



**IN THE SUPERIOR COURT OF THE STATE OF DELAWARE**

DEEL, INC., a Delaware corporation, )  
)  
Plaintiff, )  
)  
v. ) C.A. No. N25C-04-239 DJB  
)  
PEOPLE CENTER, INC. )  
D/B/A/RIPPLING, a Delaware )  
corporation; and DOES 1 – 100, )  
inclusive.<sup>1</sup> )  
)  
Defendants. )

**FIRST AMENDED COMPLAINT**

**OF COUNSEL:**

Lance A. Etcheverry  
(*pro hac vice* forthcoming)  
Jack P. DiCanio  
(*pro hac vice* forthcoming)  
SKADDEN, ARPS, SLATE,  
MEAGHER & FLOM LLP  
525 University Avenue  
Palo Alto, California 94301  
Tel.: (650) 470-4500  
lance.etcheverry@skadden.com  
jack.dicanio@skadden.com

Paul J. Lockwood (ID No. 3369)  
Connor K. Judge (ID No. 7413)  
SKADDEN, ARPS, SLATE,  
MEAGHER & FLOM LLP  
One Rodney Square  
920 N. King St.  
Wilmington, Delaware 19801  
Tel.: (302) 651-3000  
paul.lockwood@skadden.com  
connor.judge@skadden.com

*Attorneys for Plaintiff Deel, Inc.*

---

<sup>1</sup> In conjunction with Deel's original Complaint filed on April 24, 2025, Deel also filed a motion for permission from the Court to use "Doe" designations for the identities of Defendants that were unknown to Deel at the time of filing. On May 15, 2025, the Court granted Deel's proposed order to use "Doe" designations without prejudice to any party later filing a relevant motion challenging such the use of such designation after the complaint has been served. Pursuant to the Court's May 15 order, Deel continues the use of "Doe" designations in this first amended complaint.

Jason D. Russell  
(*pro hac vice* forthcoming)  
Adam K. Lloyd  
(*pro hac vice* forthcoming)  
SKADDEN, ARPS, SLATE,  
MEAGHER & FLOM LLP  
2000 Avenue of the Stars, Suite 200N  
Los Angeles, California 90067  
Tel.: (213) 687-5000  
jason.russell@skadden.com  
adam.lloyd@skadden.com

DATED: June 3, 2025

Plaintiff Deel, Inc. (“Deel”) files this First Amended Complaint (“FAC”)<sup>2</sup> against Defendants People Center, Inc. d/b/a Rippling (“Rippling”), and unnamed Does 1-100 (the “Does,” and collectively with Rippling, “Defendants”), and alleges as follows:

### **PRELIMINARY STATEMENT**

1. Built on the same pillars of dishonesty and unethical conduct that were the hallmarks of Parker Conrad’s prior failed business, Rippling’s true colors have now come to light—and the truth is sinister. Indeed, under the guise of its so-called “Competitive Intelligence” department, Rippling has been actively engaged in a carefully coordinated espionage campaign, through which it infiltrated Deel’s customer platform by fraudulent means and pilfered the company’s most valuable proprietary assets. An isolated incident of corporate espionage? Hardly. Deel has

---

<sup>2</sup> Pursuant to the Rule 15(aa) of the Rules of Civil Procedure for the Delaware Superior Court, this FAC amends Deel’s original Complaint filed on April 24, 2025, by adding new causes of action for damages under Delaware’s Computer Related Criminal Offenses statute, 11 *Del. C.* §§ 931-41, conversion, trespass to chattels, and fraud based on Rippling’s unauthorized access to Deel’s internal systems and theft of proprietary data to build competing products, as well as supporting factual allegations for those claims. Deel continues to assert its prior claims from the Complaint, and the FAC also adds supporting allegations for and clarifies the conduct upon which Deel’s previously alleged claim for Violation of Deceptive Trade Practices Act, 6 *Del. C.* § 2531 *et seq.* is based. Deel has also made corresponding changes in the Preliminary Statement and the overall structure of the FAC to reflect these new allegations and claims.

Deel makes these allegations in the FAC based upon actual knowledge, and where not based upon actual knowledge, on information and belief.

confirmed that from the highest ranks at Rippling, the directive was clear: penetrate Deel through whatever means necessary (and with utter disregard of the law) to uncover the secrets by which Deel has achieved years of profitability and eclipsed \$1 billion in annual revenue (while Rippling, meanwhile, wallows in unprofitability and hemorrhages investor money).<sup>3</sup>

2. Although Deel’s investigation remains in its nascent stages, it already has developed unequivocal proof that a “Competitive Intelligence Manager” currently on Rippling’s payroll—named Brett Alexander Johnson (“Johnson”)—spent *six months* impersonating a legitimate Deel customer to gain unauthorized access to Deel’s systems to meticulously analyze, record, and copy Deel’s global products and the way Deel does business for Rippling’s own benefit and use. Deel is confident that this is just the tip of the iceberg, given that it is aware that Rippling has also victimized other companies by stealing their information, including Asure, Blue Marble, Trinet, and Brex.

3. Deel’s discovery of this illicit theft of its proprietary information makes clear for Rippling, its employees, its customers, and its investors something disturbing that will be made more clear as this litigation continues: but for the

---

<sup>3</sup> See, e.g., <https://www.theinformation.com/articles/why-startups-like-rippling-are-choosing-new-products-over-ipos> (reporting that as of September 2024, Rippling was losing approximately \$150 million per year, while Deel is profitable and “has grown even larger than Rippling by sales, in a shorter period of time”).

information it stole from Deel, Rippling today may not have an Employer of Record (“EOR”) product in the market at all. Key elements of Deel’s EOR product literally have been stolen, lifted, and shifted into Rippling’s offering.

4. As explained in great detail below in Paragraphs 33-80, from May 2024 to November 2024, while working for and at the direction of Rippling management, Johnson:

- Made knowingly false representations to sign up for a Deel customer account using a fictitious business entity that he created;
- Logged in to Deel’s platform as an administrator for his fake business at least fifty-eight (58) separate times, each time focusing his attention on a different aspect of Deel’s platform;
- Fastidiously reviewed, screen-recorded, shared with Rippling, and downloaded Deel’s proprietary product design, functionality, and pricing data, including Deel’s exclusive EOR templates and health insurance and benefits policy information for at least 34 different jurisdictions (most of which are foreign, as that is where Rippling lags the furthest behind Deel’s superior product offerings);
- When he had questions about the products he was stealing, interacted with Deel personnel by email on numerous occasions and used Deel’s chat feature to get clarifications and detailed explanations to allow him

to better utilize the products he was in the process of stealing, including questions about product functionality, terms of use, and specific coverage questions like worker misclassification protections under the Deel Shield product (now called “Contractor of Record”);

- Stole at least 57 different proprietary Deel product documents, including at least 30 distinct health insurance and benefits policy documents that Deel crafted and 20 different Deel-prepared EOR contracts for fake employees that Johnson made up, which represented a fulsome cross-section of a large number of Deel’s products, as well as the variations within those products; and
- Suspiciously, in November 2024 when Rippling management became concerned that Johnson’s illicit activities were about to be discovered, he was directed to abruptly delete his Deel account—providing to Deel as a rationale that he “just no longer need[ed]” it because his business supposedly was “no longer active.”<sup>4</sup>

5. Johnson did all of this with Rippling’s express direction and approval.

In fact, at all relevant times, Rippling’s highest levels of leadership—including VP

---

<sup>4</sup> Notably, in his haste, Johnson did not complete the last required step for account deletion—hence why all of his fraudulent account information remains on Deel’s system.

of Global Robert Fee (“Fee”), Global Benefits Manager Lauren Fitzgerald (“Fitzgerald”), former General Counsel Vanessa Wu (who very recently “stepped down” from her previous role), Deputy General Counsel Chris Campbell, and Rippling’s co-Founder and CEO, Parker Conrad himself—were not only aware of Johnson’s conduct, but were actively directing and/or encouraging it for the purpose of degrading Deel and creating Rippling’s own copycat products because Rippling felt it was easier to copy a competitor’s products than to develop it own.

6. For example, Fee was regularly updated by Fitzgerald during weekly meetings where Fitzgerald would share with Fee what information Johnson had successfully stolen from Deel that week. Indeed, Johnson would deposit the stolen information into a folder on Rippling’s Google Drive, which was shared with various groups within Rippling (including Sales) that would use Deel’s information to build competing products or undercut Deel in the market.

7. Rippling’s unauthorized access to and use of Deel’s platform, as well as outright theft of Deel’s proprietary documents, have damaged Deel by allowing Rippling to unfairly compete with Deel, because it did not have to expend its own resources to develop the products it offers to its customers. Thus, not only is Rippling diverting business away from Deel that Rippling would not otherwise be able to attract due to its inferior platform, it adds insult to injury by doing so on the

back of Deel’s own years of hard work and financial expense.<sup>5</sup> As will be proven at trial, the damages to Deel are likely in the hundreds of millions of dollars, and continuing to grow.

8. Just as Deel said in its original Complaint outlining Rippling’s years-long smear campaign against Deel, while Deel is laser-focused on helping its customers succeed, Rippling’s focus is on dirty tricks. With the new revelations submitted in this FAC, it is now even more clear that Rippling is so wholly consumed by its obsession with Deel that it is willing to do *anything* to try to catch up to or destroy its profitable and more successful competitor (however futile that exercise may be), even if that means engaging in unethical and unlawful business practices including outright deception and theft.

---

<sup>5</sup> The immense irony of Rippling assigning a literal “Competitive Intelligence” manager to spy on Deel and actually steal Deel’s propriety information is not lost on Deel, given that Rippling has sued Deel for alleged “racketeering” and supposed theft of trade secrets in an unrelated federal California action based on the alleged actions of an Irish employee of one of Rippling’s Irish subsidiaries. In any event, Rippling’s allegations of “spying” against Deel are transactionally unrelated to this action and are not at issue here. As Deel will show when Rippling’s California action is eventually transferred to Ireland, the entire basis of Rippling’s conjured claims against Deel are based on the bought-and-paid-for and under-duress testimony of a former Rippling whistleblower who Rippling “pressured [] to say things that are not true . . . to damage Deel” and “coerc[ed] [] to say that [he] shared data [with Deel],” as reflected in his own contemporaneous emails before he was paid off by Rippling.



9. Of course, Rippling’s deceptive, anticompetitive, and unfair conduct should not be surprising. As noted above and detailed herein, Rippling’s co-founder and CEO, Parker Conrad (“Conrad”), has a long history of cutting corners when he could not advance through legitimate means (which, sadly, was all too often). Conrad was forced to resign from his last company, Zenefits, where the SEC determined he had made materially false and misleading statements to investors, and that he had personally created a computer script to circumvent California’s insurance licensing requirements. Upon Conrad’s forced expulsion from his own company, his former employees literally had “celebrations” and cried “tears of relief.” The CEO who replaced Conrad reported on Conrad’s culture of “*bullying and pressuring employees to cut corners and do the wrong thing.*”

10. Rather than learning from the mistakes of his past, it clearly appears that Conrad has continued his bad behavior at Rippling, and built a similarly broken culture of non-compliance there—a company Conrad started just two months after his forced resignation from Zenefits by porting over a large number of his loyalists to the C-suite at Rippling. Conrad also brought with him his trademark disregard for internal processes, controls, and compliance, which allows Rippling to bolster a facade of success and deceptively market products and services that it claims comply with the law when Rippling knows it does not, allowing Rippling to unfairly steal market share from its law-abiding competitors like Deel.

11. For one to understand why Rippling's lawless corporate culture even exists at all, one must understand the persona and folly of the man who runs it—Conrad. As detailed herein, Conrad has injected his infamous history of “doing the wrong thing” into nearly everything that Rippling does. To understand Conrad is to understand Rippling. He exercises such pervasive control over all aspects of Rippling's corporate decision-making on matters both large and small that it is impossible to separate his direct influence over all the Rippling misconduct alleged in this FAC. When Conrad cannot get what he wants through legitimate means, he falls back on his old playbook: cheating. So too now with Rippling.

12. Conrad has never apologized or admitted wrongdoing for his actions at Zenefits. Evidencing that he learned nothing from his Zenefits failure, he has instead blamed others, including the venture capital firm Andreessen Horowitz, for pushing him out of the company despite his obvious and well-documented illegal conduct and gross mismanagement. Sadly, it is now apparent that Conrad has made it his life's goal to exact misguided and petty revenge on those connected with Andreessen, including Deel, in which Andreessen owns a 20% share. Indeed, and as amply demonstrated herein, Conrad's maniacal fixation with Deel has resulted in the creation of entire groups at Rippling whose sole job apparently is to copy Deel's products, pursue Deel partners and clients, and monitor Rippling's own employees'

internal communications and Slack messages in an effort to guard against their departure for better opportunities at Deel.

13. As such, not content with its own internal toxicity, starting in late 2022, Rippling launched a multi-faceted secret campaign to defame Deel and bring down what it rightly recognized as the dominant player in Rippling's field. Rippling has planted false and misleading claims about Deel in the press and with regulators across the country. To hide its tracks, Rippling works with Thomas Grady, a Rippling investor and lawyer who has maligned Deel to its employees, investors, and customers, including by falsely claiming that Deel is "under Congressional investigation." Rippling then worked with Grady, public relations consultants, and lobbyists to amplify and cite these false claims as the basis for further investigation of Deel—creating its own ouroboros news cycle with the intent to disrupt Deel's relationships with regulators, partners, customers, investors, and employees. And Rippling is succeeding in that unlawful endeavor.

\* \* \*

14. Deel takes no pleasure in filing this action, but Rippling has left Deel with no choice. Deel has had enough. It will no longer tolerate Rippling's thieving, deceptive, unlawful, anticompetitive, and defamatory conduct, which has harmed Deel by hundreds of millions of dollars in terms of lost business opportunities, disrupted relationships with this current and prospective clients and investors, and

in terms of the ill-gotten gains that Rippling could achieve not on its own merit, but only by breaking the law.

### **THE PARTIES**

15. Deel, Inc. is a Delaware corporation. Although Deel has a current listed principal place of business in San Francisco, California, Deel does not maintain any actual office space or physical presence in San Francisco, and instead uses that address only for receiving mail. Deel is in the process of moving its current listed principal place of business from California to either Florida or Texas. Deel is the leading global HR and workforce management software platform.

16. Defendant People Center, Inc., d/b/a Rippling, is a Delaware corporation with a principal place of business in San Francisco, California.

17. Deel does not know the true names and capacities of defendants sued in this FAC as Doe 1 through Doe 100, inclusive (collectively, the “Does”), and therefore sues these defendants by fictitious names. Deel will amend this FAC to allege the true names and capacities of the Does, inclusive, when ascertained. Deel is informed and believes, and on that basis alleges, that each of the defendants named herein as Doe 1 through Doe 100, inclusive, is responsible in some manner for the occurrence, injury, and other damages alleged in this FAC.

## **JURISDICTION AND VENUE**

18. This Court has subject matter jurisdiction over Deel's claims pursuant to 10 *Del. C.* § 541 and Article IV, Section 7 of the Delaware Constitution. The amount in controversy exceeds \$75,000.

19. The Court has general personal jurisdiction over Rippling because Rippling is incorporated in Delaware.

## **FACTUAL ALLEGATIONS**

### **I. DEEL IS THE LEADING WORKFORCE SOLUTIONS COMPANY IN THE WORLD**

20. Deel is an integrated human resources platform designed to simplify global payroll, compliance, and workforce management. Deel has invested significant financial capital and labor to develop and provide human resources, payroll, compliance, and other back-office software solutions to over 35,000 customers in more than 150 countries, including major Fortune 500 companies. Deel has imagined and built a truly borderless global workplace, using its software to connect employers with millions of highly skilled people around the world to give them access to remote employment opportunities that would not otherwise be available.

21. Deel's culture, innovation, and compliance practices have earned it numerous accolades, including a place on Forbes' Best Startup Employers list for multiple consecutive years, recognition as a Forbes Cloud 100 company and on the

CNBC Disrupter 50 list, and ranking first in the Bay Area and fifth nationally on the Deloitte Fast 500.

22. Alex Bouaziz and Shuo Wang founded Deel in 2019. They met while completing their graduate degrees at MIT. Both had started businesses before Deel, and had experienced first-hand the difficulty of making payroll payments across jurisdictions.

23. Drawing on their international backgrounds, Alex and Shuo recognized a major inefficiency in the global talent market: the back-office complexities of local taxes, regulations, and payroll requirements prevented professionals from working for companies across national boundaries, and those companies missed out on exceptional talent. These hurdles limited both company growth and opportunities for skilled workers worldwide. Deel solved this problem by creating turnkey infrastructure that allows companies to hire and pay talent worldwide.

24. In 2019, Deel was selected to join the highly selective Y Combinator, a San Francisco-based startup accelerator known for helping some of the world's most successful businesses.

25. From its first product launch, Deel's primary focus was compliance. That was the major pain point it was fixing for its customers. The company worked with labor attorneys worldwide to create a product that enabled companies to hire international independent contractors in compliance with local labor laws. Deel has

never lost sight of that compliance focus, even as it has grown: it now has over 2,000 in-house experts globally across payroll, legal, mobility, immigration, human resources, and compliance, offering country- and region-specific expertise to help Deel's customers address regulatory and compliance issues. Deel has also invested significant resources in developing compliant health insurance policies and other benefit documents for jurisdictions worldwide.

26. From its initial payroll product, Deel has rapidly developed multiple best-in-class products, giving its customers an all-in-one HR and payroll solution. In 2020, Deel created entities in various nations that would serve as the Employer of Record ("EOR") for companies' international employees and contractors. By 2022, Deel had expanded its EOR offering to more than 100 countries. By working with Deel's EOR entities, companies can hire talented employees and contractors around the world, in full compliance with local regulations. For example, one of Deel's clients, a California-based company with a predominantly Latin America-based workforce, had an administrative team of more than twenty people and incurred tens of thousands of dollars in monthly expenses to manage its payroll and HR functions across several countries before it hired Deel to provide EOR, payroll, and HR functions. Deel's ability to streamline these processes—and its integration with the customer's accounting and communication tools—allowed the customer to

significantly reduce its administrative time, cut tens of thousands of dollars in monthly costs, and hire hundreds more employees to expand its business.

27. In addition to its rapid development of best-in-class products, Deel stood out because it had a global focus. Typically, US startups develop a domestic customer base first, then expand slowly to the rest of the world. Deel, however, drew from its founders' experiences and marketed to international companies from the beginning, only later entering into the US market.

28. Deel quickly saw a marked increase in demand from an unexpected source. In 2020, the COVID-19 pandemic led to a sudden influx of new customers in need of a simple solution to manage a remote, global workforce. Changing work habits in the wake of the pandemic opened the door for many companies to expand their hiring horizons. Deel was ready.

