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12
13 SUPERIOR COURT OF CALIFORNIA
14 COUNTY OF SAN MATEO

15 ANN LAI, on behalf of the State of California
16 and aggrieved employees as to PAGA, and as
17 an individual,

18 Plaintiff,

19 vs.

20 BINARY CAPITAL (a general partnership),
21 BINARY CAPITAL MANAGEMENT, LLC,
22 BINARY CAPITAL MTGP I, L.P., BINARY
23 CAPITAL TTGP, LTD., BINARY CAPITAL
24 MTGP II, L.P., JUSTIN CALDBECK,
25 JONATHAN TEO and DOES 1 through 10,

26 Defendants.

ENDORSED FILED
SAN MATEO COUNTY

SEP 17 2018

Clerk of the Superior Court
By: ANTONIO R. GERONIMO
Deputy Clerk

Case No. 17-CIV-02882

**SECOND AMENDED COMPLAINT
PURSUANT TO THE PRIVATE
ATTORNEYS GENERAL ACT AND AS
AN INDIVIDUAL**

1. PAGA
2. LABOR CODE § 232.5
3. LABOR CODE § 1050
4. LABOR CODE § 1105
5. DEFAMATION
6. INTENTIONAL INTERFERENCE
WITH ECONOMIC ADVANTAGE
7. INTENTIONAL INFLICTION OF
EMOTIONAL DISTRESS
8. LABOR CODE § 1102.5
9. FAILURE TO PAY WAGES

DEMAND FOR JURY TRIAL

BY FAX

1 **INTRODUCTION**

2 Silicon Valley companies and their powerful investors in the venture capital world rely
3 on overbroad and illegal confidentiality and non-disparagement agreements to suppress and
4 restrict the rights of current and former employees under the California Labor Code.

5 As a result, the following is what can, and does, happen.

6 **PARTIES**

7 1. Plaintiff Ann Lai is a former employee of Defendants. She holds a Bachelor’s
8 degree in chemistry and physics, a Master’s degree in applied mathematics, and a Ph.D. in
9 engineering sciences, all from Harvard University.

10 2. Defendant Justin Caldbeck is a wealthy venture capitalist.

11 3. Defendant Jonathan Teo is a wealthy venture capitalist.

12 4. At all times relevant here, Defendant Binary Capital was and is a California-based
13 general partnership between Teo and Caldbeck pursuant to which the two agreed to engage in a
14 business for profit. On information and belief, Binary Capital was formed by a written or oral
15 agreement. At a minimum, the agreement is implied by Teo’s and Caldbeck’s’ conduct. The
16 still operative website of Binary Capital, www.binarycap.com, declares that Binary Capital is an
17 “early stage, consumer-focused venture capital firm with over \$300 million under management.”
18 A 2014 New York Times article described Teo and Caldbeck as “partners” and Binary Capital as
19 “a new venture firm founded by Mr. Teo and Justin Caldbeck”

20 5. Because Binary Capital is general partnership, both Teo and Caldbeck are
21 responsible for the other’s misconduct, as well as the misconduct of the partnership.

22 6. Defendant Binary Capital Management LLC purports to be a management
23 company headquartered in Hillsborough, CA. At all times relevant here, Binary LLC was owned
24 and completely controlled by Binary Capital, Teo and Caldbeck. Binary LLC now claims it is
25 “insolvent.” If, in fact, Binary LLC is “insolvent,” it is because its assets were distributed to
26 Binary Capital, Teo, Caldbeck and/or other Binary entities completely owned and/or controlled
27 by Binary Capital, Teo and Caldbeck.

28 7. Defendant Binary Capital MGMT I, L.P. (Binary MGMT I) purports to be a

1 limited partnership with the same address as Binary LLC. Binary Capital/Teo/Caldbeck formed
2 Binary MGMT I to act as the “general partner” of *another* limited partnership (“Fund I”) through
3 which a number of investors (or “limited partners”) gave Binary Capital millions of dollars to
4 invest in portfolio companies. At all times relevant here, Binary MGMT I is and was completely
5 controlled by Binary Capital, Teo, and Caldbeck.

6 8. Defendant Binary Capital MGMT II, LP (“Binary MGMT II”) purports to be a
7 limited partnership with the same address as Binary LLC. On information and belief, Binary
8 Capital/Teo/Caldbeck formed Binary MGMT II to act as the “general partner” of yet *another*
9 limited partnership (“Fund II”) through which a number of investors/limited partners gave
10 Binary Capital millions of dollars to invest in portfolio companies. At all times relevant here,
11 Binary MGMT II is and was completely controlled by Binary Capital, Teo, and Caldbeck.

12 9. Defendant Binary Capital TTGB, LTD. (“Binary TTGB”) purports to be a
13 corporation. It is not registered to do business in California. On information and belief, Binary
14 TTGB purports to act as the general partner of Binary MGMT I and Binary MGMT II.
15 However, Binary TTGB (as opposed to Teo and Caldbeck) has no interest in Binary MGMT I or,
16 on information and belief, MGMT II, and Binary TTGB did not make any apparent capital
17 commitments to these entities. At all times relevant here, and to the extent Binary TTGB did
18 anything, it is and was completely controlled by Binary Capital, Teo, and Caldbeck.

19 10. The Binary entities referenced above, along with Caldbeck and Teo, constitute a
20 single integrated enterprise. At all times relevant here, they were completely controlled by
21 Binary Capital, Caldbeck, and Teo. In addition, each of the Binary entities are alter egos of one
22 another, and Caldbeck and Teo are the alter egos of each of the Binary entities. There is a
23 complete unity of interest among them, and the failure to disregard the various legal entities
24 would result in injustice, particularly given Binary LLC’s claim that it is “insolvent.” In the
25 alternative, each of the Binary entities referenced above, as well as Caldbeck and Teo, were joint
26 employers of Lai.

27 11. Does 1 through 10 are currently unknown. They may include other entities or
28 individuals liable in some way for the claims alleged in this case including, potentially, the

1 Binary Capital Funds.

2 **FACTS**

3 **The Confidentiality, Non-Disclosure, and Non-Disparagement Provisions**

4 12. On November 21, 2014, Defendants offered Lai a job with a start date of January
5 5, 2015. Given Lai's past experience with Caldbeck, and prior to accepting the job offer, she
6 spoke with Caldbeck. She told Caldbeck that if she agreed to work for Defendants, he could
7 make no unwanted sexual advances towards her or otherwise engage in sexually harassing
8 behavior. Caldbeck was unhappy with Lai's insistence that Defendants comply with the law, but
9 Defendants needed Lai's skill set and Defendants were concerned Lai would seek employment
10 elsewhere. Caldbeck agreed that he would not make sexual advances or sexually harass Lai if
11 she came to work for Defendants.

