

**THE BUSINESS COURT OF TEXAS
FOURTH DIVISION**

SOUTH TEXAS SPINAL CLINIC, P.A., <i>Plaintiff,</i> v. SURGERY PARTNERS, INC.; ORTHOPEDIC & SPINE SURGICAL HOSPITAL OF SOUTH TEXAS, L.P. d/b/a SOUTH TEXAS SURGICAL AND SPECIALTY GROUP, SURGERY CENTER HOLDINGS, INC.; AND DR. ANTONIO J. WEBB, <i>Defendants.</i>	26-BC04A-0020 CAUSE NO. _____ JURY TRIAL DEMANDED
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PLAINTIFF’S ORIGINAL PETITION

Plaintiff South Texas Spinal Clinic, P.A. (“STSC” or “Plaintiff”) files this Original Petition against Defendants Surgery Partners, Inc. (“SP”), Orthopedic & Spine Surgical Hospital of South Texas, L.P., d/b/a South Texas Surgical and Specialty Group (“STSSG”), Surgery Center Holdings, Inc. (“Surgery Holdings”) (collectively, the “SP Defendants”), and Dr. Antonio J. Webb, (“Dr. Webb”, together with the SP Defendants, the “Defendants”), and in support thereof would respectfully show the Court as follows:

I. INTRODUCTION

This is an unfair competition case. Like thieves “casing a joint,” the SP Defendants feigned due-diligence practices to determine what assets they wanted to steal from STSC. To that end, Defendant SP lured Plaintiff into sharing its most closely guarded secrets—physician productivity

data, financial records, and operational intelligence built over nearly forty years—under the pretense of a good-faith acquisition. Having been duped into signing an NDA under the false pretense of a collaborative approach to improving STSC’s overall business, STSC gave Defendants SP and Surgery Holdings full access to their books, records, patient data, and everything Defendants needed to identify the most profitable aspects of STSC’s business. Once Defendant SP identified exactly where the value of STSC’s practice resided, SP surreptitiously abandoned the deal and established, through Defendant STSSG, a competing practice in the very locations STSC operates. At bottom, SP received the byproduct of STSC’s decades of investment without paying a dime. Making matters worse: not only did it steal the value of STSC’s decades of investment, but it also strategically gutted STSC’s ability to meaningfully compete going forward. For example, the SP Defendants leveraged STSC’s confidential information to identify and incentivize STSC’s most profitable physicians—Drs. Webb, Dianne Lou, Joel Ediowne, and Diane McShane (the “Departing Physicians”)—to compete against STSC. This lawsuit is about holding the Defendants accountable for luring STSC into sharing its sensitive business information and then using that information to snatch STSC’s strategic hires, gut the value of STSC’s years of investment, and establish a competing operation without providing any consideration to STSC.

Dr. Webb conspired with the SP Defendants to this end. Specifically, Dr. Webb disclosed confidential information and trade secrets to the SP Defendants to facilitate the development of STSSG and unfairly compete against Plaintiff, in violation of the law. In doing so, Dr. Webb used confidential and proprietary information to directly and unlawfully compete against STSC.

This is not a case of standard, aggressive competitive practices. Indeed, Texas law, recognizing the policy benefits of healthy lawful competition, permits sophisticated entities to compete within the confines of improving products, services, and pricing to the Texas public. But

this is a case about Defendants’ coordinated, premeditated, and tortious tactics of fraud and misappropriation to gut STSC and its interest holders of everything they had spent decades building for Defendants’ benefit.

II. DISCOVERY CONTROL PLAN

1. Pursuant to TEX. R. CIV. P. 190.1, Plaintiff STSC intends to conduct discovery under Level 3.

III. RULE 47 CLAIM FOR RELIEF

2. STSC seeks monetary relief against Defendants of more than \$1,000,000.00. TEX. R. CIV. P. 47(c)(4).

IV. PARTIES

3. Plaintiff STSC is a Texas professional association incorporated on June 23, 1986, with its principal place of business in Bexar County at 18626 Hardy Oak Blvd., Ste. 300, San Antonio, TX 78258. STSC is in good standing and has full legal capacity to sue and to bring the claims asserted in this action.

4. Defendant SP is a Delaware corporation with a principal place of business at 340 Seven Springs Way, Suite 600, Brentwood, TN 37027. Additionally, SP is registered to do business in Texas. SP describes itself as a “leading operator of surgical facilities and ancillary services with more than 300 locations in 30 states.” *See* Surgery Partners, <https://surgerypartners.com/about-us> (last accessed, October 9, 2026). SP may be served by serving its registered agent for service of process, CSC-Lawyers Incorporating Service Company, at 211 E. 7th Street, Suite 620, Austin, TX 78701.

5. Defendant STSSG is an “assumed name or a “d/b/a” of Orthopedic & Spine Surgical Hospital of South Texas, L.P, which is a hospital, organized as a Texas limited

partnership. STSSG shares a principal place of business with SP at 340 Seven Springs Way, Suite 600, Brentwood, Tennessee 37027. Like STSC, STSSG sets itself out to the public as providing orthopedic spine surgery, pain management services, and personalized treatment plans. Defendant SP owns Defendant STSSG. Specifically, STSSG is a limited partnership. The general partner is NSH San Antonio Surgical Hospital, LLC (the “General Partner”). In relevant part, the limited partners include NSH Texas, LLC (the “Limited Partner”), which maintains a 50% ownership in the limited partnership. On or around August 31, 2017, SP announced that it successfully completed the acquisition of National Surgical Healthcare. On information and belief, this acquisition included the General Partner and Limited Partner of STSSG. Accordingly, SP owns STSSG. STSSG may be served by serving its registered agent for service of process, CSC-Lawyers Incorporating Service Company, at 211 E. 7th Street, Suite 620, Austin, TX 78701.

