FILED **ALAMEDA COUNTY**

JAN 0 4 2019

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Attorneys for PLAINTIFF

Christian MacFarlane

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ALAMEDA

CHRISTIAN MACFARLANE, an individual,) Case No.: PLAINTIFF, COMPLAINT FOR DAMAGES. RESTITUTION AND INJUNCTIVE RELIEF VS. YAANA TECHNOLOGIES, LLC., a [JURY TRIAL DEMANDED] California corporation; RAJESH PURI, an individual; and Does 1 to 10, inclusive,

DEFENDANTS.

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PLAINTIFF Christian MacFarlane alleges as follows:

- PLAINTIFF is a lawful permanent resident of the United States, and has been prior to and throughout the time period relevant to this Complaint. PLAINTIFF is a Virginia resident residing in Loudoun County.
- 2. DEFENDANT YAANA TECHNOLOGIES, LLC ("YAANA") is a California corporation with its principal place of business in Milpitas, California
- 3. PLAINTIFF is informed and believes DEFENDANT RAJESH PURI ("PURI") is a California resident residing in Alameda County, California.
- 4. This Court has jurisdiction over this action pursuant to California Code of Civil Procedure section 410.10.

- 5. Venue is appropriate in Alameda County pursuant to California Code of Civil Procedure section 395 because the DEFENDANTS, or some of them, reside in Alameda County, and because the dispute arose in Alameda County.
- 6. PLAINTIFF is unaware of the true names and capacities of those individuals and/or entities sued herein as Does one through 10, inclusive, and therefore sues the DEFENDANTS by such fictitious names. PLAINTIFF will amend this Complaint to allege the true names and capacities of the DEFENDANTS when the same have been ascertained.
- 7. PLAINTIFF is informed and believes and thereon alleges that each DEFENDANT herein was, at some or all times herein relevant, the agent and/or employee of the other DEFENDANTS, and that in doing the acts complained of herein was acting within the course and scope of said agency and/or employment and/or with the permission and/or consent of the remaining DEFENDANTS, and/or that the remaining DEFENDANTS ratified the conduct of each of the other DEFENDANTS.
- 8. Labor Code § 558.1 states that a "person acting on behalf of an employer," including an "officer, director, or managing agent of the employer" may be held liable as the employer for violations of "Sections 203, 226, 226.7, 1193.6, 1194, or 2802." DEFENDANT PURI has violated or caused to be violated various wage and hour laws, including Labor Code §§ 203 and 226. DEFENDANT PURI is and was, at relevant times, an owner, director, officer, or managing agent of DEFENDANT YAANA and violated or caused to be violated the above referenced Labor Codes. Therefore, DEFENDANT PURI is individually liable for these violations.
- 9. PLAINTIFF is informed and believes and thereon alleges that DEFENDANT PURI is the majority owner of DEFENDANT YAANA; that YAANA is not adequately capitalized and fails to observe corporate formalities; and that there is a unity of interest and ownership between DEFENDANT YAANA and DEFENDANT PURI that the separate personalities of the corporation and DEFENDANT PURI do not in reality exist. DEFENDANT PURI was and is the alter ego of such entities such that it would be inequitable and unjust to allow him to hide behind the corporate veil.