12 13. As a condition of employment, Defendants required Lai to sign an employment
13 agreement with Binary LLC (the "Employment Agreement"). This agreement was not subject to
14 negotiation.

15 14. The Employment Agreement contains "a confidentiality and non-disclosure"
16 provision. This provision stated in pertinent part:

17
18 Employee acknowledges and agrees that **all** information obtained
19 by Employee **in connection with Employee's employment** by the
20 Company **concerning the business or assets of the Company**, any
21 client of the Company (a "Client" **[i.e., Binary LP]**), any
22 investment fund in respect of which a Client serves as "general
23 partner" or "managing member" or in respect of which the
24 Company provides services for or on behalf of a Client (each being
25 a "Fund"), or any actual or prospective portfolio company of any
26 Client or Fund **shall be deemed strictly confidential and shall**
27 **not, without the prior written consent of the Company or for a**
28 **Company purpose, be: (x) used by Employee; or (y) disclosed to**
any Person. The Company hereby consents to disclosure by
Employee of Company information, solely for the purpose of
enforcing Employee's rights under this Agreement or of complying
with applicable law, to Employee's accountants, attorneys and
similar advisors bound by a duty of confidentiality. . . . Employee
expressly acknowledges and agrees that the Company derives
material economic value from the protection of confidential
information as set forth in the foregoing provisions of this Section .
. . . and that such confidential information includes trade secrets and

1 similar types of information the disclosure of which likely would
2 cause substantial and irreparable harm to the Company.

3 15. The Employment Agreement also contains a “non-disparagement” provision. This
4 provision states:

5 To the maximum extent permitted by applicable law, Employee
6 shall not disparage the Company For purposes of the
7 preceding sentence: (i) **"disparage" shall mean any negative**
8 **comments regarding a Person's** business model, business
9 practices, investment-related decisions, affiliates, **equityholders**,
10 personnel, agents, integrity, fairness, satisfaction of obligations, or
11 overall performance

12 16. The Employment Agreement further provides that “the rights of Employee shall be
13 narrowly construed. It is the intention of the Parties that Employee, shall not solely in
14 consequence of the execution of this Agreement, have any rights in respect to the Company, or
15 any affiliate thereof, except as specifically provided in this Agreement.

16 17. The Employment Agreement as it relates to confidentiality and non-disparagement
17 has no geographic or temporal scope. In other words, it lasts forever.

18 18. Defendants require all employees to sign the Employment Agreement.

19 19. Also as a condition of employment, Defendants required Plaintiff to sign an
20 “Amendment No. 1 to the Amended and Restated Limited Partnership Agreement of Binary
21 Capital MTGP I, L.P.” (“MTGP I Agreement.”) Defendants declined to provide Lai with a copy
22 of the MTGP I Agreement until after she orally agreed to sign the amendment and accept
23 employment with Defendants. The MTGP I Agreement was a term and condition of Lai’s
24 employment. Neither the Amendment nor the MTGP I Agreement was subject to negotiation.

25 20. The MTGP I Agreement defines “disparage” to mean: “with respect to any Person,
26 negative comments regarding its business model, business practices, investment decisions,
27 Affiliates, equityholders, personnel, agents, integrity, fairness, satisfaction of obligations, or
28 overall performance.” The MTGP I Agreement prohibits a “Withdrawn Partner” from
disparaging the “Partnership” or the “Partners.”

21 Like the Employment Agreement, the MTGP I Agreement also contains an overly-
broad confidentiality provision, including (but not limited to) a prohibition on disclosing the

1 amount of “carried interest” held by Lai and others.

2 22. Neither the non-disparagement nor the confidentiality provisions in the MGTP I
3 Agreement has any temporal or geographic scope.

4 **The California Labor Code as it relates to unlawful NDAs**

5 23. It is against California law to require employees, as a condition of employment, to
6 sign an overbroad confidentiality agreement or a non-disparagement provision. More specifically
7 (but not exclusively):

8 a. California Labor Code § 232.5(a) and (b) prohibits an employer from
9 requiring an employee to refrain from disclosing information about the employer’s working
10 conditions, either through a writing or otherwise.

11 b. California Labor Code §§ 96(k) and 98.6 make it illegal to prohibit
12 employees from engaging in lawful conduct during non-work hours, including exercising their
13 free speech rights under the California and United States Constitutions.

14 c. California Labor Code §§ 232(a) and (b), as well as § 1197.5, makes it
15 illegal to prohibit employees from disclosing information about their own and others’ wages.

16 d. California Labor Code § 1102.5 makes it illegal to prohibit employees
17 from reporting reasonably suspected violations of the law to their superiors or to the government.

18 e. California Labor Code § 432.5 prohibits an employer from requiring an
19 employee to agree, in writing, to any term or condition of employment which is known by the
20 employer to be prohibited by law. This includes confidentiality or non-disparagement agreements
21 that: (1) effectively restrain trade in violation of Business & Professions Code § 16600, the
22 Cartwright Act, or Business & Professions Code § 17200; (2) violate the Labor Code provisions
23 set forth above; or (3) otherwise violate the law by prohibiting employees from, for example,
24 reporting illegal conduct such as sexual harassment or gender discrimination.

25 **Carried Interest**

26 24. Pursuant to the MGTP I Agreement, Lai received part of her wages in the form of
27 “carried interest.” “Carried interest” is a tax-advantaged profit sharing mechanism commonly
28 used by venture capitalists and hedge fund managers. Rather than receiving a share of profits

1 based on their capital contributions, they receive a share of profits based on their labor. “Carried
2 interest” constitutes wages under the Labor Code, regardless of its treatment by taxing authorities.

3 25. The Agreement defined Lai as a “Class A Limited Partner.” Teo and Caldbeck
4 were also defined as “Class A Limited Partners,” but, unlike Lai, and consistent with the unity of
5 interests among all Defendants, Teo and Caldbeck *also* owned and controlled MGMT I’s
6 “General Partner,” Defendant Binary TTGP.

7 26. Under the MGMT I Agreement, the General Partner (i.e., Teo and Caldbeck) have
8 the absolute power to manage Defendant MGMT I. Limited partners have no management rights
9 and no authority to act for MGMT I.

10 27. Those rare acts under the MGMT I Agreement that were not within the sole
11 discretion of Defendant Binary TTGP (Teo and Caldbeck) required the agreement of the General
12 Partner (Teo and Caldbeck) and a mere majority of Class A Limited Partners (also Teo and
13 Caldbeck).

