

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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OTTERBOURG P.C.,

Plaintiff,

- against -

JAMES M. CRETILLA,

Defendant.

: Index No.

: Date Purchased:

: **SUMMONS**

: Plaintiff designates New York

: County as the place of trial.

: The basis of venue is CPLR 503(a)

: Defendant's address is:

: 1271 Avenue of the Americas

: New York, NY 10020

X

To the above-named Defendant:

YOU ARE HEREBY SUMMONED to answer the Complaint in this action and to serve a copy of your answer, or, if the Complaint is not served with this Summons, to serve a notice of appearance, on the Plaintiff's attorney(s) within 20 days after the service of this Summons, exclusive of the day of service (or within 30 days after the service is complete if this Summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the Complaint.

Dated: New York, New York
November 7, 2025

MEIER WATKINS PHILLIPS PUSCH LLP

/s/ Daniel P. Watkins

Daniel P. Watkins*

919 18th Street NW, Suite 650

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**Pro hac vice to be submitted*

OTTERBOURG P.C.

By: /s/Adam C. Silverstein

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**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

OTTERBOURG P.C.,

Plaintiff,

v.

JAMES CRETELLA,

Defendant.

Index No. _____

VERIFIED COMPLAINT

INTRODUCTION

1. As a partner at Otterbourg P.C. (“Otterbourg” or the “Firm”), Defendant James Cretella owed the Firm contractual and common law duties. Under the Firm’s By-Laws, Cretella was obligated to, among other things:

- “devote his ... best efforts to serving” the Firm, not his own personal interests and the interests of other firms;
- “devote substantially all of his ... business time to the [Firm’s] affairs,” not his personal “affairs;”
- “conduct himself ... in a personal and professional capacity that is in accordance with the highest ethical and professional standards.” (emphasis added)

2. Cretella’s common law duties to the Firm included his fiduciary responsibilities as Judge Cardozo explained nearly a century ago:

Joint adventurers, like copartners, owe to one another, while the enterprise continues, the duty of the finest loyalty. Many forms of conduct permissible in a workaday world for those acting at arm's length, are forbidden to those bound by fiduciary ties. A trustee is held to something stricter than the morals of the marketplace. Not honesty alone, but the punctilio of an honor the most sensitive, is then the standard of behavior.

Meinhard v. Salmon, 249 N.Y. 458, 464 (1928).

3. Cretella's personal and professional misconduct violated the Firm's By-Laws, his fiduciary duties of loyalty, candor and good faith, and his honor. By way of several examples:

- Cretella exploited the Firm's computer systems to engage in a sustained, multi-year pattern of unauthorized surveillance of two senior partners and their families, often in the middle of the night and into their most personal information.
- Cretella misused Firm-owned phones, Firm-paid phone and text services, the Firm computer network, and Firm-paid travel and hotels on multiple occasions to connect with an escort and other women; including dozens of text messages with an escort advertising herself as an "upscale dominatrix" known as "Goddess Kat," arranging a Valentine's Day couples massage for a woman known as "Lili," and an out-of-town trip to connect with another woman who texted provocative pictures to his work cell phone holding a White Claw beverage.¹ Cretella later attempted to delete evidence of these acts, but phone records remain and forensic review provided recovery of other materials.
- In 2024, while still an equity partner, Cretella concealed plans to join a competitor. He diverted Firm resources for his own benefit, misled leadership about his future at the Firm, and secured a substantial discretionary bonus under false pretenses.

¹ These references are pleaded for the limited purposes of establishing (i) misuse of Firm assets and services (Firm-paid travel, lodging, and communications) for non-Firm purposes; (ii) the falsity of expense descriptions submitted as "business development" and the resulting unjust enrichment; (iii) scienter, motive, and intent relevant to the fraudulent concealment and bonus allegations; (iv) the scope, chronology, and continuity of breaches of the By-Laws' loyalty and ethics provisions; (v) damages quantification and restitution tracing; and (vi) corroboration of the forensic record following deletion attempts. The inclusion of such conduct is not gratuitous, but necessary to demonstrate how Defendant's personal misconduct was intertwined with his professional breaches and the misuse of Firm resources.

- In late 2024—before giving notice—Cretella went further. He handed confidential Firm pricing data and strategic trade information to the competitor he would later join, blatantly violating his ongoing fiduciary and contractual duties to protect that information.
- In December 2024, seeking to increase his own compensation, Cretella urged management to reduce the bonuses of a number of associates in his department, a proposal the Board rejected as unfair and self-interested. Upon information and belief, Cretella took this unwarranted and unethical step to try to further enrich himself by attempting to deceptively limit the bonus pool available to others in his department and to create dissension among the associates remaining after his departure.

