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**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF UTAH CENTRAL DIVISION**

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RAPID ENTERPRISES, LLC, DBA  
EXPRESS ONE, a Utah limited liability  
company,

Plaintiff,

vs.

UNITED STATES POSTAL SERVICE;  
UNITED STATES OF AMERICA; and JOHN  
DOES I-X.

Defendants.

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**COMPLAINT**

Civil No: 2:22-cv-00627

Judge Daphne A. Oberg

Plaintiff Rapid Enterprises, LLC, dba Express One (“Express One”), complains as follows:

**INTRODUCTION**

1. Since 2009, the United States Postal Service (“USPS”) has contracted with private companies acting as third-party resellers to market USPS services and to drive customers to the USPS.

2. Express One was the first reseller to contract with the USPS. Over the last 13 years, Express One has invested a massive amount of time, effort and resources establishing relationships with its platform partners and building its reseller business, to the exclusion of other business opportunities. This investment has significantly benefitted the USPS as Express One has driven billions of dollars in revenue to the USPS. In fact, during just the last twelve months, Express One has driven over \$3 billion of business to the USPS through its reseller network.

3. Around 2019 or shortly thereafter, the USPS devised a plan by which it would convince Express One to share its confidential customer, pricing and business information with the USPS so that the USPS could develop its own competing platform. The ultimate goal was to implement a competing USPS platform, terminate the reseller program, including Express One's reseller contract, and take control of Express One's business and profit margin. In order to execute that plan, the USPS made numerous promises and misrepresentations to Express One to induce Express One to trust the USPS, continue investing in and building its reseller network, agree to a new contract, and share its confidential customer, pricing and business information with the USPS.

4. On May 3, 2022, the USPS issued a press release announcing its launch of its new e-commerce platform "USPS Connect eCommerce." Then on July 1, 2022, the USPS sent Express One written notice that it was terminating Express One's reseller contract effective September 30, 2022.

5. The USPS's decision to discontinue the reseller program and terminate Express One's reseller contract, together with the USPS's misappropriation and misuse of Express One's confidential business information, if allowed to stand, will not only cost Express One hundreds of millions of dollars in damages, but will force the company out of business altogether.

**PARTIES, JURISDICTION, AND VENUE**

6. Plaintiff Express One is a Nevada limited liability company with its principal place of business in Salt Lake City, Utah.

7. Defendant USPS is (under 39 U.S.C. § 101) an independent establishment of the executive branch of the government of the United States. It is charged with the obligation of providing postal services to the citizens of the United States and as part of its operations maintains postal service facilities throughout the United States, including in the State of Utah. Postal Service headquarters are located at 475 L’Enfant Plaza, S.W., Washington, D.C. 20260.

8. Defendant the United States of America (“USA”) is the federal government.

9. John Does I-X are individuals that have committed acts or omissions that are the subject of this Complaint. Express One will seek to amend this Complaint to identify John Does I-X as soon as their identities are known.

10. This Court has jurisdiction pursuant to 28 U.S.C. § 1331 (action arising under the laws of the United States), 39 U.S.C. § 401 (authorizing suits against the Postal Service), and 39 U.S.C. § 409(a) (suits by and against the Postal Service). In addition, Section XII of the Shipping Services Contract between USPS and Express One dated December 5, 2019, expressly states that “THE CONTRACT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH PRINCIPLES OF FEDERAL LAW.” An actual controversy exists between the parties within the meaning of 28 U.S.C. § 2201(a), and this Court may grant declaratory relief, injunctive relief, and other relief pursuant to 28 U.S.C. §§ 2201–2202 and its equitable powers.

11. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b)(2) and (e)(1), and 39 U.S.C. § 409 because a substantial part of the events and omissions that give rise to this action occurred in this district.

### **GENERAL ALLEGATIONS**

#### **Express One Becomes an Authorized Reseller for the USPS.**

12. In 2009, Express One was sought out by the USPS and approved as the first authorized reseller for the USPS.

13. The purpose of a reseller is to drive customers and business to the USPS.

14. As an authorized reseller, Express One markets primarily to the small and medium sized business segment via technological solutions with an emphasis on e-commerce businesses and online applications. Express One utilizes a modular deployment inside of dozens of multi-carrier shipping software platforms that mainly service e-commerce transactions.

#### **The USPS and Express One Enter Into the 2013 Contract.**

15. In January 2013, the USPS and Express One entered into a Shipping Services Contract (“2013 Contract”), which allowed Express One to serve as an exclusive reseller of USPS products. *See* 2013 Contract, attached as Exhibit 1.

16. The parties agreed that the 2013 Contract would “expire five years from the effective date.” *See* Section VII.

17. Critically, the 2013 Contract provided, “it is the intention of the Parties to enter into a shipping services contract that will benefit the Postal Service, the postal system as a whole, and Customer, and that will comply with the requirements of Title 39 United States Code, as amended by the Postal Accountability and Enhancement Act of 2006.”

18. In June 2014, the USPS and Express One executed an Amendment of Shipping Services Contract (the “First Amendment to the 2013 Contract”). This amendment provided a new annual adjustment for prices on Priority Mail and Priority Express Mail. It also extended the term of 2013 Contract to “seven years from the effective date.” *See* First Amendment to the 2013 Contract, attached as Exhibit 2.

19. In June 2016, the USPS and Express One executed Amendment #2 of Shipping Services Contract (the “Second Amendment to the 2013 Contract”). This amendment altered two clauses. First, it allowed customers to use the “Electronic Verification System” as a payment method and it further extended the term of 2013 Contract to “eight years from the effective date.” *See* Second Amendment to the 2013 Contract, attached as Exhibit 3.

20. On June 20, 2016, Dennis Nicoski, USPS Director, Field Sales Strategy and Contracts, wrote a letter to Bret Miller, CEO of Express One, forwarding a signed copy of the Second Amendment to the 2013 Contract, and stated:

This contract is subject to approval by the Postal Service senior management and/or the Postal Service Governors as well as by the Postal Service Commission. In accordance with Title 39 and the Commission’s Rules of Practice and Procedure, the Postal Service will make the required filings with the Commission.

Letter dated June 20, 2016.

**The USPS Makes Specific Representations to Express One and Encourages Express One to Invest In and Grow its Reseller Network.**

21. Over the years, the USPS made numerous statements and representations to representatives of Express One in an effort to induce and entice Express One to partner with the USPS and grow its reseller network. Based upon these representations, Express One spent millions

of dollars building its technology, implementing and contracting with platform partners (software companies) and customers of all sizes, thereby increasing the profitability of the USPS.

22. For example, the USPS represented on numerous occasions that its contract with Express One would run through the full contract term and then be renewed, that the USPS had no intention to terminate the contract prematurely, and that the USPS was not going to steal Express One's customers, know-how and confidential business information.

23. Based upon the parties' contracts and repeated representations by the USPS, Express One invested a massive amount of time, effort and resources establishing relationships with its platform partners and building its reseller business, to the exclusion of other business opportunities. In fact, Express One started and financially backed software systems such as ShipStation, but could not hold an ownership interest in such companies based upon directives from the USPS.