29. Major investors saw Deel's potential. In May 2020, Deel secured a \$14 million series A funding round and added 400 new customers. By September 2020, it had grown threefold. By April 2021, after raising \$156 million in a series C funding round, Deel had reached "unicorn" status, with a valuation of \$1.25 billion. Its revenue grew twentyfold, with over 1,800 customers. A year later, in May 2022, Deel raised \$50 million, valuing the company at \$12 billion. And just this week, Deel announced for the first time that it has achieved an annual revenue run rate of



over \$1 billion, a major achievement, particularly given the company's relatively short history.

30. From the beginning, Deel's focus has always been on its customers, not its competitors. In Deel's first six months, Alex (who was then based in Europe), served as frontline support for Deel's customers, personally answering questions and fixing problems at all times of the day. Alex was even known to pause executive meetings to immediately troubleshoot for clients. Unsurprisingly, Deel became known for its lightning-fast customer service in addition to its unique product offering, and its customer base grew quickly.

31. Even today, Deel's customer retention is far above market standards—a key differentiator and revenue driver. Deel has a “net revenue retention” rate of 126%, meaning that existing Deel customers, in aggregate, expand the services they purchase from Deel far higher than those who choose to leave Deel. Deel also continues to gain new customers, including from competitors due to its superior platform and customer service. That is a significant achievement in this highly competitive industry, where customers regularly share competitors' quotes with Deel (and vice versa) in an effort to get the best price.

32. Deel has sustained this extraordinary growth without sacrificing its culture. It is known as a stellar employer, ranked as one of the top 100 companies to work for in 2025 by Glassdoor. With over 6,000 employees worldwide, Deel has

remained true to its roots and is now the largest fully remote global company in the world.

**II. RIPPLING USES AN IMPOSTER TO GAIN UNAUTHORIZED ACCESS TO DEEL’S SYSTEMS AND STEAL DEEL’S DATA TO CREATE COPYCAT COMPETING PRODUCTS**

33. As noted in the original Complaint, Deel has long suspected that Rippling has been engaged in a corporate espionage scheme against Deel for the purpose of stealing Deel’s proprietary product information to build Rippling’s own competing products. Unlike Rippling, Deel wanted to be absolutely certain of this and have substantial and credible supporting evidence before making such an explosive claim against a competitor. After investigation, which remains in its early stages, Deel has uncovered incontrovertible evidence that Rippling has directed at *least* one of its “Competitive Intelligence” managers to impersonate a Deel customer to gain unauthorized access to Deel’s internal systems for the purpose of stealing data.

34. Specifically, Deel now has evidence linking Johnson, a current “Competitive Intelligence Manager” at Rippling, to a Deel account belonging to a fictitious business entity—Quandary Insights, LLC—that was created to meticulously comb through every aspect of Deel’s product to reverse engineer it and steal propriety product information for Rippling.

35. In fact, over the course of six months, which includes at least 58 separate log-in sessions on Deel's system, Johnson methodically reviewed, recorded, and downloaded proprietary information while masquerading as a legitimate Deel customer. Johnson generated at least twenty (excluding contracts that he permanently deleted from his account) different employment agreements created by Deel for fake employee profiles across every different employment model that Deel offers to its customers, and downloaded/screen-captured at least 57 different proprietary Deel documents, including at least 30 different health insurance and benefits documents (with propriety pricing information) for multiple jurisdictions around the world.

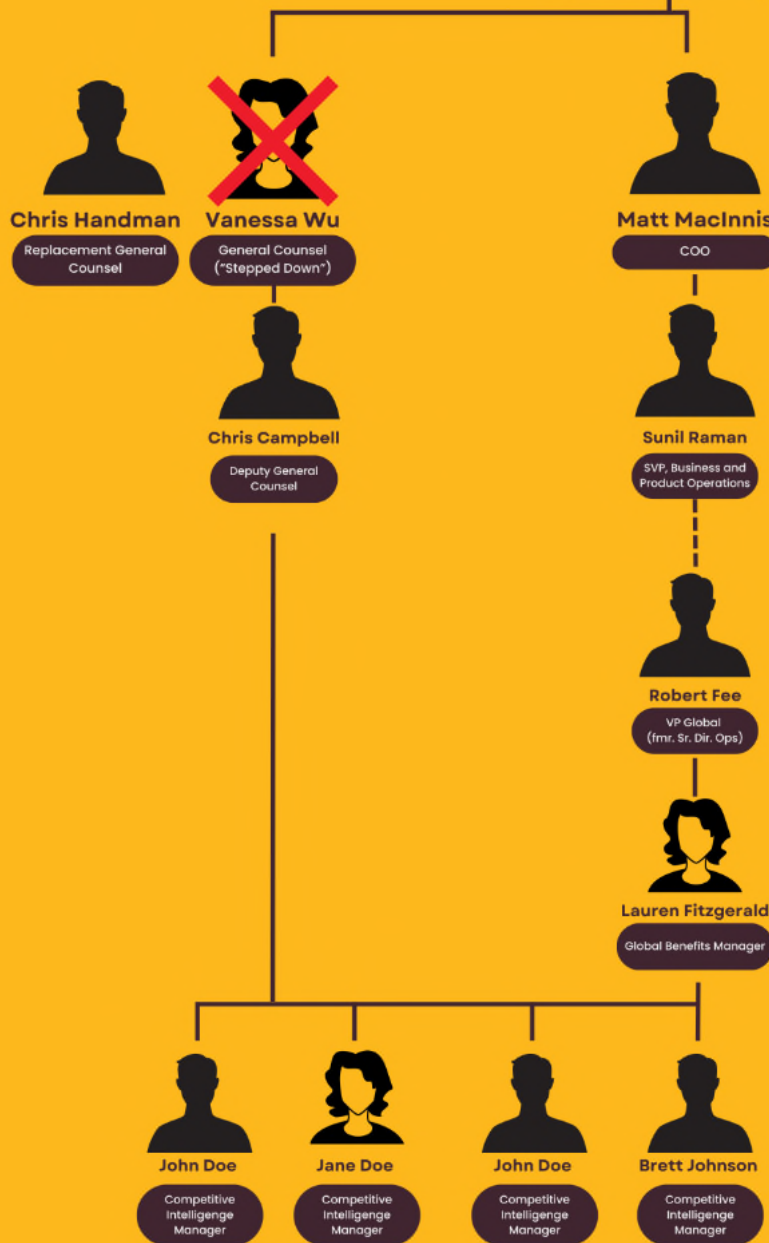
36. And as noted above and discussed below, at all relevant times, Rippling's highest levels of leadership—including Fee (VP of Global), Fitzgerald (Global Benefits Manager), former General Counsel Wu, Deputy General Counsel Campbell, and even Conrad himself—were aware of and directing Johnson's activities:

# RIPPLING “COMPETITIVE INTELLIGENCE” ESPIONAGE OPERATION

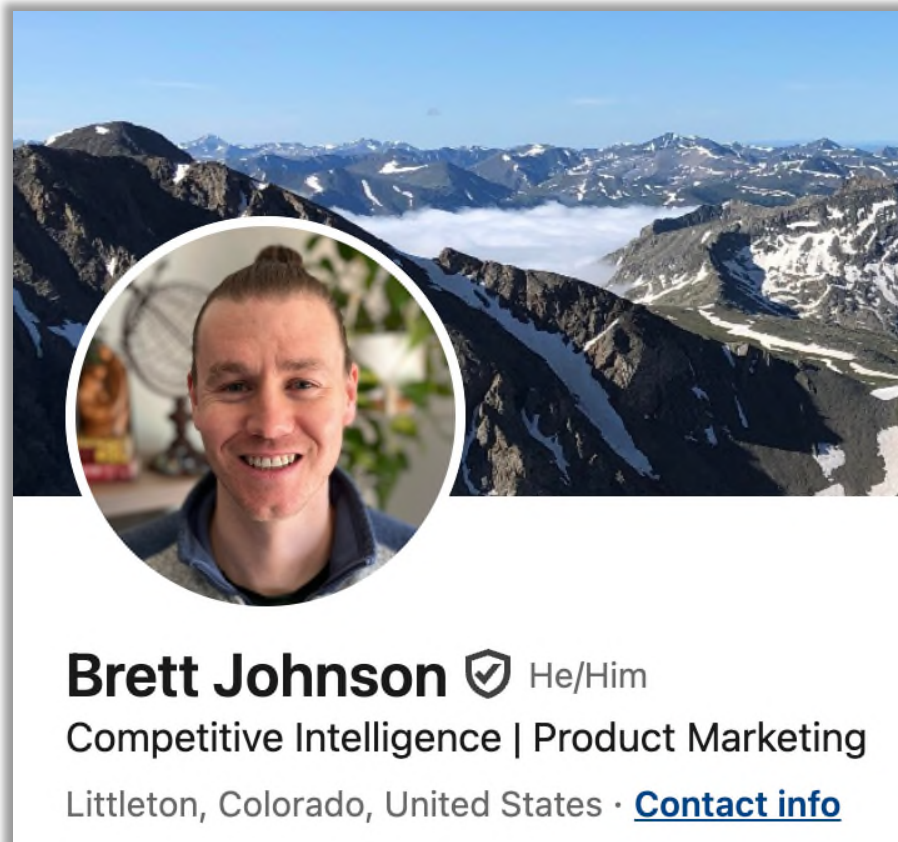


Parker Conrad

CEO



37. Johnson started working for Rippling as a Competitive Intelligence Manager in April 2024, as reflected in his public LinkedIn profile:



## Experience

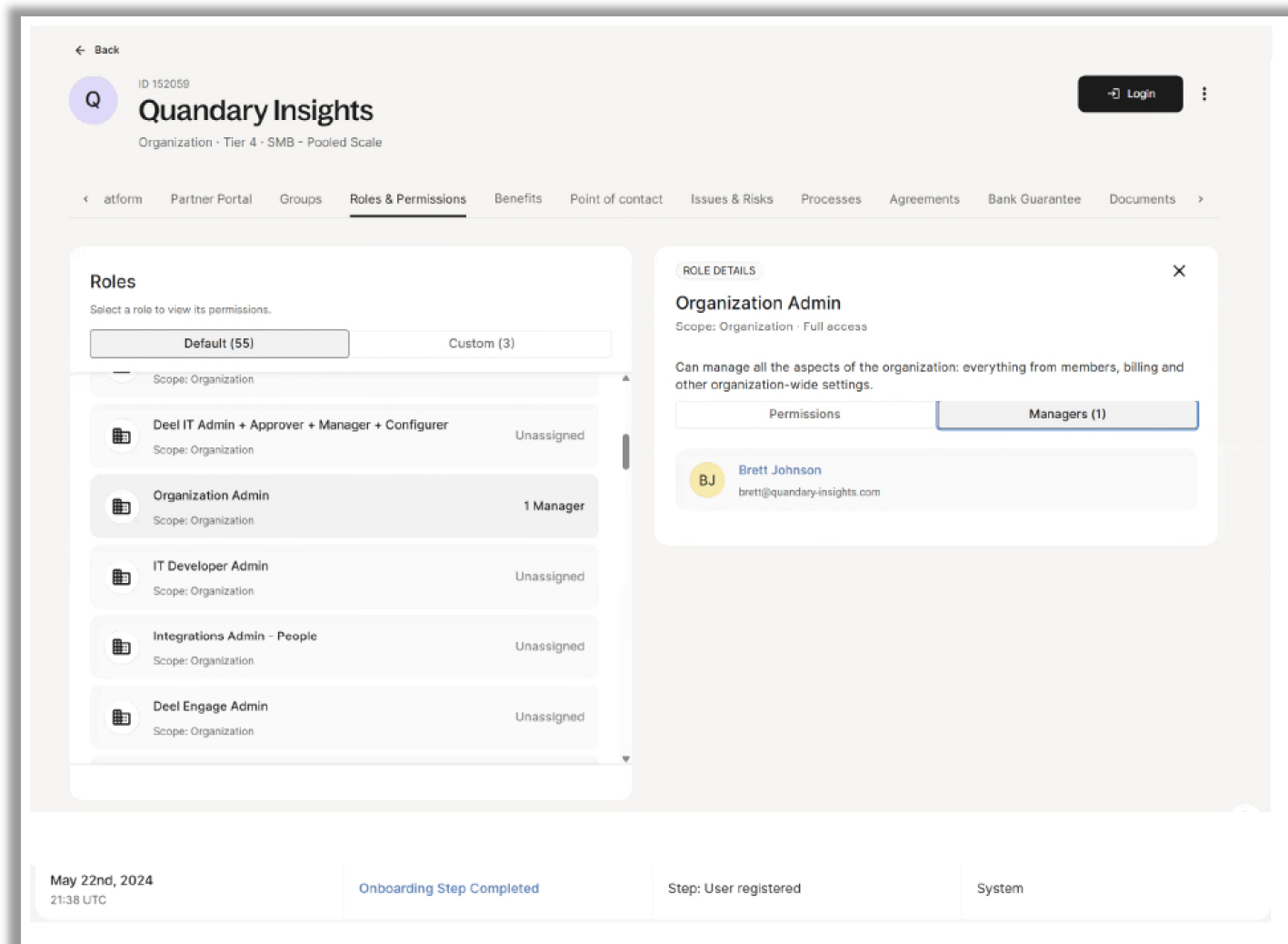


### Rippling

1 yr 2 mos

- **Senior GTM Manager, Competitive Intelligence**  
Full-time  
Nov 2024 - Present · 7 mos  
Denver, Colorado, United States
- **Competitive Intelligence Manager**  
Contract  
Apr 2024 - Nov 2024 · 8 mos

38. A few weeks after Johnson started at Rippling, on May 22, 2024, an entity called “Quandary Insights LLC” (“Quandary”) created a customer account on Deel. Due to a highly unusual level of suspicious activity emanating from the account, including the creation of a large number of draft contracts for either a Brett Johnson or an obviously fake name, Deel began an investigation.



39. The organization administrator for Quandary was listed as a “Brett Johnson,” with an email address of “brett@quandary-insights.com.” This domain name was created a week earlier on May 16, 2024, and is currently shown as “parked.”

# quandary-insights.com

WHOIS Information

IP Address: [76.223.67.189](#)

Whois

RDAP

DNS Records

Uptime

Diagnostics

Refresh Data

## Registrar Information

Registrar  
GoDaddy.com, LLC

WHOIS Server  
[whois.godaddy.com](#)

Referral URL  
<http://www.godaddy.com>

## Important Dates

Created  
5/16/2024

Updated  
5/16/2024

# quandary-insights.com

is parked free, courtesy of GoDaddy.com.

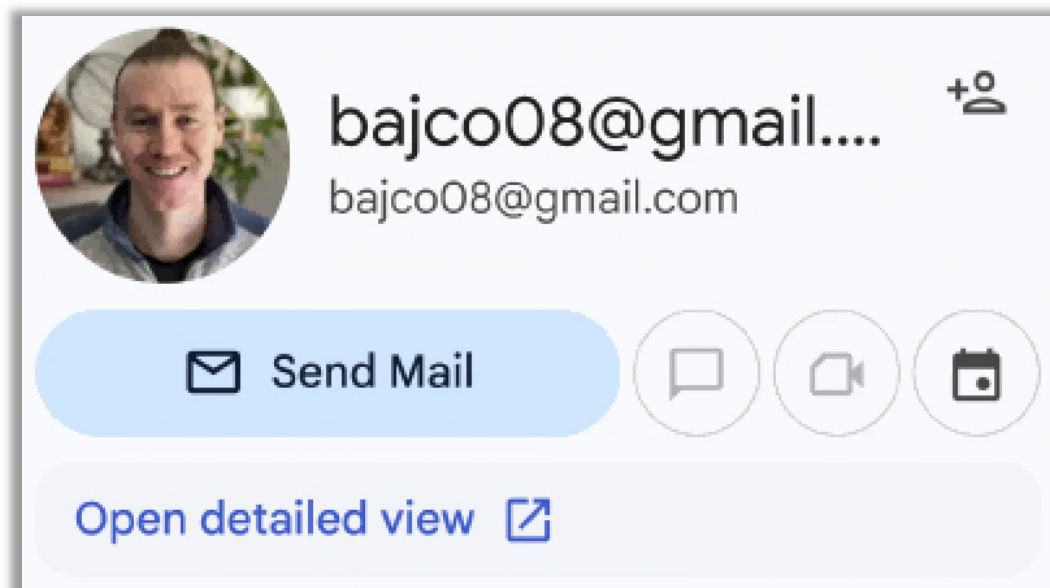
Get This Domain

40. Likewise, Quandary itself is a fictitious company with no operations to speak of. Johnson represented that Quandary was formed only on May 20, 2024,



four days after the domain was registered, but there are no actual public records of any company by that name. And evidencing Johnson's attempts to avoid discovery as a Rippling spy, he also falsely represented to Deel that he had no personal LinkedIn account.

41. But in the Quandary account on Deel's platform, Johnson created an employee profile for himself using the email address of "bajco08@gmail.com." For Gmail users, by default Google will display a thumbnail of the user's Google profile picture, unless the user chooses to make it private. As shown below, the Google user picture for the bajco08@gmail.com address is the same as that used by Johnson in his own public LinkedIn profile stating that he is employed as Competitive Intelligence Manager by Rippling:

































42. Thus, Deel is confident that the organization administrator who created the Quandary Deel account is the same Brett Johnson who was at the time and is

currently employed by Rippling as a Competitive Intelligence Manager. This fact is further confirmed by comparing publicly available data to the IP address data for login sessions to Quandary's Deel account, as well as the birthdate, physical address, and contact information that Johnson entered on Deel's platform for his Quandary account.































