

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

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JESS M. RAVICH, RAVICH REVOCABLE	:	Index No. _____
TRUST OF 1989, and RAVICH	:	
PERMANENT PARTNERSHIP L.P.,	:	<b>COMPLAINT</b>
	:	
Plaintiffs,	:	
	:	
-against-	:	
	:	
TCW LLC, CLIPPER HOLDING, L.P. and	:	
DOES 1-10,	:	
	:	
Defendants.	:	
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**PRELIMINARY STATEMENT**

1. Defendant TCW LLC (“TCW” or the “Company”), a private money management firm with over \$200 billion under management, has refused to pay Jess M. Ravich (“Ravich”) millions of dollars in wages, bonuses, indemnity reimbursements, and severance, in violation of his employment agreement and several other agreements.

2. In addition, a TCW affiliate, Clipper Holding, L.P. (“Clipper”), has improperly “redeemed” equity units held by Ravich and a limited partnership established for his children, and has refused to pay anything whatsoever for those equity units, effectively appropriating tens of millions of dollars for itself.

3. Defendants’ principal basis for these refusals is a contrived assertion that Ravich was terminated for cause in June 2019. The grounds for termination cited by the Company are fabrications and fall far short of the definition of “cause” under the express terms of Ravich’s written employment contract.

4. Indeed, the supposed for cause termination was a pretext; TCW and its Chief Executive Officer at the time, David Lippman, manufactured a false story about Ravich, seeking to blame him for Lippman's own lapses in judgment that led to a sexual discrimination and retaliation suit being filed by a former TCW employee, Sara Tirschwell.

5. Three investigations by or on behalf of the Company vindicated Ravich, finding no evidence he had committed any acts of sexual harassment or gender discrimination. Moreover, a court dismissed the retaliation claim against Ravich, even while the court upheld the claim against TCW.

6. The Company gave no credence to Tirschwell's allegations against Ravich. In December 2017, after Tirschwell submitted her frivolous complaint concerning Ravich to the Company's Human Resources Department, Ravich was appointed to the board of the Company. He was awarded a \$7.45 million bonus for his leadership in connection with a transaction pursuant to which Nippon Life Insurance Company ("Nippon Life") invested in TCW. This transaction unlocked more than \$130 million in "stock appreciation rights" for the partners of TCW. Ravich also was awarded a significant equity participation (called "U" units).

7. The Company's continuing confidence in Ravich is also confirmed by Lippman's promise to Ravich in January and March 2018 that he would receive a \$6.5 million bonus for services to be rendered in 2018.

8. This all changed in the summer of 2018, when Lippman learned that *The New York Times* was planning to write an article about Ms. Tirschwell's case and was seeking to paint TCW under Lippman's leadership as a "toxic" workplace.

9. Lippman immediately turned on Ravich, his loyal and successful employee, and sought to scapegoat him for Lippman's improper actions, even though TCW had internally cleared Ravich of any wrongdoing.

10. Lippman's attacks on Ravich were merciless and personal. Lippman, both directly and through certain of his board members and employees, made improper and false public statements about Ravich, threatened Ravich with public embarrassment and harm to his reputation, stripped Ravich of his duties at the Company, denied Ravich payments due to him, and even for a time stopped advancing Ravich's legal fees incurred in defense of the Tirschwell lawsuit. One board member even told Ravich in 2019 that, if he did not resign and settle the retaliation claim against Lippman, the company would issue a false statement that would embarrass Ravich in front of his four daughters. In the fall of 2023, TCW hired an investigator who contacted four of Ravich's sisters-in-law and told them that Ravich was unfaithful to their deceased sister before she died.

11. The culmination of Lippman's bare-knuckle strategy to destroy Ravich's reputation was the Company's contrived termination of Ravich's employment, supposedly for cause, on June 10, 2019.

12. Having internally cleared Ravich of gender discrimination, Lippman realized he was precluded from using the Tirschwell litigation as an excuse for the termination. Undeterred, Lippman decided to manufacture grounds for the termination, each of which was false and none of which constituted "cause" under the express terms of the Ravich's written employment agreement with TCW (the "Employment Agreement").

13. The Company then refused to pay Ravich the severance to which he is entitled under the Employment Agreement, falsely denied and refused to pay a \$6.5 million bonus

promised in 2018, refused to pay him wages he had earned in 2019, and refused to pay him his contractual bonus for 2018 and 2019 (or any portion thereof).

14. Moreover, Clipper purported to “redeem” membership interests held by Ravich based on his termination. However, Clipper defaulted and has failed to pay Ravich for those shares as required by the plain language of Clipper’s Third Amended and Restated Limited Partnership Agreement (the “Clipper Agreement”).

15. Separately, Clipper also sought to redeem the units held by Ravich’s children’s limited partnership, Ravich Permanent Partnership L.P. (“RPP”), which is wholly independent from Ravich. RPP purchased the units from Clipper for cash, and is not subject to any right of repurchase by Clipper. Clipper had no right to redeem these units. Moreover, although Clipper purported to redeem the units held by RPP, Clipper again defaulted and failed to provide the payment for those shares as required by the Clipper Agreement.

16. TCW also has refused to advance funds to Ravich pursuant to the TCW LLC Amended and Restated Limited Liability Company Agreement, dated January 1, 2016 (the “LLC Agreement”) in connection with a pending lawsuit. The advancement is mandatory under the Agreement and Delaware law. TCW has blatantly breached the LLC Agreement as well.

17. Defendants’ wrongful conduct has caused damages to Ravich and RPP exceeding \$40 million.

### **THE PARTIES**

18. Plaintiff Ravich is an individual residing in Los Angeles, California. Ravich formerly served as the Group Managing Director and Head of Alternative Products at TCW.

Ravich was also appointed to the Board of Directors of both TCW and its affiliate, TCW Owners LLC (“TCW Owners”).

19. The Ravich Revocable Trust of 1989 (“RRT”) is a trust established for the benefit of Ravich.

20. The Ravich Permanent Partnership (“RPP”) is a Delaware limited partnership. All the economic interests of RPP are held by Ravich’s four children.

21. Defendant TCW is an asset management firm. On information and belief, TCW is a Delaware limited liability corporation with a principal place of business in Los Angeles, California.