14 28. In short, Lai was entirely at the mercy of Caldbeck and Teo with respect to any
15 “rights” she arguably had under the MGMT I Agreement.

16 29. The MGMT I Agreement granted Lai a small percentage of the “carried interest”
17 earned by MGMT I because MGMT I, in turn, was the General Partner of Binary Capital Fund I,
18 L.P. If this Fund made money, Lai would receive a small percentage of the profits that the Fund
19 eventually paid to MGMT I. The vast majority of Lai’s “carried interest” vested monthly.

20 30. The Agreement further states that if Lai becomes a “Withdrawn Partner” under the
21 MGT I Agreement, the vesting of her carried interest would be retroactively reduced by 50%
22 unless she signed a general release of all claims against Defendants. The Agreement further
23 states that if a “Withdrawn Partner” “disparages” Defendants, the vesting of Lai’s carried interest
24 would be retroactively reduced by 50%. As explained below, these are illegal forfeitures.

25 31. Defendants have never taken any action to remove Lai from her role as a Class A
26 Limited Partner under the MGT I Agreement. Her carried interest continues to vest. To date,
27 she has received no payments in the form of carried interest from Defendants.
28

1 **Defendants Disregard Legal Entities**

2 32. Under the various partnership agreements, the limited partners in the Binary Funds
3 agreed to pay Defendants Binary MGTP I and Binary MGTP II a “management fee” to manage
4 the funds’ investments. Defendants Binary MGTP I and II in turn purported to pay Binary TTGP
5 a “management fee” to manage MGTP I and II. Defendants MGTP I and II also purported to
6 “hire” Defendant Binary LLC to do the work of MTGP I, II, and, on information and belief,
7 TTGP. All of these entities, for all intents and purposes, were just Teo, Caldbeck, and Binary
8 Capital (the general partnership). There was no distinction between them.

9 33. The “management fee” paid by Defendants MGTP I, II, and TTGP, as well as the
10 fees paid by Binary Fund I, were deducted from the carried interest payments due Lai.

11 34. In addition, Defendants MTGP I, II, TTGP and Binary LLC, were required to pay
12 the “expenses” of each other and individuals Teo and Caldbeck. Teo and Caldbeck took steps to
13 have their personal expenses reimbursed, including:

- 14 a. Teo’s helicopter lessons;
- 15 b. The docking costs for Teo’s boat;
- 16 c. Travel and party expenses unrelated to Defendants’ business operations;

17 and

- 18 d. Personal car payments and payments to lawyers for personal
19 representation;

20 35. In contrast to Teo and Caldbeck, Defendants initially required that Lai bear her
21 own business expenses for travel within the bay area, as well as meal expenses for work-related
22 meetings. Caldbeck informed Lai that, because they could not charge the limited partners for
23 these expenses, she was “taking money out of [Caldbeck’s and Teo’s] pockets.” Lai protested
24 Defendants’ refusal to reimburse her business expenses.

25 **Lai’s Work for Defendants**

26 36. Lai performed her job well for Defendants. She was primarily responsible for
27 establishing their data-driven sourcing strategy, conducting the diligence regarding their potential
28 investments, and supporting their portfolio companies on analytics/growth strategies. In October

1 2015, she was given the title “Principal.”

2 37. Unfortunately, and despite Caldbeck’s representations, Lai was subject to
3 continuous illegal discrimination and harassment almost from the day she started work.

4 38. For example, Teo and Caldbeck requested and received headshots of female
5 applicants that they sought to hire, and assessed these headshots for attractiveness. They also
6 searched the applicants’ social media profiles to determine their relative “hotness.”

7 39. Lai protested this conduct.

8 40. Defendants expressed a desire to hold a company retreat, without significant
9 others, at a location in which no one would wear clothes. Lai protested this proposal.

10 41. In the summer of 2015, Defendants held a “work retreat” at a hotel in Napa valley.
11 The retreat mainly consisted of hanging out by the pool in bathing suits. Two summer interns
12 attended this retreat, and Caldbeck proceeded to buy and furnish the underage intern with alcohol.
13 During this retreat, Teo and Caldbeck expressed their desire to create an “Uber-like” (and illegal)
14 mobile application matching consumers with sex workers. They explained that their recent
15 “business trip” to Miami was in furtherance of “market research” for this application.

16 42. Lai protested this conduct. Among other things, she endeavored to prevent
17 Defendants from giving alcohol to underage employees. Because of the above protests,
18 Defendants labeled Lai “HR” (which they considered to be a derogatory term) and instructed her
19 to not be so serious.

20 43. Also in the summer of 2015, Caldbeck began an affair with a female employee.
21 Because, unlike Lai, this employee submitted to Caldbeck’s sexual advances, she received
22 benefits and opportunities not offered to Lai, including both career advancement and
23 disproportionate compensation that were not offered to Lai. Moreover, because of the affair, Lai
24 was often tasked with completing this employee’s work. She was also prevented from managing
25 this employee because Caldbeck insisted that he would “manage” her instead. Lai protested this
26 disparate treatment.

27 44. Throughout Lai’s employment, Teo and Caldbeck mocked or otherwise
28 commented on the attractiveness of women with whom they had actual or proposed business

1 relationships. For example (and these are only examples), Defendants opined that one female
2 executive was so attractive that other venture capitalist might not take her seriously, thus
3 inhibiting her company's ability to raise funds. On another occasion, Defendants opined that
4 female executives at another company should lose weight rather provide services or wares to a
5 plus-sized market. On multiple other occasions, Caldbeck in particular stated that certain female
6 founders were "cute" or "hot," while at the same time making derogatory comments about these
7 founders' significant others. Lai protested these comments.

8 45. Defendants also informed Lai that she was "distracting" to male founders. They
9 also instituted a dress code that applied, not to themselves or Caldbeck's paramour, but rather to
10 Lai.

11 46. Because of the ongoing, disparate, and harassing treatment of Lai, in November
12 2015, Lai informed Defendants of her intent to resign. Caldbeck convinced Lai to stay, because
13 of her skill set, her value to Defendants, and because of Defendants' need to maintain control
14 over Lai in light of her knowledge of Defendants' illegal conduct. Caldbeck explained that
15 Defendants were "committed to change." Things did not change.

16 47. In or around March 2016, Lai received confirmation of Caldbeck's affair with the
17 female employee referenced above (Caldbeck's paramour). The paramour showed Lai certain
18 text messages and sought advice on how to end her relationship with Caldbeck. During the
19 course of these discussions, the paramour described in considerable detail the nature of her affair
20 with Caldbeck.

