

Assigned for all purposes to: Stanley Mosk Courthouse, Judicial Officer: Elaine Lu

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**IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF LOS ANGELES**

20STCV46456

Lawrence Balingit, an individual,

Plaintiff,

vs.

Advanced Nutrients US, LLC, a Washington
Corporation; Mike Straumietis, an individual,
and DOES 1-50,

Defendants.

) Case No.:

) Complaint Filed:

) Trial Date:

) Dept.:

) **COMPLAINT FOR (1) RACIAL
) DISCRIMINATION IN VIOLATION OF
) FEHA; (2) FAILURE TO PREVENT
) RACIAL DISCRIMINATION IN
) VIOLATION OF FEHA; (3)
) INTENTIONAL INFLICTION OF
) EMOTIONAL DISTRESS; (4)
) WRONGFUL TERMINATION IN
) VIOLATION OF PUBLIC POLICY; (5)
) RETALIATION IN VIOLATION OF
) LABOR CODE; (6) BREACH OF
) CONTRACT; (7) ASSOCIATIONAL
) DISCRIMINATION**

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I. PARTIES

1. Plaintiff Lawrence Balingit, during all relevant times, lived in Los Angeles, County.

2. Defendant Advanced Nutrients US LLC (“AN” or “Defendant”) is a Washington Corporation based in and operating in Los Angeles, California. Defendant Mike Straumietis (“Defendant Mike”), on information and belief, during all relevant times lived in Los Angeles County.

3. The true name and capacities of DOES 1-50, whether corporate, individual or otherwise, are unknown to Plaintiff who therefore sues said defendants by such fictitious names, and will ask leave to amend this Complaint to show their true names and capacities when the same have been ascertained.

4. Plaintiff is informed and believes and thereon alleges that at all times relevant to this Complaint, each of the defendants, including, without limitation the DOE defendants, were the agents, affiliates, officers, directors, managers, principals, partners, joint venturers, alter-egos and/or employees of the remaining defendants and at all times were acting within the scope of agency affiliate, officer, director, manager, principal, partner, joint venture, alter-ego and/or employment relationship and actively participated in, or subsequently ratified, adopted, or both, each and all of the acts of conduct alleged herein, with full knowledge of all the facts and circumstances, including, but not limited to, full knowledge of each and all of the violations of Plaintiff’s rights and the damages to Plaintiff proximately caused thereby.

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II. FACTUAL ALLEGATIONS

5. On May 18, 2020, Plaintiff started working for AN as its CFO, pursuant to an offer letter signed on May 19, 2020. The offer letter also promised 2 months’ severance if his employment was terminated “under certain circumstances.” Prior to that time, starting in April 2020, he had worked as the Controller for the company. Plaintiff is of Asian descent.

6. In late May, Plaintiff had a number of discussions with senior staff who influence Defendant Mike, expressing concerns about some improper financial practices at AN.

1 7. In June, 2020 through early July, Plaintiff had multiple conversations with
2 Defendant Mike and other senior employees about compliance problems with a warehouse in
3 Washington, including significant workplace safety issues endangering employees. Plaintiff also
4 discussed with Defendant Mike another “secret company” that Defendant Mike wanted to hide
5 from government regulators. Plaintiff also expressed other concerns about how the company
6 was structured financially and recommended that certain changes be made to comply with the
7 law and best accounting practices. Also during this time period, Plaintiff had discussion related
8 to a female employee’s harassment claim against one of Defendant Mike’s right hand employees.
9 Plaintiff expressed that he thought the matter should be investigated.

10 8. During this same time period, Plaintiff witnessed Defendant Mike fire at least one
11 employee, and Defendant Mike first asked the employee words to the effect of “do you want to
12 clear or cleanse your soul.” Plaintiff perceived this to be something perhaps a mafia figure from
13 a movie would say before terminating someone. Around the same time, Plaintiff had
14 conversations with Defendant Mike about his use of highly trained, armed military people, for
15 example from the CIA or KGB to be his armed body guards, and he was looking for more such
16 guards because of their skill as assassins. Plaintiff also learned that Defendant Mike used one of
17 those guards to “convince” an employee to come speak with him before firing him and again
18 used the tag phrase of asking the employee if he wanted to clear his soul for the things he had
19 done. Defendant Mike also offered this employee \$100,000 to clear his soul. In short, Defendant
20 Mike presented himself to Plaintiff as if he were a threatening and violent figure who liked to
21 intimidate and scare people, and play absurd mind games, before firing them, with a tag line of
22 something like “do you want to clear your soul.” Around the same time period, Plaintiff also
23 was informed that a person who works closely with Defendant Mike may have been obtaining
24 product from illegal growers. Plaintiff again expressed his concerns about behavior that was
25 potentially illegal and not in compliance with generally accepted accounting standards.
26 However, Defendants would not allow Plaintiff to review expense reports, so he was unable to
27 verify his concerns. Plaintiff’s concerns were generally ignored.

