://www.yelp.com/biz/bh-environmental-redondo-beach>) similarly relies extensively on leveraging Defendants' operation as a Green Home Solutions franchisee and, in fact, contains numerous references and connections to Green Home Solutions.

79. Rather than creating a new business listing on Yelp, Defendants simply changed the name to BH Environmental and kept all other content in order to continue to derive benefits from their prior association with Green Home Solutions.

80. For example, *at least 75* of the customer reviews on the BH Environmental Yelp site mention “Green Home Solutions” by name, a small sampling of which is below:



81. Because the Franchise Agreements have expired, Defendants’ use of the Green Home Solutions brand and Green Home Solutions Marks is without

authorization and is likely to confuse potential purchasers into believing that Defendants are still Green Home Solutions franchisees or otherwise affiliated with OnAxis, when they are not.

82. Defendants compound the likely confusion, as Defendants also made sure that anyone visiting the BH Environmental Yelp page would know that Defendants were still “Green Home Solutions” as discussed in the reviews, simply operating under a different name, by posting the following image:

**Reviews received
before 9/1/23
were earned by
the same crew
and owner under
a different
company name.**

83. The foregoing image makes clear that Defendants seamlessly continued their operation as a Competing Business on September 1, 2023, the day after the Franchise Agreements expired.

84. In fact, the Yelp page demonstrates that, unbeknownst to OnAxis, Defendants had been planning to violate the Non-Compete for some time prior to expiration, as Defendants posted an image of a BH Environmental-branded van on September 1, 2023, which obviously required advanced planning to outfit:



85. Defendants' Yelp page further confirms Defendants' current Competing Business service area overlaps with the Protected Territories in which Defendants are no longer permitted to operate after expiration of the Franchise Agreements.