24. When Express One first contracted with the USPS, it brought a large number of customers to the USPS from its prior business (as the first ever authorized reseller for DHL). Since that time, Express One has spent tens of millions of dollars and thousands of hours building the largest reseller network in the USPS system.

25. During the last twelve months, Express One has driven approximately \$3 billion of business to the USPS through its reseller network.

26. That volume of business did not happen by chance. It is the direct result of the time, effort and investment by Express One.

**The USPS Attempts to Terminate the Reseller Program.**

27. In 2018, the USPS Office of Inspector General issued a heavily redacted report entitled, “Postal Partnerships: The Complex Role of Middlemen and Discounts in the USPS Package Business.” See <https://www.uspsoig.gov/sites/default/files/document-library-files/2020/RARC-WP-18-010.pdf>.

28. In the report, the USPS Inspector General stated that “[r]esellers are intended to act as outsourced Postal Service sales representatives that recruit small-and-medium-sized shippers.” See Report at 1.

29. This statement illustrates the vital role resellers such as Express One play for the USPS, which has been confirmed by the enormous amount of revenue Express One drives to the USPS each year.

30. Despite this, on April 3, 2019, the USPS sent Express One a Notice of Termination seeking to terminate Express One’s reseller contract.

31. The Notice of Termination was preceded by an April 1, 2019 phone call from USPS’s Alan Ladd and Jim McNally informing Express One that the USPS was cancelling the reseller program and going in a different direction. Mr. Ladd and Mr. McNally informed Express One that the USPS would give all resellers until June 30, 2019 to inform their software partners and customers that the program had been terminated.

32. In June of 2019, the USPS extended this deadline to December 31, 2019.

33. Express One contested USPS’s Notice of Termination and sent company representatives to Washington D.C. in October 2019 to meet with Gary Reblin, the Vice President of Innovative Business Technology for the USPS, to discuss alternatives to termination and the

impact that termination would have not just on Express One, but also on the USPS (loss of parcel volume).

34. A few weeks later, Mr. Reblin flew to Salt Lake City to continue those discussions.

35. Eventually, the USPS reversed course and walked back the Notice of Termination, and promised Express One that the retraction and recommitment to them as a reseller was not merely a “bait-and-switch” effort to change the terms of the 2013 Contract to more favorable terms for the USPS. However, that is exactly what occurred. Upon information and belief, the USPS determined that it needed to induce Express One to sign a “new contract” that included different terms that were more favorable to the USPS, including the new termination provisions.

36. Therefore, upon information and belief, the USPS sent Mr. Reblin to meet with Bret Miller and convince Express One to accept a “new contract” with promises and representations the USPS viewed Express One as a long-term partner and that the USPS would not terminate the “new contract.”

37. In fact, during his trip to Salt Lake City, USPS executive Gary Reblin specifically promised Bret Miller, CEO of Express One, that the USPS was committed to Express One as a reseller and that it “would not pull the rug out from under Express One again.”

38. Various USPS representatives reaffirmed this promise to Express One on multiple occasions.

#### **The USPS and Express One Enter Into the 2019 Contract.**

39. Through these promises and representations, the USPS induced Express One to enter into a new contract with the USPS and to continue to grow its reseller business.



40. Express One relied upon the USPS's promises and representations, and the parties entered into in the new Shipping Services Contract executed on December 5, 2019 ("2019 Contract"). *See* 2019 Contract, attached as Exhibit 4.

41. As with the 2013 Contract, the 2019 Contract provided, "it is the intention of the Parties to enter into a shipping services contract that will benefit the Postal Service, the postal system as a whole, and Customer, and that will comply with the requirements of Title 39 United States Code, as amended by the Postal Accountability and Enhancement Act of 2006." *Id.*

42. The 2019 Contract also contained a termination provision that stated, "[t]his Contract shall expire on December 31, 2023, unless: (1) Terminated by the Postal Service with ninety (90) calendar days' notice to Customer in writing ...." *Id.*, Section III.1.

43. Representatives from the USPS represented to Express One during the contract negotiation process that the 90-day termination provision was simply a standard provision from the USPS form contract and that the USPS had no intentions of terminating the contract prematurely.

44. In contrast to the 2013 Shipping Services Contract and its amendments, the 2019 Contract also greatly expanded the reporting requirements for Express One. These requirements, set forth in part below, require disclosure of all Express One's customer and pricing data:

I.C.1. The Postal Service shall assign unique mailer identification numbers (MIDs) to Customer for use and designation on Contract Packages ... Customer shall provide the Postal Service, in writing, a list of its Merchants' and Platform's names, MIDs, tier, permit numbers, payment methods, PC Postage meter numbers and provider customer ID (PCID) numbers ...

I.C.2. All discounted prices detailed in this Contract are dependent upon Customer providing a valid provider customer ID (PCID) for each transaction ...

2019 Contract, Section I.

45. The 2019 Contract also required Express One to provide a complete list of registered merchants and platforms, along with their associated payment information, MIDs, tier level and PCIDs. *See id.*, Attachment A.

46. The 2019 Contract, however, restricted how the USPS could use Express One's confidential customer, pricing and business information. Section I(N) provides:

Quarterly Business Reviews. The Parties shall jointly conduct a business review of Customer's performance expectations under this Contract either in person, by telecom or by webinar each Contract Quarter in each year of the Contract. If either Party is unable to conduct a business review in any calendar quarter, it shall notify the other Party in writing (i.e. email or mail) of that fact and propose a date as soon as practicable thereafter. On a quarterly basis, Customer shall provide the Postal Service with all Tier 2 Merchants, Tier 3 Merchants, and Platforms along with their associated volumes, spend, MIDs, permits or meters, PCIDs where applicable, and all other information the Postal Service determine necessary for the purposes of validating Merchant and Platform shipping volume and spend per product.

*Id.*, Section I(N) (emphasis added).

47. The 2019 Contract also recognized the confidential nature of Express One's customer, pricing and business information:

#### **V. Confidentiality; Public Disclosures**

Customer acknowledges that as part of securing approval of this Contract, the Contract and supporting documentation will be filed with the Postal Regulatory Commission in a docketed proceeding. The Postal Service shall request from the Commission non-public treatment of information that the Postal Service deems to be eligible for protection from public disclosure when it files such material with the Commission, including Customer's identity, the terms of this Contract, and supporting data relating to postal costs, prices, and Customer's shipping profile. The Postal Service shall redact such information from its public filing.

*Id.*, Section V.

48. Combined with these customer and pricing disclosure requirements, the 2019 Contract added a section requiring Express One to exclusively promote the USPS's products:

**Additional Customer Requirements.** For the term of this Contract, Customer agrees to make commercially reasonable efforts to promote and sell Postal Service shipping services first and foremost before all other competitors including, but not limited to, fulfilling the obligations immediately below ...

Customer shall:

1. Advocate the use of Postal Service products.
2. In sales presentations, show the distinct advantages that Postal Service products provide over the competition.
3. If a rate comparison is conducted, the competitor's cost for comparable service must include all applicable surcharges, fees and add-ons.
4. In a rate comparison, also offer Postal Service comparable products, even when Postal Service is not the lowest priced solution.
5. Have a designated salesforce.
6. Only sell to prospective Merchants who ship their own products, with the exception of e-commerce platforms, which must be pre-approved by USPS...

