

MICHAEL O. AZAT (SBN 278409)
ISSA AZAT, JR. (SBN 292145)
The Azat Law Group
600 South Lake Ave., Ste. 410
Pasadena, CA 91106
Phone: (626) 696-3400
Mike.Azat@azatlaw.com
Issa.Azat@azatlaw.com

Attorneys for Plaintiff
ANNA OSTROVSKY

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN FRANCISCO

ANNA OSTROVSKY, an individual,

Plaintiff,

vs.

LEGALMATCH.COM, a California corporation,
DMITRY SHUBOV, an individual, VLADIMIR
SHUBOV, an individual, KATERINE KAYE M.
ABEJARON, an individual, and DOES 1-10,
inclusive,

Defendants.

CASE NO. CGC-23-605778

**Plaintiff Anna Ostrovsky's Amended
Complaint for:**

- (1) Violation of Labor Code § 1102.5;**
- (2) Wrongful Termination and
Retaliation in Violation of Public
Policy;**
- (3) Intentional Infliction of
Emotional Distress;**
- (4) Negligent Infliction of Emotional
Distress;**
- (5) Unfair Business Practices in
Violation of Bus. and Prof. Code
§ 17200, et seq.;**
- (6) Violation of Labor Code § 98.6;**
- (7) Violation of Private Attorneys
General Act;**
- (8) Failure to Pay Wages in Violation
of Labor Code §§ 201, 204.2, 218,
et seq.; and**
- (9) Breach of Contract**

DEMAND FOR JURY TRIAL

1 Plaintiff Anna Ostrovsky ("Plaintiff" or "Ostrovsky"), by and through her attorneys of record,
2 the Azat Law Group, hereby brings this Complaint against defendants LegalMatch.com ("LM"),
3 Dmitry Shubov, Vladimir Shubov, Katherine Kaye M. Abejaron, and Does 1 through 10, inclusive
4 (collectively "defendants").

5 INTRODUCTION

6 1. Ostrovsky discovered that Dmitry Shubov ("Shubov"), with whom she founded LM
7 more than twenty years ago, wanted to cover up a \$3 million payment from LM to his offshore
8 company by falsifying LM's financial records and making false reports to government agencies.
9 Ostrovsky reported Shubov's conduct to LM's Chief Executive Officer and Chief Financial Officer
10 and within weeks Shubov fired Ostrovsky and removed her from the Board of Directors (the
11 "Board").

12 PARTIES

13 2. Ostrovsky is an individual who at all times relevant worked for LM.

14 3. LM is a California corporation organized and existing under the laws of the State of
15 California, with locations in San Francisco, California, Reno, Nevada, Las Vegas, Nevada, and
16 Austin, Texas.

17 4. Dmitry Shubov is an individual who at all times relevant worked for LM and resided
18 in San Francisco County.

19 5. Vladimir Shubov is an individual who was elected to LM's Board by Shubov
20 immediately prior to Ostrovsky's termination. Vladimir Shubov is Shubov's father.

21 6. Katherine Kaye M. Abejaron is an individual who was elected to LM's Board by
22 Shubov following Ostrovsky's termination. Abejaron is Shubov's girlfriend.

23 7. Plaintiff is ignorant of the true names of those defendants sued as DOES 1 through 10.
24 On information and belief, DOES 1 through 10 do business in California and are in some manner
25 responsible for the conduct alleged in this Complaint. Upon discovering the true names and
26 capacities of these fictitiously named defendants, plaintiff will amend this Complaint to show their
27 true names and capacities.
28

1 **JURISDICTION AND VENUE**

2 8. This Court has jurisdiction over this matter because each defendant has conducted
3 continuous business within San Francisco County and the transactions and occurrences that gave rise
4 to this action occurred within San Francisco County.

5 9. Venue is proper in San Francisco County because a substantial portion of the unlawful
6 acts giving rise to the claims alleged herein occurred in San Francisco County.

7 **FACTS**

8 10. LM was founded in 1999 by Anna Ostrovsky and Dmitry Shubov. LM is a legal
9 referral service that is in the business of matching attorneys with clients and charging a fee for that
10 service. Until her termination in September 2022, Ostrovsky was largely responsible for LM's day-
11 to-day operations as its Chief Operating Officer and Chairperson of the Board. Pursuant to the terms
12 of her employment, each year Ostrovsky received an annual salary and bonus. Ostrovsky's annual
13 bonus was based in proportion to the annual bonus received by Shubov. While Shubov received his
14 annual bonus each year, Ostrovsky did not receive her full annual bonus for the years 2020, 2021,
15 and 2022.

