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From the Washington Business Journal:

<https://www.bizjournals.com/washington/news/2021/04/26/geppetto-catering-owner-josh-carin-files-chapter-7.html>

Former Geppetto Catering co-owner files for personal bankruptcy amid allegations around his business activities

Apr 26, 2021, 3:04pm EDT Updated: Apr 26, 2021, 3:26pm EDT

Josh Carin, who previously led one of Greater Washington's largest catering companies, Geppetto Catering, has filed for Chapter 7 personal bankruptcy amid allegations by Geppetto that he helped launch and support a competing enterprise at its expense years before the Covid-19 pandemic, contributing to its



JOANNE S. LAWTON

Josh Carin, former minority

demise after three decades in business.

owner of Geppetto Catering, has filed for personal bankruptcy.

Riverdale-based Geppetto Catering Co. Inc., which said it disbanded around June 30, raised the allegations in a lawsuit filed Jan. 25 in Montgomery County Circuit Court. The catering company, which was founded by majority owner Charles Lenkin in 1989, claims that Carin, while still a minority owner and chief executive who managed all day-to-day operations of Geppetto, helped the Montgomery County Revenue Authority, a quasi-county-government entity, launch its own catering business and subsidized many of its operations and events with Geppetto funds, personnel, materials, trucks, and free or discounted food and drinks, according to court documents.

The suit names the revenue authority, MCRA CEO Keith Miller and MCRA board member Eric Goldberg as defendants, citing seven counts that include "aiding and abetting" a breach of fiduciary duty, tortious interference with economic business relations, and misappropriation of trade secrets. Geppetto is seeking damages, repayment from MCRA profits or gains, and legal fees, among other things.

The Montgomery County Attorney's office declined to comment, as did Goldberg. Miller did not respond to calls seeking comment. Goldberg, Miller and MCRA filed separate partial motions earlier this month seeking to dismiss Geppetto's lawsuit, stating that Carin's actions, not theirs, are at the center of the dispute, according to court filings shared with the Washington Business Journal.

Geppetto has raised similar claims against Carin in a partnership dispute that's undergoing arbitration through the law office of Baltimore attorney Brian C. Parker, according to a source familiar with the situation. The partnership dispute is noted in Carin's Chapter 7 bankruptcy filing, but Parker and Jonathan Greenbaum of D.C.-based Coburn & Greenbaum PLLC, Geppetto's attorney, declined to comment.

In a statement to the Washington Business Journal, Carin said he couldn't address Geppetto's allegations, but he pointed to the company's longtime work with the community and philanthropy.

"While I can't speak to anything specific regarding the MCRA case as it's currently in litigation, what I can tell you is that I am very proud to have worked with such incredible professionals over the last 30 years," Carin said as part of the statement, adding that he's "exploring a variety of new opportunities" in the D.C. region. "I am grateful for the relationships and deep ties to the community I have made over the years through my work at Geppetto. It is my intent and hope to continue those relationships as I determine my next chapter. While the closing of Geppetto Catering is not the ending I ever imagined, nor my having to declare bankruptcy, it is my hope that the positive involvement in our community leaves a special spot in people's hearts, as it does mine."

Geppetto ranked 19th among the region's largest catering companies at the start of 2020, based on 2019 revenue of \$4 million, down from \$4.86 million and 16th place the prior year, according to Washington Business Journal research.

Geppetto's downfall

Carin said in his statement that the effect of the pandemic is what decimated the business, cutting its "20-30 events a day to zero in less than a week." He said Geppetto's pivots in the past year included partnering with nonprofits for meal donations, with farmers markets for grocery home deliveries and with customers for home-delivered meals for virtual fundraising celebrations.

"While these programs created revenue, it was barely covering the cost of providing these services," Carin said in the statement. "These efforts were about keeping our team working. Unfortunately, the impact we continue to be dealing with today was too extreme to overcome."

Calls to Geppetto's headquarters in Riverdale have gone unanswered and its website, while still live, does not process online orders. But Greenbaum alleges it was the actions of Carin and the revenue authority, not the pandemic, that forced the business to shutter.