4. Lawyers can move to different firms. What they cannot do is lie to their partners, misuse their employer's resources, or trade on confidential information for personal gain. Cretella did all three.

5. Lawyers have leeway to enjoy downtime on work trips. What they cannot do is improperly use Firm-owned phones, Firm-paid phone and text services, Firm-paid travel, and Firm-paid hotel rooms for prurient reasons, which Cretella did—repeatedly.

6. Lawyers can use firm computer resources. What they cannot do is use those resources to spy on and cyberstalk their partners and their partners' families, which Cretella did.

7. Otterbourg seeks to recover the damages caused by Cretella's disloyal and improper conduct, to claw back money and benefits Cretella obtained under false pretenses, and to enforce the duties Cretella owed while he was a partner at Otterbourg under the Firm's By-Laws and the law.

THE PARTIES, JURISDICTION, AND VENUE

8. Plaintiff Otterbourg is a New York professional corporation with its corporate headquarters located in New York County. The Firm has an expansive and sophisticated legal practice. Founded in 1909, it is especially well-known for its longstanding representation of financial institutions (including banks, asset-based lenders, hedge funds, finance companies and insurance companies) and corporations and other business enterprises.

9. Defendant James M. Cretella is a natural person who works in New York County. This Court has personal jurisdiction over Cretella under CPLR 302(a)(1) and (3) because the compensation Cretella received and the expense reimbursements he obtained under false pretenses were paid in New York. Moreover, Cretella transacts business within this state—the competitor whom he joined made it clear that Cretella was joining as a partner “in New York”—and business transactions and tortious conduct at issue in this Complaint occurred in New York and had consequences in New York.

10. Venue is proper in this Court under CPLR 503(a) because Otterbourg resides in New York County.

STATEMENT OF FACTS

Cretella Joins Otterbourg in 2004 and Later Becomes a Partner

11. Cretella joined Otterbourg in 2004, after he finished law school. The Firm offered him an associate position.

12. Cretella for a short time worked in the Firm’s renowned Restructuring Department. When he was unsuccessful in that department, the Firm offered him the chance to work in the Banking and Finance practice group.

13. In January 2013, Otterbourg elevated Cretella to equity partner in the Firm, making him a shareholder subject to the Firm’s By-Laws.

Upon Becoming Partner, Cretella Agreed to Honor the Firm's By-Laws

14. Section 12 of the By-Laws provides, in relevant part, that each shareholder shall (1) “devote his or her best efforts to serving the [Firm] and ... devote substantially all of his or her business time to the [Firm]’s affairs”; (2) “conduct himself or herself in a personal and professional capacity that is in accordance with the highest ethical and professional standards”; (3) avoid any conduct that could harm the Firm’s standing or reputation; and (4) comply with Board decisions regarding the Firm’s operation.

15. The Firm’s policy and practice is that bonuses are discretionary—not earned or payable until declared and paid at year-end—and are awarded by the Board of Directors. In exercising its discretion, the Board awards bonuses based, in part, on the expectation that an attorney will continue serving the Firm and its clients throughout the upcoming calendar year. These provisions are designed to protect the Firm’s continuity and ensure fairness in compensation.

16. Cretella was aware of and subject to these terms, policies and practices. He accepted them and benefited from them during his years as an associate and later as a partner.

17. In 2022, the Board held discussions regarding management succession. The Board agreed that Cretella should be elevated to an administrative position under the tutelage of the Board. In 2023, Otterbourg publicly announced that Cretella had been promoted to the administrative position of Chairman of the Firm’s Finance Department. In promoting Cretella, the Firm entrusted him with additional responsibilities beyond simply complying with the Firm By-Laws that he remained subject to.

18. In the press release announcing his promotion, Otterbourg described Cretella as a “career member” of its Finance Department, entrusted with representing institutional lenders,

factoring companies, specialty lenders, and borrowers in complex asset-based lending and corporate finance transactions.

19. By that time, Cretella had held minor administrative positions in both the Finance Department and the Firm's Alternative and Specialty Finance practice group.

20. The Firm elevated Cretella to these positions because it trusted him to uphold the highest duties of loyalty, candor, and care to his partners and to Otterbourg. The Board felt that it could eventually mentor Cretella to become a future leader of the Firm.

