

1 Kate Muetting (D.C. Bar No. 988177)*
2 Shannon Henris (D.C. Bar No. 90017882)*
3 **SANFORD HEISLER SHARP MCKNIGHT, LLP**
4 700 Pennsylvania Avenue SE, Suite 300
5 Washington, DC 20003
6 Telephone: (202) 499-5206
7 kmuetting@sanfordheisler.com
8 shenris@sanfordheisler.com

6 Charles Field (CA Bar No. 189817)
7 **SANFORD HEISLER SHARP MCKNIGHT, LLP**
8 7911 Herschel Avenue, Suite 300
9 La Jolla, CA 92037
10 Telephone: (619) 577-4252
11 cfield@sanfordheisler.com

10 Kristi Stahnke McGregor (GA Bar No. 674012)*
11 Dacey Romberg (TN Bar No. 036767) (*pro hac vice* forthcoming)
12 **SANFORD HEISLER SHARP MCKNIGHT, LLP**
13 611 Commerce Street, Suite 3100
14 Nashville, TN 37203
15 Telephone: (615) 434-7008
16 kmcgregor@sanfordheisler.com
17 dromberg@sanfordheisler.com

15 Susannah R. Cohen (NY Bar No. 6048102)*
16 **SANFORD HEISLER SHARP MCKNIGHT, LLP**
17 17 State Street, 37th Floor
18 New York, NY 10004
19 Telephone: (646) 402-5646
20 scohen@sanfordheisler.com

19 *Attorneys for Plaintiffs Diana Ye, James Brian Kurtz, and Tushar Bhushan,*
20 *on behalf of themselves and all others similarly situated*

21 *Admitted *pro hac vice*
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UNITED STATES DISTRICT COURT
DISTRICT OF NORTHERN CALIFORNIA

DIANA YE, JAMES BRIAN KURTZ,
and TUSHAR BHUSHAN on behalf of
themselves and all others similarly
situated,

Plaintiffs,

v.

X CORP., f/k/a/ TWITTER, INC., X
HOLDINGS CORP., X.AI
HOLDINGS CORP., ELON MUSK,
and DOES,

Defendants.

Case No. 3:25-cv-9501-PHK

AMENDED CLASS ACTION COMPLAINT

DEMAND FOR JURY TRIAL

INTRODUCTION

1. This ERISA class action is brought on behalf of former employees of Defendant X Corp., the company that acquired Twitter, Inc., in October 2022. Plaintiffs allege that Twitter/X, Defendant Musk, and other Defendants failed to pay thousands of laid off employees the severance benefits owed to them under Twitter's long-standing ERISA severance plan (the "Twitter Severance Plan" or the "Plan"). Defendant Musk and other Defendants enriched themselves, in breach of their fiduciary duties, by misleading Plan participants and failing to give them complete and accurate information about their ERISA rights and available severance benefits.

2. Plaintiffs Diana Ye, James Brian Kurtz,¹ and Tushar Bhushan, individually, on behalf of the Twitter Severance Plan, and on behalf of a class of similarly situated Plan participants and beneficiaries, bring this action for the recovery of owed severance benefits and relief from fiduciary violations pursuant to the Employee Retirement Income Security Act ("ERISA"), 29

¹ This Amended Complaint has been updated to reflect Mr. Kurtz's full legal name.

1 U.S.C. §§ 1001, *et seq.*

2 3. Twitter Inc. (“Twitter”)² maintained a policy and practice of paying regular
3 severance benefits for many years under the Twitter Severance Plan. Since at least 2019 and
4 running through at least October 2022, Twitter formalized this policy in at least one document that
5 provided a detailed framework for determining the severance benefits Twitter available to
6 employees.

7 4. In April 2022, Twitter announced that the company had entered into a merger
8 agreement with Defendant Elon Musk, and Defendant Musk took over the company by October
9 2022.

10 5. Between April and October 2022, there were very public fights over the merger,
11 throwing the future of the company into chaos and raising alarm among Twitter employees.

12 6. Facing the potential of a mass exodus of employees, Twitter repeatedly assured
13 employees that Twitter’s existing severance benefits would remain available to employees in the
14 event of layoffs.

15 7. However, after the merger, Defendants laid off thousands of employees and failed
16 to pay them benefits they were entitled to under the Twitter Severance Plan.

17 8. For the purpose of benefitting themselves at the expense of Plaintiffs and other class
18 members, and in breach of their fiduciary duties, Defendants failed to provide Plaintiffs with
19 sufficient information about the Twitter Severance Plan or their ERISA rights and instead informed
20 Plaintiffs and class members that the only way they would receive even a small severance payment
21

22
23
24 _____
25 ² During the events described in this complaint, Defendant X Corp. became successor in interest
26 to the company formerly known as Twitter Inc. and assumed all of Twitter Inc.’s debts and
27 obligations. The company and social media service formerly known as Twitter then changed its
28 name to “X.” For clarity and consistency, this complaint uses the name Twitter to describe the
social media company and platform for which Plaintiffs and members of the potential class
worked.

1 was to execute a broad release purporting to waive all claims against Defendants, including claims
2 for benefits under the Twitter Severance Plan.

3 9. Thousands of former Twitter/X employees have not received the severance benefits
4 that were supposed to remain available after the tumultuous merger.

5 10. At the time Defendants failed to pay Twitter Severance Plan benefits and failed to
6 provide adequate information about benefits to the Plan participants, Defendants knew about the
7 long-established Plan, knew laid-off participants were eligible for benefits under the Plan, knew
8 that Plan participants were eligible for severance benefits, and knew that many Plan participants
9 relied on the continued existence of the severance plan in deciding to stay with Twitter during the
10 chaotic merger.
11

12 11. At all relevant times during the merger and layoffs, Defendants acted as plan
13 fiduciaries by exercising discretionary authority over the operation and/or administration of the
14 Twitter Severance Plan.
15

16 12. Defendants wrongly denied Plan participants benefits under the Twitter Severance
17 Plan.

18 13. Defendants breached their fiduciary duties to act in the best interest of Plan
19 participants and to provide Plan participants with accurate and complete information.
20

21 **THE PARTIES**

22 14. Plaintiff Diana Ye was a Plan participant and a Twitter employee from November
23 30, 2021 through her separation date of January 4, 2023. Plaintiff Ye was a Level-4/Level-5 Data
24 Analyst. She worked in San Francisco, California and currently resides in Cumming, Georgia.
25 Plaintiff Ye was informed of her termination on November 4, 2022.