6. Defendant Surgery Holdings is a Delaware corporation. On information and belief, Surgery Holdings is a wholly-owned subsidiary of Defendant SP. Surgery Holdings may be served by serving its registered agent for service of process, Corporation Service Company, at 251 Little Falls Drive, Wilmington Delaware 19808.

7. On information and belief, Dr. Webb is a resident of San Antonio, Texas and may be served with service of process at 8307 Quail Covey Lane, San Antonio, TX 78263, or wherever he may be found.

V. JURISDICTION AND VENUE

8. This Court has personal jurisdiction over Defendants SP and Surgery Holdings, non-residents, because, *inter alia*, both defendants engaged in business in Texas by contracting with STSC, a Texas resident. The contract was performed (or was to be performed) in whole or in part in Texas by both parties. Additionally, Defendants SP and Surgery Holdings committed torts, which are the subject of this suit, in whole or in part, in Texas.

9. This Court has personal jurisdiction over all remaining Defendants because they are residents of the State of Texas.

10. This Court has subject matter jurisdiction over this action because the amount in controversy exceeds \$5,000,000.00 exclusive of interest, and the claims asserted are within the original jurisdiction of the district courts of Texas pursuant to Texas Government Code §§ 25A.004(b),(d), and (f). Specifically, this action involves a claim by an organization alleging an act or omission by Defendant Dr. Webb in his capacity as an owner and shareholder of the organization. Dr. Webb breached his fiduciary duty to STSC by disclosing confidential information to an STSC competitor. Additionally, this action arises out of Texas Civil Practice & Remedies Code chapter 134A, the Texas Uniform Trade Secrets Act (TUTSA), because the Defendants misappropriated STSC's trade secrets. The Court has supplemental jurisdiction over STSC's remaining claims because the remaining claims are so related to the action over which the Court has jurisdiction that they form part of the same case or controversy.

11. Venue is proper in the Fourth Division because a substantial part of the events or omissions giving rise to the claims occurred in Bexar County. STSC's principal place of business is in San Antonio, Bexar County, Texas; the hospital where STSC's physicians practice is located in San Antonio, Bexar County, Texas; the confidential information at issue was generated and maintained in Bexar County; the Departing Physicians departed from STSC's San Antonio practice to join the competing practice operating under the assumed name STSSG; and the Departing Physicians and Defendant STSSG utilize the same San Antonio hospital as STSC.

12. Venue is also proper under Texas Civil Practice and Remedies Code § 15.002(a)(3) because Defendant STSSG maintains its principal office in this state in Bexar County, Texas, where it operates the hospital and the competing medical practice.

VI. FACTUAL BACKGROUND

A. STSC Applied Labor and Skill to Build a Clinic

13. STSC formed in 1986. Since then, STSC has operated for nearly forty years, building a successful spinal and orthopedic practice through extensive investment of time, labor, skill, and money. Over the course of decades, STSC developed a substantial patient base, cultivated physician talent, established strong referral relationships, and built a reputation as a leading provider of spinal and musculoskeletal care in San Antonio and South Texas.

14. STSC provides certain medical care within a medical ecosystem that is generally owned and operated by the SP Defendants. The relationship between STSC and Defendants has been longstanding and was previously mutually beneficial. Accordingly, Defendants are, and always have been, well aware of the value of STSC's practice and the critical role STSC's physicians played in generating revenue for Defendants.

B. STSC Protected its Confidential Information through Shareholder Agreements

15. Pursuant to a Joint Consent of the Shareholders and Directors (the "PA Joint Consent"), Dr. Webb became a shareholder and director of STSC on February 1, 2022 and remained in that role until his resignation from STSC, which became effective on May 31, 2026. Dr. Webb left STSC to join Defendant STSSG.

16. During Dr. Webb's employment with STSC, STSC's partners voted Dr. Webb to serve as STSC's designated representative on the board of directors of South Texas Surgical Hospital, a hospital in Defendant SP's system. The partners did so in good faith to advance Dr. Webb's professional development and because they believed his success would benefit STSC. As a director, and therefore fiduciary, of STSC, Dr. Webb was expected to represent STSC's interests to the hospital board. Pursuant to the PA Joint Consent, Dr. Webb agreed to not compete with

STSC for 12 months after departure or within 5 miles of STSC's location and to further maintain the confidentiality of STSC's sensitive business information for at least the time that he was a shareholder of STSC.

C. STSC Protected its Confidential Information Through its Physician Agreements

17. In addition to Dr. Webb, the remaining Departing Physicians were formerly associated with STSC through various employment agreements, independent contractor agreements, and/or membership or partnership interests.

18. STSC initially hired Dr. Lou as an employee in or around September 6, 2022. Pursuant to her employment agreement, Dr. Lou agreed to not "at any time, either during or subsequent to the Term of this Agreement, disclose to others, use, copy, or permit to be copied, without the express prior written consent of the Clinic, any Confidential Information." On or around September 9, 2023, Dr. Lou transitioned into an independent-contractor role with STSC. As part of that transition, Dr. Lou signed an independent contractor agreement with STSC. Under that agreement, Dr. Lou reinforced her agreement to not disclose confidential information "at any time, either during or subsequent to the Term of this Agreement." Dr. Lou terminated her independent-contractor relationship with STSC on May 31, 2026 to join Defendant STSSG.

