

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

<p>In re:</p> <p>WOODBIDGE GROUP OF COMPANIES, LLC, <i>et al.</i>,<sup>1</sup></p> <p style="text-align: center;">Debtors.</p> <hr/> <p>WOODBIDGE GROUP OF COMPANIES, LLC, and WOODBRIDGE STRUCTURED FUNDING, LLC,<sup>2</sup></p> <p style="text-align: center;">Plaintiffs,</p> <p style="text-align: center;">v.</p> <p>KAILA ALANA LOYOLA,</p> <p style="text-align: center;">Defendant.</p>	<p>Chapter 11</p> <p>Case No. 17-12560 (KJC)</p> <p>(Jointly Administered)</p> <p>Adv. Proc. No. _____</p>
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**COMPLAINT OBJECTING TO CLAIM NO. 8811 OF KAILA ALANA LOYOLA  
AND FOR EQUITABLE SUBORDINATION AS APPROPRIATE**

The Woodbridge Group of Companies, LLC, and Woodbridge Structured Funding, LLC, debtors and debtors in possession (“Plaintiffs”) hereby allege for their Complaint as follows:

<sup>1</sup> The last four digits of Woodbridge Group of Companies, LLC’s federal tax identification number are 3603. The mailing address for Woodbridge Group of Companies, LLC is 14140 Ventura Boulevard #302, Sherman Oaks, California 91423. Due to the large number of debtors in these cases, which are being jointly administered for procedural purposes only, a complete list of the Debtors, the last four digits of their federal tax identification numbers, and their addresses are not provided herein. A complete list of this information may be obtained on the website of the Debtors’ noticing and claims agent at [www.gardencitygroup.com/cases/WGC](http://www.gardencitygroup.com/cases/WGC), or by contacting the undersigned counsel for the Debtors.

<sup>2</sup> Claimant (defined below) filed her Claim (also defined below) solely against Woodbridge Group of Companies, LLC. However, a prepetition state court complaint she filed in California named both Woodbridge Group of Companies, LLC, and Woodbridge Structured Funding, LLC. Out of an abundance of caution both debtors are therefore named as plaintiffs in this complaint.

**NATURE OF THE ACTION**

1. At least since August 2012 until shortly before it sought bankruptcy protection, Plaintiffs and their many hundreds of debtor affiliates (together with the Plaintiffs, the “Debtors”) were operated by their founder and principal, Robert Shapiro (“Shapiro”), as a Ponzi scheme. As part of this fraud, Shapiro, through the Debtors, raised over one billion dollars from approximately 10,000 investors as either Noteholders or Unitholders (collectively, “Investors”).

2. Those Investors often placed a substantial percentage of their net worth (including savings and retirement accounts) with the Debtors and now stand to lose a significant portion of their investments and to be delayed in the return of the remaining portion. The quality of the remaining years of the Investors’ lives will be substantially and adversely affected by the fraud perpetrated by Shapiro.

3. The Defendant here, Kaila Alana Loyola (“Claimant”), is a transgender woman who claims that (i) she was wrongfully terminated by Plaintiffs and, while employed, subjected to abuse by two of her former colleagues, fellow employees of the Plaintiffs, on account of her transgender status, and (ii) Plaintiffs’ managerial employees, including Shapiro, did not make reasonable efforts to prevent or end the harassment, and indeed wrongfully terminated Claimant from employment.

4. Claimant alleges she was employed by Plaintiffs from May 4, 2015 through August 5, 2015. Plaintiffs’ records are consistent with those dates of employment, a period of approximately 93 days.

5. Plaintiffs are informed and believe, and based thereon allege, that Claimant’s duties as an employee of the Plaintiffs involved preparing and processing the very loan documents used to perpetrate the fraud on Investors.

6. Plaintiffs are unaware to what extent, if at all, Claimant was aware that the documents she was preparing and processing were fraudulent. However, Plaintiffs are informed and believe, and based thereon allege, that Claimant was or ought to have been aware of substantial questions surrounding Debtors' business practices, and thus of her role in advancing those practices, based on the following:

a. In a complaint she filed in California in November 2015, only three months after her termination and before any state other than Massachusetts had issued a cease and desist order, Claimant alleged that "Woodbridge has been the subject of cease and desist orders from various state courts for selling unregistered securities and/or engaging in fraud in connection with these investments."<sup>3</sup>

and

b. On May 4, 2015, the very first day of Claimant's employment, Massachusetts issued an order (to which the Debtors consented), prohibiting the Debtors from, among other things, continuing to do business in that state and fining the Debtors \$250,000. The Massachusetts order is notable because it was the first order (of many) sanctioning the Debtors based on their business practices, fining them and prohibiting them from doing business in a particular state.

7. The purpose of this proceeding is two-fold:

a. To object to Claim No. 8811 in the amount of \$14,000,000 (fourteen million dollars) being asserted by Claimant. The bases for relief include Bankruptcy Code section 502(b)(1).

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<sup>3</sup> Precisely the same statement is repeated in an amended version of the complaint which is attached to the Claim.

and

- b. To equitably subordinate any allowed Claim that Claimant obtains on the basis that allowing the claim of a former employee who assisted in the preparation of the very documents used to defraud Investors on a *pari passu* basis with the claims of those same Investors, would be inequitable and contrary to the rules of equitable distribution and that subordination is appropriate pursuant to the Bankruptcy Code, including section 510(c), and decisional law.

and

- c. To the extent that the Court does not wholly subordinate any allowed Claim that Claimant obtains, to equitably subordinate any portion of her allowed Claim that represents attorneys' fees or punitive or exemplary damages, on the basis that treating such non-compensatory elements of an allowed claim by a former employee who assisted in the preparation of the very documents used to defraud Investors on a *pari passu* basis with the claims of those same Investors, would be inequitable and contrary to the rules of equitable distribution and that subordination is appropriate pursuant to the Bankruptcy Code, including section 510(c), and decisional law.

#### **JURISDICTION AND VENUE**

8. The Court has jurisdiction over this action under 28 U.S.C. §§ 157(a) and 1334. This adversary proceeding is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(B) and (C). In any event, the Plaintiffs and, to the extent necessary, all Debtors consent to entry of

final orders or judgment by the bankruptcy court. Venue of this adversary proceeding is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

### **THE PARTIES**

9. On December 4, 2017 (the “Petition Date”), the Plaintiffs commenced voluntary cases under chapter 11 of the Bankruptcy Code. Other of the Debtors also filed voluntary chapter 11 cases either on the Petition Date or within the following four months.

10. Debtors are operating their businesses and managing their properties as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. No trustee or examiner has been appointed in these cases.

11. These cases are being jointly administered for procedural purposes pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure.

### **FIRST CLAIM FOR RELIEF**

#### **Objection to Claims**

12. Plaintiffs reallege and incorporate herein Paragraphs 1 through 5, 7.a, and 8 through 11, as if fully set forth.

13. Claimant, as noted in paragraph 7.a, above, filed the Claim on June 18, 2018, a true copy of which is attached hereto as Exhibit A, and by it seeks \$14,000,000 for “[d]iscrimination and harassment in violation of California Fair Employment and Housing Act and related [law].”

14. Notably, Claimant was employed for only 93 days by Plaintiffs. The amount she seeks for wrongful termination and related discrimination and harassment represents the total amount she would have been paid had she been employed by Plaintiffs at her then rate of pay for

approximately 385 years. Put another way, the amount Claimant is seeking is substantially in excess of 1,000 times the salary she earned during her brief employment by Plaintiffs.

15. Plaintiffs believe that there are substantial defenses to liability on the Claim, including but not limited to: (i) the individuals who allegedly created a hostile work environment – two sisters who were employed by the Plaintiffs, Lianna and Diana Balayan – were not managerial employees; (ii) Claimant did not make reasonable use of the preventive and corrective measures that Plaintiffs had in place to report, investigate, and put a stop to discrimination and harassment; (iii) Claimant was terminated for legitimate, nondiscriminatory reasons; and (iv) Claimant’s alleged damages were not actually caused by Plaintiffs’ alleged mistreatment.

16. For purposes of this Objection only, and in order to avoid the cost and length of a trial that would otherwise deal with both liability and damages, Plaintiffs are prepared to concede liability. This concession is designed solely for the purpose of rapid and inexpensive liquidation of the Claim and is not a general concession. In the event that this case is tried in any court or forum other than this Bankruptcy Court (including without limitation any United States District Court or State Court), Plaintiffs fully reserve the right to contest both liability and damages.

17. Plaintiffs are informed and believe, and based thereon allege, that Claimant did not suffer damages relating to her wrongful termination and hostile work environment while employed by Plaintiffs at anything remotely close to \$14,000,000, but that her damages from the foregoing are much smaller, including for some or all of the following reasons:

- a. She was employed by Plaintiffs for only three months;
- b. Even if she had not been terminated in 2015, she would have lost her job no later than the Petition Date such that the wages she could have earned from

her termination date to the Petition Date – approximately 28 months – would have been substantially less than \$100,000;

- c. Claimant’s emotional injuries are not attributable to Plaintiffs’ alleged misconduct, but rather to past trauma experienced by Claimant prior to her employment with Plaintiffs;
- d. Plaintiffs’ liability, if any, should be reduced by the amount of Claimant’s recoveries from other parties that contributed to her alleged harms; and
- e. Claimant’s claimed damages must be offset by income obtained subsequent to her termination, including from state disability benefits and the wages earned from her current employer.

18. Further, Claimant has sought punitive damages. Because punitive damages will punish neither the individuals who allegedly abused Claimant nor the Debtors’ prior equity owners (who were also the supervisors of the allegedly abusing employees), but will instead punish victims of Debtors’ fraud, which was advanced by acts of Claimant during her employment by Plaintiffs, this is not an appropriate case for punitive damages. As Bankruptcy Judge Robert Gerber wrote in an opinion in *In re Motors Liquidation Co.*, 2012 WL 10864205, at \*11 (Bankr. S.D.N.Y. Aug. 6, 2012):

[T]he purpose of punitive damages is to punish wrongdoers and deter future wrongful conduct. However, in a bankruptcy setting where the recovery of punitive damages by some creditors depletes recovery of other creditors, courts have regularly exercised their equitable power to disallow or subordinate punitive damage claims. Disallowance of punitive damages claims is particularly appropriate in a liquidating case, including a liquidating chapter 11 case, where there is no future conduct to deter; the people guilty of the misconduct would not be punished for it; and the victims of the punitive damages would in reality be only other, wholly innocent, creditors.

Awarding punitive damages in cases where all unsecured creditors are not receiving full satisfaction of their claims in effect forces the innocent creditors to pay for the debtor’s wrongful conduct.

19. The preceding is not meant to disparage Claimant or to deny that she was subjected to unfair treatment, but rather to assure that any allowed Claim properly reflects the actual damages suffered by Claimant as the direct and proximate result of misconduct by Plaintiffs and does not award her sums in excess of her actual damages, as that would unfairly affect victims of Debtors' fraud, including defrauded creditors and Investors.<sup>4</sup>

## **SECOND CLAIM FOR RELIEF**

### **Equitable Subordination**

20. Plaintiffs reallege and incorporate herein Paragraphs 1 through 19, as if fully set forth.

21. Given the timing of her employment, which commenced on the very same day as Massachusetts (the very first state of many to so act) ordered the Debtors to cease doing business in that state and to pay Massachusetts \$250,000, Plaintiffs are informed and believe, and based thereon allege, that Claimant was or should have been aware that the Debtors were engaged in fraud and that her services would advance that fraud.

22. Regardless of the extent to which Claimant was actually aware of Debtors' fraud or that her services would advance that fraud, Claimant's conduct in fact assisted in causing injury to the Debtors' estates and its other defrauded creditors and Investors.

23. Principles of equitable subordination require that any claims asserted by Claimant against the Plaintiffs be equitably subordinated to all other claims against the Debtors.

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<sup>4</sup> As noted in paragraph 16, any "concession" as to liability is solely made on practical grounds, not as a confession of wrongdoing by the Plaintiffs. The "concession" is designed to enable this matter to be adjudicated rapidly and inexpensively in this Bankruptcy Court. Simply put, the costs to determine liability here will likely exceed the consequences of conceding liability. But this "concession" is inapplicable in any other forum.



24. To the extent that the Court does not wholly subordinate any allowed Claim that Claimant obtains, principles of equitable subordination require, at a minimum, that any portion of Claimant's allowed Claim that is not actually compensatory to her, such as attorneys' fees for her lawyers and punitive or exemplary damages, be subordinated to the claims of all other creditors.

25. Equitable subordination as requested herein is consistent with the provisions and purposes of the Bankruptcy Code.

26. As a result of the foregoing, Plaintiffs are entitled to judgment pursuant to Bankruptcy Code section 510(c) equitably subordinating the Claim, in whole or in part (as set out above), that Claimant has asserted against Plaintiffs.

**PRAYER FOR RELIEF**

WHEREFORE, by reason of the foregoing, Plaintiffs request that the Court enter judgment:

- 1) On the first claim for relief, sustaining the objection to Claim No. 8811, decreeing that Claim No. 8811 be reduced to a reasonable sum according to proof, and directing the Claims' Agent to reduce Claim No. 8811 to such amount;
- 2) On the second claim for relief, equitably subordinating Claim No. 8811, according to proof and in accordance with principles of equitable subordination and the provisions and purposes of the Bankruptcy Code; and
- 3) On both claims for relief, for such other and further relief as is just and proper.

*[Remainder of this page left blank]*

Dated: August 30, 2018  
Wilmington, Delaware

/s/ Edmon L. Morton  
YOUNG CONAWAY STARGATT & TAYLOR, LLP  
Sean M. Beach (No. 4070)  
Edmon L. Morton (No. 3856)  
Michael S. Neiburg (No. 5275)  
Ian J. Bambrick (No. 5455)  
Rodney Square, 1000 North King Street  
Wilmington, Delaware 19801  
Tel: (302) 571-6600  
Fax: (302) 571-1253

-and-

KLEE, TUCHIN, BOGDANOFF & STERN LLP  
David M. Stern (*pro hac vice*)  
Whitman L. Holt (*pro hac vice*)  
Jonathan M. Weiss (*pro hac vice*)  
1999 Avenue of the Stars, 39th Floor  
Los Angeles, California 90067

*Counsel to the Debtors and Debtors in Possession*

**EXHIBIT A**

**Claim**

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE  
 Woodbridge Group of Companies, LLC



Please consult the Bar Date Notice for details regarding who is and is not required to file a proof of claim. If you assert an ownership interest, rather than a claim, in a Debtor, please do not use this form. Please instead use the form available at <http://cases.gardencitygroup.com/wgc>.

# Proof of Claim

Official Form 410\*

Read the instructions before filling out this form. Do not use this form to make a request for payment of an administrative expense except for pursuant to Bankruptcy Code section 503(b)(9). Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

This chapter 11 case was commenced in the United States Bankruptcy Court for the District of Delaware, on December 4, 2017 (the "Petition Date.") Fill in all the information for the claim as of the Petition Date.

## Part 1: Identify the Claim

1.	Who is the current creditor?	KAILA ALANA LOYOLA Name of the current creditor (the person or entity to be paid for this claim)	
		Other names the creditor used with the debtor _____	
2.	Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3.	Where should notices and payments to the creditor be sent?  Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
		KAILA ALANA LOYOLA	
		Name	Name
		C/O THE RUTTEN LAW FIRM, APC, 4221 COLDWATER CANYON AVENUE	
		Number Street	Number Street
		STUDIO CITY, CA 91604	
		City State ZIP Code	City State ZIP Code
	Contact phone	(818) 308-6915	Contact phone _____
	Contact email	HOWARD@RUTTENLAWFIRM.COM	Contact email _____
4.	Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM/DD/YYYY	
5.	Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor?  No  
 Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: \_\_\_\_\_

7. How much is the claim? \$ 14,000,000.00  
 Does this amount include interest or other charges?  No  
 Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.  
 Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).  
 Limit disclosing information that is entitled to privacy, such as health care information.  
 Discrimination and harassment in violation of California Fair Employment and Housing Act and related

9. Is all or part of the claim secured?  No  
 Yes. The claim is secured by a lien on property.  
**Nature of property:**  
 Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.  
 Motor vehicle  
 Other. Describe: \_\_\_\_\_  
**Basis for perfection:** \_\_\_\_\_  
 Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)  
**Value of property:** \$ \_\_\_\_\_  
**Amount of the claim that is secured:** \$ \_\_\_\_\_  
**Amount of the claim that is unsecured:** \$ 14,000,000.00 (UNL) (The sum of the secured and unsecured amounts should match the amount in line 7.)  
**Amount necessary to cure any default as of the date of the petition:** \$ \_\_\_\_\_  
**Annual Interest Rate** (when case was filed) \_\_\_\_\_%  
 Fixed  
 Variable

10. Is this claim based on a lease?  No  
 Yes. Amount necessary to cure any default as of the date of the petition. \$ \_\_\_\_\_

11. Is this claim subject to a right of setoff?  No  
 Yes. Identify the property: \_\_\_\_\_

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?  No  
 Yes. Check all that apply:

	Amount entitled to priority
<input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	\$ _____
<input type="checkbox"/> Up to \$2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	\$ _____
<input type="checkbox"/> Wages, salaries, or commissions (up to \$12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	\$ _____
<input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$ _____
<input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$ _____
<input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)(____) that applies.	\$ _____
<b>Total</b>	\$ _____

\* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of adjustment.



13. Is all or part of the claim entitled to administrative priority pursuant to 11 U.S.C. § 503(b)(9)?  No  Yes. Indicate the amount of your claim arising from the value of any goods received by the Debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim. \$ \_\_\_\_\_

14. Has the claimant asserted any Debtor-related claims against any third party?  No  Yes. Provide the details of where you asserted any Debtor-related claims against a third party.  
Complaint filed in Los Angeles County Superior Court, LASC Case No. BC 601193, on November 13, 2005, against the following third parties: Robert Shapiro; Woodbridge Structured Funding, LLC; Dianna Balayan; Lianna Balayan

**Part 3: Sign Below**

**The person completing this proof of claim must sign and date it. FRBP 9011(b).** Check the appropriate box:

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

**A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.**

I am the creditor.

I am the creditor's attorney or authorized agent.

I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this Proof of Claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this Proof of Claim and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 06/18/2018  
MM / DD / YYYY

Howard Rutten  
Signature

**Print the name of the person who is completing and signing this claim:**

Name Howard Rutten  
First name Middle name Last name

Title Attorney for Creditor

Company The Rutten Law Firm, APC  
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 4221 Coldwater Canyon Ave  
Number Street

Studio City, CA 91604  
City State ZIP Code

Contact phone (818) 308-6915 Email howard@ruttenlawfirm.com

IF SUBMITTING A HARD COPY OF A PROOF OF CLAIM FORM, PLEASE SEND YOUR ORIGINAL, COMPLETED CLAIM FORM AS FOLLOWS: **IF BY MAIL:** WOODBRIDGE GROUP OF COMPANIES, LLC, ET AL. P.O. BOX 10545, DUBLIN, OHIO 43017-0208. **IF BY HAND OR OVERNIGHT COURIER:** WOODBRIDGE GROUP OF COMPANIES, LLC, ET AL., C/O GCG, 5151 BLAZER PARKWAY, SUITE A, DUBLIN, OH 43017. ANY PROOF OF CLAIM SUBMITTED BY FACSIMILE OR EMAIL WILL NOT BE ACCEPTED.

THE GENERAL BAR DATE IN THESE CHAPTER 11 CASES IS **JUNE 19, 2018 at 5:00 P.M.** (PREVAILING EASTERN TIME)  
THE GOVERNMENT BAR DATE IS EITHER JUNE 4, 2018, AUGUST 8, 2018, SEPTEMBER 5, 2018 SEPTEMBER 19, 2018, OR SEPTEMBER 24, 2018, **DEPENDING ON WHICH DEBTOR YOUR CLAIM IS AGAINST**, AS SET FORTH ON EXHIBIT I TO THE BAR DATE ORDER, AVAILABLE AT <http://cases.gardencitygroup.com/wgc/>

# Instructions for Proof of Claim

United States Bankruptcy Court

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the Debtor, exceptions to these general rules may apply. The attorneys for the Debtors and their court-appointed claims agent, Garden City Group, LLC ("GCG"), are not authorized and are not providing you with any legal advice.

**A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both.**  
18 U.S.C. §§ 152, 157 and 3571.

## How to fill out this form

- **Fill in all the information for the claim as of the Petition Date.**
- **If the claim has been acquired from someone else, then state the identity of the last party** who owned the claim or was the holder of the claim and who transferred it to you before the initial claim was filed.
- **Attach any supporting documents to this form.** Attach redacted copies of any documents that show that the debt exists, a lien secures the debt, or both. (See the definition of *Redaction* of information in the section below.)

Also attach redacted copies of any documents that show perfection of any security interest or any assignments or transfers of the debt. In addition to the documents, a summary may be added. Federal Rule of Bankruptcy Procedure (called "Bankruptcy Rule") 3001(c) and (d).

- **Do not attach original documents because attachments may be destroyed after scanning.**
- **If the claim is based on delivering health care goods or services, do not disclose confidential health care information. Leave out or redact confidential information both in the claim and in the attached documents.**
- **A Proof of Claim form and any attached documents must show only the last 4 digits of any social security number, individual's tax identification number, or financial account number, and only the year of any person's date of birth.** See Bankruptcy Rule 9037.
- **For a minor child, fill in only the child's initials and the full name and address of the child's parent or guardian.** For example, write *A.B., a minor child (John Doe, parent, 123 Main St., City, State)*. See Bankruptcy Rule 9037.

## Confirmation that the claim has been filed

To receive confirmation that the claim has been filed, enclose a stamped self-addressed envelope and a copy of this form. You will also receive an acknowledgment letter from GCG after your proof of claim form has been processed. You will also be able to view the details of your claim and your Proof of Claim form, including supporting documentation, on the claims register hosted on the case administration website, <http://cases.gardencitygroup.com/wgc/>.



## Understand the terms used in this form

**Administrative expense:** Generally, an expense that arises after a bankruptcy case is filed in connection with operating, liquidating, or distributing the bankruptcy estate. 11 U.S.C. § 503.

**Claim:** A creditor's right to receive payment for a debt that the debtor owed on the date the debtor filed for bankruptcy. 11 U.S.C. §101 (5). A claim may be secured or unsecured.

**Creditor:** A person, corporation, or other entity to whom a debtor owes a debt that was incurred on or before the date the debtor filed for bankruptcy. 11 U.S.C. §101 (10).

**Debtor:** A person, corporation, or other entity who is in bankruptcy. Use the debtor's name and case number as shown in the bankruptcy notice you received. 11 U.S.C. § 101 (13).

**Evidence of perfection:** Evidence of perfection of a security interest may include documents showing that a security interest has been filed or recorded, such as a mortgage, lien, certificate of title, or financing statement.

**Information that is entitled to privacy:** A *Proof of Claim* form and any attached documents must show only the last 4 digits of any social security number, an individual's tax identification number, or a financial account number, only the initials of a minor's name, and only the year of any person's date of birth. If a claim is based on delivering health care goods or services, limit the disclosure of the goods or services to avoid embarrassment or disclosure of confidential health care information. You may later be required to give more information if the trustee or someone else in interest objects to the claim.

**Priority claim:** A claim within a category of unsecured claims that is entitled to priority under 11 U.S.C. §507(a). These claims are paid from the available money or property in a bankruptcy case before other unsecured claims are paid. Common priority unsecured claims include alimony, child support, taxes, and certain unpaid wages.

**Proof of claim:** A form used by the creditor to indicate the amount of the debt owed by the Debtor on the date of the bankruptcy filing. The creditor must file the form with GCG as described in the instructions above and in the Bar Date Notice.

**Redaction of information:** *Masking, editing out, or deleting certain information to protect privacy. Filers must redact or leave out information entitled to privacy on the Proof of Claim form and any attached documents.*

**Secured claim under 11 U.S.C. §506(a):** A claim backed by a lien on particular property of the debtor. A claim is secured to the extent that a creditor has the right to be paid from the property before other creditors are paid. The amount of a secured claim usually cannot be more than the value of the particular property on which the creditor has a lien. Any amount owed to a creditor that is more than the value of the property normally may be an unsecured claim. But exceptions exist; for example, see 11 U.S.C. § 1322(b) and the final sentence of 1325(a).

Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment may be a lien.

**Setoff:** Occurs when a creditor pays itself with money belonging to the debtor that it is holding, or by canceling a debt it owes to the debtor.

**Uniform claim identifier:** An optional 24-character identifier that some creditors use to facilitate electronic payment.

**Unsecured claim:** A claim that does not meet the requirements of a secured claim. A claim may be unsecured in part to the extent that the amount of the claim is more than the value of the property on which a creditor has a lien.

**Display of Proof of Claim on Case Administration Website:** As the official claims agent, and in accordance with Federal Bankruptcy Rule 9037(g), GCG will display your proof of claim form, including supporting documentation, on the case administration website. Please be aware that any personal information not otherwise redacted on your proof of claim form will be displayed over the internet.

## Offers to purchase a claim

Certain entities purchase claims for an amount that is less than the face value of the claims. These entities may contact creditors offering to purchase their claims. Some written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court, the bankruptcy trustee, or the debtor. A creditor has no obligation to sell its claim. However, if a creditor decides to sell its claim, any transfer of that claim is subject to Bankruptcy Rule 3001(e), any provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.) that apply, and any orders of the bankruptcy court that apply.

**Do not file these instructions with your form.**

**SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES**

DATE: 06/08/17

DEPT. 24

HONORABLE Robert L. Hess

JUDGE G. Charles

DEPUTY CLERK

HONORABLE

JUDGE PRO TEM

ELECTRONIC RECORDING MONITOR

Deputy Sheriff

None

Reporter

8:30 am

BC601193

Plaintiff  
Counsel

KAILA ALANA LOYOLA

No Appearances

VS

Defendant  
Counsel

WOODBIDGE STRUCTURED FUNDING L

**NATURE OF PROCEEDINGS:**

RULING ON SUBMITTED MATTER RE: PRETRIAL DISCOVERY

After further review of the papers, the Court is persuaded that plaintiff has made an adequate showing to justify permitting pretrial discovery of financial information relating to punitive damages. If they have not already done so, the parties are directed to promptly enter into a protective order respecting confidentiality of the information.

