

1 Jahan C. Sagafi (Cal. Bar No. 224887)
2 OUTTEN & GOLDEN LLP
3 One Embarcadero Center, 38th Floor
4 San Francisco, CA 94111
5 Telephone: (415) 638-8800
6 Facsimile: (415) 638-8810
7 E-mail: jsagafi@outtengolden.com

8 Tammy Marzigliano (*pro hac vice* application forthcoming)
9 Monique Chase (*pro hac vice* application forthcoming)
10 OUTTEN & GOLDEN LLP
11 3 Park Avenue, 29th Floor
12 New York, New York 10016
13 Telephone: (212) 245-1000
14 Facsimile: (646) 509-2060
15 E-mail: tm@outtengolden.com
16 E-mail: mchase@outtengolden.com

17 *Attorneys for Plaintiff*

18 UNITED STATES DISTRICT COURT
19 NORTHERN DISTRICT OF CALIFORNIA
20 SAN FRANCISCO / OAKLAND DIVISION

21 ADAM LEVINE,

22 Plaintiff,

23 v.

24 TPG CAPITAL, L.P., TPG GLOBAL,
25 LLC,

26 Defendants.

DEMAND FOR JURY TRIAL

CASE NO:

COMPLAINT FOR:

- 27 **1. Violation of Federal Whistleblower Law**
- 28 **2. Violation of State Whistleblower Law**
- 3. Wrongful Termination in Violation of Public Policy**
- 4. Defamation and Self-Defamation**
- 5. Breach of Contract**
- 6. Failure to Pay Wages Upon Discharge**
- 7. Accounting**
- 8. Quantum Meruit**
- 9. Promissory Estoppel**

1 Plaintiff Adam Levine (“Plaintiff” or “Mr. Levine”) alleges as follows:

2
3 **INTRODUCTION**

4 1. This action arises out of the illegal and unlawful conduct of TPG Capital,
5 L.P. and TPG Global, LLC (together with their affiliates and predecessors) against Adam Levine,
6 who during the course of his employment alerted TPG’s senior management that the Firm was
7 engaged in practices that he reasonably believed violated securities laws, rules, and regulations,
8 which, among other harms, resulted in TPG’s investors being defrauded of millions of dollars in
9 fees and expenses.
10

11 2. Mr. Levine reported these issues to several of the Firm’s senior partners
12 and executives. In response, those same senior partners and executives warned Mr. Levine that, if
13 he continued to raise his concerns, they would ruin his “reputation,” “future,” and “career.”
14 Undeterred by such threats, Mr. Levine continued to raise these concerns, culminating in an email
15 he sent to the Firm’s founders, Jim Coulter and David Bonderman, in which he informed them
16 that he felt he had no choice but to contact the Securities and Exchange Commission (“SEC”) to
17 disclose the violations he had raised with his employer to no avail. Mr. Levine ultimately did
18 contact the SEC, but not before TPG unlawfully retaliated against him for his protected
19 disclosure, terminating him in retaliation for said disclosure. TPG has since waged a relentless
20 and unlawful campaign to smear Mr. Levine’s reputation with the filing of a baseless and
21 retaliatory lawsuit in the Northern District of Texas, Fort Worth Division.
22

23 3. Further, upon terminating Mr. Levine, TPG withheld hundreds of
24 thousands of dollars of vested non-cash compensation that was promised and owed to Mr. Levine.
25
26
27
28

1 **JURISDICTION AND VENUE**

2 4. The United States District Court for the Northern District of California has
3 personal jurisdiction over TPG Capital, L.P. and TPG Global, LLC (collectively “TPG,”
4 “Defendants,” or the “Firm”), because both businesses maintain offices in the Northern District of
5 California from which they do significant business in California and in this District, and because
6 the acts complained of and giving rise to the claims alleged occurred in and emanated from this
7 District.

8
9 5. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331,
10 based on Plaintiff’s claims under Section 922 of the Dodd-Frank Wall Street Reform and
11 Consumer Protection Act (Pub. L. 111–203, H.R. 4173) (“Dodd-Frank”).

12 6. This court has supplemental jurisdiction under 28 U.S.C. § 1367(a) over all
13 other claims related to those claims that fall under the Court’s original jurisdiction.

14 7. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b) because a
15 substantial part of the events giving rise to the claims occurred in this District.

16
17 **INTRADISTRICT ASSIGNMENT**

18 8. Pursuant to N.D. Cal. Local Rule 3-2(c) and (d), intradistrict assignment to
19 the San Francisco or Oakland Division is proper because a substantial part of the events that give
20 rise to the claims asserted occurred in San Francisco County.

21
22 **THE PARTIES**

23 9. Plaintiff Adam Levine is an individual who resides in the City of San
24 Francisco, State of California, and during all times relevant to this complaint, he was employed
25 by Defendants in the City of San Francisco.
26
27
28

1 10. Defendants TPG Capital, L.P. and TPG Global, LLC are private equity
2 firms incorporated in Delaware with headquarters in Fort Worth, Texas, at 301 Commerce Street,
3 Suite 3300, Fort Worth, Texas 76102, and with offices at 345 California Street Suite 3300 in San
4 Francisco, CA 94104. At all times relevant to this complaint, TPG was doing business in the
5 State of California at its California Street offices. TPG is one of the largest private equity
6 organizations in the world.
7