19. STSC hired Dr. Edionwe as an independent contractor on or about September 18, 2023. Pursuant to the parties' independent contractor agreement, Dr. Edionwe agreed to not disclose confidential information "at any time, either during or subsequent to the Term of this Agreement." Dr. Edionwe terminated his independent-contractor relationship with STSC on April 17, 2026 to join Defendant STSSG.

20. STSC hired Dr. McShane as employee on or about November 18, 2024. Pursuant to the parties' employment agreement, Dr. McShane agreed to not disclose confidential

information “at any time, either during or subsequent to the Term of this Agreement.” Dr. McShane terminated her employment with STSC on May 31, 2026 to join Defendant STSSG.

21. As outlined above, the remaining Departing Physicians maintained at all relevant times, independent contractors’ agreements with STSC (the “PA Agreements”). The PA Agreements each contained provisions regarding confidentiality, non-solicitation, and other restrictive covenants designed to protect STSC’s business interests, trade secrets, and the value of its practice.

22. Specifically, the PA Agreements defined the scope of confidential information to include (“PA Confidential Information”):

expiration or termination of this Agreement, Physician agrees to immediately return to the Clinic any Confidential Information, including (without limitation) electronic data, that is in the possession or under the control of Physician. For purposes of this Agreement, “Confidential Information” means the terms of this Agreement and any confidential or proprietary information, data, and records (whether paper or electronic) that relate to the business, operations, or plans of the Clinic, including (without limitation), any financial data, billing records, business records, business plans, business manuals, training materials, patient records, patient lists, payer lists, quality assurance records, utilization review records, peer review information, policies and procedures, and any other information designated or treated as confidential or proprietary information by the Clinic.

23. Additionally, the PA Agreements required each physician to recognize its obligations to not disclose PA Confidential Information—during or subsequent to the term of the PA Agreement—as necessary to protecting the Clinic’s value:

Physician acknowledges he or she will derive significant value from the Clinic’s agreement to provide Physician with Confidential Information and goodwill to enable Physician to optimize the performance of his or her duties to the Clinic. Physician further acknowledges that his or her fulfillment of the obligations contained in this Agreement, including but not limited to, Physician’s obligation not to disclose or use the Clinic’s Confidential Information other than for the Clinic’s exclusive benefit and Physician’s non-solicitation obligations are necessary to protect the Clinic’s Confidential Information and Business and, consequently, to preserve the value and goodwill of the Clinic. Physician further acknowledges the time and scope limitations of the restrictions are reasonable, especially in light of the Clinic’s desire to protect its Confidential Information and

24. Through at least the PA Agreements, STSC took extensive efforts to preserve the PA Confidential Information both during and after the term of the PA Agreements. The PA Agreements also expressly stated that the preservation of PA Confidential Information was necessary to preserving the value and goodwill of STSC.

D. Defendant SP Feigns Interest in an Acquisition of STSC

25. In or around 2024, Defendant approached STSC about the possibility of acquisition. STSC agreed to pursue such discussion and negotiations in good faith.

26. In October 2024, Defendant SP conveyed to STSC that it wanted to complete the transaction by the end of 2025.

27. On November 5, 2024, Defendant SP (acting through its related entity Defendant Surgery Holdings) and STSC executed a non-disclosure agreement (the “NDA”).

28. The NDA defined “Confidential Material” broadly to include all non-public, confidential, or proprietary information exchanged in connection with the parties’ potential business relationship (the “NDA Confidential Information”):

4. Confidential Material.

(a) For purposes of this Agreement, "Confidential Material" shall mean any and all financial, technical, commercial or other information concerning the business and affairs of SP and Practice, as the case may be, that has been or may hereafter be provided or shown to such other party and its Representatives, including, without limitation, all information, data, reports, analyses, compilations, studies, interpretations, projections, forecasts, records, affiliation information, strategic and marketing plans, financial information, financial statements, and other materials (whether prepared by the disclosing party or otherwise and in whatever form maintained, whether documentary, computerized or otherwise), regardless of the form of communication, that contain or otherwise reflect information concerning the disclosing party. The term "Confidential Material" shall also include all information, data, reports, analyses, computations, studies, interpretations, projections, forecasts, records, notes, memoranda, summaries or other materials in whatever form maintained, whether documentary, computerized or otherwise, whether prepared by the reviewing party, its Representatives or others, that contain or otherwise reflect or are based upon, in whole or in part, any such Confidential Material or that reflect the reviewing party's review of, or interest in, all or any portion of the disclosing party (collectively, the "Notes").

29. The NDA expressly provided that all Confidential Material would be used “solely for the purpose of analyzing the possible business relationship” between the parties and “for no other purpose.” The NDA further prohibited the use of Confidential Material “for any reason or purpose other than in connection with the potential business relationship.” The NDA imposed a two-year confidentiality period from the date of the agreement (terminating November 5, 2026).

30. Defendant SP conducted extensive investigations into STSC’s business operations. During this period, SP had open-book access to all of STSC’s confidential proprietary business information, including without limitation: complete and detailed financial records; physician productivity data and RVUs showing each physician’s individual revenue-generating capacity; payroll data; service contracts and leases; employee performance metrics; and all other business records maintained by STSC.

