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10 Attorneys for Plaintiff
11 DR. IMAN SADEGHI

12 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
13 **COUNTY OF LOS ANGELES—CENTRAL DISTRICT**

14 DR. IMAN SADEGHI, an individual,

15 Plaintiff,

16 v.

17 PINSCREEN, INC., a Delaware Corporation;
18 DR. HAO LI, an individual;
19 YEN-CHUN CHEN, an individual;
20 LIWEN-HU, an individual;
21 HAN-WEI KUNG, an individual;
22 and DOES 1-100,

23 Defendants.

Case No.: BC709376

**VERIFIED SECOND AMENDED COMPLAINT
FOR DAMAGES AND INJUNCTIVE RELIEF:**

1. **Fraudulent Inducement of Employment Contract by Intentional Misrepresentation**
2. **Fraudulent Inducement of Employment Contract by Intentional Concealment**
3. **Battery**
4. **Violation of Cal. Labor Code § 1102.5 - Retaliation Against Whistleblowing**
5. **Breach of Employment Contract**
6. **Breach of Implied Contract for Scientific Integrity**
7. **Wrongful Termination in Violation of Public Policy**
8. **Intentional Interference with Contract**
9. **Intentional Infliction of Emotional Distress**
10. **Negligent Hiring, Supervision or Retention**
11. **Violation of Cal. Labor Code § 2802**
12. **Violation of Cal. Labor Code § 203**
13. **Negligence**
14. **Invasion of Privacy**
15. **Violation of Cal. Unfair Competition Law (UCL), Bus. & Prof. Code § 17200 et seq.**

DEMAND FOR JURY TRIAL

1 Plaintiff Dr. Iman Sadeghi (“Sadeghi”) alleges the following against defendants
2 Pinscreen, Inc. (“Pinscreen”), Dr. Hao Li (“Li”), Yen-Chun Chen, Liwen Hu (“Hu”), Han-Wei
3 Kung (“Kung”), and Does 1-100.

4 THE PARTIES

5 1. Sadeghi is an individual who, at all times relevant to the verified second amended
6 complaint, resided in Marina del Rey, in the County of Los Angeles, in the State of California.
7 Sadeghi holds a doctorate¹ in Computer Science from the University of California, San Diego.
8 In 2008 and 2009, Sadeghi worked at Walt Disney Animation Studios where he developed and
9 patented a novel hair appearance framework used in the production of the animated movie *Tangled*.²



15 In 2010, the Association for Computing Machinery (“ACM”) published the framework³ in its
16 Transaction on Graphics journal, the foremost peer-reviewed journal in Computer Graphics and in
17 Software Engineering. In that same year, Sadeghi presented the framework at ACM’s SIGGRAPH
18 conference, widely recognized as the most reputable conference in computer graphics.
19 In 2011, Sadeghi joined Google as a Software Engineer and worked on several projects involving
20 Robust Software System Architectures, Reliable Scalable Distributed Systems, and
21 Deep Convolutional Neural Networks. Among other accolades, Sadeghi is a co-inventor of five
22 patents filed by Google and has presented his scientific research at SIGGRAPH 2012⁴ and
23 SIGGRAPH 2013⁵. In 2016, after having worked at Google for more than five years, Sadeghi was
24 extensively solicited by Li to join Pinscreen’s leadership over the course of more than four
25

26 ¹ <https://dl.acm.org/citation.cfm?id=2231594>

27 ² <https://www.imdb.com/name/nm4205348>

28 ³ <https://dl.acm.org/citation.cfm?id=1778793>

⁴ <https://dl.acm.org/citation.cfm?id=2077344>

⁵ <https://dl.acm.org/citation.cfm?id=2451240>

1 months. Sadeghi served as Vice President of Engineering at Pinscreen in the County of Los
2 Angeles in the State of California from February 2, 2017 to August 7, 2017.

3 2. On information and belief, Pinscreen is, and at all times mentioned was,
4 a Delaware corporation with its principal place of business in the County of Los Angeles in the
5 State of California. Pinscreen is a software start-up *aspiring* to autogenerate realistic animated
6 3D face models—called *avatars*—using a single photograph of a person.

7 3. On information and belief, Li is, and at all times mentioned was, an individual
8 residing in the County of Los Angeles in the State of California and was, and is, the
9 Chief Executive Officer (“CEO”), co-founder, and a board member of Pinscreen. On information
10 and belief, Li received his M.Sc. from Universität Karlsruhe in 2006 and his Ph.D. from
11 Eidgenössische Technische Hochschule Zürich in 2010. On information and belief, Li became an
12 assistant professor in Computer Science at the University of Southern California in 2013,
13 co-founded Pinscreen in 2015, and solicited Sadeghi to join Pinscreen’s leadership in 2016.

14 4. On information and belief, Yen-Chun Chen, also known as Frances Chen is, and at
15 all times mentioned was, an individual residing in the County of Los Angeles in the State of
16 California and was, and is, the Chief Financial Officer (“CFO”), co-founder, and a board member
17 of Pinscreen. On information and belief, Yen-Chun Chen received her MBA from Kingston
18 University, in the County of Los Angeles.

19 5. On information and belief, Yen-Chun Chen and Li are married as of 2018.

20 6. On information and belief, Hu was a full-time student at the University of Southern
21 California and employed as an intern at Pinscreen during the summer of 2017.

22 7. On information and belief, Kung was a full-time student at the University of
23 California, Santa Barbara and employed as an intern at Pinscreen during the summer of 2017.

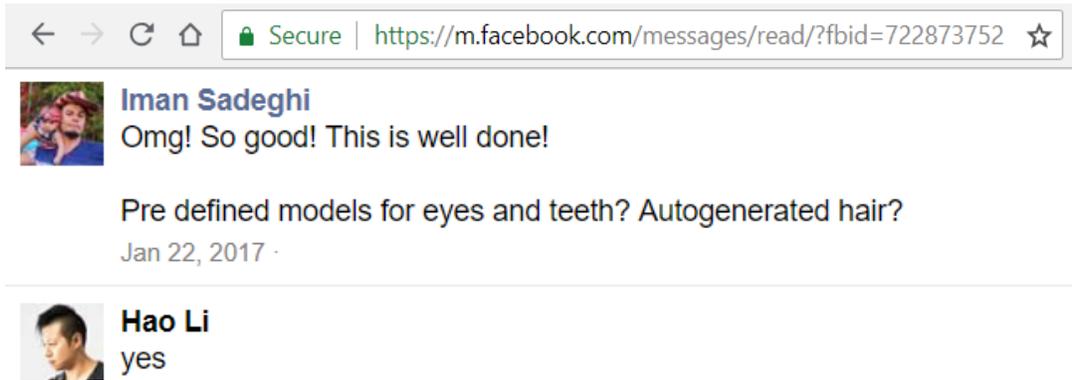
24 8. Other Pinscreen affiliates relevant to this complaint include: Stanley Kim (“Kim”),
25 co-founder, and a board member of Pinscreen; Jens Fursund (“Fursund”), Pinscreen’s Chief
26 Technical Officer (“CTO”); Stephen Chen; Koki Nagano (“Nagano”); Shunsuke Saito (“Saito”);
27 Jaewoo Seo (“Seo”); Carrie Sun (“Sun”); Lingyu Wei (“Wei”), also known as Cosimo Wei; Sitao
28 Xiang (“Xiang”); Jun Xing (“Xing”); Ronald Yu (“Yu”); and Yi Zhou (“Zhou”).

1 15. Li, on behalf of Pinscreen, as its co-founder and Chief Executive Officer (“CEO”),
2 personally directed and participated in a willful deception of Sadeghi by intentional
3 misrepresentation. Li intended to induce Sadeghi to resign from Google and join Pinscreen
4 in order to gain access to Sadeghi’s expertise and experience in digital hair appearance and
5 software engineering.

6 16. Crucial to Sadeghi’s decision to resign from Google and join Pinscreen was
7 Li’s intentional misrepresentation of Pinscreen’s avatar generation capabilities, including
8 Li’s claim on January 22, 2017, that Pinscreen was capable of autogenerating the avatars that
9 Li presented to Sadeghi on that same day.

10 17. On January 22, 2017, while Sadeghi was employed at Google, Li, on behalf of
11 Pinscreen, as its co-founder and CEO, sent Sadeghi, in private Facebook messages, two sets of
12 input images as well as their corresponding supposedly autogenerated output avatars.
13 Sadeghi expressed surprise and asked Li if the avatars’ hair was autogenerated. Li responded
14 to Sadeghi and confirmed, “yes.”

15 18. [January 22, 2017, at 3:43 p.m.] Sadeghi: “Autogenerated hair?” Li: “yes”



23 19. Li’s claim that the presented avatars and their hair were autogenerated was
24 false and a brazen lie. The presented avatars and their hair were manually prepared and
25 Li intentionally misrepresented them as autogenerated to Sadeghi.

