

SUMMONS
(CITACION JUDICIAL)

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

NOTICE TO DEFENDANT:
(AVISO AL DEMANDADO):

APPRECIATE STUFF, INC., a Delaware corporation; JUSTIN CONNOR, an individual; and DOES 1-50, inclusive.

YOU ARE BEING SUED BY PLAINTIFF:
(LO ESTÁ DEMANDANDO EL DEMANDANTE):

KEREM KAZAN, an individual

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **¡AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:
(El nombre y dirección de la corte es): CIVIC CENTER COURTHOUSE
400 McAllister St, San Francisco, CA 94102

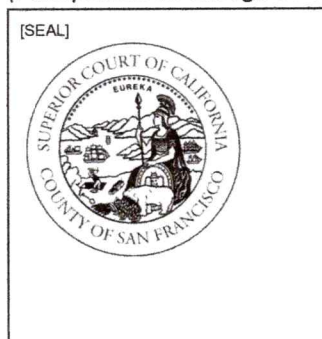
CASE NUMBER:
(Número del Caso):

CGC-23-604889

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):
Maurice D. Pessah; Pessah Law Group, PC, 9100 Wilshire Blvd., Suite 850E, Beverly Hills, CA 90212; 310-772-2261

DATE: **03/03/2023** Clerk, by **JEFFREY FLORES**, Deputy
(Fecha) (Secretario) (Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)
(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).



NOTICE TO THE PERSON SERVED: You are served

1. as an individual defendant.
2. as the person sued under the fictitious name of (specify):
3. on behalf of (specify): **APPRECIATE STUFF, INC., a Delaware corporation**
under: CCP 416.10 (corporation) CCP 416.60 (minor)
 CCP 416.20 (defunct corporation) CCP 416.70 (conservatee)
 CCP 416.40 (association or partnership) CCP 416.90 (authorized person)
 other (specify):
4. by personal delivery on (date):

ATTORNEY OR PARTY WITH CURRENT CALIFORNIA BAR NUMBER (State Bar Number and address): Maurice D. Pessah, Esq. #275955; Jason H. Sunshine, Esq. #336062
Pessah Law Group, P.C., 9100 Wilshire Blvd., Ste. 850E, Beverly Hills, CA 90212
TELEPHONE NO.: (310) 772-2261 FAX NO. (Optional):
E-MAIL ADDRESS: maurice@pessahgroup.com; jsunshine@pessahgroup.com
ATTORNEY FOR (Name): Plaintiff Kerem Kazan

FOR COURT USE ONLY
ELECTRONICALLY FILED
Superior Court of California, County of San Francisco
03/01/2023
Clerk of the Court
BY: JEFFREY FLORES
Deputy Clerk

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN FRANCISCO
STREET ADDRESS: 400 McAllister St
MAILING ADDRESS: 400 McAllister St
CITY AND ZIP CODE: San Francisco, 94102
BRANCH NAME: Civic Center Courthouse

CASE NAME:
Kerem Kazan v. Appreciate Stuff, Inc., et al.

CIVIL CASE COVER SHEET
 Unlimited (Amount demanded exceeds \$25,000) **Limited** (Amount demanded is \$25,000 or less)
Complex Case Designation
 Counter Joinder
Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)

CASE NUMBER: **CGC-23-604889**
JUDGE:
DEPT.:

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:
- | | | |
|---|--|--|
| Auto Tort
<input type="checkbox"/> Auto (22)
<input type="checkbox"/> Uninsured motorist (46)
Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort
<input type="checkbox"/> Asbestos (04)
<input type="checkbox"/> Product liability (24)
<input type="checkbox"/> Medical malpractice (45)
<input type="checkbox"/> Other PI/PD/WD (23)
Non-PI/PD/WD (Other) Tort
<input type="checkbox"/> Business tort/unfair business practice (07)
<input type="checkbox"/> Civil rights (08)
<input type="checkbox"/> Defamation (13)
<input type="checkbox"/> Fraud (16)
<input type="checkbox"/> Intellectual property (19)
<input type="checkbox"/> Professional negligence (25)
<input type="checkbox"/> Other non-PI/PD/WD tort (35)
Employment
<input checked="" type="checkbox"/> Wrongful termination (36)
<input type="checkbox"/> Other employment (15) | Contract
<input type="checkbox"/> Breach of contract/warranty (06)
<input type="checkbox"/> Rule 3.740 collections (09)
<input type="checkbox"/> Other collections (09)
<input type="checkbox"/> Insurance coverage (18)
<input type="checkbox"/> Other contract (37)
Real Property
<input type="checkbox"/> Eminent domain/Inverse condemnation (14)
<input type="checkbox"/> Wrongful eviction (33)
<input type="checkbox"/> Other real property (26)
Unlawful Detainer
<input type="checkbox"/> Commercial (31)
<input type="checkbox"/> Residential (32)
<input type="checkbox"/> Drugs (38)
Judicial Review
<input type="checkbox"/> Asset forfeiture (05)
<input type="checkbox"/> Petition re: arbitration award (11)
<input type="checkbox"/> Writ of mandate (02)
<input type="checkbox"/> Other judicial review (39) | Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403)
<input type="checkbox"/> Antitrust/Trade regulation (03)
<input type="checkbox"/> Construction defect (10)
<input type="checkbox"/> Mass tort (40)
<input type="checkbox"/> Securities litigation (28)
<input type="checkbox"/> Environmental/Toxic tort (30)
<input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41)
Enforcement of Judgment
<input type="checkbox"/> Enforcement of judgment (20)
Miscellaneous Civil Complaint
<input type="checkbox"/> RICO (27)
<input type="checkbox"/> Other complaint (not specified above) (42)
Miscellaneous Civil Petition
<input type="checkbox"/> Partnership and corporate governance (21)
<input type="checkbox"/> Other petition (not specified above) (43) |
|---|--|--|

2. This case is is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- | | |
|--|--|
| a. <input type="checkbox"/> Large number of separately represented parties | d. <input type="checkbox"/> Large number of witnesses |
| b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve | e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court |
| c. <input type="checkbox"/> Substantial amount of documentary evidence | f. <input type="checkbox"/> Substantial postjudgment judicial supervision |

3. Remedies sought (check all that apply): a. monetary b. nonmonetary; declaratory or injunctive relief c. punitive

4. Number of causes of action (specify): Nine (9)

5. This case is is not a class action suit.

6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: March 1, 2023
Maurice D. Pessah, #275955
(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you **must** complete and file, along with your first paper, the Civil Case Cover Sheet contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check **one** box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the **primary** cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the Civil Case Cover Sheet to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

Auto Tort

Auto (22)—Personal Injury/Property Damage/Wrongful Death
Uninsured Motorist (46) (*if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto*)

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

Asbestos (04)
Asbestos Property Damage
Asbestos Personal Injury/Wrongful Death
Product Liability (*not asbestos or toxic/environmental*) (24)
Medical Malpractice (45)
Medical Malpractice—Physicians & Surgeons
Other Professional Health Care Malpractice
Other PI/PD/WD (23)
Premises Liability (e.g., slip and fall)
Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)
Intentional Infliction of Emotional Distress
Negligent Infliction of Emotional Distress
Other PI/PD/WD

Non-PI/PD/WD (Other) Tort

Business Tort/Unfair Business Practice (07)
Civil Rights (e.g., discrimination, false arrest) (*not civil harassment*) (08)
Defamation (e.g., slander, libel) (13)
Fraud (16)
Intellectual Property (19)
Professional Negligence (25)
Legal Malpractice
Other Professional Malpractice (*not medical or legal*)
Other Non-PI/PD/WD Tort (35)

Employment

Wrongful Termination (36)
Other Employment (15)

Contract

Breach of Contract/Warranty (06)
Breach of Rental/Lease
Contract (*not unlawful detainer or wrongful eviction*)
Contract/Warranty Breach—Seller Plaintiff (*not fraud or negligence*)
Negligent Breach of Contract/Warranty
Other Breach of Contract/Warranty
Collections (e.g., money owed, open book accounts) (09)
Collection Case—Seller Plaintiff
Other Promissory Note/Collections Case
Insurance Coverage (*not provisionally complex*) (18)
Auto Subrogation
Other Coverage
Other Contract (37)
Contractual Fraud
Other Contract Dispute