*Id.*, Section I(M). Thus, Express One promoted the USPS and had to forego other business opportunities, including, but not limited to, seeking any ownership in the software companies that it financed.

49. Express One relied upon the 2019 Contract, together with the promises and representations of the USPS, to continue investing a significant amount of time, effort and resources growing its reseller business and the profitability of the USPS.

**The USPS Misappropriates Express One's Confidential Business Information and Prepares to Compete Directly with Express One.**

50. Although the 2013 Contract contained certain minimal reporting requirements, the USPS never actively required that information. That all changed following execution of the 2019 Contract.

51. In 2020, the USPS began demanding that Express One provide its customer and pricing information along with PCID numbers for each shipping customer and MID numbers for each platform partner.

52. In addition, USPS began using new “intake forms” in an effort to obtain more detailed information regarding prospective platform partners and the percent of discount offered by Express One to each of its platform partners.

53. For example, Josen Punnoose, Channel Strategy & Support for USPS, emailed Scott Bryce and asked, “For all merchants and platforms that you would like to register on Stamps.com, please include a unique MID for that merchant or platform. Stamps.com can provide that MID for you; We will need that MID when you submit the intake form. For all other PC Postage providers, please use a unique PCID for each merchant and platform that you would like to register.” Email dated January 10, 2020.

54. On June 10, 2020, Josen Punnoose emailed Scott Bryce, Bret Miller, and others, and stated, “Today, our CFO and the USPS committee that oversees NSAs has told us that they will give us until July 31<sup>st</sup> 2020 to become fully compliant on the visibility part of your NSA. What that simply means is that any registered platform or merchant must have a PCID (if it is Pitney or Easy Post) or MID (if it is Stamps or Endicia) assigned and used in the ICR files to be eligible for the Platform Tier; if not, that platform or merchant will need to use Tier 1 pricing.” Email dated June 10, 2020.

55. Another example of USPS mining Express One for its confidential business information occurred on December 7, 2020, when USPS Manager of Business Alliances, Annette Atkin, emailed Express One and requested:

We've been asked to put together a presentation for USPS finance leadership. Can you please help to answer these questions below?

- Size of their salesforce/agents
  - Sales
  - Service
  - Technical
- What are some of the specific types costs that the resellers have? I have put down some that I thought of. Please feel free to add/edit.
  - Sales and support personnel
  - Technical integrations
    - Fees to platforms
    - Licensing fees
  - Label fee (PC Postage providers)

Email dated December 7, 2020.

56. Express One's Scott Bryce responded later that day with a detailed list of costs and expenses stating: "Here are some additions to your list ... This is an expensive endeavor. The above was off the top of my head and may have more later. Hopefully this will suffice." *Id.*

57. Then on July 15, 2020, when Josen Punnoose, Channel Strategy & Support for USPS, emailed Bret Miller and Scott Bryce and stated, "Over the past few months our internal Customer Experience & Design Strategy (CXDS) team has been working on identifying how to improve our Customer Care strategy for our small business customers. As a next phase, we are researching how platforms who work closely with small businesses take care of their customers and what we (USPS) can learn from that. If you are interested in joining us for a conversation about topics such as sign-up and onboarding customers, guiding them through creating manifests/shipping forms, tracking, and issue resolution, please let me know and I will schedule time with Tom Diefenbach, manager of CXDS, copied on this message." Email dated July 15, 2020.

58. Yet another example of this data mining occurred on August 26, 2020, when Josen Punnoose emailed Bret Miller and Scott Bryce and stated, “Our pricing department is doing some research to see where our Priority Mail CPP prices sit with our competition. Would you be able to help answer a few quick questions that they have below, please? If not, no worries at all. Q1. What % discounts are competitors giving merchants off ground and 2-Day Air products? ... Q2. What is USPS’s volume % compared to total volume for the below?” Email dated August 26, 2020.

59. In a phone call with Gary Reblin, Josen Panoose, Bret Miller and Scott Bryce, the USPS represented it needed this detailed customer, pricing and business information to monitor for “bad actors” and “illegal resellers,” and it expressly stated that the information would not be used to compete with Express One or for any other ulterior or nefarious purposes.

60. Despite the repeated promises and representations from the USPS to Express One that they were partners, and that USPS would not undercut or compete with Express One, the USPS began implementing a plan to do exactly that. Upon information and belief, the USPS set out to misuse Express One’s confidential customer, pricing and business information, and ultimately to take control of Express One’s profit margin and kill Express One’s business altogether.

61. On December 17, 2020, Bret Miller wrote Jakki Strako of USPS, “**Jakki, you reached out to me last year and apologized for the way our termination was handled and assured me that we were a Valued Partner.** You said, if I ever needed anything do not hesitate to ask. So here I am on my first ask since 2019, please help us keep our minimal discount on First-Class Package service for 2021.” December 17, 2020 Email (emphasis added).

62. On March 23, 2021, the USPS published Delivering for America: Our Vision and 10-Year Plan to Achieve Financial Sustainability and Service Excellence (“Delivering for America Plan”). See <https://about.usps.com/newsroom/national-releases/2021/usps-delivering-for-america-plan-at-a-glance.pdf>.

63. The USPS also acknowledged it was in the process of rolling out an “USPS E-Commerce Marketplace,” stating the USPS would “[p]rovide a branded online storefront for businesses to gain access to the billions of visitors on usps.com with streamlined product management, payment and checkout capabilities.” Delivery for America Plan, p. 24. See [https://about.usps.com/what/strategic-plans/delivering-for-america/assets/USPS\\_Delivering-For-America.pdf](https://about.usps.com/what/strategic-plans/delivering-for-america/assets/USPS_Delivering-For-America.pdf).

64. On its website, the USPS expressly stated that “USPS Connect eCommerce simplifies the process for ecommerce platforms to work directly with USPS, unlocking benefits for platforms and merchants.” <https://www.usps.com/business/connect-ecommerce.htm>

65. Meanwhile, the USPS continued to mine Express One for the customer and pricing data it would use to take over Express One’s business and customers, all completely behind Express One’s back. The USPS obtained this information through, among other tactics, the use of strict reporting requirements, detailed intake forms, email requests, telephone conferences, interviews, and quarterly business reviews.

66. In providing this information to the USPS, Express One relied on USPS’s repeated promises and representations that the USPS and Express One were partners, the USPS would not undercut or compete with Express One, the USPS would not prematurely terminate Express One’s

contract, and the USPS would not improperly use Express One's confidential business information.

**Even After Launching USPS Connect eCommerce, the USPS Continued to Reassure Express One that It Would Honor the Parties' Contract.**

67. On May 3, 2022, the USPS issued a press release announcing its launch of its new e-commerce platform "USPS Connect eCommerce." *See* <https://about.usps.com/newsroom/national-releases/2022/0503-usps-connect-ecommerce-to-enhance-solutions.htm>. According to Jakki Strako, Chief Customer and Business Solutions Officer for the USPS, "USPS Connect eCommerce makes it easier for online marketplaces and shipping platforms to work directly with the Postal Service and offer their customers access to discounted rates." The press release goes on to state: "As small and medium businesses grow and their shipping needs become more complex, they look to online marketplaces and shipping platforms for solutions. Through USPS Connect eCommerce, the Postal Service will best serve this growing customer base by offering them discounted rates."