26 20. Justifiably and reasonably relying on Li’s representations, and after months of
27 Li’s continuous solicitation of him, Sadeghi accepted an offer to join Pinscreen as its Vice
28 President of Engineering, on January 23, 2017. Sadeghi submitted his resignation letter to Google

1 on January 25, 2017 with a final working day of February 1, 2017. Sadeghi started work
2 at Pinscreen on the next day per Li's request to have Sadeghi on board for a public relations event.

3 21. A strong justification for Sadeghi's reasonable reliance on Li's misrepresentations
4 is that Li, on information and belief, was and is an assistant professor of computer science at
5 University of Southern California. Li's claims to have automated that which he had merely
6 fabricated means that Li has committed data fabrication and scientific misconduct which,
7 if discovered, could be subject to draconian punishment. When levelled against an academician
8 and scientist, the allegations against Li are grave. The strongest community strictures prohibit
9 scientists from submitting fabricated data; in so doing—violating core ethical commitments of his
10 profession—Li incurred the most serious professional risks.

11 22. Sadeghi did not know that the presented avatars by Li, on January 22, 2017,
12 were manually prepared and that Pinscreen was involved in data fabrication and scientific
13 misconduct before he resigned from Google and joined Pinscreen.

14 23. Sadeghi would not have resigned from Google and joined Pinscreen if Sadeghi
15 knew about these material facts. Li knew or should have known that Sadeghi would not resign
16 from Google and join Pinscreen if Sadeghi knew about these material facts.

17 24. Li intended to defraud Sadeghi, to induce Sadeghi's reliance, and for Sadeghi
18 to rely on his misrepresentation when Li presented fabricated avatars to Sadeghi.

19 25. Li's misrepresentations were intentional and Li had scienter and contemporaneous
20 knowledge of the falsity of his representations, since he was orchestrating the avatar fabrications
21 himself. Li knew the presented avatars were manually prepared, but he purposely and maliciously
22 misrepresented them to Sadeghi in order to induce him to resign from Google, which caused
23 Sadeghi harm.

24 26. Sadeghi's justifiable reliance on Li's false representation was a substantial factor in
25 causing Sadeghi harm.

26 27. Sadeghi was damaged by being fraudulently induced to give up his employment at
27 Google by intentional misrepresentation and thus lost income and benefits.

28 28. As a direct, foreseeable, and proximate result of Pinscreen, through Li, willfully

1 deceiving Sadeghi, by intentional misrepresentation, to resign from Google and join Pinscreen,
2 Sadeghi lost and continues to lose income and benefits; suffered and continues to suffer severe
3 mental and emotional distress; and required and continues to seek psychotherapy, all to Sadeghi's
4 damage, in an amount to be determined at trial.

5 29. Sadeghi is entitled to punitive and exemplary damages because Li's brazen deceit,
6 on behalf of Pinscreen, was malicious.

7 30. During his tenure at Pinscreen, Sadeghi significantly improved the quality of
8 Pinscreen's avatars and the robustness of its infrastructure all the while Li, on behalf of Pinscreen,
9 repeatedly presented *fabricated*—specifically meaning manually prepared and intentionally
10 misrepresented as autogenerated—avatars with fabricated hair shapes to investors, the scientific
11 community, and the public in various presentations after Li's initial fraudulent representation
12 to Sadeghi.

13 **SECOND CAUSE OF ACTION**

14 **Fraudulent Inducement of Employment Contract by Intentional Concealment**

15 **(Against Li, Pinscreen, and Does 1-100)**

16 31. The allegations contained in each paragraph above are incorporated by reference as
17 if fully set forth herein.

18 32. Defrauding Sadeghi, Pinscreen, through Li, intentionally concealed Pinscreen's
19 avatar fabrication, fraud on investors, scientific misconduct, public deception, discrimination, and
20 wage and visa violations from Sadeghi and induced him to resign from Google and join Pinscreen
21 as its Vice President of Engineering, which caused Sadeghi harm.

22 33. Li, on behalf of Pinscreen, as its co-founder and CEO, personally directed and
23 participated in a willful deception of Sadeghi by intentional concealments with the intent to induce
24 Sadeghi to resign from Google and join Pinscreen in order to gain access to Sadeghi's expertise
25 and experience in digital hair appearance and software engineering.

26 34. Li intentionally concealed from Sadeghi that the avatars he presented to Sadeghi,
27 on January 22, 2017, were manually prepared.

28 35. Li intentionally concealed from Sadeghi that Pinscreen fabricated avatars in its

1 presentations to investors, the scientific community, and the public; pressured some of its
2 employees to work overtime hours and, on information and belief, did not pay overtime wages;
3 discriminated against some of its employees, on information and belief, on the basis of their
4 suspected disability and familial status; employed some foreign workers, on information and
5 belief, without proper work visas.

6 36. Sadeghi did not know about Li's concealments before resigning from Google and
7 joining Pinscreen.

8 37. Sadeghi would not have resigned from Google and joined Pinscreen if Li had not
9 concealed these material facts from Sadeghi. Li knew or should have known that Sadeghi would
10 not resign from Google and join Pinscreen if these material facts were known to Sadeghi.

11 38. Li, on behalf of Pinscreen, had a duty to disclose Pinscreen's transgressions to
12 Sadeghi. Li's duty to disclose arises from the relationship between Pinscreen, as an employer, and
13 Sadeghi, as a prospective employee, entering into an employment contract. Because Li had
14 exclusive knowledge of Pinscreen's transgressions and knew that Sadeghi would not know about
15 them before resigning from Google and joining Pinscreen, Li owed Sadeghi a duty to disclose.

16 39. Not only did Li breach his duty to disclose, but Li also actively concealed
17 Pinscreen's avatar fabrication and other transgressions from Sadeghi.

18 40. Without knowing about Pinscreen's avatar fabrication and other transgressions, and
19 after four months of Li's continuous solicitation of him, Sadeghi accepted an offer to join
20 Pinscreen as its Vice President of Engineering, on January 23, 2017. Sadeghi submitted his
21 resignation letter to Google on January 25, 2017 with a final working day of February 1, 2017.
22 Sadeghi started work at Pinscreen on the next day per Li's request to have Sadeghi on board for a
23 public relations event.

24 41. Li intended to defraud Sadeghi when he concealed Pinscreen's avatar fabrication,
25 fraud, and other transgressions from Sadeghi.

26 42. Li's concealments were intentional and Li had scienter when he concealed
27 Pinscreen's transgressions from Sadeghi since Li had an active role in all of them. Li knew that
28 the presented avatars, on January 22, 2017, were manually prepared and that Pinscreen was

1 involved in data fabrication, fraud, and other transgressions but purposely and maliciously
2 concealed these material facts from Sadeghi in order to induce him to resign from Google, which
3 caused Sadeghi harm.

4 43. Li's concealments from Sadeghi were a substantial factor in causing Sadeghi harm.

5 44. Sadeghi was damaged by being fraudulently induced to give up his employment at
6 Google by intentional concealment and thus lost income and benefits.

7 45. As a direct, foreseeable, and proximate result of Pinscreen, through Li, willfully
8 deceiving Sadeghi, by intentional concealment, to resign from Google and join Pinscreen, Sadeghi
9 lost and continues to lose income and benefits; suffered and continues to suffer severe mental and
10 emotional distress; and required and continues to seek psychotherapy, all to Sadeghi's damage, in
11 an amount to be determined at trial.

12 46. Sadeghi is entitled to punitive and exemplary damages because Li's concealments,
13 on behalf of Pinscreen, were part of a pattern of brazen deceit and therefore malicious.

14 47. After joining Pinscreen under false pretenses, Sadeghi discovered that Li, although
15 an assistant professor, was a self-proclaimed cheater who was involved in data fabrication and
16 scientific misconduct. Li blatantly discussed and referred to Pinscreen's avatar fabrication in
17 group messages as "faking," "cheating," "shitty cheating," and "doing it manually." For example,
18 on May 22, 2017, Li mandated data fabrication and stated that he did not think Pinscreen was able
19 to autogenerate the avatars, when he wrote, in Pinscreen Team All, "if in an hour it's not working,
20 let's do it manually and give up on it. I don't think we can make it automatic."
21 Li mandated *cheating* in group messages including on March 27, 2017, writing, "we probably
22 have no choice but to cheat" and on June 29, 2017 writing, "we have to [*sic*] some shitty cheating
23 again." Li has publicly admitted⁶ to the authenticity of these statements and to his use of the
24 word "cheating."

