

1 **HOLMES, ATHEY, COWAN & MERMELSTEIN LLP**

Mark Mermelstein (SBN 208005)

2 mmermelstein@holmesathey.com

Joel Athey (SBN: 214399)

3 joel.athey@holmesathey.com

811 Wilshire Boulevard, Suite 1460

Los Angeles, California 90017

5 Tel: (213) 985-2200

6 Fax: (213) 973-6282

7 Attorneys for Plaintiff JOSH RAFFAELLI

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 COUNTY OF SAN MATEO

10 JOSH RAFFAELLI, an individual,

11 Plaintiff,

12 vs.

13 BROOKFIELD ASSET MANAGEMENT LLC, a
14 Delaware Limited Liability Corporation;
15 BROOKFIELD ASSET MANAGEMENT, LTD., a
16 Canadian Corporation; and BROOKFIELD
CORPORATION, a Canadian Corporation; and
DOES 1 through 100,

17 Defendants.

JURY TRIAL DEMANDED

Case No.

COMPLAINT For:

1. **Wrongful Termination In Violation of California Public Policy**
2. **Wrongful Termination in Violation of Cal. Labor Code § 1102.5**
3. **Aiding and Abetting Wrongful Termination**
4. **Defamation**
5. **Unfair Business Practices**
6. **Breach of Contract**
7. **Breach of Implied Covenant of Good Faith & Fair Dealing**
8. **Intentional Interference With Contractual Relations**
9. **Intentional Interference with Prospective Economic Advantage**
10. **Unjust Enrichment**
11. **Quantum Meruit**

1 Plaintiff JOSH RAFFAELLI (“Raffaelli” or “Plaintiff”) alleges causes of action against
2 Defendants BROOKFIELD ASSET MANAGEMENT LLC (“BAM LLC”), a Delaware Limited
3 Liability Corporation, BROOKFIELD ASSET MANAGEMENT LTD. (“BAM”), a Canadian
4 Corporation, BROOKFIELD CORPORATION (“BN”), a Canadian Corporation, and DOES 1-
5 100, as follows:

6 **INTRODUCTION**

7 1. This action arises out of the wrongful conduct by BAM LLC, BAM, and BN
8 (collectively, the “Brookfield Defendants”), which are part of a trillion-dollar, politically-
9 connected, asset-management firm, in firing JOSH RAFFAELLI, the respected architect of the
10 Brookfield Defendants’ Venture Capital strategy, and the driving force and acknowledged steward
11 behind hugely successful early investments in his career in SpaceX, SolarCity (now Tesla), X
12 (formerly known as Twitter), ServiceTitan, Deliverr, and other fast-growing companies. The
13 Brookfield Defendants terminated Raffaelli (i) for refusing to accept a bribe and agree to help the
14 them engage in wrongful and illegal conduct towards their investors and (ii) as retaliation for
15 filing a whistleblower complaint with the Securities and Exchange Commission disclosing that an
16 investment fund affiliated with the Brookfield Defendants was making securities
17 misrepresentations to investors.

18 2. Among the multiple violations Raffaelli repeatedly flagged was that an affiliate of
19 the Brookfield Defendants deliberately inflated the amount of capital in its venture capital fund in
20 order to deceive potential investors, such as pension funds, universities, and non-profits. Further,
21 Raffaelli refused to go along with the Brookfield Defendants’ plan to make self-serving decisions
22 to benefit their bottom line at the expense of their investors. He also refused to accept a bribe
23 offered by the Brookfield Defendants in exchange for him lying to investors about the supposed
24 advantages of merging their venture capital funds into one that had such an opposite trading
25 strategy that it was sure to kill their investments.

26 3. Raffaelli is a seasoned professional with decades of experience successfully
27 managing venture capital (“VC”) and other investment funds. He joined the Brookfield
28 organization in 2017 to run its burgeoning venture-capital, investment-fund portfolio, intending to

1 make it his long-term home where he could maximize returns for his clients in an ethical and
2 conscientious manner.

3 4. In his Managing Partner role with the Brookfield Defendants, Raffaelli started and
4 oversaw several highly successful venture capital funds (the “BAM VC Funds”), attracted
5 significant investments and capital to Brookfield, and burnished Brookfield’s reputation in the VC
6 investment space. Raffaelli quickly became the undisputed leader of the VC practice at
7 Brookfield, to the point where the BAM VC Funds specifically required that he act as the principal
8 investment decision-maker and were structured so that he was a “key man” (meaning the funds
9 would halt all activity if he ever left) because he was so central to their functioning.

10 5. Raffaelli’s employment agreement with the Brookfield Defendants compensated
11 him in large part based on the performance of the BAM VC Funds. If those funds performed well,
12 he stood to earn tens of millions of dollars. If those funds performed very well, then he stood to
13 earn much more. During the course of more than six years with the Brookfield Defendants, the
14 BAM VC Funds performed very well. Had he not been wrongfully terminated, Raffaelli stood to
15 be paid a minimum of at least \$46 million, with significant payouts due by mid-2025. In addition,
16 he was also promised significant compensation from the profits generated by several Special-
17 Purpose Vehicle (“SPV”) investments that he brought to, and managed for, BAM. Raffaelli’s
18 boss, Anuj Ranjan, told him that there was “certainly a path” for him to earn more than \$100
19 million from his work at Brookfield.

20 6. But starting with the COVID-19 pandemic in 2020, storm clouds began forming on
21 the horizon for the Brookfield organization. The Brookfield Defendants were heavily invested in
22 commercial real estate, which entered a nosedive during the pandemic due to a shift in office
23 occupancy due to at-home workers. Without the same demand for offices, many businesses
24 defaulted or terminated commercial real estate leases, and the entire industry experienced heavy
25 losses. The Brookfield Defendants were no exception. As one Brookfield senior executive told a
26 meeting of Brookfield peers on January 31, 2025, “we have not bought an office building in two
27 years, and we will not buy an office building in the next two years. So if you’re on the [office
28 building acquisition] team, you’re [] gonna spend four years staring out a window . . . Or you’re

1 moving on to something else.” For a company that built its multi-billion dollar brand on
2 commercial real estate acquisition, this is a stunning summary of where that business stood.

3 7. This created an unanticipated problem for the Brookfield Defendants. One part of
4 the Brookfield organization, BAM, managed the BAM VC Funds as the General Partner (“GP”),
5 for which it received management fees from all of the investors, who are known as Limited
6 Partners (“LP”). Another part of the Brookfield organization, BN, was an investor in the BAM
7 VC Funds and had committed \$400 million to invest in two of the BAM VC Funds. In fact, the
8 Brookfield Defendants used this “alignment” as a marketing tool by pointing to their own
9 investment and participation in the BAM VC Funds as an inducement to get third-party LPs to
10 invest in those funds. As Brookfield’s head of fundraising said at a September 2024 Investor Day,
11 “we like to think of our investors as more than just an LP. We think of them as a partner. First
12 hallmark of partnership is we invest alongside them. Our interests are aligned.” In this way, the
13 third-party LPs who invested in BAM VC Funds had every reason to believe that the Brookfield
14 Defendants would honor their legal and fiduciary obligations, as well as their own financial
15 interest, by always acting in ways that yielded the best returns for the BAM VC Funds.

16 8. But with the downturn in commercial real estate, the Brookfield Defendants had
17 neither the available cash nor the inclination to have BN honor the commitments to invest \$400
18 million in the BAM VC Funds or, more generally, the \$6.5 billion in commitments in BAM’s
19 latest Private Equity funds, and billions of dollars more across its adjacent private equity
20 strategies. And BN also did not want to pay the management fees to BAM that it was obliged to
21 in its role as an LP.

22 a. Both outlays of cash were unwelcome by the Brookfield Defendants by
23 2024.

24 b. Ranjan confirmed this to Raffaelli during an August 2, 2024 phone call
25 when he said, “[t]hat’s why we paused [Brookfield Capital Partners (“BCP”)]. Even though
26 technically, we had all the rights to draw capital for the last two years. We did not do a deal for
27 two years until we syndicated the rest of BCP 6, and we syndicated all the co-invest.”

28 c. This was a stunning admission by Ranjan -- who was the CEO of BCP,

1 which was the Brookfield Defendants' flagship Private Equity business -- because it revealed the
2 true reason Brookfield's private equity division had passed on more than \$27 billion dollars of
3 equity commitments between September 2022 and June 2024 was balance sheet constraints at
4 Brookfield. Investors had committed their capital to Brookfield only to have Brookfield sit on
5 these assets (while charging management fees) and while trying to repair a broken balance sheet.

6 9. However, the Brookfield Defendants saw a way out of their predicament. If they
7 could figure out a way to use their role as GP to artificially limit the size, investments, and
8 profitability of the BAM VC Funds, then BN (in its role as an LP) could avoid investing further
9 cash and significantly reduce the management fees it had to pay to the GP. Raffaelli came to learn
10 that the Brookfield Defendants began a campaign in late 2023 and throughout 2024 to artificially
11 manipulate the BAM VC Funds to accomplish their goals, which occurred in various ways.

12 a. Raffaelli was instructed (i) not to accept offered investments from third
13 parties, (ii) to shut down any new investments for the BAM VC Funds, and (iii) to stop any
14 marketing for further investments. Any VC fund trying to thrive and yield maximum returns
15 would regard this strategy as lunacy because a larger fund, with more deployable capital, always
16 benefits its investors since it can pounce on good opportunities when they come along while being
17 better diversified to protect against a serious downside if an investment is in trouble.

18 b. Raffaelli received a coveted opportunity for the BAM VC Funds to invest
19 \$25 million in a generative artificial intelligence company (referred to herein as "Company B"),
20 the first AI investment across all Brookfield organizations. The markets expected this investment
21 to go nowhere but up, and that is exactly what has happened. But instead of jump at this rare
22 chance, Raffaelli was instructed to (i) take away the investment opportunity from one BAM VC
23 Fund and give it to a different BAM VC Fund; and (ii) reduce the overall investment commitment
24 from \$25 million to \$5 million. This decision was terrible for all BAM VC Fund investors. First,
25 it robbed the LPs in the original BAM VC Fund of any opportunity to invest in Company B,
26 costing them millions of dollars in eventual returns. Second, it was a strategically-indefensible
27 decision for all BAM VC Fund investors to reduce the investment amount in this "can't miss"
28 opportunity by 80%. That is like walking away from the chance to buy Facebook or Apple stock

1 at the pre-IPO discounts. Instead, both BAM VC Funds lost out on a golden opportunity to invest
2 in Company B, which has already tripled from its original value in less than one year, and
3 conservatively stands to gain another 10 times its original value, thus robbing pension funds and
4 retail investors of significant gains. But while these decisions were terrible for Brookfield's
5 venture capital fund investors, they helped the Brookfield Defendants by limiting the amount of
6 cash they had to invest in the funds. If the BAM VC Funds had invested \$25 million instead of \$5
7 million, BN would have had to come up with a lot more cash for its contribution as an LP, and
8 would have had to pay more management fees. Now it does neither.

9 c. In November 2024, Raffaelli was offered an investment of \$75 to \$100
10 million for one of the BAM VC Funds from a major foreign conglomerate (name not included
11 herein to protect LP confidentiality). This infusion would have been very accretive to the BAM
12 VC Fund that it was slated for. Raffaelli supported the idea. His former boss within Brookfield
13 supported the idea. The investors in the BAM VC Fund approved the idea wholeheartedly. But
14 his current boss, Ranjan, kiboshed it at the eleventh hour because it ran contrary to the decision
15 that had just been made by the Brookfield Defendants to put the BAM VC Funds "out to pasture"
16 and move them somewhere else to "wind down" (which was his code for wither and die). The
17 decision to turn down such a large investment is indefensible from an investment standpoint, but
18 points to the Brookfield Defendants' true goal of killing the BAM VC Funds so they did not have
19 to contribute cash to them anymore.

20 10. While this was happening, Raffaelli separately learned about another issue. In
21 2023, Silicon Valley Bank ("SVB") underwent the second-largest bank failure in U.S. history.
22 From the rubble of SVB's collapse, Brookfield purchased a majority interest in SVB's venture
23 capital and credit funds, called SVB Capital, which they merged with an existing investment
24 strategy and rebranded the collection of funds under the banner Pinegrove Capital Partners
25 ("Pinegrove"). Raffaelli learned that Pinegrove, now connected with Brookfield, was committing
26 securities violations by misrepresenting the amount of capital it had raised and the sources of that
27 capital. In essence, Pinegrove was hiding from existing and potential investors that it was a "dog"
28 of a fund that was having very little luck raising capital or making money.

1 11. Raffaelli was highly concerned because Pinegrove’s securities misrepresentations
2 were not only material, but stood to impact the lives of millions of Californians through
3 undercutting value in pension funds who invested in Pinegrove funds.

4 12. Unable to countenance the deceptions about Pinegrove affecting its LPs and
5 investors, Raffaelli did the right thing and anonymously reported his findings internally to the
6 Brookfield Defendants. Only after realizing that his reporting had not triggered any investigation
7 by the Brookfield Defendants did Raffaelli take the next step and report Pinegrove’s
8 misrepresentations to the SEC by filing a whistleblower complaint.

9 13. But after reporting Pinegrove’s misrepresentations (both internally and to the SEC
10 as a whistleblower), the full scope of the Brookfield Defendants’ scheme finally became known to
11 Raffaelli.

12 14. Throughout 2024, the Brookfield Defendants had gone back and forth on whether it
13 wanted to merge the BAM VC Funds with Pinegrove. No final decision on this was made by the
14 Brookfield Defendants until mid-November 2024, but Raffaelli had already begun investigating
15 the possibility earlier in the year. What he found was all bad news.

16 a. First, he learned that Pinegrove had secret agreements in place making the
17 investment strategy that Raffaelli utilized to run the BAM VC Funds impossible to implement. So
18 if the BAM VC Funds merged into Pinegrove, they would no longer be able to deploy the strategy
19 that the Brookfield Defendants had promised to investors, and the returns for those funds would
20 certainly suffer as a result.

21 b. Second, he learned that Pinegrove was experiencing significant human
22 resources issues, and as a result, was unable to execute on its strategy. Since launching in 2023,
23 the business has been unable to consummate any meaningful transactions, and most notably failed
24 with a large opportunity with Greenoaks Capital. This poor performance was bad enough, because
25 why would the LPs in the BAM VC Funds want to merge with a “dog” of a fund? But then
26 Raffaelli learned that Pinegrove had engaged in widespread securities violations and
27 misrepresentations to its existing investors, lying to them about how much money the fund had
28 raised (as outlined in his whistleblower complaint).

1 c. Third, he was told by Ranjan in November 2024 that the BAM VC Funds
2 were being sent to Pinegrove to “wind down” (meaning wither and die), which Brookfield was not
3 going to tell its investors, and which was terrible for them financially. Basically, the Brookfield
4 Defendants “changed horses midstream” because, after taking the LPs money for the BAM VC
5 Funds, they abruptly decided to get out of the VC fund business -- at least when it triggered a
6 requirement that the Brookfield Defendants co-invest in cash it did not want to spend -- but were
7 not going to level with their own customers.

8 d. Finally, Raffaelli was told by Ranjan in November 2024 that the real reason
9 the Brookfield Defendants wanted to move the BAM VC Funds to Pinegrove was to spare BN
10 having to invest additional cash, and that the Brookfield Defendants knew this decision was bad
11 for their investors, but were doing it anyway because it was good for the Brookfield Defendants.
12 In other words, the Brookfield Defendants wanted to take the BAM VC Funds that Raffaelli had
13 meticulously curated and managed for several years and dump them into a fund that was (i) toxic
14 due to poor performance, (ii) radioactive due to serious securities violations and (iii) where they
15 could peter out and die. Ranjan flat-out admitted to Raffaelli that the Brookfield Defendants knew
16 this decision was bad for the LPs but was being made anyway because it was good for Brookfield.

17 15. Then came the worst part. Ranjan acknowledged that the LPs trusted Raffaelli and
18 that the Brookfield Defendants wanted to leverage that trust by having Raffaelli convince the LPs
19 in the BAM VC Funds to agree to move their investments over to Pinegrove. But the Brookfield
20 Defendants did not want the investors to know that: (i) their BAM VC Funds were being sent to
21 Pinegrove to “wind down” and die since those funds would not take on any more investment
22 money or try to maximize returns; (ii) moving to Pinegrove meant the BAM VC Funds could no
23 longer implement their long-followed investment strategy, meaning performance and returns
24 would be negatively impacted; (iii) Pinegrove was a “dog” fund that had little success fundraising
25 in nearly two years; and (iv) Pinegrove was violating the anti-fraud provisions of the Securities
26 Act of 1933, Securities Exchange Act of 1934, and the Investment Advisers Act of 1940 by
27 misrepresenting the amount of capital Pinegrove had raised and its sources.

28 16. Instead, the Brookfield Defendants wanted Raffaelli to help “dress up” benign

1 reasons in order to convince the LPs to agree to move the BAM VC Funds to Pinegrove. And
2 they wanted him to be “positive” with the LPs about why moving the BAM VC Funds to
3 Pinegrove was a good move for them rather than “negative.” In other words, they wanted him to
4 lie to the LPs because his credibility would resonate better with the investors that trusted him.

5 17. That was the proposal, and next came the offered pay off. If he would agree to lie,
6 the Brookfield Defendants told Raffaelli that they would make a “trade” with him by paying him
7 huge compensation from the BAM VC Funds. Ranjan asked Raffaelli to think about what
8 numbers he wanted for this “trade” and “exchange” and to get back to him. Ranjan was
9 purposefully vague about Raffaelli’s ongoing status at Brookfield, agreeing that Raffaelli might
10 remain with the company to run certain SPV assets even if BAM VC Funds moved to Pinegrove.

11 18. To reinforce the fact that they were flat-out offering him a bribe to lie to his own
12 investors, the Brookfield Defendants sent Raffaelli an email the following day, November 15,
13 2024, highlighting Ranjan’s assessment of the stellar track record of Funds 2 and Fund 3 (done
14 without any involvement by Raffaelli), and suggesting his cooperation would lead to a \$46 million
15 payout. This was clearly the “trade” or “exchange” that the Brookfield Defendants had in mind.
16 In a nutshell, if Raffaelli lied to and defrauded the LPs in order to manage the transition of the
17 BAM VC Funds, he would get somewhere in the neighborhood of \$50 million regardless of what
18 happened with other funds he was managing or what his role was.

19 19. From there, given Raffaelli’s stellar performance reviews and Ranjan’s statement
20 that the Brookfield Defendants “thought of [Raffaelli] as just a broader Brookfield person,”
21 Raffaelli understood the Brookfield Defendants to mean that he would have the opportunity to do
22 what all Brookfield Managing Partners do, which is to support the business by continuing to
23 manage and grow the burgeoning SPV assets that Raffaelli had brought into the company.

24 20. With the carrot officially dangled before him, the Brookfield Defendants waited to
25 hear what Raffaelli would say.

26 21. To say that Raffaelli was gobsmacked by his employer’s blatant bribe offer would
27 be an understatement. He never spoke by phone with Ranjan again, although they exchanged
28 some testy emails during which Raffaelli tried to talk Brookfield out of its idea by listing the

1 significant hurdles to moving BAM VC Funds to Pinegrove and how it was bad for the LPs.

2 22. Finally, on November 22, 2024, fed up with the Brookfield Defendants'
3 shenanigans, and appalled at their attempted bribe, Raffaelli notified them that he had filed the
4 SEC whistleblower complaint. Within a few days, his career with Brookfield was over.

5 23. Raffaelli was retaliated against by the Brookfield Defendants because: (i) he would
6 not agree to their request to engage in illegal and wrongful conduct of lying to the BAM VC Fund
7 investors; and (ii) he compounded that “transgression” by reporting the securities violations he had
8 unearthed at Pinegrove to his employer. His firing was pure retaliation for both acts.

9 24. As a result of the Brookfield Defendants’ wrongful conduct, Raffaelli has suffered
10 harm to his financial and personal health, and to his reputation, which remains ongoing to this day.

11 **PARTIES**

12 25. JOSH RAFFAELLI is an individual, residing in San Mateo County in the State of
13 California.

14 26. BROOKFIELD CORPORATION (hereafter “BN”) is a Canadian corporation. BN
15 is a publicly-traded company on the New York Stock Exchange with the ticker symbol of BN. BN
16 is a financial holding company for one of the world’s largest alternative investment management
17 companies, with over \$900 billion of assets under management in 2023. BN was formerly known
18 as Brookfield Asset Management, Inc. until its name was changed in or about December 2022 to
19 BN. BN owns 73% of BAM (of which BAM LLC is a subsidiary).

20 a. BN directed the activities of BAM LLC, which has offices in San Mateo,
21 California. This direction included acts, such as Raffaelli’s wrongful termination, that occurred in
22 San Mateo, California.

23 b. BN executives spoke with Raffaelli regularly about the events described
24 herein while Raffaelli was located at the BAM LLC offices in San Mateo, California.

25 27. BROOKFIELD ASSET MANAGEMENT LTD. (hereafter “BAM”) is a Canadian
26 corporation. BAM is a publicly-traded company on the New York Stock Exchange with the ticker
27 symbol of BAM. BAM was created as a spin-off from BN in or about December 2022. According
28 to its description, BAM is a global asset manager focused on investing in long-life, high-quality

1 assets across real estate, infrastructure, renewable power, and private equity. Its investments
2 include one of the largest portfolios of office properties in the world and their businesses form the
3 backbone of the global economy supporting the endeavors of individuals, corporations, and
4 governments worldwide. It is a leading global investment company with a market capitalization of
5 \$82.5 billion. BAM's subsidiary and authorized representative in the United States is BAM LLC.

6 a. BAM moved its corporate headquarters from Toronto, Canada to New York
7 City in 2024.

8 b. BAM directed the activities of its subsidiary, BAM LLC, which has offices
9 in San Mateo, California. This direction included acts, such as Raffaelli's wrongful termination,
10 that occurred in San Mateo, California.

11 c. BAM executives spoke with Raffaelli regularly about the events described
12 herein while Raffaelli was located at the BAM LLC offices in San Mateo, California.

13 28. BROOKFIELD ASSET MANAGEMENT LLC (hereafter "BAM LLC") is a
14 limited liability corporation organized pursuant to the laws of the State of Delaware. BAM LLC
15 conducts business in California, and has an office in Menlo Park, located in San Mateo County,
16 California. BAM LLC is an indirect subsidiary of BAM (via another subsidiary, Brookfield US
17 Inc.) and acts as BAM's duly-authorized representative in the United States.

18 a. BAM LLC has an office in San Mateo, California, which is where Raffaelli
19 and his investment team worked.

20 b. BAM LLC regularly communicated with Raffaelli and other members of his
21 investment team while they were located in San Mateo, California.

22 c. BAM LLC's wrongful termination of Raffaelli was communicated to him
23 while he was in San Mateo, California.

24 29. Together, BAM LLC, BAM, and BN are referred to collectively herein as the
25 "Brookfield Defendants."

26 30. Defendants named herein as Does 1 through 100, inclusive, are unknown to
27 Raffaelli, who therefore sues such "Doe" defendants by such fictitious names. Raffaelli is
28 informed and believes that each fictitiously named defendant is in some manner, means, or degree

1 responsible for the events and happenings herein alleged. Raffaelli will seek leave, if necessary, to
2 amend this Complaint to state the true name and capacities of the fictitiously designated “Doe”
3 defendants, or some or all of them, when their names and capacities have been ascertained.

4 31. Plaintiff is informed and believes, and thereon alleges, that at all relevant times, the
5 Brookfield Defendants and Does 1 through 100, inclusive, and each of them, were the actual,
6 implied or ostensible agents, brokers, affiliates, representatives, servants, employees, partners, joint
7 venturers, alter egos, joint tortfeasor, and/or coconspirators of one another, and were at all relevant
8 times described herein acting on behalf of one another within the course and scope of such agency,
9 servitude, employment, representation, partnership, joint venture, alter ego relationship and/or
10 conspiracy. Plaintiff is further informed and believes, and thereon alleges, that each defendant,
11 whether expressly or fictitiously named, committed the acts or omissions described herein with the
12 full knowledge, consent, authority, and/or ratification of some or all of the other defendants.

13 **JURISDICTION AND VENUE**

14 32. The unlawful acts committed by Defendants, as described in this Complaint,
15 occurred within the State of California.

16 33. The wrongful acts relating to Raffaelli’s employment occurred at the BAM and/or
17 BAM LLC office located in Menlo Park, in San Mateo County.

18 34. This Court has jurisdiction to hear this action pursuant to California Code of Civil
19 Procedure section 410.10 and Article VI, Section 10 of the California Constitution, which grants
20 State Superior Courts original jurisdiction in all causes except those given by statute to other trial
21 courts. Further, this Court has original jurisdiction over this action because the damages suffered
22 exceed the jurisdictional minimum of this court.

23 35. This Court has personal jurisdiction over the named Defendants because they
24 conduct substantial business in San Mateo County in the State of California.

25 36. Venue is appropriate in this Court pursuant to California Code of Civil Procedure
26 Sect. 395(a) because San Mateo County is where any obligations and rights of Raffaelli arose.
27 BAM and/or BAM LLC have offices in San Mateo County, making venue proper as to all
28 defendants pursuant to Cal. Code Civ. Pro. Sect. 395(a). Moreover, the employment agreement

1 between Raffaelli and BAM LLC was signed in San Mateo County, making venue proper pursuant
2 to Cal. Code Civ. Pro. Sect. 395.5. Further, the breach of Raffaelli's employment agreement
3 occurred in San Mateo County, making venue proper pursuant to Cal. Code Civ. Pro. § 395.5.
4 Finally, tort liability for interference with prospective economic advantage arose in San Mateo
5 County, making venue proper.

6 **FACTUAL BACKGROUND**

7 **A. Structure Of The Brookfield Defendants' Investment Platform**

8 37. Until December 2022, the Brookfield Defendants' asset management business
9 operated under one company called Brookfield Asset Management Inc. In or about December
10 2022, Brookfield Asset Management Inc. split its asset management business into two companies.

11 a. The first was named Brookfield Corporation (referred to herein as "BN"),
12 which is a Canadian corporation that is one of the world's largest alternative investment
13 management companies, with more than \$900 billion of assets under management in 2023. It is
14 publicly traded on the New York and Toronto Stock Exchanges under the ticker symbol BN. BN
15 focuses on direct control investments in real estate, renewable power, infrastructure, credit, and
16 private equity. BN touts itself as one of the world's largest and most successful real estate
17 investors.

18 b. The second was named Brookfield Asset Management Ltd. (referred to
19 herein as "BAM"), which is publicly traded on the New York and Toronto stock exchanges under
20 the ticker symbol BAM. BN owns approximately 73% of BAM, while BAM's outside investors
21 own the other approximately 27%.