A copy of the minute order is sent via facsimile transmission to plaintiff, who is to give notice.

Howard Rutten  
818-924-6400

MINUTES ENTERED  
06/08/17  
COUNTY CLERK











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5 Attorneys for Plaintiff  
6 KAILA ALANA LOYOLA

CONFORMED COPY  
ORIGINAL FILED  
Superior Court of California  
County of Los Angeles

OCT 24 2010

Sherril D. Carter, Executive Officer/Clerk  
By Paul Sanchez, Deputy

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
9 **FOR THE COUNTY OF LOS ANGELES**

10	KAILA ALANA LOYOLA, an	)	Case No.: BC 601193
	individual,	)	
11		)	<b>First Amended Complaint for Damages</b>
	Plaintiff,	)	<b>For:</b>
12		)	
	v.	)	1. <b>Harassment in Violation of</b>
13		)	<b><u>Government Code § 12940(j)</u></b>
	WOODBIDGE STRUCTURED	)	
14	FUNDING, LLC, a Delaware limited	)	2. <b>Discrimination in Violation of</b>
	liability company; WOODBRIDGE	)	<b><u>Government Code § 12940(a)</u></b>
15	GROUP OF COMPANIES, LLC;	)	
	ROBERT SHAPIRO, an individual;	)	3. <b>Failure to Take All Reasonable</b>
16	LIANNA BALAYAN, an individual;	)	<b>Steps to Prevent Harassment and</b>
	DIANA BALAYAN, an individual;	)	<b>Discrimination in Violation of</b>
17	and DOES 1-25, inclusive,	)	<b><u>Government Code § 12940(k)</u></b>
		)	
18	Defendants.	)	4. <b>Intentional Infliction of Emotional</b>
		)	<b>Distress</b>
19		)	
	<u>UNLIMITED CIVIL CASE</u>	)	5. <b>Wrongful Termination in</b>
20		)	<b>Violation of Public Policy</b>

21 Plaintiff KAILA ALANA LOYOLA, an individual, hereby complains against  
22 defendants WOODBRIDGE STRUCTURED FUNDING, LLC, a Delaware limited  
23 liability company; WOODBRIDGE GROUP OF COMPANIES, LLC, a Delaware limited  
24 liability company; ROBERT SHAPIRO, an individual; LIANNA BALAYAN, an  
25 individual; DIANA BALAYAN, an individual; and DOES 1-25, inclusive, and each of  
26 them, and alleges as follows:  
27  
28

**GENERAL ALLEGATIONS**

1  
2 1. Plaintiff KAILA ALANA LOYOLA (“Plaintiff”) is an individual, over the  
3 age of eighteen years old, residing in the State of California, County of Los Angeles.

4 2. Defendant WOODBRIDGE STRUCTURED FUNDING, LLC, purports to  
5 be a Delaware limited liability company, doing business in Los Angeles, California.  
6 Defendant WOODBRIDGE GROUP OF COMPANIES, LLC, purports to be a Delaware  
7 limited liability company, doing business in Los Angeles, California. Defendants  
8 WOODBRIDGE STRUCTURED FUNDING, LLC, and WOODBRIDGE GROUP OF  
9 COMPANIES, LLC shall be referred to collectively and/or individually as “Woodbridge.”  
10 Plaintiff is informed and believed and on that basis alleges that WOODBRIDGE GROUP  
11 OF COMPANIES, LLC is liable as Plaintiff’s employer, as a successor to  
12 WOODBRIDGE STRUCTURED FUNDING, LLC, and/or on such other basis as may  
13 be determined during discovery.

14 3. Defendant ROBERT SHAPIRO (“Shapiro”) is an individual, over the age  
15 of eighteen years old, residing in the State of California, County of Los Angeles.

16 4. Defendant LIANNA BALAYAN is an individual, over the age of eighteen  
17 years old, residing in the State of California, County of Los Angeles.

18 5. Defendant DIANA BALAYAN is an individual, over the age of eighteen  
19 years old, residing in the State of California, County of Los Angeles.

20 6. The true names, identities, or capacities whether individual, corporate,  
21 associate, or otherwise, of defendants DOES 1 through 25, inclusive, are unknown to the  
22 Plaintiff who therefore sues said defendants by such fictitious names. When the true  
23 names, identities or capacities of such fictitiously designated defendants are ascertained,  
24 Plaintiff will amend this complaint to insert said true names, identities, and capacities.

25 7. Defendants DOES 1 through 25 were individuals and/or entities who  
26 engaged in the conduct alleged herein, are responsible for the damages suffered by  
27

1 Plaintiff, and/or were the affiliates, successors in interest, subsidiaries, divisions,  
2 departments, parent companies, agents, employees, partners, participants, members,  
3 volunteers, servants, representatives, persons providing services pursuant to a contract,  
4 independent contractors, joint venturers, alter egos or other participants with and/or of the  
5 other defendants named herein, and in doing the things hereinafter mentioned, were acting  
6 within the course and scope of said agency, employment, membership and/or other  
7 relationship or identity with said defendants, and acted as and/or with the consent,  
8 ratification and permission of the other defendants, and each of them.

9 8. All defendants herein, including all entity, individual and DOE defendants,  
10 shall be collectively referred to throughout this complaint as "Defendant," or  
11 "Defendants," "defendant," and/or "defendants," as may be relevant.

#### 12 **FACTUAL BACKGROUND**

13 9. Defendant Woodbridge is in the business of purchasing structured  
14 settlement annuities that were originally issued to personal injury victims to fund future  
15 medical expenses and personal care needs. Woodbridge also purchases annuities and  
16 lottery and jackpot winnings at discounted cash values. Woodbridge is also in the business  
17 of pooling real estate loans and mortgages and selling them as investments, mainly to  
18 seniors. Woodbridge has been the subject of cease and desist orders from various state  
19 courts for selling unregistered securities and/or engaging in fraud in connection with these  
20 investments.

21 10. Woodbridge has offices in Boca Raton, Florida and Sherman Oaks,  
22 California.

23 11. Defendant Shapiro is the president of Woodbridge, an owner of the  
24 company, and works out of its Sherman Oaks office.

1           12. Defendant Lianna Balayan is an investment processing supervisor at  
2 Woodbridge. Defendant Diana Balayan is an investment processing manager at  
3 Woodbridge.

4           13. Woodbridge hired Plaintiff as an administrative assistant and/or investment  
5 processing assistant on or about May 4, 2015. Woodbridge was Plaintiff's employer,  
6 within the meaning of Government Code § 12900 et seq., at all relevant times.

7           14. Defendants Lianna Balayan and Diana Balayan learned shortly after  
8 Plaintiff began working for Woodbridge that Plaintiff is a transgender female. Apparently  
9 obsessed with Plaintiff's gender identity and expression, defendants, and/or each of them,  
10 researched Plaintiff's background on the internet, searching for information regarding her  
11 gender and gender identity, her prior name and places she had lived. Defendants asked  
12 Plaintiff for personal information, such as her "real" name, birthday, and previous  
13 residences.

14           15. Defendants, including, but not limited to, Lianna Balayan, began using  
15 Plaintiff's birth name, Peter, to mock Plaintiff. Defendants alluded to and joked about a  
16 fictional 'Peter.' For example, on one occasion, Lianna Balayan brought a new office  
17 chair in for Plaintiff and remarked, "this chair is for Peter... or the invisible Peter." Lianna  
18 Balayan made insulting remarks and jokes at Plaintiff's expense to other employees,  
19 including, for example, the occasion where she remarked to another employee, while  
20 pointing at Plaintiff, that "everyone has a penis." Defendant Lianna Balayan referred to  
21 Plaintiff as a "streetwalker."

22           16. On or about May 9, 2015, Lianna Balayan said to defendant Shapiro, as  
23 Plaintiff exited the restroom and could overhear her, "I know she's a man."

24           17. Defendants persistently rebuffed, ignored, criticized, and/or demeaned  
25 Plaintiff and/or her job performance, and refused to provide her with training, including  
26 but not limited to a training manual, and other assistance required to succeed in her job.



1 18. In or about June 2015, Shapiro told Lianna Balayan “no more hiring  
2 trannies, right?” Days later, defendants moved Plaintiff to another office within the  
3 building.

4 19. In or about July 2015, Plaintiff met with a member of Woodbridge’s human  
5 resources department and reported defendants’ treatment of her and Lianna Balayan’s  
6 unwillingness to train her. Woodbridge took no action to remedy the situation.

7 20. Throughout the course of Plaintiff’s employment, defendants, including  
8 Shapiro, Lianna Balayan and/or Diana Balayan, made rude, crude, insulting,  
9 inappropriate, unprofessional and derogatory comments about Plaintiff’s appearance,  
10 gender, gender expression, gender identity, and/or sexual orientation, including but not  
11 limited to, the following:

- 12 • “You look ugly.”
  - 13 • “You sound like a man!”
  - 14 • Examining Plaintiff’s hands, then commenting: “man’s hands say a lot about their  
15 penis or the size of their penis!”
  - 16 • “You’re a heifer!”
  - 17 • “I’m going to kill you heifer!”
  - 18 • Placing a sign on plaintiff’s computer that said ‘Heifer’ with a smiley face.
  - 19 • Loudly commenting in front of others as Plaintiff exited the bathroom, “someone  
20 peed on the toilet seat!”
  - 21 • Repeatedly asking Plaintiff about her menstrual cycle and whether she “carried  
22 tampons” with her.
  - 23 • Interrogating Plaintiff about sexual activity, such as by asking her questions like:  
24 “Do you ‘fork’ with your boyfriend.”
  - 25 • Purposely mispronouncing Plaintiff’s name.
- 26  
27  
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1 • Referring to Plaintiff as “Caitlin” in reference to Caitlyn Jenner, fka Bruce Jenner,  
2 whose transgender identity was a global news story at the time Plaintiff was terminated.

3 21. Lianna Balayan and/or Diana Balayan intentionally sabotaged Plaintiff’s  
4 work, including but not limited to, providing Plaintiff with incorrect information and/or  
5 data, instructing Plaintiff to send emails then replying publicly that the emails were  
6 incorrect or shouldn’t have been sent, and/or failing to give needed documents to Plaintiff.

7 22. On or about August 5, 2015, defendant Lianna Balayan remarked, “Peter  
8 is getting fired today.” On that date, because of her gender, gender expression, gender  
9 identity and/or transgender status, defendants terminated Plaintiff’s employment at  
10 Woodbridge.

11 23. Plaintiff has timely filed charges against Defendant with the California  
12 Department of Fair Employment and Housing (DFEH), and has received a Right-to-Sue  
13 letter from the Department regarding the employment-related claims asserted in this  
14 action. Accordingly, Plaintiff has fully exhausted her administrative remedies as to such  
15 claims and timely filed this action.

16 **FIRST CAUSE OF ACTION**  
17 **[Against All Defendants for Harassment Because of Gender Identity and Gender**  
**Expression in Violation of Government Code § 12940(j)]**

18 24. Plaintiff repeats and incorporates by reference each allegation in the  
19 preceding paragraphs as if set forth here in full.

20 25. In doing the things herein alleged, defendants violated California’s Fair  
21 Employment and Housing Act, including, but not limited to, *Government Code §*  
22 *12940(j)*, which makes it unlawful to harass an employee because of sex, gender, gender  
23 identity and/or gender expression, including, but not limited to, within the meaning of  
24 *Government Code § 12926(r)*. The defendant employer knew or should have known of  
25 the foregoing conduct and failed to take immediate and appropriate corrective action.

1           26. At all times relevant herein, Defendants Shapiro, Lianna Balayan and/or  
2 Diana Balayan were supervisors within the meaning of Government Code § 12926(t),  
3 making the defendant employer strictly liable for their conduct.

4           27. At all times relevant herein, Woodbridge had more than 50 employees, but  
5 failed to train its supervisors regarding sexual harassment as required by law.

6           28. The harassing conduct alleged herein was so severe or pervasive as to alter  
7 the conditions of the working environment and create a hostile and abusive environment.  
8 Such conduct was unwanted, unwelcome and offensive to Plaintiff, and would have been  
9 offensive to a reasonable woman in Plaintiff's position.

10           29. As a direct and proximate result of the aforementioned acts and omissions  
11 of Defendants, Plaintiff has and will continue to suffer economic damages, lost income  
12 and benefits, and general damages, including, but not limited to, emotional distress, pain,  
13 and suffering, all in an amount to be proven at trial.

14           30. The above described acts of Defendants, including, but not limited to, by  
15 and through their managing agents, officers or directors, were engaged in with a  
16 deliberate, cold, callous, fraudulent and intentional manner in order to injure and damage  
17 Plaintiff and/or with a conscious disregard of Plaintiff and her rights. Such acts were  
18 despicable, and constitute malice, fraud and/or oppression within the meaning of Civil  
19 Code § 3294. Plaintiff requests an assessment of punitive damages against Defendants,  
20 in an amount to be proven at time of trial.

21           31. As a proximate result of the foregoing conduct, which violated the  
22 provisions of *Government Code* section 12940, et seq., Plaintiff has been forced to and  
23 will incur attorney's fees and costs in the prosecution of this claim, in an amount to be  
24 proved at trial.

1 **SECOND CAUSE OF ACTION**  
2 **[Against Defendants Woodbridge for Wrongful Termination and Discrimination**  
3 **Because of Gender Identity and Gender Expression**  
4 **in Violation of Government Code § 12940(a)]**

5 32. Plaintiff repeats and incorporates by reference each allegation in the  
6 preceding paragraphs as if set forth here in full.

7 33. In doing the things herein alleged, defendants violated California's Fair  
8 Employment and Housing Act, including, but not limited to, *Government Code §*  
9 *12940(a)*, which makes it unlawful to discharge a person from employment, or to  
10 discriminate against a person in compensation, terms, conditions and/or privileges of  
11 employment, because of sex, gender, gender identity and/or gender expression, including,  
12 but not limited to, within the meaning of *Government Code § 12926(r)*.

13 34. As a direct and proximate result of the aforementioned acts and omissions  
14 of Defendants, Plaintiff has and will continue to suffer economic damages, lost income  
15 and benefits, and general damages, including, but not limited to, emotional distress, pain,  
16 and suffering, all in an amount to be proven at trial.

17 35. The above described acts of Defendants, including, but not limited to, by  
18 and through their managing agents, officers or directors, were engaged in with a  
19 deliberate, cold, callous, fraudulent and intentional manner in order to injure and damage  
20 Plaintiff and/or with a conscious disregard of Plaintiff and her rights. Such acts were  
21 despicable, and constitute malice, fraud and/or oppression within the meaning of Civil  
22 Code § 3294. Plaintiff requests an assessment of punitive damages against Defendants,  
23 in an amount to be proven at time of trial.

24 36. As a proximate result of the foregoing conduct, which violated the  
25 provisions of *Government Code* section 12940, et seq., Plaintiff has been forced to and  
26 will incur attorney's fees and costs in the prosecution of this claim, in an amount to be  
27 proved at trial.

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**THIRD CAUSE OF ACTION**  
**[Against Defendants Woodbridge for Failure to Take All Reasonable Steps to Prevent Harassment and Discrimination Because of Gender Identity and Gender Expression in Violation of Government Code § 12940(k)]**

37. Plaintiff repeats and incorporates by reference each allegation in the preceding paragraphs as if set forth here in full.

38. In doing the things herein alleged, defendants violated California's Fair Employment and Housing Act, including, but not limited to, *Government Code § 12940(k)*, by failing to take all reasonable steps necessary to prevent discrimination and harassment from occurring as such conduct was known to and/or should have been known to defendants. The defendant employer failed to provide sexual harassment training to its supervisors and other employees.

39. As a direct and proximate result of the aforementioned acts and omissions of Defendants, Plaintiff has and will continue to suffer economic damages, lost income and benefits, and general damages, including, but not limited to, emotional distress, pain, and suffering, all in an amount to be proven at trial.

40. The above described acts of Defendants, including, but not limited to, by and through their managing agents, officers or directors, were engaged in with a deliberate, cold, callous, fraudulent and intentional manner in order to injure and damage Plaintiff and/or with a conscious disregard of Plaintiff and her rights. Such acts were despicable, and constitute malice, fraud and/or oppression within the meaning of Civil Code § 3294. Plaintiff requests an assessment of punitive damages against Defendants, in an amount to be proven at time of trial.

41. As a proximate result of the foregoing conduct, which violated the provisions of *Government Code* section 12940, et seq., Plaintiff has been forced to and will incur attorney's fees and costs in the prosecution of this claim, in an amount to be proved at trial.



1 substantial public policy in the State of California. Every person in this state shall have  
2 the right and opportunity to seek, obtain, and hold employment without discrimination or  
3 abridgment on account of sex, gender, gender identity, gender expression and/or sexual  
4 orientation. It is recognized that the practice of denying employment opportunity and  
5 discriminating in the terms of employment for these reasons foments domestic strife and  
6 unrest, deprives the state of the fullest utilization of its capacities for development and  
7 advancement, and substantially and adversely affects the interests of employees,  
8 employers, and the public in general. These policies are found in the California  
9 Constitution, Article I, Section 8, the Fair Employment and Housing Act, and other  
10 constitutional and/or statutory provisions or ethical rules or regulations enacted under  
11 statutory authority.

12 48. Plaintiff's termination by defendants, as alleged herein, was in violation of  
13 the public policies alleged above.

14 49. As a direct and proximate result of the aforementioned acts and omissions  
15 of Defendants, Plaintiff has and will continue to suffer economic damages, lost income  
16 and benefits, and general damages, including, but not limited to, emotional distress, pain,  
17 and suffering, all in an amount to be proven at trial.

18 50. The above described acts of Defendants, including, but not limited to, by  
19 and through their managing agents, officers or directors, were engaged in with a  
20 deliberate, cold, callous, fraudulent and intentional manner in order to injure and damage  
21 Plaintiff and/or with a conscious disregard of Plaintiff and her rights. Such acts were  
22 despicable, and constitute malice, fraud and/or oppression within the meaning of Civil  
23 Code § 3294. Plaintiff requests an assessment of punitive damages against Defendants,  
24 in an amount to be proven at time of trial.

25 WHEREFORE, Plaintiffs demand judgment against Defendants, and each of them,  
26 for the following:

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1. For general and special damages according to proof;
2. For loss of earnings and earning capacity, according to proof;
3. For pre-judgment interest to the extent allowed by law;
4. For costs of suit incurred herein;
5. For punitive and/or exemplary damages in the maximum amount permitted by law;
6. For attorney's fees and costs on the First, Second and Third Causes of Action;
7. For such other and further relief as the Court deems just and proper.

DATED: October 24, 2016

**The Rutten Law Firm, APC**

By:   
\_\_\_\_\_  
HOWARD RUTTEN  
LUKE SHELDON

Attorneys for Plaintiff  
KAILA ALANA LOYOLA



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**PROOF OF SERVICE**

**STATE OF CALIFORNIA, COUNTY OF LOS ANGELES**

Los Angeles Superior Court Case No. BC 601193

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within entitled action. My business address is 4221 Coldwater Canyon Avenue, Studio City, California 91604.

On the date set forth below, I served the following document(s) described as:

**FIRST AMENDED COMPLAINT FOR DAMAGES**

on the interested parties in this action by placing true copies thereof enclosed in sealed envelopes and/or packages addressed as follows:

Eugene M. Rubinstein  
Woodbridge Structured Funding, LLC  
14225 Ventura Blvd, Suite 100  
Sherman Oaks, CA 91423

*Attorney for Woodbridge Structured Funding, LLC;  
Woodbridge Group of Companies, LLC;  
Robert Shapiro;  
Lianna Balayan;  
Diana Balayan*

---

**BY UNITED STATES MAIL:** I am readily familiar with the firm's practice for collecting and processing correspondence for mailing. Under that practice, on the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid. [C.C.P. §1013(a)(3)].

**STATE:** I declare under penalty of perjury under the laws of the State of California that all of the foregoing is true and correct.

Executed on **October 24, 2016** at Los Angeles, California.

  
**BRIANA DONAHUE-MARTENS**

1 Howard Rutten (SBN 164820)  
E-mail: Howard@RuttenLawFirm.com  
2 Luke Sheldon (SBN 306112)  
E-mail: Luke@RuttenLawFirm.com  
3 **The Rutten Law Firm, APC**  
4221 Coldwater Canyon Avenue  
4 Studio City, California 91604  
Telephone: (818) 308-6915

5 Attorneys for Plaintiff  
6 KAILA ALANA LOYOLA

7  
8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
9 **FOR THE COUNTY OF LOS ANGELES**

10 KAILA ALANA LOYOLA, an individual, )

11 Plaintiff, )

12 v. )

13 WOODBRIDGE STRUCTURED )  
FUNDING, LLC, a Delaware limited )  
liability company; et al. )

14 Defendants. )  
15 \_\_\_\_\_ )

**Case No.: BC 601193**

[Case assigned to Hon. Robert L. Hess for all purposes]

**PLAINTIFF’S MOTION FOR ORDER PERMITTING PRETRIAL DISCOVERY OF DEFENDANTS’ FINANCIAL CONDITION PURSUANT TO CIVIL CODE SECTION 3295(b); MEMORANDUM OF POINTS AND AUTHORITIES**

**[DECLARATION OF HOWARD RUTTEN FILED HEREWITH]**

Date: May 19, 2017  
Time: 8:30 a.m.  
Dept.: 24

RESERVATION ID: 170404208552

Complaint filed: February 15, 2016  
Trial date: Not set

16  
17  
18  
19  
20  
21 PLEASE TAKE NOTICE that, on May 19, 2017, at 8:30 a.m., in Department 24 of the above-  
22 entitled Court, located at 111 N. Hill Street, Los Angeles, California 90012, Plaintiff KAILA ALANA  
23 LOYOLA (“Plaintiff”) will and hereby does move the Court for an Order Permitting Pretrial Discovery of  
24 Defendants’ Financial Condition pursuant to Civil Code section 3295. This motion is based on, in summary,  
the following:

25 1. Plaintiff is a transgender female. During her employment with defendant WOODBRIDGE  
26 STRUCTURED FUNDING, LLC, Plaintiff suffered harassment and discrimination based on her gender  
27 identity. This conduct included Plaintiff’s supervisors gossiping that she “must have been a man before,”  
28

1 telling her she “sounds like a man,” calling her “ugly,” and asking her questions about her clothing, makeup  
2 and why she wore dresses. Plaintiff was called a “Heifer,” slang for “a fat cow.” Woodbridge’s owner and  
3 President, defendant Robert Shapiro, after learning through a background check that Plaintiff’s name was  
4 legally changed after her gender transition, proclaimed to Plaintiff’s supervisors, “No more hiring trannies,  
5 right!?” The actual treatment of Plaintiff was far worse, and much more crude and degrading, but as detailed  
6 below, the statements and conduct described herein are sufficient to support Plaintiff’s causes of action, and  
7 to remove any doubt, are all supported by defendants’ own witnesses.

8 2. Ultimately, after about ninety days of employment, Plaintiff was terminated because of her  
9 gender identity. She was then offered eight weeks of severance, despite Defendants contention that they were  
10 completely unaware she had complained about harassment or discrimination or had any claim against the  
11 company. No short term employee had ever been offered such a generous severance package before, which  
12 Plaintiff declined because she would have had to sign a release of her claims.


13 3. The Woodbridge defendants’ officers, directors, and/or managing agents “had advance  
14 knowledge of the unfitness of defendants Diana and Lianna Balayan and employed them with a conscious  
15 disregard of the rights or safety of others.” Civ. Code § 3294(b). In addition to their “advance knowledge  
16 and conscious disregard,” defendant’s officers, directors and/or managing agents were “personally guilty  
17 of oppression, fraud or malice” and/or “authorized or ratified the wrongful conduct.” *Id.*

18 4. The evidence, admissions, and testimony of defendant establishes a “substantial probability”  
19 that Plaintiff will prevail on her claim for exemplary or punitive damages under Civil Code section 3294.

20 This motion is brought, pursuant to Civil Code sections 3294 and 3295, seeking pretrial discovery  
21 of the financial condition of defendants, and is based on this motion, the attached memorandum of points  
22 and authorities and declaration of Howard Rutten, and any other matter properly considered by the Court.