16 11. In 2005, Ostrovsky exercised her option to purchase an additional 690,000 shares of
17 LM pursuant to her stock option plan. To pay for the stock, Ostrovsky executed two Promissory
18 Notes, one dated May 31, 2005, and another dated June 30, 2005, in San Francisco, California
19 (collectively the "Promissory Notes"). Ostrovsky promised to pay within thirty days of demand to
20 LM the sum of \$30,800 for the 440,000 shares and \$17,500 for the 250,000 shares, along with
21 interest at the "lowest applicable federal rate." Ostrovsky's shares were secured with two Stock
22 Pledge Agreements, each of which were to be interpreted and governed by California law.

23 12. Shubov, who was also an attorney, was LM's CEO for the first four years after LM
24 was founded until he pleaded guilty to a felony and was disbarred. Shubov subsequently resigned
25 from his position as LM's CEO and Chairperson of the Board and was supposed to have stepped back
26 from managing LM's daily operations. Shubov appointed Ostrovsky as LM's new Chairperson but
27 remained a Board member and 67.8% shareholder of the company. Although Shubov was supposed
28 to have relinquished control and oversight over LM since having stepped down as CEO in 2004,

1 Shubov views LM as his brainchild and has refused to give up control of the company. Over the
2 years LM has gone through several figurehead CEOs while Shubov has maintained a high level of
3 control over LM. As of 2022, LM had two co-CEO's, Laurie Ziffrin and Matt Griffith.

4 13. Shubov, who was prone to eccentricities, started a new company called Adzoco in
5 2017 in Cebu, Philippines. Adzoco sought to sell ad space on personal property and real estate and
6 was a commercial failure. Shubov directed LM to absorb Adzoco's losses and renamed his wholly
7 owned and controlled company, LegalMatch Philippines ("LMPH"). LMPH provided some services
8 to LM, most of which were of questionable value.

9 14. In 2021, Shubov instructed LM's controller, Kurt Jerdon, to transfer \$3 million from
10 LM's United States accounts to newly set up Kraken cryptocurrency exchange accounts for the
11 purpose of transferring the money to LMPH. Because there was a limit on the total amount of daily
12 transfers, Jerdon made daily transfers for months until he transferred the full amount. Thereafter,
13 Shubov began to transfer the Kraken balances to cryptocurrency wallets owned by LMPH.

14 15. Shubov characterized the \$3 million he transferred to LMPH as his annual bonus and
15 instructed Ostrovsky to take her bonus as well. Based on her annual bonus calculation, Ostrovsky
16 was entitled to a bonus of \$750,000 that she did not receive.

17 16. After Jerdon made the transfers, Shubov learned that he would have an unexpected tax
18 liability in the United States as a result of the transfers. Shubov decided that rather than pay the taxes
19 on the transfers, he instead would have LM "disappear" the transactions. Shubov wanted to pretend
20 the transfers to LMPH's wallets never happened, so as to make it appear that the money never left
21 LM's accounts. Shubov thought that he could avoid the tax liability and at the same time have LM
22 bear the losses of the cryptocurrency's devaluation by concealing that the money had ever left LM's
23 accounts. To do so, Shubov attempted to have LM exclude or erase the transfers from its financial
24 records.

25 17. Ostrovsky asked Shubov how he would accomplish reversing the transactions and
26 returning the funds to LM without falsifying LM's financial records. Because LM is a Certified
27 Legal Referral Service, it is subject to various disclosure requirements to different government
28 agencies that required it to regularly disclose detailed financial information.

1 18. Shubov, while acknowledging that Ostrovsky's concerns were legitimate, nevertheless
2 refused to offer any explanation and instead told Ostrovsky that he would answer her question in due
3 time when he felt like it. Ostrovsky told Shubov that she would not be a part of anything illegal and
4 would step back from the company until Shubov explained how he would untangle his mess, at which
5 time Shubov threatened to fire Ostrovsky.