Real Property

Eminent Domain/Inverse Condemnation (14)
Wrongful Eviction (33)
Other Real Property (e.g., quiet title) (26)
Writ of Possession of Real Property
Mortgage Foreclosure
Quiet Title
Other Real Property (*not eminent domain, landlord/tenant, or foreclosure*)

Unlawful Detainer

Commercial (31)
Residential (32)
Drugs (38) (*if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential*)

Judicial Review

Asset Forfeiture (05)
Petition Re: Arbitration Award (11)
Writ of Mandate (02)
Writ—Administrative Mandamus
Writ—Mandamus on Limited Court Case Matter
Writ—Other Limited Court Case Review
Other Judicial Review (39)
Review of Health Officer Order
Notice of Appeal—Labor Commissioner Appeals

Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)

Antitrust/Trade Regulation (03)
Construction Defect (10)
Claims Involving Mass Tort (40)
Securities Litigation (28)
Environmental/Toxic Tort (30)
Insurance Coverage Claims (*arising from provisionally complex case type listed above*) (41)

Enforcement of Judgment

Enforcement of Judgment (20)
Abstract of Judgment (Out of County)
Confession of Judgment (*non-domestic relations*)
Sister State Judgment
Administrative Agency Award (*not unpaid taxes*)
Petition/Certification of Entry of Judgment on Unpaid Taxes
Other Enforcement of Judgment Case

Miscellaneous Civil Complaint

RICO (27)
Other Complaint (*not specified above*) (42)
Declaratory Relief Only
Injunctive Relief Only (*non-harassment*)
Mechanics Lien
Other Commercial Complaint Case (*non-tort/non-complex*)
Other Civil Complaint (*non-tort/non-complex*)

Miscellaneous Civil Petition

Partnership and Corporate Governance (21)
Other Petition (*not specified above*) (43)
Civil Harassment
Workplace Violence
Elder/Dependent Adult Abuse
Election Contest
Petition for Name Change
Petition for Relief From Late Claim
Other Civil Petition

1 MAURICE D. PESSAH (SBN: 275955)
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7 Beverly Hills, CA 90212
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ELECTRONICALLY
FILED
Superior Court of California,
County of San Francisco
03/01/2023
Clerk of the Court
BY: JEFFREY FLORES
Deputy Clerk

7 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
8 **FOR THE COUNTY OF SAN FRANCISCO**

9 KEREM KAZAN, an individual,
10
11 Plaintiff,

Case No.: **CGC-23-604889**

COMPLAINT FOR DAMAGES

12 vs.

13
14 APPRECIATE STUFF, INC., a Delaware
15 corporation; JUSTIN CONNOR, an individual;
16 and DOES 1-50, inclusive,
17 Defendants.

- 18 (1) **HOSTILE WORK ENVIRONMENT HARASSMENT IN VIOLATION OF FEHA (CAL. GOV'T. CODE § 12940(i), et seq.);**
- 19 (2) **RETALIATION IN VIOLATION OF FEHA (CAL. GOV'T. CODE § 12940, et seq.);**
- 20 (3) **WRONGFUL TERMINATION IN VIOLATION OF PUBLIC POLICY;**
- 21 (4) **BREACH OF CONTRACT;**
- 22 (5) **BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING;**
- 23 (6) **BREACH OF ORAL CONTRACT;**
- 24 (7) **INTENTIONAL INFLECTION OF EMOTIONAL DISTRESS;**
- 25 (8) **NEGLIGENT INFLECTION OF EMOTIONAL DISTRESS;**
- 26 (9) **DEFAMATION;**

27 **JURY TRIAL DEMANDED**

1 Plaintiff KEREM KAZAN, an individual, brings this Complaint for damages against
2 Defendants APPRECIATE STUFF, INC., a Delaware corporation; JUSTIN CONNOR, an
3 individual; and DOES 1-50 based on the following allegations:

4 **NATURE OF THE ACTION**

5 1. **Appreciate Stuff, Inc. (the “Company,” “Appreciate,” or “Defendant”) is a tech**
6 **startup of the Silicon Valley ilk, with venture capital backing, hooded sweatshirts, and inventive**
7 **job titles. Behind the curtain, however, is a toxic stew that Plaintiff Kerem Kazan (“Kazan” or**
8 **“Plaintiff”) saw and experienced first-hand.** Under the backdrop of a next-gen startup was a grim
9 picture of graft and nepotism, a demoralized and anxious workforce, and a company operating like
10 the personal piggybank of its chief executive (or so-called ‘Person Accountable’), Defendant Justin
11 Connor (“Connor”). **Kazan documented and reported illegal, unethical, and disturbing incidents**
12 **and practices; as a result, he ended up with a target on his back. Kazan now brings suit.**

13 2. Appreciate hired Kazan as Co-Founder and Head of Engineering in or around April
14 2021 and later elevated him to the C-suite as Chief Technology Officer (“CTO”). As a full-stack
15 programmer and engineer with the technical capabilities to build the platform from scratch, Kazan
16 was a critical hire for Appreciate. Kazan’s mandate was nothing less than actualizing Appreciate’s
17 business, which at the time was no more than a series of ideas and concepts devised by the
18 **Company’s two non-technical co-founders—Allys Ton (“Ton”), Head of Marketing, and Connor,**
19 **the “Person Accountable.”**

20 3. Kazan, an engineering graduate of the University of Pennsylvania, earned his
21 stripes in the startup world before joining Appreciate. His decision to join Appreciate stemmed
22 from his earnest belief in its future potential, a desire to build something from the ground up, and
23 **the seductive appeal of Connor’s vision.**

24 4. The nascent state of the Company required massive effort on numerous fronts.
25 Kazan devoted himself to the Company’s mission and plunged into his expansive responsibilities,
26 very quickly becoming indispensable. Kazan’s critical role at Appreciate was underscored by his
27 elevation to CTO, and **Connor’s confidence in Kazan’s** singular technical prowess was such that
28 he repeatedly utilized Kazan’s expertise for non-Appreciate projects.

1 5. Over time, however, Kazan's faith was tested by Connor's erratic and seedy
2 leadership. Connor's wasteful spending, poor management, and disregard for investor and
3 shareholder funds, among other issues, drove Kazan's doubts and ultimately led him to tender his
4 resignation in or around late-March 2022.

5 6. In response to Kazan's complaints and eventual resignation, Appreciate, through
6 its senior leadership, retaliated against Kazan, pretextually terminating him "for cause" and
7 spreading lies about non-existent misconduct, supposedly poor performance, and the
8 circumstances surrounding his departure. Appreciate did not advance any legitimate basis for its
9 decision to terminate Kazan but the Company was resolute that a termination "for cause" would
10 divest him of his vested stock options.

11 7. Appreciate's betrayal of Kazan was part and parcel of the toxic environment Kazan
12 had already decided to leave and flowed directly from his refusal to participate in graft and
13 insistence on a workplace free of harassment, bullying, and discrimination. After Kazan's
14 departure, in a shameless display of projection, Appreciate's leadership embarked on a campaign
15 of slander, baselessly attributing the Company's difficulties to Kazan's purported incompetence
16 and, more alarmingly, falsely accusing him of embezzlement.

17 **THE PARTIES**

18 8. Plaintiff Kerem Kazan is an individual residing in the State of New York and was,
19 at times relevant, a resident of the County of San Francisco, State of California.

20 9. Appreciate Stuff, Inc. is, and at all times relevant was, a Delaware corporation with
21 its principal place of business located at 2017 19th Street Northwest, Washington D.C., 20009.

22 10. On information and belief, Justin Connor is, and at all times relevant was, an
23 individual residing in the District of Columbia.

24 11. Plaintiff is ignorant of the true names and capacities of Defendants sued herein as
25 Does 1-50, inclusive, and therefore sues these Defendants by such fictitious names. Plaintiff will
26 amend this Complaint to allege their true names and capacities when ascertained. Plaintiff is
27 informed and believes and thereon alleges that each of these fictitiously named Defendants is
28 **responsible in some manner for the occurrences herein alleged, and that Plaintiff's injuries as**

1 herein alleged were proximately caused by the aforementioned Defendants.

