



Startup sues former execs, alleging conspiracy to drive company into bankruptcy

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St. Petersburg-based startup Priatek has filed a federal lawsuit against its former executives, accusing them of stealing intellectual property and ultimately forcing the company into bankruptcy, among other allegations.

The 54-page lawsuit was filed March 18 in the Middle District of Florida Tampa Division on behalf of Priatek investors. Priatek, which is a blockchain-based digital advertising firm, listed former Priatek executives Bobby Tinsley and his St. Petersburg-based company, SKUx, and Brian Quimby and his company, I2W and iTouchOrlando, as the main defendants.

In summary, the complaint states Tinsley and Quimby branched out and started their own companies, forming competing businesses and conspired to "hollow-out Priatek and transfer its assets into two separate companies" and that "these two groups and with minority investors conspired to destroy Priatek when it was valued at \$55 million and was on the cusp of major success." The complaint also claims they forced Priatek's president, Milind Bharvirkar, to step down.

"The allegations of the federal racketeering complaint narrate how the defendants used extortion to steal Priatek's assets and form new companies, such as Skux and I2W. In an attempt to cover

up their illegal conduct, the defendants further colluded to drive Priatek to the brink of bankruptcy," attorney Derek Usman, representing Priatek, said in an emailed statement to the *St. Pete Catalyst*.

The filing does not include exhibits, which Usman said will be attached when it is refiled.

Tinsely told the *Catalyst* they have not been served the complaint as of yet and stated on behalf of SKUx's counsel, "All of the claims alleged by the plaintiff are frivolous and without merit, and we will defend this action vigorously and expect to be completely vindicated in court."

Read the [Priatek complaint](#)

The issues appear to have started in 2018 when executives resigned from Priatek after their demands were not met "with respect to the blockchain business initiative. This same group of former Priatek employees organized a new business initiative under a new business name called SKUx. Effectively, this group left Priatek to start a similar business ..."

According to the lawsuit, Quimby and other Priatek employees originally agreed to an independent investigation into Tinsley and others who left to start SKUx. However, the investigation was stalled, according to the filing.

It also states in the same year, Quimby and another staffer attempted to expand Priatek's kiosk system to New York City, spending more than \$2 million which resulted in losing kiosks shipped to New York, which was done to force the company into bankruptcy, according to the lawsuit.

"While the current board has done everything to drive Priatek into bankruptcy, [Bharvirkar] has continued to try to save Priatek for the last two years," the lawsuit states.

The document continues to list efforts made by Bharvirkar such as creating a special committee of members, electing a new board, creating a plan to save Priatek, offering a licensing agreement that would provide Priatek members a royalty for 10 years and a buyout arrangement among other attempts.

The next step in the legal process is for the defendants to be served the complaint.

In total, there are six counts including breach of contract, three counts of conspiracy and four counts of racketeer-influenced and corrupt organizations.

Priatek is suing for punitive damages, prejudgment interest and the costs of the suit and attorneys' fees. An exact monetary amount is to be determined at a jury trial.