"Virtually all of the damage suffered by Geppetto had been caused by the Defendants, prior to emergence of the Covid-19 Pandemic," reads Geppetto's lawsuit against the MCRA, Goldberg and Miller. "Carin's diversion of Geppetto funds and resources to MCRA, as well as Carin's looting of Geppetto resulted in significant operating losses which caused the company to close."

The lawsuit alleges that Carin was hired in 2018 by the MCRA, which runs the county's public golf courses, to help launch Sligo Pit BBQ, a catering operation at the MCRA-managed Sligo Creek Golf Course. MCRA allegedly paid Carin \$4,000 a month through a shell company, Carin and Co., as a consultant in 2018 before paying him a \$150,000 salary as its full-time hospitality director starting in May 2019, per the suit.

Carin, who received \$275,423 in gross income in 2018 for managing day-to-day operations at Geppetto, continued in that role as well and did not disclose his MCRA relationship or activities to Lenkin, who owned 70% of Geppetto and served as its president and treasurer, the complaint said.

Geppetto's specific allegations

Central to the suit are allegations that in the years that Carin was involved with both enterprises, he organized multiple catering deals and private and outside events for both MCRA and its leaders that were free or deeply discounted to the authority, but used Geppetto's credit card and bank accounts, staff, vehicles, menus, recipes, food, equipment and other resources to do so without reimbursement. The complaint said Carin's dual roles violated Montgomery County's ethics law and represented a breach of his duties for Geppetto, both of which it alleges MCRA officials were

well aware of, but raised no objections.

The lawsuit cited one of the events, a Gaithersburg High School class reunion held at the Falls Road Golf Course that MCRA manages through its MGC Golf division. It alleges Carin provided \$6,700 worth of Geppetto-funded food for 110 guests, but billed MCRA for only \$3,099 of those expenses. It said MCRA then charged the client \$5,707 for a profit of about \$2,600, while the event represented a loss of \$4,500 for Geppetto.

Among the biggest expenses, according to the suit, was Sligo Pit's principal equipment: Old Smoky, a \$10,858 meat smoker hand-built to look like a locomotive that it claims Carin charged to Geppetto.

"In reality, MCRA used Carin as the vehicle to take Geppetto's business goodwill, practices, processes, assets and labor for its own benefit," Geppetto's lawsuit said. "MCRA knew Carin owed duties of loyalty and fiduciary duties to Geppetto; yet, MCRA actively participated in Carin's breaches and encouraged them. As a direct result of MCRA's actions described herein, Geppetto sustained substantial damages."

Per the lawsuit, Geppetto said its revenue fell by more than 20%, its annual sales fell by nearly \$500,000 and its profit fell by 289% after Carin joined MCRA, while generating hundreds of thousands of dollars in new revenue for the MCRA. Those depleting funds caused it to close up shop June 30, it said.

Carin resigned from Geppetto July 3, relinquishing his ownership stake in the process, according to the suit. But Geppetto further alleges in its complaint that Carin also worked behind the scenes with Goldberg, an MCRA board member and Carin's former business partner in a commercial cleaning company called GEP Cleaning LLC, to acquire Geppetto, despite rebuffs by Lenkin. In diverting resources from Geppetto to MCRA, the suit alleges, the pair hoped to buy the company and its assets for below market value.

"This was all done surreptitiously without knowledge of

Lenkin," the lawsuit reads. "On information and belief, the Carin-Goldberg plan was to flip the real estate where Geppetto operated and secure new space for Carin to run the new catering operations."

What's in the bankruptcy filing

Separately, Carin filed March 13 for Chapter 7 in the U.S. Bankruptcy Court in Greenbelt, listing nearly \$3.4 million in assets and nearly \$1.6 million in liabilities, court records show. A meeting of creditors in that bankruptcy case is scheduled for May 18.

Alan Eisler, an attorney with Rockville-based Eisler Hamilton LLC who is representing Carin in his personal bankruptcy case, did not respond to multiple calls and emails seeking comment.

The Chapter 7 filing indicates Carin controlled three separate LLCs: Catering Consulting, Old Smokey Bar-B-Que and Earth-Friendly Maryland. Those three entities were approved for a total \$49,179 in federal Paycheck Protection Program loans, according to Small Business Administration data, which did not indicate any number of employees to be retained.