23 DATED: April 27, 2017

**The Rutten Law Firm, APC**

24  
25 By:   
26 \_\_\_\_\_  
27 HOWARD RUTTEN  
28 LUKE SHELDON

Attorneys for Plaintiff  
KAILA ALANA LOYOLA

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MEMORANDUM OF POINTS AND AUTHORITIES ..... 1

I. INTRODUCTION ..... 1

II. THERE IS A SUBSTANTIAL PROBABILITY THAT PLAINTIFF WAS HARASSED AND DISCRIMINATED AGAINST BECAUSE OF HER GENDER IDENTITY. .... 2

    A. Mr. Shapiro operates his business enterprise through the Woodbridge defendants.. .... 2

    B. Woodbridge hires Plaintiff to an entry level position, learns she is a transgender female, and immediately begins harassing her in a severe and pervasive manner. .... 3

III. WOODBRIDGE IS STRICTLY LIABLE FOR HARASSMENT BY SUPERVISORS LIANNA AND DIANNA BALAYAN. IT IS ALSO INDEPENDENTLY LIABLE FOR FAILING TO TAKE ALL REASONABLE STEPS TO STOP HARASSMENT IT KNEW WAS OCCURRING. .... 3

    A. Defendants were on notice that Plaintiff was being harassed prior to her termination being effective but failed to conduct any investigation, or to do anything to stop it, effectively ratifying unlawful harassment and discrimination.. .... 4

    B. Defendants did not comply with the law requiring sexual harassment training requirements for supervisors, with respect to both Lianna Balayan and Tobi Pratt, and thereby failed to take reasonable steps to prevent sexual harassment. .... 7

IV. DEFENDANTS TERMINATED PLAINTIFF BECAUSE SHE IS TRANSGENDER ..... 8

    A. Defendants have lied about the role that Mr. Shapiro and Lianna Balayan played in Plaintiff’s termination. .... 8

    B. Mr. Shapiro’s decision to offer Plaintiff a full 8 weeks of severance, after working with the company for just over 90 days, without, as he contends, having any knowledge of a claim that Plaintiff may have against the company, for being harassed or otherwise, is evidence of pre-text. .... 10

    C. On the day Plaintiff was informed of her termination, but before it was effective, Defendant failed to take any corrective action following her harassment complaints ..... 11

    D. Plaintiff’s replacement, Elicia Moreno, who was also alleged to suffer performance issues, was treated differently by Defendants. .... 11

    E. The reason Defendants give for terminating Plaintiff is demonstrably false. .... 12

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i Defendants Lianna Balayan and Diana Balayan intentionally sabotaged Plaintiff's work. .... 12

ii. Corrections are part of the business of document processing and even defendants admit they have no way to determine the source of a mistake . .... 12

V. PRE-TRIAL DISCOVERY INTO FINANCIAL CONDITION IS APPROPRIATE WHERE PLAINTIFF ESTABLISHES A SUBSTANTIAL PROBABILITY OF PREVAILING ON A CLAIM FOR PUNITIVE DAMAGES ..... 13

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MEMORANDUM OF POINTS AND AUTHORITIES

**I. INTRODUCTION**

The substantial probability that Plaintiff suffered unlawful workplace harassment and discrimination based on gender identity – i.e. because she is transgender – is left in little doubt by the testimony of Defendants’ own officers, directors and other employees. Since the conduct at issue was done with the knowledge, participation and/or ratification of the Woodbridge defendants’ officers, directors and/or managing agents, including its President and CEO, defendant Robert Shapiro, its Vice President, Jeri Shapiro, and its Director of Human Resources, Brenda Wise, Woodbridge is liable for punitive damages.

Company Vice President Jeri Shapiro is the wife of defendant Robert Shapiro. Mrs. Shapiro’s role was “mostly” to handle “personnel issues and issues between various employees.” According to her husband, Mr. Shapiro, “[i]n an operation that has a hundred people, there’s always personality conflicts between employees.” Since Mr. Shapiro “[didn’t] want to handle” these issues, he delegated them to Mrs. Shapiro. Mrs. Shapiro had seemingly unfettered discretion in personnel matters, and the ad hoc formulation of corporate policy relating thereto, including matters of hiring, discipline, pay, promotion and termination.

The allegations of Plaintiff’s complaint fall squarely within Mrs. Shapiro’s area of responsibility. The buck stops with her on personnel matters such as this unless, of course, Mr. Shapiro overruled her. Given her particular role, Mrs. Shapiro’s testimony about what happened to Plaintiff is paramount. It is also damning for defendants. Here is some of what she has said:

- Woodbridge has “a bunch of women, so its usually a complaint about someone” that she has to address. *Jeri Shapiro* 10:24-11:22; 12:3-6; and 12:17-13:10.

- “They are bullies. [Lianna] and her sister [Diana] are bullies. I know that.” *Id.* at 47:23-48:1.

- “Most of the complaints” about employee conflicts arise from the Balayan sisters. *Id.* at 16:8-17:4.

- “I go through this all the time with Lianna’s department” *Id.* at 25:10-26:1; 26:13-22; 27:1-28:8.

- “This has gone on for as long as Lianna has been there. So [] I tune it out. I just tell [Human Resources Manager/Officer Manager] Tobi [Pratt] she has to get along and stay away from her.” “Tobi will always complain about Lianna.” “I put earplugs in” and “don’t even listen.” *Id.* at 49:24-50:10.

- “[Plaintiff] was treated badly. That’s [] what I know.” *Id.* at 27:14-28:8.

- **A: . . . I know that they must have treated her terribly. I know all of this.**

- **Q: Well, do you know that it was based on her gender identity?**

- **A: Of course I know [] that now. Now I know.** *Id.* at 59:13-19.

- “I don’t need to know the specifics. I know she was treated poorly. End of story. . . They called my husband [to fire Plaintiff] because they knew I wouldn’t let them [fire her].” “[T]here’s no handling it [b]ecause that’s Lianna.” *Id.* at 38:23-39:19; and 57:13-58:4.

- “I have a lot of reasons why I want Lianna fired . . . this would be one of them.” *Id.* at 94:20-95:3.

1 ● “Look, she’s important to the company, she’s the only one that can do this job right now, so we have  
2 to put up with some things.” *Id.* at 44:21-45:7.

3 As such, and as detailed below, there is a “substantial probability” that Plaintiff will prevail on her  
4 claim for punitive damages, pursuant to Civil Code section 3294, on at least three independent grounds, all  
5 in connection with her FEHA and tort claims. First, Woodbridge’s officers, directors and/or managing agents  
6 were personally guilty of oppression and malice. Second, they had advance knowledge of the unfitness of the  
7 Balayan sisters, but employed them with a conscious disregard of the rights and safety of others. Third, they  
8 ratified the conduct by willfully failing to do anything about it. Accordingly, pursuant to Civil Code section  
9 3295(b), Plaintiff seeks permission from this Court to conduct pre-trial discovery into Defendants’ financial  
10 condition. There is no reason to delay the potentially daunting task of unmasking the financial condition of  
11 Woodbridge and Mr. Shapiro.

10 **II. THERE IS A SUBSTANTIAL PROBABILITY THAT PLAINTIFF WAS HARASSED AND  
11 DISCRIMINATED AGAINST BECAUSE OF HER GENDER IDENTITY.**

12 **A. Mr. Shapiro operates his business enterprise through the Woodbridge defendants.**

13 Defendant Robert Shapiro is the owner, President and CEO of defendant Woodbridge Group of  
14 Companies, LLC. That entity took over a prior entity, defendant Woodbridge Structured Funding, LLC where  
15 Plaintiff had been employed.<sup>1</sup> *Robert Shapiro* 9:4-10:18; 12:7-15; and 13:17-14:20. Woodbridge employs  
16 between 100 and 150 people. *Id.* at 95:6-9. The business involves real estate investments, securities and  
17 lending, as well as purchasing guaranteed income streams at a substantial discount, including structured  
18 settlement annuities and lottery winnings. In 2015, Mr. Shapiro and/or Woodbridge did business through  
19 somewhere between “dozens and hundreds” of different companies. *Robert Shapiro* 11:9-23.

20 Woodbridge handles between 50 to 100 “investment” transactions per day. *Robert Shapiro* 191:6-  
21 192:16. They market via direct mail and the internet to consumers who are “broke . . . poor, desperate people”  
22 or small businesses with bad credit who are charged a “very high percentage rate. . . like 21 percent or  
23 something crazy.” They sell unregistered securities in violation law, and have been banned from selling these  
24 “investment” products – essentially pooled mortgages – in two states, Texas and Massachusetts. *Patricia  
25 Mahon* 130:17-25; 132:15-25; 134:14-136:4; 139:6-16; and 140:6-142:4; *Robert Shapiro* 34:13-24; 35:6-10;  
26 36:4-19; 37:9-16; 39:14-40:6; 41:6-25; 47:7-48:7; 49:4-9; 50:10-17; and Exhibit A and Exhibit B. Undeterred  
27 by bans in two states, to skirt the law in California Woodbridge simply refers to its investors as “lenders”  
28 instead of what they were found to be in two other states – investors in unregistered securities. *Id.*

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26 <sup>1</sup> Mr. Shapiro concedes that defendant Woodbridge Group of Companies, LLC is liable for  
27 defendant Woodbridge Structured Funding, LLC’s debts, including any obligation to Plaintiff. *Robert  
28 Shapiro* 15:11-21.



1           **B.     Woodbridge hires Plaintiff to an entry level position, learns she is a transgender female, and immediately begins harassing her in a severe and pervasive manner.**

2           Liana Balayan and Diana Balayan run the loan processing department for Woodbridge and supervise  
3 all of its employees. *Robert Shapiro* 68:15-17; 69:6-17; 72:11-74:5. Plaintiff was hired to work as Lianna  
4 Balayan's assistant. Lianna was Plaintiff's direct supervisor. *Diana Balayan* 250:13-17; *Lianna Balayan* 94:8-  
5 18. Plaintiff's job was to send out emails and process loan documents. *Diana Balayan* 247:16-25. Plaintiff  
6 was a "good worker" and a smart and capable employee. She had five years of prior administrative experience  
7 and a Bachelor's degree from U.C. Berkeley. *Jeri Shapiro* 45:15-20, 58:18-19; Exhibit C; Exhibit D.

8           Right after Plaintiff started, Lianna Balayan "Googled her," learned her birth name, and "assumed  
9 from the Google results that she must have been a man before." *Deposition of Kristine Lauengco* 58:1-14;  
10 59:3-13; *Deposition of Robert Shapiro* 110:16-111:12; 208:2-209:19. *Deposition of Lianna Balayan* 236:2-7;  
11 241:10-242:10. To Lianna, Plaintiff's gender identity "was a joke." *Lauengco* 59:11-13. Mr. Shapiro testified  
12 that he "found out" that Plaintiff was transgender through a background check run when Plaintiff was hired  
13 and that her gender identity became a topic for discussion "around the office." *Robert Shapiro* 208:2-209:16.

14           Armed with the knowledge that Plaintiff "must have been a man before," the Balayan sisters harassed  
15 and humiliated Plaintiff. *Lauengco* 62:2-63:24; 137:25-138:11. Lianna told Plaintiff that she "sound[s] like  
16 a man," called her "ugly," and asked her why she wore dresses. *Lauengco* 130:6-133:9, Exhibit E,  
17 WOODBRIDGE 16-18; *Pratt* 135:17-136:14; 171:16-172:13. Plaintiff was called a "Heifer," slang for "a fat  
18 cow." On the day she was terminated, Lianna placed a note on Plaintiff's computer saying "lock your  
19 computer, Heifer." *Diana Balayan* 154:11-22, 158:4-19; *Lianna Balayan* 225:13-23; *Brenda Wise* 240:16-21;  
20 245:3-21; *Lauengco* 24:19-25; 25:6-15; 26:2-14, Exhibit F.

21           Perhaps most egregiously, given his status as Woodbridge's owner and President, Mr. Shapiro,  
22 apropos of nothing but his own bigotry, proclaimed one day to Lianna Balayan: "No more hiring trannies,  
23 right!?" *Lauengco* 115:2-21, Exhibit E, WOODBRIDGE 000008-000012.

24           As such, Plaintiff has shown there is a substantial probability she suffered unlawful harassment based  
25 on her gender identity in violation of Government Code section 12900 et seq. (the "FEHA").

26           **III.   WOODBRIDGE IS STRICTLY LIABLE FOR HARASSMENT BY SUPERVISORS LIANNA  
27 AND DIANNA BALAYAN. IT IS ALSO INDEPENDENTLY LIABLE FOR FAILING TO TAKE ALL  
28 REASONABLE STEPS TO STOP HARASSMENT IT KNEW WAS OCCURRING.**

          An employer is strictly liable for harassment by its supervisors, and also liable for "fail[ing] to take  
all reasonable steps necessary to prevent discrimination and harassment from occurring." Govt. Code section  
12940(j) and (k); *Weeks v. Baker & McKenzie* (1998) 63 Cal. App. 4th 1128, 1146. Sexual harassment is  
defined as including "[u]nwelcome sexual advances, requests for sexual favors, and other verbal or physical  
conduct of a sexual nature." It typically is viewed as taking one or both of two forms: (1) quid pro quo  
harassment, where submission to sexual conduct is made a condition of concrete employment benefits, and

1 (2) hostile work environment, defined as conduct having the purpose or effect of unreasonably interfering with  
 2 an individual's work performance or creating an intimidating, hostile, or offensive working environment. The  
 3 requirement that an employer take all reasonable stepd to prevent discrimination and harassment includes the  
 4 duty to investigate claims of harassment and discrimination. See *Metters v. Ralphs Grocery Co.* (2008) 161  
 5 Cal.App.4th 696, 703-704 (complaint for discrimination under the FEHA gives rise to "affirmative and  
 mandatory" of employer to promptly investigate).

6 Here, despite notice that Plaintiff was being subjected to a hostile work environment, and even actual  
 7 knowledge of what was happening, Woodbridge did nothing to stop it. They turned a blind eye because Mr.  
 8 Shapiro and Lianna Balayan were involved. Despite the Balayan sisters' long history of harassment and  
 9 bullying, Woodbridge failed to investigate Plaintiff's complaints or take any action at all. They were too  
 10 "important to the company and [Lianna is] the only one that can do this job right now, so we have to put up  
 with some things." "[T]here's no handling it [b]ecause that's Lianna." *Jeri Shapiro* 38:23-39:19; and 57:13-  
 58:4; *Pratt* 193:23-194:4 ("couldn't dispute" termination because it came from Robert [Shapiro]).

11 **A. Defendants were on notice that Plaintiff was being harassed prior to her termination**  
 12 **being effective but failed to conduct any investigation, or to do anything to stop it,**  
 13 **effectively ratifying unlawful harassment and discrimination.**

14 Plaintiff's employment with Woodbridge was terminated effective "upon the close of business on  
 15 August 5, 2015." *Pratt* 178:21-179:23, Exhibit G. Ms. Wise, as Director of Human Resources, approved the  
 16 termination on August 6, 2015. *Wise* 133:9-22; 134:8-135:15, Exhibit E. Prior to such time, Mrs. Shapiro,  
 Brenda Wise and Tobi Pratt, who, between them, manage all human resources and personnel functions at  
 Woodbridge, clearly knew Plaintiff was being harassed and discriminated against but, again, did nothing.

17 Ms. Pratt was the "go-to person" and Woodbridge's only human resources employee in California.  
 18 She reported to Mrs. Shapiro and Ms. Wise. *Pratt* 24:24-26:7; and 26:24-27:2. Ms. Pratt admits Plaintiff was  
 19 being harassed prior to the effective date and time of Plaintiff's termination, and its approval by Ms. Wise.  
 20 *Pratt* 199:18-19 ("Was she being harassed? Yes, more than likely.") Plaintiff's co-worker, Kristine Lauengco,  
 21 and Ms. Pratt discussed their mutual knowledge that the Balayan sisters were bullies and that Lianna was  
 22 bullying Plaintiff. *Lauengco* 36:10-15; and 49:9-24. "Lianna in particular is a mean bully" and was bullying  
 23 Plaintiff. *Lauengco* 37:7-16; and 39:19-21. Plaintiff was "venting out" to Ms. Lauengco, who said Plaintiff  
 24 "seemed really disturbed" and "was hurting" because of the way she was being treated. Ms. Lauengco spoke  
 25 to Ms. Pratt hoping to stop the abuse. *Lauengco* 49:9-24; 50:17-51:7; and 52:23-53:21. Ms. Pratt  
 26 acknowledges that "anyone that treats somebody that way, if that's what was done, should not be allowed to  
 27 supervise people." *Pratt* 255:4-22. Exhibit H. Nonetheless, Ms. Pratt did not believe the meeting with Ms.  
 28 Lauengco had her on notice of potential harassment, despite the fact that Ms. Lauengco had never raised  
 concerns to Ms. Pratt about the way any other employee had been treated by Lianna. *Lauengco* 179:17-22;  
*Pratt* 209:10-15, 148:2-150:24, 156:5-157:21. Ms. Pratt never followed up with Ms. Lauengco and "as far

1 as [she] was concerned there “wasn’t anything really to do[.]” *Id.* After Plaintiff’s termination was announced,  
2 however, Ms. Pratt responded to Ms. Wise that “this upsets me even more.” Exhibit H, p1.

3 On July 17, 2015, Plaintiff emailed Ms. Pratt hoping to set up a meeting. *Pratt* 24:24-26:5; Exhibit  
4 I. Plaintiff was fearful because Lianna Balayan was “very suspicious that [Plaintiff] would say something to  
5 somebody else.” *Id.* at 162:8-163:21 When Plaintiff and Ms. Pratt met, Plaintiff expressed being fearful and  
6 not wanting Lianna to see her away from desk. She was upset with the way Lianna was treating her.  
7 *Pratt* 131:4-14; 162:8-163:21; Exhibit I.

8 Ms. Pratt supposedly took notes on “white lined paper” at the July 17, 2015 meeting. *Pratt* 166:2-6,  
9 206:24-207:7. With no such notes being produced, Ms. Pratt said this was because her “office was flooded  
10 and [she] had to throw out . . . documents.” *Pratt* 166:13-167:5. Yet prior to Ms. Pratt’s deposition, Defendant  
11 took the position that no such notes ever even existed. Exhibit J, p4; Exhibit K, p3-4. After Ms. Pratt testified  
12 that the notes were lost in a flood, Defendant altered its discovery responses to conform with Ms. Pratt’s  
13 testimony, taking the position that notes were taken, but they were “lost and may have been destroyed as a  
14 result of office flooding.” Exhibit L, p4. Of course, the meeting notes were not destroyed in a flood, because  
15 there was no flood while Plaintiff was employed, a fact defendant was subsequently forced to concede. Exhibit  
16 M, p3; *Lianna Balayan* 238:18-23 (“A flood? I don’t recall ever being a flood.”). Continuing with this charade  
17 over lost notes, Defendant’s most recent discovery responses take the contradictory positions that Ms. Pratt:  
18 1) took notes at the July 17, 2015 meeting but “they have been lost or misplaced” and 2) the notes taken at  
19 the meeting are “believed to have never existed.” Exhibit N, pp4-5; Exhibit O, p2, Exhibit K, p3-4. In sum,  
20 notes taken at a critical meeting where Plaintiff reported harassment to human resources, prior to her  
21 termination, have mysteriously vanished and defendant keeps changing its story about these notes, going as  
22 far as inventing a flood.

23 Although Ms. Pratt concedes Plaintiff was “more than likely” harassed, she posits that Plaintiff was  
24 not “sexually” harassed. *Pratt* 199:16-19 She also states that because Plaintiff herself never used the word  
25 “transgender,” there was no notice that the harassment was based on gender identity. *Pratt* 134:25-136:5 (“I  
26 don’t remember her using the word “transgender” ever in any of our conversations because I found that very  
27 strange.”); and 136:20-24 (“I never recall that word coming up in any conversation I had with Kaila.”)

28 Yet while Ms. Pratt apparently seeks to distance Defendants from notice of a protected characteristic  
that would make harassment unlawful under FEHA, Ms. Wise confirmed that Ms. Pratt had indeed told her  
that Plaintiff complained to her that the sisters were discussing the fact that she was “transgender.” *Wise*  
109:16-112:21, Exhibit P. Ms. Wise specifically wrote “transgender” in her notes of her conversation with  
Ms. Pratt. *Id.* Ms. Wise’s notes confirm that Plaintiff told Ms. Pratt that Lianna Balyan called her “ugly,” that  
Plaintiff “overheard” and was told by other people that the Balayans discussed that she was transgender, and  
that the sisters would “watch [You]tube videos [] laugh and make fun of people.” *Id.* at 109:16-112:21; 169:4-  
12; 172:16-20; Ms. Wise “was just listening” did not ask any questions during the call, and never did any

1 investigation into Plaintiff's allegations. She "didn't think it was an issue" and "thought [Plaintiff] was  
2 speaking to other people about her being transgender," so somehow it was okay for her to be harassed. *Wise*  
3 112:1-21, 179:8-181:7, 270:16-271:8, 167:2-24. Incredibly, Ms. Wise stated she "do[es]n't believe there was  
4 transgender harassment going on" because if there was "why wouldn't [Plaintiff] have reported [it] to human  
5 resources?" *Wise* 187:19-188:21. Her own notes belie that very statement, demonstrating gross incompetence  
6 or willful ignorance with regard the facts and the law. After Plaintiff's termination was announced, Ms. Pratt  
7 responded to Ms. Wise that "this upsets me even more." Exhibit H.

8 Astonishingly, notes taken by Ms. Mahon at the August 5, 2015 termination meeting with Plaintiff,  
9 Ms. Pratt and Ms. Mahon have also mysteriously disappeared with, again, contradictory explanations.  
10 Defendant admitted that notes were taken at the August 5, 2015 meeting. Exhibit J, pp2-3. Ms. Pratt testified  
11 that she didn't take notes herself, but that she picked Ms. Mahon as a witness to do a "real good note taking."  
12 *Pratt* 273: 7-18, 205:13-20. Ms. Mahon, however, "knows" that Ms. Pratt took notes. *Mahon* 98:12-18. Ms.  
13 Wise was also told that "Trish [Mahon] took notes." *Wise* 231:1-232:8. Both Ms. Wise and Ms. Pratt testified  
14 that they asked Ms. Mahon for the notes. *Pratt* 274:3-275:8, *Wise* 229:15-25. Ms. Mahon, however, does "not  
15 recall" anyone asking her about notes. *Mahon* 67:2-5. So, post-deposition, Defendant changed its discovery  
16 responses, first saying no notes exist from the termination meeting, and then saying that they were lost or  
17 misplaced. Exhibit Q, pp. 2-4.

18 Defendants had the ability to prevent the discriminatory termination of Plaintiff. At the time of  
19 Plaintiff's termination, Ms. Pratt testifies that she "was put in a predicament" and could not "reverse what  
20 [she] was told to do" even though she knew Plaintiff was transgender and was making allegations about the  
21 Balayan sisters. *Pratt* 234:5-235:3. Ms. Wise, however, had the authority to bring Plaintiff's allegations to  
22 her boss and not recommend a termination. She chose not to because she "didn't take it as the facts were  
23 given to [her] that it was a complaint by [Plaintiff]." *Wise* 270:16-271:8. Mr. Shapiro claims he would have  
24 "most likely" put Plaintiff's termination on hold if he learned of Plaintiff's allegations. *Robert Shapiro* 145:6-  
25 24. Mrs. Shapiro believes that the problem was that the Balayan sisters went to Mr. Shapiro – someone they  
26 knew would approve, condone and ratify the termination – instead of her, saying, employees are "supposed  
27 to call" Mrs. Shapiro if they want to terminate someone, instead they contacted Mr. Shapiro because they  
28 knew Mrs. Shapiro "would have put [Plaintiff] in another department." *Jeri Shapiro* 45:10-46:5, 57:13-58:3.

29 Defendant has admitted that there was no investigation into Plaintiff's allegations. Exhibit R, p8;  
30 Exhibit S, pp17-18. Defendant knew prior to the time Plaintiff's termination would become effective that she  
31 had complained that both Balayan sisters were discussing the fact that she was transgender. Exhibit J, pp11-  
32 12. Yet defendant did not interview a single person and obtained no written or recorded statement. Resp to  
33 Exhibit T, pp22-24. Lianna Balayan testified that no one ever asked her about her treatment of Plaintiff.  
34 *Lianna Balayan* 256:14-24. Ms. Wise did a brief "check-in" with Ms. Mahon, but only to see if she attended  
35 the meeting. *Mahon* 71:2-25.

1 No employee of defendant approached Ms. Lauengco to discuss Plaintiff's treatment. Ms. Lauengco,  
 2 knowing that Plaintiff felt she was "mistreated and that [they] should probably do something," approached  
 3 Mrs. Shapiro, Ms. Pratt and Scott Schwartz, another Woodbridge Vice President, on her own volition.  
 4 *Lauengco* 79:21-80:13, 35:13-18, 78:22-79:2, 92:15-93:2. Ms. Lauengco even provided Mrs. Shapiro a copy  
 5 of her text message communication with Plaintiff detailing all of the allegations. *Jeri Shapiro* 34:14-17, 37:8-  
 6 16. This was the first time Ms. Lauengco ever came to Mrs. Shapiro about a problem with Lianna Balayan  
 7 regarding an employee. *Id.* 35:18-36:8. Mrs. Shapiro saw enough of the texts to "upset" her, "didn't read it"  
 8 any further, and ripped up the documents. *Id.* 37:17-38:16, 34:14-24, 35:9-10.

9 As she did with Ms. Pratt, Ms. Lauengco also spoke to Mrs. Shapiro because she "was concerned  
 10 about [Plaintiff] and that she felt like she was mistreated" and that they "should probably do something about  
 11 it." Mrs. Shapiro promised "to do something about it." *Lauengco* 79:21-80:13. Nothing was done.

12 **B. Defendants did not comply with the law requiring sexual harassment training**  
 13 **requirements for supervisors, with respect to both Lianna Balayan and Tobi Pratt, and**  
 14 **thereby failed to take reasonable steps to prevent sexual harassment.**

15 Ms. Pratt, previously an "office manager," took over human resources duties for the California office  
 16 in or about October or November 2014. *Wise* 70:1-14; *Diana Balayan* 14:21-23, 79:19-80:1-3; *Pratt* 25:15-  
 17 26:5. By December 1, 2014, defendant had "approximately 89 employees." Exhibit U, p3. Despite being the  
 18 only human resources employee in California and being a supervisor and/or manager, Ms. Pratt did not receive  
 19 legally mandated sexual harassment training until October 2015, well past "six months of [her] assumption  
 20 to a supervisory position." *Pratt* 81:5-9, Gov. Code, § 12950.1(a). This failure is critical, as Ms. Pratt,  
 21 admittedly, had no idea how to properly handle a sexual harassment complaint. Ms. Pratt said she would have  
 22 taken more detailed notes if she had received this training. *Pratt* 271:11-25. She would have known how to  
 23 recognize warning signs, conceding a different approach would have occurred "after [she] went through the  
 24 training towards the end of 2015 when [she] was trained what to watch for and to look for." *Id.* She would  
 25 have been more careful with documentation, admitting that it was not until after Plaintiff was terminated that  
 26 Ms. Wise instructed her on the importance of documenting complaints. *Id.* 271:22-272:23. In sum, she "would  
 27 have done [her] job differently" if she had been given the training earlier. *Id.*

28 Aside from being out of compliance with the law, the failure to train Ms. Pratt regarding sexual  
 harassment was not a harmless failure. Ms. Pratt demonstrated complete incompetence with respect to  
 Plaintiff's harassment. Ms. Pratt did not believe that an employee saying that "somebody's harassing me" is  
 a complaint because she cannot think of a remedy to match the statement; she believes that "'bullying' means  
 nothing" and doesn't warrant an investigation; that a discrimination or harassment complaint could be nothing  
 more than "venting"; and, was unsure if the company's policy and sexual harassment laws even applied to  
 the owner of the company. *Pratt* 126:12-127:24, 158:21-159:7, 119:8-120:11, 122:15-123:19; Exhibit V.