22. Defendant Clipper is, on information and belief, a Delaware limited partnership with a principal place of business in Los Angeles, California. Clipper is the successor of TCW Owners LLC (“TCW Owners”)

23. Defendants Does 1-10 are individuals affiliated with TCW, whose identities are not yet ascertained, and through which, are at the direction of, TCW engaged in a continuing campaign of extreme and outrageous harassment against Ravich.

### **JURISDICTION AND VENUE**

24. This Court has jurisdiction of this civil action pursuant to CPLR §§ 301 and 302.

25. Venue is proper in this court pursuant to CPLR § 503. In addition, any disputes under Ravich’s employment agreement are required to be venued in New York. The parties have agreed that Ravich and RPP can assert the disputes raised herein under the Clipper and LLC Agreements in this jurisdiction regardless of any venue provision in those Agreements.

## **FACTUAL BACKGROUND**

### **Ravich's Successful Career**

26. Ravich has had a highly successful career spanning decades in the investment banking and investment industry.

27. Ravich earned his Bachelor and Master of Science degrees from the Wharton School at the University of Pennsylvania and a Juris Doctor degree from Harvard University.

28. In 1991, Ravich founded Libra Securities, LLC ("Libra"), an investment banking firm focused on raising capital and financial advisory services for middle-market corporate clients and sales and trading of debt and equity securities for institutional investors. In addition to his role as founder, Ravich served as the CEO and Chairman of Libra until 2009.

29. From 2009 until December 2012, Ravich served as a Managing Director and the Head of the Capital Markets Group at Houlihan Lokey, Inc., an investment bank and financial services company.

30. Based on his success and qualifications, in or around late 2012, TCW, an international asset management firm, recruited Ravich to join the Company in the senior leadership role of Group Managing Director and Head of Alternative Products. Ravich joined TCW in early 2013.

31. Ravich was one of TCW's most highly respected and trusted executives, and assumed significant responsibilities, including the leadership of TCW's Alternative Products and Direct Lending business. During his tenure at TCW, Ravich was instrumental in the acquisition and growth of the Direct Lending Platform at TCW.

### **The “Stock Appreciation Rights”**

32. In 2013, Carlyle Group Inc. (“Carlyle”) made a substantial investment into TCW. As part of that transaction, TCW and Carlyle set up a bonus pool of “Stock Appreciation Rights” (“SARs”) to compensate TCW executives for achieving return targets for Carlyle. The SARS grant was intended to be an incentive to and retention bonus for TCW’s top executives, including Ravich.

33. In 2017, TCW agreed to a new strategic partnership with Nippon Life. Ravich was integral to the planning and negotiation of this transaction, which resulted in a restructuring of TCW. Nippon Life acquired 24.9% of TCW (through a holding company, Clipper), and the non-Carlyle unit holders formed a new entity, TCW Owners, to hold their ownership interests in TCW (also through Clipper).

34. The Nippon Life transaction triggered the SARS payment. More than \$130 million in SARs bonuses were distributed to TCW executives.

35. Recognizing Ravich’s contribution to creating substantial value for TCW and Carlyle, Ravich was going to be awarded \$14 million from the SARs bonus pool. Of the 32 executives who received a SARS allocation, Ravich received the fourth highest award.

36. In or about late October 2017, TCW received advice from outside legal counsel that Ravich’s \$14 million SARs allocation could have adverse tax consequences for TCW. In previous years, Ravich had allocated a portion of his annual incentive compensation to the individuals and groups within Alternative Investments that reported to him, and thereby reduced his annual compensation. As a result, Ravich’s SARs allocation was limited to \$7.5 million under the tax law.

37. Ravich agreed to reduce his allocation to avoid this adverse tax consequence. Based on counsel's advice and discussions at the time with TCW's Chief Executive Officer, Lippman, Ravich believed that TCW would take these events and Ravich's ongoing contribution to TCW into consideration when determining Ravich's compensation for the services to be provided in 2018. On information and belief, the \$6.5 million that Ravich agreed to forgo was divided equally between two other senior executives, Tad Rivelle and Laird Landmann.

### **The \$6.5 Million Bonus**

38. TCW continued to reward Ravich's exemplary work for TCW. In December 2017, Ravich was appointed to the Boards of TCW and the newly formed TCW Owners.

39. In January 2018, TCW awarded Ravich "Class U Units" (the equivalent of stock options). Ravich (along with another employee) received the second highest award of Class U stock units (13,166 units). The Class U stock units were to vest at the end of December 2020 and were granted both to retain Ravich and to incentivize him to further grow the alternative business at TCW.

40. Consistent with the vesting schedule for the Class U units, Lippman represented to Ravich that his employment agreement, set to expire at the end of 2019, would be renewed and extended.

41. In January 2018, Lippman promised Ravich that he would receive a \$6.5 million bonus for further developing the Alternative Investments and Direct Lending businesses in 2018. Lippman did not tie this promise to the SARs payments.

### **The Tirschwell Suit**

42. In December 2017, just as Ravich was finalizing the Nippon Life restructuring, a TCW employee, Tirschwell, leveled false and defamatory allegations of gender discrimination



against Ravich. Tirschwell filed these false allegations with TCW's Human Resources Department on the evening that she discovered that Lippman had decided that her contract with TCW would not be renewed when it expired in February 2018.

43. TCW hired Tirschwell in 2016, first as a consultant and then as a Managing Director. Tirschwell had represented that she could establish a Distressed Strategy group, and that she could raise \$100 million from investors for a distressed fund. Her contract provided for a fixed term.

44. Ravich had known Tirschwell prior to her hiring by TCW, having first met her in or about 1994, when she established a distressed loan trading operation for Libra, where Ravich was the CEO.

45. Several years before Tirschwell came to work for TCW, Ravich and Tirschwell dated. Ravich was a widower, as his wife had passed away from non-Hodgkins lymphoma in March 2012. Tirschwell was a divorcee.

46. The romantic relationship between Tirschwell and Ravich began in or about August 2012 and ended in November 2013.

47. In late 2015, after Tirschwell expressed interest in working at TCW, Ravich discussed Tirschwell's hiring with Lippman. Ravich disclosed to Lippman that he had previously had a romantic relationship with Ms. Tirschwell.

