

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF DAKOTA

FIRST JUDICIAL DISTRICT

Kevin J. Raun and Robert Loeffler,

No. _____
Judge _____

Plaintiffs,

COMPLAINT

vs.

DARTS, Inc.,
Greg Konat, and Subramanian Krishnan,

Defendants.

Plaintiffs, by and through their undersigned legal counsel, for their Complaint against Defendants, states and alleges as follows:

INTRODUCTION

1. This is an action stemming from Plaintiff Kevin J. Raun's February 2014 constructive discharge from the Director of Transportation position and Plaintiff Robert Loeffler's July 2014 constructive discharge from the Operations Manager position at DARTS, Inc. ("DARTS").

2. Mr. Raun's constructive discharge was caused by illegal treatment designed to force Mr. Raun out of his Director position so that the DARTS CEO, Greg Konat, could award Raun's position to his friend, Sabramanian "Kris" Krishnan, who was a paid consultant and the acting DARTS Chief Financial Officer ("CFO") during this illegal campaign. Under Mr. Raun's leadership, the DARTS Transportation Department had become extremely lucrative to the company and was poised to continue this growth. Mr. Konat and Mr. Krishnan considered Mr. Raun's insistence on legal and contractual compliance as an impediment to this continued

profitability and also wanted to control the profits from this success and anticipated continued growth for their personal benefit.

3. Mr. Konat and Mr. Krishnan accomplished their joint goal of forcing Mr. Raun to resign this position by refusing his repeated and escalating requests for additional supervisory staff to handle supervising the ever-increasing workforce and critical compliance workload in this Department. They ignored or dismissed Mr. Raun's repeated complaints that this grossly inadequate supervision was adversely affecting Mr. Raun's workload, stress level and health, *and* was seriously compromising DARTS ability to comply with numerous contractual and statutory obligations in its provision of transportation services, all of which are detailed herein.

4. After Mr. Raun was forced out, Mr. Loeffler was denied promotion into Mr. Raun's position on account of his "management style," even though Mr. Loeffler was Mr. Raun's second in command over the Department, amply qualified to be awarded this position, and was groomed by Mr. Raun to be his successor. In fact, Mr. Loeffler was denied the opportunity to even be considered for this promotion because he shared Mr. Raun's concerns over the Department's inability to meet compliance obligations and Raun's insistence on greater transparency to the Metropolitan Council in DARTS ongoing lack of compliance with contractual and statutory obligations. Ultimately, Mr. Loeffler's instance on this compliance lead to him being forced to leave DARTS in June 2014.

5. Since their constructive discharges, Mr. Konat and other DARTS executives have defamed Mr. Raun and Mr. Loeffler by stating publicly on the DARTS website and to the Metropolitan Council, among others, that Mr. Raun and Mr. Loeffler were the DARTS managers responsible for the devastating compliance violations the Metropolitan Council auditors discovered and published in a September 18, 2014, DARTS Compliance Report. This Report

resulted in the cancellation of DARTS's contracts with the Metropolitan Council and DARTS's designation as a "non-responsible bidder" for future contracts. DARTS response to this Report and these decisions, and its subsequent appeal, is replete with statements falsely accusing Mr. Loeffler and Mr. Raun of being the managers responsible for the compliance violations. In fact, Mr. Raun and Mr. Loeffler had been alerting DARTS executive management to many of the concerns and compliance violations ultimately uncovered in the Metropolitan Council Audit and reported on September 18, 2014. DARTS' lack of response to these complaints was the direct cause of these compliance violations, and DARTS executive management is fully aware that Mr. Raun and Mr. Loeffler were not responsible for the violations described in the Compliance Report.

PARTIES

6. Plaintiff Kevin J. Raun ("Raun" or "Plaintiff") was the DARTS Transportation Director (also referred to as "Transit Director") from his hire on March 24, 2010 until his forced resignation on February 11, 2014. He joined DARTS after a successful 33 year career in the medical transportation industry. Raun joined DARTS at age 57, and he intended to serve as DARTS' Transportation Director until he chose to retire. This goal was destroyed after DARTS hired CEO Greg Konat in late 2011. Mr. Konat's subsequent choice for CFO, Subramanian "Kris" Krishnan, acted in concert with Mr. Konat to force Raun's resignation.

7. They did so by deliberately creating a work environment designed to force Raun to resign, by repeatedly denying him critically necessary management and supervisory support and ignoring his frequent complaints about the legal implications of not providing this support as well as other serious legal compliance issues Raun raised.