Lianna Balayan also did not receive sexual harassment training until October 2015. This would be  
 approximately six months after her "promotion" to supervisor, but, as Ms. Balayan readily admits, the

1 promotion was merely a “title change.” *Lianna Balayan* 145:24-148:19. Her responsibilities, discretion, and  
 2 supervisory duties remained the same as they had been in the preceding months. *Id.* She and Diana ran the  
 loan processing department for Woodbridge and have always supervised all of its employees. *Robert Shapiro*  
 3 68:15-17; 69:6-17; 72:11-74:5.

4 Ms. Wise testified that a workplace investigation needs to be “fair, unbiased, and thorough.” *Wise*  
 5 28:6-16. An individual conducting an investigation should obtain “written statement[s],” talk to “witnesses,”  
 gather all the “facts,” determine what is “true,” and resolve any issue. *Id.* 23:20-24:17, 26:14-25. Ms. Pratt  
 6 reported to Mrs. Shapiro and would go to her with any human resources issue. *Pratt* 27:11-28:7. She would  
 7 also go to Ms. Wise for human resources issues, such as “whether or not an employee was being harassed,  
 8 versus, teased,” if she felt it warranted being reported up the chain of command. *Pratt* 83:5-84:19, 126:15-  
 127:24; *Wise* 186:10-22 (e.g., Ms. Pratt would not report an employee complaint that “somebody picked on  
 9 me” or if someone was told “I don’t like your shirt” and [they] go and cry that’s really not harassment.” *Pratt*  
 10 126:15-127:24, 128:6-12, 128:24-129:1).

#### 11 **IV. DEFENDANTS TERMINATED PLAINTIFF BECAUSE SHE IS TRANSGENDER**

12 The end for Plaintiff came after Mr. Shapiro told Lianna, “no more hiring trannies, right!?” *Lauengco*  
 13 115:2-21, Exhibit E. In doing to, he revealed his animus towards this protected category. He then participated  
 in Plaintiff’s termination. Exhibit T, pp8- 9; Exhibit W, p2. Defendants attempt to blame the termination on  
 14 performance issues, but, once again, the story is contradictory and implausible. As discussed, prior to her  
 termination being effective, Plaintiff told Woodbridge about the abuse she was forced to endure and provided  
 15 information that directly contradicted defendants’ supposed reason for her termination. As with her previous  
 complaints, however, it fell on deaf ears. Despite knowing many of her allegations to be true, nothing was  
 16 done to prevent the unlawful termination, and nothing was done to investigate Plaintiff’s allegations.

##### 17 **A. Defendants have lied about the role that Mr. Shapiro and Lianna Balayan played in** 18 **Plaintiff’s termination**

19 Mr. Shapiro directed that Plaintiff be terminated, but Defendants cannot keep their story straight  
 regarding his level of involvement with her. To distance himself from being one of the impetuses for the  
 20 termination, or one of the decision makers, Mr. Shapiro falsely downplayed his knowledge of Plaintiff, her  
 performance and even her name. He declared:

22 During the entire term of Plaintiff’s employment by Woodbridge, I did not exchange a single  
 word with Plaintiff and did not have any contact with her on work-related or other matters.  
 23 The extent of our contact was that we worked in the same building. I had no reason to know  
 her name . . . after only hearing it once or twice. . .”

24 Exhibit X.

25 Consistent with this statement, in a prior lawsuit against his company by another employee, also  
 alleging sexual harassment and discrimination, Mr. Shapiro declared that he does not get “involved in the  
 26 supervision, discipline or termination of rank and file employees.” *Wise* Exhibit Y. While Mr. Shapiro’s  
 credibility is in doubt, there is no reason to believe that this statement is not generally true. Despite his denial,  
 27

1 however, there is no question Mr. Shapiro made an exception for Plaintiff. And, according to him, it is “very  
2 rare” that he gets involved in a termination, as he did with Plaintiff, instead he would usually leave it up to  
3 Mrs. Shapiro or another department head. *Robert Shapiro* 77:2-5; see also *Pratt* 189:7-16 (“It’s usually not  
4 him that’s asking me to terminate [an employee]. It’s usually a supervisor or a manager”).

5 Out of all the rank and file employees, the “only one [Mr. Shapiro] was concerned was with  
6 [Plaintiff].” *Diana Balayan* 209:11-210:12. Mr. Shapiro would ask how Plaintiff was doing “on a weekly  
7 basis” – between “five and ten” times during Plaintiff’s twelve weeks of employment. *Lianna Balayan* 264:4-  
8 15. Mr. Shapiro thought having a “transsexual” person work in his office was “unusual” and “wouldn’t be  
9 surprised to hear” that people in the office were talking someone’s gender identity. *Robert Shapiro* 182:10-20.  
10 He knew Plaintiff was transgender when he fired her, knew her birth name and even thought that Lianna  
11 Balayan knew Plaintiff was transgender before she was involved in Plaintiff’s termination. *Id.* 169:2-23,  
12 208:2-20, 171:5-9. Mr. Shapiro also disagrees with California law regarding transgender access to bathrooms,  
13 believing instead that people “should use the restroom for the gender [they] were born with.” *Id.* 98:4-99:5.

14 The record is clear that Mr. Shapiro was keenly interested in Plaintiff and her gender identity. So Mr.  
15 Shapiro declared that he “did not exchange a single word with Plaintiff and did not have any contact with her  
16 on work-related or other matters . . . had no reason to know her name . . . [and] forgot her name after only  
17 hearing it once or twice.” Exhibit X. This is implausible, to say the least.

18 Mr. Shapiro intended his declaration of ignorance surrounding Plaintiff and her name to explain why,  
19 two weeks after Plaintiff’s termination, in documents that defendant had previously withheld, he asked “is  
20 katelin off payroll yet?” *Robert Shapiro* 165:13-20, Exhibit Z; Exhibit L, pp3-4. In June 2015, celebrity  
21 Caitlyn Jenner, the Olympic athlete formerly known as Bruce Jenner, made headlines when she came out as  
22 transgender. Mr. Shapiro knew about Caitlyn Jenner, as did the Balayan sisters, with Lianna even recalling  
23 that a “conversation might have come up” about Caitlyn Jenner in front of Plaintiff. *Robert Shapiro* 160:16-  
24 21; *Diana Balayan* 91:8-93:23; *Lianna Balayan* 227:4-18.

25 Plaintiff’s name is not Caitlyn, Katelin, or even Kate, however. It is Kaila. The only spelling mistake  
26 made by Mr. Shapiro was using the phonetically correct “Katelin” instead of the actual Caitlyn. He knew what  
27 he was doing and who he was referring to when, in a follow up email, he suggested “[t]he girl you fired next  
28 door is that not her name.” Exhibit Z.

29 The recipient of these emails, Diana Balayan, who had no business receiving a payroll question, knew  
30 Mr. Shapiro was referring to Plaintiff.<sup>2</sup> *Diana Balayan* 96:22-97:24, 99:15-22, 107:22-108:4; Exhibit AA.  
31 Mr. Shapiro confirms he “fires a lot of people,” and he does not follow up with each to see if they are on  
32 payroll. *Robert Shapiro* 179:14-22. He was unable to recall why he made an “exception” for Plaintiff. *Id.*

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<sup>2</sup> Ms. Pratt questioned why Mr. Shapiro would direct the email to Ms. Balayan, saying, “why he asked Diana in the fist place is beyond me...she no longer does anything in payroll...is what it is...will never change.” Exhibit Z.

1 Diana Balayan assumed that it was because Mr. Shapiro wanted to make sure this particular employee wasn't  
 2 "overpaid." *Diana Balayan* 107:12-21. Mr. Shapiro was making a crude joke, vindictively targeting an  
 3 employee he already discriminated against, and going out of his way to make sure not one dollar extra was  
 4 going her way.

5 Mr. Shapiro "remember[s] getting a phone call [from Lianna Balayan] that they were going to fire  
 6 [Plaintiff]," to which he responded "okay." *Robert Shapiro* 119:21-120:8. According to Lianna Balayan,  
 7 however, she did not ask Mr. Shapiro to terminate Plaintiff – did not even suggest it. *Lianna Balayan* 233:9-  
 8 16. Ms. Balayan actually testified that she asked her sister Diana to give Plaintiff "more time" to improve her  
 9 performance. *Id.* 234:25-235:4, 268:4-25. This contradicts Ms. Pratt, who said that both Lianna and Diana  
 10 Balayan told her that they "email[ed] [Mr. Shapiro] . . . that they wanted to replace [Plaintiff]" and terminate  
 11 her. *Pratt* 189:18-25. The sisters informed Ms. Pratt that, despite previously indicating a desire to write  
 12 Plaintiff up and "ask[ing] [Ms. Pratt] for the write-up paper," they did not need to because Mr. Shapiro had  
 13 "okayed" the termination. *Id.* 193:13-194:4. Ms. Pratt testified that she "got an email" from Mr. Shapiro  
 14 directing her to terminate Plaintiff and offer her eight weeks of severance, which was strange as "[i]t's usually  
 15 not him that's asking [her] to terminate. It's usually a supervisor or a manager." *Id.* 193:13-194:4, 179:6-13,  
 16 189:7-16. All of this was done, despite the fact that, according to both Diana Balayan and Mr. Shapiro, the  
 17 Balayan sisters have independent authority to terminate an employee and do not need to go to Mr. Shapiro  
 18 "for his approval." *Diana Balayan* 129:5-23; *Robert Shapiro* 119:10-24.

19 **B. Mr. Shapiro's decision to offer Plaintiff a full 8 weeks of severance, after working with**  
 20 **the company for just over 90 days, without, as he contends, having any knowledge of a**  
 21 **claim that Plaintiff may have against the company, for being harassed or otherwise, is**  
 22 **evidence of pre-text.**

23 Mr. Shapiro decided to offer Plaintiff eight weeks of severance, if she would sign a full release of  
 24 liability, despite that she only worked for the company for approximately twelve weeks or 92 days. Exhibit  
 25 BB. Mr. Shapiro could not recall the "last time [he] . . . approv[ed] a severance." *Robert Shapiro* 140:1-7. His  
 26 level of involvement, along with the amount, was highly unusual, as Jeri Shapiro testified that, usually, for  
 27 short term employees who work for the company for 90 days, defendant will "give them at least a week or  
 28 two [severance]." *Jeri Shapiro* 112:4-15. Defendant admits that it has never offered eight weeks of severance  
 to an employee who worked for less than 120 days. Exhibit CC, p4. Without even getting into the fact that  
 Plaintiff was allegedly fired for cause (Exhibit T, p 9), this special treatment made no sense. For example,  
 Marina Allen, an employee who was terminated exactly one day before Plaintiff, was not offered any  
 severance whatsoever. Exhibit J, p.7.<sup>3</sup>

<sup>3</sup> Evidence regarding the severance offer to Plaintiff is admissible as Defendants insist that it  
 was not offered to compromise or settle any dispute. To the contrary, they contend that "she never made  
 any claims against the company" and that Plaintiff had reported no harassment or discrimination by that



1           **C. On the day Plaintiff was informed of her termination, but before it was effective, Defendant failed to take any corrective action following her harassment complaints.**

2           At the meeting, on or about August 5, 2015, where Plaintiff was informed of her termination, Ms. Pratt  
3 confirms that Plaintiff complained that the Balayan sisters were “talking about her being transgender.” *Pratt*  
4 134:25-135:16. Plaintiff told Ms. Pratt that the Balayan sisters “called her ugly and they said she dressed like  
5 a man.” *Id.* 135:17-136:5. Plaintiff said she was “picked on,” made to “feel dirty,” and that the Balayan sisters  
6 were “mean” and treated her “unfairly.” *Id.* 180:2-22. Patricia Mahon, an “executive” and the highest ranking  
7 employee in the office on this day, was a witness at the meeting and confirmed that Plaintiff complained about  
8 the “picking on me,” “made fun of me,” and “mean” comments. *Deposition of Patricia Mahon* 48:10-14,  
9 77:7-17, 90:6-19. Additionally, Plaintiff complained that the sisters would call her into their office to “make  
10 fun of” and watch YouTube videos featuring a male late-night talk show host, dressing as a female, and  
11 imitating the vocal mannerisms of a young woman. *Pratt* 185:6-24. Plaintiff found these videos to be highly  
12 offensive. Both sisters admit to watching the YouTube videos. *Diana Balayan* 217:20-219:22; *Liana Balayan*  
13 232:15-24.

14           As such, and as detailed above, Defendants knew that Plaintiff had been harassed by the Balayan  
15 sisters, and complained that her termination was unfair, but Defendants failed to conduct any investigation  
16 or follow-up prior to the termination becoming effective and/or approved by Ms. Wise.

17           **D. Plaintiff’s replacement, Elicia Moreno, who was also alleged to suffer performance issues, was treated differently by Defendants.**

18           After Plaintiff was terminated, defendant hired Elicia Moreno to replace her and perform her job  
19 duties. *Lianna Balayan* 94:8-95:4, 97:2-14; Exhibit T, p 12. Like Plaintiff, Ms. Moreno reported to both  
20 sisters, and Lianna Balayan rated both of their performances “about the same.” *Diana Balayan* 251:16-21;  
21 *Lianna Balayan* 94:8-95:4, 136:15-21. Despite performing the same job functions, with the same proficiency,  
22 under the same supervisors, Ms. Moreno received preferable treatment. When issues with Ms. Moreno’s  
23 performance arose – as they supposedly did with Plaintiff – Diana Balayan wrote long emails, with “a big  
24 paragraph explaining everything that [Ms. Moreno] did wrong.” *Diana Balayan* 250:7-12. Diana Balayan  
25 admits that no such emails were ever sent to Plaintiff. *Id.* 250:13-21. When the poor performance continued  
26 Ms. Moreno received two formal write ups, was placed on probation, and had her performance reported to  
27 Human Resources. *Id.* 248:14-20. Plaintiff was given no written warnings nor was she placed on probation.  
28 *Lianna Balayan* 260:16-18. When it appeared as though Ms. Moreno would not be able to continue in this  
department, she was not terminated, like Plaintiff, but transferred to a different department. *Dianna Balayan*  
246:19-247:25; *Lianna Balayan* 98:23-99:6. Finally, instead of being terminated, let alone with no supporting  
documents, as was the case with Plaintiff, Diana Balayan meticulously prepared files for human resources.

time. Exhibit J, pp8-9; *Robert Shapiro* 141:12-142:13; 142:21-143:8; 143:23-144:5.

1 *Diana Balayan* 249:12-20. Ms. Balayan printed all relevant “emails, the write-ups,” etc., “placed it in the file”  
2 and provided a copy to both local human resources and to Ms. Wise. *Id.*

3 **E. The reason Defendants give for terminating Plaintiff is demonstrably false.**

4 Plaintiff was a “good worker,” a smart and capable employee with five years of administrative  
5 experience and a Bachelor’s degree from U.C. Berkeley. *Jeri Shapiro* 45:15-20, 58:18-19; Exhibit C; Exhibit  
6 D. Lianna Balayan believed that Plaintiff was intelligent enough to “handle the job” and, in a position that  
7 required “some kind of brain,” Plaintiff was certainly qualified. *Diana Balayan* 189:18-25; *Jeri Shapiro*  
8 122:22-123:4. And Plaintiff was, in fact, demonstrating an ability to handle the job. Diana Balayan testified  
9 that unlike others Plaintiff was picking up the job, but then her “performance deteriorated.” *Diana Balayan*  
10 188:11-189:7. The more she was forced to endure the constant abuse from her managers and supervisors, she  
11 became “slow” and her performance declined. *Id.* 178:13-179:5.

12 **i. Defendants Lianna Balayan and Diana Balayan intentionally sabotaged  
13 Plaintiff’s work**

14 It was well known to defendant that the Balayan sisters would try and get rid of employees by not  
15 giving them work, not properly training them, or by “accusing them of making . . . mistake[s] [that they either]  
16 didn’t make” or were instructed to do in the first place. *Pratt* 201:17-202:11, 260:21-261:18; *Lauengco* 87:12-  
17 17, 134:2-15, 172:17-173:4, 173:14-175:4; *Jeri Shapiro* 77:22-78:19; 17:5-11; *Robert Shapiro* 85:21-86:1.  
18 On July 17, 2015, Plaintiff complained about this very behavior – that Lianna Balayan “wasn’t giving her her  
19 work” and that she was not “getting trained completely” – to human resources manager Tobi Pratt. *Pratt*  
20 151:4-12; 167:8-17. Plaintiff also complained that she was being “misguid[ed]” and “sabotog[ed]” when she  
21 was “instructed . . . to do something [one way] and then . . . corrected.” *Lauengco* 65:8-66:15, 187:25-188:15.  
22 This was such a constant problem with the Balayan sisters that Ms. Lauengco considered it their “normal”  
23 behavior. *Id.* 66:7-23, 188:16-189:2. Although Brenda Wise provided a verified discovery response  
24 identifying supposed mistakes, defendant did not verify that the documents cited were mistakes made by  
25 Plaintiff – certainly not whether it was another case of sabotage – instead all of the documents were selected  
26 by defendant’s attorneys. *Wise* 299:2-17; Exhibit S.

27 **ii. Corrections are part of the business of document processing and even defendants  
28 admit they have no way to determine the source of a mistake**

Plaintiff worked in “a very busy office” that would process anywhere from “50” to “100” loans to third  
parties and/or lender transactions per day. *Pratt* 279:9-10; *Robert Shapiro* 192:6-18. Part of the routine of  
processing a loan document includes correcting mistakes whether they be “misspelling[s], wrong addresses,  
[or] wrong amounts.” *Robert Shapiro* 205:1-13. Mistakes were a common occurrence, and they could be the  
result of inaccurate information being provided or entered by a “lender,” “financial planner,” the “processing”  
or “legal” departments. *Lianna Balayan* 69:20-70:23, 271:1-5. The Balayan sisters kept a master “tracker”  
that had all of the data Plaintiff used to verify or populate the various categories in the documents she  
processed. *Id.* 128:16-23; *Diana Balayan* 143:14-144:25. Plaintiff’s information, in fact, came “directly” from

1 the tracker and both sisters admitted that the tracker is sometimes wrong because they may “have entered a  
 2 different amount . . . wrongly . . . in the tracker.” *Lianna Balayan* 161:13-162:1; *Diana Balayan* 145:1-3. Only  
 3 the Balayan sisters were permitted to update the tracker while Plaintiff was employed, everyone else had only  
 “read only” access. *Lianna Balayan* 130:23-131:16, 154:2-7.

4 In fact, “everybody makes mistakes,” and the Balayan sisters “can’t determine,” made no effort to, and  
 5 “never had to” identify the source of any of Plaintiff’s supposed mistakes or the “specific number” of  
 6 mistakes. *Diana Balayan* 76:22-77:1, 113:24-115:3, 151:5-8; *Lianna Balayan* 173:18-24, 72:6-17, 70:24-  
 71:20, 161:9-24, 180:12-22, 185:14-17, 187:14-25, 210:25-211:13; Exhibit S, pp3-7. At her deposition,  
 7 Lianna Balayan conceded – after reviewing a document cited by defendant as an example of an error made  
 8 by Plaintiff – that she in fact made the same “incorrect” word usage as Plaintiff in the very same email as  
 9 Plaintiff, that other supposed “mistakes” could have come from a variety of sources, and that she would have  
 10 no way of knowing if the mistake in question came from Plaintiff “based on an email.” *Lianna Balayan* 195:5-  
 11 12, 161:13-24, 173:18-24, Exhibit DD, EE, FF. Even without considering Plaintiff’s well-founded allegations  
 of sabotage and the obvious effect being harassed had on her performance, defendants’ purported reason for  
 terminating Plaintiff is clearly a pretext.

12 Despite all of the trouble they cause, all of the deplorable behavior they engage in, Mr. Shapiro keeps  
 13 the Balayans employed because he needs them to run his business. *Jeri Shapiro* 62:3-63:1, 64:15-20. As Ms.  
 14 Lauengco put it, “personality wise [the Balayan sisters]” are the worst, “[b]ut they’re good at their job.”  
 15 *Lauengco* 37:18-38:11. The company is willing to “put up with some things,” because Lianna Balayan is  
 16 “important to the company, she’s the only one that can do this job right now.” *Jeri Shapiro* 45:5-7. “They run  
 17 the department . . . [and] do an excellent job,” so defendant continues to employ the kind of bully who is “not  
 18 a nice person.” *Id.* 48:20-49:7. This is why, although “unfair,” these employees are allowed to get away with  
 19 violations that other employees would be disciplined for. *Pratt* 36:10-15. This is why Mrs. Shapiro’s supposed  
 20 concerns about Plaintiff’s treatment are not addressed – at the end of the day “that’s Lianna” and defendant  
 21 is unwilling to do anything about her. *Jeri Shapiro* 38:23-39:19, 45:5-7. And Mrs. Shapiro, for her part, can  
 22 announce a desire to fire Lianna Balayan, but her actions speak louder than her words: The month before  
 Lianna Balayan’s deposition, after all of the allegations against the sisters and Mr. Shapiro were brought to  
 light, it was Mrs. Shapiro who gave Lianna Balayan a raise and told her she was doing a “great job.” *Id.* 116:7-  
 12, *Lianna Balayan* 37:6-19, 45:9-46:16.

23 **V. PRE-TRIAL DISCOVERY INTO FINANCIAL CONDITION IS APPROPRIATE WHERE**  
 24 **PLAINTIFF ESTABLISHES A SUBSTANTIAL PROBABILITY OF PREVAILING ON A**  
 25 **CLAIM FOR PUNITIVE DAMAGES**

26 Civil Code section 3295 permits pretrial discovery into “[t]he financial condition of the defendant”  
 27 “[u]pon motion by the plaintiff . . . establish[ing] that there is a substantial probability that plaintiff will  
 28

1 prevail on the claim pursuant to Section 3294. *Civ. Code*. § 3295(a)(1), (c). "Substantial probability" means  
2 "very likely or a strong likelihood just as their plain meaning suggests." *Jabro v. Superior Court*, (2002) 95  
3 Cal. App. 4<sup>th</sup> 754, 758. Accordingly, a trial court must "weigh the evidence submitted in favor of and in  
4 opposition to motion for discovery and [ ] make a finding that it is very likely the plaintiff will prevail on his  
5 claim for punitive damages."

6 Here, Plaintiff has established with only the defense witnesses that she was bullied, harassed and  
7 discriminated against because she is transgender. To her supervisor, Plaintiff's gender identity "was a joke."  
8 But this type of discrimination and abuse is no joke. It is a pernicious evil and civil rights violation that must  
9 be afforded full protection under the law, including the deterrent and punishment objectives of punitive  
10 damages. Civil Code section 3294(b) imposes "a duty on the employer to take reasonable measures to prevent  
11 a known harasser from committing future acts of harassment. *Weeks v. Baker & McKenzie, supra*, 63 Cal.  
12 App. 4th at 1157. The evidence is overwhelming that the Balayan sisters are known harassers and bullies.

13 **VI. CONCLUSION**

14 For all the foregoing reasons, Plaintiff requests an order permitting her to conduct discovery into  
15 Defendants' financial condition.

16 DATED: April 27, 2017

**The Ruttan Law Firm, APC**

17 By:   
18 \_\_\_\_\_  
19 HOWARD RUTTAN  
20 LUKE SHELDON

21 Attorneys for Plaintiff  
22 KAILA ALANA LOYOLA

**THIS IS YOUR CRS RECEIPT**

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**RESERVATION INFORMATION**

**Reservation ID:** 170404208552  
**Transaction Date:** April 4, 2017  
**Case Number:** BC601193  
**Case Title:** KAILA ALANA LOYOLA VS WOODBRIDGE STRUCTURED FUNDING LLC  
**Party:** LOYOLA KAILA ALANA (Plaintiff)  
**Courthouse:** Stanley Mosk Courthouse  
**Department:** 24  
**Reservation Type:** Other motion (not otherwise listed)  
**Reservation Type Description:** Motion for pretrial discovery of financial condition (Civil Code sec. 3295(c))  
**Date:** 5/19/2017  
**Time:** 08:30 am

**FEE INFORMATION** (Fees are non-refundable)

**First Paper Fee:** Party asserts first paper was previously paid.

Description	Fee
Other motion (not otherwise listed)	\$60.00
<b>Total Fees:</b>	<b>Receipt Number: 1170404K8309</b> <b>\$60.00</b>

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**PROOF OF SERVICE**

**STATE OF CALIFORNIA, COUNTY OF LOS ANGELES**

Los Angeles Superior Court Case No. BC 601193

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within entitled action. My business address is 4221 Coldwater Canyon Avenue, Studio City, California 91604.

On the date set forth below, I served the following document(s) described as:

**PLAINTIFF'S MOTION FOR ORDER PERMITTING PRETRIAL DISCOVERY OF DEFENDANT'S FINANCIAL CONDITION PURSUANT TO CIVIL CODE SECTION 3295(b)**

on the interested parties in this action by placing true copies thereof enclosed in sealed envelopes and/or packages addressed as follows:

Karina B. Sterman  
Priya Sopori  
Kelly M. Raney  
Greenberg Glusker Fields Claman & Machtinger LLP  
1900 Avenue of the Stars, 21<sup>st</sup> Floor  
Los Angeles, CA 90067

---

**BY PERSONAL SERVICE:** I caused such envelope(s) to be delivered by hand to the addressee(s) above.

**STATE:** I declare under penalty of perjury under the laws of the State of California that all of the foregoing is true and correct.