21 48. After receiving confirmation of Caldbeck's conduct with respect to this
22 employee, Lai reached out to potential employers about potentially changing jobs. Through this
23 process, Lai learned additional and disturbing information about Caldbeck's treatment of women.

24 49. Moreover, Lai learned from an employee of Defendants that Teo was well-aware
25 of Caldbeck's pattern and practice of leveraging his position of power for sexual gain. This
26 employee, who was charged with scheduling Defendants' meetings, had been instructed by Teo to
27 not schedule any after-hours out-of-office meetings for Caldbeck in which he would meet alone
28 with certain types of women (whether founders, executives, or otherwise).

1 50. Lai took vacation in late April and the first part of May. During this time frame,
2 she concluded that, under the circumstances, the work environment at Defendants was
3 subjectively and objectively intolerable, and she had to resign.

4 51. On May 10, 2016, Lai informed Caldbeck that, given the circumstances, she had
5 no choice but to resign. She explained that she was unhappy and uncomfortable with the work
6 environment, including the harassing and discriminatory treatment, and that it had not changed.
7 She explained she had tried to resign once before. Caldbeck responded: “Is that your narrative?
8 If you want to leave Binary, I’ll make it happen and **make sure you have no narrative**. He also
9 told her that if she left Binary, “she would never work again.”

10 52. Lai -- frightened by Caldbeck’s reaction – said she would not meet only with
11 Caldbeck. She proposed that she meet with Caldbeck and Teo and a recently-added Binary
12 partner after she returned from a previously scheduled visit to a portfolio company. This follow-
13 up meeting was scheduled for May 17.

14 53. The next day, while Lai was at the portfolio company, Caldbeck began sending Lai
15 messages and emails – copying others – concerning a project that had previously been placed on
16 hold. He demanded immediate action. His purpose was to create a paper trail to justify a sudden
17 termination.

18 54. On May 13, Lai learned that Binary had declined to auto-deposit her approved
19 expenses into her bank account.

20 55. In light of these facts, Lai concluded that she could not wait until the May 17
21 meeting with Caldbeck and Teo. She would soon be terminated for pretextual, false and
22 defamatory reasons. She thus tendered her resignation on May 13 at 1:10 p.m., citing the threats
23 to her reputation if she chose to leave, the recent suspicious line of questioning and inconsistent
24 expectations regarding on-going projects, and Binary’s unusual behavior concerning expense
25 reports. She explained that these facts, and other issues, had contributed to a “hostile work
26 environment where I do not feel comfortable in continuing to work.”

27 56. Shortly thereafter, Teo accepted her resignation on behalf of Binary. Teo and
28 Caldbeck, collectively, also made the conscious and malicious decision to “destroy” Lai.

Binary's Post-Termination Conduct

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2 57. Immediately following Lai's resignation, Defendants – acting through Caldbeck –
3 took immediate steps to ensure Lai did not disclose any information about Defendants' working
4 conditions, including Defendants' inappropriate and illegal behavior, to others, including
5 Defendants' portfolio companies and the limited partners that had invested in Defendants' funds.

6 58. Defendants initially used a carrot and stick approach. For example, on May 13,
7 2016, Caldbeck sent the following texts:

8 (a) At 2:40 p.m., Caldbeck texted Lai:

9 *[T]here should be no external messaging to entrepreneurs or LPs*
10 *[Limited Partners] until the legal feedback is consolidated around*
11 *this and we have clarity on what we can be supportive of you on as*
12 *you pursue your future career.*

13 (b) At 2:47 p.m., Caldbeck texted Lai:

14 *I'm assuming you don't want to meet on tues but we need to sit*
15 *down at some point to close this out and check some boxe[s] before*
16 *expenses, etc., can be reimbursed.*

17 (c) At 3:02 p.m., Caldbeck texted Lai:

18 *What are your intentions w [portfolio company]?*

19 (d) At 3:03 p.m., Caldbeck texted Lai:

20 *When can you talk? We should end this right away.*

21 59. The texts continued. On May 14, 2016, Caldbeck wrote:

22 *Ann, can you please let me know when a good time to chat is? We*
23 *need to wrap up a few things given your transition and I'd also like*
24 *to advocate for a final compensation payment to you for next few*
25 *weeks*

26 60. On May 15, Caldbeck proceeded to serial message Lai using the Confide
27 messenger application.¹

28 ¹ "Confide" is a messenger application that allows individuals to send encrypted messages that "self-destruct." Confide works like this. Initially, the text message is whited-out. As you run your finger along the whited-out text, the text appears and then disappears, making it impossible to screen shot the message. Lai would eventually counter the problem of disappearing texts

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(a) The first text, at 9:32, read:

Ann, just end this right away. Let's find a transition plan and do the right thing wrt the companies you support. It's fine it didn't work out. I'm hopeful you find something you like but let's end the right way. Reading messages all day and not responding isn't the smart thing to do here.

(b) The second text, at 11:56, read:

Stay the fuck away from our team Ann. Jonathan [Teo] is getting really really really pissed.

As am I. I'm not going to warn you again. . . . Please stop and don't add ill will. It didn't work out. I have egg on my face for supporting you and I'm sure you are disappointed w your experience but don't put us in a situation where we need to be more aggressive

It's a small world Ann. I'm meeting with [partner] . . . from [VC firm] next week. Stop.

(c) The third text, at 3:04, read:

What do you want to do next, Ann. I know this sucks for you. I know you in a tough place w . . . , a move, a new job. I'm just really trying to keep this positive. You're a binary alum and I'm hoping for your success but can you please communicate so I can help?

61. On May 16, 2016, Lai returned all company property to Defendants.

62. During the remainder of that week, Caldbeck and Teo repeatedly checked Lai's LinkedIn profile.

63. In addition, Defendants began defaming Lai. For example, on May 19, 2016, in response to a question from an LP of Binary, Caldbeck – acting in conjunction with Teo – sent an email to the LP with the following false statements about Lai:

a. “We told [Lai] last week she did not have a future with the firm.”

b. Lai was “unreliable” and “we received complaints from several portfolio

from Defendants by videoing the Confide messages with a separate phone as she ran her finger along the text lines.

1 companies that her work wasn't on time and promises weren't kept."

2 c. "There was a major breach of trust 2 weeks ago when JT [Teo] and I
3 realized that some significant representations were made that were untrue."

4 d. "She was a very high maintenance employee/poor culture fit so leadership
5 was an issue."

6 e. "She was never intended to be a long term leader."