- 10. PLAINTIFF became employed for DEFENDANT YAANA in or around January 2016 as Vice President of Global Business Development Emerging Markets.
- 11. In exchange for PLAINTIFF's services, DEFENDANTS promised to pay PLAINTIFF a starting salary of \$200,000 annually, with regular payments on the 1st and 15th of every month. PLAINTIFF was also to be paid annual performance bonuses, incremental bonuses, and sales commissions. (See Initial Offer Letter attached hereto as Exhibit A)
- 12. PLAINTIFF's employment with YAANA also provided a 401K Plan, with the company promising to match the first 4% of his contributions, with eligibility starting from the first of the month following his Reporting Date of Monday, January 25, 2016.
- 13. On or about June 19, 2018, YAANA revised PLAINTIFF's compensation, effective April 1, 2018, to include \$275,000 annual salary; and increased annual bonus and sales commissions percentages, with all commission to be paid in-full within 15 days upon the first payment from the sale contract (See Revised Compensation Letter, attached as Exhibit B).
- 14. Almost immediately after PLAINTIFF become an employee in January 2016, DEFENDANTS failed to pay him his salary, bonuses and commissions in full, stating that the company did not have sufficient funds.
 - 15. PLAINTIFF continues to work for DEFENDANTS full-time.
- 16. From early 2016 to the present, PLAINTIFF has requested payment, and DEFENDANTS have repeatedly assured PLAINTIFF that he was owed certain wages, bonuses, commissions, and retirement benefits, and that they owe him interest on those unpaid earnings. DEFENDANTS have failed and refused to pay him and, to date, PLAINTIFF has not received any wage payment for seven months of 2017, full benefits and interest on overdue payments, nor has he received any bonuses or commission over his three years of employment, as promised.
- 17. Since 2016, PLAINTIFF has been due and owed unpaid wages in the form of salary, commissions and bonuses. DEFENDANTS have failed to pay such outstanding wages to PLAINTIFF when they were earned or at any time thereafter. PLAINTIFF has not received multiple wage statements during his employment with DEFENDANTS.

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FIRST CAUSE OF ACTION

Failure to Pay Wages

(California Labor Code §§ 204 and 226)

- 24. PLAINTIFF realleges and incorporates by reference herein paragraphs 1 through 23.
- 25. Pursuant to California Labor Code §§ 218 and 1194(a), PLAINTIFF may bring a civil action for unpaid wages and penalties directly against the employer in PLAINTIFF's name without first filing a claim with the Department of Labor Standards Enforcement.
- 26. Pursuant to California Labor Code § 204, all wages earned by any person in any employment are due and payable twice during each calendar month.
- 27. At all times herein relevant, the applicable California Labor Code, Code of Regulations and IWC Wage Orders referenced herein applied to PLAINTIFF's employment with DEFENDANTS. DEFENDANTS have refused to pay PLAINTIFF earned wages.
- 28. PLAINTIFF has worked as a full-time employee of DEFENDANTS from January 2016 to the present. However, during this period, DEFENDANTS intentionally and improperly failed to provide PLAINTIFF with all wages due and payable to him on the DEFENDANTS' designated pay schedule.
- 29. DEFENDANTS owe PLAINTIFF wages pursuant to the California Labor Code section 204. DEFENDANTS knowingly and willfully have failed and refused, and continue to fail and refuse, to perform their obligations to compensate PLAINTIFF for all wages earned.
- 30. DEFENDANTS' failure to pay PLAINTIFF wages as required by the applicable IWC Wage Orders, violates the provision of the California Labor Code section 204 and, therefore, subject DEFENDANTS to penalty wages.
- 31. PLAINTIFF requests payment of wages according to proof, penalty wages, interest, attorney fees and costs pursuant to California Labor Code sections 203, 218.5, 218.6, 226(e) and 1194(a), as well as the assessment of any other statutory penalties against DEFENDANTS, and each of them, in a sum as provided by the California Labor Code and/or other statutes.

32. Wherefore, PLAINTIFF prays for relief as is hereinafter set forth.

SECOND CAUSE OF ACTION

Failure to Provide Compliant Wage Statements

(Cal. Lab. Code §§ 226 and 226.3)

- 33. PLAINTIFF realleges and incorporates herein by reference the allegations in paragraphs 1 through 32 above as though fully set forth herein.
- 34. California Labor Code section 226 (a) requires the employer to furnish its employee an accurate itemized wage statement at the time of payment of wages, showing, among other things: gross wages earned; all deductions; net wages earned; name and address of employer; and, inclusive dates of pay period.
- 35. As previously alleged, DEFENDANTS have failed to provide PLAINTIFF with multiple wage statements complying with Labor Code section 226. DEFENDANTS have further failed to provide accurate wage statements, with regard to salary deductions for his 401K Retirement Account contributions.
- 36. Labor Code section 558.1 states that a "person acting on behalf of an employer," including an "officer, director, or managing agent of the employer" may be held liable as the employer for violations of "Sections 203, 226, 226.7, 1193.6, 1194, or 2802." DEFENDANT PURI has violated or caused to be violated various wage and hour laws, including Labor Code sections 203 and 226. DEFENDANT PURI is and was, at relevant times, an owner, director, officer, or managing agent of DEFENDANT YAANA and violated or caused to be violated the above referenced Labor Codes. Therefore, DEFENDANT PURI is individually liable for these violations. Accordingly, PLAINTIFF is entitled to recover the greater of his actual damages or \$50 for the first violation of the wage statement statute and \$100 per pay period for every subsequent violation up to a maximum of \$4,000.00.
- 37. Accordingly, PLAINTIFF is entitled to recover the greater of his actual damages or \$50 for the first violation of the wage statement statute and \$100 per pay period for every subsequent violation up to a maximum of \$4,000.00.