Executed on **April 27, 2017** at Los Angeles, California.

  
**BRIANA DONAHUE-MARTENS**

1 Howard Rutten (SBN 164820)  
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5 Attorneys for Plaintiff  
6 **KAILA ALANA LOYOLA**

**FILED**  
MAR 16 2017  
COURT CLERK  
COUNTY OF LOS ANGELES

**MAY 16 2017**

Sherri R. Carter, Executive Officer/Clerk  
By *Dawn Alexander*, Deputy  
Dawn Alexander

7 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
8 **FOR THE COUNTY OF LOS ANGELES**

9 **KAILA ALANA LOYOLA, an individual,** )

10 Plaintiff, )

11 v. )

12 **WOODBIDGE STRUCTURED** )  
13 **FUNDING, LLC, a Delaware limited** )  
14 **liability company; et al.** )

15 **Defendants.** )

**Case No.: BC 601193**

[Case assigned to Hon. Robert L. Hess for all purposes]

**PLAINTIFF'S REPLY TO DEFENDANTS' OPPOSITION TO MOTION FOR ORDER PERMITTING PRETRIAL DISCOVERY OF DEFENDANTS' FINANCIAL CONDITION PURSUANT TO CIVIL CODE SECTION 3295(b); SUPPLEMENTAL DECLARATION OF HOWARD RUTTEN**

Date: May 23, 2017  
Time: 8:30 a.m.  
Dept.: 24

RESERVATION ID: 170404208552

Complaint filed: February 15, 2016  
Trial date: Not set

16 )  
17 )  
18 )  
19 )  
20 )  
21 Plaintiff **KAILA ALANA LOYOLA** respectfully submits this Reply to Defendants' Opposition to  
22 Motion for Order Permitting Pretrial Discovery of Defendants' Financial Condition Pursuant to Civil Code  
23 Section 3295(b).

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I. PLAINTIFF WILL “VERY LIKELY” PREVAIL ON HER PUNITIVE DAMAGES CLAIMS..... 1

A. Mrs. Shapiro admitted she “*knows*” that Plaintiff was treated “poorly, “terribly” and “badly.” She did not merely acknowledge these were Plaintiff’s “allegations.” ..... 1

B. Lianna Balayan’s declaration that she “*never* knew about or discussed Ms. Loyola’s transgender status with *anyone*” is a blatant falsehood. Lianna directly contradicts her own lie. .... 3

C. Plaintiff texted Kristine Lauengco identifying offensive comments made by Lianna. Ms. Lauengco responded, “Yes, I remember all of those.” Given her admitted bias in favor of the Shapiros, and her admitted fear of losing her job, Ms. Lauengco’s real-time texts are more persuasive than her biased testimony. .... 4

D. Defendant suggests that any improper conduct was done “in jest” and “with Plaintiff’s full participation. Nothing could be further from the truth. .... 7

E. Robert Shapiro is personally liable to Plaintiff for gender harassment. .... 8

II. THE INVOLVEMENT OF WOODBRIDGE’S MANAGING AGENTS IS UNDISPUTED ..... 10





1 A: Explain to me right now, now that she's already gone and  
 2 this is happening, why I would want to know. Of course --  
 3 I don't want -- I don't need to know the specifics. I  
 4 know she was treated poorly. End of story. I know that;  
 5 okay? It breaks my heart, if you really want to know.  
 6 This -- all this stuff makes me crazy because this never  
 7 would have happened if, instead, those - Lianna and Diana  
 8 called me to say they want to fire her. They called my  
 9 husband because they knew I wouldn't let them; okay?  
 10 That's the truth. She would have been put in another  
 11 department. End of story. So that's -- this is the way it  
 12 is. What -- my husband doesn't deal with personnel  
 13 problems, and he doesn't -- he just -- he just figures  
 14 they called up -- they -- they don't like her, so --  
 15 she's not working out, well, that's what they told him,  
 16 that she's not working out, she's not doing her job,  
 17 which is exactly what the reason was; okay? That she  
 18 wasn't doing her job, that she was screwing up or  
 19 something. But I also know that they expect things from  
 20 people that are almost inhuman. So I -- I would have  
 21 moved her. I would have moved her if I was home, if I had  
 22 known it. It's the truth.

(*Supp. Decl. of Howard Rutten (Supp. Rutten Decl.*), *J. Shapiro* 57:13-58:16.)

23 This is an admission by a company Vice President in charge of dealing with employee conflicts.  
 24 When asked if she wants to know specifically what was said to Plaintiff, Mrs. Shapiro replied: "I don't need  
 25 to know the specifics. I know she was treated poorly. End of story. I know that; okay?" It could not be  
 26 more clear - Mrs. Shapiro said she "knows" how Plaintiff was treated. What Plaintiff alleges is simply not  
 27 discussed.

28 Lest there be any doubt, in a follow-up question on the same subject, Mrs. Shapiro confirms her  
 admission that Plaintiff was treated "terribly."

Q. I asked you if you want to know --

A. But why?

Q. -- what happened, and you said, "Why now? What difference does  
 it make?"; right?

A. But why are we rehashing it now? I know why. I know that they  
must have treated her terribly. I know all of this.

Q. Well, do you know it was based on her gender identity?

A. Of course I know -- [Objection] that now. Now I know.

(*Id.* at 59:8-19.)

23 So Mrs. Shapiro confirms again that she "knows" how Plaintiff was treated - "terribly." She also  
 24 "knows" - "of course" - that it was based on her gender identity. Again, there is no mention of only  
 25 knowing Plaintiff's allegations.

26 Mrs. Shapiro also testified that Kristine Lauengco came to her to complain that Lianna's treatment  
 27 of Plaintiff was "offensive." (*Id.* at 26:18-22.) And, again, for a third time, Mrs. Shapiro could not or would  
 28

1 not recall the specifics, "**I just know that she was treated badly – that's what I know.**" (*Id.* at 25:10-28:8).  
 2 Mrs. Shapiro claims she cannot recall the specifics because she "go[es] through this all of the time with  
 3 Lianna's department, so [Plaintiff] is just someone else. . . that believes they were mistreated by Lianna."  
 4 (*Id.*)

5 As such, Defendant's disingenuous attempt to minimize the impact of Mrs. Shapiro's admission that  
 6 Plaintiff was treated badly falls flat. Defendant cannot re-write the testimony to remove its sting. There is  
 7 never any discussion about knowing what Plaintiff alleges. Mrs. Shapiro specifically admits that she  
 8 "**knows**" how Plaintiff was treated, not how Plaintiff *alleges* she was treated. She "**knows**" it was "bad,"  
 9 "poor" and "terrible." "End of story." The word "allege" is never used in any question or response. Mrs.  
 10 Shapiro's apparent point is simply that, in her mind, "rehashing" the specifics of what was said or done is  
 11 pointless because she knows what was done.<sup>2</sup> In the big picture, she knows what happened, and believes it  
 12 is pointless to recall or discuss the details. But this view does not erase her admission.

13 **B. Lianna Balayan's declaration that she "never knew about or discussed Ms. Loyola's  
 14 transgender status with anyone" is a blatant falsehood. Lianna directly contradicts her own lie.**

15 Defendant contends that "Lianna *did not even suspect* Plaintiff's transgender status until long after  
 16 [Plaintiff's] hire." (*Opposition* 9:14-15.) This is an incredible misstatement purportedly supported by  
 17 Lianna's false declaration that she did not know Plaintiff was transgender or discuss it. Lianna declared:

18 "Ms. Loyola was never "out" at work and, despite rumors I was overhearing, **I never knew  
 19 about or discussed Ms. Loyola's transgender status with anyone.**"  
 20 (*Opposing Decl. of Lianna Balayan* ¶9, lines 22-24.)

21 Yet Lianna has admitted the opposite – that she knew about Plaintiff's gender identity:

22 Q. Were you aware she was transgender?

23 A. **I knew**, but I wasn't a hundred percent sure.  
 24 (*Supp. Rutten Decl., Lianna Balayan* 230:22-23.)

25 Q. So through your Googling you learned that Ms.  
 26 Loyola's real name is Peter, her birth name?

27 A. I saw the information. Whether or not I learned  
 28 that was hundred percent her, I can't say. I don't  
 remember.

Q. You believed that that was her name, correct?

A. 100 percent sure, I can't say that it's her name.

Q. **Is that something that caused you to believe she  
 might be transgender, when you learned that she had  
 a male birth name?**

A. **I thought she was**, but again, I wasn't hundred  
 percent sure that she was.

(*Id.* at 241:10-23.)

---

<sup>2</sup> Mrs. Shapiro's rejection of wanting to know the specifics of what happened, including when she "ripped up" Ms. Lauengco's texts, evidences Woodbridge's *continuing* ratification of the conduct.

1 Contrary her current declaration that she “**never** . . .discussed Ms. Loyola’s transgender status with  
 2 **anyone**,” Lianna discussed the “rumor” that Plaintiff is transgender with Kristine Lauengco:

3 Q. What was the rumor?

4 A. That she might have changed her name at some point.

5 Q. From what? About what?

6 A. Or **about her transgender status**.

7 Q. She might have changed her name from a male name to  
 8 a female name? Is that what you're referring to?

9 A. Yes.

10 Q. **Where did you hear that rumor from?**

11 A. **Lianna**.

12 Q. **What did Lianna tell you?**

13 A. **That she Googled her just like she Googles  
 14 everybody and that's what she found.**

15 (*Supp. Rutten Decl., K. Lauengco 58:1-14.*)

16 When Lianna discussed the “rumor” about Plaintiff’s transgender identity, it was “[I]ike it was a  
 17 joke.” (*Id.* at 59:3-13.)

18 Defendant argues that it “stretches credibility to believe Plaintiff’s arguments when they, on the one  
 19 hand, say that Plaintiff was harassed because of her transgender status, and, on the other hand, she was  
 20 harassed before the alleged harasser even suspected her transgender status.” (*Opposition 9:13-18.*) This is  
 21 duplicitous nonsense demonstrating precisely why this motion should be granted. Defendants go to great  
 22 lengths to misstate and distort the record to hide their obvious liability. Defendants unjustly attack Plaintiff’s  
 23 credibility, without support, hoping the trier of fact will get lost in the muddle.

24 But evidence that Lianna “knew about” Plaintiff’s “transgender status,” and discussed it with Kristine  
 25 Lauengco is undisputed and crystal clear. Lianna perjures herself when she declares: “**I never knew about  
 26 or discussed Ms. Loyola’s transgender status with anyone**.” With this blatant lie Lianna has “deliberately  
 27 testified untruthfully about something important.” (See CACI No. 107 (“if you decide that a witness has  
 28 deliberately testified untruthfully about something important, you may choose not to believe anything that  
 witness said.”)) Lianna’s false testimony on these points warrants rejection of her entire testimony as self-  
 serving falsehoods.

29 **C. Plaintiff texted Kristine Lauengco identifying offensive comments made by Lianna. Ms.  
 30 Lauengco responded, “Yes, I remember all of those.” Given her admitted bias in favor of the  
 31 Shapiros, and her admitted fear of losing her job, Ms. Lauengco’s real-time texts are more persuasive  
 32 than her biased testimony.**

33 After Plaintiff was terminated, she exchanged text messages with her former co-coworker, Ms.  
 34 Lauengco, about what happened to her at Woodbridge and expressing worry that her “mood might drag  
 35 people down.” Plaintiff texted, “I hope you understand the gravity of what was done to me and how much  
 36 damage it has done to me [] again with this company [] over and over again.” (*Motion, Exhibit E 000002-*  
 37  
 38

1 000003.) Ms. Lauengco texted back,

2 “Kaila, you are not dragging me down. I can’t lie though, I have been affected by what  
3 happened to you too. . . . I know the severity of some of those comments made to you but you  
4 have to tell me everything that happened. I only know from what I witnessed and what you  
told me and what Lianna told me, but I think there are more that you are embarrassed to tell  
me.” (*Id.* at 000005).

5 Plaintiff then recounted how Lianna researched her on the Internet, said she sounded like a man, that  
6 she was ugly, and asked her why she wore dresses. Plaintiff texted that Lianna “said a lot of discriminatory  
7 comments and I’m sure you heard many.” Ms. Lauengco responded, “**Yes I remember all of those**  
8 **s[\*\*\*]!!!!”** (*Id.* at 000016-000017). Ms. Lauengco added, “Those girls are bullies. They don’t need a real  
9 reason sometimes, they just take pleasure out of bullying.” (*Id.* at 000018.) Plaintiff recounted how Lianna  
made rude comments about her using the restroom. When asked if she recalled the comments mentioned,  
Ms. Lauengco responded:

10 “**Yes, I remember them now. . . I don’t even know what to say at this point. It’s just**  
11 **horrible!”**

12 (*Id.* at 000020.) Ms. Lauengco texted that, on the day that Plaintiff was terminated, she hoped that Plaintiff  
13 had “had enough” and quit. (*Id.* at 000023.) She added that she got into a car accident just thinking about  
14 what happened to Plaintiff. “This is just some really heavy stuff that even I as a spec[t]ator, am feeling the  
pain.” (*Id.*)

15 Subsequent to exchanging these texts with Plaintiff in the days following Plaintiff’s termination, Ms.  
16 Lauengco refused to be interviewed by an investigator working on Plaintiff’s behalf, because she wants “to  
17 protect the company” and is “scared to lose my job.” (*Supp. Rutten Decl., Lauengco* 157:16-160:18; and  
18 162:17-164:8.) When asked if she needed legal representation to tell the truth, Ms. Lauengco responded,  
19 “No...I care about the company.” When asked if she cares about Plaintiff, she responded, “I care about Bob,  
20 Jeri and [Jeri’s son] Scott. And I don’t think they’re completely – they’re liable, but...” Ms. Lauengco  
believes that the Shapiros or the company are not liable “[b]ecause they “didn’t mistreat anybody. It was [the  
Balayan sisters].” (*Id.*)

21 As such, Ms. Lauengco acknowledged in her texts that she heard many of the Balayan sisters’  
22 offensive comments to Plaintiff. She expressed her belief that there were more comments beyond what she  
23 witnessed or was told. She confirms that the Balayan sisters “are bullies” and “take pleasure out of bullying.”  
She noted that the way Plaintiff was treated by the Balayan sisters was so bad that it personally affected her  
and that she got in a car accident just thinking about it. (*Exhibit E* 000023.)

24 Ms. Lauengco also acknowledges that she is afraid to lose her job and cares about the Shapiros and  
25 their company. Ms. Lauengco does not believe that the Shapiros or Woodbridge should be liable for the  
26 conduct of the Balayan sisters because, according to her, it was the Balayan sisters who mistreated Plaintiff.  
27  
28

1 With this admitted bias in mind, Ms. Lauengco was reluctant to testify beyond what she had already  
2 confirmed in texts. She attempted at times to walk back certain texts while confirming others. For example,  
3 she denied hearing Lianna say Plaintiff “sounded like a man,” despite texting, “**Yes I remember all of those**  
4 **[!!!!]**” (*Exhibit E 000016-000017*). Regardless, her testimony about what happened to Plaintiff, and why,  
is unequivocal:

5 Q. Their working is valuable, but Lianna in particular  
is a mean bully; true?

6 A. I would say yes.  
(*Supp. Rutten Decl., Lauengco 39:19-21.*)

7 Q. What do you remember about any type of  
8 conversation you had with Tobi prior to Kaila  
being terminated?

9 A. That those girls were bullies and they'd do it to  
everybody. So it kind of seemed like we're all in  
10 the same position.

11 Q. Do you remember why you were discussing this with  
her? Was it something you brought up to her? Did  
she ask you about it?

12 A. I was concerned for Kaila because, when she was  
13 venting out to, me she seemed really disturbed  
about it. So I figured I'd talk with somebody  
14 about it. I directed Kaila to talk to Human  
Resources as well.

\* \* \*

15 Q. What were you hoping would happen when you spoke  
to Tobi about what Kaila was venting to you about?

16 A. I was hoping that they'd talk to Kaila.

17 Q. Were you hoping it would stop?

A. Yes.

18 Q. Let me be more clear. Were you hoping the abuse,  
the bullying of Kaila in particular would stop?

A. Yes.

19 Q. Could you tell that this was hurting Kaila while  
she was working there?

20 A. Based on my speculations from what she was telling  
me and some of the things I've witnessed, yes.

21 (*Id.* at 50:17-53:21.)

22 Staring at express testimony that Lianna was a “mean bully,” and that Ms. Lauengco spoke to  
23 Tobi Pratt in Human Resources hoping Lianna’s bullying of Plaintiff would stop, Defendant makes an  
24 inane, unintelligible argument that “these quotes come from Plaintiff’s counsel as that is how he asked  
25 certain questions during the deposition.” (*Opposition 8:4-6.*) Aside from making no sense, this argument  
26 is belied by the record.

27 Defendant misrepresents Tobi Pratt’s testimony that she heard during the termination meeting,  
28

1 prior to the termination being effective, that Lianna called her ugly and said she dressed like a man.  
 2 Defendant states that “the cited testimony is actually Tobi quoting Plaintiff’s allegations in this lawsuit  
 3 and the related rumors.” (*Opposition* 7:14-21.) This time, rather than blaming the damaging testimony  
 4 on the wording of a question, Defendant leaves out the actual question in citing to Pratt’s deposition at  
 5 135:20-136:5. When the actual question posed to Ms. Pratt is included, it is clear that Ms. Pratt was not  
 quoting allegations in this lawsuit, but what she recalls being said **at Plaintiff’s termination meeting:**

6 Q. Okay. So **during the termination meeting** she said  
 that Lianna was talking about her being  
 transgender?

7 A. No, that's not what she said. She said that they  
 8 were -- they called her ugly and they said she  
 dressed like a man and they said different things  
 and -- that's what she said to me...

9 (*Supp. Rutten Decl., Pratt* 135:17-136:5.) Ms. Pratt has concluded it is “more than likely” that Plaintiff  
 10 was being harassed. (*Id.* at 199:9-19.)

11 The termination meeting took place in the early afternoon on August 5, 2015. Plaintiff’s  
 termination was effective close of business that day and was approved by the Director of Human  
 12 Resources, Ms. Wise, the following day. As such, Woodbridge was on notice that Plaintiff was being  
 harassed by the Balayan sisters, but terminated her anyway without doing any investigation. Defendant  
 13 makes no mention of losing the notes from both meetings – i.e. July 17 and August 5 – where Plaintiff  
 14 reported harassment and abuse.

15 **D. Defendant suggests that any improper conduct was done “in jest” and “with  
 Plaintiff’s full participation. Nothing could be further from the truth.**

16 Plaintiff was deposed on May 8, 2017. Defendant has attached five pages from Plaintiff’s rough  
 17 deposition transcript to suggest that any comments made to Plaintiff were done “in jest” and with  
 Plaintiff’s “full participation.” (*Opposition* 1:18-19.) Once again, Defendant’s argument is contrary to  
 18 the record. Plaintiff testified to crude, vile, offensive harassment that no reasonable person could believe  
 19 was done in jest or with Plaintiff’s participation. She described the following:

- 20 • After Lianna researched Plaintiff on the Internet and confronted her with questions about her  
 21 background, including asking her real name, birthday and previous residence, Plaintiff felt like she was  
 “being under attack or interrogated.” (*Supp. Rutten Decl., Loyola Depo.,* 72:1-25.)
- 22 • Lianna mocked Plaintiff by referring to her male birth name, Peter. (*Id.* at 73:9-15.)
- 23 • Lianna pointed at Plaintiff and remarked, everyone has a penis. (*Id.* at 73:19-20.)
- 24 • Lianna called Plaintiff a “streetwalker.” (*Id.* at 73:18-19)
- 25 • Lianna said to Robert Shapiro and Jeri Shapiro, “I know she’s a man.” (*Id.* at 73:24-74:4; 77:23-  
 26 79:5.)

1 • Lianna’s treatment of Plaintiff was “abusive” and becoming “increasingly abusive and hostile.”  
2 Her comments regarding Plaintiff’s “gender identity, gender expression [were] increasing and became  
more brutal . . . It was deliberate.” (*Id.* at 80:6-9; 80:19-24; 81:1-4.)

3 • Lianna grabbed Plaintiff’s hand and said “the size of a man’s hands say a lot about the size of  
4 their penis;” Lianna claimed she was “only joking.” (*Id.* at 81:5-7; 83:17-23; 84:11-20.)

5 • Lianna called Plaintiff ““Brucey,” as in Bruce Jenner.” (*Id.* at 81:10-11.)

6 • Lianna said to Plaintiff “you look ugly” and “you sound like a man.” (*Id.* at 81:13-14.)

7 • Lianna made daily comments to Plaintiff about the way she dressed and expressed herself. (*Id.* at  
81:17-19; 90:25-91:7.)

8 • Lianna played a video to Plaintiff mocking transgender people. (*Id.* at 81:20-22.)

9 • Lianna asked Plaintiff if she were “on her menstrual cycle” and whether she carried Tampons.  
10 (*Id.* at 82:1-3.)

11 • On the day of her termination, Lianna said, “Peter is getting fired.” (*Id.* at 82:10-11.)

12 • Lianna accused Plaintiff of “peeing on the toilet seats.” (*Id.* at 83:8-11.)

13 • Plaintiff told Kristine Lauengco during her employment about the abuse from Lianna and “about  
how demeaning and dehumanizing Lianna was.” (*Id.* at 102:8-103:5.)

14 • Plaintiff told Tobi Pratt about the abuse from Lianna; Tobi took notes (which have now  
15 disappeared.) (*Id.* at 103:24-106:3.)

16 Plaintiff also testified to offensive comments made by Robert Shapiro. First, Mr. Shapiro said to  
17 Lianna and others, “No more hiring trannies.” (*Id.* at 130:6.) Lianna repeated this comment to Ms.  
Lauengco. (*Id.* at 130:17-131:5; *Exhibit E* 000010-000012.)

18 Mr. Shapiro openly mocked transgender celebrity Caitlyn Jenner daily, as follows:

19 When [the] Katelyn (sic) Jenner *Vogue* cover came out, he would just walk around the  
20 hallway pretty much every day that entire week, maybe a little bit more, and just say how  
ridiculous it was, and that he would go back and forth with Jeri about how ridiculous it  
21 was [in reference to Katelyn (sic) Jenner being on the cover of *Vogue* magazine.] .  
(*Supp. Rutten Decl., Loyola Depo.*, 129:3-25.)

22 Mr. Shapiro’s animus towards gay persons and/or members of the LBGT community is  
evidenced by other offensive comments. (*Supp. Rutten Decl., Loyola* 130:1-2.) (See also *Supp. Rutten*  
23 *Decl., Pratt*, 62:2-63:6) (Mr. Shapiro made an offensive remark based on a person’s sexual orientation.)

24 **E. Robert Shapiro is personally liable to Plaintiff for gender harassment.**

25 Robert Shapiro is liable for his own participation in creating and contributing to a hostile work  
environment based on gender identity and expression. First, he did nothing when Lianna said to Mr.  
26  
27  
28



1 Shapiro and his wife, "I know she's a man." (*Supp. Rutten Decl., Loyola 73:24-74:4; 77:23-79:5.*) He  
2 specifically declared to Lianna, "No more hiring trannies." "Tranny" is a patently offensive word, and  
3 akin to a racial slur, especially and obviously to a transgender person who may have faced a lifetime of  
4 gender harassment and discrimination. Mr. Shapiro mocked Caitlyn Jenner, who was featured on the  
5 cover of *Vogue* during that time. Mr. Shapiro did this repeatedly, every day, for a week or more. As the  
6 owner and president of the company, Mr. Shapiro has made offensive comments about transgender and  
7 gay people. Mr. Shapiro set a bad example which Lianna followed in mocking and humiliating Plaintiff.  
8 By Mr. Shapiro's comments, and his participation in ridiculing Plaintiff, and transgender people in  
9 general, Lianna was given *carte blanche* to harass and dehumanize Plaintiff. Lianna, a reputed bully,  
10 followed Mr. Shapiro's lead and did just that. By mocking Plaintiff's gender identity, and declaring "no  
11 more hiring trannies," Mr. Shapiro personally altered the terms and conditions of Plaintiff's working  
12 environment. Indeed, by declaring transgender people unemployable at Woodbridge, not only did Mr.  
13 Shapiro offend Plaintiff in a most humiliating way, but he literally declared her employment illegitimate.  
14 He allowed a known bully to drive her out. As such, for his own participation and conduct in creating a  
15 hostile work environment, based on Plaintiff's gender identity, Mr. Shapiro is personally liable.

16 As with Lianna, Mr. Shapiro has given false testimony on a number of important points. His  
17 remaining testimony should not be given any credence.

18 Defendant completely ignores the conflict in testimony between Mr. Shapiro and the Balayan  
19 sisters regarding the level of Mr. Shapiro's involvement with Plaintiff. In particular, his sworn  
20 declaration states that he "did not exchange a single word with Plaintiff and did not have any contact  
21 with her on work-related or other matters [and] had no reason to know her name . . . after hearing it once  
22 or twice." (*Exhibit X.*) Yet, according to Lianna, Mr. Shapiro asked about Plaintiff "weekly" during her  
23 twelve weeks of employment, or between "five and ten times." (*Supp. Rutten Decl., L. Balayan 264:4-  
24 15.*) There is no apparent motive for Lianna to invent that Mr. Shapiro regularly asked about Plaintiff.  
25 Thus, his statement of having no reason to even know Plaintiff's name is more than likely false. Mr.  
26 Shapiro has submitted a false declaration about his basic knowledge of who Plaintiff was to distance  
27 himself from any role in harassment or discrimination against her. Mr. Shapiro posits that if he didn't  
28 even know Plaintiff's name, he couldn't have called her Caitlyn to mock her.