43. To ensure proper functioning of the platform and the optimal customer experience, Deel records sessions of its customer's organization administrator profiles for debugging and feature improvement processes. As such, Deel is able to view all 58 sessions where Johnson was logged in to Deel's platform as an administrator for Quandary using the [brett@quandary-insights.com](mailto:brett@quandary-insights.com) address:

























Sessions			May 01 2024, 12:00 AM - May 01 2025, 12:00 AM		Newest
<div>AllErrorsBad RequestsClick RageCrashes</div>					
<div><div><div>brett@quandary-insights.c...</div></div></div>	<div>Nov 19, 2024, 12:55am</div> <div>7 Events • 17m32s</div>	<div><div><div>Littleton</div></div></div> <div>Chrome • Mac OS X • Desktop</div>	<div><div><div>Few Issues</div></div></div>	<div></div>	
<div>IsContractor noProfileType client</div>					
<div><div><div>brett@quandary-insights.c...</div></div></div>	<div>Nov 19, 2024, 12:48am</div> <div>39 Events • 2m53s</div>	<div><div><div>Littleton</div></div></div> <div>Chrome • Mac OS X • Desktop</div>	<div><div><div>Few Issues</div></div></div>	<div></div>	
<div>IsContractor noProfileType client</div>					
<div><div><div>brett@quandary-insights.c...</div></div></div>	<div>Sep 24, 2024, 09:10pm</div> <div>59 Events • 4m14s</div>	<div><div><div>Littleton</div></div></div> <div>Chrome • Mac OS X • Desktop</div>	<div><div><div>Few Issues</div></div></div>	<div></div>	
<div>IsContractor noProfileType client</div>					
<div><div><div>brett@quandary-insights.c...</div></div></div>	<div>Sep 20, 2024, 01:01am</div> <div>207 Events • 32m47s</div>	<div><div><div>Littleton</div></div></div> <div>Chrome • Mac OS X • Desktop</div>	<div><div><div>Few Issues</div></div></div>	<div></div>	
<div>IsContractor noProfileType client</div>					
<div><div><div>brett@quandary-insights.c...</div></div></div>	<div>Aug 09, 2024, 11:58pm</div> <div>124 Events • 8m59s</div>	<div><div><div>Littleton</div></div></div> <div>Chrome • Mac OS X • Desktop</div>	<div><div><div>Few Issues</div></div></div>	<div></div>	
<div>IsContractor noProfileType client</div>					
<div><div><div>brett@quandary-insights.c...</div></div></div>	<div>Aug 09, 2024, 12:05am</div> <div>297 Events • 1h17m</div>	<div><div><div>Littleton</div></div></div> <div>Chrome • Mac OS X • Desktop</div>	<div><div><div>Many Issues</div></div></div>	<div></div>	
<div>IsContractor noProfileType client</div>					
<div><div><div>brett@quandary-insights.c...</div></div></div>	<div>Aug 07, 2024, 12:30am</div> <div>31 Events • 4m58s</div>	<div><div><div>Jackson</div></div></div> <div>Chrome • Mac OS X • Desktop</div>	<div><div><div>Few Issues</div></div></div>	<div></div>	
<div>IsContractor noProfileType client</div>					
<div><div><div>brett@quandary-insights.c...</div></div></div>	<div>Aug 06, 2024, 03:12am</div> <div>79 Events • 26m9s</div>	<div><div><div>Jackson</div></div></div> <div>Chrome • Mac OS X • Desktop</div>	<div><div><div>Few Issues</div></div></div>	<div></div>	
<div>IsContractor noProfileType client</div>					
<div><div><div>brett@quandary-insights.c...</div></div></div>	<div>Jul 30, 2024, 08:57pm</div> <div>92 Events • 33m22s</div>	<div><div><div>Dillon</div></div></div> <div>Chrome • Mac OS X • Desktop</div>	<div><div><div>Few Issues</div></div></div>	<div></div>	
<div>IsContractor noProfileType client</div>					
<div><div><div>brett@quandary-insights.c...</div></div></div>	<div>Jul 30, 2024, 06:56pm</div> <div>688 Events • 1h58m</div>	<div><div><div>Dillon</div></div></div> <div>Chrome • Mac OS X • Desktop</div>	<div><div><div>Many Issues</div></div></div>	<div></div>	
<div>IsContractor noProfileType client</div>					
<div>Showing 1 to 10 of 58 sessions.</div> <div><div>&lt;</div><div>1</div><div>/ 6</div><div>&gt;</div></div>					

Sessions			All		Errors		Bad Requests		Click Rage		Crashes		May 01 2024, 12:00 AM - May 01 2025, 12:00 AM		Newest	
	brett@quandary-insights.c...	Jul 30, 2024, 02:41am	146 Events		20m50s			Dillon	Chrome		Mac OS X		Desktop		Many Issues	
IsContractor no		ProfileType client														
	brett@quandary-insights.c...	Jul 30, 2024, 02:39am	25 Events		2m4s			Dillon	Chrome		Mac OS X		Desktop		Few Issues	
IsContractor no		ProfileType client														
	brett@quandary-insights.c...	Jul 29, 2024, 11:53pm	8 Events		9m13s			Littleton	Chrome		Mac OS X		Desktop		Few Issues	
IsContractor no		ProfileType client														
	brett@quandary-insights.c...	Jul 29, 2024, 07:55pm	180 Events		47m23s			Littleton	Chrome		Mac OS X		Desktop		Many Issues	
IsContractor no		ProfileType client														
	brett@quandary-insights.c...	Jul 26, 2024, 09:46pm	157 Events		1h13m			Littleton	Chrome		Mac OS X		Desktop		Many Issues	
IsContractor no		ProfileType client														
	brett@quandary-insights.c...	Jul 24, 2024, 06:32pm	1 Event		1s			Littleton	Chrome		Mac OS X		Desktop			
IsContractor no		ProfileType client														
	brett@quandary-insights.c...	Jul 23, 2024, 11:22pm	39 Events		8m45s			Littleton	Chrome		Mac OS X		Desktop		Few Issues	
IsContractor no		ProfileType client														
	brett@quandary-insights.c...	Jul 23, 2024, 09:21pm	170 Events		1h20m			Littleton	Chrome		Mac OS X		Desktop		Many Issues	
IsContractor no		ProfileType client														
	brett@quandary-insights.c...	Jul 16, 2024, 12:32am	2 Events		2m21s			Littleton	Chrome		Mac OS X		Desktop			
IsContractor no		ProfileType client														
	brett@quandary-insights.c...	Jul 09, 2024, 08:14pm	49 Events		16m3s			Littleton	Chrome		Mac OS X		Desktop		Few Issues	
IsContractor no		ProfileType client														
Showing 11 to 20 of 58 sessions.															< 2 / 6 >	

Sessions				May 01 2024, 12:00 AM - May 01 2025, 12:00 AM		Newest
<div>AllErrorsBad RequestsClick RageCrashes</div>						
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jul 09, 2024, 01:28am</div> <div>1 Event • 5m7s</div>	<div> Littleton</div> <div>Chrome • Mac OS X • Desktop</div>			<div></div>	
<div>IsContractornoProfileTypeclient</div>						
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jul 08, 2024, 11:28pm</div> <div>8 Events • 36m13s</div>	<div> Littleton</div> <div>Chrome • Mac OS X • Desktop</div>	<div><div></div><div>Few Issues</div></div>		<div></div>	
<div>IsContractornoProfileTypeclient</div>						
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jul 04, 2024, 01:24am</div> <div>362 Events • 25m49s</div>	<div> United States</div> <div>Chrome • Mac OS X • Desktop</div>	<div><div></div><div>Many Issues</div></div>		<div></div>	
<div>IsContractornoProfileTypeclient</div>						
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jun 27, 2024, 11:38pm</div> <div>1 Event • 5m33s</div>	<div> United States</div> <div>Chrome • Mac OS X • Desktop</div>			<div></div>	
<div>IsContractornoProfileTypeclient</div>						
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jun 27, 2024, 08:15pm</div> <div>17 Events • 25m18s</div>	<div> United States</div> <div>Chrome • Mac OS X • Desktop</div>	<div><div></div><div>Few Issues</div></div>		<div></div>	
<div>IsContractornoProfileTypeclient</div>						
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jun 25, 2024, 11:51pm</div> <div>188 Events • 30m16s</div>	<div> United States</div> <div>Chrome • Mac OS X • Desktop</div>	<div><div></div><div>Few Issues</div></div>		<div></div>	
<div>IsContractornoProfileTypeclient</div>						
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jun 25, 2024, 01:00am</div> <div>630 Events • 24m25s</div>	<div> United States</div> <div>Chrome • Mac OS X • Desktop</div>	<div><div></div><div>Many Issues</div></div>		<div></div>	
<div>IsContractornoProfileTypeclient</div>						
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jun 24, 2024, 08:39pm</div> <div>1 Event • 1s</div>	<div> United States</div> <div>Chrome • Mac OS X • Desktop</div>			<div></div>	
<div>IsContractornoProfileTypeclient</div>						
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jun 24, 2024, 08:15pm</div> <div>268 Events • 34m56s</div>	<div> United States</div> <div>Chrome • Mac OS X • Desktop</div>	<div><div></div><div>Many Issues</div></div>		<div></div>	
<div>IsContractornoProfileTypeclient</div>						
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jun 21, 2024, 08:27pm</div> <div>103 Events • 5m21s</div>	<div> United States</div> <div>Chrome • Mac OS X • Desktop</div>	<div><div></div><div>Few Issues</div></div>		<div></div>	
<div>IsContractornoProfileTypeclient</div>						
Showing 21 to 30 of 58 sessions.						
<div><div>&lt;</div><div>3</div><div>/ 6</div><div>&gt;</div></div>						

Sessions			May 01 2024, 12:00 AM - May 01 2025, 12:00 AM		Newest
<div>AllErrorsBad RequestsClick RageCrashes</div>					
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jun 11, 2024, 02:39am</div> <div>3 Events • 1m32s</div>	<div> United States</div> <div>Chrome • Mac OS X • Desktop</div>	<div><div></div></div> Few Issues	<div></div>	
<div>IsContractor noProfileType client</div>					
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jun 11, 2024, 02:38am</div> <div>3 Events • 49s</div>	<div> United States</div> <div>Chrome • Mac OS X • Desktop</div>		<div></div>	
<div>IsContractor noProfileType client</div>					
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jun 10, 2024, 11:06pm</div> <div>1 Event • 12m54s</div>	<div> United States</div> <div>Chrome • Mac OS X • Desktop</div>		<div></div>	
<div>IsContractor noProfileType client</div>					
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jun 10, 2024, 07:32pm</div> <div>684 Events • 1h29m</div>	<div> United States</div> <div>Chrome • Mac OS X • Desktop</div>	<div><div></div></div> Many Issues	<div></div>	
<div>IsContractor noProfileType client</div>					
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jun 07, 2024, 09:31pm</div> <div>1 Event • 1s</div>	<div> United States</div> <div>Chrome • Mac OS X • Desktop</div>		<div></div>	
<div>IsContractor noProfileType client</div>					
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jun 07, 2024, 07:16pm</div> <div>311 Events • 47m44s</div>	<div> United States</div> <div>Chrome • Mac OS X • Desktop</div>	<div><div></div></div> Many Issues	<div></div>	
<div>IsContractor noProfileType client</div>					
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jun 06, 2024, 11:58pm</div> <div>213 Events • 30m55s</div>	<div> United States</div> <div>Chrome • Mac OS X • Desktop</div>	<div><div></div></div> Few Issues	<div></div>	
<div>IsContractor noProfileType client</div>					
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jun 06, 2024, 07:49pm</div> <div>2 Events • 5m2s</div>	<div> United States</div> <div>Chrome • Mac OS X • Desktop</div>	<div><div></div></div> Few Issues	<div></div>	
<div>IsContractor noProfileType client</div>					
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jun 06, 2024, 07:46pm</div> <div>1 Event • 3s</div>	<div> United States</div> <div>Chrome • Mac OS X • Desktop</div>		<div></div>	
<div>IsContractor noProfileType client</div>					
<div><div></div><div>brett@quandary-insights.c...</div></div>	<div>Jun 06, 2024, 01:03am</div> <div>21 Events • 17m45s</div>	<div> United States</div> <div>Chrome • Mac OS X • Desktop</div>	<div><div></div></div> Few Issues	<div></div>	
<div>IsContractor noProfileType client</div>					
Showing 31 to 40 of 58 sessions.					
<div>&lt;4/ 6&gt;</div>					

Sessions			All	Errors	Bad Requests	Click Rage	Crashes	May 01 2024, 12:00 AM - May 01 2025, 12:00 AM		Newest
 <a href="#">brett@quandary-insights.c...</a>	Jun 05, 2024, 10:58pm 139 Events • 37m38s	 United States Chrome • Mac OS X • Desktop	<div><div></div></div> Few Issues							
<div>IsContractor no ProfileType client</div>										
 <a href="#">brett@quandary-insights.c...</a>	Jun 05, 2024, 03:19am 1 Event • 1s	 United States Chrome • Mac OS X • Desktop								
<div>IsContractor no ProfileType client</div>										
 <a href="#">brett@quandary-insights.c...</a>	Jun 05, 2024, 12:23am 230 Events • 1h19m	 United States Chrome • Mac OS X • Desktop	<div><div></div></div> Many Issues							
<div>IsContractor no ProfileType client</div>										
 <a href="#">brett@quandary-insights.c...</a>	Jun 04, 2024, 09:23pm 44 Events • 17m35s	 United States Chrome • Mac OS X • Desktop	<div><div></div></div> Few Issues							
<div>IsContractor no ProfileType client</div>										
 <a href="#">brett@quandary-insights.c...</a>	Jun 04, 2024, 09:22pm 2 Events • 8s	 United States Chrome • Mac OS X • Desktop								
<div>IsContractor no ProfileType client</div>										
 <a href="#">brett@quandary-insights.c...</a>	Jun 04, 2024, 03:25pm 146 Events • 39m46s	 United States Chrome • Mac OS X • Desktop	<div><div></div></div> Many Issues							
<div>IsContractor no ProfileType client</div>										
 <a href="#">brett@quandary-insights.c...</a>	May 30, 2024, 12:54am 8 Events • 6m9s	 United States Chrome • Mac OS X • Desktop	<div><div></div></div> Few Issues							
<div>IsContractor no ProfileType client</div>										
 <a href="#">brett@quandary-insights.c...</a>	May 29, 2024, 09:16pm 646 Events • 1h48m	 United States Chrome • Mac OS X • Desktop	<div><div></div></div> Many Issues							
<div>IsContractor no ProfileType client</div>										
 <a href="#">brett@quandary-insights.c...</a>	May 26, 2024, 11:03pm 1 Event • 1s	 United States Chrome • Mac OS X • Desktop								
<div>IsContractor no ProfileType client</div>										
 <a href="#">brett@quandary-insights.c...</a>	May 25, 2024, 01:50am 23 Events • 2m24s	 United States Chrome • Mac OS X • Desktop	<div><div></div></div> Few Issues							
<div>IsContractor no ProfileType client</div>										
Showing 41 to 50 of 58 sessions.										
<div><div>&lt;</div><div>5</div><div>/ 6 &gt;</div></div>										

Sessions			All		Errors	Bad Requests	Click Rage	Crashes	May 01 2024, 12:00 AM - May 01 2025, 12:00 AM		Newest
	brett@quandary-insights.c...	May 25, 2024, 01:37am	213 Events	33m42s		United States	Chrome	Mac OS X	Desktop	<div><div></div></div> Few Issues	
<div>IsContractor no ProfileType client</div>											
	brett@quandary-insights.c...	May 25, 2024, 01:36am	15 Events	22m29s		United States	Chrome	Mac OS X	Desktop	<div><div></div></div> Few Issues	
<div>IsContractor no ProfileType client</div>											
	brett@quandary-insights.c...	May 25, 2024, 12:59am	122 Events	1h4m		United States	Chrome	Mac OS X	Desktop	<div><div></div></div> Few Issues	
<div>IsContractor no ProfileType client</div>											
	brett@quandary-insights.c...	May 24, 2024, 09:35pm	31 Events	11m6s		United States	Chrome	Mac OS X	Desktop	<div><div></div></div> Few Issues	
<div>IsContractor no ProfileType client</div>											
	brett@quandary-insights.c...	May 24, 2024, 12:40am	84 Events	17m35s		United States	Chrome	Mac OS X	Desktop	<div><div></div></div> Few Issues	
<div>IsContractor no ProfileType client</div>											
	brett@quandary-insights.c...	May 23, 2024, 10:40pm	467 Events	58m47s		United States	Chrome	Mac OS X	Desktop	<div><div></div></div> Many Issues	
<div>IsContractor no ProfileType client</div>											
	brett@quandary-insights.c...	May 23, 2024, 01:38am	282 Events	24m24s		United States	Chrome	Mac OS X	Desktop	<div><div></div></div> Few Issues	
<div>IsContractor no ProfileType client</div>											
	brett@quandary-insights.c...	May 23, 2024, 01:38am	1 Event	24m54s		United States	Chrome	Mac OS X	Desktop	<div><div></div></div> Few Issues	
<div>IsContractor no ProfileType client</div>											
Showing 51 to 58 of 58 sessions.											<div>&lt; 6 / 6 &gt;</div>



44. Deel has now painstakingly reviewed *all* of these recorded sessions in their entirety, so it is aware of exactly what Johnson was doing the entire time he was logged in as an administrator on Deel’s platform. While that review is sufficient to inform the allegations that follow, it is worth noting that Johnson also frequently logged in to Deel’s platform as a fake Quandary employee using his bajco08@gmail.com address, and Deel does not track the activity of employees and contractors in the same way that it does for administrators, so the full breadth of Rippling’s theft is still yet to be uncovered, but Deel is confident that these activities as an “employee” will reveal even more theft and wrongful conduct.

45. A review of Johnson’s administrative session show lots of lingering on key pricing and product information—for the purpose of taking notes—and his scrolling during most of his sessions is slightly too fast to actually read but very thorough (exploring all available options), deliberate, and continuous, which is consistent with someone using a screen recording tool or sharing their screen with a third party. And that is exactly what Johnson was doing while using Deel’s services—taking notes, recording his screen, and directly sharing information from the Deel platform with Rippling that is available only for bona fide customer use.

46. During the Deel onboarding session in May 2024, Johnson—at Rippling’s direction—represented that Quandary was a bona fide and legitimate business, and that Johnson would use Deel’s platform only for Quandary’s bona fide

business purposes. Johnson—at Rippling’s direction—also represented that he would not use Deel’s platform for any illegal or fraudulent purpose, or for the benefit of any unaffiliated third parties (such as Rippling), and would not use Deel’s platform for the purpose of recording, duplicating, decompiling, reverse engineering, or any other use not authorized by Deel, including for the benefit of a competitor to build copycat products.

47. As shown below, all of these representations and promises made by Johnson were knowingly false when made, and Deel reasonably relied upon these representations in granting access to Deel’s proprietary information. Johnson never had any intention of keeping these promises, since his sole purpose was aiding Rippling’s unlawful competition against Deel. Had Deel known Johnson’s true purpose to steal from Deel to help Rippling build competing products that it could not otherwise build, Deel would have never allowed Johnson to use its platform in the first place. And Rippling’s theft of this information and use of it to build products it otherwise did not know how to build and to undercut Deel’s pricing has harmed Deel in the form of lost revenue from prospective customers, as well as by depriving Deel from the benefits of its immense labor and expense in creating all of the information and documents that Johnson stole for Rippling.

48. Johnson’s unauthorized use of Deel’s platform began almost immediately. After creating his account for Quandary on May 22, 2024, Johnson

reads through in detail all of Deel's default People Reports that are available Deel's customers, and starts creating draft customer reports with fake people data, searching through all available fields and leaving no option unexplored, and downloading Deel's "mass import" template for adding many workers at once to Deel's HRIS product, despite having no intention to actually use it for its intended purpose. Rather, Johnson was doing his job for Rippling to gather "competitive intelligence" to collect this information so that Rippling could improve its own inferior product.

