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Electronically FILED by
Superior Court of California,
County of Los Angeles
3/12/2024 8:04 PM
David W. Slayton,
Executive Officer/Clerk of Court,
By G. Robinson, Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

UNITED TALENT AGENCY, LLC, a Delaware limited liability company; MEDIA LINK, LLC, a California limited liability company, Plaintiffs, vs. MICHAEL E. KASSAN, an individual; MICHAEL KASSAN, INC., a California corporation; and DOES 1 through 50, inclusive Defendants.	CASE No. 24STCV06178 COMPLAINT FOR: (1) CONSTRUCTIVE FRAUD (2) BREACH OF PARTNER SERVICES AGREEMENT (3) BREACH OF FIDUCIARY DUTY (4) BREACH OF DUTY OF LOYALTY **DEMAND FOR JURY TRIAL**

Plaintiffs United Talent Agency, LLC ("UTA") and Media Link, LLC ("MediaLink") (UTA and MediaLink are, collectively, "Plaintiffs"), hereby complain and alleges against Defendants Michael E. Kassan ("Kassan"), Michael Kassan, Inc. ('MKI"), and DOES 1 through 50, inclusive, (Kassan, MKI, and DOES 1 through 50 are, collectively, "Defendants") as follows:

INTRODUCTION

1. In utter disregard for his fiduciary obligations as a partner of UTA, media and advertising executive Michael Kassan has run rampant with his business expense accounts – wasting millions of UTA's dollars on his lavish personal lifestyle. In 2003, Kassan founded the strategic advisory firm MediaLink. MediaLink was later acquired by UK-based Ascential PLC in 2016. In December 2021, following an aggressive solicitation effort by Kassan, UTA acquired

MediaLink from Ascential. As part of that transaction, Kassan remained CEO of MediaLink (now wholly-owned by UTA) and became a UTA partner subject to the terms and conditions of his Partner Services Agreement. In order to secure UTA's investment, Kassan presented himself as a trustworthy businessman, who had operated within the stringent controls and regulations of a publicly traded company. That turned out not to be the case.

2. Almost immediately, Kassan abused his title and authority by circumventing or failing to maintain standard control processes to ensure that company funds were used to pay for his extravagant personal expenses, without question, and with the goal of not leaving any trace behind. For instance, not only did Kassan require a personal driver – he surreptitiously used UTA's money to pay for his driver's apartment. Not only did Kassan use a company credit card for his personal expenses - he allowed his wife to have a company credit card, despite the fact she had no affiliation with MediaLink or UTA, so she could shop for extravagant luxury goods. Not only did Kassan insist on private flights – he spent a small fortune of UTA's dollars on luxury travel, including hundreds of thousands on private airfare for his entire family for trips that Kassan acknowledges were personal in nature and had no rational business purpose. Kassan even used company monies to pay for his personal housekeeper. In 2023, Kassan went so far as to use nearly $500,000 in company funds to pay off his personal credit card debt, despite multiple warnings from MediaLink's top finance executive. In 2022, Kassan had over $700,000 in company funds wired to his personal S-Corporation. In short, Kassan erased any line between his personal and business expenses.

3. Kassan further fostered a toxic culture at MediaLink, in which employees were beholden to him personally, rather than to MediaLink or UTA, and were discouraged from disclosing certain matters to UTA. Kassan used his influence to hide his misconduct from UTA for over a year. However, once UTA uncovered the scale of Kassan's financial misconduct, it promptly confronted him about it. Kassan was unrepentant, and could offer no documentation or receipts to substantiate many of his outlandish "business" expenses – for the obvious reason that they were clearly improper personal expenses. As a result, following an investigation, Kassan was terminated for cause.

4. By way of this Complaint, UTA and MediaLink seeks to hold Kassan accountable and recover damages and losses resulting from his shameless acts. Given the malicious, oppressive, and fraudulent nature of Kassan's scheme, Plaintiffs are also entitled to a substantial award of punitive damages.

