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#### IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

KARL GRAULICH,		
	Plaintiff,	C.A. No
V.		
CBS CORPORATION,		
	Defendant.	

# VERIFIED COMPLAINT PURSUANT TO 8 DEL. C. § 220 TO COMPEL INSPECTION OF BOOKS AND RECORDS

Plaintiff Karl Graulich ("Plaintiff"), as and for his Complaint, herein alleges, upon personal knowledge as to himself and his own actions, and upon information and belief as to all other matters, as follows:

## **NATURE OF THE ACTION**

1. Plaintiff brings this proceeding pursuant to 8 *Del. C.* §220 ("Section 220"), to inspect the corporate books and records of CBS Corporation ("CBS" or the "Company") identified herein and in Plaintiff's Section 220 Demand dated January 4, 2019 and delivered to the Board of Directors via Company's counsel on January 7, 2019 (the "Demand").¹ Pursuant to the Demand, Plaintiff seeks to investigate potential corporate wrongdoing, mismanagement and breaches of

<sup>&</sup>lt;sup>1</sup> The Demand is attached hereto as <u>Exhibit 1</u> and fully incorporated by reference herein. Exhibits to the Demand are referred to as "Demand Ex. ."

fiduciary duty in connection with the misconduct set forth therein and below.

- 2. For decades, Leslie "Les" Moonves ("Moonves") was a titan of the mass media industry. Moonves worked for CBS since 1995 and reached the peak of his profession in 2006 upon being named as Chief Executive Officer ("CEO") of CBS. Along the way and during his tenure with CBS, Moonves allegedly infected both CBS and the industry-at-large with a culture that tolerated and even encouraged, at minimum, abhorrent sexual harassment and at worst, serious and crippling sexual assault.
- 3. Moonves' repulsive behavior was not limited to sexual misconduct. After the alleged incidents, Moonves would intimidate his victims both physically and also financially by using his status within the industry to threaten the alleged victims' livelihoods and careers. Such threats were sufficient to silence his victims until the tsunami of the #MeToo movement.
- 4. Predictably, but nonetheless shockingly, the CBS Board of Directors as constituted in July 2018 (the "Prior Board"), was aware of and recklessly disregarded Moonves' actions at CBS.<sup>2</sup> Despite mounting rumors and well-

<sup>&</sup>lt;sup>2</sup> The following individuals were members of the Prior Board: Moonves, Shari Redstone ("Redstone"), Gary L. Countryman ("Countryman"), Linda M. Griego ("Griego"), Leonard Goldberg ("Goldberg"), Robert N. Klieger ("Klieger"), Arnold Kopelson ("Kopelson"), Doug Morris ("Morris"), Charles Gifford ("Gifford"), Joseph Califano ("Califano"), David Andelman ("Andelman"), Bruce Gordon ("Gordon"), and William Cohen ("Cohen"). Redstone, Countryman, Griego, and Klieger are also members of the New Board.

sourced reports of Moonves' misconduct, the Prior Board continued to pay Moonves as an upper echelon CEO despite his fostering a toxic workplace culture including promoting employees in spite of pending sexual harassment complaints against them.

- 5. As rumors of Mooves' misconduct threatened to become public information, members of the Prior Board warned Moonves of the coming storm while trying to insulate themselves through willful ignorance and plausible deniability. When the allegations became public, certain Prior Board members remained steadfast in their support of Moonves, refusing to even entertain a temporary leave of absence while the Company conducted its investigation. In fact, Kopelson baldly declared that even if thirty women came forward with sexual assault allegations, it would not change his opinion of Moonves.
- 6. During the investigation, Moonves attempted to obstruct investigators by lying and concealing information. Ultimately, the Prior Board discovered that Moonves was attempting to silence yet another accuser with the promise of employment. Upon these discoveries, the Prior Board lost confidence in Moonves' credibility. Moonves resigned from CBS on September 9, 2018. CBS announced that it would withhold his severance benefits pending the conclusion of the Company's investigation. Along with Moonves, in an effort to wipe the slate clean, Goldberg, Kopelson, Morris, Gifford, Califano and Andelman retired from

