

TOP VERDICTS OF 2024

Tran v. Payward Inc. et al.

A Withersworldwide team successfully defended a U.S.-based cryptocurrency exchange after it was sued by a former employee terminated after four months of employment. Payward, Inc. cited poor performance and poor judgment as the reasons for the termination.

However, plaintiff Daniel Tran alleged that he was fired in retaliation for raising concerns about pay disparities on behalf of two of his female direct reports, claiming a violation of the California Equal Pay Act, said lead attorney Chris LaVigne. *Tran v. Payward Inc. et al*, CGC22600605 (S.F. Sup. Ct. led July 8, 2022).

“The verdict caps two and a half years of hard work, in which the plaintiff filed dozens of discovery motions to prevent Kraken from discovering information vital to the case,” LaVigne said. “Ultimately, the Payward team was able to mount a vigorous defense, which



CHRISTOPHER N. LAVIGNE

revealed the plaintiff to be a toxic employee focused more on sabotaging his boss than working in the best interests of the company.”

Initially, Tran was assigned two female employees to his team and was later asked to hire additional team members to support Kraken’s company-wide recruitment efforts. During his direct supervisor’s one-week vacation, Tran hired five ad-



KIMBERLY PALLEN

ditional people without approval, contrary to company policy, said Kimberly Pallen, LaVigne’s co-counsel.

She said the new hires were underqualified, and many were his friends and former colleagues.

“Upon returning from vacation, Tran’s supervisor expressed concerns about the lack of experience and high salaries of the new hires,



JORDAN GARMAN



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leading to increased scrutiny of Tran and his team,” Pallen said.

In response, Tran allegedly schemed to turn his direct reports against his supervisor. He encouraged his two original female direct reports to lodge complaints about pay disparities, despite being the one who set the inflated salaries for the new hires.

CASE DETAILS	CASE NAME	Tran v. Payward Inc. et al.
	TYPE OF CASE	Whistleblower Retaliation
	COURT	San Francisco County Superior Court
	JUDGE(S)	Braden C. Woods
	APPELLANT LAWYERS	Withersworldwide, Christopher N. LaVigne, Kimberly A. Pallen, Jordan Garman, Vahe Mesropyan
	RESPONDENT'S LAWYERS	Minnis & Smallets, Aaron P. Minnis, Sonya L. Smallets, Evan R. Ettinghoff

Additionally, Tran shared a confidential Slack conversation with a colleague, which discussed the colleague's performance negatively, LaVigne said.

This colleague, fearing termination, reported the incident to HR. Following an investigation, Tran was terminated for poor judgment and performance, including the questionable hires and sharing sensitive information.

Tran sued Kraken, which is owned by Payward Inc., claiming his termination was pretextual and retaliatory for reporting pay disparities. He argued that his actions were

in the best interest of his female direct reports. However, the jury found that Tran's request for salary increases was not a contributing factor in his termination. Instead, they determined that his actions were not in the company's best interests and breached Kraken's confidentiality agreements and security policies.

"Plaintiff tried to paint himself as a tragically heroic figure — terminated in the pursuit of championing equal pay for his two allegedly underpaid female direct reports," LaVigne said. "But at the end of the day, the evidence was methodical, consistent, and over-

whelming that plaintiff was really engaged in a bizarre plan to sabotage his manager and was fired, not for complaining of any discrimination, but because he was a poor performing employee with bad judgment."

He said another challenge was how the jury pool expressed biases against large companies, "big tech" and cryptocurrency.

The jury ultimately sided with Payward, concluding that Tran's actions were detrimental to the company.

"Mr. Tran also sent WhatsApp messages soon thereafter to his two original female direct reports telling

them that he had hard drives and servers on the way to gather information to take down the supervisor," LaVigne said. "This approach showed the jury that Kraken had good reason for terminating Mr. Tran, and that there was no retaliation."

The plaintiff's firm did not respond to a request for comment.

Pallen said Tran has filed a notice of appeal, "however, the record has not yet been submitted to the Court of Appeal, and thus, we do not have a briefing schedule on the appeal nor do we know on what basis Tran intends to appeal."