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7 *Attorneys for Plaintiff Mark Schobinger,*  
 8 *on behalf of himself and all others*  
 9 *similarly situated*

10 **UNITED STATES DISTRICT COURT**  
 11 **NORTHERN DISTRICT OF CALIFORNIA**  
 12 **SAN FRANCISCO DIVISION**

13 MARK SCHOBINGER, on behalf of himself  
 14 and all others similarly situated,

15 Plaintiff,

16 v.

17 TWITTER, INC. and X CORP.,  
 18

19 Defendants  
 20

Case No. 3:23-cv-3007

**CLASS ACTION COMPLAINT AND  
 JURY DEMAND**

1. BREACH OF CONTRACT
2. PROMISSORY ESTOPPEL

1 **I. INTRODUCTION**

2 1. Plaintiff Mark Schobinger files this Class Action Complaint against Defendants  
3 Twitter, Inc. and X Corp. (collectively “Twitter”), on his own behalf and on behalf of other  
4 current and former Twitter employees who were employed by the Company as of January 1,  
5 2023, and who have not been paid their annual bonus for 2022. Plaintiff brings claims for breach  
6 of contract and promissory estoppel.  
7

8 2. As described further below, Twitter has an employee cash performance bonus  
9 plan (“PBP” or “Bonus Plan”) that is paid out annually. Each year, the company has an overall  
10 target for the bonus plan, and employees each have a calculated amount of bonus (which is based  
11 on a percentage of their base salary) they will receive if the company pays bonus out at the target  
12 amount. Traditionally, individuals covered by the bonus plan who are employed by the company  
13 at the time bonuses are paid out (typically in March) receive their annual bonus for the prior year.  
14

15 3. In the months leading up to Elon Musk’s acquisition of Twitter in October 2022,  
16 the company’s executives, including former Chief Financial Officer, Ned Segal, repeatedly  
17 promised Plaintiff and the company’s other employees that 2022 bonuses would be paid out at  
18 fifty percent (50%) of target. This promise was repeated following Musk’s acquisition. Plaintiff  
19 and other Twitter employees relied upon the promise that they would receive their 2022 bonus  
20 when choosing to remain employed by Twitter following Musk’s acquisition of the company  
21 and/or deciding to forgo other employment opportunities.  
22

23 4. However, despite Twitter’s promises that it would pay 2022 bonuses at fifty  
24 percent (50%) of target, Twitter refused to pay employees who remained employed by the  
25 company in the first quarter of 2023, any bonus.  
26

27 5. Plaintiff files this action, bringing claims for breach of contract and promissory  
28 estoppel, on behalf of himself and other current and former Twitter employees who were  
employed in the first quarter of 2023 but did not receive their bonus.

1 **II. PARTIES**

2 6. Plaintiff Mark Schobinger is an adult resident of Round Rock, Texas. As such, he  
3 is a citizen of Texas. He was employed by Twitter as Senior Director, Compensation, from  
4 February 11, 2019, until May 26, 2023. Plaintiff was originally responsible for overseeing  
5 executive and incentive compensation when he was hired by Twitter. In November 2022, he  
6 assumed responsibility for all employee compensation for the company globally.  
7

8 7. Plaintiff brings this lawsuit as a Rule 23 class action on behalf of all individuals  
9 who were employed by Twitter in the first quarter of 2023 and were covered by Twitter’s Bonus  
10 Plan but did not receive their annual bonus for 2022.

11 8. Defendant Twitter, Inc. (“Twitter”) is a Delaware corporation, headquartered in  
12 San Francisco, California. As such, it is a citizen of Delaware and California.

13 9. Defendant X Corp. is a Nevada corporation, headquartered in San Francisco,  
14 California. As such, it is a citizen of Nevada and California.

15 10. In or about March 2023, Twitter merged with X Corp., and as a result Twitter and  
16 X Corp. are a single entity. X Corp. has successor liability for Twitter’s unlawful acts.

17 **III. JURISDICTION**

18 11. This Court has jurisdiction over this proceeding pursuant to 28 U.S.C.  
19 § 1332(d)(2). Plaintiff and Defendants are citizens of different states, and the matter in  
20 controversy for the class exceeds \$5 million.

21 12. This Court has personal jurisdiction over Defendants, as they are headquartered in  
22 this District and conduct substantial business operations in this District.  
23  
24  
25  
26  
27

1 **IV. STATEMENT OF FACTS**

2 13. Twitter is a social media company that previously employed thousands of people  
3 across the United States.