6 19. Ostrovsky notified LM's then Chief Executive Officer, Matt Griffith, and Chief
7 Financial Officer, Eric Brieze, of her belief that Shubov was attempting to erase the transactions and
8 alter LM's financial records. Ostrovsky also relayed her concern that as a result LM may be
9 preparing to submit falsified information to government agencies. That same day, August 16, 2022,
10 Shubov convened the first ever special meeting of the Board of Directors to add signors to LM's bank
11 accounts and begin to remove Ostrovsky from power. Shubov instructed Ostrovsky to meet with Eric
12 Brieze at LM's bank, Bank of the West, in San Francisco to add Brieze as a signor. Brieze and
13 Ostrovsky met at the San Francisco branch at Bank of the West but were unable to add Brieze as a
14 signor at that time.

15 20. Ostrovsky then reached out to Jerdon and asked him how the transfers were reflected
16 on LM's financial records that LM would have to disclose to government agencies. Jerdon told
17 Ostrovsky that the crypto transfers did not occur until the following year, in 2022, so Ostrovsky did
18 not need to worry about them showing up in LM's 2021 financial disclosures. Relying on Jerdon's
19 explanation and hoping that Shubov would back off his plan to cover up the transactions before the
20 2022 disclosures were due, Ostrovsky submitted LM's 2021 financial disclosures to one government
21 agency shortly after speaking to Jerdon.

22 21. After submitting the disclosures, Ostrovsky confirmed that LM had, in fact,
23 transferred the funds out of its Kraken account to LMPH in 2021 and that the transfers had not been
24 properly reported. Ostrovsky told Jerdon on September 9, 2022, that she knew that the funds had left
25 LM's accounts and cautioned Jerdon against the potential consequences of LM altering its financial
26 records and submitting false information to government agencies for Shubov.

27 22. Also on September 9, 2022, about four hours after Ostrovsky was able to add Brieze to
28 LM's accounts, Shubov scheduled a second special meeting of the Board to occur on September 12,

1 2022.

2 23. During the September 12, 2022, meeting, Shubov confirmed Briese's resignation from
3 the Board, and took control of the company by appointing his father, Vladimir Shubov, as a member
4 of the Board, and fired Ostrovsky after her 23 years of loyal service, along with her partner, Neil
5 Fradkin. Two weeks later, on September 26, 2022, Shubov held LM's first shareholder meeting at
6 the International Hotel in San Francisco located at 868 Kearny Street in San Francisco and removed
7 Ostrovsky from the Board and replaced her with his girlfriend, Abejeron. As a result, Shubov, his
8 father, and girlfriend were the sole members of the Board.

9 24. After taking control of the Board, Shubov terminated LM's co-CEO, Laurie Ziffrin, in
10 December 2022, thereby completing his takeover of the company. On information and belief, Ziffrin,
11 who also resided at all times in or around San Francisco County, refused to participate or approve of
12 Shubov's scheme to coverup the cryptocurrency transfers.

13 25. In further retaliation against Ostrovsky, on June 5, 2023, LM, at Shubov's direction,
14 demanded Ostrovsky pay \$83,073.57 to satisfy the Promissory Notes. According to LM, accrued
15 interest resulted in a balance of \$30,009.89 on the May 2005 note and \$53,063.68 on the June 2005
16 note. These amounts were incorrect and calculated to impose additional financial strain on Ostrovsky
17 following her termination. Using the 'lowest applicable federal rate, compounded monthly,' the
18 balance owed by Ostrovsky on the Promissory Notes was \$61,531.61. Rather than apply the 'lowest
19 applicable federal rate, compounded monthly,' LM applied a fixed interest rate of 3.04%, which is
20 contrary to the plain language of the Promissory Notes.

21 **FIRST CAUSE OF ACTION**

22 **Retaliation in Violation of Labor Code § 1102.5**

23 **(Against LegalMatch.com and Dmitry Shubov)**

24 26. Ostrovsky hereby incorporates paragraphs 1 through 25 of this Complaint as if set
25 forth here.

26 27. At all relevant times, defendants were employers covered by the Labor Code, and
27 Ostrovsky was defendants' employee.

28 28. California Labor Code § 1102.5 provides in relevant part that:

1 (b) An employer, or any person acting on behalf of the employer, shall not retaliate against an
2 employee for disclosing information . . . to a person with authority over the employee or
3 another employee who has the authority to investigate, discover, or correct the violation or
4 noncompliance . . . if the employee has reasonable cause to believe that the information
5 discloses a violation of state or federal statute, or a violation of or noncompliance with a local,
6 state, or federal rule or regulation, regardless of whether disclosing the information is part of
7 the employee's job duties.

