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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 and DOES 1-100,

20 Defendants.

Case No.: BC709376

**VERIFIED THIRD AMENDED COMPLAINT  
FOR DAMAGES:**

1. **Fraudulent Inducement of Employment Contract by Intentional Misrepresentation**
2. **Fraudulent Inducement of Employment Contract by Intentional Concealment**
3. **Violation of Cal. Labor Code § 1102.5 - Retaliation Against Whistleblowing**
4. **Breach of Employment Contract**
5. **Wrongful Termination in Violation of Public Policy**
6. **Negligence**

**DEMAND FOR JURY TRIAL**

1 Plaintiff Dr. Iman Sadeghi (“Sadeghi”) alleges the following against defendants  
2 Pinscreen, Inc. (“Pinscreen”), Dr. Hao Li (“Li”), and Does 1-100.

3 **THE PARTIES**

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



14 In 2010, the Association for Computing Machinery (“ACM”) published the framework<sup>3</sup> in its  
15 Transaction on Graphics journal, the foremost peer-reviewed journal in Computer Graphics and in  
16 Software Engineering. In that same year, Sadeghi presented the framework at ACM’s SIGGRAPH  
17 conference, widely recognized as the most reputable conference in computer graphics.  
18 In 2011, Sadeghi joined Google as a Software Engineer and worked on several projects involving  
19 Robust Software System Architectures, Reliable Scalable Distributed Systems, and  
20 Deep Convolutional Neural Networks. Among other accolades, Sadeghi is a co-inventor of five  
21 patents filed by Google and has presented his scientific research at SIGGRAPH 2012<sup>4</sup> and  
22 SIGGRAPH 2013<sup>5</sup>. In 2016, after having worked at Google for more than five years, Sadeghi was  
23 extensively solicited by Li to join Pinscreen’s leadership over the course of more than four  
24 months. Sadeghi served as Vice President of Engineering at Pinscreen in the County of Los  
25 Angeles in the State of California from February 2, 2017 to August 7, 2017.

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

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

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

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

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

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

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

12 4. Other Pinscreen affiliates relevant to this complaint include: Stanley Kim (“Kim”),  
13 co-founder, and a board member of Pinscreen; Jens Fursund (“Fursund”), Pinscreen’s former  
14 Chief Technical Officer (“CTO”); Yen-Chun Chen, also known as Frances Chen, Pinscreen’s  
15 Chief Financial Officer (“CFO”); Stephen Chen; Liwen Hu (“Hu”); Han-Wei Kung (“Kung”),  
16 Koki Nagano (“Nagano”); Shunsuke Saito (“Saito”); Jaewoo Seo (“Seo”); Carrie Sun (“Sun”);  
17 Lingyu Wei (“Wei”), also known as Cosimo Wei; Sitao Xiang (“Xiang”); Jun Xing (“Xing”);  
18 Ronald Yu (“Yu”); and Yi Zhou (“Zhou”).

19 5. On information and belief, Does 1-100 participated in the wrongful acts alleged, are  
20 liable for those acts, and knew about one or more of the specific acts committed by the defendants.

21 6. On information and belief, in doing the acts alleged, each of the defendants were  
22 the agent, principal, employee, or alter ego of one or more of the other defendants and acted with  
23 the other defendants’ knowledge, consent, and approval. Each of the defendants is responsible for  
24 the liabilities of the other defendants.

25 **JURISDICTION AND VENUE**

26 7. This Court has jurisdiction over the subject matter because, on information and  
27 belief, each defendant is either a resident of California, has sufficient minimum contacts in  
28 California, or otherwise intentionally avails themselves of the California market. The nature of the

1 claim as well as the amount in controversy, as delineated within this verified complaint, meet the  
2 requirements for the unlimited jurisdiction of this Court.

3 8. Venue is proper in this Court because Pinscreen resides, transacts business, and has  
4 offices in the County of Los Angeles, and most of the unlawful practices which caused  
5 Sadeghi harm as alleged herein occurred in the County of Los Angeles.

6 **FIRST CAUSE OF ACTION**

7 **Fraudulent Inducement of Employment Contract by Intentional Misrepresentation**

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

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

11 10. Defrauding Sadeghi, Pinscreen, through Li on his own behalf and as in his capacity  
12 as the CEO of Pinscreen, knowingly misrepresented Pinscreen's avatar generation capabilities to  
13 Sadeghi and concealed from him its avatar fabrication, and scientific misconduct. Justifiably  
14 relying on Li's fraudulent representations, Sadeghi resigned from Google and joined Pinscreen as  
15 its Vice President of Engineering, which caused Sadeghi harm.

16 11. After joining Pinscreen under false pretenses, Sadeghi gradually discovered  
17 Li's grotesque scientific and professional misconduct. Among his various transgressions,  
18 Li perpetrated a scientific hoax by proclaiming Pinscreen's avatars to be autogenerated using  
19 cutting-edge deep neural networks and artificial intelligence. In reality, the avatars were being  
20 manually prepared and tweaked by Pinscreen employees and freelance artists.

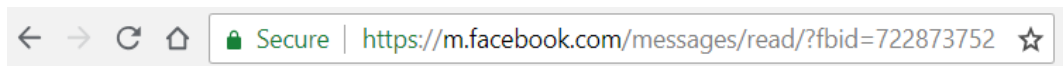
21 12. Li, on behalf of Pinscreen, as its co-founder and Chief Executive Officer ("CEO"),  
22 personally directed and participated in a willful deception of Sadeghi by intentional  
23 misrepresentation. Li intended to induce Sadeghi to resign from Google and join Pinscreen  
24 in order to gain access to Sadeghi's expertise and experience in digital hair appearance and  
25 software engineering.


26 13. Crucial to Sadeghi's decision to resign from Google and join Pinscreen was  
27 Li's intentional misrepresentation of Pinscreen's avatar generation capabilities, including  
28 Li's claim on January 22, 2017, that Pinscreen was capable of autogenerating the avatars that

1 Li presented to Sadeghi on that same day.

2 14. On January 22, 2017, while Sadeghi was employed at Google, Li, on behalf of  
3 Pinscreen, as its co-founder and CEO, sent Sadeghi, in private Facebook messages, two sets of  
4 input images as well as their corresponding supposedly autogenerated output avatars.  
5 Sadeghi expressed surprise and asked Li if the avatars' hair was autogenerated. Li responded  
6 to Sadeghi and confirmed, "yes."