THE PARTIES

5. Plaintiff UTA is a Delaware limited liability company with its principal place of business in Beverly Hills, California.

6. Plaintiff MediaLink is a California limited liability company with its principal place of business in Beverly Hills, California.

7. Defendant Kassan is an individual who at all relevant times was a resident of Los Angeles County, California.

8. Defendant MKI is a California corporation with its principal place of business in Beverly Hills, California.

9. There exists, and at all times herein mentioned there existed, a unity of interest and ownership between Kassan and MKI such that any individuality and separateness between Kassan and MKI has ceased, and Kassan is the alter ego of MKI. Adherence to the fiction of the separate existence of MKI as a separate and distinct identity from Kassan would permit an abuse of the privilege to operate as a corporation and would sanction a fraud or promote injustice. As such, Kassan is the alter ego of MKI.

10. There is such a unity of interest and ownership between Kassan and MKI that the individuality of MKI or its separateness from Kassan has ceased, because, on information and belief: (i) there has been a commingling of funds and other assets between Kassan and MKI; (ii) there has been an unauthorized diversion of corporate funds or assets from MKI to Kassan for purposes other than corporate uses; (iii) Kassan treats the assets of MKI as his own; (iv) Kassan owns all of the stock of MKI; (v) Kassan has held out that he is personally liable for the debts of MKI; (vi) MKI has failed to maintain minutes or adequate corporate records; (vii) Kassan and MKI use the same attorney; (viii) MKI lacks corporate assets and is undercapitalized; (ix) Kassan utilizes MKI as a mere shell, instrumentality or conduit for his personal business; (x) Kassan has

taken steps to conceal the relationship between his personal business activities and MKI; and (xi) Kassan uses MKI to procure labor, services, and merchandise for himself. As such, Kassan is MKI's alter ego.

11. The true names and capacities, whether individual or corporate, of the defendants named herein as Does 1 through 50, inclusive, are unknown to Plaintiffs, who therefore sue said defendants by such fictitious names.

12. Each of the Defendants, including those designated as a Doe, are responsible for the events alleged herein and the damages caused thereby as a principal, agent, co-conspirator or aider and abettor. Plaintiffs will seek leave of this Court to amend this Complaint to allege the true names and capacities of such Defendants when the same have been ascertained.

13. The Defendants at all times relative to this action were the agents, servants, partners, joint venturers and employees of each of the other Defendants and, in doing the acts alleged herein, were acting with the knowledge and consent of each of the other Defendants in this action.

JURISDICTION AND VENUE

14. Jurisdiction for this action in this Court is proper pursuant to California Code of Civil Procedure sections 410.10, 410.50 and 428.10, *et seq*. The value of the amount in controversy exceeds $35,000, exclusive of costs and interest.

15. Venue is proper in this County pursuant to California Code of Civil Procedure sections 428.10, *et seq.*, and pursuant to California Code of Civil Procedure section 395.5 because the principal place of business or residence of each party is in Los Angeles County and a substantial portion of the operative facts described herein occurred in this County.

FACTUAL ALLEGATIONS

16. In December 2021, UTA completed its acquisition of MediaLink from Ascential PLC. As a result, UTA became the sole member of MediaLink, its wholly-owned subsidiary.

17. In connection with the acquisition, UTA, MediaLink and Kassan entered into a written Partner Services Agreement, dated as of December 15, 2021 (the "Agreement"). Pursuant

to the Agreement, for an initial term ending on December 31, 2026, Kassan agreed to serve as the Chairman and Chief Executive Officer of MediaLink, as well as a UTA partner.

18. Pursuant to the Agreement, Kassan expressly agreed to report to, and be subject to the direction of, UTA's Board of Directors and UTA's Chief Executive Officer.