48. Before Ravich's disclosure, Lippman independently was aware of Ravich and Tirschwell's prior relationship. Lippman and Ravich had been friends since the 1980s, when they both worked for Drexel Burnham Lambert. They had remained friendly in the intervening years, and Lippman recruited Ravich to join TCW in 2012.

49. Due to that enduring friendship, Lippman was already aware that Ravich had been romantically involved with Tirschwell, and that the romantic relationship had come to an end in the fall of 2013.

50. In 2016, Lippman hired Tirschwell with knowledge of her prior relationship with Ravich. Indeed, on information and belief, Lippman did not see Ravich's prior relationship with Tirschwell as an issue. On information and belief, Lippman believed that the prior nature and scope of their earlier relationship was immaterial. Lippman did not ask any questions of Ravich regarding the past relationship after his disclosure.

51. Tirschwell was unable to attract \$100 million in investor funds, and by 2017, it was becoming clear that she would not be able to do so. Her contract, which had already been renewed once, was set to expire in February 2018. Ravich nonetheless advocated internally at TCW for her contract to again be renewed to provide more time for the capital raise.

52. At an October 2017 meeting, Ravich learned directly from Lippman that he had decided not to renew Tirschwell's contract. Ravich discussed with Lippman giving Tirschwell another year. Lippman overruled Ravich's recommendation to extend Tirschwell's contract for another year.

53. To provide Tirschwell with time to secure future employment, Ravich asked Lippman and the general counsel of TCW for permission to share with Tirschwell that her contract would not be extended in February 2018. He received such permission and alerted Tirschwell that, while nothing had been finalized, TCW was not likely to renew her contract.

54. On December 5, 2017, Ravich informed Tirschwell that Lippman was travelling to New York and would be meeting with her on December 6, 2017 to tell her that her contract would not be renewed.

55. That evening, Tirschwell sent an email to TCW's Human Resources Department, falsely complaining of what she described as sexual harassment and discrimination by Ravich. Ravich had no further contact with Tirschwell after she sent this December 5, 2017 email.

56. Despite Tirschwell's pending human resources complaint, on December 14, 2017, just nine days later, Lippman terminated Tirschwell's employment, purportedly for "cause," citing certain compliance violations. As a New York court subsequently confirmed, Ravich was not involved in Lippman's decision to terminate Tirschwell—whose employment would otherwise have come to its natural end in February 2018. Ravich did not know that Tirschwell's employment had been terminated until after the termination had occurred.

57. In January 2018, Tirschwell sued TCW, TCW Group, Inc., Lippman, and Ravich. Her main claim was for retaliatory discharge—focused on Lippman's decision to terminate her a mere nine days after her complaint to HR. Tirschwell also claimed gender discrimination by Ravich and TCW, including for their failure to provide marketing support. Both the gender discrimination and retaliation causes of action were asserted under the same statute, New York City Human Rights Law § 8-107. Tirschwell also asserted three additional claims against Lippman and TCW (but not Ravich).

58. TCW retained an independent investigator to conduct an internal investigation of Tirschwell's claims. Ravich cooperated fully with this investigation. The investigation vindicated Ravich, finding that there was no evidence that Ravich had a sexual relationship with Ms. Tirschwell during the 2016 to 2017 period as alleged, and that there was no gender discrimination. Ravich subsequently was awarded summary judgment on the retaliatory discharge claim (a decision affirmed on appeal).

59. As part of Ravich's eventual settlement with Tirschwell, Tirschwell admitted in writing that Ravich sought to extend her employment at TCW. She specifically admitted that, "although unknown to Sara when she filed her action, Sara has learned through discovery that Jess unsuccessfully sought to extend her contract at TCW in the fall of 2017 because he believed she deserved a chance to continue to build a distressed fund but was overruled by David Lippman, and Jess was not involved in TCW's decision to terminate her on December 14, 2017 . . . ."

60. On or about March 15, 2018, Lippman reaffirmed the January 2018 promise that Ravich would receive a \$6.5 million bonus for 2018. Moreover, on information and belief, other senior executives knew of Lippman's promise of a \$6.5 million bonus to Ravich.

#### **Lippman's False Attacks Against Ravich**

61. Despite Ravich's extraordinary contributions to TCW's business, and TCW's recognition of these contributions through the substantial compensation promised to Ravich, everything changed in the summer of 2018.

62. In the summer of 2018, Lippman learned that *The New York Times* was planning to write an article about Tirschwell's retaliatory discharge case and was seeking to paint TCW under Lippman's leadership as a "toxic" workplace. On information and belief, the *New York Times* reporter informed TCW that the article would focus on the "frat"-like culture of the firm.

63. On information and belief, the investigative reporter also had received a tip that a different female employee at TCW had lodged a human resources complaint against Lippman for demeaning her physical appearance during a sales meeting.

64. Lippman was familiar with the pitfalls of negative press. When he first came on board as TCW's CEO in August 2012, the press was quick to note the lingering "fallout" at TCW

“from the acrimonious departure” of its most successful manager, and the pervasive “antagonistic work environment” that had led to the wide-scale employee turnover.

65. In an effort to keep TCW from enduring another public scandal, and to minimize his own exposure, Lippman hatched a plan to shift the media’s focus from Lippman’s toxic leadership and caustic corporate culture to Ravich.

66. Initially, Lippman had to get around the investigation that had cleared Ravich of any wrongdoing. Lippman retained a second law firm to conduct a second investigation targeting Ravich (but not the retaliation claims against Lippman).

67. This strategy backfired. The second investigation also vindicated Ravich. The second law firm concluded that Ravich’s account of his relationship with Tirschwell was credible, and noted that Ravich was, at all times, “very forthright” during its investigation. The second investigation also found no evidence of a “sexual relationship” between Ravich and Tirschwell during her employment at TCW.

68. Lippman then became even more aggressive in seeking to shift the reporter’s focus to Ravich. Seizing on the investigator’s statement that the “familiar banter” and joking messages in certain communications between Tirschwell and Ravich were in technical violation of TCW’s policies, on or about October 4, 2018, Lippman circulated a memo to all of TCW’s employees in which he publicly revealed certain disciplinary measures that the Company had taken against Ravich because of these communications. On information and belief, Lippman circulated this internal memo with the intention and plan that it be leaked to the press.