26 15. Plaintiff James Brian Kurtz was a Plan participant and a Twitter employee from
27 March 30, 2020 through his separation date of January 4, 2023. Plaintiff Kurtz was a Level-5
28

1 Senior Engineering Technical Program Manager. He worked in San Francisco, California and
2 currently resides in Oakland, California. Plaintiff Kurtz was informed of his termination on
3 November 4, 2022.

4 16. Plaintiff Tushar Bhushan was a Plan participant and a Twitter employee from June
5 20, 2016 through his separation date of January 4, 2023. Plaintiff Bhushan was a Level-6/Level-7
6 Senior Partner Engineer. He worked in San Francisco, California and currently resides in Oakland,
7 California. Plaintiff Bhushan was informed of his termination on November 4, 2022.

8
9 17. Defendant Elon Musk purchased Twitter, with an effective transfer date of October
10 28, 2022.

11 18. Defendant Musk influenced and/or authorized communications related to severance
12 benefits and making decisions related to the Twitter Severance Plan starting between April and
13 October 2022 and continuing after the merger. Once he became sole owner and CEO, he exercised
14 more control and discretion over the Twitter Severance Plan. ERISA defines a “fiduciary” as a
15 person who is exercising “any discretionary authority or discretionary control respecting
16 management of [a benefits] plan” or who has “discretionary authority or discretionary
17 responsibility in the administration of [a benefits] plan.” 29 U.S.C. § 1002(21)(A)(i), (iii).
18 Defendant Musk was therefore a fiduciary of the Plan beginning as early as April 2022 and no
19 later than October 27, 2022.
20

21 19. Defendant X Corp. is a Nevada corporation and the successor to Twitter. X Corp.
22 that succeeded to all of Twitter’s obligations upon the merger. On information and belief, X Corp.
23 is headquartered at Twitter’s former headquarters in San Francisco, California.
24

25 20. X Corp. serves as sponsor, administrator, and fiduciary of the Plan. X Corp. is a
26 wholly owned subsidiary of X Holdings Corp., also referred to as X Holdings.

27 21. Defendant X Holdings Corp. (XHC) is a Nevada corporation and the parent
28

1 company of X Corp. XHC is the successor to X Holdings I, Inc., which facilitated the merger of
2 X Corp. with Twitter by serving as the parent corporation to the acquisition subsidiary. XHC
3 succeeded to all of X Holdings I's obligations, including its obligations under the April 25, 2022
4 Merger Agreement between Defendant Musk and Twitter (the "Merger Agreement").

5 22. Defendant X.AI Holdings Corp. (X.AI) is a Nevada corporation and, on
6 information and belief, acquired XHC. X.AI succeeded to all of XHC's obligations, including its
7 obligations under the Merger Agreement. This included the obligation to maintain and administer
8 the Twitter Severance Plan. Accordingly, X.AI is a sponsor, administrator, and fiduciary of the
9 Plan.
10

11 23. At least one of the corporate Defendants (Twitter, X Corp., XHC, and X.AI) has
12 been a Plan fiduciary, as that term is defined in 29 U.S.C. § 1002(21)(A), since at least 2019.

13 24. Because Plaintiffs are currently unaware of the full scope of identities of the other
14 individuals who had fiduciary duties to Plan participants, those individuals (who may include
15 employees of Twitter and/or advisors to Defendant Musk) are collectively named as Doe
16 Defendants. Plaintiffs will substitute the names of Does when they become available to Plaintiffs.
17 The Doe Defendants were also Plan fiduciaries as they communicated with Plan participants about
18 the Plan and, on information and belief, exercised control and discretion over it.
19

20 **JURISDICTION, VENUE, AND STANDING**

21 25. This Court has exclusive jurisdiction over the subject matter of this action under 29
22 U.S.C. § 1132(e)(1) and 28 U.S.C. § 1331 because it is an action under 29 U.S.C. § 1132(a)(1)(B),
23 (a)(2), and (a)(3).
24

25 26. This District is the proper venue for this action under 29 U.S.C. § 1132(e)(2) and
26 28 U.S.C. § 1391(b) because it is the District in which the subject Plan is administered and where
27 at least one of the alleged breaches took place. It is also the District in which X Corp resided at the
28

1 time of most of the allegations in this Amended Complaint.

2 27. Plaintiffs bring this suit under 29 U.S.C. § 1132(a)(1)(B) as Plan participants who
3 have been wrongly denied severance benefits.

4 28. Plaintiffs bring this suit under 29 U.S.C. § 1132(a)(2) in a representative capacity
5 on behalf of the Plan.

6 29. Plaintiffs bring this suit under 29 U.S.C. § 1132(a)(3) in a representative capacity
7 on behalf of all Plan participants.

8 30. Plaintiffs have standing to bring claims on behalf of all participants in the Plan
9 because the alleged harms to Plan participants can be traced to the same challenged conduct:
10 Defendants' deceitful statements and omissions to Plan participants, refusal to pay benefits due
11 under the Plan to terminated employees, and Defendants' purposeful mismanagement of the Plan.
12

13 **FACTUAL BACKGROUND**

14 **A. Twitter Maintained an ERISA Plan**

15 31. Between at least 2019 and 2022, Twitter had an ongoing policy and practice of
16 providing severance benefits to eligible departing employees ("Twitter Severance Plan" or
17 "Plan").
18

19 32. The administration of the Twitter Severance Plan continued for years and involved
20 teams of employees from several departments within Twitter and third-party contractors.

21 33. Plaintiffs allege the facts in this Amended Complaint based upon personal
22 knowledge as to themselves and their own acts, and upon information and belief as to all other
23 matters, including the investigation of Plaintiffs' counsel, which included, among other things: (i)
24 a review of Defendants' filings with the U.S. Securities and Exchange Commission (the "SEC");
25 (ii) transcripts, press releases, news articles, analyst reports, and other public statements issued by
26 or concerning Defendants; (iii) information from former Twitter employees, industry
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1 professionals, and other knowledgeable persons; and (iv) other publicly available information,
2 including the amended complaint in *McMillian, et al. v. Musk, et al.*, No. 3:23-cv-03461, Dkt. 13
3 (N.D. Cal. 2023).³ Counsel’s investigation into the factual allegations contained in this Complaint
4 is continuing, and many of the relevant facts are known only by Defendants or are exclusively
5 within their custody or control. Plaintiffs believe that substantial additional evidentiary support
6 will exist for the allegations set forth in this Complaint after a reasonable opportunity for further
7 investigation or discovery.

8
9 34. One of the Twitter Severance Plan documents is a Plan Matrix (the “Matrix”),
10 which Twitter used (and may continue to use) to determine an employee’s eligibility for severance
11 benefits and the amount and type of severance benefits an eligible employee would receive under
12 the Twitter Severance Plan.