49. This process is repeated nearly every time that Johnson logs in over the course of the next six months, each time focusing on a different and distinct aspect and functionality of Deel's platform and product, until he has largely recorded it in its entirety, all for Rippling's benefit. For pleading purposes, Deel covers a non-exhaustive list of examples below:

50. In a nearly two-hour long session on May 29, 2024, Johnson added a fake "Account Executive" employee to Quandary to record Deel's variable compensation models, template agreements, and worker expense recording product. Johnson then created a whole series of "test" workflows where he was able to record Deel's entire workflow functionality.

51. On June 4, Johnson turned to the Documents product, and meticulously records every possible option of the Documents functionality of Deel's product. Also on June 4 and 6, Johnson started the creation of a Canadian EOR for Quandary,

and then backtracked to change it to UK EOR for a “3D artist.” The purpose of doing so was to record for Rippling’s use Deel’s options for part-time/full-time designations, various compensation models, sick leave, statutory benefits, worker equipment provisions, health insurance, equity awards, visa sponsorship, and template employment agreements for these jurisdictions.

52. On June 10, Johnson creates a profile for a fictitious contractor located in Canada, but states that the contractor is a tax resident in Germany. Johnson does not leave any stone unturned when looking (and recording) the level of customization that Deel offers for contractor agreements. Johnson then downloads Deel’s contractor agreement for Germany to share with Rippling. Johnson also explores Deel’s customization options for employee profiles for Rippling’s use, a feature which is fairly advanced and on which Deel has devoted significant resources and where it has a clear competitive advantage over Rippling and its rudimentary products.

53. On June 21, Johnson adds yet another new fictitious employee to Quandary, this time a purported Brazilian contractor named “Neymar Test.” Johnson then downloads Deel’s Brazil contractor agreement for Rippling.

54. On June 24, Johnson spends time recording and exploring the security features of Deel’s platform, including two-factor authentication, access

management, and custom roles. Johnson then creates custom roles to test the platform's security for Rippling.

55. Later on June 24, Johnson then creates and downloads eight contractor agreements for fictitious "Account Executives" around the world, and downloads for Rippling's use Deel's template agreements for each of the following jurisdictions (which all have their own unique requirements that Deel expended resources on ascertaining and drafting an agreement that is compliant): Argentina, Columbia, Costa Rica, Dominican Republic, Uruguay, France, Canada (Quebec), and Italy.

56. On June 25, Johnson then downloads two different variations of the Argentinian contractor agreement—one is Deel's standard "Shield" product (where Deel is the contracting party instead of the employer), and the other is a "Pay As You Go" "Shield" product (as opposed to a fixed rate contractor). Johnson's purpose in downloading for a fake worker three different Argentinian contractor agreements created by Deel was to help Rippling understand the intricate differences between the various contractor products that Deel offers, and so that Rippling can use them to improve its own inferior products.

57. On June 27, Johnson records for Rippling a deep dive into Deel's functionality regarding time-tracking, rate policies, overtime submissions, scheduling, and time off policies that Deel has created for its customers' bona fide use.

58. On July 8, Johnson interacts with a Deel chatbot and customer service manager, asking a number of questions about Deel's Shield product functionality (including questions as to potential misclassification issues) and requesting a copy of Deel's master Shield agreement. Johnson obtains the master Shield agreement for Rippling.

59. On July 9, Johnson records for Rippling a systemic review of the administrative side of Deel's platform, including settings, tasks, notifications, payroll onboarding, analytics dashboard, App store, Services page, Expenses page, and Tax documents pages.

60. On July 23, Johnson records for Rippling Deel's time-off policies created for various jurisdictions abroad including Denmark, Finland, and the United Arab Emirates. Later, Johnson gives Rippling both a high-level walkthrough followed by a detailed demonstration of Deel's platform functionality regarding tasks, compliance, worker classification, analytics, and workflow automation. Johnson deletes these custom workflows created for the demonstration after it is completed.

61. On July 26, Johnson downloads for Rippling the benefits offerings for Canadian workers that Deel has created. In particular, Johnson downloads Deel's Manulife Health Policy (both the standard and platinum versions), Deel's pension plans offered to EORs in Canada, and Deel's Canadian life insurance policies.

62. On July 29, Johnson gathers “competitive intelligence” for Rippling on Deel’s “Compensation Benchmarks” product. Johnson starts by using Deel’s EOR template for a “Junior Accountant” located in Romania, but then changes the role to a “Senior Accountant.” He then proceeds through the workflow until he is able to record the details on Deel’s benefits that are available in Romania, where he ends up trying to access Deel’s Compensation Benchmarks product. Since Deel does not offer that product for Senior Accountants in Romania, Johnson aborts his workflow and updates the country location to the United Kingdom and changes the job title once again to Account Executive. Since Deel offers its Compensation Benchmarks product for that job in that jurisdiction, he is finally able to record Deel’s proprietary Compensation Benchmarks tool and data for Rippling.

63. Also starting on July 29, Johnson starts to become fixated on collecting the benefits policies that Deel has created for jurisdictions located all over the globe. As discussed below, this is because he was under direct orders from Rippling’s own Global Benefits group to gather this information so that Rippling could copy it. For example, between July 29 and 30, Johnson screen records and/or downloads Deel’s distinct health insurance and benefits policy offerings, including pricing data, for the following jurisdictions: Australia, United Kingdom, China, Denmark, Argentina, Belgium, Brazil, Canada, Colombia, Costa Rica, Finland, India, Indonesia, Ireland, Israel, Italy, Japan, Malaysia, Mexico, the Netherlands, New Zealand, Norway,

Pakistan, the Philippines, Poland, Portugal, Romania, Singapore, South Africa, South Korea, Spain, Turkey, UAE, and the United States.

64. Of particular interest to Johnson were Deel's benefits offerings to EORs in France—he had searched for this information a number of times in past sessions, but was only able to find a life insurance policy. His repeated attempts to find Deel's health insurance policy for France were because he was under pressure from Rippling for this specific document so that Rippling could copy it.

65. On August 5, Johnson records a deep dive for Rippling on Deel's insurance products that it offers in Malaysia, including various health and life insurance offerings. On August 6, he does the same for Singapore.

66. On August 8, Johnson attempts to reverse engineer for Rippling how Deel enabled EORs for sales roles with different commissions structures in France, as well as how Deel manages its credit exposure by taking deposits on different amounts depending on the nuances of the various employment contracts that Deel offers. He does this by creating and downloading for Rippling various EOR employment agreements for French nationals based on different compensation models, and records a comparison of the different deposit requirements for each of the three contracts that he created. The same session, he also downloads for Rippling an EOR employment agreement for a Senior Vice President of Sales in India, and focuses on the liabilities breakdown in India.



67. On September 19, Johnson once again records and downloads for Rippling Deel's benefits pricing for various jurisdictions, including France, the Netherlands, and Finland. On September 24, Johnson downloaded an EOR agreement for an Account Executive in Mexico and a master service agreement for this role in this jurisdiction.

68. Finally, after having captured, shared, and/or downloaded much of Deel's platform solely for Rippling's benefit, Johnson tries to cover up evidence of his thievery and unauthorized access. Starting on November 18, 2024, at the direction of Rippling management, Johnson insists that his Deel account for Quandary be deleted, repeatedly telling Deel's customer service team that he "just no longer needs" his Deel account, and the Quandary business entity is purportedly "no longer active." Johnson's final log in as an administrator was on November 19, 2024.

69. In total, by making misrepresentations to Deel and masquerading as a legitimate business at Rippling's direction, Johnson downloaded at least 20 different Deel-prepared contracts for fictitious employees (including three in his own name) in different jurisdictions across not just a cross-section of all of Deel's products, but also variations within those products—*e.g.*, the different variants of EOR contracts offered by Deel—and transmitted that information to Rippling. Johnson also downloaded/screen-captured at least 30 different health insurance and other benefits

product documents prepared by Deel, including propriety pricing information, for jurisdictions across the world.

70. The highest levels of Rippling’s leadership were not just aware of Johnson activities in stealing Deel’s proprietary competitive information regarding its product design, functionality, pricing, benefits, and other proprietary information that could be used by Rippling to expedite the development of Rippling’s competing products—they were actively directing it as part of Johnson’s job duties as a “Competitive Intelligence Manager.” Rippling’s VP of Global (Fee) and its Global Benefits Manager (Fitzgerald) encouraged Johnson’s theft to assist in Rippling’s development of its own EOR design, pricing, and global benefits products. Indeed, Johnson would deposit the information that he recorded and downloaded without authorization from Deel’s platform into a folder on Rippling’s Google Drive, which was shared with various groups within Rippling that would use Deel’s information to build competing products or undercut Deel.

71. For example, Rippling’s sales team had access to the shared Rippling folder containing the stolen Deel information, and complained that Deel’s benefits pricing offered to its customers was “too good.” Rippling’s sales team would use Deel’s pricing information to attempt to undercut Deel in the marketplace.

72. During the relevant time period when Johnson was active on Deel’s system, Fee was regularly updated by Fitzgerald during a weekly meeting where

Fitzgerald would share with Fee what information Johnson had successfully obtained from Deel that week. Fee would then update Conrad, and collaborate with him on what Johnson should steal next.

73. Rippling's unauthorized access and use of Deel's platform, and theft of Deel's proprietary documents, have damaged Deel by allowing Rippling to unfairly compete with Deel, because it did not have to expend its own resources to develop the products it offers to its customers. Thus, not only is Rippling diverting business away from Deel that Rippling would not otherwise be able to attract due to its inferior platform, it does so using Deel's own years of hard work and financial expense.

74. Furthermore, at this time Deel believes that Johnson is not the only Rippling employee that was or is currently spying on Deel for the purpose of copying Deel's ways of doing business, and Deel is continuing its investigation. If and when further Rippling spies are uncovered, Deel will seek to add further allegations, defendants, and claims as warranted to this action.

75. Finally, evidencing that this was intentional action directed by Rippling, Johnson's conduct is eerily similar to what Rippling has done to other entities. Indeed, it appears that Rippling has a practice of misappropriating and covertly scraping intellectual property from its own software partners and vendors, in which it steals their information and builds its own competing products and

services. To borrow a phrase, this is “par for the course” for Conrad, given his history instating similar fraudulent practices at Zenefits and lashing out when he inevitably gets caught. In fact, Zenefits and Conrad were actually sued by payroll company ADP, LLC for allegedly integrating Zenefits’ own platform with ADP’s in an unauthorized manner and then using automated scraping technology to steal ADP’s client payroll information. After ADP blocked Zenefits’ activity, Zenefits then allegedly “commenced a manipulative and malicious public relations campaign, ignoring its own conduct, to defame ADP and drive away ADP’s clients.”<sup>6</sup> As Deel describes herein, this conduct is worryingly similar to what Rippling has done to Deel here. ADP sued Conrad and Zenefits for, among other things, defamation, intentional interference with economic relations, and unfair competition, and settled with Zenefits approximately five months after the suit was filed.

76. More recently, in a similar vein, Rippling abused its access to the Asure Software platform and mass downloaded hundreds of thousands of files without authorization. Rippling’s obsession with gaining information about other companies drives Rippling’s insatiable appetite for deploying its “Competitive Intelligence” agents for illicit purposes.

---

<sup>6</sup> See *ADP, LLC v. YourPeople, Inc. et al.*, Case No. 3:15-cv-02560-VC (N.D. Cal. June 9, 2015).

77. At this time, Deel is unable to definitively assert what percentage of Rippling's products and platform were created from information and data stolen from others, but Deel currently can allege that Rippling has used deception to victimize and copy products and information from at least three other entities.

78. First, Rippling misappropriated the trade secrets, confidential information, and/or intellectual property of Blue Marble, a global payroll provider with payroll engines in foreign countries. It did so by luring Blue Marble to believe it wanted to partner with it to provide international payroll services to Rippling customers. However, after studying Blue Marble's product, platform, and even source code, Rippling elected not to move forward with its partnership but rather recreate a substantially similar product based on its knowledge of Blue Marble's confidential information. Rippling did so even after executing a non-disclosure agreement with Blue Marble, which it did as a pretext to gain its trust.

79. As another specific example, Rippling misappropriated the trade secrets, confidential information, and/or intellectual property of Trinet, the company which acquired Conrad's predecessor entity, Zenefits, after Conrad was thrown out. Rippling did so by misrepresenting that Trinet believe Rippling wanted to partner with it to provide US PEO services. After learning about Trinet's products, insurers, payroll and tax products and processes, and a host of other information, it declined to proceed with Trinet (although Trinet was eager to partner with Rippling), and

opted to mirror Trinet products and services instead. It also lured Trinet PEO leaders to join Rippling and induced them to breach their contractual covenants owed to Trinet.

80. Finally, Rippling engaged in similar conduct during its partnership with a company called Brex, which provided certain expense management functionality for Rippling's customers. This partnership ended after Rippling decide to use its knowledge of Brex's product to create its own product that mirrored Brex's for the purpose of unfairly competing with Brex.

### **III. CONRAD'S TRACK RECORD OF LAWLESSNESS LAYS THE FOUNDATION FOR RIPPLING'S CULTURE OF INTENTIONAL THEFT, DECEPTION, AND UNLAWFUL BUSINESS PRACTICES**

81. A company that relies on theft and deception as its core business model usually does not just appear out of thin air. To understand Rippling's motivations explaining why it would intentionally steal from its competitors to build its own products, one needs to understand the history of how and why Rippling even came to exist in the first place. And that story begins and ends entirely with its co-founders, Parker Conrad and Prasanna Sankar.

**A. Conrad's Early Failures Lead Him To Found And Run Rippling's Predecessor Entity, Zenefits, By Cheating On Compliance**

82. As previously noted and discussed in more detail below, Rippling's co-founder Conrad gained notoriety as a con man after being forced out of his previous company, Zenefits, where he presided over a culture in which employees were "pressur[ed] and bull[ied] to cut corners and do the wrong thing."<sup>7</sup>

83. But Zenefits was not the first time Conrad cut corners. And as his tenure at Rippling has shown, it was certainly not his last. Indeed, in one way or another, Conrad has failed at nearly everything he has attempted on his own merit. Perhaps this explains why Conrad will now go to extreme—and as it turns out, unlawful—lengths to satisfy his desperate need to have Rippling not turn out to be yet another personal and career disappointment.

84. Conrad grew up on New York City's Upper East Side, where he earned "mediocre" grades at an expensive and prestigious all-boys preparatory school. Despite his mediocrity, Conrad was then admitted to Harvard University.

85. Conrad then failed out of Harvard, which he described as an "incredibly humiliating and shocking experience"—because he apparently did not attend any

---

<sup>7</sup>*Zenefits Was the Perfect Startup. Then It Self-Disrupted*, <https://www.bloomberg.com/features/2016-zenefits> (hereafter "*Zenefits Self-Disruption*").

classes “for like a year.”<sup>8</sup> Conrad was eventually readmitted to Harvard after his forced leave of absence.<sup>9</sup>

86. After finally bumbling to graduation, Conrad and a former college roommate he used to day trade with in the dorms, Mike Sha, founded a company called SigFig (originally Wikinvest). Conrad helped start SigFig by unethically living for free in housing in the notoriously high-priced Bay Area that was reserved for senior citizens over 65 years old. He later described his displacement of seniors to be “funny.”

87. SigFig failed to catch on with Conrad in a leadership role. When Conrad had the reins as “co-CEO,” the company was “constantly just two or three months away from not being able to make payroll” and “constantly pivot[ing].”<sup>10</sup> This led to the deterioration of Sha and Conrad’s relationship over time, and Sha

---

<sup>8</sup> *How a series of humiliating events led to one of the fastest-growing startups EVER*, <https://www.businessinsider.com/the-incredible-story-of-zenefits-founder-parker-conrad-2015-2> (hereafter “*Humiliating Events*”).

<sup>9</sup> Notably, one of Conrad’s college mentees during his time working at the *Harvard Crimson* newspaper is now the Editor-in-Chief of the online publication *The Information*, which has provided significant coverage of Rippling’s recently instigated disputes with Deel. Deel believes that discovery in this matter will show a significant amount of misinformation provided to *The Information* by Rippling and its agents to propagate stories designed to damage Deel.

<sup>10</sup> *See Humiliating Events*.



eventually forced Conrad out of the company after only a year, marking at least the second time Conrad was forced out from one his own chosen endeavors.

88. The very same day he was fired from SigFig, Conrad incorporated Zenefits. Conrad apparently came up with the idea for Zenefits based on his experience at SigFig. Conrad had self-identified as a “shitty engineer,” and so—showing his nature—decided to solve his admitted shortcomings by reportedly raiding his former employer and hiring SigFig’s top engineer, among “a bunch of others.”<sup>11</sup>

89. Conrad launched Zenefits in 2013 to purportedly “disrupt” the health insurance industry for start-ups and small businesses. But Conrad’s “disruption” of the insurance industry did not depend on technical wizardry or deep business insight. Instead, he cheated.

90. To make Zenefits unfairly competitive, Conrad simply disregarded insurance licensing requirements, which safeguard the industry and its customers, including the employees of Zenefit’s customers. The company marketed insurance in states where it was not licensed.

91. Worse, Conrad developed software that allowed his staff to circumvent insurance licensing requirements, as the U.S. Securities and Exchange Commission

---

<sup>11</sup> *See id.*

(“SEC”) would later determine. Zenefits employees used Conrad’s cheat-code software to “systemically cheat” throughout his tenure as CEO. The California Department of Insurance stated at the time of its own investigation that, “as far as a company doing what Zenefits has done, I don’t know that we have seen this before.” Following these revelations, a spokesperson for Anthem Blue Cross described what Conrad was overseeing and doing as “really illegal.”

92. Conrad’s previous self-imposed “humiliations” as well as knowledge that he had created a house of cards and was deeply in over his head at Zenefits likely explains why press reports at the time described him as “petrified, his days a series of white-knuckled attempts to escape the clutches of sudden, inadvertent failure.”<sup>12</sup>

93. Given that Conrad had built a key component of Zenefits on an illegal charade, reports of other troubling misconduct and the farcical workplace culture cultivated by Conrad are unsurprising. Under Conrad’s leadership, Zenefits had misclassified its own workers, underpaying account executives and salespeople by millions. Employees complained that Conrad had operated the company like a *Wolf-of-Wall-Street*-esque frat house. *The Wall Street Journal* reported on company-wide emails that reminded employees to not “smoke, drink, eat, or have sex” in company stairwells after “[c]igarettes, plastic cups filled with beer, and several used condoms

---

<sup>12</sup> <https://www.nytimes.com/2014/09/21/business/zenefits-leader-is-rattling-an-industry-so-why-is-he-stressed-out.html> (hereafter *Conrad Stressed Out*).

were found” there.<sup>13</sup> Zenefits had beer kegs in the office, employees were reportedly taking shots of hard liquor in the office during the workday, and Conrad himself would get drunk and wrestle his coworkers to the floor.<sup>14</sup> Indeed, once Conrad left, Zenefits’s new CEO had to ban drinking alcohol at the office to try to clean up Conrad’s deeply unserious corporate culture.