69. Indeed, on information and belief, Lippman authorized the leak of the October 4<sup>th</sup> memo to the Press. Specifically, TCW’s Head of Marketing and Communications, Doug Morris,

forwarded the private October 4<sup>th</sup> memo to *The Wall Street Journal* and *Bloomberg*, which immediately published the memo.

70. Morris acknowledged the impropriety of the leak, writing to Justin Baer of *The Wall Street Journal*: “you obtained this somehow. I clearly didn’t send it to you 😊.”

71. The leak of the October 4<sup>th</sup> memo to the Press—Lippman’s scapegoat strategy—had its intended effect. The *New York Times* investigative article reported on Ravich, rather than Lippman.

72. The article was devastating to Ravich and his reputation.

73. On information and belief, Lippman plainly was planning to deprive Ravich of all his benefits by this time. Indeed, Landmann, TCW’s Chief Operating Officer, acknowledged to Ravich in a November 2018 meeting at the Loews Hotel in New York City that Lippman had promised the \$6.5 million bonus, but suggested that Lippman was considering refusing to pay it.

#### **Lippman’s Wrongful Termination of Ravich’s Employment**

74. Having destroyed Ravich’s reputation, Lippman then sought to jettison Ravich from the Company and deprive him of the compensation he had been awarded just months before.

75. Lippman began systematically stripping Ravich of his leadership roles, going far beyond any of the disciplinary recommendations outlined in the October 4<sup>th</sup> memo. Among other things, TCW forced the removal of Ravich from the Boards of both Direct Lending VI and Direct Lending VII, on which he served as Chairman. TCW further barred Ravich from even attending such Board meetings as an observer—directly contrary to the Company’s practice for someone in Ravich’s position. Lippman also refused to allow Ravich to serve on the board of a portfolio company of Direct Lending V although he was invited to serve by the company’s management.

76. Lippman also attempted to stop TCW from paying Ravich's legal fees in connection with the Tirschwell lawsuit, in violation of TCW's contractual indemnity obligations.

77. Lippman refused to authorize the payment of the promised \$6.5 million bonus for 2018, and in fact blocked TCW from paying any of Ravich's contractual incentive compensation for 2018.

78. Lippman subsequently lied, claiming that he had never promised to pay Ravich a \$6.5 million bonus.

79. By March 3, 2019, Lippman had created an untenable situation for Ravich at TCW, and Ravich sent a memorandum to Lippman, Rivelle and Landmann recounting, in detail, their conversations about the \$6.5 million bonus that he had been promised in 2018. Ravich summarized his January 2018 conversation with Lippman as follows:

In January 2018, after the HR complaint had been filed and after the SARs payments had been made, David [Lippman] and I met to discuss 2018 plans and we discussed and he confirmed that TCW would pay me \$6.5 million from the Fixed Income Bonus Pool. He asked if I wanted that commitment in writing and I said his word was good enough for me. He got up from the conference table and walked over to me and we shook hands on his promise.

80. On or about May 11, 2019, a member of TCW's Board told Ravich point-blank that there were only two possible scenarios for Ravich from that point forward. First, Ravich must accept a \$3.5 million severance payment, resign from TCW, and settle the Tirschwell litigation, including the retaliation claims against Lippman and TCW, out of his own pocket. Or, second, Lippman would fire Ravich for "cause," and Ravich would get no severance and lose his stock. The Board member thus threatened Ravich with the loss of more than \$40 million in cash and stock.

81. The Board member also threatened to publicly humiliate Ravich. He asserted that TCW would disclose “evidence” of a sexual relationship between Ravich and Tirschwell before Ravich’s wife passed away (even though this pathetic and contrived allegation was absolutely false). The Board member specifically pointed out that this disclosure was aimed at humiliating Ravich in front of his four daughters.

82. Following the May 11 threats, on May 14, 2019, Lippman sent to Ravich a letter in which TCW purported to give notice to Ravich of a “for cause” termination (“May 14 Notice Letter”). Lippman purported to identify the following grounds to terminate Ravich for “cause”:

- (a) Lippman falsely characterized Ravich’s “claim” that he was promised a \$6.5 million bonus as a demand for an additional “SARs” allocation, and then asserted that this demand was “demonstrably false and directly contradicted” by a Special Bonus Payment Agreement that Ravich signed in December 2017;
- (b) Based on this mischaracterization, Lippman claimed that Ravich’s recounting of TCW’s promises to pay the bonus was designed to “ensnare TCW” in a tax scheme and thus constituted “both fraud and gross negligence.”
- (c) Lippman claimed that Ravich’s alleged “repeated failure to disclose the true extent of [his] relationship with Ms. Tirschwell constitutes a breach of [his] fiduciary duties, gross negligence in the performance of [his] duties....” This allegation was not based on any failure by Ravich to disclose that he had dated Ms. Tirschwell for 15 months, but instead was based on a failure to disclose the “seriousness of the relationship” years after the fact.



83. Even Lippman was forced to recognize that Ravich had been vindicated in connection with Tirschwell's claims. In a footnote, TCW admitted that the purported termination notice was "not premised on any determination that Ms. Tirschwell's allegations of a coerced sexual relationship had merit" and "TCW has reason to believe they are not."

84. On May 25, 2019, Ravich responded to the May 14, Notice Letter. Among other things, Ravich noted that none of the three stated grounds for termination amounted to "cause" under the negotiated terms of his Employment Agreement and were simply untrue.

- (a) Ravich pointed out he had never demanded an additional SARs allocation and that Lippman had promised a cash \$6.5 million bonus payment for services rendered in 2018. Ravich reiterated that, in January 2018, and again in March 2018, Lippman had promised him a \$6.5 million bonus for services rendered in 2018, and that Lippman broke those promises.
- (b) Ravich denied that his demand for the promised bonus was a tax fraud, and noted that both he and TCW received tax advice on issues relating to the SARS award from highly-respected tax counsel to ensure the legality of the tax treatment of that award and future bonuses.
- (c) Ravich reminded Lippman that Lippman had known about the existence and extent of his romantic relationship with Ms. Tirschwell since 2013, and that Ravich had disclosed that relationship to him (and other members of management and the Board of TCW) prior to Lippman's decision to hire Ms. Tirschwell.