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



9  **Iman Sadeghi**  
10 Omg! So good! This is well done!  
11 Pre defined models for eyes and teeth? Autogenerated hair?  
12 Jan 22, 2017 ·

13  **Hao Li**  
14 yes

15 16. Li's claim that the presented avatars and their hair were autogenerated was  
16 false and a brazen lie. The presented avatars and their hair were manually prepared and  
17 Li intentionally misrepresented them as autogenerated to Sadeghi.

18 17. Justifiably and reasonably relying on Li's representations, and after months of  
19 Li's continuous solicitation of him, Sadeghi accepted an offer to join Pinscreen as its Vice  
20 President of Engineering, on January 23, 2017. Sadeghi submitted his resignation letter to Google  
21 on January 25, 2017 with a final working day of February 1, 2017. Sadeghi started work  
22 at Pinscreen on the next day per Li's request to have Sadeghi on board for a public relations event.

23 18. A strong justification for Sadeghi's reasonable reliance on Li's misrepresentations  
24 is that Li, on information and belief, was and is an assistant professor of computer science at  
25 University of Southern California. Li's claims to have automated that which he had merely  
26 fabricated means that Li has committed data fabrication and scientific misconduct which,  
27 if discovered, could be subject to draconian punishment. When levelled against an academician  
28 and scientist, the allegations against Li are grave. The strongest community strictures prohibit

1 scientists from submitting fabricated data; in so doing—violating core ethical commitments of his  
2 profession—Li incurred the most serious professional risks.

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

6 20. Sadeghi could not have known that the presented avatars by Li, on January 22,  
7 2017, were manually prepared and that Pinscreen was involved in data fabrication and scientific  
8 misconduct before he resigned from Google and joined Pinscreen. From the input images as well  
9 as their corresponding supposedly autogenerated output avatars that Li sent, Sadeghi would have  
10 been unable to determine that the supposedly autogenerated output avatars had been manually  
11 prepared rather than autogenerated.

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

15 22. Li intended to defraud Sadeghi, to induce Sadeghi's reliance, and for Sadeghi  
16 to rely on his misrepresentation when Li presented fabricated avatars to Sadeghi.

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

22 24. These fraudulent misrepresentations were made by Li, on his own behalf and as in  
23 his capacity as co-founder and CEO of Pinscreen.

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

26 26. 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 27. As a direct, foreseeable, and proximate result of Pinscreen and 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 he would have earned from Google but for  
3 the fraudulent inducement; suffered and continues to suffer severe mental and emotional distress;  
4 and required and continues to seek psychotherapy, all to Sadeghi's damage, in an amount to be  
5 determined at trial.

6 28. Sadeghi's damages of his lost Google income and benefits started after February 1,  
7 2017 when he was fraudulently induced to leave Google and were temporarily substituted by his  
8 Pinscreen income and benefits from February 2, 2017 to August 7, 2017. Sadeghi's damages of  
9 his lost Google income and benefits pertaining to after August 7, 2017 are unsubstituted.

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

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

## 18 **SECOND CAUSE OF ACTION**

### 19 **Fraudulent Inducement of Employment Contract by Intentional Concealment**

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

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

23 32. Defrauding Sadeghi, Pinscreen, through Li on his own behalf and as in his capacity  
24 as the CEO of Pinscreen, intentionally concealed Pinscreen's avatar fabrication, fraud on  
25 investors, scientific misconduct, public deception, and wage and visa violations from Sadeghi and  
26 induced him to resign from Google and join Pinscreen as its Vice President of Engineering, which  
27 caused Sadeghi harm.

28 33. Li, on behalf of Pinscreen, as its co-founder and CEO, personally directed and

1 participated in a willful deception of Sadeghi by intentional concealments with the intent to induce  
2 Sadeghi to resign from Google and join Pinscreen in order to gain access to Sadeghi's expertise  
3 and experience in digital hair appearance and software engineering.

4 34. Li intentionally concealed from Sadeghi that Pinscreen fabricated avatars in its  
5 presentations to Sadeghi, the public, investors, and the scientific community; pressured some of its  
6 employees to work overtime hours and, on information and belief, did not pay overtime wages;  
7 employed some foreign workers, on information and belief, without proper work visas.

8 35. Specifically, Li intentionally concealed from Sadeghi that the two avatars he  
9 presented to Sadeghi, on January 22, 2017, were fabricated and manually prepared.

10 36. Specifically, Li intentionally concealed from Sadeghi that Pinscreen was involved  
11 in public deception through presenting fabricated avatars in its public representations. Pinscreen  
12 presented fabricated avatars to an audience of thousands at the Los Angeles Convention Center on  
13 the stage of SIGGRAPH Real-Time Live ("RTL") on August 1, 2017. Every single avatar and hair  
14 shape presented by Pinscreen during its public RTL presentation was fabricated. All avatars were  
15 manually prepared and tweaked by Pinscreen employees and misrepresented as autogenerated.

16 37. Specifically, Li intentionally concealed from Sadeghi that Pinscreen was involved  
17 in fraud on investors through its public misrepresentations and presenting fabricated avatars to its  
18 prospective investors, including Softbank Venture Korea ("Softbank"). On information and belief,  
19 Pinscreen, through Li, presented fabricated avatars to Softbank on or around March 7, 2017. On  
20 information and belief, Pinscreen's presentation of fabricated avatars to Softbank was a  
21 contributing factor in Softbank's investment in Pinscreen. On information and belief, Pinscreen,  
22 through Li, defrauded Softbank by presenting Softbank with fabricated avatars. On information  
23 and belief, Softbank entered into an investment contract with Pinscreen for around \$2 million.

24 38. Specifically, Li intentionally concealed from Sadeghi that Pinscreen was involved  
25 in scientific misconduct through presenting fabricated avatars in its scientific submissions. On  
26 information and belief, Pinscreen, under Li's leadership, had presented fabricated avatars in its  
27 scientific submission to SIGGRAPH Technical Papers, on January 16, prior to Sadeghi's  
28 employment and before Li's initial fraudulent representations to Sadeghi. Pinscreen presented



1 fabricated avatars in its submissions to SIGGRAPH RTL on April 4, 2017 and SIGGRAPH Asia  
2 Technical Papers on May 23, 2017. Every single avatar and hair shape presented by Pinscreen in  
3 its SIGGRAPH RTL and SIGGRAPH Asia submissions was fabricated. All avatars were manually  
4 prepared and tweaked by Pinscreen employees and or freelance artists and misrepresented as  
5 autogenerated.