68. The day the USPS launched Connect eCommerce, Express One representatives received a phone call from USPS employee Mark Worrall. According to Mr. Worrall, the purpose of the call was to tell Express One about the launch of Connect eCommerce and to reassure Express One that the USPS was not changing any of the terms of the 2019 Contract.

69. Critically, Mr. Worrall represented to Express One that USPS would not proactively contact Express One's existing platform partners; however, if one of its platform partners reaches out to the USPS and wants to sign up, USPS would allow them to do so.

70. This promise was reaffirmed in the meeting in Phoenix, Arizona on May 16-17, 2022 between Bret Miller, Scott Bryce and Kha Ly for Express One, and Shibani Gambhir (a



Vice President within the USPS), Mark Worrall, Alexandra Robleto, Annette Atkin and Sara Bambrough for the USPS.

71. These assurances were false (and the USPS knew they were false), as Express One's platform partner XPS Technologies informed Express One that the USPS had already reached out to them weeks earlier and given them an ultimatum – if they did not sign up for USPS Connect eCommerce they would no longer be able to work directly with the USPS sales team on new leads.

72. Upon information and belief, the USPS also contacted Express One's other platform partners.

73. In addition, the USPS used the confidential customer, pricing and business information it obtained from Express One to offer Express One's platform partners and customers better pricing levels than they had with Express One.

74. During a phone call around this same time period, Bret Miller asked Jakki Strako of the USPS directly if the USPS was going to cancel Express One's 2019 Contract. In response, Ms. Strako stated "absolutely not, you still have a year and a half to two years left on your contract."

**Despite Repeated Promises to the Contrary, the USPS Seeks to Terminate the 2019 Contract and to Compete Directly with Express One and Other Resellers.**

75. In mid-May 2022, Pirate Ship (see [www.pirateship.com](http://www.pirateship.com)) was announced as the first platform on the USPS's new Connect eCommerce platform.

76. Upon information and belief, Alan Ladd, a former executive with the USPS, who was involved in the USPS's prior attempt to terminate Express One's reseller contract back in 2019, is associated with Pirate Ship.

77. The USPS allows software platforms, such as Pirate Ship, who are using Connect eCommerce to offer rates below the commercial plus pricing (“CPP”), something that resellers such as Express One are contractually prohibited from doing. *See* 2019 Contract, Section I.L.

78. In late May 2022, Express One requested permission from the USPS to allow Express One platform partners to offer rates below CPP so that they could compete with Pirate Ship and other platforms using Connect eCommerce but the USPS denied that request.

79. Specifically, on May 19, 2022, Bret Miller emailed Annette Atkin:

Annette,

Would you please submit for approval to the USPS to allow Express 1 to load a rate card for XPS (and other Partners) at 2% (or equal to Pirate Ship) below CPP. This is absolutely necessary to maintain a competitive balance. We are asking for a rate card that allows us to compete with Pirate Ship in the Market Place.

Thanks for your help,

Bret

Email dated May 20, 2022.

80. Ms. Atkin denied the request, responding that same morning:

Hi Brett,

Per USPS Management Team,

“Merchant pricing is available to USPS Connect eCommerce approved NSA platform customers only.”

“The terms of your reseller contract remain unchanged – reseller registered platforms cannot extend merchant rates below CPP.”

Thanks

Annette Atkin

*Id.*

81. The USPS then offered the same discount Express One had requested to Express One's platform partners. For example, Ismael Villa, a USPS employee ([Ismael.Villa@usps.gov](mailto:Ismael.Villa@usps.gov)) sent an email to a number of Express One platform partners, including XPS, the very partner that was the subject of Bret Miller's May 19, 2022 email request, stating:

Hello,

I hope that all is well! With The Postal Services 10-year Plan and continuous efforts to do more for our customer base we have recently launched The USPS Merchant Rate Card which provides shipping discounts for outbound Priority Mail. Previously to receive a discounted rate you would need to get into a Negotiated Service Agreement (NSA) and commit to a certain annual or quarterly volume. Now with only a few steps we can offer heavily discounted shipping rates to all businesses regardless of what your outbound volume is. These discounts in some cases are up to \$1.02 CHEAPER than normal Commercial Pricing discounts!

These discounts apply to:

- Priority Mail
- Priority Mail Cubic
- Priority Mail Flat Rate
- Priority Mail Regional Rate

If you are interested in getting a much better shipping rate let me know and I can set up a meeting to discuss further. Please use this link to Merchant Rates Account to sign up for a discounted shipping account.

Have a great Day!

Ismael Villa  
USPS Territory Representative

Email dated August 18, 2022. Thus, the USPS denied Express One's request and then used that request to structure an identical offer to Express One's platform partners in an effort to take those relationships for itself.

82. Despite numerous promises and representations to the contrary, on June 30, 2022, Shibani Gamhir and Mark Worrall of the USPS called the Bret Miller, CEO of Express One, to

inform him that the USPS was discontinuing the reseller program and would be terminating the 2019 Contract.

83. Mr. Miller explained his frustration and surprise given the repeated assurances from the USPS that they would not terminate the 2019 Contract prematurely and the numerous requests from the USPS that Express One continue to invest in and grow its reseller business.

84. The next day, on July 1, 2022, the USPS sent Express One a formal notice stating: “Accordingly, this letter is to notify you that pursuant to Section III.1 of your SSC for Reselling with the Postal Service, PME-PM-FCPS-PS1, MC2020-74, CP2020-73, the Postal Service will terminate this contract effective September 30, 2022.” Notice of Termination dated July 1, 2022, attached as Exhibit 5.

85. Upon information and belief, the USPS sent similar termination notices to each of its resellers.

86. Upon information and belief, the USPS did not follow the proper administrative procedures, including approval from the Postal Regulatory Commission, to terminate the reseller program or Express One’s reseller contract.

87. On July 16, 2022, the news site eCommerceBytes published an article entitled “USPS Kills Off a Discounted-Shipping Program.” *See* <https://www.ecommercebytes.com/C/blog/blog.pl?pl/2022/7/1657945069.html>. The article stated: “We’re perplexed about how the USPS could end the postage reseller program without going through the Postal Regulatory Commission and without publicly announcing the end of the program, instead reacting to inquiries with a one-paragraph response that explains little.”

88. The USPS provided eCommerceBytes the following response: “The Postal Service undertook an evaluation of its reseller program and has determined that the program as currently structured is not resulting in the customer benefits and efficiencies that were originally envisioned, has caused difficulties in monitoring compliance with pricing and other terms, and should be discontinued.” *See id.*

**Express One Pursued an Administrative Appeal Pursuant to the 2019 Contract.**

89. On July 29, 2022, pursuant to Section IV of the 2019 Contract, Express One filed an appeal with the USPS’s Pricing & Classification Services Center.