31. In good faith and in justifiable reliance on the protections set forth in the NDA, STSC provided the full extent of its financial records, employee performance metrics, and all other confidential and proprietary information to SP in reliance on SP’s representations that the information would be used solely to evaluate and consummate a potential business transaction. STSC would not have disclosed this information absent the SP Defendants’ express commitment and obligation to use it only for the stated purpose.

32. Negotiations between SP and STSC addressed various aspects of a potential acquisition, including which physicians SP sought to retain, their relative productivity and value, and the structure of a possible transaction. SP specifically focused on identifying STSC’s highest-producing physicians and their individual revenue contributions to the practice.

E. SP’s Abrupt Termination of Negotiations

33. In December 2025, Defendant SP suddenly and abruptly terminated all negotiations regarding acquisition.

34. On December 3, 2025, Defendant SP made clear that it had no intention of following through with the acquisition, notwithstanding the increased momentum in communications and diligence that had characterized the preceding months. Defendant SP's abrupt reversal came after it had obtained comprehensive access to STSC's most sensitive business information. STSC did not hear from any SP Defendants until the first few days of February 2026—a period of approximately six weeks of silence. During this period of silence, and unbeknownst to STSC, SP was surreptitiously organizing the competing practice and had already been secretly recruiting some of STSC's physicians. Defendant SP provided no explanation—let alone a reasonably commercial basis—for terminating the negotiations. It provided no valuation offer, identified no concerns, nor inquired for additional information to help resolve any questions. Instead, it simply ceased discussions without legitimate explanation.

F. SP's Corporate Raid on STSC's Physicians

35. STSC eventually learned that the Departing Physicians decided to leave STSC to support a new entity strategically and jointly formed by the Defendants. Three of the Departing Physicians set their departure date for the same date—May 31, 2026 (Drs. Webb, Lou, and McShane). Dr. Edionwe terminated his independent contractor agreement on April 17, 2026. In other words, all Departing Physicians announced their departure at virtually the same time, and for the same purpose of joining Orthopedic & Spine Surgical Hospital of South Texas, L.P., operating as STSSG.

36. The Departing Physicians were STSC's most profitable physicians. All Defendants knew this because they had access to STSC's confidential financial information pursuant to the limited purposes of the NDA.

37. On March 9, 2026—just three months after Defendant SP ceased acquisition negotiations—Defendant STSSG filed a Certificate of Assumed Business Name with the Texas

Secretary of State, registering the name “South Texas Surgical and Specialty Group.” The certificate was signed by Jennifer Baldock, an officer of NSH San Antonio Surgical Hospital, LLC, SP’s subsidiary serving as General Partner of STSSG, and listed SP’s Brentwood, Tennessee headquarters as the principal office address. This DBA filing was the mechanism by which Defendants established the competing practice: no new entity was formed; SP simply directed an existing affiliate to begin unlawfully operating a competing medical practice under a new name.

38. STSSG was, in fact, nothing “new” at all—it was simply the assumed name under which STSSG at SP’s direction, formed and operated a competing practice to gut STSC and through which the Departing Physicians could steal the value and investment that had been created in STSC over decades—all to enrich themselves improperly at the expense of what was left of STSC.

39. SP directed the filing of the assumed business name under the STSSG it already controlled for the express purpose of employing the physicians it had identified during the due diligence period as STSC’s highest-value producers. Dr. Webb’s fiduciary position as STSC’s designated representative on the hospital board provided a conduit between STSC’s confidential interests and SP’s decision-making; he used that position and his insider knowledge to work with SP to form a competing entity against, and to usurp, STSC’s interests. SP improperly used STSC’s confidential productivity data, financial records, and physician performance metrics—sensitive information obtained solely through the NDA-governed due diligence process—to target and recruit these specific physicians.

40. The timing, pattern, and circumstances of SP’s conduct demonstrate that SP’s purported interest in acquiring STSC was, in reality, a calculated scheme to identify where the value of STSC’s business resided and to extract that value without payment. Ultimately, SP’s

purported due diligence was a sham to access STSC's most sensitive proprietary information, which Defendants then used to raid STSC's most valuable physicians and destroy the value of STSC's practice that took decades to build. STSSG also used confidential information obtained from STSC to identify STSC's most valuable non-physician employees and actively recruited them to work for STSSG. STSC had invested considerable time and money training these employees, and the employees carried STSC's confidential information to STSSG for its benefit, further harming STSC.

G. The Huebner Sublease—STSC Mitigates its Damages

41. After the Departing Physicians exited the practice, STSC faced an immediate and severe loss of revenue. The departures left STSC with excess office space and overhead it could no longer support and an urgent need for alternative income to sustain its remaining operations.

42. Knowing the financial harm they created, Defendants then coordinated and conspired to exploit STSC's financial vulnerability. They knew their actions were already straining the bounds of lawful competition and sought to insulate themselves as much as possible. Specifically, on or about April 30, 2026, Defendant STSSG pressured STSC to enter into a sublease agreement (the "Huebner Sublease") for approximately 11,262 square feet of medical office space located at 9150 Huebner Road, Suite 290, San Antonio, Texas 78258—the very office space STSC could no longer fully utilize because Defendants had stripped STSC of the physicians who practiced there.