21. As Chairman of the Finance Department, Cretella was expected—and agreed—to model leadership and integrity, safeguard the Firm's proprietary information, and put the Firm's interests ahead of his own. Unbeknownst to the Firm, by that time Cretella had already embarked on his secretive spying and cyberstalking campaign against the two leaders of the Firm and then, less than two years later, with his abhorrent behavior having been discovered, Cretella exploited the very trust and access he had been given as Department Chair for the benefit of a competitor and to secure personal gain at the Firm's expense.

Cretella's Self-Dealing, Breaches of his Fiduciary Duties, and Abuse of Firm Resources

22. By 2024, Cretella had abandoned his loyalty to Otterbourg. While drawing a paycheck as an Otterbourg shareholder and preparing to collect a discretionary year-end bonus, he concealed his plan to leave for a competing firm and quietly worked to transition client relationships to his next employer. He never disclosed his intentions to leadership.

23. At the same time, Cretella submitted thousands of dollars in expense claims under false pretenses. He labeled trips, dinners, and events as "business development" for Otterbourg in

expense reports that he submitted in New York when in reality they had everything to do with his own affairs—personal and professional.

24. For example, during a November 2024 trip to Houston, Cretella billed the Firm for an extra travel day and used that time for “personal activity” inconsistent with Firm policy. Specifically, he spent that night exchanging more than three dozen text messages with an escort advertising herself as an “upscale dominatrix” known as “Goddess Kat.” He misrepresented the expenses incurred in pursuit of his personal dalliances as legitimate Firm expenses.

25. The Firm paid for his flight, his hotel room, *and even the Firm-issued phone he used to arrange the encounter*. It was not business development—it was egregious personal misconduct deceptively disguised as Firm work, and his partners were left paying the tab.

26. This was not an isolated incident. Cretella repeatedly used Firm resources for non-Firm purposes—charging airfare, hotel nights, meals, and entertainment to the partnership while advancing his own interests or indulging personal “pursuits.” Each time, he knowingly misrepresented these expenses as legitimate client development, inducing Otterbourg to reimburse costs it never should have borne.

27. The deception went beyond expense reports. Cretella conducted this personal activity on a Firm-paid phone plan, during Firm-funded travel, under the guise of representing Otterbourg. He diverted partnership resources for personal use while actively plotting his departure to a competitor.

28. During this same time period, Cretella was also actively and improperly soliciting Firm clients to accompany him to the competitor that he joined. Over the final months of 2024, while still a Firm partner, Cretella and another Firm partner who left the Firm in disgrace coordinated client meetings and dinners across the country, events nominally held in Otterbourg’s

name that were supposed to be for the benefit of the Firm. In reality, Cretella played a role in orchestrating these events to facilitate client relations for his own future firm.

29. As an example, at events in Chicago and Atlanta in late 2024, Cretella, purporting to further Otterbourg's business interests, actively tried to persuade Otterbourg clients to follow him to one of Otterbourg's competitors.

30. In November 2024, Cretella went even further. As he later told another partner, Cretella gave away confidential and proprietary Firm data pertaining to pricing, market share and Firm competitive strategy to the competitor that he eventually joined—a clear and blatant violation of his fiduciary and contractual duties.

31. Even though he had an obligation to disclose his various misdeeds, Cretella intentionally remained silent to preserve his eligibility to obtain a year-end bonus. On December 31, 2024, believing he remained a committed equity partner, the Firm awarded him a substantial, seven-figure discretionary bonus.

32. He accepted it knowing full well he was leaving and that he had perpetrated a scheme to try to hobble the Firm and bolster a competitor while conspiring with another exiting partner and concealing material facts that would have changed the Board's decision to give him a bonus.

33. After Cretella's resignation and departure in February 2025, the Firm discovered that he had deleted communications and documents in violation of Firm policy. Forensic review of his Firm-issued phone and Firm-paid phone records—billed monthly to Otterbourg—has revealed other highly inappropriate and potentially unlawful personal conduct that Cretella engaged in during Firm-funded travel.

34. The pattern is clear: Cretella used his position as a partner to lie, cheat on those closest to him personally and professionally, and conceal. He took Firm money under false pretenses, used Firm resources for personal misconduct, plotted a move to a competitor in secret, and left his partners footing the bill for a double life that had nothing to do with the practice of law.