7 64. As Defendants knew the LP would, these statements were republished to others,
8 including other LPs such as the Los Angeles County Employees Retirement Association in
9 February 2018.

10 65. On information and belief, Defendants made similar false statements to numerous
11 others. Any statute of limitations is tolled with respect to these statements because Lai was, and
12 continues to be, unaware of them.

13 66. Also during this time frame, Lai attempted to obtain work. She met with two of
14 Defendants' portfolio companies who were interested in hiring her for consulting work. She also
15 met with the venture capital firm referenced in Caldbeck's May 15 Confide message who had
16 expressed interest in working with her.

17 67. On May 21, 2016, Lai posted the following to her Facebook page:

18 2016 has been a year of restarts & resets – some might call it a
19 "midlife crisis," I call it realizing what's really important to me: not
20 money, not fame. Rather, it's about always trying to make a
21 difference, having no regrets from compromising on the ethics that
22 are important to me, & sticking to my guns despite short-term costs
23 . . . so that I'll never look back one day & hate the person I've
24 become. As some of you know, it's been a long struggle over the
25 last 5 months (thank you to everyone who has been there for me),
26 finally pulling the trigger last Friday. It's weird being unemployed,
27 but I feel that the me that got lost along the way coming back with
28 every minute of freedom. #newbeginnings #2016.

25 68. Caldbeck was the first to comment on this post. He posted a response that said:
26 "'Pulled the trigger' hmm. Good luck Ann."

27 69. He also sent her three text messages on May 21 in quick succession:

28 (a) At 10:56 a.m., Caldbeck texted Lai:

1 *You do understand the implications of you implying that you quit*
2 *unprovoked in a public setting, right?*

3 (b) At 10:59 a.m., Caldbeck texted Lai:

4 *Implying that you quit because binary capital forced you to*
5 *compromise your ethics is a clear violation of your employment*
6 *agreement and has implications for carry. I suggest you delete that*
7 *part of your post Ann. I've heard from 2 mutual friends on fb about*
8 *it in the last 10 mins*

9 (c) At 11:00 a.m., Caldbeck texted Lai:

10 *Please please stop making this so difficult for you.*

11 70. In the early morning of May 23, Lai received an email from an executive at one
12 the portfolio companies concerning her performing consulting work. Clearly, this portfolio
13 company had heard from Defendants. The email stated in part: “Lastly, I have to be honest with
14 you. Given the series of events, there is some hesitation to have you move forward with this. I
15 am pushing it, taking a “risk” and trust we will have a successful and awesome deliverable. I
16 want you to know that I am trusting you and if for any reason you feel like you might not be able
17 to deliver a high quality output – let’s talk about it now.”

18 71. On May 23, at 12:34 p.m., Caldbeck texted Lai again. He falsely accused her of
19 making disparaging comments about a Binary portfolio company. The text continued:

20 *These are violations of your contract and have material damages*
21 *attached to them. We will be summarizing all of these and*
22 *following up shortly but again, asking you to stop causing yourself*
23 *damage.*

24 72. Caldbeck sent a second text three minutes later. It stated:

25 *This is the last time you will hear from me of binary partners (other*
26 *than counsel) without a response and/or immediate halting of your*
27 *tone.*

28 73. Lai did not respond. As a result of Defendants’ false statements about her, the
29 portfolio companies declined to provide Lai with consulting work, as did the venture capital firm
30 with whom she had met.

31 74. Lai, frightened and distraught, left the country. She also retained counsel.

32 75. On June 3, 2016, Lai’s counsel sent a cease and desist letter to Defendants. It

1 demanded that Caldbeck, Teo, and Binary cease and desist from, among other things, contacting
2 her prospective employers to prevent her from gaining employment, threatening Lai, and
3 attempting to communicate with Lai in any way other than through counsel.

4 76. On June 10, 2016, Defendants responded through its counsel. The letter stated that
5 Lai had breached her non-disparagement obligations toward Binary. It further asked Lai's
6 counsel to inform her that "if she disparages Binary Capital in any way, (i) she will trigger loss of
7 vesting under the applicable agreements and (ii) Binary will immediately pursue all available
8 legal remedies against her."

9 77. On July 31, 2016, Lai returned to the Bay Area. She met with a number of venture
10 capital firms. None was willing to hire her. One stated that, given the Binary situation, "it might
11 get complicated." A number of individuals and prospective employers asked why she had left
12 Binary. Lai was afraid to tell them the truth, so responded by saying nothing or explaining that
13 she wanted to return to a more operational role.

14 78. In October 2016, out of money and unemployed, Lai found a job in New York
15 with a portfolio company on which Defendants did not have a board seat. This portfolio company
16 agreed to not tell Defendants that Lai was working for it. Lai moved to New York and took the
17 job.

18 79. In December 2016, Lai became suspicious that Defendants were aware that she
19 was working for the portfolio company. She also resolved that she was not going to allow
20 Defendants to chase her from the Bay Area, and she started considering offers from Bay Area
21 firms. She received two. One from Facebook and another from a smaller company. She took the
22 job with Facebook because she hoped Facebook was too big to be afraid of Defendants. She
23 hoped Facebook could protect her.

24 80. Nevertheless, fearful of Defendants, she attempted to keep her employment at
25 Facebook secret. Among other things, she did not update her LinkedIn profile to say she worked
26 there. (Caldbeck continued to check Lai's LinkedIn profile regularly.) Lai did not tell many
27 people she was working for Facebook. Those friends she did tell she asked that they keep it
28 secret.

1 81. On February 25, 2017, Lai had a housewarming party. She also declared the party
2 a “secret” because she did not want Defendants to know she had returned. During the party, Lai’s
3 depression and anxiety got the best of her. She told her friends that she had quit Binary because
4 of her working conditions, including Caldbeck’s behavior. She told them his response when she
5 stated she wanted to quit. She told them of Defendants’ post-termination threats and her inability
6 to find a job.