6 39. Specifically, Li intentionally concealed from Sadeghi that Pinscreen was involved  
7 in wage violations and failed to pay delinquent overtime wages to some of its employees. Li used  
8 deadline pressure to overwork Pinscreen employees and unlawfully refused to pay them overtime.  
9 Li repeatedly asked for updates during the nights, weekends, and expected student employees to  
10 work on holidays. On information and belief, Nagano and Seo, each worked, on average, around  
11 110 hours per week for three consecutive months in May, June, and July of 2017 without  
12 receiving overtime wages.

13 40. Specifically, Li intentionally concealed from Sadeghi that Pinscreen was involved  
14 in visa violations and employed some foreign workers without proper work visas. On information  
15 and belief, Li was ineligible to work at Pinscreen as its CEO and has performed work for the  
16 company without proper work visas. On information and belief, Li was not a US Citizen, his  
17 permanent residency (i.e. green card) application had been rejected, and he lacked a proper visa to  
18 perform any role at Pinscreen. On information and belief, Pinscreen's CFO, Yen-Chun Chen,  
19 performed work for Pinscreen before her work visa's start date. Yen-Chun Chen admitted in  
20 writing to Sadeghi that she did not have a proper work visa to perform work for the company as of  
21 February 7, 2017. However, Yen-Chun Chen had performed work for Pinscreen prior to that date,  
22 including the paperwork for Sadeghi's hiring processes. On information and belief, Li pressured  
23 other Pinscreen employees to perform work for Pinscreen including without a work visa, before  
24 their work visa's start date or while employed at other companies as summer interns. On  
25 information and belief, at least one of Pinscreen's employees performed work for the company  
26 without a proper work visa. On information and belief, at least one of Pinscreen's employees  
27 performed work for the company before their work visa's start date. On information and belief, at  
28 least one of Pinscreen's employees performed work for Pinscreen while hired as a summer intern

1 at another company.

2 41. Sadeghi did not know about Li's concealments before resigning from Google and  
3 joining Pinscreen.

4 42. Sadeghi would not have resigned from Google and joined Pinscreen if Li had not  
5 concealed these material facts from Sadeghi. Li knew or should have known that Sadeghi would  
6 not resign from Google and join Pinscreen if these material facts were known to Sadeghi.

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

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

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

20 46. Li intended to defraud Sadeghi when he concealed Pinscreen's avatar fabrication,  
21 fraud, and other transgressions from Sadeghi.

22 47. Li's concealments were intentional and Li had scienter when he concealed  
23 Pinscreen's transgressions from Sadeghi since Li had an active role in all of them. Li knew that  
24 the presented avatars, on January 22, 2017, were manually prepared and that Pinscreen was  
25 involved in data fabrication, fraud, and other transgressions but purposely and maliciously  
26 concealed these material facts from Sadeghi in order to induce him to resign from Google, which  
27 caused Sadeghi harm in the form of lost income and benefits from his position at Google.

28 48. Li's concealments from Sadeghi were a substantial factor in causing Sadeghi harm.

1           49.     These fraudulent concealments were done by Li, on his own behalf and as in his  
2 capacity as co-founder and CEO of Pinscreen.

3           50.     Sadeghi was damaged by being fraudulently induced to give up his employment at  
4 Google by intentional concealment and thus lost income and benefits he had been earning at  
5 Google.

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

11          52.     Sadeghi's damages of his lost Google income and benefits started after February 1,  
12 2017 when he was fraudulently induced to leave Google and were temporarily substituted by his  
13 Pinscreen income and benefits from February 2, 2017 to August 7, 2017. Sadeghi's damages of  
14 his lost Google income and benefits pertaining to after August 7, 2017 are unsubstituted.

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

17          54.     After joining Pinscreen under false pretenses, Sadeghi discovered that Li, although  
18 an assistant professor, was a self-proclaimed cheater who was involved in data fabrication and  
19 scientific misconduct. Li blatantly discussed and referred to Pinscreen's avatar fabrication in  
20 group messages as "faking," "cheating," "shitty cheating," and "doing it manually." For example,  
21 on May 22, 2017, Li mandated data fabrication and stated that he did not think Pinscreen was able  
22 to autogenerate the avatars, when he wrote, in Pinscreen Team All, "if in an hour it's not working,  
23 let's do it manually and give up on it. I don't think we can make it automatic."  
24 Li mandated *cheating* in group messages including on March 27, 2017, writing, "we probably  
25 have no choice but to cheat" and on June 29, 2017 writing, "we have to [*sic*] some shitty cheating  
26 again." Li has publicly admitted<sup>6</sup> to the authenticity of these statements and to his use of the

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

1 word “cheating.”

2 55. Fursund, Pinscreen’s Chief Technical Officer (“CTO”), Hu, Nagano, Saito, Seo,  
3 Sun, and Wei knew about and aided and abetted Li in fabricating Pinscreen’s avatars. Other  
4 Pinscreen employees knew or should have known about Li’s avatar fabrication since they were  
5 participants in group messages where the fabrication was openly discussed, including in  
6 “PinscreenTeamAll” Skype group. This group included Sadeghi, Li, Fursund, Yen-Chun Chen,  
7 Stephen Chen, Hu, Kung, Nagano, Saito, Seo, Sun, Wei, Xiang, Yu, and Zhou. On January 16,  
8 2018, Kim, co-founder and a board member of Pinscreen, told Sadeghi he knew about Pinscreen’s  
9 data fabrication but not in real time.

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

19 **THIRD CAUSE OF ACTION**

20 **Violation of California Labor Code § 1102.5 – Retaliation Against Whistleblowing**  
21 **(Against Pinscreen)**

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

24 58. Li, on behalf of Pinscreen, wrongfully terminated Sadeghi in retaliation for his  
25 objections to Li’s and Pinscreen’s avatar fabrication, fraud on investors, wage and visa violations,  
26 and other transgressions. Since Sadeghi had reasonable cause to believe that Li’s and Pinscreen’s  
27 transgressions constituted violations of California and federal laws, Sadeghi’s objections to these  
28 activities were protected whistleblowing activities.

1           59.     Sadeghi entered into a written employment contract with Pinscreen on January 23,  
2 2017, which is signed by both Li and Sadeghi.