But Lianna lays Mr. Shapiro's actual knowledge and interest in Plaintiff bare by revealing that he  
asked about her every week. Similarly, according to Dianna Balayan, Mr. Shapiro had a special interest  
in Plaintiff. According to Diana, of all the "non-managerial rank and file employees," "the only one he  
was concerned was with Kaila." (*Supp. Rutten Decl., D. Balayan 209:24-215:11.*)

Next, while Mr. Shapiro does not usually get involved in personnel issues with rank and file  
employees, according to his own words, he decided to offer Plaintiff eight weeks of severance after 90

1 days of employment. He testified this has been done before with “others” who he could not name. (*Supp.*  
 2 *Rutten Decl., R. Shapiro* 132:11-133:2.) Yet Mr. Shapiro’s testimony regarding his supposed generous  
 severance policy for employees who don’t even make it out of the probationary period is false.

3 According to Woodbridge’s verified discovery response on this point:

4 **“Other than Plaintiff, Woodbridge has not offered eight weeks severance to an**  
 5 **employee who worked for Woodbridge for less than 120 days.”**  
 (*Exhibit CC, 4:17-19.*)

6 Finally, according to Mr. Shapiro, Lianna came to him and told him they were going to fire  
 Plaintiff. (*Supp. Rutten Decl., R. Shapiro* 118:1-119:24.) This is despite the fact that the Balayan sisters  
 7 do not need Mr. Shapiro’s approval to terminate an employee, and Mr. Shapiro claims to have had no  
 8 interest in Plaintiff, her responsibilities, performance or anything else. “We have hundreds of employees.  
 I don’t usually deal with people down the chain in the Processing Department.” (*Id.* at 113:2-6; 114:1-  
 9 19; 115:1-117:2.) Directly contradicting Mr. Shapiro, Lianna claims that she did **not**: (a) request that  
 10 Plaintiff be terminated; (b) ask anyone to terminate Plaintiff; (c) suggest to anyone that Plaintiff should  
 11 be terminated; (d) complain to anyone about Plaintiff’s performance; or (e) “have any role in the  
 decision to terminate” Plaintiff. (*Supp. Rutten Decl., L. Balayan* 233:2-24.) Indeed, contrary to Mr.  
 12 Shapiro’s claim that Lianna told him she wanted to terminate Plaintiff, Lianna claims that she “liked  
 13 working with her” and wanted to give Plaintiff “maybe another month to improve.” (*Id.* at 234:2-16.)  
 14 (Compare *J. Shapiro* 58:7-8 (“they don’t like her.”))

15 As such, Mr. Shapiro’s testimony on his level of involvement with Plaintiff and her work, the  
 decision to offer her eight weeks of severance, and the decision to terminate her, all directly contradicts  
 16 the Balayan sisters’ testimony.

17 **II. THE INVOLVEMENT OF WOODBRIDGE’S MANAGING AGENTS IS UNDISPUTED**

18 Woodbridge has not disputed its owners, officers, directors and/or managing agents participation  
 and/or ratification of the unlawful conduct, including, but not limited to, employment of the Balayan  
 19 sisters with advance knowledge of their unfitness and ratification of their conduct. Defendant does not  
 20 contest that Woodbridge failed to comply with sexual harassment training laws for supervisors Lianna  
 21 Balayan and Tobi Pratt, showing a callous disregard for employees’ rights and tolerance of a known  
 hostile work environment. It is undisputed that Woodbridge never investigated Plaintiff’s allegations.  
 22 Instead, Defendants offer false and conflicting testimony as further evidence of liability.

23 Because Plaintiff’s claims, as supported by the evidence, involve inherently malicious and willful  
 24 conduct, Mr. Shapiro is personally for punitive damages. Since this conduct was done with the requisite  
 involvement of its managing agents, Woodbridge is liable for punitive damages.  
 25  
 26  
 27  
 28

1 DATED: May 16, 2017

The Rutton Law Firm, APC

2  
3 By: 

HOWARD RUTTEN  
LUKE SHELDON

4 Attorneys for Plaintiff  
5 KAILA ALANA LOYOLA  
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SUPPLEMENTAL DECLARATION OF HOWARD RUTTEN

I, Howard Rutten, declare:

1. I am an attorney duly licensed to practice law in the State of California, and am President of The Rutten Law Firm, APC, attorney of record for Plaintiff KAILA LOYOLA. The facts below are within my personal knowledge. If called upon as a witness, I would and could competently testify thereto.

2. Attached is a true and correct copy of excerpts from Diana Balayan's deposition transcript, dated June 29, 2016.

3. Attached are true and correct copies of excerpts from Lianna Balayan's deposition transcript, dated June 28, 2016.

4. Attached are true and correct copies of excerpts from Kristine Lauengco's deposition transcript, dated February 17, 2016.

5. Attached are true and correct copies of excerpts from Kaila Loyola's deposition transcript rough draft, dated May 8, 2017.

6. Attached are true and correct copies of excerpts from Tobi Pratt's deposition transcript, dated June 24, 2016.

7. Attached are true and correct copies of excerpts from Jeri Shapiro's deposition transcript, dated February 28, 2017.

8. Attached are true and correct copies of excerpts from Robert Shapiro's deposition transcript, dated February 27, 2017.

I declare under penalty of perjury under the laws of California that the foregoing is true and correct, and that this declaration was executed on May 16, 2017 at Studio City, California.



HOWARD RUTTEN

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES

KAILA ALANA LOYOLA, an )  
individual, )  
 )  
Plaintiff, )  
 )  
vs. ) No. BC 601193  
 )  
WOODBIDGE STRUCTURED )  
FUNDING, LLC, a Delaware )  
Limited liability company; )  
et al., )  
 )  
Defendants. )  
\_\_\_\_\_ )

VIDEOTAPED DEPOSITION OF  
DIANA BALAYAN

DATE & TIME: Wednesday, June 29, 2016  
10:28 a.m. - 5:04 p.m.

LOCATION: 4221 Coldwater Canyon Avenue  
Studio City, California

REPORTER: Christina Kim-Campos, CSR  
Certificate No. 12598

DIANA BALAYAN - 6/29/2016

1 terminated?

2 MS. SOPORI: Same objections.

3 THE WITNESS: Again, not that I've seen.

4 BY MR. RUTTEN:

5 Q. Has Mr. Shapiro come to you and asked you 15:48:06

6 about how employees are doing, other than

7 Ms. Loyola?

8 MS. SOPORI: Objection; relevance.

9 THE WITNESS: I don't recall.

10 BY MR. RUTTEN: 15:48:21

11 Q. Of the numbers of employees that have come

12 through the Processing Department or the Mortgage

13 Department, has Mr. Shapiro ever come to you and

14 asked you how any of the employees were doing, other

15 than Ms. Loyola? 15:48:39

16 A. At the time she was working or just overall?

17 Q. Do you recall it happening overall, at any

18 time?

19 A. Sure. He's asked me like recently like how

20 the new controller is doing or how Sarah Werner, 15:48:51

21 who's taken over the responsibility --

22 responsibility that Kaila was doing, how she's

23 doing, and so forth.

24 Q. And prior to him coming to you about

25 Ms. Loyola, had he come to you -- do you recall him 15:49:06

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DIANA BALAYAN - 6/29/2016

1 coming to you with respect to any of these other  
2 employees that were terminated out of the Processing  
3 or Mortgage Department?

4 MS. SOPORI: Oh, objection. Misstates prior  
5 testimony and assumes facts. 15:49:18

6 THE WITNESS: What other employees are you  
7 referring to?

8 BY MR. RUTTEN:

9 Q. Any of them. Any of the nonmanagerial rank  
10 and file employees. 15:49:27

11 A. The only one he was concerned was with  
12 Kaila --

13 MS. SOPORI: I'm so sorry. Can you have the  
14 question read back?

15 MR. RUTTEN: Well, she was in the middle of 15:49:33  
16 an answer. That is -- that is so inappropriate.

17 MS. SOPORI: All right.

18 MR. RUTTEN: No.

19 MS. SOPORI: Howard, can we have the  
20 question read back? 15:49:38

21 MR. RUTTEN: No. Stop. Stop. No. She's  
22 going to finish her answer.

23 MS. SOPORI: No, she's not to answer until I  
24 can make my objection.

25 MR. RUTTEN: That is entirely inappropriate. 15:49:42

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DIANA BALAYAN - 6/29/2016

1 MS. SOPORI: -- until I hear the question  
2 again.  
3 MR. RUTTEN: Wait. Wait. No.  
4 Can you read the answer back, please?  
5 MS. SOPORI: I -- it doesn't -- 15:49:52  
6 MR. RUTTEN: Stop. No. No.  
7 MS. SOPORI: Stop.  
8 MR. RUTTEN: You stop.  
9 MS. SOPORI: You stop.  
10 MR. RUTTEN: I'm going to go -- I'm going to 15:49:55  
11 go get a protective order. This is nonsense.  
12 MS. SOPORI: Go ahead.  
13 MR. RUTTEN: No. This is my deposition.  
14 You need to --  
15 MS. SOPORI: No. 15:49:59  
16 MR. RUTTEN: -- stop speaking.  
17 MS. SOPORI: I want to know what the  
18 question is. I can't believe --  
19 MR. RUTTEN: I can't believe you're acting  
20 like this. You don't get to -- 15:50:03  
21 MS. SOPORI: I want to know --  
22 MR. RUTTEN: You don't get to interrupt the  
23 witness in the middle of a question and ask what the  
24 what the question -- what the answer --  
25 MS. SOPORI: I can't believe you're 15:50:04

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DIANA BALAYAN - 6/29/2016

1 harassing --

2 MR. RUTTEN: -- in the middle of an answer,  
3 and ask the witness if it's correct. In the middle  
4 of an answer.

5 MS. SOPORI: Can I know what the question 15:50:13  
6 was?

7 MR. RUTTEN: In the middle --

8 MS. SOPORI: No, no, no. Please. Read back  
9 her answer. Read back her answer. I don't care.

10 MR. RUTTEN: This is ridiculous. I can't 15:50:25  
11 believe you.

12 MS. SOPORI: Please. Go ahead.

13 (The previous answer was read back by  
14 the court reporter as follows:

15 "ANSWER: The only one he was 15:49:28  
16 concerned was with Kaila" --)

17 MS. SOPORI: Okay. That's the answer. Can  
18 you read back the question?

19 MR. RUTTEN: No, no. Will you let her  
20 finish the answer?

21 MS. SOPORI: Oh, okay. I'm sorry.

22 BY MR. RUTTEN:

23 Q. Were you finished with your answer?

24 MS. SOPORI: Can I -- okay.

25 THE WITNESS: So now I'm going to need the 15:50:49

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DIANA BALAYAN - 6/29/2016

1 question because I forgot what I was trying to  
2 respond to.

3 BY MR. RUTTEN:

4 Q. Okay. Hold on.

5 MS. SOPORI: Can you start from the first 15:50:53  
6 part of the question before it was then the  
7 interruption?

8 MR. RUTTEN: Before you interrupted her?

9 MS. SOPORI: No.

10 MR. RUTTEN: Before -- 15:51:00

11 MS. SOPORI: I'm sorry. Please, please, if  
12 you could start with the first question, 'cause then  
13 it was modified, and that's what I missed. Thank  
14 you.

15 MR. RUTTEN: Can you read back the last 15:51:08  
16 question and answer?

17 And then if you want another one read back,  
18 fine.

19 MS. SOPORI: No. Please --

20 MR. RUTTEN: But I want to make sure the 15:51:13  
21 witness was finished with this answer before you go  
22 onto another one.

23 MS. SOPORI: Okay. But --

24 MR. RUTTEN: Counsel --

25 MS. SOPORI: -- it's -- 15:51:17

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DIANA BALAYAN - 6/29/2016

1 MR. RUTTEN: -- stop it. Stop it.

2 You're --

3 MS. SOPORI: Go ahead, please, 'cause I'd  
4 like to know what the full question was.

5 (The previous questions and answers 15:51:22  
6 were read back by the court reporter  
7 as follows:

8 "QUESTION: Any of them. Any of  
9 the nonmanagerial rank and file  
10 employees. 15:49:28

11 "ANSWER: The only one he was  
12 concerned was with Kaila" --

13 "QUESTION: And prior to him  
14 coming to you about Ms. Loyola, had  
15 he come to you -- do you recall him 15:49:06  
16 coming to you with respect to any of  
17 these other employees that were  
18 terminated out of the Processing or  
19 Mortgage Department.")

20 MS. SOPORI: Thank you. 15:52:25

21 Yeah, I don't have any objection. I just --  
22 I missed the second part of the clarification of the  
23 question.

24 THE WITNESS: Oh.

25 MS. SOPORI: So I wanted to hear that. 15:52:34

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DIANA BALAYAN - 6/29/2016

1 Please go ahead.

2 BY MR. RUTTEN:

3 Q. You were finished with your answer?

4 A. No. What I was -- what I was going to say  
5 is, first of all, the reason he was more interested 15:52:39  
6 in how Kaila is doing is because she was hired as a  
7 backup for Lianna when Lianna was out of the office,  
8 which means that Kaila was going to report directly  
9 to him when Lianna was out of the office. So he was  
10 concerned to see how she was doing and how she was 15:52:53  
11 catching up and so forth. That was my response.

12 Q. What's the name of Mr. Shapiro's executive  
13 assistant?

14 MS. SOPORI: Objection; relevance,  
15 foundation, speculation. 15:54:01

16 THE WITNESS: At the time?

17 BY MR. RUTTEN:

18 Q. Currently.

19 A. Currently we just hired a new person. Erin  
20 Titus. 15:54:11

21 Q. Is that a male or female?

22 A. Female.

23 Q. Female?

24 A. Female.

25 Q. Is it E-r-i-n? 15:54:15

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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES

KAILA ALANA LOYOLA, an )  
individual, )  
 )  
Plaintiff, )  
 )  
vs. ) No. BC 601193  
 )  
WOODBIDGE STRUCTURED )  
FUNDING, LLC, a Delaware )  
Limited liability company; )  
et al., )  
 )  
Defendants. )  
\_\_\_\_\_ )

VIDEOTAPED DEPOSITION OF  
LIANNA BALAYAN

DATE & TIME: Tuesday, June 28, 2016  
10:19 a.m. - 4:27 p.m.

LOCATION: 4221 Coldwater Canyon Avenue  
Studio City, California

REPORTER: Christina Kim-Campos, CSR  
Certificate No. 12598

LIANNA BALAYAN - 6/28/2016

1 MS. SOPORI: Objection; relevance.  
2 BY MR. RUTTEN:  
3 Q. Do you think you're nice to the employees?  
4 MS. SOPORI: Objection; relevance.  
5 THE WITNESS: Nice and direct are two 15:15:57  
6 different things. I think I'm a very direct person.  
7 BY MR. RUTTEN:  
8 Q. Are you nice?  
9 A. Yes, I am.  
10 Q. Do you insult people? 15:16:02  
11 A. No.  
12 Q. Did you insult Ms. Loyola?  
13 A. No.  
14 Q. Never?  
15 A. Direct, again, is a different -- 15:16:06  
16 Q. Did you --  
17 A. -- I'm direct.  
18 Q. -- insult her indirectly?  
19 A. No. Never insulted her.  
20 Q. You never said anything negative about her? 15:16:13  
21 A. No.  
22 Q. Were you aware she was transgender?  
23 A. I knew, but I wasn't a hundred percent sure.  
24 Q. When did you know?  
25 A. I don't recall. 15:16:22

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LIANNA BALAYAN - 6/28/2016

1 voice?

2 A. No, I did not. I was not involved in that.

3 Q. Did you hear Robert Shapiro refer to

4 Ms. Loyola as a tranny?

5 A. No.

15:18:19

6 Q. Did you hear him say, "No more hiring

7 trannies"?

8 A. No.

9 Q. Did you request that Ms. Loyola be

10 terminated?

15:18:29

11 A. No.

12 Q. Did you ask anyone to terminate Ms. Loyola?

13 A. No.

14 Q. Did you suggest to anybody that Ms. Loyola

15 should be terminated?

15:18:36

16 A. No.

17 Q. Did you complain to anyone about

18 Ms. Loyola's performance?

19 A. No. Between -- it was -- me, my sister, it

20 was -- we would review her performance with -- with 15:18:50

21 each other, as far as how she was doing.

22 Q. Did you have any role in the decision to

23 terminate --

24 A. No.

25 Q. -- Ms. Loyola?

15:18:57

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LIANNA BALAYAN - 6/28/2016

1 A. Sarah Werner.

2 Q. And who did you learn from that they did a  
3 background check on Ms. Werner?

4 A. We were advised.

5 Q. Who advised you? 15:33:02

6 A. HR.

7 Q. Who in HR?

8 A. Whoever works in HR. April, I think at that  
9 time. I'm not sure.

10 Q. So through your Googling you learned that 15:33:09  
11 Ms. Loyola's real name is Peter, her birth name?

12 A. I saw the information. Whether or not I  
13 learned that was hundred percent her, I can't say.  
14 I don't remember.

15 Q. You believed that that was her name; 15:33:23  
16 correct?

17 A. 100 percent sure, I can't say that it's her  
18 name.

19 Q. Is that something that caused you to believe  
20 she might be transgender, when you learned that she 15:33:37  
21 had a male birth name?

22 A. I thought she was, but again, I wasn't  
23 hundred percent sure that she was.

24 Q. Did -- you thought she was, based on her  
25 appearance? 15:33:50

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LIANNA BALAYAN - 6/28/2016

1 she's doing.

2 Q. Would he say "he" or "she"?

3 A. "She."

4 Q. When did Mr. Shapiro start asking how

5 Ms. Loyola was doing? 15:54:46

6 A. He would ask on a weekly basis.

7 Q. Starting from when she started?

8 A. I don't remember.

9 Q. Well, she worked there approximately twelve  
10 weeks. Do you think he asked, like, ten, twelve 15:54:55  
11 times?

12 A. I can't say.

13 Q. What's your best estimate of how many times  
14 Mr. Shapiro asked you how Ms. Loyola was doing?

15 A. Between five and ten, maybe. 15:55:04

16 Q. And was your answer always the same?

17 A. I would always say that she's trying her  
18 best, she's still -- she -- I wasn't able to give  
19 her all the tasks that she was hired to do because  
20 of the fact -- at the pace that she was working at. 15:55:17

21 Q. This is what you told him?

22 A. Yes.

23 Q. And what did he say?

24 A. I don't recall what he said.

25 Q. Do you recall anything about what he said? 15:55:28

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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES

KAILA ALANA LOYOLA, an )  
individual, )  
 )  
Plaintiff, )

vs. )

Case No. BC601193

)  
WOODBRIDGE STRUCTURED )  
FUNDING, LLC, a Delaware )  
limited liability company;) )  
ROBERT SHAPIRO, an )  
individual; LIANNA )  
BALAYAN, an individual; )  
DIANA BALAYAN, an )  
individual; and DOES 1-25,) )  
inclusive, )  
 )  
Defendants. )

\_\_\_\_\_ )

VIDEOTAPED DEPOSITION OF KRISTINE LAUENGCO

DATE & TIME: Wednesday, February 17, 2016  
10:10 A.M. - 3:21 P.M.

LOCATION: 4221 Coldwater Canyon Avenue  
Studio City, California 91604

REPORTER: COLLEEN MCGOVERN, RPR, CSR 10360

KRISTINE LAUENGCO - 2/17/2016

1 not keep them.

2 BY MR. RUTTEN:

3 Q. There's no doubt about that in your mind,  
4 is there?

5 MS. SOPORI: Objection. Same objections 10:43  
6 actually as before.

7 THE WITNESS: Yes. But I'm basing that on  
8 their personality. I don't know.

9 BY MR. RUTTEN:

10 Q. Well, it's not just their personality, but 10:43  
11 it's the fact that they're mean and bullies and pick  
12 on people; right?

13 MS. SOPORI: Objection. That's not what  
14 she said. Misstates her testimony.

15 THE WITNESS: I mean, their work is 10:43  
16 valuable. That's what I'm saying as far as I'm  
17 concerned.

18 BY MR. RUTTEN:

19 Q. Their working is valuable, but Lianna in  
20 particular is a mean bully; true? 10:44

21 A. I would say yes.

22 Q. And, again, there's no doubt in your mind,  
23 is there?

24 A. Yes.

25 Q. Yes, there is -- 10:44

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1 A. Oh, I'm sorry. I think it might have been  
2 after.

3 Q. Was it both?

4 A. I don't recall. At least once I remember.

5 Q. You definitely spoke to Tobi afterwards 10:58  
6 about this; right?

7 A. Yes.

8 Q. About the bullying of Kaila, the abuse,  
9 the comments from Lianna, et cetera; right?

10 A. Yes. 10:58

11 Q. So what do you remember about talking to  
12 her before the termination?

13 MS. SOPORI: Objection. Assumes facts.

14 THE WITNESS: I'm sorry. Can you repeat  
15 the question. 10:58

16 BY MR. RUTTEN:

17 Q. What do you remember about any type of  
18 conversation you had with Tobi prior to Kaila being  
19 terminated?

20 MS. SOPORI: Objection. Assumes facts. 10:58

21 THE WITNESS: That those girls were  
22 bullies and they'd do it to everybody. So it kind  
23 of seemed like we're all in the same position.

24 BY MR. RUTTEN:

25 Q. Do you remember why you were discussing 10:59

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1 this with her? Was it something you brought up to  
2 her? Did she ask you about it?

3 A. I was concerned for Kaila because, when  
4 she was venting out to, me she seemed really  
5 disturbed about it. So I figured I'd talk with  
6 somebody about it. I directed Kaila to talk to  
7 Human Resources as well.

10:59

8 Q. So when she's venting at work to you about  
9 the bullying from Lianna and maybe others, you spoke  
10 to Tobi about that. Did you bring that up to her or  
11 did Tobi bring it to up to you?

10:59

12 MS. SOPORI: Objection. Compound and  
13 misstates testimony.

14 THE WITNESS: I don't remember who brought  
15 it up first.

10:59

16 BY MR. RUTTEN:

17 Q. Do you remember what Tobi's reaction was?

18 MS. SOPORI: Objection. Vague.

19 THE WITNESS: I don't think she was  
20 shocked. I'm not sure.

10:59

21 BY MR. RUTTEN:

22 Q. She wouldn't be shocked because it was  
23 common knowledge the way Lianna acts in that office;  
24 right?

25 MS. SOPORI: Objection. Speculation as to

11:00

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1 Tobi's reaction.

2 THE WITNESS: I can't speak for Tobi. So  
3 I can't.

4 BY MR. RUTTEN:

5 Q. It was not something that Tobi wouldn't 11:00  
6 know like being in the office every day and having  
7 her eyes open and her ears on and she would see this  
8 stuff; right?

9 MS. SOPORI: Objection. Speculation.

10 THE WITNESS: Yes. 11:00

11 BY MR. RUTTEN:

12 Q. Because it was commonplace?

13 MS. SOPORI: Objection. Speculation.

14 THE WITNESS: Yes.

15 BY MR. RUTTEN: 11:00

16 Q. What were you hoping would happen as a  
17 result of speaking to Tobi about these things Kaila  
18 was venting about to you?

19 MS. SOPORI: Objection. Vague.

20 THE WITNESS: Sorry. Can you repeat the 11:00  
21 question.

22 BY MR. RUTTEN:

23 Q. Sure. What were you hoping would happen  
24 when you spoke to Tobi about what Kaila was venting  
25 to you about? 11:00

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1 MS. SOPORI: Objection. Assumes facts and  
2 vague.

3 THE WITNESS: I was hoping that they'd  
4 talk to Kaila.

5 BY MR. RUTTEN:

11:00

6 Q. Were you hoping it would stop?

7 MS. SOPORI: Objection. Vague.

8 THE WITNESS: Yes.

9 BY MR. RUTTEN:

10 Q. Let me be more clear. Were you hoping the  
11 abuse, the bullying of Kaila in particular would  
12 stop?

11:01

13 MS. SOPORI: Objection. Vague.

14 THE WITNESS: Yes.

15 BY MR. RUTTEN:

11:01

16 Q. Could you tell that this was hurting Kaila  
17 while she was working there?

18 MS. SOPORI: Speculation.

19 THE WITNESS: Based on my speculations  
20 from what she was telling me and some of the things  
21 I've witnessed, yes.

11:01

22 BY MR. RUTTEN:

23 Q. And then when you say speculation, I mean,  
24 you saw this. You felt it. You weren't just like  
25 guessing it was hurting her. You saw her reaction

11:01

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1 Q. What was the rumor?

2 A. That she might have changed her name at  
3 some point.

4 Q. From what? About what?

5 A. Or about her transgender status. 11:06

6 Q. She might have changed her name from a  
7 male name to a female name? Is that what you're  
8 referring to?

9 A. Yes.

10 Q. Where did you hear that rumor from? 11:06

11 A. Lianna.

12 Q. What did Lianna tell you?

13 A. That she Googled her just like she Googles  
14 everybody and that's what she found.

15 Q. Like when in relation to like Kaila's 11:06  
16 termination or when she started did Lianna tell you  
17 this?

18 A. I'm sorry. Repeat the question.

19 Q. Was this at the beginning when Kaila  
20 started or closer to the end that Lianna told you 11:06  
21 she Googled Kaila's name and found out she had a  
22 male name previously?

23 A. I can't recall completely the timeline,  
24 which point happened first or when in between.

25 Q. You don't remember if that was like near 11:06

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1 the beginning, the middle, the end?

