

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X
KRISTOPHER D HASSETT,

-against-

Plaintiff,

Index No.:
SUMMONS

Venue is based upon
Defendant's Residence

CARTIGA, LLC,

Defendant.

-----X
TO THE ABOVE-NAMED DEFENDANT:

YOU ARE HEREBY SUMMONED to answer the Complaint in this action and to serve a copy of your Answer, or if the Complaint is not served with this Summons to serve a Notice of Appearance, on the plaintiff's attorney within twenty (20) days after the service of this Summons, exclusive of the day of service (or within thirty (30) days after the service is complete, if this Summons is not personally delivered to you within the State of New York), and in case of your failure to appear, or answer, judgment will be taken against you by default for the relief demanded in the Complaint.

Dated: New York, New York
October 11, 2024

SPASOJEVICH LAW, P.C.

By: *Lawrence Spasojevich*
Lawrence Spasojevich, Esq.
Brendan Tighe, Esq.
Attorney for Plaintiff
9224 Queens Boulevard
#740010
Rego Park, New York 11374
(914) 487-3592

Defendant's Address:
Cartiga, LLC
400 Park Avenue, 12th Floor
New York, New York 10017

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X
KRISTOPHER D HASSETT,

Index No.:
COMPLAINT

Plaintiff,

-against-

CARTIGA, LLC,

Defendant.

-----X

Plaintiff, KRISTOPHER D HASSETT (“Plaintiff”), by and through attorneys, Lawrence Spasojevich, Esq. and Brendan Tighe, Esq. of Spasojevich Law, P.C., file this Complaint against Defendant, CARTIGA, LLC, and state as follows:

INTRODUCTION

1. Plaintiff alleges that under NYLL § 740, Plaintiff is entitled to recover from the Defendant: (1) compensation for lost wages, benefits and other remuneration; (2) a civil penalty not exceeding ten thousand dollars (\$10,000.00); (3) punitive damages; and, (4) attorneys’ fees and costs.

PARTIES

2. Plaintiff was a resident of Dutchess County, New York.

3. Upon information and belief, Defendant, CARTIGA, LLC, is a business corporation existing under the laws of the State of New York, with a place of business located at 400 Park Avenue 12th Floor New York, New York 10017 and is an “employer” for the purposes of the NYLL.

STATEMENT OF FACTS

4. Defendant is in the business of providing funding to law firms and clients in connection with and in support of legal actions filed by law firms on behalf of their client.

5. Specifically, Defendant funded claimants in order for such claimants to undergo medical procedures as well as provide loans to such claimants based upon the value of their claim.

6. In some instances, Defendant's representatives would encourage claimants to undergo medical procedures in return for increased personal funding in order to maximize the potential value of their claim.

7. Plaintiff was employed by Defendant a lead of the Defendant's New York Labor Law § 240 claim division which was responsible for funding and supporting claims brought under New York Labor Law § 240.

8. As part of Plaintiff duties and responsibilities, Plaintiff was tasked with performing reviews and assessments of risk for Defendant in connection with Defendant's funding and support of claims.

9. From in or about April of 2023 through in or about August of 2023, Plaintiff performed a risk assessment of Defendant's investments in, and funding of, New York Labor Law § 240 claims.

10. During Plaintiff's assessment, Plaintiff discovered what Plaintiff, in good faith, believed to be a violation of a New York law, statute, ordinance, and/or code.

11. On April 19, 2023 Plaintiff first notified Charles Platt, an individual with supervisory authority over Plaintiff, of Plaintiff's initial concerns regarding Defendant's funding and support of potentially fraudulent claims brought under New York Labor Law § 240.

12. On March 9, 2023, Plaintiff reviewed his observations of such potential fraud with Mike Bogansky, Peter Dion, and Jason Shinkunas—all of whom possessed supervisory authority over Plaintiff—and Plaintiff was instructed by Mr. Bogansky to keep the potential fraudulent cases “on the books” to maintain volume.

13. During such meeting, a partner firm was identified as a “fraud firm” and an individual named Jorge Lupe was identified as an individual whom, upon information and belief, was “creating cases.”

14. Upon information and belief, Jorge Lupe had previously worked directly with Defendant and Defendant was aware of Jorge Lupe’s fraudulent activities.

15. On May 9, 2023, during a meeting with Mr. Platt, Mr. Bogansky, and Jonah Schnell—all individuals with supervisory authority over Plaintiff—Plaintiff highlighted a client, whom Defendant had provided funding to, as having a potentially fraudulent case, but Mr. Platt instructed Plaintiff to make a “good deal” with the partner law firm to mitigate Defendant’s risk and create “plausible deniability.”

16. On May 11, 2023, during a meeting with Halle Benet, a principal of Defendant’s parent company, Sam Wathen, a principal of Defendant’s parent company and now acting president of Defendant, Mr. Bogansky, and James Brady, Plaintiff again raised concerns about the potential fraud and the discussion then turned to how to offload cases Plaintiff had identified as potentially fraudulent to reduce risk.