2 12. Plaintiff is informed, believes, and thereon alleges that each of the Defendants is
3 the agent, joint venture, and/or employee of each of the remaining Defendants and in doing the
4 things hereinafter alleged, each was acting within the course and scope of said agency,
5 employment, and/or joint venture with the advance knowledge, acquiescence, or subsequent
6 ratification of each and every remaining Defendant.

7 13. Plaintiff is informed and believes and thereon alleges that, at all times relevant
8 hereto, the Defendants acted for each other in connection with the conduct hereinafter alleged and
9 that each of them performed the acts complained of herein or breached the duties herein
10 complained of as agents of each other, and each is therefore fully liable for the acts of the other.

11 **JURISDICTION**

12 14. Jurisdiction is proper in the Superior Court of the State of California for the County
13 of San Francisco pursuant to **California Code of Civil Procedure** (“**Code Civ. Proc.**”) § 410.10 *et*
14 *seq.* since at least some of the obligations, liabilities, and breaches complained of herein arose or
15 occurred in the County of San Francisco. Moreover, each Defendant either owns, maintains
16 offices, transacts business, has an agent or agents within the County of San Francisco, or otherwise
17 is found within the County of San Francisco, and each Defendant is within the jurisdiction of this
18 Court for service of process. Jurisdiction is also proper pursuant to California *Labor Code* § 925.

19 **VENUE**

20 15. Venue as to each Defendant is proper in this judicial district pursuant to Code Civ.
21 Proc. sections 395(a) and 395.5 since at least some of the obligations, liabilities, and breaches
22 complained of herein arose or occurred in the County of San Francisco. Each Defendant either
23 owns, maintains offices, transacts business, has an agent or agents within the County of San
24 Francisco, or otherwise is found within the County of San Francisco, and the Defendants are within
25 the jurisdiction of this Court for service of process.

26 **GENERAL ALLEGATIONS**

27 16. In or around April 2021, Plaintiff Kerem Kazan began negotiations to join
28 **Appreciate. Kazan was quickly drawn in by the charisma of Appreciate’s founder, Defendant**

1 Justin Connor, and his promises of success.

2 17. On or about May 1, 2021, Kazan was offered the position of **Appreciate's Co-**
3 **Founder and Head of Engineering.** Kazan quit his previous job and accepted the offer.

4 18. Kazan was hired to run the technical side of Appreciate, bringing to bear his
5 engineering and computer science degree and years of experience in full-stack programming and
6 systems architecture. Kazan was the sole engineer among the founders and assumed sole
7 **responsibility for developing a workable architecture, writing the code, and transforming Connor's**
8 **vision into a bona fide technical platform to “[c]reat[e] a world in which humans appreciate the**
9 **items they buy[.]”**¹

10 19. In consideration for his employment, Kazan negotiated a compensation package
11 consisting of an annual salary of \$185,000; a stock options incentive plan; benefits, including
12 health insurance; and a guaranteed \$215,000 minimum salary after Appreciate's Series A round of
13 equity financing. The stock options incentive package entitled Kazan to buy 21% of Appreciate's
14 then-outstanding shares of common stock on a vesting schedule as follows: 33% vested after six
15 months, 33% after 18 months, and 33% after 36 months. In addition, 100% of the option shares
16 would vest in the event of a change of control **prior to full vesting.** The terms of Kazan's
17 employment are set forth in a written contract (the “Agreement”), a true and correct copy of which
18 is attached hereto as **Exhibit A.** The Agreement was executed by Kazan and Connor, respectively,
19 on or about April 30, 2021. Kazan was a San Francisco resident at the time of his onboarding, and
20 he continued to live and work in San Francisco until the Company relocated him to New York
21 City in or around September 2021.

22 20. **Kazan also entered into Appreciate's 2021 Stock Plan (the “Stock Plan”).** The Stock
23 Plan contains a California choice of law provision. *See* Stock Plan, Paragraph 10(a). On or about
24 June 28, 2021, Kazan received an email confirmation that his stock option grant was issued as of
25 May 19, 2021.

26 **A. First Signs of Trouble**

27 21. **One of Kazan's first projects was dubbed “Membrane,”** which Connor claimed was
28

¹ About, appreciate.it, <https://appreciate.it/about> (last visited February 27, 2023).

1 separate from Appreciate and the investors who helped launch it. Kazan was taken aback by this
2 revelation, in part because he was aware of no separate legal structure and no formal
3 documentation of the purported entity. Nonetheless, Kazan did as he was told.

4 22. As part of his work on Membrane, Kazan coded a Telegram bot to facilitate
5 anonymous transactions. Telegram users could contact the bot, place a purchase request, get a
6 quote, and send their crypto tokens into an Ethereum wallet solely owned and accessed by Connor.
7 Soon after constructing Membrane, Kazan was disturbed to discover that the nature of the
8 transactions coming in and out had nothing to do with Appreciate's business.

9 **B. Kazan Observes Graft, Waste, and Fraud**

10 23. It quickly became apparent to Kazan that Appreciate, through Connor, zealously
11 guarded its financials. It did not take long for Connor's motives to become apparent. On
12 information and belief, Connor was improperly diverting investor money to fund his lavish
13 lifestyle and that of his girlfriend, Autumn Cody ("Cody"), who is employed as Appreciate's social
14 media manager. Together, Connor and Cody live a jet set lifestyle, regularly flying private or first
15 class to far-flung destinations, staying in the fanciest hotels, dining at the finest restaurants, and
16 generally spending money at an extraordinary clip.

17 24. Cody has a "side-gig" as a social media influencer under the moniker "Stay at
18 Home Girlfriend." Cody is particularly active on TikTok, where she *boasts about not having a job*
19 and the lavish lifestyle funded by her boyfriend. A story published in The Sun documented how
20 Cody's life as a stay-at-home girlfriend means "[a]ll I do is top up my Botox and go to Pilates."²

21 25. Cody, for her part, worked no more than 1-2 hours a week. Her operational role
22 was negligible, and she had no legitimate business reason to accompany Connor on lavish
23 'business' travel. Nor did many of their trips have any apparent business purpose. Yet, on
24 information and belief, Cody is among Appreciate's highest paid employees, earning north of
25 \$200,000 in base salary annually.

26 26. Kazan is informed and believes and thereon alleges that Connor's and Cody's

27 _____
28 ² Susie Crawford, "LOVE LIFE I used to work 70 hours a week – now I'm a stay-at-home girlfriend and all I do is
top up my Botox and go to Pilates," The Sun, (Nov. 18, 2021), [https://www.the-sun.com/lifestyle/4094003/work-70-
hours-stay-at-home-girlfriend-botox-pilates/](https://www.the-sun.com/lifestyle/4094003/work-70-hours-stay-at-home-girlfriend-botox-pilates/).

1 extremely lavish lifestyle, showcased on Cody’s social media pages, is funded by way of diverted
2 investor funds from Appreciate.

3 **C. Appreciate Falsely Promises Financial Transparency**

4 27. Kazan was extremely concerned by these revelations and harbored serious concerns
5 about Appreciate’s financial situation. Specifically, Kazan believed it highly probable that
6 Connor’s extraordinary spending was depleting the Company’s investor-funded working capital,
7 and that Appreciate’s operating expenses could not be sustained. In view of these concerns, Kazan
8 requested transparency about Appreciate’s financial situation and cap table. Connor repeatedly
9 agreed to provide such transparency but never did, instead relying on myriad excuses to delay and
10 evade.

11 28. Given Connor’s lack of cooperation, Kazan notified other management that he was
12 concerned Connor was misusing corporate funds in violation of state and federal law and placing
13 Appreciate’s future viability in peril.

14 29. In or around late September 2021, Kazan spoke with Connor personally regarding
15 these concerns. Connor promised Kazan that he would give Kazan access to itemized Company
16 expenses and accounting, with no exceptions for any kind of financial data. Connor’s
17 representations turned out to be false.

18 **D. Kazan Experiences a Hostile Work Environment**

19 30. To make matters worse, Kazan was subjected to a hostile and toxic work
20 environment during his tenure at Appreciate.