2 A. Probably somewhere in the middle.

3 Q. Okay. And in that conversation did Lianna  
4 tell you anything about Kaila being transgender or  
5 anything like that? 11:07

6 A. Or that she -- it was assumed from the  
7 Google results that she must have been a man before.

8 Q. And was Lianna --

9 A. But then you can't really rely on those  
10 sometimes. 11:07

11 Q. Right. And then what was Lianna's  
12 attitude about it?

13 A. Like it was a joke.

14 MS. SOPORI: Objection. Speculation.

15 THE WITNESS: That it was nothing serious. 11:07

16 BY MR. RUTTEN:

17 Q. That it was a joke?

18 A. Yeah.

19 Q. So she was making a joke about this?

20 MS. SOPORI: Objection. Speculation. 11:07

21 BY MR. RUTTEN:

22 Q. She thought it was funny?

23 MS. SOPORI: Speculation.

24 THE WITNESS: I can't speak for Lianna,  
25 but it seemed like it. It was kind of funny. 11:07

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1 A. I told him unfortunately I'm not going to  
2 participate because I don't want to be involved in  
3 this.

4 Q. Now, you mentioned that he told you he was  
5 from -- you said from the attorneys representing  
6 Kaila Loyola; right?

14:03

7 A. Uh-huh.

8 Q. Is that a yes?

9 A. Yes, that's a yes.

10 Q. And he wanted to interview you. Did he  
11 say what it was about?

14:03

12 A. No, not really.

13 Q. Did you understand it was about Kaila  
14 Loyola's termination from Woodbridge?

15 A. Based on what Kaila had told me.

14:04

16 Q. Well, I mean, it prompted you to give your  
17 text with Kaila about what happened at Woodbridge to  
18 Jeri Shapiro; right?

19 A. Sorry. Could you repeat that.

20 Q. Being approached by the private  
21 investigator on behalf of Kaila's counsel caused you  
22 to say, hey, let me give these texts to Jeri  
23 Shapiro; right?

14:04

24 A. Yes. I didn't know who to turn to. So I  
25 -- the next thing --

14:04

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1 Q. My point is you knew what he was  
2 approaching you about. It was about Kaila and her  
3 attorneys from Woodbridge.

4 A. Because he said so himself.

5 Q. That was what I wanted to get to.

14:04

6 A. Okay.

7 Q. So he told you this was about Kaila's  
8 termination from Woodbridge?

9 A. Yes.

10 Q. Okay. And you told him -- he wanted to  
11 interview you and ask you questions; right?

14:04

12 A. Yes.

13 Q. And you refused; right?

14 A. Yes.

15 Q. Okay. Have you given an interview,  
16 without telling me anything you said, to  
17 Woodbridge's counsel?

14:04

18 A. I'm sorry. Could you repeat that.

19 Q. Have you given an interview, have you  
20 answered questions from Dr. Woodbridge's counsel?

14:04

21 A. Yes.

22 Q. When did you do that?

23 A. Last week.

24 MS. SOPORI: Wait, wait, wait.

25 ///

14:05

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1 BY MR. RUTTEN:

2 Q. Is there any reason --

3 MS. SOPORI: Are you asking her the first  
4 time? I mean, I'm sorry. I guess I'm going to  
5 object that it's vague. 14:05

6 BY MR. RUTTEN:

7 Q. Okay. Why were you willing to answer  
8 questions from Woodbridge's attorneys, but not Kaila  
9 Loyola's?

10 MS. SOPORI: And I'm going to object there 14:05  
11 that it assumes facts that at the time I was acting  
12 as Woodbridge's counsel and not as her counsel. And  
13 so if we're going to get into attorney-client

14 privilege, I would just ask that you not discuss  
15 anything that was discussed with you personally 14:05  
16 represented. So and if you can't answer the  
17 question without get into that, then let me know.

18 BY MR. RUTTEN:

19 Q. Let me repeat the question.

20 Why did you answer questions from counsel 14:05  
21 for Woodbridge but not from counsel for Kaila  
22 Loyola?

23 A. I just felt like I wanted --

24 MS. SOPORI: Okay. I'm going to --

25 THE WITNESS: I personally -- 14:06

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1 MS. SOPORI: So same objection.

2 BY MR. RUTTEN:

3 Q. You can answer.

4 A. I personally wanted to protect the company  
5 I work for. 14:06

6 Q. And you want to protect them today, too;  
7 right?

8 A. Yeah. And I'm scared. I'm scared to lose  
9 my job and I'm scared for the company itself to get  
10 in trouble. 14:06

11 Q. Why are you scared for the company to get  
12 in trouble?

13 A. I don't know. I guess I -- I worked at a  
14 company before that they had a lawsuit and it caused  
15 the company to get shut down and I lost my job. 14:06

16 Just going through that, I just didn't want to have  
17 to go through that again or even be a part of it or  
18 be involved one way or another.

19 Q. So you thought that speaking to the  
20 company's counsel would protect the company, but  
21 speaking to Kaila's counsel -- 14:06

22 A. Oh, it's not that.

23 Q. -- would not --

24 A. It had nothing to do with it. Initially  
25 when that happened, I didn't even know that Kaila 14:06

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1 Q. You understand you're just a witness to  
2 certain things; right?

3 A. Yes.

4 Q. Do you personally believe you need  
5 representation of an attorney in this matter to tell  
6 the truth?

14:07

7 A. No, not necessarily.

8 MS. SOPORI: Objection. Objection.  
9 Objection.

10 BY MR. RUTTEN:

14:07

11 Q. Do you feel you need to go over your --

12 MS. SOPORI: No. Objection. Vague.

13 And I'm, once again, going to warn you not  
14 to discuss anything that is privileged. Sorry.

15 Thanks.

14:08

16 BY MR. RUTTEN:

17 Q. Do you feel you need the representation of  
18 an attorney to be able to tell the truth in this  
19 proceeding?

20 A. No.

14:08

21 Q. And again --

22 A. I care about the company.

23 Q. Do you care about Kaila?

24 A. I care about Bob, Jeri, and Scott. And,  
25 you know, I don't think they're completely --

14:08

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1 they're liable, but --

2 Q. You don't think they're liable?

3 MS. SOPORI: You know, calls for a legal  
4 conclusion.

5 BY MR. RUTTEN:

14:08

6 Q. You said you don't think the company is  
7 liable; right?

8 A. Yeah.

9 Q. Why don't you think they're liable?

10 MS. SOPORI: Objection. Calls for a legal  
11 conclusion.

14:08

12 BY MR. RUTTEN:

13 Q. Just in your own understanding, why don't  
14 you think the company is liable?

15 MS. SOPORI: Still calls for a legal  
16 conclusion.

14:08

17 THE WITNESS: Because they didn't mistreat  
18 anybody. It wasn't them.

19 BY MR. RUTTEN:

20 Q. Who did?

14:09

21 A. It was other employees at the company.

22 Q. Lianna Balayan?

23 A. Yeah.

24 Q. Diana Balayan?

25 A. (Nods head.)

14:09

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1 Q. So you believe that because the  
2 mistreatment of Kaila came from Lianna, the Balayan  
3 sisters, that the company shouldn't have to pay?

4 MS. SOPORI: Objection. Calls for a legal  
5 conclusion. 14:09

6 BY MR. RUTTEN:

7 Q. Is that true?

8 A. Yes.

9 Q. How did you first hear that Kaila Loyola  
10 had filed a lawsuit against Woodbridge? 14:09

11 A. How? An attorney at Woodbridge, one of  
12 our legal counsel --

13 MS. SOPORI: If it was a privileged  
14 communication with Woodbridge's counsel, then I'm  
15 going to ask that you not go into the details of 14:09  
16 what was said.

17 THE WITNESS: Right.

18 BY MR. RUTTEN:

19 Q. You learned from an in-house attorney at  
20 Woodbridge? 14:09

21 A. Yes.

22 Q. And what did he tell you?

23 MS. SOPORI: I'm going to instruct you not  
24 to answer only because I don't know what was said  
25 and I don't know if it includes attorney-client 14:10

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23

24

25

- 1 RQ Okay. Can you tell me about those?
- 2 RA Well, when she had researched personal  
3 information about me, she would interrogate me, she  
4 would turn around and start asking me questions like  
5 what's your real name, what's your birthday, what were  
6 your previous residences.
- 7 RQ And that was a joke?
- 8 RA The way that she delivered it, it was to me  
9 almost like she was waiting for me to say something.
- 10 RQ Something other than just answering those  
11 questions?
- 12 RA Right. It wasn't an innocent, like "I'm going  
13 to get to know you" kind of question. It wasn't  
14 genuine. I didn't feel it was sincere. I was  
15 suspicious because she said, What is your real name? It  
16 was very explicit in the way and the fashion that she  
17 said it, as if --
- 18 RQ But she said it in a joking way or she was --
- 19 RA Yeah, it was like, What's your real name? To  
20 me, it's like, What's your real name because I really  
21 know your name. Just tell me. Like, you know, to me,  
22 that's what it felt like to me. I was -- I felt like I  
23 was being under attack or interrogated. Like, why is  
24 this even relevant? Like, why are we discussing it? We  
25 have work to do.

1 RQ Any other joking interactions with Lianna

2 during that training period?

3 MR. RUTTEN: Objection. Misstates her

4 testimony. She didn't say it was a joking interaction.

5 She's implying it was a joke to Lianna, not to her.

6 MS. STERMAN: Thank you, Counsel.

7 BY MS. STERMAN:

8 RQ Go ahead.

9 RA Yes, she had started mocking my birth name,

10 Peter, and I'm connecting the two. I'm like well, she

11 was asking me previous questions about what my real name

12 was, now she's using and mocking my name Peter. And

13 then she made a comment saying this chair is for the

14 inadvisable Peter. This chair is for the inadvisable

15 Peter.

16 RQ And this is still in the first few weeks of you

17 working there?

18 RA Yes. And then she said, you are a street

19 walker. She made that comment. She also pointed at me,

20 saying, everyone has a penis.

21 RQ And this is all in the first few weeks of you

22 working there?

23 RA Right.

24 RQ Okay. Anything else that you remember?

25 RA Yes. The first few weeks that I was training,

1 Lianna came up to Bob and Jeri and said, I know she's a

2 man.

3 RQ Jeri said it or Lianna said it?

4 RA Lianna said it to Bob and Jeri.

5 RQ Okay. Anything else? We're still talking

6 about the first few weeks.

7 RA That's all I can remember right now.

8 RQ Okay.

9 RA Things may come up and I'll let you know, but

10 that's all I can remember right now.

11 RQ No problem.

12 RA Okay.

13 RQ The comment -- the comments about mocking the

14 name Peter, where was that comment made?

15 RA In the hallway.

16 RQ Which hallway?

17 RA Front desk.

18 RQ So in front of the front desk?

19 RA Uh-huh.

20 MS. REPORTER: Is that a yes?

21 THE WITNESS: Yes. I'm sorry.

22 MS. STERMAN: Thank you.

23 BY MS. STERMAN:

24 RQ And who was there when that comment was made?

25 RA Lianna.

1 RQ What was the context of that comment?

2 RA I just remember her saying, everyone has a  
3 penis, and then she pointed at me.

4 RQ So the two of you are sitting in the office,  
5 only the two of you share, and out of no, sir she points  
6 at you and say?

7 RA There might have been another --

8 RQ I'm sorry. I know you have something to add  
9 and I'm definitely going to give you a chance. I just  
10 want to make sure I understand what you are saying so I  
11 can ask the question.

12 RA Sure.

13 RQ So the two of you are sitting in the office,  
14 only the two of you share and out of nowhere she points  
15 at you and says, everyone has a penis; is that correct?

16 RA Yes.

17 RQ And what was her demeanor when she said that?

18 RA Cold.

19 RQ And what was your response?

20 RA I was hurt. I was hurt.

21 RQ You didn't ask her what she meant by it?

22 RA No. I felt defeated.

23 RQ The comment, she's a man, that you say Lianna

24 said to Bob and Jeri --

25 RA Yes.

- 1 RQ -- so obviously you understand that Bob and
- 2 Jeri heard this?
- 3 RA Yes.
- 4 RQ Okay. Where was this said?
- 5 RA In the hallway.
- 6 RQ Is it the same hallway in front of the
- 7 reception desk?
- 8 RA Around that area, around the reception area
- 9 leading into our offices.
- 10 RQ Where were you?
- 11 RA I was coming out of the bathroom.
- 12 RQ Did Bob say anything in response to Lianna?
- 13 RA No. I don't know if he did. I didn't see
- 14 him -- I didn't see him or hear him say anything.
- 15 RQ What about Jeri? Did she say anything in
- 16 response to that?
- 17 RA I don't remember if she did.
- 18 RQ What was Lianna's -- were you able to see
- 19 Lianna or did you just hear her during that comment?
- 20 RA I saw the three of them gather and I heard
- 21 Lianna say it.
- 22 RQ No, but my question was, were you able to -- so
- 23 you saw all three of them and you saw Lianna while she
- 24 was saying it?
- 25 RA Yes.

1 RQ Okay. And what was her demeanor when she said

2 it?

3 RA She thought it was funny. It was like -- I

4 remember her mouth was open like -- she thought it was a

5 joke. She thought it was a joke.

6 RQ And what -- did you observe anything about Bob

7 or Jeri in response. I know you said that you didn't

8 hear them say anything. Did you observe anything in

9 their demeanor?

10 RA I don't recall.

11 RQ Was anybody else around?

12 RA No.

13 RQ Nobody was at the reception desk during that

14 time?

15 RA No.

16 RQ Did you tell anybody about any of the things

17 that you overheard during those first few weeks?

18 RA No.

19 MR. RUTTEN: The question is vague. You are

20 asking her if she told anybody during those first two

21 weeks about the things she heard during the first two

22 weeks.

23 MS. STERMAN: Yes.

24 MR. RUTTEN: Or at any point thereafter did she

25 tell someone she overheard during the first few weeks.

1 MS. STERMAN: No, the first version.

2 BY MS. STERMAN:

3 RQ That's what you understood, right?

4 RA Yes.

5 RQ Okay. Thank you.

6 How would you characterize your working

7 relationship with Lianna during the first two, three

8 weeks of the training?

9 RA Abusive.

10 RQ Abusive by her towards you, I assume?

11 RA Yes.

12 RQ Have you given me all of the examples of the

13 abuse during that period or are there additional

14 examples?

15 RA Give me a moment, please.

16 RQ Of course.

17 RA I'm drawing a blank. That's all I can think of

18 now.

19 RQ Okay. Okay. Did your working relationship

20 with Lianna change after the training period and you two

21 left into your own office?

22 RA Yes.

23 RQ Okay. Can you tell me how it changed?

24 RA It became increasingly abusive and hostile.

25 RQ In what way?



1 RA The comments regarding my gender identity,  
2 gender expression, all of that, it became increasing and  
3 became more brutal every time. It was deliberate.  
4 That's how I would describe it.

5 RQ Tell me what comments you recall.

6 RA She had grabbed my hand, she said, the size of  
7 a man's hands say a lot about the size of their penis.  
8 She would deliberately mispronounce my name. She would  
9 say -- refer to me as Karl -- very deliberately -- Karl,  
10 or sometimes she would refer to me as Brucey, as in  
11 Bruce Jenner.

12 RQ Anything else?

13 RA Now Katelyn Jenner of course. She said, you  
14 look ugly, you sound like a man. She called me a  
15 heffer. She said I'm going to kill you heffer. She  
16 took the sign out to take the time to refer to me as a  
17 heffer on a paper. She made comments about the way I  
18 express myself every day. Why do I wear dresses? Why  
19 do I wear lashes? Why do I wear my hair that way?

20 I would come in the office and a video mocking  
21 transgender people would be playing on her computer.  
22 And a video that mocks me getting fired.

23 RQ Anything else?

24 RA Comments by Lianna, correct?

25 RQ Yes.

1 RA She would ask me if I was on my menstrual  
2 cycle. She would mock me. That's what she did. And  
3 then she said, do you have Tampons.

4 RQ Can you think of a day where you worked there  
5 that she didn't mock you?

6 RA No. It was constant. It was like a barrage.

7 RQ Anything else that you can recall?

8 RA Give me a moment, please.

9 RQ Sure.

10 RA She said -- on the day of my termination, she  
11 said, Peter is getting fired.

12 RQ Do you want to take a break?

13 RA Yeah.

14 RQ Sure.

15 THE VIDEOGRAPHER: The time now is 12:01, and  
16 we're off the record.

17 (A brief recess was taken.)

18 THE VIDEOGRAPHER: We're back on the record.

19 The time now is 12:10.

20 Counsel.

21 MS. STERMAN: Thank you.

22 BY MS. STERMAN:

23 RQ Thank you.

24 I just wanted to give you an opportunity to  
25 complete the statements where you left off. We were

1 talking about comments that were brutal or abusive from

2 Lianna that you are recalling.

3 RA Right.

4 RQ And the last one that we left off on was that

5 you said that on the termination day she had said, Peter

6 is getting fired.

7 RA Correct.

8 RQ Was there anything else that you wanted to add

9 to the list of items that you recall?

10 RA Yes. She accused me of peeing on the toilet

11 seats.

12 RQ What specifically did she say or what was --

13 RA She said -- she said someone peed on the toilet

14 seats to embarrass me.

15 RQ Anything else?

16 RA That's all I can recall right now.

17 RQ Okay. I think the first thing that you said

18 was that she had grabbed your hand and said something

19 about your hand?

20 RA Yes.

21 RQ What specifically do you recall her saying?

22 RA She grabbed my hand, she said, a man's hands

23 say a lot about the size of their penis.

24 RQ Where was this?

25 RA I was on my -- I was working on my desk.

1 RQ So was this inside the office you two shared?

2 RA I don't recall if it was previous or in that  
3 office -- I don't recall which one, which office it was.

4 RQ Was anybody else there for that?

5 RA I believe so. Someone was there, but I  
6 don't -- I believe so.

7 RQ Who else was there?

8 RA I don't recall any of the girls' names.

9 RQ Do you recall what any of them looked like?

10 RA No.

11 RQ What was her demeanor when she said that?

12 RA Just kind of like nonchalant. Just walked to  
13 me desk, grabs my hand, and you know, a man's hands say  
14 a lot about the size of their penis. Like not even  
15 thinking about it, like just saying it.

16 RQ What was your response?

17 RA I said that was mean. That was really mean,

18 Lianna.

19 RQ And what did she say in response to that?

20 RA She would always say, I'm only joking.

21 RQ And what did you say in response to that?

22 RA I don't remember what I said in response to  
23 that. I remember I was disgusted by it. I remember  
24 feeling angry, but I remember also saying, that was  
25 mean, Lianna.

1 RA I don't know the date, the time. I don't know

2 when. I don't recall.

3 RQ Was it during the first few weeks when you were

4 training? Was it during the time after that but before

5 Diana returned? Was it after Diana returned?

6 RA After Diana returned.

7 RQ And at that point you were sharing an office

8 with Kristine and not Lianna anymore, correct? So just

9 to --

10 RA Wait. No. I don't -- I don't know. When

11 Diana came and when I transitioned back with Kristine, I

12 don't -- you know, like you can't pinpoint me to a time.

13 I don't know when that happened.

14 RQ You don't recall that when Diana returned, that

15 Lianna started sharing an office with Diana and you got

16 moved to share an office with Kristine?

17 RA I recall that, yes. I just don't know the

18 time. You said when. I don't recall the --

19 RQ Well, right. And I'm not asking for a date.

20 RA Okay.

21 RQ But does that accurately --

22 RA Yes.

23 RQ -- reflect your memory as well?

24 RA Right. Right.

25 RQ Okay. And you said that Lianna made daily

1 comments about your dresses, your lashes, and your hair?

2 RA Yeah, other things. Those are just the things

3 that I could remember off the top of my head. There

4 were other things. She would make comments about my

5 shoes.

6 RQ And shoes.

7 RA Right.

8 RQ What kind of comments?

9 MR. RUTTEN: About the shoes?

10 BY MS. STERMAN:

11 RQ About any of those things?

12 MR. RUTTEN: She's gone through them.

13 Asked and answered.

14 Beyond what she's already testified to?

15 MS. STERMAN: Uh-huh.

16 THE WITNESS: How did she --

17 BY MS. STERMAN:

18 RQ What were the comments?

19 RA What were the comments? She said, why do you

20 wear dresses? Why do I wear lashes? Why do I wear my

21 hair a certain way? She made a comment about my shoes.

22 RQ What do you recall her saying about your shoes?

23 RA I don't recall exactly what she said about my

24 shoes, but I remember her kind of, like -- like,

25 giggling or doing something really sneaky when she made

1 RA I saw -- no, I was by the door and right there,

2 it was like, aha, she said it. Like she was right

3 there.

4 RQ But did she say it seeing you or not having

5 seen you?

6 RA No, not seeing me. I don't think she suspected

7 that I was there.

8 RQ When was the first time that you told anybody

9 at Woodbridge about any of these incidents that you've

10 described with Lianna?

11 RA I want to say two months into my employment.

12 RQ And tell me about that.

13 RA I told Kristine about the abuse and hostile

14 work environment.

15 RQ Did you use either of those words?

16 RA I don't recall if I said that to her. I don't

17 recall if I said that to her.

18 RQ What do you recall telling her?

19 RA I remember telling her certain details of the

20 abuse and the hostile work environment.

21 RQ What specifically?

22 RA About how demeaning and dehumanizing Lianna

23 was, and that I felt she wasn't training me properly.

24 She was unwilling to.

25 RQ Anything else you recall specifically telling

1 Kristine during that conversation?

2 RA I just told her about the abuse and the

3 details. I can't recall all of the details. I just

4 remember kind of laying out like the general -- you

5 know.

6 RQ I don't -- I don't want to assume. So?

7 RA I don't -- I don't remember the details that I

8 told her exactly.

9 RQ Okay. Anything else that you do recall telling

10 her?

11 RA How Lianna's would make comments, mean

12 comments -- yeah, how Lianna would make comments.

13 RQ Anything else?

14 RA That's it, that I can recall at this time.

15 RQ Okay. And where did this conversation take

16 place?

17 RA I believe she invited me to lunch.

18 RQ So where did it take place?

19 RA I don't know which place, where we took lunch.

20 I don't recall.

21 RQ Was it inside the Woodbridge offices in a

22 private location or was it at a restaurant outside?

23 RA We went out to eat, I believe, yes.

24 RQ Okay. Other than the conversation with

25 Kristine, did you discuss the items that you've told us



1 about with respect to Lianna and Diana with anybody else

2 at Woodbridge?

3 RA Tobi Pratt.

4 RQ Okay. When did you discuss them with Tobi?

5 RA I can recall two separate events when I

6 discussed it with Tobi.

7 RQ Okay. Tell me about them.

8 RA I just told her about the details of the abuse

9 and the hostile work environment.

10 RQ When was the first time?

11 RA I want to say around July.

12 RQ And what is it about July that sticks out for

13 you?

14 RA I recall sending an email to her.

15 RQ Saying what?

16 RA Saying that I needed to talk to her in private

17 and that I think I told her, you know, something to the

18 lines like -- I was trying to express that I was trying

19 to be careful or I was in fear that someone might see

20 me, specifically Lianna and Diana might see me speaking

21 with her, with Tobi Pratt.

22 RQ Okay. And did Tobi take a meeting with you?

23 RA She did.

24 RQ Was it in her office or somewhere away from

25 Woodbridge?

1 RA In her office.

2 RQ Okay. And what did you tell her during that  
3 meeting?

4 RA I told her about the abuse and the hostile work  
5 environment.

6 RQ Did you use either of those words?

7 RA Yes, I remember on our first meeting, I said  
8 abusive, hostile work environment.

9 RQ What did she say to you, if anything?

10 RA She was just taking notes, not really following  
11 up on my concerns. At least I didn't get the feeling  
12 that she -- you know.

13 RQ Okay. And how long did that meeting take  
14 place?

15 RA I -- I don't recall how long it took place.

16 RQ How did it end? Did she say she was going to  
17 do anything?

18 RA She said -- she said that she was going to  
19 discuss the matter with Kristine, all right, Kristine  
20 would discuss it with her and that she would discuss --  
21 she would follow up with me.

22 RQ Were you surprised that she said she was going  
23 to discuss it with Kristine?

24 RA No.

25 RQ What was your understanding of why she would

1 discuss it with Kristine?

2 RA Because Kristine had expressed wanting to talk

3 to Tobi Pratt as well.

4 RQ Okay.

5 RA This is after our lunch meeting.

6 RQ Oh. So did you mention to Tobi that she should

7 talk with Kristine?

8 RA I did not.

9 RQ Okay.

10 RA I did not mention to her that she should talk

11 to Kristine.

12 RQ Okay. Did you have a further conversation,

13 then, with Tobi after that initial one in -- sometime in

14 July?

15 RA No.

16 RQ You said you had talked to her twice. Was the

17 second time during the termination?

18 RA Correct.

19 RQ Okay.

20 RA May I go back?

21 RQ Yeah, of course.

22 RA I'm sorry.

23 RQ Don't be.

24 RA It's coming back to me now. In our July

25 meeting, I remember telling her how she -- Lianna wasn't

1 interaction?

2 RA That was pretty much -- yeah.

3 RQ What's your understanding of how often Bob was

4 in the office during your employment at Woodbridge?

5 RA Yeah, there was a few weeks when he was gone,

6 or maybe close to even a month. They would go on

7 vacations.

8 RQ And on other weeks, he wasn't there every day,

9 right?

10 RA No.

11 RQ Did you have any interactions with him other

12 than the time when you reached out and introduced

13 yourself?

14 RA No.

15 RQ But you believe that he made some comments

16 about you specifically that were harassing and abusive?

17 RA He did.

18 RQ Okay. What do you recall him saying or doing?

19 RA When Katelyn Jenner Vogue cover came out, he

20 would just walk around the hallway pretty much every day

21 that entire week, maybe a little bit more, and just say

22 how ridiculous it was, and that he would go back and

23 forth with Jerry about him saying how ridiculous it was

24 about the Katelyn Jenner Vogue issue.