13 35. A Plan administrator would apply the Twitter Severance Plan by first assessing the
14 reason for an individual employee’s departure to determine whether the employee was eligible for
15 severance benefits under the Plan and the amount and type of severance benefits an eligible
16 employee would receive under the Plan.

17
18 36. The determination of why an individual employee departed is not always clear and
19 may require conferring with an employee’s management to consider the details surrounding an
20 employee’s departure.

21 37. The Twitter Severance Plan provides several components to a severance benefits
22 package—a payment for a certain amount of base pay, a portion of bonuses, the value of a certain
23 amount of equity known as Restricted Stock Units (RSUs), payment for health care premiums for
24

25
26 ³ On October 16, 2025, Plaintiffs Courtney McMillian and Ronald Cooper moved to dismiss their
27 appeal in the Ninth Circuit, which was granted on December 10, 2025. *See McMillian, et al. v.*
28 *Musk, et al.*, No. 24-5045, Dkt. 57 (9th Cir. Oct. 16, 2025); Dkt. 100 (9th Cir. Dec. 10, 2025).
Plaintiffs intend to file an Administrative Motion to Consider Whether Cases Should be Related
pursuant to Local Rule 3-12.

1 a certain number of months, and a period of outplacement services.

2 38. The value of each component of the Twitter Severance Plan—base pay, bonuses,
3 RSUs, health care, and outplacement services—depended on factors such as the employee’s
4 tenure, job type (sales or non-sales), job level, department, geographical location, and participation
5 in certain programs.

6 39. In addition to assessing the reason for an employee’s departure, the Plan allowed
7 administrators to exercise discretion by adjusting packages due to litigation risk and potentially
8 other factors.

9 40. Administering the Plan components requires an ongoing administrative scheme.
10 The payments were provided on an ongoing basis by the company, and the outplacement services
11 component was provided to each employee on an ongoing basis and required coordination with a
12 third-party service provider.

13 41. As described in allegations in a prior lawsuit, Twitter tasked several Human
14 Resource employees with applying the Matrix to departing employees, including former Head of
15 People Experience, Courtney McMillian. These employees created and used templates and
16 spreadsheets to process claims for benefits under the Plan.

17 42. From time to time, employees from other departments were involved in applying
18 the Matrix to departing employees: assessing their eligibility, applying the factors contained in the
19 Matrix, and ensuring that the payments and services set forth in the Matrix were provided to
20 departing employees.

21 43. Internal procedures existed for amending the Twitter Severance Plan, including that
22 changes to the Plan had to be approved by senior leadership and could occur only after the
23 company satisfied other legal obligations.

24 44. Twitter’s administration of the Plan required regular, ongoing expenses of company
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1 funds and an ongoing administrative scheme.

2 45. While the existence of the Twitter Severance Plan was documented in company
3 policies, including a Plan Matrix, and demonstrated by Twitter's practice of paying benefits
4 according to the Plan, Twitter failed to disseminate complete and accurate details of the Plan to
5 participants or file a Form 5500 with the Department of Labor.

6 **B. Twitter and Defendant Musk Informed Plan Participants that the Severance**
7 **Benefits Would Continue Post-Merger**

8 46. On April 25, 2022, Defendant Musk and Twitter announced they had entered into
9 a Merger Agreement, under which Defendant Musk agreed to purchase Twitter.

10 47. The Plan was in effect in April 2022, when Defendant Musk and Twitter entered
11 into the Merger Agreement, and it was in effect as of October 2022, when Defendant Musk
12 acquired the company.

13 48. Section 6.9 of the Merger Agreement provided that for one year following the
14 closing of the merger, Twitter would continue to provide Plan participants with "Severance
15 payments and benefits . . . no less favorable than" those provided prior to the merger. The benefits
16 provided prior to the merger were governed by the Twitter Severance Plan.

17 49. The same day the Merger Agreement was announced, Twitter's then-CEO, Parag
18 Agrawal, and its then-Chairman, Bret Taylor, met with all Twitter employees and informed them
19 that the Merger Agreement required Twitter to continue to provide the same severance benefits for
20 at least one year following the change in company ownership.

21 50. The promise that the severance benefits would continue after the merger was also
22 made in a public letter filed with the Securities and Exchange Commission.

23 51. During company-wide, all-hands meetings between April and October 2022,
24 executives addressed employees' concerns about the uncertain future of the company post-merger
25 by promising them that the then-existing severance plan benefits would remain available if
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1 employees were laid off after the merger.

2 52. Plaintiffs Bhushan, Kurtz, and Ye attended all-hands meetings along with other
3 employees and received these assurances from Twitter executives.

4 53. The promise to continue providing severance benefits was reiterated in
5 “Acquisition FAQs” sent to employees in April, June, and October 2022 which promised that the
6 existing severance benefits would continue post-merger. The Acquisition FAQs summarized
7 some—but not all—components of the Twitter Severance Plan.

8
9 54. Defendant Musk approved the Acquisition FAQs and their distribution to
10 employees.

11 55. Between the announced merger in April 2022 and Musk’s takeover in October
12 2022, Twitter regularly updated the Acquisition FAQs document with information about the
13 merger, including the promise to continue existing severance benefits. These updates were
14 distributed to employees with Defendant Musk’s approval.

15
16 56. The October 2022 Acquisition FAQs encouraged employees to rely on
17 communications from the company and Defendant Musk for information about the merger and
18 future company policies.

19 57. The Acquisition FAQs cited, quoted, and referred employees to Section 6.9 of the
20 Merger Agreement, stating that the section “provide[d] special protection for Tweep [Twitter
21 employee] compensation and benefits for one year following the close of the transaction.” The
22 Acquisition FAQs went on to state: “Specifically, the agreement specifically provides that, for one
23 year following the closing of the transaction, the purchasing entity will . . . Provide continuing
24 Tweeps whose employment [is] terminated during such period with severance payments and
25 benefits that are no less favorable than those applicable to an applicable employee prior to the
26 closing of the transaction.” The severance benefits participants were eligible for prior to the closing
27
28

1 of the transaction were the benefits detailed in the Twitter Severance Plan.

2 58. The Acquisition FAQs reinforced the existence of the Twitter Severance Plan and
 3 the fact that it would remain available to employees after the merger. In “What is our general
 4 severance package if a position is eliminated?” The Acquisition FAQ update from October 24,
 5 2022, summarized some of the Twitter Severance Plan components available for a certain type of
 6 separation for lower-level employees: “Generally speaking, in the event of a position elimination
 7 our current severance package includes . . . at least . . . two months base salary or On Target
 8 Earnings for employees on the Sales Incentive Plan; Pro-Rated Performance Bonus Plan
 9 compensation at target; Cash value of equity that would have vested within three months from the
 10 separation date; A cash contribution for health care continuation.”