25 48. Fursund, Pinscreen's Chief Technical Officer ("CTO"), Hu, Nagano, Saito, Seo,
26 Sun, and Wei knew about and aided and abetted Li in fabricating Pinscreen's avatars. Other

27
28 ⁶ <http://www.uscannenbergmedia.com/2018/10/30/viterbi-professor-embattled-in-lawsuit-with-his-former-employee/>

1 Pinscreen employees knew or should have known about Li’s avatar fabrication since they were
2 participants in group messages where the fabrication was openly discussed, including in
3 “PinscreenTeamAll” Skype group. This group included Sadeghi, Li, Fursund, Yen-Chun Chen,
4 Stephen Chen, Hu, Kung, Nagano, Saito, Seo, Sun, Wei, Xiang, Yu, and Zhou. On January 16,
5 2018, Kim, co-founder and a board member of Pinscreen, told Sadeghi he knew about Pinscreen’s
6 data fabrication but not in real time.

7 49. After joining Pinscreen under false pretenses, Sadeghi gradually discovered Li’s
8 grotesque scientific and professional misconduct. Sadeghi discovered that Pinscreen, through Li,
9 presented fabricated avatars to its prospective employees—including Sadeghi on January 22,
10 2017; to its prospective investors—including Softbank Venture Korea (“Softbank”) on or around
11 March 7, 2017; in its scientific submissions—including SIGGRAPH Asia Technical Papers on
12 May 23, 2017; and to the public—including at SIGGRAPH RTL on August 1, 2017. Sadeghi
13 discovered, on information and belief, that Pinscreen failed to pay delinquent overtime wages to
14 some of its employees—including Nagano and Seo; discriminated against some of its
15 employees—including Xiang and Fursund; and employed some foreign workers without proper
16 work visas—including Li and Yen-Chun Chen.

17 **THIRD CAUSE OF ACTION**

18 **Battery**

19 **(Against Li, Yen-Chun Chen, Hu, Kung, Pinscreen, and Does 1-100)**

20 50. The allegations contained in each paragraph above are incorporated by reference as
21 if fully set forth herein.

22 51. The defendants, including, Li, Yen-Chun Chen, Hu, and Kung, committed battery
23 on Sadeghi through intentional, non-consensual, offensive, and harmful physical contact.

24 52. The battery did not fall within the reasonably anticipated conditions of Sadeghi’s
25 role as the Vice President of Engineering at Pinscreen and was committed outside of Pinscreen’s
26 premises and outside the course and scope—and after—Sadeghi’s employment.

27 53. Li, and three other Pinscreen employees, Yen-Chun Chen, Hu, and Kung,
28 who followed Li’s orders, were acting within the course and scope of their employment.

1 54. On August 7, 2017, Li and three other Pinscreen employees, Yen-Chun Chen, Hu,
2 and Kung, under Li’s commands, surrounded Sadeghi and physically attacked him outside of
3 Pinscreen’s premises and after Sadeghi’s termination.

4 55. They intentionally touched and grabbed Sadeghi and his backpack, which he was
5 wearing, forcefully restrained him, physically attacked him, and violently shoved him to the ground.

6 56. The defendants intended to touch, grab, restrain, attack, and shove Sadeghi
7 to the ground.

8 57. Sadeghi did not consent to being touched, grabbed, restrained, attacked, and shoved
9 to the ground by the defendants.

10 58. Sadeghi was damaged by being brutally battered and suffered injuries to his left eye
11 and his previously dislocated right shoulder, requiring medical attention and physical therapy.

12 59. As a direct, foreseeable, and proximate result of defendants’ battery, Sadeghi was
13 offended, harmed, and physically injured; suffered and continues to suffer severe physical, mental,
14 and emotional distress; required medical attention; required and continues to seek physical therapy
15 and psychotherapy; and suffered and continues to suffer from Post-Traumatic Stress Disorder
16 (“PTSD”), all to Sadeghi’s damage, in an amount to be determined at trial.

17 60. Sadeghi is entitled to punitive and exemplary damages because a brutal physical
18 attack by several employees is an undeniably malicious act.

19 61. Li publicly denied the battery to the press and refused to produce the security
20 camera footage of the incident during the discovery. The security camera footage was later
21 obtained from Pinscreen’s building security.

22 62. Although the security cameras captured the brutal attack, Li denied the allegations,
23 including the battery, in the press and proclaimed that “all the allegations are 100% false,”⁷ that
24 “no one assaulted [Sadeghi],” and alleged that “the exact opposite happened.”⁸ The now public
25 security camera footage of the battery⁹ confirms Sadeghi’s allegations and exposes Li’s lies.

26 _____
27 ⁷ <https://www.latimes.com/business/technology/la-fi-pinscreen-lawsuit-20180620-story.html>

28 ⁸ https://www.theregister.co.uk/2018/07/18/pinscreen_fraud_claims

⁹ <http://sadeghi.com/dr-iman-sadeghi-v-pinscreen-inc-et-al/#battery>

1 **FOURTH CAUSE OF ACTION**

2 **Violation of California Labor Code § 1102.5 – Retaliation Against Whistleblowing**

3 **(Against Pinscreen)**

4 63. The allegations contained in each paragraph above are incorporated by reference as
5 if fully set forth herein.

6 64. Li, on behalf of Pinscreen, wrongfully terminated Sadeghi in retaliation for his
7 objections to Li’s and Pinscreen’s avatar fabrication, fraud on investors, discrimination, wage and
8 visa violations, and other transgressions. Since Sadeghi had reasonable cause to believe that Li’s
9 and Pinscreen’s transgressions constituted violations of California and federal laws, Sadeghi’s
10 objections to these activities were protected whistleblowing activities.

11 65. Sadeghi entered into an employment contract with Pinscreen on January 23, 2017,
12 which is signed by both Li and Sadeghi.

13 66. On information and belief, Pinscreen, under Li’s leadership, had presented
14 fabricated avatars in its submission to SIGGRAPH Technical Papers, on January 16, prior to
15 Sadeghi’s employment—and before Li’s initial fraudulent representations to Sadeghi.

16 67. On information and belief, Pinscreen, through Li, presented fabricated avatars to its
17 prospective investor, Softbank, on or around March 7, 2017. On information and belief,
18 Pinscreen’s presentation of fabricated avatars to Softbank was a contributing factor in Softbank’s
19 investment in Pinscreen. On information and belief, Pinscreen, through Li, defrauded Softbank
20 by presenting Softbank with fabricated avatars. On information and belief, Softbank entered into
21 an investment contract with Pinscreen for around \$2 million. In Pinscreen Team All, on June 17,
22 2017, when the investment agreement between Pinscreen and Softbank was about to be finalized,
23 Li wrote, “Pinscreen just fucked Softbank.”

24 68. On April 4, 2017, Pinscreen submitted fabricated avatars to SIGGRAPH RTL. On
25 information and belief, Li commissioned a Germany-based freelance artist, named Leszek, to
26 manually prepare the hair shapes for avatars presented in the submission—costing Li hundreds of
27 Euros. Pinscreen’s technology was and, on information and belief, still is incapable of
28 autogenerating hair shapes with intricacies demonstrated in Leszek’s handmade hair shape for Haley

1 Dunphy’s avatar in the submission. Every single avatar and hair shape presented by Pinscreen in its
2 SIGGRAPH RTL submission was fabricated. All avatars were manually prepared and tweaked by
3 Pinscreen employees and or freelance artists. Pinscreen’s submission to SIGGRAPH 2017 Real-
4 Time Live (“RTL”) titled “Pinscreen: Creating Performance-Driven Avatars in Seconds”; co-
5 authored by Li, Saito, Wei, Sadeghi, Hu, Seo, Nagano, Fursund, Yen-Chun Chen, and Stephen
6 Chen; and published in the ACM Digital Library¹⁰ contains fabricated avatars.

7 69. On May 23, 2017, Pinscreen submitted fabricated avatars, fabricated hair shapes,
8 fabricated hair colors, and fabricated eye colors to SIGGRAPH Asia Technical Papers. Every
9 single avatar and hair shape presented by Pinscreen in its SIGGRAPH Asia submission was
10 fabricated. All avatars were manually prepared and tweaked by Pinscreen employees and or
11 freelance artists. On information and belief, Pinscreen’s submission contained fabricated hair
12 shapes by Leszek, fabricated hair colors by Fursund, fabricated eye colors by Nagano, fabricated
13 hair segmentations by Hu, and fabricated focal lengths by Saito. Pinscreen’s SIGGRAPH Asia
14 2017 Technical Papers publication titled “Avatar Digitization from a Single Image for Real-Time
15 Rendering”; co-authored by Hu, Saito, Wei, Nagano, Seo, Fursund, Sadeghi, Sun, Yen-Chun
16 Chen, and Li; and published in the ACM Digital Library¹¹ contains fabricated avatars.