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

6           61.     On information and belief, Pinscreen, through Li, presented fabricated avatars to its  
7 prospective investor, Softbank, on or around March 7, 2017. On information and belief,  
8 Pinscreen’s presentation of fabricated avatars to Softbank was a contributing factor in Softbank’s  
9 investment in Pinscreen. On information and belief, Pinscreen, through Li, defrauded Softbank  
10 by presenting Softbank with fabricated avatars. On information and belief, Softbank entered into  
11 an investment contract with Pinscreen for around \$2 million. In Pinscreen Team All, on June 17,  
12 2017, when the investment agreement between Pinscreen and Softbank was about to be finalized,  
13 Li wrote, “Pinscreen just fucked Softbank.”

14           62.     On April 4, 2017, Pinscreen submitted fabricated avatars to SIGGRAPH RTL. On  
15 information and belief, Li commissioned a Germany-based freelance artist, named Leszek, to  
16 manually prepare the hair shapes for avatars presented in the submission—costing Li hundreds of  
17 Euros. Pinscreen’s technology was and, on information and belief, still is incapable of  
18 autogenerating hair shapes with intricacies demonstrated in Leszek’s handmade hair shape for Haley  
19 Dunphy’s avatar in the submission. Every single avatar and hair shape presented by Pinscreen in its  
20 SIGGRAPH RTL submission was fabricated. All avatars were manually prepared and tweaked by  
21 Pinscreen employees and or freelance artists. Pinscreen’s submission to SIGGRAPH 2017 Real-  
22 Time Live (“RTL”) titled “Pinscreen: Creating Performance-Driven Avatars in Seconds”; co-  
23 authored by Li, Saito, Wei, Sadeghi, Hu, Seo, Nagano, Fursund, Yen-Chun Chen, and Stephen  
24 Chen; and published in the ACM Digital Library<sup>7</sup> contains fabricated avatars.

25           63.     On May 23, 2017, Pinscreen submitted fabricated avatars, fabricated hair shapes,  
26 fabricated hair colors, and fabricated eye colors to SIGGRAPH Asia Technical Papers. Every

27  
28 <sup>7</sup> <https://dl.acm.org/citation.cfm?id=3107546>

1 single avatar and hair shape presented by Pinscreen in its SIGGRAPH Asia submission was  
2 fabricated. All avatars were manually prepared and tweaked by Pinscreen employees and or  
3 freelance artists. On information and belief, Pinscreen’s submission contained fabricated hair  
4 shapes by Leszek, fabricated hair colors by Fursund, fabricated eye colors by Nagano, fabricated  
5 hair segmentations by Hu, and fabricated focal lengths by Saito. Pinscreen’s SIGGRAPH Asia  
6 2017 Technical Papers publication titled “Avatar Digitization from a Single Image for Real-Time  
7 Rendering”; co-authored by Hu, Saito, Wei, Nagano, Seo, Fursund, Sadeghi, Sun, Yen-Chun  
8 Chen, and Li; and published in the ACM Digital Library<sup>8</sup> contains fabricated avatars.

9         64.     On August 1, 2017, during its demo at SIGGRAPH RTL at the Los Angeles  
10 Convention Center, Pinscreen, under Li’s leadership, orchestrated an elaborate public deception in  
11 front of thousands of attendees, as well as online viewers around the world. During the demo,  
12 Pinscreen led the audience to believe that an avatar of Sadeghi was being generated for the very  
13 first time—in front of their eyes—in around 5 seconds. In reality, Sadeghi’s avatar was pre-built  
14 for the demo and required hours of human labor. Every single avatar and hair shape presented by  
15 Pinscreen during its RTL demo was fabricated. All avatars were manually prepared and tweaked  
16 by Pinscreen employees, including Sun. Pinscreen’s public demo at SIGGRAPH 2017 Real-Time  
17 Live (“RTL”) titled “Pinscreen: Creating Performance-Driven Avatars in Seconds”; co-presented  
18 by Li, Sadeghi, Nagano, Seo, and Sun; and published in the ACM Digital Library<sup>9</sup> and ACM  
19 SIGGRAPH YouTube channel<sup>10</sup> contains fabricated avatars.

20         65.     Submitting fabricated data in scientific representations is universally condemned by  
21 established scientific code of ethics as scientific misconduct. Fabrication and Falsification are  
22 classified as Research Misconduct, and instances of Scientific Misconduct, by the University of  
23 Southern California’s official policies<sup>11</sup> and are in violation of ACM Code of Ethics &  
24 Professional Conduct<sup>12</sup>.

25  
26 <sup>8</sup> <https://dl.acm.org/citation.cfm?id=31310887>

<sup>9</sup> [https://dl.acm.org/ft\\_gateway.cfm?id=3107546&ftid=1920365](https://dl.acm.org/ft_gateway.cfm?id=3107546&ftid=1920365)

<sup>10</sup> [https://www.youtube.com/watch?v=hpuEdXn\\_M0Q&t=31m6s](https://www.youtube.com/watch?v=hpuEdXn_M0Q&t=31m6s)

<sup>11</sup> <https://policy.usc.edu/scientific-misconduct/>

<sup>12</sup> <https://www.acm.org/code-of-ethics>

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

11           67.     Sadeghi had reasonable cause to believe that Pinscreen’s representation of  
12 fabricated avatars to the public, to its investors, and in its publications constituted a fraud on  
13 investors and a deception of the public, in violation of California law, including but not limited to  
14 Business & Professional Code § 17200, California Corporations Code § 25401, California Civil  
15 Code §§ 1572, 1709, and 1710.

16           68.     Sadeghi also discovered that Pinscreen, through Li, pressured some of its  
17 employees into working overtime hours but, on information and belief, did not pay them overtime  
18 wages. On information and belief, Nagano and Seo, each worked, on average, around 110 hours  
19 per week for three consecutive months in May, June, and July of 2017 without receiving overtime  
20 wages. Sadeghi discovered that Pinscreen, employed some foreign workers, on information and  
21 belief, without proper work visas. On information and belief, Li and Yen-Chun Chen, performed  
22 work for Pinscreen without proper work visas.

23           69.     Sadeghi had reasonable cause to believe that Pinscreen’s failure to pay overtime  
24 wages was in violation of California labor laws, including but not limited to Labor Code §§ 510  
25 and 204. Sadeghi had reasonable cause to believe that Pinscreen’s employment of foreign workers  
26 without proper work visas was in violation of federal immigration laws, including the Immigration  
27 Reform and Control Act of 1986 and the Illegal Immigration Reform and Immigrant  
28 Responsibility Act of 1996, including but not limited to 8 U.S.C. § 1324a.