85. On June 10, 2019, TCW terminated Ravich's employment, expressly relying on the grounds in its May 14, 2019 letter that were false and pretextual.

**TCW Redeems Stock Held by Ravich and RPP in Breach of the TCW Owners Agreement**

86. In 2013, Clipper sold units to Ravich and RPP.

87. Ravich and RPP paid cash for these purchases of the Clipper units.

88. RPP is a partnership established by Ravich for his children. Ravich has no beneficial interest in RPP. The sole beneficiaries are his four children. RPP purchased the units directly from Clipper. Ravich has never transferred any of his own units to the partnership.

89. On February 6, 2013, RPP purchased units in Clipper for approximately \$2 million. The units purchased by RPP were never owned by Ravich and they were not transferred to RPP by Ravich.

90. Ravich, through RRT, separately purchased units of Clipper for approximately \$6 million.

91. As part of the 2017 Nippon Life investment and restructuring, the units previously held in Clipper were exchanged for units in TCW Owners, the new entity created to hold the interests of all former investors in Clipper other than Carlyle.

92. On February 1, 2023, TCW Owners was eliminated, merging with and into Clipper, with Clipper as the surviving company. All investors in TCW Owners, including Ravich and RPP, received units in Clipper in exchange for units in TCW Owners.

93. TCW Owners and Clipper have for years treated RPP as a separate unitholder independent of Ravich. Distributions to RPP were recorded separately and Clipper filed separate tax forms for RPP and Ravich. TCW Owners and Clipper issued separate K-1s since the inception of the investments to RRT and RPP. In 2018, when TCW Owners gave unitholders the option to sell units back to the company, RPP participated even though Ravich, as one of the top executives of the company, was prohibited from doing so.

94. More than four years after TCW purported to terminate Ravich for cause, Clipper purported to issue a repurchase notice (dated December 28, 2023) to Ravich. The notice covered the units purchased by both Ravich and RPP.

95. Pursuant to the Clipper Agreement, upon the termination of Ravich's employment with TCW, Clipper had nine months in which to exercise a right to repurchase Ravich's units. The price paid to repurchase the units depended on the nature of the termination of Ravich's employment. If the termination was not for cause, then TCW Owners was required to pay fair market value. If the termination was for cause, then the repurchase price was equal to the lower of the fair market value and the aggregate purchase price paid for such units.

96. Clipper has a limited right of offset, which applies only after the exercise of the right to repurchase. This limited right of offset is triggered only where Clipper discovers after such exercise that a terminated employee had breached or is breaching any "Restrictive Covenant" or is engaged in "Detrimental Conduct." Restrictive Covenant and Detrimental Conduct are defined similarly, and apply to covenants not to disclose confidential information, not to solicit clients or customers, and not to compete with TCW. Clipper is required to give notice of the breach or the Detrimental Conduct and a ten-day cure period. The notice is required to be delivered within 90 days of Clipper's discovery of the breach or the Detrimental Conduct and is required to specify the conduct giving rise to the notice and the amount to be offset.

97. Absent cure, Clipper is entitled to recover the repurchase price paid or owed to the terminated employee, but only "to the extent of any amounts so paid or [owed] in excess of the aggregate amount originally paid by" the terminated employee in respect of the units.

98. The TCW Owners Agreement contained identical provisions regarding repurchase of a terminated employee's units as the Clipper Agreement.

99. Clipper's attempt to repurchase the units owned by RPP is a breach. RPP is not subject to the repurchase right, which applies only to Ravich and his "Permitted Transferees." RPP purchased its units directly from Clipper and Ravich did not transfer any units to RPP. Clipper does not have a repurchase right pursuant to the plain language of the repurchase provisions

100. On January 18, 2024, RPP through counsel informed Clipper it had no legal right to redeem RPP's holdings. Clipper never responded to this letter and offered no explanation of why it was entitled to repurchase the units held by RPP, which, of course, was never an employee of TCW and was never terminated by TCW.

101. Clipper also breached the Clipper Agreement with respect to the purported repurchase of units from Ravich.

102. The December 28, 2023 notice incorrectly states that, "[b]ecause you were terminated for Cause, [Clipper] has the right to repurchase your Repurchasable Units [i.e., his units in Clipper] for the lesser of the amount you paid for such Repurchasable Units and the Fair Market Value of such Units as of the date hereof." Further, Clipper stated that, "[t]he amount you paid for the Repurchasable Units was \$8,506,267.28, which is less than their Fair Markert Value as of the date hereof, and therefore shall be deemed to be the applicable purchase prices for your Repurchasable Units."

103. TCW did not have cause to terminate Ravich's employment for cause. Clipper thus was required to repurchase Ravich's units for fair market value, which was multiples of the price Ravich paid for the units.

104. On information and belief, the Fair Market Value of the units held by Ravich and by RPP was at least \$32 million.

105. Clipper further breached the Clipper Agreement by refusing to pay Ravich and RPP the amount that they paid for the units (\$8,506,267.28) pursuant to the December 28, 2023 notice. Even under Clipper's erroneous arguments that Ravich was terminated for cause, and that it had a repurchase right for the RPP units, Clipper was required to pay this amount to Ravich and RPP.

106. Clipper's justification for this blatant breach of the Clipper Agreement is that Clipper was entitled to offset the amount owed for the units by the damages TCW is seeking against Ravich in a separate lawsuit for legal fees and costs TCW advanced to Ravich in connection with the Tirschwell litigation, and for reimbursement of fees TCW incurred to defend the Tirschwell lawsuit.. According to Clipper, because the damages sought by TCW in that separate lawsuit exceed \$8,506,267.28, it owes him nothing for the shares.

107. Clipper is not entitled to set off any of these alleged damages. First, Clipper's December 28, 2023 notice does not identify any breach of Ravich's Restrictive Covenants or any Detrimental Conduct (as defined in the Clipper Agreement). Instead, Clipper refers only to Ravich's supposed termination "for Cause" and legal fees and costs advanced to Ravich in connection with the Tirschwell litigation. Under the express terms of the Clipper Agreement, Clipper cannot reduce the amounts owed to Ravich and RPP for such damages.

