**BOTTINI & BOTTINI, INC.**
Francis A. Bottini, Jr. (SBN 175783)
Albert Y. Chang (SBN 296065)
Yury A. Kolesnikov (SBN 271173)
7817 Ivanhoe Avenue, Suite 102
La Jolla, California 92037
Telephone: (858) 914-2001
Facsimile: (858) 914-2002

**RENNE PUBLIC LAW GROUP**
Louise H. Renne (SBN 36508)
Ann M. Ravel (Of Counsel) (SBN 62139)
350 Sansome Street, Suite 300
San Francisco, CA 94101
Telephone: (415) 848-7200
Facsimile: (415) 848-7230

*Attorneys for Plaintiff James Martin*

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**COUNTY OF SANTA CLARA**

JAMES MARTIN, derivatively on behalf of ALPHABET INC.,

Plaintiff,

vs.

LAWRENCE E. PAGE, SERGEY BRIN, ERIC E. SCHMIDT, ANDREW E. RUBIN, JOHN L. HENNESSY, LASZLO BOCK, L. JOHN DOERR, ROGER W. FERGUSON, JR., DIANE B. GREENE, AMIT SINGHAL, ANN MATHER, ALAN R. MULALLY, SUNDAR PICHAI, K. RAM SHRIRAM, SHIRLEY M. TILGHMAN, DAVID C. DRUMMOND, and DOES 1–30,

Defendants,

– and –

ALPHABET INC.,

Nominal Defendant.

Case No. 19CV343672

**AMENDED SHAREHOLDER DERIVATIVE COMPLAINT FOR:**

1. **BREACH OF FIDUCIARY DUTY,**
2. **UNJUST ENRICHMENT,**
3. **ABUSE OF POWER, and**
4. **CORPORATE WASTE**

Judge: The Honorable Brian C. Walsh
Dept.: 1

**DEMAND FOR JURY TRIAL**

**TABLE OF CONTENTS**

Plaintiff James Martin ("Plaintiff"), by and through his undersigned attorneys, submits this Amended Shareholder Derivative Complaint against certain directors and officers of nominal defendant Alphabet Inc. ("Alphabet" or the "Company"), in connection with their breaches of fiduciary duties. In support of these claims, Plaintiff alleges the following (1) upon personal knowledge with respect to the matters pertaining to himself; and (2) upon information and belief with respect to all other matters, based upon, *inter alia*, the investigations undertaken by his counsel, which include a review of documents produced by Alphabet in response to Plaintiff's shareholder inspection demand, a review of Alphabet's legal and regulatory filings, press releases, SEC filings, analyst reports, and media reports about the Company. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth below after a reasonable opportunity for discovery.

## I. NATURE AND SUMMARY OF THE ACTION

1. Plaintiff brings this shareholder derivative action against certain officers and directors of Alphabet, the parent company of Google LLC ("Google"),[1] for their active and direct participation in a multi-year scheme to cover up sexual harassment and discrimination at Alphabet.

2. The Individual Defendants' misconduct has caused severe financial and reputational damage to both Google and Alphabet. As one current Google employee succinctly put it:

> ***When Google covers up harassment and passes the trash, it contributes to an environment where people don't feel safe reporting misconduct. They suspect that nothing will happen or, worse, that the men will be paid and the women will be pushed aside.***

[1] Google is one of Alphabet's subsidiaries. As part of Alphabet's reorganization in 2017, Google Inc. was converted into a limited liability company.

*See* Daisuke Wakabayashi and Katie Benner, "*How Google Protected Andy Rubin, the 'Father of Android*," THE NEW YORK TIMES (Oct. 25, 2018) (quoting Liz Fong-Jones, a Google engineer).

3. The Individual Defendants knew about sexual harassment by numerous senior Google executives, including defendant Andy Rubin (the creator of Android mobile software), against whom credible allegations of sexual misconduct were confirmed through an internal investigation. Instead of disciplining these senior executives, however, the Individual Defendants protected them. The Individual Defendants failed to timely disclose the harassment, and then attempted to cover up the harassment when news reports began to suggest that egregious sexual harassment and discrimination had occurred at Google.

4. For example, in Rubin's case, Rubin was allowed to quietly resign by defendants Larry Page and Sergey Brin (Google's co-founders and Alphabet's controlling shareholders) after an internal investigation found the allegations of sexual harassment by Rubin to be credible. As reported by The New York Times on October 26, 2018, Rubin coerced a Google employee to perform sex acts in 2013, while he was a Google senior executive:

> [A]n employee had accused Mr. Rubin of sexual misconduct. The woman, with whom Mr. Rubin had been having an extra-marital relationship, said ***he coerced her into performing oral sex*** in a hotel room in 2013 …. ***Google investigated and concluded her claim was credible*** ….

*See* Daisuke Wakabayashi & Katie Benner, "*How Google Has Protected Its Elite Men*," THE NEW YORK TIMES (Oct. 26, 2018).

5. While at Google, Rubin is also alleged to have engaged in human sex trafficking – paying hundreds of thousands of dollars to women to be, in Rubin's own words, "owned" by him. Google, meanwhile, has paid lobbyists to oppose legislation in Washington that had bi-partisan support and sought to combat human sex trafficking. *See* David McCabe, "Sex Trafficking Bill Hits a Nerve in Silicon Valley," AXIOS, Sept. 7, 2017 (noting that Google's "trade associations and the think tanks they fund have come

out swinging against the bill."). *See also* Lisa Correnti, "Google Attempts to Block Bill to Hold Sex-Traffickers Accountable," CENTER FOR HUMAN AND FAMILY RIGHTS, Aug. 24, 2017, available at https://c-fam.org/friday_fax/google-attempts-block-bill-hold-sex-traffickers-accountable/ last visited Jan. 5, 2019 ("Google and the tech lobby are working to derail the passage of a bill to protect girls from online sex traffickers.").[2]

6. However, rather than firing Rubin for cause, Brin and Page gave Rubin a hero's farewell. Together with other members of Alphabet's Board of Directors (the "Board"), Brin and Page allow Rubin to resign and approved a $90 million "exit package," as a goodbye present to him. No mention, of course, was made about the true reason for Rubin's "resignation" — his egregious sexual harassment while at Google. Instead, Page said in a public statement: "***I want to wish Andy all the best with what's next***"![3] After Mr. Rubin left, Google also invested millions of dollars in his next venture.

7. Similarly, Amit Singhal, a senior executive at Google, was allowed to quietly resign at Google in 2016 in the wake of credible allegations of sexual harassment, and was paid millions in severance. He then joined Uber, but failed to disclose the allegations. He was fired by Uber in February 2017 for failing to disclose the credible allegations of sexual harassment while at Google. Google never disclosed the reason for Singhal's departure.

---

[2] *See also* John M. Simpson, Consumer Watchdog blog, available at https://www.consumerwatchdog.org/newsrelease/report-shows-how-google-funded-defense-child-sex-trafficking-hub, last visited Jan. 5, 2019 ("A coalition of anti-child sex trafficking and public interest groups, and the mother of a trafficking victim, today released a report detailing how a Google-funded campaign protects a law that shields a notorious hub of child sex-trafficking, Backpage.com, from any accountability for its activities.").

[3] *See* Daisuke Wakabayashi & Katie Benner, "*How Google Has Protected Its Elite Men*," THE NEW YORK TIMES (Oct. 26, 2018).

8. When Google employees found out about the Board's deliberate cover-up of sexual harassment by top-level executives, they were furious. Tens of thousands of Google employees engaged in a coordinated "walk-out" to protest the Board's wrongdoing on November 1, 2018:

> ***Thousands of Google employees around the world*** staged a series of walkouts Thursday ***to protest a workplace culture that they say promotes and protects perpetrators of sexual harassment*** at the tech giant.

*See* Douglas MacMillan *et al*., "*Google Employees Stage Global Walkout Over Treatment of Sexual Harassment*," THE WALL STREET JOURNAL (Nov. 1, 2018). *See also* **Exhibit A**.

9. Touting its mottos of "Don't Be Evil" and "Do the Right Thing," Google frequently states that the Board is held to the highest level of ethics. However, as demonstrated herein, this statement is false and, in practice, Alphabet's Board employed a completely ***dual and contradictory standard***: If you were a high-level *male* executive at Google responsible for generating millions of dollars in revenue, ***Google would let you engage in sexual harassment***. And if you get caught, ***Google would keep it quiet, let you resign, and pay you millions of dollars in severance***.

10. On the other hand, if you were a low-level employee at Google and were accused of sexual harassment or discrimination, you would be fired for cause with no severance benefits. In this way, Alphabet and the Board were able to maintain optics and superficial compliance with its code of conduct, internal rules, and laws regarding sexual harassment. By appearing to take decisive action against a significant number of low-level employees, and by concealing the blatant and widespread sexual harassment by senior Google executives, the Board avoided a much bigger scandal.

11. ***The Directors' wrongful conduct allowed the illegal conduct to proliferate and continue. As such, members of Alphabet's Board were knowing and direct enablers of the sexual harassment and discrimination.*** Thus, the Board not only violated California and federal law, it also violated Alphabet's ethical standards and guidelines

and caused massive employee protests and revolts to occur when the truth came to light in late October 2018.

12. ***This is not a "failure to supervise" case***. The Board, as demonstrated herein, ***was directly involved in and approved the $90 million severance payment to Rubin, was directly involved in and approved the severance payment to Defendant Singhal, who also engaged in sexual harassment and discrimination, and made a conscious and intentional (and bad-faith) decision to conceal the sexual harassment at Google, thereby also breaching its duties of candor and good faith***.

13. The conduct of Rubin and other executives was disgusting, illegal, immoral, degrading to women, and contrary to every principle that Google claims it abides by. Rubin was engaging in sex trafficking of women, and Google itself had found bondage videos on Rubin's work computer at Google. Far from firing him for cause, Google and the Board merely docked Rubin's bonus slightly in the year Google discovered the bondage sex film, and then later gave him a hero's farewell when he was finally fired along with a $90 million severance.[4] Rubin's ex-wife said in a civil lawsuit that he had multiple "ownership relationships" with other women, with a screenshot of an email reading, "Being owned is kinda like you are my property, and I can loan you to other people."[5]

---

[4] *See* Corbin Davenport, "Google Allegedly Paid $90 Million Severance to Andy Rubin After Misconduct Allegation," THE ANDROID POLICE, Oct. 30, 2018, available at https://www.androidpolice.com/2018/10/30/google-allegedly-paid-90-million-severance-andy-rubin-misconduct-allegation/, last visited Jan. 5, 2019. *See also* Daisuke Wakabayashi & Katie Benner, "How Google Protected Andy Rubin, the 'Father of Android,'" THE NEW YORK TIMES (Oct. 25, 2018) ("Mr. Rubin often berated subordinates as stupid or incompetent, they said. Google did little to curb that behavior. It took action only when security staff found bondage sex videos on Mr. Rubin's work computer, said three former and current Google executives briefed on the incident. That year, the company docked his bonus, they said."), available at https://www.nytimes.com/2018/10/25/technology/google-sexual-harassment-andy-rubin.html, last visited Jan. 5, 2019.

[5] *Id.*

14. The Individual Defendants' misconduct, as set forth below, constitutes bad faith and disloyal acts, giving rise to claims that fall outside the scope of the business judgment rule and outside of permissible indemnification by Alphabet. As a result, all members of the Board face a substantial likelihood of liability and any demand on them to bring this case would be a futile and useless act. Moreover, as defendants Page, Brin, and Schmidt control the majority of Alphabet's voting power, they exercise domination and control over Alphabet's Board and management. Finally, as Alphabet admits, five "inside" directors are not independent under Alphabet's own "independence standards." Plaintiff was therefore excused from making any demand prior to filing this complaint.

## II. JURISDICTION AND VENUE

15. This Court has jurisdiction over all causes of action herein pursuant to the California Constitution, Article VI, section 10, because this case is a cause not given by statute to other trial courts. This is a shareholder derivative action brought pursuant to California Corporations Code section 800 to remedy defendants' violations of law.

16. The amount in controversy, exclusive of interest and costs, exceeds the jurisdictional minimum of this Court.

17. Furthermore, this Court has general jurisdiction over each named defendant who is a resident of California. Additionally, this Court has specific jurisdiction over each non-resident defendant because these defendants maintain sufficient minimum contacts with California as directors or officers of Alphabet and Google, to render jurisdiction by this Court permissible under traditional notions of fair play and substantial justice. Because the claims asserted in this Complaint are brought derivatively on behalf of a California-headquartered corporation, defendants' conduct was purposefully directed at California. Finally, exercising jurisdiction over any non-resident defendant is reasonable under these circumstances.

18. Venue is proper in this Court. A substantial part of the events or omissions giving rise to the claims alleged occurred in San Mateo County. Because a significant amount of the harm, as well as important evidence, is located within this jurisdiction, this is the best venue for this action. Each defendant has sufficient contacts with this jurisdiction that venue in this jurisdiction is appropriate. Moreover, because several defendants (including Rubin, Schmidt, Doerr, Hennessy, and Shriram) reside within San Mateo County, the exercise of jurisdiction by this Court is appropriate.

## III. THE PARTIES

### A. Plaintiff

19. Plaintiff is a current shareholder of Alphabet, and has continuously held Alphabet stock since at least October 27, 2009.

### B. Nominal Defendant

20. Nominal defendant Alphabet Inc. is a Delaware corporation with principal executive offices located at 1600 Amphitheatre Parkway, Mountain View, California. Alphabet's main subsidiary, Google, is a global technology leader, primarily focused around the following key areas: search, advertising, operating systems and platforms, enterprise, and hardware products. Google generates most of its revenue primarily by delivering relevant, cost-effective online advertising.

### C. Executive Officer Defendants

21. Defendant Lawrence E. Page is a director of Alphabet and has been a member of the Board since September 1998. Page is Alphabet's Chief Executive Officer ("CEO"), and has held that position since April 2011. Page also held several senior executive positions at Google, including President, Products from July 2001 to April 2011, Chief Financial Officer ("CFO") from September 1998 to July 2002, and CEO from September 1998 to July 2001. Page co-founded Google in 1998. Since Alphabet's initial public offering ("IPO") in 2004, Page has continuously owned over 40% of Alphabet's Class B common stock, and controlled over 25% of Alphabet's total voting power. Page,

together with defendants Sergey Brin, Eric E. Schmidt, and John Doerr, exercise control and domination over the Board. As admitted in Alphabet's April 27, 2018 Proxy Statement, Page is not an independent director under Alphabet's own "independence standards," which "mirror the criteria specified by applicable laws and regulations of the SEC and the Listing Rules of NASDAQ." Page knowingly or recklessly: (a) failed to implement and maintain adequate internal controls at Alphabet; (b) fostered a culture that permitted rampant sexual harassment and discrimination at Google; (c) actively participated in the cover-up of Google executives' sexual harassment; and (d) failed to ensure that Google complied with rules and regulations regarding sexual harassment and discrimination.

22. Defendant Sergey Brin is a director of Alphabet and has been a member of the Board since September 1998. Brin currently directs special projects for Google. Brin was Google's President of Technology from July 2001 to April 2011 and President and Chairman of the Board from September 1998 to July 2001. Brin co-founded Google in 1998. Since Alphabet's IPO in 2004, Brin has continuously owned over 40% of Alphabet's Class B common stock, and controlled over 25% of Alphabet's total voting power. Thus, Brin and Page together control the majority of Alphabet's voting power. Brin, together with defendants Larry Page, Eric E. Schmidt, and John Doerr, exercise control and domination over the Board. As admitted in Alphabet's April 27, 2018 Proxy Statement, Brin is not an independent director under Alphabet's own "independence standards," which "mirror the criteria specified by applicable laws and regulations of the SEC and the Listing Rules of NASDAQ." Brin knowingly or recklessly: (a) failed to implement and maintain adequate internal controls at Alphabet; (b) fostered a culture that permitted rampant sexual harassment and discrimination at Google; (c) actively participated in the cover-up of Google executives' sexual harassment; and (d) failed to ensure that Google complied with rules and regulations regarding sexual harassment and discrimination.

23. Defendant Eric E. Schmidt is a director of Alphabet and has been a member of the Board since March 2001. Schmidt has been Alphabet's Executive Chairman of the Board since April 2011. Schmidt was also Google's CEO from July 2001 to April 2011 and Chairman of the Board from April 2007 to April 2011, and from March 2001 to April 2004. Schmidt was introduced to defendants Page and Brin through defendant L. John Doerr, one of Google's earliest investors. Since Alphabet's IPO in 2004, Schmidt has continuously owned millions of shares of Alphabet's Class B common stock, and controlled over 5% of Alphabet's total voting power. Schmidt, together with defendants Larry Page, Sergey Brin, and John Doerr, exercise control and domination over the Board. As admitted in Alphabet's April 27, 2018 Proxy Statement, Schmidt is not an independent director under Alphabet's own "independence standards," which "mirror the criteria specified by applicable laws and regulations of the SEC and the Listing Rules of NASDAQ." Schmidt knowingly or recklessly: (a) failed to implement and maintain adequate internal controls at Alphabet; (b) fostered a culture that permitted rampant sexual harassment and discrimination at Google; (c) actively participated in the cover-up of Google executives' sexual harassment; and (d) failed to ensure that Google complied with rules and regulations regarding sexual harassment and discrimination. Schmidt lives in Atherton, which is part of San Mateo County.

24. Defendant Andrew E. Rubin was a senior executive officer at Google from July 2005 to October 2014. Rubin became Google's senior vice president of mobile and digital content in July 2005, when Google acquired Android. In March 2013, Rubin moved from Google's Android division to take on new projects, including the management of Google's robotics division. In 2014, defendant Page (Alphabet's CEO) asked Rubin to resign in light of an internal investigation that found allegations of sexual harassment by Rubin to be credible. However, Alphabet's Board, chaired by defendant Schmidt at the time, decided to conceal the allegations of harassment by

Rubin. Instead of firing Rubin for cause, the Board bestowed a lavish $90 million severance package on him. After leaving Google, Rubin co-founded incubator Playground Global, where he subsequently developed Essential Products, a maker of technology devices, such as smartphones. Google invested in Playground Global. Rubin lives in San Mateo County.

25. Defendant Laszlo Bock is the former Senior Vice President of People & Operations at Google, Inc. While at Google, Bock was heavily involved in matters regarding the investigation of sexual harassment by executives at Google and the payments to Rubin and others to keep the sexual harassment quiet, thereby perpetuating the serious problems.

26. Defendant David C. Drummond is Alphabet's Senior Vice President of corporate development and Chief Legal Officer. Drummond joined Google in 1998 from Wilson Sonsini Goodrich & Rosati's corporate transactions group. Drummond was Google's first outside counsel. Drummond had an extra-marital relationship with one of his subordinates at Google, Jennifer Blakely, a contract manager in the legal department who reported to one of Drummond's deputies. Drummond concealed his affair with Blakely from the Company until he and Blakely had a son in 2007, after which Drummond disclosed his relationship with Blakely. Blakely has alleged that she, rather than Drummond, was later demoted by being transferred to sales in 2007 and then forced out of the Company a year later. In late 2008, Drummond ended this extra-marital relationship and they later fought a custody battle for their son, won by Blakely. Drummond has been paid about $190 million in stock options and stock awards from Google since 2011 and could earn up to another $200 million on other options and equity awards according to Google filings. During the time he was receiving these huge compensation awards, Defendant Drummond had knowledge of pervasive sexual harassment by Google executives and was complicit in failing to disclose the harassment and taking steps to cover it up.

27. Defendant Sundar Pichai is director of Alphabet and has been a member of the Board since July 2017. Pichai is also Google's CEO, and has held that position since October 2015. Previously, Pichai was Google's Product Chief. As admitted in Alphabet's April 27, 2018 Proxy Statement, Pichai is not an independent director under Alphabet's own "independence standards," which "mirror the criteria specified by applicable laws and regulations of the SEC and the Listing Rules of NASDAQ." Pichai had knowledge of pervasive sexual harassment by Google executives and was complicit in failing to disclose the harassment and taking steps to cover it up.

28. Defendant Amit Singhal was an Executive Vice President and Head of Search at Google. Singhal was forced out at Google after Google had determined that credible allegations against Singhal of sexual harassment existed.

**D. Director Defendants**

29. Defendant L. John Doerr is a director of Alphabet and has been a member of the Board since May 1999. Doerr is currently the chair of Google's Leadership Development and Compensation Committee ("LDCC"), in which he was a member from at least April 2005 to May 2007, from October 2009 to December 2015, and from June 2016 to the present. As a member of LDCC in 2014, Doerr, together with the other two LDCC members (defendant K. Ram Shriram and nonparty Paul S. Otellini),[6] reviewed and approved the compensation to defendant Rubin, including the $150 million stock grant and $90 million severance package. Doerr was also a member of Google's Audit Committee from May 2007 to January 2012. Doerr is a partner and Chairman of Kleiner Perkins, a venture capital investment firm that was itself a defendant in a high-profile, multi-million-dollar sexual-harassment and gender-

[6] Defendant K. Ram Shriram was appointed to the LDCC in July 2014. Before his appointment, the LDCC had two members — defendant Doerr and nonparty Paul S. Otellini. Defendant Doerr was appointed to serve as chair of the LDCC in October 2017, following the death of Mr. Otellini.

discrimination lawsuit filed in 2012 by Ellen Pao, Doerr's mentee, in the Superior Court of California, County of San Francisco, captioned *Pao v. Kleiner Perkins Caufield & Byers LLC*, Case No. CGC-12-520719 (Cal. Super. Ct. Cnty. of San Francisco).[7] Doerr knowingly or recklessly: (a) allowed defendants Page, Brin, and Schmidt to dominate and control the Board with little to no effective oversight; (b) failed to implement and maintain adequate internal controls at Alphabet; (c) fostered a culture that permitted rampant sexual harassment and discrimination at Google; (d) on information and belief, actively participated in the cover-up of Google executives' sexual harassment; and (e) failed to ensure that Google complied with rules and regulations regarding sexual harassment and discrimination. Doerr lives in Woodside, California, which is part of San Mateo County.

30. Defendant Ann Mather is a director of Alphabet and has been a member of the Board since November 2005. Mather has also been Chairman of Google's Audit Committee since November 2005. Mather knowingly or recklessly: (a) allowed defendants Page, Brin, and Schmidt to dominate and control the Board with little to no effective oversight; (b) failed to implement and maintain adequate internal controls at Alphabet; (c) fostered a culture that permitted rampant sexual harassment and discrimination at Google; (d) on information and belief, actively participated in the cover-up of Google executives' sexual harassment; and (e) failed to ensure that Google complied with rules and regulations regarding sexual harassment and discrimination.

31. Defendant Roger W. Ferguson, Jr. is a director of Alphabet and has been a member of the Board since June 2016. Ferguson is a member of the Audit Committee.

---

[7] *See Pao v. Kleiner Perkins*, WIKIPEDIA (*available at* https://en.wikipedia.org/wiki/Pao_v._ Kleiner_Perkins (last visited Jan. 5, 2019)); *see also* David Streitfeld, "*Ellen Pao Loses Silicon Valley Bias Case Against Kleiner Perkins*," THE NEW YORK TIMES (Mar. 27, 2015).

Ferguson had knowledge of pervasive sexual harassment by Google executives and was complicit in failing to disclose the harassment and taking steps to cover it up.

32. Defendant Diane B. Greene is a director of Alphabet and has been a member of the Board since January 2012. Greene was a member of Google and Alphabet's Audit Committee in 2014, at the time of the internal investigation into Rubin's sexual harassment, including at the time the $90 million severance payment to Rubin was approved by the Board. Greene is also Senior Vice President and CEO, Google Cloud. As admitted in Alphabet's April 27, 2018 Proxy Statement, Greene is not an independent director under Alphabet's own "independence standards," which "mirror the criteria specified by applicable laws and regulations of the SEC and the Listing Rules of NASDAQ." Greene knowingly or recklessly: (a) allowed defendants Page, Brin, and Schmidt to dominate and control the Board with little to no effective oversight; (b) failed to implement and maintain adequate internal controls at Alphabet; (c) fostered a culture that permitted rampant sexual harassment and discrimination at Google; (d) on information and belief, actively participated in the cover-up of Google executives' sexual harassment; and (e) failed to ensure that Google complied with rules and regulations regarding sexual harassment and discrimination.

33. Defendant John L. Hennessy is a director of Alphabet and has been a member of the Board since April 2004. Hennessy has been Google's Lead Independent Director since April 2007. At the time the Board asked for Rubin's resignation in 2014, Hennessy was President of Stanford University. Famously called "the godfather of Silicon Valley," Hennessy has significant influence in Silicon Valley. Hennessy had knowledge of pervasive sexual harassment by Google executives and was complicit in failing to disclose the harassment and taking steps to cover it up. Hennessy lives in Atherton, California, which is part of San Mateo County.

///

///

34. Defendant Alan R. Mulally is a director of Alphabet and has been a member of the Board since July 2014. Mulally served on Google and Alphabet's Audit Committee at the time of the internal investigation into Rubin's sexual harassment, including at the time the $90 million severance payment to Rubin was approved by the Board. Mulally had knowledge of pervasive sexual harassment by Google executives and was complicit in failing to disclose the harassment and taking steps to cover it up.

35. Defendant K. Ram Shriram is a director of Alphabet and has been a member of the Board since September 1998. Shriram is currently a member of the LDCC, and has been a member since at least July 2014. In 2014, Shriram was a member of the Audit Committee until July 2014, around the time of the internal investigation into Rubin's sexual harassment, including at the time the $90 million severance payment to Rubin was approved by the Board. As a member of the LDCC in 2014, Shriram, together with the other two LDCC members (defendant Doerr and nonparty Paul S. Otellini), reviewed and approved the compensation to defendant Rubin, including the $150 million stock grant and $90 million severance package. Shriram was a member of Alphabet's Audit Committee from April 2005 and to July 2014. Shriram knowingly or recklessly: (a) allowed defendants Page, Brin, and Schmidt to dominate and control the Board with little to no effective oversight; (b) failed to implement and maintain adequate internal controls at Alphabet; (c) fostered a culture that permitted rampant sexual harassment and discrimination at Google; (d) on information and belief, actively participated in the cover-up of Google executives' sexual harassment; and (e) failed to ensure that Google complied with rules and regulations regarding sexual harassment and discrimination. Shriram lives in Menlo Park, California, which is part of San Mateo County.

**E. Former Director Defendant Tilghman**

36. Defendant Shirley M. Tilghman was director of Alphabet from October 2005 until February 2018. Tilghman was on the Board when Rubin was asked to resign

and approved his $90 million severance package notwithstanding the fact that Google had performed an internal investigation and found the allegations of sexual harassment by Rubin to be credible. Tilghman also failed to cause such facts to be disclosed by Google. Tilghman had knowledge of pervasive sexual harassment by Google executives and was complicit in failing to disclose the harassment and taking steps to cover it up.

37. The defendants identified in ¶¶ 21-28 are referred to herein as the "Officer Defendants." The Defendants identified in ¶¶ 29-36 are referred to herein as the "Director Defendants." Collectively, all defendants are referred to herein as the "Individual Defendants."

**F. Doe Defendants**

38. Except as described herein, Plaintiff is ignorant of the true names of defendants sued as Does 1 through 30, inclusive, under California Code of Civil Procedure section 474 and, therefore, Plaintiff sues these defendants by such fictitious names. Following further investigation and discovery, Plaintiff will seek leave of this Court to amend this Complaint to allege their true names and capacities when ascertained. These fictitiously named defendants are Google and Alphabet officers, other members of management, employees, and/or consultants or third parties who were involved in the wrongdoing detailed herein. These defendants aided and abetted, and participated with and/or conspired with the named defendants in the wrongful acts and course of conduct or otherwise caused the damages and injuries claimed herein and are responsible in some manner for the acts, occurrences, and events alleged in this Complaint.

**G. Unnamed Participants**

39. Numerous individuals and entities participated actively during the course of and in furtherance of the wrongdoing described herein. The individuals and entities acted in concert by joint ventures and by acting as agents for principals, to advance the

objectives of the scheme and to provide the scheme to benefit defendants and themselves to the detriment of Alphabet and Google.

## IV. RESPONSIBILITIES AND DUTIES OF THE INDIVIDUAL DEFENDANTS

### A. Responsibilities of the Individual Defendants

40. Corporate officers and directors owe the highest fiduciary duties of care and loyalty to the corporation they serve. This action involves a massive breach of such duties relating to Google's policies concerning sexual harassment and discrimination. Alphabet's Board knew about allegations of sexual harassment by numerous high-level executives at Google, which the Company found to be "credible" after performing internal investigations and review, and yet failed to disclose the finding that the allegations were credible, and instead allowed the high-level executives to resign with lavish pay packages. In stark contrast, low-level employees who were accused of sexual harassment were fired for cause and received no severance benefits (according to Google, it terminated the employment of 48 such persons in the last two years alone). This lawsuit is being brought by Plaintiff on behalf of Alphabet to seek redress for the financial and reputational harm suffered by the Company as a result.

41. Google frequently states that the Board is held to the highest level of ethics. However, as demonstrated above, this statement is false and, in practice, Google employed a completely ***dual and contradictory standard***: if you were a high-level executive at Google responsible for generating millions of dollars in revenue for Google, you could engage in sexual harassment and the Company would keep it quiet and pay you millions of dollars to quietly leave the Company.

42. On the other hand, if you were a low-level employee at Google and were accused of sexual harassment or discrimination, you would be fired for cause and would not receive any severance benefits. In this way, Alphabet and the Board were able to maintain optics and superficial compliance with the Company's code of conduct and internal rules and laws regarding sexual harassment by appearing to take decisive

action against a significant number of low-level employees, yet avoid a much bigger public scandal and hit to its profits by concealing the blatant and widespread sexual harassment by senior executives of the Company.

43. The Directors' conduct in fact allowed the illegal conduct to proliferate and continue. By so doing, the Board not only violated California and federal law, it also violated Alphabet's ethical standards and guidelines and caused massive employee protests and revolts to occur when the truth came to light in late October 2018.

44. The Board's egregious wrongdoing resulted in a massive employee "walk out" on November 1, 2018 in Google's offices across the world. Employees were enraged that the Board knowingly allowed this "dual standard" to persist at Google, that the Board never disclosed the serious sexual harassment by senior executives at Google, and that Google paid millions of dollars to the senior executives who were allowed to resign rather than being fired for cause like low-level employees.

45. Employee outrage was understandable given Google's repeated statements over the years that its Board and senior executives were subject to the same exacting standard as all employees: For example, in a "Message from our Executive Chairman," defendant Schmidt stated:

> We believe in the importance of building stockholder trust. ***We adhere to the highest levels of ethical business practices, as embodied by the Google Code of Conduct, which provides guidelines for ethical conduct by our directors, officers and employees.*** We think that we've created the optimal corporate structure to realize Google's long-term potential and have established the appropriate financial controls and management oversight of our internal process.

46. Alphabet's Code of Conduct specifically states that it applies to the Company's Board and senior executives, not just rank-and-file employees:

> **Who Must Follow Our Code?**
> ***We expect all of our employees and Board members to know and follow the Code***. Failure to do so can result in disciplinary action, including termination of employment.

47. The Code of Conduct further states the responsibility and duties of the Board.

**Principal Duties of the Board of Directors**

> ***To Oversee Management and Evaluate Strategy. The fundamental responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of Google and its stockholders. It is the duty of the Board to oversee management's performance to ensure that Google operates in an effective, efficient and ethical manner in order to produce value for Google's stockholders***.

48. The Board failed to live up to its duties by concealing the sexual harassment of high-level executives and paying them millions of dollars when they "resigned," notwithstanding the Board's determination that the allegations of sexual harassment against such senior executives were credible. For example, in 2014 Defendant Rubin was "asked to leave" by Defendants Brin and Page after Google conducted an internal investigation which found that the allegations against Rubin were credible. Brin, Page, and the rest of Alphabet's Board not only failed to disclose Rubin's sexual harassment and the fact that the Company found the allegations of harassment to be credible, but gave Rubin a hero's farewell party and paid him $90 million. By such despicable conduct, Alphabet's Board breached its fiduciary duties of good faith and loyalty and violated the Company's policies requiring them to act in an "effective and ethical manner."

49. Additionally, the Code of Conduct goes further to discuss the Board's responsibility in regards to oversight:

> The Board is responsible for oversight of strategic, financial and execution risks and exposures associated with Google's business strategy, product innovation and sales road map, policy matters, significant litigation and regulatory exposures, and other current matters that may present material risk to Google's financial performance, operations, infrastructure, plans, prospects or reputation, acquisitions and divestitures. Directors are expected to invest the time and effort necessary to understand Google's business and financial strategies and challenges.

50. The Board is responsible for oversight in regards to policy matters, litigation, and other matters that could affect Google's prospects and reputation. It is clear from recently disclosed evidence that the Board knowingly facilitated sexual harassment by senior executives of the Company, and then was also directly involved in

the cover-up of such harassment by not disclosing it and by paying such executives millions of dollars in severance benefits when they were asked to resign in light of the credible allegations of sexual harassment.

51. The direct involvement of Alphabet's Board makes them interested in the outcome of this litigation because they face a substantial likelihood of liability. Demand is thus futile.

52. Alphabet's Code of Conduct specifically addresses the Company's policy regarding sexual harassment and discrimination:

> Google prohibits discrimination, harassment and bullying in any form — verbal, physical, or visual, as discussed more fully in our Policy Against Discrimination, Harassment and Retaliation.

53. In turn, Alphabet's Anti-Harassment and Retaliation states:

> Harassment is not tolerated. Harassment includes, but is not limited to: verbal language that reinforces social structures of domination related to gender identity and expression, sexual orientation, disabilities, neurodiversity, physical appearance, body size, ethnicity, nationality, race, age, religion, or other protected category; sexual imagery in public spaces; deliberate intimidation; stalking; following; harassing photography or recording; sustained disruption of talks or other events; offensive verbal language; inappropriate physical contact; and unwelcome sexual attention. Participants asked to stop any harassing behavior are expected to comply immediately.

54. The Director Defendants have additional responsibilities due to their respective memberships on various committees of the Board:

(a) Google's Leadership Development and Compensation Committee is charged with:

> [B]roadly oversee[ing] matters relating to ***the attraction, motivation, development and retention of all Googlers.*** In undertaking these responsibilities, the Committee shall take into account factors it deems appropriate from time to time, including Google's business strategy, the risks to Google and its business implied by its executive compensation and incentive programs and awards, and the results of any shareholder advisory votes with respect thereto.

(b) The LDCC is comprised of defendants Doerr and Shriram. Doerr is one of the original investors in Google and has substantial influence at Google with Page and Brin. This committee was designated with the broad power over the compensation, retention and termination of all Google executive officers. Based upon defendant Doerr's relationship with defendants Brin, Page, and Shriram, the LDCC had full knowledge of the unlawful acts and allowed them to continue.

(c) Google's Audit Committee's key function is to oversee the accounting and financial reporting process as well as the adequacy of the Company's internal controls. The Audit Committee also provides oversight regarding significant financial matters, including Google's tax planning, treasury policies, currency exposures, dividends, and share issuance and repurchases. The Audit Committee is charged with supervising Google's relationship with its independent auditors, internal controls, financial risk oversight, and among others, the ability to investigate any matter brought to its attention, with full access to all Google books, records, facilities, and employees.

(d) The Audit Committee consists of defendants Mather (Chairperson), Shriram, and Greene. These directors either consciously or recklessly ignored the financial and reputational risk to Alphabet from allowing senior executives to engage in sexual harassment and then allow them to quietly resign, with Google paying them millions in severance benefits. Through their active involvement in these unlawful practices, the Audit Committee members have exposed Google to a significant amount of potential liability on top of the already realized attorney's fees and loss of goodwill.

(e) Google's Nominating and Corporate Governance Committee's ("NCGC") purpose is to assist the Board in identifying individuals qualified to become members of the Board consistent with criteria set forth by the Board, to

oversee the evaluation of the Board and management, and to develop and update corporate governance principles.

(f) During the relevant period, the NCGC was comprised of defendants Hennessy (Chairperson) and Tilghman. These members were also tasked with the ability to recommend the termination of service of individual members of the Board as appropriate, for cause or for other "proper reasons." These individuals all have ties to other members of the Board. If any member encouraged or voted to bring suit, these NCGC members would be able to recommend their termination. Since the termination is not reliant on "just cause," the NCGC could terminate anyone that attempted to go against the Board's misconduct relating to Google executives' sexual harassment or try to hold the Board accountable for such activities.

(g) Google's Executive Committee's purpose is to serve as an administrative committee of the Board to act upon and facilitate the consideration by senior management and the Board of certain high-level business and strategic matters. Defendants Schmidt (Chairperson), Brin, and Page are on the Executive Committee. Brin and Page were directly involved in, and in fact authorized, several of the negotiations with departing high-level executives who had been accused of sexual harassment. For example, upon information and belief, Brin and Page approved the details regarding Rubin's departure and $90 million severance package.