1           70.     Sadeghi objected to Li regarding Li’s and Pinscreen’s avatar fabrication including  
2 on March 9, 2017, May 23, 2017, July 22, 2017, and August 7, 2017; fraud on investors including  
3 on July 22, 2017, and August 7, 2017; scientific misconduct including on March 9, 2017, May 23,  
4 2017, July 22, 2017, and August 7, 2017; public deception including on July 22, 2017, and  
5 August 7, 2017; failure to pay overtime wages including on June 28, 2017, and August 7, 2017;  
6 and employment of foreign workers without proper work visas including on March 9, 2017, and  
7 June 28, 2017.

8           71.     On March 9, 2017, Sadeghi objected to Pinscreen’s avatar fabrication, scientific  
9 misconduct and visa violations. On that day, when Sadeghi questioned Li about Pinscreen’s avatar  
10 fabrication and scientific misconduct in its submission to SIGGRAPH Technical Papers on  
11 January 16, 2017, prior to Sadeghi’s employment, Li claimed that they were “not important”  
12 because the submissions were “not public.” Li stated that Pinscreen had been practicing the  
13 strategy of “Fake it ‘til you make it” and declared that “it has been working great.” Li claimed that  
14 should Pinscreen’s fabricated submissions be accepted, Pinscreen would have sufficient time to  
15 actually develop the claims before publication. Li claimed that it was crucial to the success of  
16 Pinscreen to get into these conferences for industry exposure. Li stated that scientific publications  
17 and technical presentations would result in media coverage by technology news outlets, such as  
18 TechCrunch, and will substantially “increase the valuation of the company.” On the same day,  
19 Sadeghi raised concerns about Pinscreen’s employment of employees without proper visas and  
20 requested that Li consult Pinscreen’s counsel to ensure Pinscreen’s compliance. In response, Li  
21 stated that he is “pretty sure that it's OK” and that he will “double check with the lawyers.”

22           72.     On May 23, 2017, Sadeghi confronted Li regarding the avatar fabrication and  
23 scientific misconduct committed in Pinscreen’s SIGGRAPH Asia 2017 Technical Papers  
24 submission due on that same day. Li stated that he wanted “Pinscreen to be the first” in research  
25 and the industry. Li claimed that by the time of the conference, in November of 2017, Pinscreen  
26 would have had a public product launch and would have achieved Li’s embellished claims in the  
27 submission. Sadeghi asked Li, “what if for unforeseeable reasons we don’t have everything by  
28 then?” In response, Li promised Sadeghi that Pinscreen’s data fabrication would be limited to



1 nonpublic representations and never shown in public.

2 73. On June 28, 2017, Sadeghi objected to Pinscreen’s wage and visa violations. On  
3 that day, Sadeghi told Li that some of Pinscreen’s non-exempt employees were working an  
4 excessive amount of overtime and should be properly compensated. Li dismissed Sadeghi’s  
5 proposal, telling him that “the students are used to working this many hours” and that “the  
6 employees are salary based and are being paid enough already.” On the same day, Sadeghi  
7 confronted Li about Pinscreen’s employment of foreign employees without proper work visas  
8 again and followed up to inquire about the response from company's counsel. Li refused to give a  
9 response from Pinscreen’s counsel and told Sadeghi “You do not need to worry about these issues.  
10 Let me handle them.”

11 74. On July 22, 2017, Sadeghi met with Li who disclosed his plan to fabricate the  
12 webcam avatar generation during Pinscreen’s public demo at SIGGRAPH RTL on August 1, 2017  
13 by misrepresenting pre-cached manually prepared avatars as brand-new, autogenerated, and real-  
14 time. Sadeghi confronted Li and stated that Pinscreen should be truthful to the public and  
15 scientific community, that Li’s data fabrication could be considered “investment fraud.” Li  
16 expressed concerns that Pinscreen’s actual automatic hair shape estimation could have poor  
17 quality and claimed that Pinscreen “didn’t have any other choice at that point,” that the decision  
18 was made last week, that it was “final,” and that Sadeghi must follow the plan and focus on  
19 finalizing the RTL demo. Subsequently, Sadeghi asked Li to promise that moving forward,  
20 Pinscreen would stay truthful and avoid fabricating its results. Li dismissed Sadeghi’s request and  
21 suggested to talk about Sadeghi’s objections after Pinscreen’s SIGGRAPH RTL demo.

22 75. When confronted by Sadeghi regarding Li’s and Pinscreen’s avatar fabrication, on  
23 May 23, 2017, Li contended that Pinscreen would be able to achieve Li’s inflated claims in time  
24 for subsequent publications, which Li considered to be crucial for Pinscreen’s industry exposure  
25 and success. On that same day, Li promised Sadeghi that Pinscreen would never fabricate its  
26 avatars in public representations and stated, “We won’t present something we don’t have.”

27 76. Li broke this promise, on August 1, 2017, when Pinscreen, under Li’s leadership,  
28 orchestrated an elaborate deception of an audience of thousands on the stage of SIGGRAPH

1 Real-Time Live (“RTL”).

2 77. On Sunday, August 6, 2017, shortly after the SIGGRAPH conference, Sadeghi  
3 requested to have a meeting to reiterate his concerns and objections to Li’s and Pinscreen’s avatar  
4 fabrication, fraud on investors, public deception, and delinquent overtime wages. Sadeghi wrote in  
5 an email to Li and Yen-Chun Chen, “I would like to have a 1:1 meeting to talk about multiple  
6 important topics.” Li agreed to have the meeting the next day. On information and belief, Li knew  
7 that Sadeghi intended to object to Pinscreen’s public deception, fraud on investors, and scientific  
8 misconduct during the scheduled meeting for the next day because on July 22, 2017 Li had  
9 suggested to address Sadeghi’s objections regarding these issues after the RTL demo.

10 78. On August 7, 2017, during Sadeghi’s first working hour after Pinscreen’s public  
11 deception at SIGGRAPH RTL demo, Sadeghi met with Li and Yen-Chun Chen and reiterated his  
12 concerns about Li’s and Pinscreen’s data fabrication and past due overtime payments. Sadeghi  
13 stated his objections regarding Li refusing to properly compensate Pinscreen’s employees for  
14 overtime hours; Pinscreen “lying to thousands of people” during its RTL demo; Li putting  
15 “everyone’s academic reputation” at risk; and Li endangering Pinscreen’s investor relations due to  
16 the data fabrication. In Sadeghi’s meeting notes, titled “Pinscreen Concerns,” time-stamped by  
17 Google servers prior to the meeting, Sadeghi referenced Pinscreen’s data fabrication during the  
18 SIGGRAPH RTL 2017 demo and the SIGGRAPH Asia 2017 Technical Papers submission.  
19 Sadeghi stated that Pinscreen “can be accused of illegal crime.” Sadeghi’s notes included that  
20 “these decisions to promise things we don’t even have is coming from you [Li] and only you.”  
21 Sadeghi’s meeting notes also contain a subsection regarding “overtime pay” with examples of  
22 Pinscreen employees who, on information and belief, had worked around 110 hours per week for  
23 three consecutive months, and did not receive overtime compensation from the company.