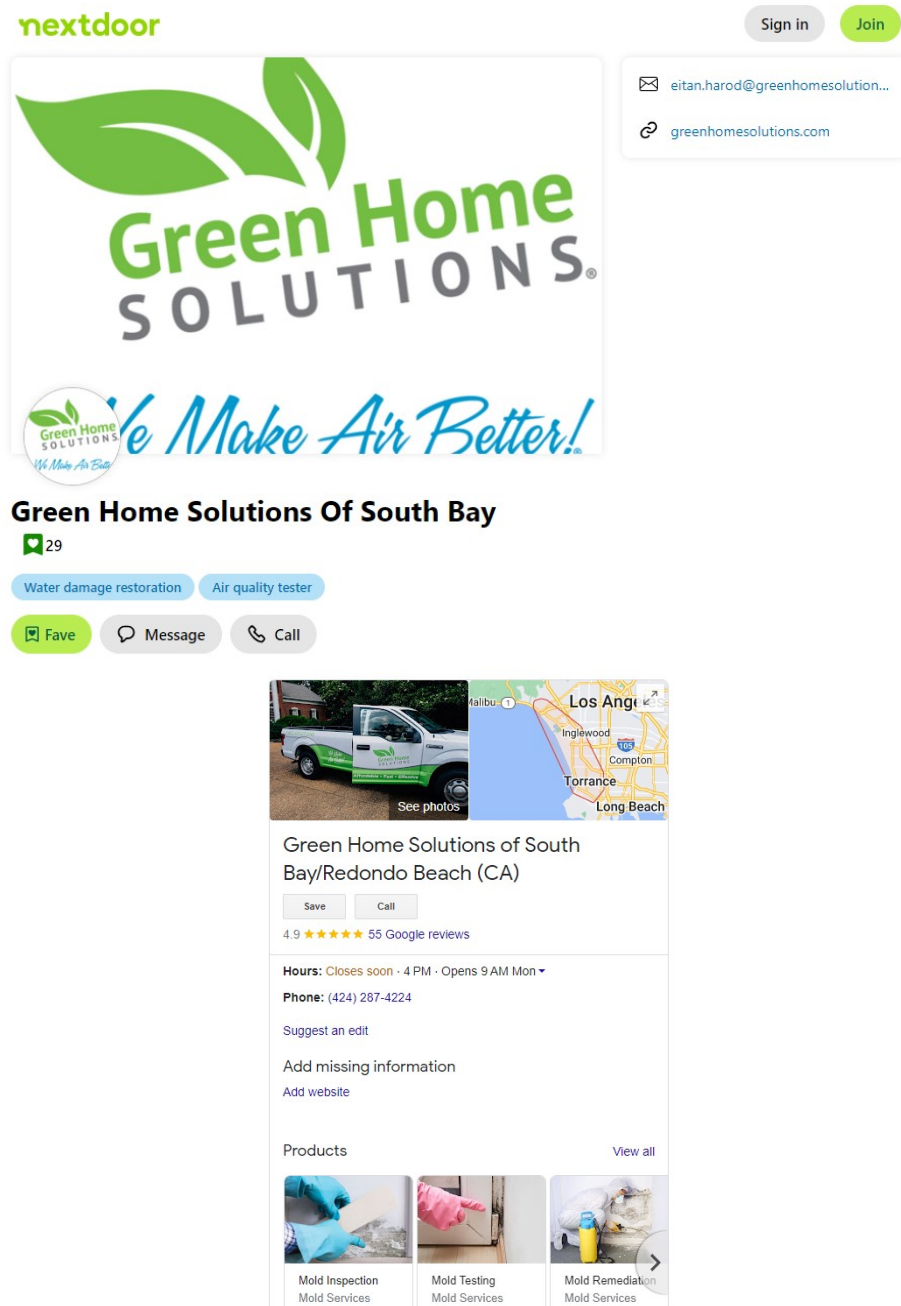
Location & Hours



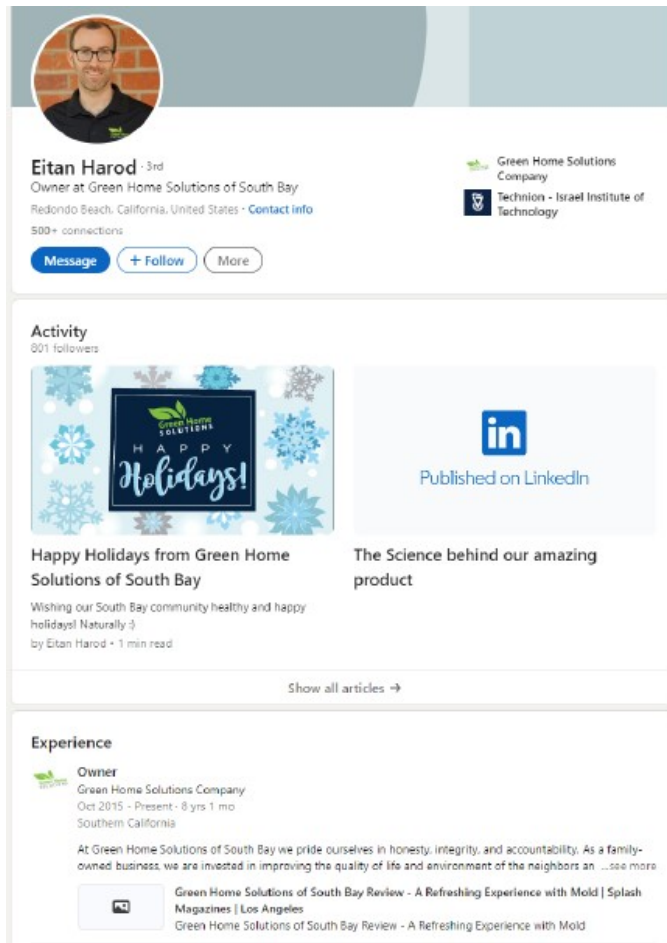
Serving Redondo Beach Area

86. Other online review sites also continue to refer to Defendants as Green Home Solutions, such as NextDoor (<https://nextdoor.com/pages/green->

[home-solutions-of-south-bay-redondo-beach-ca/](#)) and Google:



87. Mr. Harod’s professional LinkedIn profile also continues to associate him with Green Home Solutions:



88. Defendants’ continued use of the Green Home Solutions brand and Green Home Solutions Marks following expiration of the Franchise Agreements constitutes trademark infringement.

89. Because Defendants are no longer bound to operate in accordance with the Green Home Solutions System’s standards, but still hold themselves out as being associated with the Green Home Solutions brand, this constitutes irreparable harm to OnAxis and the Green Home Solutions System.

90. Defendants’ trademark infringement and breach of the Non-Compete

threatens immeasurable and irreparable harm to OnAxis and the Green Home Solutions System.

91. Pursuant to Section 15.3 of the Franchise Agreements, Defendants acknowledged and agreed that OnAxis is entitled to temporary and permanent injunctions, and orders of specific performance, to enforce the provisions of the Franchise Agreements relating to the Post-Expiration Obligations and the Non-Compete.