8. As a result, the work environment created by the “leadership” of Messrs. Konat and Krishnan became intolerable to Raun. Raun therefore tendered this resignation to CEO Greg Konat on February 11, 2014, and stated that he would work through May 1, 2014, to assist DARTS in making an orderly transition of his leadership duties. At Konat’s insistence, Raun’s last working day at DARTS was February 20, 2014, and he remained on the DARTS payroll through March 14, 2014.

9. Plaintiff Robert Loeffler served as the only Operations Manager in the history of DARTS. He joined DARTS after working for American Transportation. He worked from January 18, 2010, until the termination of his employment in June 2014. He received the promotion to Operations Manager in August 2013. Mr. Loeffler reported to Mr. Raun until Mr. Raun’s termination. At the time of Mr. Raun’s termination, Mr. Loeffler was informed that he could not replace Mr. Raun because he was “to open to the [Metropolitan] Council.”

10. DARTS is a 501(c) (3) non-profit corporation incorporated in Minnesota and headquartered at 1645 Marthaler Lane, West Saint Paul, Minnesota, 55118. DARTS has been incorporated for about 40 years and its mission is to “help older adults lead independent and fulfilling lives.” It strives to achieve this mission by providing low-cost transportation services, as well as numerous other counselling, recreational, volunteer, and other services to older adults.

11. Defendant Greg Konat (“Defendant” or “Konat”) is DARTS’ CEO, and has served in that role since November 2011. He replaced Beth Wiggins, the COO and interim CEO, who had hired Raun. Upon information and belief, Konat resides in Mendota Heights

12. Defendant Sumaranian “Kris” Krishnan (“Defendant” or “Krishnan”) was hired as a consultant by Konat in June 2013, and soon thereafter was referred to by Konat and identified internally as DARTS’ CFO. He assumed Raun’s duties as well as the Title of

Transportation Director immediately after Konat accepted Raun's resignation. Upon information and belief, Krishnan resides in Plymouth.

JURISDICTION AND VENUE

13. This action is brought to remedy Defendants' employment retaliation and defamation against Raun and Loeffler in violation of the Minnesota Whistleblower Protection Act, Minn. Stat. § 181.932 *et seq.* ("MWPA") and Minnesota common law. Additionally, Plaintiffs allege a claim for tortious interference with their DARTS employment relationship, against Defendants Konat and Krishnan, individually.

14. This Court has jurisdiction over the parties and the causes of action alleged by Plaintiffs because Defendant DARTS' principal place of business is in Minnesota and the events alleged herein occurred in the State of Minnesota.

15. Venue in this Court is proper because Defendant is headquartered and conducts business in Dakota County and Plaintiffs worked for DARTS in Dakota County.

FACTUAL ALLEGATIONS

16. By any measure, Raun was a remarkably successful Director of Transportation at DARTS over the four years he held this position. This Department nearly doubled in size over this time period, going from approximately 50 drivers when Raun was hired, to just under 100 drivers at the time of his forced resignation and began to generate revenues which were unprecedented in DARTS 40 year history. In 2013, the Department generated revenues of **\$583,654** *above* budget forecasts, which represented a 229% return over the increased wages required to generate this increased revenue. This Department now accounts for over 60% of

DARTS total revenues and expenses and almost all net revenue surplus after expenses. It is unquestionably the economic engine which drives DARTS's future.

17. Given this successfully managed growth and profitability, until the last year Raun had every expectation that this Director position would be his last leadership position before retirement, and that he would then be able to eventually, upon his eligible retirement at age 62 or thereafter, transition the leadership of a well-run and sustainable Department to a capable successor who could ensure the continued growth of this Department and thus DARTS's survival well into the future. The mission of this organization - to serve the transportation needs of senior and other needy or at-risk disabled citizens - is critically important to Raun, and helps to satisfy a too-often unmet public need.

18. Raun was therefore gratified to deploy his significant expertise in the service of this important mission, and was justifiably proud to effectively managing the unprecedented growth of this Department. While there was always considerable stress and long hours in managing the huge growth in this Department under Raun's leadership, until Greg Konat took over as DARTS CEO and began to assert his vision for DARTS future organization and mission, Raun felt support from the executive leadership and the Board, and managed this stress effectively and as part of this "labor of love" in building this Department.

19. This began to change, however, when President and CEO Greg Konat began to impose his leadership "vision" on DARTS, and the Transportation Department in particular. Konat was hired by the DARTS Board in November 2011, after having been terminated from a vice president position in a non-profit organization entitled "360° Communities" in Dakota County. Konat replaced interim CEO Beth Wiggins, who had been with DARTS for about 20 years, was universally respected, and retained the COO title and responsibilities after Mr.