Geppetto was separately approved in April 2020 for a \$147,300 PPP loan, reporting 31 employees at the time, per the SBA.

Carin, in his Chapter 7 filing, indicated that Geppetto had faced lost revenue from canceled events due to the pandemic. He said in those court documents that he paid Geppetto \$19,860 in July, in care of Lenkin, to refund several deposits placed for planned weddings. In the past year, Carin reported having paid \$29,711 in refunds for canceled events and vehicle repair costs incurred by Geppetto, and he also lists a claim of \$85,851 owed to him for covering the purchase and repair of trucks, per the bankruptcy filing.

But Carin's financial woes appear to have mounted considerably since the start of 2021, according to the bankruptcy filing. He incurred about \$936,449 in debts since

the first of the year, including an \$898,249 mortgage issued Jan. 20 from Frederick-based Farm Credit and secured by his home in Boyds; \$20,000 in legal fees owed to Stephanie Tsacoumis of Silver Spring-based Pebble Beach Associates LLC; and \$15,000 in credit card debt owed to NFCU Visa.

Last month, shortly after Carin filed for Chapter 7 bankruptcy, the MCRA closed Sligo Pit citing concerns tied to the pandemic, according to community publication Source of the Spring. Sligo Pit BBQ and Catering's website was disabled in March, according to digital archive Wayback Machine.

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<https://www.bizjournals.com/washington/news/2021/07/06/geppetto-catering-amended-lawsuit-executives-mcra.html>

Geppetto Catering expands allegations against its former top execs, past MCRA board member

Jul 6, 2021, 4:09pm EDT

Geppetto Catering Co. has widened its lawsuit against a former Montgomery County Revenue Authority board member to include further claims of looting and fraud in concert with the caterer's former chief, Josh Carin, even as it leveled new claims against its former chief operating officer in a related suit



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Josh Carin was a minority owner

for allegedly participating.

who ran Geppetto Catering until his resignation in July 2020.

The Riverdale catering company — one of the region's largest with \$4 million in revenue in 2019 before closing up shop in 2020, per Washington Business Journal — on June 4 amended its earlier complaint filed in late January to include new fraud and conversion allegations against Eric Goldberg, an MCRA board member appointed in 2020 by County Executive Marc Elrich. Geppetto claims Goldberg entered into a joint venture with Carin, a partial owner of Geppetto Catering, and Carin's wife to "misappropriate personal property, trade secrets, staff, customers, vehicles and goodwill from Geppetto for the benefit of their joint venture through the conversion and theft of Geppetto's assets and goodwill."

Geppetto further alleges in a new, separate lawsuit filed in early June in Montgomery County Circuit Court that Kenneth Tu, an eight-year employee who rose to COO under Carin, was enlisted in the plan to divert its resources, assets, labor and business opportunities to three outside companies either wholly or partly owned by Carin from at least 2018 through the catering company's closure, and beyond. In both complaints, Geppetto is represented by Jonathan Greenbaum, an attorney with Coburn & Greenbaum PLLC.

The mission, according to Geppetto's complaint, was for Carin, his wife and Goldberg to acquire Geppetto's total assets at a price well below market value in an alleged plot that it said entailed separate bank accounts, falsified documents and rental of a home across the street with blacked-out windows to store allegedly stolen goods, from kitchen equipment and furnishings to alcohol and a fleet of eight delivery vehicles.

Neither Carin nor his wife, who is not identified by name in the complaint, were named as defendants in either lawsuit, though Geppetto majority owner Charles Lenkin has brought forth similar allegations against Carin in a separate case currently in arbitration, according to court documents and sources familiar with the situation. Lenkin owned 70% of the

business and Carin owned 30%

Through a representative, Carin declined to comment for this story. Goldberg, in an email to the Washington Business Journal, said he strongly disputes Geppetto's claims against him. Phone messages left for Tu and his current employer, To Your Taste Catering, were not returned.

The new claims come as a county judge dismissed Geppetto's original seven charges from its earlier lawsuit, filed Jan. 25 in Montgomery County Circuit Court against Goldberg, the MCRA and its CEO, Keith Miller.