92. In addition, pursuant to Section 19.2 of the Franchise Agreements, Defendants agreed that OnAxis is entitled to recover its reasonable attorneys' fees and other expenses incurred by OnAxis in enforcing the provisions of the Franchise Agreements.

COUNT I
Preliminary Injunction/TRO
(All Defendants)

93. OnAxis incorporates by reference the foregoing paragraphs as if fully set forth herein.

94. Defendants are continuing to unlawfully violate the Post-Expiration Obligations and the Non-Compete under the Franchise Agreements, in addition to the Personal Covenant and the Guaranty of the Second Franchise Agreement.

95. As a direct and proximate result of Defendants' breach of the Personal

Covenant, the Guaranty, and Non-Competes, OnAxis has suffered, and will continue to suffer, irreparable harm and inherently unquantifiable injury to its business, reputation, and customer goodwill.

96. This is especially true given that Defendants' unlawful competing "BH Environmental" business operates out of the same location as the former franchise location, and, despite the change in name, publicly touts recognition that it received as a Green Home Solutions franchisee and represents to customers that it is still Green Home Solutions, but under a different name.

97. Were Defendants permitted to operate their copycat concept following the expiration of the Franchise Agreements, OnAxis would be further irreparably harmed by the unquantifiable loss of its significant investment and years of careful governance to cultivate and protect a proprietary menu of effective yet environmentally preferred indoor air quality solutions and methods, including air quality testing, mold cleaning, odor management, disinfection, air duct cleaning, and other related services to its customers.

98. Such conduct will, among other things, impair the ability of OnAxis and its franchisees to operate Green Home Solutions franchised businesses successfully in the Protected Territories and areas surrounding Defendants' operation of the competing "BH Environmental" business.

99. During the 7-year Initial Term of the Franchise Agreements, Defendants gained valuable training and knowledge from OnAxis about how to own and operate a successful business. Defendants also developed a customer base through their operation of a Green Home Solutions franchise. It is entirely unfair to permit Defendants to take this knowledge and customer base, established solely by virtue of Defendants' relationship with OnAxis, and open a competing business in the exact same location where Defendants formerly operated their Green Home Solutions Franchised Businesses, with an identical collection of service offerings.

100. As a result of Defendants' decision to flagrantly ignore its promise to abide by the Non-Compete, any new franchisee would be required to unfairly compete with Defendants who are now exploiting OnAxis's proprietary methods and more than 7 years of OnAxis training. Thus, the Non-Compete is necessary to protect OnAxis's franchise system and the right to install another franchisee within the Protected Territory.

101. Defendants' unlawful conduct threatens the entire Green Home Solutions System. In fact, were former franchisees, like Defendants here, able to breach their non-competition provisions without being enjoined, this would destroy the entire franchising industry model.

102. As a result of Defendants' wrongful conduct, OnAxis is suffering lost

goodwill, sales, market presence, an impaired ability to retain customers, and maintain the control and integrity of its Green Home Solutions System.

103. Defendants' breach imposes irreparable and incalculable damage to the Green Home Solutions brand and market presence in the Protected Territories.

104. OnAxis will prevail on its claims due to Defendants' breaches of the Franchise Agreements, the Personal Covenant, and the Guaranty.

105. In addition, Defendants' continued use of the Green Home Solutions Marks, following expiration of the Franchise Agreements, constitutes trademark infringement and threatens further irreparable harm to OnAxis and the Green Home Solutions System.

106. OnAxis will prevail on its trademark infringement claims against Defendants due to their unauthorized use of the Green Home Solutions Marks.

107. As a result, OnAxis hereby requests that the Court grant this Application for Temporary Restraining Order and Preliminary Injunction and that the Court immediately enter an order:

- a) Requiring Defendants to immediately cease operating the competing "BH Environmental" business;
- b) Prohibiting Defendants from operating, owning, or managing any Competing Business for a period of twenty-four (24)

months within the zip codes of 90254, 90266, 90267, 90277, 90278, 90503, 90505, 90510, 90402, 90045, 90245, 90293, 90292, 90094, 90291, 90405, 90401, 90404, and 90403; and

- c) Prohibiting Defendants from any further use of the Green Home Solutions Marks or any confusingly similar alternatives, including in connection with online customer reviews and third-party websites, including Yelp, NextDoor, and Google Reviews.

108. This Court is authorized pursuant to Fed. R. Civ. P. 65 to grant this Application for Temporary Restraining Order and Preliminary Injunction.