94. Despite Conrad’s gnawing fears of yet another personal and professional failure, his inability to effectively manage Zenefits caused it to be constantly “bouncing from one terrifying near-catastrophe to the next,” in his own words.<sup>15</sup>

95. But Conrad’s fears came true when the SEC and other regulators eventually took notice of what he was doing (and not doing) at Zenefits, and initiated investigations. In response to these investigations, Conrad experienced his *third* forced removal. Indeed, due to Conrad’s malfeasance, multiple states threatened not only to shut Zenefits down entirely, but to seek prosecution and incarceration of Conrad personally, unless he resigned his post as CEO.

96. Conrad resigned soon thereafter.

---

<sup>13</sup> <https://www.wsj.com/articles/zenefits-once-told-employees-no-sex-in-stairwells-1456183097>.

<sup>14</sup> *See Zenefits Self-Disruption*.

<sup>15</sup> *See Conrad Stressed Out*.

97. Zenefits’ new CEO, David Sacks, explained that “**many of our internal processes, controls, and actions around compliance have been inadequate, and some decisions have just been plain wrong . . . [a]s a result, Parker [Conrad] has resigned.**”<sup>16</sup>

98. Following Conrad’s forced departure, Zenefits understandably took pains to distance itself from Conrad’s disdain for the law, stating that Zenefits was “now focused on developing business practices that will ensure compliance with all regulatory requirements, and making certain that the company operates with integrity as its number-one value.”<sup>17</sup>

99. Indeed, in what sounds like a bad joke but in reality is a perfect microcosm of Conrad’s leadership style, Zenefits reportedly decided to change its previous company motto under Conrad from “***Ready. Fire. Aim.***” to “***Operate With Integrity***” after his exit.<sup>18</sup>

---

<sup>16</sup> <https://www.reuters.com/article/technology/zenefits-ceo-parker-conrad-resigns-amid-startup-turmoil-idUSKCN0VI02B/>.

<sup>17</sup> <https://www.wsj.com/articles/zenefits-once-told-employees-no-sex-in-stairwells-1456183097>.

<sup>18</sup> *See Zenefits Self-Disruption.*

100. The *New York Times* reported that, when Conrad's forced resignation was announced, "there were celebrations and tears of relief at the San Francisco headquarters of Zenefits."<sup>19</sup>

101. Following Conrad's resignation, in October 2017, the SEC found that Conrad made "materially false and misleading statements and omissions to investors" and imposed "cease-and-desist" proceedings.<sup>20</sup> The SEC noted that Zenefits had racked up \$11 million in state regulatory fines. In its order, the SEC fined Zenefits approximately \$1 million, over half of which Conrad was required to pay directly. Notably, just months before the Zenefits scandal came to light, Conrad cashed out \$10 million in stock.<sup>21</sup>

102. After Zenefits's scandals caused by Conrad came to light, **its valuation dropped 56%, to \$2 billion, and the company laid off 45% of its workforce.**

---

<sup>19</sup> <https://www.nytimes.com/2016/02/18/technology/zenefits-scandal-highlights-perils-of-hypergrowth-at-start-ups.html>.

<sup>20</sup> <https://www.sec.gov/files/litigation/admin/2017/33-10429.pdf>.

<sup>21</sup> <https://www.businessinsider.com/parker-conrad-launches-a-new-startup-2017-3>.

**B. An Exiled Conrad Immediately Founds And Runs Rippling By Importing The Same Disregard For Compliance That Got Him Removed From Zenefits, And Now Deceptively Advertises Rippling's Products That It Stole From Competitors**

**1. Conrad Fashions Rippling As His Zenefits 2.0**

103. Conrad founded Rippling in Delaware just two months after being kicked out of his former company and leaving it in financial ruin.

104. Conrad jump-started Rippling by inviting over a contingent of his old Zenefits crew into senior positions at Rippling, including the former Director of Engineering at Zenefits, Zenefits' former SVP of Customer Experience, and Zenefits's former Chief Revenue Officer. This overlap was no accident. Rippling was Conrad's attempt to rebuild his Zenefits enterprise—it apparently uses the same “map” as Zenefits, and Conrad is transparent that he wants to show the world that “Rippling was the company that Zenefits would have become” under his continued stewardship.

105. Conrad's co-founder at Rippling, Prasanna Sankaranarayanan, also known as Prasanna Sankar ("Sankar"), was one of Conrad's loyalists at Zenefits, and joined Conrad as Rippling's CTO. Rippling's co-founder is reportedly currently on the run from authorities in India, following deeply disturbing revelations levied by his wife in court proceedings that Sankar repeatedly sexually and physically abused her, and has now allegedly absconded with their nine-year-old son.<sup>22</sup>



(Conrad, right, sitting with accused fugitive and Rippling co-founder Sankar, left)

106. To date, Conrad has not commented publicly on his co-founder's legal troubles or his alleged heinous conduct, and a Rippling spokesperson has sought to distance the company from Sankar.

---

<sup>22</sup> <https://sfstandard.com/2025/04/04/rippling-prasanna-sankar-wife-viral-custody-battle/> (reporting that Sankar allegedly "punched" his wife "in the chest twice" when she refused to sign a financial settlement without consulting an attorney, among other things).

107. But Sankar was integral to Rippling’s founding due to Conrad’s own ongoing legal troubles with the SEC. In March 2017, while the SEC investigation into Zenefits was still pending, Conrad declared publicly that Rippling had “no plans to enter the insurance business.”<sup>23</sup> But that was false. In August 2017 (only five months later), a company called “Waveling Insurances Services” was incorporated in Florida. Waveling would go on to become Rippling’s Florida insurance subsidiary, but neither Rippling nor Conrad’s name appears on the Articles of Incorporation. Instead, in an attempt to avoid scrutiny, the company was incorporated by attorney Thomas Grady (“Grady”), and the only officer named was Rippling’s co-founder, Sankar.

108. As discussed in more detail below, Grady is a Florida lawyer, former politician, and donor to candidates such as former Florida Congressman Matt Gaetz. He served as the Chairman of the Florida State Board of Education during the state’s restriction of books in public school libraries and implementation of the controversial “Don’t Say Gay” law, among other things. The *Tampa Bay Times* has reported on Grady’s “history of questionable spending,” noting that he was named as the “costliest flyer” to taxpayers of all Florida lawmakers during his brief stint a state legislator. He also reportedly lost an opportunity to be the permanent CEO of

---

<sup>23</sup> <https://www.ft.com/content/f8d06016-0914-11e7-97d1-5e720a26771b>



Florida's insurer of last resort (Citizens Property Insurance) after he drew attention for his "unconscionable" spending habits on the ratepayers' dime in *just two months* as its interim leader, which included nearly \$10,000 for Ritz-Carlton hotel rooms, first-class airplane travel, limousines, and a three-night trip to Bermuda.<sup>24</sup> Grady is a significant investor in Rippling. As detailed below, Rippling uses Grady as a "fixer" for much of Rippling's misconduct, which includes planting false stories in the press, ginning up frivolous regulatory issues for Deel, and incorporating entities for Rippling so that insurance regulators do not connect these entities with Conrad's troubled past.

109. The personnel and circumstances surrounding Rippling's founding are not the only things questionable about what appears to be Conrad's latest Potemkin business.

110. In contrast to Deel's compliance-focused culture, Conrad imported the same broken culture and unstable foundation at Rippling that plagued his tenure at Zenefits. When asked whether he "did [things] different[ly at Rippling] . . . from an actual governance perspective [than he did at Zenefits]," Conrad admitted, "not much."

---

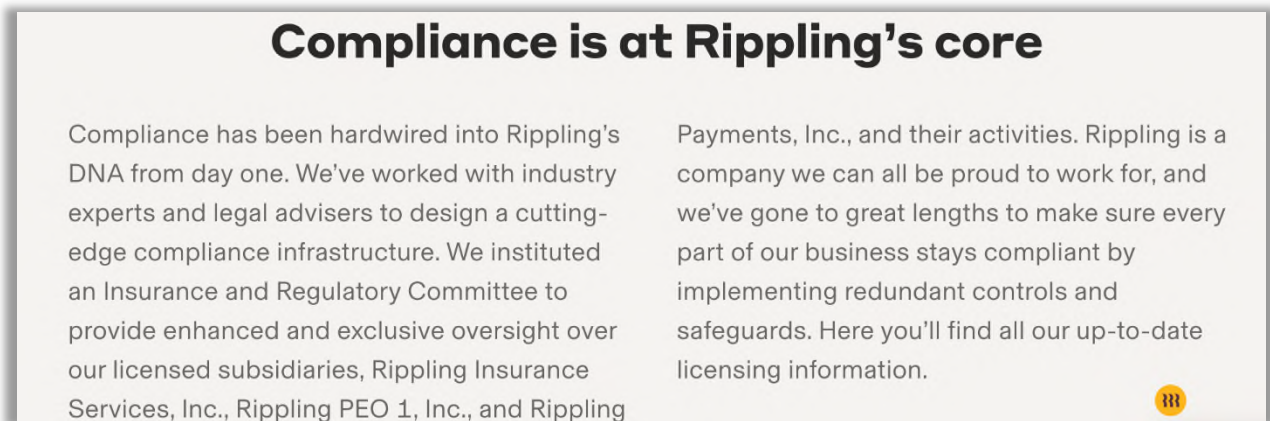
<sup>24</sup> <https://www.tampabay.com/news/business/banking/citizens-property-insurance-interim-president-chalks-up-almost-10000-in/1236203/>.

111. Indeed, former Rippling employees have stated that although Rippling purportedly wants to “distance itself from the reputation and legacy of Zenefits, given Parker’s history,” Rippling’s “conduct and culture seem to be sending Rippling inevitably down the same dangerous path.”

**2. Rippling Deceptively Advertises Its Platform And Products As Compliant**

112. As long as Conrad is at Rippling, it will always just be Zenefits 2.0—advertising and selling legal compliance products to its customers while it is fundamentally incapable of following the law itself.

113. Indeed, Rippling’s own website advertises that “[c]ompliance is at Rippling’s *core*” and has “been hardwired into Rippling’s DNA from day one”:



114. As discussed in detail below, these representations about Rippling’s characteristics of business, platform, and products are false and misleading.

115. Before discussing the numerous compliance issues and corresponding false advertising at Rippling, however, it is useful to first understand the corporate culture festered from the top down that permits and encourages such malfeasance.

Reporting suggests that, just like Zenefits, Rippling is plagued by inadequate training, micromanagement, an abusive “hunger games”-style work culture, and an ethos of obsessive resentment towards competitors and former employees. Former employees of Rippling have described Rippling’s workplace as “toxic” where employees are “subject to [] tempers, cliques, and seemingly erratic management decisions” that are “immoral if not illegal.”

116. Troublingly for a company ostensibly focused on human resources “solutions,” former employees have complained that “Rippling has terminated employees who were on or returning from a protected leave of absence, such as parental, pregnancy, or medical leaves,” and the company “has a long history of intentionally terminating employees prior to their vesting of stock (so as to deny them their hard earned shares).” In fact, Rippling has a common practice of terminating its employees just prior to their one-year anniversary date so as to avoid the vesting of any Rippling shares. In this way, Rippling sucks as much as it can as quickly as it can out of its successful new hires, hoarding the fruits of their labor and hard work all to itself.

117. This is ironic given that Rippling represents to its customers that the importance of compliance with regard to laws governing paid family leave “cannot be overstated enough,” once again asserting that Rippling itself was built “with a compliance infrastructure” that constitutes a “competitive advantage”:

From New York's paid family leave and California's meal and rest breaks to Brazil's 13th salary policy and Japan's intricate overtime laws, the complexity of managing compliance cannot be overstated enough. At Rippling, helping thousands of companies scale their businesses globally over the past decade has taught us one thing: compliance isn't just about avoiding penalties.

When we created Rippling, we built it with a compliance infrastructure because we know that when done well, compliance can be your competitive advantage.

118. Indeed, in a September 2024 letter and newspaper op-ed calling for Rippling's state tax credits to be canceled, Reverend Al Sharpton claimed that he had been informed that Rippling routinely discriminates against minorities and women, and that Conrad sacrifices his own workers' physical and mental health to pad his bottom line. Former U.S. Congresswoman for Conrad's own former home district in New York, Carolyn Maloney, raised similar concerns with the New York governor and Attorney General, among others. Representative Maloney alleged that Rippling “systemically terminates employees who use legally protected leaves of absence,” including “parental, pregnancy, and medical leaves,” which she referred

to as “par for the course” for Rippling’s “CEO Parker Conrad, who previously led the scandal-plagued startup Zenefits.”

119. And, as at Zenefits, former Rippling employees report “a sad and toxic reality of Rippling leadership openly possessing and using recreational drugs . . . with subordinates during or after Rippling events.” Concerningly, at least one former Rippling employee said that they have personally witnessed female subordinates pressured to consume cocaine with their superiors at Rippling company events.

120. Moreover, in recent years Rippling has taken extraordinary measures to punish Rippling employees who left the company for better positions with Rippling’s competitors and to intimidate current employees from doing the same. For example, the company regularly demands to see current employees “private text messages with former employees,” and routinely has its attorneys send its own employees “boilerplate letters with baseless accusations intended to scare” them. Rippling has instituted Orwellian surveillance of its own employees and obsessively monitors their internal communications, including on Slack, for the apparently mutinous crime of merely discussing wanting to leave Rippling for a better opportunity at a competitor.

121. As just one illustration, in April 2023, Rippling announced a \$590 million tender offer for current employees, former employees, and investors.

Rippling, as a private company, does not have shares of stock that can be freely sold. But the tender offer permitted current and former employees to sell up to 25% of their vested equity options in Rippling, providing a rare opportunity for employees to obtain cash for their equity in Rippling.

122. But there was one catch. Former employees who Rippling deemed to be working for “competitors,” including Deel, were categorically excluded from participating in the tender offer—a move violative of multiple state laws banning retaliatory action and employee non-compete agreements. By excluding former employees who had gone to competitors like Deel with better performance and better workplace cultures, Rippling sent a message: employees who leave Rippling to work at competitors would be punished, and Rippling was not going to let the law stand in its way. Rippling’s actions in connection with the tender offer were specifically aimed at targeting Deel employees. As someone familiar with the tender offer explained: “[e]veryone who has options is eligible, even former employees. Except if you went to Deel[,] then you’re screwed.”

123. And the broken culture Conrad carried with him from Zenefits to Rippling was not limited to punitive measures against its own employees, discriminatory acts, and drug use. Several former Rippling personnel and others with knowledge have described total lack of internal compliance at Rippling that has led to rampant and unchecked deceptive and fraudulent business practices, despite

Rippling repeatedly representing that compliance is a “core” characteristic of its products, and particularly in ostensible comparison to Deel specifically:

Unlike Deel, Rippling’s platform tracks and acts on compliance regulations to give you peace of mind. Rippling has out-of-the-box compliance policies based on locale to minimize human errors, and even will send you alerts when a potential issue, like a minimum wage violation, is detected.

124. At least one former employee has claimed that Rippling’s entire product is “held together by duct tape,” and that many critical and required processes either do not work at all, or are held together by overworked engineers, such that Rippling’s product does not and cannot function as advertised. Others have stated that Rippling’s lack of organization and internal compliance processes have significantly deteriorated the company’s client-facing products. In sum, it appears that Rippling is nothing more than another Conrad scam.

125. As a specific example, sources have reported that Rippling’s platform is not only not tax-compliant, but that Rippling’s products abuse tax laws to inflate the company’s bottom line.

126. Rippling was not remitting and does not remit its customers’ payroll tax dollars and social benefits contributions to local taxation and other relevant authorities as required, but *instead was categorizing and reporting these funds as*

***Rippling's own earnings.*** Rippling has engaged in this practice in at least two to three different countries, and may have taken efforts to dupe and/or take advantage of the regulators in those countries, which may explain why Rippling has not been caught—yet.

127. Deel is unaware of a single country where not remitting these payroll taxes or benefits payments to the appropriate authorities would not be considered a fraudulent criminal act.

128. Evidencing this egregious, and what appears to be highly illegal practice, Rippling intentionally refuses to provide its clients any data on Rippling's tax remittance activity, because it knows that would expose its scheme.

129. As such, Rippling's repeated representations that its product will lawfully remit required taxation and benefit payments to the proper authorities are false and misleading:

How can you use Rippling to help you comply with local tax requirements?

Rippling is certified by local tax agencies in applicable countries and handles calculations and transmissions of payroll taxes and mandatory benefits at federal, provincial, and even country or industry-specific levels. This assists with compliance with local tax laws and regulations.

## **A simple way to compliantly pay**

Manage compliance with local payroll and overtime requirements. We'll calculate pay amounts for you and remit payments on your behalf.



## **We'll handle the calculations**

Rippling calculates and transmits payroll taxes and mandatory benefits, tailored to local national, local, and industry-specific requirements.

With Rippling, you don't have to wait till the end of the year to make your shift. Our team picks up your payroll right where your previous provider left off—that includes importing and analyzing your payroll information from year to date, to ensure that your quarterly and annual taxes are filed and paid accurately, and without interruption.

130. Not only does Rippling represent that it makes such remittances, it also represents that if there was a problem, its product would “automatically” flag any infractions, which also appears to be false and misleading:

COMPLIANCE 360

## **Flag and fix compliance mistakes automatically**

Rippling automatically flags local, state, and federal infractions—and recommends a plan of action for each one.

## Global compliance monitoring on your behalf

Focus less on legal research and focus more on scaling your business. Rippling's always-on compliance monitoring proactively flags risks and automates resolutions when needed – all the way down to the employee level. 4,000+ reviewers on G2 agree: no one beats Rippling on compliance.

131. Even more shocking is that Rippling is not only doing this to its clients, but **also to its own employees**. Here's how Rippling's scheme to defraud its own employees works: Sources report that first, Rippling would systemically inflate the tax withholding on an employee's paycheck. Then, instead of remitting the entire inflated amount to the local government, Rippling would instead *pocket the extra* that it stole from its own employee. To be clear, that is theft.

132. And Rippling's conduct here is intentional—at least one whistleblower has raised these concerns with Rippling's senior management, and been rebuffed. As such, Rippling's representations that its product provides “transparent payslips” and “peace of mind” are misleading at best:

REPORTING AND VISIBILITY

## When they have payroll questions, you'll have answers

Build trust with transparent payslips, robust reporting, automated payments, and reliable GL integrations. Everyone—from employees to execs—gets peace of mind.