43. While STSC did not wish to share office space with Defendant STSSG, STSC understood it faced certain obligations to mitigate its ongoing and increasing damages. To that end, STSC had no choice but to mitigate the impacts of its lost revenue wherever it could.

44. Defendants leveraged the “sublease” negotiations into an agreement that ultimately contained much more than standard sublease provisions. For example, recognizing the position of power STSSG now had over what was left of STSC, as a condition of entering into the Huebner Sublease, Defendant STSSG required STSC to irrevocably and unconditionally release, waive, and discharge each of the Departing Physicians from all restrictive covenants related to non-competition and non-solicitation contained in any agreement between STSC and the applicable physician. The Huebner Sublease expressly states that the STSSG entered into the sublease “in reliance on the negotiated releases” of the Departing Physicians’ restrictive covenants, and that those releases “shall expressly survive any termination of the Sublease.” The Departing Physicians were designated as intended third-party beneficiaries of the release provision, with the right to enforce it directly against STSC.

45. Additionally, the Huebner Sublease authorized only a one-time migration through STSC’s electronic health records system (Athena) of limited patient demographic data and clinical data necessary for continuity of care. Section 6.9 described that authorization as (A) “Data Migration,” allowing patient demographic data and clinical data to be transferred from the Clinic’s tablespace to the new tablespace, and (B) “Cross-Context Management,” allowing Athena to pull specific clinical administrative tables for the Doctors from the Clinic’s tablespace into the Doctors’ tablespace. This narrow continuity-of-care authorization did not extend to the broader universe of STSC’s confidential business information. The patient demographic and clinical data transferred pursuant to the Huebner Sublease did not encompass the broader categories of PA Confidential Information protected under the PA Agreements, including financial data, billing records, business plans, payer lists and payer contract terms, physician productivity data, compensation structures, referral source networks, quality assurance records, and other proprietary business information.

46. The Huebner Sublease did *not*, however, release Dr. Webb from his confidentiality obligations under the PA Joint Consent.

47. The circumstances of the Huebner Sublease exemplify the coercive dynamic at the heart of Defendants' scheme. Defendants created the very financial distress that forced STSC to seek sublease revenue by poaching the Departing Physicians. Defendants then leveraged that distress to extract releases of the noncompete and non-solicitation protections STSC had maintained for years—protections the Departing Physicians were already violating. Defendants imposed deadlines on STSC's decisions regarding release of the penalty clause, the noncompete covenants, and the non-solicitation covenants that did not provide STSC sufficient time to fully evaluate the demands, further limiting STSC's ability to protect its contractual rights and intensifying the coercive pressure. In effect, Defendants engineered STSC's vulnerability, then used that vulnerability to strip STSC of many of its contractual protections against the physicians the SP Defendants had recruited away.

H. Damages to STSC

48. As a direct and proximate result of Defendants' conduct, STSC has suffered and continues to suffer substantial damages, including but not limited to: loss of physician services and associated revenue; loss of patient volume and critical referral relationships; loss of goodwill, diminution in the value of STSC's practice; loss of its substantial investment in recruiting, training, and developing the Departing Physicians and its most valuable non-physician employees; loss of the confidentiality of information carried by the Departing Physicians and recruited employees; significant increases in overhead costs; and loss of the benefit of its contractual relationships with those physicians and employees.

49. STSC invested decades of time, labor, skill, and capital building its medical practice, developing its physician workforce, cultivating its patient base, and establishing its

reputation. Defendants' scheme has resulted in the destruction of a substantial portion of that value for their own benefit, by operating under the assumed name STSSG and obtaining that value without compensating STSC. Accordingly, STSC has been injured by the Defendants' unlawful actions as is entitled to full restitution for all of its damages.

VII. CAUSES OF ACTION

COUNT I: UNFAIR COMPETITION BY MISAPPROPRIATION **(FREE RIDE DOCTRINE)** *(Against SP Defendants)*

50. Plaintiff incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

51. Under Texas common law, the tort of unfair competition by misappropriation (the "Free Ride" doctrine) prohibits one party from misappropriating the fruit of another's labor, skill, and investment to gain a competitive advantage while avoiding the costs of comparable development.

52. STSC created substantial value through its nearly forty years of practice, including its developed physician workforce, patient relationships, referral networks, business systems, and associated revenue streams. STSC's creation of this value required extensive investment of time, labor, skill, and money over the course of decades.

53. The SP Defendants used STSC's product—its developed physicians, non-physician workforce, and the associated practice value, customer lists, pricing information, RVUs, and more—in competition with STSC, thereby gaining a special advantage in the marketplace because the SP Defendants avoided the substantial time, expense, and effort of independently developing a comparable medical practice. The SP Defendants also avoided paying STSC for the value of these assets.

54. Defendants SP and Surgery Holdings identified STSC's highest-value physicians through the due diligence process and recruited them to join the competing practice operated by Defendant STSSG under an assumed and similar name to STSC, thereby obtaining the benefit of STSC's decades of investment without comparable effort or payment. The SP Defendants also used STSC's confidential information to identify and recruit STSC's most valuable non-physician employees to work for STSSG, thereby obtaining the benefit of STSC's investment in training those employees without comparable effort or payment.

55. The SP Defendants' misappropriation of STSC's valuable assets has caused and continues to cause STSC commercial damage, including loss of physician services, loss of non-physician employees and STSC's investment in training them, patient volume, revenue, and the overall value of the practice.