agreement, PLAINTIFF has sustained and will continue to sustain damages, in the principal

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As a direct and proximate result of DEFENDANTS' breach of the employment

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62. Wherefore, PLAINTIFF prays for relief as is hereinafter set forth.

- PLAINTIFF realleges and incorporates herein by reference the allegations in
- From January 2016 to the present, DEFENDANTS repeatedly falsely and fraudulently represented to PLAINTIFF that he would be paid all wages due. On or about January 16, 2016, PLAINTIFF and DEFENDANTS entered into an employment agreement that entitled PLAINTIFF to salary, bonuses, commission, benefits, and other compensation. From January 2016 to the present, DEFENDANTS have continued to represent to PLAINTIFF that he
- The representations made by DEFENDANTS were false. When DEFENDANTS made the representations they knew them to be false, and made the representations with the intent to defraud and deceive PLAINTIFF into working without compensation. At the time these misrepresentations were made by DEFENDANTS, PLAINTIFF was ignorant of the falsity of DEFENDANTS' representations and believed them to be true. PLAINTIFF reasonably relied on DEFENDANTS misrepresentations in continuing to work for DEFENDANTS.
- As a proximate result of DEFENDANTS fraud and deceit and the facts alleged herein, PLAINTIFF has been damaged in the sum of at least \$800,000.00, or such greater amount as is proven at trial, by DEFENDANTS' failure to pay salary, bonuses, commission,
- such greater amount as is proven at trial.

and malice, and PLAINTIFF is entitled to punitive damages in the sum of at least \$1,500,000, or

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SEVENTH CAUSE OF ACTION

Conversion

- 63. PLAINTIFF realleges and incorporates herein by reference the allegations in paragraphs 1 through 62 above as though fully set forth herein
- 64. DEFENDANTS' actions, as described in Paragraphs 18 through 20 above, in refusing to disburse funds into PLAINTIFF'S 401K retirement benefit plan, while knowingly and fraudulently producing paychecks that indicated that funds were disbursed and informing PLAINTIFF that funds would be promptly invested, withholding and converting thousands of dollars of PLAINTIFF'S earned income and retirement investment funds to use as DEFENDANTS' operating funds, personal funds or otherwise, constituted conversion of a specific, segregated sum of money.
- 65. As a proximate result of DEFENDANTS' wrongful conduct as alleged herein, Plaintiff sustained damages in an amount to be proven at trial.
- 66. Furthermore, in doing the acts described in Paragraphs 18 through 20, above, DEFENDANTS acted intentionally, oppressively, and maliciously toward PLAINTIFF in conscious disregard of PLAINTIFF'S rights and of DEFENDANTS' fiduciary obligations, thereby entitling PLAINTIFF to an award of punitive damages.

Wherefore, PLAINTIFF prays for relief as is hereinafter set forth.