Konat's hire. Soon after assuming his CEO duties, however, Konat convinced the DARTS Board to terminate Wiggins, explaining that she "cost the company too much money." Wiggins' termination was a shock to existing DARTS leadership and management, Raun included. Moreover, Konat's "financial justification" for this termination was soon belied by exorbitant expenses he required DARTS to incur to hire many consultants he selected, all of whom he had personal relationships with, at vastly higher costs to the company than the past incumbent employees and managers these consultants replaced.

20. About eighteen months into his tenure as DARTS CEO, Konat hired Kris Krishnan as one such consultant. Konat immediately began to involve Krishnan in the most senior leadership of and planning for DARTS. This began in June 2013, and from that point forward it became increasingly apparent to Raun that Konat intended to lead the organization with Krishnan, regardless of the expertise of the incumbent leaders, such as Raun, who had built the Transportation Department to the point where it generated most all of the operating profits for DARTS.

21. Krishnan joined DARTS as a consultant and eventually was paid at a rate of \$120 per hour and an average of \$4,500 per week (compared to the \$32.46 per hour Raun received), and substantially more than the previous CFO, Keith Olsen. Konat designated Krishnan as DARTS' "interim CFO" on June 18, 2013. At the time of his DARTS hire, Krishnan was, upon information and belief, the sole proprietor of S. Krishnan & Associates. He had previously served for eleven years (from 1999-2010) as Senior Vice President and CFO of Digi International. In connection with his recruitment by Konat and upon Krishnan's hire, Konat described Krishnan to Raun and others as a "good friend." This personal relationship apparently led Konat, and the DARTS Board, to forego doing any "due diligence" in hiring Krishnan and

entrusting him with a senior leadership role in the DARTS organization. It became clear to Raun that Krishnan was brought in because he would not challenge any practice endorsed by Konat.

22. Even minimal due diligence would have revealed that the Securities and Exchange Commission (“SEC”) had filed a public Complaint against Krishnan, before Krishnan joined DARTS, as a result of numerous alleged fraudulent and illegal actions he committed while he was CFO of Digi International (“Digi”). These include filing inaccurate reports and accompanying certifications, using corporate funds to pay unauthorized travel and entertainment expenses, making and keeping inaccurate books and records, failing to maintain adequate internal controls, making false statements to auditors. The SEC described Krishnan as demonstrating “a lack of management integrity” in discharging his CFO duties at Digi.

23. On July 2, 2013, the SEC announced a settlement of this civil action in which Krishnan agreed to pay a \$60,000 civil monetary penalty, was prohibited from serving or practicing before the Commission as an accountant for at least five years, and was expressly enjoined from continuing to violate numerous specified SEC rules and regulations in the future.

24. Krishnan’s hiring is part of an unfortunate and disturbing pattern by Konat of hiring his friends into position of leadership at DARTS, usually after forcing incumbent DARTS managers or executives out of their positions to make room for people who would engage in the deeply flawed management vision he followed, which included using the DARTS services and revenues for his and others personal gain. As further examples, soon after assuming his CEO role Konat hired Steve Haschig, who Konat worked with at “360° Communities” before both Konat and Haschig were fired. Consistent with this pattern, Konat initially hired Haschig as a “consultant,” and within six months of his hiring in this status Konat appointed Hashig to be DARTS “Director of Development”, without any job posting or competitive screening process.

Konat also terminated the DARTS Human Resource Director, John Koenen (with whom Raun was working on to develop critically needed OSHA-Compliance policies), and later replaced him with a consultant whom Konat described as a friend, Michelle Price, who was promptly given this same job title.

25. Price did nothing to pick up the critical work Koenen and Raun had started on OSHA Compliance policies and DARTS drug and alcohol testing policies, despite Raun's frequent inquiries and complaints about the critical need for these projects to be completed. Instead, Price, at Konat's direction, ignored these critical compliance obligations and denied Raun the minimum staffing needed to meet other compliance obligations and continue Raun's Department's track record of success and growth. Following Olson's departure and Koenen's termination, Konat assigned Raun several significant job responsibilities these executives had performed, further burdening Raun with unachievable job responsibilities and expectations. These additional responsibilities remained Raun's even after Konat hired these highly-paid consultants.