the Board and were replaced by Candace Beinecke ("Beinecke"), Barbara Byrne ("Byrne"), Brian Goldner ("Goldner"), Susan Schuman ("Schuman"), Strauss Zelnick ("Zelnick") and Richard Parsons ("Parsons"). Later in September, Gordon and Cohen would also step down as members of the Board. Due to health related reasons, Parsons stepped down from the Board in October 2018. Subsequently, on December 11, 2018, Frederick O. Terrell ("Terrell") joined the Board. Redstone, Countryman, Griego, Klieger, Beinecke, Byrne, Goldner, Schuman, Parsons, Terrell and Zelnick are referred to herein as the "New Board."

- 7. A draft report regarding the investigation dated November 27, 2018, (the "Report") was reviewed and reported by *The New York Times* on December 4, 2018.<sup>3</sup> The Report added fuel to the fire including, among other things, the shocking allegation that Moonves kept an employee on call to perform oral sex on him and the acknowledgment by several CBS employees that this female employee was untouchable as a result.
- 8. Following completion of the investigation, on December 17, 2018, CBS issued a press release stating that it terminated Moonves "for cause, including his willful and material malfeasance, violation of Company policies and breach of his employment contract, as well as his willful failure to cooperate with the

<sup>&</sup>lt;sup>3</sup> See Demand Exhibit C, Rachel Abrams and David Enrich, 'Transactional' Sex and a Secret Resignation Letter: Takeaways from a Report on Les Moonves, The New York Times (Dec. 4. 2018).

Company's investigation."<sup>4</sup> Although the press release noted that Moonves would not receive any severance payments from CBS, the Company was and has continued to be silent with respect to his compensation during the period of misconduct, which from 2006 and 2017 alone totaled more than \$1 billion.<sup>5</sup>

9. As explained in the Demand, there is a more-than-credible basis for an investigation into whether Moonves behaved in a manner that would constitute a breach of his employment agreement and into whether the Prior Board was aware of Moonves' repeated misconduct, and failed to monitor or recklessly disregarded the misconduct and the harm it caused the Company.<sup>6</sup> Further, as outlined in the Demand, there is a credible basis for an investigation into whether the New Board properly considered pursuing recovery for unjust enrichment, breach of contract or breach of fiduciary duty in connection with Moonves' well-documented misconduct.

<sup>&</sup>lt;sup>4</sup> See Demand Exhibit G (CBS Form 8-K, filed with the SEC on December 17, 2018).

<sup>&</sup>lt;sup>5</sup> See Demand Exhibit I (Moonves Earned Over \$1 Billion at CBS Since 2006, Equilar (October 1, 2018) (https://www.equilar.com/blogs/403-moonves-earnedover-one-billion-at-cbs.html)).

<sup>&</sup>lt;sup>6</sup> Plaintiff also submitted a Section 220 demand dated December 10, 2018, attached hereto as Exhibit 2. As additional information became available after delivery of the December 10, 2018 demand, Plaintiff opted to submit an amended Section 220 demand (Exhibit 1), which is the operative demand for the purposes of this proceeding.

10. Despite Plaintiff's compliance with the requirements of Section 220, CBS baldly dismissed the Demand in its response dated January 14, 2019 (the "Response"). CBS also rejected Plaintiff's subsequent good faith effort to narrow the demand to make it acceptable to the Company. Plaintiff is entitled to enforce his Section 220 rights despite CBS's meritless objections. Rather than continuing to engage in a lengthy letter-writing campaign with a party taking unreasonable positions and bent on disrupting quintessential shareholder rights, Plaintiff brings this Action requesting the Court order CBS to produce copies of all books and records sought by Plaintiff in the Demand.