**B. Fiduciary Duties of the Individual Defendants**

55. By reason of their positions as officers and directors of the Company, each of the Individual Defendants owed and continue to owe Google and its shareholders fiduciary obligations of trust, loyalty, good faith, and due care, and were and are required to use their utmost ability to control and manage Google in a fair, just, honest, and equitable manner. The Individual Defendants were and are required to act in

furtherance of the best interests of Google and not in furtherance of their personal interest or benefit.

56. To discharge their duties, the officers and directors of Google were required to exercise reasonable and prudent supervision over the management, policies, practices, and controls of the affairs of the Company. By virtue of such duties, the officers and directors of Google were required to, among other things:

(a) conduct the affairs of the Company in an efficient, business-like manner in compliance with all applicable laws, rules, and regulations so as to make it possible to provide the highest quality performance of its business, to avoid wasting the Company's assets, and to maximize the value of the Company's stock; and

(b) remain informed as to how Google conducted its operations, and, upon receipt of notice or information of imprudent or unsound conditions or practices, make reasonable inquiry in connection therewith, and take steps to correct such conditions or practices and make such disclosures as necessary to comply with applicable laws.

**C. Breaches of Fiduciary Duties by Individual Defendants**

57. The conduct of the Individual Defendants complained of herein involves a knowing and culpable violation of their obligations as officers and directors of Google, the absence of good faith on their part, and a reckless disregard for their duties to the Company.

58. The Individual Defendants breached their duty of loyalty and good faith by allowing defendants to cause, or by themselves causing, the Company to cover up Google executives' sexual harassment, and caused Google to incur substantial damage.

59. The Individual Defendants, because of their positions of control and authority as officers and/or directors of Google, were able to and did, directly or indirectly, exercise control over the wrongful acts complained of herein. The Individual

Defendants also failed to prevent the other Individual Defendants from taking such improper actions. As a result, and in addition to the damage the Company has already incurred, Google has expended, and will continue to expend, significant sums of money.

**D. Conspiracy, Aiding and Abetting, and Concerted Action**

60. At all relevant times, Individual Defendants were agents of the remaining Individual Defendants, and in doing the acts alleged herein, were acting within the course of scope of such agency. The Individual Defendants ratified and/or authorized the wrongful acts of each of the other Individual Defendants. The Individual Defendants, and each of them, are individually sued as participants and as aiders and abettors in the improper acts, plans, schemes, and transactions that are the subject of this Complaint.

61. In committing the wrongful acts alleged herein, the Individual Defendants have pursued, or joined in the pursuit of, a common course of conduct, and have acted in concert with and conspired with one another in furtherance of the improper acts, plans, schemes, and transactions that are the subject of this Complaint. In addition to the wrongful conduct herein alleged as giving rise to primary liability, the Individual Defendants further aided and abetted and/or assisted each other in breaching their respective duties.

62. The Individual Defendants engaged in a conspiracy, common enterprise, and/or common course of conduct, by failing to maintain adequate internal controls at the Company and covering up Google executives' sexual harassment.

63. During all times relevant hereto, the Individual Defendants, collectively and individually, initiated a course of conduct that was designed to and did circumvent the internal controls at the Company and cause the Company to cover up Google executives' sexual harassment. In furtherance of this plan, conspiracy, and course of

conduct, the Individual Defendants, collectively and individually, took the actions set forth herein.

64. The purpose and effect of the Individual Defendants' conspiracy, common enterprise, and/or common course of conduct was, among other things, to disguise the Individual Defendants' violations of law, breaches of fiduciary duty, waste of corporate assets, and unjust enrichment; and to conceal adverse information concerning the Company's operations.

65. The Individual Defendants accomplished their conspiracy, common enterprise, and/or common course of conduct by intentionally circumventing internal controls at the Company and causing the Company to cover up Google executives' sexual harassment. Because the actions described herein occurred under the authority of the Board, each of the Individual Defendants was a direct, necessary, and substantial participant in the conspiracy, common enterprise, and/or common course of conduct complained of herein.

66. Each of the Individual Defendants aided and abetted and rendered substantial assistance in the wrongs complained of herein. In taking such actions to substantially assist the commission of the wrongdoing complained of herein, each Individual Defendant acted with knowledge of the primary wrongdoing, substantially assisted in the accomplishment of that wrongdoing, and was aware of his or her overall contribution to and furtherance of the wrongdoing.

## V. SUBSTANTIVE ALLEGATIONS

67. As alleged in detail herein, the Individual Defendants knew about sexual harassment by senior executives of Google, including Rubin, failed to timely disclose the harassment, and then attempted to cover up the harassment when news reports began to suggest that egregious sexual harassment and discrimination had occurred at Google. For example, in Rubin's case, Rubin was forced out by defendants Brin and Page after an internal investigation found the allegations of sexual harassment by Rubin

to be credible. However, rather than firing Rubin for cause, Brin and Page — the co-founders and controlling shareholders of the Company — gave Rubin a hero's farewell and approved a $90 million goodbye present to Rubin, and then also invested millions in Rubin's subsequent startup. No mention was made about Rubin's egregious sexual harassment while at Google.

### A. Defendants Brin and Page, the Company's Co-Founders, as Well as Other Senior Executives, Set the Tone at the Top by Dating Employees and Having Extra-Marital Affairs

68. Google was founded in 1988 by defendants Page and Brin, who at the time were Stanford graduate students. Defendant Doerr was one of the first investors in Google. Schmidt, after being introduced to Page and Brin by Doerr, joined Google as CEO. In April 2011, Page became Google's CEO, and Schmidt became Executive Chairman of Google's board of directors. In connection with the October 2015 reorganization, Page became Alphabet's CEO, and Schmidt became the Executive Chairman of Alphabet's Board. In January 2018, following Schmidt's decision to step down from his role as the Executive Chairman, defendant Hennessy was appointed to serve as Alphabet's Chairman of the Board.

69. At all relevant times, defendants Page and Brin have dominated and controlled Google and have had and continue to have voting control of the Company.

70. In the early 2000s, defendant Page dated Marissa Mayer, who was then an engineer at Google who later went on to become Yahoo! Inc.'s CEO.

71. Defendant Schmidt, who joined Google as CEO in 2001, at which time he was married, retained a mistress to work as a Google consultant.[8]

[8] *See* Daisuke Wakabayashi & Katie Benner, "*How Google Protected Andy Rubin, the 'Father of Android,'*" THE NEW YORK TIMES (Oct. 25, 2018).

72. In 2014, during the time the Company was investigating allegations of sexual harassment by defendant Rubin, defendant Brin had an extra-marital affair with a Google employee.[9]

73. As one article noted:

> "***The Board and top executives are overwhelmingly male, many of whom have been accused of questionable behavior with women*** – reportedly extramarital affairs with underlings are common. There have been countless reports that the two founders, the former CEO, various directors, and even the chief counsel have been romantically involved with women employees – many while married. ***How can any of these men in leadership condemn one of their own with a straight face? It is understandable why Google would keep silent about the accusations. Women are liabilities in these cases and have been treated that way***."

*See* Kristi Kaulkner, "Three Reasons to Believe Google Must Pay Alleged Sexual Harassers," FORBES, Oct. 29, 2018.

74. Defendant Drummond, Alphabet's Senior Vice President of corporate development and Chief Legal Officer, who joined Google in 1998 from Wilson Sonsini Goodrich & Rosati's corporate transactions group, had an extra-marital relationship with one of his subordinates at Google, Jennifer Blakely, a contract manager in the legal department who reported to one of Drummond's deputies. Drummond concealed his affair with Blakely from the Company until he and Blakely had a son in 2007, after which Drummond disclosed his relationship with Blakely. Blakely has alleged that she, rather than Drummond, was later demoted by being transferred to sales in 2007 and then forced out of the Company a year later. In late 2008, Drummond ended this extra-marital relationship and they later fought a custody battle for their son, won by Blakely. Drummond has been paid about $190 million in stock options and stock awards from

[9] *Id.*

Google since 2011 and could make up to another $200 million on other options and equity awards according to Google filings.[10]

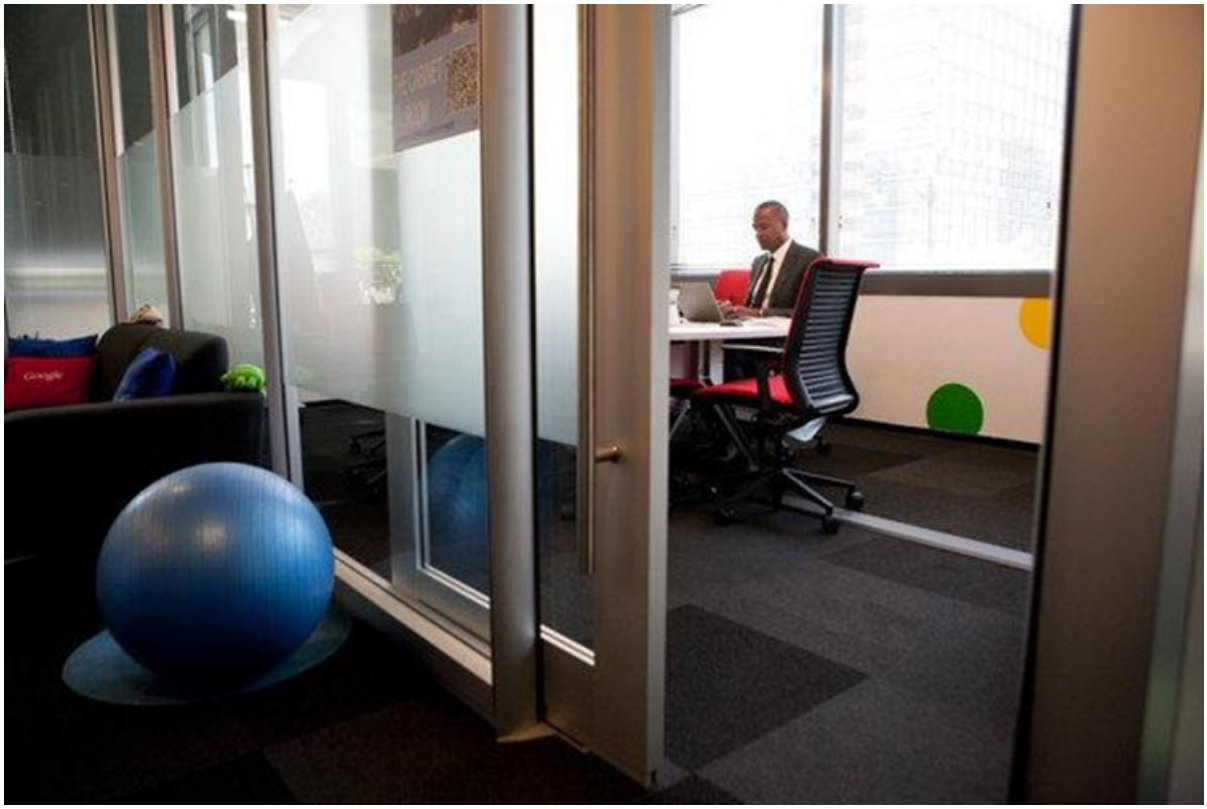


Photo: David C. Drummond, Alphabet's chief legal officer, had an extramarital relationship with Jennifer Blakely, a senior contract manager in the legal department who reported to one of his deputies.

75. According to Blakely, the disparate way in which she and Drummond were treated "amplifies the message that for a select few, there are no consequences. Google felt like I was the liability."

**B. In 2014 the Individual Defendants Investigated Allegations of Sexual Harassment by Defendant Rubin, and Found the Allegations To Be Credible, But Concealed Rubin's Harassment and Instead Gave Him a Hero's Farewell by Paying Him $90 Million in Severance**

76. In 2014, complaints were made by several persons concerning sexual harassment by defendant Rubin. Rubin was extremely influential and "important" at

[10] *Id.*

Google because he had developed the Android operating system, while successfully allowing Google to make a critical transition from desktop to mobile, earning Google billions of dollars in revenues in the ensuing years.

77. Rubin sold Android to Google in July 2005 for $50 million.

78. After the sale, Rubin was named Senior Vice President of Mobile at Google. In the following decade, at his peak, Rubin was paid $20 million per year in base salary.

79. Because of Rubin's importance to Google's financial results, he was treated differently than other employees by Google's Board and senior management. He was given more deference and was lavished with compensation.

80. In 2012 Google also loaned him $14 million to buy a beach house in Japan. The loan was offered at less than 1% interest, far below market rate. The loan was required to be repaid immediately if Rubin's employment with Google was terminated for any reason.

81. In 2013 Rubin received a $40 million bonus and an additional $72 million worth of stock to be paid over the next two years.

82. Rubin allegedly often "berated subordinates as stupid or incompetent," with little retaliation from Google executives. Google only took action when "bondage sex videos" were found on Rubin's work computer, which caused his bonus to be docked that year.[11]

83. The New York Times has reported that Rubin's ex-wife said in a civil lawsuit that he had multiple "ownership relationships" with other women, with a screenshot of an email reading, "Being owned is kinda like you are my property, and I can loan you to other people." Rubin started dating a subordinate from the Android

[11] *See* Corbin Davenport, "Google Allegedly Paid $90 Million Severance to Andy Rubin After Misconduct Allegation," THE ANDROID POLICE, Oct. 30, 2018, available at https://www.androidpolice.com/2018/10/30/google-allegedly-paid-90-million-severance-andy-rubin-misconduct-allegation/, last visited Jan. 5, 2019.

team in 2012, while he was still leading the division at Google. According to the woman, she was pressured into meeting him at a hotel in 2013, at which time he pressured her into performing oral sex. Thereafter, Rubin's relationship with the women ended.[12] She reportedly waited until the following year to file a complaint with Google. The company began an investigation, but a few weeks into the inquiry, Google's Board gave Rubin a $150 million stock grant.

### C. The Board of Directors' and Other Defendants' Active, Direct, and Intentional Role in the Wrongdoing

84. Google's co-founders and its Board were active in the events related to Rubin. During 2014, Google's Audit Committee held six meetings and acted by unanimous written/electronic consent nine times. During 2014, Google's Audit Committee was comprised of defendants Greene, Mulally, and Mather (Chair). As part of their duties on the Audit Committee in 2014, defendants Greene, Mulally, and Mather, along with defendants Brin and Page, as well as the other directors at the time (*e.g.*, Doerr, Hennessy, Shriram and Tilghman) received information and reports about the Company's investigation regarding sexual harassment by Rubin. Defendant Drummond actively participated in the investigation as part of his duties in Google's legal department. All such defendants were advised that the allegations were found to be credible.

85. In 2014, Google's **Leadership Development and Compensation Committee** was comprised of Directors Paul Otellini (Intel's former chief executive who died in October 2017) and Defendant Ram Shriram (of the venture firm Sherpalo Ventures) and Defendant John Doerr (of the venture capital firm Kleiner Perkins).

86. Google's Proxy Statement for 2014 (filed with the SEC on April 23, 2015 — the year after the $150 million equity award to Rubin) states that:

[12] *Id.*

The purpose of our **Leadership Development and Compensation Committee** is to oversee our compensation programs. The Leadership Development and Compensation Committee's responsibilities include:

- Reviewing and approving our general compensation strategy.
- Establishing annual and long-term performance goals for our executive officers.
- Conducting and reviewing with the board of directors an annual evaluation of the performance of our executive officers.
- Evaluating the competitiveness of the compensation of our executive officers.
- Reviewing and approving the selection of our peer companies.
- ***Reviewing and approving all salaries, bonuses, equity awards, perquisites, post-service arrangements, and other compensation and benefit plans for Google's Chief Executive Officer and all other executive officers***.
- ***Reviewing and approving the terms of any*** offer letters, employment agreements, ***termination agreements or arrangements, change in control agreements, indemnification agreements, and other material agreements between us and our executive officers***, including our Executive Chairman.
- Acting as the administering committee for our stock and bonus plans and for any equity or cash compensation arrangements that may be adopted by us from time to time.
- Providing oversight for our overall compensation plans and benefit programs, monitoring trends in executive and overall compensation, and making recommendations to the board of directors with respect to improvements to such plans and programs or the adoption of new plans and programs.
- ***Reviewing and approving compensation programs, as well as salaries, fees, bonuses, and equity awards for the Executive Chairman and the non-employee members of the board of directors***.
- Reviewing plans for the development, retention, and succession of our executive officers.
- Reviewing executive education and development programs.
- Monitoring total equity usage for compensation and establishing appropriate equity dilution levels.

- Reviewing and discussing with management the annual Compensation Discussion and Analysis (CD&A) disclosure and the related tabular presentations regarding named executive officer compensation and, based on this review and discussions, making a recommendation to include the CD&A disclosure and the tabular presentations in our annual public filings.

- ***Preparing and approving the annual Leadership Development and Compensation Committee Report to be included in our annual public filings***.

87. Rubin was an executive officer of Google and thus the LDCC was responsible for all matters regarding Rubin's compensation and termination. Shockingly, in September 2014, while Google's internal investigation of Rubin was underway, Rubin was awarded a $150 million stock grant to be paid over several years.

88. The $150 million stock grant to Rubin was approved by the Board's LDCC, which was composed at the time of Paul S. Otellini as well as two of Google's earliest investors, defendant Shriram (of the venture firm Sherpalo Ventures) and defendant Doerr (of the venture capital firm Kleiner Perkins).

89. Because, as demonstrated above, the Board's LDCC Charter made the LDCC responsible for all matters regarding the compensation and termination of executive officers, the LDCC was involved with reviewing complaints about sexual harassment at Google involving executive officers such as Rubin, and also the payment of severance to executives who were forced out due to credible allegations of sexual harassment or discrimination.

90. After finding the allegations against Rubin to be credible, defendants Brin, Page, Greene, Mather, Mulally, Doerr, Hennessy, Shriram, Drummond, and Tilghman agreed to have Page ask for Rubin's resignation, but did not cause Google to disclose the reason for Rubin's resignation. They further approved a $90 million severance package for Rubin, to be paid over the next four years in installments of about $2 million per month. Google also delayed repayment of Rubin's $14 million loan.

91. Rubin stepped down from his position at Google on October 31, 2014, after he was reportedly given a "hero's farewell."[13] At the time, Defendant Page heaped effusive praise on Rubin on his way out the door, stating "I want to wish Andy all the best with what's next. With Android he created something truly remarkable — with a billion-plus happy users."[14]

92. Afterward, Google also invested in Playground Global, a venture firm Mr. Rubin started six months after leaving the company. Playground has raised $800 million. He also founded Essential, a maker of Android smartphones.

93. During 2014, the year in which Rubin was investigated and given the $150 million stock grant and then the $90 million severance payment, the Board's LDCC held just five meetings, but acted by unanimous written/ electronic consent 28 times. During 2014, Google's full Board held eight meetings and acted by unanimous written/electronic consent six times.

94. The documents produced by Google in response to Plaintiff's shareholder inspection demand demonstrate the active and direct involvement of the Board in the matters regarding the Company's investigation into Rubin's sexual harassment and the decision to pay Rubin a $90 million severance to keep the matter quiet. For example:

95. At the LDCC meeting on October 22, 2014, the LDCC discussed the separation agreement for Rubin. Present at that meeting were Defendants Larry Page, David Drummond, Laszlo, Bock, Doerr, and Shriram.

96. At that meeting, Defendant Laszlo, Google's Senior Vice President of People & Operations provided an update to the LDCC Committee on Rubin's expected

[13] *See* Daisuke Wakabayashi and Katie Benner, "*How Google Protected Andy Rubin, the 'Father of Android*,'" THE NEW YORK TIMES (Oct. 25, 2018).

[14] *Id.*

departure effective November 4, 2014. After discussions with Rubin, Laszlo requested that the Committee approve the terms and conditions of Andy's separation agreement as set forth in an Exhibit B (the "Separation Terms") to the minutes. The Committee members discussed and asked questions, to which Laszlo and Bill Campbell responded. The committee considered and approved the Separation Terms. *See* GOOG-MRTN-SHD-00000110.

97. Moreover, just two months prior to the October 22, 2014 LDCC meeting, Larry Page had proposed an aggressive equity compensation package valued at $150 million, consisting of two grants which were awarded on August 6, 2014. *See* GOOG-MRTN-SHD-00000143-4. *See also* GOOG-MRTN-SHD-00000476.

98. Despite the fact that these awards were supposed to be recommended and approved by the LDCC, the Board minutes and related emails produced by Google make it clear that Larry Page made the decision to approve the $150 million in equity awards directly, by himself, without the prior approval or involvement of the Board or LDCC. For example, the Google Board minutes state that "In order to retain Andy [Rubin] from pursuing external startup opportunities, Larry [Page] proposes an aggressive equity compensation package valued at $150 million, consisting of two grants which were awarded on 6-Aug-14." *See* GOOG-MRTN-SHD-00000143-144.

99. Larry Page only later sought the rubber-stamp of the LDCC beginning on August 14, 2014 -- 8 days *after* the date of awarding the grants. Emails produced by Google demonstrate that, on that date, Setty Prasad of Google sent an email to LDCC members John Doerr, Paul Otellini, and Ram Shriram which stated: "We request the Committee's approval to grant Andy Rubin an SVP Equity Award of $50M and a one-time stub grant of $100M . . . If you are supportive of the equity grants for Andy Rubin, please reply to this email with 'I approve.'" *See* GOOG-MRTN-SHD-00000143-144. Two weeks later, without any further documents being provided to the LDCC members other

than this single email, Defendants Doerr, Otellini, and Shriram all sent one-line emails to Setty stating "I approve."

100. No meeting of the LDCC was ever held, and no documents were reviewed or analyzed by the LDCC. Instead, it simply rubber-stamped the request by Larry Page to give Rubin $150 million. This conduct represented a blatant example of abdication and bad faith by Doerr, Otellini, and Shriram. Corporate directors have an absolute obligation to fully inform themselves of all material facts before acting, especially in a matter as important as a $150 million equity grant to a senior executive of the company – especially one such as Rubin who was being simultaneously investigated by Google for sexual harassment. The conduct of Defendants Page, Doerr, and Shriram was thus not protected by the business judgment rule, constituted bad faith, and represents conduct amply demonstrating demand futility in this shareholder derivative action.

101. The Google Board minutes in fact reflect the active and substantial intervention of Defendant Page on Rubin's behalf. Rubin's compensation had in fact come up before, at the April 16, 2014 LDCC meeting. At that meeting, the LDCC had approved drastically lower compensation for Rubin in the form of a $650,000 base salary and a 250% bonus target. The Board minutes indicate that Rubin declined acceptance of the compensation until he could speak with Larry Page. As demonstrated above, Page and Rubin had discussions after the April 2014 meeting without the involvement or knowledge of the LDCC, the result of which was that Rubin received a $150 million equity award on August 6, 2014, and the approval of the LDCC in this massive increased award (from a $650,000 base salary and a 250% bonus target, to a $150 million equity grant) was only retroactively sought by Page from the LDCC beginning eight days after the award was already made.

102. At its next meeting on January 28, 2015, the LDCC summarized the key guidance received from the previous meeting (Oct. 22, 2014) and reiterated its approval of the separation agreement for Andy Rubin in which the LDCC cancelled $173M in

unvested equity; gave Rubin a $90M cash severance paid out monthly for four years contingent on compliance with a non-compete agreement; and extended by several years repayment of Rubin's $14M loan otherwise due upon termination. *See* GOOG-MRTN-SHD-00000240. In its Organizational Update at the same meeting, the LDCC grossly mischaracterized the nature of Rubin's departure by stating: "On 4-Nov-14 Andy Rubin resigned to start a hardware startup incubator." *See* GOOG-MRTN-SHD-00000246.

103. Moreover, the Minutes of the LDCC Meeting from April 17, 2013 reveal that as of that time Google, at least temporarily, had transitioned Rubin to an advisory role: "Prasad reviewed the recent changes to senior leadership including: (1) the transition of Andy Rubin to an advisory role (previously Senior Vice President, Mobile, currently Google Advisor)". *See* GOOG-MRTN-SHD-00000482. The fact that Rubin's role at Google had been diminished to that of a mere "advisor" in 2013 demonstrates to even greater a degree the wrongfulness of the conduct of Page, the LDCC, and the Company's other directors in approving a $150 million equity grant to Advisor Rubin, especially after the LDCC had initially approved a salary of "just" $650,000 to Rubin in its April 2014 meeting.

104. The $150 million "hush money" to Rubin was also egregious in light of the original vesting restrictions that accompanied the $150 equity grant. Google's Board minutes demonstrate that the $50 million grant would not vest until April 2018, and the $100 million stub grant would only vest on a quarterly basis starting in July 2015 and ending in October 2017. Moreover, the prior equity that Rubin had been granted did not even vest until, in one instance, April 2015, and in another instance a cliff vest of April 2018. Thus, none of Rubin's equity – neither the $150 million new grants or the prior grants – were vested as of the date Rubin's employment with Google was terminated in October 2014.

105. Simply put, Rubin was not contractually entitled to any of the equity, and should not have been granted ***any*** severance. The Board's egregious conduct in not only

not firing Rubin for cause, but paying him a $90 million severance when he was not entitled to anything, represents bad-faith, disloyal conduct that is not protected by the business judgment rule and amply demonstrates demand futility.

106. The rational and reasonable inference from these facts is that Larry Page and Google's directors wanted to make sure Rubin was paid handsomely to ensure his silence, since they apparently feared that if they fired Rubin for cause, he would sue Google for wrongful termination and all the tawdry details of sexual harassment by senior executives at Google would become public. As one writer noted after some of the facts became public later in 2018: "How can any of these men in leadership condemn one of their own with a straight face? It is understandable why Google would keep silent about the accusations. Women are liabilities in these cases and have been treated that way." *See* Kristi Kaulkner, "Three Reasons to Believe Google Must Pay Alleged Sexual Harassers," FORBES, Oct. 29, 2018.

107. In 2014, Google's Senior Vice President and Chief Business Officer, Nikesh Arora, also resigned. As part of its Form 10-Q filed with the SEC on October 23, 2014, Google attached an Exhibit 10.3 to the 10-Q, which was a copy of a separate letter and settlement agreement and release with Mr. Arora. Google paid Arora $8 million as a severance, and the accompanying "Separation Agreement and Release" provided Google with a very broad release of any and all claims, including claims for wrongful termination, and contained a strict non-disclosure agreement. The agreement was dated September 8, 2014 and was signed by Arora and by Defendant Bock for Google. The $8 million payment by Google was unusual because, pursuant to an original award of compensation to Arora from the Board's LDCC in 2012 and reported via a SEC filing on April 26, 2012, Arora would have had forfeited and had to re-pay the $8 million in compensation when he left Google in 2014. Instead of forcing him to re-pay the $8 million, Google's Board approved the Separation Agreement and Release which explicitly stated that "Bonus Repayment Forgiveness. Conditioned on your accepting

this Agreement, the Company will forgive repayment of the $8,000,000 bonus that was approved by the Leadership Development and Compensation Committee of the Company's Board of Directors, and reported on a Form 8-K with the U.S. Securities and Exchange Commission, on April 26, 2012 (the "Bonus")."

108. At the time, Google did not provide any reason for the $8 million payment to Arora. The whole purpose of the restrictions contained in the 2012 compensation award to Arora was to try to get Arora to work at Google longer by making him contractually obligated to re-pay significant portions of his compensation if he left Google earlier than anticipated or hoped. Arora stated at the time that he was leaving Google to work at Softbank. Going to work for Softbank did not provide any benefit to Google, and thus there was no discernible reason for Google to waive Arora's contractual obligation to pay back the $8 million, but it did so.

109. Interestingly, the Transition Agreement attached with Arora as Exhibit 10.02 to the October 23, 2014 Form 10-Q contained a provision stating that "***You may characterize your departure from the Company as voluntary and communicate the same to your team and peers***, however, any written communications related to your departure must be pre-approved by Google's Communications representative."

110. During 2015, the Board's LDCC held five meetings and acted by unanimous written/ electronic consent 37 times.

111. In its meeting of April 22, 2015, five and a half months after Rubin was terminated because claims of sexual harassment against him were found credible by an undisclosed internal Google investigation, the LDCC discussed still undisclosed modifications to Rubin's separation agreement:

> "After discussion, the Committee requested that, going forward, management provide pre-notification to the Committee of any proposed modifications to any severance and similar arrangements previously approved by the Committee to further transparency." *See* GOOG-MRTN-SHD-00000573.

112. These facts demonstrate that Defendants Page and others at Google were taking action with respect to action that was reserved to the LDCC pursuant to the charter of the LDCC, and that Google's directors were allowing such circumvention to happen and yet doing nothing to stop it. These facts demonstrate the complete abdication of fiduciary duty by Google's directors. Again, abdication of fiduciary duty is not protected by the business judgment rule and demonstrates demand futility.

113. During 2016, Doerr, defendant Shriram and nonparty Paul S. Otellini, as members of the LDCC, held five meetings and acted by unanimous written/electronic consent 13 times.

114. During 2017, the LDCC held five meetings and acted by unanimous written/ electronic consent 13 times.

115. On October 2, 2017, nonparty Paul S. Otellini passed away and ceased to serve as a Board member and chair of the LDCC. Defendant Doerr was appointed to serve as chair of the LDCC. Since then, the LDCC has consisted of two members — defendants Doerr and Shriram.

116. In November 2017, after the technology news site *The Information* reported that Google had investigated Rubin for an inappropriate relationship, Rubin took a leave of absence from Essential. He has since returned to run it and is busy with speaking engagements and investments.

117. Rubin was allegedly able to negotiate the $90 million severance package due to the $150 million stock grant he had been given by Google's Board after the internal investigation was commenced. According to his ex-wife's divorce filings, Rubin's net worth increased from around $10 million in 2008 to $350 million as of 2018. Rubin was forced to list his $34.5 million mansion in Woodside, California for sale as a result of the divorce proceedings.

118. At the time of Rubin's "resignation" in 2014, defendants Page, Brin, and Schmidt were controlling shareholders, owning over 92.6% of Google's Class B common

stock and exerting 59.8% of Alphabet's voting power, as reflected in the following chart based on the data provided in Alphabet's April 23, 2015 Proxy Statement:

| Name | Class B Shares and Percentage Owned | | Voting Control |
|---|---|---|---|
| Larry Page | 22,246,906 | 42.4% | **27.4%** |
| Sergey Brin | 21,879,314 | 41.7% | **26.9%** |
| Eric Schmidt | 4,464,597 | 8.5% | **5.5%** |
| L. John Doerr | 1,117,447 | 2.1% | **1.4%** |
| **Total** | 44,656,305 | 94.8% | **61.2%** |

**D. Alphabet's Current Board Failed to Come Clean in Late 2017, Even After a News Report Surfaced That Suggested Impropriety by Rubin**

119. On November 29, 2017, a news report appeared on CNBC stating that Rubin had taken a leave of absence at his current employer, Essential. The report noted that "Essential founder and CEO Andy Rubin has taken a leave of absence from his new company for "personal reasons" following a report on the circumstances of his 2014 departure from Google. According to *The Information*, Rubin left Google shortly after an investigation found that he had maintained an "inappropriate relationship" with a woman who worked under him and filed a complaint to HR." *See* Sam Byford, "*Andy Rubin takes leave from Essential as probe into 'inappropriate' Google relationship goes public: Report*," CNBC (Nov. 29, 2017).

120. The November 29, 2017 news article also stated:

> ***The woman who filed the complaint reportedly worked in the Android division run by Rubin, which would make any personal relationship between the two violate Google policy; the company requires employees to disclose such relationships so that one of them can be moved to another division***. Rubin left the Android department in March 2013 to lead Google's efforts in robotics, but the HR investigation is said to have taken place in 2014. That investigation, according to *The Information*, concluded that "Rubin's behavior was improper and showed bad judgement."

121. Despite this article, however, the Alphabet Board at the time (which was identical to the current Board — defendants Page, Brin, Schmidt, Doerr, Ferguson, Mulally, Pichai, Hennessy, Mather, Shriram, and Greene) failed to make any disclosure of the true reasons for Rubin's departure from Google, including the fact that the Board

had investigated Rubin and found the allegations of sexual harassment to be credible, leading the Board to ask for Rubin's resignation. In failing again in December 2017 to disclose the true facts regarding Rubin's departure, even after the reports made in the November 29, 2017 CNBC article, the Board acted in bad faith and breached its duty of loyalty to Alphabet.

122. During Autumn 2018, the N.Y. Times broke a major story on the Board's cover-up of Rubin's sexual harassment, which in turn resulted in dozens and dozens of news articles about the subject around the world, demonstrating the materiality of the issue. A sampling of those news articles is attached hereto as **Exhibit A**.

### E. Google Paid Another Executive, Amit Singhal, Millions After He Sexually Harassed Google Employees

123. In another harassment case, Google paid Amit Singhal, a senior vice president who headed search, millions of dollars on the way out.

124. In 2015, an employee said Mr. Singhal groped her at a boozy off-site event attended by dozens of colleagues, said three people who were briefed on the incident. Google investigated and found that Mr. Singhal was inebriated and there were no witnesses, they said.

125. Google found the female employee's claim credible. But Google did not fire Mr. Singhal and instead accepted his resignation and negotiated an exit package that paid him millions and prevented him from working for a competitor.[15]

126. Google's practice of disregarding, covering up, and rewarding the malfeasance of its senior executives continued with the handling of Singhal's separation agreement. The documents produced by Google in response to Plaintiff's shareholder

[15] *See* Daisuke Wakabayashi & Katie Benner, "*How Google Protected Andy Rubin, the 'Father of Android,'*" THE NEW YORK TIMES (Oct. 25, 2018).

inspection demand indicate that the LDCC Committee, in its Summary of Key Guidance at its January 27, 2016 meeting, indicate that on January 11, 2016:

"The LDCC approved the following separation agreement for Amit Singhal (SVP, Search):

- Separation date no later than mid-February
- Annual cash payments of $15M, to be paid 12 months and 24 months after exit, and $5M (negotiating range to $15M), to be paid 36 months after exit, contingent on not being employed by a competitor
- Reaffirmation of all non-compete and intellectual property agreements"[16]

127. Moreover, just prior to terminating Singhal, on January 27, 2016, Pichai proposed to the LDCC various equity grants to the SVPs at Google:

"Based on his subjective assessment of each SVP's performance, criticality and external marketability, Sundar proposes the following grants: … Executive: Amit Singhal [to be discussed at the 27-Jan-16 LDCC meeting], Role: SVP, Search; Proposed Grant Freq.: N/A; Proposed Grant Value: N/A; 2015 SVP Bonus, $3M; Last Refresh/Commitment Freq.: Biennial; Last Refresh/Commitment Value: $40M; 2x Bonus + Biennial, $46M." *See* GOOG-MRTN-SHD-00000621.

128. Including this in an LDCC meeting is particularly egregious in light of the action taken by the LDCC by email just two weeks earlier to pay Singhal the $35-45M severance despite the credible sexual harassment charges against him.

129. In seeking, and subsequently receiving without question or discussion, approval of the LDCC for Singhal's separation payout, Defendant Bock stated:

[16] *See* GOOG-MRTN-SHD-00000581.

"Were we to instead prorate his existing equity and make a cash payment at termination, as we have in select past cases, the amount would be ~$33M." *See* GOOG-MRTN-SHD-00000665.

130. The Board has yet to identify these "select past cases," demonstrating its willingness to continue the practice of rewarding sexual harassment by its senior executives.

131. The LDCC continued its practice of covering up the real reason for Singhal's departure by describing Singhal's departure as follows:

"On 26-Feb-16, Amit Singhal (SVP, Search) left Google to focus on philanthropic activities." *See* GOOG-MRTN-SHD-00000706.

132. Because Google's Board concealed the reasons for Singhal's departure, he found another lucrative job. Less than a year later, he became head of engineering at the ride-hailing company Uber. Weeks later, the technology news website Recode reported that Mr. Singhal had left Google after a misconduct accusation. Uber dismissed Mr. Singhal for not disclosing the inquiry at Google.[17]

### F. Google Asked Other Victims of Sexual Harassment to "Stay Quiet" After Their Allegations of Harassment Were Found to Be Credible

133. In 2013, Richard DeVaul, a director at Google X, the company's research and development arm, interviewed Star Simpson, a hardware engineer. During the job interview, she said he told her that he and his wife were "polyamorous," a word often used to describe an open marriage. She said he invited her to Burning Man, an annual festival in the Nevada desert, the following week.

///

///

///

[17] *Id.*

Photo: Richard DeVaul of X apologized for an "error of judgment" with Star Simpson, who had interviewed for a job with him. Credit: Jason Henry for The New York Times

134. Ms. Simpson went with her mother and said she thought it was an opportunity to talk to Mr. DeVaul about the job. She said she brought conservative clothes suitable for a professional meeting.

135. At Mr. DeVaul's encampment, Ms. Simpson said, he asked her to remove her shirt and offered a back rub. She said she refused. When he insisted, she said she relented to a neck rub.

136. "I didn't have enough spine or backbone to shut that down as a 24-year-old," said Ms. Simpson, now 30.

137. A few weeks later, Google told her she did not get the job, without explaining why.

138. Ms. Simpson waited two years to report the episode to Google after she said she wrestled with talking about it. A human resources official later told her that her account was "more likely than not" true and that "appropriate action" was taken.

139. Significantly, ***Simpson said the Google official asked her to stay quiet about what had happened***, which she did — until Mr. DeVaul's public profile began rising in articles in *The New York Times* and *The Atlantic*.