PRAYER FOR RELIEF

Wherefore, PLAINTIFF prays for relief against all DEFENDANTS as follows:

- 1. For a money judgment representing compensatory damages including lost wages, earnings, benefits, expenses, stock options, and all others sums of money, together with interest on these amounts, according to proof;
- 2. For damages for DEFENDANTS' breach of written contract, in an amount according to proof, but in no event less than \$800,000;
 - 3. For waiting time penalties and civil and statutory penalties;
 - 4. For an injunction against DEFENDANTS' unlawful business practice;
 - 5. For prejudgment interest on each of the foregoing at the legal rate from the date

1	the obligati	on became due through	the date of judgment, including pursuant to Labor Code §			
2	218.6;		•			
3	6.	For punitive damage	es in an amount sufficient to punish DEFENDANTS for the			
4	wrongful o	rongful conduct alleged herein and to deter such conduct in the future;				
5	7.	For costs of suit and	attorney's fees, including attorney's fees pursuant statute,			
6	including l	Labor Code §§ 218.5 an	d 226;			
7	8.	For post-judgment interest; and				
8	9.	For such other and further relief as the Court deems just and proper.				
9	,	On all Causes of Actio	n:			
10	For such other and further relief as the Court deems just and proper.					
11						
12	DATED: Ja	nuary 4, 2019	KLEIN, HOCKEL, IEZZA & PATEL P.C.			
13			Erlean Rice			
14		•	Jonathan Allan Klein			
15			Eileen M. Rice			
16			Attorneys for Plaintiff Christian MacFarlane			
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EXHIBIT A



YAANA TECHNOLOGIES

542 Gibraltar Drive Milpitas, CA 95035 USA

...Bridging the Future

January 16th, 2016

Mr. Chris MacFarlane 22102 Whisperhill Court Ashburn, VA 20148

Dear Chris,

On behalf of Yaana Technologies, LLC, I am pleased to extend to you our offer of employment as <u>VP of Global Business Development – Emerging Markets.</u> We were extremely impressed with your achievements, credentials, and commitment to success. These are the qualities we seek in our staff that bring their unique talent to help solve the business problems of our customers, who are some key market leaders around the world.

You will report directly to <u>Raj Puri</u>. Your full-time employment at Yaana will begin from the Reporting Date listed at the bottom of this letter. Your starting monthly salary will be \$16,666.67 (\$200,000 annually). Yaana's pay cycle is on the 1st and the 15th of every month. In addition, you will be eligible for an annual performance bonus target of up to 25% of your base annual salary, contingent upon the fulfillment of your performance goals and company performance, as determined by the company. Additionally, you will get an Incremental Bonus based on your leadership and subsequent closure of direct sales contracts for Yaana products and services. This Incremental Bonus will be equal to 10% of your base annual salary for every \$5,000,000 in total contracted direct sales revenue you close during the calendar year. Bonuses are subject to the evaluation of your periodic performance goals and company performance, and are awarded at the full discretion of management. All forms of compensation referred to in this letter are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law or at your consent.

Your initial performance goals are summarized as follows; and will be established in more detail shortly after your start of employment:

- Establish a good working relationship with the Yaana Management and Functional Leads throughout Yaana;
- Develop a comprehensive knowledge of Yaana products & services, including existing processes, standards and tools;
- Lead Global Business and Emerging Markets Development projects and activities including:
 - Partner with the CEO and executive management to develop global Business
 Development strategies to support both the long term vision and shorter term goals &
 objectives of the organization (maximizing market share, revenue growth, profitability
 growth and EBITA);
 - Drive and manage the execution of the global development plan;
 Increase global sales for new markets including service providers, verticals, government, and partners;

Mr. Chris MacFarlane January 16th, 2016

- Collaborate with regional or key account Sales Directors and support in prospecting and closing new business;
- Execute new country market entry plans;
- Proactively identify opportunities and initiatives to drive new market entries;
- Locate or propose potential business deals by contacting potential partners; discover and explore opportunities;
- Identify and evaluate partnerships within prioritized strategic global regions;
- Screen potential business deals by analyzing market strategies, deal requirements, potential and financial; evaluate options; resolve internal priorities;
- Expand existing customer new region relationships;
- Lead the development and implementation of strategies and tactics to establish and maintain deep and lasting global relationships with customers;
- Develop and implement a systematic process for tracking and reporting on the progress of establishing true partnerships with global customers. Assess and reports on the progress made with each customer to ensure the entire organization is all working towards the common goal;
- Conduct and facilitate global strategic and product portfolio planning with Product Management teams; and
- Monitor customer, market and competitor activity and provide feedback to company leadership team and other company functions.
- Demonstrate a strong team-oriented style by providing support and sharing expertise with others:
- In general, you will be required to be available during business hours for meetings, and for any critical issues, you will be expected to provide availability on a 24x7 basis; and
- Provide a range of internal reports to Yaana management, including weekly progress review meetings.