133. Apart from using its own clients' tax dollars for its own personal gain, Rippling also apparently exploits its clients by locking them into long-term contracts under false pretenses, and then overcharges by nickel-and-diming them with countless scores of hidden and undisclosed fees, according to complaints from other clients. Some have claimed that Rippling even charges hidden fees to correct Rippling's own payroll errors. Another claimed that Rippling charges its clients for functionality that is broken or unavailable on Rippling's end. Rippling not only refuses to refund its clients' money, but instead tries to string them along with false promises of improved functionality that will be "coming soon," even though Rippling represented that it was already in place when the customer paid for the service.

134. This scheme to routinely and fraudulently overcharge clients is no accident—sources close to Rippling's leadership have claimed that Rippling desired to set in motion a plan to make an additional \$30 million from Rippling's clients **"without them knowing."**

135. Yet another example of Rippling’s lawlessness is Rippling’s persistent failure to comply with international sanctions restrictions, and its willingness to go to any lengths to cover up its behavior and divert public attention elsewhere. The United States and other Western countries have implemented a set of targeted sanctions against specific parties and specific sectors of the Russian economy, with the goal of pressuring the Russian government to cease its aggression towards Ukraine. Because of this sanctions regime, it is unlawful for U.S. companies to pay sanctioned Russia-based employees or contractors, and it is also unlawful for any payments to pass through sanctioned Russian banks.

136. But of course, none of that stops someone like Conrad.

137. To the contrary, facilitating payroll services for customers seeking to employ Russian nationals represented a valuable market for Rippling. As recently as July 2024—*years* after Russian sanctions laws had been in force—Rippling published a blog post titled “How to pay international contractors in Russia,” which encouraged potential customers to use Rippling if they wanted to send money to

Russian contractors, despite the “difficult landscape” created by international sanctions:

# How to pay international contractors in Russia

PUBLISHED  
Jul 30, 2024

AUTHOR  
The Rippling Team

138. Rippling provided detailed “guidance . . . [to] better understand how to hire and pay contractors in Russia as a global business,” despite the understated fact that “paying contractors in Russia is challenging in the current political climate.” The post included steps on how to “[d]etermine the best way to pay . . . contractors in Russia,” and provided “possible payment methods,” including “Rippling’s global payroll services [which] still support contractors in Russia,” with some exceptions.<sup>25</sup>

139. This information was still available on Rippling’s website through October 2024. But Rippling’s transactions with Russia eventually drew unwanted scrutiny, and ultimately caused it to scramble to cover its tracks and delete the above information from its website, with the media reporting on internal Rippling messages

---

<sup>25</sup><https://web.archive.org/web/20240912112609/https://www.rippling.com/blog/how-to-pay-contractors-in-russia>.

reflecting that “Russia stuff” needed to be removed from Rippling’s website “ASAP,” despite sanctions having been in place for *years*.

140. Indeed, a Rippling spokesperson even went so far as to claim that “Rippling has never transmitted payments to any sanctioned country, entity, individual or bank.” But that is demonstrably false.

141. In March 2024, Rippling attempted to transmit payments to a Moscow-based contractor with an account at a sanctioned bank. Rippling’s third-party payment processor caught and froze these payments before they could be processed.<sup>26</sup> Rippling’s processor also froze other payments attempted to be sent by Rippling to sanctioned Russian banks. Rippling claimed that it had failed to properly maintain its compliance systems to prevent such payments from occurring, and claimed that its senior leadership would fix the “technical glitch.”

142. However, its own public statements encouraging its clients to continue transmitting money to Russia following these incidents and continued flouting of the Russian sanctions regime shows that its proffered excuse of blaming its own incompetence was misleading at best. Rippling continued violating sanctions laws because it knew it could make money by doing so because its competitors, like Deel, would follow the law.

---

<sup>26</sup> <https://www.theinformation.com/articles/the-bitter-fintech-feud-that-stretches-from-silicon-valley-to-moscow>.

143. Indeed, Rippling continued facilitating payments to sanctioned Russian banks at least *two dozen times* through at *least* December 2024. For example, in September 2024, following Rippling’s purported “fix” of its internal sanctions compliance failures, Rippling’s third-party processor was once again forced to block Rippling payments to a sanctioned Russian bank. And in December, it happened yet again, despite Rippling claiming that this “should NOT have been possible.” And Deel believes that discovery in this matter is likely to yield significantly more illegal payments made by Rippling, along with other evidence of Rippling’s unlawful, unfair, and fraudulent business practices.

144. Whether Rippling’s persistent violation of international sanctions law was intentional or merely incompetent is beside the point. Under either scenario, Rippling’s illegal payments were allowing it to compete with its law-abiding competitors like Deel unfairly. Adding insult to injury, Rippling frequently

represents that its platform and product comply with international sanctions regimes, which is false and misleading:

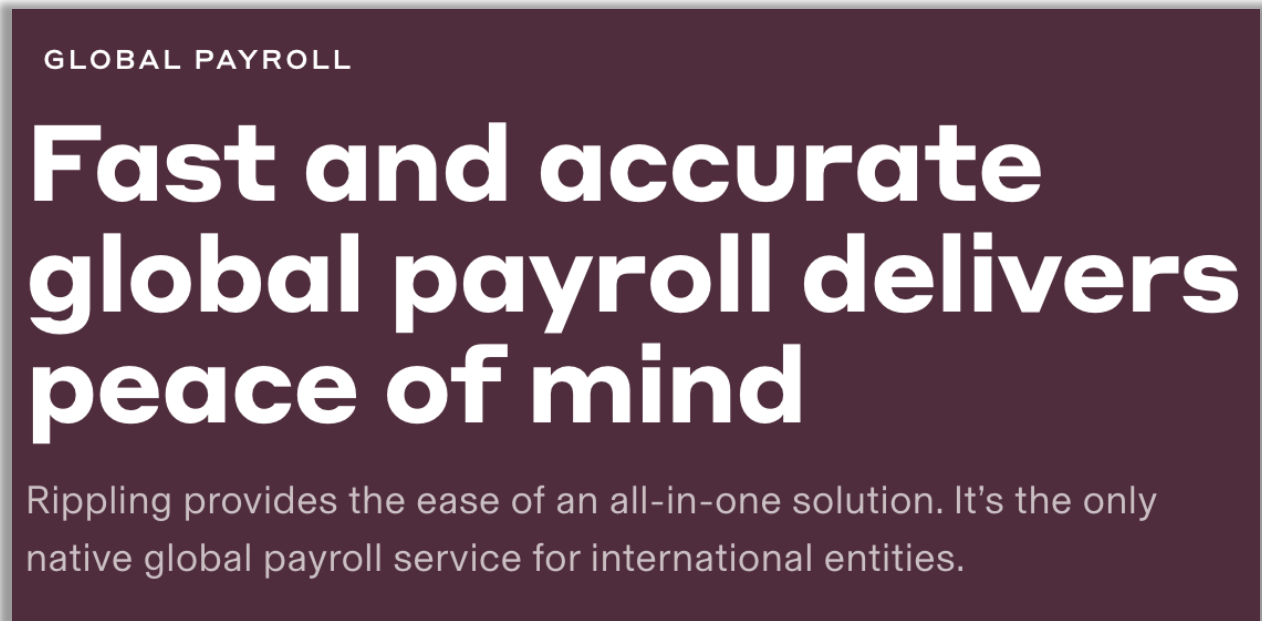
### **Sanctions Program**

Rippling maintains robust policies and procedures to ensure that company services are not utilized by, or on behalf of, sanctioned parties. As part of this program, Rippling maintains a continuous monitoring system to ensure that changes to relevant sanctions lists are updated daily and that customers, employees, and contractors are screened against this list at onboarding and on an ongoing basis. Rippling also utilizes technical controls and blocks products to prohibit payments to countries that are under a comprehensive sanctions program. Rippling's sanctions program is reviewed at least annually and approved by the Board.

145. Furthermore, Rippling has also been making the false claim to prospective customers and the market generally that it was building fifty to one hundred of its own native payroll engines to process payroll on a global scale, in order to divert sales from its competitors like Deel. Those representations were false.



146. Rippling has been falsely representing to its current and prospective customers the characteristics of its platform in asserting that Rippling is running its global payroll services only on its own native engines, and is the only entity doing so:



147. In light of Rippling's seemingly limitless tolerance for risk exposure due to its unlawful conduct and Conrad's menagerie of questionable associations, it also bears noting that Conrad is associated with fellow disgraced founder and convicted felon Sam Bankman-Fried, who is currently serving a 25-year federal prison sentence for fraud and money laundering. In fact, Rippling received millions of dollars from Bankman-Fried's now-bankrupt companies, FTX and Alameda Research, for providing unspecified payroll and tax services to their employees. Legal filings in Bankman-Fried's criminal trial and FTX's bankruptcy proceedings reveal that there may have been employee misclassification issues at Alameda

Research at the time that Rippling was responsible for its human resources and payroll management, and Rippling had to file corrected tax forms with regulators. FTX’s bankruptcy filings also listed Rippling as “critical” to its business. And just days before Bankman-Fried’s arrest in the Bahamas in 2023, Conrad insinuated on X.com that “the deck is stacked” against Bankman-Fried, just as it is “against all defendants in federal criminal proceedings.”

148. Perhaps all of this miasma emanating from Conrad and Rippling helps explain why there has been nothing short of a senior leadership exodus from Rippling in recent years of those closest to Conrad—likely because they can see that Conrad’s poor decision-making is yet again going to drive his company into the ground. At least ten high-level senior employees have left the company since June 2023, which includes Rippling’s Chief Compliance Officer, VP of Product Marketing, Human Resources Director, Head of Global Real Estate and Workplace, Director of Engineering, Chief Marketing Officer, and VP of Communications. In fact, Rippling’s longtime General Counsel, Vanessa Wu, also “stepped down” and was replaced within weeks after Deel’s original Complaint in this action was filed.

149. Other Rippling employees have predicted an eventual “big tech article expose of this company,” including detailing “how terrible employees are treated” and Rippling’s complete lack of internal controls.

150. Indeed, Rippling’s employees are so desperate to escape Conrad’s latest iteration of illegality and chaos that they are even turning down Rippling’s offers of \$100,000 bonuses to stay “due to the toxic culture that permeates from top down leadership.”

**IV. UNABLE TO FAIRLY COMPETE WITH DEEL, RIPPLING ORCHESTRATES AN OBSESSIVE, ANTICOMPETITIVE, AND DEFAMATORY SABOTAGE CAMPAIGN DESIGNED TO HARM DEEL**

151. Rippling’s conduct set forth above in using an imposter to steal Deel’s proprietary information to build competing products and in deploying deceptive trade practices of purporting to sell “compliance” products that do not actually comply with the law have harmed Deel immensely. Conrad and Rippling’s culture of cutting corners provides an illegal and unfair business advantage to Rippling because following the law is more expensive than simply ignoring it.

152. Rippling has further showcased its strange obsession with harming Deel by coordinating “a manipulative and malicious public relations campaign, ignoring its own conduct, to defame” and malign Deel—just as Conrad did at Zenefits with another competitor, ADP. This caused ADP to bring legal claims against Conrad and Zenefits that they were ultimately forced to settle.<sup>27</sup>

---

<sup>27</sup> See *ADP, LLC v. YourPeople, Inc. et al.*, Case No. 3:15-cv-02560-VC (N.D. Cal. June 9, 2015).

Unfortunately, misleading and bad-faith attacks against its competitors appear to be yet another tool in Conrad’s garbage bag of unfair competition tricks.

**A. Rippling Launches A Shadow PR And Regulatory Blitzkrieg Against Deel Based On Lies And Misrepresentations, Using Grady As An Intermediary**

153. Unable to actually compete with Deel on product and service and losing market share by the day, Rippling—at Conrad’s direction—initiated a multi-pronged sabotage smear campaign against Deel designed to falsely disparage Deel in the press and to regulators, as well as its partners, customers, investors, and employees. Rippling’s playbook is clear in retrospect: it would plant false information, either with the press or a government official. Then, it would cite that false story or report as a basis for further investigation, creating its own press cycle about Deel. It would then rinse and repeat that strategy all over the country, including in Delaware.

154. Rippling was careful to cover its tracks, launching these attacks on Deel on multiple fronts—without disclosing to anyone that Rippling was ultimately behind each one. To accomplish this, Rippling would use its “fixer” Grady as an intermediary to do so.

155. For example, at Rippling’s direction, one of Grady’s associates filed a letter in January 2023 with the Florida Department of Business & Professional Regulation (“DBPR”) alleging that Deel was engaging in “consumer fraud and deception” because it was not able to obtain a license as a professional employer

organization (“PEO”) there. Deel was able to quickly and favorably resolve these allegations with the DBPR, and was granted a PEO license in Florida following that conversation. Deel would later learn that it was Rippling who was behind this officious and underhanded attack.

156. Next, on March 20, 2023, Rippling and Grady placed a misleading hit-piece about Deel with *Business Insider*, which insinuated that Deel misclassified many of its employees—including U.S. employees—as independent contractors.<sup>28</sup> This hit-piece was replete with sensational and patently false claims, including that “at least half of its thousands-strong workforce”—including workers in the United States—were independent contractors. The story even absurdly alleged that Deel’s CEO, Alex Bouaziz, was classified as an independent contractor—a claim that was demonstrably false.

157. Rippling utilized lobbyists to amplify these false claims about Deel to lawmakers. Lobbyist filings show that Akin Gump Strauss Hauer & Feld LLP (“Akin Gump”) conducted lobbying at the federal level on behalf of Rippling on “[i]ssues related to employee misclassification” beginning in April 2023, shortly after the publication of the *Business Insider* article. Rippling paid Akin Gump approximately \$80,000 for its lobbying services since April 2023. From July to

---

<sup>28</sup> <https://www.businessinsider.com/inside-hr-startup-deel-culture-employment-regulatory-2023-2>.

September 2023, Akin Gump’s federal lobbying for Rippling shifted to “[e]ducating Members of the House and Senate on issues related to developments in the human resources technology sector.”

158. From the start, Rippling’s shadow PR campaign had its intended effect. In July 2023, California State Senator Steve Padilla wrote a letter to the Secretary of the California Labor and Workforce Development Agency, urging an investigation into Deel for alleged employee misclassification. Padilla’s letter exclusively cited the *Business Insider* stories. *Business Insider* then authored additional articles based on Padilla’s letter, creating a feedback loop based on a false narrative that was ultimately designed by Rippling, and perpetuated by Grady.

159. On July 26, 2023, then-California Representative Adam Schiff, wrote a similar letter to the Acting U.S. Secretary of Labor Julie Su, also urging an investigation into Deel. Like the Padilla, letter, the Schiff letter cited recent “troubling reporting” as the basis for its concerns about Deel. The Schiff letter triggered even more press reports noting that lawmakers were calling for an investigation into Deel, which further amplified Rippling’s chicken-or-egg media loop.

160. Deel was forced to divert energy from fairly competing with Rippling to responding to these false claims. Of course, no investigation was ever launched, either by the U.S. Department of Labor, the California Labor and Workforce

Development Agency, or by Congress, because these claims were patently false. Indeed, then-Representative Schiff later walked back his statements seeking investigations of Deel, stating that Deel had “clear[ed] up” his concerns after Deel explained that independent contractors and vendors comprised less than 1% of Deel’s U.S. workforce (amounting to about 30 people), and that these contractors made about \$134,000 per year on average. *See* <https://www.deel.com/blog/thefacts/>.<sup>29</sup> Deel was clearly not what Rippling was claiming.

161. At the same time Rippling was executing its shadow PR campaign against Deel related to employee misclassification, it also launched a regulatory blitzkrieg in multiple states against Deel following its early test balloon in Florida. As Deel would later learn, Rippling used its Florida fixer, Grady, to instigate these baseless attacks.

162. Grady lobbied, both directly and indirectly through third parties, regulators in multiple states, including Delaware, to investigate Deel for operating as an unlicensed money transmitter, writing letters replete with knowingly false information about Deel. Grady then amplified these false claims to Deel’s

---

<sup>29</sup> <https://www.forbes.com/sites/phoebeliu/2024/05/30/how-this-chinese-immigrant-became-one-of-americas-most-successful-self-made-women/?sh=661270e55afd>.

employees, customers, and investors in order to damage Deel's business. Grady took all of these actions at the direction of, and as an agent for, Rippling.

163. On August 2, 2023, Grady wrote a letter to Florida regulators falsely alleging that “[Deel’s business is] unlicensed, unregulated, uninsured, unsupervised, and unlawful . . . .” In the letter, Grady purported to be investigating Deel’s activities on behalf of his law firm’s clients and relied on his status as a former state official—but he neglected to mention that he was a large and early investor in Rippling. Florida closed its investigation of Deel in December 2023.

164. Grady then sent similar letters and made calls to other regulators in other states, falsely asserting that Deel was perpetrating consumer fraud, and that Deel was an unlicensed money transmitter. He also falsely alleged that Deel lacked adequate anti-money laundering policies, and asserted that Deel might be “under investigation by other states already”—omitting that he was the driving force behind these investigations and again failing to disclose that he was an investor in Rippling. Indeed, Deel has learned through talking to these state regulators and FOIA requests that Grady would represent himself as a former banking commissioner from Florida, and make the pretextual claim that he was calling out of his purported concerns for the citizens of the regulators’ respective states.

165. At the same time, like Rippling had done with the bogus misclassification allegations, Grady facilitated the placement of stories with the



press that parroted the knowingly false allegations he circulated to regulators—effectively creating a self-sustaining perpetual motion machine in the media to continuously breathe life into Rippling and Grady’s conjured narrative.

166. For example, in October 2023, *Florida Politics* published a story that claimed Deel was “under investigation” for, among other things, operating as an unlicensed payment processor in Florida. The story also falsely claims that “Rep. Adam Schiff ha[d] uncovered evidence that Deel’s tenuous grasp of employment law also applies to its own workers and has urged the Department of Labor to investigate.” The story does not mention that then-Rep. Schiff had effectively publicly retracted his calls for an investigation related to Deel.

167. Of course, the star and exclusive source for the story was Grady, whose association with Rippling was omitted from the article, and who was described only as a “former Commissioner of the Florida Office of Financial Regulation [who was] investigating proprietary trading scams and their payment processors.” Notably, the story was withdrawn by *Florida Politics* after it realized the allegations were baseless.