COUNT II: TORTIOUS INTERFERENCE WITH EXISTING CONTRACTS
(Against SP Defendants)

56. Plaintiff incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

57. At all relevant times, STSC had valid, existing contractual relationships with the Departing Physicians and its non-physician employees, including employment agreements, independent contractor agreements, and/or buy-sell PA Joint Consents, as applicable. Defendants were aware of these contractual relationships.

58. The SP Defendants knowingly, willfully and intentionally interfered with STSC's existing contracts by recruiting, soliciting, and luring the Departing Physicians to leave STSC and join the competing practice operated by Defendant STSSG, and by recruiting and inducing STSC's most valuable non-physician employees to work for STSSG. The SP Defendants leveraged STSC's confidential and sensitive business information obtained through the NDA-governed due diligence

process to identify and target these physicians and employees. Additionally, on information and belief, the Departing Physicians brought with them confidential information they were required to keep confidential even after their employment with STSC, which they provided to, and continue to provide to, STSSG for its benefit.

59. The SP Defendants' interference was not justified or privileged. The SP Defendants' conduct was independently tortious, including breach of the NDA, fraud, misappropriation of STSC's goodwill, and misappropriation of STSC's trade secrets.

60. The SP Defendants' interference proximately caused the Departing Physicians to breach and/or terminate their contractual relationships with STSC and caused STSC's recruited non-physician employees to leave STSC for STSSG.

61. As a direct and proximate result of the SP Defendants' tortious interference, STSC has suffered actual damages, including loss of physician services, loss of non-physician employees and STSC's investment in training them, patient volume, revenue, and practice value.

COUNT III: TORTIOUS INTERFERENCE WITH PROSPECTIVE BUSINESS RELATIONS

(Against SP Defendants)

62. Plaintiff incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

63. STSC was involved in continuing business relationships with the Departing Physicians and its non-physician employees, including prospective renewals and continuations of their existing contracts and the reasonable expectation that the Departing Physicians would continue to practice with STSC and the employees would continue to work for STSC, thereby continuing to maintain STSC's value to a reasonable degree.

64. Additionally, STSC reasonably anticipated being acquired by Defendant SP, which would have provided STSC with substantial consideration for the value of its practice.

65. The SP Defendants knew about STSC's continuing business relationships with the Departing Physicians and its non-physician employees at least because Defendants were provided access to all of STSC's financial and commercial information under an NDA, including highly sensitive and confidential physician, employee, and patient information. The SP Defendants' knowledge of these relationships is further supported by the fact that the SP Defendants own and operate the very hospital in which STSC performs surgeries. Moreover, the SP Defendants' knowledge is supported by the very fact that they targeted the Departing Physicians and non-physician employees, offered the Departing Physicians a financial arrangement to leave STSC, and recruited the employees, improperly leveraging the very confidential information STSC provided the SP Defendants.

66. The SP Defendants intentionally and tortiously acted to prevent STSC's ongoing and prospective business relationships with the Departing Physicians and its non-physician employees. At least Defendant SP and Surgery Holdings leveraged STSC's confidential information to identify the Departing Physicians as the most valuable revenue generators and, through Defendant STSSG, stole the Departing Physicians by leveraging that information to make the Departing Physicians an offer they could not refuse. The SP Defendants likewise improperly used STSC's confidential information to identify and recruit STSC's most valuable non-physician employees. Additionally, the SP Defendants intentionally and tortiously acted to prevent STSC's ongoing and prospective business relationship with Defendant SP by terminating all acquisition negotiations without explanation and leveraging STSC's confidential information to establish a separate competing entity in the SP Defendants' hospital ecosystem. The SP Defendants' conduct

was independently tortious, including fraud, misrepresentation, breach of the NDA, and misappropriation of trade secrets.

67. The SP Defendants' interference proximately caused injury to STSC and resulted in actual damages, including loss of the prospective value of its physician and non-physician employee relationships, the loss of the PSA transaction, and the diminution of STSC's practice value.

COUNT IV: FRAUD AND FRAUDULENT INDUCEMENT
(Against Defendants SP and Surgery Holdings)

68. Plaintiff incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

69. During the PSA negotiations, Defendant SP made material misrepresentations to STSC regarding its intentions and commitment to evaluating and consummating a fair business transaction. Specifically, Defendant SP represented, through at least Defendant Surgery Holdings, that it was genuinely interested in acquiring STSC's practice and that STSC's confidential information would be used solely for the purpose of analyzing the potential business relationship.

70. SP's representations were false because, as time revealed, Defendant SP did not have any interest in acquiring STSC's practice or analyzing a potential business relationship. Instead, Defendant SP was interested in obtaining the most valuable STSC assets while paying the lowest price. Instead of simply competing in the market for those assets, Defendant SP approached STSC with the false representation that it was interested in a business relationship and would only use confidential information for the purpose of that business relationship. Instead, Defendant SP was interested in stealing assets and leveraging confidential business information to identify what assets to steal, and to use those assets to compete against STSC through STSSG. Accordingly, Defendant SP's statements are false.