26. Once Krishnan became affiliated with DARTS as interim CFO (the very same position the SEC described him as having a "lack of management integrity" in performing while at Digi), it soon became apparent to Raun that CEO Konat eventually planned to give Krishnan oversight and responsibility over Raun's Transportation Department (which is *by far* the greatest single source of revenue for DARTS). Konat entrusted Krishnan in making scores of decisions since June 2013 which sent an unambiguous message to Raun about his increasingly marginalized role in the organization and the future of this Department.

27. Krishnan, with Konat's full support, began assuming what had been Raun's duties as the lead principal in approving transportation contract proposals, required Raun and his

Department to use federal-grant vehicles improperly under Department of Transportation regulations by denying Raun requested additional bus resources, denied proposals Raun made for allocation of resources within Raun's budget, and began to the push for an aggressive merger/takeover plan of another large non-profit service (the Lifeworks agency) which would have overwhelmed the DARTS Transportation Department while it was in a state of "crisis" (as described by Raun) and could not even meet existing legal and contractual obligations.

28. In the final days of Raun's employment, Konat and Krishnan ultimately forced Raun to resign in order to avoid engaging in their directives to violate DARTS' legal and contractual obligations. For example, and as described fully below, Defendants refused to allow Raun to hire the supervisory staffing necessary to comply with contractual obligations.

29. As the Transportation Department grew dramatically under Raun's oversight and his ability to secure lucrative contracts, he began to frequently stress to Konat how the rapidly increased driver employee population (which nearly doubled under Raun's leadership) and legal compliance needs attendant to numerous contracts demanded a similarly increased management/supervisory infrastructure to ensure not only adequate performance and oversight, but compliance with the expressly stated terms of many of the contracts.

30. Raun and his Department were responsible for meeting mandated performance standards and numerous other legal requirements which were simply impossible to meet because of Defendants refusal to hire sufficient support to meet these obligations. Raun was assisted in meeting the performance standards and other legal requirements by Loeffler as his Operations Manager, but these two management employees could not possibly meet these compliance obligations while effectively supervising this rapidly growing department.

31. Again and again, and with increasing urgency, Raun conveyed this untenable burden on him and Loeffler and sought immediate approval for not only a full-time Quality Assurance Coordinator for the Department, but to increase the number of Driver Supervisors from one to at least three, as the number of employees drivers was approaching 100. These requests were made orally, in writing, and in a detailed “Goals and Deliverables for (3) – Supervisor Model” report Raun prepared and circulated to DARTS leadership on February 3, 2014. In this report and in these prior requests, Raun made clear that the addition of these supervisors was the minimum required to allow his Department to meet many contractual requirements in DARTS’s contracts with the Metropolitan Council, contractual requirements which directly track mandatory legal obligations.

32. These requests were ignored on each occasion by Konat, Krishnan, and Michelle Price, another highly-paid consultant hired by Konat who was serving as DARTS’ interim Human Resource Director.

33. Finally, after many pleas in writing, on February 10, 2014, Krishnan reluctantly authorized the hiring of only one additional supervisor. This devastating decision was made without even meeting with or consulting with Raun about this critical need, and without regard to the express contract language that Raun had explained that he was certain could not be met without the additional, minimally required supervisor and management employees that he had requested be immediately hired.

34. The Metropolitan Council contracts governing these services impose many express “Personnel Requirements” on DARTS which could not possibly be met under the existing management structure (or the one additional supervisor approval which was granted), as well as numerous other legally-mandated obligations which were being ignored and violated.

35. In his complaints describing the immediate need for the additional supervisory support he was requesting, Mr. Raun described the Transportation Department as being forced to operate in a “crisis management posture,” and that critical requirements of Met Council contracts on Metro Mobility services were impossible to fulfill without this supervision and the hiring of additional drivers.

36. On Monday February 10, 2014, Konat chaired a DARTS “Leadership Meeting” attended by Krishnan, Michelle Price, Raun and others. At this meeting, Konat unveiled the new “Transportation Solutions” strategic plan he and Raun had been collaborating on to develop. He then announced, to Raun’s shock and dismay, that Konat would oversee the implementation of this strategic plan going forward, and never mentioned Raun, thus further marginalizing him out of any authority for, or influence over, the future strategic direction of the Department he had shepherded to unprecedented success and profitability.

37. On February 11, 2014, Raun could no longer tolerate being forced into a situation where he was being required to violate contractual and legal obligations. He thus submitted his resignation letter by email to Konat at 7:20 am on Tuesday, February 11, 2014. Raun diplomatically explained the “difficult conclusion” that he could no longer lead this hard-working group as stemming directly from the fact that “two other individuals working in an interim role have more autonomy for making decisions in the Transportation Department than I do,” referring to Krishnan and Michelle Price, and that “I feel I am unable to make prudent and effective progress in transportation due to a lack of collaboration in several areas.”