140. In a statement, Mr. DeVaul apologized for an "error of judgment."

**G. The Director Defendants Caused Google to File False Financial Statements With the SEC**

141. On February 9, 2015, Director Defendants Page, Brin, Schmidt, Hennessy, Doerr, Greene, Mather, Mulally, Shriram, and Tilghman reviewed, approved, and signed Google's Annual Report to shareholders on Form 10-K for its fiscal year ending December 31, 2014 (the "2014 10-K"). Google's fiscal year 2014 covered the time period when Defendant Rubin was investigated for sexual harassment, when those allegations were found to be credible, and when Rubin nonetheless was allowed to "resign" with a $90 million exit package.

142. The 2014 10-K, at p. 5, represented that:

> **Culture and Employees**
>
> We take great pride in our culture. We embrace collaboration and creativity, and encourage the iteration of ideas to address complex technical challenges. ***Transparency and open dialogue are central to how we work, and we like to ensure that company news reaches our employees first through internal channels.***
>
> Despite our rapid growth, we still cherish our roots as a startup and wherever possible empower employees to act on great ideas regardless of their role or function within the company. We strive to hire great employees, with backgrounds and perspectives as diverse as those of our global users. We work to provide an environment where these talented people can have fulfilling careers addressing some of the biggest challenges in technology and society.

143. This statement was materially false and misleading because the Director Defendants had covered up the true reason for Rubin's departure from Google. Rather than communicating the truth to the Company's employees through internal channels, the Directors and senior officers of Google concealed the truth from employees, thus making the statements in the Form 10-K inaccurate and misleading. The cover-up

continued until the fall of 2018, when some of the truthful information was disseminated through outside major news outlets.

144. Other representations in the 2014 10-K admitted the outsize importance and influence of Defendants Page, Brin, Schmidt, and other senior officers at Google, while at the same time concealing the lengths to which the Company went to protect senior executives from harassment charges:

> ***If we were to lose the services of Larry, Sergey, Eric, or other key personnel, we may not be able to execute our business strategy.***
>
> Our future success depends in a large part upon the continued service of key members of ***our senior management team***. In particular, Larry Page and Sergey Brin are critical to the overall management of Google and the development of our technology. ***Along with our Executive Chairman Eric E. Schmidt, they also play a key role in maintaining our culture and setting our strategic direction.*** All of our executive officers and key employees are at-will employees, and we do not maintain any key-person life insurance policies. The loss of key personnel could seriously harm our business.

*See* 2014 10-K, at p. 15.

145. This statement in the 2014 Annual Report was misleading and a half-truth because the Director Defendants who signed the Form 10-K knew, but did not disclose, that the Company viewed these senior executives (which included not only Brin, Page, and Schmidt, but also Rubin and Singhal) to be so crucial to Google's money-making ability (*e.g.,* "PROFITS") that the Company was protecting them against credible allegations of sexual harassment and not disclosing the Company's own findings to employees and shareholders. As noted above, Defendants Page, Brin, Schmidt, and the other Director Defendants abused their power and positions of fiduciary responsibility at Google to perpetuate a culture of harassment and to lead Google in a strategic direction that allowed subsequent cover ups and payouts for the misdeeds of male executives.

146. Key elements of the financial disclosures contained within the 2014 10-K also are false and misleading due to omission of an explanation of the true nature of Defendant Rubin's departure from Google and the consequent substantial liability faced

by Google both in terms of possible financial payout and harm to reputation. The 2014 10-K stated:

> ***Loss Contingencies***
>
> We are regularly subject to claims, suits, government investigations, and other proceedings involving competition and antitrust, intellectual property, privacy, indirect taxes**,** ***labor and employment***, commercial disputes, content generated by our users, goods and services offered by advertisers or publishers using our platforms, and other matters. Certain of these matters include speculative claims for substantial or indeterminate amounts of damages. ***We record a liability when we believe that it is both probable that a loss has been incurred, and the amount can be reasonably estimated. If we determine that a loss is possible and a range of the loss can be reasonably estimated, we disclose the range of the possible loss in the Notes to the Consolidated Financial Statements.***

*See* 2014 10-K, p. 36-7.

147. Despite their knowledge of the true nature of Defendant Rubin's departure from Google and the Company's possible liability for the credible claims of sexual harassment, the Defendant Directors failed to include this information in its loss contingencies disclosures.

148. Similarly, when setting forth other legal matters, the 2014 10-K was noticeably silent on Defendant Rubin's departure and its possible legal consequences:

> ***Other***
>
> We are also regularly subject to claims, suits, government investigations, and other proceedings involving competition (such as the pending investigation by the EC described above), intellectual property, privacy, tax**,** ***labor and employment***, commercial disputes, content generated by our users, goods and services offered by advertisers or publishers using our platforms, personal injury, consumer protection, and other matters. Such claims, suits, government investigations, and other proceedings could result in fines, civil or criminal penalties, or other adverse consequences.
>
> Certain of our outstanding legal matters include speculative claims for substantial or indeterminate amounts of damages. ***We record a liability when we believe that it is probable that a loss has been incurred and the amount can be reasonably estimated. If we determine that a loss is possible and a range of the loss can be reasonably estimated, we disclose the range of the possible loss. We evaluate, on a monthly basis, developments in our legal matters that could affect the amount of liability that has been previously accrued, and the matters and related ranges of possible losses disclosed, and make adjustments as appropriate.*** Significant judgment is required to determine both likelihood of there being and the estimated amount of a loss related to such matters.

> ***With respect to our outstanding legal matters, based on our current knowledge, we believe that the amount or range of reasonably possible loss will not, either individually or in the aggregate, have a material adverse effect on our business, consolidated financial position, results of operations, or cash flows. However, the outcome of such legal matters is inherently unpredictable and subject to significant uncertainties.***

*See* 2014 10-K, p. 66.

149. Instead of revealing that the credible claims of sexual harassment against Rubin led to his departure and ***exposed Google to significant financial liability and loss to reputation***, thereby having a ***material adverse effect on Google's business***, the Defendant Directors signed the false and misleading Annual Report that concealed the true facts.

**H. The Board's Conduct Has Caused Substantial Damage to the Company**

150. The Individual Defendants' misconduct has caused severe financial and reputational damage to Alphabet and Google.

151. As one current Google employee succinctly put it:

> ***When Google covers up harassment and passes the trash, it contributes to an environment where people don't feel safe reporting misconduct. They suspect that nothing will happen or, worse, that the men will be paid and the women will be pushed aside.***

*See* Daisuke Wakabayashi & Katie Benner, "How Google Protected Andy Rubin, the 'Father of Android,'" THE NEW YORK TIMES (Oct. 25, 2018) (quoting Liz Fong-Jones, a Google engineer).

152. On November 1, 2018, furious over the Board's cover-up of sexual harassment by senior executives at Google, Google employees staged a synchronized walkout at Google offices across the world.

153. In New York, more than 3,000 gathered in a city park and carried signs that said, "O.K. Google, really?" In Dublin, dozens filled a sidewalk. And in Silicon Valley,

thousands poured out of office buildings into a common outdoor area and chanted: "Stand up! Fight back!"[18]

154. Similar scenes played out in other cities around the world — from Singapore and Hyderabad, India, to Berlin, Zurich, London, Chicago and Seattle — as Google employees held a wave of walkouts on Thursday, November 1, 2018 to protest the internet company's handling of sexual harassment.


[18] *See* Daisuke Wakabayashi, Erin Griffith, Amie Tsang & Kate Conger, "*Google Walkout: Employees Stage Protest Over Handling of Sexual Harassment*," THE NEW YORK TIMES (Nov. 1, 2018).


[Caption: On November 1, 2018, Google employees staged a walkout in New York City, San Francisco, and multiple other locations throughout the world, in a protest against what they said is the tech company's mishandling of sexual-misconduct allegations. *See* Douglas MacMillan *et al.*, "*Google Employees Stage Global Walkout Over Treatment of Sexual Harassment*," THE WALL STREET JOURNAL (Nov. 1, 2018); *see also* Douglas MacMillan, "*Google to End Forced Arbitration for Sexual-Harassment Claims*," THE WALL STREET JOURNAL (Nov. 8, 2018).]

155. The backlash was prompted by an article in *The New York Times* the previous week that revealed that Google had paid millions of dollars in exit packages to male executives accused of misconduct, while staying silent about the transgressions.

156. "I am here because what you read in *The New York Times* are a small sampling of the thousands of stories we all have," Meredith Whittaker, a Google employee who helped organize the walkout, said to a crowd of colleagues in New York.

After she called out the company's "pattern of unethical and thoughtless decision-making," protesters chanted, "Time's up."[19]

157. The walkouts capped a turbulent week for Google. After *The New York Times* article was published, the Company revealed that it had fired 48 people for sexual harassment over the last two years and that none had received an exit package. Defendant Pichai (Google's CEO) and defendant Page (Google's co-founder and Alphabet's CEO) apologized. And one of the executives whom Alphabet continued employing after he was accused of harassment resigned, with no exit package.

158. But employees' discontent continued to simmer. Many said Google had treated female workers inequitably over time. Others were outraged that Google had paid Rubin, the creator of the Android mobile software, a $90 million exit package even after the company concluded that a harassment claim against him was credible.

159. That led some Google employees to call for a walkout. The organizers also produced a list of demands for changing how Google handles sexual harassment, including ending its use of private arbitration in such cases. They also asked for the publication of a transparency report on instances of sexual harassment, further disclosures of salaries and compensation, an employee representative on the company board, and a chief diversity officer who could speak directly to the board.

160. Defendant Pichai, who spoke at *The New York Times*'s DealBook conference on Thursday, Nov. 1, 2018, said: "It's been a difficult time. There is anger and frustration within the company. We all feel it. I feel it, too."

161. Defendant Pichai conceded that Google had not lived up to the high bar it set for itself. It has since "evolved as a company." And he expressed support for the

[19] *Id.*

employees who participated in the walkout. He promised that Google would take steps to address the issues they raised.

162. The walkouts, which started in Asia and spread across continents, were planned for around 11 a.m. in local time zones. Many employees — both men and women — posted photos on social media to chronicle their experiences. The images showed dozens of people gathered in different locations, chanting slogans and displaying signs. One read:

> ***What do I do at Google? I work hard every day so the company can afford $90,000,000 payouts to execs who sexually harass my co-workers.***

## VI. UNJUST COMPENSATION AWARDED TO SOME OF THE DEFENDANTS

163. Some of the Defendants received unjust compensation and/or compensation and payments that constituted corporate waste. Much of the information about the payments is not publicly available, and has been fraudulently concealed by Defendants. As a result, Plaintiff requires discovery in order to properly allege the full extent and details of the Defendants' unjust enrichment.

164. However, at a minimum, Defendants Page, Rubin, Pichai, Drummond, Doerr, and Shriram received compensation during the relevant time period which was unjust in light of their direct participation in the wrongful conduct alleged herein, which constituted bad faith and disloyal conduct. The defendants' receipt of such compensation while they were knowingly or recklessly breaching their fiduciary duties to the Company constituted unjust enrichment and/or corporate waste that should be recouped by Alphabet.

165. As detailed herein, Defendant Rubin received a $150 million stock grant in 2014 after the internal investigation into his sexual harassment had commenced. He thereafter was given a $90 million severance payment from Google in 2014, even though none of the $150 million in stock grants had vested as of the date of Rubin's departure. This compensation was unjust in light of Rubin's wrongful conduct related to the sexual

harassment allegations against Rubin, which the Company's internal investigation found to be credible.

166. For 2015 through 2017, Defendants Doerr and Shriram, as the members of the Board's Leadership, Development and Compensation Committee, approved the award of the following compensation to certain of the defendants:

| Name and Principal Position | Year | Salary ($)[1] | Bonus ($)[2] | Stock Awards ($)[3] | Option Awards ($) | Non-Equity Incentive Plan Compensation ($) | Non-Qualified Deferred Compensation Earnings ($)[4] | All Other Compensation ($)[5] | Total ($) |
|---|---|---|---|---|---|---|---|---|---|
| **Eric E. Schmidt** | 2017 | 1,250,000 | – | – | – | – | 2,798,606 | 677,986[7] | 4,726,592 |
| Technical Advisor, | 2016 | 1,250,000 | – | – | – | – | 2,430,685 | 629,106 | 4,309,791 |
| Former Executive Chairman Alphabet | 2015 | 1,254,808 | 6,000,000 | – | – | – | – | 783,370 | 8,038,178 |
| **Sundar Pichai** | 2017 | 650,000 | – | – | – | – | – | 683,557[8] | 1,333,557 |
| Chief Executive Officer, | 2016 | 650,000 | – | 198,695,790 | – | – | – | 372,410 | 199,718,200 |
| Google | 2015 | 652,500 | – | 99,829,142 | – | – | – | 150,460 | 100,632,102 |

167. Moreover, egregiously, Defendant Schmidt received a **$100 million stock award in 2014**, the year in which he signed off on the $90 million severance payment to Rubin notwithstanding the Company's finding that the allegations of sexual harassment by Rubin were credible. **Pichai received a similar $99.8 million award the following year, in 2015**. Schmidt also received a $6 million bonus in 2014. The compensation of Pichai and Schmidt in 2014 was disclosed by the Company in the 2015 Proxy in the following table:

///

///

///

///

| Name and Principal Position | Year | Salary ($)[1] | Bonus ($)[2] | Stock Awards ($)[3] | Option Awards ($) | Non-Equity Incentive Plan Compensation ($) | Non-Qualified Deferred Compensation Earnings ($) | All Other Compensation ($)[4] | Total ($) |
|---|---|---|---|---|---|---|---|---|---|
| **Eric E. Schmidt** | 2015 | 1,254,808 | 6,000,000 | — | — | — | — | 783,370[6] | 8,038,178 |
| Executive | 2014 | 1,250,000 | 6,000,000 | 100,443,838 | — | — | — | 996,934 | 108,690,772 |
| Chairman, Alphabet | 2013 | 1,250,000 | 6,000,000 | 11,365,184 | — | — | — | 708,196 | 19,323,380 |
| **Sundar Pichai** | 2015 | 652,500 | — | 99,829,142 | — | — | — | 150,460[7] | 100,632,102 |
| Chief Executive Officer | | | | | | | | | |

168. For Defendant Pichai, the $99.8 million stock award was approved by the Leadership Development and Compensation Committee (which was comprised at the time by Non-Defendant Otellini and Defendant Shriram) ***on October 22, 2014***, just nine days before Rubin stepped down from his position at Google on October 31, 2014, after he was reportedly given a "hero's farewell."[20]

169. The following table provides information on the current holdings of stock options and unvested GSUs by certain of the defendants at December 31, 2017.

| | | Option Awards | | | Stock Awards | |
|---|---|---|---|---|---|---|
| Name | Grant Date | Number of Securities Underlying Unexercised Options (#) Exercisable[1] | Option Exercise Price[2] ($) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested[3] ($) |
| **Eric E. Schmidt** | 2/5/2014[4] | – | – | – | 27,457 | 28,923,204 |
| | 2/5/2014[4] | – | – | – | 27,457 | 28,731,005 |
| | 2/2/2011 | 181,840 | 306.61 | 2/2/2021 | – | – |
| | 2/2/2011 | 181,840 | 305.39 | 2/2/2021 | – | – |
| **Sundar Pichai** | 2/3/2016[5] | – | – | – | 136,664 | 143,005,210 |
| | 8/6/2014[6] | – | – | – | 353,939 | 370,361,770 |
| | 5/1/2013[7] | – | – | – | 20,213 | 21,292,374 |

[20] The Company's Proxy states that the stock award was formally granted on January 7, 2015 after having been approved by the Committee on Oct. 22, 2014.

| | | | | | | |
|---|---|---|---|---|---|---|
| | 5/1/2013[7] | – | – | – | 20,213 | 21,150,883 |
| | 4/4/2012 | 8,646 | 318.21 | 4/4/2022 | – | – |
| | 4/4/2012 | 8,646 | 316.94 | 4/4/2022 | – | – |
| | 8/4/2010 | 1,459 | 253.67 | 8/4/2020 | – | – |
| | 8/4/2010 | 1,459 | 252.65 | 8/4/2020 | – | – |
| | 7/29/2009 | 2,436 | 218.56 | 7/29/2019 | – | – |
| | 7/29/2009 | 2,436 | 217.68 | 7/29/2019 | – | – |
| **David C. Drummond** | 8/6/2014[6] | – | – | – | 70,788 | 74,072,563 |
| | 4/4/2012 | 44,955 | 318.21 | 4/4/2022 | – | – |
| | 4/4/2012 | 44,955 | 316.94 | 4/4/2022 | – | – |
| | 4/4/2012 | 8,646 | 318.21 | 4/4/2022 | – | – |
| | 4/4/2012 | 8,646 | 316.94 | 4/4/2022 | – | – |
| | 4/6/2011 | 29,288 | 287.66 | 4/6/2021 | – | – |
| | 4/6/2011 | 29,288 | 286.52 | 4/6/2021 | – | – |
| | 12/1/2010 | 9,998 | 282.74 | 12/1/2020 | – | – |
| | 12/1/2010 | 9,998 | 281.61 | 12/1/2020 | – | – |
| | 3/4/2009 | 34,138 | 159.78 | 3/4/2019 | – | – |
| | 3/4/2009 | 34,138 | 159.14 | 3/4/2019 | – | – |

170. The following table provides information about contributions, earnings, and balances under Google's nonqualified deferred compensation plan in fiscal year 2017.

| Name | Executive Contributions in 2017 ($) | Aggregate Earnings in 2017[1] ($) | Aggregate Withdrawals/ Distributions in 2017[2] ($) | Aggregate Balance at December 31, 2017[3] ($) |
|---|---|---|---|---|
| Eric E. Schmidt | – | 3,625,563 | 3,618,179 | 29,643,886 |
| Sundar Pichai | – | 52,779 | – | 4,425,884 |
| David C. Drummond | – | – | – | – |

171. The Defendants' compensation and stock awards detailed herein were unjust and should be disgorged or returned by such Defendants because they acted in bad faith and in a disloyal manner by virtue of the conduct alleged in this complaint.

## VII. DAMAGES TO ALPHABET AND GOOGLE

172. As a result of the Individual Defendants' improprieties, Alphabet and Google have suffered significant financial harm.

173. Due to the Individual Defendants' misconduct, Alphabet and Google paid Rubin $90 million, which represented corporate waste. Similar to the low-level employees whose employment was terminated because Google found allegations of sexual harassment to be credible, Rubin should have been fired for cause and not given any severance.

174. Similarly, due to the Individual Defendants' wrongdoing, Alphabet and Google paid millions in severance to Amit Singhal, who should have been fired for cause and not given any severance.

175. Moreover, Alphabet and Google's reputation, goodwill, and market capitalization have been harmed as a result of the Individual Defendants' misconduct.

176. Further, as a direct and proximate result of the Individual Defendants' actions, Alphabet and Google have expended, and will continue to expend, significant sums of money. Such expenditures include, but are not limited to:

(a) costs incurred from having to hire new employees, as employees have quit in protest over Defendants' misconduct and the double standard employed by Alphabet and Google;

(b) costs incurred from defending and paying settlements in sexual harassment lawsuits, since the Individual Defendants' wrongdoing caused sexual harassment to proliferate at Google;

(c) costs incurred from defending and settling governmental investigations into the Individual Defendants' misconduct;

(d) loss of reputation; and

(e) costs incurred from compensation and benefits paid to the Individual Defendants who have breached their duties to Google.

## VIII. DERIVATIVE AND DEMAND FUTILITY ALLEGATIONS

177. Plaintiff brings this action derivatively in the right and for the benefit of Google to redress injuries suffered, and to be suffered, by Alphabet as a direct result of breaches of fiduciary duty, abuse of control, gross mismanagement, waste of corporate assets, and unjust enrichment, as well as the aiding and abetting thereof, by the Individual Defendants. Alphabet is named as a nominal defendant solely in a derivative capacity. This is not a collusive action to confer jurisdiction on this Court that it would not otherwise have.

178. Plaintiff and his counsel will adequately and fairly represent the interests of Alphabet in enforcing and prosecuting its rights.

179. Plaintiff was a shareholder of Google and then Alphabet at the time of the wrongdoing complained of, has continuously been a shareholder of Alphabet since that time, and is a current Alphabet shareholder.

180. Plaintiff has delivered to Alphabet a true copy of this Complaint prior to its filing.

181. The current Board of Alphabet consists of the following eleven individuals: defendants Page, Brin, Schmidt, Doerr, Ferguson, Mulally, Pichai, Hennessy, Mather, Shriram, and Greene (the "Demand Directors"). Plaintiff has not made a demand on the Board to institute this action, because such a demand would be a futile, useless act, as set forth below.

### A. Demand Is Futile Because the Demand Directors Lack Independence

182. Plaintiff has not made a demand on Alphabet's Board to investigate and prosecute the wrongdoing alleged herein. Such a demand is futile and therefore excused because: (a) the Board's wrongful conduct is not subject to protection under the business judgment rule; and (b) a majority of the Board is unable to conduct an independent and disinterested investigation of the alleged wrongdoing. Under such circumstances, the demand requirement is excused since making such a demand on the

Board would be futile. *Aronson v. Lewis*, 473 A.2d 805 (Del. 1984) *overruled by Brehm v. Eisner*, 746 A.2d 244 (Del. 2000); *Rales v. Blasband*, 634 A.2d 927 (Del. 1993).

183. The Board was aware of, and is responsible for, Alphabet and Google's employment policies and practices, as well as its failure to disclose credible allegations of sexual harassment by Google senior executives. The Board breached its fiduciary duties of good faith, loyalty, and due care by failing to properly investigate, handle, and resolve allegations of sexual harassment and misconduct committed by Google executives. The Boards' actions and omissions amounted to breach of fiduciary duty, abuse of control, gross mismanagement, and waste of corporate assets.

**B. At the Outset, Demand Is Futile as to Defendants Page, Brin, Schmidt, Greene and Pichai Because, as Alphabet Admits, These "Inside" Demand Directors Lack Independence**

184. As stated in Alphabet's April 27, 2018 Proxy Statement, the Board "has adopted independence standards that mirror the criteria specified by applicable laws and regulations of the SEC and the Listing Rules of NASDAQ."

185. Under its own "independence standards," Alphabet admits in the 2018 Proxy Statement that five members of its eleven-member Board — Page, Brin, Schmidt, Greene, and Pichai — are not independent.

**C. Demand Is Futile Because Defendants Page, Brin, and Schmidt Dominate and Control the Board**

186. As of April 18, 2018, Alphabet has issued three classes of stock: 298,656,198 shares of Class A common stock; 46,940,340 shares of Class B common stock; and 348,952,225 shares of Class C capital stock. On matters requiring shareholder approval, such as the election of directors, the holders of the shares of Class A common stock and Class B common stock vote as a single class, while Class C stock has no voting power. Each share of Class A common stock is entitled to one vote, and each share of Class B common stock is entitled to ten votes.

187. Under this dual-class voting structure, defendants Page, Brin, and Schmidt control a majority of Alphabet's total voting power because, as of April 18, 2018, they

hold an aggregate of 43,526,358 shares — approximately 92.7% — of Alphabet's Class B shares, giving them 56.6% voting control. In addition, a group of 13 Alphabet directors and executive officers, including defendants Page, Brin, Schmidt, Doerr, Pichai, and Drummond hold an aggregate of 44,656,305 shares — constituting approximately 95.1% — of the Class B shares. Details of the voting control exercised by defendants Page, Brin, Schmidt, and Doerr, as of April 18, 2018, are set forth in the chart below:

| Name | Class B Shares and Percentage Owned | | Voting Control |
|---|---|---|---|
| Larry Page | 19,952,558 | 42.5% | **25.9%** |
| Sergey Brin | 19,290,366 | 41.1% | **25.1%** |
| Eric Schmidt | 4,283,434 | 9.1% | **5.6%** |
| L. John Doerr | 1,117,447 | 2.4% | **1.5%** |
| **Total** | 44,656,305 | 95.1% | **58.2%** |

188. In fact, defendants Page and Brin have owned and exercised majority voting control of Alphabet's stock since Google's IPO in 2004. According to Alphabet's Proxy Statements, Page and Brin have controlled between 51% and 54.3% of Alphabet's stock voting power every year between 2014 and 2018. In addition, Schmidt has controlled at least 5.5% of Alphabet's stock voting power between 2014 and 2018. Thus, the aggregate stockholdings of Page, Brin, and Schmidt have accounted for at least ***56.6%*** of Alphabet's voting power at all relevant times.

189. Defendants Page, Brin, and Schmidt maintained majority voting control over Alphabet's stock throughout these years, even though multiple shareholders have proposed at the shareholder meetings each year to amend Alphabet's certificate of incorporation to implement a one-vote-per-share policy. Each year, the Board — controlled by Page, Brin, and Schmidt — voted their controlling shares against such proposals, thereby single-handedly defeating the proposals without even considering the votes of the minority shareholders. Moreover, Alphabet's Board made the recommendations to shareholders against these proposals even though the evidence suggests that the current dual-class voting structure deprives Alphabet's public

shareholders of their ability to press for reform and to hold management accountable for misconduct. As stated in shareholder Proposal 4 in the 2018 Proxy Statement, Alphabet's dual-class voting structure received a "high-risk" rating with respect to corporate governance:

> In our company's dual-class voting structure, each share of Class A common stock has one vote and each share of Class B common stock has 10 votes. As a result, Mr. Page and Mr. Brin currently control over 51% of our company's total voting power, while owning less than 13% of stock. All insiders control nearly 57% of the vote. This raises concerns that the interests of public shareholders may be subordinated to those of our co-founders. By allowing certain stock to have more voting power than other stock our company takes our public shareholder money but does not let us have an equal voice in our company's management. Without a voice, shareholders cannot hold management accountable.
>
> For example, despite the fact that more than 85% of outsiders (average shareholders) voted AGAINST the creation of a third class of stock (class C) in 2012, the weight of the insiders' 10 votes per share allowed the passage of this proposal.
>
> …
>
> In reaction to the change at the S&P, Ken Bertsch, executive director of the Council of Institutional Investors, stated: "Multi-class structures ... rob shareholders of the power to press for change when something goes wrong, which happens sooner or later at most if not all companies ... Shareholders at such companies have no say in electing the directors who are supposed to oversee management."
>
> Independent analysts appear to agree with our concerns. As of December 1, 2017, Institutional Shareholder Services (ISS), which rates companies on risk, gave our company a 10, its highest risk category, for the Governance Quality Score. ISS rates our shareholder rights and compensation a 10, and our board is rated a 9, also indicating relatively higher risk according to the ISS.

190. Despite the corporate-governance risks resulting from the dual-class voting structure, the Board continued, year after year, to justify its recommendation to vote against any equal-shareholder-voting proposal on the purported basis that allowing Page and Brin control over Alphabet would provide "stability over long time horizons."

191. In addition to controlling the majority of Alphabet's voting power, Page, Brin, and Schmidt exercise control and domination over the entire eleven-member Board. In fact, Alphabet has repeatedly admitted in its annual reports during the

relevant period that defendants Page, Brin, and Schmidt "have significant influence over management and affairs and over all matters requiring stockholder approval," and that they have the ability to elect all of [Alphabet's] directors":

> As of December 31, 2017, Larry, Sergey, and Eric E. Schmidt beneficially owned approximately 92.7% of our outstanding Class B common stock, which represented approximately 56.7% of the voting power of our outstanding capital stock. ***Larry, Sergey, and Eric therefore have significant influence over management and affairs and over all matters requiring stockholder approval, including the election of directors*** and significant corporate transactions, such as a merger or other sale of our company or our assets, for the foreseeable future. In addition …, the issuance of the Class C capital stock … could prolong the duration of Larry and Sergey's ***current relative ownership of our voting power and their ability to elect all of our directors and to determine the outcome of most matters submitted to a vote of our stockholders. Together with Eric, they would also continue to be able to control any required stockholder vote with respect to certain change in control transactions involving Alphabet*** (including an acquisition of Alphabet by another company).
>
> ***This concentrated control limits or severely restricts our stockholders' ability to influence corporate matters and, as a result, we may take actions that our stockholders do not view as beneficial***. As a result, the market price of our Class A common stock and our Class C capital stock could be adversely affected.

*See* Alphabet's Form 10-K Filed with the SEC on February 5, 2018, at 18–19.

192. Due to the control and domination exercised by Page, Brin, and Schmidt, the other Demand Directors are prevented from taking remedial action against defendants Brin, Page, and Schmidt. Indeed, Alphabet's Proxy Statements have repeatedly conceded that Brin, Page and Schmidt exercise control over the "election of directors" due to their stock voting control and can therefore easily fire any director they do not like or who would dare to take any legal action against them. A demand is therefore futile and excused.

### D. Demand is Futile Because a Majority of the Board Completely Abdicated Its Fiduciary Duties

193. Corporate directors' actions are only protected by the business judgment rule to the extent that directors fully inform themselves before taking action and act in good faith, in a manner they believe is in the best interests of the corporation.

194. Here, as demonstrated above, Google's directors completely failed to inform themselves before taking action with respect to Rubin's compensation and termination, and instead blindly deferred to Defendant Page.

195. The actions that Alphabet's Board took with respect to Rubin represented active and conscious decisions, not failures to act. Thus, before acting, Alphabet's Board had a duty to fully inform themselves of all material facts, which they wholly and abysmally failed to do.

196. At the time Alphabet's Board agreed to pay $90 million in severance to Rubin, the Board consisted of a majority of those individuals still on the Board. Specifically, the Board at the time consisted of Defendants Page, Brin, Schmidt, Doerr, Greene, Hennessy, Mather, Mulally, Shriram, and Tilghman. Thus, demand is excused as to a majority of the current Board.

**E. Demand Is Futile Because a Majority of the Board Cannot Conduct an Independent and Objective Investigation of the Misconduct Due to Their Close Professional and Personal Relationships**

197. Demand is futile if at least a majority of Google's Board cannot fairly and independently adjudicate potential claims against themselves. Of the current Board, all directors except two of the Demand Directors were on the Board in 2014, when the Board concealed the credible claims of sexual harassment against Rubin, and instead of terminating Rubin, paid him a $90 million severance package. Moreover, all Demand Directors were on the Board in late 2017, when they failed to remedy their misconduct in late 2017, when the first report of Rubin's sexual harassment emerged. A majority of the Board therefore engaged, and continues to engage, in the wrongdoing and has interests that are adverse to performing a fair, unbiased investigation.

198. Defendants Brin, Page, and Schmidt were directly involved in asking Rubin to resign and in paying him $90 million, and they deliberately concealed the fact that Google had performed an internal investigation that found the allegations against Rubin to be credible. Defendants Doerr, Hennessy, Greene, Mather, and Shriram were

also on the Board at the time, were fully briefed about the fact that the internal investigation had found the allegations against Rubin to be credible, and directly participated in the wrongdoing and the cover-up. For example, Doerr and Shriram were on the Leadership Development and Compensation Committee that approved the payment to Rubin and which was involved in the internal investigation. Hennessy was the Lead Independent Director at the time and the Chair of the Nominating and Corporate Governance Committee.

199. Moreover, Doerr, Shriram, Greene, Hennessy and Mather are not independent of defendants Brin, Page, and Schmidt due to their close professional and personal relationships. These relationships have caused conflicts of interest precluding defendants Doerr, Hennessy, Shriram, Mather, and Greene from taking any necessary and proper steps against Brin, Page, and Schmidt on behalf of the Company as requested herein. None of these six directors are disinterested as explained herein.

200. ***Page and Brin*:** Defendants Brin and Page met at Stanford University in 1995, when Page was 22 years old, and Brin was 21. They crammed a dorm room with inexpensive computers and used defendant Brin's data mining system on a research project together at Stanford in 1996, during which time they became friends. The research project, known as "BackRub," explored backlinks, or links on other websites that refer back to a given webpage, as a way to measure the relative importance of a particular site. Defendants Page and Brin then developed an algorithm together called "PageRank" which returned rankings based on the number of times a search term appeared. The program became so popular that they both suspended their PhD studies to start Google, which they initially ran out of their dorm rooms. During all relevant times, defendants Page and Brin worked closely together, even sharing the same tiny office, talking about all the issues impacting Google, and being the final decision-makers on all major decisions.

201. ***Schmidt*:** Defendant Schmidt joined Google in 2001 as CEO and has held a seat on the Board since then. Since April 2011, he has been Google's Executive Chairman. He has always been considered the "resident grown-up" at Google. He has a close relationship with defendants Brin and Page and with them has control over decisions at Google. He holds a bachelor's degree in electrical engineering from Princeton University as well as a master's degree and Ph.D. in computer science from the University of California, Berkeley. Prior to joining Google, he worked at Bell Labs, Xerox Corp., Sun Microsystems, and Novell. Schmidt was a member of Princeton University's board from 2004–2008. Defendant Schmidt's charitable giving includes donating $25 million in 2010 to Princeton University to create an endowment, the Schmidt Transformative Technology Fund, which donation was announced by defendant Tilghman, who was then the President of Princeton. Schmidt has taught at Stanford University.

202. Defendants Hennessy, Shriram, Mather, and Greene are not independent from defendants Page, Brin, and Schmidt, due to their interrelated business, professional, and personal relationships. These relationships have resulted in debilitating conflicts of interest that prevent defendants Hennessy, Shriram, and Greene from taking the necessary and proper action on behalf of the Company as requested herein.

203. ***Hennessy:*** Defendant Hennessy is the former President of Stanford, and served in that role from 2000 to August 2016. Defendant Hennessy has been a member of the Boards of Cisco Systems, Inc. and Atheros Communications, Inc. Hennessy is still a professor of Stanford and very influential at the school. In addition to his work as a Professor at Stanford, he has served as Chair of the Department of Computer Science (1994-96), Dean of the School of Engineering (1996-99), Provost (1999-2000), and President (2000-2016). He is currently the Director of the Knight-Hennessy Scholars Program.

204. At the direction of defendants Brin and Page, who are Stanford alumni, Google donates millions of dollars every year to Stanford. Since 2006, Google has donated over $14.4 million to the University. Defendant Hennessy's role at Google has created the closest intersection with his Stanford duties per *The Wall Street Journal*. In 2004, several months before Google's IPO, the Company appointed defendant Hennessy to its Board. Defendant Doerr, one of Google's original investors and directors, made the first overture to defendant Hennessy. Defendant Hennessy has invested money with defendant Doerr's firm, Kleiner Perkins Caufield & Byers ("Kleiner Perkins"). Google granted defendant Hennessy 65,000 options to buy Google stock at $20 apiece. After Google's IPO, SEC filings reveal that defendant Hennessy received 10,556 Google shares as part of an earlier investment in a Kleiner Perkins fund.

205. With his positions at Stanford and Google, defendant Hennessy effectively sits on two sides of a business relationship. Google licenses its Internet search technology from Stanford, where defendant Brin and Page started the Company and were Ph.D. students. As payment, Stanford received shares in the offering that the school has since sold for $336 million. Stanford continues to receive what it describes as "modest" annual licensing fees from Google. Paul Aiken, Executive Director of the Authors Guild, calls defendant Hennessy's personal holdings in Google "a great concern" and says "there seems to be both a personal and institutional profit motive here." In November 2006, Google pledged $2 million to Stanford Law School's Center for Internet and Society, founded by Stanford Professor Lawrence Lessig, known for his views that copyright laws are often too restrictive. Aine Donovan, Executive Director of the Ethics Institute at Dartmouth College, says Stanford should not have accepted the

Google gift because it is too narrowly tailored to benefit Google's corporate interests. "It might as well be the Google Center," she says.[21]

206. Defendant Hennessey attended a political dinner with defendants Schmidt and Greene at defendant Doerr's home in February 2011; to no one's surprise, defendant Hennessey was the only non-business leader invited.[22] Additionally, defendant Schmidt joins a third of Professor Peter Wendell's Entrepreneurship and Venture Capital classes at the Stanford Graduate School of Business. Defendant Schmidt stated when Google is looking for engineers, they start at Stanford. Five percent of Google employees are Stanford graduates.[23]

207. Defendant Hennessy has much to lose by voting to initiate litigation against defendants Brin or Page. If defendant Hennessy voted to initiate litigation against defendants Brin, Page, or Schmidt, Stanford would risk losing multi-million-dollar donations every year. As one of defendant Hennessy's principle duties is to ensure continued alumni support as Stanford's President, he would not jeopardize the loss of such a substantial donation. Furthermore, defendant Hennessy would not risk his prestigious positions at Stanford or Google's continued support of the University by voting to initiate litigation against defendants Brin, Page, or Schmidt. Accordingly, defendant Hennessy lacks independence from defendants Brin, Page, and Schmidt, rendering a pre-suit demand on him futile.

---

[21] John Hechinger & Rebecca Buckman, "*The Golden Touch of Stanford's President*," THE WALL STREET JOURNAL (Feb. 24, 2007) (*available at* http://online.wsj.com/news/articles/SB117226912853917727 (last visited Nov. 8, 2018)).

[22] Ken Auletta, "*Get Rich U*," THE NEW YORKER (Apr. 30, 2012) (*available at* http://www. newyorker.com/reporting/2012/04/30/120430fa_fact_auletta?currentPage=all (last visited Nov. 8, 2018)).