22 38. BN and BAM invest in assets and businesses across a broad spectrum, including
23 renewable energy, infrastructure, real estate, private equity, credit, and other ventures. BN and
24 BAM feature funds in the private equity space and others in the venture capital space.

25 39. In a VC investment fund structure, a General Partner ("GP") manages the fund and
26 makes investment decisions, while Limited Partners ("LPs") are the investors who provide the
27 capital, with their liability limited to their investment amount. Essentially, the GP runs the fund,
28 while LPs passively contribute money and share in the profits.

1 40. The GP performs the following functions: (i) identifying potential investment
2 opportunities; (ii) conducting due diligence on promising startup companies to invest in; (iii)
3 making investment decisions for the VC fund; (iv) managing portfolio companies; and (v) raising
4 capital from LPs. GPs typically receive a percentage of the VC fund's profits, called "carried
5 interest," as compensation for their management efforts.

6 41. The Brookfield Defendants did not just manage funds as a GP, but they also
7 invested money in the VC funds as an LP. The funds were managed by BAM as GP while BN
8 acted in the role of an LP, providing capital contributions to the VC funds. The fact that BN was
9 itself investing in BAM's VC funds was an important marketing and fundraising consideration in
10 having third-party (non-Brookfield) LPs invest in the Brookfield Defendants' VC funds.
11 Accordingly, the Brookfield Defendants participated in each VC fund as both a GP and an LP.

12 **B. Raffaelli's Background & Hiring At Brookfield To Run Venture Capital Funds**

13 42. Josh Raffaelli is a highly-experienced financial executive who served as a
14 Managing Partner at BAM.

15 43. Raffaelli's credentials prior to his employment at Brookfield are nothing short of
16 outstanding.

17 a. Raffaelli attended Oxford and Harvard University, graduating in 2002 with a
18 Bachelor of Arts in Government, Economics and Political Science.

19 b. From 2002 through 2004, Raffaelli worked as an analyst at JP Morgan
20 Chase & Co. in Technology and Media Investment Banking where he obtained extensive
21 analytical experience in M&A valuation, financial modeling, and equity and debt finance related
22 accounting and business due diligence and was a founding member of JP Morgan's digital media
23 practice.

24 c. From 2004-2006, Raffaelli was an analyst at the venture capital firm, Draper
25 Fisher Jurvetson.

26 d. While earning his Master of Business Administration ("MBA") at Stanford
27 University, Raffaelli worked at Och-Ziff Capital Management (now Sculptor Capital Management)
28 in 2007, where he analyzed and made recommendations for various merger arbitrage, event driven

1 and equity investments in the industrials, media and energy sectors in Eastern Europe and Africa
2 for a \$29 billion multi-strategy hedge fund.

3 e. After Raffaelli earned his MBA at Stanford in June of 2008, he returned to
4 Draper Fisher Jurvetson as an associate and later achieved the position of Principal in 2010. In his
5 five years at Draper Fisher Jurvetson, Raffaelli lead and co-managed the SpaceX investment, the
6 firm's largest investment yielding its largest return in its institutional 30-year history, as well as
7 many of the firms most successful investments, including Tesla (NYSE: TSLA) and SolarCity
8 (NYSE: SCTY).

9 f. From June 2011 through December 2016, Raffaelli served as a Managing
10 Director of Silver Lake Kraftwerk, one of the largest private equity ("PE") firms in the world. He
11 was one of four founders of the growth equity fund, where he sourced, evaluated, closed, and
12 supervised new investment opportunities, managed due diligence and transaction execution for
13 investments and performed substantial portfolio company business developments. His
14 contributions to that practice were best codified in a pre-IPO investment into SolarCity resulting in
15 a 3.4x multiple of money ("MoM," which is total cash inflows/total cash outflows) in 9 months,
16 and later a \$100 million convertible note into Tesla at a split adjusted \$25.67/share or as held an
17 11.5x MoM.

18 44. In or about June 2017, the Brookfield Defendants posted a job opening for a
19 Venture Capital Partner at Brookfield Asset Management Inc. (this was before that entity split into
20 BN and BAM in or about December 2022). In the job posting, Brookfield touted itself as leading
21 global alternative asset manager, focused on investing in long-life, high-quality assets across real
22 estate, infrastructure, renewable power, and private equity. Brookfield claimed that its investments
23 included one of the largest portfolios of office properties in the world.

24 45. In the June 2017 job post, the Brookfield Defendants claimed to manage more than
25 \$250 billion in assets across four investment "pillars" that were identified as: (i) real estate, (ii)
26 infrastructure, (iii) renewable energy, and (iv) private equity. The Brookfield Defendants stated
27 that they wanted to build a "fifth pillar" in the field of "Venture Capital." For that reason, they
28 were hiring for the position of "Venture Capital Partner."

1 46. The June 2017 job post for Raffaelli's position at Brookfield stated that the fund
2 size would be \$200 million, funded from Brookfield's balance sheet capital with the goal of
3 creating a track record to support future larger funds to include third-party limited partners ("LP's"),
4 with an investment horizon of 10 years and a fund return target with a minimum 20% internal rate
5 of return ("IRR"). Under Professional Qualifications, the job post stated that Brookfield was
6 looking for a candidate who "operates with deep credibility and gravitas; able to generate influence
7 with seasoned entrepreneurs, board members and investors, demonstrated through past experience
8 presenting results to key company or firm stakeholders." The ideal candidate for this role, was,
9 and is, Raffaelli.

10 47. The June 2017 job post stated that the newly-hired Venture Capital Partner would
11 "[o]riginate, validate, negotiate, and close VC deal which will come to define Brookfield's strategy
12 in the sector" and lead Brookfield's growth in the "new VC pillar." The job posting also stated
13 that the newly-hired Venture Capital Partner would "[m]ake investment decisions consistent with
14 pre-approved targets."

15 48. On August 9, 2017, the Brookfield Defendants offered Raffaelli the full-time
16 position of Managing Director in the newly-formed Venture Capital group. He was to report to
17 Stewart Upson, Managing Partner, starting on September 5, 2017, at Brookfield's offices in San
18 Francisco, California. Raffaelli was originally paid a base salary of \$500,000, an annual target
19 cash bonus of up to 50% of his salary, participation in Brookfield's extensive benefit programs,
20 and participation in Brookfield's long term incentive plan ("LTIP"). Annual awards of the LTIP
21 (which is paid in the first quarter of each fiscal year related to performance in the prior fiscal year
22 and vests evenly over 5 years in arrears) consists of an option to purchase (annually) Class A
23 Limited Voting Shares of Brookfield and participation in the performance of the investments made
24 in Brookfield's first venture capital fund ("VC Fund LTIP").

25 49. Raffaelli agreed to accept a lower starting salary and benefits than he had at prior
26 jobs. He essentially "bet on himself" because he was being given the opportunity to run a VC fund
27 platform from scratch. He was told that he would be entitled to "carried interest" based on the
28 performance of those funds. And in subsequent years, he was promised such "carried interest" and

1 told by Ranjan that he had a “path” to earning \$100 million as a result. In other words, his base
2 salary and even stock options were not the “tail that wags the dog” in terms of his overall expected
3 compensation. He essentially agreed to defer the vast majority of his compensation until after he
4 had set up successful VC funds, at which point he was entitled to “carried interest” based on their
5 performance, which has been uniformly stellar.

6 50. Brookfield’s August 9, 2017, offer of employment letter included a provision entitled,
7 “Code of Business Conduct and Ethics,” which states:

8 It has always been our policy that all our activities should be conducted with the
9 highest standards of honesty and integrity and in compliance with all legal and
10 regulatory requirements. As such, you will agree to adhere to our Code of Business
Conduct and Ethics and Employee Conduct Guidelines. You will be required to
sign an annual statement of compliance.

11 The letter also included in its Confidentiality provision that “Notwithstanding any other provision,
12 nothing in this offer (1) prohibits or restricts you from providing information to a government
13 authority pursuant to applicable whistleblowing regulations, or (ii) requires you to give notice to or
14 obtain the approval of the Corporation for such action.

15 51. The Brookfield Defendants conducted a thorough investigation and reference
16 checks on Raffaelli. They received only good news about him, and they retained records of the
17 glowing recommendations from the partners at the investment firms he worked for, CEOs of
18 companies he invested in, and other members of the tight-knit Silicon Valley community.

19 52. On August 11, 2017, Raffaelli signed the offer letter and accepted employment with
20 Brookfield. Brookfield also maintained other employment-related documents, which included an
21 agreement to adhere to the Registered Investment Advisor Compliance Manual, including its
22 Whistleblowing Policy and Brookfield’s Code of Business Conduct and Ethics and Employee
23 Conduct Guidelines. Indeed, at the beginning of each calendar year, Raffaelli signed a Compliance
24 Certification which states in pertinent part that:

25 Brookfield Asset Management (“BAM”) is committed to operating its investment
26 advisory business with the highest ethical standards, utmost honesty and integrity,
27 and in full compliance with applicable regulatory requirements. To this end, BAM
28 as adopted a Registered Investment Advisor Compliance Manual (the “Manual”),
and a Code of Business Conduct and Ethics (the “Code”) which together set out our
standards, principles, commitments, policies, procedures, and guidelines.

1 The annual Compliance Certification required Raffaelli to not only agree to comply with
2 Brookfield's policies and protocols, but also required him to answer 20 regulatory questions.

3 53. Raffaelli had every reason to expect that Brookfield's stated goals and ethics policies
4 were genuine, and that the company would empower him to do his job and generate returns for his
5 clients. However, it turned out that Brookfield's stated policies differed greatly from its practices,
6 and from its representations to investors.

7 **C. As They Wanted, Raffaelli Built And Ran VC Funds For The Brookfield Defendants**

8 54. Brookfield Technology Partners is the venture capital arm of BAM. Raffaelli's
9 work on the BAM VC Funds was under the Brookfield Technology Partners umbrella.

10 55. Each BAM VC Fund is accompanied by a Private Placement Memorandum
11 ("PPM"), which is the governing document for that fund and which is also used to solicit
12 investments from third-party LPs.

13 **1. Fund 1**

14 56. Starting in 2018, the Brookfield Defendants initiated the first BAM VC fund, called
15 Brookfield Technology Partners I ("Fund 1"). Fund 1 did not include any third-party LPs as
16 investors and existed as an aggregated pool to manage investments Brookfield had made adjacent
17 to the growth equity mandate between 2016 and 2020.

18 57. Under his management, as of his termination date, Fund 1 assets invested in by
19 Raffaelli had no losses, and had \$46 million in gains.

20 **2. Fund 2**

21 58. In or about February 2020, BAM issued a PPM for a new BAM VC Fund called
22 Brookfield Technology Partners II ("Fund 2").

23 59. The PPM stated that Fund 2 was a "closed-end investment vehicle, as [BAM's]
24 primary vehicle for making growth investments in technology-enabled companies." Fund 2 was
25 intended to focus on "growth-oriented businesses at the intersection of real assets and technology"
26 including "software, marketplace and other technology-enabled service companies that are
27 transforming sectors and markets where Brookfield has an existing presence, has established
28 operating expertise and can serve as a value-added partner." The PPM for Fund 2 said that it was

1 intended to “primarily target growth investments in private technology companies that Brookfield
2 believes are primed for accelerated growth.”

3 60. The PPM for Fund 2 touted the “information advantage” that BAM had because it
4 was connected to the “Brookfield Ecosystem,” which meant that it could tap into the knowledge
5 and resources of more than \$500 billion in assets under management, 130,000 employees, and
6 1000 investment professionals.

7 61. The PPM for Fund 2 stated that Fund 2 sought to raise a target of \$500 million in
8 capital commitments, to include a \$100 million investment commitment from Brookfield, which
9 “Brookfield believes creates a significant alignment of interest with the Fund’s investors.”

10 62. The PPM for Fund 2 explained the reason for Brookfield’s significant investment in
11 Fund 2 as follows: “Brookfield’s investment of a significant amount of capital—at least \$100
12 million of the Fund’s Target Commitments—alongside [Fund 2’s] investor capital further aligns
13 interests to ensure that Brookfield is managing the portfolio to pursue the best possible outcome
14 for both the Fund’s limited partners and the Firm.” In other words, BN’s \$100 million
15 commitment as an LP in its own fund was used to induce third-party LPs into investing in Fund 2,
16 as was the Brookfield Defendants’ commitment that it had “aligned interests” with its third-party
17 LPs such that it would not do anything to harm those LPs. As described below, that promise
18 turned out to be false because the Brookfield Defendants willingly took steps that hurt their third-
19 party LPs in order to benefit their own balance sheet.

20 63. Fund 2 was ultimately oversubscribed. It received \$516 million of investment
21 commitments, which was above its target of \$500 million.

22 a. \$100 million of the investment into Fund 2 came from BN, while \$416
23 million came from pension funds and high net-worth individuals.

24 b. Notably, nearly 45% of third-party (non-BN) LPs were first-time investors
25 with Brookfield.

26 c. Fund 2 was also made available to Brookfield employees, and became the
27 largest co-investment fund that Brookfield had with its employees in terms of number of investors
28 and capital invested. Many of those Brookfield employees -- who relied on the Brookfield

1 Defendants' promises that they would seek to maximize returns for Fund 2 -- borrowed against
2 their public stock options for the capital needed to invest in Fund 2. Their sacrifice and confidence
3 only increased Raffaelli's motivation to help their financial success by yielding maximum returns
4 for Fund 2. It never entered Raffaelli's mind that he ever could, or should, do anything to "take his
5 foot off the accelerator" as to the BAM VC Funds, because he knew what it meant to the pension
6 funds, government funds, and Brookfield employees for those funds to be successful.

7 64. Not only was Fund 2 an excellent promotion for Brookfield's burgeoning VC fund
8 business, but it was very successful financially for BAM and the LPs. Fund 2 invested in
9 approximately 13 companies, with \$496 million invested and \$20 million uncommitted.

10 65. Fund 2 was oversubscribed from its \$500 million target.

11 a. Fund 2 had one "exit" (meaning it sold its position in one of the fund's
12 portfolio companies) yielding \$118 million of proceeds and an additional \$7 million of realized
13 returns.

14 b. Most of the assets in Fund 2 are held at a gain, and as of Q3-2024, Fund 2
15 was a top 5% fund globally as measured in DPI (Distributions to Paid In Capital) and in the top
16 quartile globally of VC funds as measured in net IRR (Internal Rate of Return).

17 c. Fund 2 generates \$6.6 million of management fees per year for the
18 Brookfield Defendants, which also held a 20% share of Fund 2's investment profits.

19 d. Through its own internal valuations, the Brookfield Defendants project that
20 Fund 2 will generate \$103 million of "carried interest" to BAM over its lifetime.

21 e. Raffaelli was promised by the Brookfield Defendants that he would retain
22 10.2% of the GP's portion of carried interest in Fund 2 as documented in various Award Letters.

23 f. As a result, Raffaelli was personally slated to earn \$15.6 million of
24 compensation in the form of "carried interest" based on achieving Fund 2's 2.5x return, the
25 multiple that Ranjan articulated during his November 14, 2024 call with Raffaelli as the
26 methodology to get to a \$46 million payout as the bribe, and which the Brookfield Defendants told
27 LPs that Fund 2 was on target to achieve as of Raffaelli's departure date. In VC, for every \$100 of
28 profits, \$80 are kept by the investors, and \$20 are kept by the GP. For example, if Fund 2

1 generated a 2.5x return on \$516 million of investment, total returns would be equal to \$1.3 billion,
2 leaving a net profit (after the subtracting the initial invested dollars) of ~\$780 million to be split
3 between investors and on a 80/20 basis, with ~\$624 million going to the investors and ~\$156
4 million going to BAM. Raffaelli was promised 10.2% of BAM's \$156 million in carried interest,
5 or \$15.6 million. Different returns would yield different final numbers, but the formula would be
6 applied in the same way.

7 66. In short, Fund 2 has been a stellar performer for not only the investors, but also for
8 the Brookfield Defendants, who promised Raffaelli that he would also share in the success via his
9 portion of Fund 2's "carried interest."

10 3. Fund 3

11 67. In or about mid-2022, BAM issued a PPM for a new fund under the name
12 Brookfield Technology Growth Partners III ("Fund 3").

13 68. The PPM for Fund 3 stated that it sought to raise a target of \$1 billion in capital
14 commitments, to include a \$300 million investment commitment from Brookfield, and would be
15 Brookfield's primary vehicle for making growth investments in technology-enabled companies.
16 The PPM stated Fund 3 would focus on growth-oriented businesses at the intersection of real assets
17 and technology and target software, marketplace, and other technology-enabled service companies
18 in markets where Brookfield has an existing presence and an established operating expertise.

19 69. The PPM for Fund 3 also touted the "information advantage" that BAM had
20 because it was connected to the "Brookfield Ecosystem," which meant that it could tap into the
21 knowledge and resources of more than \$750 billion in assets under management, 180,000
22 employees, and 1000 investment professionals.

23 70. The PPM for Fund 3 stated that Fund 3 sought to raise a target of \$1 billion in
24 capital commitments, to include a \$300 million investment commitment from Brookfield, which
25 Brookfield said "creates a significant alignment of interest with the Fund's investors."

26 71. The PPM for Fund 3 explained the reason for Brookfield's significant investment in
27 Fund 3 as follows: "Brookfield's investment of a significant amount of capital—at least \$300
28 million of the Fund's Target Commitments—alongside [Fund 3's] investor capital further aligns

1 interests to ensure that Brookfield is managing the portfolio to pursue the best possible outcome
2 for both the Fund’s limited partners and the Firm.” In other words, Brookfield’s \$300 million
3 commitment as an LP in its own fund was used to induce third-party LPs into investing in Fund 3,
4 as was the Brookfield Defendants’ commitment that it had “aligned interests” with its third-party
5 LPs such that it would not do anything to harm those LPs. As described below, that promise
6 turned out to be false because the Brookfield Defendants willingly took steps that hurt their third-
7 party LPs in order to benefit their own balance sheet.

8 72. Fund 3 ultimately raised \$565 million before its initial commitment window closed,
9 which was below its target of \$1 billion. As described further herein, Fund 3 had the opportunity
10 and agreement of all key stakeholders to reopen in late 2024, after its initial commitment window
11 had closed, in order to accept a further commitment of \$75-100 million from a third-party LP, but
12 the Brookfield Defendants instead declined the opportunity for the additional commitment, closed
13 down Fund 3’s website, and stopped soliciting any further investments, as discussed further below.

14 73. Fund 3 invested in approximately 10 companies between 2022 and 2024, with \$557
15 million invested and \$8 million uncommitted.

16 a. With Fund 3 less than 6 months from its final close, it is well on its way to
17 vastly eclipse target returns in its portfolio companies: (i) Company A is valued at more than 3x its
18 original investment, (ii) Company B is valued at more than 3x its original investments, and (iii)
19 ServiceTitan went public for fantastic returns.

20 b. Fund 3 generates \$4.5 million of management fees per year for the
21 Brookfield Defendants, which also held a 20% share of Fund 3’s investment profits.

22 c. Through its own internal valuations, Brookfield projects that Fund 3 will
23 generate \$113 million of “carried interest” to the Brookfield Defendants over its lifetime.

24 d. Raffaelli was promised by the Brookfield Defendants that he would retain
25 17.5% of the GP’s portion of carried interest in Fund 3 as documented in an Award Letter.

26 e. Raffaelli was personally slated to earn \$29.5 million of compensation in the
27 form of carried interest based on achieving Fund 3’s target of a 2.5x return. Similar to Fund 2’s
28 80/20 split of profits between LPs and GP, if Fund 3 generated a 2.5x return on \$565 million of

1 investment, total returns would be equal to \$1.412 billion. Subtracting the initial invested dollars
2 leaves ~\$848 million of profits to be split between LPs and GP on an 80/20 basis (with ~\$679
3 million to investors and ~\$169 million to Brookfield). Raffaelli was promised 17.5% of BAM's
4 \$167 million in carried interest, or \$29.5 million. Different returns would yield different final
5 numbers, but the formula would be applied in the same way.

6 74. In short, even with the Brookfield Defendants trying to put the brakes on it, Fund 3
7 has been a stellar performer for not only the investors, but also for the Brookfield Defendants, who
8 promised Raffaelli that he would also share in the success via his portion of Fund 3's "carried
9 interest."

10 **D. Fund 2 & Fund 3 PPMs State That Investment Decision-Making Lies With Raffaelli**

11 75. The material terms for the Brookfield Defendants' PPMs are nearly identical.
12 Notably, these PPMs state that Fund 2's and Fund 3's "[i]nvestment activities will be overseen by
13 the Fund's investment committee (the "Investment Committee"), whose members will serve in a
14 voting capacity."

15 76. Investment decisions for Fund 2 and Fund 3 followed a multi-step process.

16 a. In the first step for any Fund 2 or Fund 3 investment decision, Raffaelli
17 (with assistance from a seven-member Investment Team that included him) would make an
18 investment recommendation.

19 b. In the second step, Raffaelli's recommendation went through a conflicts
20 committee.

21 c. In the final step, Raffaelli's investment recommendation would go to the
22 Investment Committee for a vote. Anyone on the Investment Committee had veto power and
23 could block an investment, meaning that any investment decision had to be unanimous.

24 77. The PPMs for Fund 2 and Fund 3 identify identical Investment Committees with the
25 following six members and a description of their roles and experience:

26 a. Bruce Flatt -- the Chief Executive Officer of BAM, a leading global
27 alternative asset manager with over \$500 billion in assets under management. Mr. Flatt joined
28 Brookfield in 1990 and became CEO in 2002. Under his leadership, Brookfield has developed a

1 global operating presence in more than 30 countries. Prior to his current role, Mr. Flatt ran
2 Brookfield's real estate and investment operations and has served on numerous public company
3 boards over the past two decades.

4 b. Ben Brown -- a Managing Partner in Brookfield's Real Estate Group. He
5 joined Brookfield in 2010 and has held various roles including leading acquisitions and
6 dispositions for the office property business in New York and in London. Brown is responsible for
7 the commercial operations, including acquisition and disposition activities, for the office business
8 in New York and Boston. Prior to joining Brookfield, Mr. Brown spent time in Boston, Florida
9 and New York with the New Boston Fund, Sovereign Bank and Thor Equities. Ben holds a
10 Bachelor of Science Degree in Business Administration in Finance from Northeastern University.

11 c. Anuj Ranjan -- a Managing Partner and CEO of Middle East and South Asia
12 for BAM. Ranjan is responsible for overseeing all of Brookfield's investment initiatives and
13 operations in the region. He joined Brookfield in 2006 and has held various positions within the
14 company and its affiliates, including mergers and acquisitions, private equity, and real estate.

15 d. Sachin Shah -- a Managing Partner, Head of Brookfield's Renewable Power
16 Group and Chief Executive Officer of Brookfield Renewable Partners. Since joining Brookfield in
17 2002, Shah has held a variety of senior finance roles across the organization. In 2011, Mr. Shah
18 became CFO of Brookfield Renewable Partners and has been instrumental in growing the platform
19 into a global business diversified across multiple technologies.

20 e. Stewart Upson -- a Managing Partner and Chief Executive Officer of Asia
21 Pacific for BAM. Upson is responsible for overseeing the Firm's business activities in the region.
22 He also has direct responsibility for the infrastructure group in Asia Pacific. Mr. Upson joined
23 Brookfield in 2010 from Prime Infrastructure, where he held a number of roles, including General
24 Manager Business Development and Group Treasurer. He previously served as Treasurer at
25 Powerco, a New Zealand-based utility, and worked in the corporate finance division of Deloitte,
26 Auckland.

27 f. Raffaelli
28

1 78. But Raffaelli was not just one part of a six-member Investment Committee. The
2 Fund 2 and Fund 3 PPMs state that “Brookfield’s growth investing team is led by Managing
3 Director Josh Raffaelli” and that Funds “will be led by [] Josh Raffaelli.”

4 79. Further, Fund 2 and Fund 3 identified Raffaelli as the “key man” for the funds,
5 which is a provision used to ensure that a particular person remains involved as the principal
6 decision-maker for the funds.

7 80. For Fund 2, the PPM originally included five key men (including Raffaelli), but was
8 modified shortly after to state that the “key man” clause was triggered if Raffaelli (and only
9 Raffaelli) was no longer “principally responsible for the investment activities” of Fund 2. As a
10 practical matter, this made him the lone “key man” for Fund 2.

11 81. For Fund 3, the PPM stated that if Raffaelli was no longer “principally responsible
12 for the investment activities” the Limited Partner Advisory Committee (“LPAC”) had to be
13 notified and either approve any replacement proposed by Brookfield or else Fund 3 would suspend
14 all activity and the investors could seek the return of their capital. This made him the “key man”
15 for Fund 3.

16 82. In short, the investors of Fund 2 and Fund 3 were assured by the Brookfield
17 Defendants that Raffaelli would be running the funds, making investment decisions, and would be
18 “principally responsible for the investment activities” of the Funds. It was not contemplated that
19 Brookfield executives other than Raffaelli would be making Fund 2 and Fund 3 investment
20 decisions, although that is precisely what ended up happening, as discussed below.

21 **E. Fund 3 Annex Funds**

22 83. Starting in 2022, Raffaelli was able to leverage his industry contacts, expertise, and
23 reputation to make available to the Brookfield Defendants the opportunity to invest in various
24 companies, all of which were considered “hot properties” in the VC investment community.
25 Receiving these opportunities was a real feather in Raffaelli’s cap, and a financial boon to the
26 Brookfield Defendants. For various reasons, the decision was made to house these investments in
27 separate special-purposes vehicles (“SPV”), but they were in all other respects the same as the
28 other BAM VC Funds.

1 **1. Fund 3A (Company A)**

2 84. In June 2023, BAM created a single-asset SPV called Annex Fund 1 (“Fund 3A”),
3 which was a \$92 million fund invested in only company, an aerospace technology company
4 (“Company A”). Investment in Company A was an opportunity afforded to only a very small
5 number of investors in the world, and was based entirely on merit. During the year since Fund 3
6 had separately invested in Company A, Raffaelli spent a considerable amount of his professional
7 time and effort with Company A to aid in its operational requirements, facilitating a proprietary
8 and scaled investment opportunity. Prior to Raffaelli’s introduction to the leadership at Company
9 A, no person within the Brookfield organization had ever met with, evaluated, underwritten, or
10 considered any investment in Company A.

