

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
ROANOKE DIVISION**

Aimbridge Hospitality, LLC Plaintiff, v. Provident Group – Radford Properties, LLC and Scholar Hotels LLC d/b/a Scholar Hotel Group, Defendants.	Civil Action No.: <u>7:24cv00262</u> JURY TRIAL DEMANDED
--	---

COMPLAINT

1. Plaintiff, Aimbridge Hospitality, LLC (“Aimbridge”) brings this action against Provident Group – Radford Properties, LLC (“Provident”) and Scholar Hotels LLC (“Scholar”) following Provident’s breach of a Hotel Management Agreement (“Agreement”)¹ with Aimbridge concerning the Highlander Hotel (“Highlander”) and Scholar’s tortious acts in interfering with the Agreement and plotting with Provident to breach the Agreement and oust Aimbridge from the Hotel.

2. Provident and Scholar’s conspiracy culminated on March 27, 2024, when they orchestrated a surprise hostile takeover of the Highlander.

3. The sudden and unexpected takeover of the Highlander represented both: (a) the final step of Provident’s longtime plan to unjustifiably and improperly terminate the Agreement and (b) the fulfilment of Scholar’s longtime desire to manage the Highlander.

4. Provident and Scholar’s actions also resulted in needless confusion in the transition of the Highlander from Aimbridge to Scholar.

¹ A true and correct copy of the Agreement is attached hereto as **Exhibit A**.

PARTIES

5. Aimbridge is the world's largest third-party hospitality management company and manages over 1,200 properties in all 50 states and 23 countries.

6. Aimbridge is a preferred manager of all major hotel brands and manages several independent hotels, including: resorts, convention hotels, lifestyle hotels, and luxury hotels.

7. Provident is a special purpose entity that was created for the purposes of owning and operating the Highlander for the benefit of Radford University and the Radford University Foundation.

8. Scholar is a hospitality management company based in Haverford, Pennsylvania.

JURISDICTION AND VENUE

9. Aimbridge is a Delaware limited liability corporation.

10. Aimbridge's sole member is Aimbridge Hospitality Holdings, LLC ("AHH").

11. AHH is a Delaware limited liability corporation.

12. AHH's sole member is Aimbridge Parent, Inc. ("API").

13. API is a Delaware corporation with its principal place of business at 5301 Headquarters Drive, Plano, Texas 75024.

14. Provident is a Virginia limited liability corporation.

15. Provident's sole member is Provident Resources Group, Inc. ("PRG").

16. PRG is a Georgia nonprofit corporation with its principal place of business at 5565 Bankers Avenue, Baton Rouge, Louisiana 70808.

17. Scholar is a Pennsylvania limited liability corporation.

18. The sole member of Scholar is Gary Brandeis, Scholar's CEO.

19. Mr. Brandeis is a resident of the Commonwealth of Pennsylvania.

20. The amount in controversy in this matter exceeds the sum or value of \$75,000.00, exclusive of interests and costs.

21. Accordingly, this Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1332(a)(1) because this civil action is between citizens of different States and the matter in controversy exceeds the jurisdictional requirement.

22. This Court has personal jurisdiction over Provident and Scholar under Virginia's long-arm statute, Section 8.01-328.1 of the Code of Virginia, because Provident and Scholar both transacted business in the Commonwealth of Virginia and caused tortious injury to Aimbridge in this Commonwealth.

23. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(2) because "a substantial part of the events or omissions giving rise to the claim occurred" in this District, where the Highlander is located and where Provident and Aimbridge did business and where Provident and Scholar now do business.

FACTS

The Creation of the Highlander and the Market Demand Study

24. The Highlander was the product of an effort to develop a hotel near the campus of Radford University that could serve both the needs of the University as well as the needs of the surrounding community.

25. In connection with the planning and development of the hotel that would come to be known as the Highlander, Jones Lang LaSalle prepared a Market Demand Study ("Study") for Provident.²

² A true and correct copy of the Study is attached hereto as **Exhibit B**.

26. The Study attempted to forecast demand for the planned hotel by assessing potential “room nights.”

27. A room night is a statistical metric in the hospitality industry that is calculated by multiplying one room by one night. Thus, a guest booking one (1) room in a hotel for two (2) nights would generate two (2) room nights for that hotel.