[23] *Id*.

208. ***Doerr*:** Defendant Doerr has been a partner at the venture capital firm of Kleiner Perkins since August 1980, was an early investor in Google and has been on its Board since May 1999.

209. It was in his capacity as a partner at Kleiner Perkins that he met defendants Brin and Page, according to a book written with full cooperation from Google's top management. The meeting was just ending when defendant Doerr asked a final question: "How big do you think this can be?" "Ten billion," said defendant Page. "Doerr just about fell off his chair. Surely, he replied to Page, you can't be expecting a market cap of $10 billion. Doerr had already made a silent calculation that Google's optimal market cap — the eventual value of the company — could go maybe as high as one billion dollars." "Oh, I'm very serious," said defendant Page. "And I don't mean market cap, I mean revenues." Defendant Doerr would go on to invest in Google. The Company surpassed even defendant Page's wild projection.[24] Defendant Doerr also regularly visits Stanford to scout for ideas. He describes Stanford as the "germplasm for innovation. I can't imagine Silicon Valley without Stanford University." He hosts political and charitable events attended by many of the other Google directors.

210. Furthermore, defendant Doerr has sought and obtained significant investments from Google for private companies in which Kleiner Perkins is a major investor. For example, Google bought Peakstream, Inc. for $20.3 million in 2007. As part owner of Peakstream, Inc., Kleiner Perkins received 24.5% of that figure (approximately $5 million). Kleiner Perkins invested in Intuit. Since then, Google has continued to invest in companies in which Kleiner Perkins has major investments. Since 2008, Google has invested $47.5 million in the same companies in which Kleiner Perkins invested. In 2010, at the direction of defendants Brin, Page, and Schmidt, Google invested over $21

[24] Levy, Steven, *In The Plex: How Google Thinks, Works, and Shapes Our Lives* (New York Simon & Schuster 2011).

million in companies in which Kleiner Perkins has a substantial interest. If defendant Doerr voted in favor of initiating litigation against defendants Brin, Page, or Schmidt, he would risk Google's continued financial support in companies in which Kleiner Perkins has major investments. Defendant Doerr will not take such a risk.

211. Defendant Doerr has a close relationship with defendants Brin, Page, and Schmidt, having been one of the early investors in Google. Doerr also introduced Schmidt to Page and Brin. Doerr's firm, Kleiner Perkins, was an early investor in Sun Microsystems, where Schmidt began his career. Schmidt held various positions at Sun Microsystems from 1983 to March 1997. In 1996, when defendant Schmidt was Sun Microsystems' Chief Technology Officer, Kleiner Perkins formed a $100 million fund to invest in companies that would create software and related products based on the Java programming language developed by Sun Microsystems.

212. Defendant Doerr also directed early venture capital funding to Netscape Communications Corp. ("Netscape") in 1994 when the web browser company was founded, and defendant Shriram was its Vice President. Netscape had not yet shipped products or posted revenue during these now legendary early days of the Internet. Defendant Doerr's firm, Kleiner Perkins, paid $4 million in 1994 for around 25% of Netscape and profited from Netscape's IPO and subsequent $4 billion acquisition by America Online, Inc. ("America Online") in 1999. Doerr and Shriram's close working relationship began with Netscape and has continued on to Google's Board. In 2006, defendants Doerr and Shriram visited India together. "[Kleiner Perkins] and Shriram are working together to make investments in Indian companies serving the domestic market. The visit by [Kleiner Perkins] partners and Shriram to the country later this month is to meet entrepreneurs as well as business and political leaders," stated Sandeep

Murthy, who represented both Sherpalo Ventures, LLC ("Sherpalo") (Shriram's venture capital firm) and Kleiner Perkins in India.[25]

213. Accordingly, defendant Doerr is not independent from "interested" defendants Brin, Page, and Schmidt. As such, a pre-suit demand on defendant Doerr is futile.

214. ***Shriram*:** Defendant Shriram was one of four angel investors in Google and a founding member of its Board, on which he continues to sit today. Defendant Shriram counseled defendants Brin and Page every Monday morning during Google's earliest days and helped them to incorporate the Company. Shriram also helped them work out a licensing agreement with Stanford so the University would benefit if their two graduate students were successful. According to *Googled: The End of the World as We Know It*, a Stanford computer science professor, David Cheriton, had introduced defendant Shriram to defendants Brin and Page in 1998.[26] Impressed by their idea, defendant Shriram made an investment of $250,000.

215. Defendant Shriram has been a member of Stanford University's board since December 2009. As a Google director and Stanford trustee, defendant Shriram closely works on two boards with defendant Hennessey, a Google director since April 2004 and President of Stanford since October 2000. Shriram has a very close relationship with the University. He and his wife have served on Stanford's Parents Advisory Board since 2006 and endowed the Shriram Family Professorship in Science Education. Both of his daughters are also students at Stanford. Defendant Shriram also assisted defendants

---

[25] Ishani Duttagupta, "*Moneybag VCs Shriram, Doerr set sail from US*," THE TIMES OF INDIA (Jan. 9, 2009) (available at http://economictimes.indiatimes.com/articleshow/1363995. cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst.

[26] Ken Auletta, *Googled: The End of the World as We Know It* (The Penguin Press: New York, 2009).

Brin and Page in negotiating a licensing agreement with Stanford, so the University would benefit if Google was successful.

216. Alphabet's CFO, Ruth Porat, also currently serves on Stanford's Board of Trustees with Shriram.

217. Shriram became a Vice President of Netscape in 1994 during the now legendary early days of the Internet when the web browser company was founded and before it shipped products or posted revenue. That same year, defendant Doerr directed early venture capital funding to Netscape. Doerr's firm, Kleiner Perkins, paid $4 million in 1994 for around 25% of Netscape and profited from Netscape's IPO and subsequent $4 billion acquisition by America Online in 1999. Shriram and Doerr's close working relationship began with Netscape and has continued on to Google's Board. In 2006, defendants Shriram and Doerr visited India together. "[Kleiner Perkins] and Shriram are working together to make investments in Indian companies serving the domestic market. The visit by [Kleiner Perkins] partners and Shriram to the country later this month is to meet entrepreneurs as well as business and political leaders," stated Sandeep Murthy, who represented both Sherpalo (Shriram's venture capital firm) and Kleiner Perkins in India.

218. Accordingly, based upon defendant Shriram's many ties and involvement, he lacks independence, rendering a pre-suit demand futile.

### F. Demand Is Futile Because the Demand Defendants Face a Substantial Likelihood of Liability for Their Misconduct

219. Each of the Demand Defendants face a substantial likelihood of liability for their roles in the sexual harassment scandal.

220. At the outset, defendants Page, Brin, and Schmidt breached their fiduciary duties by setting the wrong tone at the top and by fostering a culture of sexual harassment and discrimination. Specifically, in the early 2000s, defendant Page dated Marissa Mayer, then an employee at Google. Defendant Schmidt, who joined Google as CEO in 2001, retained a mistress to work as a Google consultant. And in 2014, as

Alphabet conducted an internal investigation regarding claims of sexual misconduct by defendant Rubin, defendant Brin had an extra-marital affair with a Google employee.

221. Upon information and belief, at all relevant times, the Board's LDCC was directly involved in reviewing: (a) complaints about sexual harassment at Google; and (b) severance payments to executives, like Rubin, who were forced out due to credible allegations of sexual harassment or discrimination.

222. In 2014, while Alphabet's internal investigation of defendant Rubin's sexual misconduct was under way, defendant Page and the three members of the LDCC (defendants Doerr and Shriram, as well as nonparty Paul S. Otellini) reviewed and approved the $150 million stock grant to Rubin.

223. Without waiting for a complete, conclusive report on the investigation's findings, Page and the LDCC members approved the $150 million stock grant to Rubin.

224. This decision proved significant for two reasons. First, this stock grant gave Rubin a major financial incentive for remaining at Google. Second, it also gave Rubin an enormous bargaining chip for negotiating a favorable severance package, when he was later forced to resign.

225. Sometime before October 2014, Alphabet's internal investigation concluded that the allegations of sexual misconduct against defendant Rubin were credible. Specifically, a female employee, with whom Rubin was having an extra-marital affair, accused Rubin of coercing her to perform oral sex in a hotel room in 2013.

226. Upon information and belief, the Board's Audit Committee (comprised of defendants Greene, Mulally, and Mather in 2014) and the LDCC (comprised of defendants Doerr and Shriram, as well as nonparty Mr. Otellini), along with defendants Page, Brin, and Schmidt, as well as defendant Hennessy, received information and reports about the findings of the investigation regarding Rubin. All nine Demand Directors were advised that the allegations were found to be credible.

227. Based on the findings of the internal investigation, the Board could have terminated Rubin for cause. But Page and others decided to quietly ask Rubin to resign, without exposing Rubin's misconduct, even though the claims of sexual harassment against him had been found to be credible.

228. For his part, Doerr has additional, personal reasons for wanting to avoid being associated with any allegations of sexual harassment or discrimination. In 2014, Doerr's venture capital firm, Kleiner Perkins, was defending a lawsuit brought by a former junior partner, Ellen Pao, who claimed to have experienced sexual harassment and discrimination while working at Kleiner Perkins between 2005 and 2012. Pao's lawsuit, filed in 2012, sought damages in excess of $16 million. Doerr was a key witness in Pao's case, because he mentored Pao when she worked for him for two years as technical chief of staff. As Doerr was dealing with the internal investigation and Rubin's resignation at Alphabet, Pao's lawsuit was proceeding in discovery in earnest.

229. Defendant Rubin took advantage of the Board's desire to cover up the sexual misconduct claims against him. Using the leverage of the $150 million stock grant, Rubin secured a $90 million severance package, to be paid by monthly installments between $1.25 million and $2.5 million over four years. Upon information and belief, Page and the members of the LDCC reviewed and approved Rubin's $90 million severance package.

230. Upon information and belief, the Audit Committee (consisting of defendants Mather (Chairperson), Shriram, and Greene) consciously or recklessly ignored the financial and reputational risk to Alphabet from (a) concealing Rubin's misconduct; (b) permitting Rubin to resign, despite the findings of the internal investigation and the ample basis to terminate him for cause; and (c) awarding Rubin a $90 million severance package. Through their active involvement in these unlawful practices, the Audit Committee members have exposed Alphabet and Google to a

significant amount of potential liability on top of the already realized attorneys' fees and loss of goodwill.

231. Moreover, all Demand Directors were on the Board in November 2017, when allegations of Rubin's sexual misconduct first came to light. Despite this revelation, however, the Demand Directors failed to disclose the true reasons for Rubin's "resignation" and the true facts regarding the 2014 internal investigation.

232. The foregoing facts demonstrate that the Demand Directors acted in bad faith and breached their duty of loyalty to Alphabet by (a) failing to implement and maintain adequate internal controls at Alphabet; (b) fostering a culture that permitted rampant sexual harassment and discrimination at Google; (c) actively participating in the cover-up of Google executives' sexual harassment; and (d) failing to ensure that Google complied with rules and regulations regarding sexual harassment and discrimination. As such, a pre-suit demand is futile and excused.

**G. The Statute of Limitations Does Not Bar Plaintiff's Claims or, Alternatively, Was Tolled**

233. The statute of limitations does not bar Plaintiff's shareholder derivative action. Plaintiff has brought this Complaint within the applicable statute of limitations.

234. Alternatively, the statute of limitations was tolled during the Individual Defendants' adverse domination of Google and the concealment by the Individual Defendants of their wrongful acts. Here, the Demand Directors and Google were wholly under the adverse domination of Brin, Page, and Schmidt, who collectively control almost two-thirds of shareholder votes. Consequently, the Demand Directors were "deemed to be in the same position as an incompetent person or a minor without legal capacity either to know or to act in relation to" the wrongful conduct. Moreover, Defendants concealed, and continue to conceal, their wrongful acts and this is a continuing conspiracy. The statute of limitations has therefore been tolled since defendants Brin, Page, and Schmidt adversely dominated Google. The statute of limitations should not bar Plaintiff, an innocent stockholder, from bringing this

shareholder derivative suit. Additionally, Plaintiff did not and could not have discovered the liability of the Individual Defendants until the revelation of misconduct by the October 26, 2018 article in *The New York Times*.

## IX. CAUSES OF ACTION

### COUNT I
### Breach of Fiduciary Duty
### Against All Individual Defendants and Does 1–30

235. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

236. The Individual Defendants and Does 1–30 owed and owe Alphabet fiduciary obligations. By reason of their fiduciary relationships, the Individual Defendants owed and owe Alphabet the highest obligation of good faith, fair dealing, loyalty, and due care.

237. The Individual Defendants and Does 1–30, and each of them, violated and breached their fiduciary duties of candor, good faith, and loyalty. More specifically, the Individual Defendants violated their duty of good faith by, despite having knowledge of pervasive sexual harassment by Google executives, failing to disclose the harassment and by taking steps to cover it up.

238. The Individual Defendants owed Google the highest duty of loyalty. These defendants breached their duty of loyalty because they knowingly or recklessly: (a) allowed defendants Page, Brin, and Schmidt to dominate and control the Board with little to no effective oversight; (b) failed to implement and maintain adequate internal controls at Alphabet; (c) fostered a culture that permitted rampant sexual harassment and discrimination at Google; (d) actively participated in the cover-up of Google executives' sexual harassment; and (e) failed to ensure that Google complied with rules and regulations regarding sexual harassment and discrimination.

239. As a direct and proximate result of the Individual Defendants' and Does 1-30's breaches of their fiduciary obligations, Alphabet has sustained significant

damages, as alleged herein. As a result of the misconduct alleged herein, these defendants are liable to the Company.

**COUNT II**
**Abuse of Control**
**Against Defendants Page, Brin, Doerr, and Schmidt**

240. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

241. By virtue of their positions and financial holdings at Alphabet and Google, defendants Page, Brin, Doerr and Schmidt exercised control over Alphabet and its operations, and owed duties as controlling persons to Alphabet not to use their positions of control for their own personal interests and contrary to Alphabet's interests.

242. Defendants Brin, Schmidt, Doerr and Page's conduct alleged herein constitutes an abuse of their ability to control and influence Alphabet, for which they are legally responsible.

243. As a result of defendants Page, Brin, Doerr and Schmidt's abuse of control, Alphabet has sustained and will continue to sustain damages and injuries for which it has no adequate remedy at law.

244. Because the acts of defendants named herein, and each of them, were done maliciously, oppressively, and with intent to defraud, Plaintiff on behalf of Alphabet is entitled to punitive and exemplary damages in an amount to be shown according to proof at the time of trial.

**COUNT III**
**Waste of Corporate Assets**
**Against All Individual Defendants and Does 1–30**

245. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

246. As a result of the wrongdoing detailed herein and by failing to conduct proper supervision, the Individual Defendants and Does 1-30 have caused Alphabet and Google to waste its assets by paying improper compensation and bonuses to certain

of its executive officers and directors who breached their fiduciary duties. Such waste of corporate assets includes the tens of millions of dollars in severance packages paid to defendants Rubin and Singhal in 2014 and 2015, respectively.

247. As a result of the waste of corporate assets, the Individual Defendants and Does 1–30 are liable to Alphabet.

248. Plaintiff, on behalf of Alphabet, has no adequate remedy at law.

**COUNT IV**
**Unjust Enrichment**
**Against Defendants Schmidt, Drummond, Doerr, Shriram, Page, Rubin, Singhal Pichai, and Does 1-30**

249. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

250. By their wrongful acts and omissions, defendants Schmidt, Drummond, Doerr, Shriram, Rubin, Singhal, Pichai, and Does 1-30 were unjustly enriched at the expense of and to the detriment of Alphabet and Google. These defendants were unjustly enriched as a result of the compensation and benefits they received while breaching fiduciary duties owed to Alphabet and Google. Each of these defendants received tens of millions of dollars in salaries, cash bonuses, and equity grants through their employment at Alphabet and Google, as alleged herein.

251. Plaintiff, as shareholder and representative of Alphabet, seeks restitution from these defendants, and each of them, and seeks an order of this Court disgorging all profits, benefits, and other compensation obtained by these defendants, and each of them, from their wrongful conduct and fiduciary breaches.

252. Plaintiff, on behalf of Alphabet, has no adequate remedy at law.

## X. PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of Google, requests judgment and relief as follows:

A. Against all of the Defendants, jointly and severally, and in favor of

Alphabet for the amount of damages sustained by the Company along with pre- and post-judgment interest as allowed by law resulting from Defendants' breaches of fiduciary duty, abuse of control, gross mismanagement, waste of corporate assets, and unjust enrichment;

B. Directing Alphabet and Google to take all necessary actions to reform and improve its corporate governance and internal procedures to comply with applicable laws and to protect Alphabet and Google and its shareholders from a repeat of the damaging events described herein, including, but not limited to, putting forward for shareholder vote, resolutions for amendments to the Company's By-Laws or Articles of Incorporation and taking such other action as may be necessary to place before shareholders for a vote of the following Corporate Governance Policies:

1. a proposal to strengthen the Board's supervision of operations and develop and implement procedures for greater non-controlling shareholder input into the policies and guidelines of the Board;

2. a proposal to strengthen Google's oversight of its procedures regarding the termination of employees, executives, and board members accused of sexual harassment and discrimination;

3. a proposal to strengthen internal controls concerning sexual harassment;

4. a proposal to eliminate the use of Non-Disclosure Agreements at Google so that current and former employees can report any and all instances of suspected sexual harassment and discrimination without threat of legal action;

5. a proposal to eliminate the use of mandatory arbitration for employee disputes and claims of wrongful termination and sexual harassment and discrimination;

6. a proposal requiring one vote for each share held, and eliminating the current use of a dual class structure affording more than one vote per share; and

7. a provision to permit the non-management shareholders of Alphabet to nominate at least three candidates for election to the Board;

C. Extraordinary equitable and/or injunctive relief as permitted by law, equity, and state statutory provisions sued hereunder, including attaching, impounding, imposing a constructive trust on, or otherwise restricting the proceeds of Defendants' trading activities or their other assets so as to assure that Plaintiff on behalf of Google has an effective remedy;

D. Awarding to Google restitution from Defendants, and each of them, and ordering disgorgement of all profits, benefits, and other compensation obtained by Defendants;

E. Awarding punitive damages at the maximum amount permitted by law;

F. Awarding to Plaintiff the costs and disbursements of the action, including reasonable attorneys' fees, accountants' fees, experts' fees, costs, and expenses; and

G. Granting such other and further relief as the Court deems just and proper.

**JURY TRIAL DEMAND**

Plaintiff, on behalf of Alphabet, hereby demands a trial by jury of all issues that are subject to adjudication by a trier of fact.

Dated: March 11, 2019

Respectfully submitted,

BOTTINI & BOTTINI, INC.
Francis A. Bottini, Jr. (SBN 175783)
Albert Y. Chang (SBN 296065)
Yury A. Kolesnikov (SBN 271173)

s/ Francis A. Bottini, Jr.
Francis A. Bottini, Jr.

7817 Ivanhoe Avenue, Suite 102
La Jolla, California 92037
Telephone: (858) 914-2001
Facsimile: (858) 914-2002

RENNE PUBLIC LAW GROUP
Louise H. Renne (SBN 36508)
Ann M. Ravel (Of Counsel) (SBN 62139)
350 Sansome Street, Suite 300
San Francisco, CA 94101
Telephone: (415) 848-7200
Facsimile: (415) 848-7230

*Counsel for Plaintiff*

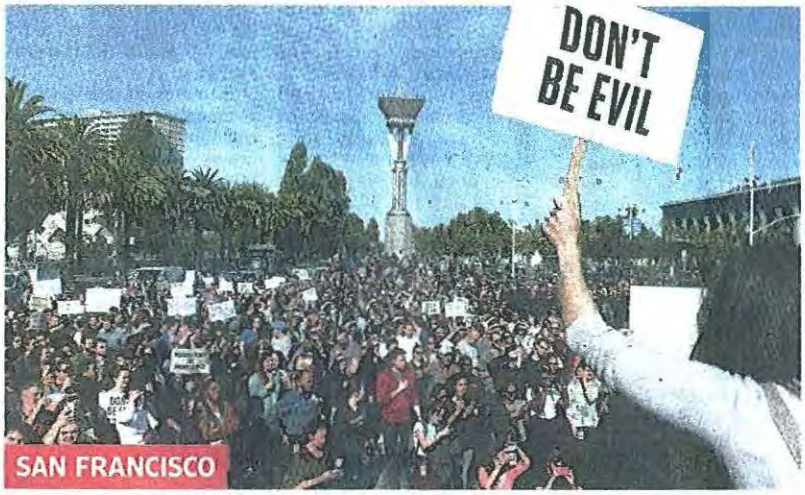
# EXHIBIT A

EXHIBIT A

THE WALL STREET JOURNAL

November 2, 2018

## Google Harassment Allegations Spark Walkout






FROM TOP: ERIK HIJBERG/ASSOCIATED PRESS; NIALL CARSON/PA WIRE/ASSOCIATED PRESS; PETER FOLEY/BLOOMBERG NEWS

**SEARCH FOR CHANGE:** Thousands of Google employees around the world staged a series of walkouts Thursday to protest a workplace culture that they said promotes and protects perpetrators of sexual harassment at the company. CEO Sundar Pichai apologized for Google's past actions. B1

# Google Employees Stage Global Walkout Over Treatment of Sexual Harassment

Organizers demand the tech giant remove mandatory-arbitration clauses from employee contracts

*By Douglas MacMillan, Ezequiel Minaya and Mengqi Sun*

Thousands of Google employees around the world staged a series of walkouts Thursday to protest a workplace culture that they say promotes and protects perpetrators of sexual harassment at the tech giant.

The organizers of the walkout published a letter demanding the company change its policies to make it safer for women to report instances of sexual harassment and to bolster the transparency of those reports. "There are thousands of us, at every level of the company," the letter said. "And we've had enough."

The protests marked perhaps the largest display of employee activism concerning sexual harassment in a year in which the issue has come to the fore at companies world-wide. The events were also striking, given they occurred at a company that has long been considered at the leading edge of efforts to empower and support employees through generous perks and a permissive stance toward internal disagreements.

Google more recently, though, has had to take steps to rein in workplace debate, which at times led to lower productivity, the company said.
Employee activism at Google is rising lately in response to a New York Times article last week on how the Alphabet Inc. GOOGL -1.33% unit protected three senior executives over the past decade after they were accused of sexual misconduct, including one who received a $90 million exit package in 2014. Google declined to comment on details in the Times story.

Photos of the walkout flooded social media on Thursday, as Google employees filled the streets outside of offices from Mumbai to Dublin.

The largest crowds were at Google's main campus in Mountain View, Calif., where thousands of employees encircled a stage. There, organizers of the walkout thanked the crowd and began leading chants. Many employees who gathered were quiet, continuing to check their phones and chat about work, but the atmosphere was punctuated by calls of "Time's up!" and "Not OK!" News helicopters hovered overhead.

One employee told a story about how she was sexually harassed by her colleague, according to two people who heard the speech. The female employee described going to human resources to file a complaint, but was disappointed because HR didn't take action, the people said. Her manager told her they would fire the person responsible if that person was "less important" than her, the speaker said.

In New York, throngs of Google employees filed out of glass doors at the company's office in lower Manhattan.

They gathered at nearby Hudson River Park and wielded signs with slogans such as "Worker's rights are women's rights."

Google employee Demma Rodriguez—38 years old and one of the organizers—told the crowd that workers wanted the tech company to live up to its potential as "the brain trust of the world."

"I am fed up," she said through a bullhorn. "Every single person here has the tools to change Google."

At a New York Times conference on Thursday, Google Chief Executive Sundar Pichai said the company was trying to address employee concerns. "Moments like this show we didn't always get it right. We are listening to employees, which is why today is important," he said. "Words alone aren't enough, you have to follow up with actions." He also said the company no longer makes payouts to employees who are accused of sexual harassment.

In their letter, employees demanded Google remove its mandatory-arbitration clauses from employee contracts, a widespread but controversial practice that prevents U.S. workers from suing their employer in open court. Companies prefer arbitration for sexual-harassment claims because it tends to lead to quicker settlements at a lower cost than class-action suits and may spare companies from bad publicity.

In the wake of the #MeToo movement, corporations have come under greater public pressure to scrap their arbitration policies, said Steve Smith, communications director for the California Labor Federation, an umbrella group for state labor unions. "Companies are definitely seeing that this is bad for their image," Mr. Smith said.

Uber Technologies Inc. and Microsoft Corp. in the past year both stopped requiring arbitrationfor sexually related claims.
The letter also asked that an employee representative be put on the board of directors and that the company's chief diversity officer report to Mr. Pichai.

It is becoming more common for chief diversity officers to report directly to CEOs as companies try to stamp out harassment and make gender and racial promotion and pay equity a priority. Apple Inc. and NBCUniversal, a division of Comcast Corp. , have chief diversity officers that report to the CEO rather than a chief people officer.
It isn't common for employees to be represented on boards.

At Google—where employees this year have protested the company's work with the Defense Department and the company's controversial plan to explore a censored search engine for Chinese citizens—employee outrage over sexual-harassment policies has reached a boiling point.
In New York, Laura Rokita—a 31-year-old software engineer who has worked at Google for three years—said she was surprised and angry after reading the recent New York Times article that described how the company has dealt with sexual-harassment claims. She said she walked out Thursday to incite changes at the company and to support colleagues.

"When the article came out last week about some unfortunate events that happened in the past, a lot of Googlers were not happy about that," Ms. Rokita said. "We want to see a difference in the future."

Thomas Kneeland, a Google software engineer, said there is a sense among employees that they work at a special place with a mission to change the world, he said. But he acknowledged there was "widespread frustration and deep-seated anger" in the ranks.

"We can be exceptional moving forward," Mr. Kneeland said. "It remains to be seen how."

*—Sarah E. Needleman contributed to this article.*

Technology

# Google staff walk out over women's treatment

Dave Lee
North America technology reporter

57 minutes ago


**Staff at Google offices around the world are staging an unprecedented series of walkouts in protest at the company's treatment of women.**

The employees are demanding several key changes in how sexual misconduct allegations are dealt with at the firm, including a call to end forced arbitration - a move which would make it possible for victims to sue.

Google chief executive Sundar Pichai has told staff he supports their right to take the action.

"I understand the anger and disappointment that many of you feel," he said in an all-staff email. "I feel it as well, and I am fully committed to making progress on an issue that has persisted for far too long in our society... and, yes, here at Google, too."

A Twitter feed titled **@googlewalkout** has documented the movement at Google's international offices.

Google staff in Singapore, Zurich, London, Tokyo, Berlin and New York were among those to take part.


AFP

PA


REUTERS

TWITTER @TEDONPRIVACY/@GOOGLEWALKOUT VIA REUTERS


Web developer Sam Dutton who joined the walkout in London told the BBC: "We're walking out to support colleagues in any workplace that have suffered harassment and to ensure that perpetrators aren't protected or rewarded."



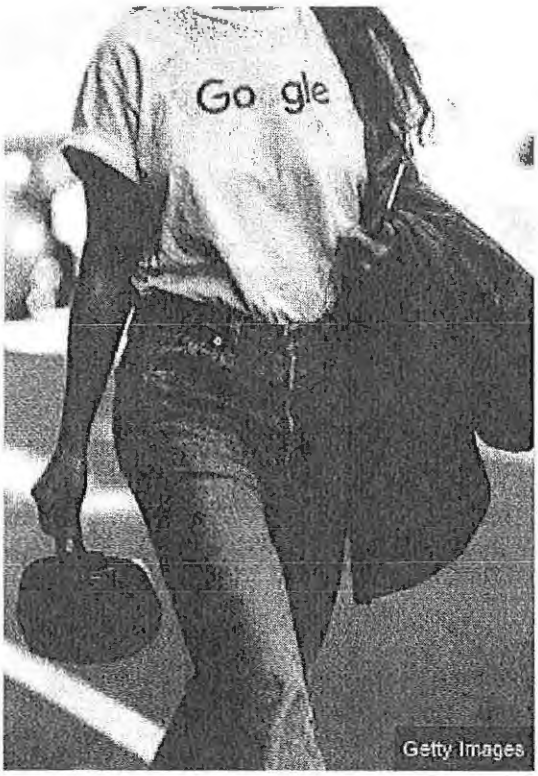
## What led to the walkout?

**Anger at the firm has boiled over in the past week since the New York Times alleged** that one high profile executive received a $90m payout after he left the firm, despite what Google considered a "credible" allegation of sexual misconduct made against him. Andy Rubin, known as the "creator" of the Android mobile operating system, denies the allegation.

On Tuesday, another executive - this time from the company's X research lab - also resigned. Richard DeVaul was said to have made unwanted advances towards a woman who was recently interviewed for a job in which she would have reported to Mr DeVaul.

Mr DeVaul has not commented since his resignation, but in the past called the incident an "error of judgement".

At least 48 other employees have been sacked for sexual harassment without receiving a payout, Mr Pichai told staff. He admitted the New York Times' report had been "difficult to read".




**Google's workforce**

**30.9%**

women globally in 2018

**25.5%** of leadership roles across the world taken by women in 2017

**22%** of the highest paid (top quarter) in the UK workforce are women

Source: Google

## What do the employees want?

Staff involved in Thursday's walkout will leave a note on their desks telling colleagues: "I'm not at my desk because I'm walking out with other Googlers and contractors to protest sexual harassment, misconduct, lack of transparency, and a workplace culture that's not working for everyone."

They are also making formal demands to Google's management. They are:

1. A commitment to end pay and opportunity inequality
2. A publicly disclosed sexual harassment transparency report
3. A clear, uniform, globally inclusive process for reporting sexual misconduct safely and anonymously
4. The elevation of the chief diversity officer to answer directly to the CEO, and make recommendations directly to the board of directors

5. The appointment of an employee representative to the board
6. An end to forced arbitration in cases of harassment and discrimination for all current and future employees

## What is forced arbitration?

Forced arbitration, a common contract clause for Silicon Valley workers, demands any disputes are dealt with internally rather than through other methods such as the courts.

Critics of forced arbitration say it is used to not only protect the reputations of both the company and the accused, but also to silence victims who are unable to appeal against decisions or take further action.

"Employees have raised constructive ideas for how we can improve our policies and our processes going forward," said Mr Pichai in a statement on Wednesday evening.

"We are taking in all their feedback so we can turn these ideas into action."


- **Amazon scrapped 'sexist AI' tool**
- **Was Google wrong to fire memo author?**
- **Uber's mess reaches beyond sexism - and Silicon Valley**
- **Are you taking part in the walk out? Email haveyoursay@bbc.co.uk**

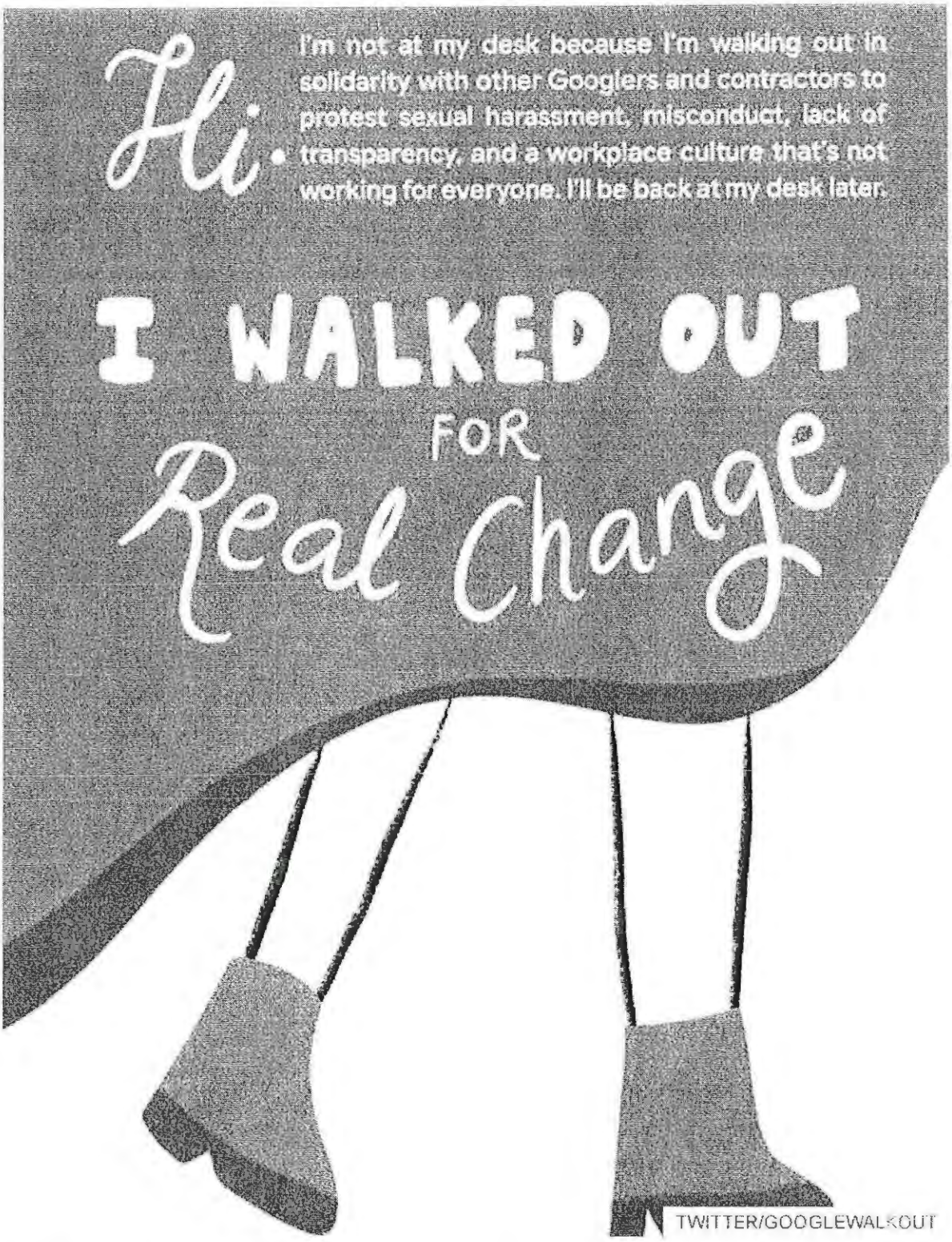

## What else are Google employees angry about?

Co-ordinated action of this scale is unprecedented at a Silicon Valley company, but follows a trend for increasingly impassioned employee activism.

"Women are fed up, and I don't think it's just women," said Prof Kellie McElhaney, from the Haas School of Business.

"There are a lot of 'manbassadors' out there who are equally as fed up and using their positions of power and voice, which can cost Google money. I think you have to hit these companies where it hurts.

"I think it empowers other Google offices when women and men are watching this happen, that they can do a similar action that's not just sitting by or making comments to one another or sharing emails."




In the past year, Google employees have spoken out strongly against the company's work with the US Department of Defense, as well as plans to re-enter the Chinese market with a search product.

The Tech Workers Coalition, a San Francisco-based advocacy group, said the day's dispute was just one of several tech companies need to address.

"We stand in solidarity with the Google workers," a spokesperson for the group said.

"It's clear the executives won't do this for us so we're taking matters into our own hands."

- **Google executive leaves after sexual harassment claim**
- **Google sacks dozens following harassment allegations**
- **Does Silicon Valley have a sexism problem?**

**Are you a Google employee who is taking part in industrial action? Tell us about your experiences by emailing haveyoursay@bbc.co.uk**

Please include a contact number if you are willing to speak to a BBC journalist. You can also contact us in the following ways:

- WhatsApp: **+44 7555 173285**
- Tweet: **@BBC_HaveYourSay**
- Send pictures/video to **yourpics@bbc.co.uk**
- **Upload your pictures / video here**
- Text an SMS or MMS to **61124** or **+44 7624 800 100**
- Please read our **terms & conditions** and **privacy policy**

**Or use the form below:**

Name

Your E-mail address (required)

Town & Country

Your telephone number

Comments (required)

TIME

# Google Staffers Are Walking Out Over Sexual Harassment Scandals. Here's What to Know


Google employees at its European headquarters in Dublin, Ireland, join others from around the world walking out of their offices in protest over claims of sexual harassment, gender inequality and systemic racism at the tech giant. Niall Carson - PA Images—PA Images via Getty Images

By MAHITA GAJANAN 9:30 AM EDT

Thousands of Google staffers across the world are walking off the job Thursday in protest of the tech giant's handling of sexual misconduct at the company.

The protest, called "Walkout for Real Change," comes after a New York *Times* report that Google gave Android creator Andy Rubin a $90 million severance fee in 2014 when he left the company, all while hiding that he had been accused of sexual misconduct — a claim the company found to be credible following an investigation. Rubin has denied the allegation.

Google workers, from Singapore to Switzerland, started walking out of the office at 11:10 a.m. in their respective time zones. Here's what to know about the Google protest.

## Google employees are demanding the company change how it deals with sexual misconduct claims

Demands from staffers include an end to forced arbitration in harassment and discrimination cases, a commitment to ending pay inequality, a public sexual harassment transparency report and establishing a clear process for reporting sexual misconduct anonymously.

