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Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

Energy Drink Co. Ex-Execs Won't Face Limits At New Jobs

By **José Luis Martínez**

Law360 (May 28, 2026, 10:29 PM EDT) -- A Texas federal judge will allow executives to continue their jobs without broad restrictions at a relaxation beverage company after leaving the energy drink company behind C4 and Bloom, although the judge approved the executives' stipulations that they will not share or use any confidential information.

U.S. District Judge Keith P. Ellison entered an order Wednesday that rejected an injunctive relief bid from Woodbolt Holdings LLC and Woodbolt Distribution LLC, which does business as Nutrabolt. The company sought to stop its former chief commercial officer and two former vice presidents from working in certain capacities at Drink Recess Inc. on grounds that they breached noncompete and nonsolicitation agreements and took trade secrets with them.

Judge Ellison said that Recess' "ringfencing" efforts in removing identified Nutrabolt confidential documents from searched devices and accounts along with the executives' stipulations that they won't use any confidential information from Nutrabolt were enough to deny injunctive relief restricting the executives' jobs.

The judge added that Recess isn't considered a competitor to Nutrabolt under the former executives' employment agreements.

"In light of the remediation efforts undertaken by Recess and the stipulations offered by the former employees, the court concludes that Nutrabolt 'has not shown that it will suffer irreparable harm of a nature that supports a broader injunction than is already in place,'" Judge Ellison wrote.

At center of the dispute are two former Nutrabolt vice presidents, Terrence Moore Jr. and Madison Mathews, and former chief commercial officer Kyle Thomas. Thomas told Nutrabolt he had accepted a position to be co-chief executive officer at Recess in September 2025, with Moore and Mathews also accepting job offers at Recess the following month.

While Nutrabolt claimed that nonsolicitation agreements were violated, Judge Ellison said that given the full record he had no reason to disbelieve the executives' sworn statements that Moore and Mathews approached Thomas about obtaining a new job at Recess.

As for breach of noncompete agreements, Judge Ellison said that because Recess is a relaxation-focused beverage company, it is not considered a Nutrabolt competitor as defined in the employment agreements. The agreements covered businesses involving dietary or sports nutrition products, fitness-

related products and certain beverages such as energy drinks.

While Nutrabolt pressed the idea that they're both "functional beverage" companies, the judge said that the phrase doesn't appear anywhere in the agreement.

In regard to nondisclosure of trade secrets, the judge pointed out that the allegations against Thomas were the most serious and that they likely constituted breach of contract. According to court filings, Thomas emailed Nutrabolt documents from his Nutrabolt email to his Recess email, to his personal email and to his wife's email. Some of the materials were used in a presentation to Recess while Thomas was still employed by Nutrabolt.

However, the judge said, Nutrabolt had not shown future irreparable harm that would warrant restricting Thomas' job.

"Any broader restrictions on Thomas' employment would cross the line from protecting Nutrabolt's confidential and trade secret information to infringing on Thomas' right to rely on the general knowledge gained during his decades of experience in the beverage industry," Judge Ellison wrote, adding that any harm suffered by his disclosure is compensable by money damages.

The judge also disagreed with Nutrabolt's arguments that Thomas' disclosure of trade secrets is inevitable, noting that the Fifth Circuit has rejected the inevitable disclosure theory that relies on an employee's knowledge. The judge added that Thomas is allowed to rely on his years of industry knowledge.

Nutrabolt also claimed that Mathews violated the agreement because she emailed Thomas a presentation that Thomas later showed to Recess. That Mathews' action was anything more than an employee performing a task requested by a manager, the judge said, amounts to mere speculation.

In Moore's case, he was said to have emailed company information from his work email to his personal email. The judge said that while it likely constitutes a breach of contract, there's no evidence that he'd show the information to Recess or plans to do so. The judge said he was convinced by Moore's explanation for retaining the documents, which was that he wanted to document why he didn't want to work at Nutrabolt anymore since the emails included critical comments by his manager.

The judge agreed to recognize the executives' stipulations as binding in which they say they will not use or disclose Nutrabolt's confidential information, and rejected restrictions on the employees' scope of work.

"We are very happy to have helped our clients defeat this attack on their livelihoods. They can now go about their day jobs without this hanging over their heads," one of the executives' attorneys, Weining Bai of Ahmad Zavitsanos & Mensing PLLC, told Law360 in a statement.

Counsel for Nutrabolt and Recess did not immediately respond to requests for comment Thursday.

Nutrabolt is represented by Koray J. Bulut and Hayes P. Hyde of Goodwin Procter LLP and Mary Goodrich Nix and Sara Hollan Chelette of Lynn Pinker Hurst & Schwegmann LLP.

The former executives are represented by Joseph Y. Ahmad, Weining Bai, Hailey Pulman and Grace M. Darrah of Ahmad Zavitsanos & Mensing PLLC.

Recess is represented by Rachel Sherman, Julie Simeone and Ryan Kurtz of Patterson Belknap Webb & Tyler LLP and Stephanie S. McGraw of Shook Hardy & Bacon LLP.

The case is Woodbolt Holdings LLC et al. v. Thomas et al., case number 4:26-cv-01669, in the U.S. District Court for the Southern District of Texas.

--Editing by Bruce Goldman.

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