21 31. Kazan was especially disturbed by the Company’s treatment of its only black
22 employee, Kayko Andrieux (“Andrieux”), who served as Appreciate’s administrative assistant.

23 32. Kazan repeatedly heard Connor make demeaning, racially charged remarks,
24 including: (1) complaints that firing black workers was ‘impossible’; (2) lamenting that he was
25 ‘stuck’ with Andrieux due to her race; (3) expressing contempt for civil rights and
26 antidiscrimination laws; and (4) characterizing diversity hiring as unacceptably risky. Connor, who
27 often claimed to be ‘joking,’ encouraged and solicited laughter and agreement with his sentiments.

28 33. While Kazan is not himself black, Connor’s flagrant racism toward Andrieux

1 offended him. As a person of color and immigrant, Kazan is well-acquainted with bigotry and
2 discrimination and felt deeply disturbed by the attitudes and sentiments expressed by the
3 Company's leadership.

4 34. The Company's leadership ultimately subjected Andrieux to a racially charged
5 campaign of humiliation. In a conversation with Ton, Andrieux had innocuously described another
6 colleague as 'physically attractive.' Kazan is informed and believes and thereon alleges that
7 Appreciate, through Connor, falsified sexual harassment charges against Andrieux based off that
8 lone comment and terminated her "for cause." Managers at Appreciate announced these charges
9 publicly.

10 35. Cody, on account of her sexual relationship with Connor, was insulated from any
11 accountability for her work or behavior. Cody regularly screamed at and bullied Appreciate
12 employees with impunity. Notwithstanding her negligible workload (which began and ended with
13 one Instagram post each day), Cody chronically underperformed and was the cause of significant
14 inter-personal conflict within the Company. At one point, Ton sought to put Cody on a
15 performance improvement plan, but Connor blocked it.

16 36. This intensely hostile work environment, which included belligerent racism,
17 nepotism, and bullying, began to cause Kazan increasing emotional distress. Concurrently with the
18 deterioration of Kazan's work environment, he became increasingly anxious and depressed and
19 began treatment with a psychiatrist, who prescribed psychotropic medication.

20 **E. Kazan Was an Exemplary Employee**

21 37. At the time of Kazan's hiring, Appreciate was no more than a rough idea concocted
22 by Connor and Ton, neither of whom had any technical skills. Kazan, by contrast, was a full stack
23 software engineer specializing in systems architecture. Kazan had a mission critical role,
24 spearheading the effort to transform Appreciate from an idea into a workable technical framework.
25 This involved, among other things, recruiting and managing the technical team, including the
26 engineers.

27 38. In or around September 2021, Kazan relocated from San Francisco to New York
28 City at the Company's direction and on its dime.

1 39. Owing to the nature and scope of his responsibilities, Kazan kept a punishing
2 schedule, working sleepless nights and weekends, writing code, and managing the technical team.
3 Kazan's relentless work ethic was widely acknowledged within the Company, particularly as the
4 product launch deadline approached in or around October 2021. Ton acknowledged Kazan's
5 extraordinary effort in a Slack message to the Appreciate staff on or about October 6, 2021:

6 **Team, I'm so incredibly proud of the work that's been**
7 **accomplished across the organization in recent weeks. Everyone**
8 **here has made a direct impact to our success, so please give**
9 **yourself a round of applause [smile emoji] Special shoutout to**
 @Justin for leading our seed round fundraising and @kerem for
 spearheading our product build.

10 On or about October 15, 2021, Ton further acknowledged Kazan's contribution, writing,
11 "[e]veryone has been killing it lately, but I want to shoutout @kerem specifically. Thank you for
12 taking care of all last-minute requests this week and leading your team through beta [heart emoji]
13 Couldn't do this without ya [sic]." **Four of their colleagues 'liked' the message.**

14 40. All of the praise for Kazan is attributable to the team's recognition of his
15 extraordinary dedication, technical prowess, good nature, and central role in formulating
16 **Appreciate's** technical strategy, data model, technical tooling, and product strategy.

17 **F. Appreciate Stiffs Kazan Out of a \$50,000 Bonus**

18 41. On or about December 29, 2021, Kazan dined with Connor, Cody, and Ton in New
19 York City. At the dinner, in **recognition of Kazan's critical role in Appreciate's** product launch,
20 Connor offered Kazan the position of CTO, a significant promotion and vast expansion of his
21 responsibilities. To induce Kazan's acceptance, Connor, acting in his capacity as Person
22 Accountable, offered Kazan increased compensation, including a bonus of \$50,000. Relying on
23 these promises, Kazan accepted the offer.

24 42. As CTO, Kazan's domain of responsibility expanded to include the product team.
25 As a result, Kazan was working harder than ever, burning the candle at both ends to fulfill his new
26 duties. But the Company never made good on its end of the bargain, stiffing him out of the \$50,000
27 bonus.
28

1 **G. Appreciate Wrongfully Terminates Kazan**

2 43. In or around March 2022, Kazan disclosed to Ton and Connor that he was
3 considering leaving the Company. In a conversation with Ton, Kazan expressed concern at the
4 casual racism other leadership often exhibited, the misappropriation of funds by Connor and Cody,
5 and the Company's failure to pay him the \$50,000 bonus it had offered. When Connor got wind
6 of Kazan's concerns, he implored Kazan to remain in his post, emphasizing his importance to
7 Appreciate's operations and assuring him that things would change.

8 44. However, shortly thereafter, Kazan noticed a disturbing shift in tone from
9 leadership, hinting at an apparent effort to isolate him from his colleagues and shift sentiment
10 against him.

11 45. It later became clear that the Company was laying the groundwork to fabricate a
12 basis to terminate Kazan "for cause." Kazan is informed and believes and thereon alleges that the
13 Appreciate's leadership wanted to halt Kazan's whistleblowing and deprive him of his rightful
14 compensation, including his stock options and bonus.

15 46. Around this time, Kazan once again inquired about the status of his \$50,000 bonus.
16 Shockingly, Appreciate's Head of Human Resources and Legal Affairs, Jack Gregori ("Gregori")
17 informed Kazan that Connor denied making any such promise. This was a lie. Yet, according to
18 Gregori, there would be no bonus, now or ever.

19 47. Kazan sought Ton's counsel, as she was present at the dinner in New York when
20 Connor made, and Kazan accepted, the offer. At first Ton attempted to feign ignorance before
21 ultimately admitting the obvious: Connor *had* offered Kazan a bonus of \$50,000 in consideration
22 for his promotion to CTO. But Ton also told Kazan it would be "unfair" for him to receive his
23 rightful compensation and stock, because, in her words, she and the 'new' CTO would need that
24 stock. Kazan was appalled.

25 48. On or about March 28, 2022, Kazan gave verbal notice to Connor and Gregori of
26 his intention to resign, emphasizing that he was ready and willing to stay in his role through the
27 transition. On or about March 31, 2022, Kazan gave Gregori formal written notice via email of his
28 resignation.

1 49. Astonishingly, the next day, on or about April 1, 2022, Gregori notified Kazan that
2 his employment was terminated “for cause,” effective immediately.

3 **H. Appreciate Interferes with Kazan’s Equity Compensation**

4 50. Prior to his “termination,” Kazan attempted to exercise his 748,249 vested options.
5 However, the app's button to exercise was disabled. Accordingly, Kazan wrote to Gregori and
6 declared his intent to exercise. Gregori did not reply.

7 51. By terminating Kazan “for cause,” the Company sought to extinguish his right to
8 exercise his vested shares. Pursuant to Paragraph 5(c) of the Stock Option Agreement, any stock
9 options, including those already vested, terminate upon an **employee’s termination** “for cause.”
10 Exactly as Ton had projected, Appreciate maliciously sought to deprive Kazan of his rightful
11 compensation, and it did so by fabricating grounds to terminate him “for cause.”

12 52. On or about June 20, 2022, Kazan, through his attorneys, emailed Gregori declaring
13 Kazan’s intent to exercise his 748,249 vested stock options. As set forth in the Stock Option
14 Agreement, Kazan attached a completed and signed Stock Options Form and requested the
15 signature of an authorized representative of the Company. Kazan also inquired about the
16 **Company’s preferred payment method and requested confirmation of the share price.** Appreciate
17 refused to cooperate, taking the position that Kazan’s termination “for cause” divested him of such
18 stock options, even those already vested.