11 85. Fund 3A is governed by the same PPM and other guidelines as Fund 3, with
12 Raffaelli acting as “key man.” The Brookfield Defendants are not investors in Fund 3A, which
13 only holds capital invested by outside LPs. But the Brookfield Defendants are (i) reimbursed for
14 management fees from the outside LPs for BAM’s work as the GP and (ii) entitled to receive
15 “carried interest” if Fund 3A is profitable. In other words, Raffaelli brought the Brookfield
16 Defendants a money-making venture on a silver platter in which he (i) created the investment
17 opportunity, (ii) found the investors, and (iii) did all of the management work very leanly.
18 Meanwhile, the Brookfield Defendants did not have to invest any of their own cash and stand to
19 receive guaranteed management fees and a handsome, no-risk, return in carried interest if Fund 3A
20 is profitable. These management fees and carried interest are substantial revenue for the
21 Brookfield Defendants with no risk, no money invested, little oversight, and significant upside if it
22 works. In short, the Brookfield Defendants get all the benefits of Fund 3A with none of the risks
23 and no capital expenditure.

24 86. Fund 3A is now valued at more than 2.3x its initial investment, which is a 74.2%
25 internal rate of return. Fund 3A’s returns, approved by the Investment Committee, are projected to
26 achieve more than \$725 million for Brookfield and its investors, generating more than \$73 million
27 in “carried interest” to the Brookfield Defendants over its lifetime.

1 87. Just as in any fund, investors' number one question was alignment of interest
2 between themselves and the GP. This was particularly acute for Funds 3A and 3B because the
3 price paid for Company A shares was higher than in Fund 3 (where Company A was a portfolio
4 company of the fund). If the GP managing Fund 3A had no incentive to maximize returns, then a
5 key risk was that the GP would sell too early, leaving money on the table for Fund 3A's investors.

6 88. This type of investing was the first of its kind for the Brookfield Defendants, and
7 Raffaelli received significant accolades within the Brookfield organization for facilitating it. Since
8 the Brookfield Defendants did not have their own capital in these funds, the only way to drive
9 incentive alignment was to promise the LPs that the fund's "key man" -- who was also the only
10 person at BAM with more than a decade of experience with Company A and prior oversight as a
11 board observer -- would have a significant personal stake in the LP's success by being
12 compensated when Fund 3A achieved a profit.

13 89. The prospective investors of Fund 3A wanted to be sure that Raffaelli was properly
14 incentivized and compensated to manage Fund 3A in their best interests, so ensuring that Raffaelli
15 was compensated was a key term in the LPs' agreement to invest capital in Fund 3A. One LP
16 specifically wrote that it would only invest if there was "incentive alignment with Josh, who [the
17 LP] has underwritten to be the critical link with [Company A]."

18 90. To address prospective LPs' concerns, the Brookfield Defendants assured the
19 prospective Fund 3A investors that Raffaelli would have, at minimum, the same carried interest
20 percentage in Fund 3A as he had in Fund 3 (*i.e.*, 17.5% of the GP's portion of carried interest).

21 91. Privately, the Brookfield Defendants recognized that any carried interest generated
22 by Fund 3A was completely "found money" to them, so they promised Raffaelli that he would
23 receive an even higher percentage of the GP's portion of carried interest in Fund 3A than he was
24 receiving for Fund 3. Raffaelli executed on his entrepreneurial spirit and built a significant amount
25 of enterprise value for the Brookfield Defendants as part of his employment responsibilities, and in
26 return was promised by Ranjan and others that in the future, if it was successful, he would be paid
27 for these activities. This was above and beyond his previously established compensation structure.

28

1 92. Even if there was not an explicit agreement to pay Raffaelli carried interest on Fund
2 3A (which there was), the Brookfield Defendants now enjoy the benefits of Raffaelli bringing
3 them Fund 3A, which is generating significant management fees and carried interest for them.

4 93. 73% of the investors in Fund 3A were net new additions to the Brookfield
5 Defendants' entire Private Equity strategy. They were closed without any involvement by any
6 Brookfield investment committee, sales representative, or anyone outside of Raffaelli and his team.
7 This meant that, for the first time, Brookfield Private Equity professionals had an opportunity to
8 consider cross selling opportunities to those clients, whose experience with Raffaelli was nothing
9 short of spectacular as illustrated in their existing returns.

10 **2. Fund 3B (Company A)**

11 94. In February 2024, BAM created a separate, single-asset SPV, called BTG Annex 2
12 ("Fund 3B"), which was a \$10 million fund invested only in Company A.

13 95. Fund 3B is governed by the same PPM and other guidelines as Fund 3, with
14 Raffaelli acting as "key man." The Brookfield Defendants are not investors in Fund 3B, which
15 only holds capital invested by outside LPs. But the Brookfield Defendants are (i) reimbursed for
16 management fees from the outside LPs for BAM's work as the GP and (ii) entitled to receive
17 "carried interest" if Fund 3B is profitable. In other words, Raffaelli brought the Brookfield
18 Defendants a money-making venture on a silver platter in which he (i) created the investment
19 opportunity, (ii) found the investors, and (iii) did all of the management work very leanly.
20 Meanwhile, the Brookfield Defendants did not have to invest any of their own cash and stand to
21 receive guaranteed management fees and a handsome, no-risk, return in carried interest if Fund 3B
22 is profitable. These management fees and carried interest are substantial revenue for the
23 Brookfield Defendants with no risk, no money invested, little oversight, and significant upside if it
24 works. In short, the Brookfield Defendants get all the benefits of Fund 3B with none of the risk
25 and no capital expenditure.

26 96. Fund 3B is valued at more than 1.4x its initial investment, which is a 184% internal
27 rate of return. Fund 3B is projected to achieve significant fees and carried interest for Brookfield
28 and its investors, generating at least \$8 million of "carried interest" to Brookfield over its lifetime.

1 97. As with Fund 3A, the prospective investors of Fund 3B wanted to have the same
2 assurance that Raffaelli would receive a percentage of carried interest to ensure that there was
3 alignment of interests between the LPs and GP. The prospective investors of Fund 3B received the
4 same assurances from the Brookfield Defendants that Raffaelli would receive at least the same
5 percentage of the GP's portion of carried interest as he received for Fund 3 (which was 17.5%).
6 This was a key consideration for the prospective investors of Fund 3B when investing their capital
7 into the fund.

8 98. Based on assurances that he would be compensated for his work on Fund 3A, he
9 continued to explore these opportunities and established Fund 3B.

10 99. Even if there was not an explicit agreement to pay Raffaelli carried interest on Fund
11 3B (which there was), the Brookfield Defendants now enjoy the benefits of Raffaelli bringing them
12 Fund 3B, which is generating significant management fees and carried interest for them.

13 100. In addition, 96.4% of the investors in Fund 3B were net new additions to the
14 Brookfield Defendants' entire Private Equity strategy. And these LPs agreed to invest without any
15 involvement by any Brookfield investment committee, sales representative, or anyone outside of
16 Raffaelli and the BTP team. This meant that, for the first time, Brookfield Private Equity
17 professionals had an opportunity to consider cross selling opportunities to those clients, whose
18 experience with Raffaelli was nothing short of spectacular as illustrated in their existing returns.

19 **3. Fund 3C (Company B)**

20 101. In May 2024, BAM created a single-asset SPV called BTG Annex 3 ("Fund 3C"),
21 which was a \$71 million fund invested only in Company B, a leading generative artificial
22 intelligence company. Just as with Company A, investment in Company B was merit based and
23 exclusive and based on the trust and confidence of the individuals involved. And just like
24 Company A, no one from the Brookfield Defendants other than Raffaelli and his small team at
25 BTG had ever met with, evaluated, underwritten, or considered any investment in Company B
26 before Fund 3B was established. Based on assurances that he would be compensated for his work
27 on Funds 3A and 3B, he continued to explore these opportunities and established Fund 3C.

1 102. Fund 3C is governed by the same PPM and other guidelines as Fund 3, with
2 Raffaelli acting as “key man.” The Brookfield Defendants are not investors in Fund 3C, which
3 only holds capital invested by outside LPs. But the Brookfield Defendants are (i) reimbursed for
4 management fees from the outside LPs for BAM’s work as the GP and (ii) entitled to receive
5 “carried interest” if Fund 3B is profitable. In other words, Raffaelli brought the Brookfield
6 Defendants a money-making venture on a silver platter in which he (i) created the investment
7 opportunity, (ii) found the investors, and (iii) did all of the management work very leanly.
8 Meanwhile, the Brookfield Defendants did not have to invest any of their own cash and stand to
9 receive guaranteed management fees and a handsome, no-risk, return in carried interest if Fund 3C
10 is profitable. These management fees and carried interest are substantial revenue for the
11 Brookfield Defendants with no risk, no money invested, little oversight, and significant upside if it
12 works. In short, the Brookfield Defendants get all the benefits of Fund 3C with none of the risk
13 and no capital expenditure.

14 103. Fund 3C is valued at more than 3x its initial investment, which is a 200% internal
15 rate of return, and generates \$700,000 of annual management fees to Brookfield. Fund 3C is
16 projected to achieve significant fees and carried interest for the Brookfield Defendants and the
17 fund’s investors, and under Investment Committee approved returns, will generate at least \$85
18 million of “carried interest” to the Brookfield Defendants over its lifetime. In addition, the
19 \$700,000 of income from management fees has a direct impact on the Brookfield Defendants’
20 market capitalization as it is the core number for an asset manager to report to Wall Street.

21 104. As with Fund 3A, the prospective investors of Fund 3C wanted to have the same
22 assurance that Raffaelli would receive a percentage of carried interest to ensure that there was
23 alignment of interests between the LPs and GP. The prospective investors of Fund 3C received the
24 same assurances from the Brookfield Defendants that Raffaelli would receive at least the same
25 percentage of the GP’s portion of carried interest as he received for Fund 3 (which was 17.5%).
26 This was a key consideration for the prospective investors of Fund 3C when investing their capital
27 into the fund.
28

105. Based on assurances that he would be compensated for his work on Fund 3A, he continued to explore these opportunities and established Fund 3C.

106. Even if there was not an explicit agreement to pay Raffaelli carried interest on Fund 3C (which there was), the Brookfield Defendants now enjoy the benefits of Raffaelli bringing them Fund 3C, which is generating significant management fees and carried interest for them.

107. In addition, 44.4% of the investors in Fund 3C were net new additions to the Brookfield Defendants' entire Private Equity strategy. And these LPs agreed to invest without any involvement by any Brookfield investment committee, sales representative, or anyone outside of Raffaelli and the BTP team. This meant that, for the first time, Brookfield Private Equity professionals had an opportunity to consider cross selling opportunities to those clients, whose experience with Raffaelli was nothing short of spectacular as illustrated in their existing returns.

108. This was also the Brookfield Defendants' first investment into an artificial intelligence company, which has become an area of significant marketing interest for the business.

4. Fund 3D (X formerly known as Twitter)

109. In October 2022, BAM created a separate, single-asset SPV called Brookfield Project X ("Fund 3D"), which was a \$250 million fund invested only in X (formerly known as Twitter), which is now owned by Elon Musk. The opportunity to invest in X (formerly known as Twitter) was exclusively generated by Raffaelli, who originated, underwrote, and closed on the transaction with the partnership of his team at BTG.

110. Originally this investment was designed to be part of Fund 3, but the Brookfield Defendants elected to remove X from Fund 3 given concerns about its financial viability (although Raffaelli strongly disagreed with that assessment and has proven to be correct).

111. But removing X from Fund 3 did not change the fact that Raffaelli needed to manage the asset, starting first with a global call to all Managing Partners at the Brookfield Defendants to give his overview of the investment thesis and returns. The Brookfield Defendants codified this (rather pejoratively) as "Raffaelli's deal" both in person and in writing between 2022 and 2024. Only starting in 2025, after Raffaelli's termination, did the Brookfield Defendants begin to acknowledge the genius of his thesis with the X investment. Between October 2022 and his

1 departure, Raffaelli was responsible for managing the Brookfield Defendants' position in X, which
2 was housed in Fund 3D. Fund 3D had no investment capital from third-party LPs, and was only
3 capital from the Brookfield Defendants.

4 112. Raffaelli provided significant time and resources to helping the Brookfield
5 Defendants' investment in X thrive, was responsible for approving its quarterly valuation, and sent
6 monthly updates to leadership. He staffed a member of his team full time in X to ensure that the
7 Brookfield Defendants could play a critical role in helping Musk achieve his goals and ambitions.

8 113. The X investment was originally slated for Fund 3, so when it moved into its own
9 Fund 3D, Raffaelli understood that he would retain his 17.5% of the carried interest that the GP
10 received for Fund 3D because he was singularly responsible for originating and managing this
11 asset, the same as he would have been if it had remained in Fund 3 as originally intended. In
12 multiple conversations over the years with the Brookfield Defendants, Raffaelli was told that if
13 Fund 3D's position in X generated returns, Raffaelli would receive additional compensation for
14 navigating the tricky waters of this investment. In the end, this too was "house money" because
15 the Brookfield Defendants' cost of capital is significantly lower than the return expectations
16 generated by Raffaelli's efforts. For example, if Fund 3D invested \$250 million, and returned the
17 original underwrite of 3x, Raffaelli would be paid \$17.5 million in carried interest. This would
18 still be a total windfall for the Brookfield Defendants, who had tried on multiple occasions to force
19 Raffaelli to sell down the X position.

20 114. Even if there was not an explicit agreement to pay Raffaelli carried interest on Fund
21 3D (which there was), the Brookfield Defendants now enjoy the benefits of Raffaelli bringing
22 them Fund 3D, which is generating significant management fees and carried interest for them.

23 115. In addition to the original return on the investment, the partnership with Elon Musk
24 during a period of market turmoil created a propriety opportunity for the business to continue to
25 invest in the growth of the asset. In February 2025, the Brookfield Defendants approved additional
26 financing for X, now anticipating a 10x return according to internal investment committee
27 materials. A 10x investment where the Brookfield Defendants are the sole investor would return a
28

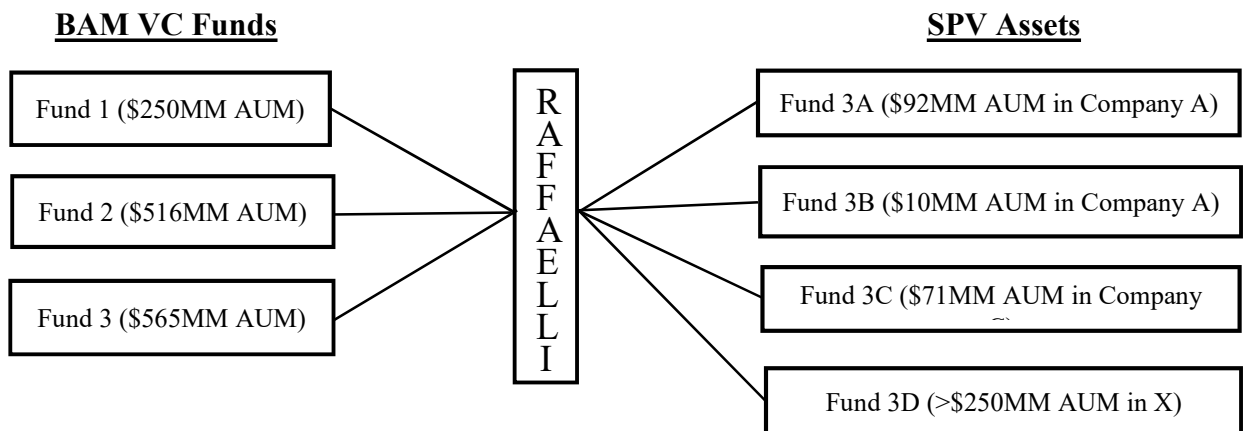
\$2.25 billion windfall for the business without any effort from them. In short, the Brookfield Defendants will reap enormous profits from the business relationship Raffaelli created for them.

F. The Full Scope Of The Funds Raffaelli Built For Brookfield Is Staggering

116. Funds 3A, 3B, 3C, and 3D are collectively referred to herein as the “SPV Assets.”

117. Between the BAM VC Funds and the SPV Assets, Raffaelli built a powerhouse VC platform for the Brookfield Defendants. In total, these funds have more than \$1.75 billion as Assets Under Management (“AUM”). They return more than \$12 million per year in management fees to BAM and are projected to yield “carried interest” to BAM of hundreds of millions of dollars over their lifetimes. And just as importantly they are in highly-coveted spaces involving technology, the space industry, artificial intelligence, and social media.

Funds & Assets Established & Managed By Raffaelli



118. In short, the BAM VC Fund practice was booming as of mid-2024. This was further borne out by the Brookfield Defendants’ articulation of future BAM VC Funds.

119. Each October, the Brookfield Defendants prepare business plans for each business unit in their Private Equity division, which are incorporated into a firmwide plan for BN. These plans are completed without the involvement of the investment teams.

120. The 2024 business plan, the last that Raffaelli received a copy of, specified that the Brookfield Defendants intended to open several more VC funds in the near term, including: (i) Fund 4 (“BTG IV”) in 2025, which would be a \$1 billion VC fund with 20% investment by BN; (ii) Fund 5 (“BTG V”) in 2028, which would be a \$2 billion VC fund with 20% investment by BN;

1 and (iii) Fund 6 (BTG VI”), in 2031, which would be a \$3 billion VC fund with 20% investment
2 by BN. Funds 4-6 were all projected with 20% carried interest.

3 121. In other words, Funds 1-3 and Funds 3A-D were just the start. The Brookfield
4 Defendants had mapped out a 10-year plan, starting in 2024, with Raffaelli as the Managing
5 Partner and “key man” for the new VC funds.

6 **G. Raffaelli’s Outstanding Performance At Brookfield**

7 122. On September 5, 2017, Raffaelli, began his career with Brookfield and immediately
8 excelled in his role. Raffaelli built a team consisting of 12 employees, managing approximately \$2
9 billion of assets. Raffaelli also launched a number of successful funds.

10 123. As noted above, the BAM VC Funds have more than \$1.3 billion in assets under
11 management and are expected to generate at least \$350 million in “carried interest” to the
12 Brookfield Defendants, making them highly profitable. Of that, it was agreed that Raffaelli would
13 receive approximately \$46 million.

14 124. But Raffaelli’s successes for the Brookfield Defendants also include the SPV
15 Assets, which represent an additional \$422 million of additional investment outside of the BAM
16 VC Funds, which he is directly responsible for managing. The SPV Assets are marked up today at
17 1.4x and are expected to return 4x invested capital, or \$1.2 billion of gains, including: (1) Fund 3A
18 is marked at nearly 2x and is expected to return 8.8x; (2) Fund 3B is marked at more than 1.4x in
19 less than 6 months of ownership; (3) Fund 3C is marked at more than 3x and is projected to
20 eventually return 7x; and (4) Fund 3D is marked above cost and expected to return 3x on base case
21 returns and 10x from the Brookfield Defendants’ February 2025 further underwrite. In total, on
22 target returns, the investments in the SPV Assets are expected to generate more than \$700 million
23 of carried interest.

24 125. In short, the investments Raffaelli managed as the BAM VC Funds and SPV Assets
25 outperformed all of the Brookfield Defendants’ expectations, resulting in Raffaelli receiving
26 outstanding performance reviews every year of his employment.

27 126. Based on his successes and track record, Raffaelli was promoted from Managing
28 Director to Managing Partner in February 2019, and was awarded increases of up to \$150,000 in

1 his salary, maximum bonuses of up to twice his annual salary plus additional special discretionary
2 bonuses, and LTIP benefits in the form of carried interest in the funds he managed, and stock
3 options. Raffaelli was informed by the Brookfield Defendants that the \$1,300,000 cash
4 compensation he was to receive was the ceiling for Managing Partners. From there, he was told he
5 would receive more LTIP, which consisted of options and carried interest in the funds he managed.

6 127. In 2024, the future value of Raffaelli's LTIP award was \$9.5 million: 24,900 stock
7 options (target future value \$1.9 million with a 10-year hold) and \$7.7 million of carry on target
8 returns. Raffaelli also was awarded options and carried interest based on the success of the funds
9 he managed. His supervisor, Ranjan, told Raffaelli that there was "certainly a path" for his
10 compensation for the BAM VC Funds to exceed \$100 million. The options are held for 10 years
11 with a 12% annual return and carried interest is based on the fund achieving a 2.0x MoM.
12 Brookfield's annual statements represent its commitment to achieve the value granted.

13 128. When the Brookfield Defendants attempted to bribe Raffaelli in November 2024,
14 they suggested that he was in a position to negotiate a handsome financial deal if he would help
15 them lie to investors, breach his fiduciary duty to investors, and illegally con investors into
16 agreeing to move their capital to an investment platform that would be a disaster for them. The
17 value of that bribe was never solidified because Raffaelli refused to engage in the conversation.
18 But the day after a bribe was first mentioned as a "trade" for his cooperation, the Brookfield
19 Defendants sent Raffaelli an email with a spreadsheet identifying the projected value of his cash
20 compensation that would normally vest by 2026 at **\$46,550,609**. The implication was that this
21 would be a reasonable number for Raffaelli to receive if he helped to "dress up" the proposed
22 move of the BAM VC Funds to Pinegrove and was prepared to be "positive" and not "negative"
23 with the LPs in describing his enthusiastic recommendation of that move.

24 129. But even though a princely sum, this figure is still artificially low because it does
25 not include the "carried interest" that Raffaelli was promised for helping to bring in the investors
26 for the SPV Assets. The "carried interest" on the SPV Assets breaks down as follows: (1) Fund
27 3A was a \$92 million fund with a 10% unallocated "carried interest" pool; (2) Fund 3B was a \$10
28 million fund with a 20% unallocated "carried interest" pool; (3) Fund 3C was a \$71 million fund

1 with a 20% unallocated “carried interest” pool; and (4) Fund 3D was structured as a \$250 million
2 fund with a 20% unallocated “carried interest” pool.

3 130. In other words, the SPV Assets included an unallocated “carried interest” pool of
4 approximately \$273 million on target returns on underwriting, with up to \$623 million if returns
5 achieve expected returns (as valued as of April 2025). Raffaelli was promised that he would
6 receive, at minimum, the same percentage of carried interest as he does for Fund 3 for a total of
7 between \$47.9 million at target returns, and up to \$109 million if the SPV Assets achieve
8 currently-projected returns as of April 2025.

9 **H. Covid-19 Devastates The Commercial Real Estate Market**

10 131. Beginning with the COVID-19 pandemic in March 2020, the Brookfield
11 Defendants began to experience serious financial reversals due to the pandemic’s devastating
12 effect on commercial real estate, which was the backbone of its business. With office workers at
13 home or semi-permanently working remotely, Corporate America began to need less and less
14 commercial real estate. Across the country, commercial real estate took a major hit, and a
15 prominent player in that space like the Brookfield Defendants were no exception.

16 132. Early in the pandemic, as retail and office markets were disrupted, the Brookfield
17 Defendants took significant write-downs (including a \$1.4 billion impairment in 2020 to its retail
18 portfolio). Leadership at the Brookfield Defendants noted that certain property types were facing
19 “fundamental shifts in demand,” with longer-term impacts on valuation and occupancy rates.

20 133. Executives of the Brookfield Defendants (including CEO Bruce Flatt who sat on the
21 Fund 2 and Fund 3 Investment Committees), acknowledged the “challenging” environment for
22 office and retail properties. They frequently commented that the trajectory of return-to-office
23 patterns and changes in consumer behavior introduced uncertainty, making underwriting new deals
24 or forecasting cash flows more complex. Executives of the Brookfield Defendants stated in press
25 interviews that the United States office sector faced “significant headwinds” due to higher interest
26 rates, slow return-to-office trends, and changing tenant preferences and that some office assets
27 would struggle to maintain occupancy and achieve favorable refinancing terms.

1 134. In various earnings calls and investor presentations, the Brookfield Defendants
2 communicated a more cautious approach to new real estate investments, citing the need to “remain
3 disciplined” and “focus on high-quality assets.” Management of the Brookfield Defendants
4 emphasized the importance of allocating capital carefully, selling underperforming assets, and
5 selectively reinvesting in sectors with stronger fundamentals (like logistics, multifamily, or data
6 centers) to mitigate risk.

7 135. As one example, the Brookfield Defendants made the decision to take one of their
8 investment funds, Brookfield Property Partners, private in mid-2021 partly due to the difficulties in
9 the public markets’ perception of the Brookfield Defendants’ retail and office holdings.

10 136. As interest rates climbed, the cost of financing properties and executing new
11 transactions increased. Executives at the Brookfield Defendants noted that “higher rates have
12 reduced transaction activity,” making it less attractive to pursue acquisitions or refinance existing
13 assets. Public statements highlighted the importance of “staying patient,” conserving liquidity, and
14 awaiting more favorable conditions before making significant moves.

15 137. In February 2023, when the Brookfield Defendants defaulted on loans tied to two
16 Los Angeles office towers, media outlets such as *Bloomberg* reported that executives of the
17 Brookfield Defendants were prepared to “hand back the keys” on underperforming offices rather
18 than refinance them at unfavorable terms. The Brookfield Defendants’ willingness to walk away
19 from certain office assets reflected their managements’ view that these properties were no longer
20 financially viable under current market conditions.

21 138. In short, between 2020 and 2024, the challenging real estate environment --
22 characterized by pandemic disruptions, shifting demand for traditional property sectors, and rising
23 interest rates -- directly influenced the strategies and public messaging of the Brookfield
24 Defendants. The companies acknowledged impairments, difficulties with office and retail assets,
25 and an ongoing need to exercise caution. They emphasized strategic repositioning, disciplined
26 capital allocation, and maintaining flexibility in response to a more complex and uncertain real
27 estate landscape.

1 **I. The Brookfield Defendants’ “Cash Crunch” Impacts How They Sought To Manage**
2 **The BAM VC Funds**

3 139. The BAM VC Funds were not immune to the difficulties faced by other parts of the
4 Brookfield organization. As outlined herein, BN was experiencing a major “cash crunch” due to
5 the pandemic and its effect on commercial real estate. At the same time, BN had made
6 commitments to third-party LPs in the Fund 2 and Fund 3 PPMs. In other words, those LPs were
7 expecting BN to make good on its commitments to invest \$100 million in Fund 2 and \$300 million
8 in Fund 3 and pay its share of management fees. But BN was no longer able, or no longer willing,
9 to honor those commitments.

10 140. During a call between Raffaelli and Ranjan on August 2, 2024, Raffaelli challenged
11 Ranjan about the fact that BN was not honoring its commitments and withholding its LP
12 commitments to Funds 2 and 3. Ranjan indicated that BN was taking the position that it would not
13 fund those commitments because it did not have the cash to do so.

14 141. In order to preserve its cash position, and to avoid having to honor its commitment
15 to invest cash into Funds 2 and 3, the Brookfield Defendants instead embarked on a series of
16 gambits to avoid making required cash investments to the BAM VC Funds.