The original claims dismissed

Geppetto's initial lawsuit in January had accused Goldberg, MCRA and Miller of seven counts — including aiding and abetting a breach of fiduciary duty, tortious interference with contract, and misappropriation of trade secrets. The MCRA is a quasi-governmental entity whose duties include operating the county's nine public golf courses.

Per its complaint, Geppetto claimed MCRA had knowingly hired Carin as a consultant in 2018 and then hospitality director in 2019 even while he was running day-to-day operations at Geppetto, resulting in a conflict of interest. In those dual roles, the complaint alleged, Carin steered Geppetto business, equipment and personnel to MCRA, using separate limited liability companies, including Carin & Co. LLC, while offering those goods and services for free or deep discounts for MCRA events. Geppetto alleged that years of those actions depleted its funds, ultimately forcing it to shut down after three decades.

On June 22, County Circuit Court Judge Eric Johnson dismissed all of the original seven claims against MCRA, Miller and Goldberg as co-defendants, only keeping alive the new claims of fraud and conversion against Goldberg, according to the Maryland Judiciary's online docket.

Patty Kane, chief of the litigation division in the office of the Montgomery County Attorney, who is representing the MCRA

and Miller, also confirmed the dismissal of claims against her clients but declined to comment further.

Johnson's order came after lawyers for the MCRA and Miller had filed a motion to dismiss both parties as defendants in the amended complaint, which carried the new claims, on procedural grounds, arguing that Carin is a "necessary party" who was not included as a defendant. They also argued that Geppetto's litigation should be stayed due to a separate Chapter 7 personal bankruptcy case that Carin filed in March — a contention Geppetto disputes, saying that bankruptcy filing has no bearing on this case.

In his bankruptcy case, filed in U.S. Bankruptcy Court in Greenbelt, Carin listed nearly \$3.4 million in assets and \$1.6 million in liabilities. In an amended statement filed April 27 with the bankruptcy court, Carin added several more creditors, including Lenkin, Goldberg, Miller and the MCRA, but without listing any specific dollar amounts.

As part of its motion to dismiss, the MCRA noted that, "based upon the allegations in the amended complaint," the authority may file a third-party claim against Carin.

Goldberg, in an email, said he strongly disputes Geppetto's claims and that he believes the court's dismissal of the seven initial charges against him supports that position. He is being represented by Donna McBride and Diane Feuerherd, both of Miller, Miller & Canby. McBride said in an email she plans to file a motion to dismiss the two new fraud and conversion claims.

On June 29, Geppetto and Goldberg filed a joint stipulation extending the time for Goldberg to file a response to the new claims.

Goldberg, meanwhile, is no longer on MCRA's board and has been removed from the authority's website, which had listed him as a board member as recently as March 6, per an archived version of the site available through the Internet Archive. A county spokesman did not respond to repeated requests about whether that was a voluntary departure.

When asked about his MCRA board position, Goldberg declined to comment. Miller did not respond to calls seeking comment on his departure.

New claims of a growing plot

Carin's ties to Goldberg date back to when they jointly formed a commercial cleaning company, GEP Commercial Cleaning LLC, in 2016, remaining close personal friends since, according to Geppetto's complaint.

Its lawsuit alleges that the pair enlisted Tu starting in February 2019 and involved Carin's wife in a plan to acquire Geppetto, slowly moving furniture and files from the office, putting out a call for new office space and making below-market offers to Lenkin to buy Geppetto, all of which Lenkin rejected. Geppetto claims that Carin shared proprietary, tax and financial information about the catering company with Goldberg as far back as 2018.

The caterer's expanded lawsuit claims that when Geppetto ultimately shut down last year, the Carins and Goldberg then moved to take over the company's entire fleet of vans and trucks and to alter company records to mislead Lenkin into believing the vehicles were sold for \$76,000 to an unrelated third party, naming a years-old vendor. According to Geppetto, \$76,000 was then deposited on June 24, 2020, into its SunTrust account from a separate TD Bank account that the Carins and Goldberg opened that month with an initial deposit of \$100,000. Goldberg was a signatory on the bank account and wrote checks on behalf of the joint venture, per the complaint.