12 59. Defendant Musk approved a similar summary of Plan components that was sent to
 13 employees in a company-wide email in May 2022.

14 **C. Defendants Discussed Layoffs and Planned to Deny Benefits**

15 60. After the merger, Defendant Musk and the Doe Defendants met with Twitter human
 16 resources officials to discuss layoffs.

18 61. At these meetings, human resource officials repeatedly told Defendant Musk and
 19 the Doe Defendants that (a) laid-off employees would be eligible for severance, and that (b) the
 20 company had obligated itself to pay Twitter Severance Plan benefits, via the Merger Agreement
 21 and the promises made in the Acquisition FAQs, all of which Defendant Musk had approved.

22 62. At these meetings, Twitter, Defendant Musk, and/or the Doe Defendants exercised
 23 complete control over the Plan and the forthcoming severance to be offered to laid-off employees.

25 **D. Defendants Failed to Provide Plan Participants with Truthful and Accurate
 26 Information about Benefits**

27 63. At no point did Twitter, Defendant Musk, the Doe Defendants, or anyone with
 28 control or discretion over the Plan inform employees of any anticipated changes to the Twitter

1 Severance Plan.

2 64. In fact, since Defendant Musk's takeover, Twitter had mostly stopped responding
3 to inquiries from Plan participants about their severance benefits.

4 65. Plan participants were left in the dark regarding the severance benefits they had
5 been repeatedly promised.

6 66. Public reporting suggests that before the merger Twitter would transparently
7 address employee questions about company policies (such as severance benefits) via the
8 communication platform Slack. After the merger and around the time of layoffs, the Slack channel
9 was shut down entirely, seemingly to prevent employees from asking about or communicating
10 among themselves about their benefits.

11 67. Twitter also shut down the email address employees could previously use for
12 human resources inquiries.

13 68. It has been reported that Twitter told Plan participants to view Defendant Musk's
14 personal Twitter account or listen to a podcast hosted by Defendant Musk's friends for information
15 about the layoffs and company policies such as the Twitter Severance Plan.

16 69. At no point before the merger did the company suggest or indicate that it had any
17 understanding or interpretation of the Twitter Severance Plan that would allow it not to pay Twitter
18 Severance Plan benefits to Plan participants who were laid off following the merger.

19 70. Twitter knowingly and intentionally failed to inform Plan participants of its intent
20 to not pay Plan benefits to Plan participants who were terminated following the merger.

21 71. On information and belief, given the widespread skepticism of Defendant Musk's
22 ability to operate Twitter successfully and the tightening of the tech labor market overall at the
23 time, the parties to the Merger Agreement—Defendant Musk and the incoming leadership, as well
24 as Twitter's outgoing management—knew that promising continued severance benefits was
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1 necessary to prevent mass resignations that would threaten the viability of the merger and,
2 potentially, of the company itself.

3 72. On information and belief, Defendants knowingly and intentionally disseminated
4 summary information about the Plan to encourage Twitter employees to remain at Twitter rather
5 than pursuing other employment opportunities with the intent of causing Twitter employees (and
6 Plan participants) to rely on these representations about the purported continuation of the Plan after
7 the acquisition.
8

9 **E. Defendants Laid Off Thousands, Failed to Pay Severance Benefits, and**
10 **Attempted to Induce Employees Into Signing a Release for a Vastly Reduced Payment**

11 73. Defendant Musk assumed control of Twitter and the Plan in October 2022 when he
12 became sole director and CEO of the company.

13 74. Since November 4, 2022, Twitter laid off more than 4,000 employees, including
14 Plaintiffs Ye, Kurtz, and Bhushan.

15 75. Defendants failed to pay these employees the severance benefits they were entitled
16 to under the Plan.

17 76. Instead of paying severance benefits owed under the Plan, Defendants offered laid-
18 off employees one month of pay (significantly less than the Twitter Severance Plan benefits) in
19 exchange for a broad release of claims (“Release”).
20

21 77. Defendant Musk wrote on his Twitter account on November 4, 2022 that terminated
22 employees were receiving “50% more than legally required.” The contents of this post were widely
23 reported.

24 78. On information and belief, Twitter and Defendant Musk knew that this statement
25 was false in light of employees’ entitlements to benefits under the Plan.
26

27 79. Defendants largely ignored former employees’ questions about the severance
28 benefits or the Release, so former employees were left with only Defendant Musk’s untruthful

1 statement seemingly intended to convince them that they were not entitled to the Twitter Severance
2 Plan benefits and that they should sign the Release.

3 80. Plaintiffs Kurtz and Ye signed the Release and received one month of pay,
4 significantly less than the Twitter Severance Plan benefits they were entitled to.

5 81. Musk's statement aimed to convince employees they were entitled to only one
6 month of pay. Plaintiffs Kurtz and Ye were not afforded an opportunity knowingly and voluntarily
7 release their ERISA claims because Defendants did not provide them accurate and complete
8 information about the Plan, their severance benefits, or their ERISA rights.
9

10 **F. Defendants Have Unjustly Enriched Themselves by Denying Severance**
11 **Benefits**

12 82. Twitter offered terminated employees only one month of base pay—a fraction of
13 only one part of what Plan participants were entitled to.

14 83. The base salary severance component under the Severance Plan is six months' base
15 pay plus one week for each full year of service for senior employees, and less senior employees
16 are entitled to two months' base pay plus one week for each full year of service. In addition,
17 employees are entitled to their RSUs, bonuses, a cash contribution for health insurance, and three
18 or six months of outplacement services.

19 84. As a Level-4/Level-5 employee with just under a year of tenure at Twitter, Plaintiff
20 Ye was entitled under the Twitter Severance Plan to two months' pay, a lump sum payment equal
21 to the cost of three months of continuing health insurance coverage, three months of outplacement
22 services, and the value of any RSUs that vested within three months of her termination, in addition
23 to any bonuses, prorated to the time of termination.
24

25 85. As a Level-5 employee with over two years' tenure at Twitter, Plaintiff Kurtz was
26 entitled under the Twitter Severance Plan to two-and-a-half months pay, a lump sum payment
27 equal to the cost of three months of continuing health insurance coverage, three months of
28

1 outplacement services, and the value of any RSUs that vested within six months of his termination,
2 in addition to any bonuses, prorated to the time of termination.

3 86. As a Level-6/Level-7 employee with over six years' tenure at Twitter, Plaintiff
4 Bhushan was entitled under the Twitter Severance Plan to two-and-a-half months pay, a lump sum
5 payment equal to the cost of three months of continuing health insurance coverage, three months
6 of outplacement services, and the value of any RSUs that vested within six months of his
7 termination, in addition to any bonuses, prorated to the time of termination.