7 82. The next day, on February 26, 2017, and despite Lai’s request that Binary and
8 Caldbeck not contact her directly, Caldbeck did so. He repeated the carrot-and-stick approach,
9 alternatively threatening to destroy Lai and offering his support. The series of texts read:

10 *Ann, I know its been a long time. I know there have been lots of*
11 *emotions and bad feelings. I also know that you’re back in sf and*
12 *my wife and I have heard what you’ve been saying to others. I want*
13 *to try one more time to talk to you about this civilly and come to a*
14 *good place. It doesn’t need to be negative and we don’t need to sue*
15 *you for what you’re saying. I really really really just want to talk*
16 *this out and be supportive of your next move. **We have not yet***
17 ***stripped you of the final piece of your carry.** I have been really*
18 *hopeful we can just stop this and support one another. Can you*
19 *please make 10 minutes to talk to me so this doesn’t get worse. I*
20 *really don’t want it to, genuinely. **I am in a position to make***
21 ***things a lot better in supporting you but just want to talk it***
22 ***through.** Can you please chat for 10 minutes?*

23 *I have no ill will. I just want to talk please.*

24 *Can I call you? This will be so much better if we talk it through*
25 *Ann.*

26 *I tried you. I’d really like to put this behind both of us. I want to*
27 *clarify that we are **not currently** suing you. We are not taking any*
28 *legal action at all. I just want to talk with you about your goals,*
 what you’d like and how we can move past this. Can you let me
 know when to call you. Side conversations without chatting will be
 the worse on all sides and I’m not sure what options we[‘]re left
 with if you can’t talk to us but are continuing to disparage us in the
 market. I’m asking you to please work through this with me so we
 can all move forward. Is there a good time to reach you?

1 *Can you just provide a response even if you won't talk with me?*
2 *I'm happy to talk w you and your lawyer if you want? I'd just*
3 *appreciate even a short response [i]f you are willing to talk please.*

4 *Is there someone else you'd like to speak with instead like Teo?*
5 *Talking about us in the market with serious accusations to people*
6 *we know well isn't going to help bring this to a close and you're*
7 *reading but not responding to my request to talk it out an[d] move*
8 *on in a positive way. I'm really not sure what else to do but would*
9 *really like to talk this through before it gets worse. **Can we just***
10 ***talk it through so you don't feel like we're out to ruin your career***
11 ***and we don't feel like you are pushing us to sue you?** We just*
12 *want to be positive and move on and I know we can make a lot of*
13 *progress with a short call to understand what we can do to alleviate*
14 *your concerns that we want to take you down in some way. Again,*
15 *can we please talk and work through this?*

16 *Mailbox is full so I cannot leave a vm*

17 **Btw congrats on the Facebook job.**

18 83. The next day, Monday, February 27, 2016, a mutual acquaintance of Lai and
19 Caldbeck relayed a message to Lai with more carrots and sticks. This message read:

20 *Ann, you should really just call Justin back. **He is the one that***
21 ***decides what path they are pursuing with you legally** and he wants*
22 *to talk through this with you so that it ends in a good place. **He has***
23 ***no interest in disparaging you (he knows [you're] at Facebook***
24 ***and hasn't made any calls there)**. He wants to keep it positive but*
25 *its putting him in a bad spot when you are spreading rumors about*
26 *him and his firm in this small of an ecosystem. Just call him back*
27 *and it will be much much better.*

28 84. Caldbeck then sent Lai a text, during work hours, stating: “*I'm going to try you in*
30 minutes and I really hope we can talk.”

 85. Because the texts were not ending (despite the fact that Lai never responded to
them), because Caldbeck was communicating with Lai through third parties and while she was at
work, because Caldbeck was threatening to ruin her career at Facebook, and because she was
afraid of what Defendants would do to her, Lai agreed to speak with Caldbeck.

 86. They spoke on February 27. The conversation was brief. He told her that he
hoped she would be “smart.” He told her that she still had her carry. He told her that he would
not disparage her.

- 1 • **The former employee . . . resigned from Binary in May of 2016 (1 business**
- 2 **day before they were to be terminated), due in large part to self-**
- 3 **recognized performance issues and severe misrepresentation of work**
- 4 **product.**
- 5 • **Her work product was highly unsatisfactory, and she is now seeking to**
- 6 **take advantage of our relationship.**
- 7 • **It is clear she is seeking a quick financial settlement.**

8 97. On information and belief, Defendants continued to make statements to others
9 along the lines set forth above. Any statute of limitations is tolled with respect to these
10 statements because Lai was, and continues to be, unaware of them.

11 98. On the morning of June 22, 2017, The Information published an article about
12 Binary and Caldbeck. Six women spoke about Caldbeck’s inappropriate conduct towards them.
13 Three spoke on the record and three spoke off the record. The Information quoted Binary and
14 Caldbeck’s response to the story, stating:

15 Binary issued a statement that said the notion that Mr. Caldbeck
16 had “engaged in improper behavior” with female entrepreneurs was
17 “false.” Binary said that while the Information had “found a few
18 examples which show that Justin has in the past occasionally dated
19 or flirted with women he met in a professional capacity, let’s be
20 clear: There is no evidence that Justin did anything illegal and
21 there is no evidence that any of his investing decisions were
22 affected by his social interests. . . .

23 In a statement, Caldbeck said, “I strongly deny The Information’s
24 attacks on my character. The fact is, I have always enjoyed
25 respectful relationships with female founders, business partners,
26 and investors.”

27 99. The industry reacted to the story. That afternoon, Caldbeck issued an additional
28 statement that read:

Obviously, I am deeply disturbed by these allegations. While
significant context is missing from the incidents reported by The
Information, I deeply regret ever causing anyone to feel
uncomfortable. The fact is that I have been privileged to have
worked with female entrepreneurs throughout my career and I
sincerely apologize to anyone who I made uncomfortable by my
actions. There is no denying this is an issue for the venture
community, and I hate that my behavior has contributed to it.

1 100. The story refused to die. The next day, Caldbeck issued yet another statement. It
2 was breathtaking in its hypocrisy. It read in part:

3 The past 24 hours have been the darkest of my life. I have made
4 many mistakes over the course of my career, some of which were
5 brought to light this week. To say I'm sorry about my behavior is a
6 categorical understatement. Still, I need to say it: I am so, so sorry.

7 I direct my apology first to those women who I've made feel
8 uncomfortable in any way, at any time - but also to the greater tech
9 ecosystem, a community that I have utterly failed.

10 The power dynamic that exists in venture capital is despicably
11 unfair. The gap of influence between male venture capitalists and
12 female entrepreneurs is frightening and I hate that my behavior
13 played a role in perpetrating a gender-hostile environment. It is
14 outrageous and unethical for any person to leverage a position
15 of power in exchange for sexual gain, it is clear to me now that
16 that is exactly what I've done.

17 **I am deeply ashamed of my lack of self-awareness. I am
18 grateful to Niniane, Susan, Leiti, and the other women who
19 spoke up for providing me with a sobering look into my own
20 character and behavior that I can no longer ignore. The
21 dynamic of this industry makes it hard to speak up, but this is
22 the type of action that leads to progress and change, starting with
23 me. . . .**

24 The Binary team will also be taking measures to ensure that the
25 firm is a safe place for founders of all backgrounds to find the
26 support and resources they need to change the world, without
27 abuse of power or mistreatment of any person.