28. One of the Study’s assumptions was that “anticipated occupancy at the planned hotel is projected to be 69.9% with just under 32,000 occupied room nights upon stabilization.” **Exhibit B** at 33.

29. The Study examined a number of sources for potential room nights, including events associated with Radford University (like sporting and alumni events). *Id.* at 8-11.

30. As part of this review, the Study assumed that visiting sports teams from other colleges and universities competing against Radford University teams would stay at the Highlander, thus generating room nights. *Id.* at 8-9.

31. The Study estimated that visiting baseball, softball, men and women’s basketball, and men’s tennis teams would generate at least 990 room nights—more than three percent (3%) of the total room nights assumed by the Study. *Id.* at 9.

32. The Study also determined that the Highlander would generate room nights from other events, such as conferences and weddings. *Id.* at 14.

33. The Study assumed that room nights from other events, like conferences and weddings, would equate to 1,650 room nights—more than five percent (5%) of the total room nights assumed by the Study. **Exhibit B** at 15.

34. Finally, the Study acknowledged that “the overwhelming majority of [Radford University] stakeholders interviewed are confined to operate within the state’s allowable travel

expense guidelines” and that “the state allows those that plan travel the discretion to spend up to 150% of the state’s established hotel and per diem meal rates.” *Id.* at 7.

35. While the Study acknowledged that the Highlander would “charge hotel room rates that were 150% of the state’s guidelines[,]” the Study recognized that many visitors to the Radford University area “have stayed at the Inn at VT or other hotels in Blacksburg” and that the Highlander “will be more upscale, charging higher rates than the properties in the area currently....” *Id.* at 7, 16, 23.

36. The final page of the Study is titled “Statements of Assumptions and Limiting Conditions.” **Exhibit B** at 94.

37. The Study indicated that “estimates and analyses regarding the project are based on trends and assumptions and, therefore, there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.” *Id.* at 94.

38. Further, JLL “spoke with Gary Brandeis, President and Founder of the Scholar Hotel Group” in completing the Study. **Exhibit B** at 31.

39. “Notably, like other developers, Mr. Brandeis was interested in developing and owning the planned . . . hotel prior to the selection of the development team of Provident, Ballard, and Preston Hollow Capital.” *Id.*

The Relevant Terms of the Agreement

40. Despite Scholar’s stated interest in managing the Highlander, Provident selected Aimbridge to fill that role.

41. Provident and Aimbridge signed the Agreement for Aimbridge to manage the Highlander on April 14, 2021. *See* **Exhibit A** at 1.

42. Provident was designated as the “Owner” under the Agreement and Aimbridge was designated as the “Manager.” *Id.*

43. Pursuant to the Agreement, Provident engaged and appointed Aimbridge “as the sole and exclusive manager of the Hotel during the Operating Term to operate and manage the Hotel” and Aimbridge agreed “to operate, repair and manage the Hotel pursuant to the terms of this Agreement.” *Id.* at § 1.1.

44. Both Provident and Aimbridge acknowledged that the Agreement created “an agency relationship” but that each “Hotel Employee shall be the employee of Manager or an Affiliate of Manager and not of Owner” *Id.* at § 1.2.

45. However, the Agreement further provided, in relevant part, that:

To the extent any fiduciary or other duties that exist or are implied under the common law principles of agency or otherwise, including those resulting from the relationship between the parties, and including all duties of loyalty, good faith, fair dealing, care, full disclosure, or any other duty deemed to exist under the common law principles of agency or otherwise (collectively for the purposes of this Section 1.4, the “Implied Duties”) are inconsistent with, or would have the effect of modifying, limiting or restricting, the express provisions of this Agreement, the terms of this Agreement will prevail.

Id. at § 1.4.

46. By its terms, the Agreement became effective on April 14, 2021, and had “an Initial Term commencing on the Opening Date” which was April 4, 2023 “and expiring on the tenth (10th) anniversary of the Opening Date, unless sooner terminated in accordance with the provisions of this Agreement . . . or as otherwise provided by the written agreement of Owner and Manager.” *Id.* at § 3.1.

47. In exchange for managing the Highlander, Aimbridge was to receive various fees on a regular basis. **Exhibit A** at § 4.1(B)(i)-(iv); § 4.2.