19 53. Eventually, many months later, and only under the threat of legal action,
20 Appreciate—without explanation—allowed Kazan to exercise his vested stock options.

21 **I. Appreciate’s Campaign of Slander**

22 54. After Kazan’s departure, the Company, through its leadership, embarked on a
23 defamatory campaign to impugn Kazan’s character and performance. In team meetings, Connor
24 repeatedly and falsely accused Kazan of, among other things, incompetence and neglect, blaming
25 the Company’s struggles on Kazan personally and lying about the circumstances of his departure.
26 Even more disturbingly, when confronted by the engineers about an apparent shortage of laptops,
27 Connor accused Kazan of embezzling the money intended for that purpose. This was patently and
28 verifiably false, and Connor knew it was false. Kazan is informed and believes and thereon alleges

1 that Connor made up these lies to divert attention from the true source of the Appreciate's financial
2 distress: Connor's use of its investor-funded working capital to enrich himself and Cody.

3 55. Connor's malicious lies were intended to, and in fact did, discredit Kazan and inflict
4 catastrophic harm on his personal and professional reputation. Kazan was humiliated and deeply
5 distraught, which caused his emotional distress to deepen substantially, all while his professional
6 prospects dwindled.

7 56. Kazan is now left with no alternative but to commence legal action against
8 Appreciate and Connor to remedy these wrongs.

9
10 **FIRST CAUSE OF ACTION**
HOSTILE WORK ENVIRONMENT HARASSMENT
FEHA-CAL. GOV'T. CODE § 12940(j), et seq.
11 **(Against All Defendants)**

12 57. Plaintiff re-alleges and incorporates by reference Paragraphs 1-56, as if fully set
13 forth herein.

14 58. At all times herein mentioned, California's Fair Employment and Housing Act
15 ("FEHA") was in full force and effect and was fully binding upon Defendants. Specifically, section
16 12940(j) makes it unlawful for an employer to subject an employee to harassment that creates a
17 hostile or abusive work environment.

18 59. At all times herein mentioned, Kazan was an employee of Appreciate.

19 60. Defendants Appreciate and Connor subjected Kazan to severe and pervasive
20 harassment in violation of FEHA. Such harassment included, *inter alia*:

- 21 a. humiliating Kazan with false and disparaging accusations about his workplace
22 behavior, temperament, job performance, and criminality;
- 23 b. falsifying the circumstances of Kazan's departure from the Company;
- 24 c. threatening to fire Kazan's team;
- 25 d. demanding Kazan work without compensation for Connor's other ventures;
- 26 e. belittling Kazan's rectitude and encouraging him to threaten and humiliate
27 subordinates;
- 28 f. encouraging Kazan and his co-workers to participate in a campaign of

- 1 disparagement against a black female employee to justify her termination;
- 2 g. hiring and retaining a romantic partner of Connor and keeping her outside the chain
- 3 of command;
- 4 h. permitting a romantic partner of Connor to bully and demean co-workers with
- 5 impunity and insulating her from accountability for gross deviations from
- 6 performance standards.
- 7 i. creating an environment where Connor frequently made racist remarks with
- 8 impunity.

9 61. **Defendants’ harassing conduct was so severe**, widespread, and pervasive that a
 10 reasonable person in Plaintiff’s circumstances would have considered the work environment to be
 11 hostile or abusive, and Plaintiff did in fact consider the work environment to be hostile and abusive.

12 62. The conduct of Defendants and their agents/employees as described herein was
 13 malicious and/or oppressive and done with a willful and conscious disregard for Plaintiff’s rights.
 14 Defendants and/or their agents, employees, or supervisors authorized, condoned, and ratified the
 15 unlawful conduct. Consequently, Plaintiff is entitled to punitive damages against Defendants.

16 63. By reason of the conduct of Defendants and their directors, executives, officers,
 17 employees, or agents, Plaintiff has necessarily retained attorneys to prosecute the within action.
 18 Plaintiff is therefore entitled to reasonable attorneys’ fees and litigation expenses, including expert
 19 witness fees and costs, incurred in bringing the instant action.

20 64. As a result of Defendants’ actions, Plaintiff sustained economic damages to be
 21 proven at trial. As a further result of Defendants’ actions, Plaintiff suffered emotional distress,
 22 resulting in damages to be proven at trial.

23 **SECOND CAUSE OF ACTION**
 24 **RETALIATION**
 25 **FEHA-CAL. GOV’T. CODE § 12940(h)**
 (Against All Defendants)

26 65. Plaintiff re-alleges and incorporates by reference Paragraphs 1-64, as if fully set
 27 forth herein.

28 66. At all times herein mentioned, FEHA, Cal. *Gov’t. Code* § 12940 *et seq.*, was in full

1 force and effect and fully binding upon Defendants. Specifically, Cal. *Gov't. Code* § 12940(h)
2 makes it unlawful for an employer to discriminate or retaliate against employees for engaging in
3 “protected activities,” including, without limitation, opposing any practices forbidden under
4 section 12940 *et seq.*

5 67. Kazan reported to management at Appreciate that Connor was creating a hostile
6 work environment, that Connor and Cody were misappropriating and/or misusing corporate funds,
7 and that the Company had deprived him of his rightful compensation. Kazan also informed
8 management that he was concerned that Appreciate was making discriminatory employment
9 decisions based on **race or sex, including in regard to Andrieux’s firing.**

10 68. Kazan is informed and believes and based thereon alleges that he suffered from
11 adverse employment decisions in retaliation for reporting the above-listed concerns to
12 management. Such adverse retaliatory employment decisions included, *inter alia*, termination “for
13 cause.”

14 69. The reasons Appreciate gave Plaintiff to justify his termination “for cause” were
15 false and were merely a pretext to fire him in retaliation for his complaints about the Company’s
16 hostile work environment and the legal misconduct of its leadership.

17 70. The retaliation of Defendants, and each of them, against Plaintiff violates Cal.
18 *Gov't. Code* sections 12900 through 12960 and, in particular, *Gov't. Code* section 12940,
19 subdivisions (h) and (i), which prohibit retaliatory discrimination and termination where an
20 employee has opposed, objected to, reported, and/or complained concerning employer practices or
21 engaged in any protected activity in violation of *Gov't. Code* sections 12900 through 12960.

22 71. As a result of Defendants’ and each of their actions, Plaintiff sustained economic
23 **damages to be proven at trial. As a further result of Defendants’ actions,** Plaintiff suffered
24 emotional distress, resulting in damages to be proven at trial.

25 72. The conduct of Defendants and/or their agents/employees as described herein was
26 malicious and/or oppressive and done with a willful and conscious disregard for Plaintiff’s rights
27 and for the deleterious consequences of their actions. Defendants and/or their agents/employees or
28 supervisors authorized, condoned, and ratified the unlawful conduct of the remaining Defendants.

1 Consequently, Plaintiff is entitled to punitive damages against Defendants.

2 73. By reason of the conduct of Defendants as alleged herein, Plaintiff has necessarily
3 retained attorneys to prosecute the within action. Plaintiff is therefore entitled to reasonable
4 attorneys' fees and litigation expenses, including expert witness fees and costs, incurred in
5 bringing the instant action.

6 74. Plaintiff has incurred and continues to incur legal expenses and attorneys' fees and
7 seeks recovery of such fees according to proof.

8 **THIRD CAUSE OF ACTION**
9 **WRONGFUL TERMINATION IN VIOLATION OF PUBLIC POLICY**
10 **(Against Defendants Appreciate Stuff, Inc.; and DOES 1-50)**

11 75. Plaintiff hereby incorporates by reference Paragraphs 1-74, as if fully set forth
12 herein.

13 76. Under California law, the elements of a claim for wrongful discharge in violation
14 of public policy are: (1) an employer-employee relationship; (2) termination or other adverse
15 employment action; (3) a nexus between the termination and the employee's protected activity;
16 (4) proximate cause; and (5) damages. *See Tameny v. Atlantic Richfield Co.*, 27 Cal. App. 3d 167,
17 179-80 (1980).