Our goal is to support you actively in achieving these professional and business objectives, and I will work closely with you to facilitate your successful integration into Yaana.

Upon joining us as a full-time employee, you will be eligible for employee benefits as accorded by our People Programs and Policies. The Company reserves the right to revise, modify or eliminate these benefits at any time. The key features of our current benefits program are as follows:

- Two Floating Holidays per calendar of employees choice (One if you join after June 30th);
- Eleven fixed paid holidays per calendar year;
- 160 hours of Paid Time Off (PTO) per year;
- Comprehensive medical, dental and vision coverage (Employee only coverage is 100% paid by the Company. Please refer to separate rate tables for the cost of adding dependent coverage);
- Short-term and Long-term disability coverage
- All-risk accident (AD&D) insurance;
- Group Life insurance; and
- Employees 401K Plan (Company matches the first 4% of your contributions).

Mr. Chris MacFarlane January 16th, 2016

Your eligibility for medical, dental, vision, and 401K benefits starts from the first of the month following the Reporting Date. In addition to investing in the financial security of our employees, we believe in investing in their career aspirations and seek opportunities to provide the tools they need to realize their potential. We continually promote a variety of professional development opportunities, including participation in technical seminars and courses, membership in professional societies, and publication of technical papers.

This offer of employment is contingent upon your execution no later than your Reporting Date of Yaana's standard form (1) Confidential Information and Inventions Assignment Agreement, and (2) Arbitration Agreement, copies of which are enclosed for your review and execution.

Your continued employment is also contingent upon completing the Form I-9 (Employment Eligibility Verification) and providing the required documentation establishing your legal right to work in the United States on your first day of employment. Please note that, by law, the I-9 requirement must be met within three days after you begin work.

Your employment will be on an "at will" basis, meaning that either you or Yaana may terminate your employment at any time for any reason or no reason, with or without cause, and with or without notice. Any representations that may have been made to you previously are superseded by this offer agreement. The terms of this offer letter and the Confidential Information and Inventions Assignment Agreement (referenced above) supersede and replace any prior agreements, representations or understandings, whether written, oral or implied, between you and Yaana, and represent the complete agreement between you and Yaana. This offer letter cannot be changed, modified or amended without the consent in a writing signed by both you and the President of Yaana.

We know that we can provide the right environment to help you realize your professional goals. Please notify us of your intent to accept our offer by signing all offer documents and returning them by email to Nick Peshavaria (nick@yaanatech.com) by the date at the bottom of the letter. Also be sure to return all pages of the original offer documents to Yaana (Attention: Nick Peshavaria, Yaana Technologies, 542 Gibraltar Drive, Milpitas, CA 95035) and keep a copy for your records.

We are most enthusiastic about the prospect of your joining Yaana Technologies. We look forward to your positive decision. We feel you have the potential to have a very successful career and will fit in well with our team.

Sincerely,

Nick Peshavaria, COO, Yaana Technologies, LLC.

Enclosures

Required Offer Documents

EXHIBIT B



YAANA TECHNOLOGIES 542 Gibraltar Drive Milpitas, CA 95035 USA

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June 19, 2018

Mr. Chris MacFarlane 22102 Whisperhill Court Ashburn, VA 20148

Dear Chris,

Based on our discussion, here is the summary of the changes to your current position and the revised compensation with Yaana Technologies, LLC.

New Title - EVP of Global Business Development
Annual Base Salary: \$275,000 (\$22,916.67 monthly)

Annual Bonus: 35% of Base Salary (contingent upon fulfillment of your performance goals

and company performance)

Severance: 2 weeks Base Salary and benefits per year of employment. Severance is only

applicable in case of involuntary termination

Sales Commission:

- 2% on the Total Contract Value of Yaana Direct Products and Services
- 1% on the Total Contract Value of any Partner Products and Services
- Commission paid in-full within 15 days upon the first payment from the Contract

Effective Date: April 1, 2018

Regards,

Rai Puri