90. On August 24, 2022, Janine Egloff, Director of the Pricing & Classification Service Center denied Express One’s appeal stating: “[t]he PCSC does not, however, have the authority to opine on or overturn contract terminations. Such business determinations fall outside the categories reviewable by PCSC under the terms of your contract.”

91. Section IV of the 2019 Contract states that “[t]he decision of the PCSC Manager will be administratively final. Any decision that is not appealed as prescribed becomes the final Postal Service decision.”

**The Actions of the USPS Are Causing Irreparable Harm to Express One and, If Allowed to Stand, Will Destroy Its Business.**

92. Express One has already begun to suffer irreparable harm as platform partners and customers have learned about the USPS’s decision to discontinue the reseller program and terminate Express One’s reseller contract.

93. By way of example, in August 2022, one of Express One’s largest software platform partners, XPS Technologies signed a contract with Postage Force, a large shipping consolidator, in an effort to protect itself from USPS’s decision to discontinue the reseller program.

94. The loss of XPS, just one Express One's platform partners, will result in a loss of approximately \$82 million per year in revenue (approximately \$74 million paid to the USPS and approximately \$8 million to Express One).

95. Express One has heard from other platform partners and customers who are exploring contingency plans in response to the announcement from the USPS.

96. For example, one of Express One's first software integrations, dating back to 2010 (ReadyShipper/TrueShip, a/k/a "ReadyCloud"), was contacted by the USPS and offered an opportunity to contract directly with USPS, and the USPS told ReadyCloud that the resellers such as Express One were "dead."

97. The USPS's decision to discontinue the reseller program and terminate its 2019 Contract with Express One, if allowed to stand, will not only cost Express One hundreds of millions of dollars in damages, but will force the company out of business altogether.

**FIRST CLAIM FOR RELIEF**  
**(Breach of Contract – The USPS)**

98. Express One incorporates the preceding paragraphs as though set forth fully herein.

99. On or about December 5, 2019, Express One and the USPS executed the 2019 Contract.

100. The 2019 Contract expressly incorporated the terms of the Postal Accountability and Enhancement Act of 2006 ("PAEA") by stating, "it is the intention of the Parties to enter into a shipping services contract that will benefit the Postal Service, the postal system as a whole, and Customer, and that will comply with the requirements of Title 39 United States Code, as amended by the Postal Accountability and Enhancement Act of 2006."

101. As part of the PAEA, Congress passed 39 U.S.C. § 404a, which provides in relevant part as follow:

(a) Except as specifically authorized by law, **the Postal Service may not**—

(1) **establish any rule or regulation (including any standard) the effect of which is to preclude competition or establish the terms of competition** unless the Postal Service demonstrates that the regulation does not create an unfair competitive advantage for itself or any entity funded (in whole or in part) by the Postal Service;

(2) compel the disclosure, transfer, or licensing of intellectual property to any third party (such as patents, copyrights, trademarks, trade secrets, and proprietary information); or

(3) **obtain information from a person that provides (or seeks to provide) any product, and then offer any postal service that uses or is based in whole or in part on such information**, without the consent of the person providing that information, unless substantially the same information is obtained (or obtainable) from an independent source or is otherwise obtained (or obtainable). (Emphasis added).

102. Express One performed its obligations under the 2019 Contract by, among other things, growing the customer base for the reseller platform, which resulted in billions of dollars of revenue for the USPS each year.

103. The USPS breached its contractual obligations in numerous ways, including, but not limited to, by: (a) wrongfully terminating the 2019 Contract in violation of applicable administrative regulations and procedures and in contravention of numerous USPS representations to the contrary, (b) misappropriating and misusing Express One's confidential and proprietary business information, and (c) violating the requirements of the PAEA, which were expressly adopted and incorporated into the 2019 Contract.

104. As a result of the USPS's various breaches, Express One has suffered extensive damages, including, but not limited to, migration of its customers to the USPS's competing

software platform. The end result of USPS's breaches of contract will be the total destruction of Express One's business. The damages resulting from the USPS's actions will be calculated and presented at trial but are believed to be in excess of \$500,000,000.

105. Alternatively, Express One is also entitled to declaratory relief along with preliminary and permanent injunctive relief precluding the USPS from (a) wrongfully terminating the 2019 Contract in violation of applicable administrative regulations and procedures and in contravention of numerous USPS representations to the contrary, (b) misappropriating and misusing Express One's confidential and proprietary business information, and (c) violating the requirements of the PAEA, which were expressly adopted and incorporated into the 2019 Contract.

**SECOND CLAIM FOR RELIEF**

**(Breach of the Implied Covenant of Good Faith and Fair Dealing – The USPS)**

106. Express One incorporates the preceding paragraphs as though set forth fully herein.

107. The 2019 Contract between the USPS and Express One contained an implied covenant of good faith and faith dealing. This covenant of good faith and fair dealing requires both parties to act reasonably and in good faith, and to refrain from intentionally or purposefully doing anything that would impair or injure the other's right to receive the fruits of the contract.

108. The USPS breached the covenant of good faith and fair dealing by numerous acts and omissions set forth above, including, but not limited to:

- (a) Terminating the reseller program;
- (b) Terminating the 2019 Contract prematurely;
- (c) Misappropriating and misusing Express One's confidential business information and trade secrets;
- (d) Setting up a competing software platform;



(e) Soliciting Express One's platform partners and customers despite promising not to do so;

(f) Making numerous false and misleading representations to Express One, including that the USPS would not terminate the 2019 Contract, that Express One was a valued partner, that the USPS and Express One would build out ecommerce shipping together, that the USPS would not use Express One's confidential customer, pricing and business information to compete against it, and that the USPS would not steal Express One's platform partners and customers;

(g) Providing preferential treatment and pricing to other companies, including companies like Pirate Ship that are associated with former USPS executives;

(h) Developing a detailed plan to terminate the reseller program and the 2019 Contract so that the USPS could capture Express One's business and profit margin; and

(i) Encouraging Express One to continue to invest in and build its reseller business when the USPS was already planning to terminate the reseller program.

109. The USPS's actions and omissions leading up to the termination of the reseller program and the termination of the 2019 Contract were not reasonable and in good faith. Rather, the USPS acted in bad faith and with malice and intent to injure Express One.

110. Specifically, the USPS intentionally misled Express One, withheld material information, and took other affirmative actions to protect and further its own interests at the expense of Express One.

111. The end result of USPS's breaches of the covenant of good faith and fair dealing will be the total destruction of Express One's business. The damages resulting from the USPS's actions will be calculated and presented at trial but are believed to be in excess of \$500,000,000.

112. Alternatively, Express One is also entitled to declaratory relief along with preliminary and permanent injunctive relief precluding the USPS from (a) wrongfully terminating the 2019 Contract in violation of applicable administrative regulations and procedures and in contravention of numerous USPS representations to the contrary, (b) misappropriating and misusing Express One's confidential and proprietary business information, and (c) violating the requirements of the PAEA, which were expressly adopted and incorporated into the 2019 Contract.