### **PARTIES**

- 11. Plaintiff Karl Graulich currently owns shares of CBS stock and has been a stockholder continuously since 2006.
- 12. CBS is a Delaware corporation with its principal offices in New York City. CBS operates as a mass media company worldwide, operating primarily through four segments: Entertainment, Cable Networks, Publishing and Local Media. The Company's shares trade on the New York Stock Exchange under the ticker symbol "CBS."

#### **SUBSTANTIVE ALLEGATIONS**

## A. The Background and Wrongdoing

<sup>&</sup>lt;sup>7</sup> Defendant's Response is attached hereto as <u>Exhibit 3</u>.

- 13. Plaintiff has a reasonable basis to believe that: (1) Moonves breached his fiduciary duties, was unjustly enriched and breached his employment agreement, which was the conclusion of the New Board; (2) the Prior Board was aware of and/or recklessly disregarded Moonves' misconduct and thereby breached their fiduciary duties to the Company; and (3) the New Board did not consider pursuing the recovery of the monies paid to Moonves during the course of his employment with CBS.
- 14. In January 2018, Board members Shari Redstone, Martha Minow and Bruce Gordon became aware that journalists were working on stories about sexual harassment allegations against Moonves.<sup>8</sup> As would be revealed later, it was common knowledge among CBS executives and even some Board members that Moonves participated in sexual misconduct both before and throughout his tenure at CBS.
- 15. Gordon and Minow enlisted the services of the Weil Gotshal & Manges law firm ("Weil"), to investigate the latest rumors and accusations. When questioned by attorneys from Weil, Moonves explained that there may have been a few incidents before he came to CBS, but there was no cause for concern now.
- 16. However, by July 2018, it became apparent that Moonves was the subject of an upcoming report in *The New Yorker*. The Company was informed by

<sup>&</sup>lt;sup>8</sup> See Demand Exhibit F (James B. Stewart, *Threats and Deception: Why CBS's Board Turned Against Leslie Moonves*, The New York Times (Sept. 12, 2018)).

the magazine's fact-checkers regarding the details that author Ronan Farrow intended to publish.

- Moonves in a professional setting and capacity between the 1980s and 2000s, were sexually harassed and assaulted. Four of the women described forcible touching or kissing during business meetings in what they described as a well-practiced routine, which included personal meetings at times when minimal staff was present, locked doors and follow-up phone calls with non-parties to the meeting to cover his tracks. Further, the women described how Moonves would engage in physical intimidation immediately following rejection and then later, how he would use his authoritative position to threaten and otherwise silence his victims.
- 18. As *The New Yorker* article was about to be published, certain members of the Prior Board resolved to meet with Moonves. According to *The New York Times*, the meeting took place in late July, 2018. During this meeting, Moonves stated that the article "grossly overstated" his conduct and was false. Moonves was able to secure "full support" from these Prior Board members.

<sup>&</sup>lt;sup>9</sup> See Demand Exhibit D (Ronan Farrow, Les Moonves and CBS Face Allegations of Sexual Misconduct, The New Yorker (Aug. 6 & 13, 2018)). Demand Exhibit D is a group exhibit of two articles about the Moonves scandal published by The New Yorker.

<sup>&</sup>lt;sup>10</sup> See Demand Exhibit F.

- 19. The next day, the full Prior Board convened to discuss the accusations against Moonves and how the Company should respond. According to *The New York Times*, Moonves successfully lobbied some steadfast defenders including Prior Board member William Cohen, who stated "[w]e are going to stay in this meeting until midnight if we need to until we get an agreement that we stand 100 percent behind our C.E.O., and there will be no change in his status." Additionally, Prior Board member Kopelson was recklessly definitive in his support, stating that "I don't care if 30 more women come forward and allege this kind of stuff, Les is our leader and it wouldn't change my opinion of him." 11
- 20. As reported in *The New York Times*, the Prior Board learned two weeks later, according to a Prior Board member, that in response to a new accuser that threatened to go public, Moonves did not report the situation, but instead, was trying to find the woman a job at CBS to ensure her continued silence. When the Prior Board learned about this incident, even Moonves' staunchest supporters retracted their support as his credibility was shattered.<sup>12</sup>
- 21. On September 9, 2018, three hours prior to his eventual resignation,