8
9 87. On information and belief, the Twitter Severance Plan benefits to which the laid off
10 employees were entitled totals at least \$500 million.

11 88. On information and belief, Defendants withheld information and misled employees
12 about severance benefits, failed to ensure the Plan had access to sufficient funds to pay severance
13 benefits, and decided to deny severance benefits because of the cost to Twitter (and ultimately
14 Musk as the owner of Twitter). Defendants knowingly and intentionally failed to inform Plaintiffs
15 and other terminated employees about the existence of the Twitter Severance Plan, that they had
16 rights under ERISA as beneficiaries of the Plan, and that they were entitled to substantially greater
17 benefits than Twitter was offering them.

18
19 89. Defendants used the lure of severance benefits to ensure stability during the merger
20 and then denied benefits after the merger to enrich themselves by avoiding the cost of severance
21 benefits. This violates Defendants' fiduciary duties, which require fiduciaries to act solely in the
22 interest of Plan participants.

23 **CLASS ACTION ALLEGATIONS**

24 **I. Proposed Class and Subclass Definitions**

25
26 90. Section 1132(a)(2) authorizes any participant or beneficiary of the Plan to bring an
27 action individually on behalf of the Plan to enforce a breaching fiduciary's liability to the plan
28

1 under 29 U.S.C. § 1109(a). Section 1132(a)(3) authorizes any participant or beneficiary to enjoin
2 any act or practice that violates any provision of ERISA or the terms of the plan or to obtain other
3 appropriate equitable relief to redress such violations or to enforce any provisions of ERISA or the
4 terms of the plan.

5 91. In acting in this representative capacity and to enhance the due process protections
6 of unnamed participants and beneficiaries of the Twitter Severance Plan on behalf of the Plan
7 under 29 U.S.C. § 1132(a)(2) and as an alternative to direct individual actions on behalf of the
8 Plan under 29 U.S.C. § 1132(a)(3), Plaintiffs seek to certify this action as a class action on behalf
9 of all participants and beneficiaries of the Plan.
10

11 92. Specifically, Plaintiffs seek to certify, and to be appointed as representatives of, the
12 following Class:

13 All participants and beneficiaries of the Plan who were terminated from Twitter
14 since the date of Defendant Musk's takeover, October 27, 2022, through the date
15 of judgment.

16 93. Additionally, Plaintiffs Ye and Kurtz seek to represent members of the Class who
17 signed releases from Twitter upon their termination (Subclass 1). Plaintiffs Ye and Kurtz seek to
18 certify and to be appointed representatives of Subclass 1 within the above Class.

19 94. Plaintiff Bhushan seeks to represent members of the Class who did not sign releases
20 from Twitter upon their termination (Subclass 2). Plaintiff Bhushan seeks to certify and to be
21 appointed representative of Subclass 2 within the above Class.

22 **II. Rule 23 Requirements**

23 95. This action meets the requirements of Rule 23 and is certifiable as a class action for
24 the following reasons:
25

26 **A. Numerosity**

27 96. The Class includes thousands of members and is so large that joinder of all its
28

1 members is impracticable.

2 97. Each Subclass includes hundreds or thousands of members and is so large that
3 joinder of all members is impracticable.

4 **B. Commonality**

5 98. There are numerous questions of law and fact common to this Class because the
6 Defendants owed the same fiduciary duties to the Plan and to all participants and beneficiaries and
7 took a common course of actions and omissions as alleged herein as to the Plan, and not as to any
8 individual participant, that affected all Class members through their participation in the Plan in the
9 same way. These common questions predominate over any questions affecting only individual
10 proposed Class members.
11

12 99. Questions of law and fact common to the Class include, without limitation:

- 13 (i) Whether Twitter's Severance Plan is governed by ERISA because it is an employee
14 welfare benefit plan as that term is defined in 29 U.S.C. § 1002.
15
16 (ii) Whether each of the Defendants are fiduciaries and thus liable for the remedies
17 provided by 29 U.S.C. § 1109(a).
18
19 (iii) Whether the fiduciaries of the Plan breached their fiduciary duties to the Plan by:
20 a. misleading Class members about their eligibility for severance;
21 b. denying Plan benefits to Plan participants to benefit themselves at the expense
22 of Plan participants;
23 c. attempting to coerce Plan participants to accept only a portion of the severance
24 benefits to which they were entitled under the Plan, despite knowing that Plan
25 participants were entitled to 100% of Plan benefits;
26 d. attempting to coerce Plan participants to sign a release of claims against
27 Defendants in exchange for a portion of the severance benefits to which they
28

100. In addition to the common questions listed above, questions of law and fact common to Subclass 1 include, without limitation:

C. Typicality

102. Plaintiffs Ye and Kurtz's claims are typical of the claims of Subclass 1 because Plaintiffs Ye and Kurtz signed releases of claims in reliance upon Defendants' knowing and intentional misrepresentations.

103. Plaintiff Bhushan's claims are typical of the claims of Subclass 2 because he did not sign a release of claims.

D. Adequate Representation

104. Plaintiffs are adequate representatives of the Class because they participated in the Plan during the Class Period, have no interest that conflicts with the Class, are committed to the vigorous representation of the Class, and have engaged experienced and competent attorneys experienced in handling class action and complex litigation to represent the Class.

E. Appropriateness of Class Treatment

105. This action should be certified as a class action under Rule 23(b)(1)(A) or (B) because prosecution of separate actions for these breaches of fiduciary duties by individual participants and beneficiaries would create the risk of inconsistent or varying adjudications that would establish incompatible standards of conduct for the Defendants in respect to the discharge of their fiduciary duties to participants and beneficiaries and to the Plan and personal liability to the Plan under 29 U.S.C. § 1109(a). Moreover, adjudications by individual participants and beneficiaries regarding the alleged breaches of fiduciary duties and remedies for the Plan would, as a practical matter, be dispositive of the interests of the participants and beneficiaries not parties to the adjudication or would substantially impair or impede those participants' and beneficiaries' ability to protect their interests.

106. Additionally, or in the alternative, certification under Rule 23(b)(2) is appropriate because the Defendants have acted or refused to act on grounds that apply generally to the Class, so that final injunctive relief or corresponding declaratory relief is appropriate in respect to the Class as a whole.

107. Additionally, or in the alternative, this action may be certified as a class action under Rule 23(b)(3). A class action is the superior method for the fair and efficient adjudication of this controversy because joinder of all participants and beneficiaries is impracticable, the losses suffered by some individual participants and beneficiaries may be small and it may be

1 impracticable for all individual members to enforce their rights through individual actions, and the
 2 common questions of law and fact predominate over individual questions. Given the nature of the
 3 allegations, no Class member has an interest in individually controlling the prosecution of this
 4 matter, and Plaintiffs are aware of no difficulties likely to be encountered in the management of
 5 this matter as a class action.