**THIRD CLAIM FOR RELIEF**

**(Breach of the Implied Duty to Disclose Superior Knowledge – The USPS)**

113. Express One incorporates the preceding paragraphs as though set forth fully herein.

114. On or about December 5, 2019, Express One and the USPS executed the 2019 Contract.

115. Pursuant to the 2019 Contract, Express One undertook to perform its contractual obligations without knowledge of the USPS's plans to obtain Express One's confidential client, pricing and business information, to develop a competing software platform, to terminate the reseller program and the 2019 Contract, and then to take Express One's customers and profit margin.

116. The USPS knew Express One had no knowledge of, nor any reason to obtain information about the USPS's ulterior motives. To the contrary, the USPS purposefully concealed this information from Express One.

117. The terms of the 2019 Contract misled Express One and/or did not put it on notice to inquire about the USPS's ulterior motives. For example, the USPS misled Express One to believe that the new term in the 2019 Contract requiring Express One to provide MIDs, PCIDs, and other customer and pricing data was to monitor bad actors and illegal resellers using Express One's platform, not to launch a competing platform, terminate the contract, and take Express One's customers and profit margin.

118. Similarly, the USPS misled Express One to believe that the 90-day termination provision was simply a standard provision from the USPS form contract and that the USPS had no intentions of terminating the contract prematurely.

119. The USPS failed to provide Express One with relevant information regarding its plan to use the 2019 Contract to mine Express One's confidential customer, pricing and business information, to develop a competing software platform, to terminate the 2019 Contract, and then take Express One's customers and profit margin.

120. The end result of the USPS's breaches of the implied duty to disclose superior knowledge will be the total destruction of Express One's business. The damages resulting from the USPS's actions will be calculated and presented at trial but are believed to be in excess of \$500,000,000.

121. Alternatively, Express One is also entitled to declaratory relief along with preliminary and permanent injunctive relief precluding the USPS from (a) wrongfully terminating the 2019 Contract in violation of applicable administrative regulations and procedures and in contravention of numerous USPS representations to the contrary, (b) misappropriating and

misusing Express One's confidential and proprietary business information, and (c) violating the requirements of the PAEA, which were expressly adopted and incorporated into the 2019 Contract.

**FOURTH CLAIM FOR RELIEF**

**(Misrepresentation in the Inducement of a Contract – The USPS)**

122. Express One incorporates the preceding paragraphs as though set forth fully herein.

123. In early 2019, the USPS attempted to terminate the reseller program.

124. The USPS ultimately abandoned its efforts to terminate the reseller program and represented to Express One that it was a critical partner with USPS and that it needed to enter into a new contract with USPS to solidify that partnership.

125. The USPS expressly represented to Express One that the new contract (the 2019 Contract) was not a "bait-and-switch," that it would not be terminated early, and that the USPS would not use it to harm Express One. Specifically,

(a) Gary Reblin, Vice President of Innovative Business Technology for the USPS met with Express One CEO Brett Miller in November 2019 and represented that USPS was committed to the reseller program. Mr. Reblin told Mr. Miller that the USPS "would not pull the rug out from under Express One again."

(b) Jakki Strako of USPS subsequently reiterated that commitment.

(c) The USPS proposed a significant expansion of Express One's reporting requirements in the 2019 Contract. In a phone call with Gary Reblin, Josen Panoose, Bret Miller, and Scott Bryce, the USPS represented it needed this detailed customer and pricing information to monitor for "bad actors" and "illegal resellers," and it expressly stated that the information would not be used to compete with Express One or for any other ulterior purposes.

(d) The USPS also required Express One to promote its services before any other shipping carrier's services under the 2019 Contract. The USPS represented that this would further strengthen the reseller partnership between the USPS and Express One.

126. The USPS's misrepresentations were material to Express One's agreement to execute the 2019 Contract, and they were knowingly false in the following respects:

(a) The USPS had formulated a plan to mine Express One's confidential customer, pricing and business information via the expanded reporting requirements in the 2019 Contract, to develop a competing software platform, to terminate the reseller program, and then take Express One's customers and profit margin.

(b) The USPS attempted to do this in 2019; however, it realized it was not prepared to perform the services provided by Express One. In order to obtain the necessary information and data to launch a competing platform, the USPS feigned recommitment to Express One while simultaneously taking steps to compete against it, such as mining Express One's confidential customer, pricing and business information, and developing a competing software platform.

(c) An illustration of how USPS's efforts to undermine Express One came to fruition occurred recently. On May 19, 2022, Bret Miller emailed Annette Atkin and requested approval to allow Express One to offer XPS and other platform partners shipping at 2% below CPP. USPS denied Express One's request that morning. After USPS terminated the 2019 Contract and launched Connect eCommerce, it sent an email soliciting XPS on August 22, 2022, and offered the very discount Express One had requested in back in May.

127. The USPS's misrepresentations induced Express One to execute the 2019 Contract.

128. Express One trusted the USPS and was justified in relying on the representations of the USPS.

129. The end result of the USPS's misrepresentations in the inducement of the 2019 Contract will be the total destruction of Express One's business. The damages resulting from the USPS's actions will be calculated and presented at trial but are believed to be in excess of \$500,000,000.

130. Alternatively, Express One is also entitled to declaratory relief along with preliminary and permanent injunctive relief precluding the USPS from (a) wrongfully terminating the 2019 Contract in violation of applicable administrative regulations and procedures and in contravention of numerous USPS representations to the contrary, (b) misappropriating and misusing Express One's confidential and proprietary business information, and (c) violating the requirements of the PAEA, which were expressly adopted and incorporated into the 2019 Contract.

**FIFTH CLAIM FOR RELIEF**  
**(Unjust Enrichment –The USPS)**  
**(In the Alternative)**

131. Express One incorporates the preceding paragraphs as though set forth fully herein.

132. Express One conferred a benefit on the USPS by, among other things, performing its contractual obligations, growing its reseller network, sharing its confidential business information with the USPS, and driving billions of dollars in revenues to the USPS.

133. The USPS appreciated or had knowledge of the benefits provided by Express One.

134. It would be inequitable for the USPS to retain the benefits that Express One conferred upon it without paying Express one for their value.

135. Accordingly, the USPS is liable to Express one for the value Express One conferred upon the USPS, plus interest, attorney's fees, and costs.

136. The damages resulting from the USPS's actions will be calculated and presented at trial but are believed to be in excess of \$500,000,000.

**SIXTH CLAIM FOR RELIEF**  
**(Misappropriation of Trade Secrets – Violation of 18 U.S.C. § 1836**  
**– The USPS and the USA)**

137. Express One incorporates the preceding paragraphs as though set forth fully herein.

138. After many years of hard work and investment, Express One developed a client list and a pricing model for each platform partner and client. Express One also possessed other confidential and proprietary information about its business including, without limitation, Express One's proprietary process for printing labels at an accelerated pace, its algorithm for fraud protection, its marketing and retention methods and techniques, its process for researching and integrating marketing technologies with platform partners, its proprietary process to become a technology bridge between the USPS and platform partners and customers involving payment processing, fraud protection, USPS speed optimization, contracted rates, onboarding partners and merchants at scale, all wrapped into one single API, etc. These items and others were trade secrets developed and owned by Express One.