8 **FACTUAL ALLEGATIONS**

9 11. TPG structures its private equity funds as partnerships, which are
10 composed of general and limited partners. TPG’s investment team consists of individual fund
11 managers who form the fund’s general partner entity (“GP”), and who typically invest between
12 1% and 5% of the capital in a fund. The GP solicits the remaining capital from outside investors,
13 each of whom is a limited partner (“LPs” or “investors”). LPs are usually a mix of sovereign
14 wealth funds, corporations, and tax-exempt organizations, like public and private pension funds.
15 LPs contribute the overwhelming majority of a fund’s working capital, but they are passive
16 investors who are not involved with the day-to-day management of the fund. The GP provides
17 investment expertise in selecting, managing, and disposing of fund assets – usually referred to as
18 “portfolio companies.” TPG Capital, L.P. and TPG Global, LLC are themselves structured as
19 partnerships, in which the managers serve as general partners.
20
21

22 12. Should a fund generate profit above a certain agreed-upon annualized rate
23 of return, returns of capital contributions and distributions of profit are doled out between the
24 fund’s GP and LPs. The percentage of profits that are distributed to GPs (typically 20% of the
25 fund’s profits) is known as carried interest or simply “carry.” Carry is incentive compensation,
26 and it functions to align the interests of GPs and LPs.
27
28

1 13. In addition to the prospect of receiving carry, GPs receive a management
2 fee (typically 2% of a fund's size) from the fund's investors. Management fees cover costs to
3 administer the fund and compensate fund managers for their time and expertise.

4 **TPG Hires Mr. Levine**

5 14. After a successful communications and public affairs career, starting as a
6 professional staff member in the U.S. Senate, then as a producer and executive at NBC and ABC,
7 and later working in the White House under President George W. Bush and for Goldman Sachs &
8 Co. Mr. Levine began work for TPG in September 2007 under a consulting contract to build a
9 public affairs capability for the Firm's general partnership.

10 15. In January 2008, Mr. Levine joined TPG as Managing Director for Global
11 Public Affairs. His job responsibilities included managing the business, strategic, and crisis
12 communications for TPG's dealings in the public and government domains.

13 16. In addition to his annual compensation, TPG promised Mr. Levine a
14 portion of the profits from deals upon which he worked.

15 17. Mr. Levine's position with TPG required frequent travel; Mr. Levine spent
16 an average of three weeks each month traveling to TPG's U.S. and international offices to work
17 with its executives, deal teams, and consultants. When not traveling, Mr. Levine frequently spent
18 his weekends and nights preparing documents and presentations and reviewing files in his office
19 at TPG's San Francisco location.

20 18. During his years at TPG, Mr. Levine consistently exceeded performance
21 expectations and he earned a reputation for adding considerable value to the success of TPG's
22 portfolio companies and investments.

23 19. Mr. Levine reported to Jerome Vascellaro, TPG's Chief Operating Officer.

1 20. Mr. Vascellaro reported to TPG’s chairman and founding partner, David
2 Bonderman, and TPG’s Chief Executive Officer and founding partner, Jim Coulter.

3 21. In each of Mr. Levine’s annual reviews, Mr. Vascellaro said Mr. Levine
4 was highly valued, and Mr. Levine was frequently praised by deal teams and TPG’s senior
5 management for his work.
6

7 **Mr. Levine Engaged in Conduct Protected by State and Federal Whistleblower Laws**

8 22. As Managing Director of TPG’s Global Public Affairs department, one of
9 Mr. Levine’s duties was to provide a presentation at the TPG global weekly meeting showcasing
10 news media stories relevant to TPG’s business called, “TPG in the News.”

11 23. In mid-May 2014, Mr. Levine read “Spreading Sunshine in Private
12 Equity,” a speech delivered by the SEC’s director for the Office of Compliance Inspections and
13 Examinations, Andrew Bowden on May 6, 2014 (the “Bowden Speech”). The speech highlighted
14 a number of governance and compliance practices in the private equity industry that run counter
15 to securities laws and the investment adviser’s fiduciary duties to investors.
16

17 24. One issue the Bowden Speech addressed is a growing lack of transparency
18 in the private equity industry and the use of abusive fee structures that improperly shift costs to
19 LP investors. The Bowden Speech explained that, in addition to collecting management fees
20 from LPs, unscrupulous firms often re-charge LPs additional fees for overhead expenses (such as
21 legal or human resources personnel) – the very services the management fee is designed to cover.
22 This practice allows the GP to double dip at the LP’s expense and without the LP’s knowledge.
23

24 25. The Bowden Speech also addressed the private equity industry’s use of
25 consultants – a common practice that fund managers promote as a means of providing portfolio
26 companies with specialized services that add value but that the portfolio companies could not
27 independently afford. The Bowden Speech noted that some advisers falsely designate employees
28

1 as “consultants” to investors and, in turn, bill portfolio companies or the fund separately for their
2 services. Under most limited partnership agreements between LP investors and GPs, fees
3 generated by employees are either included in or offset against the GP management fee, whereas
4 consultant fees are billed separately as an expense to the LPs.

5
6 26. After reading the Bowden Speech, Mr. Levine realized that many of the
7 practices it characterized as “questionable,” “problematic,” “egregious,” or even “violations of
8 law,” were commonplace at TPG.

9 27. Two issues at TPG stood out to Mr. Levine and formed the basis for the
10 protected disclosures he would later make. First, Mr. Levine knew that over the years TPG
11 increasingly focused its efforts on billing as much work as possible to its portfolio companies and
12 funds regardless of whether work was being done for the benefit of those companies themselves.
13 This effort had intensified over the previous 18 months as TPG prepared to list as a public
14 company sometime in 2015.

15
16 28. Many TPG employees track and record the time they spend on a particular
17 task. The work is then assigned a particular “code,” indicating whether the work was on behalf of
18 a particular portfolio company (and therefore billable to that company), a specialized service that
19 fell outside the core work covered by the management fee (and therefore billable to the LPs), or
20 whether the work related to the general fund management (and therefore billable to the GP and
21 covered by the management fee).