"Without warning, the Goldberg operation took possession of the entire fleet, all keys and files relating to vehicles in June 2020 and immediately defaced them by removing all Geppetto signage, logos and other identifying information on and in the vehicles," the amended complaint said.

Goldberg had allegedly also leased a house across the street from Geppetto's business location, paying the rent in full

from July 2020 to July 2021, according to the complaint. The lawsuit claims the Carin-Goldberg venture told the landlord that they intended to store items for a Geppetto vendor there, but instead used the property to store “truckloads” of “looted” Geppetto assets.

“To further deceive Geppetto, they covered the windows from the inside with black cloth so that the contents of the house could not been [sic] seen from the outside,” the complaint read.

In its separate lawsuit against Tu, Geppetto claims the former COO aided Carin and Goldberg in taking the company trucks and “abetting a plan to fraudulently transfer title of the vehicles to one of Carin’s side businesses.” The catering company said in its suit that when it recovered the trucks, it discovered catering invoices and job order forms that showed Tu as the order taker for jobs that benefited Carin & Co. Geppetto alleges that Tu, in his role as Geppetto’s resident “techie” and electronic record keeper, had played a role in diverting goods and services to Carin-run businesses and later took a Geppetto laptop and wiped it clean of proprietary, but also potentially incriminating, information. The complaint alleges Tu is still tapping into Geppetto’s resources and recipes as COO of Alexandria-based To Your Taste Catering.

Geppetto has brought four charges against Tu in its new suit, including breach of duty of loyalty, breach of contract, misappropriation of trade secrets, and aiding and abetting a breach of fiduciary duty. The company is seeking damages, the equivalent of Tu’s salary and bonuses over the years, and attorney’s fees, among other relief.

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<https://www.bizjournals.com/washington/news/2021/11/23/geppetto-catering-josh-carin-settlement-lawsuit.html>

Geppetto Catering agrees to multimillion- dollar settlement with former CEO

Nov 23, 2021, 5:00am EST

The former chief executive of Geppetto Catering, previously one of Greater Washington's largest catering businesses, has reached a multimillion-dollar settlement with the now-defunct company over its allegations that he steered its funds, labor and equipment to a rival catering operation and for his own personal gain, causing Geppetto's collapse last year after more than three decades.



GOOGLE STREETVIEW

Geppetto Catering, which was founded in 1989 and shut down in summer 2020, was based in Riverdale. It's reached a

Josh Carin and his wife, Moira Geronimo-Carin, filed the partial settlement motion in U.S. Bankruptcy Court in

settlement in its legal dispute against its former chief, Josh Carin, according to new filings in bankruptcy court.

Greenbelt on Nov. 16, roughly seven months after he had filed for Chapter 7 personal bankruptcy and nearly 10 months after Riverdale-based Geppetto first raised its allegations in a lawsuit in Montgomery County Circuit Court. As part of that suit, Geppetto has claimed that the Carins helped "misappropriate personal property, trade secrets, staff, customers, vehicles and goodwill from Geppetto for the benefit of their joint venture" with partner Eric Goldberg, as well as for their own personal gains and for the benefit of the Montgomery County Revenue Authority, where the suit said Josh Carin was simultaneously employed to start up a competing catering operation at Geppetto's expense.

As part of the settlement, the Carins agreed to grant Geppetto and its majority owner, company founder Charles Lenkin, a nondischargeable claim of \$5.5 million in Josh Carin's ongoing bankruptcy case, making his former employer his largest single creditor.

Of that amount, Josh Carin said he'd pay \$500,000 from funds exempt from the bankruptcy case and relinquish his 30% stake in Queensbury LLC, a limited liability company that owns the property at 4505 Queensbury Road in Riverdale where Geppetto was based. Lenkin and his wife, Renee, own the remaining 70% of the headquarters property, which is assessed at \$472,100, per the Maryland Department of Assessments and Taxation.

"The Carins believe the agreement should be approved because the settlement avoids the time, expense and risk of litigating the complaint against them," wrote Alan Eisler, an attorney with Rockville-based Eisler Hamilton LLC who is representing the Carins, in a motion seeking the bankruptcy court's approval of the proposed settlement.

The Carins did not respond to a request for comment for this story.