17 **1. The Brookfield Defendants Kibosh An Investment Offer From A Major Foreign**
18 **Conglomerate’s Vast Pension Fund That Would Have Bolstered Fund 3**

19 142. In or about August 2024, Raffaelli was introduced to representatives of a major
20 foreign conglomerate through his investors in Fund 3A. The major foreign conglomerate indicated
21 to Raffaelli that it had made the decision to ramp up its technology investing platform, in particular
22 around artificial intelligence (“AI”), and wanted to allocate \$1.5 billion towards that effort before
23 2027 in such platforms.

24 143. Raffaelli and his investment team worked on this potential investment from the
25 major foreign conglomerate throughout the Fall of 2024. In or about November 2024, the major
26 foreign conglomerate indicated that it had completed its business due diligence and that, upon
27 completing its legal due diligence, it wanted to invest \$75-100 million into Fund 3 and invest
28 another \$75-100 million into a Separately Managed Account (“SMA”) in partnership with

1 Raffaelli's team. In total, the major foreign conglomerate wanted to invest \$150-200 million with
2 the Brookfield Defendants, of which \$75-100 million would go to Fund 3.

3 144. Normally, a VC fund cannot accept new investments beyond a certain time from its
4 date of initiation. In the case of Fund 3, that window was closed when (in November 2024) the
5 major foreign conglomerate indicated it wanted to invest \$75-100 million. But Raffaelli had
6 gotten approval from Ranjan before Fund 3's closing date to seek an extension of time to raise
7 capital. Specifically, on April 11, 2024, Raffaelli told Ranjan, "as discussed this weekend, my
8 recommendation is we should extend our fundraise [for Fund 3] that is set to expire April 30."
9 Ranjan replied on April 11, 2024, "sounds good...."

10 145. Having received internal approval from the Brookfield Defendants to extend the
11 investment window of Fund 3, it was not complicated for the Brookfield Defendants to reopen
12 Fund 3's investment window in order to accept the investment from the major foreign
13 conglomerate. Raffaelli only needed approval from Fund 3's Limited Partner Advisory Committee
14 ("LPAC"), which had the sole authority to reopen Fund 3's investment window.

15 a. The LPAC is a liaison committee between each BAM VC fund and that
16 fund's pool of limited partners. The LPAC speaks for the LPs of each VC fund.

17 b. In the case of Fund 3, the LPAC had only one member ("Superannuation
18 Fund A"), which was one of the largest superannuation funds in Australia.

19 c. On or about November 11, 2024, Raffaelli notified the Fund 3 LPAC's sole
20 member, Superannuation Fund A, about the proposed investment of \$75-100 million into Fund 3.

21 d. Superannuation Fund A immediately approved reopening Fund 3's
22 investment window to accept the investment from the major foreign conglomerate.

23 146. On or about November 12, 2024, Raffaelli informed BAM's Investment Committee
24 about the verbal commitment of significant capital from the major foreign conglomerate and the
25 approval by Fund 3's LPAC to reopen the window to accept that investment.

26 147. Raffaelli was not required to seek BAM's approval for the investment from the
27 major foreign conglomerate because it was not something that had to be approved by the
28

1 Investment Committee. Rather, the LPAC for Fund 3 held sole authority to accept the new
2 investment, and had done so.

3 148. To Raffaelli's knowledge, BAM had never declined an investment of capital from a
4 potential LP, so Raffaelli believed and understood that the proposed investment by the major
5 foreign conglomerate into Fund 3 was welcome news since it had been approved by Fund 3's
6 LPAC.

7 149. Moreover, Raffaelli had already gone above and beyond by getting internal
8 approval from Ranjan back in April 2024 to reopen Fund 3's investment window should a capital
9 commitment present itself.

10 150. From an investment standpoint, the decision to reopen Fund 3's investment window
11 was a "no brainer." As Raffaelli pointed out to his BAM colleagues on November 12, 2024, the
12 additional investment into Fund 3 by the major foreign conglomerate would "de-risk" Fund 3 by
13 giving it additional reserves, as well as boost Fund 3's performance by giving it a chance to invest
14 further in profitable investments. That was all great news for Fund 3's LPs. Just as importantly,
15 Raffaelli explained that connecting Fund 3 with the major foreign conglomerate would be an
16 important strategic partnership for the entire BAM portfolio.

17 151. Raffaelli's previous supervisor, Stewart Upson, wrote back immediately on
18 November 12, 2024, to congratulate Raffaelli on the good news about the proposed investment by
19 the major foreign conglomerate saying "Congrats, thats [sic] awesome news."

20 152. But rather than be pleased with such a large investment from an important new
21 client for a BAM VC Fund, Ranjan (who replaced Upson as Raffaelli's supervisor in 2022) wrote
22 to him on November 12, 2024, to say that BAM had "stopped fundraising" in the BAM VC Funds
23 and the Brookfield Defendants did not want the investment into Fund 3 by the major foreign
24 conglomerate, "especially with everything else going on – in particular working through the
25 possibilities of a GP transfer."

26 153. This latter mention referred to the potential merger of the BAM VC Funds into
27 Pinegrove, which the Brookfield Defendants had gone back and forth on for months throughout
28 2024.

1 154. Raffaelli responded the same day and expressed his surprise at Ranjan's reaction on
2 November 12, 2024, and immediately replied that, "if there is anything in the works, that would be
3 news to me: the last time we connected you told me a GP Transfer [to Pinegrove] was not
4 happening."

5 155. As discussed in further detail below, the timeline of the Brookfield's Defendants
6 changing their mind about Pinegrove is a veritable pendulum.

7 a. In June 2024, the Brookfield Defendants informed Raffaelli that they were
8 considering spinning off the BAM VC Funds into a separate group to be headed by him rather than
9 moving them to Pinegrove.

10 b. In early-August 2024, the Brookfield Defendants said they wanted to move
11 the BAM VC Funds to Pinegrove and wanted Raffaelli to continue managing those funds.

12 c. In early-September 2024, the Brookfield Defendants reversed themselves
13 and told Raffaelli that the BAM VC Funds would not be moving to Pinegrove.

14 d. That was the last Raffaelli had heard about it until November 12, 2024,
15 when Ranjan said that the BAM VC Funds were not raising any further capital because of the
16 "possibilit[y]" that they might move to Pinegrove. Then during a phone call on November 14,
17 2024, Raffaelli was told by Ranjan that the Brookfield Defendants had decided, on or about
18 November 9-10, 2024, that they did want to move the BAM VC Funds to Pinegrove.

19 156. Sufficed to say, the Brookfield Defendants had been all over the place on this issue,
20 which is why Raffaelli was surprised to hear on November 12, 2024, that the BAM VC Funds
21 were not accepting new capital because of the "possibilit[y]" it might interfere with moving them
22 to Pinegrove, especially since the last he had heard, that move was shelved.

23 157. The Brookfield Defendants' decision to decline the major foreign conglomerate's
24 offer to invest \$75-100 million in Fund 3 was objectively indefensible, overruled the rights of
25 Fund 3's LPAC to approve the offer, and violated the Brookfield Defendants' fiduciary obligations
26 to their LPs, investors, and shareholders, and provisions of the securities laws and Investment
27 Advisers Act of 1940, which requires investment advisers to act in their clients' best interests.
28

1 158. Moreover, Ranjan’s November 12, 2024 communication was directly opposite to
2 his email confirmation in April 2024 (detailed above), in which Ranjan committed to keeping Fund
3 3 open for new commitments.

4 159. Ranjan’s suggestion on November 12, 2024 that the Brookfield Defendants had cut
5 off all VC financing within BAM in April 2024 was even more nonsensical given the fact that
6 Raffaelli had raised and deployed (without any objection from the Brookfield Defendants) \$71
7 million via Fund 3C since April 2024. Furthermore, in addition to a large foreign conglomerate,
8 Raffaelli had signed agreements with investors to close on what would have been Fund 3E, which
9 Raffaelli was communicating about with Ranjan (and with his support,) as late as November 21,
10 2024. Raffaelli’s promises to investors -- both as their contractual “key man” and in light of his
11 fiduciary obligations -- were all made with the overt support of the Brookfield Defendants’
12 leadership. In other words, Ranjan’s November 14, 2024 suggestion that the BAM VC Funds
13 were no longer fundraising was not only nonsensical, but if true, would be a tacit admission of a
14 breach of fiduciary duty to LPs.

15 160. In short, because BN was unable or unwilling to invest the capital that it had
16 committed via the PPMs as a Fund 3 LP, the Brookfield Defendants acted to kibosh the investment
17 into Fund 3 by the major foreign conglomerate. That decision was improper for several reasons.

18 a. The Brookfield Defendants’ decision to turn down available investment
19 capital in one of its VC funds was unprecedented and not something it had ever done before,
20 particularly to a VC fund that had not yet reached its target. Fund 3 had an articulated target of \$1
21 billion and was only at \$560 million in the Fall of 2024. The investment of \$75-100 million would
22 have gone a long way towards helping Fund 3 reach the goal it initially articulated to its investors
23 when raising capital.

24 b. Artificially curtailing the size of Fund 3 was detrimental for the LPs of that
25 fund. Having more capital to deploy serves and benefits LPs in two ways (i) by giving Fund 3
26 more capital and thus an enhanced ability to invest (and thus grow the fund’s assets) and (ii) by
27 protecting Fund 3 from “downside” losses through diversification.

1 c. The Brookfield Defendants’ decision directly contravened the objectives of
2 Fund 3’s LPs, as articulated by their designated spokesperson in the LPAC. The LPAC wanted to
3 accept the investment by the major foreign conglomerate. Instead, the Brookfield Defendants
4 curtailed the size of Fund 3, overriding the LPs’ approval in the process, just so BN would not
5 have to make any additional cash investment into Fund 3.

6 d. The Brookfield Defendants’ decision was also an internal course reversal
7 because they had previously approved reopening Fund 3 for investment back in April 2024. But
8 now that BN did not want to inject any more cash into Fund 3, the Brookfield Defendants did a
9 180 degree turn and forbade any further Fund 3 capital commitments.

10 161. But time has shown that the Brookfield Defendants had another, more nefarious,
11 reason for blocking the major foreign conglomerate’s efforts to invest in Fund 3. After informing
12 Raffaelli that it would not accept the major foreign conglomerate’s investment in Fund 3, and then
13 “de facto” firing him two weeks later, the Brookfield Defendants privately approached the same
14 major foreign conglomerate (a client relationship Raffaelli had personally developed) and solicited
15 an investment of the same \$75-100 million that was originally proposed for Fund 3 to instead
16 invest with Pinegrove. In other words, the Brookfield Defendants “snaked” an investment that
17 would have benefitted the Fund 3 LPs (and by extension Raffaelli) to get that same investment
18 money directly into Pinegrove, which was floundering and desperate for additional capital.

19 162. The reasons articulated clearly demonstrate the Brookfield Defendants’ shocking
20 actions to breach their fiduciary duties to their LPs. But the decision also impacted Raffaelli
21 personally. By artificially curtailing the size of Fund 3, the Brookfield Defendants lowered the
22 assets under management in Fund 3 and hurt the fund’s performance possibilities. Considering
23 that Raffaelli was evaluated and paid in large part based on the size of assets under management
24 and the fund’s performance, the Brookfield Defendants’ decision to countermand its LPs’ decision
25 -- and not to bring another \$75-100 million into Fund 3 from a major foreign conglomerate --
26 directly impacted Raffaelli. For every dollar of profit in BAM’s venture capital funds, the LPs
27 retain 80% and the GP retains 20% as “carried interest.” So if the major foreign conglomerate
28 committed \$100 million and achieved matched target returns of 2x, that would mean \$20 million

1 of profit for the GP. Given Raffaelli's ownership of the "carried interest" pool, this would result in
2 roughly \$3.5 million paid to Raffaelli. In addition, Raffaelli would have been paid on the
3 additional \$100 million investment that the major foreign conglomerate wanted to make into the
4 Separately Managed Account to be managed by Raffaelli, consistent with the Brookfield
5 Defendants' promise to Fund 3A's LPs that Raffaelli would have incentives aligned with investors.

6 163. Finally, the major foreign conglomerate's investment in Fund 3 would have resulted
7 in millions of dollars in management fees for BAM, some of which would have gone to Raffaelli.

8 164. In short, Brookfield's decision not to accept the major foreign conglomerate's
9 investment was bad for Fund 3's LPs, bad for BN and BAM shareholders, bad for the reputation of
10 BAM's VC funds, and bad for Raffaelli personally. There was no legitimate investment reason for
11 the Brookfield Defendants' decision other than the fact that BN no longer wanted to invest the
12 level of funds to Fund 3 that it had committed in the PPM and its sister entities (such as BAM)
13 were trying to look for a way to accommodate BN so it could circumvent those commitments.

14 **2. The Brookfield Defendants Kibosh BAM's Investment Opportunity In Company B**

15 165. In April 2024, BAM was given the opportunity to invest up to \$100 million in
16 Company B (which originally informed the markets that it was not seeking investments but later
17 changed course and allowed certain VC funds to invest).

18 166. Company B was a coveted investment opportunity for the BAM VC Funds. The
19 fact that BAM was given an early opportunity to invest up to \$100 million in Company B was a
20 coup for Raffaelli and the BAM investment team, showing that they had achieved standing and
21 merit with one of the most highly-coveted opportunities of venture capital investment in 2024.

22 167. Raffaelli and his investment team recommended investing \$25 million from Fund 2
23 into Company B. Following the procedures in the PPM for Fund 2, Raffaelli submitted his
24 recommendation to the Fund 2 Investment Committee, which approved investing \$25 million in
25 Company B from Fund 2. That was sufficient to trigger the investment, and should have been the
26 end of it.

27 168. However, in May 2024, the Brookfield Defendants swept in and unilaterally
28 decided to reallocate the Company B investment opportunity in two ways. First, the Brookfield

1 Defendants determined that Fund 2 would not invest in Company B at all, and instead any
2 investment into Company B by BAM would be made from Fund 3. Second, the Brookfield
3 Defendants lowered the investment into Company B from Fund 3 from \$25 million to \$5 million.

4 169. This decision was made by the Brookfield Defendants, and communicated by
5 Ranjan, on or about May 9, 2024. Ranjan made no secret of the fact that the Brookfield
6 Defendants made these decisions in order to reduce their capital commitments and the amount of
7 cash they would have to expend if the VC funds invested in Company B at a higher amount.

8 170. Specifically, BN had a 20% commitment for Fund 2, so if Fund 2 invested \$25
9 million, then BN was responsible for investing \$5 million in cash to cover its commitment. By
10 contrast, BN had a 60% commitment in Fund 3, so by investing only \$5 million from Fund 3, BN
11 only had to put in \$3.5 million in cash to cover its commitment. Ranjan's directive benefited BN
12 (and its goals to minimize cash contributions to VC funds) at the expense of LPs of both Fund 2
13 (who would have benefited if the Company B investment was made from Fund 2) and Fund 3
14 (who would have benefited if the Company B investment was made at the \$25 million amount
15 originally intended).

16 171. The Brookfield Defendants' decision circumvented the investment procedures
17 identified in the PPMs for Fund 2 and Fund 3 because it was not unanimously approved by the
18 Investment Committee since it was not agreed to by Raffaelli, who was designated as the "leader"
19 of BAM's VC Funds' investment team. In fact, the Brookfield Defendants reversed an investment
20 decision that had already been unanimously approved by the Fund 2 Investment Committee to
21 invest \$25 million from Fund 2 into Company B.

22 172. The Brookfield Defendants improperly and unilaterally decided that Fund 2 would
23 no longer invest \$25 million into Company B and that the opportunity would instead go to Fund 3,
24 which would only invest \$5 million. Any decision in that regard had to be vetted by Raffaelli's
25 investment team, and any recommendation by Raffaelli about how to proceed with the Company B
26 investment had to be discussed and unanimously approved by the Investment Committee.

1 173. Because BN was unable or unwilling to invest the capital that it had committed via
2 the PPMs, the Brookfield Defendants acted as described herein regarding Company B. That
3 decision was indefensible as follows.

4 a. The Brookfield Defendants' decision directly and negatively impacted the
5 LPs of Fund 2 and Fund 3 because: (i) Fund 2 investors were stripped of a strong investment
6 opportunity by not having any chance to invest in Company B; and (ii) Fund 3 investors were
7 robbed of the opportunity to invest five times as much in Company B as they ultimately did. This
8 was devastating to both Fund 2 and Fund 3 because Company B has tripled in value since the time
9 when Funds 2 and 3 had the opportunity to invest.

10 b. The Brookfield Defendants' decision directly contradicted the earlier
11 investment approval by Fund 2's Investment Committee, which has sole authority to make such
12 decisions. By countermanding a prudent investment decision that was already vetted and approved
13 for Fund 2, the Brookfield Defendants robbed Fund 2's LPs of a prime investment opportunity just
14 so BN would not have to make any additional cash investment.

15 c. A larger Company B investment would also have benefited BAM's public
16 profile in the VC space (since it was such a coveted investment) and resulted in higher market
17 capitalization to the benefit of BN and BAM shareholders and LPs.

18 174. The reasons articulated above are why the Brookfield Defendants' staggering action
19 breached their fiduciary duty to their LPs and violated securities laws and the Investment Advisers
20 Act of 1940. But the decision also impacted Raffaelli personally. By artificially eliminating the
21 investment by Fund 2 and curtailing the size of the investment by Fund 3, the Brookfield
22 Defendants lowered the assets under management in Funds 2 and 3 and hurt those funds'
23 performance possibilities. Considering that Raffaelli was evaluated and paid in large part based on
24 the size of assets under management and the funds' performance, the Brookfield Defendants'
25 decision not to allow Fund 2 to invest and curtailing the size of Fund 3's investment artificially
26 truncated the size of assets under management in those funds.

27 175. The Company B investment in Fund 2 and/or Fund 3 would have resulted in
28 millions of dollars in carried interest to BAM, some of which would have gone to Raffaelli. It also

1 would have resulted in higher market capitalization to the benefit of the public shareholders of BN
2 and BAM.

3 176. Reducing the size of the investment from \$25 million in Fund 2 to \$5 million in
4 Fund 3 has already lead to a material impact to all of the LP investors, most notably
5 Superannuation Fund A. In November 2024, Company B raised additional capital at a 2x uplift in
6 value compared to its May 2024 round, and by March of 2025 had achieved a 3x in value. Had the
7 Brookfield Defendants not overridden Raffaelli's investment decision (for which Raffaelli was
8 designated the primary decision-maker) and the Fund 2 Investment Committee's approval,
9 Superannuation Fund A would have realized nearly \$15 million of gains in Fund 2, versus \$2.65
10 million that has been marked in Fund 3 based on present valuation. And if Company B achieves a
11 7x return, which is entirely likely, Superannuation Fund A alone stands to lose more than \$25
12 million from the Brookfield Defendants' decision on this matter had they allowed the investment
13 to proceed as approved as \$25 million in Fund 2 versus \$5 million in Fund 3.

14 177. In short, the Brookfield Defendants' decision to move and limit the size of the
15 Company B investment (overriding the Investment Committee's approval for Fund 2 to invest at
16 \$25 million) was bad for Fund 2's LPs (who lost out on the investment opportunity entirely), bad
17 for Fund 3's LPs (when the investment was truncated from \$25 million to \$5 million), bad for BN
18 and BAM shareholders, bad for the reputation of Brookfield's VC funds, and bad for Raffaelli
19 personally. There was no legitimate investment basis for the Brookfield Defendants' decision
20 other than the fact that BN no longer wanted to invest the level of funds that it had committed in
21 the PPM and its sister entities (such as BAM) were trying to look for a way to accommodate BN so
22 it could eschew those commitments.

23 178. All of these decisions, which benefited the Brookfield Defendants at the expense of
24 the Fund 2 and 3 LPs were: (i) a breach of fiduciary duty to those LPs; (ii) a violation of Section
25 206 of the Investment Advisers Act of 1940, which requires advisers (like BAM as GP for the
26 BAM VC Funds) to act in the best interests of clients (LPs) and to avoid conflicts of interest unless
27 fully disclosed and consented to; (iii) a violation of Rule 206(4)-8 of the Investment Advisers Act
28 of 1940, which are anti-fraud provisions that prohibit an adviser from defrauding, deceiving, or

manipulating any client in its business practices; and (iv) a violation of Sect. 17(a) of the Securities Act of 1933 and Sect. 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934, which are anti-fraud provisions that prohibit schemes to defraud or deceive investors.

179. This was not the first time that the Brookfield Defendants had undercut the BAM VC group. In 2022, Fund 3's got approval from its Investment Committee to invest \$250 million into Company A. But after announcing this investment internally, Raffaelli received a panicked phone call from the Ranjan saying the Brookfield Defendants wanted to cut the Company A investment down from \$250 million to \$82 million. This decision was damning because, had the Brookfield Defendants supported the Company A investment, Fund 3 would be sitting on \$500 million of profits in less than three years. The Brookfield Defendants' short-sighted decision was to the detriment of them, their LPs, and their employees.

J. Pinegrove Signed Secret Agreements To Create An Investment Strategy Totally Opposite That Of The BAM VC Funds And Harmful To The LPs Of The BAM VC Funds

180. In March 2023, Silicon Valley Bank ("SVB"), a large bank headquartered in Santa Clara, California, failed. It was the third-largest bank failure in U.S. history.

181. SVB had certain venture capital and investment funds under the management of its asset management arm, SVB Capital.

182. The underlying industry issues that drove SVB's bankruptcy were the same as those that drove the creation of a new business plan for Brookfield, called Pinegrove Capital Partners ("Pinegrove").

183. Pinegrove was a joint venture formed in 2023 as a partnership between BAM and Sequoia Heritage. The purpose of Pinegrove was to purchase securities from LPs and GPs who needed liquidity in the face of a broader decline in the technology markets. Simply put, the thesis was that the market correction of 2022 would create opportunities for "secondary investments."

184. Pinegrove launched in early 2023. Reception to it was lukewarm at best, and after 15 months of fundraising, Pinegrove had failed to consummate an initial transaction or any material closes. In theory, Pinegrove was trying to raise \$2 billion, but by the spring of 2024 had

1 failed to raise more than \$325 million of capital outside of commitments from its two owners at
2 BAM and Sequoia Capital.

3 185. Pinegrove's inability to find any secondary investment opportunities from LPs or
4 GPs in 15 months (during one of the most challenging periods in the history of venture capital
5 when there should have been a lot of struggling investors willing to sell their positions to
6 Pinegrove) was astonishingly poor execution.

7 186. But unwilling to concede defeat, Sequoia and Brookfield shifted to a "Hail Mary"
8 strategy: buy the assets out of receivership of SVB Capital, rebrand it as Pinegrove Venture
9 Partners, remove Brian Laibow as CEO, and rebrand Pinegrove as Pinegrove Opportunity Partners
10 in order to hide the failure of the fundraiser. As an illustration of the desperation, the highest bid
11 (before Pinegrove's) for SVB Capital's fund assets was under \$100 million, which was less than
12 2x the annual management fees of the business. This was an atrocious valuation that reflected
13 significant market skepticism about the future of SVB Capital's fund assets.

14 187. When SVB failed, it created a "change of control" scenario, which gave the LPs
15 participating in SVB Capital's investment funds a unique opportunity to renegotiate management
16 fees. To solve this issue, Pinegrove conducted a "hostage negotiation" that required the LPs of
17 SVB Capital's funds to agree not to renegotiate management fees after a change of control.

18 188. In return, the LPs of SVB Capital's investment funds extracted a concession. They
19 insisted that Pinegrove sign anticompetitive agreements with Sequoia, Lightspeed, Ribbit Capital,
20 Andreessen Horowitz, Bessemer Venture Partners, Eclipse, Kleiner Perkins, Index Ventures, and
21 Cyberstarts, which specified that Pinegrove would not do any direct investments into technology
22 businesses and would only do so through other VC funds and secondaries.

23 189. This secret, "back room" deal -- which promised that Pinegrove would not compete
24 to purchase shares in private technology businesses directly from such companies -- was a disaster
25 to the broader investment strategy employed by the BAM VC Funds, whose entire business model
26 was predicated on investing directly into private technology companies.

1 190. All of this was unknown to Raffaelli until late 2024. But it was known to the
2 Brookfield Defendants, who hid this information from Raffaelli, the LPs of the BAM VC Funds,
3 and everyone else for many months.

4 191. Ranjan wore two hats because he was not only on BAM's Investment Committee,
5 but he was also one of two members of the Board of Managers of Pinegrove alongside Mark
6 Srulowitz. In other words, two of the people with direct fiduciary obligations to the BAM VC
7 Funds (and their LPs) had now promised that a Brookfield affiliate (Pinegrove) would no longer
8 invest in technology businesses, despite knowing this was completely antithetical and opposite to
9 the investments conducted by the BAM VC Funds.

10 192. The secret Pinegrove agreements were signed without any consultation with the
11 conflicts committee at BAM, which would have undoubtedly flagged such agreements by a
12 Brookfield affiliate given that they stood to essentially put the Brookfield Defendants' entire VC
13 investing practice (which focused on primary investments in technology) into dormancy.

14 193. Ranjan, however, sat at the center of both the governing committee of Pinegrove
15 and Funds 2 and 3. On behalf of the Brookfield Defendants, Ranjan engaged in conduct to
16 obfuscate the truth and fix these underlying issues.

17 **K. The Brookfield Defendants Spent Months Going Back And Forth About Whether To**
18 **Merge Their Profitable BAM VC Funds Into Faltering Pinegrove**

19 194. Even before knowing about the secret Pinegrove agreements, Raffaelli perceived
20 that there was an inherent conflict between the Pinegrove investment strategy and that of the BAM
21 VC Funds. The BAM VC Funds identified portfolio companies, made a direct investment, and
22 then actively helped to nurture, incubate, and manage the portfolio companies. In other words, it
23 was "hands on" as an active, "primary investor." Pinegrove, by contrast, never directly bought the
24 shares of companies. Instead, it bought the portfolio positions of other investors who had bought
25 those shares, which made it a "secondary investor." BAM was a "primary" investor while
26 Pinegrove was a "secondary" investor.

27 195. In October 2023, Raffaelli spoke with Ranjan about the opposing investment
28 strategies being used by the BAM VC Funds and Pinegrove, and noted potential conflicts between

1 them. Ranjan said, “let’s chat when we speak next on pinegrove etc - for one we always planned
2 to let it run independently.” In other words, as of October 2023, the Brookfield Defendants told
3 Raffaelli that Pinegrove would remain separate from the BAM VC Funds so it did not matter that
4 one was a “primary” investor and the other was a “secondary” investor.

5 196. By the summer of 2024, the Brookfield Defendants were trying to decide how best
6 to deal with the “cash crunch” and the fact that they wanted to avoid BN’s capital commitments to
7 the BAM VC Funds in its role as an LP.