109. Balancing the equities of Defendants, on the one hand, and OnAxis, on the other, the Court should grant the requested temporary restraining order and preliminary and permanent injunctive relief.

110. Granting that relief will cause Defendants no hardship, as they will simply be required to honor ongoing contractual obligations under the Franchise Agreements. Further, the injunctive relief requested was agreed to by all parties in the Franchise Agreements, which were freely negotiated at arms' length.

111. OnAxis will suffer immediate and irreparable harm absent injunctive relief.

COUNT II
Breach of Contract - First Franchise Agreement
(Defendant Eitan Harod)

112. OnAxis incorporates by reference the foregoing paragraphs as if fully set forth herein.

113. Mr. Harod entered into the First Franchise Agreement with OnAxis's predecessor-in-interest.

114. Mr. Harod breached the First Franchise Agreement by failing to comply with the Post-Expiration Obligations and the Non-Compete.

115. As a result of the foregoing breaches of contract, OnAxis has been damaged in an amount to be proven at trial.

COUNT III
Breach of Contract - Second Franchise Agreement
(Defendant Harod Ventures)

116. OnAxis incorporates by reference the foregoing paragraphs as if fully set forth herein.

117. Harod Ventures entered into the Second Franchise Agreement with OnAxis's predecessor-in-interest.

118. Harod Ventures breached the Second Franchise Agreement by failing to comply with the Post-Expiration Obligations and the Non-Compete.

119. As a result of the foregoing breaches of contract, OnAxis has been

damaged in an amount to be proven at trial.

COUNT IV
Breach of Contract - Second Franchise Agreement Personal Covenant
(Defendant Eitan Harod)

120. OnAxis incorporates by reference the foregoing paragraphs as if fully set forth herein.

121. Defendant Eitan Harod entered into the Personal Covenant with OnAxis's predecessor-in-interest, whereby Mr. Harod agreed to be personally bound by the obligations and covenants contained within Section 11 of the Second Franchise Agreement.

122. Mr. Harod breached the Personal Covenant by operating the competing "BH Environmental" business after the expiration of the Franchise Agreement, in violation of Section 11 of the Second Franchise Agreement and the Personal Covenant.

123. As a result of the foregoing breaches of contract, OnAxis has been damaged in an amount to be proven at trial.

COUNT V
Breach of Contract - Second Franchise Agreement Guaranty
(Defendant Eitan Harod)

124. OnAxis incorporates by reference the foregoing paragraphs as if fully set forth herein.

125. Defendant Eitan Harod entered into the Guaranty with OnAxis's predecessor-in-interest, whereby Mr. Harod guaranteed the financial and performance obligations of Harod Ventures under the Franchise Agreement.

126. Mr. Harod breached the Guaranty by operating the competing "BH Environmental" business after the expiration of the Second Franchise Agreement, in violation of the Agreement's Post-Expiration Obligations and the Non-Compete.

127. As a result of the foregoing breaches of contract, OnAxis has been damaged in an amount to be proven at trial.

COUNT VI
Common Law Unfair Competition
(All Defendants)

128. OnAxis incorporates by reference the foregoing paragraphs as if fully set forth herein.

129. Defendants' acts constitute unfair competition under the common law.

COUNT VII
Lanham Act Federal Trademark Infringement
(All Defendants)

130. OnAxis incorporates by reference the foregoing paragraphs as if fully set forth herein.

131. Defendants' continued use of the Green Home Solutions brand and Green Home Solutions Marks to promote their competing "BH Environmental"

business constitutes infringement of OnAxis's registered trademarks and service marks in violation of Section 32 of the Lanham Act, 15 U.S.C. § 1114, entitling OnAxis to both compensatory and treble damages.

COUNT VIII
Lanham Act False Designation
(All Defendants)

132. OnAxis incorporates by reference the foregoing paragraphs as if fully set forth herein.

133. Defendants' acts constitute false designation of origin in violation of Section 43(a) of the Lanham Act, 15 U.S.C. §1125(a), entitling OnAxis to both compensatory and treble damages.

COUNT IX
Common Law Trademark Infringement
(All Defendants)

134. OnAxis incorporates by reference the foregoing paragraphs as if fully set forth herein.

135. Defendants' continued use of the Green Home Solutions brand and Green Home Solutions Marks constitutes unlawful trademark and service mark infringements under the common law.