19. Paragraph 3(h) of the Agreement is entitled "Expenses" and provides as follows:

> [MediaLink] recognizes that in connection with [Kassan]'s performance of [Kassan]'s duties and obligations hereunder, [Kassan] will incur certain ordinary and necessary expenses of a business character. [MediaLink] shall reimburse [Kassan] for all such reasonable out-of-pocket business expenses upon presentation of appropriate documentation in accordance with UTA's rules and regulations (including with respect to timing of reimbursement) as in effect from time to time for UTA partners other than members of UTA's Board of Directors, and consistent with the applicable annual [MediaLink] budget. Nothing in this Section 3(h) is intended to require UTA's prior approval of any commercially reasonable business expenses incurred by [Kassan], so long as such commercially reasonable businesses expenses are consistent with the applicable annual [MediaLink] budget and the past business practices of the [MediaLink].

20. Paragraph 3(i) of the Agreement is entitled "Special Expenses" and provides as follows:

> During the Term, [Kassan] shall be permitted to include in the annual [MediaLink] budget up to Nine Hundred Fifty Thousand Dollars ($950,000) of special expenses consistent with past [MediaLink] practice; provided, that the amount of such special expenses (if any) must conform to an annual budgeted EBITDA that does not exceed the applicable Annual Target EBITDA for such year provided, further, that the amount of any such permitted special expenses paid in any fiscal year shall reduce the MediaLink EBITDA in such fiscal years.

21. The Agreement's "Special Expenses" cap of $950,000 was intended to serve as reimbursement for business expenses actually incurred by Kassan, over and beyond a normal business expense, such as private jet travel flights. Moreover, as evidenced by the inclusion of the phrase "(if any)" after the phrase "the amount of any such permitted special expenses", Kassan was entitled to these special expenses only with respect to a budget that meets certain EBITDA goals.

22. In clear violation of the Agreement, Kassan began directing large sums of MediaLink and UTA money to himself, without providing any contemporaneous documentation to demonstrate such payments were proper business expenses.

23. Kassan's breaches began almost immediately upon signing the Agreement. In and around December 2021, a mere two weeks after the closing of UTA's acquisition, Kassan wrote checks to himself from MediaLink's business checking account which amounted to approximately $155,000. When confronted about these payments, Kassan claimed these amounts were reimbursements from UTA for charitable donations he made individually. Further, Kassan could not provide any rational explanation regarding how such charitable donations constituted proper business expenses.

24. In 2022, Kassan engineered a scheme to divert MediaLink funds to his personal corporation. Specifically, Kassan abused his position as MediaLink CEO by ordering MediaLink's most senior finance executive to pay what Kassan described as "bi-monthly installments" of the $950,000 "Special Expenses" budget to MKI, his S-Corporation.

25. Ultimately, Kassan received four payments between April 2022 and October 2022 totaling $712,499.99. MediaLink's top finance executive ceased making these payments to Kassan following October 2022 when she evidently realized that the Agreement did not permit such lump sum payments. Most disturbingly, that executive, when reporting to UTA on usage of the $950,000, failed to disclose the $712,000 payments to UTA due to the toxic, intimidating culture created by Kassan.

26. UTA later confronted Kassan about the $712,499.99 worth of payments in December 2023, but he was unable to provide any detail as to what this extraordinary amount of money was spent on. Kassan was unable (or unwilling) to provide documentation credibly demonstrating these funds were spent on proper business expenses.

27. Kassan further abused his position as MediaLink CEO by failing to adhere to proper controls and by fostering a culture where personal loyalty to himself was promoted over loyalty to MediaLink or UTA. A clear consequence of the toxic culture Kassan created occurred in 2022, when UTA requested MediaLink's seniormost finance executive to provide a breakdown of Kassan's expenses, including how such expenses tracked against the $950,000 "Special Expenses" cap. That executive then provided a spreadsheet that purported to reflect Kassan's expenses to date, but failed to disclose that Kassan had paid $712,499.99 to himself. When UTA

later confronted the executive about her failure to include these amounts, she was unable to articulate a principled reason; a consequence of Kassan requiring that personal loyalty to himself be placed above loyalty to MediaLink and UTA.