Cretella's Cyberstalking Is Exposed

35. Separate and apart from the breaches of duty alleged in this action, Cretella is the subject of a different, pending lawsuit filed by Richard L. Stehl and Richard G. Haddad, the Firm's Chairman and President, respectively, in the United States District Court for the District of Connecticut (Case No. 3:25-cv-00348).

36. As the complaint in that lawsuit details, in 2024, the Firm discovered that Cretella had engaged in a sustained pattern of unauthorized surveillance of Messrs. Haddad and Stehl and their families by unlawfully accessing private, non-client files that were separately safeguarded and stored in their personal directories on the Firm's computer system.

37. Forensic evidence shows that over a period of years, Cretella repeatedly accessed private, non-client files belonging to both men without permission or legitimate purpose. These were not stray clicks or accidental views. The data shows hundreds of deliberate intrusions—often in the dead of night—targeting files that (as their titles plainly revealed) had nothing to do with Firm business.

38. The documents Cretella opened included some of the most sensitive, private information any person could hold:

- Home security system codes and login credentials for live camera feeds inside and outside the Stehl family residence;

- Personal tax returns and Social Security-linked password files;
- Privileged legal communications relating to deeply personal family matters, including divorce proceedings and custody arrangements involving grandchildren;
- Confidential medical records concerning the psychiatric condition of a close family member;
- Private financial statements, balance sheets, and investment information unrelated to Firm operations; and
- Intimate personal details such as vacation itineraries, home renovation plans, club memberships, and children's employment documents.

39. These files were stored in secure, restricted-access folders expressly designed to keep personal information separate from client and Firm materials. Cretella knew this, bypassed the safeguards anyway, and when confronted, denied ever having accessed the files. Only after forensic proof exposed his actions did he partially admit to the surveillance.

40. Additionally, Cretella covertly viewed confidential Board of Directors emails regarding partner compensation, personnel disputes, and internal management strategies—violating not only privacy laws but the fundamental ethical duties of a law partner.

FIRST CAUSE OF ACTION— BREACH OF CONTRACT (BY-LAWS)

41. Plaintiff Otterbourg hereby incorporates the preceding paragraphs as if fully stated herein.

42. As a condition of becoming a partner at Otterbourg, Cretella agreed to be bound by the Firm's By-Laws.

43. Section 12 of the By-Laws required, among other things, that each shareholder: “devote substantially all of his or her normal business time to the Corporation's affairs”; “conduct

himself or herself in a personal and professional capacity that is in accordance with the highest ethical and professional standards”; and “take no action...that may tend to injure the Corporation’s professional standing or...that is in any way derogatory of either the Corporation or any of its members.”

44. Cretella breached these obligations by:

- Using Firm phones, phone and text service, computer systems, and Firm-paid airfare and hotels to connect with escorts and other women, arrange for “Lili” an erotic Valentine’s Day couple’s massage, and organize other out-of-town rendezvous with women;
- Actively soliciting Firm clients and participating in client development events intended to benefit his future employer while concealing his departure from Firm leadership;
- Misrepresenting the purpose of expenses to induce the Firm to reimburse costs unrelated to Otterbourg’s interests;
- Giving Firm confidential and proprietary pricing information to a competitor;
- Using the Firm’s computer systems to cyberstalk Mr. Stehl and Mr. Haddad and their families for years; and
- Acting in a manner contrary to the Firm’s standards and reputation.

45. As a direct and proximate result of these breaches, Otterbourg suffered damages, including damaged relationships with clients and prospective clients, financial loss—including but not limited to compensation and bonuses paid to Cretella during the years in question and expenses that Otterbourg reimbursed Cretella for that were unrelated to Firm business—and reputational harm stemming from lost business opportunities caused by Cretella’s misconduct.

SECOND CAUSE OF ACTION– BREACH OF FIDUCIARY DUTY

46. Plaintiff Otterbourg hereby incorporates the preceding paragraphs as if fully stated herein.

47. Cretella owed Otterbourg fiduciary duties of loyalty, care, good faith, candor, and full disclosure.

48. Cretella breached those duties in multiple respects, including but not limited to the following:

- Conspiring with another exiting partner to divert client relationships from the Firm while he was an Otterbourg shareholder;
- Misrepresenting the purpose of client development expenditures in order to obtain reimbursement for activities undertaken for personal and competitive gain;
- Giving Firm confidential and proprietary pricing and strategic planning information to a competitor; and
- Inducing the Firm to pay him a substantial bonus by remaining silent about his ongoing efforts to enrich a competitor at the Firm's expense.