108. Second, the Clipper Agreement is clear that the set off right applies only to amounts "to the extent of any amounts so paid or [owed] in excess of the aggregate amount originally paid." Clipper thus has no right to keep the amounts originally paid by Ravich and RPP.

109. Third, Clipper did not give notice of the offset, nor did it identify any breach or Detrimental Conduct within 90 days.

110. Fourth, none of these alleged damages were incurred by Clipper, which is not Ravich's employer and did not advance any of the funds or incur any of the expenses in question.

Clipper is not even a plaintiff in the pending case brought by TCW. Clipper thus effectively transferred funds owed to Ravich and RPP instead to TCW, before TCW's claims have even been heard by a court. Clipper is a shareholder of TCW and had no legal basis to transfer funds owed to Ravich to TCW as an offset to TCW's claims.

111. Ravich is entitled to be paid the fair market value of the units that he owned.

112. Clipper's attempt to repurchase RPP's units was unauthorized and wrongful, and RPP is entitled to return of the units, or in the alternative the fair market value of the units.

**Ravich's Wrongful Termination and His Entitlements Under His Employment Agreement**

113. The Employment Agreement specifies that termination for cause "shall mean: (i) (A) fraud or (B) gross negligence in the performance of your duties and responsibilities; (ii) your repeated failure or repeated refusal, after written notice of such repeated failure or refusal has been given to you, in any material respect, to perform faithfully or diligently, all or a substantial portion of your duties to the Companies, as described in this Agreement ...."

114. None of the reasons given by Lippman in the May 14 Notice Letter establish fraud or gross negligence. Lippman knew of a prior 15-month romantic relationship between Ravich and Tirschwell prior to his decision to hire Tirschwell. Ravich specifically disclosed this relationship, which in any event was already known to Lippman. There is no allegation that Ravich refused to answer questions regarding it; indeed, there is no allegation that Lippman even asked a single question about it after Ravich's disclosure. Lippman merely asserts that Ravich did not disclose enough details about the relationship. The omission of salacious and other details of the relationship is plainly not a fraud.

115. Nor is there any allegation in the May 14 Notice Letter that Ravich failed to perform his duties as a TCW employee. Indeed, the letter does not comment on his job performance at all.

116. The May 14 Notice Letter also seeks to characterize Lippman's promises of a \$6.5 million cash bonus to Ravich in January 2018 as an attempt by Ravich to commit a tax fraud in connection with the previously issued SARs allocation. This allegation is a complete non sequitur and fails to establish that Ravich was seeking to engage in a tax fraud.

117. TCW's termination of Ravich's Employment Agreement thus was without cause. Under these circumstances, Ravich "shall be entitled to receive (i) the Accrued Compensation in a lump sum within 30 days after your termination of employment ...; (ii) a pro rata share of your Annual Incentive Compensation otherwise payable to you ... and (iii) the Severance Amount ... and the medical benefits set forth in Exhibit A."

118. The Employment Agreement provides that Ravich shall be paid, on an annual basis, incentive compensation based on the Alternative Products group performance, equal to ten percent (10%) of all accrued revenues.

119. TCW's termination of Ravich's employment was without cause. He is therefore entitled to the full compensation provided for in his Employment Agreement.

### **Ravich is Entitled to Indemnity**

120. TCW LLC was Ravich's employer and signed Ravich's Employment Agreement.

121. The Employment Agreement indemnifies Ravich if he is made a party to any "action, suit or proceeding, whether civil, criminal, administrative, investigative, appellate or other . . . by reason of the fact that" Ravich was a "director, officer, employee, agent, [or] manager . . ." The indemnity also covers a claim that "arises out of or relates to" Ravich's service as an employee. This indemnity provides that Ravich "shall be indemnified and held harmless by [TCW and other affiliates] to the fullest extent permitted or authorized by the applicable member of the [TCW

group's] organizational documents, bylaws, or Board resolutions against any and all costs, expenses, liabilities and losses," including attorney's fees.

122. The Employment Agreement has a mandatory advancement provision. TCW "***shall advance*** to [Ravich] all costs and expenses incurred by you in connection with such Proceeding or Claim within 15 days after receiving written notice requesting such an advance."

123. This indemnity obligation in the Employment Agreement is broad. Ravich is to be "indemnified and held harmless" by TCW "to the fullest extent legally permitted or authorized by" the TCW LLC Agreement and any other applicable agreement.

124. TCW is a Delaware LLC, and Section 14(a) of the LLC Agreement provides that TCW "shall, to the fullest extent permitted under the Delaware Act, indemnify and advance expenses to its managers, officers, employees, controlling persons and agents "from and against any and all expenses, liabilities, claims, demands and other matters whatsoever . . . ."

125. The indemnity in the LLC Agreement expressly covers actions by the company against Ravich. Section 14(c), entitled "Action by or in the Right of the Company," provides: "the Company shall indemnify any person who was or is a party" to any action or suit "***by or in the right of the Company*** to procure a Judgment in its favor by reason of the fact that he is or was a Manager, officer, employee, controlling Person or agent of the Company." (Emphasis added). This obligation requires TCW to indemnify Ravich "against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action so long as he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. . . ."

126. The LLC Agreement also has a mandatory advancement provision. Section 14(f) provides:



Expenses (including reasonable attorney's fees incurred by any Person [entitled to indemnity] in defending any civil, criminal, administrative, or investigation action, suit or preceding . . . ***shall be paid by*** [TCW] in advance of the final disposition of such action . .

127. The only requirement for such mandatory advancement is that Ravich deliver “an undertaking . . . to repay such amount if it shall ultimately be determined that he is not entitled to indemnification by the Company . . . .”

128. On or about July 17, 2024, TCW and TCW Group, Inc. filed an action in the Supreme Court of the State of New York, County of New York, *TCW Group Inc. and TCW LLC, v. Jess Ravich*, Case No. 653614/2024 (the “TCW Action”), against Ravich seeking, among other things, reimbursement of fees advanced to Ravich for his defense in the Tirschwell litigation, damages for alleged breach of fiduciary duty as an employee of TCW and reimbursement of all costs and expenses incurred by TCW in connection with the Tirschwell litigation.