8 197. One option was to spin off the BAM VC Funds into a separate entity, potentially
9 headed by Raffaelli, that would operate independently of BAM but that would not merge with
10 Pinegrove. The second option was to consolidate the BAM VC Funds into Pinegrove, which the
11 Brookfield Defendants could then control (though the mechanism to do so is unclear since there
12 was ownership of Sequoia Heritage, Brookfield, and management), meaning the Brookfield
13 Defendants could “put a foot on the scale” of how much BN would have to invest into BAM’s VC
14 funds once they were merged into Pinegrove.

15 198. On or about June 3, 2024, Ranjan formed a working group consisting of Raffaelli,
16 Jaspreet Dehl (Managing Partner and CFO of BAM’s Private Equity Group), and Ryan Szainwald
17 (BAM’s Private Equity Group’s in-house counsel), to put together a plan within 30 days to work
18 through the commercial and technical mechanics of externalizing the BAM VC Funds. In this
19 scenario, Raffaelli and his team would spin off into a separate company with the BAM VC Funds
20 that would be independent of Pinegrove and BAM.

21 199. This was the beginning of a schizophrenic period when the Brookfield Defendants
22 went back and forth on whether to merge the BAM VC Funds into Pinegrove or not.

23 200. On August 2, 2024, Ranjan discussed with Raffaelli that instead of spinning off
24 the BAM VC Funds into a separate entity, CEO Bruce Flatt had suggested merging Funds 2 and 3
25 with Pinegrove.

26 201. On August 6, 2024, Ranjan had a phone call with Raffaelli, in which he said that if
27 Funds 2 and 3 did merge with Pinegrove, the Brookfield Defendants would want Raffaelli and his
28

1 entire investment team to go along with them and to keep managing them as they had done before
2 and that Raffaelli would be the CEO of those assets under the Pinegrove umbrella.

3 a. Ranjan made clear that if Funds 2 and 3 merged into Pinegrove, it would not
4 change Raffaelli's status with the Brookfield Defendants, his compensation, or his right to "carried
5 interest" in the BAM VC Funds and SPV Assets. In fact, Raffaelli would be promoted to be the
6 CEO of the group within Pinegrove that managed Funds 2 and 3 (known as the "Directs" business
7 because Funds 2 and 3 invested directly into companies unlike the rest of Pinegrove's funds).

8 b. Ranjan also assured Raffaelli that the issue they had discussed in October
9 2023 -- that Pinegrove could only be a "secondary" investor in companies -- was no longer the
10 case and Pinegrove could invest in companies as a "primary" investor.

11 c. Ranjan said that Raffaelli had a "bright future" within Brookfield.

12 d. There was no hint or suggestion that the Brookfield Defendants had any
13 plan in mind to terminate Raffaelli. Quite the opposite, as Ranjan was talking about Raffaelli
14 remaining employed to run the BAM VC Funds over at Pinegrove.

15 202. On September 5, 2024, Ranjan and Raffaelli met in person in London.

16 a. During this meeting, Ranjan said that the idea of merging Funds 2 and 3 into
17 Pinegrove was now off and that the BAM VC Funds would just stay in BAM with Raffaelli
18 continuing to run them.

19 b. Ranjan also complimented Raffaelli for his leadership of the BAM VC
20 Funds team and ability to generate new revenue streams such as the SPV Assets.

21 c. There was no hint or suggestion that the Brookfield Defendants had any
22 plan in mind to terminate Raffaelli. Quite the opposite, they were saying that the BAM VC Funds
23 would stay where they were and Raffaelli should just continue doing what he had been doing.

24 203. On September 6, 2024, Raffaelli confirmed their September 5, 2024 conversation in
25 an email to Ranjan, saying "I am sorry that the simple idea of the Pinegrove solution was not quite
26 as tidy as hoped, but we should not be all that surprised. There are a lot of moving pieces over
27 there, and roles reversed if I was at Heritage, I would have a tough time conceptualizing additional
28

1 complexity when you have an HR issue with Brian, a team they have not worked with, and an
2 evolving governance structure and no boss.”

3 204. In short, as of September 5, 2024, the Brookfield Defendants had decided not to
4 move the BAM VC Funds to Pinegrove, which Ranjan informed Raffaelli.

5 **L. Raffaelli Discovers Securities Violations Pinegrove Made During Its Capital Raise**

6 205. Based on the representations made to Raffaelli in 2024 by the Brookfield
7 Defendants about a possible merger of his BAM VC funds with Pinegrove, he started to conduct
8 due diligence about Pinegrove in case he played some role in it.

9 206. Raffaelli learned that Pinegrove had formed its own VC fund, called Pinegrove
10 Capital Partners I LP (“Pinegrove Fund I”).

11 207. Raffaelli discovered that Pinegrove Fund I had intentionally misrepresented the
12 amount of its capital raise in order to convince new investors to join the fund.

13 208. Raffaelli learned that Pinegrove Fund I’s SEC Form D, filed on April 11, 2024,
14 identifying Brian Liebow as CEO, contained multiple misrepresentations.

15 209. These misrepresentations were intended to portray Pinegrove Fund I’s strength and
16 momentum when none actually existed. The intentional, systematic, and false communications not
17 only continued through November 2024 as Pinegrove tried to drive a second close. Here are just a
18 few examples of the misrepresentations that Raffaelli uncovered:

19 a. On April 17, 2024, Pinegrove’s CEO, Brian Laibow, emailed Ensign Peak, a
20 Pinegrove investor, stating that Pinegrove’s first close was \$885 million towards a \$2 billion fund.

21 b. On April 19, 2024, 22, and 23, 2024, Laibow emailed many other Pinegrove
22 investors to say, “[a]s an update we are pleased to announce the first closing for [Pinegrove Fund
23 I]. We raised \$1billion for the strategy.”

24 c. On July 9, 2024, Monika Figurniak from Pinegrove wrote, “we have raised
25 ~\$1b of the \$2b target...”

26 d. On August 16, 2024, Sam Jenkins from Pinegrove wrote, “first close was
27 held in April with >\$1 B for the strategy.”

28

1 e. On September 19, 2024, Randy Klein from Pinegrove wrote, “The Fund
2 held an initial \$1B close in April 2024...”

3 f. On October 3, 2024, Lina Hu from Pinegrove wrote, “To recap, the fund had
4 an initial \$1B closing in April of 2024.”

5 210. In short, despite telling investors that it had raised \$1 billion in commitments
6 towards a \$2 billion target, in reality, Pinegrove Fund I was actually only able to raise
7 \$825,186,089. This was not just a rounding error, but instead a nearly-20% “miss” that overstated
8 Pinegrove’s capital raise by \$175 million. In other words, the Form D’s representations did not
9 match the facts.

10 211. Moreover, Pinegrove misrepresented to investors where the commitments to
11 Pinegrove Fund I came from. Raffaelli learned that \$500 million of the \$825 million in
12 commitments to Pinegrove Fund I came from BAM and Sequoia Capital, *i.e.*, Pinegrove’s majority
13 owners, which is 60% of the funds committed to Pinegrove Fund I. In other words, Pinegrove told
14 investors that Pinegrove Fund I was in great demand, when in reality, it had raised only \$325
15 million from non-institutional investors towards its \$2 billion target after a year of active
16 fundraising. These facts were materially different from what was being told to current and
17 prospective investors.

18 212. Stringing investors along until after the first close was significant, because by then,
19 their capital commitment contracts were binding, so the Brookfield Defendants could seek
20 management fees and the Limited Partnership Agreement became effective.

21 213. The purpose of the misrepresentations was also to portray the strength and
22 momentum of Pinegrove Fund I, which did not really exist. The \$1 billion figure is critical in the
23 private investment world, where raising more than 50% of a fund’s target amount signals strength
24 and market confidence. By falsely claiming it had raised \$1 billion (and making misleading
25 statements about where the money it had raised came from), Pinegrove misled investors into
26 believing they were participating in a thriving, well-subscribed fund.

27 214. In addition, upon information and belief, individual investor commitments were
28 also being misrepresented. For example, the Government of Singapore Investment Corporation

1 (“GIC”)’s commitment was represented to be \$150 million, which is almost twice its actual size of
2 approximately \$82 million. Moreover, Pinegrove was precluded from using the names of its
3 investors in marketing efforts, yet was touting GIC’s investment. These misrepresentations were
4 made during investor due diligence sessions. GIC is an influential industry participant, and
5 Raffaelli knew that misrepresenting the size and involvement of GIC’s investment was significant.

6 215. Of particular importance to Raffaelli was the sensitivity and important position of
7 the investors who were misled. The deceived investors include pension funds, universities, and
8 endowments. These institutions represent the savings and futures of pensioners, public servants,
9 and nonprofit organizations, who were led astray by blatant falsehoods that undermine trust in the
10 private equity industry. As many as 357 unique institutions were pitched fraudulently in
11 Pinegrove, such as the Cystic Fibrosis Foundation, Fire & Police Pension Association of Colorado,
12 Arizona State Retirement System, San Joaquin Employees Retirement Fund, and Kamehameha
13 Schools.

14 **M. Raffaelli Files a Whistleblower Complaint and Reports it to Brookfield**

15 216. After discovering Pinegrove’s material misrepresentations to investors, and after
16 nearly a year of discussions with the Brookfield Defendants about his concerns without yielding
17 any results, Raffaelli reviewed the Brookfield Defendants’ Whistleblowing policy. The policy
18 states that the Brookfield Defendants were committed to conducting their business with honesty
19 and integrity and expected all staff to report any suspected wrongdoing as soon as possible, but it
20 discouraged reporting externally, stating in pertinent part:

21 **External Disclosures:** The aim of this Policy and the Code [of Business Conduct
22 and Ethics] is to provide an internal mechanism for reporting, investigating and
23 remedying any wrongdoing in the workplace. In most cases, Employees should not
24 find it necessary to alert anyone externally. The law recognizes that in some
25 circumstances it may be appropriate for Employees to report their concerns to an
26 external body such as a regulator.¹ Brookfield is regulated by various governmental
and regulatory authorities globally which are listed on the Intranet. It will rarely, if
ever, be appropriate to alert the media. Brookfield strongly encourages Employees
to seek advice before reporting a concern to anyone external. Employees can always
contact the Reporting Hotline.

27
28 ¹ Details of such regulators are set out in relevant locally applicable policies of the Brookfield Defendants.

1 217. Following his moral compass, and in keeping with the Brookfield Defendants’
2 existing whistleblower policy, on or about October 5, 2024, Raffaelli filed an anonymous
3 complaint within the Brookfield Defendants’ system through its online anonymous whistleblower
4 website <https://www.brookfield.ethicspoint.com> in keeping with its Whistleblowing policy.

5 218. According to the October 7, 2024 LPA, no disclosures had been made. To date,
6 Raffaelli has no idea if his complaint was reviewed, but would not be surprised if, consistent with
7 his next report, no investigation took place.

8 219. On October 11, 2024, Raffaelli followed up with his head of fundraising, Daniel
9 Neczypor for the Pinegrove LPA and DDQ, trying to ascertain if the Material Event of a
10 complaint had been disclosed to potential LPs. He learned it had not.

11 220. On November 1, 2024, Raffaelli filed a whistleblower complaint with the Securities
12 and Exchange Commission (“SEC”).

13 221. Notably, once Raffaelli informed the Brookfield Defendants that he had filed a
14 whistleblower complaint regarding Pinegrove’s fraudulent representations about the amount of
15 capital raised, Pinegrove started scrambling to try to address it, and provided a copy of the
16 complaint. Specifically, Pinegrove’s initial securities filing on Form D, on April 11, 2024,
17 provided no specific offering amount, merely stating that it was “indefinite.” This contrasted
18 specific misrepresentations made to investors that the fund had raised \$1 billion. This was no
19 error; it was a purposeful omission so that Pinegrove could continue to mislead investors about the
20 status of a failed fundraise.

21 222. After Raffaelli provided the Brookfield Defendants with a copy of his
22 whistleblower complaint, Pinegrove quickly filed a revised Form D amendment on January 17,
23 2025, which explicitly states the amount raised as exactly \$825,186,089 (the precise amount that
24 Raffaelli had identified to be the truth in his whistleblower complaint). But even Pinegrove’s
25 retroactive effort to clean up its mess was laden with issues. Specifically, Pinegrove noted that it
26 had “\$1.04 billion” as part of its “issuer strategy.” This careful wording was also no accident. By
27 shifting terminology from “fund” to “strategy” Pinegrove attempted to obscure the precise
28 destination and legitimacy of these additional funds, clouding investors’ understanding of actual

1 commitments. Such ambiguity is particularly striking because Form D filings specifically require
2 clarity on fund-specific capital raised, not broad or unrelated “strategies.”

3 **N. Raffaelli’s November 2024 Discussions With Ranjan And The Aftermath**

4 223. As of September 5/6, 2024, the last time he had communicated with Ranjan,
5 Raffaelli was told and understood that the Brookfield Defendants no longer wanted to merge
6 Funds 2 and 3 into Pinegrove.

7 224. In fact, Ranjan had told Raffaelli that the BAM VC Funds would just stay where
8 they were and he was to keep running them as he had.

9 225. Then, on November 12, 2024, Raffaelli notified Ranjan about the proposed
10 investment of \$75-100 million into Fund 3 by the major foreign conglomerate, which had been
11 approved by Fund 3’s LPAC.

12 226. This note caused Ranjan to go into a panic. The first thing that happened is he
13 immediately reached out to Raffaelli by email to say that BAM had “stopped fundraising” in the
14 BAM VC Funds and that the Brookfield Defendants did not want the investment into Fund 3 by
15 the major foreign conglomerate, “especially with everything else going on – in particular working
16 through the possibilities of a GP transfer.”

17 a. Ranjan went on to say that the Brookfield Defendants “had turned off any
18 fundraising long ago until we decided what was happening - which we were working through
19 various options.” Ranjan said that until the Brookfield Defendants “knew what the situation was,
20 we weren’t going to raise any capital off Brookfield brand. This was super clear in every single
21 conversation we ever had! So while yes it’s great you hustled and got more funds, it creates a
22 problem for when a transfer does eventually get worked out to have one more LP to go explain the
23 whole thing to. Anyways let’s chat properly - I think this just confirms to me that we can’t sit in
24 limbo land anymore and need a full stop solution immediately.”

25 227. Raffaelli responded the same day and expressed his surprise at Ranjan’s reaction on
26 November 12, 2024, and immediately replied that, “if there is anything in the works, that would be
27 news to me: the last time we connected you told me a GP Transfer [to Pinegrove] was not
28 happening.”

1 228. The second thing that happened is that Ranjan desperately tried to reach Raffaelli
2 by phone. It took a day or so to connect, but they finally did on November 14, 2024, in a phone
3 call that lasted for more than one hour. That call was nothing short of stunning to Raffaelli and
4 included the following comments.

5 a. Ranjan told Raffaelli that Bruce Flatt (CEO of BAM) and Connor Teskey
6 (President of BAM) had finally decided over the prior weekend (November 9-10, 2024) to move
7 Funds 2 and 3 to Pinegrove. Up until this point, the Brookfield Defendants had made no definitive
8 decision about what to do and in fact had waffled back and forth several times.

9 b. Ranjan told Raffaelli that Funds 2 and 3 were being moved to Pinegrove to
10 “wind down.” In other words, the Brookfield Defendants were functionally shutting down Funds
11 2 and 3 (without notifying the LPs, who were under the impression that BAM would continue
12 doing everything possible to maximize returns on the hundreds of millions of dollars they had
13 invested with BAM).

14 c. Ranjan confirmed to Raffaelli that Pinegrove had secret agreements with its
15 LPs that precluded direct investments in technology companies, and acknowledged this meant
16 Funds 2 and 3 could not implement their present investment strategies if they moved to Pinegrove.
17 So not only were the Brookfield Defendants moving Funds 2 and 3 to Pinegrove to “wind down”
18 rather than grow and thrive, the move to Pinegrove would force them to wither and die because
19 they could not implement their investment strategy.

20 d. Ranjan said that the Brookfield Defendants had made this decision to save
21 BN having to pay management fees as an LP of Funds 2 and 3, while also hoping that it might
22 help bolster a flailing Pinegrove, which Brookfield was financially interested in. Raffaelli
23 reasonably believed that Ranjan was describing conduct that would not only breach fiduciary
24 duties to the LPs, but also violated Section 206 and Rule 206 (4)-8 of the Investment Advisers Act
25 of 1940, Section 17(a) of the Securities Act of 1933, and Section 10(b) and Rule 10b-5 of the
26 Securities Exchange Act of 1934.

27 e. Ranjan admitted that the Brookfield Defendants knew this decision was not
28 in the best interest of the investor LPs of Funds 2 and 3, but that it was viewed as the best decision

1 for the Brookfield Defendants in order to save them money. Raffaelli reasonably believed that this
2 was a stark admission that the Brookfield Defendants were putting their own profits over the best
3 interests of their customers and investors, in violation of the anti-fraud provisions of the Securities
4 Act of 1933, Securities Exchange Act of 1934, and Investment Advisers Act of 1940.

5 f. Ranjan said it was the Brookfield Defendants' best interest to have a
6 "seamless" transfer of Funds 2 and into Pinegrove. He said that the Brookfield Defendants knew
7 full well that the LPs of Funds 2 and 3 "loved" Raffaelli, and credited Raffaelli (rather than
8 anyone else at the Brookfield Defendants) with their funds' success, so Raffaelli was in the best
9 position to help the Brookfield Defendants make that transition happen.

10 g. Ranjan then offered Raffaelli what he called a "trade." He said that if
11 Raffaelli helped to "dress up" the reasons why moving Funds 2 and 3 to Pinegrove was good for
12 the LPs, and to be "positive" rather than "negative" about the move, in "exchange" the Brookfield
13 Defendants would pay Raffaelli "way beyond" whatever amount of money he was owed at that
14 particular moment as compensation under his employment terms.

15 h. Ranjan did not directly address during the call what Raffaelli's role would
16 be going forward. When Raffaelli suggested that it might make sense for him to remain at BAM
17 to continue running the SPV Assets -- even if Funds 2 and 3 went to Pinegrove -- Ranjan agreed
18 that was a possibility and said they should talk about it further.

19 i. At no time during the call did Ranjan say that Raffaelli was terminated from
20 the Brookfield organization. Rather, it was Raffaelli's understanding from the call that the
21 Brookfield Defendants wanted to see if he would accept the bribe (and how much money he
22 wanted) to help convince the LPs of Funds 2 and 3 to move to Pinegrove, and then they would
23 discuss his ongoing role at BAM, and were open to him remaining to run the SPV Assets.

24 229. This phone call was truly stunning to Raffaelli. First, the Brookfield Defendants
25 flat-out admitted that they were sending Funds 2 and 3 to Pinegrove to "wind down" and die, and
26 that they did not intend to tell the LPs the truth about it. Second, the Brookfield Defendants
27 admitted this move was bad for the LPs but good for them. Third, the Brookfield Defendants
28 admitted that the BAM VC Funds could not implement their investment strategy if they moved to

1 Pinegrove, which would certainly impact their returns. Finally, the Brookfield Defendants offered
2 Raffaelli the functional equivalent of a bribe by telling him that they were willing to pay him a lot
3 of money as a “trade” and “exchange” if he would help to “dress up” why moving Funds 2 and 3
4 was good for the LPs in order to get their agreement and be “positive” rather than “negative” about
5 the proposed move.

6 230. If there was any lingering doubt about whether he had really been offered a bribe, it
7 was clarified the following day, on November 15, 2024, when Raffaelli received an email from
8 Ritu Verma (BAM’s head of Human Resources) that included a financial spreadsheet showing that
9 he could be paid as much as \$46 million based on the “carried interest” and other compensation
10 due under the BAM VC Funds. It was not lost on Raffaelli that his employer was offering him a
11 \$46 million bribe if he would agree to lie to their investors (and his clients) about why moving
12 Funds 2 and 3 to Pinegrove was a good idea.

13 231. In fact, the Brookfield Defendants had made the “trade” and “exchange” they were
14 proposing very clear. They were open to offering Raffaelli tens of millions of dollars if he would
15 help them lie to the LPs of Funds 2 and 3. All Raffaelli had to do in order to “earn” this bribe was
16 violate Sect. 17(a) of the Securities Act of 1933, Sect. 10(b) and Rule 10b-5 of the Securities
17 Exchange Act of 1934, Section 206 of the Investment Advisers Act of 1940, Rule 206(4)-8 of the
18 Investment Advisers Act of 1940, commit financial fraud, and engage in a breach of fiduciary duty
19 by making material misrepresentations and omissions to the LPs of Funds 2 and 3 that:

20 a. He thought moving their capital to Pinegrove was a wise move for them,
21 despite Raffaelli having heard directly from the Brookfield Defendants (and personally knowing
22 for a fact) that this was not “the right decision” for the LPs but was instead the “right decision” for
23 Brookfield.

24 b. The Brookfield Defendants’ financial interests would still be aligned with
25 the LPs’ once Funds 2 and 3 moved to Pinegrove, despite Raffaelli knowing that the Brookfield
26 Defendants intended to cheat the LPs by (i) not paying their own share of management fees while
27 requiring the LPs to continue paying and (ii) not paying their share of committed capital.

28 c. Pinegrove would continue to implement Fund 2’s and Fund 3’s existing

1 strategy of direct investment in technology companies, despite Raffaelli knowing this was
2 impossible if those funds moved to Pinegrove because of the secret agreements Pinegrove had
3 made with its own LPs not to do direct investment in technology companies.

4 d. Their funds would continue to be managed actively in order to maximize
5 future returns for years to come, despite Raffaelli knowing that the Brookfield Defendants planned
6 to: (i) let Funds 2 and 3 “wind down” at Pinegrove; (ii) not accept new capital to bolster the Funds
7 even when offered; and (iii) not actively manage the portfolio companies, which was a core
8 function that was paramount to the success Funds 2 and 3 had achieved to that point.

9 e. Make material omissions to the LPs of Funds 2 and 3 that their funds were
10 moving to a secure home, despite knowing that: (i) Pinegrove was a “dog” of a fund that had
11 achieved very little success in nearly two years raising any capital that wasn’t injected by
12 Brookfield and Sequoia; and (ii) Pinegrove was violating federal securities laws and making
13 material misrepresentations about the amount of money it had raised and the sources of that money.

14 232. It took Raffaelli about three seconds after hanging up from his call with Ranjan on
15 November 14, 2024, to decide that he was not going to go along with his employer’s request that
16 he try to convince the LPs of Funds 2 and 3 to move their capital to Pinegrove, no matter how
17 much money the Brookfield Defendants offered him. But because he had heard before that the
18 Brookfield Defendants were “definitely” going to move some or all of the BAM VC Funds to
19 Pinegrove -- and then seen that decision reversed -- he wanted to wait to see if his employers
20 changed their minds again or if he could convince them to do so.

21 233. On November 19, 2024, Raffaelli had a brief phone call with Ritu Verma, who said
22 she wanted to work with him to schedule a time for her and Ranjan to come to the BAM office that
23 Raffaelli worked at in Menlo Park to tell the rest of his investment team about the likely move of
24 Funds 2 and 3 to Pinegrove.

25 234. On November 21, 2024, at 3:21 a.m., Ritu Verma emailed Raffaelli the timeline for
26 communicating with Raffaelli’s team about the Brookfield Defendants’ long-term vision of
27 merging Funds 2 and 3 into Pinegrove. The emails indicated that Raffaelli would be present at a
28 meeting on December 3 or 4, 2024, to discuss potential integration into Pinegrove.

1 235. At this point, it became clear to Raffaelli that the Brookfield Defendants intended to
2 proceed with their lunatic plan to aggravate the existing securities fraud issues -- and now ensnare
3 Fund 2 and Fund 3 investors into the web of fraud victims by merging Funds 2 and 3 into
4 Pinegrove -- so he had no choice but to act.

5 236. On November 22, 2024, at 12:13 a.m., Raffaelli sent an email to Ryan Szainwald,
6 BAM's legal counsel, in accordance with the Whistleblowing Policy, to inform him that he filed a
7 whistleblower complaint with the SEC on November 1, 2024, and attached his written complaint.
8 In the email, Raffaelli wrote:

9 As uncomfortable as this is for me, I wanted to share with you that I felt I had an
10 obligation to blow the whistle on certain illegal conduct by reporting it to the SEC.
11 On November 1, 2024, my counsel submitted the attached materials on my behalf
12 to the SEC Office of the Whistleblower. I understand that the executives
responsible for this fund continue to engage in this conduct and it is my hope that
it ceases immediately. Thank you for your attention to this matter.

13 237. Raffaelli's intention in sending this email was two-fold. First, he wanted to
14 explicitly remind his employer that he had uncovered an ongoing securities fraud within their
15 organization and had reported it to the SEC. Second, he wanted to let his employer know that he
16 was rejecting their offer of a "trade" or "exchange" to exacerbate existing problems by committing
17 further securities and financial fraud on the Fund 2 and 3 LPs by lying to them about a move of
18 their capital to Pinegrove.

19 238. Raffaelli never received an acknowledgement of receipt by Szainwald. While the
20 Brookfield Defendants' Whistleblowing Policy required an acknowledgement and investigation, it
21 took a second follow-up email from Raffaelli to hear from Ron Fisher-Dayn confirming receipt.
22 No investigation or inquiry from his request was ever started.

23 239. Raffaelli quickly grew frustrated by the fact that his employer was escalating the
24 issue of moving Funds 2 and 3 onto his direct reports and wanted to meet with them about whether
25 they would move to Pinegrove and what they might be doing there.

26 240. On November 22, 2024 at 12:12 p.m., Raffaelli replied to Ritu Verma that his team
27 needed to hear what their jobs would be if Funds 2 and 3 were merged into Pinegrove Fund I.
28 Raffaelli also needed to address the significant issue that Ranjan had indicated that Pinegrove

1 signed agreements barring it from doing direct VC investing in competition with tier-one
2 managers, which were essentially the only deals BAM and its VC funds were designed to pursue.
3 Raffaelli stated that his team members wanted to know what their roles would be given this
4 restriction and with no new capital to invest. In addition, his team members wanted to know who
5 would be their leader or direct report. Raffaelli concluded by stating:

6 I am 100% committed to ensure that the team that I have hired and convinced to
7 join me in building this business (versus many other options) is successful. We can
8 do this as a dog and pony show which I do not think will go well, or we can treat
them as people and not fungible assets.

9 241. On November 22, 2024, at 7:07 a.m., Ranjan drafted an email confirming that
10 Pinegrove would not be able to do primary (direct) venture investments in the near term, but that
11 nothing would change for Raffaelli's team. He stated, "in some ways, nothing changes- the team
12 work on the existing portfolio, with no new capital to invest, exactly the status quo at [Fund 3]."
13 Raffaelli knew that this was disingenuous at best, and a flat-out lie at worst.