28. Kassan further breached the Agreement by using MediaLink funds to pay his personal credit card debt. In 2023, Kassan used MediaLink's Wells Fargo account to pay off approximately $486,469.96 for his personal credit cards. Notwithstanding that other UTA accounts require "dual authorization" (e.g., separation between a party that can initiate a wire and one that can release a wire) Kassan was the sole signatory for this MediaLink Wells Fargo account and (contrary to proper controls) was singularly able to both initiate and release funds.

29. This Well Fargo account had previously been used by MediaLink to deposit client funds. After UTA acquired MediaLink in December 2021, it was incumbent upon Kassan to ensure that client funds were deposited in a UTA-managed business account. Kassan inexplicably failed to cause MediaLink clients to deposit checks in a UTA account, and instead allowed them to continue to be deposited in MediaLink's Wells Fargo account. In addition, on multiple occasions (despite MediaLink's robust administrative and finance staff) Kassan took it upon himself to personally deposit paper checks sent by clients to the MediaLink Wells Fargo account via his mobile app, instead of allowing such checks to be deposited by his finance team to an approved UTA-managed business account. Kassan then blatantly converted these company funds to cover his own personal debts. In short, Kassan treated these company funds and this bank account as a personal slush fund.

30. Kassan's first payment from the Wells Fargo account occurred on January 1, 2023 and consisted of $160,000 to pay for his personal credit cards. MediaLink's seniormost finance executive noticed this unusual payment and questioned Kassan about it via email on January 26, 2023, asking him if it was a mistake or if it related to a MediaLink, expense in which case she would require a receipt. Kassan did not respond to this email.

31. Kassan flagrantly continued his unlawful use of company funds, despite being notified of the issue by MediaLink's most seniormost finance executive. On February 6, 2023, a mere 11 days after being warned by MediaLink's seniormost finance executive, Kassan used

another $160,000 from MediaLink's Wells Fargo account to pay his personal credit cards. That finance executive emailed Kassan again on February 9, 2023 after this second payment was made, noting she was "slightly concerned as we are about to go into audit" and again on February 21, March 21, 2023 and April 6, 2023, reiterating the "need to resolve th[e] two payments out of Wells Fargo for $160k: This needs to get resolved. Can you get this refunded back?" and "this really needs to get paid back." She further noted that receipts would be required to verify these payments as true business expenses.

32. Undeterred, on May 9, 2023, Kassan used MediaLink's Wells Fargo account to make ***another*** payment of $166,460.96 for his personal credit cards. Following this payment, MediaLink's seniormost finance exeuctive sent another email to Kassan stating: "Vickie just flagged another $166,460.96. Given this is now almost half a million dollars, I am not sure how you want me to handle … I cannot explain this balance in the balance sheet to UTA." Again, Kassan failed to respond to the executive.

33. UTA's CFO subsequently requested that MediaLink's seniormost finance executive provide a breakdown of Kassan's 2023 expenses and an assessment of whether they were within the $950,000 "Special Expenses" cap. That executive provided a list of special expenses that failed yet again to disclose the $486,469.96 used to pay Kassan's personal credit card debt. Ultimately, UTA uncovered these payments through its own diligence and began inquiring about their purpose.

34. In an October 2023 email to Kassan, MediaLink's seniormost finance executive wrote that, "I had hoped to advise you to pay this back ahead of sharing this summary but given [UTA] has found this themselves we have to declare as it is."

35. As a licensed California attorney with a background specializing in tax law, Kassan knew or should have known that his actions were not in line with IRS requirements.

36. When UTA confronted Kassan about the $486,469.96 amount, Kassan admitted that these company funds were used to pay his personal credit card bills. Incredibly, Kassan claimed that he had "mistakenly" made these payments, despite the multiple and increasingly urgent ignored warnings from MediaLink's top finance executive.