48. While the Agreement specified that all of the employees at the Highlander would be employees of Aimbridge, and not Provident, Provident was ultimately responsible for reimbursing Aimbridge for payroll costs. *Id.* at § 6.1.

49. The Agreement also delineated ten (10) “Events of Default” that gave rise to an option to terminate the Agreement under certain circumstances. *Id.* §12.1(A)-(J).

50. For example, pursuant to Section 12.1(E), the following constituted an Event of Default:

If either party shall be in material default in the performance of its other obligations under this Agreement, and such default continues for a period of thirty (30) days after written notice from the other party, provided that if such default cannot by its nature reasonably be cured within such thirty (30) day period, an Event of Default shall not occur if and so long as the defaulting party commences the cure during such initial thirty (30) day period and thereafter diligently and continuously pursues the cure thereof to completion and actually cures such default within ninety (90) days after expiration of the 30 day cure period

51. Thus, following proper, written notice under the Agreement, Aimbridge was entitled to a minimum of 120 days to cure certain alleged defaults under Section 12.1(E).

52. Similarly, under Section 12.1(J), an Event of Default occurred under the Agreement if:

If Manager shall fail to maintain and operate the Hotel in accordance with the standards required under Section 2.2A and such failure shall not be due to a refusal on the part of Owner to approve the Budgets submitted by Manager under Section 7.4 or Owner’s failure to properly provide funds requested pursuant to the provisions of Section 8.2 and such failure shall continue for a period of sixty (60) days after written notice by Owner to Manager specifying the matters or conditions which constitute the basis for such Event of Default, provided that if such failure is not reasonably capable of cure within such sixty (60) day period, then the cure period shall be extended provided that Manager commences the cure during such initial sixty (60) day period and thereafter diligently and

continuously pursues the cure thereof to completion within an additional sixty (60) days after expiration of the 60 day cure period.

53. Thus, in the event that Provident claimed that Aimbridge was failing to operate the Hotel in accordance with the standards set forth in Section 2.2(A), following proper written notice pursuant to the Agreement, Aimbridge was entitled to up to a 120 day period to cure any alleged default.

54. Except as set forth “in Article 12 or Section 13.1,” Provident had “no right to terminate this Agreement prior to the third (3rd) anniversary of the Opening Date.” *Id.* § 13.1.

55. Notices under the Agreement, if to Aimbridge, were required to be issued “in writing, sent by certified mail, postage prepaid, return receipt requested, or by Federal Express o[r] other nationally-recognized overnight courier, receipt confirmed” and addressed to:

Aimbridge Hospitality, LLC
5301 Headquarters Drive
Plano, Texas 75024
Attn: General Counsel

With a copy to:

Eckert Seamans Cherin & Mellot, LLC
600 Grant Street, 44th Floor
Pittsburgh, PA 15219
Attn: Patricia Mahlstedt

Id. Art. 20.

56. The Agreement was to be construed “both as to its validity and as to the performance of the parties, in accordance with the laws of the Commonwealth of Virginia and without reference to its conflict of laws provisions.” **Exhibit A** §21.4.

The Highlander

57. The Highlander opened on April 4, 2023.

58. The Highlander includes 124 rooms and approximately 6,000 square feet of event space.

59. The event space includes a 4,000 square foot ballroom that can host between 250-300 person meetings or up to 220 people for a wedding event.

60. Two restaurants also operate within the Highlander: Bee & Butter, a rooftop restaurant, and the Highlander Red Provisions, a more casual eatery and coffee bar offering breakfast and lunch.

Provident's Attempts to Terminate the Agreement

61. On January 26, 2024, Provident, through counsel, sent correspondence to Aimbridge styled as a “Notice of Termination of Hotel Management Agreement” (“January 26 Correspondence”).³

62. The January 26 Correspondence was the first formal notice sent to Aimbridge pursuant to the terms of the Agreement.

63. The January 26 Correspondence stated, in relevant part, that Provident “exercises its rights to terminate the Agreement, effective **February 29, 2024**, pursuant to Article 12 of the Agreement.” *See Exhibit C* (emphasis added).