8 29. California Labor Code § 1102.5 also provides in relevant part that:

9 (c) An employer, or any person acting on behalf of the employer, shall not retaliate against an
10 employee for refusing to participate in an activity that would result in a violation of state or
11 federal statute, or a violation of or noncompliance with a local, state, or federal rule or
12 regulation.

13 30. At all times relevant hereto, Ostrovsky was acting in good faith and had reasonable
14 cause to believe that defendants and their employees' conduct of covering up the cryptocurrency
15 transactions, altering LM's financial records and providing false information to government agencies
16 constituted fraudulent and/or other illegal activity.

17 31. At all times relevant hereto, Ostrovsky refused to participate in the conduct of
18 covering up the cryptocurrency transactions, altering LM's financial records and providing false
19 information to government agencies that Ostrovsky reasonably believed constituted fraudulent and/or
20 other illegal activity.

21 32. Ostrovsky reported the perceived illegal activity to LM's executive management.

22 33. As a direct reprisal and in retaliation for Ostrovsky's conduct in reporting her concerns
23 about the illegal activity, Ostrovsky was fired without cause after her 23 years of service to LM.

24 34. At all relevant times, the information that Ostrovsky reported to LM's leadership
25 about the cryptocurrency transactions protected Ostrovsky from any retaliation by LM or Shubov
26 since LM's leadership had the authority to investigate, discover, or correct the violations or
27 noncompliance.

28 35. As a direct, proximate, and legal cause of defendants' retaliatory actions described

1 herein, Ostrovsky has suffered economic damages in an amount to be proven at trial for loss of salary
2 and future income, loss of medical benefits, and loss of retirement income and benefits.

3 36. As a further direct and proximate result of defendants' retaliatory acts, Ostrovsky has
4 suffered, and continues to suffer, humiliation, mental anguish, and extreme emotional and physical
5 distress, and has been injured in mind and body according to proof, all to Ostrovsky's severe damage.

6 37. As a result of defendants' actions described herein, Ostrovsky is entitled to an award
7 of compensatory damages, in an amount to be determined at trial. Ostrovsky is also entitled to
8 reinstatement as LM's Chief Operating Officer and Chairperson of the Board.

9 38. LM retaliated against Ostrovsky as discussed herein with malice, oppression, and/or
10 fraud, and intended to injure and damage Ostrovsky, which warrants an award of punitive damages.

11 39. Ostrovsky also requests that this Court impose maximum civil penalties of \$10,000.00
12 for each violation of the statute.

13 40. Ostrovsky also requests that this Court award her reasonable attorneys' fees and costs
14 of suit provided by applicable law.

15 **SECOND CAUSE OF ACTION**

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

17 **(Against LegalMatch.com and Dmitry Shubov)**

18 41. Ostrovsky hereby incorporates paragraphs 1 through 40 of this Complaint as if set
19 forth here.

20 42. California has fundamental public policies against terminating any employee for
21 objecting to suspected illegal and fraudulent business activities. *See Tameny v. Atlantic Richfield*
22 *Co.*, (1980) 27 Cal.3d 167, 172.

23 43. Ostrovsky reported to her employer activities that she perceived as fraudulent and in
24 violation of federal and state laws. As a direct result of her reports, Ostrovsky endured adverse action
25 by, *inter alia*, being removed and excluded from participating in the Company's management and
26 successive planning efforts, being removed from the Board of Directors, and ultimately being
27 terminated.

1 44. These adverse employment actions are in direct violation of California's public policy
2 exemplified in Labor Code § 1102.5, the purpose of which is to encourage reports of unlawful acts
3 without fearing retaliation, such as the activity that Ostrovsky reported.

4 45. As a result of defendants' actions described herein, Ostrovsky is entitled to an award
5 of compensatory damages, in an amount to be determined at trial. Ostrovsky is also entitled to
6 reinstatement as LM's Chief Operating Officer and Chairperson of the Board.

7 46. Defendants retaliated against Ostrovsky as discussed herein with malice, oppression,
8 and/or fraud, and intended to injure and damage Ostrovsky, which warrants an award of punitive
9 damages.