22
23 29. Mr. Levine recalled the frequency with which Mr. Vascellaro instructed
24 him to code the time he worked on deals beginning in 2011 and 2012. After reading the Bowden
25 Speech, Mr. Levine had a growing suspicion that the pressure to code his time, and in some
26 instances to “recode” his expenses, was on account of the Firm improperly shifting expenses
27 away from its overhead and management expenses.
28

1 30. The second issue that stood out to Mr. Levine, and that would form the
2 basis of his later disclosures, was that the Firm gave investors inaccurate and misleading
3 information about the track records of its investment team leaders in investor presentations and
4 conferences.

5
6 31. In mid-May 2014, Mr. Levine reported on the Bowden Speech as part of
7 his “TPG in the News” presentation.

8 32. By the end of June 2014, TPG began to take significant steps towards
9 making an initial public offering (“IPO”) – a massive undertaking that required attracting new
10 investors, clearing regulatory hurdles, and - relevant to Mr. Levine - building an in-house public
11 affairs department. Mr. Levine had no staff, and he advised the Firm at its Summer Strategy
12 conference that TPG would need to expand its public affairs capabilities to prepare for the IPO.

13
14 33. Specifically, Mr. Levine suggested that TPG invest more resources in their
15 public affairs effort, provide dedicated internal staff, and elevate his position to partner. Mr.
16 Levine was clear in his communications that his recommendation that the Firm elevate his
17 position would increase TPG’s credibility with stakeholders and that his recommendation was not
18 motivated by the need for increased compensation for himself. When Mr. Levine spoke
19 separately with Mr. Vascellaro at the conference about his proposal, Mr. Vascellaro responded
20 that if Mr. Levine wanted to build an internal department he would have to staff it with
21 consultants and contractors whose costs could be billed to the portfolio companies or LPs, rather
22 than paid out of the management fees collected to cover GP operating expenses. Troubled by Mr.
23 Vascellaro’s instruction, Mr. Levine told Mr. Vascellaro that he did not believe the Firm could
24 engage in such practices, and he questioned whether Mr. Vascellaro had remembered the Bowden
25 Speech. Mr. Vascellaro ignored Mr. Levine’s question.
26
27
28

1 34. In early July 2014, Mr. Levine communicated directly with TPG founders,
2 Mr. Coulter and Mr. Bonderman, about expanding and elevating TPG's press and government
3 efforts in order to help shepherd through the IPO. Mr. Coulter asked Mr. Levine to present a plan
4 for expanding those functions at the board's next Executive Committee meeting.

5 35. At the September 29, 2014, Executive Committee meeting, the committee
6 approved Mr. Levine's proposal to expand the Firm's public affairs effort and authorized him to
7 hire three outside firms to make specific recommendations for how the expansion should be
8 executed.

9 36. On October 20, 2014, the three outside firms presented plans for how to
10 expand Mr. Levine's department. All three plans recommended that TPG hire more staff
11 internally and not rely on consultants, dedicate more resources, and elevate the head of the
12 department to be a TPG partner.

13 37. On October 22, 2014, Mr. Levine attended TPG's annual investor
14 conference, an event at which TPG gathers its LP investors to present on the performance and
15 strategy of its funds. As Mr. Levine prepared to leave the event, he learned that at the conference
16 at least one TPG fundraising group member made false representations to investors and potential
17 investors about the tenure of TPG's Chief Investment Officer, Jonathan Coslet. Specifically, a
18 TPG fundraising professional told LP investors at the conference that TPG "made a change" in
19 2009 to install Mr. Coslet as its CIO and touted his successful investing track record. In fact, Mr.
20 Coslet had been CIO since 2007. By stating that Mr. Coslet had not assumed the CIO position
21 until 2009, TPG deceived investors and effectively absolved Mr. Coslet of responsibility for
22 TPG's failed investments during 2007 and 2008, including Washington Mutual (which went
23 bankrupt in 2008 and was the fastest loss in the history of private equity), TXU (the largest
24
25
26
27
28

1 leverage buyout in history which went bankrupt in 2014), and Caesar's (which would be bankrupt
2 by 2015).

3 38. During the October 2014 investor conference, Mr. Levine also became
4 aware that TPG officers told investors that TPG's compensation structure was "clear and
5 transparent," when, in fact, it was not.

6 39. On October 24, 2014, Mr. Levine met with Mr. Vascellaro and raised the
7 issue of TPG misrepresenting Mr. Coslet's tenure by stating he had not been CIO during the
8 period when he made investments in historically bad companies. Mr. Vascellaro again dismissed
9 Mr. Levine's concerns and remarked, "Why let the facts get in the way of a good story?" Mr.
10 Vascellaro told Mr. Levine that his concern was not "a press issue" and that he should not worry
11 about it. When Mr. Levine also inquired about TPG's dubious claim to investors that its
12 compensation structure was clear and transparent, Mr. Vascellaro became angry and told Mr.
13 Levine not to worry about that, either.

14 40. At the October 27, 2014 Executive Committee meeting, the committee
15 authorized Mr. Levine to expand the public affairs department. However, completely
16 disregarding the recommendations of Mr. Levine and the three outside firms, Bill McGlashan, a
17 partner and head of TPG's Growth and Corporate Development divisions, remarked that he
18 received the TPG Growth General Counsel's time (as well as almost all of the work in the legal
19 department) "for free" by billing their time either to portfolio companies or to LPs. He suggested
20 that the newly expanded public affairs department could operate the same way.

