

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

IQMETRIX USA INC.,

Plaintiff,

v.

SEQUENTIAL TECHNOLOGY
INTERNATIONAL, LLC,

Defendant.

Civil Action No.

Complaint

Plaintiff iQmetrix USA Inc. (“iQmetrix”), by its attorneys, Dorsey & Whitney LLP, for its Complaint against Defendant Sequential Technology International, LLC (“STI”), states as follows:

INTRODUCTION

1. This action arises out of STI’s willful and bad faith breaches of a 2022 master services agreement (the “Master Services Agreement”) and a statement of work incorporated therein (collectively, the “Agreements”) between iQmetrix and STI. Under the Agreements, STI was obligated to pay iQmetrix for invoices under the Master Service Agreement for the period January 1, 2021 through December 31, 2023. STI was not permitted to terminate the Agreements prior to the end of the contractual period and STI’s obligations to iQmetrix applied regardless of the status of STI’s underlying contracts with its clients.

2. On September 15, 2022, however, STI purported to terminate the Agreements on the basis that its client, AT&T, planned to terminate its contract with STI. But nothing in the Agreements allows STI to terminate the Agreements based upon the termination by its clients of separate contracts with those clients. Accordingly, STI’s premature attempt to terminate the Agreements with iQmetrix constitutes a material breach of the Agreements.

3. As a result of STI's breach of the Agreements, iQmetrix has suffered at least \$5 million in damages.

PARTIES, JURISDICTION AND VENUE

4. Plaintiff iQmetrix is a Minnesota corporation with its principal place of business located at Suite 200 – 1333 Johnston Street, Vancouver, British Columbia, V6H 3R9, Canada.

5. Upon information and belief, STI is a Delaware limited liability company with its principal place of business located at 1555 Spillman Drive, Bethlehem, Pennsylvania 18015.

6. This Court has jurisdiction pursuant to 28 U.S.C. § 1332(a) because the parties' citizenship is diverse and the amount in controversy exceeds \$75,000, exclusive of interest and costs.

7. STI is bound by the jurisdictional and venue provision of the Master Services Agreement, which states that "the sole jurisdiction and venue for actions related to this Agreement will be the state or federal courts located in New Jersey having jurisdiction over Supplier's facility, and both parties consent to the jurisdiction of such courts with respect to any such action." Master Services Agreement, § 11.7.

8. Venue is proper by virtue of the venue provision in the Master Services Agreement.

RELEVANT FACTS

The Parties and the Agreements

9. iQmetrix provides software services that support the wireless retail operations of leading telecom brands.

10. Upon information and belief, STI is a business process outsourcing (“BPO”) company that provides contact service center services, including in the fields of telecom, utilities, and healthcare.

11. On September 7, 2017, STI and a company named Synchronoss Technologies, Inc. (“Synchronoss”) entered into a master services agreement (the “Original MSA”) and a Statement of Work #1 (“SOW1”) for Synchronoss to provide certain services to STI relating to STI’s underlying contracts with the telecom company AT&T.

12. On January 1, 2020, STI and Synchronoss entered into Amendment No. 1 to the Original MSA and SOW1 (the “Amended MSA”) whereby the parties agreed to modify certain terms of the Original MSA and SOW1.

13. On December 31, 2020, STI and Synchronoss entered into Statement of Work #3 (“SOW3”) under the Amended MSA for Synchronoss to provide certain services to STI.

14. On March 7, 2022, iQmetrix and Synchronoss entered into an Asset Purchase Agreement, as amended on May 11, 2022, for iQmetrix to acquire among other things, certain customer contracts from Synchronoss, which included SOW3.

15. In May 2022, iQmetrix and STI entered into the Master Services Agreement, which is identical to the Amended MSA with the exception of the removal of certain Synchronoss-specific items. On the same day, Synchronoss assigned the SOW3 to iQmetrix and iQmetrix and STI entered into the First Amendment to the SOW3, which incorporated certain terms from the SOW1, changed all references to “Synchronoss” or “Supplier” in the SOW#3 to “iQmetrix,” and amended SOW3 to reflect that it is governed by the Master Services Agreement between iQmetrix and STI.

16. Under SOW3, Synchronoss licenses an ASP (Application Service Provider) Solution to STI and provides various IT services to STI supporting that ASP Solution. Section 2.a of SOW3 provides that the term of that agreement is from January 1, 2021 through December 31, 2023. Moreover, the next section of SOW3, Section 2.b, states that “[t]his SOW may not be terminated by either Party except that [iQmetrix] may terminate this SOW in the event [STI] does not pay any undisputed amounts within five (5) business days of the date such amount is due . . .”

17. The Master Services Agreement provides for iQmetrix to provide certain services to STI to support STI’s contracts with its clients, in particular, with AT&T. Master Services Agreement, § 1. The Master Services Agreement has a five-year term, and may be terminated only under a limited number of specific conditions, including an uncured material breach by one of the parties, or, among other things, if one of the parties seeks relief in bankruptcy, becomes insolvent, dissolves or liquidates. *Id.*, §§ 10.1, 10.2.

18. Notably, the Master Services Agreement provides that “[n]otwithstanding anything to the contrary, [STI]’s obligations to pay [iQmetrix] for invoices under this Agreement shall apply *without regard to payment by [STI’s third-party clients]* of the fees due to [STI].” *Id.*, § 6.2 (emphasis added).