1 9. During his tenure at AN, he received a letter circulated by Defendant Mike that
2 discussed the turbulent times going on in the nation related to the pandemic and racial injustice.
3 In the letter, Mr. Straumietis stated that “your future is secure here. I will continue to have your
4 back financially. And as those who’ve been on our team for years or decades will vouch . . . I’m
5 extremely loyal to members of our Advanced Nutrients family who . . . are honest with me (and
6 the rest of our team) [and] give me their best. . . . Be straight with me and do the absolute best
7 job you can, and not only is your job secure here but you’ll grow with us into the future.”

8 10. Plaintiff worked hard and was honest at AN through July 7, 2020. Then, without
9 warning and for no legitimate or lawful reason, he was terminated.

10 11. Around the same time, on information and belief, Defendant Mike received
11 pressure from an employee(s) that there were too many people of color taking jobs at the
12 company, especially in positions of power. As a result, Defendant Mike terminated these
13 employees and anyone associated with them.

14 12. On or about July 8, 2020, Defendant Mike asked Plaintiff to “clear his soul.”
15 Thus, Plaintiff knew he was being terminated and bullied. Although Defendant communicated
16 that he resigned, he was constructively discharged.

17 **EXHAUSTION OF ADMINISTRATIVE REMEDIES**

18 13. Prior to the initiation of this lawsuit, on September 4, 2020, Plaintiff obtained a
19 right to sue letter from DFEH as to the Defendants. All conditions precedent to the institution of
20 this lawsuit have been fulfilled. This action is filed within one year of the date that the DFEH
21 issued its right to sue letter.

22 **FIRST CAUSE OF ACTION**

23 **RACIAL DISCRIMINATION IN VIOLATION OF FEHA**

24 **(Against Defendant AN)**

25 14. Plaintiff realleges and incorporates by reference all paragraphs set forth above.

26 15. California Government Code section 12940 makes it an unlawful employment
27 practice for an employer to discriminate against an employee because of race or color. Defendant
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1 discriminated against Plaintiff as described above, including by terminating him based on his
2 race or color. This was consistent with AN's pattern of behavior described above.

3 16. As a proximate result of Defendant's conduct, Plaintiff has suffered and will
4 continue to suffer damages in terms of lost wages, lost bonuses, lost benefits and other pecuniary
5 loss according to proof. Plaintiff will also continue to suffer physical and emotional injuries,
6 including humiliation, anguish and anxiety. The amount of Plaintiff's damages will be
7 ascertained at trial.

8 17. In committing the foregoing acts, Defendant has been guilty of oppression, fraud
9 and/or malice under California Civil Code section 3294, entitling Plaintiff to punitive damages in
10 a sum appropriate to punish and make an example out of the Defendant.

11 18. FEHA provides for an award of reasonable attorneys' fees and costs incurred by a
12 prevailing plaintiff in an action brought under its provisions. Plaintiff has incurred and will
13 continue to incur attorneys' fees and costs herein.

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15 **SECOND CAUSE OF ACTION**

16 **FAILURE TO PREVENT UNLAWFUL RACIAL DISCRIMINATION IN**

17 **VIOLATION OF FEHA**

18 **(Against Defendant AN)**

19 19. Plaintiff realleges and incorporates by reference all paragraphs set forth above.

20 20. California Government Code section 12940(k) makes it an unlawful employment
21 practice for an employer to fail to take all reasonable steps to prevent racial discrimination from
22 occurring. Defendant violated this provision by failing to prevent racial discrimination against
23 Plaintiff, including the discrimination above, primarily due to Plaintiff's race or color.

24 21. As a proximate result of Defendant's conduct, Plaintiff has suffered and will
25 continue to suffer damages in terms of lost wages, lost bonuses, lost benefits and other pecuniary
26 loss according to proof. Plaintiff will also continue to suffer physical and emotional injuries,
27 including humiliation, anguish and anxiety. The amount of Plaintiff's damages will be
28 ascertained at trial.