21 41. On October 28, 2014, Mr. Levine met with Mr. Vascellaro. During their
22 meeting, Mr. Vascallero instructed Mr. Levine to set up his department the way Mr. McGlashan
23 operated the TPG Growth legal department, i.e., hiring only consultants and contractors and
24 billing as much time as possible to portfolio companies or LPs. Mr. Levine responded by telling
25
26
27
28

1 Mr. Vascellaro, “we’re not allowed to do it like that,” and “the SEC said we can’t do it that way.”
2 Mr. Vascellaro said, “Well, that’s the only way this is going to happen around here.” Frustrated,
3 Mr. Levine stated that the two of them would “have to agree to disagree,” and their meeting
4 ended.

5
6 42. On October 29, 2014, Mr. Vascellaro called Mr. Levine into a meeting
7 with TPG founding partners, Mr. Coulter and Mr. Bonderman. They instructed Mr. Levine to
8 staff his department with contractors in order to shift fees to LPs and portfolio companies, instead
9 of paying those costs out of the management fee. Mr. Coulter added that, if Mr. Levine
10 successfully “built out” the effort in the way he suggested, he would elevate Mr. Levine to partner
11 after the IPO. Mr. Coulter’s remark was clear – TPG was linking its decision to elevate Mr.
12 Levine’s position to his acquiescing to the plan to build a non-compliant public affairs
13 department.

14
15 43. Determined to find someone who would listen to his concerns about SEC
16 compliance, on October 31, 2014, Mr. Levine called TPG partner and senior counsel Clive Bode.
17 Mr. Levine knew that Mr. Bode was close to Mr. Bonderman, so Mr. Levine told Mr. Bode he
18 didn’t want to put him “in a bad spot,” but that Mr. Vascellaro was pressing Mr. Levine to
19 structure the new public relations department in a “non-compliant” way. Mr. Bode agreed that
20 such an arrangement could present “problems” with compliance, and he commented that given
21 Mr. Vascellaro’s nature and his influence over Mr. Coulter, nothing could be done.

22
23 44. During the October 31, 2014, conversation with Mr. Bode, Mr. Levine also
24 recounted Mr. Vascellaro’s reaction to the story of TPG representing that Mr. Coslet had become
25 CIO in 2009, when in fact he had come on as CIO in 2007 had and overseen catastrophic
26 investments through the financial collapse; Mr. Levine told Mr. Bode that there appeared to be a
27 growing problem at TPG giving investors inaccurate and misleading information. Mr. Bode
28

1 warned Mr. Levine not to push the issue “and wait until January,” so as to not jeopardize Mr.
2 Levine’s end-of-the-year bonus. Although Mr. Levine’s “bonus” provided a substantial part of
3 his overall compensation, Mr. Levine felt strongly about these issues and decided not to let them
4 go unchallenged.

5
6 45. On November 1, 2014, Mr. Levine called TPG Senior Partner Michael
7 MacDougall and explained his concern that, based on his reading of the Bowden Speech,
8 structuring the public relations department with contractors who would be billed to LPs and
9 portfolio companies for their work on an IPO would violate SEC guidelines. Mr. MacDougall
10 asked whether Mr. Levine’s concerns would be allayed if he was given a raise and a partnership
11 with TPG. Mr. Levine replied that a raise and a partnership were far from the point. Mr.
12 MacDougall asked Mr. Levine “to give [him] 24 hours” to think about the matter.

13
14 **TPG Retaliates against Mr. Levine for his Protected Conduct**

15 46. On November 2, 2014, Mr. MacDougall called Mr. Levine to say that he
16 had spoken with Mr. Bode and that they thought it would be best to “get [Mr. Levine] a job
17 outside the Firm.” When Mr. Levine objected, Mr. MacDougall warned Mr. Levine that his
18 “reputation,” “future,” and “career” would be at risk if things “end[ed] badly” between Mr.
19 Levine and TPG. Mr. Levine told Mr. MacDougall that the Firm was putting itself at great risk
20 given the seriousness of the regulatory and compliance issues involved. In response, Mr.
21 MacDougall simply asked Mr. Levine for a “number” he would take to leave the Firm “quietly.”
22 Shocked and disappointed by Mr. MacDougall’s reaction, Mr. Levine did not provide one and
23 ended the conversation.

24
25 47. Frustrated by the turn of events, Mr. Levine attempted to raise the issue to
26 a larger group of senior executives. Later, on November 2, 2014, Mr. Levine sent an email to Mr.
27 Vascellaro; he copied Mr. Bode and the TPG executives who authorized Mr. Levine to expand
28

1 the public affairs department. Mr. Levine alluded to his earlier conversations with Mr. Vascellaro
2 in the email and explained why he believed that structuring the public affairs department with
3 consultants and contractors in the way Mr. Vascellaro prescribed was unworkable for TPG “as a
4 regulated entity” and in view of “its public employee pension fund” and “investor base.” Mr.
5 Levine made clear that his position was not the result of wanting “the power and prestige
6 associated with any title or rank” and that the Firm needed to take seriously the task of developing
7 a “practicable plan.”

9 48. In the following days, it became clear that Mr. Levine’s communication
10 had sparked the ire of the Firm had and enhanced its motivation to push Mr. Levine out of TPG.
11 On November 3, 2014, Mr. Bode spoke with Mr. Levine and warned him that he should have
12 heeded his earlier advice to hold off on his complaint. Mr. Bode then proceeded to explain that
13 Mr. Bonderman, Mr. McGlashan, and Mr. Vascellaro were all “annoyed” by Mr. Levine’s email
14 and that, had Mr. Levine addressed his email to Mr. Bode directly, he would have “hunted” Mr.
15 Levine down and “gutted [him] like a carp.”

17 49. The next day, on November 4, 2014, Mr. Levine spoke with Mr.
18 McGlashan who told Mr. Levine his career would be “ruined” if he continued to press issues
19 about staffing his department with contractors, and he suggested that Mr. Levine work outside of
20 the Firm.