64. The January 26 Correspondence enclosed an asserted “representative list of breaches and defaults” that Provident claimed provided a basis to terminate the Agreement. *Id.*

65. Among the “list of breaches and defaults” was the claim that from the Highlander’s opening date of April 4, 2023 through December 2023, the Highlander “operated at a negative 52% performance to budgeted hotel revenues (-\$3.1M shortfall to budgeted revenue) and the Hotel missed Budgeted gross operating profit (GOP) by 119% (-\$3.3M).” *Id.*

³ A true and correct copy of the January 26 Correspondence is attached hereto as **Exhibit C**.

66. Specifically, Provident claimed that Aimbridge’s purported breaches constituted “Events of Default under Sections 12.1C, 12.E., and 12.1J.” *Id.*

67. Provident further claimed that Aimbridge had “previously been made aware of these breaches and defaults” and further claimed that “they either remain unresolved or are of such a nature that they cannot be cured” *Id.*

68. Aimbridge responded to the January 26 Correspondence via letter dated February 5, 2024 (“February 5 Correspondence”).⁴

69. In relevant part, the February 5 Correspondence disputed the factual and legal basis for Provident’s purported termination of the Agreement. *See Exhibit D.*

70. For example, in response to Provident’s claim concerning the Highlander’s revenues, Aimbridge explained that this fact could not constitute an “Event of Default” under Section 12 of the Agreement. *Id.*

71. On March 7, 2024, through different counsel, Provident Radford sent additional correspondence to Aimbridge purporting to terminate the Agreement (“March 7 Correspondence”).⁵

72. The March 7 Correspondence stated a new termination date of March 12, 2024. **Exhibit E.**

73. The March 7 Correspondence sought confirmation that Aimbridge would “cooperate in the transition of Hotel management and turn over full control of the Hotel property by the week of April 8, 2024.” *Id.*

⁴ A true and correct copy of the February 5 Correspondence is attached hereto as **Exhibit D.**

⁵ A true and correct copy of the March 7 Correspondence is attached hereto as **Exhibit E.**

74. Aimbridge, through counsel, responded to the March 7 Correspondence via letter dated March 11, 2024 (“March 11 Correspondence”).⁶

75. On March 12, 2024, during a telephone conversation, counsel for Provident Radford solicited a settlement demand from counsel for Aimbridge.

76. In good faith, Aimbridge, through its counsel, issued a written settlement demand to Provident Radford’s counsel on March 14, 2024.

77. Provident never responded.

78. In fact, only *after* follow-up from Aimbridge’s counsel, Provident’s counsel canceled a telephone call scheduled for noon on March 21, 2024 by sending an e-mail *at* noon on March 21, 2024.

79. The foregoing conduct confirmed Provident’s strategy of delaying any good faith resolution of the dispute in an attempt to execute the takeover of the Highlander with Scholar

Provident and Scholar’s Surprise Takeover of the Highlander

80. On March 27, 2024—before Provident’s stated transition date of “the week of April 8, 2024”—representatives from Provident, accompanied by representatives of Scholar, arrived at the Highlander without advance warning to Aimbridge.

81. Christopher Hicks, the Vice President and Vice Chairman of PRG, was the representative from Provident who arrived at the Highlander.

82. The representatives from Scholar included Addy Maini, the Chief Operating Officer; Mahim Sharma, the Vice President of Operations; Ron Balle, the Vice President of Sales; and Jennifer Martin, the Director of Human Resources.

⁶ A true and correct copy of the March 11 Correspondence is attached hereto as **Exhibit F**.

83. The Highlander's General Manager ("GM")—an Aimbridge employee—was told to join the Provident and Scholar representatives in the boardroom, as Mr. Hicks advised that there had been legal action taken by Provident against Aimbridge.

84. However, as of the date and time when Mr. Hicks made this statement, Aimbridge had not been served with any legal process or papers by Provident.

85. Mr. Hicks further informed the Highlander's GM that Provident had appointed Scholar as the Highlander's new management company as of midnight on March 27, 2024.

86. The Highlander's GM was told to assemble all of the managers and supervisors at 2:00 pm as Provident and Scholar planned to convert all of Aimbridge's employees to Scholar employees.

87. Provident and Scholar's interference with Aimbridge's employees was done without prior notice to Aimbridge or Aimbridge's consent.

