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Alphabet Sued for Records Related to Data Breach, Alleged Sexual Misconduct at Google

By Tom McParland (/author/profile/Tom-McParland/) | February 08, 2019 at 03:37 PM

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Alphabet Sued for Records Related to Data Breach, Alleged Sexual Misconduct at Google | The Recorder

Zurich, Switzerland April, 20, 2016: sign on the wall of the Google office building.

An investor in Google's parent company Alphabet Inc. has sued in Delaware Chancery Court for corporate documents related to the company's handling of sexual misconduct allegations against top Google executives and a data breach on the defunct Google+ platform, which reportedly exposed the personal information of nearly 500,000 users.

The <u>lawsuit</u>

(https://images.law.com/contrib/content/uploads/documents/394/4109/Alphabet-

<u>Morrell-Complaint.pdf</u>), made public late Thursday, alleged that there was a "credible basis" to suspect mismanagement at the Mountain View, California-based conglomerate, after a pair of news reports brought the controversies to light last October.

"By demonstrating that Alphabet/Google has a history of ignoring and/or covering up complaints of sexual harassment and discrimination by senior company executives, and that the company and very senior executives made false and misleading statements and/or statements omitting material facts that conceded the company's knowledge of the Google+ security breach, plaintiff has demonstrated a credible basis from which it may be reasonably inferred that mismanagement may have occured," the complaint said.

In a redacted court filing, Alphabet investor Roger Morrell said he sent a demand letter to company management in November seeking records and board minutes dating back to 2013. Morrell said the documents were needed to assess the board's response to allegations of inappropriate sexual conduct by former executives, as well as when the company learned about the Google+ security breach.

Morrell said that Google initially rejected his demand, but agreed to produce documents if he signed a nondisclosure agreement. According to Morrell, Google turned over 589 pages of mostly redacted material, but little of it covered his request.

Google's press office did not respond to an email Friday seeking comment on the lawsuit.

The New York Times reported Oct. 25 that Andrew E. Rubin, then Google's vice president for mobile and digital content, had resigned from the company with a \$90 million severance package and a delayed repayment of a \$14 million loan, after allegations surfaced that he had coerced a female Google employee into performing oral sex on him.

According to the article

(https://www.nytimes.com/2018/10/25/technology/google-sexualharassment-andy-rubin.html?module=inline), Rubin and another senior Google executive, Amit Singhal, walked away with hefty severance packages after they were accused of inappropriate sexual behavior. A third executive, accused of propositioning a female engineer who was interviewing for a job, left the company Oct. 30, shortly after article was published, but did not receive a severance package, Morrell said in his complaint.

In the wake of The New York Times' reporting, Google employees and contractors staged a walkout to protest sexual harassment and misconduct, as well as a lack of transparency and noninclusive workplace culture.

The other incident at the center of Morrell's lawsuit, first reported by The Wall Street Journal, involved the Google's allegedly delayed response to a glitch in the software for Google+, the company's social media site, which allowed outside developers to access users' profile data. According to the <u>Oct. 8 report (https://www.wsj.com/articles/google-exposed-user-data-feared-repercussions-of-disclosing-to-public-1539017194?</u>

<u>**ns=prod/accounts-wsj**</u>), Google knew as early as March that the glitch had allowed third-party app developers to access the full names, email addresses, birth dates, gender and photos of users but decided not to publicly disclose the problem amid fears that it would spark "immediate regulatory interest" at a time when Facebook had already been under scrutiny for the Cambridge Analytica data breach.

On the same day The Wall Street Journal published its report, the company announced that it was terminating Google+ for consumers but said it had found no evidence of misuse.

Morrell is represented by Brian D. Long, Seth D. Rigrodsky and Gina M. Serra of Rigrodsky & Long in Wilmington and Joshua H. Grabar of Grabar in Philadelphia.

According to an online docket-tracking service, Alphabet is represented by Lori W. Will, Jessica A. Hartwell and Jessica Peuscher-Funk of Wilson Sonsini Goodrich & Rosati in Wilmington.

The case, captioned *Morrell v. Alphabet*, has been assigned to Vice Chancellor Kathaleen S. McCormick.

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