COUNT X
Violation of Georgia’s Uniform Deceptive Trade Practices Act
(All Defendants)

136. OnAxis incorporates by reference the foregoing paragraphs as if fully set forth herein.

137. Defendants have misappropriated the Green Home Solutions Marks.

138. Defendants have also misappropriated OnAxis’s confidential and proprietary business information, including methods and systems contained in the confidential Operations Manual by continuing to use those methods and systems following the expiration of the Franchise Agreement.

139. Defendants are also holding the competing “BH Environmental” business out as having been an established, well-reviewed business, in reference to work performed while Defendants were still a franchisee within the Green Home Solutions System, thereby trading on the goodwill and customer base associated with the Green Home Solutions System.

140. These actions cause a likelihood of misunderstanding as to Defendants’ affiliation, connection and association with OnAxis, which no longer exists for the former franchised business post-expiration of the Franchise Agreements.

141. The foregoing conduct is unlawful, unethical and deceitful.

142. Defendants' actions constitute a violation of Georgia's Uniform Deceptive Trade Practices Act.

143. These actions have directly and proximately caused loss and damage to OnAxis.

COUNT XI
Attorneys' Fees
(All Defendants)

144. OnAxis incorporates by reference the foregoing paragraphs as if fully set forth herein

145. Section 19.2 of the Franchise Agreements provide that OnAxis is entitled to recover its court costs and attorneys' fees incurred from OnAxis's use of an attorney to enforce any provision of the Franchise Agreements.

146. Pursuant to this provision and O.C.G.A. § 13-1-11, OnAxis hereby demands that Defendants reimburse it for all costs and expenses (including attorneys' fees) relating to prosecution of this action.

147. In addition, Defendants have acted in bad faith, caused unnecessary expense and delay, and been stubbornly litigious. As such, OnAxis entitled to its reasonable attorneys' fees incurred in this litigation pursuant to O.C.G.A. § 13-6-11.

148. Defendants' infringement of the Green Home Solutions Marks is also

exceptional and further entitles OnAxis to an award of its reasonable attorney's fees under the Lanham Act.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff OnAxis Franchising Group, LLC demands judgment and relief against Defendants Eitan Harod and Harod Ventures as follows:

1. For temporary restraining orders and/or preliminary and permanent injunctions in accordance with Count I:
 - a. Requiring Defendants to immediately cease operating the competing "BH Environmental" business and comply with their Franchise Agreements' Post-Expiration Obligations and Non-Compete;
 - b. Prohibiting Defendants from operating, owning, or managing any Competing Business as defined in the Franchise Agreements for a period of two years within the zip codes of 90254, 90266, 90267, 90277, 90278, 90503, 90505, 90510, 90402, 90045, 90245, 90293, 90292, 90094, 90291, 90405, 90401, 90404, and 90403; and
 - c. Prohibiting Defendants from any further use of the Green Home Solutions Marks or any confusingly similar alternatives, including in connection with online customer reviews and third-party websites,

including Yelp, NextDoor, and Google Reviews.

2. For an award of contract damages in OnAxis's favor and against Defendants, jointly and severally, in an amount to be proven at trial;
3. For an award of actual damages and infringer's profits in an amount to be proven at trial under the Lanham Act and common law;
4. For temporary restraining orders and/or preliminary and permanent injunctions under the Lanham Act and common law;
5. For injunctive relief pursuant to the Georgia Uniform Deceptive Trade Practices Act;
6. For an award of attorneys' fees in OnAxis's favor and against Defendants, jointly and severally, and for contractual and statutory attorneys' fees, in an amount to be proven at trial; and
7. For all such other relief as this Court may deem just and proper.

Respectfully submitted this 21st day of October 2023.

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Attorneys for Plaintiffs

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

ONAXIS FRANCHISING GROUP,)
LLC, as successor-in-interest to JC)
FRANCHISING GROUP, LLC,)

Plaintiffs,)

v.)

EITAN HAROD, an individual, and)
HAROD VENTURES, LLC, a)
California limited liability company,)

Defendants.)

CIVIL ACTION FILE

NO. _____

VERIFICATION

My name is Jeff Panella, and I am President and Chief Executive Officer of Plaintiff OnAxis Franchising Group, LLC, and I hereby verify under penalty of perjury under the laws of the United States of America that the factual statements in the *Verified Complaint for Temporary Restraining Order, Preliminary and Permanent Injunctive Relief and Damages* are true and correct to the best of all current and available knowledge.

This 20th day of October, 2023.

DocuSigned by:
Jeff Panella
154605491EC94F2...

JEFF PANELLA