88. Provident had previously attempted to poach the Highlander's GM and hire him away from Aimbridge, but had been unsuccessful in these efforts.

89. However, following Provident and Scholar's takeover of the Highlander, the Highlander's GM ended his employment relationship with Aimbridge and, upon information and belief, was hired either by Provident or Scholar.

90. Nonetheless, Aimbridge cooperated, to the best of its ability, with the sudden and unexpected takeover of the Highlander.

91. However, Provident and Scholar's actions caused significant issues in the transition of the Highlander including, but not limited to, issues with payroll and employee transitions. These issues could have been avoided if Provident and Scholar had effectively communicated with Aimbridge and/or negotiated in good faith for an orderly transition of the Highlander.

92. Despite the apparent suddenness of Provident and Scholar's coup, Provident had made the decision to transition the Highlander to Scholar at least as early as February 1, 2024—if not before.

93. Upon information and belief, Provident and Scholar had been engaged in negotiations concerning the takeover of the Highlander for several months.

94. As evidenced by the Study prepared in 2020, Scholar had long been interested in usurping control of the Highlander because it fit within Scholar's core business model. **Exhibit B** at 31.

95. When Provident approached Scholar with the offer to oust Aimbridge and take over management of the Highlander, Scholar did not hesitate and worked with Provident to develop a strategy to take over the Highlander.

96. Scholar's decision was made with full knowledge of the fact that Aimbridge was managing the Highlander pursuant to the Agreement with Provident.

97. Scholar's decision was motivated, in part, by its status as a manager of hotel properties situated on or within immediate proximity to colleges and universities.

98. Scholar believed that by acquiring the Highlander, it would expand its portfolio of university-adjacent properties, solidify its reputation as a manager of such properties, and simultaneously discredit Aimbridge's management of such properties, thereby reducing the possibility that Aimbridge would be considered as a manager for similar properties in the future, which would benefit Scholar.

COUNT ONE
Breach of Contract
Aimbridge vs. Provident

99. Aimbridge hereby incorporates the allegations set forth in the preceding paragraphs as if set forth in full herein.

100. To plead a claim for breach of contract under Virginia law, a plaintiff must allege: (a) “a legal obligation of a defendant to the plaintiff,” (b) “a violation or breach of that right or duty, and” (c) “a consequential injury or damage to the plaintiff.” *Adair v. EQT Prod. Co.*, 320 F.R.D. 379, 404 (W.D. Va. 2017) (citation omitted).

101. Aimbridge and Provident entered the Agreement on April 14, 2021.

102. Under the Agreement, Provident owed various legal duties to Aimbridge including, but not limited to:

- a. The obligation to provide Aimbridge with proper written notice under the Agreement concerning any alleged Events of Default;
- b. The obligation to allow Aimbridge an attempt to cure any purported “Events of Default”; and
- c. Not terminating the Agreement prior to the third anniversary of the Opening Date, unless permitted under Section 12 or 13 of the Agreement.

103. Provident breached these obligations by and through the following actions and omissions including, but not limited to: (a) failing to provide Aimbridge with proper written notice under the Agreement concerning Aimbridge’s alleged defaults, (b) refusing to provide Aimbridge with necessary information and details that would have allowed Aimbridge to cure the alleged defaults, (c) refusing to provide Aimbridge with the contractually specified time to cure any alleged default, and (d) relying on unfounded and unsubstantiated defaults as a pretextual basis for early termination of the Agreement.

104. For example, even assuming that the January 26 Correspondence constituted proper written notice to Aimbridge under the Agreement *and* that Aimbridge's alleged actions actually constituted Events of Default, Aimbridge was entitled to up to 120 days to cure those alleged defaults.

105. Further, although Provident relied on the Highlander's asserted poor financial performance as a basis for terminating the Agreement, Provident failed to recognize that Aimbridge had managed the Hotel for less than one full calendar year *and* that the estimates made in the Study concerning demand for the Highlander and projected room nights did not materialize. Thus, Aimbridge was not at fault for the Highlander's asserted poor financial performance.

106. However, the Events of Default asserted by Provident were pretextual and Provident never intended to comply with the contractual requirement to allow Aimbridge to attempt to cure any alleged breaches.