71. Defendant SP knew its representations were false or, alternatively, made them recklessly without knowledge of their truth and as a positive assertion. Specifically, Defendant SP knew its representations were false because at the time it made those representations, it never intended to form a business relationship and intended, instead, to leverage confidential information to establish a competing entity using STSC's most valued assets. This is evidenced by, *inter alia*, the facts that Defendant SP terminated negotiations without explanation or any suggestion that the deal would not be viable; Dr. Webb, whom STSC had designated as its representative on the hospital board, used his fiduciary and board position, as well as his insider knowledge, to work with Defendant SP to form a competing entity against STSC's interests; Defendant SP immediately hired STSC's most profitable surgeons; and Defendant SP then immediately formed a d/b/a to compete with STSC in the SP Defendants' hospital. Taken together, these facts demonstrate a premeditated plan to gut STSC and establish a competing entity by leveraging STSC's confidential information and trade secrets.

72. Defendant SP made these misrepresentations, in whole or in part through its subsidiary Defendant Surgery Holdings, with the intent to induce STSC to disclose its most sensitive confidential business information, including physician productivity data, financial records, and employee performance metrics. Defendant SP intended that STSC would rely upon its representations and open its books for Defendant SP's inspection.

73. STSC reasonably relied on Defendant SP's representations. STSC's reliance was reasonable because the parties signed an NDA that limited the SP Defendants' use of STSC's confidential information exclusively for the purpose of establishing a business relationship. STSC provided the full extent of its confidential business information to Defendant SP in reliance on

Defendant SP's stated purpose and the protections of the NDA. STSC would not have disclosed this information had it known Defendant SP's true, improper intentions.

74. As a direct and proximate result of Defendants SP and Surgery Holdings's fraud, STSC suffered damages, including the disclosure of its proprietary information, the loss of its physicians and most valuable non-physician employees, the loss of STSC's investment in training those employees, the diminution of its practice value, and the loss of the benefit of the contemplated acquisition by Defendant SP.

COUNT V: BREACH OF CONTRACT (CONFIDENTIALITY AGREEMENT)

(Against Defendants SP and Surgery Holdings)

75. Plaintiff incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

76. On November 5, 2024, Defendant SP (through Defendant Surgery Holdings) and STSC entered into a valid and enforceable Confidentiality Agreement (the "NDA"). The NDA constituted a binding contract between the parties.

77. Under the NDA, Defendants SP and Surgery Holdings agreed that STSC's Confidential Material (as defined in the NDA) would be used "solely for the purpose of analyzing the possible business relationship" and for no other purpose. Defendants SP and Surgery Holdings further agreed not to disclose the Confidential Material to third parties or the public.

78. STSC performed its obligations under the NDA by providing its Confidential Material to Defendants SP and Surgery Holdings for the stated purpose of evaluating the potential business relationship.

79. Defendants SP and Surgery Holdings breached the NDA by using STSC's Confidential Material for purposes other than analyzing the possible business relationship. Specifically, Defendant SP used STSC's financial records, physician productivity data (including

RVUs), payroll information, employee performance metrics, and other confidential business information to identify and recruit STSC's highest-value physicians and most valuable non-physician employees to join or work for a competing practice operated by Defendant STSSG. This use was not authorized by the NDA and violated Defendants SP and Surgery Holdings's express obligations thereunder.

80. As a direct and proximate result of Defendant SP and Surgery Holdings' breach, STSC has suffered damages, including the loss of its physicians and non-physician employees, STSC's investment in training them, patient volume, revenue, and practice value.

COUNT VI: UNJUST ENRICHMENT
(Against SP Defendants)

81. Plaintiff incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

82. The SP Defendants have wrongfully secured the benefit of the Departing Physicians' skills and profitability, the skills and services of STSC's most valuable non-physician employees, and STSC's commercially sensitive information. Those benefits were wrongfully secured at least because: (a) they were secured through the SP Defendants' false statements to STSC; (b) the SP Defendants breached the confidentiality obligations between SP Defendants and STSC to obtain those benefits; and (c) the SP Defendants obtained those benefits without providing STSC any consideration for the value of the practice SP Defendants stole.

83. It would be unconscionable for SP Defendants to retain the benefits of STSC's most valuable assets and confidential information without providing consideration to STSC. Indeed, SP Defendants *knew* STSC's practice had value because it approached STSC on at least two occasions to discuss the possibility of an acquisition, demonstrating SP Defendants' knowledge that it would have to pay STSC for the value of its assets.

84. STSC is entitled to recover the value of the benefits conferred upon SP Defendants.

COUNT VII: BREACH OF FIDUCIARY DUTIES

(Against Dr. Webb)

85. Plaintiff incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

86. Dr. Webb was an STSC director and shareholder from February 1, 2022 until May 31, 2026. As a director, Dr. Webb was a fiduciary to STSC, and owed STSC a duty of loyalty and duty of care.

87. Dr. Webb breached his duty of loyalty by, *inter alia*, competing or dealing with STSC during the scope of his partnership in a manner adverse to STSC's interest, and in a manner that usurped STSC's opportunities for the benefit of all other Defendants, including himself.

88. Dr. Webb breached his duty of care by, *inter alia*, failing to act in the conduct of the partnership business with the care an ordinarily prudent person would exercise in similar circumstances because Dr. Webb facilitated the SP Defendants' poaching of STSC's key employees by providing confidential information to SP Defendants.

89. Dr. Webb's breach of his fiduciary duties resulted in injury to STSC though the loss of key revenue-generating partners in an amount to be determined at trial.

COUNT VIII: TRADE SECRET MISAPPROPRIATION (TUTSA)

(Against All Defendants)

Texas Civil Practice and Remedies Code, Chapter 134A et seq.

or in the alternative

Tenn. Code Ann. §§ 47-25-1701 et seq.