17 70. On August 1, 2017, during its demo at SIGGRAPH RTL at the Los Angeles
18 Convention Center, Pinscreen, under Li’s leadership, orchestrated an elaborate public deception in
19 front of thousands of attendees, as well as online viewers around the world. During the demo,
20 Pinscreen led the audience to believe that an avatar of Sadeghi was being generated for the very
21 first time—in front of their eyes—in around 5 seconds. In reality, Sadeghi’s avatar was pre-built
22 for the demo and required hours of human labor. Every single avatar and hair shape presented by
23 Pinscreen during its RTL demo was fabricated. All avatars were manually prepared and tweaked
24 by Pinscreen employees, including Sun. Pinscreen’s public demo at SIGGRAPH 2017 Real-Time
25 Live (“RTL”) titled “Pinscreen: Creating Performance-Driven Avatars in Seconds”; co-presented
26

27 ¹⁰ <https://dl.acm.org/citation.cfm?id=3107546>

28 ¹¹ <https://dl.acm.org/citation.cfm?id=31310887>

1 by Li, Sadeghi, Nagano, Seo, and Sun; and published in the ACM Digital Library¹² and ACM
2 SIGGRAPH YouTube channel¹³ contains fabricated avatars.

3 71. Submitting fabricated data in scientific representations is universally condemned by
4 established scientific code of ethics as scientific misconduct. Fabrication and Falsification are
5 classified as Research Misconduct, and instances of Scientific Misconduct, by the University of
6 Southern California's official policies¹⁴ and are in violation of ACM Code of Ethics &
7 Professional Conduct¹⁵.

8 72. Pinscreen's avatar fabrication was a deception of the public, violation of the
9 universally established scientific code of ethics, and a betrayal to scientists. Among those deceived
10 by Pinscreen's publications and public demonstrations, were its actual, potential, and prospective
11 investors. Pinscreen's avatar fabrication resulted in publications, demonstrations, and favorable
12 news articles, which, on information and belief, gave Pinscreen an advantage in the competitive
13 market by attracting millions of investor dollars to the company. Li wrote on November 8, 2016
14 and December 26, 2016 that Pinscreen's valuation was \$30 million. During a phone conversation
15 on February 21, 2017, Pinscreen informed Sadeghi that the company's valuation was \$57.5
16 million. Li stated on June 17, 2017 that after the investment agreement with Softbank, Pinscreen's
17 valuation had increased to more than \$100 million.

18 73. Sadeghi had reasonable cause to believe that Pinscreen's representation of
19 fabricated avatars to the public, to its investors, and in its publications constituted a fraud on
20 investors and a deception of the public, in violation of California law, including but not limited to
21 Business & Professional Code § 17200, California Corporations Code § 25401, California Civil
22 Code §§ 1572, 1709, and 1710.

23 74. Sadeghi also discovered that Pinscreen, through Li, pressured some of its
24 employees into working overtime hours but, on information and belief, did not pay them overtime
25 wages. On information and belief, Nagano and Seo, each worked, on average, around 110 hours

26 ¹² https://dl.acm.org/ft_gateway.cfm?id=3107546&ftid=1920365

27 ¹³ https://www.youtube.com/watch?v=hpuEdXn_M0Q&t=31m6s

28 ¹⁴ <https://policy.usc.edu/scientific-misconduct/>

¹⁵ <https://www.acm.org/code-of-ethics>

1 per week for three consecutive months in May, June, and July of 2017 without receiving overtime
2 wages. Sadeghi discovered that Pinscreen, through Li, discriminated against some of its
3 employees, on information and belief, on the basis of their suspected disability and familial status.
4 Li harassed, bullied, and discriminated against Xiang, on information and belief, on the basis of
5 his suspected disability. Li discriminated against Fursund, on information and belief, on the basis
6 of his familial status. Sadeghi discovered that Pinscreen, employed some foreign workers, on
7 information and belief, without proper work visas. On information and belief, Li and Yen-Chun
8 Chen, performed work for Pinscreen without proper work visas.

9 75. Sadeghi had reasonable cause to believe that Pinscreen's failure to pay overtime
10 wages was in violation of California labor laws, including but not limited to Labor Code §§ 510
11 and 204. Sadeghi had reasonable cause to believe that Pinscreen's discrimination against its
12 employees was in violation of public policy, as well as the California Fair Employment and
13 Housing Act, *Gov. Code* § 12900, *et seq.* Sadeghi had reasonable cause to believe that Pinscreen's
14 employment of foreign workers without proper work visas was in violation of federal immigration
15 laws, including the Immigration Reform and Control Act of 1986 and the Illegal Immigration
16 Reform and Immigrant Responsibility Act of 1996, including but not limited to 8 U.S.C. § 1324a.

17 76. Sadeghi objected to Li regarding Li's and Pinscreen's avatar fabrication including
18 on March 9, 2017, May 23, 2017, July 22, 2017, and August 7, 2017; fraud on investors including
19 on July 22, 2017, and August 7, 2017; scientific misconduct including on March 9, 2017, May 23,
20 2017, July 22, 2017, and August 7, 2017; public deception including on July 22, 2017, and
21 August 7, 2017; failure to pay overtime wages including on June 28, 2017, and August 7, 2017;
22 discrimination including on June 28, 2017; and employment of foreign workers without proper
23 work visas including on March 9, 2017, and June 28, 2017.

24 77. Because Sadeghi had reasonable cause to believe that Li's and Pinscreen's avatar
25 fabrication, fraud on investors, and other transgressions constituted violations of California and
26 federal laws, Sadeghi's objections to these deceptive and unlawful activities were protected
27 whistleblowing activities.

28 78. When confronted by Sadeghi regarding Li's and Pinscreen's avatar fabrication, on

1 May 23, 2017, Li contended that Pinscreen would be able to achieve Li’s inflated claims in time
2 for subsequent publications, which Li considered to be crucial for Pinscreen’s industry exposure
3 and success. On that same day, Li promised Sadeghi that Pinscreen would never fabricate its
4 avatars in public representations and stated, “We won’t present something we don’t have.”

5 79. Li broke this promise, on August 1, 2017, when Pinscreen, under Li’s leadership,
6 orchestrated an elaborate deception of an audience of thousands on the stage of SIGGRAPH
7 Real-Time Live (“RTL”).

8 80. On Sunday, August 6, 2017, shortly after the SIGGRAPH conference, Sadeghi
9 requested to have a meeting to reiterate his concerns and objections to Li’s and Pinscreen’s avatar
10 fabrication, fraud on investors, public deception, and delinquent overtime wages. Sadeghi wrote in
11 an email to Li and Yen-Chun Chen, “I would like to have a 1:1 meeting to talk about multiple
12 important topics.” Li agreed to have the meeting the next day.

13 81. On Monday, August 7, 2017, Pinscreen terminated Sadeghi.

14 82. On August 7, 2017, in retaliation for Sadeghi’s whistleblowing and objections to Li
15 regarding Pinscreen’s various transgressions—including its public deception at SIGGRAPH
16 RTL—Pinscreen terminated Sadeghi within his first working hour after Pinscreen’s deceptive
17 RTL demo, during the very same meeting that Sadeghi had requested to object to Li’s and
18 Pinscreen’s deceptive and unlawful practices.

19 83. Sadeghi’s termination was conducted in retaliation for his protected whistleblowing
20 activities and objections to Li regarding Li’s and Pinscreen’s transgressions in violation of
21 California’s whistleblowing protection laws provided in California Labor Code § 1102.5.

22 84. Li knew that Sadeghi objected to Li’s and Pinscreen’s transgressions directly to Li
23 who had authority over Sadeghi and could correct the violations.

24 85. On information and belief, Li believed that Sadeghi disclosed or might disclose
25 Li’s and Pinscreen’s fraud on investors, discrimination, and wage and visa violations to a
26 government or law enforcement agency.

27 86. On information and belief, Li’s retaliation and wrongful termination of Sadeghi
28 from Pinscreen was orchestrated by Li in part for personal motives unrelated to his agency for

1 Pinscreen and in part for motives that did not benefit Pinscreen.

2 87. On information and belief, Li retaliated against and wrongfully terminated Sadeghi
3 from Pinscreen in part because he feared Sadeghi would expose Li's scientific and professional
4 misconduct—including his data fabrication and his performing of work without a proper visa.
5 When levelled against an academician and scientist, the allegations against Li are grave.
6 The strongest community strictures prohibit scientists from submitting fabricated data; in so
7 doing—violating core ethical commitments of his profession—Li incurred the most serious
8 professional risks.

9 88. On information and belief, Li retaliated against and wrongfully terminated Sadeghi
10 from Pinscreen in part because he feared Sadeghi would expose the performing of work by Li's
11 now wife, Yen-Chun Chen, without a proper work visa.

12 89. Sadeghi's protected whistleblowing activities and objections to Li regarding Li's
13 and Pinscreen's transgressions were a contributing factor in Sadeghi's termination.

14 90. Sadeghi was damaged by being unlawfully retaliated against and wrongfully
15 terminated from Pinscreen and thus lost income and benefits.