14 242. In Raffaelli's mind, there was no way the Brookfield Defendants could honestly
15 peddle a "nothing changes" narrative to either the Fund 2 and 3 LPs or to Raffaelli's investment
16 team when he knew fully well that moving those funds to Pinegrove meant they were going there
17 to "wind down" and that a merger would expose Fund 2 and 3 LPs to the securities fraud that
18 Pinegrove had already committed.

19 243. On November 23, 2024, at 4:03 a.m., Raffaelli made a last effort to try to persuade
20 Ranjan to reconsider the concept of merging Funds 2 and 3 into Pinegrove Fund I. Raffaelli
21 advised Ranjan that the LPs of Funds 2 and 3 needed to know that they were being asked to join a
22 fund associated with violations of securities laws, including Rule 206(4) of the Investment
23 Advisers Act of 1940. He further advised Ranjan that the merger would force his team to join
24 Pinegrove (which was engaging in illegal conduct), where they would have no new capital to
25 invest, and which would be a breach of their fiduciary duty to their Fund 2 and Fund 3 investors.

26 244. On November 22, 2024 at 8:45 pm PST, Ranjan responded to Raffaelli's opposition
27 to the illegal conduct -- not by acknowledging it or promising to look into the violations -- but by
28 threatening Raffaelli, stating:

1 I disagree and take offense to everything you are saying and if you'd like, I can also
2 have my lawyers prepare a legal response to your inflammatory and accusatory
email. Have a nice weekend.

3 **O. A December 2, 2024 Meeting Is Scheduled Amid Brookfield's Coercion**

4 245. Between November 14, 2024 (when the Brookfield Defendants finally articulated
5 an intention to move Funds 2 and 3 to Pinegrove) and November 23, 2024, Raffaelli had done his
6 best to save the Brookfield Defendants from themselves. He pointed out to them that they were
7 lying to investors about: (i) being able to directly invest in technology companies at Pinegrove
8 (when really they could not due to the secret agreements entered by Pinegrove); (ii) intending to
9 continue growing Funds 2 and 3 at Pinegrove (when instead they planned to turn down investment
10 capital and let the funds "wind down"); (iii) joining a solid fund (when really Pinegrove had been
11 underperforming for nearly two years, was unable to raise capital, and had committed serious
12 securities violations). But nothing seemed to work.

13 246. Three days later, his employer acted. After Raffaelli refused to accept his
14 employer's bribe to help convince the Fund 2 and 3 LPs to move to Pinegrove, his job was
15 functionally over. But once he formally notified his employer about his whistleblower complaint
16 -- and explicitly informed Ranjan that the Brookfield Defendants were acting illegally -- his job
17 was formally over. On November 26, 2024 at 10:14 pm, Ronald Fisher-Dayn, the Managing
18 Partner at BAM, emailed Raffaelli stating:

19 As many of your recent emails with Ritu and Anuj concerning the imminent
20 Pinegrove transaction have not been constructive, we do not think it would be a
21 productive use of their time to engage with you further on that topic by email and
22 we have asked them not to do so for the remainder of the week and the holiday
weekend. Ritu and I will be visiting the office in Menlo Park on Monday, December
2, and need to schedule a 15 minute meeting with you to discuss the path forward.

23 247. On November 27, 2024, Raffaelli responded stating, "Anuj's threats after good faith
24 notification of a whistleblower complaint are highly concerning." Raffaelli then provided his
25 availability for an in-person meeting on December 2, 2024, and asked if he should have counsel
26 present. Fisher-Dayn misled Raffaelli, and replied there was no need to have counsel present.

27 248. Upon information and belief, the Brookfield Defendants internally discussed the
28 fact that (i) Raffaelli would not accept the bribe and (ii) had informed them of his whistleblower

1 complaint to the SEC about Pinegrove, and made the decision to wrongfully discharge him for
2 those reasons.

3 **P. Raffaelli Refuses To Comply With The Brookfield Defendants' Misconduct**

4 249. On September 6, 2024, Raffaelli received notice from Andrew Silber, Managing
5 Director of Legal and Regulatory, for Brookfield that the SEC was investigating the Brookfield
6 Defendants' Private Equity business. Silber later shared details of the dozens of pages of the
7 SEC's inquiry into the Brookfield Defendants' business and document requests.

8 250. On November 25, 2024, Raffaelli received an email from Andrew Mitchell
9 requesting Raffaelli's approval for the Q3-2024 financial statements for Fund 2 and Fund 3,
10 specifying that they would be posted to LPs two days later. On November 27, 2024, Mitchell
11 followed up with Raffaelli about his request with more urgency.

12 251. On November 27, 2024, Raffaelli forwarded to his Managing Director, Nicholas
13 Sammut, saying "given all in motion, could you please triplecheck my name is not on something
14 problematic? That would be the sort of shitty thing these folks would do."

15 252. Sammut then revealed to Raffaelli that he was not comfortable with the Q3-2024
16 financial statements for Funds 2 and 3 as he had just uncovered that in Fund 2's Q2-2024 financial
17 statements, Jaspreet Dehl's team had purposefully allocated expenses from a different fund to Fund
18 2's LPs. Specifically, Sammut said that that hundreds of thousands of dollars of expenses by
19 Angelo Rufino -- a former Managing Partner within Brookfield and head of Brookfield Special
20 Investments (BSI) -- were improperly applied to Fund 2's financial statements.

21 253. All of this was previously unknown to Raffaelli, and highly alarming. Ranjan had
22 complained to Raffaelli on multiple occasions about the lack of profitability in BSI, and that the
23 Brookfield Defendants believed their market capitalization would improve if the entire BSI
24 business line was closed. But nothing justified the Brookfield Defendants improperly allocating
25 BSI's expenses to Fund 2. However, the Brookfield Defendants were well positioned to
26 manipulate finances in this way because Brookfield Technology Partners, managing Fund 2, did
27 not utilize any type of internal finance organization. Raffaelli had suggested for many years
28 outsourcing the finance and accounting functions of his Brookfield VC Funds, but was told to

1 utilize the Brookfield team and trust in the records being kept. While Raffaelli had always trusted
2 that Brookfield was doing proper accounting, this incident shook his faith in that.

3 254. In addition to purposefully deceiving retail investors in Fund 2, such as UBS
4 Wealth Management, about expense allocations, BAM's accounting shenanigans directly impacted
5 all Brookfield LPs. It also affected Raffaelli, who was paid based on profits generated by the
6 BAM VC Funds, which were now lower than they should have been because of the BSI expenses
7 improperly allocated to them.

8 255. Raffaelli requested detailed expenses for Funds 2 and 3 in order to check them, and
9 indicated that he found it deeply concerning that he was being asked to provide his signature on the
10 Q3-2024 financial statements at the last minute without sufficient assurance and confirmation that
11 the records were correct. He wrote, "[t]his situation is alarming, and if errors exist, it could
12 indicate a pattern or worse, an attempt to shift responsibility."

13 256. Raffaelli followed up again same day, specifying that if Jaspreet Dehl could not
14 certify the Fund 2 and Fund 3 financial statements, then he would need a full statement and
15 accounting of prior expenses to those funds. These accounting issues were very relevant to the
16 SEC investigation underway. Raffaelli received no response, and to his knowledge, the accounting
17 for Funds 2 and 3 still has not been certified nor has the audit completed.

18 **Q. On December 1, 2024, Raffaelli is Wrongfully Terminated**

19 257. On Sunday, December 1, 2024, at 1:20 p.m., the Brookfield Defendants made it
20 official when Raffaelli was wrongfully terminated by email, with an effective date of December 2,
21 2024. Verma's email wrote in pertinent part:

22 The purpose of the meeting we have been requesting was to inform you that,
23 consistent with and pursuant to discussions we have had with you for some time, **the**
24 **firm has decided to effectuate now the termination of your employment in**
25 **connection with the Pinegrove transaction.** Given difficulties with scheduling the
26 call, we are hereby notifying you by this email that the termination is effective as of
Monday, December 2, 2024. A proposed separation agreement is attached for your
review and consideration. We are glad to speak with you on Monday (December 2,
2024) at 1 pm Pacific time to provide additional color..." (emphasis added).

27 258. The termination email stated that Raffaelli was terminated because of his
28 "connection with the Pinegrove transaction," which he believes refers to his complaints about

1 illegal activity relating to and arising from the proposed merger of Funds 2 and 3 with Pinegrove.

2 259. The reality is that Raffaelli was unceremoniously terminated for two reasons. First,
3 he had made it clear that he would not accept the bribe to lie to investors in order to convince them
4 to move their capital to Pinegrove, meaning he was no longer useful to them if he was not willing
5 to help “dress up” that transaction. Second, once the Brookfield Defendants learned that Raffaelli
6 had blown the whistle about Pinegrove’s securities misrepresentations, they knew that if Raffaelli
7 remained at BAM and kept interacting with Fund 2’s and/or Fund 3’s LPs, it would interfere with
8 the Brookfield Defendants’ business objective of merging Funds 2 and 3 into Pinegrove. The
9 Brookfield Defendants’ termination of Raffaelli prevented him from alerting the Fund 2 and 3 LPs
10 that their funds were being merged to a fund that was (i) “winding down” with no new capital to
11 be added to invest, thus decreasing their returns on investments, (ii) a “dog” VC fund that could
12 not raise third-party capital, (iii) unable to make the types of investments that had been so
13 profitable for Funds 2 and 3 due to Pinegrove’s secret agreements, and (iv) making serious
14 securities misrepresentations to current and potential investors.

15 260. The policy within BAM VC Fund’s group when an employee was terminated for
16 cause was to allow them to continue using their Brookfield email for some period of time (two
17 weeks to, in one case, six months). And oftentimes to publicly wish the person well at a new
18 venture. By contrast, Raffaelli’s Brookfield email address was disabled contemporaneous with his
19 termination date of December 1, 2024, and an automated message to anyone emails Raffaelli
20 stated only “I am no longer with Brookfield” and identifying a person to contact.

21 261. This abrupt action and stark auto-email left little doubt that Raffaelli was
22 terminated by the Brookfield Defendants. But at the same time, Raffaelli was precluded by the
23 Brookfield Defendants from saying anything that might explain, contextualize, or soften his
24 departure and the public stain that it left on him as a professional.

25 262. The termination also prevented Raffaelli from warning his team members, who
26 would be forced to violate their fiduciary duty to investors and potentially break the law if they
27 facilitated the merger of Funds 2 and 3 into Pinegrove. Terminating Raffaelli was not only
28 wrongful (in violation of California public policy and the California Labor Code), but was also in

1 direct violation of the Brookfield Defendants' Whistleblowing Policy, which has zero tolerance
2 for imposing any form of retaliatory action or victimization arising from Raffaelli's good-faith
3 whistleblowing.

4 263. Then, despite the notice of termination on December 1, 2024, the Brookfield
5 Defendants put Raffaelli on a 45-day paid leave of absence starting December 2, 2024.

6 264. Prior to Raffaelli's termination, no one at any Brookfield entity arranged a meeting
7 to inform him that the Brookfield Defendants were carrying out a review or investigation of his
8 SEC whistleblower complaint, or the outcome and/or steps it intended to take as required by its
9 Whistleblowing Policy.

10 265. The Brookfield Defendants wrongfully discharged Raffaelli when, between
11 November 14, 2024, and November 23, 2024 (i) he did not accept their attempted bribe and (ii)
12 instead sent a number of emails to Brookfield executives highlighting the reasons why moving
13 Funds 2 and 3 to Pinegrove was disingenuous and bad for investors. In so doing, Raffaelli made it
14 clear that he had declined the "trade" and "exchange" his employer offered on November 14, 2024
15 as a bribe, and he was wrongfully discharged as a result.

16 266. Moreover, the wheels at Brookfield began to turn even faster when Raffaelli
17 formally notified his employer, on November 22, 2024, that he had filed a whistleblower
18 complaint with the SEC. Up to that point, the Brookfield Defendants were taking a "wait and see"
19 approach to give Raffaelli time to respond to their bribe offer. But after he notified them of his
20 whistleblower complaint, his interactions with Ranjan immediately became heated, with Ranjan
21 threatening to get lawyers involved. And then he was told by his employer on November 26, 2024,
22 to stop interacting with his colleagues and to wait to be contacted (which is corporate speak for
23 "we are going to fire you once we are ready to have that conversation"). On December 1, 2024, he
24 was formally terminated.

25 267. But the stated reason for that termination was entirely bogus. Raffaelli was
26 wrongfully discharged for (i) refusing to comply with his employer's efforts to have him act
27 illegally and (ii) as retaliation for filing the SEC whistleblower complaint. The suggestion that
28

1 Raffaelli's termination was somehow because Funds 2 and 3 were moving to Pinegrove (and he no
2 longer needed to run them) are nonsensical and entirely pretextual.

3 268. Furthermore, on its face, the notion that Funds 2 and 3 were absolutely and
4 definitely moving to Pinegrove as of December 1, 2024, is ludicrous. In fact, the Brookfield
5 Defendants had only made an internal decision on November 9-10, 2024 to try for that outcome,
6 and still faced a number of significant legal, accounting, customer, and procedural roadblocks to
7 accomplish it. As of the date of this filing, Funds 2 and 3 have still not transitioned to become part
8 of Pinegrove, and may never do so. Some of the reasons why the Brookfield Defendants were
9 nowhere close to being able to move Funds 2 and 3 to Pinegrove on December 1, 2024 (when they
10 terminated Raffaelli) are:

11 a. ***Partner Approval & Fund Valuations Needed*** -- Brookfield did not fully
12 own Pinegrove due to its partners, like Sequoia. Brookfield needed agreement from its Pinegrove
13 partners in order to migrate Funds 2 and 3. As a minimum, such an agreement required a valuation
14 of Funds 2 and 3 and an operating plan for their assets. But as of Raffaelli's December 1, 2024
15 termination date, Brookfield had no such agreement in place. In a December 12, 2024 document
16 sent in response to a detailed due diligence questionnaire from a potential investor, Pinegrove
17 wrote it would "take at least 3-4 months to merge BAM VC funds into Pinegrove after any formal
18 agreement was signed." Therefore, it appears that Pinegrove is still many months away from being
19 in any position to accept Funds 2 and 3 even if other hurdles can be cleared.

20 b. ***Affiliate Status Needed*** -- Before Funds 2 or 3 can be merged into
21 Pinegrove, the Brookfield Defendants must be in a position to designate Pinegrove as a Brookfield
22 affiliate. But as of December 1, 2024, Pinegrove was not a Brookfield affiliate, nor was it on
23 December 19, 2024, when Kumar Shah (Managing Director of BAM's Private Equity Group)
24 stated that multiple legal opinions were offered, with most concluding that Pinegrove could not be
25 designated an affiliate at the time because Brookfield does not have economic or governance
26 control of Pinegrove. Accordingly, any effort to merge Funds 2 or 3 into Pinegrove remains
27 premature until that legal and accounting hurdle is cleared, and in fact is still entirely speculative.

28

1 c. ***Customer Approval Needed*** -- Even if (i) Brookfield had Pinegrove's
2 agreement to merge Funds 2 and 3 as of December 1, 2024 (which it did not) and (ii) Pinegrove
3 was properly designated as a Brookfield affiliate by Brookfield's lawyers and accountants as of
4 December 1, 2024 (which it was not), Funds 2 and 3 could not be merged into Pinegrove until a
5 majority of the LPs of those funds affirmatively vote in favor of the transaction. That also had not
6 occurred by December 1, 2024. In fact, as of January 31, 2025, Mark Srulowitz (Head of Product
7 Strategy & Development and Head of Fund Formation Execution in Brookfield's Global Client
8 Group and a Brookfield-appointed member of Pinegrove's Board of Directors) told Brookfield
9 staffers that the LPs for Funds 2 and 3 had not approved a merger into Pinegrove, and that
10 meetings to approach them would not even happen until February 2025. The Brookfield
11 Defendants' intimated on December 1, 2024, that Raffaelli was being terminated because it was a
12 "done deal" that Funds 2 and 3 were moving to Pinegrove and thus he was no longer needed. But
13 it was not until more than two months later that the Brookfield Defendants even approached the
14 LPs for those Funds (whose approval was mandatory) about a merger.

15 d. ***Portfolio Company Approval Needed*** -- Even if (i) Brookfield had
16 Pinegrove's agreement to merge Funds 2 and 3 as of December 1, 2024 (which it did not) and (ii)
17 Pinegrove was properly designated as a Brookfield affiliate by Brookfield's lawyers and
18 accountants as of December 1, 2024 (which it was not) and (iii) the LPs of Funds 2 and 3 approved
19 the merger of their funds to Pinegrove by December 1, 2024 (which they had not), Brookfield still
20 needed to seek consents from the portfolio companies to transfer the shares of those companies
21 owned by Funds 2 and 3 to Pinegrove. These consents are required because many companies
22 prevent transfers to nonaffiliated businesses to avoid loss of control and information sharing.

23 269. In short, the Brookfield Defendants must complete a number of steps before Funds
24 2 and 3 can be merged into Pinegrove in order to effectuate the "Pinegrove transaction" referenced
25 in Raffaelli's termination email. But as of December 1, 2024, the date of his termination, none of
26 those steps had been accomplished. In fact, as of the present, most of them have still not been
27 accomplished.

1 270. In short, the Brookfield Defendants had not completed a deal to move Funds 2 and
2 3 to Pinegrove by December 1, 2024. All they had done was initiate a gamble on such a move
3 without knowing if they could ever close it. Accordingly, any suggestion by the Brookfield
4 Defendants that Raffaelli was somehow terminated in relation to the “Pinegrove transaction” --
5 which had not happened by December 1, 2024, and which may never happen -- is pretextual.
6 Raffaelli was terminated (i) because he refused to accept his employer’s offered bribe to lie to LPs
7 and (ii) as retaliation upon learning he had filed a whistleblower complaint.

8 271. Moreover, if the steps outlined above are not completed -- and Funds 2 and 3 never
9 merge into Pinegrove -- then the Brookfield Defendants have a significant problem. By
10 terminating Raffaelli, who is a designated “key man” for Funds 2 and 3, those funds will
11 automatically go into a suspension status. The only way for the Brookfield Defendants to keep
12 those funds active is to propose a new “key man” who the LPs of those funds must accept. This
13 will be far easier for the Brookfield Defendants to do if they (i) can say Raffaelli was terminated
14 for reasons that were his fault and (ii) bar Raffaelli from communicating with LPs about any
15 alternative narrative. If the LPs knew that the Brookfield Defendants fired Raffaelli because he
16 blew the whistle on Pinegrove’s misconduct and objected to Brookfield merging Funds 2 and 3
17 into Pinegrove, they will be far less likely to accept a new “key man” or trust the Brookfield
18 Defendants, jeopardizing the funds’ ongoing status. In short, the Brookfield Defendants have
19 every reason to paint Raffaelli as the “bad guy” or else risk losing Funds 2 and 3 entirely.

20 272. Pinegrove said ,on December 16, 2024, in a response to a due diligence request
21 from a potential investor about the tentative timeline of the integration:

22 Pinegrove and Brookfield are collaborating on a comprehensive integration plan.
23 The transition of [BAM] team members to the Pinegrove platform is scheduled for
24 February 2025, with the full systems integration anticipated to be completed by late
25 Q1 to early Q2 2025. From the time the formal agreement is signed, we anticipate
26 full systems integration to be finalized in 3-4 months.

27 273. In short, Raffaelli’s termination on December 1, 2024, which was three days after
28 the Thanksgiving holiday and seven months into his wife’s pregnancy (where he was the primary
earner and only recipient of health care insurance benefits) was unequivocally retaliatory and

1 without merit. It had nothing to do with an imminent or finalized move of Funds 2 and 3 to
2 Pinegrove.

3 **R. The Brookfield Defendants Defame Raffaelli**

4 274. Since December 6, 2024, Raffaelli has received multiple phone calls and text
5 messages from Fund 2 and Fund 3 LPs, as well as executives and employees at one or more of the
6 Brookfield Defendants informing him that they had been told that: (i) Raffaelli was terminated for
7 cause; (ii) Raffaelli was on leave (giving them the impression that he had a personal, serious, health
8 issue); and/or (iii) Raffaelli voluntarily resigned from BAM. None of these stories were true. The
9 following are among the defamatory statements made about Raffaelli by the Brookfield Defendants:

10 a. On or about December 2, 2024, during an all-hands call with Brookfield
11 team members and on multiple subsequent occasions, Ranjan and Kumar Shah (Managing Director
12 of Brookfield's Private Equity Group), falsely stated that Raffaelli was attempting to extort
13 Brookfield for money in exchange for his approval of the proposed Pinegrove transaction.

14 b. On or about December 9, 2024, Kumar Shah attended a dinner with
15 Raffaelli's former team members and falsely stated that Raffaelli was attempting to extort the
16 Brookfield Defendants for money in exchange for approving the proposed Pinegrove transaction.
17 This was not true as Raffaelli has not asked for any concession or demanded any monies from the
18 Brookfield Defendants at any time as a "quid pro quo" for supporting the merger of Funds 2 and 3
19 into Pinegrove.

20 c. On or about December 10, 2024, Nicholas Sammut and other members of
21 the BTG team falsely stated to Chase Gilbert, the CEO of Built Technologies (a Fund 2 portfolio
22 company) that Raffaelli was unable to perform his duties because he was sick. In fact, Raffaelli
23 was wrongfully and unilaterally terminated by the Brookfield Defendants for refusing to accept a
24 bribe to lie to Fund 2 and 3 investors and in retaliation for filing a whistleblower complaint with
25 the SEC.

26 d. On or about December 16, 2024, Nicholas Sammut falsely stated to
27 Superannuation Fund A that Raffaelli had resigned. In fact, Raffaelli was wrongfully and
28

1 unilaterally terminated by the Brookfield Defendants for refusing to accept a bribe to lie to Fund 2
2 and 3 investors and in retaliation for filing a whistleblower complaint with the SEC.

3 e. On or about December 26, 2024, Nicholas Sammut falsely stated to
4 GoodLeap (a portfolio company of Fund 2) that Raffaelli had resigned. In fact, Raffaelli was
5 wrongfully and unilaterally terminated by the Brookfield Defendants for refusing to accept a bribe
6 to lie to Fund 2 and 3 investors and in retaliation for filing a whistleblower complaint with the
7 SEC.

8 f. During Shah's time in the Menlo Park office in December 2024 and January
9 2025, Shah falsely stated to multiple members of Raffaelli's team that Raffaelli was attempting to
10 extort the Brookfield Defendants for money in exchange for approving the proposed Pinegrove
11 transaction.

12 g. During phone calls or meetings with the major foreign conglomerate that
13 had expressed an interest to Raffaelli in investing in Fund 3 on or about December 12, 2024,
14 December 18, 2024, January 2, 2025, January 6, 2025, and January 27, 2025, Anuj Ranjan, Mark
15 Srulowitz, Beau Lasky, and other Brookfield team members falsely stated that Raffaelli had agreed
16 to leave Brookfield. In fact, Raffaelli was wrongfully and unilaterally terminated by the
17 Brookfield Defendants for refusing to accept a bribe to lie to Fund 2 and 3 investors and in
18 retaliation for filing a whistleblower complaint with the SEC.

19 h. On or about January 14, 2025 and January 22, 2025, Willian O'Sullivan,
20 Matthew Doyle, David Frasier, Kenneth Yuen, Nicholas Sammut, Beau Laskey falsely stated to
21 UBS (a large investor in Fund 2) that Raffaelli had resigned and/or refused to accept another
22 position within Brookfield. In fact, Raffaelli was wrongfully and unilaterally terminated by the
23 Brookfield Defendants for refusing to accept a bribe to lie to Fund 2 and 3 investors and in
24 retaliation for filing a whistleblower complaint with the SEC.

25 i. On or about February 21, 2025, Nicholas Sammut falsely stated to Agnes
26 Kaciki at Primary Wave (a Brookfield affiliate fund) that Raffaelli had resigned. In fact, Raffaelli
27 was wrongfully and unilaterally terminated by the Brookfield Defendants for refusing to accept a
28

1 bribe to lie to Fund 2 and 3 investors and in retaliation for filing a whistleblower complaint with
2 the SEC.

3 j. On or about February 25, 2025, Nicholas Sammut falsely stated to Steve
4 Kuofalsely at Hercules Technology Growth Capital (which lent money to Fund 2/3 portfolio
5 companies) that Raffaelli had resigned. In fact, Raffaelli was wrongfully and unilaterally
6 terminated by the Brookfield Defendants for refusing to accept a bribe to lie to Fund 2 and 3
7 investors and in retaliation for filing a whistleblower complaint with the SEC.

8 k. Certain of these false statements were made with the intent to portray
9 Raffaelli as engaging in unethical and unlawful conduct, thereby undermining his professional
10 reputation, integrity and credibility. Other false statements misrepresented or mischaracterized the
11 circumstances under which Raffaelli separated from the Brookfield Defendants, which also
12 undermined his professional reputation, integrity, and credibility.

13 275. On or about December 9, 2024, Kumar Shah informed Raffaelli that if anyone
14 asked him about his termination, he was to state that the Brookfield Defendants decided to move
15 Fund 3 within a new venture backed by Sequoia as Pinegrove, that there was a disagreement about
16 what that partnership would look like, and that both he and the Brookfield Defendants decided to
17 part ways. This, too, was untrue.

18 276. On December 10, 2024, Raffaelli emailed Ron Fisher-Dayn and Ritu Verma to
19 report the defamatory comments and to ask them for talking points for his communications with
20 LPs and requested a complete list of CEO's who had been told that he was on leave. He wrote:

21 This outreach by the Limited Partners also raises the question of what, if anything
22 BAM would like me to communicate to them about the proposed Pinegrove
23 transaction which has not closed. As you know, it continues to be my view that the
24 Limited Partners need to know that they are being asked to join a Fund associated
25 with violations of securities laws including SEC Marketing Rule 206(4)-1. Despite
26 BAM and BN whistleblower policy requiring an investigation and confidentiality
provisions, I was never contacted for documents or materials provided initially, and
subsequently to the SEC. To my knowledge this Material Event has not been
communicated to Pinegrove Limited Partners, those with commitments
outstanding, or those in active diligence.

27 I'm of course mindful of my contractual obligations regarding confidentiality as
28 narrowed by recent California law. If you do not want me to communicate with the

1 Limited Partners about BAM matters, please provide me direction as to whom
2 within BAM I can direct them to speak.

3 277. Ron Fisher-Dayn responded by instructing Raffaelli to not speak on behalf of the
4 Brookfield Defendants, to direct any inquiries from LPs or other persons about Brookfield matters
5 to Srulowitz, and to have his counsel contact its attorney regarding the severance agreement.

6 278. The Brookfield Defendants have every reason to make Raffaelli look unreasonable
7 or like the “bad guy” because if the Fund 2 and 3 LPs ever find out the truth, they were unlikely to
8 ever trust the Brookfield Defendants enough to ever approve any new “key man” and the funds
9 will terminate.