1 **FOURTH CAUSE OF ACTION**

2 **WRONGFUL TERMINATION IN VIOLATION OF PUBLIC POLICY**

3 **(Against Defendant AN)**

4 28. Plaintiff realleges and incorporates by reference all paragraphs set forth above.

5 29. Plaintiff was employed by Defendant AN and was constructively discharged by
6 Defendant. In relation to Defendant's termination, Defendant violated a fundamental public
7 policy in California against discrimination and retaliation, as set forth herein.

8 30. As a proximate result of Defendant's conduct, Plaintiff has suffered and will
9 continue to suffer damages in terms of lost wages, lost bonuses, lost benefits and other pecuniary
10 loss according to proof. Plaintiff will also continue to suffer physical and emotional injuries,
11 including humiliation, anguish and anxiety. The amount of Plaintiff's damages will be
12 ascertained at trial.

13 31. In committing the foregoing acts, Defendant has been guilty of oppression, fraud
14 and/or malice under California Civil Code section 3294, entitling Plaintiff to punitive damages in
15 a sum appropriate to punish and make an example out of the Defendant.

16 32. Plaintiff has incurred and will continue to incur attorneys' fees and costs herein as a
17 result of Defendant's conduct.

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19 **FIFTH CAUSE OF ACTION**

20 **RETALIATION IN VIOLATION OF CALIFORNIA LABOR CODE**

21 **(Against Defendant AN)**

22 33. Plaintiff realleges and incorporates by reference all paragraphs set forth above.

23 34. California Labor Code Sections 1102.5, 98.6, 6310 and 232.5 make it an unlawful
24 employment practice to retaliate against an employee for disclosing information to a person with
25 authority over another employee who has the authority to investigate or correct a violation or
26 noncompliance. Section 1102.5 also prevents preemptive retaliation if the employer believes the
27 Plaintiff may complain. On information and belief, Defendant violated this provision by
28 retaliating against, and then terminating Plaintiff because he was perceived to have made

1 complaints about workplace safety violations or other illegal behavior by Defendant as described
2 above. Defendant also retaliated, on information and belief, due to a fear of Plaintiff making
3 future complaints.

4 35. As a proximate result of Defendant's conduct, Plaintiff has suffered and will
5 continue to suffer damages in terms of lost wages, lost benefits, and other pecuniary loss
6 according to proof. Plaintiff will also continue to suffer physical and emotional injuries,
7 including humiliation, anguish and anxiety. The amount of Plaintiff's damages will be
8 ascertained at trial.

9 36. California Labor Code provides for an award of reasonable attorneys' fees and costs
10 incurred by a prevailing plaintiff in an action brought under its provisions. Plaintiff has incurred
11 and will continue to incur attorneys' fees and costs herein.

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13 **SIXTH CAUSE OF ACTION**

14 **BREACH OF CONTRACT**

15 **(Against Defendant AN)**

16 37. Plaintiff realleges and incorporates by reference all paragraphs set forth above.

17 38. Pursuant to an express memo distributed to Plaintiff, AN promised to Plaintiff:
18 "your future is secure here. I will continue to have your back financially. And as those who've
19 been on our team for years or decades will vouch . . . I'm extremely loyal to members of our
20 Advanced Nutrients family who . . . are honest with me (and the rest of our team) [and] give me
21 their best. . . . Be straight with me and do the absolute best job you can, and not only is your job
22 secure here but you'll grow with us into the future." Thus, AN and Plaintiff had an express or, in
23 the alternative, implied contract that he would not be terminated so long as he was loyal and
24 honest and gave the company his best. In addition, Plaintiff's offer letter offered 2 months'
25 severance.

26 39. As set forth above, Plaintiff fulfilled all of his contractual obligations. However,
27 Defendant AN breached the contract by constructively terminating him without cause and by
28 failing to provide him with any severance.

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2 **PRAYER FOR RELIEF**

3 WHEREFORE, based on the foregoing, Plaintiff prays for relief as follows:

- 4 1. For compensatory and/or general damages in an amount to be determined at trial. For
5 incidental and consequential damages according to proof at trial;
6 2. For punitive damages;
7 3. For costs of suit incurred herein;
8 4. For reasonable attorneys' fees and costs;
9 5. For prejudgment interest;
10 6. For such other and further relief as the Court may deem just and proper.

11 Plaintiff hereby demands a jury trial.

12 Dated: December 4, 2020

HUSKINSON, BROWN & HEIDENREICH

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14 By:  _____

Brian Center, Esq.
Attorneys for Plaintiff