

1 Plaintiff, Anthony Pompliano ("Plaintiff" or "Mr. Pompliano"), by his undersigned
2 counsel, hereby complains against Defendant Snap, Inc. d/b/a Snapchat ("Snapchat" or "the
3 Company"), and Does 1 through 10, and alleges as follows, upon personal knowledge as to
4 Plaintiff and his own acts and upon information and belief as to those matters of which Plaintiff
5 does not have personal knowledge.

6 INTRODUCTION

7 1. This action arises out of the avarice of the small group of executives at the helm
8 of social media giant Snapchat who have been falsely representing [REDACTED]
9 [REDACTED]—to investors in an effort to inflate
10 Snapchat's valuation, with the ultimate goal of taking the company public through a multi-
11 billion dollar in initial public offering ("IPO"). Snapchat will not let anything stand in its way
12 of an IPO, including its obligations to represent material facts accurately.

13 2. Mr. Pompliano's refusal to participate in Snapchat's institutional pandemic of
14 misrepresenting [REDACTED] to its investors and trading partners led to his unlawful
15 termination by Defendant Snapchat.

16 3. Driven by its fierce rivalry with Facebook — a spurned suitor turned keen
17 competitor — Snapchat fraudulently induced Mr. Pompliano away from Facebook to run
18 Snapchat's new user growth and engagement team by falsely representing to him, among other
19 things, the Company's growth. Throughout the recruiting process, Snapchat represented to Mr.
20 Pompliano that Snapchat [REDACTED]
21 [REDACTED]. Both metrics
22 were false.

23 4. At the outset of his remarkably short, three-week tenure at Snapchat, Mr.
24 Pompliano learned that [REDACTED]
25 [REDACTED]
26 [REDACTED]. Mr. Pompliano urged Snapchat to [REDACTED]

27 5. When Mr. Pompliano alerted Drew Boller, Snapchat's Vice President of Finance
28 and the architect of Snapchat's planned IPO, to the falsity of Snapchat's representations, Mr.

- 2 -

COMPLAINT

01/04/2017

1 Boller agreed that [REDACTED]
2 [REDACTED] Mr. Pompliano also informed Jill Hazelbaker, Snapchat's Vice President
3 of Communications, that the company should stop falsely representing to advertisers and others
4 that [REDACTED]. Mr. Pompliano further wrote to Brian Theisen,
5 Snapchat's then-Director of Business Operations and a former Facebook employee, and
6 explained that [REDACTED]
7 [REDACTED]. These efforts, which should have been rewarded,
8 wound up costing Mr. Pompliano his job.

9 6. Snapchat's leadership saw Mr. Pompliano as an impediment to their planned
10 IPO because he refused to turn a blind eye to Snapchat's misrepresentations. Indeed,
11 Snapchat accurately perceived that Mr. Pompliano would "blow the whistle" should Snapchat
12 continue to misrepresent its [REDACTED] to the public, advertisers, prospective employees,
13 private investors, or in connection with its planned IPO.

14 7. It also became quickly apparent that the real reason Snapchat hired Mr.
15 Pompliano away from Facebook was not to build a growth team, but for the nefarious purpose
16 of obtaining Facebook's confidential and proprietary information, and enlisting Mr. Pompliano
17 to [REDACTED], notwithstanding the fact that Snapchat
18 knew—and Mr. Pompliano repeatedly reminded them—that doing so would violate the
19 confidentiality and non-solicitation agreements he signed with Facebook. Snapchat
20 nevertheless repeatedly pressured Mr. Pompliano to breach his agreements by [REDACTED]

21 [REDACTED]
22 Mr. Pompliano's refusal drew the ire of Snapchat's senior management.

23 8. For these reasons, just *three weeks* into his tenure at Snapchat, the Company
24 retaliated against Mr. Pompliano by summarily and wrongfully terminating his employment in
25 violation of public policy. It is apparent that Snapchat's conduct was malicious because,
26 among other things, Snapchat terminated Mr. Pompliano even though there was not a one
27 negative comment in his employment file.

28 ///

1 9. Because the truth concerning Mr. Pompliano's termination was so potentially
2 damaging to Snapchat's planned IPO, terminating him wasn't enough to ensure the public was
3 kept in the dark. Accordingly, post-termination, Snapchat has sought to destroy his career and
4 reputation by waging a smear campaign against Mr. Pompliano, by making false
5 representations concerning the circumstances of his termination.