24 79. 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 80. In a meeting during Sadeghi’s first working hour after Pinscreen’s public deception

1 at SIGGRAPH RTL, and immediately following Sadeghi's objections, Pinscreen terminated  
2 Sadeghi on August 7, 2017.

3 81. On August 7, 2017, in retaliation for Sadeghi's whistleblowing and objections to Li  
4 regarding Pinscreen's various transgressions—including its public deception at SIGGRAPH  
5 RTL—Pinscreen terminated Sadeghi within his first working hour after Pinscreen's deceptive  
6 RTL demo, during the very same meeting that Sadeghi had requested to again object to Li's and  
7 Pinscreen's deceptive and unlawful practices. The termination immediately followed Sadeghi's  
8 objections.

9 82. Sadeghi's objections to Li regarding Pinscreen's fraudulent activities and Sadeghi's  
10 termination were causally connected as Li and Pinscreen were aware of Sadeghi's objections and  
11 the termination happened within the same day as Sadeghi's reaffirmed objections on August 7,  
12 2017, within three weeks after Sadeghi's objections on July 22, 2017, and within a short amount  
13 of time after Sadeghi's objections on June 28, 2017, May 23, 2017, and March 9, 2017.  
14 Furthermore, Sadeghi was terminated unexpectedly despite his significant contributions to  
15 Pinscreen and there is no mention of any reason for Sadeghi's termination in his employment  
16 personnel file or termination letter.

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

20 84. Li knew that Sadeghi objected to Li's and Pinscreen's transgressions directly to Li  
21 who had authority over Sadeghi and could correct the violations.

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

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

28 87. On information and belief, Li retaliated against and wrongfully terminated Sadeghi

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

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

10       89.     Sadeghi’s protected whistleblowing activities and objections to Li regarding Li’s  
11 and Pinscreen’s transgressions were a contributing factor in Sadeghi’s termination.

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

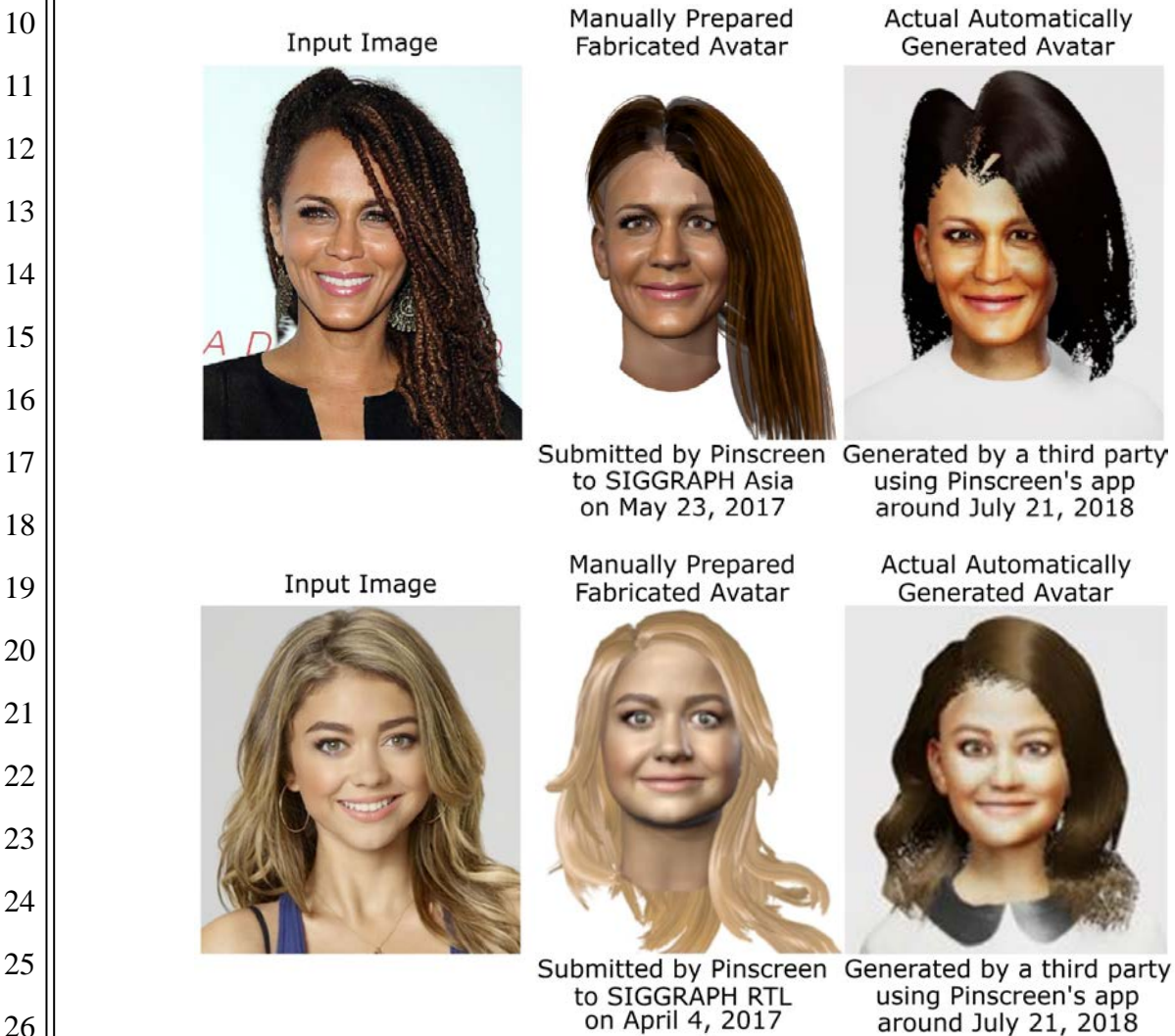
14       91.     As a direct, foreseeable, and proximate result of his wrongful termination from  
15 Pinscreen and in retaliation for his whistleblowing and objections, Sadeghi lost and continues to  
16 lose income and benefits; suffered and continues to suffer severe mental and emotional distress;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