Approval of the settlement is slated to be considered at a Dec. 13 hearing before Judge [Maria Ellena Chavez-Ruark](#).

It is unclear where Carin or his bankruptcy estate would come up with the remaining \$4.7 million, per the settlement agreement. In his bankruptcy filing, Carin listed assets of roughly \$3.3 million, including the Carins' home in Boyds, a residential rental property in Potomac and a vacation home in Rehoboth Beach, Delaware, in which he holds a 33% stake. He also lists among his assets a Montgomery County government employee 403(b) retirement account valued at \$25,624 — indicating he was employed by the county at one point — and an IRA valued at \$427,613.

The partial settlement releases Carin and his wife from further litigation, provided they comply with its conditions, including cooperating with requests for documents and additional information, according to court documents. But it keeps alive Geppetto's unresolved claims against the Montgomery County Revenue Authority, MCRA CEO [Keith Miller](#) and Goldberg, an MCRA board member from March 2020 until he quietly exited in June.

In an adversary proceeding filed in August in the same U.S. bankruptcy court in Greenbelt, Geppetto has alleged that Goldberg conspired with the Carins to "loot" the former catering company, down to obtaining and storing its fleet of trucks and equipment at an off-site facility leased through a separate bank account, in a bid to decrease the company's worth until the trio could buy it for a price below market value. Per the complaint, Geppetto said [Josh Carin](#) had also charged more than \$1.5 million worth of credit card expenses and "falsified or manipulated Geppetto's books and records," largely to support personal or family expenses.

Geppetto has also alleged the MCRA, Miller and Goldberg knowingly accepted heavily discounted or free goods and services from [Josh Carin](#) that were funded or owned by Geppetto, according to its complaint. Geppetto claims that the defendants had knowledge that Carin was still overseeing day-to-day operations at Geppetto while also

working for the MCRA, first as a consultant and later as its hospitality director, and thus aiding and abetting his breach of contract, per the complaint.

"The plaintiffs intend to continue, and reserve all rights to pursue, the plaintiffs' claims against the remaining adversary defendants and possibly others, in the adversary proceeding or in another court of competent jurisdiction," the settlement agreement read.

Geppetto's claims filed in bankruptcy court mirror those the company filed against the same parties, excluding the Carins, in a lawsuit in January in Montgomery County Circuit Court. A judge had dismissed those initial claims June 22, but kept live expanded claims of fraud and conversion that Geppetto had filed against Goldberg weeks earlier.

Representatives for Goldberg and the MCRA did not respond to requests for comment for this story. In court filings, they have refuted Geppetto's allegations against them.

In their responses in early November to the caterer's complaint in bankruptcy court, MCRA and Miller, along with Goldberg, have each asked the bankruptcy judge to abstain from acting on the allegations, arguing that Geppetto only turned to bankruptcy court when it was spurned by the county circuit court. They also claim in their separate responses that the pending settlement agreement with the Carins resolves any of the outstanding claims against them as well.

"In the absence of the debtor, there is no basis for the adversary proceeding in this court and therefore, this settlement will resolve the abstention issue," [Donna McBride](#) and [Diane Feuerherd](#), attorneys with Rockville-based Miller, Miller & Canby, wrote on behalf of Goldberg.

In all, Geppetto had filed 22 total claims in its complaint in bankruptcy court — 17 against one or both of the Carins, including breach of contract, breach of fiduciary duty, embezzlement and fraud; seven against the MCRA; four against Miller; and six against Goldberg. The company

sought \$5.5 million from [Josh Carin](#) and \$1 million each from the other defendants.

The legal dispute dates back to summer 2020, when [Josh Carin](#) abruptly resigned from the Riverdale catering company, relinquishing his 30% stake. Those disputes led Lenkin and Geppetto in September 2020 to demand arbitration, a provision spelled out in their shareholder agreement. Geppetto and Lenkin claimed Carin had breached the terms of a noncompete clause in their 2004 stockholder agreement by working with the MCRA without Lenkin's knowledge.