21 50. On November 5, 2014, Mr. Levine emailed Mr. MacDougall and copied
22 Mr. Bode. In his email, Mr. Levine expressed his discontent that Mr. MacDougall had threatened
23 him after he raised his concerns in their earlier conversation; Mr. Levine specifically referenced
24 Mr. MacDougall’s threats that Mr. Levine’s “reputation,” “future,” and “career” would be ruined.
25 When Mr. Levine followed up with Mr. Bode about his email the following day, Mr. Bode said,
26
27
28

1 “Take this little game as far as you want Levine, but if you bring Bonderman into it, I will
2 fucking kill you.”

3 51. Although Mr. Levine’s complaints had been met with continuous threats
4 and severe pushback, he still believed it important and worthwhile to raise his concerns directly
5 with TPG’s founders. On November 6, 2014, Mr. Coulter emailed Mr. Levine and asked that
6 they meet together in San Francisco over the upcoming weekend.
7

8 52. The next day, on November 7, 2014, Mr. Bonderman called Mr. Levine
9 and said that, given Mr. Levine’s “disagreement” with Mr. Vascellaro over the structure of the
10 department, Mr. Levine should transition to an “adviser” role and find something else to do
11 “outside of TPG.” Mr. Levine told Mr. Bonderman that he understood but that they should still
12 meet with Mr. Coulter over the weekend because it was important that they understood Mr.
13 Levine’s concerns.
14

15 53. Before his weekend meeting with Mr. Coulter, Mr. Levine told Mr. Bode
16 that he planned to detail his concerns to Mr. Coulter about the way he was being instructed to
17 structure his department and about other compliance and regulatory issues. Mr. Bode exploded in
18 anger; he told Mr. Levine that he was being “foolish” and if he were in the same room with him at
19 that moment he would “smack” Mr. Levine’s head into a wall and “knock some fucking sense”
20 into him. Mr. Bode added that Mr. Levine’s planned conversation with Mr. Coulter would end
21 badly, but Mr. Levine persisted and assured Mr. Bode that he would respectfully raise his
22 concerns with Mr. Coulter.
23

24 54. On November 9, 2014, Mr. Levine met with Mr. Coulter, with Mr. Bode in
25 tow. Mr. Levine once again used the meeting as an opportunity to explain why he believed SEC
26 regulations would not allow the Firm to structure his department in the way the Firm demanded
27 and why he believed the issues he raised put the Firm and their investors at great risk. Mr. Coulter
28

1 responded only that he had spoken with Mr. Bonderman and that he agreed that it was time for
2 Mr. Levine to “transition out.” However, Mr. Coulter and Mr. Bonderman were scheduled to
3 appear in a live television interview to be broadcast on November 14, 2014, in Washington, D.C.,
4 and Mr. Coulter asked Mr. Levine to attend in person while the interview was conducted. Mr.
5 Levine agreed. Mr. Levine asked Mr. Coulter that Mr. Bode, and not Mr. Vascellaro, be put in
6 charge of the transition. Mr. Coulter agreed.
7

8 55. On November 15, 2014, Mr. Bonderman and Mr. Levine met in
9 Washington, D.C. Mr. Levine reiterated his concern that, based on the Bowden Speech, he
10 believed TPG’s policies violated securities laws. Mr. Bonderman reiterated his position that it
11 was time for Mr. Levine to “move on;” to that end, he instructed Mr. Levine to provide a
12 transition plan. At the end of the meeting, as he had with Mr. Coulter, Mr. Levine asked Mr.
13 Bonderman that Mr. Bode, and not Mr. Vascellaro, be put in charge of the transition. Mr.
14 Bonderman agreed.
15

16 56. On November 18, 2014, Mr. Levine submitted a transition plan to Mr.
17 Bonderman, Mr. Coulter, and Mr. Bode. The plan did not propose a firm end date for Mr.
18 Levine’s employment with TPG, and it contemplated Mr. Levine staying on at TPG while he
19 helped to facilitate the transition.
20

21 57. On November 25, 2014, Mr. Bode called to see if Mr. Levine would be
22 interested in taking a six month “cooling off” period. Mr. Levine asked Mr. Bode whether Mr.
23 Coulter and Mr. Bonderman had signed off on the idea. When Mr. Bode confessed they had not,
24 the issue was dropped.
25

26 58. On December 2, 2014, Mr. Bode informed Mr. Levine that he would
27 receive a severance package, but Mr. Bode explained that, while he would handle negotiations,
28 Mr. Vascellaro – the very person at the forefront of Mr. Levine’s conflict at TPG – would be in

1 charge of giving final approval on the package. When Mr. Levine objected to the clear conflict of
2 Mr. Vascellaro being involved in his severance decision, Mr. Bode replied, “Too fucking bad,
3 you are a non-partner employee who is leaving voluntarily,” – a complete untruth.

4 **TPG Breaches Contract Agreements with Mr. Levine in Retaliation for his Whistleblowing**

5
6 59. On December 3, 2014, Mr. Bode told Mr. Levine that his severance would
7 include “all of [his] vested and unvested” non-cash compensation, plus payment of his 2014 and
8 2015 bonus. Mr. Bode also added that any agreement would “include an airtight non-disclosure
9 agreement.” Mr. Levine responded that, given the seriousness of the issues and behavior he had
10 witnessed at TPG, signing a non-disclosure agreement (“NDA”) was “going to be very difficult
11 for [him] to do.” Growing angry, Mr. Bode told Mr. Levine that an NDA was “required.” He
12 added, “Everyone signs and you will sign it or you will get fucking nothing – not even what’s
13 vested.”
14

15 60. Since it was clear that the NDA issue was not up for discussion, Mr.
16 Levine refocused the conversation and asked Mr. Bode for a final accounting of his non-cash
17 compensation, or distribution of the carried interest he had accrued - an accounting of which Mr.
18 Vascellaro had promised him after each of his year-end reviews, yet never provided. Mr. Bode
19 said he would look into the matter and respond to Mr. Levine’s request.