4 14. Twitter has an employee cash performance bonus plan (“PBP” or “Bonus Plan”)  
5 that is paid out annually (typically in March) for the prior year. Each year, the company has an  
6 overall target for the bonus plan, and employees each have a calculated amount of bonus they  
7 will receive (based on their base pay) if the company pays out the target amount.  
8

9 15. Throughout the year, Twitter funds the Bonus Plan based upon a target amount.  
10 Historically, the company has paid out at least 50% of the target each year. Traditionally,  
11 employees who were separated based upon job elimination, prior to the payout date, were paid  
12 one hundred percent (100%) of their targeted bonus.

13 16. In April 2022, it was announced that multi-billionaire Elon Musk would be  
14 purchasing the company.

15 17. Following this announcement, many employees raised concerns regarding the  
16 company’s policies following this anticipated acquisition, including concerns about their  
17 compensation and annual bonus.

18 18. In order to allay employees’ concerns and try to prevent them from leaving  
19 Twitter to work at other companies, Twitter made various promises to employees.

20 19. One of the promises was that employees would receive their annual bonus for  
21 2022 under the company’s Bonus Plan.

22 20. Both before and after Musk’s acquisition was completed in October 2022,  
23 Twitter’s management continuously promised the company’s employees, including Plaintiff, that  
24 their annual bonus for 2022 would be paid under the Bonus Plan.

25 21. For example, during an all-hands meeting in the months leading up to Musk’s  
26 acquisition being completed in October 2022, Twitter’s former Chief Financial Officer, Ned  
27

1 Segal, informed the company's employees, including Plaintiff, that 2022 bonuses under the  
2 Bonus Plan would be paid out at fifty percent (50%) of target.

3 22. Twitter's actions throughout 2022 reinforced the promise conveyed by Segal and  
4 its other management employees that employees, including Plaintiff, would be paid their annual  
5 bonus at fifty percent (50%) of target.  
6

7 23. Specifically, consistent with its past practice and the promises made by  
8 management to its employees, Twitter did in fact fund the Bonus Plan at fifty percent (50%) of  
9 targeted employee bonuses for 2022. The money for employees' annual bonuses under the Bonus  
10 Plan was accounted for by Twitter's financial team and was available to be paid to Twitter's  
11 employees during the first quarter of 2023.

12 24. Plaintiff, like many other Twitter employees, relied on Twitter's promise to pay  
13 his 2022 annual bonus in choosing to remain employed by Twitter following Musk's acquisition  
14 of the company.

15 25. In the months following Musk's acquisition of Twitter, Plaintiff regularly  
16 received calls from recruiters and companies regarding other employment opportunities.  
17 However, Plaintiff turned down these opportunities, secure in the knowledge that Twitter would  
18 pay him his promised 2022 annual bonus during the first quarter of 2023.

19 26. However, rather than pay employees who remained employed by Twitter the  
20 annual bonus promised to them, the company refused to pay any employees their 2022 annual  
21 bonus.

22 27. Based on Twitter's renegeing on various promises it had made to employees,  
23 including its failure to pay promised bonuses, Plaintiff left the company in May 2023.  
24  
25  
26  
27

1 **COUNT I**

2 **Breach of Contract**

3 During the months leading up and following Elon Musk’s acquisition of Twitter, Twitter  
4 repeatedly promised employees that they would receive their annual bonus under the company’s  
5 Bonus Plan and that the bonus for 2022 would be paid at fifty percent (50%) of the targeted  
6 bonus. Plaintiff and other employees accepted these offers by continuing to work for Twitter,  
7 rather than looking for and accepting other job opportunities. However, Twitter reneged on this  
8 agreement. It refused to pay annual bonuses to employees during the first quarter of 2023 (or  
9 thereafter), despite funding the Bonus Plan throughout 2022 and accounting for the payment of  
10 such annual bonuses. Thus, Plaintiff, on behalf of himself and other employees, allege that  
11 Twitter breached its contract to the employees by not paying the promised bonuses.  
12

13  
14 **COUNT II**

15 **Promissory Estoppel**

16 During the months leading up and following Elon Musk’s acquisition of Twitter, Twitter  
17 repeatedly promised employees that they would receive their annual bonus under the company’s  
18 Bonus Plan and that the bonus for 2022 would be paid at fifty percent (50%) of the targeted  
19 bonus. In reasonable reliance on these promises, Plaintiff and other employees continued to  
20 work for Twitter, rather than looking for and accepting other job opportunities. However, Twitter  
21 reneged on this promise. It refused to pay annual bonuses to employees during the first quarter of  
22 2023 (or thereafter), despite funding the Bonus Plan throughout 2022 and accounting for the  
23 payment of such annual bonuses. Thus, Plaintiff and other employees were harmed by their  
24 reliance on this promise, including that they lost opportunities to obtain other employment at the  
25 time they were relying on the promise.  
26

**JURY DEMAND**

Plaintiff requests a trial by jury on the claims asserted here.