Congresswoman Jackie Spier, who represents California's 14th District, shared her support for those who walked out in a tweet using the #MeToo hashtag.

## The protest kicked off in Singapore and is continuing around the world

Google employees were seen walking out in Singapore and across Europe, including in London, Dublin, Berlin and Zurich.

## Google employees have left flyers explaining why they're walking out at their empty desks

The flyers say, "I'm not at my desk because I'm walking out in solidarity with other Googlers and contractors to protest sexual harassment, misconduct, lack of transparency, and a workplace culture that's not working for everyone. I'll be back at my desk later."

## Google leadership has apologized

Google CEO Sundar Pichai has apologized for the company's "past actions," according to an email sent to employees on Tuesday.

"I understand the anger and disappointment that many of you feel," he wrote. "I feel it as well, and I am fully committed to making progress on an issue that has persisted for far too long in our society and, yes, here at Google, too."

Pichai said in an email last week that Google had fired 48 employees, including 13 senior managers, for sexual harassment without giving them severance pay.

**Write to** Mahita Gajanan at mahita.gajanan@time.com.

The Washington Post

National

# Google employees walk out to protest treatment of women

By Michael Liedtke | AP
November 1 at 1:40 PM

SAN FRANCISCO — Carrying signs with messages such as "Don't be evil," several hundred Google employees around the world briefly walked off the job Thursday in a protest against what they said is the tech company's mishandling of sexual misconduct allegations against executives.

Employees staged walkouts at offices from Tokyo and Singapore to London and New York, with more expected to do so in California later in the day, reflecting a growing #MeToo-style backlash among women against frat-house misbehavior in heavily male-dominated Silicon Valley.

In Dublin, organizers used megaphones to address the crowd of men and women to express their support for victims of sexual harassment. Other workers shied away from the media spotlight, with people gathering instead indoors, in packed conference rooms or lobbies, to show their solidarity with abuse victims.

Protesters in New York carried signs with such messages as "Not OK Google" and "Don't Be Evil" — a mocking reference to Google's one-time motto.

Many demonstrators cited fears about their job security in refusing to talk, but one woman who did speak, designer Leeung Li Jo, said in New York that she wanted to show support for the #MeToo movement "so we can have a comfortable working environment."

"Time is up on sexual harassment, time is up on systemic racism, time is up on abuses of power. Enough is enough," organizer Vicki Tardif Holland shouted, her voice hoarse, at a gathering of about 300 people in Cambridge, Massachusetts.

Thursday's walkout could signal that a significant number of the 94,000 employees working for Google and its corporate parent Alphabet Inc. remain unconvinced that the company is doing enough to adhere to Alphabet's own advice to employees in its corporate code of conduct: "Do the right thing."

The organizers said Google has publicly championed diversity and inclusion but hasn't done enough to put words into action.

In an unsigned statement from organizers, the Google protesters called for an end to forced arbitration in harassment and discrimination cases, a practice that requires employees to give up their right to sue

and often includes confidentiality agreements.

They also want Google to commit to ending pay inequity, issue a report on sexual harassment inside the company and adopt a clearer process for reporting complaints.

The Google protest unfolded a week after a New York Times story detailed allegations of sexual misconduct about the creator of Google's Android software, Andy Rubin. The report said Rubin received a $90 million severance package in 2014 after Google concluded the sexual misconduct allegations against him were credible.

Rubin denied the allegations in a tweet .

The same story also disclosed allegations of sexual misconduct against other executives, including Richard DeVaul, a director at the Google-affiliated lab that created such projects as self-driving cars and internet-beaming balloons. DeVaul had remained at the "X" lab after allegations of sexual misconduct surfaced about him a few years ago, but he resigned Tuesday without severance, Google said.

Google CEO Sundar Pichai apologized for the company's "past actions" in an email sent to employees Tuesday.

"I understand the anger and disappointment that many of you feel," Pichai wrote. "I feel it as well, and I am fully committed to making progress on an issue that has persisted for far too long in our society ... and, yes, here at Google, too."

The email didn't mention the reported incidents involving Rubin, DeVaul or anyone else at Google, but Pichai didn't dispute anything in the Times story.

Pichai indicated that Google wouldn't interfere with protest plans and would ensure that "you have the support you need."

In an email last week, Pichai and Eileen Naughton, Google's executive in charge of personnel issues, sought to reassure employees that the company had cracked down on sexual misconduct since Rubin's departure four years ago.

Among other things, Pichai and Naughton said Google had fired 48 employees , including 13 senior managers, for sexual harassment in recent years without giving any of them severance packages.

The latest complaints from employees are part of a wider discontent at Google and other Silicon Valley companies, though much of the complaints so far have been aired not at public protests but at company town halls, internal message boards and petitions that got leaked.

In August, more than 1,000 Google employees signed a letter protesting the company's plan to build a search engine that would comply with Chinese censorship rules.

Earlier, thousands signed a petition asking Google to cancel an artificial-intelligence project to help the Pentagon improve the targeting of drone strikes. Google later said it won't renew the contract, according to published reports.

A Silicon Valley congresswoman tweeted her support of the Google walkout using the #MeToo hashtag that has become a battle cry for women fighting sexual misconduct.

"Why do they think it's OK to reward perpetrators & further violate victims?" asked Democratic Rep. Jackie Speier, who represents a well-to-do district where many of Google's employees live.

---

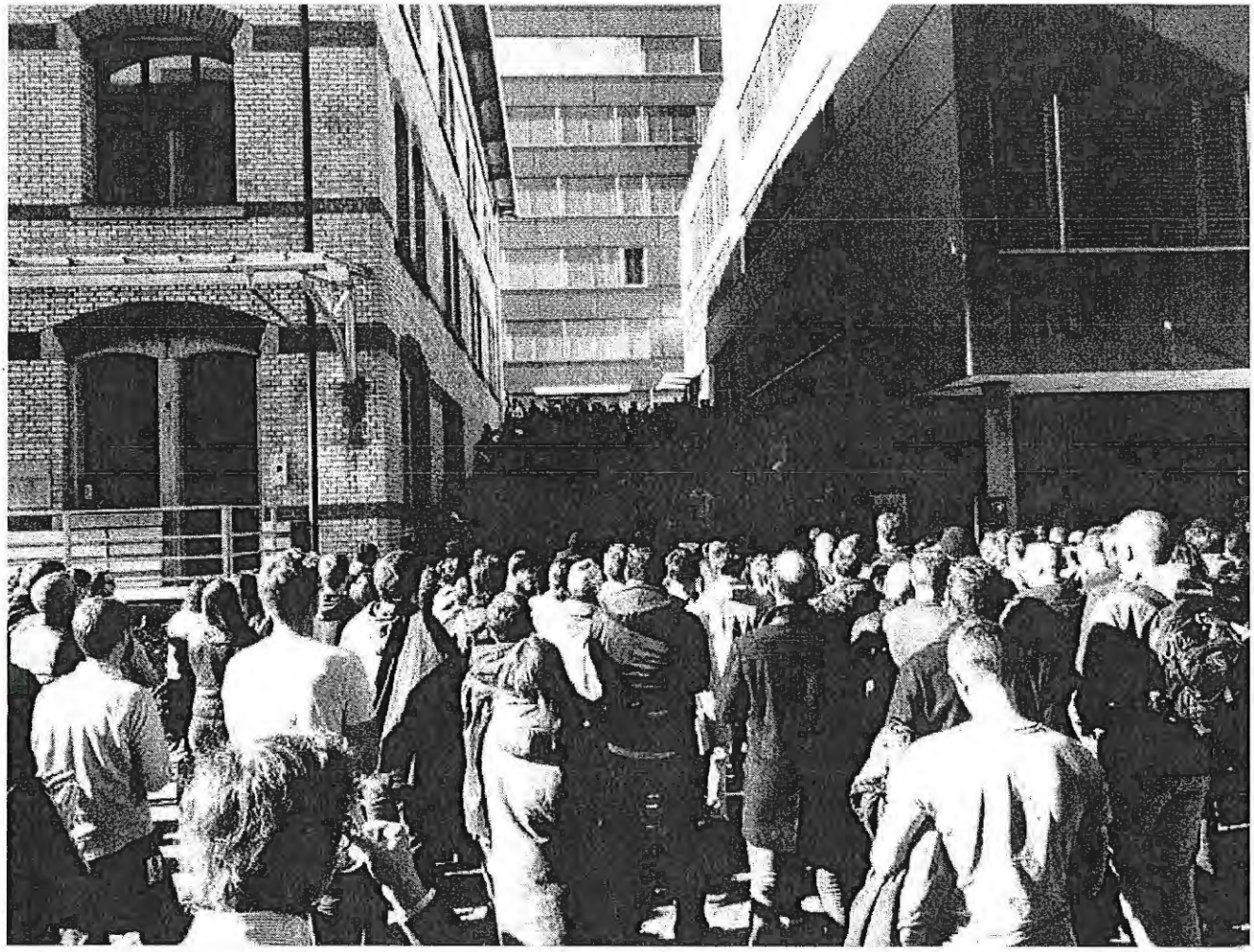
AP Technology Writer Mae Anderson in New York, Frank Bajak in Cambridge, Massachusetts, and Matt O'Brien in Providence, Rhode Island, contributed to this report.

# Google Employees Begin Global Walkout To Protest Company's Treatment Of Women



November 1, 2018 · 7:10 AM ET

EMILY SULLIVAN LAUREL WAMSLEY



People participate in a walkout at the Google office in Zurich on Thursday.

*@tedonprivacy via Reuters*

**Updated at 12:15 p.m. ET**

Google employees worldwide are walking off the job to protest the company's treatment of women and its handling of sexual assault cases.

Organizers say they expect more than a thousand employees will walk out of Google offices worldwide at 11:10 a.m. in each time zone on Thursday. Hundreds of employees have walked out in Singapore, Zurich, London, Dublin, and New York City, filling nearby streets, sidewalks and parks.

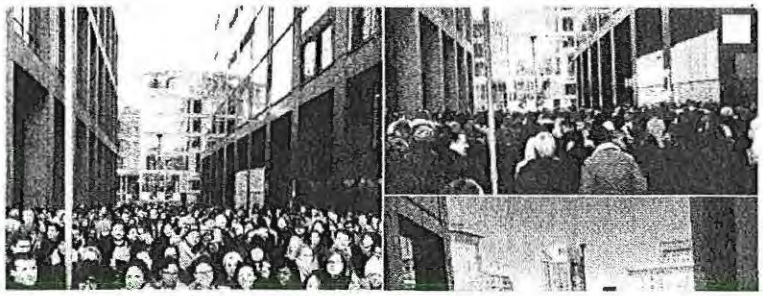
"We've always been told that Google is a leading-edge company, that our culture is something really special. And in that way we totally have the space to walk out and do this today," Claire Stapleton, a New York-based marketing manager for YouTube and one of the walkout's core organizers. "But we also see some very real changes that need to happen."

She said the walkout isn't just about women, but also people of color, contractors, and others at the company who have experienced "feeling diminished or disrespected, have experienced feeling unsafe."

Organizers are calling for an end to forced arbitration, a commitment from the company to end pay and opportunity inequity, a publicly disclosed sexual harassment transparency report, and a safe and anonymous process for reporting sexual misconduct at Google.



The employee protest comes a week after The New York Times published an extensive report on sexual harassment at the company. Andy Rubin, the creator of the Android software operating system, was accused by a female colleague of coercing her to perform oral sex on him in 2013, the *Times* reports.



**Karen O'Connell**
@karenmaryo

Very proud to participate in the #googlewalkout today showing solidarity with my colleagues, fighting for equality and demanding real change !

5:36 AM - Nov 1, 2018 · Dublin City, Ireland

380 121 people are talking about this


**TicToc by Bloomberg**
@tictoc

Google employees at the company's U.K. headquarters are staging a walkout to protest how the tech giant has handled sexual harassment

6:55 AM - Nov 1, 2018

114 73 people are talking about this

Google reportedly found the allegation credible, asked for his resignation and gave him an exit package worth $90 million.

The company did not mention the allegations in the announcement of his departure.

Rubin has tweeted, "These false allegations are part of a smear campaign."

**1. An end to Forced Arbitration in cases of harassment and discrimination.**

**2. A commitment to end pay and opportunity inequity.**

**3. A publicly disclosed sexual harassment transparency report.**

**4. A clear, uniform, globally inclusive process for reporting sexual misconduct safely and anonymously.**

**5. Elevate the Chief Diversity Officer to answer directly to the CEO and make recommendations directly to the Board of Directors. In addition, appoint an Employee Representative to the Board.**

**Google Walkout For Real Change**
@GoogleWalkout

We, Google employees and contractors, will walkout on November 1 at 11:10am to demand these five real changes. #googlewalkout

6:19 PM - Oct 31, 2018

2,580 1,473 people are talking about this

"As Google workers, we were disgusted by the details of the recent *New York Times* article, which provided the latest example of a culture of complicity, dismissiveness, and support for perpetrators in the face of sexual harassment, misconduct, and abuse of power," organizers told NPR in an emailed statement.

"For every story in the *New York Times*, there are thousands more, at every level of the company. Most have not been told."

First #GoogleWalkout photo coming straight from our office in Singapore where it's 11/1 just after 12p! pic.twitter.com/Ctv3xLE0aH

— Google Walkout For Real Change (@GoogleWalkout) November 1, 2018

Since the *Times* report, the company's leadership is dealing with an agitated workforce, according to multiple reports.

"While Google has championed the language of diversity and inclusion, substantive actions to address systemic racism, increase equity, and stop sexual harassment have been few and far between," organizers say.

Some demands relate directly to Google's workforce gender makeup: Only 31 percent of its global workforce and just over a quarter of its executives are women.

Last year, the federal government sued Google, a government contractor, to release compensation data in order to ensure the company was obeying equal opportunity laws.

Others relate to the company's treatment of sexual harassment. Currently, the company requires employees to waive their right to sue in cases of sexual harassment and often includes confidentiality agreements, the *Times* reports.

JBD
@rakyll

Tomorrow I will be at the #GoogleWalkout and ask Andy Rubin to release his records and Google to hire an independent investigator.

9:25 PM - Oct 31, 2018

123 25 people are talking about this

Organizers are also asking for "a clear, uniform, globally inclusive process for reporting sexual misconduct safely and anonymously."

They have also asked that the company's chief diversity officer answer directly to the CEO and make recommendations directly to the Board of Directors — and that the company add an employee representative to the board.

ALL TECH CONSIDERED

How A Female Engineer Built A Public Case Against A Sexual Harasser In Silicon Valley

"This is part of a growing movement, not just in tech, but across the country, including teachers, fast food workers, and others who are using their strength in numbers to make real change," organizers said.

Employees who walk out will display a poster on their desk that reads, "Hi. I'm not at my desk because I'm walking out in solidarity with other Googlers and contractors to protest sexual harassment, misconduct, lack of transparency, and a workplace culture that's not working for everyone. I'll be back at my desk later."

Stapleton, one of the walkout's organizers in New York, said she is hopeful that Google can change its culture. She said the past week had actually restored her faith in the company, as she worked together with colleagues on a wide spectrum of issues.

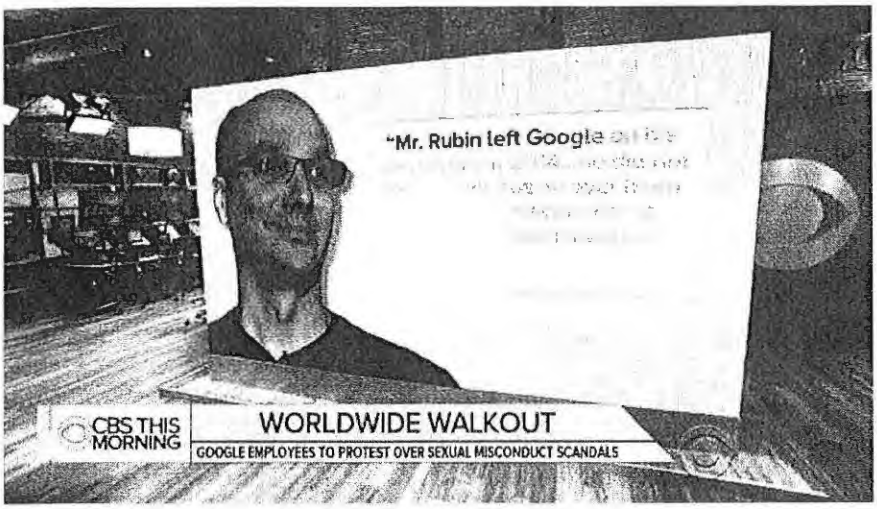
"We have tremendous allies," she said. "I mean, we immediately took the name 'women' out of the walkout because we had so much support from men. And we wanted this to feel really inclusive, and for this to be about a bigger thing than one executive payout."

"I think if change can happen anywhere I hope it's here," she said. "But we'll see."

google



## More Stories From NPR




Trending Videos CBSN LIVE »

*CBS This Morning*
Trump chooses border security as rally focus

*60 Minutes Overtime*
The decision to become a whistleblower

*CBS This Morning*
Midterms: Both parties bring out the big guns

CBS/AP • *November 1, 2018, 8:08 AM*

# Google walkout: Employees protest over sexual harassment scandals

Share / Tweet / Reddit / Flipboard / Email

*Last Updated Nov 1, 2018 11:48 AM EDT*

Google engineers and other workers at the internet giant's offices around the world walked off the job Thursday morning to protest its lenient treatment of executives accused of sexual misconduct.

It is the latest expression of a backlash against many men's mistreatment of female employees across the business landscape and in politics. In Silicon Valley, women also are becoming fed up with the male-dominated composition of the technology industry's workforce — a glaring imbalance that critics say fosters unsavory behavior akin to a college fraternity house.

Walkouts are occurring at Google offices around the world, including Dublin and Singapore, according to posts on social media. In New York City, "thousands" joined the walkout, according to a Twitter account under the name of the Google protest, Google Walkout for Real Change.

> Big crowd here now at Google Dublin for the #GoogleWalkout pic.twitter.com/hvRgPHX27D
>
> — Will Goodbody (@willgoodbody) November 1, 2018

According to Google Walkout for Real Change, the protesters' goals include several policy changes at the tech firm, including "a publicly disclosed sexual harassment transparency report" and "a commitment to end pay and opportunity inequity."

Watch CBSN Live


Police are trying to figure out what happened to two Saudi sisters whose bodies were found bound together along the Hudson River shoreline


Saudi sisters found dead & bound together with duct tape on bank of Hudson River


Severe weather slams southern U.S. including tornadoes and heavy flooding


Lion Air crash: Black box recovered from Indonesia crash


Trump launches final midterm push to encourage base to go out and vote

CBSN CBS News. Always On. Watch Now ›

> We, Google employees and contractors, will walkout on November 1 at 11:10am to demand these five real changes. #googlewalkout pic.twitter.com/amgTxK3IYw
>
> — Google Walkout For Real Change (@GoogleWalkout) November 1, 2018

The protest is unfolding a week after a New York Times story detailed allegations of sexual misconduct about creator of its Android software, Andy Rubin. The report said Rubin received a $90 million severance package in 2014 even though Google concluded the sexual misconduct allegations against him were credible.

Rubin derided the Times story article as inaccurate and denied the allegations in a tweet.

Google staff stage a walkout at the company's UK headquarters in London on November 1, 2018 as part of a global campaign over the US tech giant's handling of sexual harassment. / **TOLGA AKMEN / AFP/GETTY IMAGES**

The same story also disclosed allegations of sexual misconduct of other executives, including Richard DeVaul, a director at the same Google-affiliated lab that created far-flung projects such as self-driving cars and internet-beaming balloons. DeVaul had remained at the "X" lab after allegations of sexual misconduct surfaced about him a few years ago, but he resigned Tuesday without severance, Google confirmed Wednesday.

Google CEO Sundar Pichai apologized for the company's "past actions" in an email sent to employees Tuesday. "I understand the anger and disappointment that many of you feel," Pichai wrote. "I feel it as well, and I am fully committed to making progress on an issue that has persisted for far too long in our society. and, yes, here at Google, too."

Pichai also said an earlier apology for its handling of sexual harassment claims didn't go far enough, and that the company will take a "harder line." He expressed support for the workers who plan to walk off the job in protest.

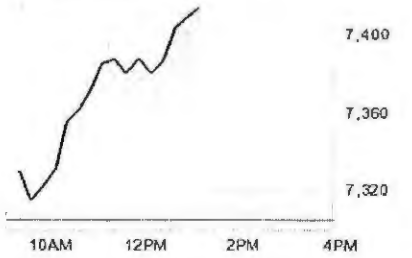
> Thousands are walking out of Google NYC #GoogleWalkout pic.twitter.com/7FrhpKkKcd
>
> — Google Walkout For Real Change (@GoogleWalkout) November 1, 2018



## Market Data

Enter Ticker Symbol or Company Name

*NASDAQ: Nov 01, 2018*




| *Symbol* | *Last* | *Change* | *% Change* |
|---|---|---|---|
| DOW | 25,313.20 | +197.44 | +0.79% |
| NASDAQ | 7,415.44 | +109.54 | +1.50% |
| S&P 500 | 2,733.96 | +22.22 | +0.82% |

## Latest Features

U.S. farmers are missing out on America's boom

Investors reboot in November after worst October in 7 years

How legal immigrants can claim U.S. tax credits

The email didn't mention the reported incidents involving Rubin, DeVaul or anyone else, but Pichai didn't dispute anything in the Times story.

### 48 employees fired

In an email last week, Pichai and Eileen Naughton, Google's executive in charge of personnel issues, sought to reassure workers that the company had cracked down on sexual misconduct since Rubin's departure four years ago.

Among other things, Pichai and Naughton disclosed that Google had fired 48 employees, including 13 senior managers, for "sexual harassment" in recent years without giving any of them severance packages.

> Google NYC #GoogleWalkout pic.twitter.com/5BJou5EZCJ
>
> — Google Walkout For Real Change (@GoogleWalkout) November 1, 2018

But Thursday's workout could signal that a significant number of the 94,000 employees working for Google and its corporate parent Alphabet Inc. remained unconvinced the company is doing enough to adhere to Alphabet's own edict urging all employees to "do the right thing."

A Silicon Valley congresswoman tweeted her support of the Google walkout using the "metoo" hashtag that has become a battle cry for women fighting sexual misconduct. "Why do they think it's OK to reward perpetrators & further violate victims?" asked Rep. Jackie Speier, who represents an affluent district where many of Google's employees live.





Google walkout: Employees protest over sexual harassment scandals

A bummer for Canada's legal pot market: Weed shortages

## Market News

| | |
|---|---|
| 1:36 PM | JAL pilot admits being almost 10 times over alcohol limit |
| 1:36 PM | Google employees walk out to protest treatment of women |
| 1:36 PM | Sources: Trump eyes asylum restrictions for caravans |
| 1:35 PM | Germany, France say Russian-backed separatists down drone |
| 1:33 PM | US charges Chinese companies in trade secrets theft |
| 1:33 PM | The Latest: Minnesota DNR approves permits for PolyMet mine |
| 1:32 PM | Venice floodwaters ease; Italian storms kill 2 more people |
| 1:32 PM | Police: Fire consumes hundreds of shops in capital Kabul |

epaired

mpaign

igger, pple

s you can

n the

Mark Zuckerberg grilled over data scandal

Russian trolls' standout Facebook ads

## Stock Watchlist

Technology | Smartphones International Business Times

# Google employees walkout in protest at culture of sexual harassment

**Latest expression of a backlash against men's exploitation of female subordinates in a business, entertainment and politics.**

*By Associated Press*

*November 1, 2018 11:51 GMT*

SAN FRANCISCO — Thousands of Google engineers and other workers around the world have walked off the job to protest the internet company's lenient treatment of executives accused of sexual misconduct.

It is the latest expression of a backlash against men's exploitation of female subordinates in a business, entertainment and politics. In Silicon Valley, women also are becoming fed up with the male-dominated composition of the technology industry's workforce — a glaring imbalance that critics say fosters unsavory behaviour akin to a college fraternity house.



Employees are being urged to leave a flyer at their desk which reads: "I'm not at my desk because I'm walking out in solidarity with other Googlers and contractors to protest [against] sexual harassment, misconduct, lack of transparency, and a workplace culture that's not working for everyone."

The Google protest, billed "Walkout For Real Change," is unfolding a week after a New York Times story detailed allegations of sexual misconduct about creator of its Android software, Andy Rubin. The report said Rubin received a $90 million severance package in 2014 even though Google concluded the sexual misconduct allegations against him were credible.

Rubin derided the Times story article as inaccurate and denied the allegations in a tweet .

The same story also disclosed allegations of sexual misconduct of other executives, including Richard DeVaul, a director at the same Google-affiliated lab that created far-flung projects such as

allegations of sexual misconduct surfaced about him a few years ago, but he resigned Tuesday without severance, Google confirmed Wednesday.

Google CEO Sundar Pichai apologised for the company's "past actions" in an email sent to employees Tuesday. "I understand the anger and disappointment that many of you feel," Pichai wrote. "I feel it as well, and I am fully committed to making progress on an issue that has persisted for far too long in our society. and, yes, here at Google, too."

The email didn't mention the reported incidents involving Rubin, DeVaul or anyone else, but Pichai didn't dispute anything in the Times story.

In an email last week, Pichai and Eileen Naughton, Google's executive in charge of personnel issues, sought to reassure workers that the company had cracked down on sexual misconduct since Rubin's departure four years ago.

Among other things, Pichai and Naughton disclosed that Google had fired 48 employees , including 13 senior managers, for "sexual harassment" in recent years without giving any of them severance packages.

But Thursday's workout could signal that a significant number of the 94,000 employees working for Google and its corporate parent Alphabet Inc. remained unconvinced the company is doing enough to adhere to Alphabet's own edict urging all employees to "do the right thing ."

A Silicon Valley congresswoman tweeted her support of the Google walkout using the "metoo" hashtag that has become a battle cry for women fighting sexual misconduct. "Why do they think it's OK to reward perpetrators & further violate victims?" asked Rep. Jackie Speier, who represents an affluent district where many of Google's employees live.

Related topics : Google

# What the Google employees are demanding

By Kaya Yurieff, CNN Business

Updated 12:52 PM ET, Thu November 1, 2018

**New York (CNN Business)** – Google employees around the world are calling for sweeping changes in how the company handles sexual harassment and discrimination.

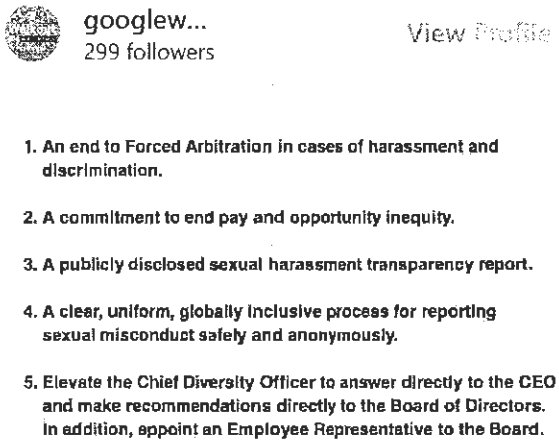
Employees walked out of their offices on Thursday in a coordinated protest over what they call a "destructive culture" at the company. They are demanding five main changes, according to a post on an Instagram account dedicated to the walkout.

Google employees say they want: An end to forced arbitration in harassment and discrimination cases; a commitment to end pay and opportunity inequity; a sexual harassment transparency report disclosed to the public; a clear inclusive process for reporting sexual misconduct safely and anonymously; and for the chief diversity officer to report directly to the CEO and make recommendations to the board of directors, as well as the appointment of an employee representative to the board.

The walkout was prompted by a New York Times investigation last week, which detailed years of sexual harassment allegations, multimillion-dollar severance packages for executives accused of misconduct, and little transparency over the cases.

In an op-ed for the Cut on Thursday, the seven core organizers said Google employees "demand an end to the sexual harassment, discrimination, and the systemic racism that fuel this destructive culture."

"The [New York Times] article provided a narrow window into a culture we, as Google employees, know well. These stories are our stories. We share them in hushed tones to trusted peers, friends, and partners. There are thousands of us, at every level of the company. And we've had enough," they wrote.




It also included more details about their five demands to company leadership.

For example, the organizers said Google should ensure there are women of color at all levels of the company.

"This must be accompanied by transparent data on the gender, race and ethnicity compensation gap, across both level and years of industry experience, accessible to all Google and Alphabet employees and contractors," they added.

Meanwhile, the public sexual harassment transparency report should include information such as the number of harassment claims at the company over time and in which product area, as well as any exit packages and their value.

The organizers also said the current process for reporting sexual misconduct is not working.

"HRs' performance is assessed by senior management and directors, forcing them to put management's interests ahead of employees reporting harassment and discrimination," they wrote.

On Thursday, Google employees around the world walked out of their offices at 11:10 a.m. local time. Demonstrations were occurring in various cities including New York, London, Singapore, Berlin, Tokyo and Zurich.

Printed from
THE TIMES OF INDIA

# #MeToo: Google workers across the world walk out over treatment of women amid sexual misconduct claims

PTI | Nov 1, 2018, 08.36 PM IST

LONDON/ NEW DELHI: Hundreds of employees at Google offices around the world, including in India, Thursday staged an unprecedented series of walkouts in protest at the company's treatment of women and lenient treatment of senior executives accused of sexual misconduct.

The demonstrations, dubbed "Google Walkout," follow an outcry over a New York Times investigation that detailed years of sexual harassment allegations, multimillion-dollar severance packages for accused executives, and a lack of transparency over the cases.

The employees are demanding several key changes in how sexual misconduct allegations are dealt with at the technology giant, including a call to end forced arbitration - a move which would make it possible for victims to sue.

Forced arbitration, a common contract clause for Silicon Valley employees, demands any disputes are dealt with internally rather than through other methods such as the courts.

Unequal pay and a lack of gender representation were also said to be among employees' concerns as they staged the action.

Google chief executive Sundar Pichai has told staff he supports their right to protest.

"Yesterday, we let Googlers know that we are aware of the activities planned for Thursday and that employees will have the

support they need if they wish to participate," the Indian-American top executive said.

Demonstrations at the company's offices around the world began at 11:10 am in Tokyo and took place at the same time in other time zones. A photo from the Singapore hub showed at least 100 staff protesting.

When contacted a Google spokesperson confirmed to PTI that 150 employees participated in the walkout in India. The employees were from Hyderabad, Gurgaon and Mumbai offices. Overall, Google has about 2,000 people across four offices in India (Hyderabad, Gurgaon, Mumbai and Bangalore).

A Google spokesman in Singapore said he could not provide details on how many people took part in the walkouts at those two offices, which each have more than 1,000 employees.

In Europe, a small group of Google employees walk out at the company's London headquarters. A larger protest was reported in Zurich, Switzerland.

Hoi Lam, a staff developer advocate at one of Google's London offices, posted a photo on Twitter of workers gathered together.

He wrote: "The stories shared at Google London Walkout are heartbreaking."

In the United States, there are hundreds of posts on social media using the hashtag #googlewalkout.

Google's management has been struggling to deal with the backlash from The New York Times investigation.

Top executives have assured employees that the company is "dead serious about making sure we provide a safe and inclusive workplace" in an e-mail sent shortly after the Times investigation was published last week.

At least 48 other employees have been sacked for sexual harassment without receiving a payout, Pichai has informed Google staff. He admitted the New York Times' report had been "difficult to read".

"Employees have raised constructive ideas for how we can improve our policies and our processes going forward," said Pichai in his latest statement.

"We are taking in all their feedback so we can turn these ideas into action," the Google CEO said.

In a press release, organisers of the global walkout said: "As Google workers, we were disgusted by the details of the recent New York Times article, which provided the latest example of a culture of complicity, dismissiveness, and support for perpetrators in the face of sexual harassment, misconduct, and abuse of power.

According to the Times report, the company stayed silent about sexual misconduct allegations against three executives over the past decade, including Android creator Andy Rubin, who exited the company in 2014.

Tech news site The Information previously reported that Google had investigated Rubin for an inappropriate relationship while at the company.

But the Times uncovered new details, including a reported $90 million exit package that Rubin is said to have been granted when he departed the company. He was allowed to go despite what Google considered a "credible" allegation of sexual misconduct made against him, according to the report.

Sam Singer, a lawyer for Rubin, disputed the allegations in the Times report.

"None of the allegations made about Mr. Rubin are true," he said in a statement, calling them "demonstrably false."

Earlier this week, Richard DeVaul, a director of Google X, resigned from his position.

The Times report claimed he had sexually harassed a job applicant. DeVaul is leaving without any exit package, CNN reported, quoting a person familiar with the matter as saying.

In a statement to the Times, DeVaul said he was sorry for the "error of judgement."

The employees are also making formal demands to Google's management, including a commitment to end pay and opportunity inequality, a clear, uniform, globally inclusive process for reporting sexual misconduct safely and anonymously, the appointment of an employee representative to the board and an end to forced arbitration in cases of harassment and discrimination for all current and future employees.

Updated: TOI's policy on covering #MeToo

The New York Times

# *Google Faces Internal Backlash Over Handling of Sexual Harassment*

By Kate Conger, Daisuke Wakabayashi and Katie Benner

Oct. 31, 2018

SAN FRANCISCO — Google is struggling to contain a growing internal backlash over its handling of sexual harassment and its workplace culture.

Over the past week, Sundar Pichai, Google's chief executive, and Larry Page, a co-founder of Google and the chief executive of its parent company, Alphabet, have taken multiple steps to calm its agitated 94,000-person work force. The anger arose after The New York Times revealed last week that Google had paid millions of dollars in exit packages to male executives accused of harassment and stayed silent about their transgressions.

Google later said it had fired 48 people for sexual harassment over the last two years; none received an exit package. Mr. Page and Mr. Pichai also issued apologies, with Mr. Pichai later saying his initial statement "wasn't enough" and apologizing again. And one of the executives whom Alphabet continued employing after he was accused of harassment resigned on Tuesday and did not obtain an exit package.

But employees' dissatisfaction has not subsided. On Thursday, more than 1,500 — most of them women — plan to walk out of almost two dozen company offices around the world to protest the treatment, organizers said.

"We don't want to feel that we're unequal or we're not respected anymore," said Claire Stapleton, 33, a product marketing manager at Google's YouTube who helped call for the walkout. "Google's famous for its culture. But in reality we're not even meeting the basics of respect, justice and fairness for every single person here."

*[Google employees around the globe are walking out of their offices in protest.]*

The walkout is a culmination of simmering tensions at a time when Silicon Valley workers have become more activist. Tech employees once moved in lock step with their leaders to make products that they said would change the world, but the industry has come under the spotlight for causing harm rather than good. That has led engineers, data scientists and others to increasingly question how their work is being used.

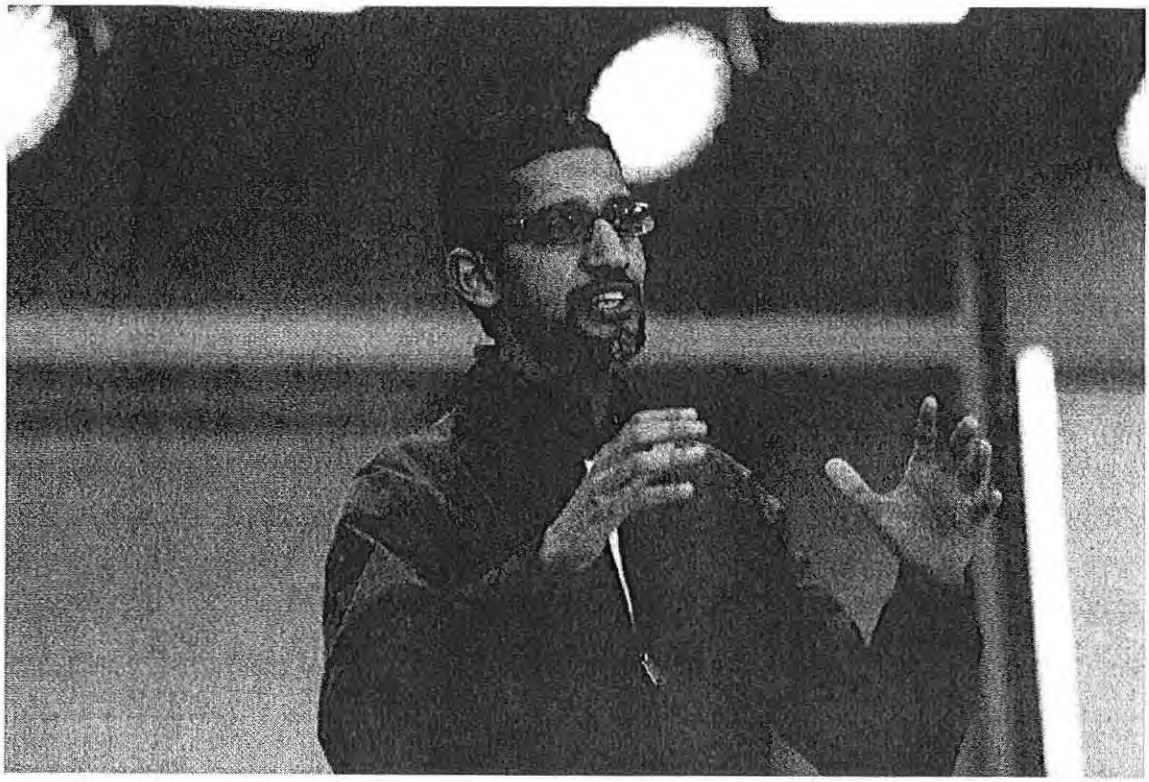
Employees at Microsoft and Amazon recently protested the companies' work with federal immigration authorities when migrant children were being separated from their families at the Mexican border. And some employees at Facebook have complained that the social network is intolerant of different political perspectives.