20
21 61. On December 5, 2014, Mr. Levine called Mr. Bode to renew his request for
22 an accounting of his non-cash compensation, but Mr. Bode said he was unable to provide such
23 information at that time.

24 62. On December 15, 2014, Mr. Bode forwarded Mr. Levine an email that Mr.
25 Vascellaro had sent Mr. Bode earlier that day. The email included a table that indicated that Mr.
26 Levine was entitled to a payout of at least \$738,761, based on TPG’s calculations of his vested
27 accrued value and vested “dollars at work” from 2010 through 2014. As Mr. Levine began
28

1 working for TPG in 2008, he called Mr. Bode and asked why the figures for 2008 and 2009 were
2 not included in the calculations. Mr. Bode was not sure at that time.

3 63. On December 19, 2014, Mr. Levine emailed Mr. Bode to follow-up on his
4 questions about why the figures for 2008 and 2009 were not included in the table calculating Mr.
5 Levine's vested interest in the Firm. Mr. Bode responded that the Firm had no other
6 documentation indicating what Mr. Levine's stake in the Firm would be; but he added that, if Mr.
7 Levine had any such document, TPG would honor it.

8 64. On December 20, 2014, Mr. Levine went to the San Francisco office to
9 review his files to see whether he could piece together any communications indicating what his
10 stake in the Firm should be.

11 65. On or about December 23, 2014, Mr. Levine called TPG's general counsel,
12 Ron Cami, to let him know that his transition was not going smoothly, that the Firm's partners
13 did not seem to be taking seriously his concerns about securities violations, and that they were
14 retaliating against him for raising those concerns. Mr. Levine told Mr. Cami he felt he had no
15 choice but to contact external authorities, i.e., the SEC. Mr. Cami agreed that things were "out of
16 control" under Mr. Vascellaro's management and thanked Mr. Levine for coming forward, calling
17 him "a man of honor."

18 66. On or about December 23, 2014, Mr. Levine also placed a call to Michael
19 Ryan, a senior partner with the law firm Cleary, Gottlieb, Steen & Hamilton LLP, who frequently
20 served as outside counsel to TPG. On the call, Mr. Levine explained to Mr. Ryan that he had
21 profound concerns about potential securities law violations at TPG and the Firm's reaction to
22 those concerns being raised. Mr. Levine told Mr. Ryan that he felt he had no choice but to report
23 the Firm's possible violations to external authorities, including the SEC.

1 67. On December 24, 2014, Mr. Levine sent an email to Mr. Bode, Mr.
2 Bonderman, and Mr. Coulter (attached as Ex. 1). In his email, Mr. Levine documented his nearly
3 two month plight in trying to get senior members of TPG to appreciate the “potentially unlawful,
4 noncompliant and illegal activities” that arose with the Firm’s structure and allocation of
5 expenses between funds and the general partners. Mr. Levine also raised his concerns about the
6 Firm’s misrepresentations to investors (i.e., that Mr. Coslet had become CIO in 2009, when in
7 fact he became CIO in 2007). Mr. Levine stated that, if TPG continued to ignore his concerns
8 and retaliate against him for raising them, he would have no choice but to contact external
9 authorities, including the SEC.
10

11 68. Later on December 24, 2014, Mr. Bode responded that he had received the
12 email Mr. Levine had sent and that he would respond “in due course.”
13

14 69. Just one week later, Mr. Levine received a letter dated December 31, 2014,
15 from the law office of Kasowitz Benson Torres & Friedman, informing him that his employment
16 with TPG had been terminated. Additionally, TPG asserted false and baseless claims that Mr.
17 Levine had threatened TPG employees and breached confidentiality agreements.
18

19 70. On January 26, 2015, TPG filed a lawsuit in the Northern District of Texas
20 against Mr. Levine, falsely accusing him of attempting to extort “millions” from the Firm and
21 breaching confidentiality agreements he had signed. The lawsuit also falsely accused Mr. Levine
22 of leaking confidential documents and information to the *New York Times* – another complete
23 untruth.

24 71. Within a week after TPG filed suit against Mr. Levine, media outlets
25 including the *Wall Street Journal*, *Reuters*, and *CNBC* ran stories about Mr. Levine’s
26 termination and TPG’s subsequent lawsuit, severely damaging Mr. Levine’s “reputation,”
27 “future,” and “career” – just as Mr. MacDougall had promised. As a result of the lawsuit, Mr.
28

1 Levine was forced to resign from an employment opportunity he had secured in late December
2 2014.

3
4 **CLAIMS FOR RELIEF**

5 **FIRST CLAIM FOR RELIEF**
6 **Whistleblower Retaliation**
7 **Dodd-Frank Act, 15 U.S.C. § 78u-6(h) *et seq.***
8 **Against All Defendants**

9 72. Mr. Levine realleges and incorporates by reference all allegations in the
10 preceding paragraphs.

11 73. As an employee of a financial services provider, Mr. Levine's
12 whistleblowing conduct is covered by the Dodd-Frank Act, 15 U.S.C. § 78u-6(h) *et seq.*

13 74. Mr. Levine had a good faith and reasonable belief that TPG's practices
14 were in violation of SEC regulations. Specifically, Mr. Levine believed that TPG improperly
15 billed LPs and portfolio companies in a manner intended to shift expenses away from its overhead
16 and management expenses and impose them on investors. Mr. Levine also believed that the Firm
17 made misrepresentations to investors regarding the track record of its investment team members.