38. Raun’s concern that he had been increasingly marginalized to make room for Krishnan to replace him (as Raun had witnessed occurring to others in the past at DARTS) was quickly confirmed when, on February 17, 2014, Konat announced to the entire DARTS staff that

“Kris Krishnan will lead Transit Operations and Mobility Management effective immediately.” Moreover, Michelle Price was tabbed by Konat to report to Krishnan in this Department, in order to “drive initiatives to support operational efficiencies and change management.” In other words, immediately after Raun resigned, his pleas for greater managerial support in this Department were approved. Konat acknowledged that the significance of these changes, and went further and revealed how Raun’s departure was a planned outcome for some time, stating in his internal announcement of Raun’s resignation: “[t]hese changes are aligned with our strategic plan and the direction this organization is taking, which is the path of progress and growth.”

39. Konat’s subsequent efforts to secure Raun’s services for DARTS in a consulting role following his forced resignation stemmed entirely from Konat’s recognition that DARTS ability to secure two additional significant contracts for this Department with the Metropolitan Council would be gravely threatened by Raun’s departure. After ousting Raun from his leadership role over this Department and provide it to his friend, Konat sought to continue to benefit from Raun’s presence and recognized expertise with the parties responsible for awarding these contracts. He made clear to Raun, however, that he could not serve this function while retaining the Director of Transportation title or role, so Raun declined any further association on a consulting basis with DARTS.

40. After Raun left employment with DARTS, Krishnan informed Loeffler that he would not be a candidate to fill Raun’s position as the Director of Transportation. Loeffler was further notified that his position would be eliminated.

41. The decision to not allow Loeffler to fill Raun position and eliminate his position was attributed by Krishnan to Loeffler’s “management style.” When Krishnan further explained it became clear that “management style” meant Loeffler’s openness to sharing information with

the Met Council, his calling an employee to the carpet for dishonesty, and his opposition to many of Krishnan's directives.

42. This involved Krishnan's instruction to DARTS's customer service staff that they would have to change schedule times and performance times to create better on time performance in reports to the Met Council. Loeffler vigorously opposed this practice, which led to the critique from Krishnan about his management style. Loeffler opposed this practice by telling customer service staff that times cannot be changed, in defiance of Krishnan's instructions.

43. During an audit by the Met Council, and upon information and belief, DARTS Customer Service Manager Matt O'Connell informed the auditors that Krishnan was encouraging customer service staff to change times to improve the on time performance.

44. The Audit resulted in a September 18, 2014 DARTS Compliance Report published by the Metropolitan Council. This report found that performance data was falsified in order to improve on-time performance and when DARTS falsified the arrival time to improve its on-time performance reporting, customers paid fares that should have been exempted. The Report describes six specific instances where driver arrival times were edited in DARTS software system without justification. Mr. McConnell admitted that these edits were made by him, for the express purpose of improving DARTS on-time performance. Additional analysis revealed that in July, 2014, right after Loeffler had resigned and over four months after Raun had resigned, these same fraudulent entries were made to arrival times when Global Positioning data established that the DARTS buses were not arriving at the stated time. This "falsified" data resulted in DARTS customers paying fares that should have been exempted. Numerous other compliance violations were described in detail in the Report.

45. Since the DARTS Compliance Report was published, a DARTS driver has specifically informed the Met Council, in writing, that these falsified entries were the result of instructions from Krishnan, and that Loeffler's instructions to customer service representatives and dispatchers was to *never* change data in the DARTS software system in this manner.

46. Based upon the results of the audit, the Metropolitan Council cancelled the contract with DARTS and designated DARTS as a "non-responsible bidder," disqualifying the company from re-bidding to secure these contracts in the future.

47. Following that cancellation, Konat has told Metropolitan Council that Loeffler incorrectly trained staff and instructed them that it was permissible to change times in the system. Konat knew this information was false and it was Krishnan who instructed customer service staff to change times. DARTS has in fact published this false accusation against Loeffler in materials posted and available to the public on the DARTS website.

48. Konat further knew that Loeffler had actively opposed this practice, which is what led to the decision to not promote him and eliminate his position.

49. Konat's false statements about Loeffler have led to the Met Council providing DARTS with an appeal hearing to reconsider the decision to pull the contract from DARTS and declare DARTS a non-responsible bidder.