139. Express One derived value from these trade secrets and employed reasonable measures to keep them secret.

140. Pursuant to the 2019 Agreement, the USPS required Express One to provide it with its list of platform partners by providing it with the MIDs for each partner.

141. Pursuant to the 2019 Agreement, the USPS required Express One to provide it with pricing data by providing it with PCIDs for each customer.

142. The 2019 Contract did not allow the USPS to use Express One's confidential customer and pricing data to compete against Express One; rather it was provided expressly "for the purposes of validating Merchant and Platform shipping volume and spend per product" as set forth in Section I(N) of the 2019 Contract.

143. As set forth above, the USPS also mined Express One for detailed information and data about its business under the guise that they were long-term valued partners.

144. Upon information or belief, the USPS has used Express One's confidential and proprietary information to develop and launch its own software platform, Connect eCommerce, and to unfairly compete with Express One.

145. The USPS then required Express One's platform partners and customers to use Connect eCommerce, and simultaneously attempted to terminate the 2019 Contract with Express One.

146. The USPS knew or had reason to know that it had improperly acquired and improperly used Express One's trade secrets, and used improper means to do so, to Express One's detriment.

147. Express One has suffered catastrophic damages as a result of the USPS's misappropriation and use of Express One's trade secrets. For example, the loss of just one platform partner, XPS, will result in a loss of approximately \$82 million per year in revenue (approximately \$74 million paid to the USPS and approximately \$8 million to Express One). The end result of USPS's actions will be the total destruction of Express One's business. The damages resulting



from the USPS's actions will be calculated and presented at trial but are believed to be in excess of \$500,000,000.

148. Alternatively, Express One is also entitled to declaratory relief along with preliminary and permanent injunctive relief precluding the USPS from misappropriating and misusing Express One's trade secrets.

**SEVENTH CLAIM FOR RELIEF**  
**(Misappropriation of Trade Secrets – Violation of Utah Code Ann.  
§ 13-24-1 *et seq.* – The USPS and the USA)**

149. Express One incorporates the preceding paragraphs as though set forth fully herein.

150. After many years of hard work and investment, Express One developed a client list and a pricing model for each platform partner and client. Express One also possessed other confidential and proprietary information about its business including, without limitation, Express One's proprietary process for printing labels at an accelerated pace, its algorithm for fraud protection, its marketing and retention methods and techniques, its process for researching and integrating marketing technologies with platform partners, its proprietary process to become a technology bridge between the USPS and platform partners and customers involving payment processing, fraud protection, USPS speed optimization, contracted rates, onboarding partners and merchants at scale, all wrapped into one single API, etc. These items and others were trade secrets developed and owned by Express One.

151. Express One derived value from these trade secrets and employed reasonable measures to keep them secret.

152. Pursuant to the 2019 Agreement, the USPS required Express One to provide it with its list of platform partners by providing it with the MIDs for each partner.

153. Pursuant to the 2019 Agreement, the USPS required Express One to provide it with pricing data by providing it with PCIDs for each customer.

154. As set forth above, the USPS also mined Express One for detailed information and data about its business under the guise that they were long term valued partners.

155. The USPS obtained these trade secrets under an express agreement limiting disclosure and use of the secret. Specifically, pursuant to the 2019 Agreement, the USPS agreed to “comply with the requirements of Title 39 United States Code, as amended by the Postal Accountability and Enhancement Act of 2006,” and 39 U.S.C. § 404a prohibits the USPS from using such information to gain a competitive advantage, engaging in unfair competition, and/or offering products based in whole or in part on the information it obtained from Express One.

156. In addition, the 2019 Contract did not allow the USPS to use Express One’s confidential customer and pricing data to compete against Express One; rather it was provided expressly “for the purposes of validating Merchant and Platform shipping volume and spend per product” as set forth in Section I(N) of the 2019 Contract

157. The USPS also obtained Express One’s trade secrets under an implied agreement limiting disclosure of the secrets and not to use them to compete against Express One and/or take over its business. For example, the USPS told Express One that it was only obtaining these trade secrets in order to control for bad actors and illegal resellers, not to compete against Express One.

158. After obtaining Express One’s trade secrets in violation of the 2019 Agreement and its repeated representations to Express One, the USPS terminated the 2019 Agreement and used Express One’s trade secrets to solicit Express One’s platform partners and customers.

159. Express One has suffered catastrophic damages as a result of the USPS's misappropriation and use of Express One's trade secrets. For example, the loss of one platform partner, XPS, will result in a loss of approximately \$82 million per year in revenue (approximately \$74 million paid to the USPS and approximately \$8 million to Express One). The end result of USPS's actions will be the total destruction of Express One's business. The damages resulting from the USPS's actions will be calculated and presented at trial but are believed to be in excess of \$500,000,000.

160. Alternatively, Express One is also entitled to declaratory relief along with preliminary and permanent injunctive relief precluding the USPS from misappropriating and misusing Express One's trade secrets.

**EIGHTH CLAIM FOR RELIEF**  
**(Common Law Misappropriation of Trade Secrets – The USPS and the USA)**

161. Express One incorporates the preceding paragraphs as though set forth fully herein.

162. After many years of hard work and investment, Express One developed a client list and a pricing model for each platform partner and client. Express One also possessed other confidential and proprietary information about its business including, without limitation, Express One's proprietary process for printing labels at an accelerated pace, its algorithm for fraud protection, its marketing and retention methods and techniques, its process for researching and integrating marketing technologies with platform partners, its proprietary process to become a technology bridge between the USPS and platform partners and customers involving payment processing, fraud protection, USPS speed optimization, contracted rates, onboarding partners and merchants at scale, all wrapped into one single API, etc. These items and others were trade secrets developed and owned by Express One.

163. Express One derived value from these trade secrets and employed reasonable measures to keep them secret.

164. Pursuant to the 2019 Agreement, the USPS required Express One to provide it with its list of platform partners by providing it with the MIDs for each partner.

165. Pursuant to the 2019 Agreement, the USPS required Express One to provide it with is pricing data by providing it with PCIDs for each customer.

166. As set forth above, the USPS also mined Express One for detailed information and data about its business under the guise that they were long term valued partners.

167. The USPS obtained these trade secrets under an express agreement limiting disclosure and use of the secret. Specifically, pursuant to the 2019 Agreement, the USPS agreed to “comply with the requirements of Title 39 United States Code, as amended by the Postal Accountability and Enhancement Act of 2006,” and 39 U.S.C. § 404a prohibits the USPS from using such information to gain a competitive advantage, engaging in unfair competition, and/or offering products based in whole or in part on the information it obtained from Express One.

168. In addition, the 2019 Contract did not allow the USPS to use Express One’s confidential customer and pricing data to compete against Express One; rather it was provided expressly “for the purposes of validating Merchant and Platform shipping volume and spend per product” as set forth in Section I(N) of the 2019 Contract.

169. The USPS also obtained Express One’s trade secrets under an implied agreement limiting disclosure of the secrets and not to use them to compete against Express One and/or take over its business. For example, the USPS told Express One that it was only obtaining these trade secrets in order to control for bad actors and illegal resellers, not to compete against Express One.