18 77. From on or about May 1, 2021, to Kazan's retaliatory termination on or about April
19 1, 2022, Kazan was an employee of Appreciate.

20 78. Kazan reported to management at Appreciate that Connor was creating a hostile
21 work environment, that Connor and Cody were misappropriating and/or misusing corporate funds,
22 and that the Company failed to pay him his rightful compensation. Kazan also informed
23 management that he was concerned that Appreciate was making discriminatory employment
24 decisions based on race or sex, including in regard to Andrieux's firing.

25 79. Kazan is informed and believes and based thereon alleges that Appreciate
26 terminated him in retaliation for reporting his concerns to management about the Company's
27 culture of harassment, discrimination, and bigotry in violation of Cal. Gov't Code § 12940;
28 misappropriation of corporate funds in violation of Cal. Penal Code § 504; and refusal to pay
Plaintiff his rightful compensation, including his bonus and stock options, in violation of Cal.

1 *Labor Code* § 216 and *Cal. Corp. Code* § 2201.

2 80. Appreciate violated California's public policy when it took adverse employment
3 action against Plaintiff based on his reporting to management the foregoing possible legal
4 violations.

5 81. By reason of the conduct of Appreciate as alleged herein, Plaintiff has necessarily
6 retained attorneys to prosecute the within action. Plaintiff is therefore entitled to reasonable
7 attorneys' fees and litigation expenses, including expert witness fees and costs, incurred in
8 bringing the instant action.

9 82. As a result of Appreciate's actions, Plaintiff sustained economic damages to be
10 proven at trial. As a further result of Appreciate's actions, Plaintiff suffered emotional distress,
11 resulting in damages to be proven at trial.

12 83. The conduct of Defendants and its agents/employees as described herein was
13 malicious and/or oppressive and done with a willful and a conscious disregard for Plaintiff's rights
14 and for the deleterious consequences of their actions. Defendant Appreciate and/or its agents and
15 employees or supervisors authorized, condoned, and ratified the unlawful conduct. Consequently,
16 Plaintiff is entitled to punitive damages.

17 **FOURTH CAUSE OF ACTION**

18 **BREACH OF CONTRACT**

19 **(Against Defendants Appreciate Stuff, Inc.; and DOES 1-50)**

20 84. Plaintiff re-alleges and incorporates by reference Paragraphs 1-83, as if fully set
21 forth herein.

22 85. The essential elements of a claim for breach of contract are "the contract, the
23 plaintiff's performance or excuse for nonperformance, defendant's breach, and the resulting
24 damages to plaintiff." *San Mateo Union High School Dist. v. County of San Mateo*, 213 Cal. App.
25 4th 418, 440 (2013).

26 86. On or about April 30, 2021, Plaintiff and Appreciate entered a binding and
27 enforceable agreement (the "Agreement") for valuable consideration. Under the Agreement,
28 Kazan rendered valuable services to Appreciate and served as Co-Founder and Head of
Engineering (and later as CTO). Attached hereto as **Exhibit A** is a true and correct copy of the

1 Agreement.

2 87. Part of Plaintiff's compensation under the Agreement consisted of stock options,
3 one-third of which had vested by the time of his departure. The Agreement also provided for a
4 guaranteed \$215,000 annual salary once the fundraising round closed.

5 88. Appreciate breached the Agreement by, *inter alia*, failing to raise Plaintiff's salary
6 to \$215,000 at the close of the fundraising round and interfering with Plaintiff's equity
7 compensation.

8 89. Plaintiff has performed all of his obligations under the Agreement or is excused
9 from performance.

10 90. As a direct and proximate result of the foregoing breaches of contract, Plaintiff has
11 suffered damages in an amount to be proven at trial.

12 **FIFTH CAUSE OF ACTION**
13 **BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING**
14 **(Against Defendants Appreciate Stuff, Inc.; and DOES 1-50)**

15 91. Plaintiff re-alleges and incorporates by reference Paragraphs 1-90, as if fully set
16 forth herein.

17 92. Separate and apart from its express contractual terms, the Agreement contained an
18 implied covenant of good faith and fair dealing whereby Appreciate covenanted that it would act
19 in good faith and deal fairly with Plaintiff, and that Appreciate would do nothing to deprive
20 Plaintiff of the benefits of the Agreement.

21 93. Plaintiff performed all of his obligations and covenants under the Agreement or is
22 excused from performance.

23 94. Appreciate breached the implied covenant of good faith and fair dealing by, among
24 other things, unfairly interfering with Plaintiff's right to receive the benefits of the bargain,
25 including the right to exercise his stock options without interference and the right to terminate the
26 Agreement without retaliation.

27 95. As a direct result of the foregoing breaches, Plaintiff has suffered damages in an
28 amount to be proven at trial.

SIXTH CAUSE OF ACTION
BREACH OF ORAL CONTRACT

(Against Defendants Appreciate Stuff, Inc.; and DOES 1-50)

1
2
3 96. Plaintiff re-alleges and incorporates by reference Paragraphs 1-95, as if fully set
4 forth herein.

5 97. The essential elements of a claim for breach of contract are “the contract, the
6 plaintiff’s performance or excuse for nonperformance, defendant’s breach, and the resulting
7 damages to plaintiff.” *San Mateo Union High School Dist.*, 213 Cal. App. 4th at 440.

8 98. On or about December 29, 2021, Plaintiff and Appreciate, by and through Connor,
9 entered into an oral, binding contract whereby Plaintiff agreed to serve as CTO in consideration of
10 a \$50,000 bonus, among other compensation.

11 99. Plaintiff performed all of his obligations under the agreement or is excused from
12 performance.

13 100. Appreciate breached the agreement by not paying Plaintiff the bonus.

14 101. As a direct and proximate result of the foregoing breach, Plaintiff has suffered
15 damages in an amount to be proven at trial, but in no event less than \$50,000.

SEVENTH CAUSE OF ACTION
INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS

(Against All Defendants)

16
17
18 102. Plaintiff hereby incorporates by reference Paragraphs 1-101, as if fully set forth
19 herein.

20 103. “To state a cause of action for intentional infliction of emotional distress a plaintiff
21 must show: (1) outrageous conduct by the defendant; (2) the defendant's intention of causing or
22 reckless disregard of the probability of causing emotional distress; (3) the plaintiff's suffering
23 severe or extreme emotional distress; and (4) actual and proximate causation of the emotional
24 distress by the defendant's outrageous conduct.” *Yau v. Santa Margarita Ford, Inc.*, 229 Cal. App.
25 4th 144, 160 (2014).

26 104. Defendants committed outrageous conduct, exceeding all bounds of decency in a
27 civilized society, by, *inter alia*, falsely accusing Plaintiff of criminality, incompetence, neglect,
28 and poor performance, creating a hostile work environment, creating a racist work environment,

1 firing a minority employee on false allegations of sexual misconduct, retaliatorily firing Plaintiff
2 under false pretenses and fabricating the circumstances of his departure for public consumption,
3 and intentionally withholding the \$50,000 to which Plaintiff was entitled. Defendants, in
4 committing these acts from a position of authority, intended to cause Plaintiff to suffer emotional
5 distress or acted with reckless disregard of the probability Plaintiff would suffer emotional harm.

6 105. As a direct and proximate result of being present and aware of such outrageous
7 conduct that threatened his livelihood and his sense of comfort in the workplace, Plaintiff suffered
8 severe emotional distress, including, but not limited to, anguish, nervousness, insomnia, anxiety,
9 shock, humiliation, isolation, and depression.

10 **EIGHTH CAUSE OF ACTION**
11 **NEGLIGENT INFLICTION OF EMOTIONAL DISTRESS**
12 **(Against All Defendants)**

13 106. Plaintiff hereby incorporates by reference Paragraphs 1-105, as if fully set forth
14 herein.

15 107. Defendants, as Plaintiff's employers, owed Plaintiff's a duty to exercise reasonable
16 care not to wrongfully cause him severe emotional distress.

17 108. Defendants, by virtue of the conduct in which they engaged toward Plaintiff,
18 breached their duty of care toward Plaintiff.