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

23       93.     On August 9, 2017, two days after Sadeghi’s termination, Sadeghi’s counsel  
24 informed Pinscreen that Sadeghi may have a Labor Code §1102.5 whistleblower retaliation claim  
25 and a claim for wrongful termination in violation of public policy. Sadeghi’s counsel demanded  
26 Pinscreen to preserve all relevant Electronically Stored Information (“ESI”), including the  
27 software codebase for Pinscreen’s RTL demo, which was stored in a third-party repository called  
28

1 GitLab.<sup>13</sup> This version-controlled repository stores snapshots of the codebase as it existed at a  
2 specific time. Pinscreen’s application that was executed during SIGGRAPH RTL, on August 1,  
3 2017, can be retrieved using this repository. No matter who uses this version of the application to  
4 generate their own avatar from a webcam—as Pinscreen demonstrated—the pre-built avatar of  
5 Sadeghi will be displayed every time.

6 94. The following figures compare Pinscreen’s fabricated avatars in its submissions to  
7 SIGGRAPH Asia 2017 and SIGGRAPH RTL 2017 to the actual corresponding autogenerated  
8 avatars produced by a third party<sup>14</sup> using Pinscreen’s app, more than a year after the submissions.  
9 Pinscreen’s actual autogenerated avatars are inferior to its prior fabricated representations.



27 <sup>13</sup> <https://gitlab.com/pinscreen/rtl-app.git>, branch: master, date: August 1, 2017

28 <sup>14</sup> <https://www.zhihu.com/question/285705808/answer/446014560>

1 **FOURTH 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 a written employment contract with Pinscreen on January 23,  
10 2017, 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 **"4. 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. At the time Sadeghi joined Pinscreen, Pinscreen did not have a group health  
26 insurance plan and it was understood and agreed as part of the Employment Agreement that  
27 Sadeghi's business expenses would include his personal health insurance coverage until Pinscreen  
28 obtained a group health insurance plan. On February 17, 2017, Yen-Chun Chen, Pinscreen's Chief

1 Financial Officer (“CFO”), confirmed in writing that Pinscreen would reimburse Sadeghi for his  
2 out-of-pocket health insurance expenses until Pinscreen obtained a group health insurance plan.

3 104. After Sadeghi’s termination, Pinscreen withheld Sadeghi’s out-of-pocket health  
4 insurance expenses of \$1,764.67 per month from March 2017 to August 2017, for a total of  
5 \$10,588.02. Although Sadeghi’s counsel letter, dated September 14, 2017, to Pinscreen outlined  
6 the itemized account and supporting documentation regarding these expenses, Pinscreen failed to  
7 reimburse Sadeghi for these delinquent business expenses.

8 105. Pinscreen terminated Sadeghi on August 7, 2017.

9 106. Sadeghi was terminated after being employed at Pinscreen for just over six months,  
10 shortly after Pinscreen gained access to Sadeghi’s expertise and experience in digital hair  
11 appearance and software engineering, and after Sadeghi significantly improved the quality of  
12 Pinscreen’s avatars and robustness of its infrastructure. The termination happened within  
13 Sadeghi’s first working hour after Pinscreen’s public deception at SIGGRAPH 2017 RTL, and  
14 during the meeting that Sadeghi had requested to address his concerns regarding Pinscreen’s  
15 deceptive and unlawful practices.

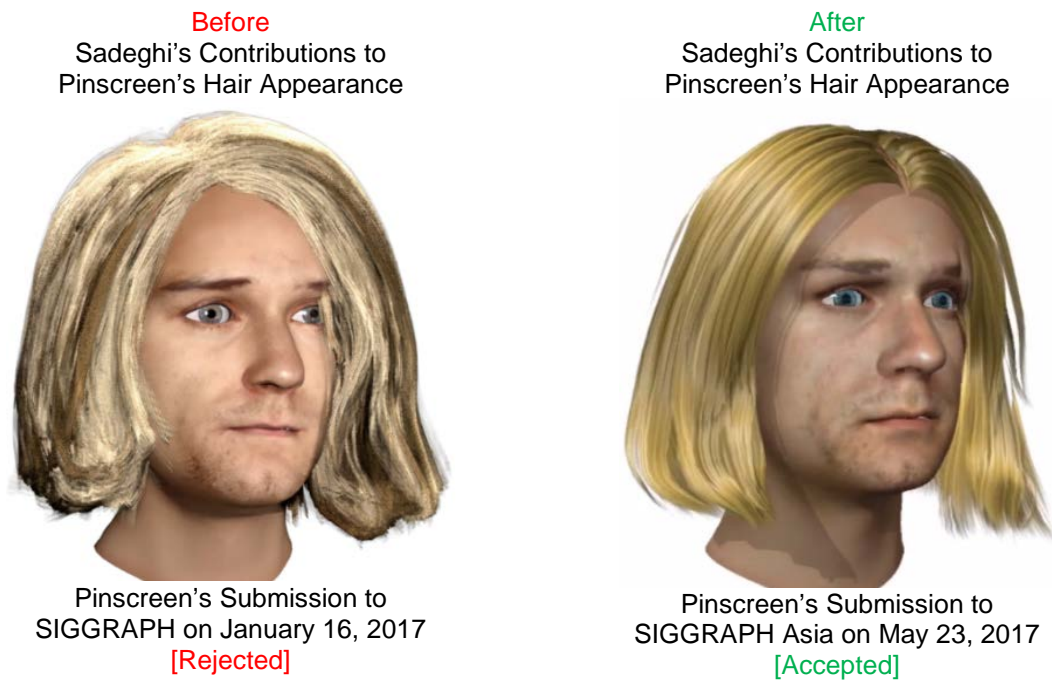
16 107. Sadeghi was damaged by the breach of his employment contract, and as a result of  
17 his unlawful termination from Pinscreen, in an amount to be determined at trial.