16 91. As a direct, foreseeable, and proximate result of his wrongful termination from
17 Pinscreen and in retaliation for his whistleblowing and objections, Sadeghi lost and continues to
18 lose income and benefits; suffered and continues to suffer severe mental and emotional distress;
19 and required and continues to seek psychotherapy, all to Sadeghi's damage, in an amount to be
20 determined at trial.

21 92. Li's retaliation against Sadeghi, on behalf of Pinscreen, was in a deliberate, cold,
22 callous, malicious, oppressive, and intentional manner in order to injure and damage Sadeghi.
23 Therefore, Sadeghi is entitled to punitive and exemplary damages against Pinscreen in an amount
24 appropriate to punish to be determined at trial.

25 93. On August 9, 2017, two days after Sadeghi's termination, Sadeghi's counsel
26 informed Pinscreen that Sadeghi may have a Labor Code §1102.5 whistleblower retaliation claim
27 and a claim for wrongful termination in violation of public policy. Sadeghi's counsel demanded
28 Pinscreen to preserve all relevant Electronically Stored Information ("ESI"), including the

1 software codebase for Pinscreen’s RTL demo, which was stored in a third-party repository called
2 GitLab.¹⁶ This version-controlled repository stores snapshots of the codebase as it existed at a
3 specific time. Pinscreen’s application that was executed during SIGGRAPH RTL, on August 1,
4 2017, can be retrieved using this repository. No matter who uses this version of the application to
5 generate their own avatar from a webcam—as Pinscreen demonstrated—the pre-built avatar of
6 Sadeghi will be displayed every time.

7 94. The following figures compare Pinscreen’s fabricated avatars in its submissions to
8 SIGGRAPH Asia 2017 and SIGGRAPH RTL 2017 to the actual corresponding autogenerated
9 avatars produced by a third party¹⁷ using Pinscreen’s app, more than a year after the submissions.
10 Pinscreen’s actual autogenerated avatars are inferior to its prior fabricated representations.



16 <https://gitlab.com/pinscreen/rtl-app.git>, branch: master, date: August 1, 2017

17 <https://www.zhihu.com/question/285705808/answer/446014560>

1 **FIFTH CAUSE OF ACTION**

2 **Breach of Employment Contract**

3 **(Against Pinscreen)**

4 95. The allegations contained in each paragraph above are incorporated by reference as
5 if fully set forth herein.

6 96. Pinscreen breached Sadeghi's employment contract, causing him harm.

7 97. Pinscreen's contract breach included violating the covenant of good faith and fair
8 dealing, implied by law into every contract.

9 98. Sadeghi entered into an employment contract with Pinscreen on January 23, 2017,
10 which is signed by both Li and Sadeghi.

11 99. Sadeghi substantially performed all of his duties under the contract.

12 100. Pinscreen materially breached Sadeghi's employment contract by requiring
13 Sadeghi to participate in the preparation and presentation of fabricated avatars, including in
14 Pinscreen's public deception at SIGGRAPH RTL, on August 1, 2017.

15 101. Pinscreen materially breached Sadeghi's employment contract by retaliating against
16 Sadeghi and terminating Sadeghi after he raised concerns over his reasonable belief that
17 Pinscreen's transgressions violated California and federal laws.

18 102. Pinscreen materially breached Sadeghi's employment contract by withholding
19 Sadeghi's delinquent business expense reimbursements after receiving Sadeghi's itemized account
20 and supporting documentation, dated September 14, 2017, in violation of section 4 of Sadeghi's
21 employment contract with Pinscreen titled "Employment Agreement":

22 **"Business Expenses.** The Company will reimburse you for your necessary and
23 reasonable business expenses incurred in connection with your duties hereunder
24 upon presentation of an itemized account and appropriate supporting
documentation, all in accordance with Company's generally applicable policies."

25 103. Pinscreen terminated Sadeghi on August 7, 2017.

26 104. Sadeghi was terminated after being employed at Pinscreen for just over six months,
27 shortly after Pinscreen gained access to Sadeghi's expertise and experience in digital hair
28 appearance and software engineering, and after Sadeghi significantly improved the quality of

1 Pinscreen’s avatars and robustness of its infrastructure. The termination happened within
2 Sadeghi’s first working hour after Pinscreen’s public deception at SIGGRAPH 2017 RTL, and
3 during the meeting that Sadeghi had requested to address his concerns regarding Pinscreen’s
4 deceptive and unlawful practices.

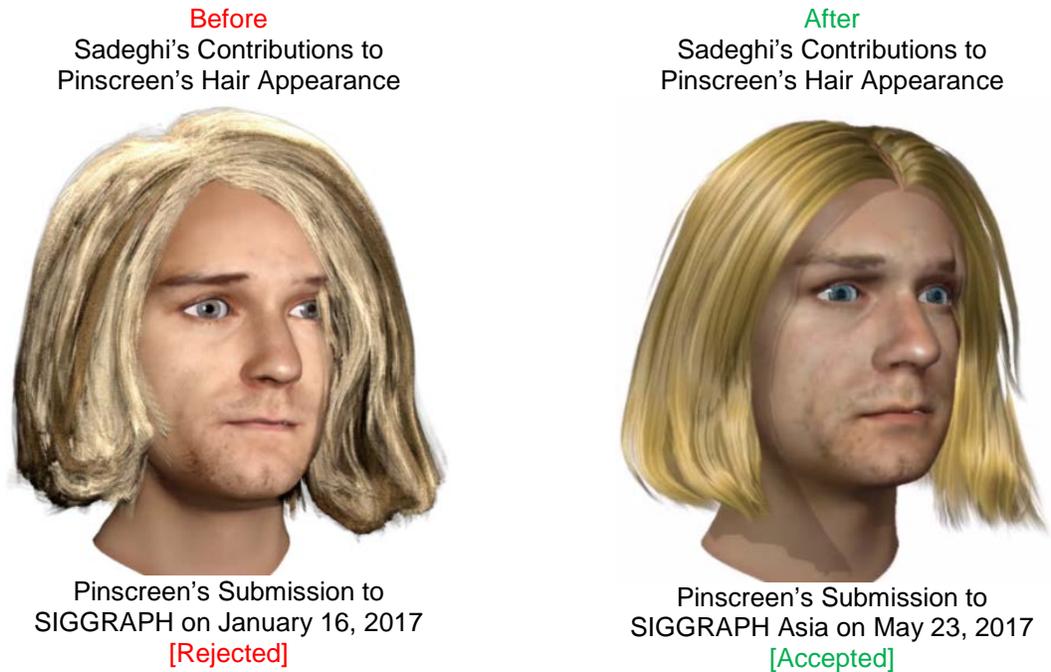
5 105. Sadeghi was damaged by the breach of his employment contract, and as a result of
6 his unlawful termination from Pinscreen, in an amount to be determined at trial.

7 106. On August 9, 2017, two days after Sadeghi’s termination, Sadeghi’s counsel
8 informed Pinscreen that Sadeghi may have a Labor Code §1102.5 whistleblower retaliation claim
9 and a claim for wrongful termination in violation of public policy. His counsel requested
10 Sadeghi’s personnel file and all other records which Pinscreen maintained relating to Sadeghi’s
11 employment, including employee handbooks, policies, procedures, and investigative reports
12 pursuant to Labor Code § 1198.5. Pinscreen’s response, dated September 8, 2017, contains no
13 document whatsoever indicating any concerns with Sadeghi’s performance or employment.
14 Pinscreen’s response contained no employee handbook, company policies, or codes of conduct.
15 There is no mention of any reason for Sadeghi’s termination in his employment personnel file or
16 termination letter. Sadeghi’s termination letter, signed by Li and Yen-Chun Chen, stated that “the
17 Company appreciates your service and is prepared to offer you severance in exchange for a
18 release.” Sadeghi did not accept the severance offer. Sadeghi received the termination letter
19 “unexpectedly,” as stated by Sadeghi in his Unemployment Insurance Claim application, filed on
20 August 13, 2017. Employment Development Department consequently approved Sadeghi’s
21 application, on information and belief, after verifying the information provided by Sadeghi with
22 Pinscreen.

23 107. Sadeghi improved the robustness of Pinscreen’s infrastructure through his
24 significant contributions to Pinscreen’s System Architecture, Software Code Health, Software
25 Codebase Structure, System Security, User Interface/User eXperience, and Mobile Apps
26 Framework.

27 108. Li extensively praised Sadeghi’s expertise, knowledge, and experience, and on
28 information and belief, referred to Sadeghi as “the best” in digital hair appearance. Sadeghi

1 significantly improved the quality of Pinscreen’s digital hair appearance from below the
2 SIGGRAPH standard to well above. The following diagram compares the quality of Pinscreen’s
3 avatars before and after Sadeghi’s contributions to Pinscreen’s digital hair appearance:



15 **SIXTH CAUSE OF ACTION**

16 **Breach of Implied Contract for Scientific Integrity**

17 **(Against Pinscreen)**

18 109. The allegations contained in each paragraph above are incorporated by reference as
19 if fully set forth herein.