  The New Yorker published another report recounting the allegations from six

<sup>&</sup>lt;sup>11</sup> *Id* 

<sup>&</sup>lt;sup>12</sup> *Id*.

additional women of Moonves' sexual misconduct.<sup>13</sup> In one allegation made by veteran television executive Phyllis Golden-Gottlieb, Moonves, her boss at the time, forced her to perform oral sex on him. In another allegation, Jessica Pallingston, who worked as an assistant to Moonves, recounted being forcibly groped and kissed, and then forced to perform oral sex on Moonves.

- 22. Later that same day, the Company announced Moonves' resignation and that his severance payments would be withheld pending completion of the investigation. CBS also announced that Goldberg, Kopelson, Morris, Gifford, Califano and Andelman retired from the Board would be replaced by Beinecke, Byrne, Goldner, Schuman, Zelnick and Parsons. Later in September, Gordon and Cohen would also step down as members of the Board.
- 23. On December 4, 2018, *The New York Times* published a summary of information contained in a draft of the Report regarding the investigation into Moonves' misconduct.<sup>14</sup> According to the Report, as summarized by *The New York Times*, high-ranking executives and members of the Prior Board were aware of Moonves' alleged sexual misconduct and subsequent efforts to conceal the misconduct. For instance, Prior Board member Arnold Kopelson, now deceased,

<sup>&</sup>lt;sup>13</sup> See Demand Exhibit D (Ronan Farrow, As Leslie Moonves Negotiates His Exit from CBS, Six Women Raise New Assault And Harassment Claims, The New Yorker (Sept. 9, 2018)).

<sup>&</sup>lt;sup>14</sup> See Demand Exhibit C.

was informed in 2007 by a friend, Dr. Anne Peters, that Moonves forcibly grabbed her and grinded against her with an erection.<sup>15</sup> According to *The New York Times*, Dr. Peters also informed Kopelson that after she was able to push him away, Moonves went to the corner of the room and masturbated before leaving without a word.<sup>16</sup>

- 24. The Report also describes how longtime CBS executive Gil Schwartz, a former communications director who also left the Company in September 2018, once drafted a letter of resignation for Moonves after becoming privy to one of the most serious allegations against him. Yet, the letter was never sent nor disclosed to the Board.<sup>17</sup>
- 25. With rampant sexual misconduct bubbling beneath the surface, Prior Board members Charles Gifford and Bruce Gordon warned Moonves about the coming storm in the form of an investigation, but stated, according to the Report, that "they did not need to hear the details directly."<sup>18</sup>
- 26. The Report also indicates that "a number of employees" knew that Moonves was routinely receiving oral sex from a CBS employee and "believed

<sup>&</sup>lt;sup>15</sup> See Demand Exhibit E (James B. Stewart, "Disaster for CBS Shareholders': Damning Report on Moonves Reveals Total Failure at Top," The New York Times (Dec. 4, 2018)).

 $<sup>^{16}</sup>$  Id.

<sup>&</sup>lt;sup>17</sup> *Id*.

<sup>&</sup>lt;sup>18</sup> *Id*.

that the woman was protected from discipline as a result."<sup>19</sup> Further, multiple CBS employees including the aforementioned Gil Schwartz, were aware by late 2017 that a woman filed a complaint about Moonves with the Los Angeles Police Department, and were further aware of the allegation regarding Bobbie Phillips, an actress who claimed that Moonves assaulted her in 1995.<sup>20</sup>

27. Indeed, as *The New Yorker* reported on August 6, 2018, thirty current and former CBS employees described sexual harassment, gender discrimination and/or retaliation which "extended from Moonves to important parts of the [C]orporation, including CBS News and '60 Minutes,' one of the network's esteemed programs." Further, many readily described instances where male employees accused of misconduct were promoted, even after the Company was informed of the allegations. For instance, Leslie Isaacs, a vice-president at Pop, the cable channel jointly operated by CBS and the film studio Lionsgate, filed a lawsuit alleging that CBS was aware of a hostile workplace at the channel. In her complaint, she described one incident with a vice-president who allegedly instructed female employees to "show your clients your tits." 22

<sup>&</sup>lt;sup>19</sup> *Id*.