6 108. Additionally, or alternatively, this action may be certified as to particular issues
 7 under Rule 23(c)(4), including but not limited to the Defendants' liability to the Class for their
 8 disloyal conduct.
 9

10 109. Plaintiffs' counsel will fairly and adequately represent the interests of the Class and
 11 is best able to represent the interests of the Class under Rule 23(g).

12 **COUNT I**

13 **Denial of Benefits**

14 **29 U.S.C. § 1132(a)(1)(B)**

15 Against All Defendants by the Class (including Subclass 1 and Subclass 2)

16 110. The allegations set forth in the preceding paragraphs are realleged and incorporated
 17 herein by reference.

18 111. The Twitter Severance Plan is a "welfare benefit plan" under ERISA and pursuant
 19 to the provisions of 29 U.S.C. § 1002(1) and 29 U.S.C. § 186(c)(6).

20 112. Beginning on or before October 27, 2022, Defendant Musk and the Doe Defendants
 21 began exercising discretion and control over the Plan and became functional fiduciaries.

22 113. Starting on or before October 27, 2022, Defendants failed to provide Plan
 23 participants with the benefits they were entitled to under the Plan.

24 114. The Plan was in effect for the entire duration of Plaintiffs' employment with Twitter
 25 and was in effect as of October 2022, when Defendant Musk acquired the company.

26 115. In the days, weeks, and months before Defendant Musk's takeover, Twitter assured
 27 employees that severance benefits would continue and that employees who stayed on through the
 28

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1 takeover would receive them in the event of layoffs. To this end, Twitter published company-wide
2 the Acquisition FAQs summarizing some components of the Twitter Severance Plan in April, June,
3 and October 2022. Twitter also sent a company-wide email in May 2022 summarizing the Plan.

4 116. Twitter executives made similar promises in company-wide, all-hands meetings
5 between April and October 2022.

6 117. The October 2022 Acquisition FAQs encouraged employees to rely on
7 communications from the company and Defendant Musk for information about the merger and
8 future company policy.
9

10 118. On information and belief, Defendants knowingly and intentionally disseminated
11 summary information about the Plan between April and October 2022 to encourage Twitter
12 employees to remain at Twitter rather than pursuing other employment opportunities and with the
13 intent of causing Twitter employees (and Plan participants) to rely on these representations about
14 the purported continuation of the Plan after the acquisition.
15

16 119. Defendants failed to pay any Class members terminated in the wake of the merger
17 the severance benefits they were entitled to under the Plan. Despite the fact that all of the
18 employees terminated in the wake of Defendant Musk's takeover were eligible for benefits under
19 the Plan, and that Defendants knew that these employees were eligible for benefits under the Plan,
20 Defendant Musk stated publicly on November 4, 2022 that terminated employees were receiving
21 "50% more than legally required."
22

23 120. On information and belief, Twitter and Defendant Musk knew that this statement
24 was false under the express provisions of the Plan.

25 121. Defendants knowingly and intentionally represented falsely to Twitter employees
26 that they were not entitled to the full severance benefits provided by the Plan. Defendants have
27 since knowingly and intentionally represented falsely that the Plan did not exist.
28

1 122. Defendants knowingly and intentionally failed to inform the terminated Twitter
2 employees that the Plan was in existence and in effect, that the terminated Twitter employees had
3 rights under ERISA as beneficiaries of the Plan (including rights to appeal any denial of a claim
4 for ERISA benefits under the Plan), or that pursuant to the Plan and the statutory protections
5 provided by ERISA, the terminated Twitter employees were entitled to substantially and materially
6 greater benefits than Twitter was offering them. By these deliberate and knowing acts of omission
7 and commission, Defendants breached their fiduciary duties under ERISA.
8

9 123. Plan participants reasonably relied on Defendants' knowing misrepresentations in
10 signing separation agreements and releases in exchange for significantly less than they were owed
11 under the Plan. Accordingly, Defendants knowingly and intentionally prevented Plan participants
12 from having the opportunity to knowingly and voluntarily execute the release of their ERISA
13 benefits claims.
14

15 124. Due to Defendants' failure to inform Plan participants of their rights under ERISA
16 and their knowing, intentional, and malicious campaign to obfuscate the fact that Plan participants
17 were entitled to benefits under the Plan, members of Subclass 1 were not afforded an opportunity
18 to knowingly and voluntarily release their ERISA claims. *See Schuman v. Microchip Tech. Inc.*,
19 139 F.4th 1045, 1055–56 (9th Cir. 2025) (“In sum, we hold that releases and waivers under ERISA
20 must ‘withstand special scrutiny designed to prevent potential employer or fiduciary abuse.’
21 *Vizcaino*, 120 F.3d at 1012. This scrutiny requires courts to consider whether the plaintiff entered
22 into the release knowingly and voluntarily, and will be of particular importance where, as here,
23 there is evidence that the defendant potentially breached its fiduciary duty by or in the course of
24 obtaining a release of ERISA claims.”).
25

26 125. Because the Plan does not provide formal appeal procedures, and because
27 Defendants have not acknowledged that any severance plan exists, it would be futile to pursue the
28

1 exhaustion of any administrative remedies.

2 126. Plaintiffs and all members of the proposed Class are therefore entitled “to recover
3 benefits due to [them] under the terms of [the] plan.” 29 U.S.C. § 1132(a)(1)(B).

4 127. As such, Plaintiffs and all members of the proposed Class are entitled to these
5 benefits, plus pre- and post- judgment interest, costs, attorneys’ fees, and penalties as authorized
6 by 29 U.S.C. § 1132(g).

7 128. As the Plan sponsor and administrator, X Corp. (formerly Twitter) is liable under
8 Count I.

9 129. Defendant Musk is also personally liable due to the unity of interest and ownership
10 that existed, and continues to exist, between Defendant Musk and Twitter.

11 130. Defendant Musk has substantially comingled his own assets and other businesses
12 with Twitter and repeatedly failed to observe the strictures of the corporate form.

13 131. It was recently reported that Defendant Musk used his position as controlling
14 shareholder of X Corp. to sell X to his other company, xAI, where he is also the controlling
15 shareholder. It is reported that this mixing of corporations increases his on-paper valuation by
16 \$66.4 billion.

17 132. It has been widely reported that Defendant Musk has conscripted employees from
18 his other companies, as well as friends and family, to do work at and for Twitter.

19 133. According to public reports, Defendant Musk financed his purchase of Twitter in
20 part through a billion-dollar loan from one of his other companies, SpaceX.