49. These actions were knowing, intentional, and self-interested. Cretella prioritized his own personal and professional advancement over his obligations to the Firm and his fellow partners.

50. As a direct and proximate result of these breaches, Otterbourg suffered economic and reputational harm, including the loss of Firm funds and compromised client relationships.

51. Otterbourg is entitled to recover actual damages resulting from Cretella's misconduct and disgorgement of any profits or benefits he received as a result of his disloyalty.

THIRD CAUSE OF ACTION– FRAUDULENT CONCEALMENT

52. Plaintiff Otterbourg hereby incorporates the preceding paragraphs as if fully stated herein.

53. Cretella had already decided by the fourth quarter of 2024 to resign from the Firm, and he knew that he did not intend to meaningfully continue acting as a partner or rendering services after December 31.

54. Cretella schemed to try to hobble the Firm and enrich himself and a competitor by dressing up personal expenses as legitimate Firm expenses, actively recruiting Firm clients for his new venture, and divulging proprietary Firm information. He did not disclose any of these deleterious actions in order to preserve his ability to obtain a year-end bonus.

55. Otterbourg relied on these misrepresentations in awarding a substantial discretionary bonus to Cretella.

56. Otterbourg would not have awarded this bonus had it known the truth.

57. Cretella's concealment was intentional and caused material financial harm to the Firm.

58. Otterbourg is entitled to rescission of the bonus payment and to recover all damages resulting from Cretella's fraudulent conduct.

FOURTH CAUSE OF ACTION – UNJUST ENRICHMENT**(In the Alternative)**

59. Plaintiff Otterbourg incorporates by reference the preceding paragraphs as if fully set forth herein.

60. Cretella received substantial benefits to which he was not entitled, including:

- Reimbursement for significant sums of money ostensibly for client development and Firm expenses that were misrepresented and not undertaken for the Firm's benefit;
- Substantial bonuses awarded based on Cretella's concealment of professional misconduct and his scheme to aid a competitor and hurt Otterbourg; and
- The ability to lay groundwork for future client work while misusing Firm resources.

61. Cretella has been unjustly enriched at the Firm's expense.

62. If Otterbourg is not entitled to relief under its other claims, it seeks restitution and disgorgement of all amounts by which Cretella was unjustly enriched in the alternative, consistent with CPLR 3014, in equity and good conscience.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests judgment as follows:

- A. Against Defendant Cretella for the damages sustained by the Firm because of his breach of contract, breach of fiduciary duties, fraudulent concealment, and unjust enrichment, in an amount exceeding \$10,000,000.
- B. Ordering restitution to Otterbourg and disgorgement of all profits and compensation unlawfully or inequitably obtained by Defendant.
- C. Awarding pre- and post-judgment interest.

Together with costs and all other relief that this Court deems just and proper.

Date: November 7, 2025

/s/ Daniel P. Watkins

Daniel P. Watkins*

Archith Ramkumar

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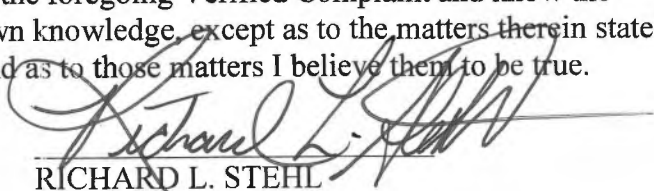
Email: asilverstein@otterbourg.com

Counsel for Plaintiff

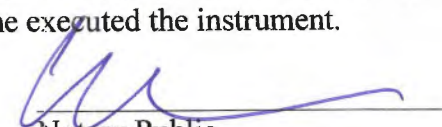
VERIFICATION

STATE OF NEW YORK)
 ss:
 COUNTY OF NEW YORK)

Richard L. Stehl, being duly sworn, deposes and says: I am the Chairman of Plaintiff Otterbourg P.C. in this action. I have read the foregoing Verified Complaint and know the contents thereof; the same is true to my own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters I believe them to be true.


 RICHARD L. STEHL

On the 7th day of November, 2025 before me, the undersigned, personally appeared RICHARD L. STEHL, personally known to me to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the instrument.


 Notary Public

EVAN A. PILCHIK
 Notary Public, State of New York
 No. 02PI6067838
 Qualified in New York County
 Commission Expires March 4, 2026