17. On May 17, 2023, during a meeting with Mr. Brady, Allen Honigman, an underwriter for Defendant and attorney in the State of New York, Paul Cagno, an underwriter for Defendant and attorney in the State of New York, Mr. Bogansky, and Mr. Dion, Plaintiff requested to cancel the funding of potentially fraudulent New York Labor Law § 240 claims and reiterated his concerns surrounding the two partner firms.

18. On May 26, 2023, during a meeting Mr. Brady, Mr. Bogansky, and Mr. Dion, Plaintiff shared a video of an investigation Plaintiff had conducted of a partner firm providing cases to a certain law firm.

19. Upon being shown the video, Mr. Brady and Mr. Bogansky instructed Plaintiff to continue to take on the potentially fraudulent New York Labor Law § 240 claims.

20. On August 1, 2023, Mr. Bogansky, Mr. Platt, and Mr. Brady, Plaintiff again raised concerns regarding the potentially fraudulent New York Labor Law § 240 claims as well as other types of potentially fraudulent claims.

21. On August 9, 2023, Mr. Bogansky, Mr. Platt, Mr. Brady, and Plaintiff continued to discuss the potentially fraudulent New York Labor Law § 240 claims. Plaintiff specifically identified a partner firm with clients and claims that had no physicians, no documentation, no medical documentation, no details, and no identification. Mr. Bogansky and Mr. Brady instructed the underwriters to continue funding such cases as Defendant was primarily concerned with monetary gain.

22. On August 10, 2023, Plaintiff informed Mr. Dion, an individual with supervisory authority over Petition, that a partner firm was sending potentially fraudulent cases to another partner firm, all of which had no identification or documents.

23. On August 11, 2023 and during a meeting with Mr. Dion, Mr. Cagno, Mr. Brady, Mr. Platt, and Mr. Bogansky, Plaintiff continued to raise concerns regarding potentially fraudulent New York Labor Law § 240 claims, including Plaintiff's field observations and how fraud cases were being handled by Defendant. Plaintiff highlighted a specific partner firm but was told it was none of his business.

24. On August 14, 2023, during a telephone conversation between Mr. Brady and Plaintiff, Mr. Brady informed Plaintiff that New York Labor Law § 240 claims are sometimes "hairy," that he accepted a level of "fraud risk," and encouraged Plaintiff to feel "comfortable" as well.

Mr. Brady also lamented the fact that Plaintiff had informed him of the lack of records, as it removed plausible deniability.

25. During a meeting on August 29, 2023, between Plaintiff, Mr. Bogansky and Mr. Brady, Plaintiff reported that a partner firm's claims appeared to be all fraudulent as there was no identification or documents. Furthermore approximately \$5,500,000.00 was funded against standard underwriting policy. Plaintiff also stated that Plaintiff saw similar issues at two other partner firms; however, Plaintiff again was told it was none of Plaintiff's business.

26. Furthermore, during a telephone conference call, which a true and accurate copy of a transcript of the phone call is annexed hereto as Exhibit "A", Mr. Brady states:

Something like that. I want to come back to you, and I'm going to have to jump. Let's come back. We just wanted to see if there was another thing that works, where we get things done more smoothly with underwriting, because lately, it's been a little choppy, and I've been involved. Chris has been involved, and we'd like to just, you know, we had a nice run with you, getting things in. And we're just getting a little bit more questions asked, so we want to make sure we have -- approval with the underwriting team beforehand of certain scenarios, and one scenario is, you don't have much, but the client's got to get some money. That's going to be the lowest amount, like five grand, and then -and something to keep them going. And there is no investigator. This -- that's not going to be enough with an investigator. And then there's going to be a scenario where they've had all the MRIs after that, and there's MRIs, and then there's -- workers' comp has started, and you've got an ER record that confirms the accident. Maybe you have a C3, C2.

Exhibit "A" Pg 10-11; Pp 21-25, 1-20.

27. Upon information and belief, Mr. Brady was exemplifying Plaintiff's concerns with underwriting potentially fraudulent cases.

28. Additionally, Mr. Brady stated during the phone call:

You know, we work you know, with a lot of New York lawyers and labor law, you know, so we fund a lot of labor law cases. It's just that

our underwriting team is getting a little skittish based upon things they're seeing, and they're seeing people making \$30,000 in labor up, making \$35,000-\$40,000, wanting \$20,000, and that was, you know, never the intention on the funding world, is (indiscernible).

See Exhibit "A" Pg 5; Pp 8-17.

29. Furthermore, and upon information and belief, Mr. Brady again voiced Plaintiff's concern regarding potential fraudulent cases by stating, "So we're just trying to find the right balance of a skittish underwriting team." See Exhibit "A" Pg 8; Pp 14-16.

30. Indeed, Mr. Brady, to belay fears that Plaintiff or a member of the underwriting team Plaintiff supervised may not approve funding, stated, "It may just have to be somebody other than our underwriting department will have to approve it. That's all I'm saying. Underwriting might be able to approve X. Anything more than X might have to go to a different avenue." Exhibit "A" Pg 20; Pp 1-5.