37. Kassan engaged in further flagrant breaches of his obligations to MediaLink and UTA. For instance, Kassan permitted a MediaLink credit card to be issued to his wife, Ronnie Kassan, despite the fact that she is not an employee of MediaLink or UTA. Mrs. Kassan used her MediaLink credit card to purchase numerous luxury goods. While these luxury goods were purportedly "business gifts" for clients and UTA colleagues, Kassan provided no receipts for these purchases (contemporaneously or otherwise) and no rationale for his non-employee wife making the purchases rather than a member of his large administrative staff. In addition, not only has Kassan used MediaLink funds to pay for his personal driver, but improperly utilized company monies to pay the rent for his driver's apartment. Similarly, Kassan used company funds to compensate the housekeeper for his New York residence.

38. As the Chief Executive Officer of MediaLink, Kassan had the "responsibility to manage the long-term strategy, day-to-day operations and staff of [MediaLink] and UTA Marketing, and oversee the financial affairs of [MediaLink], consistent with and subject to the applicable annual [MediaLink] budget mutually agreed upon by [Kassan] and UTA." Despite being charged with overseeing the financial affairs of MediaLink, Kassan failed to adhere to any appropriate "control environment" to monitor expenses contemporaneously, which created significant risk, and created an environment that discouraged transparency by MediaLink employees in communications with UTA.

39. During the pendency of UTA's review of Kassan's expenses, Kassan's subordinate instructed a MediaLink employee to paper an arrangement whereby Kassan would (individually or via MKI) receive $200,000 of equity in a startup entity in exchange for $150,000 of free MediaLink services and $50,000 of cash from Kassan individually. Kassan's subordinate subsequently instructed the employee that the "equity component is being removed for simplicity" or words to that effect - yet the free services were still going to be provided. While Kassan now claims "no transaction occurred" with respect to the startup, the fact that Kassan would attempt to utilize MediaLink services as "currency" for equity to be kept for himself or MKI – during an ongoing review of his conduct – underscores Kassan's tendency to operate within "gray areas" and to usurp corporate opportunities and resources for his own personal gain.

40. On information and belief, Kassan engaged in unauthorized business activities outside of MediaLink and UTA, in violation of his obligation under the Agreement to devote his "full business time, best efforts and skills to the performance" of his duties to MediaLink.

41. On March 7, 2024, Kassan was terminated for "cause" pursuant to the Agreement.

FIRST CAUSE OF ACTION FOR CONSTRUCTIVE FRAUD

(By Plaintiffs Against all Defendants)

42. Plaintiffs re-allege and incorporate herein by reference the allegations contained in the preceding paragraphs with the same force and effect as though fully set forth herein.

43. Kassan, as Chairman, President, Secretary, and CEO of MediaLink and a partner of UTA, maintained a fiduciary and confidential relationship with Plaintiffs in that Plaintiffs had placed trust and confidence in his integrity and fidelity.

44. Kassan had a duty to keep Plaintiffs informed. Kassan had a duty not to lie or misrepresent facts to Plaintiffs. Kassan had a duty not to engage in self-dealing.

45. Kassan breached his duties to Plaintiffs by the actions identified above.

46. Kassan, in submitting or causing his finance team to submit inaccurate and/or misleading expense-related financial information and making other representations to the Plaintiffs, expressly and implicitly, represented that the expenses for which he was seeking reimbursement were legitimate business expenses incurred on behalf of Plaintiffs when, in fact, egregious portions of those expenses were incurred for the benefit of Kassan personally and had no legitimate business purposes serving Plaintiffs' interests.

47. Representations in expense reports submitted by or on behalf of Kassan and Kassan's other representations as alleged above, express and implied, were false.

48. Kassan knew his representations were false at the time he made them.

49. Defendant Kassan intended that Plaintiffs would rely on his false statements at the time he made them.

50. Plaintiffs reasonably relied on Kassan's representations by, among other things, reimbursing him for substantial expenses claimed by Kassan even though, without Plaintiffs' knowledge, those expenses were not in fact legitimate business expenses incurred for Plaintiffs'

benefit but were, in truth, personal expenses for the benefit of Kassan personally. Plaintiffs also reasonably relied on Kassan's representations and omissions by allowing him to continue his partner services for Plaintiffs when, had it known the true facts that Kassan misrepresented and omitted, it would have terminated his partner services.