Nowhere has the tech employee activism been more evident than at Google. Workers have pushed back this year against the company's artificial intelligence work with the Pentagon, saying their work shouldn't be used for warfare. Google eventually decided not to renew its contract with the Pentagon. Employees also rebuked Mr. Pichai and other executives for developing a search engine for China that would censor results. Since then, Google has not moved forward on a search product for China.

Google declined to comment.

The treatment of female employees has been an especially charged topic at Google. Just 31 percent of its global work force and about 26 percent of its executives are women. Google has also been sued by former employees and the Department of Labor, which claim that it underpaid women; the company has said it does not have a wage gap between male and female employees.

Google workers said other incidents had raised questions about the company's attitude toward women. Last year, one engineer, James Damore, argued in an internal document that women were biologically less adept at engineering and that "personality differences" explained the shortage of female leaders at the company. After an outcry, Google executives rejected the memo and fired Mr. Damore.



Sundar Pichai, Google's chief executive, apologized for the handling of harassment claims and later said his initial statement "wasn't enough." Jim Wilson/The New York Times

At a staff meeting last year, Google's founders, Mr. Page and Sergey Brin, also struggled to answer a question about who their female role models were, said two employees who saw a video of the meeting.

Mr. Brin tried to recall the name of a woman he had recently met at a company event who had impressed him, the people said. Mr. Page eventually reminded Mr. Brin that the woman's name was Gloria Steinem, the feminist writer. Mr. Page said his hero was Ruth Porat, the chief financial officer of Google and Alphabet, said the people, who were not authorized to speak publicly.

Last week, The Times reported that Google had paid Andy Rubin, the creator of the Android mobile software, a $90 million exit package even after the company concluded that a harassment claim against him was credible. (Mr. Rubin has denied any misconduct and has said the report of his compensation is a "wild exaggeration.") Google also paid millions of dollars in an exit package to another executive who was accused of harassment, and continued employing a third despite a harassment claim.

Google's workers were outraged. They immediately raised questions at a staff meeting with executives last Thursday about how the company approaches sexual harassment.

"I know this is really an exceptionally painful story for some of you, and I'm really sorry for that," Mr. Page said at the time.

The meeting did little to quell the anger. On Friday, Ms. Stapleton said, she created an internal mailing list to organize a walkout. More than 200 employees joined over the weekend, she said, and the numbers have since grown to more than 1,500.

On Tuesday, Richard DeVaul, one of the Alphabet executives who The Times revealed was accused of harassment, resigned from the company. He did not receive an exit package, according to a company spokeswoman.

That same day, Mr. Pichai sent an apologetic email to employees saying he would support this week's protest. He said that some workers had already raised constructive ideas of how to improve policies around harassment and that he hoped to "turn these ideas into action," according to the email, which was obtained by The Times.

Employees organizing the walkout have called on Google to end the practice of private arbitration — which requires people to waive their right to sue and often includes confidentiality agreements — in cases of sexual assault and harassment. They also are demanding publication of a transparency report on instances of sexual harassment, more disclosure of salaries and compensation, an employee representative on the company's board and a chief diversity officer who could make recommendations directly to the board.

Other employees said they were disappointed that senior executives such as David C. Drummond, Alphabet's chief legal officer, who had a child with a female subordinate, and Mr. Brin, who had a public extramarital relationship with an employee, remained in influential positions. Some raised questions about whether it was appropriate for Eric Schmidt, the company's former chief executive and chairman, to remain on Alphabet's board after former and current employees said he had retained a mistress as a company consultant.

Thursday's walkout is set to begin in Google's Tokyo office and then circle the globe, with employees leaving work around 11 a.m. in their time zones, Ms. Stapleton said. People can choose whether or not to return to work, she said.

"While Google has championed the language of diversity and inclusion, substantive actions to address systemic racism, increase equity and stop sexual harassment have been few and far between. ENOUGH," organizers of the walkout wrote on an internal website, which was viewed by The Times. "Time's up at Google."

Kate Conger and Daisuke Wakabayashi reported from San Francisco, and Katie Benner from Washington.

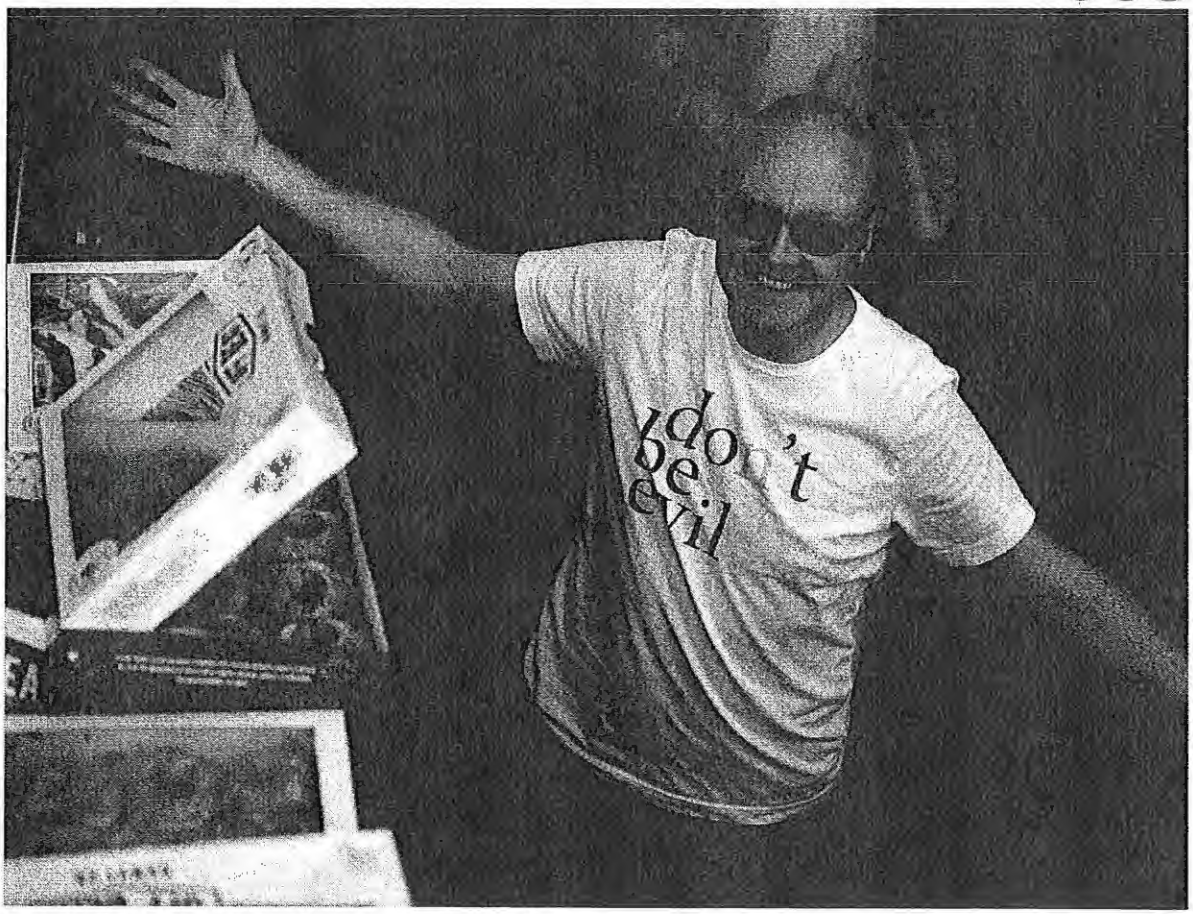
*Follow Kate Conger, Daisuke Wakabayashi and Katie Benner on Twitter: @kateconger, @daiwaka and @ktbenner.*

A version of this article appears in print on Oct. 31, 2018, on Page A1 of the New York edition with the headline: Google Workers Plan Walkout To Protest Harassment Culture

BUSINESS INSIDER

# Google walkout live: Pictures of Google workers leaving their desks in protest over sexual misconduct

Isobel Asher Hamilton and Jake Kanter 32m




**Google employees on Thursday were protesting sexual misconduct.** REUTERS/Clodagh Kilcoyne

Google employees around the world are staging a mass walkout Thursday in protest of sexual misconduct.

It follows a bombshell New York Times report last week that named executives who had been accused of sexual misconduct, including Andy Rubin, the creator of the mobile operating system Android. Rubin denied any misconduct.

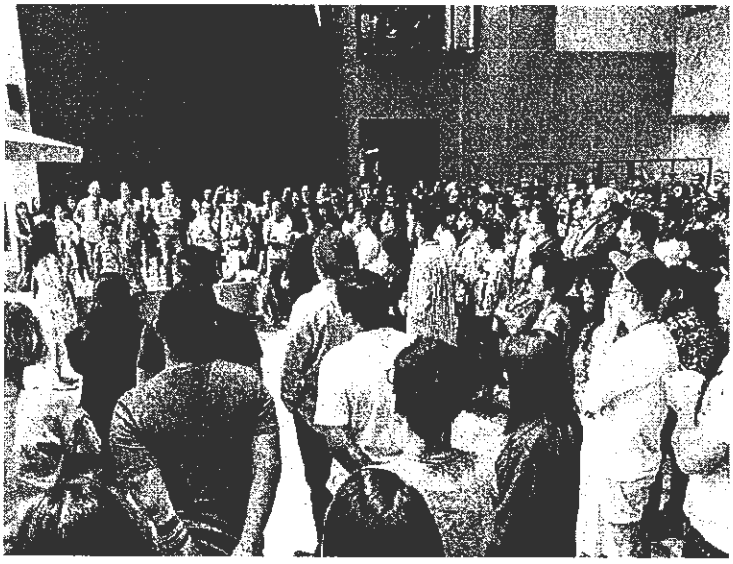
Thousands of workers are expected to take part in the protest, which calls for people in Google's offices to walk away from their desk at 11 a.m. in their respective time zone. Protesters are using the hashtag #GoogleWalkout. Employees in London, Tokyo, and Berlin are among those to have already taken part.

Google CEO Sundar Pichai said he supported the protests and was listening to his staff. "We are aware of the activities planned for Thursday and that employees will have the support they need if they wish to participate," he said.

Business Insider is covering the Google walkout live. Refresh this page for updates.

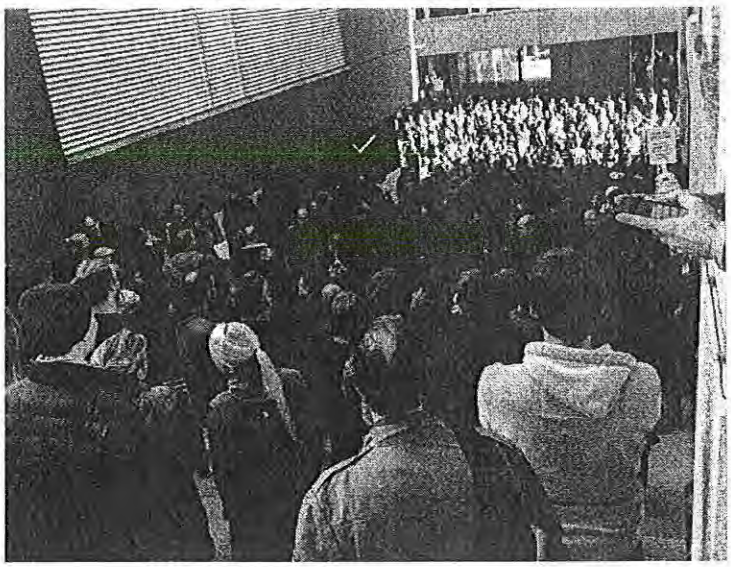
*Business Insider reporters Shona Ghosh and Sean Wolfe were on the scene in London and New York.*

## Google employees in Singapore were among the first to observe the walkout.



Google walkout/Twitter

## As 11.10 a.m. rolled around in Europe, other Google offices took part. This picture was posted from Zurich by a software engineer named Danila Sinopalnikov.



Danila Sinopalnikov



**One protester brought a megaphone to the walkout.**

Google Walkout

"People are sharing stories about harassment, microagressions, inefficient process, broken culture," said a Twitter user named Ted, who described himself as a Google privacy engineer.

**Another decided to come as a Stormtrooper from "Star Wars." The placard said: "I work on a Death Star but even I know not to sexually assault people."**

Google Walkout

## Berlin Googlers stood in front of the iconic Brandenburg Gate.

Google Walkout

## Rainfall kept some Londoners indoors, but that did not stop them from making their feelings known.

Google Walkout

The Business Insider reporter Shona Ghosh was at Google's St Giles Street offices.

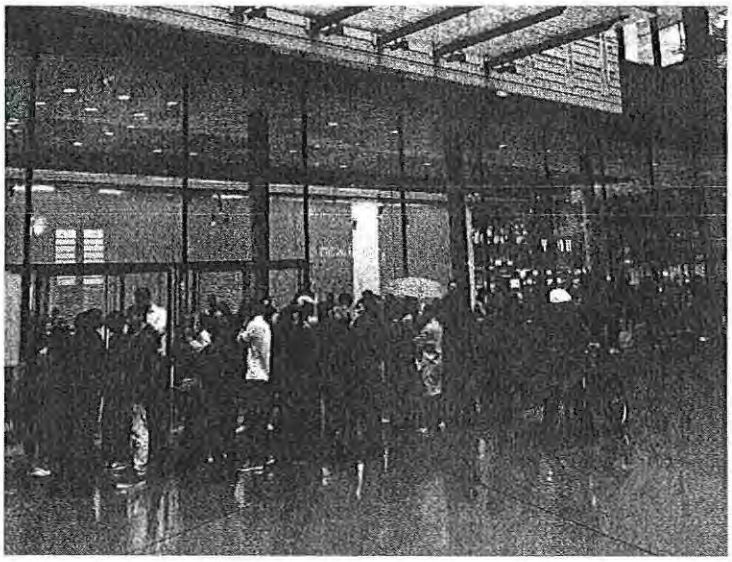
An employee taking part in the walkout told her: "I'm proud that we're now supporting everyone, and hopefully now gives them a voice which most seem to feel they have not had before."

She was told that workers at the Victoria office had a talk about the issues they're raising with management, including a call for a transparency report on sexual harassment.

## A Googler from London's Camden office who shared this picture said stories shared during the walkout were "heartbreaking."

Google Walkout

**Though many London Googlers stayed inside to avoid the rain, some decided to brave the elements. Staff members were reluctant to talk to reporters, however.**



Shona Ghosh/Business Insider

**Google employees in Dublin also showed their solidarity for the cause. The RTE journalist Will Goodbody posted this video:**

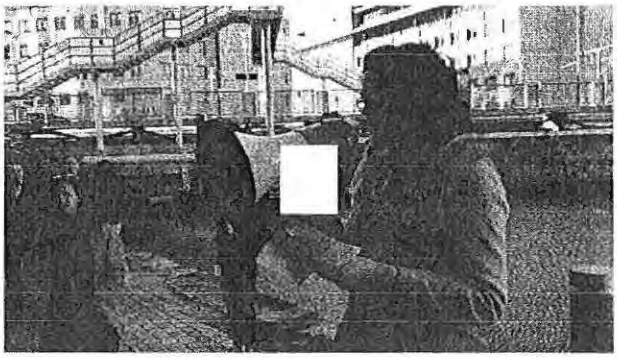
**Will Goodbody** @willgoodbody · 4h
Replying to @willgoodbody
Quick group photo and then it was back to work. Huge reluctance among those taking part to talk to press about why they were there -

seemed to be under impression they weren't allowed by the company despite being told by it they could speak to media in a personal capacity.

**Will Goodbody**
@willgoodbody

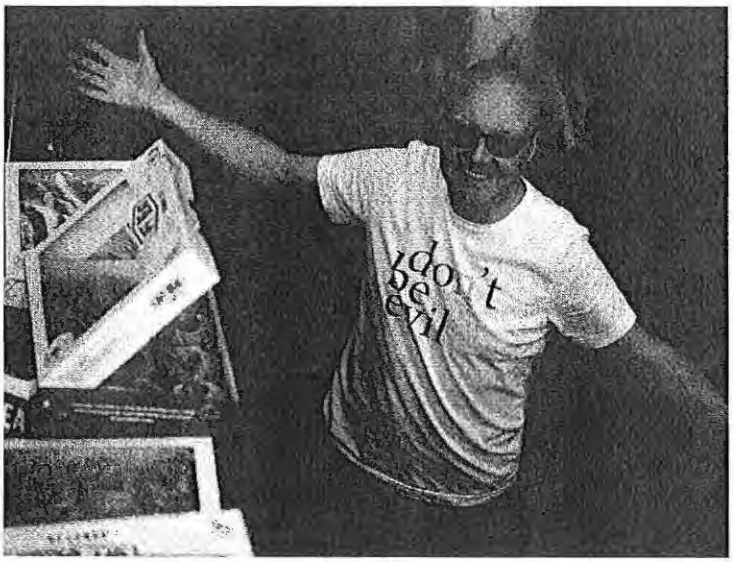
Here is Kate, the Google Dublin "Walkout for Real Change" coordinator addressing the crowd. pic.twitter.com/iZFhHAJ9VO

4:51 AM - Nov 1, 2018



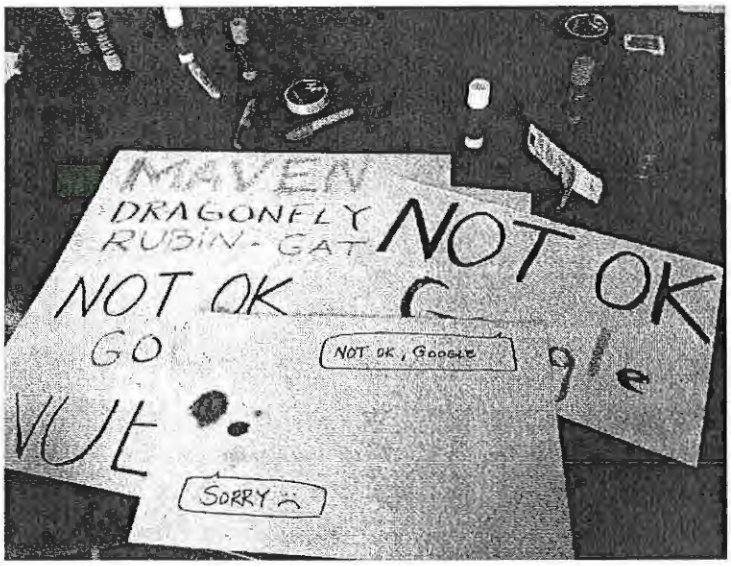
168 77 people are talking about this

## And the Irish Googlers brought doughnuts.




REUTERS/Clodagh Kilcoyne

**After the protests in Europe, the east coast of America began making preparations. These signs showed the walkout would spill over into other areas of concern.**




Google Walkout

Project Maven was Google's now-abandoned contract to build artificial intelligence tools for the US military, which caused some employees to resign in protest.

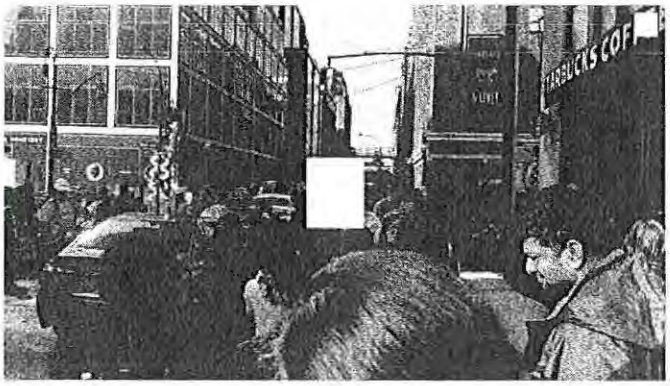
Dragonfly is Google's codename for its plans to launch a censored search engine in China. The plans sparked an internal war at the company, and also prompted a Google scientist to quit in protest.

---

**Throngs of reporters were waiting for Google staff in New York City. Business Insider's Sean Wolfe was on the scene.**


Sean Wolfe/Business Insider

## Wolfe followed the Googlers as they made their way towards the High Line.



**Sean Wolfe**
@seanthomaswolfe

Replying to @seanthomaswolfe
protest is moving toward the high line. sidewalks are pretty crowded at this point and police are trying to keep people off the street

8:22 AM - Nov 1, 2018

See Sean Wolfe's other Tweets

## There was a marked police presence accompanying the protesting workers.

Sean Wolfe/Business Insider

## Women waved placards as they marched.


@GoogleWalkout/Twitter

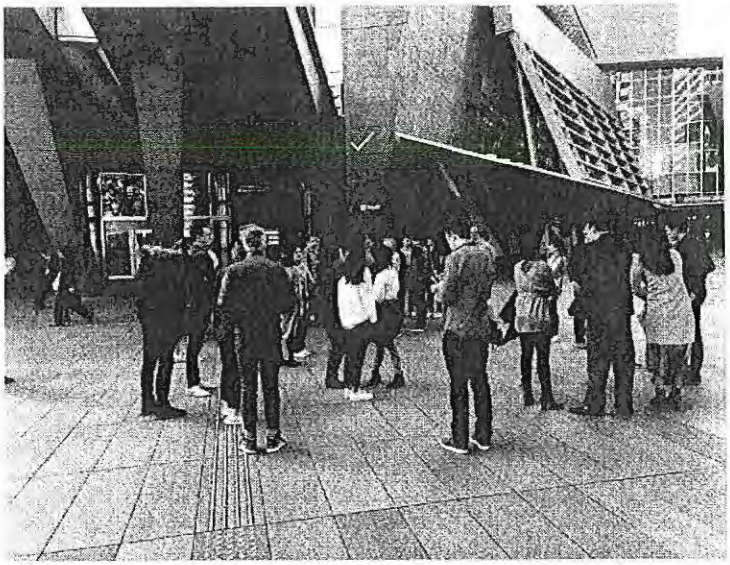
## Crowds started to accumulate en masse at Hudson River park.

Sean Wolfe/Business Insider

## The park soon filled up, so people stood outside.

Sean Wolfe/Business Insider

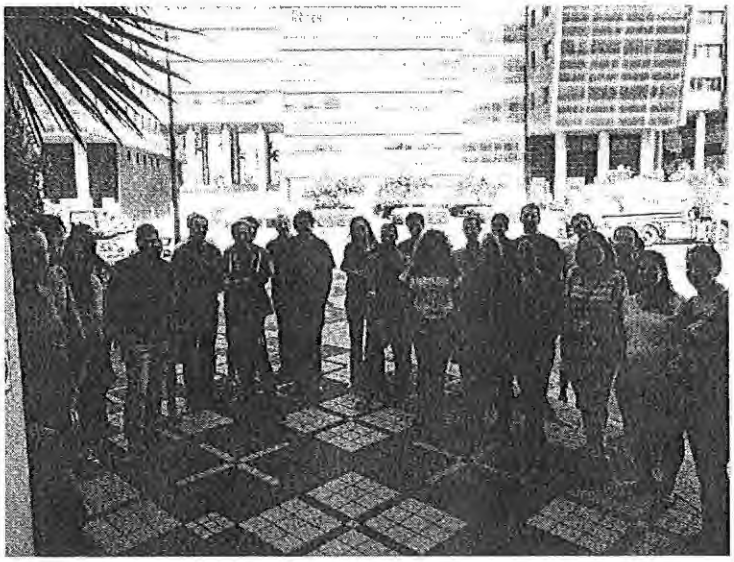
## Here are Tokyo Googlers at the beginning of their walkout.



Google Walkout

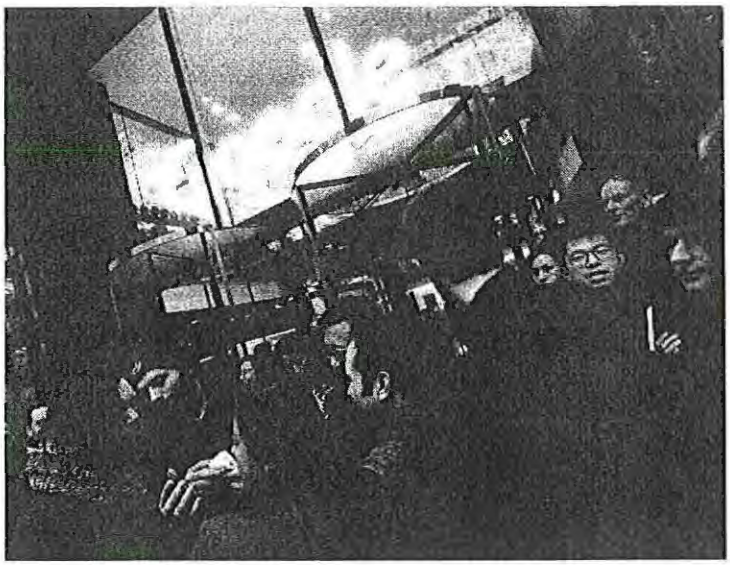


**In Haifa, Israel, Google has a small office of fewer than 100 people, but that didn't stop them from standing with Googlers worldwide.**



Google Walkout

**The organisers behind the walkout published an article outlining their stance.**



**Googlers in London.** REUTERS/Toby Melville

Googlers Claire Stapleton, Tanuja Gupta, Meredith Whittaker, Celie O'Neil-Hart, Stephanie Parker, Erica Anderson, and Amr Gaber cowrote a piece in The Cut detailing their reasons for organising the walkout.

"The executive team has demonstrated through their lack of meaningful action that our safety is not a priority," they wrote.

## The protesters have five demands.

**1. An end to Forced Arbitration in cases of harassment and discrimination.**

**2. A commitment to end pay and opportunity inequity.**

**3. A publicly disclosed sexual harassment transparency report.**

**4. A clear, uniform, globally inclusive process for reporting sexual misconduct safely and anonymously.**

**5. Elevate the Chief Diversity Officer to answer directly to the CEO and make recommendations directly to the Board of Directors. In addition, appoint an Employee Representative to the Board.**

**Google Walkout For Real Change**
@GoogleWalkout

We, Google employees and contractors, will walkout on November 1 at 11:10am to demand these five real changes. #googlewalkout

6:19 PM - Oct 31, 2018

2,183 1,232 people are talking about this

The CNBC reporter Jillian D'Onfro provided more detail:

1 - An end to Forced Arbitration in cases of harassment and discrimination for all current and future employees, along with a right for every Google worker to bring a co-worker, representative, or supporter of their choosing when meeting with HR, especially when filing a harassment claim.

2 - A commitment to end pay and opportunity inequity, for example making sure there are women of color at all levels of the organization, and accountability for not meeting this commitment. This must be accompanied by transparent data on the gender, race and ethnicity compensation gap, across both level and years of industry experience, accessible to all Google and Alphabet employees and contractors. Such data must include, but not be limited limited to: information on relative promotion rates, under-leveling at hire, the handing of leaves, and inequity in project and job ladder change opportunities. The methods by which such data was collected and the techniques by which it was analyzed and aggregated must also be transparent.

3 - A publicly disclosed sexual harassment transparency report, including: the number of harassment claims at Google over time and by product area, the types of claims submitted, how many victims and accused have left Google, any exit packages and their worth.

4 - A clear, uniform, globally inclusive process for reporting sexual misconduct safely and anonymously. The process today (i.e. go/saysomething) is not working, in no small part because HRs' performance is assessed by senior management and directors, forcing them to put management's interests ahead of employees reporting harassment and discrimination. The improved process should also be accessible to all: full-time employees, temporary employees, vendors, and contractors alike. Accountability, safety and an ability to report unsafe working conditions should not be dictated by employment status.

**Jillian D'Onfro**
@jillianiles

Replying to @jillianiles

Organizers are demanding more transparency from Google around its handling of sexual harassment and pay and opportunity inequity, as well as more employee empowerment overall (for example, having an employee representative join the company's board). In their words:

11:59 PM - Oct 31, 2018

41 38 people are talking about this

## CEO Sundar Pichai said he supported the walkout.

Getty/Justin Sullivan

Pichai told Business Insider in a statement that management supported the protest:

"We let Googlers know that we are aware of the activities planned for Thursday and that employees will have the support they need if they wish to participate," he said.

But a Google engineer named Liz Fong-Jones encouraged the press to shift their focus away from Pichai's support.

**Liz Fong-Jones**
@lizthegrey

All of the headlines that start with "Google CEO supports..." are focusing on the wrong thing.

What matters today is workers' voices and demands.

It doesn't matter whether management claims to support; the real test will be whether the demands are met. #GoogleWalkout

9:57 PM - Oct 31, 2018

557 198 people are talking about this

*Get the latest Google stock price here.*

More: Google Google walkout Sundar Pichai

EDITOR'S PICK | 14,626 views | Oct 30, 2018, 08:17pm

# The $90M Women's Walkout At Google: Is Real Change Coming?

Christina Vuleta


Google's headquarters inMountain View, California, USA

*Post updated 10/31/2018, 1:30 pm EST*

How much does sexual harassment cost? If you are Google, it may cost up to $90 million per case.

Last week the *New York Times* reported that a female employee accused Andy Rubin, the creator of Android and former Google employee, of allegedly forcing her to perform a sexual act at a hotel in 2013. According to the reporting, the

company investigated and found the claim credible enough to let him go in 2014. But not without toasting his achievements and sending him off with a $90 million exit package.

Whether spurred on by the gigantic price tag or the tech giant's silent acceptance of alleged sexual misconduct, now the women of Google are ready to walk. As first reported by *Buzzfeed,* more than 200 women engineers are planning to walk out this Thursday to protest the company's handling of the situation. Many employees seem crushed by the realization that their company rewards innovation at the cost of women's well-being and safety.


Twitter // @justkelly_ok TWITTER

While Rubin released a statement to the *New York Times* saying its story contained "numerous inaccuracies," this is just one of three cases of Google executives who, after being accused of sexual misconduct, were either quietly let go with generous compensation or, in one instance, kept on in a well-paid position.

To make matters worse, Larry Page, cofounder of Google and CEO of parent company Alphabet, seemed to have missed the mark when addressing the issues at a company meeting. According to the *Times,* he told employees: "I know this is really an exceptionally painful story for some of you, and I'm really sorry for that."

But shouldn't this situation be painful for everyone, most especially Google leadership? Is this really the best response possible from the company that includes "Don't Be Evil" in its code of conduct? Or is it simply unsurprising given the tech culture's history with lack of empathy? One instance that comes to mind is the ten-page memo that fired Google engineer James Damore wrote in 2017 explaining why women make bad engineers and arguing against the advancement of women in STEM.

Will the planned women's walkout make any difference in the corporate culture and executive behavior at Google and other tech giants? Maybe, but it's going to be an uphill struggle. A recent study by Lean In and McKinsey, "Women In The Workplace," says that despite the #MeToo movement, women are not feeling confident that their claims about sexual harassment will be taken seriously. The study shows that 30% of women are skeptical that the changes taking place around sexual harassment policies and programs are effective, and women are twice as likely as men to say that it would be risky or pointless to report an incident.

That is the concern that Liz Fong-Jones, workplace activist and Google engineer, was referencing when she told the *New York Times:* "When Google covers up harassment and passes the trash, it contributes to an environment where people don't feel safe reporting misconduct." She added, "They suspect that nothing will happen or, worse, that the men will be paid, and the women will be pushed aside."

The response by Page and the consistent bad corporate behavior indicate that real change can't happen until the men in leadership and corporate boards value the pipeline of women and their contributions as much as the work of one man, even if he created Android. Here's hoping that this walkout inspires the company, as well as others, to walk the talk and commit to real change.

***Update 10/31/2018, 1:30 pm EST:***

Last night the *New York Times* reported that Richard DeVaul, a director at the X unit of Google's parent company, Alphabet, resigned from the company. The resignation came after the *New York Times* reported last week that a former female job applicant accused him of sexual harassment. While Rubin was let go, DeVaul remained employed by Google despite the company's reported statement that the accuser's "account was 'more likely than not' true and that 'appropriate action' was taken," according to the *Times* article. The subsequent anger in response to the handling of DeVaul and the other executives was the impetus for the Google walkout planned for Thursday. The walkout is now estimated to include more than 1,000 employees, according to the *Times*.

The walkout planned in protest of the protection of sexual harassers now has the support of Google leadership. On Tuesday evening Axios shared Google CEO Sundar Pichai's apology to Google employees. He admitted in a company email that the handling of prior sexual harassment issues "didn't go far enough" and committed to take a "much harder line" going forward. Pichai also pledged to support employees who choose to take part in the walkout on Thursday. The question for many remains: When will tech leadership start hiring, paying and promoting more women to lessen the need for future apologies?

> 'Google CEO Sundar Pichai promised to take a "much harder line" on sexual harassment.' @inafried @axios https://t.co/MQKCp081CS Here's a better idea, Sundar: hire, promote, champion, give juicy 'moonshots' to WOMEN. Sexual harassment disappears in a gender-equal work enviroment
>
> — Cindy Gallop (@cindygallop) October 31, 2018

*I manage Women@Forbes, the next step on my mission to share perspective and create pathways for women to take their next steps forward. It's anything but linear! I grew up in advertising then moved to trends, global research and brand strategy. I started CV Consulting to bri...* **MORE**



# Closed-End Fund Investors: Savvy, Prosperous and Young

Forbes **Insights Team** Insights Contributor
FORBES INSIGHTS With **Nuveen**



Nuveen, the investment manager of TIAA, offers a comprehensive range of outcome-focused investment solutions designed to secure the long-term financial goals of institutional and individual investors. Nuveen has $973 billion in assets under management as of 30 June 2018 and ... **Read More**

The New York Times

# *Alphabet Executive Resigns After Harassment Accusation*

**By Daisuke Wakabayashi**

Oct. 30, 2018

SAN FRANCISCO — Richard DeVaul, a director at the X unit of Google's parent company, Alphabet, resigned from the company on Tuesday after he was accused in a New York Times article published last week of sexually harassing a female job applicant.

Star Simpson, a hardware engineer, said that in 2013, Mr. DeVaul made unwanted advances to her at his encampment at Burning Man, an annual festival in the Nevada desert. It was a week after she interviewed at Google for a job reporting to him.

When Ms. Simpson reported his behavior to Google two years later, a company official told her that her story was "more likely than not" true and that appropriate action had been taken against Mr. DeVaul without explaining what the company had done.

After the article was published, many employees expressed anger and disappointment that Mr. DeVaul was still employed at the company despite Ms. Simpson's harassment claim.

Women at Google, upset at the company's handling of accusations against Mr. DeVaul as well as other executives, plan to stage a walkout on Thursday with more than 1,000 people planning to leave Google's offices in protest.

Sundar Pichai, Google's chief executive, said in an email to employees on Tuesday that the company's initial apology after the publication of The Times article "wasn't enough" and that staff participating in the walkout would get "the support you need."

"As CEO, it's been personally important to me that we take a much harder line on inappropriate behavior," Mr. Pichai wrote. "We have taken many steps to do so, and know our work is still not done."

After Ms. Simpson reported Mr. DeVaul's actions, Google continued to promote Mr. DeVaul's work in news articles.

"It probably feels hard to trust me and X right now, but I want to reassure you that we do take these issues very seriously, we investigate every allegation we receive, and we do what's right based on the information we have," Astro Teller, the head of X, the company's research and development arm, wrote on Friday in an email obtained by The Times.

Mr. DeVaul received no exit package from Alphabet, Google's parent company, after he resigned, a company spokeswoman said. She declined to elaborate further. Mr. DeVaul's resignation was reported earlier by Axios.

Mr. DeVaul did not respond to several requests for comment. In a statement before the Times article had published, Mr. DeVaul apologized for an "error of judgment." He said X decided not to hire Ms. Simpson before she went to Burning Man and that he did not realize she had not been informed.

Mr. DeVaul was an influential figure within the X unit. Until recently, he was the director of rapid evaluation, running a team that weighs the progress of various X projects, deciding which endeavors get killed and which continue. In the last few months, he had taken on a new role as the "director of mad science."

*Follow Daisuke Wakabayashi on Twitter: @daiwaka*

A version of this article appears in print on Oct. 30, 2018, on Page B4 of the New York edition with the headline: Alphabet Executive Resigns After Job Applicant's Claim of Harassment at Burning Man

# Timeline of a crisis: The #MeToo movement comes to Google

November 21, 2018 by Sean Czarnecki

## Google was hit with one of its worst crises yet after revelations about former exec Andy Rubin

Feature


Photo credit: Getty images

**November 28, 2017**

Digital media company The Information reports Andy Rubin, the creator of Android and a former Google executive, left the company in 2014 after it discovered he had an inappropriate relationship with a subordinate.

It was unclear what those allegations were and whether he was paid an exit package.