10 **THIRD CAUSE OF ACTION**

11 **Intentional Infliction of Emotional Distress**

12 **(Against All Defendants)**

13 47. Ostrovsky hereby incorporates paragraphs 1 through 46 of this Complaint as if fully
14 set forth here.

15 48. By virtue of defendants' conduct discussed above, including, but not limited to, being
16 removed and excluded from participating in the Company's management and successive planning
17 efforts, being removed from the Board of Directors, and ultimately being terminated, defendants
18 committed extreme and outrageous conduct, with the intention of causing, or in reckless disregard of
19 the probability of causing, emotional distress to Ostrovsky.

20 49. Ostrovsky has suffered extreme emotional distress, humiliation, and anxiety as an
21 actual, direct, and proximate result of defendants' conduct, which led to Ostrovsky having been
22 hospitalized as a result of her physical symptoms of emotional distress.

23 50. Ostrovsky is entitled to an award of compensatory damages, in an amount to be
24 determined at trial.

25 51. Defendants intended to inflict emotional distress on Ostrovsky as discussed herein
26 with malice, oppression, and/or fraud, and intended to injure and damage Ostrovsky, which warrants
27 an award of punitive damages under California Civil Code § 3294 and/or other applicable law.
28

1 **FOURTH CAUSE OF ACTION**

2 **Negligent Infliction of Emotional Distress**

3 **(Against All Defendants)**

4 52. Ostrovsky hereby incorporates paragraphs 1 through 51 of this Complaint as if fully
5 set forth here.

6 53. By virtue of defendants' conduct discussed above, including but not limited to being
7 removed and excluded from participating in the Company's management and successive planning
8 efforts, being removed from the Board of Directors, and ultimately being terminated, defendants
9 committed extreme and outrageous conduct, or at minimum negligent conduct, with the intention of
10 causing, or in reckless disregard of the probability of causing, or negligently having caused,
11 emotional distress to Ostrovsky.

12 54. Ostrovsky has suffered extreme emotional distress, humiliation, and anxiety as an
13 actual, direct, and proximate result of defendants' conduct, which led to Ostrovsky having been
14 hospitalized as a result of her physical symptoms of emotional distress.

15 55. Ostrovsky is entitled to an award of compensatory damages, in an amount to be
16 determined at trial.

17 56. Defendants intended to inflict emotional distress on Ostrovsky as discussed herein
18 with malice, oppression, and/or fraud, and intended to injure and damage Ostrovsky, which warrants
19 an award of punitive damages under California Civil Code § 3294 and/or other applicable law.

20 **FIFTH CAUSE OF ACTION**

21 **Unfair Business Practices in Violation of Bus. and Prof. Code § 17200, *et seq.***

22 **(Against LegalMatch.com and Dmitry Shubov)**

23 57. Ostrovsky hereby incorporates paragraphs 1 through 53 of this Complaint as if fully
24 set forth here.

25 58. At all relevant times, LM's practice of altering its financial records, submitting false
26 financial records and information to government agencies, and retaliating against Ostrovsky for her
27 whistleblowing activities occurred pursuant to business activity.

59. LM's violations of the California Labor Code, California and federal statutory and common law, and other provisions, as described above in the causes of action listed in this Complaint, all constitute unfair and unlawful business practices pursuant to Business & Professions Code Section 17200, *et seq.*

60. As a direct, proximate, and legal result of LM's unlawful business practices, as described herein, Ostrovsky lost her job, her health benefits, and retirement income and benefits.

61. As a direct, proximate, and legal result of LM's illegal practices, Ostrovsky is entitled to restitution and injunctive relief for the unfair business practices.

SIXTH CAUSE OF ACTION

Violation of Labor Code § 98.6

(Against LegalMatch.com and Dmitry Shubov)

62. Ostrovsky hereby incorporates paragraphs 1 through 61 of this Complaint as if fully set forth here.

63. Labor Code section 98.6 states that a person shall not discharge an employee or in any manner discriminate, retaliate, or take any adverse action against any employee or applicant for employment because the employee engaged in any conduct delineated under the Labor Code or because of the exercise by the employee on behalf of himself, herself, or others of any rights afforded him or her.