28 I owe a heartfelt apology to my family, my investors, my portfolio,
and the team at Binary, who have been completely blindsided and
in no way deserve the pain I've caused. But most of all I apologize
again to those who I've hurt during the course of my career - and for
the damage I've done to the industry I care so deeply about.

101. This last statement was issued because Defendants' conduct was revealed. It is not
only the "industry dynamic" that makes it hard to speak up, but also illegal confidentiality and
non-disparagement provisions. Defendants' "abuse of power" started when they required
employees to give up the non-waivable right to speak as a condition of working for them.
Defendants are certainly not "grateful" to Lai speaking up. Defendants did everything in their

1 power to prevent it. Defendants also do not lack “self-awareness.” As set forth above,
2 Defendants were, at all times, fully aware of what they were doing.

3 102. Lai brings the following claims.

4 **PAGA CLAIMS**

5 **First Cause of Action**

6 **PAGA (under 232.5 (a) and (b))**

7 103. Defendants require all their employees to sign standard agreements that contain
8 confidentiality and non-disparagement provisions that prohibit them from ever disclosing
9 information about their working conditions. These illegal provisions – to put it mildly – make it
10 hard for employees to “speak up” about inappropriate or illegal conduct, both during their
11 employment and forever after. Employees are instead led to believe that it is illegal to do so, and
12 that disclosing information about their working conditions will lead to ruinous litigation or the
13 loss of wages. These provisions allow employers to abuse their power and mistreat their
14 workforce. They allow their employers to leverage their positions of power for sexual gain and
15 for other inappropriate reasons. These provisions violate Labor Code §232(a) and (b).

16 104. On May 9, 2017, Lai sent the required PAGA notice to the Labor Workforce and
17 Development Agency. (Ex. A.) The exhaustion period has expired with respect to Lai’s PAGA
18 claims as they relate to Labor Code § 232.5(a) and (b).

19 105. Lai seeks PAGA civil penalties on behalf of herself, other aggrieved employees,
20 and the State of California as a result of these violations of Labor Code § 232.5(a) and (b).

21 **Second Cause of Action**

22 **PAGA (under 232(a) and (b))**

23 106. Defendants requires all their employees to sign standard agreements that contain
24 confidentiality and non-disparagement provisions that prohibit them from ever disclosing
25 information about their wages. These agreements are illegal under Labor Code § 232(a) and (b).

26 107. On May 9, 2017, Lai sent the required PAGA notice to the Labor Workforce and
27 Development Agency. (Ex. A.) The exhaustion period has expired with respect to Lai’s PAGA
28 claims as they relate to Labor Code § 232(a) and (b).

1 lawful conduct during non-work hours, including exercising their free speech rights under the
2 California and United States Constitutions. These agreements are illegal under Labor Code §
3 96(k).

4 116. On May 9, 2017, Lai sent the required PAGA notice to the Labor Workforce and
5 Development Agency. (Ex. A.) The exhaustion period has expired with respect to Lai's PAGA
6 claims as they relate to Labor Code § 96(k).

7 117. Lai seeks PAGA civil penalties on behalf of herself, other aggrieved employees,
8 and the State of California as a result of these violations of Labor Code § 96(k).

9 **Sixth Cause of Action**

10 **PAGA (under Labor Code § 98.6)**

11 **(Against Defendants)**

12 118. Defendants require all their employees to sign standard agreements that contain
13 confidentiality and non-disparagement provisions that threaten them with adverse employment
14 actions and that prohibit them from engaging in lawful conduct during non-work hours, including
15 exercising their free speech rights under the California and United States Constitutions. These
16 agreements are illegal under Labor Code § 98.6.

17 119. On May 9, 2017, Lai sent the required PAGA notice to the Labor Workforce and
18 Development Agency. (Ex. A.) The exhaustion period has expired with respect to Lai's PAGA
19 claims as they relate to Labor Code § 98.6.

20 120. Lai seeks PAGA civil penalties on behalf of herself, other aggrieved employees,
21 and the State of California as a result of these violations of Labor Code § 98.6.

22 **Seventh Cause of Action**

23 **PAGA (under Labor Code § 432.5)**

24 121. Defendants require all their employees to sign standard agreements that contain
25 confidentiality and non-disparagement provisions that Defendants know (or should know) contain
26 illegal terms. Among other things these overbroad confidentiality and non-disparagement
27 provisions:
28

1 a. Illegally restrain trade in violation of Business & Professions Code
2 §16600, the Cartwright Act, and Business & Professions Code § 17200 *et seq.*

3 b. Violate federal and state laws that make it illegal for employers to require
4 employees to sign agreements prohibiting them from reporting illegal conduct such as – but not
5 limited to -- sexual harassment, assault, or gender discrimination to the government or attorneys.

6 c. Violate the Labor Code provisions set forth above.

7 122. On May 9, 2017, Lai sent the required PAGA notice to the Labor Workforce and
8 Development Agency. (Exhibit A.) The exhaustion period has expired with respect to Lai's
9 PAGA claims as they relate to Labor Code § 432.6

10 123. Lai seeks PAGA civil penalties on behalf of herself, other aggrieved employees,
11 and the State of California as a result of these violations of Labor Code § 432.5.

12 ***

13 **OTHER CLAIMS**

14 124. In addition to the PAGA claims set forth above, Lai also alleges the following
15 causes of action:

16 **Eighth Cause of Action**

17 **(Labor Code § 232.5)**

18 125. As detailed above, Defendants discriminated against Lai because she disclosed, or
19 because Defendants believed she had disclosed, information about her working conditions. This
20 discrimination took the form of constructively terminating her employment, discouraging others
21 from hiring her, threatening her with litigation, threatening to ruin her career, defaming her, and
22 sending her harassing and threatening texts for the purpose of discouraging her from engaging in
23 conduct protected by law.

24 126. Through this conduct, Defendants violated Labor Code § 232.5(c)

25 127. In its conduct, Defendants acted with malice.

26 128. As a result, Defendants caused Lai economic and emotional harm.

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Ninth Cause of Action

(Labor Code 1050 et seq.)

129. As detailed above, Defendants made misrepresentations to VC firms, portfolio companies, limited partners and, on information and belief, numerous others about Lai. They did so in order to prevent or attempt to prevent Lai from finding another job.

130. Through this conduct, Defendants violated Labor Code § 1050.

131. Through this conduct, Defendants acted with malice.

132. As a result, Defendants caused Lai economic and emotional harm. Pursuant to Labor Code § 1054, Lai is entitled to treble damages.