20 110. Pinscreen and Sadeghi had an implied-in-fact contract for scientific integrity to
21 follow the universally established scientific code of ethics and to not fabricate data in scientific
22 representations. Pinscreen breached its implied-in-fact contract with Sadeghi by fabricating its
23 avatars and by presenting fabricated avatars in scientific submissions including, its scientific
24 submissions to ACM SIGGRAPH 2017 Real-Time Live (“RTL”) and ACM SIGGRAPH Asia
25 2017, which caused Sadeghi harm.

26 111. Sadeghi entered into an employment contract with Pinscreen on January 23, 2017,
27 which is signed by both Li and Sadeghi.

1 112. Pinscreen had an implied-in-fact agreement with and obligation to Sadeghi to
2 comply with the universally established scientific code of ethics that universally condemns
3 data fabrication. Since Pinscreen participated, and required Sadeghi to participate, in scientific
4 research and submitted its purported scientific research results to scientific venues—including
5 ACM SIGGRAPH—Pinscreen is subject to the universally established scientific code of ethics,
6 including the ACM Code of Ethics & Professional Conduct.¹⁸

7 113. Sadeghi substantially performed all of his duties under the implied-in-fact contract.

8 114. Pinscreen breached its implied-in-fact contract with Sadeghi by engaging and
9 requiring Sadeghi to participate in data fabrication and scientific misconduct, including in its
10 deceptive demonstration at ACM’s SIGGRAPH RTL on August 1, 2017.

11 115. Due to Li’s and Pinscreen’s violation of scientific code of ethics, Sadeghi requested
12 ACM SIGGRAPH to retract his name from Pinscreen’s fabricated publications. Li’s and
13 Pinscreen’s fraud against the scientific community and scientific misconduct were the proximate
14 cause of Sadeghi having to sacrifice scientific credit for his own authentic and significant
15 contribution to these publications—including Sadeghi’s contributions to Pinscreen’s digital hair
16 appearance. Sadeghi was also harmed by becoming associated with Li’s and Pinscreen’s
17 ignominious fraud, data fabrication, and scientific misconduct.

18 116. Sadeghi was damaged through loss of his intellectual property and by becoming
19 associated with Li’s and Pinscreen’s ignominy, in an amount to be determined at trial.

20 **SEVENTH CAUSE OF ACTION**

21 **Wrongful Termination in Violation of Public Policy**

22 **(Against Pinscreen)**

23 117. The allegations contained in each paragraph above are incorporated by reference as
24 if fully set forth herein.

25 118. Sadeghi was terminated from Pinscreen for reasons that violate California and
26 federal public policy. It is a violation of California public policy to terminate an employee for

27
28 ¹⁸ <https://www.acm.org/code-of-ethics>

1 objecting to an employer's practices when those practices are illegal and in contravention of public
2 policy.

3 119. Sadeghi entered into an employment contract with Pinscreen on January 23, 2017,
4 which is signed by both Li and Sadeghi.

5 120. Among those deceived by Pinscreen's public presentation of fabricated avatars
6 were its actual and potential investors.

7 121. California's public policy against Li's and Pinscreen's publication and public
8 demonstrations of fabricated avatars is expressed in the laws prohibiting deceit of investors and
9 imposing a fiduciary duty of corporate officers toward investors, including but not limited to
10 Business & Professional Code § 17200 and in California Corporations Code § 25401, and
11 California Civil Code §§ 1572, 1709, and 1710.

12 122. California's public policy against Li's and Pinscreen's scientific misconduct and
13 scientific misrepresentations is expressed in the universally established scientific code of ethics
14 including the official policies of University of Southern California and ACM Code of Ethics &
15 Professional Conduct. State public policy is committed to support the ethical truisms of honest
16 research, for example, by its support of a huge state university system that could not persevere
17 without scientific integrity. California public policy also spurns Li's and Pinscreen's scientific
18 misconduct and data fabrication because it represents unfair competition under Business &
19 Professions Code section 17200 and California Corporations Code § 25401.

20 123. California's public policy against Li's and Pinscreen's failure to pay overtime
21 wages is expressed in California labor laws mandating overtime payments for nonexempt
22 employees, specifically Labor Code §§ 510 and 204.

23 124. California's public policy against Li's and Pinscreen's discrimination against its
24 employees is expressed in the California Fair Employment and Housing Act, *Gov. Code* § 12900,
25 *et seq.*

26 125. The federal public policy against Pinscreen's employment of foreign workers
27 without proper work visas is expressed in the Immigration Reform and Control Act of 1986 and
28 the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, including but not

1 limited to 8 U.S.C. § 1324a.

2 126. These public policies are fundamental, substantial, well established, and involve
3 matters that affect society at large.

4 127. Pinscreen terminated Sadeghi on August 7, 2017.

5 128. Sadeghi's objections to Li's and Pinscreen's avatar fabrication, fraud on investors,
6 scientific misconduct, public deception, discrimination, and wage and visa violations were a
7 substantial motivating reason for Sadeghi's termination.

8 129. Sadeghi's termination by Pinscreen was in retaliation for Sadeghi's objections to
9 Li's and Pinscreen's deceptive and unlawful practices and was carried out in violation of
10 California and federal public policy.

11 130. Sadeghi was damaged by being wrongfully terminated in violation of California
12 and federal public policy and thus lost income and benefits.

13 131. As a direct, foreseeable, and proximate result of his wrongful terminating from
14 Pinscreen in violation of California and federal public policy, Sadeghi lost and continues to lose
15 income and benefits; suffered and continues to suffer severe mental and emotional distress;
16 required and continues to seek psychotherapy, all to Sadeghi's damage, in an amount to be
17 determined at trial.

18 132. Li's wrongful termination of Sadeghi, on behalf of Pinscreen, was done in a
19 deliberate, cold, callous, malicious, oppressive, and intentional manner in order to injure and
20 damage Sadeghi. Therefore, Sadeghi is entitled to punitive and exemplary damages against Li and
21 Pinscreen in an amount appropriate to punish to be determined at trial.

22 **EIGHTH CAUSE OF ACTION**

23 **Intentional Interference with Contract**

24 **(Against Li and Does 1-100)**

25 133. The allegations contained in each paragraph above are incorporated by reference as
26 if fully set forth herein.

27 134. On information and belief, Li, based in part on personal motives unrelated to his
28 agency for Pinscreen, and based in part for reasons that did not benefit Pinscreen, intentionally

1 interfered with Sadeghi's employment contract with Pinscreen, without privilege or justification.

2 135. Sadeghi entered into an employment contract with Pinscreen on January 23, 2017,
3 which is signed by both Li and Sadeghi.

4 136. Li was aware of the existence of Sadeghi's employment contract with Pinscreen.

5 137. On information and belief, Li intended to induce a breach and disruption of
6 Sadeghi's employment contract with Pinscreen by retaliating against Sadeghi and wrongfully
7 terminating him.

8 138. On information and belief, Li's retaliation and wrongful termination of Sadeghi
9 from Pinscreen was orchestrated by Li in part for personal motives unrelated to his agency for
10 Pinscreen and in part for motives that did not benefit Pinscreen.

11 139. On information and belief, Li interfered with and disrupted the performance of
12 Sadeghi's employment contract with Pinscreen for personal motives including in part because he
13 feared Sadeghi would expose Li's scientific misconduct, data fabrication, fraud on investors, and
14 performing of work without a proper work visa. When levelled against an academician and
15 scientist, the allegations against Li are grave. The strongest community strictures prohibit
16 scientists from submitting fabricated data; in so doing—violating core ethical commitments of his
17 profession—Li incurred the most serious professional risks.

18 140. On information and belief, Li interfered with and disrupted the performance of
19 Sadeghi's employment contract with Pinscreen in part because he feared Sadeghi would expose
20 the performing of work by Li's now wife, Yen-Chun Chen, without a proper work visa.

21 141. Sadeghi was damaged by Li's intentional interference with Sadeghi's employment
22 contract with Pinscreen and thus lost income and benefits.

23 142. As a direct, foreseeable, and proximate result of Li's interference with Sadeghi's
24 employment contract with Pinscreen, Sadeghi lost and continues to lose income and benefits;
25 suffered and continues to suffer severe mental and emotional distress; and required and continues
26 to seek psychotherapy, all to Sadeghi's damage, in an amount to be determined at trial.

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1 **NINTH CAUSE OF ACTION**

2 **Intentional Infliction of Emotional Distress**

3 **(Against Li, Yen-Chun Chen, Hu, Kung, Pinscreen, and Does 1-100)**

4 143. The allegations contained in each paragraph above are incorporated by reference as
5 if fully set forth herein.