51. As a result of Kassan's fraudulent misrepresentations and omissions, Plaintiffs were harmed and damaged in an amount not yet fully determined and to be proved at trial and in excess of the jurisdictional minimum of this Court.

52. Defendant Kassan's conduct was fraudulent, willful, oppressive, and malicious.

53. Plaintiffs seek compensatory damages in an amount to be proven at trial and punitive damages in an amount to be determined by the jury.

SECOND CAUSE OF ACTION FOR BEACH OF PARTNER SERVICES AGREEMENT

(By Plaintiffs Against all Defendants)

54. Plaintiffs re-allege and incorporate herein by reference the allegations contained in the preceding paragraphs with the same force and effect as though fully set forth herein.

55. On or about December 15, 2021, Kassan entered into the Agreement, a valid and binding contract enforceable in accordance with its terms.

56. Plaintiffs have done all, or substantially all, of the significant things required of them pursuant to those contracts.

57. To the extent, if any, that Plaintiffs have failed to fulfill any duty under the Agreement, that failure was and is excused by Kassan's misconduct and/or failure to perform his contractual obligations.

58. All conditions required by the Agreement for Kassan's performance under the Agreement have been satisfied, waived, or excused by Kassan's own misconduct and/or failure to perform his obligations under Agreement.

59. Kassan has breached the Agreement in the manner alleged above.

60. Kassan's breaches have caused Plaintiffs to suffer damage and harm, and Plaintiffs seek compensatory damages in an amount to be proved at trial.

THIRD CAUSE OF ACTION FOR BREACH OF FIDUCIARY DUTY

(By Plaintiffs Against all Defendants)

61. Plaintiffs re-allege and incorporate herein by reference the allegations contained in the preceding paragraphs with the same force and effect as though fully set forth herein.

62. By virtue of his role with Plaintiffs, Kassan owed Plaintiffs fiduciary duties.

63. By engaging in the conduct alleged above, Defendant Kassan breached his fiduciary duties to Plaintiffs.

64. As a result of Kassan's breach of fiduciary duty, Plaintiffs were harmed and damaged in an amount not yet fully determined and to be proved at trial and in excess of the jurisdictional minimum of this Court.

65. Kassan's conduct was fraudulent, willful, oppressive, and malicious.

66. Plaintiffs seek compensatory damages in an amount to be proven at trial and punitive damages in an amount to be determined by the jury.

FOURTH CAUSE OF ACTION FOR BREACH OF DUTY OF LOYALTY

(By Plaintiffs Against all Defendants)

67. Plaintiffs re-allege and incorporate herein by reference the allegations contained in the preceding paragraphs with the same force and effect as though fully set forth herein.

68. By virtue of his role with Plaintiffs, Kassan owed Plaintiffs a duty of loyalty.

69. By engaging in the conduct alleged above, Kassan breached his duty of loyalty to Plaintiffs.

70. As a result of Kassan's breach of his duty of loyalty, Plaintiffs were harmed and damaged in an amount not yet fully determined and to be proved at trial and in excess of the jurisdictional minimum of this Court.

71. Kassan's conduct was fraudulent, willful, oppressive, and malicious.

72. Plaintiffs seek compensatory damages in an amount to be proven at trial and punitive damages in an amount to be determined by the jury.

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PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for judgment against Defendants as follows:

On All Causes of Action:

1. For compensatory damages in favor of Plaintiffs in an amount in excess of the minimum jurisdiction of this Court, to be determined at trial;

2. For consequential damages in favor of Plaintiffs in an amount in excess of the minimum jurisdiction of this Court, to be determined at trial;

3. For punitive damages and exemplary in favor of Plaintiffs in an amount in excess of the minimum jurisdiction of this Court, to be determined at trial;

3. For pre-judgment interest on any recovery by Plaintiffs;

4. For expenses of suit incurred herewith;

5. For such other relief as the Court may deem just and proper.

Dated: March 12. 2024

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