21 134. According to public reports, Defendant Musk also financed his purchase of Twitter,
22 and paid back his loan from SpaceX, by selling his stocks in another one of his companies, Tesla.

23 135. Moreover, to the extent X Corp. finds itself in a state of financial precariousness
24 and unable to meet its obligations to the Plan, it is the direct result of the debt Defendant Musk
25

1 loaded on to the company through the inflated price that Defendant Musk offered for the company.

2 136. By setting the purchase price and agreeing to the terms of the Merger Agreement,
3 Defendant Musk also set the price for the RSU shares that were owed to terminated employees,
4 but which he and the other Defendants now refuse to pay.

5 137. For the Plan and Plan participants to be deprived of the full value of their owed
6 severance because of potential corporate insolvency that Defendant Musk himself caused would
7 be inequitable.
8

9 138. Since October 2022, Defendant Musk has exercised immense control over Twitter,
10 serving at various times as CEO, Chief Technology Officer, and Executive Chairman all while
11 maintaining ownership control.

12 139. According to publicly filed documents and his own representations, Defendant
13 Musk purchased Twitter and took the company private primarily for personal and political reasons,
14 including the views on free speech held by Defendant Musk and others close to him.
15

16 140. Defendant Musk and Twitter publicly presented themselves as each other's alter
17 egos: Defendant Musk routinely used his personal Twitter account to propose and announce
18 changes in company policy, including hiring and firing decisions, and official Twitter
19 communications described the company as "Twitter 2.0: an Elon company."

20 141. Former Named Plaintiff Courtney McMillian previously alleged that she was
21 informed the decision to deny employees' severance was made by Defendant Musk after
22 Defendant Musk and the Doe Defendants reviewed the numbers on how much paying the
23 severance would cost the company. It would be inequitable and unjust to prevent the Plan and Plan
24 participants from recovering benefits and remedies from the person most responsible: Defendant
25 Musk.
26

27 142. Defendants are jointly and severally liable for the denial of benefits to Plan
28

1 participants.

2 **COUNT II**

3 **Breach of Fiduciary Duties by Failing to Fund the Plan**

4 **29 U.S.C. §§ 1104(a)(1) and 1132(a)(2)**

5 **Against All Defendants by the Class**

6 143. The allegations set forth in the preceding paragraphs are realleged and incorporated
7 herein by reference.

8 144. The fiduciary duties imposed by 29 U.S.C. § 1104(a)(1)(A)(i) requires a fiduciary
9 to “discharge his duties with respect to a plan solely in the interest of the participants and
10 beneficiaries and for the exclusive purpose of providing benefits to participants and their
11 beneficiaries.”

12 145. The Merger Agreement required Twitter and Defendants to pay severance benefits
13 under the plan that was then in effect for one year from the date of Defendant Musk’s purchase of
14 Twitter.

15 146. The Merger Agreement thus created an obligation that the Twitter Severance Plan
16 be sufficiently funded to pay benefits to all participants who qualified for benefits under the terms
17 of the Plan.

18 147. Instead of fulfilling their obligations under the Plan and their fiduciary obligations
19 to the Plan, Defendants decided not to direct company funds towards the owed severance benefits,
20 leaving the Plan unable to make payments owed to participants.

21 148. All Defendants are liable under Count II. Defendant Musk and the Doe Defendants
22 are personally liable as fiduciaries of the Plan who failed to fund the Plan as required, instead likely
23 diverting Plan funds to other company expenses to the detriment of participants and beneficiaries.
24 Defendant Musk and Doe Defendants also made the decision to deny participants the outplacement
25 services provided by the Plan, resulting in unnecessary expenses to the Plan. Defendant Musk is
26 further personally liable due to the identity of interest between himself and Twitter, a fiduciary
27
28

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1 and sponsor of the Plan. Pursuant to these provisions, Defendants are jointly and severally liable
2 for each other's violations.

3 **COUNT III**

4 **Breach of Fiduciary Duties**

5 **29 U.S.C. §§ 1104(a)(1) and 1132(a)(3)**

6 Against All Defendants by the Class (including Subclass 1 and Subclass 2)

7 149. The allegations set forth in the preceding paragraphs are realleged and incorporated
8 herein by reference.

9 150. The fiduciary duties imposed by 29 U.S.C. § 1104(a)(1) include a duty of loyalty
10 and a duty to communicate truthfully and accurately with plan participants and beneficiaries about
11 the plan. This includes a duty not to mislead plan participants and beneficiaries about the plan and
12 its benefits. It also includes a duty to inform plan participants when changes to a plan are under
13 "serious consideration." *Mathews v. Chevron Corp.*, 362 F.3d 1172, 1180–82 (9th Cir. 2004).
14 Relatedly, a fiduciary has an affirmative duty to disclose any information about a plan that would
15 be harmful to withhold, in light of the fiduciary's knowledge about a participant's situation. *See*
16 *King v. Blue Cross & Blue Shield of Illinois*, 871 F.3d 730, 744 (9th Cir. 2017).

17 151. As alleged above, between April and October 2022, and after the merger, the
18 Defendants communicated extensively with Twitter employees about upcoming layoffs, their
19 eligibility for severance, and the amount and form that severance would take.

20 152. Defendants approved the Acquisition FAQs sent to employees informing them of
21 certain components of the Plan.

22 153. In meetings prior to the November 4, 2022 layoffs, Defendant Musk and the other
23 individual Defendants were planning to proceed with mass layoffs without abiding by the Plan.

24 154. Yet Defendants made no efforts to disclose to Twitter employees that any changes
25 to the Twitter Severance Plan were under serious consideration.

26 155. Employees asked the Defendants specifically about their eligibility for severance
27
28

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1 at various times leading up to and following the layoffs.

2 156. However, Defendants engaged in a campaign of obfuscation to hide the existence
3 of the Plan; to mislead participants about the Plan's content and employees' eligibility for benefits
4 under the Plan; and to mislead participants about the amount of benefits they were owed and would
5 be offered.

6 157. Rather than candidly responding to employee inquiries about the Plan or other work
7 policies, Defendants instructed employees to view Defendant Musk's personal Twitter account
8 and listen to episodes of Defendant Musk's friends' podcast.

9 158. By directing employees to podcasts and Twitter accounts instead of providing
10 complete and accurate information about the Plan, Defendants failed in their fiduciary duties to
11 disclose information.

12 159. On information and belief, at no point following Defendant Musk's acquisition of
13 Twitter did Defendants affirm the existence of the Plan, its components, or employees' eligibility
14 for benefits under it. Nor did any Defendants notify Plan participants that any changes were under
15 serious consideration, even though Defendants knew that participants were expecting to receive
16 severance benefits consistent with Defendants' prior representations.