WHEREFORE, Plaintiff requests that this Court enter the following relief:

- a. Declare and find that Defendants are liable to Plaintiff and other and other similarly situated Twitter employees for breach of contract and under the doctrine of promissory estoppel;
- b. Certify this case as a class action;
- c. Award compensatory damages, in an amount according to proof;
- d. Award pre- and post-judgment interest; and
- e. Award any other relief to which Plaintiff and other similarly situated Twitter employees may be entitled.

Respectfully submitted,

MARK SCHOBINGER, on behalf of himself and all others similarly situated,

By their attorneys,

/s/ Shannon Liss-Riordan

Shannon Liss-Riordan, SBN 310719  
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Dated: June 20, 2023

CIVIL COVER SHEET

The JS-CAND 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

MARK SCHOBINGER, on behalf of himself and all others similarly situated,

(b) County of Residence of First Listed Plaintiff (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number) Shannon Liss-Riordan, Bradley Manewith Lichten & Liss-Riordan, PC, 729 Boylston St., Suite 2000 Boston, MA 02116; 617-994-5800

DEFENDANTS

TWITTER, INC. and X CORP.,

County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

1 U.S. Government Plaintiff 3 Federal Question (U.S. Government Not a Party)

2 U.S. Government Defendant X 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship and incorporation status. Includes options like 'Citizen of This State', 'Citizen of Another State', 'Citizen or Subject of a Foreign Country', 'Incorporated or Principal Place of Business In This State', etc.

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Large table with categories: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, HABEAS CORPUS, OTHER, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES. Includes specific codes and descriptions for each category.

V. ORIGIN (Place an "X" in One Box Only)

X 1 Original Proceeding 2 Removed from State Court 3 Remanded from Appellate Court 4 Reinstated or Reopened 5 Transferred from Another District (specify) 6 Multidistrict Litigation-Transfer 8 Multidistrict Litigation-Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 28 U.S.C. § 1332(d)(2)

Brief description of cause:

Plaintiff brings claims for breach of contract and promissory estoppel.

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, Fed. R. Civ. P. DEMAND \$

CHECK YES only if demanded in complaint: JURY DEMAND: X Yes No

VIII. RELATED CASE(S), IF ANY (See instructions):

JUDGE

DOCKET NUMBER

IX. DIVISIONAL ASSIGNMENT (Civil Local Rule 3-2)

(Place an "X" in One Box Only) X SAN FRANCISCO/OAKLAND SAN JOSE EUREKA-MCKINLEYVILLE

DATE 06/20/2023

SIGNATURE OF ATTORNEY OF RECORD

/s/Shannon Liss-Riordan



## INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS-CAND 44

**Authority For Civil Cover Sheet.** The JS-CAND 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I. a) **Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
  - b) **County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the “defendant” is the location of the tract of land involved.)
  - c) **Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section “(see attachment).”
- II. Jurisdiction.** The basis of jurisdiction is set forth under Federal Rule of Civil Procedure 8(a), which requires that jurisdictions be shown in pleadings. Place an “X” in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- (1) United States plaintiff. Jurisdiction based on 28 USC §§ 1345 and 1348. Suits by agencies and officers of the United States are included here.
  - (2) United States defendant. When the plaintiff is suing the United States, its officers or agencies, place an “X” in this box.
  - (3) Federal question. This refers to suits under 28 USC § 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
  - (4) Diversity of citizenship. This refers to suits under 28 USC § 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS-CAND 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an “X” in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an “X” in one of the six boxes.
- (1) Original Proceedings. Cases originating in the United States district courts.
  - (2) Removed from State Court. Proceedings initiated in state courts may be removed to the district courts under Title 28 USC § 1441. When the petition for removal is granted, check this box.
  - (3) Remanded from Appellate Court. Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
  - (4) Reinstated or Reopened. Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
  - (5) Transferred from Another District. For cases transferred under Title 28 USC § 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
  - (6) Multidistrict Litigation Transfer. Check this box when a multidistrict case is transferred into the district under authority of Title 28 USC § 1407. When this box is checked, do not check (5) above.
  - (8) Multidistrict Litigation Direct File. Check this box when a multidistrict litigation case is filed in the same district as the Master MDL docket. Please note that there is no Origin Code 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC § 553. Brief Description: Unauthorized reception of cable service.
- VII. Requested in Complaint.** Class Action. Place an “X” in this box if you are filing a class action under Federal Rule of Civil Procedure 23. Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction. Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS-CAND 44 is used to identify related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.
- IX. Divisional Assignment.** If the Nature of Suit is under Property Rights or Prisoner Petitions or the matter is a Securities Class Action, leave this section blank. For all other cases, identify the divisional venue according to Civil Local Rule 3-2: “the county in which a substantial part of the events or omissions which give rise to the claim occurred or in which a substantial part of the property that is the subject of the action is situated.”
- Date and Attorney Signature.** Date and sign the civil cover sheet.