18 75. Mr. Levine made protected disclosures to TPG senior partners, executives,
19 and compliance officers, when he explicitly told them that he was worried that the Firm's billing
20 practices and misrepresentations to investors about its investment team violated securities rules.

21 76. As a consequence of his protected disclosures, TPG retaliated against Mr.
22 Levine.

23 77. As a result of TPG's unlawful acts, Mr. Levine has been damaged and is
24 entitled to reinstatement and recovery of twice the amount of back pay otherwise owed to him,
25 with interest, as well as compensation for litigation costs, expert witness fees, attorneys' fees,
26 costs, and other compensation, pursuant to 15 U.S.C. § 78(h)(C).
27
28

SECOND CLAIM FOR RELIEF
(Whistleblower Retaliation)
(California Labor Code §§ 1102.5)
(Against All Defendants)

1
2
3 78. Mr. Levine realleges and incorporates by reference all allegations in the
4 preceding paragraphs.

5
6 79. Under California Labor Code § 1102.5(b), which was in effect and binding
7 on Defendants at all times relevant to this complaint, an employer may not retaliate against an
8 employee for disclosing information – and may not retaliate if the employer believes the
9 employee *may* disclose information – to a person with authority over the employee or to another
10 employee who has the authority to investigate, discover, or correct the complained of violation or
11 noncompliance where the employee has reasonable cause to believe that the information discloses
12 a violation of state or federal statute, or a violation of or noncompliance with a local, state, or
13 federal rule or regulation, regardless of whether disclosing the information is part of the
14 employee’s job duties.

15
16 80. California Labor Code § 1102.5(c), which was in effect and binding on
17 Defendants at all times relevant to this complaint, further provides that an employer may not
18 retaliate against an employee for refusing to participate in an activity that would result in
19 violation of state or federal laws or regulations or non-compliance with state or federal laws or
20 regulations.

21
22 81. As set forth above, Mr. Levine reasonably believed that TPG’s policies
23 violated federal laws and regulations, told TPG that he maintained such reasonable belief, and
24 informed TPG that he was prepared to report TPG’s conduct to external authorities. In response,
25 TPG retaliated against Mr. Levine and, ultimately, terminated his employment.
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

82. By terminating Mr. Levine, refusing to pay him compensation due and owing, defaming him, and undertaking acts that may further be discovered, TPG violated Labor Code § 1102.5.

83. Because the discriminatory and retaliatory acts were committed by TPG, including its officers, directors and/or managing agents, who acted with malice, oppression or fraud, or were deliberate, willful and in conscious disregard of the probability of causing injury to Plaintiff, Mr. Levine seeks punitive damages against TPG in order to deter them from such conduct in the future.

84. As a proximate cause of the wrongful conduct of TPG, Mr. Levine has suffered harm, humiliation, emotional distress, mental pain and anguish, and job loss and is entitled to lost wages and benefits, job reinstatement, penalties, punitive damages, and attorney fees and costs.

THIRD CLAIM FOR RELIEF
(Whistleblower Retaliation)
(California Common Law, Termination in Violation of Public Policy)
(Against All Defendants)

85. Mr. Levine realleges and incorporates by reference all allegations in the preceding paragraphs.

86. The well-established public policies at issue in this case include California Labor Code §§ 1102.5(c) and 2856, 15 U.S.C. § 78u-6(h), under the Investment Advisers Act of 1940 and its related rules, 17 C.F.R. § 275.0 *et seq*, and various rules and regulations of the SEC governing communications to groups of investors and how a private equity firm can assign expenses among portfolio companies, LPs, and GPs.

87. Specifically, the public policy of Labor Code § 1102.5 and other applicable law is to: (1) prohibit employers from implementing policies preventing employees from disclosing reasonably based suspicions of violations of state or federal laws and regulations; (2) retaliating against employees who have indicated they will disclose or have disclosed reasonably

1 based suspicions of violations of such laws and regulations; and (3) retaliating against employees
2 who refuse to participate in activities that would result in violations of such laws and regulations.

3 88. As set forth above, Mr. Levine told TPG that he believed its policies
4 violated federal laws and regulations and that he was prepared to report TPG’s conduct to
5 external authorities. In response, TPG retaliated against Mr. Levine and, ultimately, terminated
6 his employment.
7

8 89. Because the discriminatory and retaliatory acts were committed by TPG,
9 including its officers, directors and/or managing agents, who acted with malice, oppression or
10 fraud, or were deliberate, willful and in conscious disregard of the probability of causing injury to
11 Plaintiff, Mr. Levine seeks punitive damages against TPG in order to deter them from such
12 conduct in the future.

13 90. As a proximate cause of the wrongful conduct of TPG, Mr. Levine has
14 suffered harm, humiliation, emotional distress, mental pain and anguish and job loss and is
15 entitled to lost wages and benefits, job reinstatement, penalties, punitive damages, and attorney
16 fees’ and costs.
17

18 **FOURTH CLAIM FOR RELIEF**
19 **(Defamation and Compelled Self-Defamation)**
20 **(California Civil Code §§ 45, 46)**
21 **(Against All Defendants)**

22 91. Mr. Levine realleges and incorporates by reference all allegations in the
23 preceding paragraphs.

24 92. TPG filed suit against Mr. Levine and asserted wholly false, defamatory,
25 and unprivileged claims that he breached confidentiality agreements he signed and
26 misappropriated confidential documents and information.