17 160. When Twitter terminated employees, Defendants offered severance benefits to Plan
18 participants that were substantially and materially lower in value than the benefits to which the
19 employees were entitled as Plan participants. Defendants unlawfully and in breach of their
20 fiduciary duties offered only those reduced benefits to Plan participants and only in exchange for
21 a general release of claims against Twitter. Defendants knowingly and intentionally failed to
22 inform Plaintiffs and other terminated employees about the existence of the Twitter Severance
23 Plan, that they had rights under ERISA as beneficiaries of the Plan, and that they were entitled to
24 substantially greater benefits than Twitter was offering them under the Plan.

161. The statements and communications regarding severance benefits were part of Defendants' disloyal and dishonest strategy: to retain employees by making promises regarding the Plan's severance and then deny the Plan's existence when the employees were fired.

162. These misrepresentations caused material harm to Plan participants. Employees received less severance than they were owed and were denied Plan benefits. Employees continued working at Twitter throughout the layoffs, understanding they would be eligible for severance benefits in the event of layoffs.

163. Furthermore, Plaintiffs were irreparably harmed by being deprived of the Plan outplacement services designed to help employees recover professionally in the immediate aftermath of their termination.

164. All Defendants are liable under Count III. Defendant Musk and the Doe Defendants are personally liable as fiduciaries of the Plan who misled, hid, or failed to disclose information about the Plan, including changes that were under serious consideration. Defendant Musk is further personally liable due to the identity of interest between himself and Twitter/X Corp., a fiduciary and sponsor of the Plan. Pursuant to these provisions, Defendants are jointly and severally liable for each other's violations.

COUNT IV

Failure to Monitor

29 U.S.C. §§ 1105(a) and 1132(a)(3)

Against All Defendants by the Class (including Subclass 1 and Subclass 2)

165. The allegations set forth in the preceding paragraphs are realleged and incorporated herein by reference.

166. As alleged above, all Defendants were fiduciaries who failed to monitor other Plan fiduciaries or non-fiduciaries who knowingly participated in the fiduciaries' breach of duties.

167. Section 1105(a) of Chapter 29 of the U.S. Code imposes liability on a fiduciary for another fiduciary's breach of a duty with respect to a plan if he or she (i) knows of such a breach

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1 and fails to remedy it, (ii) knowingly participates in a breach, or (iii) enables a breach.

2 168. Section 1132(a)(3) imposes the same liability on non-fiduciaries.

3 169. Pursuant to these provisions, Defendants are jointly and severally liable for each
4 other's violations.

5 170. Defendants knowingly participated and enabled Twitter's breach of its obligations
6 under the Plan.

7 171. Defendants knowingly participated and enabled the campaign of deceit surrounding
8 the Plan and its benefits.

9 172. To this day, Defendants have not done anything to remedy these breaches.

10 173. All Defendants are jointly and severally liable under Count IV as co-fiduciaries, or
11 as knowing participants in other Defendants' violations of fiduciary duties. Defendant Musk is
12 further personally liable due to the identity of interest between himself and Twitter, a fiduciary
13 and sponsor of the Plan.
14

15 **PRAYER FOR RELIEF**

16 WHEREFORE, Plaintiffs pray for judgment and relief against Defendants as follows:

17 A. An injunction prohibiting Defendants from enforcing Releases obtained through
18 Defendants' breaches of fiduciary duties;
19

20 B. Recovery of an equitable surcharge in an amount equal to the difference between
21 what Defendants paid Plan participants in severance benefits and what Defendants should have
22 paid them in severance benefits under the Plan;
23

24 C. Payment of Severance Benefits owed under the Twitter Severance Plan;

25 D. An order Compelling Defendants to abide by the requirements of ERISA with
26 respect to the Twitter Severance Plan;

27 E. An Order compelling Defendants to abide by the terms of the Twitter Severance
28

Plan as described in the Matrix and as summarized in the Acquisition FAQs and other relevant documents;

F. An Order compelling Defendants to appoint one or more independent fiduciaries to participate in the management of the Plan;

G. An Order enjoining Defendants from any further violations of ERISA, including their fiduciary duties prescribed therein;

H. An Order requiring Defendants to fund the Plan in an amount sufficient to pay to Plan participants;

I. An Order Defendants Musk and Does are personally liable for losses to the Plan;

J. Attorneys' fees and costs pursuant to ERISA § 502(g);

K. Service awards for the named Plaintiffs in recognition of the time, effort, and risk they incurred in bringing this action and as compensation for the value they have provided to the Class members; and

L. An Order compelling Defendants to provide the full terms of severance according to the Plan to all employees terminated from the date of Defendant Musk's takeover of the company, an amount that is no less than \$500 million, plus pre-judgment and post-judgment interest at the maximum legal rate. Counsel for Plaintiffs demand a trial by jury.

DATED: January 30, 2026

Respectfully submitted,

Sanford Heisler Sharp McKnight, LLP

By: /s/ Kate Mueting

Kate Mueting (D.C. Bar No. 988177)*

Shannon Henris (D.C. Bar No. 90017882)*

SANFORD HEISLER SHARP

MCKNIGHT, LLP

700 Pennsylvania Ave SE, Suite 300

Washington, DC 20003

Telephone: (202) 499-5206

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1 kmueting@sanfordheisler.com
shenris@sanfordheisler.com

2 Charles Field (CA Bar No. 189817)
3 **SANFORD HEISLER SHARP**
4 **MCKNIGHT, LLP**
5 7911 Herschel Avenue, Suite 300
6 La Jolla, CA 92037
Telephone: (619) 577-4252
cfield@sanfordheisler.com

7 Kristi Stahnke McGregor (GA Bar No.
8 674012)*
9 Dacey Romberg (TN Bar No. 036767) (*pro*
10 *hac vice* forthcoming)
11 **SANFORD HEISLER SHARP**
12 **MCKNIGHT, LLP**
13 611 Commerce Street, Suite 3100
Nashville, TN 37203
Telephone: (615) 434-7008
kmcgregor@sanfordheisler.com
dromberg@sanfordheisler.com

14 Susannah R. Cohen (NY Bar No. 6048102)*
15 **SANFORD HEISLER SHARP**
16 **MCKNIGHT, LLP**
17 17 State Street, 37th Floor
New York, NY 10004
Telephone: (646) 402-5646
scohen@sanfordheisler.com

18 *Attorneys for Plaintiffs Diana Ye, James*
19 *Brian Kurtz, and Tushar Bhushan, on behalf*
20 *of themselves and all others similarly*
21 *situated*

22 *Admitted *pro hac vice*
23
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26
27
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