18 108. On August 9, 2017, two days after Sadeghi’s termination, Sadeghi’s counsel  
19 informed Pinscreen that Sadeghi may have a Labor Code §1102.5 whistleblower retaliation claim  
20 and a claim for wrongful termination in violation of public policy. His counsel requested  
21 Sadeghi’s personnel file and all other records which Pinscreen maintained relating to Sadeghi’s  
22 employment, including employee handbooks, policies, procedures, and investigative reports  
23 pursuant to Labor Code § 1198.5. Pinscreen’s response, dated September 8, 2017, contains no  
24 document whatsoever indicating any concerns with Sadeghi’s performance or employment.  
25 Pinscreen’s response contained no employee handbook, company policies, or codes of conduct.  
26 There is no mention of any reason for Sadeghi’s termination in his employment personnel file or  
27 termination letter. Sadeghi’s termination letter, signed by Li and Yen-Chun Chen, stated that “the  
28 Company appreciates your service and is prepared to offer you severance in exchange for a

1 release.” Sadeghi did not accept the severance offer. Sadeghi received the termination letter  
2 “unexpectedly,” as stated by Sadeghi in his Unemployment Insurance Claim application, filed on  
3 August 13, 2017. Employment Development Department consequently approved Sadeghi’s  
4 application, on information and belief, after verifying the information provided by Sadeghi with  
5 Pinscreen.

6 109. Sadeghi improved the robustness of Pinscreen’s infrastructure through his  
7 significant contributions to Pinscreen’s System Architecture, Software Code Health, Software  
8 Codebase Structure, System Security, User Interface/User eXperience, and Mobile Apps  
9 Framework.

10 110. Li extensively praised Sadeghi’s expertise, knowledge, and experience, and on  
11 information and belief, referred to Sadeghi as “the best” in digital hair appearance. Sadeghi  
12 significantly improved the quality of Pinscreen’s digital hair appearance from below the  
13 SIGGRAPH standard to well above. The following diagram compares the quality of Pinscreen’s  
14 avatars before and after Sadeghi’s contributions to Pinscreen’s digital hair appearance:





1 **FIFTH CAUSE OF ACTION**

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

3 **(Against Pinscreen)**

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

6 112. Sadeghi was terminated from Pinscreen for reasons that violate California and  
7 federal public policy. It is a violation of California public policy to terminate an employee for  
8 objecting to an employer's practices when those practices are illegal and in contravention of public  
9 policy.

10 113. Sadeghi entered into a written employment contract with Pinscreen on January 23,  
11 2017, which is signed by both Li and Sadeghi.

12 114. Among those deceived by Pinscreen's public presentation of fabricated avatars  
13 were its actual and potential investors.

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

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

27 \_\_\_\_\_  
28 <sup>15</sup> <https://www.acm.org/code-of-ethics>

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

4 118. The federal public policy against Pinscreen's employment of foreign workers  
5 without proper work visas is expressed in the Immigration Reform and Control Act of 1986 and  
6 the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, including but not  
7 limited to 8 U.S.C. § 1324a.

8 119. These public policies are fundamental, substantial, well established, and involve  
9 matters that affect society at large.

10 120. Sadeghi objected to Li regarding Li's and Pinscreen's avatar fabrication including  
11 on March 9, 2017, May 23, 2017, July 22, 2017, and August 7, 2017; fraud on investors including  
12 on July 22, 2017, and August 7, 2017; scientific misconduct including on March 9, 2017, May 23,  
13 2017, July 22, 2017, and August 7, 2017; public deception including on July 22, 2017, and  
14 August 7, 2017; failure to pay overtime wages including on June 28, 2017, and August 7, 2017;  
15 and employment of foreign workers without proper work visas including on March 9, 2017, and  
16 June 28, 2017.

17 121. Sadeghi's objections alleged in ¶¶ 71–78 are incorporated here by reference.

18 122. In a meeting during Sadeghi's first working hour after Pinscreen's public deception  
19 at SIGGRAPH RTL, and immediately following Sadeghi's objections, Pinscreen terminated  
20 Sadeghi on August 7, 2017.

21 123. Sadeghi's objections to Li regarding Pinscreen's fraudulent activities and Sadeghi's  
22 termination were causally connected as Li and Pinscreen were aware of Sadeghi's objections and  
23 the termination happened within the same day as Sadeghi's reaffirmed objections on August 7,  
24 2017, within three weeks after Sadeghi's objections on July 22, 2017, and within a short amount  
25 of time after Sadeghi's objections on June 28, 2017, May 23, 2017, and March 9, 2017.  
26 Furthermore, Sadeghi was terminated unexpectedly despite his significant contributions to  
27 Pinscreen and there is no mention of any reason for Sadeghi's termination in his employment  
28 personnel file or termination letter.

1 124. Sadeghi's objections to Li's and Pinscreen's avatar fabrication, fraud on investors,  
2 scientific misconduct, public deception, and wage and visa violations were a substantial  
3 motivating reason for Sadeghi's termination.

4 125. Sadeghi's termination by Pinscreen was in retaliation for Sadeghi's objections to  
5 Li's and Pinscreen's deceptive and unlawful practices and was carried out in violation of  
6 California and federal public policy.

7 126. Sadeghi was damaged by being wrongfully terminated in violation of California  
8 and federal public policy and thus lost income and benefits.

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

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

18 **SIXTH CAUSE OF ACTION**

19 **Negligence**

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

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

23 130. Sadeghi was harmed by defendants' negligence, which consequently caused  
24 damages to Sadeghi's personal property, which was valuable, irreplaceable, and contained  
25 sentimental value.

26 131. As Sadeghi's employer, Pinscreen owed Sadeghi a duty of due care. This duty of  
27 due care included the duty to avoid damaging Sadeghi's personal property which was left at his  
28 desk after his termination.

1 132. Pinscreen breached its duty of due care by breaking Sadeghi's handmade sculpture.

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

#### 4 Sadeghi's Handmade Sculpture



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10 2010

11 August 14, 2017

12 134. Pinscreen refused to compensate Sadeghi for the personal property damage and  
13 conditioned such compensation subject to execution of a mutual non-disclosure agreement  
14 between Sadeghi and Pinscreen.

15 135. As a direct, foreseeable, and proximate result of the defendants' negligence and  
16 breach of duty of due care, Sadeghi's personal, valuable, and irreplaceable property was damaged.  
17 Consequently, Sadeghi was harmed; suffered and continues to suffer severe mental and emotional  
18 distress; and required and continues to seek psychotherapy, all to Sadeghi's damage, in an amount  
19 to be determined at trial.  
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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 and/or Li;
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 Cal. Labor Code § 1102.5;
6. For costs of suit incurred herein; and
7. For such other and further relief as the Court deems necessary, just and proper.

DATED: December 5, 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 **third** amended complaint for which Sadeghi is entitled to a jury.

DATED: December 5, 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 third 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: December 5, 2019

Respectfully submitted,



By: \_\_\_\_\_  
Dr. Iman Sadeghi