25 RQ Anything else?

1 RA He said, where did you get your shirt from?

2 Gay guy down the street?

3 RQ He said that to you?

4 RA I don't know who he said that to.

5 RQ Oh. Anything else?

6 RA Yeah. He said, No more hiring tranies.

7 RQ Who did he say that to?

8 RA To Lianna and the girls in the back.

9 RQ Who are the girls in the back?

10 RA I didn't know who it was.

11 RQ Were you there?

12 RA I was in my office working.

13 RQ Did you hear anybody's response?

14 RA Laugh, giggles.

15 RQ Anything else that you can him doing?

16 RA That's all I can recall for now.

17 RQ And I believe that it's your assertion that

18 Lianna came in after that interaction and told it to you

19 and Kristine?

20 RA To Kristine.

21 RQ To Kristine.

22 And what did she say to Kristine?

23 RA She said, did you hear what Bob said? And she

24 repeated it.

25 RQ Was this with you in the office or were you

1 somewhere else?

2 RA I was in my office. As soon as I heard it, I  
3 stepped out and I caught Lianna and -- Lianna saying  
4 that to Kristine, when I left the office going into the  
5 restroom because of how upset I was.

6 RQ So did -- as far as you could tell, did Lianna  
7 knowingly say it to Kristine in front of you or --

8 RA No.

9 RQ -- or did she --

10 RA I don't think she was aware that I even came  
11 out the corner because I was working and all of a  
12 sudden, you know, you hear me going around the corner  
13 and going to the restroom.

14 RQ Okay. Did you hear Kristine's response to  
15 Lianna?

16 RA I don't.

17 RQ You didn't?

18 RA I don't remember. I didn't hear.

19 RQ Did you ever meet Brenda Wise?

20 RA Once or twice.

21 RQ Do you recall when? What was the context?

22 RA I believe she had amended the employee handbook  
23 and she came in to do a conference with us to go over  
24 the amended portions of the employee handbook.

25 RQ Anything particular that you can about that?

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES

KAILA ALANA LOYOLA, an	)
individual,	)
	)
Plaintiff,	)
	)
vs.	) No. BC 601193
	)
WOODBIDGE STRUCTURED	)
FUNDING, LLC, a Delaware	)
Limited liability company;	)
et al.,	)
	)
Defendants.	)
_____	)

VIDEOTAPED DEPOSITION OF  
TOBI PRATT

DATE & TIME: Friday, June 24, 2016  
10:11 a.m. - 4:49 p.m.

LOCATION: 4221 Coldwater Canyon Avenue  
Studio City, California

REPORTER: Christina Kim-Campos, CSR  
Certificate No. 12598

TOBI PRATT - 6/24/2016

1 BY MR. RUTTEN:

2 Q. Do you recall Tyler or Mike -- do you recall  
3 ever hearing about Mr. Shapiro making offensive  
4 statements to Tyler or Mike, about them being gay?

5 MS. SOPORI: Objection; asked and 11:07:58  
6 answered --

7 THE WITNESS: Not that I can recall.

8 MS. SOPORI: -- a couple times.

9 BY MR. RUTTEN:

10 Q. Okay. Do you recall hearing anything about 11:08:03  
11 that whatsoever?

12 MS. SOPORI: Objection; asked and answered.

13 THE WITNESS: Did I hear anything about that  
14 at all? I think that at one point Tyler did say  
15 something out of frustration, venting to me. But I 11:08:33  
16 don't recall the specific what was said. But he was  
17 very frus- -- well, he was very frustrated and very  
18 hurt when they were -- their working relationship  
19 terminated.

20 BY MR. RUTTEN: 11:08:48

21 Q. And then you recall generally that something  
22 was said about him being gay?

23 MS. SOPORI: Objection; misstates testimony.

24 THE WITNESS: I think I answered that, that  
25 something he -- he seemed to express that Robert 11:08:58



TOBI PRATT - 6/24/2016

1 said something offensive to him.

2 BY MR. RUTTEN:

3 Q. And specifically in relation to him being  
4 gay?

5 MS. SOPORI: Objection; assumes facts. 11:09:09

6 THE WITNESS: Yes, sir.

7 BY MR. RUTTEN:

8 Q. And who told you that?

9 A. Tyler.

10 Q. So that's not hearsay; right? 11:09:15

11 A. No, Tyler -- I recall it. I don't recall  
12 what he was -- I told you it was Tyler.

13 Q. Right.

14 So that came directly from Tyler? Tyler  
15 told you that; right? 11:09:25

16 A. That came from Tyler.

17 Q. Okay. And when did Tyler tell you this?

18 A. I don't recall.

19 Q. Well, was it after a Christmas party?

20 MS. SOPORI: Objection; relevance. 11:09:37

21 THE WITNESS: Yeah, when? Everything  
22 happened after the Christmas party regarding the --  
23 the termination of their employment with -- or their  
24 services with Robert. So it could have been  
25 December 25th and it could have been yesterday. So 11:09:49

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TOBI PRATT - 6/24/2016

1 you?

2 A. No. She never even admitted to me that she  
3 was. So even to the day that we terminated and she  
4 complained that she felt that -- she never -- she  
5 never even admitted to me ever at any point in time 12:39:06  
6 of her employment, never said to me "I'm transgender  
7 and they're picking on me."

8 Q. So she never told you Lianna Balayan was  
9 talking about her being transgender?

10 A. Not to me, no, sir. 12:39:18

11 Q. Did she ever -- did it ever come to your  
12 attention while she was working there?

13 A. Not until the end.

14 Q. Who brought it to your attention at the end?

15 A. She did after her termination, when she was 12:39:26  
16 sitting in my office.

17 Q. Okay. So during the termination meeting she  
18 said that Lianna was talking about her being  
19 transgender?

20 A. No, that's not what she said. She said that 12:39:35  
21 they were -- they called her ugly and they said she  
22 dressed like a man and they said different things  
23 and -- that's what she said to me -- and that she  
24 was feeling -- and then she did mention that they  
25 said something -- I don't remember her using the 12:39:51

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TOBI PRATT - 6/24/2016

1 word "transgender" ever in any of our conversations  
2 because I found that very strange. It was like she  
3 was still trying to hide that fact. And I knew from  
4 the beginning I didn't care. I hired her. I didn't  
5 care. 12:40:06

6 Q. Did you know she was transgender when you  
7 hired her?

8 A. I assumed she was, just based on some things  
9 and --

10 Q. Based on what? 12:40:13

11 A. I guess based on my history of being around  
12 gays, homosexuals, lesbians, transgender. I worked  
13 in a law office and one of the attorneys was  
14 transgender, and we shared an office.

15 Q. I have one more question. 12:40:29

16 A. Okay.

17 Q. You're talking about the termination meeting  
18 on April -- on August 5th, 2015; right?

19 A. Yes, sir.

20 Q. Do you recall during that meeting whether 12:40:37  
21 the word "transgender" was used by anyone in any  
22 context?

23 A. I never recall that word coming up in any  
24 discussion that I had with Kaila.

25 Q. Okay. 12:40:50

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TOBI PRATT - 6/24/2016

1 after the fact. So why come and report something  
2 when it's -- if it -- if it had been going on, and  
3 apparently, she said it was going on for a long  
4 time, then she -- I had an open door policy. She  
5 obviously felt safe enough to talk to me because she 15:06:56  
6 sent me that email, so --

7 Q. My question was --

8 A. -- no.

9 Q. -- do you believe that she was reporting  
10 that she was sexually harassed? 15:07:03

11 A. No.

12 Q. And that's because of when she told you;  
13 right?

14 A. No.

15 MS. SOPORI: Objection; misstates testimony. 15:07:07

16 THE WITNESS: I don't think anything that  
17 you said had anything to do with being sexually  
18 harassed. Was she being harassed? Yes, more than  
19 likely. Sexually harassed? I don't think so.

20 BY MR. RUTTEN: 15:07:20

21 Q. Do you believe that when Kaila Loyola told  
22 you that Lianna and/or Diana Balayan picked on her,  
23 made her feel dirty, were mean to her, were not nice  
24 to her, upset her, hurt her, told her she was ugly,  
25 asked her why she wore dresses, and that she looked 15:07:39

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JERI SHAPIRO on 02/28/2017

1 SUPERIOR COURT OF THE STATE OF CALIFORNIA

2 FOR THE COUNTY OF LOS ANGELES

3

4 KAILA ALANA LOYOLA, an )  
individual, )

5 )  
Plaintiff, )

6 )

7 vs. ) No. BC 601193

8 )

WOODBRIDGE STRUCTURED )

9 FUNDING, LLC, a Delaware )

Limited liability company; )

10 et al., )

Defendants. )

11 )

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Maxene Weinberg Agency

(800)-640-1949

**JERI SHAPIRO on 02/28/2017**

1 Q. Well, tell me how many you're aware of?

2 A. I have no idea how many, but --

3 Q. All right. Do you know who Kristine  
4 Lauengco is?

5 A. Yes.

6 Q. Am I saying her last name right?

7 A. Mm-hmm.

8 Q. Have you spoken to her about Lianna?

9 A. No.

10 Q. Did Ms. Lauengco ever tell you that she felt  
11 Kaila was being mistreated?

12 MS. SOPORI: Objection; vague.

13 THE WITNESS: Nope. Not while Kaila was  
14 there.

15 BY MR. RUTTEN:

16 Q. Okay. So ever, did she ever tell you?

17 A. What's ever -- at -- at -- she -- it's the  
18 same thing as ever. I go through this all the time  
19 with Lianna's department, so it's just someone else.

20 Q. It's someone else that believes they were  
21 mistreated by Lianna --

22 A. Yeah.

23 Q. -- right?

24 A. Yes. They get -- yes.

25 Q. All right.

JERI SHAPIRO on 02/28/2017

1 A. And Diana.

2 Q. And do you recall Kristine coming to you and  
3 telling you that Kaila believed she was being  
4 mistreated by Lianna?

5 MS. SOPORI: Objection; it assumes facts.

6 THE WITNESS: I -- I -- I can't even recall  
7 because I -- all this happened when I was out of  
8 town, so for me I just don't know, you know, and I  
9 was -- when I was there, I never saw problem. So I  
10 have to be honest about that. There -- I've never  
11 seen a problem while I was there.

12 BY MR. RUTTEN:

13 Q. Is one of the reasons you might not recall,  
14 perhaps, because it's so commonplace that someone is  
15 complaining about Lianna's behavior?

16 A. I find out usually after the fact on some of  
17 the employees that they wind up firing.

18 Q. Did you hear from Kristine at any time in  
19 any way that her -- that Lianna's treatment of Kaila  
20 was offensive?

21 A. I had one time that Kristina told -- yes,  
22 after Kaila was gone, after I returned from my trip.

23 Q. So tell me what -- when you returned from  
24 your trip. Where did you go, first of all?

25 A. I was in Colorado.

JERI SHAPIRO on 02/28/2017

1 Q. And this was in 2015 while Kaila was working  
2 there that you were in Colorado?

3 A. Yes.

4 Q. All right. And tell me what Kristine told  
5 you.

6 A. I -- I can't remember.

7 Q. Tell me what you do remember.

8 A. No. I -- honestly, she came in. You -- I  
9 don't think you understand what this is like with  
10 Lianna. I hear things all the time.

11 Q. I know. I understand that.

12 A. So it's just another incident where they  
13 felt that someone is being mistreated.

14 Q. All right. So -- so Kristine Lauengco came  
15 to you --

16 A. Mm-hmm.

17 Q. -- when you returned from Colorado; right?

18 A. Right.

19 Q. And she talked to you about Kaila being  
20 mistreated, but you can't distinguish that from any  
21 other conversation you've had about Lianna  
22 mistreating someone; is that fair?

23 A. I can think that is. Yeah.

24 Q. All right. And do you remember anything at  
25 all that Kristine Lauengco said to you in that



JERI SHAPIRO on 02/28/2017

1 conversation when you returned from Colorado, about  
2 Kaila?

3 A. From Kristine, no, I don't think so.

4 Q. Or the way she was --

5 A. I don't remember.

6 Q. -- being treated?

7 A. Just that -- I just know that she was  
8 treated badly. That's -- that's what I know.

9 Q. And now you said this conversation took  
10 place when you returned from Colorado; right?

11 A. Yes.

12 Q. Would this have been like in June of 2015 or  
13 July?

14 A. Oh, my God. I can't remember.

15 Q. Do you know how long after that Kaila was  
16 terminated?

17 MS. SOPORI: Objection; vague.

18 THE WITNESS: As I said, I didn't hear about  
19 this 'til after Kaila was terminated. I was away  
20 when Kaila was terminated. I was in Colorado. I  
21 didn't even know she was terminated.

22 BY MR. RUTTEN:

23 Q. Okay. So the conversation that you recall  
24 having with Kristine happened --

25 A. After.

JERI SHAPIRO on 02/28/2017

1 BY MR. RUTTEN:

2 Q. Do you want to know what Kaila, how Kaila  
3 was treated by Lianna?

4 MS. SOPORI: Objection; assumes facts.

5 THE WITNESS: I'm not understanding if --  
6 I -- now at this point I'm sure I know a lot of how  
7 she was treated.

8 BY MR. RUTTEN:

9 Q. How was she --

10 A. It was very --

11 Q. How was she treated?

12 A. Poorly, I guess.

13 Q. Specifically. Do you want to know  
14 specifically what was said to her?

15 A. But why do you want --

16 MS. SOPORI: Objection.

17 THE WITNESS: Explain to me right now, now  
18 that she's already gone and this is happening, why I  
19 would want to know. Of course -- I don't want -- I  
20 don't need to know the specifics. I know she was  
21 treated poorly. End of story. I know that; okay?  
22 It breaks my heart, if you really want to know.  
23 This -- all this stuff makes me crazy because this  
24 never would have happened if, instead, those --  
25 Lianna and Diana called me to say they want to fire

JERI SHAPIRO on 02/28/2017

1 her. They called my husband because they knew I  
2 wouldn't let them; okay? That's the truth. She  
3 would have been put in another department. End of  
4 story. So that's -- this is the way it is.  
5 What -- my husband doesn't deal with personnel  
6 problems, and he doesn't -- he just -- he just  
7 figures they called up -- they -- they don't like  
8 her, so -- she's not working out, well, that's what  
9 they told him, that she's not working out, she's not  
10 doing her job, which is exactly what the reason was;  
11 okay? That she wasn't doing her job, that she was  
12 screwing up or something. But I also know that they  
13 expect things from people that are almost inhuman.  
14 So I -- I would have moved her. I would have moved  
15 her if I was home, if I had known it. It's the  
16 truth.

17 BY MR. RUTTEN:

18 Q. You felt she was a smart, capable person?

19 A. Yes, I did.

20 Q. And that job is not super complicated;  
21 correct?

22 A. But everybody -- you --

23 Q. You felt she could have done the job;  
24 correct?

25 A. I don't know about that job. No.

JERI SHAPIRO on 02/28/2017

1 MS. SOPORI: Objection; calls for  
2 speculation.

3 THE WITNESS: No. No. Not that job, maybe.  
4 But I --

5 BY MR. RUTTEN:

6 Q. All right.

7 A. -- know she could have done another job.

8 Q. I asked you if you want to know --

9 A. But why?

10 Q. -- what happened, and you said, "Why now?  
11 What difference does it make?"; right?

12 A. But why are we rehashing it now? I know  
13 why. I know that they must have treated her  
14 terribly. I know all of this.

15 Q. Well, do you know it was based on her gender  
16 identity?

17 A. Of course I know --

18 MS. SOPORI: Objection.

19 THE WITNESS: -- that now. Now I know.

20 BY MR. RUTTEN:

21 Q. And --

22 MS. SOPORI: Objection.

23 THE WITNESS: Not at the time.

24 MS. SOPORI: Well, objection.

25 ///

ROBERT SHAPIRO on 02/27/2017

1 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
2 FOR THE COUNTY OF LOS ANGELES  
3  
4 KAILA ALANA LOYOLA, an )  
individual, )  
5 )  
Plaintiff, )  
6 )  
vs. ) No. BC 601193  
7 )  
WOODBIDGE STRUCTURED )  
8 FUNDING, LLC, a Delaware )  
Limited liability company; )  
9 et al., )  
) )  
10 Defendants. )  
) )

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VIDEOTAPED DEPOSITION OF  
ROBERT SHAPIRO

DATE & TIME: Monday, February 27, 2017  
9:47 a.m. - 3:02 p.m.

LOCATION: 4221 Coldwater Canyon Avenue  
Studio City, California

REPORTER: Christina Kim-Campos, CSR  
Certificate No. 12598

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1 A. I was familiar with the word? Yes.

2 Q. Didn't you, in fact, ask Lianna Balayan  
3 weekly how Kaila Loyola was doing?

4 A. That would --

5 MS. SOPORI: Objection.

6 THE WITNESS: That would be unlike me.

7 BY MR. RUTTEN:

8 Q. Well, didn't Lianna tell you she's not doing  
9 a good job?

10 A. I heard that.

11 Q. When did you hear that?

12 A. I can't recall the time.

13 Q. What was the context?

14 A. At some point I heard that they were  
15 unsatisfied with her. You know, it's nothing new.  
16 They were unsatisfied with practically everyone in  
17 that department.

18 Q. Did you ask Lianna Balayan if she was giving  
19 Kaila more responsibilities?

20 A. I can't recall that.

21 Q. Well, would you have gotten involved in what  
22 responsibilities were being delegated to Ms. Loyola?

23 A. Unlikely.

24 Q. Can you think of any reason you would have?

25 A. Unlikely.

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1 Q. So that's a no?

2 A. I'm not really involved with low level  
3 employees in the Processing Department.

4 Q. So that would be no?

5 A. Okay.

6 Q. Do you have any -- did you have any  
7 knowledge prior to Kaila Loyola being terminated  
8 what level she was functioning at or working at?

9 A. No.

10 Q. Was she doing any of Ms. Balayan's work when  
11 Ms. Balayan was in there?

12 A. Don't know.

13 Q. Was she there to take over for Ms. Balayan  
14 in her absence?

15 A. Don't know.

16 Q. Would you have any personal knowledge how  
17 Ms. Loyola was performing her job?

18 A. At some point, I don't know when, I heard  
19 that they weren't happy with her.

20 Q. Did you ever speak directly with Kaila  
21 Loyola?

22 A. I can't ever recall a conversation with her.

23 Q. Did you ever work directly with her?

24 A. Never.

25 Q. Did you personally observe her work?

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1 A. Never.

2 Q. Did you have a reason to even know her name?

3 A. No.

4 Q. Did you ever ask for reports or to be kept  
5 up to date on how she was doing?

6 A. No.

7 Q. Did you ever ask anyone to let you know how  
8 Ms. Loyola was doing, or words to that effect?

9 A. Not that I recall.

10 Q. Did you have any reason to?

11 A. No.

12 Q. Were there multiple occasions when you asked  
13 one of the Balayan sisters how Ms. Loyola was doing?

14 A. Not that I recall.

15 Q. So you didn't ask Lianna how Kaila Loyola  
16 was doing; right?

17 A. I can't recall that.

18 Q. Did you have any reason to do that?

19 A. No.

20 Q. Did you ever ask Ms. -- Lianna about what  
21 Kaila's responsibilities were?

22 A. Not that I recall.

23 Q. Would you have any reason to do that?

24 A. No.

25 Q. Did you ever ask Diana Balayan how Kaila



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1 Loyola was doing?

2 A. Not that I recall.

3 Q. Did you ever -- would you have a reason to  
4 do that?

5 A. No.

6 Q. Did you ever go to Diana Balayan and ask her  
7 anything about how Kaila was?

8 A. Not that I recall.

9 Q. Or her job?

10 A. No.

11 Q. Would you have any reason to do those  
12 things?

13 A. No.

14 Q. So you have no -- so I'm clear here, you  
15 have no recollection of going to anybody working for  
16 Woodbridge and asking them about Kaila or how she  
17 was doing; is that correct?

18 A. Not that I recall.

19 Q. Would you have any reason to do that?

20 A. We have hundreds of employees. I don't  
21 usually deal with people down the chain in the  
22 Processing Department.

23 Q. Now you said you don't usually do it. Did  
24 you make any exception for Kaila Loyola?

25 A. No, not that I recall.

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1 Q. There would be no reason for you to?

2 A. No.

3 MS. SOPORI: Objection; speculation.

4 BY MR. RUTTEN:

5 Q. Have you ever gotten involved in the  
6 decisionmaking for terminating a rank and file low  
7 level employee?

8 MS. SOPORI: Objection; vague.

9 THE WITNESS: I'd have to say yes.

10 BY MR. RUTTEN:

11 Q. Who was that?

12 A. That I can't recall.

13 Q. What position did they have?

14 A. I can't recall.

15 Q. How long --

16 A. And I can't recall anyone in particular.

17 Q. Why do you say yes? What's jogging your  
18 memory here?

19 A. I've had thousands of employees in my life,  
20 and over that time, I'm sure that I have.

21 Q. Do you remember any conversations you had  
22 with anyone about Kaila Loyola?

23 A. I can't recall.

24 Q. Do you remember anything that Lianna Balayan  
25 told you about Kaila's work performance?

ROBERT SHAPIRO on 02/27/2017

1 A. I know that that department has a big  
2 turnover. I know at some point they weren't happy  
3 with her, and I do recall them telling me they were  
4 going to fire her.

5 Q. Which one told you that?

6 A. Lianna.

7 Q. And what did you say?

8 A. "Okay."

9 Q. Any further conversation you recall about  
10 Ms. Loyola?

11 A. No.

12 Q. Do you recall any conversation you ever had  
13 with Diana Balayan about Kaila Loyola?

14 A. No.

15 Q. When Lianna Balayan said she was going to  
16 fire her, what did you say?

17 A. "Okay."

18 Q. Did you have an understanding of why Lianna  
19 was coming to you about firing Kaila Loyola when she  
20 doesn't need to come to you about that?

21 A. I know that she was unhappy with her work,  
22 as I'd heard that, and she mentioned that she was  
23 going to fire her, and I said "Okay."

24 Q. Why would she come to you and say she's  
25 going to fire Kaila Loyola, when you testified

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1 earlier that both the Balayan sisters have the  
2 authority to hire and fire people --

3 MS. SOPORI: Objection.

4 BY MR. RUTTEN:

5 Q. -- in the Processing Department?

6 MS. SOPORI: Objection; calls for  
7 speculation.

8 THE WITNESS: Ask the question again.

9 BY MR. RUTTEN:

10 Q. Do you recall you testified earlier that  
11 both Lianna and Diana Balayan have the authority to  
12 hire and fire people; right?

13 A. Yes.

14 Q. They don't need to come to you for --

15 A. I also believe --

16 Q. Hold on.

17 A. Yeah.

18 Q. They don't need to come to you for -- to ask  
19 for permission; correct?

20 A. No.

21 Q. So do you have an understanding of why  
22 Lianna came to you and told you she's going to fire  
23 Kaila?

24 A. No.

25 MS. SOPORI: Objection; speculation.

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1 A. I'm usually asked how much severance I want  
2 to give.

3 Q. And then you make the decision?

4 A. Yes.

5 Q. And in this case, did someone ask you how  
6 much severance you want to give?

7 A. I would think so.

8 Q. You don't recall?

9 A. I mean, it's common practice for me to  
10 determine what the severance is.

11 Q. But it's not common practice for you to  
12 offer eight weeks of severance to someone that's  
13 been there 90 days, is it?

14 A. We've done it before, yeah.

15 Q. When?

16 A. We -- I can't say in particular, but if I  
17 was to go back and look through all the severance  
18 agreements of all the people that worked for that  
19 period of time, I would -- I would find others.  
20 Yes.

21 Q. You would find other employees that worked  
22 for less than 90 days or about 90 days, who were  
23 offered two weeks -- excuse me -- eight weeks of  
24 severance, two months of pay?

25 A. Yes.

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1 Q. Can you name any of them?

2 A. No.

3 Q. I'm going to hand you a document we're going  
4 to mark next in order as Exhibit 54.

5 (Plaintiff's Exhibit 54 was marked  
6 for identification by the court  
7 reporter and is attached hereto.)

8 BY MR. RUTTEN:

9 Q. Do you -- if you could -- try that again.  
10 Exhibit 54 are Defendant Woodbridge  
11 Structured Funding, LLC's Responses to Plaintiff's  
12 Fourth Set of Special Interrogatories.

13 If you turn to the third to the last page,  
14 it's titled "Verification" at the top. Do you see  
15 the signature dated October 11, 2016, at Boca Raton,  
16 Florida, above the line that says "Brenda Wise"?

17 A. Yes.

18 Q. Do you recognize her signature?

19 A. No.

20 Q. You don't have any reason to dispute that's  
21 a valid signature though, do you?

22 A. No.

23 Q. All right. And then you see under the  
24 "Verification," it says, "I, Brenda Wise, am the  
25 Director of Human Resources for Woodbridge"; do you

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

Los Angeles Superior Court Case No. BC 601193

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within entitled action. My business address is 4221 Coldwater Canyon Avenue, Studio City, California 91604.

On the date set forth below, I served the following document(s) described as:

**PLAINTIFF'S REPLY TO DEFENDANTS' OPPOSITION TO MOTION FOR ORDER PERMITTING PRETRIAL DISCOVERY OF DEFENDANTS' FINANCIAL CONDITION PURSUANT TO CIVIL CODE SECTION 3295(b); SUPPLEMENTAL DECLARATION OF HOWARD RUTTEN**

on the interested parties in this action by placing true copies thereof enclosed in sealed envelopes and/or packages addressed as follows:

Karina B. Sterman  
Priya Sopori  
Kelly M. Raney  
Greenberg Glusker Fields Claman &  
Machtinger LLP  
1900 Avenue of the Stars, 21<sup>st</sup> Floor  
Los Angeles, CA 90067

**BY OVERNIGHT DELIVERY:** I enclosed the documents in an envelope or package provided by an overnight delivery carrier and addressed to the person(s) at the addresses listed above. I placed the envelope or package for collection and overnight delivery at a regularly utilized drop box of the overnight delivery carrier.

**STATE:** I declare under penalty of perjury under the laws of the State of California that all of the foregoing is true and correct.

Executed on May 16, 2017 at Los Angeles, California.

  
BRIANA DONAHUE-MARTENS