<sup>&</sup>lt;sup>20</sup> *Id*.

<sup>&</sup>lt;sup>21</sup> Demand Exhibit D (Ronan Farrow, *Les Moonves and CBS Face Allegations of Sexual Misconduct*, The New Yorker (Aug. 6 & 13, 2018)).

 $<sup>^{22}</sup>Id.$ 

- 28. Similarly, Erin Gee, who worked at CBS for more than fifteen years, filed a lawsuit alleging that an executive director at "CBS Evening News" urged her to have sex with a co-worker with whom she was having difficulty in order to "break the ice."<sup>23</sup> After filing a complaint of gender discrimination, Gee was demoted.
- 29. *The New Yorker* also cited numerous female employees, who described the atmosphere at CBS News as a "frat house."<sup>24</sup> One former employee explained that she "had several producers and editors over the age of sixty who would greet me by kissing me on the mouth. I had people touch my butt a couple of times."<sup>25</sup>
- 30. On December 17, 2018, CBS issued a press release, which announced that its investigation had concluded and that Moonves was terminated "for cause, including his willful and material misfeasance, violation of Company policies and breach of his employment contract, as well as his willful failure to cooperate fully with the Company's investigation."<sup>26</sup> According to the press release, Moonves would not receive any severance payment from CBS. However, the press release did not say that CBS would seek to recoup any of the \$1 billion that Moonves was

<sup>&</sup>lt;sup>23</sup> *Id*.

<sup>&</sup>lt;sup>24</sup> *Id*.

<sup>&</sup>lt;sup>25</sup> *Id*.

<sup>&</sup>lt;sup>26</sup> Demand Exhibit G.

paid while brazenly violating company policies and his employment agreement by treating the Company as his personal seraglio. The press release also did not say whether the Board considered attempting to recoup the \$1 billion in compensation based on the fact that it learned that Moonves lied directly to the Prior Board during the Summer of 2018 when, while Prior Board was investigating him for misconduct, Moonves at the same time was trying to cover up this misconduct by giving an accuser a job at CBS.

31. As noted by *Equilar*, Moonves, through annual compensation, received \$654,759,164 during his tenure as CEO at CBS with his highest annual compensation coming in 2016 at just above \$68.5 million. His realized pay has topped \$1 billion, which is primarily due to options received early in his tenure tripling in value from the grant date to the date on which he exercised.<sup>27</sup> Moonves' realized compensation dwarfs two notable CEOs in CBS's peer group – Brian Roberts of Comcast realized pay of \$495,341,408 from 2006 to 2017, while Bob Iger of Walt Disney has realized pay of \$546,528,764.<sup>28</sup> This means that Moonves' compensation was effectively double that of Messrs. Roberts and Iger even though CBS determined that Moonves breached his employment agreements

<sup>&</sup>lt;sup>27</sup> See Demand Exhibit I.

 $<sup>^{28}</sup>$  *Id*.

and created a toxic culture at CBS that has irreparably harmed individual CBS employees and the Company's reputation.

32. As discussed in the Demand, each of these instances and areas of misconduct standing alone provides a sufficient credible basis to infer possible mismanagement and breaches of fiduciary duty.