64. Ostrovsky refusal to participate in the conduct of covering up the cryptocurrency transactions, altering LM's financial records and providing false information to government agencies that Ostrovsky reasonably believed constituted fraudulent and/or other illegal activity were protected activities, and Ostrovsky right to oppose and report the aforementioned activity without fear of retaliation or reprisal was a protected right under the Labor Code.

65. Ostrovsky reported the perceived illegal activity to LM's executive management.

66. As a direct reprisal and in retaliation for Ostrovsky's conduct in reporting her concerns about the illegal activity, Ostrovsky was fired without cause after her 23 years of service to LM.

67. As a direct, proximate, and legal cause of defendants' retaliatory actions described herein, Ostrovsky has suffered economic damages in an amount to be proven at trial for loss of salary

1 and future income, loss of medical benefits, and loss of retirement income and benefits.

2 68. As a further direct and proximate result of defendants' retaliatory acts, Ostrovsky has
3 suffered, and continues to suffer, humiliation, mental anguish, and extreme emotional and physical
4 distress, and has been injured in mind and body according to proof, all to Ostrovsky's severe damage.

5 69. As a result of defendants' actions described herein, Ostrovsky is entitled to an award
6 of compensatory damages, in an amount to be determined at trial. Ostrovsky is also entitled to
7 reinstatement as LM's Chief Operating Officer and member of the Chairperson of the Board.

8 70. LM retaliated against Ostrovsky as discussed herein with malice, oppression, and/or
9 fraud, and intended to injure and damage Ostrovsky, which warrants an award of punitive damages.

10 71. Ostrovsky also requests that this Court impose maximum civil penalties of \$10,000.00
11 for each violation of the statute.

12 72. Ostrovsky also requests that this Court award her reasonable attorneys' fees and costs
13 of suit provided by applicable law.

14 **SEVENTH CAUSE OF ACTION**

15 **Violation of Private Attorneys General Act**

16 **(Against LegalMatch.com)**

17 73. Ostrovsky hereby incorporates paragraphs 1 through 72 of this Complaint as if fully
18 set forth here.

19 74. Labor Code section 2698, *et seq.*, gives any employee aggrieved by an employer's
20 violation of the Labor Code the right to file an action on behalf of all aggrieved employees for the
21 penalties established by Section 2699.

22 75. Plaintiff is an aggrieved employee who was terminated after having opposed or
23 otherwise refused to participate Shubov's attempt to coverup the cryptocurrency transactions.

24 76. The aforementioned wrongful acts and omissions of defendants are violations of
25 California's Labor Code as set forth herein. They include violations of Labor Code sections 1102.5
26 and 98.6.

27 77. Plaintiff, and other employees who were terminated for having opposed Shubov's
28 actions, including, but not limited to, Ziffrin and Fradkin, were employees of LM and have been

1 aggrieved by defendants' violations of the aforementioned Labor Code provisions.

2 78. Plaintiff gave written notice via certified mail to LM and by online submission to the
3 Labor & Workforce Development Agency on April 12, 2023.

4 79. Defendants have been given written notice of the specific provisions of the Labor
5 Code alleged to have been violated, including the facts and theories to support the alleged violations.

6 80. Plaintiff has exhausted her administrative remedies in accordance with Labor Code
7 section 2699.3. Plaintiff did not receive written notification from the LWDA of the State's intention
8 to investigate the allegations set forth in plaintiff's April 12, 2023, notice.

9 81. Plaintiff requests penalties against all defendants as allowed under Labor Code section
10 2699.

11 **EIGHTH CAUSE OF ACTION**

12 **Failure to Pay Wages in Violation of Labor Code §§ 201, 204.2, 218, *et seq.***

13 **(Against all Defendants and Shubov)**

14 82. Plaintiff incorporates paragraphs 1 through 81 of this Complaint as if fully set forth
15 here.

16 83. Plaintiff worked for LM and was entitled to her salary and annual bonus.

17 84. Defendants failed to pay plaintiff her full annual bonus for the years 2020, 2021, and
18 2022, pursuant to the terms of her employment.

19 85. Defendants owe plaintiff her full annual bonus amounts for the years 2020, 2021, and
20 2022, pursuant to the terms of her employment and in an amount to be proven at trial.

21 86. Plaintiff is entitled to all applicable penalties under the Labor Code as well as her
22 attorney's fees.