Rubin takes a leave of absence from his new smartphone venture, Essential, for personal reasons. His spokesperson, crisis wrangler Mike Sitrick, denies wrongdoing.

**October 25, 2018**
*The New York Times* publishes an investigation saying Google paid Rubin handsomely despite finding credible allegations he coerced a female employee to perform oral sex on him.

Instead of firing Rubin, then-Google CEO Larry Page asked for his resignation. The tech company kept the revelations under wraps and paid Rubin a $90 million exit package in 2014. Rubin denies the allegations through spokesperson Sam Singer. He tweets the allegations are part of a smear campaign.

Google CEO Sundar Pichai and HR head Eileen Naughton email employees, saying they've fired 48 people over the past two years for sexual harassment with no exit package.

**October 26**
Google staff confronts Pichai and current-Alphabet CEO Page at its weekly meetings, asking what it will do to reverse its current course of action: protecting abusers at the expense of victims' well-being. Page admits there are some decisions he "would have made differently" and offers an apology.

**October 29**
A group of more than 200 engineers organize a companywide walkout for November 1 to protest Google protecting perpetrators of sexual harassment.

Pichai emails employees to voice his support of the walkout.

**October 30**
Axios reports Richard DeVaul, a director at Alphabet's research and development arm, X, has left the company following allegations in the *Times*.

The newspaper reports he made a pass at a woman applying for a job at X. DeVaul did not receive an exit package, according to a spokeswoman.

**October 31**
Over 1,500 Google employees plan to walk out of nearly two dozen offices worldwide.

**November 1**
Pichai addresses the crisis at the Dealbook conference, saying, "At Google, we set a high bar, and we didn't live up to expectations."

**November 2**
#GoogleWalkout organizers say at least 20,000 employees and contractors participated in offices in 50 cities around the world.

Pichai will meet with his leadership team to review a plan that will address the walkout's demands, which include an end to forced arbitration in harassment cases.

**November 8**
In a public letter, Pichai announces Google is making arbitration optional, providing more detail into sexual harassment investigations, and revamping its reporting system. Also, it's doubling down on its commitment to diversity and inclusion and updating its mandatory sexual harassment training.

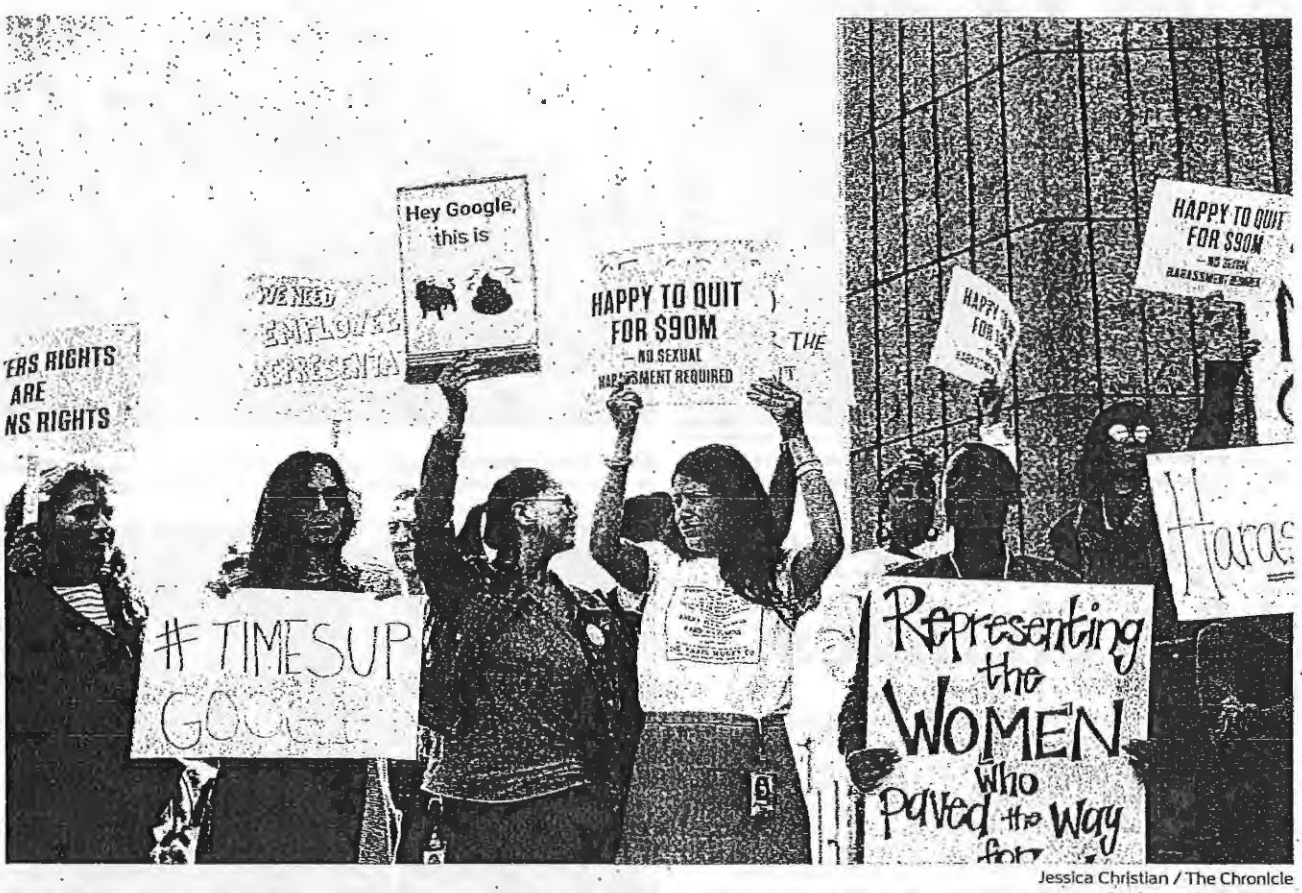
**Mixed**
Google failed at basic comms: engaging all stakeholders, but Pichai's letter promises extensive overhaul that can bring about a safer workplace.

**Takeaway #1**
Paging Larry Page. Google's cofounder may have squirmed out of testifying in front of Congress, but turtling up isn't an option when it comes to this sensitive of an issue. It's visceral, it taps into a social firestorm, and the company's character is on trial.

**Takeaway #2**
Your people are your brand. Privacy, echo chambers, and politics aside, Google is finally getting hit where it hurts: losing its edge as an employer of choice, a key component of its corporate reputation. Whatever brand equity Google has built up over the years will bleed out fast if it's its own employees holding the knife.

San Francisco Chronicle

November 2, 2018




Jessica Christian / The Chronicle

**Google employees participate in a company-wide walkout from their offices in San Francisco, part of the final wave of protests that began at 11 a.m. local time in Singapore and Tokyo.**

# Walkout for women

## Thousands of workers worldwide protest Google's response to sexual misconduct

**By Melia Russell and Sophia Kunthara**

In a coordinated protest of what they say is a lax approach to sexual misconduct complaints, thousands of Google employees marched Thursday along the Embarcadero in San Francisco; at company headquarters in Mountain View; and as far afield as Hyderabad, India; Singapore; London; Tokyo; Toronto; and Dublin, Ireland.

The walkouts came in response to recent revelations of big payouts and light treatment given to company executives accused of bad behavior at the workplace. The most prominent case was the departure of Andy Rubin, creator of the Android mobile operating system. He left Google in 2014 following an investigation into a relationship with a female subordinate, the New York Times reported, and collected a payout of $90 million. (Rubin has disputed the reports, claiming "numerous inaccuracies" and "wild exaggerations about my compensation.")

Hundreds of employees at Google's San Francisco office walked out around 11 a.m. on Thursday, gathering at Harry Bridges Plaza outside the Ferry Building to call for an end to sexual harassment and pay inequity at the company.

Speakers shared stories of harassment that colleagues had submitted, and the crowd chanted "Women's rights are worker's rights" and "Equal pay for equal work."

Cathay Bi, a product manager at Google who led the chants, said she

*Walkout continues on D3*

over →

Niall Carson / Associated Press

**Google employees walked out of the company's European headquarters in Dublin to protest lenient treatment of executives accused of sexual misconduct.**

Bryan R. Smith / AFP / Getty Images

**The walkout included Google's large office in New York City, as well as others in Singapore, London, Tokyo and the Indian city of Hyderabad.**

# Google workers call for changes

*Walkout from page D1*

had experienced sexual harassment at the company.

"I did not feel safe talking about it," Bi said. That feeling, she said, prompted her to participate in the walkout. She said she wanted to take a stand, despite fears of retaliation: "I said to myself last night that I hope I still have a career in Silicon Valley after this."

Jenny Brown, an employee at Google, participated in the walkout in San Francisco. She held a sign: "I reported and he got promoted."

Brown said she was sexually harassed by a superior at Google who was subsequently promoted twice.

"My performance (reviews) has been nothing but negatively impacted by it," Brown said. She was heartened by the reaction to a New York Times report that detailed Google's history with harassment complaints: "There's a new community forming at Google and it's good."

In a demonstration of the company's freewheeling culture, which is unusually tolerant of internal dissent, Google CEO Sundar Pichai has said he supports the walkouts.

"Employees have raised constructive ideas for how we can improve our policies and our processes going forward," Pichai said in a statement. "We are taking in all their feedback so we can turn these ideas into action."

Google has previously endorsed employee walkouts to protest government policies on immigration. But its approval of the Thursday walkout amounts to an unusual act of corporate self-criticism.

In Mountain View, hundreds of employees poured into the main courtyard at the Googleplex, the company's headquarters campus.

"I think this was the $90 million straw that broke the camel's back, to be honest," said Google employee Ceily O'Neil-Hart, an organizer of the walkout in Mountain View, referring to Rubin's reported payout. "But there are so many stories that we've heard for so long and it's time for action and change, real change."

O'Neil-Hart said the protesters were seeking an end to clauses in employment contracts that require arbitration for disputes related to sexual harassment; a commitment to pay equity; and an employee representative on the company's board of directors.

More than 60 percent of Google offices had some workers participate, she said.

"We do feel heard," she said. "And we look forward to seeing action."

The walkouts began at 11 a.m. local time in Singapore and Tokyo and circled the globe, ending with the protests in San Francisco and Mountain View.

*Melia Russell and Sophia Kunthara are San Francisco Chronicle staff writers. Email: melia.russell@sfchronicle.com, sophia.kunthara@sfchronicle.com Twitter: @meliarobin, @SophiaKunthara*

Cole Burston / Canadian Press

**Google employees gather under a tree as fellow employees read from a list of personal accounts during a walkout in Toronto.**

# Three Reasons To Believe Google Must Pay Alleged Sexual Harassers

**Kristi Faulkner** Contributor ⓘ
ForbesWomen
*I want gender equality in my lifetime. In fact, the sooner the better.*


Why would Google pay alleged harassers millions? GOOGLE

Though it's hardly breaking news these days, yet another prominent man has been pushed out of his high-level position amid allegations of sexual harassment, abuse of power, and exploiting women reports.

While it does seem like the same old story we've been hearing since #MeToo began galvanizing a movement early last year, this one, uncovered by the New York Times, is different. Because this one involves Andy Rubin, the "Father of Android," and Google, a company that touches almost every man, woman, and child on earth, and where "don't be evil" is the ingrained credo.

In spite of the accusations, Google feted Rubin's departure, with Larry Page himself publicly wishing him "all the best with what's next" and, according to the

Time's stellar reporting, backed that good will up with $2.5 million cash in Rubin's bank account every month for years.

Why didn't they just fire him without severance, you ask? It's a reasonable question, and Google has at least three tried-and-true reasons to believe it's more important to pay nearly a hundred million dollars to the alleged abuser rather than, say, publicly disavow his behavior, press charges, or equally compensate the women Google believes have credible accounts.

**Reason #1: He's a genius.**

Google is known for hiring the most skilled, mostly male, technology talent in the world. Andy Rubin is both. He's the guy who developed Android—a platform that made it easier to put Google in the hands of the masses. Page called Rubin's creation of Android "truly remarkable," and he's been hailed as a genius in Silicon Valley. As Hannah Gatsby famously asserts, once it's decided a guy is a genius, his reputation is more important than his actions—even if some of those alleged actions include storing bondage porn on his work computer and forcing a woman who worked with him to perform oral sex. Rubin's no Picasso, but still, Google found it easy enough to separate the man from the art. After all, says Gatsby, in our culture, geniuses must be protected and revered.



So why doesn't Google hire some equally genius women software developers to bring balance to power? As most big tech companies like to espouse, there just aren't enough qualified women in the pipeline. Girls outperform boys in school, and more women graduate college now than men, but female genius seems to vanish when women join the workforce. According to a Google search, only about 30% of Google employees are women—a stat that hasn't changed in many years.

**Reason #2: He's worth it.**

Rubin made his first $50 million when Google acquired his software company. Once he joined Google, they gave him a $40 million bonus plus $72 million in stock, plus a reported $20 million in annual compensation. Even in the midst of the harassment investigation, the Google board continued to demonstrate his extreme value to the company when it awarded him another $150 million in stock grants. And to sweeten his departure, on top of his incredibly generous exit package, Google kicked in even more millions to fund his startup. Rubin was so valuable to Google, they were willing to look the other way when accounts of his alleged bad behavior became even worse. Meanwhile, as Rubin was collecting his hundreds of millions, the women he's accused of abusing weren't earning anything close to equal what Rubin was, which indicates their relative worth to Google.

Though he wasn't known for valuing the feelings or morale of his team, Rubin appears to know the value of women— and according to his wife, owned a few. In her divorce suit, Rubin's ex-wife supported her case with a screenshot of an email to a woman, "Being owned is kinda like you are my property, and I can loan you to other people." One has to wonder if that's the general attitude of other men leading Google, who seem to look at the women there as most romantic interests.

**Reason #3: Google leads by example.**

Google is the third most valued company in the world, employs more than 80,000 people and interacts with several billion users every day. Like most tech companies, its leadership makeup reflects its employees, not its customers, which, like the general population, is half women. The company is 70% male. The board and top executives are overwhelmingly male, many of whom have been accused of questionable behavior with women—reportedly, extramarital affairs with underlings are common. There have been countless reports that the two founders, the former CEO, various directors, and even the chief counsel have been romantically involved with women employees—many while married. How can any of these men in leadership condemn one of their own with a straight face? It's understandable why Google would keep silent about the accusations. Women are liabilities in these cases and have been treated that way.

**The weak apology.**

After the rationalizations, next up in the patriarchal playbook is the pseudo-apology. When Larry Page finally acknowledged the corporate cover-up to employees, his non-apology exacerbated the outrage and disgust. "I know this is really an exceptionally painful story for some of you, and I'm really sorry for that," he said in a meeting, failing to indicate that either he or the board felt exceptional pain for their complicity in the situation. He did not mention any regret, remorse, or embarrassment for the millions of dollars the company has given the accused to leave.

**Google: The world's most innovative company?**

The fact is, until women are hired, groomed, and promoted at Google in parity to men, given fair representation on the board, similar job titles and duties, and rewarded with equal pay for equal work, Google is not fulfilling its promise to be the most innovative company in the world. When leadership obfuscates facts, Google is not fulfilling its mission to democratize information. When leadership seems to condone alleged harassment, assault and exploitation of women, Google undermines its commitment to do no evil.

A note to the men leading Google: the same old patriarchal ideas and behaviors will not change the world. Don't keep paying stupid amounts of money to accused harassers. Put the smart money on women instead. That will definitely change the world—and isn't that what you first set out to do?

A Google doodle celebrating women. GOOGLE

*I'm a founding partner of Gender Fair, an organization that independently rates companies' commitment to equality and shares that data to inform consumers. I'm interested in stories about the enlightened companies that embrace and promote gender fair policies and practices; ...* **MORE**

*Kristi Faulkner is a creative director, strategist, and co-founder of @GenderFair and @Womenkind, a strategic marketing firm dedicated to serving women.*

# *Google Workers Fume Over Executives' Payouts After Sexual Harassment Claims*


Google's campus in Mountain View, Calif. One worker said the way it had handled executives accused of misconduct was "crushing."
Christie Hemm Klok for The New York Times

**By Daisuke Wakabayashi and Kate Conger**

t. 26, 2018

SAN FRANCISCO — At Google's weekly staff meeting on Thursday, the top question that employees voted to ask Larry Page, a co-founder, and Sundar Pichai, the chief executive, was one about sexual harassment.

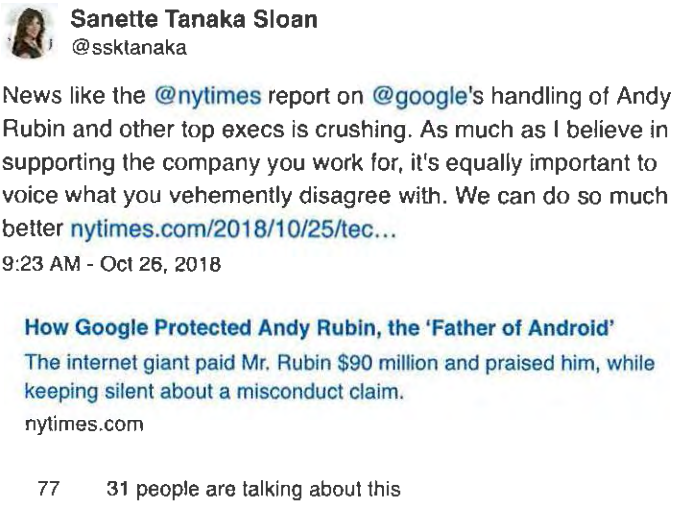
"Multiple company actions strongly indicate that protection of powerful abusers is literally and figuratively more valuable to the company than the well-being of their victims," read the question, which was displayed at the meeting, according to people who attended. "What concrete and meaningful actions will be taken to turn this around?"

The query was part of an outpouring from Google employees after a New York Times article published on Thursday reported how the company had paid millions of dollars in exit packages to male executives accused of misconduct and stayed silent about their transgressions. In the case of Andy Rubin, the creator of Android mobile software, the company gave him a $90 million exit package even after Google had concluded that a misconduct claim against him was credible.

While tech workers, executives and others slammed Google for the revelations, nowhere was condemnation of the internet giant's actions more pointed than among its own employees.

The employee rebuke played out on Thursday and Friday in company meetings and on internal message boards and social networks, as well as on Twitter. Jaana Dogan, who works in Google Cloud, the company's cloud computing business, tweeted, "If you are worth of millions of dollars, you should be able to show the door to authoritarian governments and serial abusers. If not now, then when?"

Another Google employee, Sanette Tanaka Sloan, also posted on Twitter that the way Google had handled Mr. Rubin's misconduct claim was "crushing." She added, "We can do so much better."




On Memegen, an internal Google photo-messaging board popular among employees for its humor, one of the top posts on Thursday featured a GIF of an overjoyed game show contestant showered with confetti. Beneath the image was the text "got caught sexually harassing employee," said one employee who saw the post and who asked not to be identified because she was not authorized to speak publicly.

Google's work force often takes to internal messaging platforms to protest management decisions. Employees have opposed the company's decisions to work with the Pentagon on artificial intelligence technology and to create a censored search engine for

China. (Google has since dropped its A.I. effort with the Pentagon and it has not introduced a censored search engine for China.)



On Thursday and Friday, some Google employees said they were dispirited by how some executives accused of harassment were paid millions of dollars even as the company was fending off lawsuits from former employees and the Department of Labor that claimed it underpaid women. Google has said in the past that it had found "no significant difference" in the pay between men and women at the company.

Other employees said they tried to calculate how many hours of their work would have gone toward generating the $90 million that Mr. Rubin obtained in his exit package. Mr. Rubin has denied any misconduct and said the report of his compensation was a "wild exaggeration."

Some Google employees said they had more questions after Mr. Pichai and Eileen Naughton, vice president of people operations, wrote in an email on Thursday that the company had fired 48 people, including 13 senior managers, for sexual harassment over the last two years and that none of them received an exit package.

Some workers said they wanted more data on how many claims were investigated and how many were found credible before the 48 people were terminated, while others questioned the promotion and hiring system that allowed 13 people to become senior managers who harassed in the first place.

Liz Fong-Jones, a Google engineer for more than a decade and an activist on workplace issues, said in a tweet that judgments over misconduct claims can be clouded by whether a person's boss feels they can "afford" to lose that person. In the case of Mr. Rubin and others, she said, that put Mr. Page in the spotlight.

"The decision maker must have been Larry Page," Ms. Fong-Jones wrote. "The buck stops there."

At Google's employee meeting on Thursday, hours after Alphabet reported another quarter of blockbuster earnings, Mr. Page spoke to employees along with Mr. Pichai and Ms. Naughton. It was unclear

how they responded to the question from employees, but the executives struck a conciliatory tone, according to remarks obtained by The Times.

During the meeting, Mr. Page and Mr. Pichai did not comment on specific misconduct cases. Mr. Pichai noted that Google had made some "important changes" in how it handles harassment cases, according to the remarks.



"We want to get better, and we want to get to a place where it truly reflects our values of respect, particularly respect for each other," Mr. Pichai said.

Mr. Page said if employees suffered from harassment while at Google, then the company was not "the company we aspire to be."

He also offered an apology.

"I've had to make a lot of decisions that affect people every day, some of them not easy. And, you know, I think certainly there's ones with the benefit of hindsight I would have made differently," Mr. Page said. "I know this is really an exceptionally painful story for some of you, and I'm really sorry for that."

*Follow Daisuke Wakabayashi and Kate Conger on Twitter: @daiwaka and @kateconger.*

A version of this article appears in print on Oct. 26, 2018, on Page B1 of the New York edition with the headline: Workers Take Google to Task Over Payouts. Order Reprints | Today's Paper | Subscribe

# Google reportedly gave Andy Rubin $90 million after sex scandal (Update: Rubin tweets)

BY C. SCOTT BROWN4 HOURS AGO

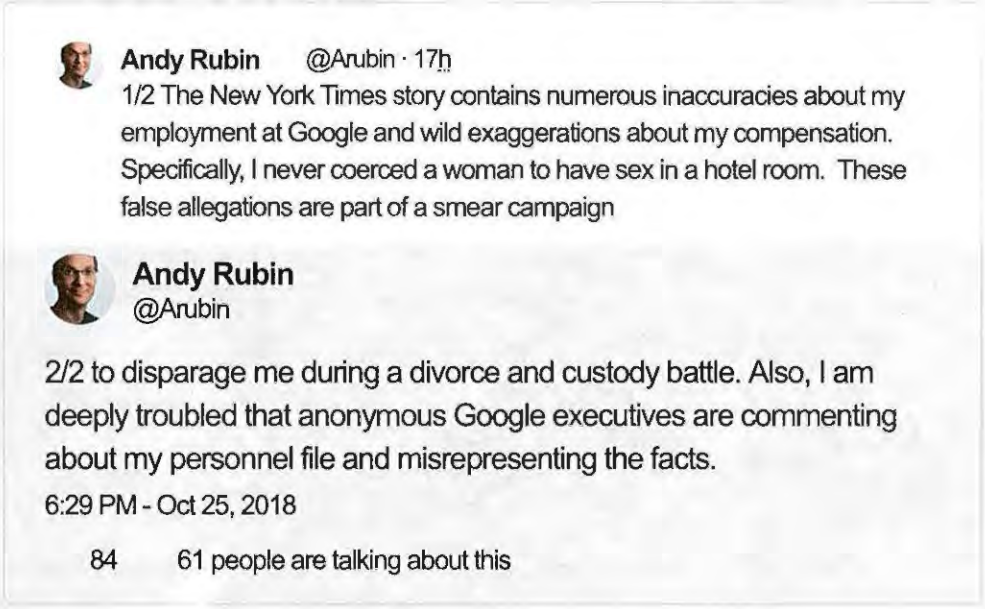
Forbes

**Update #2, October 26, 2018 (10:03AM EST):** Andy Rubin took to Twitter to respond to the serious allegations levied against him by a recent *New York Times* exposé. In the tweets, Rubin doesn't give any explanations about what is alleged in the bombshell article, but does call out both the publication and Google for taking part in a "smear campaign."

.ubin is currently in a divorce and custody battle and posits that the *NYT* article and Google's response (detailed in the first update below) are filled with "false allegations" and "wild

exaggerations."

Notably, Rubin says he "never coerced a woman to have sex in a hotel room," which could b interpreted as a denial of the facts — or a lesson in semantics, depending on how you read it. Either way, Rubin's tweets are below:




**Update #1, October 25, 2018 (4:51PM EST):** After *The New York Times* published its bombshell report described below, Google sent out an email to all employees to make a statement on the matter, via *CNBC*.

Google CEO Sundar Pichai is quick to point out Google has fired 48 employees in the last two years for problems revolving around sexual misconduct. Of those 48 employees, 13 were "senior managers and above," and none of the 48 received an exit package.

However, nowhere in the email does Pichai attempt to explain what exactly happened with Rubin nor what the company plans to do to respond to these serious allegations of corporate negligence.

You can read the full email here.

**Original Article, October 25, 2018 (2:06PM EST):** When Andy Rubin — the so-called "Father of Android" who was the primary developer of the world's largest mobile operating system —

resigned from the Google Android team in 2014, he was given a fond farewell.

"I want to wish Andy all the best with what's next," Larry Page, Google's then-CEO, said in a public statement. "With Android he created something truly remarkable — with a billion-plus happy users."

On his way out of Google's door, Rubin received a parting gift: $90 million paid out over monthly installments of $2 million. The final payment is expected next month.

However, in November of last year, news broke that the "resignation" wasn't quite so simple. According to anonymous sources familiar with the matter, Rubin was actually forced to resign after having an inappropriate sexual relationship with a female subordinate on the Google Android team.

After this news broke, Rubin took a leave-of-absence from his startup, Essential, which at that point was just launching the Essential Phone.

EDITOR'S PICK

Andy Rubin taking leave from Essential in wake of "inappropriate relationship" report

While Rubin's forced exit from Google was known in November last year, we are now just learning about this $90 million gift from Google, which the company would not have had to pay if it had fired Rubin instead of forcing him to resign.

According to *The New York Times* report on the matter, Rubin is actually one of three known male executives who received credible claims of sexual misconduct against them and were either given huge parting gifts on their resignation or — in one case — allowed to continue high-paying work with the company.

To make matters worse, Google is also a major investor in Essential.

**Andy Rubin didn't just leave Google – he was given the choice to be fired or resign. He resigned and got a huge payout for it.**

Rubin's transgression at Google allegedly stems from an extramarital sexual liaison he had with a female subordinate in a hotel room. Although the act is assumed to be consensual, Google — like many companies — has strict policies against sexual relationships with subordinates due the ethical and legal concerns which stem from those situations.

Eileen Naughton, Google's vice president for people operations, said in a statement, "We investigate and take action, including termination. In recent years, we've taken a particularly hard line on inappropriate conduct by people in positions of authority. We're working hard to keep improving how we handle this type of behavior."

While this policy no doubt exists, it appears from this new information Google overlooked the policy in Rubin's case.

EDITOR'S PICK

Andy Rubin returns to Essential after taking a leave of absence

The rest of *The New York Times* exposé delves into the working culture at Google, where it is alleged high-ranking male employees are given soft punishments (or none at all) for violations of company policy, even when it comes to sexual misconduct. In Rubin's case, there were many red flags which should have made Google at the very least keep a close eye on him, but instead, he was continually praised and financially rewarded.

# Andy Rubin, the creator of Android, reportedly had bondage sex videos on his work computer, paid women for 'ownership relationships,' and allegedly pressured an employee into oral sex

Nick Bastone 17h

Brian Ach/Getty



- **On Thursday, The New York Times published more details about the allegation that led to Android founder Andy Rubin's dismissal from Google in 2014.**
- **The Times reported that Rubin was found to have pressured a woman with whom he had an extramarital relationship into performing oral sex in a hotel room in 2013.**

- **The Times also cited an incident when Google's security staff found bondage sex videos on Rubin's work computer and screenshots of messaged that alluded to the Android founder paying for "ownership relationships" with women.**

- **Rubin's spokesperson told The Times that the Android founder did not partake in misconduct and that "any relationship that Mr. Rubin had while at Google was consensual and did not involve any person who reported directly to him."**

On Thursday, new details about Android founder Andy Rubin's 2014 exit from Google came to light in a bombshell report by The New York Times. The report alleges the internet company paid him $90 million despite concluding that there was credibility to a sexual misconduct claim against him.

According to The Times, Rubin was ultimately asked to leave Google after pressuring a woman (with whom he had an extramarital relationship) into performing oral sex in a hotel room in 2013. The two's relationship was cooling around the time of the incident, but the woman had been worried to cut things off in fear that doing so would affect her career, according to two company executives briefed on the relationship.

Rubin was involved in other sexual incidents during his time at Google as well, according to the report.

The report claims:

- Rubin dated other women at Google while he was married — according to four people who worked with him — including one woman on the Android team.

- Google's security staff found bondage sex videos on Rubin's work computer, according to three anonymous executives familiar with the incident. For that case, Rubin's yearly bonus was dinged.

- Rubin's ex-wife said he had multiple "ownership relationships" with other women during their marriage, paying them hundreds of thousands of dollars. Screenshots released in the couple's civil suit revealed Rubin telling one woman: "You will be happy being taken care of. Being owned is kinda like you are my property, and I can loan you to other people."

Rubin's spokesperson told The Times that the Android founder did not partake in misconduct and that "any relationship that Mr. Rubin had while at Google was consensual and did not involve any person who reported directly to him."

Upon Rubin's departure from Google in 2014, he was celebrated by Google's chief executive at the time, Larry Page.

"I want to wish Andy all the best with what's next," Page said in a statement. "With Android he created something truly remarkable — with a billion-plus happy users."

In an email to employees on Thursday, CEO Sundar Pichai said the following:

"In recent years, we've made a number of changes, including taking an increasingly hard line on inappropriate conduct by people in positions of authority: in the last two years, 48 people have been terminated for sexual harassment, including 13 who were senior managers and above. None of these individuals received an exit package."

## Read the New York Times full report

*Get the latest Google stock price here.*

**NOW WATCH: A Navy SEAL explains why you should get up at 4:30 am every day**

THE RECORDER



# Report: Alphabet CLO Drummond Secretly Fathered Child With Subordinate

David Drummond, the chief legal officer of Google parent company Alphabet, fathered a child with a colleague during an extramarital affair while he was GC of Google, according to a New York Times report.

aroline Spiezio | October 25, 2018

David Drummond, the chief legal officer of Google parent company Alphabet, fathered a child with a colleague during an extramarital affair while he was GC of Google, according to a Thursday report


***"Googleplex," Google headquarters, Mountain View, California. Photo credit: Shutterstock***

from The New York Times (https://www.nytimes.com/2018/10/25/technology/google-sexual-harassment-andy-rubin.html).

Drummond, who joined Google as general counsel in 2002, reportedly began dating legal department colleague Jennifer Blakely in 2004. She was then a senior contract manager on Google's legal team.

In 2007, Blakely and Drummond had a son together at which point the then-GC disclosed their relationship to Google. Blakely told The New York Times that Google's head of human resources, Stacy Sullivan, who is now chief culture officer, told her that the company did not encourage manager-subordinate relationships. Blakely believed that either she or Drummond would have to leave the legal team and that it was "clear it would not be David."

She was transferred to the sales team shortly after. A year later she left Google entirely, at which point the company asked her to sign paperwork stating she had left voluntarily, according to the Times report.

In 2008, Drummond left Blakely. She won the ensuing custody battle for their son.

Since then, Drummond has been promoted to CLO of Alphabet and chairman of Google's investment arms, Google Ventures and CapitalG, earning millions of dollars in the process. Blakely told the New York Times that the lack of consequences for Drummond reflected the tech company's tendency to look away from the misconduct of high-ranking men.

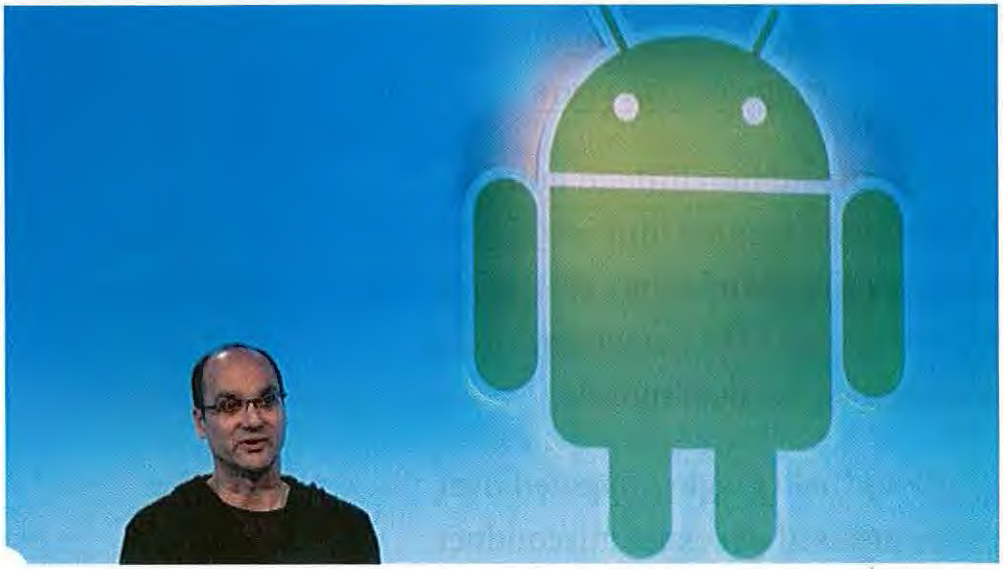
"[Google's response] amplifies the message that for a select few, there are no consequences," Blakely told the New York Times, adding, "Google felt like I was the liability."

A number of other former and current high-ranking Google executives were named in Thursday's New York Times report, which cited misconduct allegations against Android creator Andy Rubin, Google X director Richard DeVaul and former head of search an

senior vice president Amit Singhal.

# How Google protected the 'father of Android' who was accused of sexual misconduct

DAISUKE WAKABAYASHI AND KATIE BENNER
SAN FRANCISCO
THE NEW YORK TIMES NEWS SERVICE
PUBLISHED OCTOBER 25, 2018



oogle's former vice-president of engineering Andy Rubin speaks during an event at Google headquarters on Feb. 2, 2011, in Mountain View, Calif.

JUSTIN SULLIVAN/GETTY IMAGES

Google gave Andy Rubin, the creator of Android mobile software, a hero's farewell when he left the company in October 2014.

"I want to wish Andy all the best with what's next," Larry Page, Google's then-chief executive, said in a public statement. "With Android he created something truly remarkable – with a billion-plus happy users."

What Google did not make public was that an employee had accused Rubin of sexual misconduct. The woman, with whom Rubin had been having an extramarital relationship, said he erced her into performing oral sex in a hotel room in 2013, ccording to two company executives with knowledge of the episode. Google investigated and concluded her claim was

credible, said the people, who spoke on the condition they not be named, citing confidentiality agreements. Page asked for his resignation.



Related: After media report, Google discloses 48 employees were fired for sexual harassment during past two years

Google could have fired Rubin and paid him little to nothing on the way out. Instead, the company handed him a $90-million exit package, paid in installments of about $2-million a month for four years, said two people with knowledge of the terms. The last payment is scheduled for next month.

Rubin was one of three executives that Google protected over the past decade after they were accused of sexual misconduct. In two instances, it ousted senior executives, but softened the blow by paying them millions of dollars as they departed, even though it had no legal obligation to do so. In a third, the executive remained in a highly compensated post at the company. Each time Google stayed silent about the accusations against the men.

The New York Times obtained corporate and court documents and spoke to more than three dozen current and former Google executives and employees about the episodes, including some people directly involved in handling them. Most asked to remain anonymous because they were bound by confidentiality agreements or feared retribution for speaking out.

The transgressions varied in severity. Rubin's case stood out for how much Google paid him and its silence on the circumstances of his departure.

Sam Singer, a spokesman for Rubin, disputed that Rubin had been told of any misconduct and said he left the company of his own accord.

"The New York Times story contains numerous inaccuracies about my employment at Google and wild exaggerations about my compensation," Rubin said in a statement after the publication of this article. "Specifically, I never coerced a woman to have sex in a hotel room. These false allegations are part of a smear campaign by my ex-wife to disparage me during a divorce and custody battle."



STORY CONTINUES BELOW ADVERTISEMENT

In settling on terms favourable to two of the men, Google protected its own interests. The company avoided messy and costly legal fights, and kept them from working for rivals as part of the separation agreements.

When asked about Rubin and the other cases, Eileen Naughton, Google's vice president for people operations, said in a statement the company takes harassment seriously and reviews every complaint.

"We investigate and take action, including termination," she said. "In recent years, we've taken a particularly hard line on inappropriate conduct by people in positions of authority. We're working hard to keep improving how we handle this type of behaviour."

After publication of this article online, Sundar Pichai, Google's chief executive, and Naughton wrote in an e-mail to employees that the company had fired 48 people for sexual harassment during the last two years and that none of them received an exit package.

"We are committed to ensuring that Google is a workplace where you can feel safe to do your best work, and where there are serious consequences for anyone who behaves inappropriately," Pichai and Naughton wrote.