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From the Washington Business Journal:
<https://www.bizjournals.com/washington/news/2022/01/14/judge-declines-to-dismiss-claim-against-mcra.html>

Bankruptcy court judge ruling may dismiss most charges against MoCo entity in Geppetto Catering case

Jan 14, 2022, 6:34pm EST **Updated: Jan 18, 2022, 8:10pm EST**

See Correction/Clarification at end of article

A federal bankruptcy court judge on Friday set the stage for the potential dismissal of all but one claim lodged against Montgomery County Revenue Authority for allegedly accepting confidential and proprietary information from the top executive at the now-



GOOGLE STREETVIEW
Geppetto Catering, founded in

defunct Geppetto Catering Co. and conspiring with him to launch a competing catering operation.

1989 and closed in the summer of 2020, was based here in Riverdale.

While Judge Maria Ellena Chavez-Ruark's ruling could lead to the dismissal of 21 other charges pending before the court, she suggested the parties may agree to put on hold one count of violating the federal Defend Trade Secrets Act against the MCRA while a related lawsuit filed by Geppetto still plays out in Montgomery County Circuit Court. The judge's ruling does not dismiss any claims. Rather, it lays the groundwork for the parties to litigate the bulk of their issues in Circuit Court and return to bankruptcy court to decide on the federal Trade Secrets claim.

"What is the harm in staying this litigation so that, when the state court litigation runs its course and you come back to this court, we can, if there's disagreement on that issue, we can address it then?" Chavez-Ruark said during a Friday morning hearing held via Zoom on the bankruptcy case initially filed in March by former Geppetto executive Josh Carin. "Why do we need to address it now? The court is all about preserving the rights of all parties in a situation like this, and I wouldn't want to do something that cuts off a party's rights."

Lawyers for the MCRA itself, MCRA CEO Keith Miller and former MCRA board member Eric Goldberg argued that Chavez-Ruark should dismiss the federal charges and allow the matter to play out in Circuit Court. Keeping any claim open essentially gives Geppetto the chance to come back and resume the federal court claim if the company doesn't like the outcome of the Circuit Court case, said Matthew Johnson, an associate county attorney.

"Don't keep some back door open because you're not happy with however the state court adjudicates their claims," he said during Friday's hearing. "That's a large concern here for my clients."

Chavez-Ruark's ruling marks nearly two months after Geppetto reached a settlement agreement with Carin, the company's former chief operating officer, and his wife, Moira Geronimo-Carin, over the former catering company's claims against the couple. Under that settlement, Carin agreed to pay Geppetto \$500,000 and relinquish his title to a limited liability company that owns the Riverdale property where Geppetto was based — both of which the Carins have already done thus far.

The bankruptcy court's decision is the latest twist in a saga that dates back to summer 2020, when Carin abruptly resigned from Geppetto, relinquished his stake in the business and the company shut down.

In January 2021, lawyers for Geppetto, which was founded by majority owner Charles Lenkin, sued the MCRA, Miller and Goldberg, claiming that they worked behind the scenes with Carin to run a competing catering business at the agency, but with Geppetto's products, funds, materials and services, slowly draining the business of its resources until it shut down. The MCRA operates the county's golf courses, including the Sligo Creek Golf Course where the authority launched Sligo Pit BBQ with a smoker that Geppetto alleged it funded. That operation has since been shut down. Josh Carin then filed in April for Chapter 7 personal bankruptcy, through which Geppetto filed similar claims.

As part of his November settlement with Geppetto, Josh Carin agreed to cooperate with providing information and documents that the company requests for its Circuit Court lawsuit. If that suit's claims are resolved, that may set the stage for trade secrets charge against MCRA to be dropped in bankruptcy court as well.

Jonathan Greenbaum, an attorney representing Geppetto, told the bankruptcy court he plans to file an amended complaint with new allegations by Jan. 26. All parties will then have until Feb. 1 to submit status reports after they have reviewed the new complaint.

"The original complaint was filed about a year ago in the Circuit Court before the bankruptcy, before any of this," Greenbaum said. "Obviously, we've learned a lot more about the case since then, both in this bankruptcy proceeding and on our own, so there are a lot of new facts that are going to have to be asserted."

Correction/Clarification

An earlier version of this story incorrectly stated the status of charges pending against the Montgomery County Revenue Authority and two of its current and former officials.

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