170. After obtaining Express One's trade secrets in violation of the 2019 Agreement and its repeated representations to Express One, the USPS terminated the 2019 Agreement and used Express One's trade secrets to solicit Express One's customers.

171. Express One has suffered catastrophic damages as a result of the USPS's misappropriation and use of Express One's trade secrets. For example, the loss of one platform partner, XPS, will result in a loss of approximately \$82 million per year in revenue (approximately \$74 million paid to the USPS and approximately \$8 million to Express One). The end result of USPS's actions will be the total destruction of Express One's business. The damages resulting from the USPS's actions will be calculated and presented at trial but are believed to be in excess of \$500,000,000.

172. Alternatively, Express One is also entitled to declaratory relief along with preliminary and permanent injunctive relief precluding the USPS from misappropriating and misusing Express One's trade secrets.

**NINTH CLAIM FOR RELIEF**  
**(Misappropriation of Trade Secrets – Constitutional Takings Claim – The USA)**  
**(In the Alternative)**

173. Express One incorporates the preceding paragraphs as though set forth fully herein.

174. The Takings Clause of the Fifth Amendment prohibits the United States and the USPS from taking private property for public use without just compensation.

175. After many years of hard work and investment, Express One developed a client list and a pricing model for each client. Express One also possessed other confidential and proprietary information about its business including, without limitation, Express One's proprietary process for printing labels at an accelerated pace, its algorithm for fraud protection, its marketing and retention

methods and techniques, its process for researching and integrating marketing technologies with platform partners, its proprietary process to become a technology bridge between the USPS and platform partners and customers involving payment processing, fraud protection, USPS speed optimization, contracted rates, onboarding partners and merchants at scale, all wrapped into one single API, etc. These items and others were trade secrets developed and owned by Express One.

176. Express One derived value from these trade secrets and employed reasonable measures to keep them secret.

177. Pursuant to the 2019 Agreement, the USPS required Express One to provide it with its list of platform partners by providing it with the MIDs for each partner.

178. Pursuant to the 2019 Agreement, the USPS required Express One to provide it with its pricing data by providing it with PCIDs for each customer.

179. As set forth above, the USPS also mined Express One for detailed information and data about its business under the guise that they were long term valued partners.

180. As set forth above, Express One believes that these actions were in violation of the USPS's congressional mandate, as set out in 39 U.S.C. § 404a (incorporated by reference into the 2019 Contract). However, to the extent that these actions were within the scope of the agency's authority, as delegated by Congress, the taking of Express One's valuable trade secrets for the benefit of the federal government requires just compensation.

181. Upon information and belief, Express One's trade secrets will benefit the USA, as the USPS has used and continues to use Express One's confidential information to develop and operate its new competing platform.

182. The value of Express One's trade secrets before their appropriation by USPS was tremendous. For example, the loss of just one platform partner, XPS, will result in a loss of approximately \$82 million per year in revenue (approximately \$74 million paid to the USPS and approximately \$8 million to Express One). The end result of USPS's actions will be the total destruction of Express One's business. The damages resulting from the USPS's actions will be calculated and presented at trial but are believed to be in excess of \$500,000,000.

**TENTH CLAIM FOR RELIEF**  
**(Estoppel – The USPS)**

183. Express One incorporates the preceding paragraphs as though set forth fully herein.

184. As set forth above, the USPS specifically promised and represented on numerous occasions that the Express One contract would run through the full contract term and then be renewed, that the USPS had no intention to modify or terminate the contract prematurely, that the USPS would not improperly use Express One's confidential and proprietary information, and that the USPS would not steal Express One's customers.

185. The USPS knew these representations were false as it was actively planning to terminate the reseller program, terminate Express One's reseller contract, utilize Express One's confidential and proprietary information to set up a competing platform, steal Express One's customers, and take advantage of Express One's business model.

186. The USPS intended Express One to rely upon these representations so that it would continue share information and data regarding its business with USPS and to continue to invest time, effort and resources into building its business.

187. Express One did not know that the USPS was actually planning to terminate its contract and steal its business.

188. Express One reasonably relied on the USPS's misrepresentations to continue to share information and data with the USPS and to invest a massive amount of time, effort and resources establishing relationships with its platform partners and building its reseller business.

189. Express One has suffered catastrophic damages as a result of the USPS's misrepresentations. The end result of USPS's actions will be the total destruction of Express One's business. The damages resulting from the USPS's actions will be calculated and presented at trial but are believed to be in excess of \$500,000,000.

190. Alternatively, Express One is also entitled to declaratory relief along with preliminary and permanent injunctive relief precluding the USPS from (a) wrongfully terminating the 2019 Contract in violation of applicable administrative regulations and procedures and in contravention of numerous USPS representations to the contrary, (b) misappropriating and misusing Express One's confidential and proprietary business information, and (c) violating the requirements of the PAEA, which were expressly adopted and incorporated into the 2019 Contract.

**ELEVENTH CLAIM FOR RELIEF**  
**(Declaratory Relief and Injunctive Relief – The United States and the USPS)**

191. Express One incorporates the preceding paragraphs as though set forth fully herein.

192. As set forth above, the actions and omissions of the Defendants constitute a breach of contract, breach of the implied duty of good faith and fair dealing, breach of the implied duty to disclose superior knowledge, misrepresentation in the inducement of a contract, misappropriation of trade secrets, and other unlawful conduct, and have caused and will continue to cause irreparable harm to Express One.



193. Some of these damages cannot be quantified at this time, and are not likely to be quantifiable in the future. As a result, Express One has no adequate remedy at law with respect to damages caused by this conduct.

194. The public's interests will be furthered if the Defendants are enjoined from continuing the unlawful conduct as described in this Complaint.

195. Express One is entitled to a declaratory order and/or preliminary and permanent injunctive injunction precluding the USPS from (a) wrongfully terminating the 2019 Contract in violation of applicable administrative regulations and procedures and in contravention of numerous USPS representations to the contrary, (b) misappropriating and misusing Express One's confidential and proprietary business information, and (c) violating the requirements of the PAEA, which were expressly adopted and incorporated into the 2019 Contract.

#### **PRAYER FOR RELIEF**

WHEREFORE, Express One prays for the following relief:

1. For monetary damages proximately caused by Defendants' misconduct in an amount to be calculated and presented at trial but are believed to be in excess of \$500,000,000;
2. For a declaratory judgment and/or a preliminary and permanent injunction precluding the USPS from (a) wrongfully terminating the 2019 Contract in violation of applicable administrative regulations and procedures and in contravention of numerous USPS representations to the contrary, (b) misappropriating and misusing Express One's confidential and proprietary business information, and (c) violating the requirements of the PAEA, which were expressly adopted and incorporated into the 2019 Contract;
3. For reasonable attorneys' fees and costs of suit incurred herein;

4. For pre-judgment and post-judgment interest; and
5. Any other relief that the Court deems just and equitable.

DATED this 23rd day of September, 2022.

SNOW, CHRISTENSEN & MARTINEAU

*/s/ Samuel Alba*

Samuel Alba

D. Jason Hawkins

R. Scott Young

Lashel Shaw

*Attorneys for Plaintiff*