129. TCW was Ravich's employer, and TCW is a plaintiff in the TCW Action. The LLC Agreement's indemnity provisions are clearly “applicable.” The Employment Agreement provides that Ravich is entitled to indemnification “to the fullest extent permitted or authorized by” the LLC Agreement.

130. Ravich believes TCW's claims are baseless. However, they all fall squarely within the indemnity and the mandatory advancement provisions of the LLC Agreement.

131. On October 7, 2024, Ravich sent a notice to TCW seeking advancement of his attorneys fees and costs in connection with this action. Ravich attached a draft undertaking that is in the same form that he had signed in connection with TCW's advancement of his fees and costs in the Tirschwell litigation.

132. In a letter dated October 28, 2024, TCW refused to provide any advancement.

133. The parties have agreed that this claim against TCW may be brought in this jurisdiction, even though TCW LLC was established in Delaware and the LLC Agreement is governed by Delaware law.

**COUNT I – BREACH OF WRITTEN EMPLOYMENT CONTRACT**

134. Ravich re-alleges and incorporates by reference paragraphs 1 through 133 as though fully set forth herein.

135. Ravich and TCW entered into the Employment Agreement, which, at all relevant times, has been binding and enforceable.

136. Ravich has performed his obligations under the Employment Agreement.

137. TCW's performance of its obligations has not been excused.

138. TCW failed to pay Ravich his incentive compensation for 2018, prior to his termination. Ravich's compensation is set forth in Exhibit A to the Employment Agreement. Exhibit A requires TCW each year to pay Ravich 10% of the revenue of the Alternative Product Group less any amounts he allocated to other members of such group. TCW breached the Employment Agreement by refusing to pay Ravich his 2018 Annual Incentive Compensation.

139. TCW also breached the Employment Agreement by purporting to terminate Ravich's employment for cause.

140. None of the reasons for the termination constitute cause under the Employment Agreement.

141. TCW's baseless for-cause termination was a pretext aimed at executing Lippman's plan to destroy Ravich's reputation and withhold his duly owed compensation.

142. TCW has breached its obligations under the Employment Agreement by failing to pay Ravich the compensation and benefits to which he is entitled after TCW's termination without cause.

143. This compensation includes, but is not limited to, the following.

- (a) **Incentive Compensation.** Ravich is entitled to a pro rata share of his Annual Incentive Compensation for 2019.
- (b) **Accrued Compensation.** TCW was required to pay accrued but unpaid benefits, including the 2018 Annual Incentive Compensation, within 30 days after the termination of his employment on June 19, 2019. (This obligation exists even if the termination was alleged to be for cause).
- (c) **Severance.** The Employment Agreement requires TCW to pay severance. Pursuant to Exhibit A, Ravich's severance is equal to Ravich's Base Salary" (\$3 million) for the period beginning on the date of termination through the lesser of one-half the remaining term of the Agreement, or the "remaining term of your obligations under Section 10(b).

144. Ravich has suffered additional damages in an amount as yet to be determined, as a direct result of TCW's breaches of the Employment Agreement.

### **COUNT II – BREACH OF ORAL CONTRACT**

145. Ravich re-alleges and incorporates by reference paragraphs 1 through 144 as though fully set forth herein.

146. Ravich and TCW entered into an oral contract whereby TCW promised to pay him a bonus of \$6.5 million for service rendered in 2018 (the "Bonus Agreement"). The agreement to pay this bonus was binding and enforceable.

147. Ravich has performed his obligations under the Bonus Agreement.

148. TCW's performance of its obligations has not been excused.

149. TCW breached its oral promise to Ravich by refusing to pay Ravich the \$6.5 million bonus for service rendered in 2018.

150. Ravich has suffered damages in the amount of \$6.5 million plus applicable interest as a direct result of TCW's breach.

### **COUNT III – BREACH OF INDEMNITY OBLIGATION**

151. Ravich re-alleges and incorporates by reference paragraphs 1 through 150 as though fully set forth herein.

152. Ravich and TCW entered into the Employment Agreement, which at all relevant times has been binding and enforceable.

153. The Employment Agreement provides that Ravich "shall be indemnified and held harmless by [TCW and other affiliates] to the fullest extent permitted or authorized by the applicable member of the [TCW group's] organizational documents, bylaws, or Board resolutions against any and all costs, expenses, liabilities and losses," including attorney's fees.

154. The LLC Agreement provides Ravich with rights of indemnification and advancement "to the fullest extent permitted under the Delaware Act." This indemnity expressly applies to actions brought by the Company.

155. TCW has brought the TCW Action against Ravich.

156. Ravich is entitled to indemnification in connection with the TCW Action.

157. Both the Employment Agreement and the LLC Agreement have a mandatory advancement provisions.

158. Ravich requested the advancement of his expenses and fees to defend himself in the TCW Action.

159. Ravich provided an undertaking as required by the LLC Agreement.

160. TCW refused to advance fees and costs in connection with the action it commenced against Ravich.

161. TCW's refusal blatantly and intentionally breached the Employment Agreement and the LLC Agreement.

162. Ravich seeks an injunction compelling TCW to advance his fees and costs in connection with the TCW Action. TCW also seeks punitive damages for this intentional breach.

**COUNT IV – BREACH OF IMPLIED COVENANT OF**  
**GOOD FAITH AND FAIR DEALING**

163. Ravich re-alleges and incorporates by reference paragraphs 1 through 162 as though fully set forth herein.

164. New York law implies a covenant of good faith and fair dealing in all contracts, including the Employment Agreement, the Bonus Agreement, and the Indemnity Obligations.

165. TCW breached the covenant of good faith and fair dealing implied by the Employment Agreement, the LLC Agreement and the promise of a \$6.5 million bonus, without limitation, by failing to pay him monies owed under those agreements.

166. TCW's acts and omissions in violation of the implied covenant of good faith and fair dealing have caused Ravich to suffer damages in an amount as yet to be determined, and as a result of such violations, Ravich is entitled to damages.