107. Aimbridge's ouster from the Highlander was preordained and orchestrated by Provident and Scholar.

108. Provident, with Scholar's assistance, took over the Highlander on March 27, 2024—well before the 120 day cure period had run, and without ever providing Aimbridge with the details and information it had requested concerning the alleged "Events of Default."

109. Provident's breaches of the Agreement damaged Aimbridge by depriving Aimbridge of the benefit of the Agreement, *i.e.*, the right to earn the various management fees to which it was entitled pursuant to Article 4 of the Agreement.

110. Further, Provident's actions in terminating the Agreement also constituted a breach of the implied covenant of good faith and fair dealing.

111. Virginia recognizes an implied covenant of good faith and fair dealing in common law contracts. *Wolf v. Fed Nat. Mortg. Ass'n*, 512 App'x 336, 345 (4th Cir. 2013) (citation omitted).

112. A claim for a violation of the implied covenant of good faith and fair dealing is part of a claim for breach of contract. *Morris v. Wilmington Sav. Fund Soc'y*, 360 F. Supp. 3d 363, 370 (W.D. Va. 2018).

113. To state a claim for a breach of the implied covenant of good faith and fair dealing a plaintiff must allege that a contractual relationship exists between the parties and a breach of the implied covenant. *Morris*, 360 F. Supp. at 370 (citation omitted).

114. Provident violated the implied covenant of good faith and fair dealing with respect to the Agreement through, among other actions:

- a. Refusing to provide Aimbridge with details and information concerning the asserted "Events of Default";
- b. Relying on stale or moot issues as a basis for alleged Events of Default. For example, in the January 26 Correspondence, Provident complained about an Aimbridge employee who had been relieved of her duties several months before; and
- c. Acting in bad faith and abusing its discretion under the Agreement by asserting its role as principal under the Agreement to breach the Agreement.

115. Provident's breaches of the implied covenant of good faith and fair dealing resulted in significant damage to Aimbridge.

WHEREFORE, Plaintiff, Aimbridge Hospitality, Inc., prays that this Court enter judgment in its favor, along with any other and further relief as the Court deems equitable, proper, and just.

COUNT TWO

***Business Conspiracy Pursuant to the Virginia Business Conspiracy Act
Va. Code §§ 18.2-499 and -500
Aimbridge v. Provident and Scholar***

116. Aimbridge hereby incorporates the allegations set forth in the preceding paragraphs as if set forth in full herein.

117. Pursuant to the Virginia Business Conspiracy Act (“Conspiracy Act”), “[a]ny two or more persons who combine, associate, agree, mutually undertake or concern together for the purpose of ... willfully and maliciously injuring another in his reputation, trade, business or profession by any means whatever . . . shall be jointly and severally guilty of a Class 1 misdemeanor.” Va. Code § 18.2-499(A).

118. The Conspiracy Act further provides that:

Any person who shall be injured in his reputation, trade, business or profession by reason of a violation of § 18.2-499, may sue therefor and recover three-fold the damages by him sustained, and the costs of suit, including a reasonable fee to plaintiff's counsel, and without limiting the generality of the term, ‘damages’ shall include loss of profits.

Va. Code § 18.2-500.

119. To state a claim under the Conspiracy Act, a plaintiff must allege: (a) a concerted action between two or more persons, (2) legal malice, and (3) a causally-related injury. *Virginia Vermiculite, Ltd. v. W.R. Grace & Co.-Conn.*, 144 F. Supp. 2d 558, 601 (W.D. Va. 2001), *aff’d* sub nom. *Virginia Vermiculite Ltd. v. Historic Green Springs, Inc.*, 307 F.3d 277 (4th Cir. 2002).

120. Legal malice requires the conspirators to act “intentionally, purposely, and without lawful justification,” injuring the plaintiff and their business. *Commercial Business Sys. v. Bellsouth Servs.*, 453 S.E.2d 261, 266-67 (Va. 1995).

121. As alleged above, Provident and Scholar engaged in negotiations for Scholar to assume management of the Highlander well before they ousted Aimbridge from the Highlander on March 27, 2024.

122. Provident and Scholar acted jointly to oust Aimbridge from the Highlander, as evidenced by the fact that representatives from both Provident and Scholar initiated the take over on March 27, 2024.