10 279. As a consequence of the Brookfield Defendants’ conduct, Raffaelli has suffered and
11 will suffer harm, including lost past and future wages, bonuses, LTIP awards, including, “carried
12 interest,” retirement and other benefits, and additional amounts of money Raffaelli would have
13 received had the Brookfield Defendants not terminated him. As a result of such wrongful
14 termination and its consequences, Raffaelli has suffered additional economic harm and damages, to
15 be stated according to proof at trial.

16 280. The acts of the Brookfield Defendants as alleged herein have been reckless and/or
17 intentional, in that the Brookfield Defendants, in conscious disregard of Raffaelli’s rights, acted so
18 as to cause Raffaelli to suffer a loss of employment benefits and to suffer the injury, humiliation,
19 embarrassment, emotional distress and hardship alleged herein. As a result, Raffaelli did suffer
20 and still does suffer emotional distress, anxiety, stress and worry because of the Brookfield
21 Defendants’ conduct. Accordingly, Raffaelli is entitled to recover general damages against the
22 Brookfield Defendants in a sum in excess of the minimum jurisdictional limits of this Court, in an
23 amount to be stated according to proof at trial.

24 281. As a result of the Brookfield Defendants’ conduct as alleged herein, Raffaelli has
25 been required to retain counsel to represent him. Raffaelli will continue to incur attorneys’ fees
26 and costs in an amount within the jurisdictional limits of this Court. Raffaelli is therefore entitled
27 to an award based on the reasonable attorneys’ fees necessarily incurred in the preparation and
28 prosecution of this action.

282. The aforementioned acts were committed by the Brookfield Defendants and Does 1 through 100, and each of them, by and through their officers, directors, managing agents, agents and/or representatives and/or were known to, aided, abetted, authorized by, ratified by and/or otherwise approved by Brookfield's officers, directors, managing agents and/or representatives of Brookfield. The above acts of the Brookfield Defendants, and each of them, were despicable and committed knowingly, willfully, fraudulently, and/or maliciously, with the intent to harm, injure, vex, annoy and oppress Raffaelli and with a conscious disregard of his rights. By reason thereof, Plaintiff seeks punitive and exemplary damages from the Brookfield Defendants in an amount to be proven at trial.

FIRST CAUSE OF ACTION

(Wrongful Termination in Violation of Public Policy)

Against Brookfield Asset Management LLC and Does 1 through 100, Inclusive

283. Raffaelli repeats and realleges Paragraphs 1 through 282 as if fully set forth herein.

284. At all times relevant hereto, BAM LLC was Raffaelli's employer.

285. It is the public policy of the State of California that it is a wrongful discharge to terminate an employee for either (i) refusing to engage in unlawful or illegal acts by their employer or (ii) reporting unlawful conduct that violates a statute of public importance. Here, BAM LLC did both.

286. First, BAM LLC (in consultation and collaboration with BAM and BN) wrongfully discharged Raffaelli immediately after learning that he would not go along with the Brookfield Defendants' demand that he engage in wrongful and illegal acts by making material misrepresentations and/or omissions to the LPs of Funds 2 and 3 as follows:

a. The Brookfield Defendants asked Raffaelli to convince the LPs that (i) moving their capital to Pinegrove was a wise move for them, (ii) the Brookfield Defendants' financial interests would still be aligned with those of the LPs once the funds moved to Pinegrove, (iii) Funds 2 and 3 could continue to implement the existing strategy of direct investment in technology companies, and (4) the LPs' funds would continue to be managed actively within Funds 2 and 3 in order to maximize future returns for years to come. But Raffaelli knew that none

1 of those things were true, so the only way he could convince the LPs to move their capital to
2 Pinegrove (as the Brookfield Defendants asked him to do) would be to lie to them by making
3 material misrepresentations or by omitting to tell them material information that he knew.

4 b. The Brookfield Defendants asked Raffaelli to participate in an unlawful and
5 illegal scheme to defraud the LPs of Funds 2 and 3 by way of the aforementioned material
6 misrepresentations and/or omissions, in violation of various federal and state laws, including but
7 not limited to: (i) Section 17(a) of the Securities Act of 1933; (ii) Section 10(b) and Rule 10b-5 of
8 the Securities Exchange Act of 1934; (iii) Section 206 and Rule 206(4)-8 of the Investment
9 Advisers Act of 1940; and (iv) common law financial fraud.

10 287. Second, BAM LLC (in consultation and collaboration with BAM and BN)
11 wrongfully discharged Raffaelli immediately after learning that he had filed a whistleblower
12 complaint with the SEC disclosing securities violations by an affiliate of the Brookfield
13 Defendants, which was retaliation for his conduct.

14 288. Both reasons for Raffaelli's wrongful discharge violate California public policy, as
15 described by the California Supreme Court in *Tameny v. Atlantic Richfield Co.* (1980) 27 Cal.3d
16 167 and its progeny. Here, BAM LLC (in consultation and collaboration with BAM and BN)
17 wrongfully discharged Raffaelli for both reasons.

18 289. BAM LLC (in consultation and collaboration with BAM and BN) authorized,
19 ratified, condoned, encouraged and/or permitted the implementation of the unlawful and retaliatory
20 practices and policies against Raffaelli, who was its employee, and the acts alleged above,
21 including the wrongful termination of Raffaelli, immediately after learning that Raffaelli: (i) would
22 not participate in an unlawful and illegal scheme to lie to LPs of Funds 2 and 3 as the Brookfield
23 Defendants had requested; and (ii) had identified the securities violations noted herein and notified
24 the Brookfield Defendants that he had filed a whistleblower complaint with the SEC.

25 290. BAM LLC (in consultation and collaboration with BAM and BN) retaliated against
26 Raffaelli and wrongfully terminated him as set forth herein. Such acts were in violation of
27 California law. BAM LLC's wrongful termination of Raffaelli's employment on these bases
28 constitutes separate and distinct violations of California public policies and grounds for this action.

1 291. As a consequence of the conduct by BAM LLC (in consultation and collaboration
2 with BAM and BN), Raffaelli has suffered and will suffer harm, including lost past and future
3 wages, bonuses, LTIP awards (including “carried interest”), retirement and other benefits, and
4 additional amounts of money Raffaelli would have received had he not been wrongfully
5 terminated. As a result of such wrongful termination and its consequences, Raffaelli has suffered
6 additional economic harm and damages, to be stated according to proof at trial.

7 292. The acts of BAM LLC (in consultation and collaboration with BAM and BN), as
8 alleged herein, have been reckless and/or intentional, in that BAM LLC (in consultation and
9 collaboration with BAM and BN), in conscious disregard of Raffaelli’s rights, acted so as to cause
10 Raffaelli to suffer a loss of employment benefits and to suffer the injury, humiliation,
11 embarrassment, emotional distress and hardship alleged herein. As a result, Raffaelli did suffer
12 and still does suffer emotional distress, anxiety, stress and worry because of the wrongful conduct
13 of BAM LLC. Accordingly, Raffaelli is entitled to recover general damages against BAM LLC in
14 a sum in excess of the minimum jurisdictional limits of this Court, in an amount to be stated
15 according to proof at trial.

16 293. The aforementioned acts were committed by BAM LLC (in consultation and
17 collaboration with BAM and BN), and Does 1 through 100, and each of them, by and through
18 officers, directors, managing agents, agents and/or representatives and/or were known to, aided,
19 abetted, authorized by, ratified by and/or otherwise approved by BAM LLC’s officers, directors,
20 managing agents and/or representatives. The above acts of BAM LLC (in consultation and
21 collaboration with BAM and BN) were despicable and committed knowingly, willfully,
22 fraudulently, and/or maliciously, with the intent to harm, injure, vex, annoy, and oppress Plaintiff,
23 and with a conscious disregard of his rights. By reason thereof, Raffaelli seeks punitive and
24 exemplary damages from BAM LLC in an amount to be proven at trial.

25 **SECOND CAUSE OF ACTION**

26 **(Wrongful Termination in Violation of Cal. Labor Code § 1102.5)**

27 **Against Brookfield Asset Management LLC and Does 1 through 100, Inclusive**

28 294. Raffaelli repeats and realleges Paragraphs 1 through 293 as if fully set forth herein.

1 295. At all times relevant hereto, BAM LLC was Raffaelli's employer.

2 296. It is a violation of Labor Code Sect. 1102.5 (c) for an employer, or any person
3 acting on behalf of the employer, to retaliate against an employee "for refusing to participate in an
4 activity that would result in a violation of state or federal statute, or a violation of or
5 noncompliance with a local, state, or federal rule or regulation."

6 297. BAM LLC (in consultation and collaboration with BAM and BN) wrongfully
7 discharged Raffaelli immediately after learning that he would not go along with the Brookfield
8 Defendants' demand that he participate in an unlawful and illegal scheme to lie to the LPs of
9 Funds 2 and 3 by making material misrepresentations and/or omissions to them as follows:

10 a. The Brookfield Defendants asked Raffaelli to convince the LPs that (i)
11 moving their capital to Pinegrove was a wise move for them, (ii) the Brookfield Defendants'
12 financial interests would still be aligned with those of the LPs once the funds moved to Pinegrove,
13 (iii) Funds 2 and 3 could continue to implement the existing strategy of direct investment in
14 technology companies, and (4) the LPs' funds would continue to be managed actively within
15 Funds 2 and 3 in order to maximize future returns for years to come. But Raffaelli knew that none
16 of those things were true, so the only way he could convince the LPs to move their capital to
17 Pinegrove (as the Brookfield Defendants asked him to do) would be to lie to them by making
18 material misrepresentations or by omitting to tell them material information that he knew.

19 b. The Brookfield Defendants asked Raffaelli to participate in an unlawful and
20 illegal scheme to defraud the LPs of Funds 2 and 3 by way of the aforementioned material
21 misrepresentations and/or omissions, in violation of various federal and state laws, including but
22 not limited to: (i) Section 17(a) of the Securities Act of 1933; (ii) Section 10(b) and Rule 10b-5 of
23 the Securities Exchange Act of 1934; (iii) Section 206 and Rule 206(4)-8 of the Investment
24 Advisers Act of 1940; and (iv) common law financial fraud.

25 c. The Brookfield Defendants retaliated against Raffaelli by wrongfully
26 terminating him upon learning that he would not agree to participate in an unlawful and illegal
27 scheme to defraud the LPs of Funds 2 and 3, which is a violation of Labor Code Sect. 1102.5 (c).

28 298. It is a violation of Labor Code Sect. 1102.5 (b) for an employer, or any person

1 acting on behalf of the employer, to retaliate against an employee “for disclosing information . . .
2 to a government or law enforcement agency . . . or for providing information to . . . any public
3 body conducting an investigation, hearing, or inquiry, if the employee has reasonable cause to
4 believe that the information discloses a violation of state or federal statute, or a violation of or
5 noncompliance with a local, state, or federal rule or regulation, regardless of whether disclosing
6 the information is part of the employee’s job duties.”

7 a. During his employment, Raffaelli reported to the SEC that Pinegrove
8 (owned by and affiliated with the Brookfield Defendants) was engaging in fraudulent conduct and
9 securities violations, which would be a violation of various federal and state laws, including but
10 not limited to: (i) Section 17(a) of the Securities Act of 1933; (ii) Section 10(b) and Rule 10b-5 of
11 the Securities Exchange Act of 1934; (iii) Section 206 and Rule 206(4)-8 of the Investment
12 Advisers Act of 1940; and (iv) common law financial fraud.

13 b. Immediately after informing the Brookfield Defendants that he had filed a
14 whistleblower complaint disclosing these securities violations to the SEC, Raffaelli was retaliated
15 against and terminated from his employment, in violation of Labor Code Sect. 1102.5 (b).

16 c. Raffaelli’s disclosure of the aforementioned securities violations were a
17 contributing factor in the wrongful decision by BAM LLC (in consultation and collaboration with
18 BAM and BN) to terminate his employment.

19 299. As a consequence of the conduct by BAM LLC (in consultation and collaboration
20 with BAM and BN), Raffaelli has suffered and will suffer harm, including lost past and future
21 wages, bonuses, LTIP awards (including “carried interest”), retirement and other benefits, and
22 additional amounts of money Raffaelli would have received had he not been wrongfully
23 terminated. As a result of such wrongful termination and its consequences, Raffaelli has suffered
24 additional economic harm and damages, to be stated according to proof at trial.

25 300. The acts of BAM LLC (in consultation and collaboration with BAM and BN), as
26 alleged herein, have been reckless and/or intentional, in that BAM LLC (in consultation and
27 collaboration with BAM and BN), in conscious disregard of Raffaelli’s rights, acted so as to cause
28 Raffaelli to suffer a loss of employment benefits and to suffer the injury, humiliation,

1 embarrassment, emotional distress and hardship alleged herein. As a result, Raffaelli did suffer
2 and still does suffer emotional distress, anxiety, stress and worry because of the wrongful conduct
3 of BAM LLC. Accordingly, Raffaelli is entitled to recover general damages against BAM LLC in
4 a sum in excess of the minimum jurisdictional limits of this Court, in an amount to be stated
5 according to proof at trial.

6 301. As a result of the wrongful conduct of the Brookfield Defendants as alleged herein,
7 Raffaelli has been required to retain counsel to represent him. Raffaelli will continue to incur
8 attorneys' fees and costs in an amount within the jurisdictional limits of this Court. Raffaelli is
9 therefore entitled to an award based on the reasonable attorneys' fees necessarily incurred in the
10 preparation and prosecution of this action, pursuant to Labor Code Sect. 1102.5(j), which amount
11 will be stated according to proof at trial.

12 302. As a result of the wrongful conduct of BAM LLC (in consultation and
13 collaboration with BAM and BN) as alleged herein Raffaelli is entitled to penalties pursuant to
14 Labor Code Sect. 1102.5(f).

15 303. The aforementioned acts were committed by BAM LLC (in consultation and
16 collaboration with BAM and BN), and Does 1 through 100, and each of them, by and through
17 officers, directors, managing agents, agents and/or representatives and/or were known to, aided,
18 abetted, authorized by, ratified by and/or otherwise approved by BAM LLC's officers, directors,
19 managing agents and/or representatives. The above acts of BAM LLC (in consultation and
20 collaboration with BAM and BN) were despicable and committed knowingly, willfully,
21 fraudulently, and/or maliciously, with the intent to harm, injure, vex, annoy, and oppress Plaintiff,
22 and with a conscious disregard of his rights. By reason thereof, Raffaelli seeks punitive and
23 exemplary damages from BAM LLC in an amount to be proven at trial.

24 **THIRD CAUSE OF ACTION**

25 **(Aiding and Abetting Wrongful Termination)**

26 **Against Brookfield Asset Management Ltd., Brookfield Corporation, and Does 1 to 100,**

27 **Inclusive**

28 304. Raffaelli repeats and realleges Paragraphs 1 through 303 as if fully set forth herein.

1 305. As alleged herein, BAM LLC wrongfully discharged Raffaelli, in violation of both
2 California public policy and Labor Code Sect. 1102.5.

3 306. BAM and BN are equally responsible for the harm from that wrongful discharge
4 because they aided and abetted BAM LLC by acting in consultation with BAM LLC to encourage,
5 substantially assist, and ultimately direct that BAM LLC (a subsidiary of BAM that took its orders
6 from BAM and BN) wrongfully terminate Raffaelli.

7 307. BAM and BN knew that it was wrongful for BAM LLC to terminate Raffaelli for
8 (i) refusing to participate in unlawful or illegal acts and/or (ii) in retaliation for Raffaelli reporting
9 Pinegrove's securities violations and unlawful conduct via the SEC whistleblower complaint.

10 308. The Brookfield Defendants (including BAM and BN) had approached Raffaelli and
11 asked him to lie to the LPs of Funds 2 and 3 to convince them that (i) moving their capital to
12 Pinegrove was a wise move for them, (ii) the Brookfield Defendants' financial interests would still
13 be aligned with those of the LPs once the funds moved to Pinegrove, (iii) Funds 2 and 3 could
14 continue to implement the existing strategy of direct investment in technology companies, and (4)
15 the LPs' funds would continue to be managed actively within Funds 2 and 3 in order to maximize
16 future returns for years to come. BAM and BN knew that none of those things were true.

17 309. In so doing, the Brookfield Defendants (including BAM and BN) asked Raffaelli to
18 participate in an unlawful and illegal scheme to defraud the LPs by way of the aforementioned
19 material misrepresentations and/or omissions, in violation of various federal and state laws,
20 including but not limited to: (i) Section 17(a) of the Securities Act of 1933; (ii) Section 10(b) and
21 Rule 10b-5 of the Securities Exchange Act of 1934; (iii) Section 206 and Rule 206(4)-8 of the
22 Investment Advisers Act of 1940; and (iv) common law financial fraud.

23 310. The Brookfield Defendants (including BAM and BN) offered Raffaelli a bribe for
24 his assistance and acquiescence to participate in the unlawful and illegal scheme to defraud LPs.

25 311. Upon learning that Raffaelli refused to lie to the LPs as they had requested -- and
26 immediately after Raffaelli notified them that he had filed a whistleblower complaint with the SEC
27 -- BAM and BN instructed, encouraged, gave substantial assistance to, and specifically directed
28 BAM LLC (a subsidiary of BAM that took its orders from BAM and BN) to terminate Raffaelli's

1 employment, despite knowing that such termination was wrongful and was in violation of both
2 California public policy and Labor Code Sect. 1102.5.

3 312. Accordingly, BAM and BN aided and abetted BAM LLC in committing BAM
4 LLC's tort of wrongful termination, in violation of both California public policy and Labor Code
5 Sect. 1102.5, because BAM and BN knew that Raffaelli's discharge was wrongful under the
6 circumstances as described herein, and yet instructed, encouraged, gave substantial assistance to,
7 and specifically directed BAM LLC to do it anyway.

8 313. BAM and BN had actual knowledge of all the facts relative to the scheme by which
9 the Brookfield Defendants solicited Raffaelli to lie to the LPs of Funds 2 and 3 in exchange for a
10 monetary bribe. BAM and BN also had actual knowledge of the decision by BAM LLC to
11 wrongfully discharge Raffaelli in retaliation for refusing to go along with the scheme and for filing
12 the whistleblower complaint with the SEC, which they instructed, encouraged, gave substantial
13 assistance to, and specifically directed BAM LLC (a subsidiary of BAM that took its orders from
14 BAM and BN) to do.

15 314. BAM and BN knowingly assisted BAM LLC in consummating the tort of wrongful
16 termination in violation of both California public policy and Labor Code Sect. 1102.5.

17 315. BAM and BN had specific intent for BAM LLC to wrongfully discharge Raffaelli,
18 and instructed, encouraged, gave substantial assistance to, and specifically directed that BAM LLC
19 (a subsidiary of BAM that took its orders from BAM and BN) do so, despite knowing that
20 terminating Raffaelli's employment under the circumstances described herein violated both
21 California public policy and Labor Code Sect. 1102.5.

22 316. The conduct of BAM and BN was a substantial factor in the harm experienced by
23 Raffaelli from BAM LLC's wrongful discharge of his employment.

24 317. As a consequence of the conduct by BAM and BN (who were aiding and abetting
25 the tortious and wrongful discharge of Raffaelli by BAM LLC), Raffaelli has suffered and will
26 suffer harm, including lost past and future wages, bonuses, LTIP awards (including "carried
27 interest"), retirement and other benefits, and additional amounts of money Raffaelli would have
28 received had he not been wrongfully terminated. As a result of such wrongful termination and its

1 consequences, Raffaelli has suffered additional economic harm and damages, to be stated
2 according to proof at trial.

3 318. The acts of BAM and BN (who were aiding and abetting the tortious and wrongful
4 discharge of Raffaelli by BAM LLC), as alleged herein, have been reckless and/or intentional, in
5 that BAM and BN (who were aiding and abetting the tortious and wrongful discharge of Raffaelli
6 by BAM LLC), in conscious disregard of Raffaelli's rights, acted so as to cause Raffaelli to suffer
7 a loss of employment benefits and to suffer the injury, humiliation, embarrassment, emotional
8 distress and hardship alleged herein. As a result, Raffaelli did suffer and still does suffer
9 emotional distress, anxiety, stress and worry because of the wrongful conduct of BAM and BN
10 (who were aiding and abetting the tortious and wrongful discharge of Raffaelli by BAM LLC).
11 Accordingly, Raffaelli is entitled to recover general damages against BAM and BN (who were
12 aiding and abetting the tortious and wrongful discharge of Raffaelli by BAM LLC) in a sum in
13 excess of the minimum jurisdictional limits of this Court, in an amount to be stated according to
14 proof at trial.

15 319. The aforementioned acts were committed by BAM and BN (who were aiding and
16 abetting the tortious and wrongful discharge of Raffaelli by BAM LLC), and Does 1 through 100,
17 and each of them, by and through officers, directors, managing agents, agents and/or
18 representatives and/or were known to, aided, abetted, authorized by, ratified by and/or otherwise
19 approved by BAM's and BN's officers, directors, managing agents and/or representatives. The
20 above acts of BAM and BN (who were aiding and abetting the tortious and wrongful discharge of
21 Raffaelli by BAM LLC) were despicable and committed knowingly, willfully, fraudulently, and/or
22 maliciously, with the intent to harm, injure, vex, annoy and oppress Plaintiff and with a conscious
23 disregard of his rights. By reason thereof, Raffaelli seeks punitive and exemplary damages from
24 BAM and BN in an amount to be proven at trial.

25 **FOURTH CAUSE OF ACTION**

26 **(Defamation)**

27 **Against All Defendants and Does 1 to 100, Inclusive**

28 320. Raffaelli repeats and realleges Paragraphs 1 through 319 as if fully set forth herein.

1 321. As alleged herein, the Brookfield Defendants, through their officers, directors, and
2 managing agents, including but not limited to Anuj Ranjan and Kumar Shah, made multiple false
3 and defamatory statements to persons other than Raffaelli, including to Fund 2 and Fund 3
4 Limited Partners (LPs), employees of the Brookfield Defendants, and other third parties within the
5 venture capital and financial communities.

6 322. In these statements, the Brookfield Defendants falsely communicated that: (i)
7 Raffaelli was terminated for cause; and/or (ii) Raffaelli was on leave, misleadingly implying he
8 suffered from a personal or serious health issue; and/or (iii) Raffaelli voluntarily resigned. These
9 statements were designed to obscure the true reason for Raffaelli's termination, which were (1) his
10 refusal to agree to his employer's request that he violate numerous laws by convincing the LPs of
11 Funds 2 and 3 to move their capital to Pinegrove and (2) his whistleblower complaint to the SEC
12 about Pinegrove's systemic and ongoing securities violations.

13 323. The Brookfield Defendants, through their representatives Ranjan and Shah and
14 others, reasonably understood that these statements were about Raffaelli, a private individual, as
15 they explicitly identified him by name in their communications. The persons to whom these
16 statements were made, including LPs, Brookfield employees, and industry contacts, reasonably
17 understood the statements to mean that Raffaelli (i) had engaged in extortionate, unethical, or
18 otherwise improper conduct and/or (ii) was unfit for his role at Brookfield, and/or (iii) had
19 abandoned his responsibilities at Brookfield.

20 324. Each of the Brookfield Defendants' statements was unequivocally false at the time
21 they were made. Raffaelli never sought, demanded, or requested any payment or benefit from
22 Brookfield to approve the Pinegrove transaction. In fact, he rejected his employer's attempts to
23 bribe him in that respect. Furthermore, Raffaelli was not terminated for cause, did not suffer from
24 any health issue necessitating leave, and did not voluntarily resign. Rather, he was wrongfully
25 terminated in retaliation for (1) refusing to go along with his employer's request that he violate
26 various laws by lying to the LPs of Funds 2 and 3 in an effort to convince them to move their
27 capital to Pinegrove and (2) reporting Pinegrove's securities violations to the SEC.

28 325. The Brookfield Defendants, through their representatives Ranjan and Shah and

1 others, failed to use reasonable care to determine the truth or falsity of their statements. Moreover,
2 upon information and belief, the Brookfield Defendants made these statements with actual
3 knowledge of their falsity or with reckless disregard for their truth, as they were fully aware of
4 Raffaelli's whistleblower complaint, his objections to the Pinegrove merger, and the absence of
5 any extortionate conduct on his part. The accusations of extortion were fabricated to justify
6 Raffaelli's termination and to deflect scrutiny from the Brookfield Defendants' own misconduct.

7 326. The Brookfield Defendants' defamatory statements have caused and continue to
8 cause severe and irreparable harm to Raffaelli's profession, occupation, and reputation. Raffaelli,
9 a seasoned venture capital executive with an impeccable record of accomplishment, has spent
10 decades cultivating a reputation for integrity, competence, and ethical leadership in the financial
11 industry. The false claims of extortion, termination for cause, voluntary resignation, and/or
12 health-related leave have poisoned his standing among LPs, industry peers, and potential
13 employers, portraying him as untrustworthy, unstable, or unfit for leadership roles. As a direct
14 result, Raffaelli has suffered lost business opportunities, diminished earning potential, and
15 exclusion from professional networks critical to his career.

16 327. The Brookfield Defendants' defamatory statements were a substantial factor in
17 causing Raffaelli's economic and non-economic harms, including but not limited to lost past and
18 future wages, bonuses, LTIP awards (including "carried interest"), retirement and other benefits,
19 additional amounts of money Raffaelli would have received had he not been wrongfully
20 terminated, and emotional distress stemming from the public humiliation, anxiety, and stress
21 caused by the damage to his professional standing.

22 328. The Brookfield Defendants acted with malice, oppression, and fraud in making
23 these defamatory statements. The accusations of extortion and other falsehoods about why his
24 employment terminated were not mere miscommunications, but were part of a deliberate
25 campaign to vilify Raffaelli, protect the Brookfield Defendants' financial interests, and conceal
26 their own unlawful conduct. By spreading these lies, the Brookfield Defendants sought to ensure
27 that Fund 2 and Fund 3 LPs would not question the Pinegrove merger or reject a new "key man,"
28 thereby safeguarding their ability to continue managing the funds. This conduct was undertaken

1 with a conscious disregard for Raffaelli's rights and with the intent to harm, injure, vex, annoy,
2 and oppress him. Raffaelli is therefore entitled to exemplary or punitive damages from the
3 Brookfield Defendants in an amount to be proven at trial, sufficient to punish them for their
4 egregious misconduct and deter similar acts in the future.

5 329. As a consequence of the Brookfield Defendants' defamatory conduct, Raffaelli has
6 been required to retain counsel to defend his reputation and pursue this action. Raffaelli is entitled
7 to recover reasonable attorneys' fees and costs incurred in the preparation and prosecution of this
8 claim, in an amount to be proven at trial.