**COUNT V – INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS**

167. Ravich re-alleges and incorporates by reference paragraphs 1 through 166 as though fully set forth herein.

168. TCW, and Does 1-10, have engaged in a continuing campaign of extreme and outrageous harassment that was intended to, and has in fact, caused Ravich severe emotional distress.

169. TCW's campaign against Ravich has been merciless and personal. Lippman, both directly and through certain of the Company's board members and employees, threatened to make improper and false public statements about Ravich, improperly disclosed to the press confidential employment information concerning Ravich, threatened Ravich with public embarrassment and harm to his reputation, stripped Ravich of his duties at the Company, denied Ravich payments due to him, and for a time improperly stopped advancing Ravich's legal fees in defense of the Tirschwell lawsuit.

170. One TCW board member told Ravich that, if he did not resign and settle the retaliation claim against Lippman, the Company would issue statements that would embarrass Ravich in front of his four daughters. TCW followed through on this threat when, in the fall of 2023, it hired an investigator to contact four of Ravich's sisters-in-law and told them that Ravich was unfaithful to their deceased sister while she was dying.

171. As a result of the TCW investigator's harassment of Ravich's family, Ravich's four daughters became aware of the Company's allegations that Ravich was unfaithful to their mother while she was dying.

172. TCW's harassment campaign was intended to, and has, caused Ravich to suffer severe emotional and mental distress, resulting in the need for medical treatment.

173. Ravich has been damaged by TCW's and Does 1-10s' intentional infliction of emotional distress in an amount yet to be proven.

**COUNT VI – BREACH OF LIMITED PARTNERSHIP AGREEMENT**

174. Ravich, RRT and RRP re-allege and incorporate by reference paragraphs 1 through 173 as though fully set forth herein.

175. Ravich (through RRT) and RPP each directly purchased units in Clipper.

176. Ravich never transferred any of his units to RPP.

177. On or about December 28, 2023, Clipper purported to repurchase Ravich's and RPP's units in Clipper. Clipper claimed that it was entitled to repurchase these units at the price Ravich and RPP paid for the units because Ravich had supposedly been terminated for cause in June 2019.

178. Clipper breached the Clipper Agreement by purportedly repurchasing RPP's units. RPP is an independent entity that purchased its Clipper units separately. The repurchase right does not apply to RPP.

179. Clipper also breached the Clipper Agreement by failing to pay Ravich the fair market value for his Clipper units.

180. TCW's termination of Ravich's employment in June 2019 was without cause. Under the terms of the Partnership Agreement, Clipper could repurchase Ravich's units in Clipper upon such termination, but must pay the fair market value if his employment was terminated for any reason other than "for cause."

181. Clipper's claim that it repurchased Ravich's units for the amount he paid for the units is a breach of the Clipper Agreement.

182. In addition, Clipper, even pursuant to its incorrect assertion that Ravich was terminated for cause, was required to pay Ravich the price he paid for the units.

183. Clipper was not entitled to “set off” the repurchase price against the amounts TCW claims from Ravich. Pursuant to the plain language of the Clipper Agreement, set off is only permitted for breaches of Restrictive Covenants and Detrimental Conduct discovered after the exercise of the repurchase right (December 28, 2023). Clipper was required to give notice of the violation and a 10-day cure period.

184. Clipper has never identified any breaches of Restrictive Covenants or Detrimental Conduct by Ravich. Nor did Clipper issue a cure notice to Ravich.

185. TCW’s lawsuit pending against Ravich also does not allege such breaches.

186. Clipper’s purported repurchase of Ravich’s units in Clipper without paying him the Fair Market Value of those shares breached Clipper’s obligations under the Partnership Agreement. Even pursuant to TCW’s alleged termination for cause, Clipper was required to pay Ravich at least the amounts he paid for the units without setoff.

187. Not only did Clipper’s repurchase of RPP’s units in Clipper breach Clipper’s obligations under the Partnership Agreement, but Clipper had no right to set off anything against RPP’s units. RPP was not subject to any Restrictive Covenants, and is not alleged to have engaged in Detrimental conduct. RPP is not a party to TCW’s pending lawsuit against Ravich. RPP thus is entitled to the return of the units or in the alternative the fair market value of such units.

188. Ravich, RRT and RPP have fulfilled their obligations under the Clipper Agreement.

189. Clipper’s breach of the Clipper Agreement resulted in damages to Ravich, RRT and RPP in amounts yet to be proven.



**COUNT VII – UNJUST ENRICHMENT**

190. Ravich, RRT and RRP re-allege and incorporate by reference paragraphs 1 through 189 as though fully set forth herein.

191. TCW, and Clipper have been enriched at the expense of Ravich, RRT and RRP, including by TCW's failure to pay wages, bonuses, and other compensation to Ravich, and Clipper's repurchase of units in Clipper held by Ravich, RRT and RRP without compensation, and it is against equity and good conscience to permit TCW and Clipper to retain what they have appropriated from Ravich, RRT and RRP

192. Ravich, RRT and RRP have been damaged by TCW and Clipper's conduct in an amount yet to be proven.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff Jess M. Ravich, Plaintiff Ravich Revocable Trust of 1989, and Plaintiff Ravich Permanent Partnership L.P. pray for judgment as follows:

1. For judgment in favor of Ravich and against TCW on the First, Second, Third and Fourth causes of action;
2. For judgment in favor of Ravich and against TCW and Does 1-10 on the Fifth cause of action.
3. For Judgment in favor of Ravich, RRT and RPP against Clipper on the Sixth and Seventh causes of action;
4. For an injunction requiring TCW to advance Ravich's fees and costs in defense of the TCW Action;
5. For actual and compensatory damages in an amount to be proven at trial;

6. For reasonable attorneys' fees, costs, and other expenses recoverable by Ravich and RPP, including any attorneys' fees allowable under the California and New York Labor Laws, in an amount according to proof;
7. For interest thereon at the applicable rate; and
8. For such other and further relief as the Court may deem just and proper.

### **DEMAND FOR JURY TRIAL**

Plaintiff Jess M. Ravich, Plaintiff Ravich Revocable Trust of 1989, and Plaintiff Ravich Permanent Partnership LP hereby demand a trial by jury on all issues so triable.

Dated: November 12, 2024

KAPLAN RICE LLP

By: /s/ Howard J. Kaplan

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