6 10. Mr. Pompliano filed a lawsuit against Snapchat in arbitration (pursuant to a
7 contractual provision he signed), seeking redress for Snapchat's egregious misconduct. In that
8 arbitration Mr. Pompliano seeks, among other things, damages for lost wages, significant harm
9 to his professional reputation, and punitive damages based on Snapchat's intentional, wrongful,
10 deceptive, retaliatory, and malicious conduct.

11 11. In this action, Mr. Pompliano seeks an injunction to preserve the status quo
12 pending the outcome of the arbitration proceedings by preventing Snapchat from continuing to
13 make false representations concerning the circumstances surrounding Mr. Pompliano's
14 termination.

15 THE PARTIES

16 12. Mr. Pompliano is an individual working and residing in Los Angeles County.
17 Until the time of his wrongful termination, there existed an employer-employee relationship
18 and actual and implied employment contracts between Mr. Pompliano and Snapchat.

19 13. Defendant Snap, Inc. is a Delaware corporation that has its primary place of
20 business in the County of Los Angeles, California, and that its registered agent is Corporation
21 Service Company, dba Lawyers Incorporating Service, whose address is 2710 Gateway Oaks
22 Dr., Suite 150N, Sacramento, California 95833.

23 14. The true names and capacities of Defendants referred to herein as Does 1
24 through 10 are unknown to Mr. Pompliano at this time and Mr. Pompliano is informed and
25 believes that they are also partly responsible for the damages he has incurred. Mr. Pompliano
26 will amend this Complaint to allege their true names and capacities when ascertained.

27 15. Mr. Pompliano is informed and believes, and thereon alleges, that at all material
28 times each Doe Defendant's actions and conduct were known to, authorized, and ratified by

1 Snapchat and/or its agents.

2 16. Mr. Pompliano is informed and believes, and thereon alleges, that Snapchat
3 committed other wrongful acts or omissions of which Mr. Pompliano is presently unaware.
4 Such acts are ongoing and will continue after the filing of this arbitration claim. Mr. Pompliano
5 expressly reserves the right to amend his Complaint when he discovers the other acts and
6 omissions of such Defendant(s) and additional claims against it/them.

7 **GENERAL ALLEGATIONS**

8 **Plaintiff Anthony Pompliano**

9 17. Plaintiff Anthony Pompliano is a decorated war veteran, and a leading expert in
10 the specialized field of developing and testing growth strategies for social media Internet
11 companies. His background amply prepared him for the significant leadership roles that he has
12 undertaken in recent years.

13 18. Mr. Pompliano served his country for nearly seven years in the United States
14 Army, where he rose to the rank of Sergeant. Mr. Pompliano graduated from the Army's
15 Warrior Leader Course as well as its Infantry Leadership School—courses that focus on
16 leadership, decision making, strategy, and ability to execute in extremely high-stress situations.
17 He was named Distinguished Leader Graduate and Commandant's List Graduate,
18 respectively—awards given only to the top 1-2% of all graduates.

19 19. In 2008, Mr. Pompliano deployed to Iraq to fight in Operation Iraqi Freedom.
20 During his 13-month deployment, he led his squad in *hundreds of combat missions*, including
21 route clearance and high-value target cordon and searches. Mr. Pompliano received numerous
22 awards and medals for his service, including the Combat Action Badge.

23 20. Mr. Pompliano completed his bachelor's degree with a double major in
24 economics and sociology at Bucknell University in 2011, during which time he worked as a
25 network engineer and global security specialist for the New York Stock Exchange and as a
26 network engineer for Neteffect.

27 21. Mr. Pompliano went on to co-found The Community Corkboard, the largest
28 public school advertising network in the country. The Community Corkboard empowered

1 public school districts to combat funding cuts with professional, online advertising. The
2 company was acquired in June 2012.

3 22. In January 2013, Mr. Pompliano founded DigaForce, a leading social
4 intelligence company specializing in demographic and psychometric measurement. Under his
5 leadership, DigaForce was named the Second Most Promising Startup in Sports by MIT and
6 ESPN, before being acquired in December 2013 by Strategic Link Partners.

7 23. Leveraging his experience building successful Internet startups, in February
8 2014, Mr. Pompliano was recruited to join Facebook, where he led the Growth & Engagement
9 initiatives for Facebook Pages. While at Facebook, Mr. Pompliano helped to launch numerous
10 products, including AMBER Alerts and Voter Registration, while also advising Facebook's top
11 executives on their social media strategy. Mr. Pompliano was well-compensated at Facebook,
12 receiving both a generous salary and significantly appreciating stock and stock options.