168. Indeed, nearly every state regulator contacted by Grady ultimately rejected his sham claims. However, one state, Minnesota, requested that Deel pay \$12,000 to enter a “no contest” consent order, which Deel happily agreed to do in order to put any questions to rest. However, FOIA requests reveal that Grady then

facilitated the circulation of the Minnesota order to regulators from all 50 states, including Delaware, which resulted in the creation of banking commission office thread where states which had even already approved Deel's operations were encouraged and influenced to view Deel negatively and skeptically. Grady, at Rippling's direction, traded on his reputation as a former Florida banking officer, not disclosing that he was in fact a Rippling investor simply out to destroy a competitor. These acts effectively caused reputational damage to Deel in Delaware along with every state in the country, and Deel is still dealing with the fallout.

169. Grady and Rippling did not stop with state regulators. They also spent \$40,000 to file a complaint with the Better Business Bureau's National Advertising Division ("NAD"), alleging, among other things, that Deel was engaging in false or misleading comparative advertising when it claimed in advertising materials that customers could save up to \$20,000 a year by switching from Rippling to Deel. Although Deel was forced to spend a significant sum on attorneys' fees to defend itself from Rippling's frivolous allegations, Rippling's stunt ultimately backfired: after an investigation, the NAD confirmed that Deel's comparative advertising on this point was not misleading.

170. Undeterred, Rippling and Grady continued their sham regulatory attack against Deel.

171. In June 2024, Grady emailed an additional “complaint” to Florida regulators seeking to get Florida regulators to reopen their investigation into Deel and block Deel’s application for a money transmitter license, citing his concerns as “a former regulator.” This complaint was laden with numerous false allegations. Grady purported that he “represent[ed] clients impacted by Deel’s activities” and that he had been “unable to confirm Deel’s licenses. . . .” He also stated that he had “discovered” that Deel had applied for money transmission licenses through an affiliated company “DPayments,” insinuating that Deel was concealing its relationship with DPayments, even though he well knew that Deel had never tried to hide its affiliation with DPayments. Grady also stated that he was “alarmed by Deel’s ongoing business activities in Russia,” falsely implying that Deel was engaging in improper payments to Russia. There was absolutely no merit to these claims, as Grady well knew. Grady’s attempt to focus on Deel’s compliance with Russia sanctions is part of Rippling’s strategy to divert attention from its own evasion of Russia-related sanctions orders.

172. Grady also falsely asserted that “California and the U.S. Congress are investigating claims of misclassification made by former Deel employees,” something that Grady knew was untrue. Indeed, almost a year prior, then-Representative Schiff had effectively publicly walked back his requests for an investigation into Deel.

173. In July 2024, the Florida regulators declined Grady's invitation to reopen any investigation into Deel, stating: "After reviewing the new information with my manager, we didn't see anything actionable in terms of reopening the investigation."

174. At the time he was communicating with them regarding Deel, neither Grady nor Rippling ever revealed to regulators in Florida, or any other state, that he was an investor of Rippling and thus had a direct financial interest in harming Deel, or that he was coordinating these regulatory attacks against Deel at the behest of Rippling. Instead, Grady cynically traded off his reputation as a former Florida regulator to benefit Rippling and his own investment. And to the extent Grady was actually acting in a legal capacity on Rippling's behalf in those various states, he may have been engaged in the unlicensed practice of law all over the country.

175. Finally, evidencing Rippling and Grady's sabotage smear campaign is a meritless class action lawsuit filed on January 3, 2025, in the U.S. District Court for the Southern District of Florida.

176. Specifically, Grady filed a lawsuit on behalf of Melanie Damian, the court-appointed receiver of victims of consumer fraud committed by an alleged fraudster, Brent Seaman, and various LLCs that he managed. This consumer fraud has nothing to do with Deel, and Deel was not mentioned in the SEC's July 27, 2023 complaint against Seaman.

177. Grady did not disclose his connections to, and his investment in, Rippling to his clients in the *Damian* lawsuit. Indeed, Grady has not denied that he hid his connection to Rippling from his clients in the lawsuit, commentating in the press only that such a claim was a “predictable response” by Deel.

178. The *Damian* lawsuit regurgitates the same false allegations that Rippling and Grady spread throughout 2023 and 2024, including the sensational and patently false claims that Deel engaged in “unlicensed money transmission and money laundering around the world.” It apes these false allegations even though they have absolutely nothing to do with the alleged Seaman fraud, which itself has nothing to do Deel. To be clear, Deel is not basing any liability on Grady and Rippling’s perpetuation of the *Damian* lawsuit, but is using their orchestration of it only as incidental context and to further evidence their smear campaign against Deel.

179. Unfortunately, although Deel has expended significant resources trying to defend itself against Rippling and Grady’s sham whack-a-mole press and regulatory onslaught, Rippling’s false smear campaign has accomplished its real purpose: damaging Deel’s commercial reputation and relationships with its current and prospective customers, partners, investors, and employees. As a direct—and directly cited—result of the negative news cycles created and amplified by Rippling and its agents, partners have pulled out of co-sponsored industry events, at least one

fintech company has closed financing opportunities for Deel employees, and several potential customers who were close to signing contracts with Deel opted to back out.

180. For example, one prospective customer, Prospect #1, explained to Deel in September 2023 that it decided not to work with Deel because “[t]he . . . concerns with misclassifying your own employees does not inspire trust that you can properly classify ours,” which created a “confidence issue.” Another, Prospect #2, decided not to work with Deel in July-August 2023 because “that article [about alleged employee misclassification] . . . seriously . . . has a negative impact on your reputation.” Others, including Prospect #3 and Prospect #4, declined for similar reasons.

181. And the ripple effects from Rippling’s misconduct continue to persist. In September 2024, another potential client that was evaluating Deel, Prospect #5, cited the stale *Business Insider* article regarding the purported misclassification issues planted by Rippling, which Prospect #5 stated “was the determining factor” in their decision to choose another vendor besides Deel.

182. Further, Rippling and Grady have even attempted to smear Deel to its own employees and stakeholders. For example, in 2024, while Grady and Rippling were carrying out their sham regulatory bombardment of Deel, Grady—at the behest of Rippling—copied the same, false talking points in direct solicitations to key Deel stakeholders and employees, including Deel investors and personnel who have

regular contacts with Delaware and/or transact substantial business with the state. These brazen solicitations led with the assertion—which Grady knew was false—that Deel was under “congressional investigation.” The solicitations also contained a hodge-podge of Grady and Rippling’s knowingly false attacks on Deel, including that Deel was purportedly an unlicensed money transmitter and that Deel misclassified Deel employees as independent contractors. Grady mirrored the same false statements on a public page titled “Deel Truth” hosted on his law firm’s website. Grady even set up an email address—advertised on his website and in the private solicitations—for Deel employees to provide confidential information about Deel.

183. Rippling has also deployed professional private investigators to obtain confidential Deel information under false pretenses. In 2024, private investigators from Nardello & Co. (“Nardello”) went to the home of the co-founder of Arival Bank to obtain information about prior commercial discussions between it and Deel. The Nardello investigator advised that she was engaged by a “large U.S. client.” Rippling had engaged Nardello to obtain private information about Deel’s discussions or transactions with Arival Bank to obtain new fuel for its dark PR campaign and Grady’s sham regulatory attacks.

184. And, in March 2025, within days of Rippling initiating litigation against Deel, Nardello, on behalf of Rippling, directly contacted current Deel employees—

after Rippling knew that Deel had representation—overtly seeking confidential information on Deel, and encouraging them to join Rippling. Each of these employees solicited by Nardello was subject to a standard employee confidentiality agreement as part of their employment at Deel, and owed duties to maintain the confidentiality of internal Deel information. Additionally, Rippling has also now employed on its own behalf the exact same information-gathering scheme it conducted through Grady’s law firm—publicly soliciting any information about “suspicious activity by Deel” on its website, including an email address on its own internet domain (deel.tips@rippling.com), inviting all comers to submit to Rippling any information it could use to harm Deel. Each of these tactics by Rippling and its allies was deliberately and knowingly intended to obtain confidential Deel information from Deel employees in violation of their contractual and fiduciary confidentiality obligations.

**B. Rippling’s False And Disparaging Advertising Statements Regarding Deel’s Business, Products, And Services**

185. And Grady’s smear campaign was just one piece of the puzzle. Because Rippling was unable to actually compete with Deel in the market, it also resorted to deceitful ad campaigns.

186. As one of many examples, Rippling launched a juvenile advertisement in which Rippling referred to Deel’s superior products as “snake oil,” and was accompanied by a bizarre “snake game” that purported to reveal facts about Deel’s



services when it was played. In reality, the game and the ad campaign—which are available to this day on Rippling’s website at <https://www.rippling.com/snake-game>—relied on seven false and misleading statements about Deel:

DEEL'S MARKETING CLAIM	REALITY
✗ "Pay anyone, anywhere in minutes."	✓ Can take days to run global payroll.
✗ "We take on all of the responsibility to make sure you're compliant with local laws."	✓ Users report they run into payroll compliance issues across TrustRadius and G2.
✗ "Onboard new hires in minutes through our platform."	✓ Onboarding new hires can take several days to process and approve in countries like Brazil and China and more.
✗ "Customize access levels depending on what data you want each person or team to be able to see."	✓ Not even managers can have customized permissions settings on Deel.
✗ "No third-parties are involved in handling sensitive employee information."	✓ Relies on many third parties to support solutions like Contractor Management, Ben Admin, Background Checks, PEO, and more.
✗ "Automate anything for your workflow."	✓ Limited to 3 automated actions only: send email, send slack message, create task.
✗ "Customize reports to make them more digestible for stakeholders and analyze spending in specific areas, like social security, 401k, pensions, and more."	✓ Customizable but no ability to share one-time reports.

187. This advertisement is replete with misrepresentations. For example:

188. Rippling misrepresents that “[n]ot even managers can have customized permissions settings on Deel.” This statement is not true. Deel has a highly customizable and advanced permissions architecture allowing for the very thing that Rippling states is not possible.

189. Rippling misrepresents Deel's platform is "[l]imited to 3 automated actions only; send email, send slack message, create task." This statement is not true. Deel provides a multitude of automated features and functions beyond those that Rippling claims Deel is limited to, including for example, jira tasks, webhooks, and integrations from Deel's app store which opens up dozens, if not hundreds, of API automations.

190. Rippling misrepresents that Deel's platform is "[c]ustomizable but no ability to share one-time reports." This statement is not true. All reports can be saved and shared.

191. Rippling misrepresents that Deel "[r]elies on many third parties to support solutions like Contractor Management, Ben Admin, Background Checks, PEO, and more." This statement is inaccurate. Deel does not use third parties for contractor management, and Deel's PEO solution is currently through a legal joint venture owned by Deel, Deel PEO US, LLC. Separately, Rippling also provides certain similar ancillary services offered to customers by third parties through a partnership portal, including, for example, access to WeWork. Rippling's advertisement implies that Rippling is providing its customers with Rippling-owned commercial real estate and Rippling-conducted background checks, which is not true.

192. Rippling’s statement regarding onboarding is also inaccurate. Any worker can be onboarded to the Deel platform in minutes.

193. Finally, Rippling references payroll compliance issues, but does not describe what they are. Deel asked Rippling to substantiate or remove this claim, and Rippling refused.

194. Indeed, on December 4, 2024, Deel reached out to Rippling directly, explained the falsity of each of the statements in the “snake oil” advertisement, and asked them to correct or remove the statements. Rippling ignored Deel’s request to remove the statements, and the “snake oil” advertisement remains unchanged live on Rippling’s website to this very day, showing that Rippling’s misstatements are willful.

195. Similarly, Rippling also launched a webpage that made misleading advertising claims regarding Deel’s G2 scores—metrics for ranking business software products based on user reviews and other data—as compared to Rippling. As shown below, Rippling’s advertising claims made many other false and misleading claims regarding its own and Deel’s functionality, which are still available online at <https://www.rippling.com/paid-compare-deel>:

# Complete functionality matters

CAPABILITIES	RIPLING	deel.
Automatically syncs updates across all modules	✓	✗
Talent Management & Applicant Tracking	✓	✗
In-house PEO	✓	✗
Payroll capabilities built, not acquired	✓	✗
Locally compliant employment agreements with CIPRAA-grade IP protection	✓	✗
Automated compliance alerts, resolution recommendations, and prioritization stamps	✓	✗
Auto-connect to product specialist for customer support	✓	✗

## Consolidate your domestic and global workforce on one platform

Rippling offers a true global all-in-one solution allowing you to hire, pay, and manage your entire global workforce in one place. Since Deel was originally built to be a contractor payments solution, it's disjointed and clunky to get things done. You need a global solution designed from day one to save you time.

FEATURES	RIPLING	deel.
Custom reporting for both domestic and global payroll	✓	✗
Everything you need for global HR: HRIS, performance management, recruiting, learning management, scheduling, and much more	✓	✗
Roles and permissions customizable by country	✓	✗

## Automate more of your work across and simplify global HR, IT, and finance

Unlike Deel, Rippling's platform tracks and acts on compliance regulations to give you peace of mind. Rippling has out-of-the-box compliance policies based on locale to minimize human errors, and even will send you alerts when a potential issue, like a minimum wage violation, is detected.

FEATURES	RIPLING	deel.
Hundreds of possible automated workflows across HR, IT, and finance	✓	✗
Single source of employee data: no silos	✓	✗
600+ available integrations	✓	✗

196. The statements in these advertisements regarding Rippling's capabilities vis-à-vis deal are also entirely false.

\* \* \*

197. In short, it appears that Conrad's corner-cutting "business" ethos has ensured that almost nothing about Rippling's business can be considered to be fair competition or a lawful practice. Which is by design. Smoke and mirrors rule the day at Rippling, just as they did during Conrad's tenure at Zenefits.

198. Conrad knows he cannot win a fair fight with his competitors, so he does the only thing he knows how to do: he cheats.

199. He cheats by directing "competitive intelligence" managers to defraud Deel and impersonate Deel's customers to gain unauthorized access to Deel's platform and steal Deel's years of product work so that Rippling can create its own competing products without investing any legitimate effort.

200. He cheats by stealing confidential and proprietary data from his own vendors and partners to create competing products.

201. He cheats by creating a culture of fear, intimidation, surveillance, retribution and abuse at Rippling to try to prevent his employees from exercising their rights to leave to work for better jobs at competitors.

202. He cheats by thumbing his nose at compliance and process, despite purporting to sell those same things to his customers.

203. He cheats by stealing his own customer's and employee's payroll taxes and benefit dollars, and reporting them as Rippling's income to defraud his investors.

204. He cheats by falsely advertising Rippling's products, characteristics, functionality, and costs.

205. He cheats by disparaging his competitor's products with lies and misleading advertising statements.

206. He cheats by flouting international sanctions regulations.

207. He cheats by engaging in malignant and defamatory public relations smear campaigns replete with false information to sabotage his competitors by making false statements to the press and regulators.

208. Given Conrad's stewardship of Rippling and the collision course with potential liability he has once again created, it will not be surprising if Conrad's employees are once again soon "celebrati[ng]" and crying "tears of relief" following this charlatan's *fourth* forced removal from one of his own ventures.

**FIRST CAUSE OF ACTION**  
**(COMPUTER RELATED CRIMINAL OFFENSES**  
**IN VIOLATION OF 11 DEL. C. §§ 931-941)**

209. Deel re-alleges and incorporates by reference each and every allegation contained above, with the exception of paragraphs 13, 108, 153-184. For the avoidance of doubt, Deel does not base any liability in this cause of action on Rippling's public relations smear campaign described in paragraphs 13, 108, 153-

184.

210. As detailed herein, Defendants Rippling and Does 1-100 wrongfully, illegally, willfully, maliciously, knowingly and/or recklessly (a) accessed Deel's internet domain, email accounts and other computer records and data and made unauthorized use thereof, (b) disrupted Deel's access to such accounts, records and data, and (c) used and/or disclosed this information and data for its benefit and to Deel's detriment.

211. Through the above and other actions, Defendants Rippling and Does 1-100 violated Delaware's Computer Related Offenses criminal statute. Specifically, Defendants Rippling and Does 1-100 violated 11 *Del. C.* §§ 932, 933, 934 and 935, which provide the crimes of "unauthorized access," "theft of computer services," "interruption of computer services," and "misuse of computer system information," respectively.

212. Defendants Rippling and Does 1-100 are guilty of the computer crime of unauthorized access to a computer system because, knowing that they were not authorized to do so, they accessed or caused to be accessed Deel's internal computer system without authorization.

213. Defendants Rippling and Does 1-100 are guilty of the computer crime of theft of computer services because they accessed or caused to be accessed or otherwise used or caused to be used Deel's internal computer system with the intent

to obtain unauthorized computer services, computer software or data.

214. Defendants Rippling and Does 1-100 are guilty of the computer crime of interruption of computer services because they, without authorization, intentionally or recklessly disrupted or degraded or caused the disruption or degradation of Deel's internal computer services or denied or caused the denial of Deel's computer services to an authorized user of its computer system.

215. Defendants Rippling and Does 1-100 are guilty of the computer crime of misuse of computer system information because, as a result of accessing or causing to be accessed Deel's internal computer system, they intentionally makes or causes to be made an unauthorized display, use, disclosure or copy, in any form, of data residing in, communicated by or produced by Deel's computer system; and they intentionally or recklessly and without authorization altered, deleted, tampered with, damaged, destroyed or took data intended for use by Deel's computer system, whether residing within or external to Deel's computer system; and they interrupted or added data to data residing within Deel's computer system; and they knowingly received or retained data obtained in violation of 11 *Del. C.* § 932(1) or (2); and they used or disclosed data which they know or believe was obtained in violation of 11 *Del. C.* § 932(1) or (2).

216. Section 941(c) provides Deel with a private right of action to recover the actual damages caused to Deel's business by Defendants Rippling and Does 1-



100's criminal violations detailed above. Deel has been damaged by the Defendants' unauthorized access to and use of Deel's platform, and theft of Deel's proprietary documents to build competing Rippling products at a lower cost than Rippling would otherwise incur, because it did not have to expend its own resources to develop the products it offers to its customers. Thus, not only is Rippling diverting business away from Deel that Rippling would not otherwise be able to attract due to its inferior platform, it does so on the back of Deel's own years of hard work and financial expense. The full scope of damages wrought by Rippling is currently unknown, but Deel believes that it easily could be hundreds of millions of dollars and growing as Deel suspects that Rippling is continuing to infiltrate Deel's platform with other "competitive intelligence" agents masquerading as legitimate Deel customers.

217. Accordingly, pursuant to § 941, Deel is entitled to actual damages in amount to be determined at trial, treble damages, and its attorneys' fees.

**SECOND CAUSE OF ACTION**  
**(FRAUD)**

218. Deel re-alleges and incorporates by reference each and every allegation contained above, with the exception of paragraphs 13, 108, 153-184. For the avoidance of doubt, Deel does not base any liability in this cause of action on Rippling's public relations smear campaign described in paragraphs 13, 108, 153-184.