31. Finally, during a meeting with Elisa Moss, Mr. Dion, Mr. Bogansky, and Mr. Brady, Plaintiff stressed the question as to why Defendant was funding and supporting cases without proper documentation or accident details.

32. In response, Plaintiff was told that Defendant was attempting to quickly "sell off" cases and to keep "quiet" as the underwriters and leadership of Defendant were attorneys.

33. During this time, Plaintiff also was engaged in numerous discussions regarding a reduction of in workforce targeting individuals who were not performing at the level required of the position or had other issues that necessitated their termination.

34. On October 17, 2023, with no warning, Plaintiff was terminated from Defendant under the guise of a "layoff."

35. Upon information and belief, the stated reason for termination, a “layoff,” was a pretext for Plaintiff’s termination in retaliation for Plaintiff’s persistent reporting of fraudulent claims brought by partner firms of Defendant which Defendant was funding and supporting.

36. Indeed, upon information and belief, on or about January 25, 2024, Defendant posted an employment advertisement position similar to Petition position. Annexed hereto as Exhibit “B” is a true and accurate copy of employment advertisements by Defendant.

37. During no time during Plaintiff’s discussion with Defendant’s manager was there ever a discussion of layoffs due to financial reasons or reorganization.

38. Indeed, Defendant was a financially health company in the weeks and days leading up to Plaintiff’s termination.

39. Furthermore, most, if not all, individuals who were terminated under the guise of layoffs were, in fact, identified for termination due to performance or other issues unrelated to the financial health of the complaint.

40. Therefore, because Plaintiff reported what Plaintiff believed to be, in good faith, an activity, policy or practice of Defendant that violated of law, rule, statute or regulation in funding and supporting of fraudulent claims, Plaintiff was retaliatorily terminated by Defendant in violation of New York Labor Law § 740.

41. Defendant’s termination of Plaintiff’s employment was motivated, in whole in or in part, by Plaintiff’s reporting, threatening to report, and/or refusal to engage in conduct Plaintiff reasonably believed to a violation of a law, statute, or regulation of the State of New York.

42. Plaintiff has been substantially damaged by the Defendant’s and/or Defendant’s agent and/or employees’ wrongful conduct.

COUNT 1
[Violation of the NYLL § 740]

43. Plaintiffs re-allege and re-aver each and every allegation and statement contained in preceding paragraphs of this Complaint as if fully set forth herein.

44. NYLL § 740(2) mandates that “An employer shall not take any retaliatory action against an employee, whether or not within the scope of the employee's job duties, because such employee does any of the following:(a) discloses, or threatens to disclose to a supervisor or to a public body an activity, policy or practice of the employer that the **employee reasonably believes is in violation of law, rule or regulation** or that the employee reasonably believes poses a substantial and specific danger to the public health or safety;(b) provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into any such activity, policy or practice by such employer; or (c) **objects to, or refuses to participate in any such activity, policy or practice.**” See N.Y. Lab. Law § 740. (Emphasis added).

45. Plaintiff objected to and/or reported conduct that he believed to be, in good faith, a violation of a law rule or statute; specifically, fraud.

46. As a result of the report, Defendant terminated Plaintiff’s employment.

47. Such termination was a retaliatory action for Plaintiff’s good faith report of actions believed to be in violation of a rule, law, or regulation.

48. As a result of Defendant’s willful and wanton violation of the NYLL § 740, Plaintiff is entitled to recover from the Defendant: (1) compensation for lost wages, benefits and other remuneration; (2) a civil penalty not exceeding ten thousand dollars (\$10,000.00); (3) punitive damages; and, (4) attorneys’ fees and costs.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court grant the following relief:

- (a) An award of lost wages, benefits and other remuneration as proscribed by NYLL §740;
- (b) An award of punitive damages;
- (c) A civil penalty not exceeding ten thousand dollars (\$10,000.00);
- (d) An award of prejudgment and post-judgment interest;
- (e) An award of costs and expenses associated with this action, together with reasonable attorneys' fees; and,
- (f) Such other and further relief as this Court determines to be just and proper.

Dated: New York, New York
October 11, 2024

Respectfully submitted

By: Lawrence Spasojevich
Lawrence Spasojevich, Esq.
Brendan Tighe, Esq.

PLAINTIFF VERIFICATION

I affirm this 10 / 12 / 2024, under the penalties of perjury under the laws of New York, which may include a fine or imprisonment, that the foregoing is true based upon information and belief and upon my recall and recollection with knowledge of facts and circumstances that I know now, and I understand that this document may be filed in an action or proceeding in a court of law.

DATED:

Dutchess, New York

10 / 12 / 2024

Kristopher D Hassett

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SUMMONS AND COMPLAINT

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Compliance Pursuant to 22NYCRR 130-1.1

Pursuant to 22 NYCRR 130-1.1, the undersigned, an attorney admitted to practice in the courts of New York State, certifies that, upon information and belief and reasonable inquiry, the contentions contained in the annexed document are not frivolous.