13 **Key Performance Metrics In The Social Media Industry**

14 24. Virtually every social media application collects and analyzes data from the
15 activity of user accounts in order to understand how users engage with the application. Certain
16 user engagement metrics derived from such data have emerged as key indicators of an
17 application's performance. Some examples of these key performance indicators ("KPIs")
18 include an application's: Daily Active Users; Monthly Active Users; User Retention Rate;
19 Active User Growth Rate; Registration Completion Rate; Installations; Frequency; Session
20 Length; Average Revenue Per User.

21 25. KPIs are used to measure an application's growth, rate of user retention, depth
22 of user engagement, and to help create strategies for improving such core metrics, which is
23 critical to success. It is therefore common for social media companies to broadcast their KPIs
24 publicly as a way to showcase their success.

25 26. Given the importance of an application's KPIs, it is standard industry practice to
26 employ sophisticated data analytics methods and testing to ensure the validity of KPIs and to
27 develop intelligent strategic growth and user engagement initiatives based on analyses of the
28 numbers.

1 27. Snapchat, however, never invested in building a user growth and engagement
2 team to employ such sophisticated data analytics methods, because Snapchat CEO Evan
3 Spiegel simply did not care about user engagement metrics. As a result—unlike mature social
4 media companies such as Facebook and Twitter—Snapchat [REDACTED]

5 [REDACTED]
6 28. At the same time, however, Snapchat [REDACTED]
7 [REDACTED] as means of attracting advertising revenue and investor capital. In other words, when it
8 is financially incentivized to do so, Snapchat [REDACTED]

9 [REDACTED]
10 29. Snapchat realized that going through an IPO process would subject the company
11 to a much higher level of scrutiny than its prior, private securities offerings. In particular,
12 Snapchat knew it would need to be perceived as a mature organization. And because mature
13 organizations in the social media space take their KPIs seriously, by mid-2015, Snapchat made
14 it a top priority to hire a high-level executive to create and lead a new growth team at the
15 Company.

16 **Snapchat Aggressively Recruits Mr. Pompliano Away From Facebook To Lead The**
17 **Company's New Growth Initiative**

18 30. Snapchat recognized that hiring Mr. Pompliano would represent a twin coup,
19 given the demonstrated talent he would bring to Snapchat and its new growth initiative, and the
20 loss it would represent to Snapchat's industry rival, Facebook. Snapchat's top-ranking
21 executives thus recruited him aggressively.

22 31. In July and August 2015, Mr. Pompliano had a series of telephonic interviews
23 with a number of senior executives at Snapchat. All of the interviews went exceedingly well.

24 32. On Monday, August 10, 2015, Snapchat flew Mr. Pompliano to Los Angeles for
25 additional rounds of interviews with Snapchat's most senior executives at its Venice, California
26 headquarters. All of these executives gave Mr. Pompliano a hard-sell and assured him that
27 Snapchat was committed to implementing a robust growth strategy and that their historic
28 refusal to do so was a thing of the past.

1 33. Mr. Khan gave Mr. Pompliano a particularly hard-sell. Eager to convince him to
2 join Snapchat, Mr. Khan repeatedly trumpeted to Mr. Pompliano that Snapchat [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]. These representations were false, and were typical for Mr. Khan, who made similar
6 misrepresentations when he was raising capital for Snapchat in the Asian markets, including in
7 soliciting a \$200 million investment from the Chinese ecommerce giant Alibaba Group
8 Holding Ltd.

9 34. The very next day, Tuesday, August 11, 2015, Snapchat contacted Mr.
10 Pompliano to inform him that CEO Evan Spiegel wanted him to fly back down to Los Angeles
11 *the next day* to meet with him; Mr. Spiegel said it was urgent that he do so. Accordingly, Mr.
12 Pompliano flew back to Los Angeles on Wednesday, August 12, 2015, to meet with Mr.
13 Spiegel.

14 35. When the two met, Mr. Spiegel asked Mr. Pompliano if he could address any
15 concerns he had with joining the company. Mr. Pompliano inquired into Mr. Spiegel's
16 commitment to building and supporting a growth team at Snapchat, and asked him to comment
17 on Snapchat's failure to do so up to that point. Mr. Spiegel assured Mr. Pompliano that
18 Snapchat was fully committed to building a full-scale growth team around him, and asked him
19 what he would need to build such a team. Mr. Pompliano painted a detailed picture of a fully-
20 functioning growth team of about 40 people. Mr. Spiegel assured Mr. Pompliano that if he
21 joined Snapchat, they would build such a team around him.