9 **FIFTH CAUSE OF ACTION**

10 **(Unfair Business Practices)**

11 **Against All Defendants and Does 1 to 100, Inclusive**

12 330. Raffaelli repeats and realleges Paragraphs 1 through 329 as if fully set forth herein.

13 331. The Brookfield Defendants have engaged in Unfair Business Practices in violation
14 of Business and Professions Code Sections 17200 *et seq.* by engaging in activities that are
15 unlawful, unfair, and fraudulent as alleged herein.

16 332. The Brookfield Defendants employed a scheme to defraud the LPs of Funds 2 and
17 3 by way of these material misrepresentations and/or omissions, in violation of various federal and
18 state laws, including but not limited to: (i) Section 17(a) of the Securities Act of 1933; (ii) Section
19 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934; (iii) Section 206 and Rule 206(4)-8
20 of the Investment Advisers Act of 1940; and (iv) common law financial fraud.

21 333. Their unlawful conduct sought to encompass Raffaelli, who was wrongfully
22 terminated when he declined to participate.

23 334. As a proximate and legal result of the Brookfield Defendants' aforesaid wrongful
24 conduct, Raffaelli has been harmed in that he has suffered lost past and future wages, bonuses,
25 LTIP awards (including "carried interest"), retirement and other benefits, and additional amounts
26 of money Raffaelli would have received had he not been wrongfully terminated. As a result of
27 such wrongful termination and its consequences, Raffaelli has suffered additional economic harm
28 and damages, to be stated according to proof at trial.

1 **SIXTH CAUSE OF ACTION**

2 **(Breach of Contract)**

3 **Against Brookfield Asset Management LLC and Does 1 to 100, Inclusive**

4 335. Raffaelli repeats and realleges Paragraphs 1 through 334 as if fully set forth herein.

5 336. The August 9, 2017 employment agreement between Raffaelli, on the one hand, and
6 BAM LLC, on the other hand (the “Employment Agreement”) was a valid contract between
7 Raffaelli and BAM LLC at all times relevant to the allegations in this Complaint.

8 337. Raffaelli did all, or substantially all, of the things that the Employment Agreement
9 required him to do. Raffaelli started and managed Funds 1-3 and the SPV Assets. These funds
10 were highly successful for the LPs of those funds and highly profitable for the Brookfield
11 Defendants, helping to establish the Brookfield Defendants’ nascent venture capital fund group.
12 Raffaelli received excellent performance reviews during more than seven years employed by BAM
13 LLC. The LPs of the VC funds were very happy with Raffaelli’s performance and insisted that he
14 continue to be a “key man” with primary investment decision-making authority.

15 338. The Employment Agreement identifies Raffaelli’s compensation to include salary,
16 bonuses (up to 50% of his salary), and LTIPs (to include “carried interest”).

17 339. Annual awards of the LTIP (which are paid in the first quarter of each fiscal year
18 related to performance in the prior fiscal year and vests evenly over 5 years in arrears) consist of
19 an option to purchase (annually) Class A Limited Voting Shares of Brookfield and the right to
20 receive “carried interest” as a form of participation in the performance of the investments made in
21 the BAM VC Funds.

22 340. BAM LLC (as well as BAM and BN) promised Raffaelli that the LTIP component
23 identified in the Employment Agreement included an award of “carried interest” on Funds 1-3 and
24 the SPV Assets. In fact, the most recent articulation of Raffaelli’s right to “carried interest” on
25 Funds 1-3 as a component of his Employment Agreement was an email that he received on
26 November 15, 2024, which included a spreadsheet showing his “carried interest” amounts in, at a
27 minimum Funds 1-3. Meanwhile, separate written agreements promised him “carried interest” on
28 the SPV Assets, which were offshoots of Fund 3.

1 341. But BAM LLC (in consultation and collaboration with BAM and BN) breached the
2 Employment Agreement by artificially reducing the compensation that Raffaelli was set to receive
3 pursuant to the Employment Agreement in at least two ways.

4 342. First, the performance of Funds 1-3 and the SPV Assets, along with the assets
5 under management and capital investments in Funds 1-3 and the SPV Assets, were key
6 components of the eventual “carried interest” and LTIP components of Raffaelli’s compensation,
7 to which he was entitled pursuant to the Employment Agreement and the Brookfield Defendants’
8 promises to him. In a nutshell, the better Funds 1-3 and the SPV Assets performed, the more
9 “carried interest” Raffaelli was entitled to receive pursuant to the Employment Agreement. But
10 BAM LLC (in consultation and collaboration with BAM and BN) breached the Employment
11 Agreement’s terms as to Raffaelli’s compensation as follows:

12 a. By refusing to allow a major foreign conglomerate to invest more than \$75
13 million in Fund 3, which artificially truncated the size and performance of Fund 3 and acted
14 against the wishes of Fund 3’s LPs (as expressed by the Fund 3 LPAC), which wanted that
15 investment.

16 b. By refusing to allow Fund 2 to invest \$25 million in Company B, which acted
17 against the wishes of Fund 2’s Investment Committee and was to the detriment of Fund 2’s LPs
18 and the shareholders of BN and BAM.

19 c. By refusing to allow Fund 3 to invest \$25 million in Company B (instead opting
20 for a much more modest \$5 million investment), which was to the detriment of Fund 3’s LPs and
21 the shareholders of BN and BAM.

22 d. By seeking to merge Fund 2 and Fund 3 into Pinegrove, despite knowing the
23 serious issues with such a merger and the deleterious effect on returns for Funds 2 and 3, which
24 was to the detriment of the LPs of Funds 2 and 3 and the shareholders of BN and BAM.

25 e. Each of the aforementioned acts breached the Employment Agreement by
26 reducing the compensation terms of that agreement below the amount agreed upon by the parties to
27 the Employment Agreement.

28

343. Second, BAM LLC (in consultation and collaboration with BAM and BN) breached the Employment Agreement by refusing to pay Raffaelli all of the “carried interest” he is entitled to pursuant to the Employment Agreement and by the promises of the Brookfield Defendants.

344. Raffaelli was damaged by the breach of the Employment Agreement by BAM LLC (acting in consultation and collaboration with BAM and BN) in the amount of the lost past and future wages, bonuses, LTIP awards (including “carried interest”), retirement and other benefits, and additional amounts of money Raffaelli would have received had BAM LLC not breached the Employment Agreement.

345. The breach of the Employment Agreement by BAM LLC (in consultation and collaboration with BAM and BN) was a substantial factor in causing Raffaelli's harm.

SEVENTH CAUSE OF ACTION

(Breach of Implied Covenant of Good Faith and Fair Dealing)

Against Brookfield Asset Management LLC and Does 1 to 100, Inclusive

346. Raffaelli repeats and realleges Paragraphs 1 through 345 as if fully set forth herein.

347. In every employment agreement there is an implied promise of good faith and fair dealing. This implied promise means that the employer will not do anything to interfere with the right of the employee to receive the benefits of the employment relationship. Good faith means honesty of purpose without any intention to mislead or take unfair advantage of another. Each party to a contract has a duty to do everything that the contract presupposes they will do to accomplish the contract's purpose.

348. The Employment Agreement was a valid contract between Raffaelli and BAM LLC at all times relevant to the allegations in this Complaint. Raffaelli was in an employment relationship with BAM LLC.

349. Raffaelli did all, or substantially all, of the things that the Employment Agreement required him to do. Raffaelli started and managed Funds 1-3 and the SPV Assets. These funds were highly successful for the LPs of those funds and highly profitable for the Brookfield Defendants, helping to establish the Brookfield Defendants' nascent venture capital fund group. Raffaelli received excellent performance reviews during more than seven years employed by BAM

1 LLC. The LPs of the VC funds were very happy with Raffaelli's performance and insisted that he
2 continue to be a "key man" with primary investment decision-making authority.

3 350. The Employment Agreement identifies Raffaelli's compensation to include salary,
4 bonuses (up to 50% of his salary), and LTIPs (to include "carried interest").

5 351. Annual awards of the LTIP (which are paid in the first quarter of each fiscal year
6 related to performance in the prior fiscal year and vests evenly over 5 years in arrears) consist of
7 an option to purchase (annually) Class A Limited Voting Shares of Brookfield and the right to
8 receive "carried interest" as a form of participation in the performance of the investments made in
9 the BAM VC Funds.

10 352. BAM LLC (as well as BAM and BN) promised Raffaelli that the LTIP component
11 identified in the Employment Agreement included an award of "carried interest" on Funds 1-3 and
12 the SPV Assets. In fact, the most recent articulation of Raffaelli's right to carried interest on
13 Funds 1-3 as a component of his Employment Agreement was an email that he received on
14 November 15, 2024, which included a spreadsheet showing his "carried interest" amounts in, at a
15 minimum Funds 1-3. Meanwhile, separate written agreements promised him "carried interest" on
16 the SPV Assets, which were offshoots of Fund 3.

17 353. All conditions required for BAM LLC to honor its obligations to compensate
18 Raffaelli with salary, bonuses, and LTIPs (including "carried interest") based on an honest running
19 of Funds 1-3 and the SPV Assets were present and available to BAM LLC.

20 354. But instead, BAM LLC (in consultation and collaboration with BAM and BN)
21 engaged in conduct, as alleged herein, that prevented Raffaelli from receiving the compensation
22 benefits that he was entitled to under the Employment Agreement and the Brookfield Defendants'
23 promises to him in at least two ways.

24 355. *First*, the performance of Funds 1-3 and the SPV Assets, along with the assets
25 under management and capital investments in Funds 1-3 and the SPV Assets, were key
26 components of the eventual "carried interest" and LTIP components of Raffaelli's compensation,
27 to which he was entitled pursuant to the Employment Agreement and the Brookfield Defendants'
28 promises to him. In a nutshell, the better Funds 1-3 and the SPV Assets performed, the more

1 “carried interest” Raffaelli was entitled to receive pursuant to the Employment Agreement. But
2 BAM LLC (in consultation and collaboration with BAM and BN) artificially reduced the amount
3 of “carried interest” available to Raffaelli as follows:

4 a. By refusing to allow a major foreign conglomerate to invest more than \$75
5 million in Fund 3, which artificially truncated the size and performance of Fund 3 and acted
6 against the wishes of Fund 3’s LPs (as expressed by the Fund 3 LPAC), which wanted that
7 investment.

8 b. By refusing to allow Fund 2 to invest \$25 million in Company B, which
9 acted against the wishes of Fund 2’s Investment Committee and was to the detriment of Fund 2’s
10 LPs and the shareholders of BN and BAM.

11 c. By refusing to allow Fund 3 to invest \$25 million in Company B (instead
12 opting for a much more modest \$5 million investment), which was to the detriment of Fund 3’s
13 LPs and the shareholders of BN and BAM.

14 d. By seeking to merge Fund 2 and Fund 3 into Pinegrove, despite knowing
15 that Pinegrove was engaged in serious securities misrepresentations, which was to the detriment of
16 the LPs of Funds 2 and 3 and the shareholders of BN and BAM.

17 e. Each of the aforementioned acts breached the implied covenant of good
18 faith and fair dealing Employment Agreement by reducing the compensation terms of that
19 agreement below the amount agreed upon by the parties to the Employment Agreement.

20 356. Second, BAM LLC (in consultation and collaboration with BAM and BN) refused
21 to pay Raffaelli all of the “carried interest” he is entitled to pursuant to the Employment
22 Agreement, which unfairly interfered with Raffaelli’s right to receive the benefits of the
23 employment relationship with BAM LLC, and which dishonestly attempted to take unfair
24 advantage of Raffaelli in the employment relationship.

25 357. Through the aforementioned actions, BAM LLC (in consultation and collaboration
26 with BAM and BN) did not act fairly and in good faith and instead acted to prevent Raffaelli from
27 receiving contractual benefits, particularly the “carried interest” he was entitled to pursuant to the
28 Employment Agreement and promises of the Brookfield Defendants.

358. Raffaelli was damaged by the conduct of BAM LLC (acting in consultation and collaboration with BAM and BN) in the amount of the lost past and future wages, bonuses, LTIP awards (including “carried interest”), retirement and other benefits, and additional amounts of money Raffaelli would have received had BAM LLC (in consultation and collaboration with BAM and BN) not breached the implied covenant of good faith and fair dealing in the Employment Agreement.

EIGHTH CAUSE OF ACTION

(Intentional Interference With Contractual Relations)

Against Brookfield Asset Management, Ltd., Brookfield Corporation, and Does 1 to 100,

Inclusive

359. Raffaelli repeats and realleges Paragraphs 1 through 358 as if fully set forth herein.

360. The Employment Agreement was a valid contract between Raffaelli and BAM LLC at all times relevant to the allegations in this Complaint.

361. BAM and BN were aware of the Employment Agreement as shown by many facts, including but not limited to the following: (i) there is significant overlap of management, officers, and employees amongst the Brookfield Defendants; (ii) BAM is the parent entity of BAM LLC, and knows its operations; (iii) BN owns 73% of BAM (the parent of BAM LLC), and knows the operations of BAM and BAM LLC; (iv) executives of BAM and BN regularly interacted with Raffaelli during his employment by BAM LLC; (v) the BAM VC Funds that Raffaelli managed were those of BAM, which acted as the General Partner for those funds; and (vi) BN was an LP in the BAM VC Funds that Raffaelli managed.

362. BAM and BN therefore knew and understood that Raffaelli was a party to the Employment Agreement with BAM LLC. BAM and BN intentionally interfered with Raffaelli's Employment Agreement with BAM LLC in at least the following ways.

363. First, BAM and BN and knew that the terms of that Employment Agreement entitled Raffaelli to various forms of compensation, including LTIP and “carried interest” associated with the BAM VC Funds.

1 a. BAM and BN engaged in wrongful conduct through breaches of fiduciary
2 duty, misrepresentations, omissions, and violations of laws that disrupted, prevented, or made
3 performance of the compensation terms of the Employment Agreement more difficult.
4 Specifically, BN and BAM ran the VC funds in ways that did not maximize performance and
5 instead artificially truncated the amount of assets under management, reversed well-considered
6 investment decisions, breached fiduciary duties to the BAM VC Funds' LPs and investors, and
7 made misrepresentations to the BAM VC funds' LPs and investors.

8 b. By engaging in the conduct alleged herein, BAM and BN intended to
9 disrupt, prevent, or make harder performance of the Employment Agreement, namely, Raffaelli's
10 ability to achieve the financial incentives and compensation that he would otherwise had received
11 absent the wrongful and interfering conduct of BAM and BN.

12 c. BAM and BN knew that by managing the BAM VC Funds as alleged
13 herein, it would make it harder or impossible for Raffaelli to receive the benefits of the
14 compensation terms of the Employment Agreement from BAM LLC.

15 364. Second, BAM and BN solicited Raffaelli to assist them in lying to Fund 2 and 3 LPs
16 in connection with their efforts to move those funds to Pinegrove and/or to engage in acts that
17 violated (i) Section 17(a) of the Securities Act of 1933; (ii) Section 10(b) and Rule 10b-5 of the
18 Securities Exchange Act of 1934; (iii) Section 206 and Rule 206(4)-8 of the Investment Advisers
19 Act of 1940; and (iv) common law financial fraud. And when BAM and BN learned that Raffaelli
20 (i) would not lie to Fund 2 and 3 LPs or engage in wrongful and illegal acts, and (ii) had filed a
21 whistleblower complaint with the SEC, BAM and BN instructed BAM LLC not to pay Raffaelli
22 the "carried interest" to which he was entitled under the Employment Agreement and to terminate
23 Raffaelli's employment, despite knowing that this was a wrongful discharge in violation of
24 California public policy and Labor Code Sect. 1102.5.

25 365. The conduct by BAM and BN caused BAM LLC to breach, disrupt, and/or prevent
26 performance of the Employment Agreement by having BAM LLC (i) refuse to pay Raffaelli the
27 "carried interest" to which he is entitled under the Employment Agreement and (ii) wrongfully
28 terminate him in violation of California public policy and Cal. Labor Code Sect. 1102.5.

366. BAM and BN intended to induce BAM LLC to breach, disrupt, and/or prevent performance of the Employment Agreement and/or to disrupt Raffaelli's employment relationship with BAM LLC.

367. The unjustified conduct of BAM and BN caused BAM LLC to breach, disrupt, and/or prevent performance of the Employment Agreement with Raffaelli.

368. Raffaelli was damaged by the conduct of BAM and BN in the amount of the lost past and future wages, bonuses, LTIP awards (including “carried interest”), retirement and other benefits, and additional amounts of money Raffaelli would have received had BAM and BN not interfered with the Employment Agreement.

369. The wrongful conduct of BAM and BN, as alleged herein, was a substantial factor in causing Raffaelli's harm.

NINTH CAUSE OF ACTION

(Intentional Interference With Prospective Economic Advantage)

**Against Brookfield Asset Management, Ltd., Brookfield Corporation, and Does 1 to
100, Inclusive**

370. Raffaelli repeats and realleges Paragraphs 1 through 369 as if fully set forth herein.

371. Raffaelli was in an economic relationship with BAM LLC by virtue of his employment with BAM LLC.

372. That economic relationship would have resulted in a future economic benefit to Raffaelli in terms of salary, bonuses, and LTIPs, particularly the “carried interest” and other benefits that he was promised in connection with Funds 1-3 and the SPV Assets. Given the promises made to Raffaelli about his entitlement to such “carried interest,” there was a probability of future economic benefit to him if his employment with BAM LLC was impacted.

373. BAM and BN were aware of Raffaelli's economic relationship with BAM LLC and of the future economic benefit he would enjoy by continued employment with BAM LLC as shown by many facts, including but not limited to the following: (i) there is significant overlap of management, officers, and employees amongst the Brookfield Defendants; (ii) BAM is the parent entity of BAM LLC, and knows its operations; (iii) BN owns 73% of BAM (the parent of BAM

1 LLC), and knows the operations of BAM and BAM LLC; (iv) executives of BAM and BN
2 regularly interacted with Raffaelli during his employment by BAM LLC; (v) the BAM VC Funds
3 that Raffaelli managed were those of BAM, which acted as the General Partner for those funds;
4 and (vi) BN was an LP in the BAM VC Funds that Raffaelli managed.

5 374. BAM and BN engaged in wrongful conduct through breaches of fiduciary duty,
6 misrepresentations, omissions, and violations of laws that disrupted, prevented, or made it more
7 difficult for Raffaelli to receive the economic benefits he was set to receive.

8 a. BAM and BN ran the BAM VC Funds in ways that did not maximize
9 performance and instead artificially truncated the amount of assets under management, reversed
10 well-considered investment decisions, breached fiduciary duties to the BAM VC Funds' LPs and
11 investors, and made misrepresentations to the BAM VC funds' LPs and investors. BAM and BN
12 knew that by managing the BAM VC Funds as alleged herein, it would make it harder or
13 impossible for Raffaelli to receive the future economic benefit he was entitled to for his work
14 managing those funds.

15 b. BAM and BN offered Raffaelli a bribe to help them convince the LPs of
16 Funds 2 and 3 to move their capital to Pinegrove by making material misrepresentations and/or
17 omissions, in violation of (i) Section 17(a) of the Securities Act of 1933; (ii) Section 10(b) and
18 Rule 10b-5 of the Securities Exchange Act of 1934; (iii) Section 206 and Rule 206(4)-8 of the
19 Investment Advisers Act of 1940; and (iv) common law financial fraud.

20 c. When they learned that Raffaelli would not accept the bribe to help them lie
21 to LPs, and further when they learned he had filed a whistleblower complaint with the SEC, BAM
22 and BN instructed BAM LLC to terminate Raffaelli's employment, despite knowing that this was a
23 wrongful discharge in violation of California public policy and Labor Code Sect. 1102.5.

24 375. By engaging in the conduct alleged herein, BAM and BN intended to disrupt the
25 economic relationship between Raffaelli and BAM LLC and the prospective benefits to Raffaelli
26 of that economic relationship, particularly with respect to the "carried interest" from Funds 1-3 and
27 the SPV Assets.

376. BAM and BN knew that by engaging in the wrongful act as alleged herein, disruption of Raffaelli's economic relationship was certain or substantially certain to occur.

377. As a result of this conduct, Raffaelli’s economic relationship with BAM LLC was disrupted and interfered with when BAM LLC (i) refused to pay Raffaelli the “carried interest” that he was promised and (ii) wrongfully discharged him in violation of California public policy and Labor Code Sect. 1102.5.

378. Raffaelli was damaged by the conduct of BAM and BAM LLC in the amount of the lost past and future wages, bonuses, LTIP awards including “carried interest,” retirement and other benefits, and additional amounts of money Raffaelli would have received had BAM and BN not interfered with Raffaelli’s economic relationship with BAM LLC.

379. The wrongful conduct of BAM and BN, as alleged herein, was a substantial factor in causing Raffaelli's harm.

TENTH CAUSE OF ACTION

(Unjust Enrichment)

Against All Defendants and Does 1 to 100, Inclusive

380. Raffaelli repeats and realleges Paragraphs 1 through 379 as if fully set forth herein.

381. A claim for unjust enrichment lies where, even in the absence of a formal contract, the plaintiff has nonetheless conferred a benefit on the defendant which the defendant has knowingly accepted under circumstances that make it inequitable for the defendant to retain the benefit without paying for its value. The spirit behind the law of unjust enrichment is described by California courts as applying “outside of the box” to fill in the cracks where common civil law and statutes fail to achieve justice.

382. Between October 2022 and May 2024, Raffaelli created Funds 3A-3D for the Brookfield Defendants.

383. Raffaelli undertook all of the work to initiate Funds 3A-3D. He identified the investment opportunity, sourced the LPs, generated interest from the LPs, and facilitated the LPs investing their capital with the Brookfield Defendants. Raffaelli then managed Funds 3A-3D in a capable, professional manner such that they are presently generating substantial management fees

1 for the Brookfield Defendants and are on track to yield significant “carried interest” revenues to
2 the Brookfield Defendants.

3 384. In short, the Brookfield Defendants have benefited from the work of Raffaelli to
4 establish and manage Funds 3A-3D.

5 385. Raffaelli was told and understood by the Brookfield Defendants that he would
6 receive “carried interest” in connection with Funds 3A-3D. Specifically, as to Funds 3A-3D,
7 Raffaelli was told and understood he would receive, at a minimum, the same portion of any
8 “carried interest” paid to the Brookfield Defendants for those funds that he received for Fund 3.

9 386. The Brookfield Defendants have not paid Raffaelli any “carried interest” related to
10 Funds 3A-3D and have not confirmed his entitlement to any “carried interest” payments from
11 Funds 3A-3D in the future. And by wrongfully terminating Raffaelli’s employment, the
12 Brookfield Defendants now seek to unjustly retain the benefits associated with Funds 3A-3D.

13 387. It is unjust for the Brookfield Defendants to retain all benefits associated with
14 Funds 3A-3D without paying Raffaelli any “carried interest” associated with those funds. At a
15 minimum, Raffaelli is entitled to the same “carried interest” provisions for Funds 3A-3D as he is
16 scheduled to receive for Fund 3, of which Funds 3A-3D are an offshoot.

17 **ELEVENTH CAUSE OF ACTION**

18 **(Quantum Meruit)**

19 **Against All Defendants and Does 1 to 100, Inclusive**

20 388. Raffaelli repeats and realleges Paragraphs 1 through 387 as if fully set forth herein.

21 389. Quantum meruit permits the recovery of the reasonable value of services rendered
22 by the plaintiff that benefitted the defendant in a situation where the defendant retained the benefit
23 with full appreciation of the facts. Recovery in quantum meruit does not require a contract.

24 390. Between October 2022 and May 2024, the Brookfield Defendants made an express
25 or implied request to Raffaelli to create Funds 3A-3D for their benefit, since they would receive
26 the management fees and a portion of the “carried interest” generated by Funds 3A-3D.

27 391. Raffaelli undertook all of the work to initiate Funds 3A-3D. He identified the
28 investment opportunity, sourced the LPs, generated interest from the LPs, and facilitated the LPs

1 investing their capital with the Brookfield Defendants. Raffaelli then managed Funds 3A-3D in a
2 capable, professional manner such that they are presently generating substantial management fees
3 for the Brookfield Defendants and are on track to yield significant “carried interest” revenues to
4 the Brookfield Defendants.

5 392. In short, Raffaelli performed the services requested by the Brookfield Defendants,
6 who have benefited from Raffaelli’s work in establishing and managing Funds 3A-3D.

7 393. The Brookfield Defendants have not paid Raffaelli any “carried interest” for his
8 services in establishing and managing Funds 3A-3D.

9 394. It is inequitable for the Brookfield Defendants to retain the benefit of Raffaelli’s
10 work on Funds 3A-3D without paying the reasonable value of that work.

11 395. The reasonable value of Raffaelli’s work for Funds 3A-3D is, at a minimum, the
12 same portion of the GP’s “carried interest” that he was receiving for Fund 3 (of which Funds 3A-
13 3D were offshoots).

14 **PRAYER FOR RELIEF**

15 WHEREFORE, Raffaelli requests relief as follows:

16 1. That Judgment be entered in favor of Raffaelli and against all Defendants on the
17 Complaint;

18 2. For economic damages for loss of past and future earnings, including, but not limited to
19 earned and unpaid wages, bonuses, continuing bonuses, LTIP benefits and carry over after
20 termination (including vested and future “carried interest” from Funds 1-3 and the SPV Assets),
21 expenses, vacation pay, as well as a loss of earning capacity, just promotions, advancement and
22 employment benefits, past and future medical care, job search costs, other economic damages,
23 including incidental fees and/or other costs, and/or other economic losses, all in excess of this
24 Court’s minimum jurisdictional limits and according to proof;

25 3. For general damages for pain and suffering, mental and emotional trauma and anguish,
26 and for the loss of enjoyment of the activities of life, according to proof;

27 4. For attorneys’ fees, as provided by applicable provisions of the California Labor Code,
28 and/or other statutes, according to proof;

- 1 5. For punitive damages, as against each named Defendant, according to proof;
2 6. For costs of suit, and according to proof;
3 7. For penalties as provided for by the California Labor Code;
4 8. For an accounting;
5 9. For prejudgment interest from the first date and highest rate allowed by law, and
6 according to proof; and
7 10. That Raffaelli be granted such other and further relief as the interests of justice require.

8 **DEMAND FOR JURY TRIAL**

9 Plaintiff hereby respectfully requests a trial by jury on all appropriate issues raised in this
10 Complaint.

11 Dated: May 8, 2025

**HOLMES, ATHEY, COWAN &
MERMELSTEIN LLP**

12
13 By:  _____

14 Mark Mermelstein

15 Attorneys for Plaintiff JOSH RAFFAELLI
16
17
18
19
20
21
22
23
24
25
26
27
28