#### **B.** The Section 220 Demand

- 33. On January 7, 2019, Plaintiff's counsel delivered an appropriate, narrowly tailored Demand to the Board via counsel. The Demand seeks inspection of CBS's books and records concerning: (i) claims regarding sexual assault and harassment by Moonves, (ii) Moonves' employment, termination and severance; (iii) the New Board's investigation of Moonves along with CBS News and cultural issues at CBS; (iv) the Prior Board's determinations regarding compensation paid to Moonves, and (v) the New Board's determinations regarding compensation paid to Moonves and whether to seek recoupment of compensation paid to Moonves in light of his persistent violation of his employment agreement(s).
- 34. The Demand complied with the form and manner requirements of Section 220. The Demand was made under oath, included proof of Plaintiff's beneficial ownership of CBS stock and a Power of Attorney signed under oath by Plaintiff, appointing the law firms of Wolf Haldenstein Adler Freeman & Herz and Barrack, Rodos & Bacine and any person designated by them to act as true and

lawful attorney-in-fact for Plaintiff in all matters regarding this Section 220 Demand.

- 35. In the Demand, Plaintiff requested that the Company produce or allow the inspection of the following documents:
  - 1. Minutes of meetings of the Board and Board committees from January 1, 1995 through present, and any materials presented to members of the Board in connection with such meetings, concerning the following topics:
    - a. Any allegations made against Mr. Moonves concerning sexual harassment, sexual assault, and/or pending or threatened criminal or civil claims for sexual harassment or assault;
    - b. Any settlements or nondisclosure agreements relating to Mr. Moonves concerning sexual harassment, sexual assault, and/or pending or threatened criminal or civil claims for sexual harassment or assault;
    - c. Any discussions concerning Mr. Moonves' entitlement to \$120 million in severance upon his departure from CBS;
    - d. The Employment Agreement dated May 19, 2017 executed by CBS and Mr. Moonves;
    - e. The Employment Agreement dated December 11, 2014 as amended February 24, 2016 and February 26, 2016 executed by CBS and Mr. Moonves,
    - f. The Employment Agreement dated October 15, 2012 executed by CBS and Mr. Moonves;
    - g. The Employment Agreement dated February 23, 2010 executed by CBS and Mr. Moonves;

- h. The Employment Agreement dated October 15, 2007 as amended December 17, 2008 executed by CBS and Mr. Moonves;
- i. The Employment Agreement dated July 1, 2004 as amended from time to time executed by CBS and Mr. Moonves;
- j. All prior employment agreements executed by CBS and Mr. Moonves;
- k. The Separation and Settlement Agreement and Releases dated September 9, 2018;
- 1. The board's investigation of Leslie Moonves, CBS News, and cultural issues at CBS; and
- m. The board's determination of the compensation paid to Mr. Moonves, that he breached his employment agreement, to terminate him and not to pay him severance, and whether to seek recoupment of remuneration paid to Mr. Moonves in light of his violation of his employment agreement.
- 2. Communications, including e-mails, text messages and other electronic communications, to and from the Board concerning the matters set forth in ¶ 1(a-m) above.
- 3. Communications, including e-mails, text messages and other electronic communications, among members of the Board concerning the matters set forth in ¶ 1 (a-m) above.
- 4. A copy of the Report and later versions of it discussed above concerning Mr. Moonves' malfeasance wherein it was reported he lied to investigators in an effort to secure \$120 million in severance.

- 5. Copies of any other reports, presentations or other materials prepared for the Board concerning allegations that Mr. Moonves sexually harassed and/or assaulted women and about the compensation paid to Mr. Moonves.
- 6. Copies of documents concerning the value of Mr. Moonves to CBS, the determination of Mr. Moonves' compensation and consideration of whether to seek recoupment of monies paid to Mr. Moonves.
- 36. Additionally, in the interests of minimizing any potential burden on CBS, Plaintiff requested contact information for any other shareholders, who made similar books and records requests for the purposes of coordination.