22 36. That Friday, August 14, 2015, Mr. Pompliano received a job offer from
23 Snapchat with a compensation package that he was told was "massive" and "unprecedented."
24 Later the same day, Snapchat emailed Mr. Pompliano his formal offer letter, along with a
25 Confidential Information and Inventions Assignment Agreement, and an Arbitration
26 Agreement, as attachments. (A true and correct copy of the Arbitration Agreement is attached
27 hereto as Exhibit A.) The letter offered Mr. Pompliano the position of Growth Lead, with a
28 healthy annual salary and an award of restricted stock units ("RSUs") subject to approval by

1 Snapchat's Board and a four year vesting schedule.

2 37. Snapchat told Mr. Pompliano it was very important that he sign and return the
3 three documents the same day and that he commence work at Snapchat the following
4 Monday—i.e., resign his position with Facebook that day (a Friday) without giving any notice,
5 uproot his life in Northern California and move to Los Angeles over the weekend, and start a
6 new job on Monday, *all in less than three days*. Mr. Pompliano informed Snapchat that he
7 could not just abandon his position at Facebook without giving them two weeks' notice, which
8 he did the following Monday.

9 38. News of Mr. Pompliano joining Snapchat was leaked to a news reporter at
10 TechCrunch, a popular technology blog, who wrote an article on Mr. Pompliano's departure
11 from Facebook to lead Snapchat's growth team. There was a media frenzy over the
12 announcement in the days that followed; the story was picked up by the Los Angeles Times, as
13 well as industry news sources including The Drum, Learn Bonds, and CampaignLive.

14 39. When Mr. Pompliano joined Snapchat on August 31, 2015, however, everything
15 changed. Behind the curtain was a very different company than the mature organization
16 committed to building a growth team that he was sold by Snapchat's senior executives during
17 the recruiting process.

18 [REDACTED]
19 [REDACTED]

20 40. [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]

24 41. [REDACTED]
25 [REDACTED]
26 [REDACTED]
27 [REDACTED]
28 [REDACTED]

01/04/2017

68. [REDACTED]

69. [REDACTED]

[REDACTED] Mr. Pompliano was terminated a mere *three weeks* into his tenure as a Snapchat employee.

Snapchat's Efforts To Discredit Mr. Pompliano and Destroy his Career, and The Need For Immediate Injunctive Relief

70. As a result of his abrupt and wrongful termination by Snapchat, Mr. Pompliano has been deprived of his position as Growth Lead, his salary, and his Snapchat stock. Mr. Pompliano's wrongful termination by Snapchat has also caused serious and irreparable damage to his professional reputation in his rarefied field of work, and emotional distress. Mr. Pompliano's hiring based on false representations and abrupt termination by Snapchat also caused him to lose his valuable position and good reputation, salary and significant stock options at Facebook.

71. Simply terminating Mr. Pompliano wasn't enough for Snapchat, however. To ensure that the widespread incompetence and false representations that Mr. Pompliano uncovered at Snapchat did not get in the way of its IPO, Snapchat took preemptive measures to discredit Mr. Pompliano. In particular, Snapchat falsely represented to Snapchat employees and to third parties, including high-ranking executives in the social media industry, that Mr. Pompliano was terminated three weeks after he was hired because he was incompetent. In reality, however, Mr. Pompliano was terminated because he refused to participate in a scheme to deceive the public and artificially inflate Snapchat's valuation in anticipation of its IPO.

1 72. For example, Mr. Pompliano was in talks with a major social media company
2 about a filling a senior executive role with the company. The discussions had advanced
3 considerably and Mr. Pompliano had received glowing feedback and enthusiasm about his
4 prospective role with the company. On a near daily basis, Mr. Pompliano was communicating
5 with a number of the company's top executives, all of whom would promptly respond to Mr.
6 Pompliano's inquiries.

7 73. The company, however, abruptly cut off all communications with Mr.
8 Pompliano—notwithstanding its enthusiasm about Mr. Pompliano's candidacy—soon after it
9 contacted Snapchat to inquire into Mr. Pompliano's short tenure there. Because Snapchat
10 would not jeopardize its IPO, Snapchat falsely claimed that Mr. Pompliano was terminated
11 because he was incompetent, notwithstanding the fact that he had been employed by Snapchat
12 for a mere three weeks and had not received a single negative review.

13 74. Snapchat has made similar false representations about Mr. Pompliano to its own
14 employees.

15 75. These false representations have severely damaged Mr. Pompliano's reputation
16 and career prospects. He therefore seeks an injunction preventing Snapchat from doing any
17 further damage to his reputation and career during the pendency of the arbitration.