19 109. The breaches and duties of care owed to Plaintiff by Defendants constitute
20 negligence on the part of Defendants.

21 110. As a direct and proximate result of such negligent conduct by Defendants, Plaintiff
22 suffered actual damages in the form of severe emotional distress and sustained general and special
23 damages in an amount to be proven at trial.

24 **NINTH CAUSE OF ACTION**
25 **DEFAMATION**
26 **(Against All Defendants)**

27 111. Plaintiff hereby incorporates by reference Paragraphs 1-110, as if fully set forth
28 herein.

112. Pursuant to California *Civil Code* § 46, "[s]lander is a false and unprivileged

1 publication, orally uttered . . . which: [] [c]harges any person with crime, or with having been
2 **indicted, convicted, or punished for crime[.]”**

3 113. Plaintiff is informed and believes that Defendants, and each of them, by the herein
4 described acts, conspired to, and in fact did, intentionally make defamatory statements about
5 Plaintiff to third persons and to the community. These false and defamatory statements included,
6 but are not limited to, express and implied assertions that Plaintiff embezzled money from
7 Appreciate and is a criminal.

8 114. The defamatory publications consisted of oral statements, knowingly false and
9 unprivileged communications, tending directly to injure Plaintiff and Plaintiff’s personal, business,
10 and professional reputations. These false and defamatory publications were and are in violation of
11 *Civil Code* § 46. The statements and similar ones published by Defendants, and each of them,
12 expressly and impliedly asserted that Plaintiff is a criminal.

13 115. The defamatory meaning of the above-described false and defamatory statements
14 and their reference to Plaintiff were reasonably understood by these above-referenced third-party
15 recipients and other members of the community who are known to Defendants, and each of them,
16 but unknown to Plaintiff at this time. These statements tended to injure Plaintiff in his occupation,
17 or to expose him to hatred, contempt, ridicule, or shame, or to discourage others from associating
18 or dealing with him.

19 116. **None of Defendants’ defamatory publications against Plaintiff** referenced above are
20 true.

21 117. The above defamatory statements were understood as assertions of fact, and not as
22 opinions. Plaintiff is informed and believes this defamation will continue to be negligently,
23 recklessly, and intentionally published and foreseeably republished by Defendants, and each of
24 **them, and foreseeably republished by recipients of Defendants’ publications, thereby causing**
25 additional injury and damages for which Plaintiff seeks redress by this action.

26 118. Each of these false defamatory per se publications were negligently, recklessly, and
27 intentionally published in a manner equaling malice. These publications were made with hatred,
28 ill will and intent to vex, harass, annoy, and injure Plaintiff. These false and defamatory statements

1 were made to cause damage to Plaintiff's professional and personal reputation, and to humiliate
2 him before third-parties.

3 119. Each of these publications by Defendants, and each of them, were made with
4 knowledge that no investigation supported the unsubstantiated and obviously false statements. Not
5 only did Defendants, and each of them, fail to use reasonable care to determine the truth or falsity
6 of the statements, but also Defendants published these statements knowing them to be false. These
7 acts of publication were known by Defendants, and each of them, to be negligent to such a degree
8 as to be reckless. Defendants, and each of them, had no reasonable basis to believe these statements
9 and, in fact, knew them to be false.

10 120. As a proximate result of the publication and republication of these defamatory
11 statements by Defendants, and each of them, Plaintiff has suffered injury to his personal, business,
12 and professional reputations, including suffering embarrassment, humiliation, severe emotional
13 distress, shunning, anguish, fear, loss of employability, and significant economic loss in the form
14 of lost wages and future earnings, all to Plaintiff's economic, emotional, and general damages in
15 an amount according to proof.

16 121. Defendants, and each of them, by and through their managing agents and officers,
17 committed the acts alleged herein recklessly, maliciously, fraudulently, and oppressively, with the
18 wrongful intention of injuring Plaintiff, for an improper and evil motive amounting to malice and
19 with a conscious disregard of Plaintiff's rights. All actions of Defendants, and each of them, their
20 agents, employees, managing agents, and officers as herein alleged were known, authorized,
21 ratified, and approved by Defendants, and each of them. Plaintiff is thus entitled to recover punitive
22 and exemplary damages from Defendants, and each of them, for the wanton, obnoxious, and
23 despicable acts in an amount based on the wealth and ability to pay according to proof at the time
24 of trial.

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PRAYER

WHEREFORE, Plaintiff prays for judgment against Defendants, and each of them jointly and severally, as follows:

1. For damages in an amount to be proven at trial;
2. For incidental and consequential damages, according to proof;
3. For compensatory damages, in an amount according to proof;
4. For all statutory penalties authorized by law;
5. For punitive damages in an amount sufficient to punish Defendants for the wrongful conduct alleged herein and to deter such conduct in the future;
6. For **attorneys'** fees and costs pursuant to all applicable provisions of law;
7. For pre- and post-judgment interest at the maximum legal rate;
8. For such other and further relief as the Court may deem just and proper.

Dated: March 1, 2023

Respectfully submitted,
PESSAH LAW GROUP, PC

By: 
Maurice D. Pessah, Esq.
Jason H. Sunshine, Esq.

Attorneys for Plaintiff,
Kerem Kazan

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DEMAND FOR JURY TRIAL

Plaintiff demands a trial by jury.

Dated: March 1, 2023

Respectfully submitted,

PESSAH LAW GROUP, PC

By: 
Maurice D. Pessah, Esq.
Jason H. Sunshine, Esq.

Attorneys for Plaintiff,
Kerem Kazan

EXHIBIT A

Appreciate Stuff, Inc.

April 30, 2021

Appreciate Stuff, Inc., (the “Company”) is pleased to offer you employment on the following terms:

1. Position. Your initial title will be **Co-Founder and Head of Engineering** and you will report to Company’s **Person Accountable**. This is a full-time exempt position. While you render services to the Company, you will not engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company. By signing this letter agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.

2. Start Date and Place of Employment. Your first day of employment (“Start Date”) at the Company will be **May 1, 2021**. You will be working primarily remotely, but may be obligated to work from Company’s office located in Washington, DC.

3. Base Compensation. The Company will pay you a starting salary at the rate of **\$185,000** per year, payable in accordance with the Company’s standard payroll schedule, currently paid on the 15th and the last day of every month. This salary will be subject to adjustment pursuant to the Company’s employee compensation policies in effect from time to time, but the Company will guarantee you a minimum salary of **\$215,000** per year to commence after the closing of a Series A round equity financing. You will receive 1/3 of the agreed upon salary from May 1, 2021 – July 1, 2021.

4. Employment Benefits. As a regular employee of the Company, you will be eligible to participate in those Company-sponsored benefits generally made available to employees located in California. You will be eligible to participate in Company’s Health Insurance Program beginning on the first day of the month following your start date. The terms and conditions of specific benefits, such as health insurance, are governed by the plan documents.

5. Stock Options. Subject to the approval of the Company’s Board of Directors or its Compensation Committee, you will be granted an option to purchase **21% of the current number of total outstanding shares** of the Company’s Common Stock (the “Option”). The exercise price per share of the Option will be determined by the Board of Directors or the Compensation Committee when the Option is granted. The Option will be subject to the terms and conditions applicable to options granted under the Company’s Stock Plan (the “Plan”), as described in the Plan and the applicable Stock Option Agreement which you will be required to sign. You will vest in 33% of the Option shares after 6 months of continuous service, 33% of the Option shares after 18 months of continuous service, and the balance of the Option shares vesting after 36 months of continuous service. In the case of Change of Control of the Company prior to the completion of your vesting schedule, you will immediately vest 100% of your Option shares. The applicable share price or exercise price used in connection with the option will be equal to the fair market value per share of the Company’s common stock on the date the option is granted, as determined by the Company’s Board of Directors. There is no guarantee that the Internal Revenue Service will agree with this value. You should consult with your own tax advisor concerning the tax consequences of accepting the Option grant.

6. Confidential Information, Arbitration, Class Action Waiver and Invention Assignment Agreement. Like all Company employees, you will be required, as a condition of your employment with the Company, to sign the Company’s standard Confidential Information, Arbitration, Class Action

Waiver and Invention Assignment Agreement, a copy of which will be included with your employment contract.