90. Plaintiff incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

91. STSC maintains trade secrets in its patient lists, physician compensation structures, practice management analytics, referral source network, payer contract terms and rates, and

financial and operational data. STSC took reasonable measures to keep this information secret in at least two ways. **First**, each agreement with its physicians expressly prohibited the signing Physician from “at any time, either during or subsequent to the Term of [the] Agreement, disclos[ing] to others, copy[ing], or permit[ting] to be copied, without the express prior written consent of the Clinic, [the PA] Confidential Information.” **Second**, prior to disclosing any information to SP, STSC required SP to enter into an NDA. Pursuant to that NDA, STSC required SP to agree to the scope of NDA Confidential Information. The NDA prohibited the SP Defendants from disclosing NDA Confidential Information for a minimum of two years.

92. Additionally, the PA Confidential Information and NDA Confidential Information derive independent economic value to STSC from not being generally known or readily ascertainable by others who could benefit from it. STSC is a private professional association and none of the PA Confidential Information nor NDA Confidential Information is publicly available or ascertainable through proper means. The independent economic value of this information is confirmed by the parties’ own admissions: in their PA Agreements, the Departing Physicians acknowledged that STSC’s Confidential Information “constitutes valuable, special, and unique property of the Clinic” whose nondisclosure was “necessary to . . . preserve the value and goodwill of the Clinic”; and in the NDA, SP acknowledged that any unauthorized disclosure would cause “irreparable harm.” That Defendants used STSC’s confidential information to identify and recruit STSC’s highest-value physicians and most valuable non-physician employees with a precision that would have been impossible through independent effort or publicly available sources further demonstrates that the information’s value derived from the fact that it was not generally known.

93. The SP Defendants misappropriated STSC’s trade secrets because SP Defendants acquired STSC’s trade secrets through improper means. Specifically, SP Defendants feigned an

acquisition interest and corresponding due-diligence period to obtain STSC's trade secrets, including without limitation, its revenue per physician and compensation strategies.

94. The SP Defendants further misappropriated STSC's trade secrets by using them to target STSC's most profitable physicians, identify and recruit STSC's most valuable non-physician employees, establish a competing surgical practice within the same medical ecosystem in which STSC operates, and thereby profit from the same without providing consideration to STSC for the value of its practice.

95. Additionally, Dr. Webb misappropriated certain STSC trade secrets by disclosing those trade secrets to the SP Defendants in order to benefit the SP Defendants' pricing, operations, referral, and hiring strategies.

96. As a result, STSC has suffered damages in an amount to be determined at trial.

COUNT IX: CIVIL CONSPIRACY
(Against All Defendants)

97. Plaintiff incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

98. The SP Defendants coordinated with the Departing Physicians and agreed to an unlawful scheme to recruit STSC's most valuable non-physician employees after identifying them through the due diligence process for the purpose of extracting the value of STSC's practice without payment.

99. In furtherance of this conspiracy, Defendants committed the following overt acts, among others: (a) conducting a sham due diligence process to obtain STSC's confidential information; (b) using that information to identify STSC's highest-value physicians; (c) directing the filing of an assumed business name for STSSG and using that assumed name to employ the Departing Physicians; (d) making offers to and recruiting the Departing Physicians; (e) hiring the

Departing Physicians to operate a competing practice in the same location; (f) using Dr. Webb's position as STSC's designated representative on the hospital board and his insider knowledge to work with SP to form STSSG to unlawfully compete against STSC; (g) using STSC's confidential information to identify and recruit STSC's most valuable non-physician employees to work for STSSG; and (h) using confidential information obtained by the Departing Physicians, in contravention of their respective agreements with STSC, to the Defendants' collective and individual benefit.

100. The Defendants' conspiracy accompanied and furthered the underlying tortious acts alleged herein, including tortious interference, fraud, breach of the NDA, and misappropriation of trade secrets.

101. As a direct and proximate result of this conspiracy, STSC has suffered damages, including the loss of its physicians and non-physician employees, its investment in training those employees, and the other damages set forth above.

VIII. JURY DEMAND

102. Plaintiff demands a trial by jury on all issues so triable.

IX. PRAYER FOR RELIEF

WHEREFORE, PREMISES CONSIDERED, Plaintiff South Texas Spinal Clinic, P.A. respectfully requests that this Court enter judgment against Defendants Surgery Partners, Inc., Orthopedic & Spine Surgical Hospital of South Texas, L.P. d/b/a South Texas Surgical and Specialty Group, Surgery Center Holdings, Inc., and Dr. Antonio J. Webb, jointly and severally, and award Plaintiff the following relief:

- A. Actual and compensatory damages in an amount to be determined at trial;
- B. Exemplary and punitive damages for Defendants' fraudulent, willful, and malicious conduct;

- C. Damages for unjust enrichment in an amount to be determined at trial;
- D. Temporary, preliminary, and permanent injunctive relief prohibiting Defendants from further use or disclosure of STSC's trade secrets and confidential information;
- E. Reasonable and necessary attorneys' fees and costs of court;
- F. Pre-judgment and post-judgment interest at the maximum rate allowed by law; and
- G. Such other and further relief, at law or in equity, as the Court may deem just and proper.

Dated: October 9, 2026

Respectfully submitted,

/s/ Brad Thompson

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