123. Provident and Scholar's actions were intentional and aimed at ousting Aimbridge from the Highlander.

124. Provident's purpose in acting with Scholar was to replace Aimbridge with Scholar and save money against what it would have paid to Aimbridge under the Agreement by negotiating a better deal for itself with Scholar.

125. Scholar's purpose in acting with Provident was to oust Aimbridge and secure another university-adjacent property for its portfolio.

126. Provident and Scholar's concerted action in ousting Aimbridge and taking over the Highlander damaged Aimbridge by depriving Aimbridge of the benefits it stood to receive under the Agreement and damaging Aimbridge's reputation.

WHEREFORE, Plaintiff, Aimbridge Hospitality, Inc., prays that this Court enter judgment in its favor, including actual damages, treble damages, attorneys' fees and costs, and any other and further relief as the Court deems equitable, proper, and just.

COUNT THREE
Civil Conspiracy
Aimbridge v. Provident and Scholar

127. Aimbridge hereby incorporates the allegations set forth in the preceding paragraphs as if set forth in full herein.

128. “A civil conspiracy is a combination of two or more persons, by some concerted action, to accomplish some criminal or unlawful purpose, or to accomplish some purpose, not in itself criminal or unlawful, by criminal or unlawful means.” *Hechler Chevrolet, Inc. v. Gen. Motors Corp.*, 337 S.E.2d. 744, 748 (Va. 1985) (citation omitted).

129. As alleged above, Provident and Scholar acted in concert to oust Aimbridge from the Highlander and breach the Agreement between Provident and Aimbridge.

130. Provident and Scholar’s conspiracy culminated on March 27, 2024 when representatives for Provident and Scholar arrived at the Highlander and took control of the premises from Aimbridge.

131. Provident’s actions in breaching the Agreement and Scholar’s actions in interfering with the Agreement represent the unlawful means of achieving the ouster of Aimbridge from the Highlander.

132. Provident and Scholar’s actions damaged Aimbridge by depriving Aimbridge of the benefits of the Agreement and damaging Aimbridge’s reputation.

WHEREFORE, Plaintiff, Aimbridge Hospitality, Inc., prays that this Court enter judgment in its favor, including actual damages, , attorneys’ fees and costs, and any other and further relief as the Court deems equitable, proper, and just.

COUNT FOUR
Tortious Interference with Contractual Relations
Aimbridge v. Scholar

133. Aimbridge hereby incorporates the allegations set forth in the preceding paragraphs as if set forth in full herein.

134. To state a claim for tortious interference with a contract under Virginia law, a plaintiff must plead: (a) “the existence of a valid contract;” (b) the “defendant’s knowledge of that

contract;” (c) the “defendant’s intentional interference inducing or causing a breach of that contract;” and (d) “damages resulting from that contract.” *Goulmamine v. CVS Pharm., Inc.*, 138 F. Supp. 3d 652, 671-72 (E.D. Va. 2015).

135. Here, as alleged above, Aimbridge had a valid contract—the Agreement—with Provident to manage the Highlander.

136. Scholar, through its negotiations with Provident to take over management of the Highlander, was aware of the Agreement between Aimbridge and Provident and had long been aware that Aimbridge had a contract with Provident to manage the Highlander.

137. Scholar’s intentional actions in working with Provident to develop a plan to oust Aimbridge from the Highlander and take over management of the Highlander aided Provident in breaching the Agreement with Aimbridge.

138. Aimbridge has been damaged by Scholar’s actions by losing out on the benefit of the bargain it negotiated under the Agreement and through injury to its reputation.

WHEREFORE, Plaintiff, Aimbridge Hospitality, Inc., prays that this Court enter judgment in its favor, along with punitive damages, treble damages, attorneys’ fees and costs, and any other and further relief as the Court deems equitable, proper, and just.

Date: April 19, 2024

/s/ Jason W. McElroy

Jason W. McElroy (VSB No. 71250)
Saul Ewing LLP
1919 Pennsylvania Ave. NW, Suite 550
Washington, DC 20006
Tel: (202) 295-6642
Fax: (202) 337-6065
Email: jason.mcelroy@saul.com

Counsel for Plaintiff
Aimbridge Hospitality, LLC