219. During the Deel onboarding session in May 2024, Johnson—at Rippling’s direction—represented as fact that Quandary was a bona fide and legitimate business (it was not), and that Johnson would use Deel’s platform only for Quandary’s bona fide business purposes (and he did not). Johnson—at Rippling’s direction—also represented that he would not use Deel’s platform for any illegal or fraudulent purpose, or for the benefit of any unaffiliated third parties (such as Rippling), and would not use Deel’s platform for the purpose of recording, duplicating, decompiling, reverse engineering, or any other use not authorized by Deel, including for the benefit of a competitor to build copycat products.

220. As shown below, all of these representations and promises made by Johnson were knowingly false when made, Rippling intended Deel to rely upon them, and Deel reasonably relied upon these representations in granting access to Deel’s proprietary information. As alleged above in detail, Johnson never had any intention of keeping these promises, since his sole purpose was aid Rippling’s unlawful competition against Deel and Quandary was never a legitimate business utilizing Deel’s products and services.

221. Had Deel known Johnson’s true purpose to steal from Deel to help Rippling build competing products that it could not otherwise build, Deel would have never allowed Johnson to use its platform in the first place. And due to Johnson’s effort to conceal his employment as a Rippling competitive intelligence

employee by creating a fake business and contact information, Deel could not have reasonably discovered Rippling's fraudulent intent before allowing it access to Deel's systems through Johnson. Indeed, by actively concealing Johnson's affiliation with Rippling, Rippling and Johnson intended to, and did, induce Deel into allowing Johnson access to Deel's platform on the belief that he was a bona fide Deel customer.

222. Deel has been damaged by the Defendants' unauthorized access to and use of Deel's platform, and theft of Deel's proprietary documents to build competing Rippling products at a lower cost than Rippling would otherwise incur, because it did not have to expend its own resources to develop the products it offers to its customers. Thus, not only is Rippling diverting business away from Deel that Rippling would not otherwise be able to attract due to its inferior platform, it does so on the back of Deel's own years of hard work and financial expense.

**THIRD CAUSE OF ACTION**  
**(VIOLATION OF THE DECEPTIVE TRADE PRACTICES ACT ("DTPA"),**  
**6 DEL. C. § 2531, ET SEQ.)**

223. Deel re-alleges and incorporates by reference each and every allegation contained above.

224. The DTPA prohibits unreasonable interference with the promotion and conduct of another person's business through the disparagement of the goods,

services, or business of another by false or misleading representations of fact committed in the course of a business, vocation, or occupation.

225. The DTPA also prohibits representations that one's goods or services have approval, characteristics, uses, or benefits that they do not have.

226. As detailed herein, Defendants Rippling and Does 1-100—and each of them—in the course of their business, vocation, or occupation, have engaged in deceptive trade practices within the meaning of 6 *Del. C.* § 2532(a):

(i) by making false and misleading statements of fact about Deel's goods, services, and business in advertising campaigns designed to disparage and damage Deel, and by spreading false information about Deel to the press, government officials, and other third parties, including, but not limited to, Deel's employees, contractors, investors, and current and potential customers; and separately by

(ii) making representations that Rippling's business, goods, and services are compliant with applicable law and will assist its customers with their compliance with applicable law, when in fact Rippling, its platform, and services routinely violate applicable laws, and that Rippling's business, goods and services have approval, characteristics, uses, and benefits that they do not have.

227. Specifically, Defendants’ deceptive trade practices have violated at least 6 *Del. C. § 2532(a)(8)*’s express prohibition against “[d]isparag[ing] the goods, services, or business of another by false or misleading representation of fact,” and 6 *Del. C. § 2532(a)(5)*’s express prohibition against representing that one’s own “goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have, or that a person has a sponsorship, approval, status, affiliation, or connection that the person does not have.”

228. Defendants’ disparaging statements and deceptive representations of legal compliance were intended and understood as assertions of fact, and not as opinion.

229. The third parties who read and heard Defendants’ false disparaging statements about Deel reasonably understood that they were being made about Deel’s goods, services, or business, since Defendants would expressly mention Deel by name. The third parties who read and heard Defendants’ false representations as to Rippling’s own compliance with the law reasonably understood that they were being made about Rippling.

230. As a direct and proximate result of Defendants’ deceptive trade practices, Deel has incurred hundreds of millions of dollars in harm from lost business, damages to Deel’s commercial reputation, as well as damages to Deel’s relationships with regulators, partners, current customers, prospective customers,

investors, employees, and contractors. These harms caused to Deel by the Defendants' deceptive trade practices are ongoing to this day.

231. For example, as detailed above, partners have pulled out of co-sponsored industry events, fintech companies have closed funding opportunities for Deel employees, and at least five potential customers expressly told Deel that they would not continue their existing negotiations to use Deel's services as a direct result of the false and malicious misrepresentations that Defendants had made about Deel's products. Deel has identified these lost potential customers anonymously at this time, but they are identifiable individual lost potential customers, and their decisions not to proceed with Deel in light of Defendants' false statements are supported by documentary evidence.

232. As a consequence of Defendants' sprawling deceptive trade practices, Deel is entitled to legal remedies against Defendants, including, but not limited to, treble damages and attorneys' fees pursuant to 6 *Del. C.* § 2533(b) and (c).

233. Defendants knew or should have known that their conduct was of a nature prohibited by the DTPA, and thus their violations of the DTPA were willful pursuant to 6 *Del. C.* § 2533(e).

#### **FOURTH CAUSE OF ACTION** **(CONVERSION)**

234. Deel re-alleges and incorporates by reference each and every allegation contained above, with the exception of paragraphs 13, 108, 153-184, 223-233. For

the avoidance of doubt, Deel does not base any liability in this cause of action on Rippling's public relations smear campaign described in paragraphs 13, 108, 153-184, 223-233.

235. Deel has a property interest in the information on its platform regarding its product design, functionality, and pricing data, including its EOR templates and health insurance and benefits policy documents, as Deel expended significant resources to develop this information. Deel's bona fide customers are able to buy this information and data from Deel. Otherwise, Deel restricts the use of this proprietary information contained on its platform.

236. Rippling, through Johnson, is in wrongful possession of Deel's property described above, and are treating it as their own to assist Rippling in creating products to compete with Deel and undercut Deel in the marketplace. Rippling and Johnson were only able to access this information after Johnson—at Rippling's direction—represented that Quandary was a bona fide and legitimate business, and that Johnson would use Deel's platform only for Quandary's bona fide business purposes. Johnson—at Rippling's direction—also represented that he would not use Deel's platform for any illegal or fraudulent purpose, or for the benefit of any unaffiliated third parties (such as Rippling), and would not use Deel's platform for the purpose of recording, duplicating, decompiling, reverse engineering, or any other use not authorized by Deel, including for the benefit of a

competitor to build copycat products.

237. As shown herein, all of these representations and promises made by Johnson were knowingly false when made, and Deel reasonably relied upon these representations in granting access to Deel's proprietary information.

238. In particular, Johnson and Rippling are in possession of approximately twenty-six hours of screen recordings for Deel's platform functionality and information available only to legitimate Deel customers, as well as at least 57 different proprietary Deel documents, which include pricing information. Deel has a right to possess this information since Rippling obtained under false pretenses, and has never paid Deel for this information as a legitimate Deel customer.

239. Deel has been damaged by the Defendants' theft of Deel's proprietary documents to build competing Rippling products at a lower cost than Rippling would otherwise incur, because it did not have to expend its own resources to develop the products it offers to its customers. Thus, not only is Rippling diverting business away from Deel that Rippling would not otherwise be able to attract due to its inferior platform, it does so on the back of Deel's own years of hard work and financial expense.

**FIFTH CAUSE OF ACTION**  
**(TRESPASS TO CHATTELS)**

240. Deel re-alleges and incorporates by reference each and every allegation contained above, with the exception of paragraphs 13, 108, 153-184, 223-233. For



the avoidance of doubt, Deel does not base any liability in this cause of action on Rippling's public relations smear campaign described in paragraphs 13, 108, 153-184, 223-233.

241. Even if Defendants' conduct described in Deel's Fourth Cause of Action above did not amount to conversion, at a minimum, Defendants have intentionally interfered with Deel's possession of its proprietary information and deprived Deel of its exclusive use. Defendants have thus harmed Deel by using Deel's proprietary information developed at significant expense to divert prospective customers away from Deel to the competing products that Rippling has built with Deel's information.

**SIXTH CAUSE OF ACTION**  
**(DEFAMATION)**

242. Deel re-alleges and incorporates by reference each and every allegation contained above.

243. As described above, Defendants, and each of them, willfully, without justification and without privilege, caused to be published or publicly communicated false and/or misleading statements of fact about Deel to third persons other than Deel. As detailed herein, this includes, among other things, by making false and misleading statements of fact about Deel's goods, services, and business in advertising campaigns designed to disparage and damage Deel, and by spreading

false information about Deel to the press, government officials, and other third parties.

244. Defendants' defamatory statements were intended and understood as assertions of fact about Deel, and not as opinion.

245. Defendants' statements regarding Deel were *per se* defamatory because they were made to malign Deel's trade, business, or profession.

246. The third parties who read and heard Defendants' defamatory statements reasonably understood that the statements were being made about Deel, and understood the statements' defamatory character, as the statements exposed Deel to disgrace and tended to injure Deel in its profession, trade, business and reputation, and to discourage others from associating or dealing with Deel.

247. Defendants made these statements with knowledge of their falsity, and knew that they would injure Deel's business by decreasing its ability to compete with Rippling and continue to retain and attract current and potential customers, employees, and investors. Alternatively, Defendants failed to use reasonable care to determine the truth or falsity of the statements.

248. As an actual and proximate result of Defendants' statements, Deel has incurred hundreds of millions of dollars in harm from damages to Deel's commercial reputation, as well as damages to Deel's relationships with regulators, partners, current customers, prospective customers, investors, employees, and contractors.

Deel has also incurred significant costs and expenses to defend itself against Defendants' false and relentless smear campaign. These harms caused to Deel by the Defendants' defamatory statements are ongoing to this day.

249. For example, as detailed above, partners have pulled out of co-sponsored industry events, fintech companies have closed funding opportunities for Deel employees, and at least five potential customers have discontinued negotiations with Deel as a direct result of the false and malicious misrepresentations that Defendants had made about Deel. Deel has identified these lost potential customers anonymously at this time, but they are identifiable individual lost potential customers, and their decisions not to proceed with Deel in light of Defendants' false statements are supported by documentary evidence.

250. Defendants' conduct as alleged herein was intentional, willful, wanton, and malicious, and undertaken for the purpose of injuring or causing injury to Deel. Deel is therefore entitled to punitive and exemplary damages against Defendants.

**SEVENTH CAUSE OF ACTION**  
**(TRADE LIBEL)**

251. Deel re-alleges and incorporates by reference each and every allegation contained above.

252. As described above, Defendants, and each of them, willfully, without justification and without privilege, caused to be published or publicly communicated false and/or misleading statements of fact about Deel's business to third persons

other than Deel. As detailed herein, this includes, among other things, by making false and misleading statements of fact about Deel's goods, services, and business in advertising campaigns designed to disparage and damage Deel's business, and by spreading false information about Deel to the press, government officials, and other third parties.

253. Defendants' defamatory statements were intended and understood as assertions of fact about Deel, and not as opinion.

254. Defendants' statements regarding Deel were *per se* defamatory because they were made to malign Deel's trade, business, or profession. However, to the extent the Court finds they were not defamatory, they still constitute trade libel because they were false statements about Deel's business.

255. The third parties who read and heard Defendants' false statements reasonably understood that the statements were being made about Deel, and understood the statements' false character, as the statements exposed Deel to disgrace and tended to injure Deel in its profession, trade, business and reputation, and to discourage others from associating or dealing with Deel.

256. Defendants made these statements with knowledge of their falsity, and knew that they would injure Deel's business by decreasing its ability to compete with Rippling and continue to retain and attract current and potential customers,

employees, and investors. Alternatively, Defendants failed to use reasonable care to determine the truth or falsity of the statements.

257. As an actual and proximate result of Defendants' statements, Deel has incurred hundreds of millions of dollars in harm from damages to Deel's commercial reputation, as well as damages to Deel's relationships with regulators, partners, current customers, prospective customers, investors, employees, and contractors. Deel has also incurred significant costs and expenses to defend itself against Defendants' false and relentless smear campaign. These harms caused to Deel by the Defendants' false statements regarding Deel's business are ongoing to this day.

258. For example, as detailed above, partners have pulled out of co-sponsored industry events, fintech companies have closed funding opportunities for Deel employees, and at least five potential customers have discontinued negotiations with Deel as a direct result of the false and malicious misrepresentations that Defendants had made about Deel. Deel has identified these lost potential customers anonymously at this time, but they are identifiable individual lost potential customers, and their decisions not to proceed with Deel in light of Defendants' false statements are supported by documentary evidence.

259. Defendants' conduct as alleged herein was intentional, willful, wanton, and malicious, and undertaken for the purpose of injuring or causing injury to Deel. Deel is therefore entitled to punitive and exemplary damages against Defendants.

**EIGHTH CAUSE OF ACTION**  
**(TORTIOUS INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE)**

260. Deel re-alleges and incorporates by reference each and every allegation contained above.

261. At the time of Defendants' misconduct, Deel was engaged in a number of actual and prospective business relationships with its current and potential customers.

262. Defendants were aware of the existence of these relationships, and intentionally interfered with those relationships by making false and misleading statements of fact about Rippling's and Deel's goods, services, and business in advertising campaigns designed to disparage and damage Deel, and by spreading false information about Deel to the press, government officials, and other third parties.

263. Defendants' efforts to publicize those knowingly misleading and false statements, particularly by facilitating the dissemination of and coordinating to plant false statements of fact about Deel in the press and with regulators, as well as misrepresenting their intentions and identities to regulators, constitute the employment of wrongful means for the purpose of harming Deel.

264. Through this wrongful conduct, Defendants have interfered with Deel's existing and prospective business relationships potential customers.

265. As detailed above, at least five potential customers expressly told Deel that they would not continue their existing negotiations to use Deel's services as a direct result of the false and malicious misrepresentations that Defendants had made about Deel. Deel has identified these lost potential customers anonymously at this time, but they are identifiable individual lost potential customers, and their decisions not to proceed with Deel in light of Defendants' false statements are supported by documentary evidence.

266. As a direct result of Defendants' misconduct, Deel has suffered damages, including, but not limited to, the loss of revenue from these foregone business opportunities with the prospective customers identified herein, and continues to be damaged as a result of Defendants' misconduct to this day, in an amount to be determined at trial.

**NINTH CAUSE OF ACTION**  
**(CIVIL CONSPIRACY)**

267. Deel re-alleges and incorporates by reference each and every allegation contained above.

268. Defendants confederated or combined to commit, and did commit, the following unlawful acts in furtherance of the conspiracy: (1) engaging in unfair competition against Deel by misrepresenting the nature, quality, and characteristics of Rippling's own business, products, and services, (2) disparaging and defaming Deel and its goods, services, and business, and (3) accessing, using, disclosing, and

otherwise misappropriating Deel's proprietary business information in an unauthorized manner, or causing any of the same, for the purpose of harming Deel, all as detailed herein.

269. As a direct and proximate result of Defendants' conspiracy, Deel has incurred hundreds of millions of dollars in harm from damages to Deel's commercial reputation, as well as damages to Deel's relationships with regulators, partners, current customers, prospective customers, investors, employees, and contractors. Deel has also incurred significant costs and expenses to defend itself against Defendants' false and relentless smear campaign. These harms caused to Deel by the Defendants' conspiracy are ongoing to this day.

270. For example, as detailed above, partners have pulled out of co-sponsored industry events, fintech companies have closed funding opportunities for Deel employees, and at least five potential customers expressly told Deel that they would not continue their existing negotiations to use Deel's services as a direct result of the false and malicious misrepresentations that Defendants had made about Deel. Deel has identified these lost potential customers anonymously at this time, but they are identifiable individual lost potential customers, and their decisions not to proceed with Deel in light of Defendants' false statements are supported by documentary evidence.



271. Further, Rippling's conspiracy to cause unauthorized access to and use of Deel's platform, as well as outright theft of Deel's proprietary documents, have damaged Deel by allowing Rippling to unfairly compete with Deel, because it did not have to expend its own resources to develop the products it offers to its customers. Thus, not only is Rippling diverting business away from Deel that Rippling would not otherwise be able to attract due to its inferior platform, it adds insult to injury by doing so on the back of Deel's own years of hard work and financial expense. As will be proven at trial, the damages to Deel are likely in the hundreds of millions of dollars, and continuing to grow.

272. Deel is therefore entitled to legal remedies against Defendants, including damages in an amount to be proven at trial.

### **PRAYER FOR RELIEF**

WHEREFORE, Deel prays that this Court enter judgment in its favor and enter an order, including, but not limited to, the following:

1. Awarding general and special damages in favor of Deel jointly and severally against each of Rippling and Does 1-100 in an amount to be determined at trial;
2. Awarding punitive, treble, and exemplary damages in favor of Deel jointly and severally against each of Rippling and Does 1-100 in an amount to be determined at trial;

3. Awarding Deel its attorneys' fees and costs incurred in this action, to the extent allowed by law, jointly and severally against each of Rippling and Does 1-100;

4. Awarding Deel pre- and post-judgment interest as to each of the above to the extent allowed by law; and

5. Granting such other and further relief as the Court deems just and proper under the circumstances.

**DEMAND FOR A JURY TRIAL**

Deel hereby demands a trial by jury on all issues so triable.

OF COUNSEL:

Lance A. Etcheverry  
(*pro hac vice* forthcoming)  
Jack P. DiCanio  
(*pro hac vice* forthcoming)  
SKADDEN, ARPS, SLATE,  
MEAGHER & FLOM LLP  
525 University Avenue  
Palo Alto, California 94301  
Tel.: (650) 470-4500  
lance.etcheverry@skadden.com  
jack.dicanio@skadden.com

Jason D. Russell  
(*pro hac vice* forthcoming)  
Adam K. Lloyd  
(*pro hac vice* forthcoming)  
SKADDEN, ARPS, SLATE,  
MEAGHER & FLOM LLP  
2000 Avenue of the Stars, Suite 200N  
Los Angeles, California 90067  
Tel.: (213) 687-5000  
jason.russell@skadden.com  
adam.lloyd@skadden.com

DATED: June 3, 2025

/s/ Paul J. Lockwood  
Paul J. Lockwood (ID No. 3369)  
Connor K. Judge (ID No. 7413)  
SKADDEN, ARPS, SLATE,  
MEAGHER & FLOM LLP  
One Rodney Square  
920 N. King St.  
Wilmington, Delaware 19801  
Tel.: (302) 651-3000  
paul.lockwood@skadden.com  
connor.judge@skadden.com

*Attorneys for Plaintiff Deel, Inc.*