19. Section 11.6 of the Master Services Agreement requires the parties to meet and negotiate in good faith to resolve any dispute arising under the Agreement at the written request of either party. If the negotiations do not resolve such dispute within 60 days of the initial written request, the parties may “pursue their available remedies at law or in equity.” *Id.*, § 11.6.

20. Section 11.7 of the Master Services Agreement states that New Jersey law governs the Agreement, and that the sole jurisdiction and venue for actions relating to the Agreement will

be the state or federal courts located in New Jersey. In addition, the Master Services Agreement provides that “[i]n any action or proceeding to enforce or interpret this Agreement, the prevailing party will be entitled to recover the costs and expenses (including reasonable attorneys’ fees) that it incurred in connection with such action or proceeding and enforcing any judgment or order obtained.” *Id.*, § 11.7.

STI’s Breaches of the Agreements

21. Despite the fact that the term of SOW3 does not end until December 31, 2023, and that STI is not permitted to terminate that agreement (nor, accept for limited reasons inapplicable here, the Master Services Agreement), on September 15, 2022, STI’s general counsel sent a letter to iQmetrix (the “Sept. 15 Letter”) stating that it will no longer accept the services from iQmetrix contemplated in SOW3 and, in effect, purporting to terminate SOW3. The Sept. 15 Letter did not dispute that iQmetrix and STI are parties to both SOW3 and the Master Services Agreement. Indeed, the Sept. 15 Letter even stated that the term of SOW3 was from January 1, 2021 until December 31, 2023. The Sept. 15 Letter nonetheless sought to terminate that agreement because, according to STI, its client, AT&T, planned to terminate AT&T’s separate agreement with STI.

22. In response, on September 19, 2022, iQmetrix’s general counsel sent a letter to STI (the “Sept. 19 Letter”) explaining that SOW3 did not terminate until December 31, 2023, that it may not be terminated by STI, and that STI’s contractual obligations to iQmetrix applied regardless of the status of any contracts STI might have with its clients.

23. Nearly two months later, on November 11, 2022, STI responded to the Sept. 19 Letter (the “Nov. 11 Letter”), stating that it “maintains its position as stated in the [Sept. 15 Letter],” and that “upon termination of the underlying AT&T contract, STI will no longer

require, and can no longer accept, the services from iQmetrix contemplated in SOW3.”

Tellingly, the Nov. 11 Letter did not cite any provision in SOW3 or the Master Services Agreement that would permit it to terminate SOW3 over a year early, nor did it address any of the points iQmetrix made in the Sept. 19 Letter.

24. iQmetrix responded to the Nov. 11 Letter on November 23, 2022 (the “Nov. 23 Letter”), stating that iQmetrix does not accept STI’s refusal to honor its contractual obligations under the Master Services Agreement and SOW3, and again referencing the applicable contractual provisions that bar STI from repudiating its Agreements with iQmetrix. The Nov. 23 Letter also requested a meeting with STI within seven (7) days pursuant to the dispute resolution mechanism in Section 11.6 of the Master Services Agreement.

25. STI, however, failed to respond to the Nov. 23 Letter, failed to meet with iQmetrix as required by Section 11.6 of the Master Services Agreement, and failed to make any payments under SOW3 from January 1, 2023 through the December 31, 2023 termination of that agreement.

26. While iQmetrix was hopeful that it could resolve this dispute with STI without recourse to litigation, STI has refused to honor its obligations or even negotiate in good faith.

27. As a result of STI’s willful and bad faith breach of the Agreements, including the Master Services Agreement and SOW3, including by purporting to terminate SOW3 a year before the term of that agreement ended and by failing to make the contractually required payments to iQmetrix for a period of twelve (12) months, iQmetrix has suffered at least \$5 million in damages.

FIRST CAUSE OF ACTION

Breach of Contract

28. iQmetrix incorporates the preceding paragraphs as though fully set forth herein.
29. The Agreements, including the Master Services Agreement and SOW3, were valid contracts between iQmetrix and STI.
30. iQmetrix performed all of its obligations under the Agreements.
31. STI breached the Agreements by purporting to improperly terminate those Agreements and by failing to make the payments it owes to iQmetrix under the Agreement.
32. STI's breach caused damage to iQmetrix in the form of loss of the revenue to which it is entitled under the Agreements.
33. As a consequence of STI's breaches, iQmetrix is entitled to recover damages, in an amount to be awarded at trial, in an amount no less than \$5 million, together with interest, attorneys' fees, costs and such other relief as the Court may deem just and proper.

PRAYER FOR RELIEF

WHEREFORE, iQmetrix prays for the following relief:

- (a) That judgment be entered in favor of iQmetrix on its cause of action pleaded herein.
- (b) That iQmetrix be awarded damages in an amount to be proven at trial, but in an amount no less than \$5 million, together with pre-judgment and post-judgment interest thereon.
- (c) Legal fees and costs, including attorneys' fees.
- (d) That the Court grant such other and further relief as it shall deem just and proper.

DATED: August 25, 2025

DORSEY & WHITNEY LLP

By: /s/ Laura M. Lestrade

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