23 **NINTH CAUSE OF ACTION**

24 **Breach of Contract**

25 **(Against LegalMatch.com)**

26 87. Plaintiff incorporates paragraphs 1 through 86 of this Complaint as if fully set forth
27 here.

1 88. In 2005, plaintiff exercised her stock options and entered an agreement with LM
2 whereby she would pay for her stock pursuant to the terms of the Promissory Notes.

3 89. On June 5, 2023, LM announced its intention to breach the terms of the Promissory
4 Notes in further retaliation against Ostrovsky when it demanded Ostrovsky pay \$83,073.57 to satisfy
5 the Promissory Notes.

6 90. Ostrovsky has fully performed pursuant to the terms of the Promissory Notes.

7 91. According to LM, accrued interest resulted in a balance of \$30,009.89 on the May
8 2005 note and \$53,063.68 on the June 2005 note. These amounts are incorrect and were calculated to
9 impose additional financial strain on Ostrovsky following her termination. Using the 'lowest
10 applicable federal rate, compounded monthly,' the balance owed by Ostrovsky on the Promissory
11 Notes was \$61,531.61. Rather than apply the 'lowest applicable federal rate, compounded monthly,'
12 LM applied a fixed interest rate of 3.04%, which is contrary to the plain language of the Promissory
13 Notes.

14 92. Ostrovsky has suffered damages as a result of LM's breach.

15 **PRAYER FOR RELIEF**

16 WHEREFORE, Plaintiff prays for judgment against Defendants as follows:

- 17 1. General damages, according to proof;
- 18 2. Damages for loss of earning capacity according to proof;
- 19 3. For punitive damages;
- 20 4. For restitution, according to proof;
- 21 5. For other further general and special damages in a sum according to proof;
- 22 6. Pre and post judgment interest, according to proof;
- 23 7. For attorney's fees;
- 24 8. For all civil penalties available at law, including on plaintiff's Labor Code sections
25 2699, *et seq.*, 1102.5 and 98.6 claims;
- 26 9. For injunctive relief in the form of an award reinstating Ostrovsky as LM's Chief
27 Operating Officer and Chairperson of the Board;
- 28 10. For costs of suit; and

1 11. All other relief the Court deems equitable and proper.

2 **DEMAND FOR JURY TRIAL**

3 Plaintiff demands a trial by jury on all issues triable by right of jury.

4
5 DATED: June 27, 2023

THE AZAT LAW GROUP

6
7 By: 

8 Michael Azat
9 Issa Azat, Jr.
10 Attorneys for Plaintiff
11 ANNA OSTROVSKY
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

PROOF OF SERVICE

CASE NAME: ANNA OSTROVSKY V. LEGALMATCH.COM, ET AL.
COURT: SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES
CASE NO.: CGC-23-605778

I, the undersigned, certify that I am employed in the City and County of Los Angeles, California; that I am over the age of eighteen years and not a party to the within action; and that my business address is 600 South Lake Avenue, Suite 410, Pasadena, California 91106. On this date, I served the following document(s):

PLAINTIFF ANNA OSTROVSKY'S AMENDED COMPLAINT

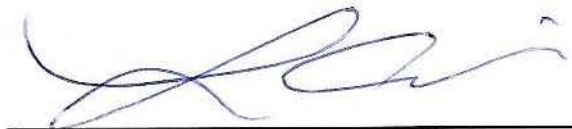
addressed as shown below by the following means of service:

X : By Electronic Transmission - I caused a copy of the documents to be sent from email address lanea.amick@azatlaw.com to the person(s) at the email address(es) listed in the Service List. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

X : By First-Class Mail — I am readily familiar with the firm's practice for collection and processing of correspondence for mailing. Under that practice, the correspondence is deposited with the United States Postal Service on the same day as collected, with first-class postage thereon fully prepaid, in Cardiff, California, for mailing to the office of the addressee following ordinary business practices.

____ : By Personal Service — I caused each such envelope to be given to a courier messenger to personally deliver to the office of the addressee.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on June 27, 2023, at Pasadena, California.



Lanea Amick

SERVICE LIST

Addressee(s)

Robert Sarkisian
Bryan L. Hawkins
STOEL RIVES LLP
500 Capitol Mall, Suite 1600
Sacramento, CA 95814
robert.sarkisian@stoel.com
bryan.hawkins@stoel.com

Attorneys for the Defendants:
LEGALMATCH.COM