7. Employment Relationship. Employment with the Company is for no specific period of time. Your employment with the Company will be “at will,” meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations that may have been made to you are superseded by this letter agreement. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company’s personnel policies and procedures, may change from time to time, the “at will” nature of your employment may only be changed in an express written agreement signed by you and the Company’s Person Accountable.

8. Outside Activities. While you render services to the Company, you agree that you will not engage in any other employment, consulting or other business activity without the written consent of the Company.

9. Tax Matters

Withholding Taxes. All forms of compensation referred to in this letter agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law.

Tax Advice. You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board of Directors related to tax liabilities arising from your compensation.

10. Interpretation, Amendment and Enforcement. This letter agreement constitutes the complete agreement between you and the Company, contain all of the terms of your employment with the Company and supersede any prior agreements, representations or understandings (whether written, oral or implied) between you and the Company. This letter agreement may not be amended or modified, except by an express written agreement signed by both you and a duly authorized officer of the Company. The terms of this letter agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this letter agreement or arising out of, related to, or in any way connected with, this letter agreement, your employment with the Company or any other relationship between you and the Company (the “Disputes”) will be governed by Washington DC law, excluding laws relating to conflicts or choice of law. You and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in Washington DC in connection with any Dispute or any claim related to any Dispute.

11. We hope that you will accept our offer to join the Company. You may indicate your agreement with these terms and accept this offer by signing and dating the enclosed original and duplicate of this letter agreement. This employment offer is contingent upon the successful completion of a background check. This will include a credit report, education verification, employment verification, and criminal background checks. In addition, as required by law, your employment with the Company is contingent upon your providing legal proof of your identity and authorization to work in the United States within 72 hours of your start date. This offer, if not accepted, will expire at the close of business on **May 2, 2021**.

We look forward to working with you and hope that your work at Appreciate Stuff is a rewarding experience. If you have any questions, please call me at (347)-283-0792.

Excited to learn how you Appreciate the World,

Appreciate Stuff, Inc.



Justin Connor, Person Accountable

Date: April 30, 2021

I have read and accept this employment offer:

Kerem Kazan



Date:

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address) Maurice D. Pessah SBN: 275955 PESSAH LAW GROUP 9100 Wilshire Blvd., Suite 850E Beverly Hills, CA 90212 TELEPHONE NO.: (310) 772-2261 FAX NO.: E-MAIL ADDRESS maurice@pessahgroup.com ATTORNEY FOR (Name): Plaintiff: KEREM KAZAN, an individual	FOR COURT USE ONLY ELECTRONICALLY FILED Superior Court of California, County of San Francisco 04/10/2023 Clerk of the Court BY: YOLANDA TABO Deputy Clerk
Superior Court of California, County of San Francisco STREET ADDRESS: 400 McAllister Street Rm 103 CITY AND ZIP CODE: San Francisco, CA 94102 BRANCH NAME:	CASE NUMBER: CGC-23-604889
PLAINTIFF/PETITIONER: KEREM KAZAN, an individual DEFENDANT/RESPONDENT: APPRECIATE STUFF, INC., a Delaware corporation, et al.	Ref. No. or File No.: KEREM KAZAN VS APPRECIATE STUFF
PROOF OF SERVICE OF SUMMONS	

(Separate proof of service is required for each party served.)

1. At the time of service I was at least 18 years of age and not a party to this action.
2. I served copies of:
 - a. Summons
 - b. Complaint
 - c. Alternative Dispute Resolution (ADR) package
 - d. Civil Case Cover Sheet
 - e. Cross-Complaint
 - f. other (specify documents): **Notice to Plaintiff**
3. a. Party served (specify name of party as shown on documents served):
APPRECIATE STUFF, INC., a Delaware corporation
 - b. Person (other than the party in item 3a) served on behalf of an entity or as an authorized agent (and not a person under item 5b on whom substituted service was made) (specify name and relationship to the party named in item 3a):
Harvard Business Services, Inc., Registered Agent, by serving Allison Rathmanner - Authorized Agent
 Age: Approx.: 38 | Weight: Approx.: 125 | Hair: Brown | Sex: Female | Height: Approx.: 5'6" | Eyes: Wearing Glasses | Race: Caucasian
4. Address where the party was served: **16192 Coastal Hwy
Lewes, DE 19958-3608**
5. I served the party (check proper box)
 - a. **by personal service.** I personally delivered the documents listed in item 2 to the party or person authorized to receive service of process for the party (1) on (date): **3/30/2023** (2) at (time): **11:18 AM**
 - b. **by substituted service.** On (date): at (time): I left the documents listed in item 2 with or in the presence of (name and title or relationship to person indicated in item 3):
 - (1) **(business)** a person at least 18 years of age apparently in charge at the office or usual place of business of the person to be served. I informed him or her of the general nature of the papers.
 - (2) **(home)** a competent member of the household (at least 18 years of age) at the dwelling house or usual place of abode of the party. I informed him or her of the general nature of the papers.
 - (3) **(physical address unknown)** a person at least 18 years of age apparently in charge at the usual mailing address of the person to be served, other than a United States Postal Service post office box. I informed him or her of the general nature of the papers.
 - (4) I thereafter mailed (by first-class, postage prepaid) copies of the documents to the person to be served at the place where the copies were left (Code Civ. Proc., §415.20). I mailed the documents on (date): from (city): or a declaration of mailing is attached.
 - (5) I attach a **declaration of diligence** stating actions taken first to attempt personal service.

RESPONDENT: APPRECIATE STUFF, INC., a Delaware corporation, et al.

- c. **by mail and acknowledgment of receipt of service.** I mailed the documents listed in item 2 to the party, to the address shown in item 4, by first-class mail, postage prepaid,
 - (1) on (date): _____ (2) from (city): _____
 - (3) with two copies of the *Notice and Acknowledgment of Receipt* and a postage-paid return envelope addressed to me. (*Attach completed Notice and Acknowledgement of Receipt.*) (Code Civ. Proc., § 415.30.)
 - (4) to an address outside California with return receipt requested. (Code Civ. Proc., § 415.40.)
- d. **by other means** (*specify means of service and authorizing code section*):

Additional page describing service is attached.

6. The "Notice to the Person Served" (on the summons) was completed as follows:

- a. as an individual defendant.
- b. as the person sued under the fictitious name of (*specify*):
- c. as occupant.
- d. On behalf of **APPRECIATE STUFF, INC., a Delaware corporation** under the following Code of Civil Procedure section:

- | | |
|---|---|
| <input checked="" type="checkbox"/> 416.10 (corporation) | <input type="checkbox"/> 415.95 (business organization, form unknown) |
| <input type="checkbox"/> 416.20 (defunct corporation) | <input type="checkbox"/> 416.60 (minor) |
| <input type="checkbox"/> 416.30 (joint stock company/association) | <input type="checkbox"/> 416.70 (ward or conservatee) |
| <input type="checkbox"/> 416.40 (association or partnership) | <input type="checkbox"/> 416.90 (authorized person) |
| <input type="checkbox"/> 416.50 (public entity) | <input type="checkbox"/> 415.46 (occupant) |
| | <input type="checkbox"/> other: |

7. Person who served papers

- a. Name: **Jose Caban - Nationwide Legal, LLC REG: 12-234648**
- b. Address: **1609 James M Wood Blvd. Los Angeles, CA 90015**
- c. Telephone number: **(213) 249-9999**
- d. **The fee** for service was: **\$ 286.00**
- e. I am:

- (1) not a registered California process server.
- (2) exempt from registration under Business and Professions Code section 22350(b).
- (3) registered California process server:
 - (i) owner employee independent contractor.
 - (ii) Registration No.:
 - (iii) County:

8. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

or

9. I am a California sheriff or marshal and I certify that the foregoing is true and correct.

Date: **3/30/2023**

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Nationwide Legal, LLC
1609 James M Wood Blvd.
Los Angeles, CA 90015
(213) 249-9999
www.nationwideasap.com

Jose Caban

(NAME OF PERSON WHO SERVED PAPERS/SHERIFF OR MARSHAL)



(SIGNATURE)