Some within Google said that was not enough.



"When Google covers up harassment and passes the trash, it contributes to an environment where people don't feel safe reporting misconduct," said Liz Fong-Jones, a Google engineer for more than a decade and an activist on workplace issues. "They suspect that nothing will happen or, worse, that the men will be paid and the women will be pushed aside."

## THE $350-MILLION MAN

Rubin joined Google in 2005 when it acquired his startup, Android, for $50-million. Over the next few years, he helped build Android – the software now used in 80 per cent of the world's smartphones – into a huge success.

That success gave Rubin more latitude than most Google executives, said four people who worked with him.

In a civil suit filed this month by Rubin's ex-wife, Rie Rubin, she claimed he had multiple "ownership relationships" with other women during their marriage, paying hundreds of thousands of dollars to them. The couple were divorced in August.

The suit included a screenshot of an August 2015 e-mail Rubin sent to one woman. "You will be happy being taken care of," he wrote. "Being owned is kinda like you are my property, and I can loan you to other people."

Rubin built a robotics division within Google named Replicant.

Around that time, Rubin was casually seeing another woman he knew from Android, according to two company executives briefed on the relationship. The two had started dating in 2012 when he was still leading the division.

By 2013, she wanted to break things off but worried it would affect her career, said the executives. That March, she agreed to meet him at a hotel, where she said he pressured her into oral sex, they said. The incident ended the relationship.

The woman waited until 2014 before filing a complaint to Google's human resources department and telling officials about the relationship, the people said. Google began an investigation.

While Rubin denied the accusation, it became clear that – at the very least – the relationship was inappropriate, the executives said. Page decided Rubin should leave, they said.

When Google fires lower-level employees, it typically marches them out immediately and pays little, if any, severance. But for senior executives, Google weighs other factors, said former executives. A wrongful termination lawsuit could mean unwanted media attention for Google and the victims of a misconduct case, with a loss resulting in significant damages.

In the end, Google paid Rubin $90-million, said two people with knowledge of the terms. The package was structured so that he received $2.5-million a month for the first two years and $1.25-million a month for the following two years.

A provision in the separation agreement precluded Rubin from working for rivals or disparaging Google publicly, they said.

The company then went out of its way to make Rubin's departure seem amicable, including Page's public statement of gratitude.

Afterward, Google invested in Playground Global, a venture firm Rubin started six months after leaving the company. Playground has raised $800-million. He also founded Essential, a maker of Android smartphones.

Rubin's wealth, fuelled by Google, has increased by 35 times in less than a decade. According to his ex-wife's suit, his net worth is now about $350-million, up from $10-million in 2009.

FORTUNE

# Google Paid Android Inventor Andy Rubin $90 Million to Keep Quiet After He Was Credibly Accused of Sexual Misconduct, Report Says

By **GLENN FLEISHMAN** October 25, 2018

Android's creator, Andy Rubin, received $90 million from Google to resign without fuss after the company found an accusation of forced oral sex by a former girlfriend and Google employee was credible, the *New York Times* has reported.

Google did not deny the story's substance to the *Times*, and its CEO and HR chief told employees in email after the article appeared that 13 senior managers have been fired in the last two years for sexual harassment. None of them, they said, had received an "exit package" paid for agreeing to leave.

A personal spokesperson for Rubin denied the substance of the story to the *Times*, and said Rubin left of his own accord and did not engage in misconduct, nor have a relationship with a direct report or one that was other than consensual while at Google. Rubin and Google did not reply to requests for comment from *Fortune.*

The alleged incident that led to Rubin's departure from Google involved a former romantic partner who worked in the Android division. In 2014 she told Google's human resources department that, after she was no longer interested in the relationship, she had met with Rubin in a hotel room in 2013, according to the *Times*. She accused Rubin of then forcing her into oral sex, and she ended the relationship, the report says.

Rubin joined Google in 2005 with the acquisition of Android, a company he had co-founded, to build smarter mobile devices. According to the *Times*, Rubin

engaged in multiple relationships with other Google employees. In 2009, he married one, Rie Rubin.

Rie Rubin filed for divorce May 24, 2017. Court filings show the divorce is not yet final. On Sept. 17, a court ordered Andy Rubin to pay nearly $80,000 a month in child support. Many aspects of the proceedings and filings were sealed because of minor children. (Andy Rubin hasn't spoken publicly of children, and his ex-wife has mentioned them only in passing in an article about a now-closed bakery, and on social media.)

On Oct. 3, 2018, she filed a civil lawsuit against Andy Rubin. The case was temporarily sealed at Andy Rubin's request on Oct. 11 until a hearing on Dec. 3. Rubin's attorneys argued, among other points, that "journalists and others will publicize the allegations if allowed to learn of them."

The *Times* report maintains that Larry Page, Google's co-founder, encouraged Rubin within the company and felt Rubin hadn't received enough compensation for his role in Android. This led to a $150 million stock grant issued in Sept. 2014, even after the sexual-assault investigation was underway. The *Times* reports that it was unclear if Page or the board knew of the investigation when the grant was approved.

However, Rubin was earlier passed over, in 2013, to run a combined Android and Chrome team. Sundar Pichai got the nod instead. Pichai went on to become Google's CEO when the firm shifted to a holding company structure with Google as a separate division and crown jewel.

After the sexual assault allegation was reportedly found credible by Google, the *Times* says Page made the decision to push Rubin out. Rubin left in Oct. 2014.

Rubin went on to co-found a venture-capital firm, Playground and later founded a smartphone maker, Essential, which laid off part of its staff a few days ago after disappointing sales of its first phone model.

Rubin was briefly on a leave of absence from Essential after the news site *The Information* reported on a 2014 complaint at Google that appears to be one of the elements of the *Times* story. At the time, Rubin said the relationship was consensual and not someone in his managerial area.

The story also documented with named and anonymous sources other incidents of sexual harassment, inappropriate remarks, and relationships that crossed lines of reporting.

Hours after the story appeared, the company's CEO, Sundar Pichai, sent email to employees that noted 48 people had been terminated in Google in the last two years, "including 13 who were senior managers and above," and that none received an exit package. The email was co-signed by Google's HR chief, Eileen Naughton.

The New York Times

# x Trafficking Bill Heads to Trump, Over Silicon Valley Concerns

**By Cecilia Kang and Sheryl Gay Stolberg**

March 21, 2018

WASHINGTON — The Senate gave final approval on Wednesday to legislation that strengthens the policing of sex trafficking, over the opposition of many internet companies. Lawmakers are trying to catch up to the reality of prostitution long after the bartering of children and adults moved from the streets to the web.

The 97-to-2 vote was the culmination of a multiyear effort by Republicans and Democrats to allow state law enforcement officials to go after websites like Backpage.com that facilitate sex trafficking. The bill would also suspend protections that shielded internet companies from legal liability for the content on their sites.

The legislation has pitted lawmakers against Silicon Valley companies and civil liberties groups, which hold starkly differing views on the government's oversight of the internet. Big tech companies like Facebook and Google have flourished with little regulation for years, but they have come under intense scrutiny after their platforms were manipulated by foreign agents during the 2016 presidential election.

With passage of the Fight Online Sex Trafficking Act, Silicon Valley's ability to stay out of the government's reach suffered a rare setback. The bill passed the House overwhelmingly last month, and President Trump is expected to sign it into law.

"The president and his entire administration are firmly committed to holding those who participate in these horrific crimes accountable, and look forward to continued work with these stakeholders in order to put an end to this scourge," the White House press secretary, Sarah Huckabee Sanders, said in a statement after the vote.

"It's a wake-up call," said Senator John Thune of South Dakota, chairman of the Senate Commerce Committee, which convened hearings on sex trafficking. "This is clearly illegal activity. It was happening online. But I think in the future, tech companies have to understand that it's not the wild West, and they have to exercise responsibility."

Paul Gallant, an analyst at Cowen, said the sex trafficking bill would not directly hurt big internet companies. But he said it was "cracking the door open to broader platform liability for other types of content."

"Today, it's sex trafficking," he added. "And down the road, it's content from foreign governments."

Internet companies have feared the bill would weaken a crucial legal shield that since 1996 ha guarded them from liability for illegal content on their sites. They point to the safe harbor provision as the foundation for the growth of internet commerce. Civil liberties groups have decried the bill as a threat to free speech and a limit to the free flow of content on the web.

But that protection for websites, lawmakers argued, has been abused and needed revision so law enforcement could pursue the worst perpetrators, such as Backpage.com, a popular classified advertising site that freely advertises sex for sale, while hiding behind the safe harbor clause.

The new bill will allow state police and attorneys general to go after sites that knowingly host sex trafficking content. It will also allow victims of sex trafficking to sue such sites for damages.

"This is legislation that is overdue in my view, and it's required," said Senator Rob Portman, Republican of Ohio, who was a co-author of the bill with Senator Richard Blumenthal, Democrat of Connecticut. "The courts have told us that. The district attorneys have told us that. The attorneys general told us that."

"We're opening the courthouse doors," Senator Richard Blumenthal, Democrat of Connecticut, said after the Senate voted on a bill that strengthens the policing of sex trafficking. J. Scott Applewhite/Associated Press

When it was introduced in August 2017, the bill attracted immediate support from law enforcement and advocates for victims of sex trafficking. It also drew intense opposition from tech companies and free-speech advocates, who say any weakening of liability protections would l to abuse by law enforcement, hurt start-ups that cannot afford to fight lawsuits and stifle free speech.

The law "would almost certainly cause irreparable harm to free speech and the internet economy," said Robyn Greene, policy counsel and government affairs chief for Open Technology Institute at New America, a research and advocacy group.

But with prominent fights flaring over Russian election interference, data breaches and other scandals, the biggest tech companies — no longer wishing to publicly oppose a bill fighting sex trafficking — retreated from their lobbying effort in recent weeks.

The Internet Association, a trade group whose members include Facebook, Google, Netflix and Apple, has backed off from the strong stance they had against the bill when it was introduced.

"The internet industry shares the goals of lawmakers who want to put an end to trafficking online, and Internet Association will continue to be a key partner with policymakers on this important issue," said Michael Beckerman, president of the group, who added that it would work to preserve other aspects of the liability shield.

legislation stemmed from a two-year Senate investigation led by Mr. Portman into .kpage.com, the classifieds page rampant with ads for prostitution and sex trafficking. During the investigation, Mr. Portman and Mr. Blumenthal heard from state law enforcement officials who said that they were not able to press charges against websites like Backpage.com, which evoked safe harbor under the liability portion of the 1996 Communications Decency Act.

"We're opening the courthouse doors," Mr. Blumenthal said after Wednesday's vote.

According to the National Center for Missing and Exploited Children, nearly 90 percent of the trafficking of children occurs online. Seven out of 10 child trafficking reports involve Backpage.com, the group said.

But over the past seven years, 20 cases involving the website were rejected by courts that "acknowledged the horror of the allegations made regarding the child victims' trafficking" but were "powerless to act," Yiota G. Souras, general counsel for the National Center for Missing and Exploited Children, told Congress last November.

The liability provision, created by Senator Ron Wyden, Democrat of Oregon, was intended to help foster the growth of the nascent internet. It was adopted before smartphones and companies like gle and Facebook existed.

On Wednesday, Mr. Wyden argued on the Senate floor that the bill as written would harm the internet economy.

"It'll pull up the ladder, leaving the established giants at the top," Mr. Wyden said. Start-ups need the legal shield most, not tech giants, he added: "The big guys can take care of themselves."

Mr. Wyden was one of two senators to oppose the bill; the other was Senator Rand Paul, Republican of Kentucky.

Dozens of victims' advocates hailed the bill as landmark action to fight trafficking.

"This is a huge day for victims because we are finally saying enough is enough," said Lauren Hersh, the national director for World Without Exploitation, a group for victims' rights. "They will no longer allow companies to profit from ads that make millions off the backs of exploited people."

*Correction: March 20, 2018*
*An earlier version of this article misspelled the surname of the national director for World Without Exploitation, a group for victims' rights. It is Lauren Hersh, not Hersch.*

*An earlier version of this article misspelled the surname of the policy counsel and government affairs chief for Open Technology Institute at New America, a research and advocacy group. It is Robyn Greene, not Green.*

READ 256 COMMENTS

# Tech Bros Bought Sex Trafficking Victims by Using Amazon and Microsoft Work Emails

BY **NINA BURLEIGH** ON 12/21/17 AT 2:46 PM

Grace Marie, a sex worker, poses for a photo in Los Angeles, on July 30, 2015. Silicon Valley's 'Female Problem' was well-known long before the #MeToo movement. But emails obtained by Newsweek reveal another sordid corner of the tech sector's treatment of women.

JAE C. HONG/AP

TECH & SCIENCE **HUMAN TRAFFICKING** **#METOO**

*Updated* | Silicon Valley's Female Problem was well-known long before the #MeToo movement started toppling piggish men in media, politics and the arts. But emails obtained by *Newsweek* reveal another sordid corner of the tech sector's treatment of women: a horny nest of prostitution "hobbyists" at tech giants Microsoft, Amazon and other firms in Seattle's high tech alley.

The emails from the men, some hoovered up in a sting operation against online prostitution review boards, are all similar, often disguised as replies to wrong addresses.



"I think you might have the wrong email address," wrote one man from his Amazon work address to a brothel.

"Think you might have the wrong guy," wrote another to a pimp from his Microsoft work email.

"Got it," wrote a man at an Oracle email address, also directed to a pimp.

Grace Marie, a sex worker, poses for a photo in Los Angeles, on July 30, 2015. Silicon Valley's 'Female Problem' was well-known long before the #MeToo movement. But emails obtained by Newsweek reveal another sordid corner of the tech sector's treatment of women.
JAE C. HONG/AP

Those emails are among hundreds fired off by employees at major tech companies hoping ɔ hook up with trafficked Asian women. They were on their work accounts because Seattle pimps routinely asked first-time sex-buyers to prove they were not cops by sending an employee email or badge.

The cache of tech company emails were obtained by *Newsweek*via a public records request to the King County Prosecutor's Office. Law enforcement authorities have been collecting them from brothel computers over the last few years; some were obtained in connection with a 2015 sting operation that netted high-level Amazon and Microsoft directors.

**Related: Senators battle tech giants over sex slaves and Russia**

The tech sector's many problems with women—from notoriously hostile workplaces and quotidian sexual harassment to CEOs with histories of violence against women—have been widely reported for years, including a Newsweek cover story.

But one aspect of the industry's bad behavior has received little attention: the widespread ɐnd often nonchalant attitude toward buying sex from trafficked women, a process made ɔhockingly more efficient by internet technology. And some studies suggest that the tech sector, overwhelmingly male and requiring long, lonely hours on computers, has more avid consumers of prostitution than many other fields.

In the Seattle area, brothels even advertise their proximity to Microsoft headquarters on the Backpage.com site: "New Open Mind Asian Hot Sweet Pretty Face Nice Body Top Service (Bellevue-Redmond near Microsoft)." Or, "Certifiably Sexy Student Nuru Massage 69 Tongue Bath (Bellevue-Redmond Microsoft Access).

A study commissioned by the Department of Justice found that Seattle has the fastest-growing sex industry in the United States, more than doubling in size between 2005 and 2012. That boom correlates neatly with the boom of the tech sector there. It also correlates to the surge in high-paying jobs, since this "hobby" (the word johns use online to describe buying sex) can be expensive: Some of these men spent $30,000 to $50,000 a year, according to authorities.

The tech sector has not only employed a significant number of men who pay for sex with trafficked women, it has also enabled traffickers to reach customers more easily and to hide their business from cops by taking it off the streets and into computers and ultimately, hotel rooms, motels or apartments. In one 24-hour-period in Seattle, an estimated 6,487 people solicited sex on just one of the more than 100 websites that connect buyers with sellers, according to a 2014 study.

**RELATED STORIES**


**Senators Battle Tech Giants Over Sex Slaves and Russia**

**'Sex Trafficking Victim' Gets Support From Celebs**

**We Can't Arrest Our Way Out of Sex Trafficking Scourge**

Advertisements for sex near Microsoft headquarters in Seattle. One aspect of the tech industry's bad behavior has received little attention: the widespread, nonchalant attitude toward buying sex from trafficked women using internet technology.

BACKPAGE.COM

The cache of emails shared with *Newsweek* date between 2014 and 2016, and included 67 sent from Microsoft, 63 sent from Amazon email accounts and dozens more sent from some of Seattle's premier tech companies and others based elsewhere but with offices in Seattle, including T-Mobile and Oracle, as well as many local, smaller tech firms. The men who sent the emails have not been charged, and *Newsweek* is not identifying them.

Authorities have seized records from only a fraction of the area's hundreds of brothels and illicit massage parlors. A law enforcement source familiar with the cases says the emails reflect just a tiny percentage of the business tech sector men bring to brothels with names like Golden Blossom, AsianCandy777 and 7HeavenofAsia.

Authorities also say that trafficked Asian women service hundreds of men each day in Seattle.

They also report that each woman has sex with between 5 and 15 men a day.

The women usually don't speak much English, and many communicate with their clients via phone translation apps. To get and retain customers, the women or their pimps advertise a variety of kinky or exotic "experiences," from pretending to be actual girlfriends of the client (the "GFE or girlfriend experience") to nude "Nuru" massage.

One of the pimps netted in a review board sting in 2015 admitted that many of the women were in debt bondage and in fear for their lives or the safety of their families.

Police and prosecutors in the Seattle area began to focus on the prostitution "hobbyists" with a sting operation that targeted the operators of three online review boards on which up to 18,000 men rated and discussed a relatively small group of Korean women.

On KGirlsDelight.com, for example, men assigned numerical ratings and added specific descriptions of the women, such as their sexual abilities, level of enthusiasm and other attributes. The site reportedly had 1.2 million monthly hits in 2009 (the last year its management publicly revealed numbers).

The sting arrested 17 men and one woman, but only a director at Amazon and another director at Microsoft opted for a trial. The trial date has been repeatedly pushed back and is now scheduled for March 2018. None of the sex workers involved in those case were charged.

The arrests angered libertarians and supporters of so-called sex workers who argue that most women sell sex by choice and that online review boards help keep women safe by providing a venue for warning women about dangerous men.

But the Review Board's comments display a lack of compassion at best, and at worst a pervasive contempt for women. One commenter who had bragged about chaining a woman to a radiator publicly lamented that two of his favorites were leaving Bellevue.

One Seattle woman reviewed on the board, Alisa Bernard, spoke to ABC News this year. (She called herself a Seattle prostitution survivor turned activist.) She got customers through the Review Board and believes review sites don't make things safer for sex workers.

"There's a perception of safety because there's this, 'Oh, well, you have to go through this board, and it's online, and look how clean it is,'" Bernard said. "I had been raped multiple times. I was held against my will at least once. I was strangled, and these were all by Review Board guys so, you know, again, your line keeps getting pushed further and further and further to get those good reviews."

Online prostitution review boards are common in all major urban areas—they are the Yelp of the sex industry—but the Seattle boards were unusual in that men also gathered IRL (in real life, in tech parlance), calling themselves The League of Extraordinary Gentlemen, to compare notes about the women over drinks in public venues, making it easy for Seattle police to infiltrate and secretly videotape some off the proceedings.

## IN THE MAGAZINE

COVER

U.S.

**Russia May Have Already Hacked the 2018 Midterms**

NEW WORLD

TECH & SCIENCE

**NASA Satellite to Show How Much, How Fast Seas Rise**

DOWNTIME

CULTURE

**Director Sacha Gervasi on HBO's 'My Dinner With Hervé'**

NEW WORLD

TECH & SCIENCE

**Deadly Forces Sabotaging Elephant Protection in Chad**

DOWNTIME

CULTURE

**Photographer Eva Sereny Captured Sets of Iconic Films**



"She's as close to perfect as I think they get made," one man said, describing one of the Korean women.

"Right after K-girls, I've always had this thing for Eastern Europeans," another said. "Like Czech, Hungarian, anyone from a war-torn country. Anything with 'will work for food.'"

A day after *Newsweek* first contacted Microsoft for comment this week, an unknown number of Microsoft employees in Seattle received an email from Human Resources officials warning them: "Microsoft has been informed by the King County prosecutor's office that they have obtained records in connection with a criminal enforcement activity related to a brother engaged in prostitution."

The Microsoft email informed recipients that law enforcement "may have obtained" busines cards, badges and emails and links to a variety of company policies related to standards of business conduct and responsible use of technology. "You are urged to ensure that you have reviewed and complied with these company policies as well as criminal laws," wrote a Microsoft human resources official named Adrienne Day.

A spokesman for Microsoft called the timing of the HR warning "coincidental" and denied it was related to the *Newsweek*investigation, although Microsoft had requested access to the records in October and received them in November, but only warned its employees this week.

At a panel discussion on the issue in 2014, a King County prosecutor said the Seattle tech community is a major sex consumer—with the most frequent buyers middle- and upper-class white men. And a law enforcement source in Seattle told *Newsweek* that authorities know there is a concentration of buyers in tech, and that Seattle investigators have communicated with detectives in and around San Jose County, California, the jurisdiction that includes Silicon Valley.

A study conducted by Polaris, a leading anti-human trafficking organization, found that more than 700 Asian brothels (or "illicit massage parlors") are based in Silicon Valley, 20 percent

of the total number of brothels believed to be operating in California, although the area's population is just one-tenth of the state's total.

According to an ongoing study by the Organization of Prostitution Survivors in Seattle, reported on last year by a local news website, 63 percent of prostituted people said they met clients on company properties.

Alex Trouteaud, director of Policy and Research at Demand Abolition, another national anti-trafficking organization, said the tech sector is a "culture that has readily embraced trafficking." As an example of the industry's nonchalant attitude, he recalled that in its early days, Uber published a blog post that analyzed their data on ride sharing, focused on the Bay Area, and included people who were paying for prostitution. "They made a map using their ride-share data, like it was a funny thing they could do with their data. It was done so flippantly," Trouteaud said.

John Tymczyszyn, a lawyer for some of the Microsoft employees who received the Microsoft warning this week, said his clients—who have not been charged and were not involved in the 2015 sting but have been frequenting brothels whose computers authorities have seized—were alarmed. "I think anybody that received this email out of the blue would be, you know, scared that there would be career if not criminal repercussions," he said.

Tymczyszyn, who also represents other sex buyers in the Seattle area, questioned the judgement of men who used work emails from one of the most cyber-secure companies in the world to buy sex, but he says Seattle's tech giants don't conduct any sort of training to increase employees' awareness about or compassion for trafficked women in brothels.

A spokesman for Microsoft emailed *Newsweek* the following statement: "Microsoft has a long history of cooperating with law enforcement and other agencies on combating sex trafficking and related topics, and we have employees who volunteer their time and money specifically to combat this issue as well. The personal conduct of a tiny fraction of our 125,000 employees does not in any way represent our culture. No organization is immune to the unfortunate situation when employees act unethically or illegally. When that happens, we look into the conduct and take appropriate action. Microsoft makes it clear to our employees they have a responsibility to act with integrity and conduct themselves in a legal and ethical manner at all times. If they don't, they risk losing their jobs."


The tech sector's many problems with women—from notoriously hostile workplaces and quotidian sexual harassment to CEOs with histories of violence against women—have been widely reported for years, including this Newsweek cover story.

NEWSWEEK

When *Newsweek* sought comment from Amazon this week, a spokeswoman first asked to see the emails sent by Amazon employees (unlike Microsoft, Amazon had apparently not requested the emails from authorities). *Newsweek* shared an Excel list with the senders' names redacted, and when the spokeswoman said she couldn't comment without seeing more, *Newsweek*emailed one full email.

Today, Amazon informed *Newsweek* that it is "investigating" the matter and provided this statement by email: "Amazon's Owner's Manual clearly states that, 'It is against Amazon's policy for any employee or Contingent Worker to engage in any sex buying activities of any ind in Amazon's workplace or in any work-related setting outside of the workplace, such as during business trips, business meetings or business-related social events.' When Amazon suspects that an employee has used company funds or resources to engage in criminal conduct, the company will immediately investigate and take appropriate action up to and including termination. The company may also refer the matter to law enforcement."

Seattle authorities broke up the review boards in 2015 but did not arrest the women rated on them. They have since disappeared from the Seattle area, according to Robert Beiser, executive director of Seattle Against Slavery, a volunteer organization that works with trafficked women.

"They were in debt and they tried to get out and they were afraid. In terms of where they have ended up, criminal enterprises stretch across countries, and can harm these people and their families, and the idea that they would disappear makes sense."

Beiser added that Asian women are "a fetish for buyers."

**pdate**: This article has been updated with new information from a study.

The Guardian

# Why is Silicon Valley fighting a sex trafficking bill?

**The government wants to change rules that allows websites to dodge liability for the ads they host, but tech companies call it counterproductive**

**Olivia Solon** *in San Francisco and* **Sabrina Siddiqui** *in Washington*

Thu 7 Sep 2017 15.25 EDT

Cloud services company Oracle has come out as one of the few technology companies to support a Senate bill intended to combat online sex trafficking.

The Stop Enabling Sex Traffickers Act of 2017 would amend Section 230 of the Communications Decency Act (CDA) to hold websites liable for publishing information "designed to facilitate sex trafficking". Until now, Section 230 has shielded internet companies from criminal liability based on user conduct.

The proposed legislation - co-sponsored by Senator Rob Portman, a Republican from Ohio, and ıtor Richard Blumenthal, a Democrat from Connecticut - has become an unlikely flashpoint in . . debate over free speech, with most technology companies, including Google, lobbying hard against it.

The bill stems from a two-year inquiry by the homeland security subcommittee into classified advertising website Backpage.com. According to the report that followed the investigation, Backpage.com knowingly facilitated online child sex trafficking on the "adult" section of its website. It did this by filtering the text of advertisements to delete keywords like "rape", "amb alert", "little girl" and "lolita" before posting them to conceal the true intent of the ads.

Backpage.com did not remove these ads or report them to police.

"If enacted, it will establish some measure of accountability for those that cynically sell advertising but are unprepared to help curtail sex trafficking," said Oracle senior vice-president Kenneth Glueck in a letter to Portman and Blumenthal.

In an op-ed published Thursday, Portman cited statistics from the National Center for Missing & Exploited Children that showed an 846% increase in reports of child sex trafficking to its "CyberTipline" from 2010 to 2015. Backpage.com accounts for 73% of all child trafficking reports from the public, according to the same organization.

"Unbelievably, federal law has protected its unscrupulous business practices," Portman wrote.

He said the protections in the Communications Decency Act "were never intended to apply - and they should not apply - to companies that knowingly facilitate sex trafficking. It's time for this 21-year-old law to be updated for the 21st century."

Backpage.com CEO Carl Ferrer was arrested and charged with pimping last year. Photograph: AP

The tech industry and some free-speech advocates say that the sex trafficking bill paves the w to broadly and unduly hold companies responsible for user-generated content.

In an email seen by the Guardian, Google public policy counsel Stewart Jeffries described the act as "controversial legislation" that undercuts "one of the foundational statutes for the internet", referring to CDA 230. He also pointed to work Google has done to combat human trafficking, including blocking sites like Backpage.com from advertising and getting its engineers to develop a tool that scans online ads to flag possible child victims for anti-exploitation charity Thorn.

The Internet Association, which represents Silicon Valley giants such as Google, Amazon, Facebook, and Twitter, penned a letter along with other trade groups to Portman and Blumenthal arguing that while "rogue actors" like Backpage.com should be held accountable, the sex trafficking bill "would severely undermine a crucial protection for legitimate online companies, and would be counterproductive to those companies' efforts to combat trafficking crimes".

"CDA 230 is a bedrock legal protection for online services," the letter stated. "Without this crucial protection, these service providers would be forced to err on the side of removing their users' content or face unsustainable liability for their users' content that would harm the creation of legitimate diverse online services."

Kevin Smith, a spokesman for Senator Portman, told the Guardian the tech community's claims were "absurd and laughable".

"We did our due diligence, met with the tech community on a bipartisan basis for months and yet they offered no constructive feedback," he said. "It's sad that these folks would oppose a bipartisan, two-page bill to help stop online sex trafficking of women and children."

"This is not a free speech issue, this is a crime issue," said Taina Bien-Aimé, executive director of Coalition Against Trafficking in Women. "The internet has become a very easy tool with very low risk and very high profits in illegal activities in the sale and purchase of vulnerable young women."

Several lawsuits filed by victims sex trafficking against Backpage.com have been rejected because of the protections afforded by Section 230.

The legislation has 28 co-sponsors from both the left and the right, a rare bipartisan display in Washington.

Last month, 50 attorneys general from states and US territories signed a letter backing efforts to amend the CDA so that they could prosecute companies that support, facilitate or assist online sex trafficking.

Support for the bill has intensified in recent days, with public figures including comedian Amy Schumer and former UN ambassador Samantha Power urging members of the public to endorse it.

A source familiar with the discussions between the tech community and Capitol Hill supporters of the bill said the fight was emblematic of the growing prominence of Silicon Valley.

"There is a certain level of arrogance here, where many in the broader tech community believe they are untouchable," the source said. "Their bottom line comes before anything else, even commonsense efforts to rein in online sex trafficking."

Topics

- Human trafficking
- Silicon Valley
- US politics
- Women
- California
- news

Sen. Richard Blumenthal attacked the tech industry's arguments against the anti-sex trafficking bill, saying they do a disservice to victims. | John Shinkle/POLITICO

# Senators pledge to defeat Silicon Valley on sex-trafficking bill

By **ASHLEY GOLD** | 09/19/2017 04:00 PM EDT

Senators on Tuesday vowed to press ahead with an anti-sex trafficking bill opposed by the biggest names in the tech industry, in the latest sign that Silicon Valley has lost some of its luster in Washington.

though tech companies warn that tinkering with the provision could wreak broader collateral damage to the internet economy.

The legislation, which counts 30 sponsors in the Senate and 140 in the House, has become the latest flash point in Washington's increasingly tense relationship with Silicon Valley, which once enjoyed bipartisan praise but is lately drawing scrutiny over its unchecked size and power. D.C. policymakers are taking a closer look at everything from Facebook hosting Russia-linked political ads to antitrust concerns over Amazon's expanding business empire.

Blumenthal, speaking at a Commerce Committee hearing, attacked the tech industry's arguments against the anti-sex trafficking bill, S. 1693 (115), saying they do a disservice to victims.

"We need to pass this measure. If we fail to do so — if we fail to close this gap and fill this legal black hole — we become complicit," he said. "So, when the critics of this legislation say that there will be a deluge of lawsuits, that there will be frivolous or unfounded claims, think of it for a moment. Survivors have to come forward and establish their standing under the law by making the case that they have been sold for sex. There will be no deluge of frivolous lawsuits as a result of this measure."

The legislation is part of a long-running congressional fight with Backpage.com, a classifieds site that has been the target of lawmaker scrutiny and investigations over accusations that it facilitated child prostitution and human trafficking. The site shut down its adults-services section in January, saying it had been subjected to "unconstitutional government censorship."

But Google has emerged as one of the biggest opponents of the bill, deploying its substantial lobbying resources to defeat a measure it considers a broader threat to its way of doing business.

"I'm sure when this act was put into place in '96, the internet was in its infancy, and it was not intended to allow companies to legally sell children on the internet," said Yvonne Ambrose, the mother of Desiree Robinson, who was allegedly shopped on Backpage.com before being murdered last year. "But somehow, a dollar has become more important than a human life. If you're going to fix this problem, fix it."

Still, the tech industry's defenders said the bill is not the way to address the problem.

"I take a backseat to no one in this Senate in the fight against sex trafficking. I just believe the legislation being considered today is the wrong answer to an important question," said Ron Wyden (D-Ore.), urging Congress not to act like "bludgeoning politicians" in tearing up a foundation of today's internet.

Google and Facebook did not appear at the hearing, relying instead on the general counsel of their trade group, the Internet Association, to play defense. The lawyer, Abigail Slater, said in prepared testimony her association supports a "tailored amendment that ensures civil suits were brought against online actors that acted with knowledge and intent."

"The internet community stands ready to work with this committee and the sponsors of the legislation on targeted approaches that not only bring justice against Backpage.com, but also support the ongoing fight against sex trafficking," Slater said.

WHITE HOUSE
**GOP shudders as Trump courts Democrats on taxes**
By **RACHAEL BADE** and **BURGESS EVERETT**

Lawmakers, however, don't appear eager to narrow the scope of their bill. When Google on Monday floated a similar alternative plan, Portman's office quickly said it would not "gut" a bill that has "broad and diverse Senate support."

California Attorney General Xavier Becerra, a former lawmaker who testified at Tuesday's hearing, said Congress should not only advance the anti-sex trafficking bill but consider expanding the scope of the legislation.

"I believe that this action will make the bill even stronger, and protect against other crimes such as child pornography and other forms of cyber exploitation," Becerra said.

**PROOF OF SERVICE**

I am employed in the County of San Diego, State of California. I am over the age of 18 years and not a party to this action. My business address is: BOTTINI & BOTTINI, INC., 7817 Ivanhoe Avenue, Suite 102, La Jolla, California 92037.

On March 11, 2019, I served a true copy of the following document(s) described as:

**Amended Shareholder Derivative Complaint**

on the following parties via electronic transmission through the One Legal system:

Boris Feldman
Benjamin M. Crosson
WILSON SONSINI GOODRICH & ROSATI
650 Page Mill Road
Palo Alto, CA 94304
Telephone: (650) 493-9300
Facsimile: (650) 565-5100
Email: bfeldman@wsgr.com
bcrosson@wsgr.com

Laurie Smilan
WILSON SONSINI GOODRICH & ROSATI
1700 K Street NW, Fifth Floor
Washington, DC 20006
Telephone: (202) 973-8800
Facsimile: (202) 973-8899
E-mail: lsmilan@wsgr.com

*Attorneys for Nominal Defendant Alphabet Inc. and Defendants Lawrence E. Page, Sergey Brin, David C. Drummond, Laszlo Bock, Sundar Pichai, L. John Doerr, Ann Mather, Roger W. Ferguson, Jr., Dianne B. Greene, John L. Hennessy, Alan R. Mulally, K. Ram Shriram, and Shirley M. Tilghman*

Daniel A. Croley
FUTTERMAN DUPREE DODD CROLEY MAIER LLP
601 Montgomery Street, Suite 333
San Francisco, CA 94111
Telephone: (415) 399-3840
Facsimile: (415) 399-3838
Email: dcroley@fddcm.com

*Attorneys for Defendant Amit Singhal*

Margaret A. Tough
LATHAM & WATKINS LLP
505 Montgomery Street, Suite 2000
San Francisco, CA 94111
Telephone: (415) 395-8060
Facsimile: (415) 395-8095
Email: margaret.tough@lw.com

*Attorneys for Defendant Andrew E. Rubin*

Louise H. Renne
Ann M. Ravel
RENNE PUBLIC LAW GROUP
350 Sansome Street, Suite 300
San Francisco, CA 94101
Telephone: (415) 848-7200
Facsimile: (415) 848-7230
Email: lrenne@publiclawgroup.com
ann.ravel@gmail.com

*Attorneys for Plaintiff James Martin*

Joseph J. Tabacco, Jr.
Nicole Lavallee
Kristin J. Moody
A. Chowning Poppler
BERMAN TABACCO
44 Montgomery Street, Suite 650
San Francisco, CA 94104
Telephone: (415) 433-3200
Facsimile: (415) 433-6382
Email: jtabacco@bermantabacco.com
nlavallee@bermantabacco.com
kmoody@bermantabacco.com
cpoppler@bermantabacco.com

Julie Goldsmith Reiser
Carol V. Gilden
COHEN MILSTEIN SELLERS & TOLL PLLC
1100 New York Avenue NW, Suite 500
Washington, D.C. 20005
Telephone: (202) 408-4600
Facsimile: (202) 408-4699
Email: jreiser@cohenmilstein.com
cgilden@cohenmilstein.com

Christopher Lometti
Richard A. Speirs
Alice Buttrick
COHEN MILSTEIN SELLERS & TOLL PLLC
88 Pine Street, 14th Floor
New York, NY 10005
Telephone: (212) 838-7797
Facsimile: (212) 838-7745
Email: clometti@cohenmilstein.com
rspeirs@cohenmilstein.com
abuttrick@cohenmilstein.com

*Attorneys for Plaintiffs Northern California Pipe Trades Pension Plan and Teamsters Local 272 Labor Management Pension Fund*

Joel E. Elkins
WEISSLAW LLP
9107 Wilshire Blvd., Suite 450
Beverly Hills, CA 90210
Telephone: (310) 208-2800
Facsimile: (310) 209-2348
E-mail:jelkins@weisslawllp.com

Joseph H. Weiss
David C. Katz
Joshua M. Rubin
WEISSLAW LLP
1500 Broadway, 16th Floor
New York, NY 10036
Telephone: (212) 682-3025
Facsimile: (212) 682-3010
E-mail:jweiss@weisslawllp.com
dkatz@weisslawllp.com
jrubin@weisslawllp.com

*Attorneys for Plaintiffs LR Trust, Jonathan Reiss and Allen Wiesenfeld*

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on March 11, 2019, at La Jolla, California.

s/ Francis A. Bottini, Jr.
Francis A. Bottini, Jr.