Tenth Cause of Action

(Defamation)

133. As detailed above, Defendants made knowing and false statements of fact to VC firms, portfolio companies, limited partners, and, on information and belief, numerous others about Lai.

134. Through this conduct, Defendants defamed Lai.

135. Through this conduct, Defendants acted with malice.

136. As a result, Defendants caused Lai economic and emotional harm.

Eleventh Cause of Action

(Intentional Interference with Prospective Economic Advantage)

137. As detailed above, Defendants engaged in conduct with the intent if not the substantial certainty that it would interfere with her prospective economic relationships with the portfolio companies and VC firms identified above. Defendants' conduct, in fact, interfered with those relationships.

138. Defendants' conduct was wrongful.

139. Through this conduct, Defendants acted with malice.

140. As a result, Defendants caused Lai economic and emotional harm.

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1 **Twelfth Cause of Action**

2 **(Intentional Infliction of Emotion Distress)**

3 141. As detailed above, Defendants engaged in outrageous conduct that was intended to
4 cause, and did cause, Lai extreme emotional distress. This conduct included, but is not limited to,
5 harassing, discriminating and retaliating against her, defaming her, threatening her, and
6 continuing to send her threatening communications, even after being instructed by Lai’s counsel
7 to only contact Lai through her attorney. This conduct was also in violation of Lai’s rights under
8 the California Labor Code and the California Constitution as it relates to liberty of speech.

9 142. Through this conduct, Defendants acted with malice.

10 143. As a result, Defendants caused Lai economic and emotional harm.

11 **Thirteenth Cause of Action**

12 **(Labor Code 1102.5)**

13 144. As detailed above, Defendants retaliated against Lai – both during her employment
14 and after – because she disclosed or reported, or because Defendants believed she had or might
15 disclose or report, information about reasonably suspected violations of the law. Among other
16 things, they sought to “destroy” Lai.

17 145. Through this conduct, Defendants acted with malice.

18 146. As a result, Defendants caused Lai economic and emotional harm.

19 **Fourteenth Cause of Action**

20 **(FEHA Violations)**

21 147. As detailed above, Defendants harassed, discriminated against, and retaliated
22 against Lai in violation of the Fair Employment & Housing Act both during her employment and
23 after. The illegal conduct includes, but is not limited to, creating and maintaining a sexually-
24 charged hostile work environment, conditioning favorable employment benefits and opportunities
25 on acceding to Caldbeck’s sexual advances, discriminating against Lai because she declined to be
26 Caldbeck’s paramour, harassing and retaliating against Lai because she protested Defendants’
27 illegal conduct, constructively terminating Lai’s employment, and continuing to harass,
28 discriminate, and retaliate against her subsequent to her employment.

1 148. Lai has exhausted her administrative remedies.

2 149. Through this conduct, Defendants acted with malice.

3 150. As a result, Defendants caused Lai economic and emotional harm.

4 **Fifteenth Cause of Action**

5 **(Failure to Pay Wages due upon Separation)**

6 151. As detailed above, Lai received wages in the form of carried interest.

7 152. Labor Code §§ 201 and 202 states that an employer must pay all wages due an
8 employee upon her separation. Labor Code § 203 provides a penalty in the event that an
9 employer willful fails to pay all wages due and owing at the time of her separation.

10 153. Defendants willfully refused to pay Lai her vested carried interest at the time of
11 her separation from Defendants.

12 154. Lai is entitled to this carried interest, as well as waiting time penalties, under
13 Labor Code §§ 201, 202, and 203.

14 **Sixteenth Cause of Action**

15 **(Failure to pay Wages in the Form of Carried Interest)**

16 155. As detailed above, Lai received wages in the form of carried interest from
17 Defendants. This carried interest was provided to Lai through her agreements with Defendants,
18 as well as the covenants of good faith and fair dealing implicit in these agreements.

19 156. Lai's carried interest has continued to vest and it exists in the form of cash or in
20 the form of an equity interest in Defendants' various funds, as well as the other Binary funds.

21 157. The provisions of the MGTP I Agreement that purport to reduce Lai's carried
22 interest by 50%: (1) unless she signs a general release or (2) if, as a "withdrawn partner," she
23 "disparages" Defendants, are illegal. For example, Labor Code §206.5 states: "an employer shall
24 not require the execution of a release of a claim or right on account of wages due, or to become
25 due. . . . A release required or executed in violation of the provisions of this section shall be null
26 and void" A violation of this Labor Code section is a misdemeanor.

27 158. The provision requiring a 50% forfeiture in the event of "disparagement" is
28 likewise illegal. As discussed above, numerous public laws give employees the right to disclose

1 information about their working conditions, report illegal conduct, and practice their trade
2 without facing a forfeiture of their compensation.

3 159. To date, Defendants have not paid Lai any carried interest nor taken any other
4 action to provide or acknowledge her ownership of the carried interest in accordance with their
5 statutory and contractual obligations.

6 160. Defendants have acted with malice in refusing to pay or take other action to
7 provide Lai with her carried interest.

8 161. Lai has suffered damages as a result.

9 **PRAYER FOR RELIEF**

10 WHEREFORE, Lai prays for judgment against Defendants as follows:

- 11 1. Full and complete civil penalties for each violation of PAGA in accordance with
12 the Private Attorneys General Act;
- 13 2. A declaration of her rights under the laws and contracts referenced above,
14 including her right to carried interest;
- 15 3. Attorneys' fees and costs;
- 16 4. Economic damages;
- 17 5. General damages;
- 18 6. Treble damages;
- 19 7. Penalties;
- 20 8. Interest;
- 21 9. Punitive damages; and
- 22 10. Injunctive relief.
- 23 11. All other relief the Court deems proper and just.

24 Dated: September 14, 2018

BAKER CURTIS & SCHWARTZ, P.C.

25 By: 
26 Chris Baker
27 Attorneys for Plaintiff
28 ANN LAI

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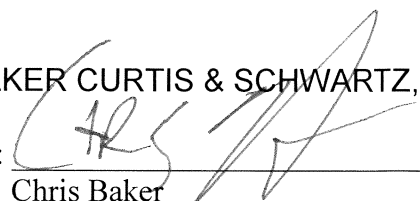
JURY TRIAL DEMANDED

Plaintiff hereby demand a trial by jury.

Dated: September 14, 2018

BAKER CURTIS & SCHWARTZ, P.C.

By: _____


Chris Baker
Attorneys for Plaintiff
ANN LAI