27 93. As a direct result of TPG’s false and retaliatory suit, as well as the litany of
28 press reports that republished TPG’s false claims against him, Mr. Levine was compelled to

1 disclose TPG's defamatory claims against him to a new employer with whom he had commenced
2 employment. After making his disclosure, Mr. Levine was forced to resign his employment.

3 94. As a result of TPG's false statements, Mr. Levine has been injured in his
4 profession and continues to be injured in his profession. Mr. Levine has sustained and continues
5 to sustain losses of earnings and other employment benefits.

6 95. TPG, including its officers, directors and/or managing agents, committed
7 acts with malice, oppression or fraud, or were deliberate, willful and in conscious disregard of the
8 probability of causing injury to Mr. Levine, Mr. Levine therefore seeks punitive damages against
9 TPG in order to deter them from such conduct in the future.

10 96. As a proximate cause of the wrongful conduct of TPG, Mr. Levine has
11 suffered harm, humiliation, emotional distress, mental pain and anguish and job loss and is
12 entitled to lost wages and benefits, job reinstatement, penalties, punitive damages, attorneys' fees,
13 and costs.

14
15
16 **FIFTH CLAIM FOR RELIEF**
17 **(Breach of Contract)**
18 **(Against All Defendants)**

19 97. Mr. Levine realleges and incorporates by reference all allegations in the
20 preceding paragraphs.

21 98. TPG breached the contract it entered into with Mr. Levine when it refused
22 to pay him the vested non-cash compensation owed to him from 2008 through 2013.

23 99. Mr. Levine performed all of the conditions and obligations imposed upon
24 him.

25 100. As TPG has failed to provide complete accounting of compensation due to
26 Mr. Levine, and accrued non-cash compensation, he is entitled to actual damages in the amount
27 of no less than \$738,761.

28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

SIXTH CLAIM FOR RELIEF
(California Labor Code §§ 201, 203)
(Against All Defendants)

101. Mr. Levine realleges and incorporates by reference all allegations in the preceding paragraphs.

102. At the time of Mr. Levine’s termination on December 31, 2014, he was due certain wages from TPG pursuant to the terms of his employment, including his vested non-cash compensation from 2008 through 2013.

103. TPG refused to pay to Mr. Levine his vested non-cash compensation upon his termination and those wages remain unpaid to date.

104. Under California Labor Code §§ 201 and 203, Mr. Levine is entitled to 30 days continued wages as a penalty for TPG’s willful failure to pay wages when due, in an amount according to proof, as well as attorneys’ fees and costs.

SEVENTH CLAIM FOR RELIEF
(Accounting)
(Against All Defendants)

105. Mr. Levine realleges and incorporates by reference all allegations in the preceding paragraphs.

106. TPG promised Mr. Levine the non-cash compensation owed to him from 2008 through 2013.

107. TPG failed to provide Mr. Levine with a complete accounting of his non-cash compensation from 2008 through 2013.

108. Upon information and belief, Mr. Levine’s accrual and distribution of carried interests are determined in accordance with TPG’s policies for awarding such interests.

109. Upon information and belief, the policies and records governing Mr. Levine’s accrual and distribution of carried interests are in the sole possession of TPG.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

110. As the exact amount of non-cash compensation that is owed to Mr. Levine is unknown, Mr. Levine is entitled to and demands an accounting.

EIGHTH CLAIM FOR RELIEF
(Quantum Meruit)
(Against All Defendants)

111. Mr. Levine realleges and incorporates by reference all allegations in the preceding paragraphs.

112. TPG made representations to Mr. Levine about his non-cash compensation during year-end performance reviews from 2008 through 2013.

113. As a result of TPG’s promises, Mr. Levine continued to work for TPG and rendered services to TPG that benefited the Firm and allowed it to continue reaping profits from deals on which he worked.

114. Mr. Levine asks the Court to enforce the promises and award him damages in the amount of compensation he is owed by TPG.

NINTH CLAIM FOR RELIEF
(Promissory Estoppel)
(Against All Defendants)

115. Mr. Levine realleges and incorporates by reference all allegations in the preceding paragraphs.

116. TPG made promises to Mr. Levine designed to induce reliance.

117. Mr. Levine reasonably relied to his substantial detriment on promises regarding the non-cash compensation that TPG awarded him by staying at the Firm.

118. Mr. Levine asks the Court to enforce the promises made to him and award him damages in the amount of compensation he is owed by TPG.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, Adam Levine, prays for relief as follows:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- A. Back pay, front pay, reinstatement, and other special damages;
- B. General damages to compensate Mr. Levine for emotional distress, pain and suffering, and loss of enjoyment of life;
- C. An accounting, as alleged in the Seventh Claim For Relief;
- D. Punitive damages;
- E. Pre-Judgment interest;
- F. Attorneys’ fees and costs of this action, including expert fees; and
- G. Such other relief as this Court deems just and proper.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a jury trial on all causes of action and claims with respect to which he has a right to jury trial.

Dated: April 2, 2015

Respectfully submitted,

By: 
Jahan C. Sagafi

Jahan C. Sagafi (Cal. Bar No. 224887)
OUTTEN & GOLDEN LLP
One Embarcadero Center, 38th Floor
San Francisco, CA 94111
Telephone: (415) 638-8800
Facsimile: (415) 638-8810
E-mail: jsagafi@outtengolden.com

Tammy Marzigliano (*pro hac vice* application forthcoming)
Monique Chase (*pro hac vice* application forthcoming)
OUTTEN & GOLDEN LLP
3 Park Avenue, 29th Floor
New York, New York 10016
Telephone: (212) 245-1000
Facsimile: (646) 509-2060
E-mail: tm@outtengolden.com
E-mail: mchase@outtengolden.com

Attorneys for Plaintiff