### C. CBS's Response to Plaintiff's Demand

37. On January 14, 2019, Plaintiff received CBS's response to the Demand. Despite the well-stated credible basis for the Demand and accompanying publicly available information, the Company nonetheless baldly denied that Plaintiff had established a proper purpose or credible basis. Furthermore, CBS explained that responding to the Demand would be "burdensome and disruptive" despite the fact that CBS concluded its investigation nearly a month before the Response, stating its view that the Company "is under no obligation to produce the books and records demanded." While the Response invited Plaintiff to submit supporting authority for its position, CBS flatly ignored Plaintiff's authority originally cited in the Demand. The parties attempted to negotiate a compromise

concerning the books and records that Plaintiff could inspect, but they were unsuccessful.

38. After an additional effort to narrow Plaintiff's demand, which Plaintiff undertook in good faith despite no legal requirement to do so, CBS's attorneys responded by letter on February 19, 2019 stating in pertinent part:

With respect to your request for a copy of the November 27, 2018 "report" to the Board referenced in the New York Times, please be advised that no such report was provided to the CBS Board.

- 39. Plaintiff was stunned by this revelation because in a Form 8-K filed with the SEC on September 10, 2018, CBS represented that the Board would determine whether to terminate Moonves for cause "within thirty (30) days following the completion of the final report of the independent investors in the current internal investigation."
- 40. If the New Board did not review this report, it is even more imperative that Plaintiff be permitted access to the other requested materials to conduct a substantially equivalent investigation into the misconduct underlying the New Board's determinations regarding Moonves, his severance and the failure to pursue any clawback of the \$1 billion in total compensation he received during his tenure as CBS CEO.
- 41. Thus, at the time of this filing, CBS has refused to permit inspection of the books and records requested in the Demand.

# D. Plaintiff's Demand Sets Forth Proper Purposes for the Requested Inspection

- 42. The matters described in the Demand and summarized above provide more than a credible basis from which mismanagement and breaches of fiduciary duty at CBS can be inferred.
- 43. Investigations of mismanagement and potential breaches of fiduciary duties to the Company and related wrongdoing, and of the independence and disinterest of the current members of the Board, are entirely proper purposes for a Section 220 demand, and this Court has repeatedly urged the use of such demands by concerned stockholders.
- 44. As such, Plaintiff has met the required burden and the Court should find that Plaintiff is entitled to inspect the books and records of CBS as set forth in Demand.

# E. The Demand Seeks Appropriate Books and Records in Furtherance of Plaintiff's Proper Purposes

- 45. Each of the requests set forth in Plaintiff's Demand is properly tailored to investigate the books and records of CBS in pursuit of Plaintiff's stated purposes.
- 46. CBS knowingly failed to fulfill its obligation to permit Plaintiff to inspect the books and records identified in the Demand. As a result, this Court

should enter an Order compelling CBS's compliance with its statutory obligations to Plaintiff.

# COUNT I (Demand for Inspection Pursuant to 8 Del. C. §220)

- 47. Plaintiff repeats and re-alleges all of the preceding allegations as if fully set forth herein.
- 48. On January 7, 2019, Plaintiff delivered the written Demand upon CBS for the inspection of the books and records as set forth therein.
- 49. Plaintiff has fully complied with all requirements under Section 220 regarding the form and manner of making a demand for the inspection of the books and records set forth in the Demand.
- 50. Plaintiff's demand for inspection is made for proper purposes. The documents identified in the Demand are essential to those proper purposes.
- 51. The Company has failed to permit the inspection sought by Plaintiff in the Demand despite Plaintiff's compliance with the statute.
  - 52. CBS has refused the Demand.
- 53. By reason of the foregoing and pursuant to 8 Del. C. §220, Plaintiff is entitled to an order permitting him to inspect and make copies of the books and records set forth in the Demand.
  - 54. Plaintiff has no adequate remedy at law.

WHEREFORE, Plaintiff prays for the following relief:

- A. An Order requiring CBS to permit the inspection and copying of each and every book and record requested by Plaintiff's Demand immediately; and
  - B. Such other relief as this Court deems just and appropriate.

DATED: March 6, 2019 Respectfully submitted,

FARNAN LLP

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