6 144. Li's and other defendants' extreme and outrageous actions caused Sadeghi to suffer
7 severe mental and emotional distress due to, including, but not limited to: being fraudulently
8 deceived to resign from Google; being wrongfully terminated from Pinscreen; losing his
9 intellectual property; and being brutally battered, forcefully invaded, and physically injured.

10 145. Sadeghi was diagnosed with Post-Traumatic Stress Disorder ("PTSD") as a result
11 of the battery, consequent physical injuries, and invasion of his privacy. Sadeghi required and
12 continues to seek physical therapy and psychotherapy.

13 146. Li's and other defendants' conduct were outrageous because they abused the
14 employment relationship which had given them power to damage Sadeghi's interests; knew
15 Sadeghi was susceptible to injuries through mental and emotional distress; and acted intentionally
16 and unreasonably with the recognition that their actions are likely to cause Sadeghi mental and
17 emotional distress.

18 147. Li and other defendants intended to cause Sadeghi mental and emotional distress or
19 acted with reckless disregard of the probability that Sadeghi would suffer mental and emotional
20 distress.

21 148. Li's and other defendants' treatment of Sadeghi, culminating in a brutal physical
22 attack, and forceful invasion, was such as would be reasonably proclaimed to be outrageous.

23 149. Sadeghi's PTSD and physical injuries to his right shoulder are of such substantial
24 and enduring quality that no reasonable person in civilized society should be expected to endure
25 them. Li's and other defendant' conducts were so extreme as to exceed all bounds of that usually
26 tolerated in a civilized community.

27 150. The facts concerning Li's and other defendants' fraudulent inducement; intentional
28 interference; unlawful retaliation; wrongful termination; enduring and ongoing PTSD; brutal

1 battery and forceful invasion which have caused Sadeghi to suffer severe physical, mental, and
2 emotional distress would cause average members of the community to resent defendants and
3 would lead any reasonable person to declare defendants' conduct as outrageous.

4 151. As a direct, foreseeable, and proximate result of Li's and other defendants'
5 extreme, outrageous, and unlawful actions, Sadeghi lost and continues to lose income and
6 benefits; suffered and continues to suffer severe physical, mental, and emotional distress; required
7 and continues to seek psychotherapy; and suffered and continues to suffer from PTSD, all to
8 Sadeghi's damage, in an amount to be determined at trial.

9 152. On information and belief, the acts taken toward Sadeghi, carried out by Li and
10 other defendants, on behalf of Pinscreen, were in a deliberate, cold, callous, malicious, oppressive,
11 and intentional manner in order to injure and damage Sadeghi. Therefore, Sadeghi is entitled to
12 punitive and exemplary damages against the defendants in an amount appropriate to punish to be
13 determined at trial.

14 **TENTH CAUSE OF ACTION**

15 **Negligent Hiring, Supervision or Retention**

16 **(Against Pinscreen)**

17 153. The allegations contained in each paragraph above are incorporated by reference as
18 if fully set forth herein.

19 154. Sadeghi was harmed and Pinscreen is liable because Pinscreen negligently hired
20 and retained Li, an unfit, incompetent, and ineligible CEO, and Yen-Chun Chen, an unfit,
21 incompetent, and ineligible CFO. Pinscreen did not properly train Li and Yen-Chun Chen, did not
22 properly supervise them, and did not properly verify their work eligibility.

23 155. Li was unfit, incompetent, and ineligible to perform the duties required for the CEO
24 role at Pinscreen due to numerous instances of fraud, data fabrication, scientific misconduct,
25 public deception, discrimination, wage and visa violations, and cheating practices.

26 156. Yen-Chun Chen was unfit, incompetent, and ineligible to perform the duties
27 required for the CFO role at Pinscreen due to her several instances of wage, visa, and
28 reimbursement violations.

1 157. On information and belief, during Sadeghi's employment at Pinscreen, Li and
2 Yen-Chun Chen performed work for Pinscreen, on information and belief, without proper work
3 visas. Li and Yen-Chun Chen were ineligible to perform any role at Pinscreen due to their lack of
4 proper work visas.

5 158. Li's and Yen-Chun Chen's actions have been reckless, vicious, and caused harm to
6 Sadeghi, other Pinscreen employees, and Pinscreen's investors and stakeholders.

7 159. Pinscreen knew, should have known, and or failed to use reasonable care to
8 discover that Li and Yen-Chun Chen were unfit, incompetent, and ineligible to work for the
9 company.

10 160. Pinscreen knew, or should have known, that Li's and Yen-Chun Chen's unfitness,
11 incompetence, and ineligibility risked damaging its employees, including Sadeghi, its investors,
12 and the public.

13 161. Li's unfitness, incompetence, and ineligibility harmed Sadeghi by being
14 fraudulently induced, unlawfully retaliated against, wrongfully terminated, brutally battered,
15 forcefully invaded, and physically injured.

16 162. Yen-Chun Chen's unfitness, incompetence, and ineligibility harmed Sadeghi by
17 being brutally battered, forcefully invaded, physically injured, as well as being denied from
18 receiving his delinquent business reimbursements and waiting time penalties in violation of
19 California labor laws.

20 163. Pinscreen's negligence in hiring, training, supervision, and retention of Li and
21 Yen-Chun Chen was a substantial factor in causing Sadeghi's harm.

22 164. As a direct, foreseeable, and proximate result of Li's and Yen-Chun Chen's
23 unfitness, incompetence, and ineligibility, Sadeghi lost and continues to lose income and benefits;
24 suffered and continues to suffer severe physical, mental, and emotional distress; required medical
25 attention; required and continues to seek physical therapy and psychotherapy; and suffered and
26 continues to suffer from Post-Traumatic Stress Disorder ("PTSD"), all to Sadeghi's damage, in an
27 amount to be determined at trial.

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ELEVENTH CAUSE OF ACTION
Violation of California Labor Code § 2802
(Against Pinscreen)

165. The allegations contained in each paragraph above are incorporated by reference as if fully set forth herein.

166. After Sadeghi’s termination, Pinscreen withheld Sadeghi’s business expense reimbursements in violation of California Labor Code § 2802 and prior written agreements.

167. On February 17, 2017, Yen-Chun Chen, Pinscreen’s Chief Financial Officer (“CFO”), confirmed in writing that Pinscreen would reimburse Sadeghi for his out-of-pocket health insurance expenses until Pinscreen obtained a group health insurance plan.

168. After Sadeghi’s termination, Pinscreen withheld Sadeghi’s business expense reimbursements, including Sadeghi’s health insurance expenses.

169. Pinscreen acknowledged that reimbursements were due, but claimed that it would only pay them pending a mutual non-disclosure agreement. After more than nine months delay, Pinscreen paid only a small portion of the delinquent reimbursements.

170. As a direct, foreseeable, and proximate result of Pinscreen refusing to reimburse Sadeghi for his business expenses, Sadeghi lost and continues to lose monetary benefits; suffered and continues to suffer mental and emotional distress; and required and continues to seek psychotherapy, all to Sadeghi’s damage, in an amount to be determined at trial.

171. On information and belief, the acts taken toward Sadeghi and carried out by the defendants were in a deliberate, cold, callous, malicious, oppressive, and intentional manner in order to injure and damage Sadeghi. Therefore, Sadeghi is entitled to punitive and exemplary damages against the defendants in an amount appropriate to punish to be determined at trial.

172. Sadeghi is entitled to recover attorney’s fees incurred by Sadeghi enforcing these delinquent reimbursement payments and the rights granted by California Labor Code § 2802.

1 **TWELFTH CAUSE OF ACTION**

2 **Violation of California Labor Code § 203**

3 **(Against Pinscreen)**

4 173. The allegations contained in each paragraph above are incorporated by reference as
5 if fully set forth herein.

6 174. Pinscreen delayed paying Sadeghi his final wages and therefore, pursuant to
7 California Labor Code § 203, Sadeghi was entitled to waiting time penalties.

8 175. After Sadeghi's termination, Pinscreen withheld Sadeghi's late-wage payment
9 waiting-time penalties. Pinscreen sent Sadeghi a check for the waiting time penalties in the
10 amount of the penalties that were owed, but conditioned the cashing of the check on Sadeghi
11 accepting the amount as a full settlement of all wage issues. Since Sadeghi was neither prepared
12 nor required to settle all wage claims as a precondition for recovering what he was owed, Sadeghi
13 did not cash the check and requested Pinscreen to reissue another check for the late penalty only,
14 and to exclude the settlement verbiage. Pinscreen conditioned reissuing of a replacement check for
15 the delinquent waiting time penalties without the settlement verbiage subject to execution of a
16 mutual non-disclosure agreement between Pinscreen and Sadeghi. Pinscreen eventually reissued a
17 check for the initial waiting time penalties without the settlement verbiage after a delay of more
18 than nine months.

19 176. Sadeghi was damaged and is entitled to additional waiting time penalties, including
20 his salary for 30 days, in an amount to be determined at trial.