18 76. The Arbitration Agreement provides, in relevant part: "Nothing in this
19 Arbitration Agreement will prevent either party from seeking a preliminary injunction (or other
20 provisional remedy) in court to preserve the status quo before the arbitrator issues his/her
21 award."

22 77. Defendant Snapchat has been falsely representing and continues to falsely
23 represent to a wide-range of entities and leaders in the social media industry that it terminated
24 Mr. Pompliano's employment a mere three weeks after he was hired because he was not
25 adequately performing in his position at Snapchat. Such representations were false and
26 malicious and made with the express of covering up Snapchat's false representations to
27 investors and to the public.

28 ///

1 78. Therefore, pursuant to the Arbitration Agreement, Mr. Pompliano requests that
2 this Court grant provisional injunctive relief and order Snapchat to maintain the status quo
3 pending resolution of the arbitration with Mr. Pompliano.

4 **FIRST CAUSE OF ACTION**

5 **(Misrepresentation Preventing Former Employee from Obtaining Employment in**
6 **Violation of Cal. Lab. Code § 1050 et seq., against all Defendants)**

7 79. Plaintiff repeats, realleges and incorporates by reference the allegations of
8 paragraphs 1 through 78 as though set forth fully herein.

9 80. California Labor Code section 1050 et seq., makes it unlawful for any person, or
10 agent or officer thereof, who, after having discharged an employee from the service of such
11 person or after an employee has voluntarily left such service, by any misrepresentation prevents
12 or attempts to prevent the former employee from obtaining employment.

13 81. California Labor Code 1054 creates a private right of action by a former
14 employee who is damaged pursuant to section 1050 to recover treble damages against the
15 former employer. C.C.P. § 1054 ("[A]ny person or agent or officer thereof, who violates any
16 provision of sections 1050 to 1052, inclusive, is liable to the party aggrieved, in a civil action,
17 for treble damages.").

18 82. While employed at Defendant Snapchat, Mr. Pompliano complained to his
19 superiors about Snapchat's repeated false representations to advertisers, to investors, and to the
20 public [REDACTED]

21 83. As a result, Defendant Snapchat terminated Mr. Pompliano on September 18,
22 2015, a mere three weeks after he started working for Snapchat.

23 84. After his termination, Mr. Pompliano was being recruited by a social media
24 company to fill a high level executive position with the company. In addition, Mr. Pompliano
25 was presented with a number of other business opportunities in the social media industry.

26 85. All such prospective employment and business opportunities disintegrated when
27 Defendant Snapchat was contacted to inquire into Mr. Pompliano's employment there.

28 ///

1 86. Defendant Snapchat made material misrepresentations to those making such
2 inquiries, thereby preventing Mr. Pompliano from gaining employment after termination.

3 87. Mr. Pompliano was harmed and continues to be harmed by Snapchat's
4 misconduct.

5 88. Defendant Snapchat's conduct was a substantial factor in causing Mr.
6 Pompliano's harm.

7 89. Defendant Snapchat deprived Mr. Pompliano of his right to report wrongful
8 activity to his supervisors without retaliation and termination. In committing the foregoing
9 acts, Mr. Pompliano is entitled to reinstatement and/or reimbursement for lost wages and work
10 benefits caused by the actions of Defendant Snapchat, plus attorney's fees and costs.

11 90. In committing the foregoing acts, Defendants were guilty of oppression, fraud,
12 and malice, and, in addition to the actual damages caused thereby, Mr. Pompliano is entitled to
13 recover damages for the sake of example and by way of punishing Defendants.

14 91. Wherefore, PLAINTIFF prays of judgment as set forth below.

15 PRAYER

16 WHEREFORE, by virtue of the foregoing acts complained of in this Complaint, Mr.
17 Pompliano prays for a judgment against Defendant as follows:

18 (a) A Preliminary Injunction Order issue immediately, pursuant to which
19 Defendant, directly or indirectly, and whether alone or in concert with others, including
20 any officers, agents, employees and/or representatives, shall be required to maintain the
21 status quo between the parties until such time as an arbitrator can render a final and
22 non-appealable award, including by refraining from making any misrepresentations to
23 any third party concerning the facts or circumstances surrounding Mr. Pompliano's
24 termination from Snapchat prior to such final and non-appealable award; and,

25 (b) An award of costs of suit herein incurred, including any interest at the legal
26 rate; and,

27 (c) An order of exemplary damages due to Defendants' malice, oppression and
28 fraud;