21 **THIRTEENTH CAUSE OF ACTION**

22 **Negligence**

23 **(Against Pinscreen and Does 1-100)**

24 177. The allegations contained in each paragraph above are incorporated by reference as
25 if fully set forth herein.

26 178. Sadeghi was harmed by defendants' negligence, which consequently caused
27 damages to Sadeghi's personal property, which was valuable, irreplaceable, and contained
28 sentimental value.

1 179. As Sadeghi's employer, Pinscreen owed Sadeghi a duty of due care. This duty of
2 due care included the duty to avoid damaging Sadeghi's personal property which was left at his
3 desk after his termination.

4 180. Pinscreen breached its duty of due care by breaking Sadeghi's handmade sculpture.

5 181. In storing it negligently, Pinscreen broke Sadeghi's handmade sculpture, which
6 Sadeghi had crafted in 2010 during his employment at Industrial Light & Magic ("ILM").

Sadeghi's Handmade Sculpture



15 182. Pinscreen refused to compensate Sadeghi for the personal property damage and
16 conditioned such compensation subject to execution of a mutual non-disclosure agreement
17 between Sadeghi and Pinscreen.

18 183. As a direct, foreseeable, and proximate result of the defendants' negligence and
19 breach of duty of due care, Sadeghi's personal, valuable, and irreplaceable property was damaged.
20 Consequently, Sadeghi was harmed; suffered and continues to suffer severe mental and emotional
21 distress; and required and continues to seek psychotherapy, all to Sadeghi's damage, in an amount
22 to be determined at trial.

FOURTEENTH CAUSE OF ACTION

Invasion of Privacy

25 **(Against Li, Yen-Chun Chen, Hu, Kung, Pinscreen, and Does 1-100)**

26 184. The allegations contained in each paragraph above are incorporated by reference as
27 if fully set forth herein.

28 185. The defendants, including, Li, Yen-Chun Chen, Hu, and Kung, forcefully intruded

1 into Sadeghi’s personal belongings and violated Sadeghi’s right to privacy in a manner that is
2 highly offensive to a reasonable person.

3 186. Sadeghi had a reasonable expectation of privacy in his personal backpack, into
4 which defendants intentionally intruded.

5 187. On August 7, 2017, while committing battery on Sadeghi outside Pinscreen’s
6 premises and after his termination, the defendants intentionally intruded into Sadeghi’s backpack
7 which Sadeghi was wearing and took his work laptop by force.

8 188. The invasion of privacy did not fall within the reasonably anticipated conditions of
9 Sadeghi’s role as the Vice President of Engineering at Pinscreen and was committed by the
10 defendants outside Pinscreen’s premises and outside the course and scope—and after—Sadeghi’s
11 employment.

12 189. Li, and three other Pinscreen employees, Yen-Chun Chen, Hu, and Kung, who
13 followed Li’s orders, were acting within the course and scope of their employment.

14 190. As a direct, foreseeable, and proximate result of Pinscreen, Li, and other defendants
15 invading Sadeghi’s privacy, Sadeghi has suffered and continues to suffer severe mental and
16 emotional distress; required and continues to seek psychotherapy; and suffered and continues to
17 suffer from Post-Traumatic Stress Disorder(“PTSD”), all to Sadeghi’s damage, in an amount to be
18 determined at trial.

19 191. Sadeghi intended to return the laptop before the end of business day, on
20 August 7, 2017, and told Li that he would return it after he preserved his personal data. The
21 storage of personal data complied with applicable Pinscreen policies. In fact, Pinscreen had no
22 policy prohibiting storing personal data on one’s computer, and no such policy was ever
23 communicated to Sadeghi. Sadeghi requested Pinscreen to return his personal data, including on
24 August 9, 2017, December 29, 2017, December 11, 2018, and January 28, 2019. Pinscreen has
25 wrongfully exercised control over Sadeghi’s personal files—including some of the only photos of
26 Sadeghi’s personal anniversary trip shortly before the termination—and has refused and failed to
27 return them still to this date.

28

1 **FIFTEENTH CAUSE OF ACTION**

2 **Violation of Cal. Unfair Competition Law (UCL), Business and Prof. Code § 17200 *et seq.***
3 **(Against Pinscreen)**

4 192. The allegations contained in each paragraph above are incorporated by reference as
5 if fully set forth herein.

6 193. California Business & Professional Code § 17200 *et seq.* prohibits any “unlawful,
7 unfair, or fraudulent business act or practice” and any “unfair, deceptive, untrue, or misleading
8 advertising.”

9 194. Pinscreen’s data fabrication and scientific misconduct were fraudulent, deceptive,
10 misleading, unfair, unlawful, and in violation of California Business & Professional
11 Code § 17200.

12 195. Sadeghi has standing under Business and Professions Code Section 17204 because
13 he suffered actual injury from these practices. Sadeghi was one target of Pinscreen’s fraud in
14 fabricating results. Sadeghi suffered actual damage from the scientific misconduct aspect of
15 Pinscreen’s transgressions because he was forced to ask ACM SIGGRAPH to retract his name
16 from publications containing fabricated data.

17 196. Li’s and Pinscreen’s fraudulent misrepresentations have caused deception of the
18 public, scientific community, and Pinscreen’s actual and potential investors.

19 197. Pinscreen’s labor law and immigration law violations are unfair and violate Labor
20 Code § 204 and the Unfair Competition Law, Business and Professions Code § 17200.

21 198. Li lied, on behalf of Pinscreen, and deceived Sadeghi, Softbank, SIGGRAPH, the
22 scientific community, and the public proclaiming Pinscreen’s avatars to be autogenerated using
23 cutting-edge deep neural networks and artificial intelligence. In reality, the avatars were being
24 manually prepared and tweaked by Pinscreen employees and freelance artists.

25 199. Because Pinscreen’s avatar fabrication, fraud on investors, scientific misconduct,
26 deception of the public, discrimination, and wage and visa violations are ongoing and there is no
27 indication that they will cease their unlawful conduct, Sadeghi request the court to enjoin Li and
28 Pinscreen from further violations of the law.

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200. Sadeghi brings this action to vindicate his legal rights, and more importantly, to benefit the public; to preserve the integrity of scientific research; to safeguard Computer Science, Computer Graphics, and ACM SIGGRAPH communities; and to protect Pinscreen’s employees and investors, while preventing Li, Pinscreen, and other defendants from engaging in further unlawful practices.

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PRAYER FOR RELIEF

WHEREFORE, Sadeghi respectfully requests for relief and judgment against Li, Pinscreen and the other defendants, jointly and severally, as follows, in amounts according to proof:

1. For judgment in favor of Sadeghi against Pinscreen, Li, and the other defendants;
2. For restitutional, general, special, compensatory, punitive and exemplary damages;
3. For all applicable statutory penalties;
4. For pre- and post-judgment interest where allowed;
5. For attorneys' fees under applicable provisions of law, including California Labor Code § 1102.5, and California Labor Code § 2802;
6. For costs of suit incurred herein;
7. For injunctive relief against Pinscreen's deceptive business practices; and
8. For such other and further relief as the Court deems necessary, just and proper.

DATED: April 30, 2019

Respectfully submitted,

FERNALD LAW GROUP APC
Brandon C. Fernald
Adam P. Zaffos



By: _____
Adam P. Zaffos
Attorneys for Plaintiff Dr. Iman Sadeghi

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DEMAND FOR JURY TRIAL

Sadeghi hereby demands a jury trial on all claims and issues raised in the second amended complaint for which Sadeghi is entitled to a jury.

DATED: April 30, 2019

Respectfully submitted,

FERNALD LAW GROUP APC
Brandon C. Fernald
Adam P. Zaffos



By: _____

Adam P. Zaffos
Attorneys for Plaintiff Dr. Iman Sadeghi

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VERIFICATION

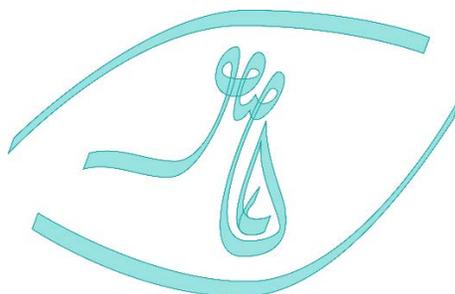
I, Dr. Iman Sadeghi, declare and verify as follows:

I am the plaintiff in this proceeding and have read this second amended complaint and know the contents thereof. The information contained herein is accurate to the best of my knowledge except as to those matters which are stated on information and belief, and as to those matters, I believe them to be true.

I declare and verify under penalty of perjury under the laws of the State of California that the foregoing is true. It is based on my personal knowledge except where it is alleged on information and belief.

DATED: April 30, 2019

Respectfully submitted,



By: _____
Dr. Iman Sadeghi