50. In DARTS's submission to the Metropolitan Council, which has been published on the DARTS website, DARTS has made the following false statements about the Plaintiffs:

- "The former Operations Manager who was responsible for the large majority of trip data alterations in 2014 is no longer with DARTS," which is an unmistakable reference to Loeffler, as he is the only individual to ever hold this job title at DARTS.

- Konat told the Metropolitan Council at a September 16, 2014, meeting that “the individuals responsible for the data alteration were no longer with DARTS,” which is a clear reference to both Plaintiffs.
- At the same meeting, the submission to the Metropolitan Council indicated that Konat made reference to Plaintiffs by stating “We acknowledged that staff that worked for DARTS previously had trained this individual and had instructed this individual that that was something that he should do . . . The people who did the instructing of our employees to do that were already gone from our organization.”

51. The statements about Plaintiffs made by DARTS have damaged them within the transportation community.

LEGAL CLAIMS

COUNT I

RETALIATION IN VIOLATION OF THE MINNESOTA WHISTLEBLOWER ACT (Against Defendant DARTS)

52. Plaintiffs restate and realleges paragraphs 1 through 47, above.

53. Raun and Loeffler were employees and DARTS was their employer pursuant to the Minnesota Whistleblower Protection Act (“MWPA”), Minn. Stat. §181.931, subs. 2 and 3.

54. Raun and Loeffler’s actions described above in raising their complaints regarding DARTS’ inability to meet its legal obligations (imposed by statute and contract) without immediate additional supervisory and management support, among other requests for change to comply with legal obligations, constitute a report to their employer, pursuant to Minn. Stat. §181.932, subd 1 (a). Raun and Loeffler in good faith believed that this management

“crisis” in this Department resulted in a situation in federal and state laws as well as numerous mandatory contractual obligations were being violated and breached by DARTS.

55. In addition to the complaints and reports described in detail above, the following addition reports by Raun and Loeffler may have contributed to Konat’s and Krishnan’s retaliatory animus toward them.

- Raun complained to Konat and Krishnan that Price and the HR function was consistently frustrating Raun and DARTS’s goal to both increase the diversity in the driver employee population and increase the total number of drivers to at least 105 by refusing to process applications and hiring decisions in a timely manner, and refusing to honor promises for payment of hiring bonuses. Raun also complained that this consistent failure resulted in DARTS being unable to meet contractually imposed “on-time-performance standards.”
- Raun complained to DARTS leadership that the failure to allow him to continue the work he had started with previous HR Director Koenen to put in place legally-mandated OSHA-compliant policies and practices was creating vast and unnecessary safety and legal risk for DARTS.
- Raun complained to DARTS leadership that the company could not possibly meet the drug and alcohol testing standards under state and federal law for its driver population given the lack supervisory/management staffing to enforce these policies.
- Loeffler opposed the practice of falsifying performance data to improve on-time performance.

56. DARTS actions in taking no effective steps in addressing these repeated complaints (apart from the wholly inadequate commitment to add one additional supervisory employee) until after Raun and Loeffler resigned created a scenario where Konat and Krishnan wanted for them to be forced to resign, and this had its intended effect. This constitutes a prohibited action pursuant to Minn. Stat. §181.932, subd. 1.

57. As a direct and proximate result of this prohibited action, Raun and Loeffler have suffered lost past and future income and benefits, and other compensatory damages including emotional distress and damage to reputation. This conduct was committed with a willful

disregard of their rights giving rise to punitive damages, and Plaintiffs therefore seek all damages recoverable at law, as well as costs and disbursements, including reasonable attorneys' fees, as well as any other relief the Court deems appropriate, all in excess of \$50,000.

COUNT II

TORTIOUS INTERFERENCE WITH CONTRACT (Against Defendants Konat and Krishnan)

58. Plaintiffs restate and reallege paragraphs 1 through 57 herein.

59. Konat and Krishnan conducted the above-described campaign to force Plaintiffs resignation in order to benefit themselves individually by allowing Konat to place Krishnan into Raun's role as Director of the Transportation Department Raun had built to an unprecedented level of success and revenue. Konat and Krishnan wanted to control the profits and revenues from this past and anticipated future growth for their own personal financial benefit. Upon information and belief, the control of these profits would allow Konat and Kishnan to justify far higher salaries and bonuses for themselves, and allow Krishnan a permanent DARTS position overseeing its most profitable Department. They thus conducted this campaign out of an interest in their individual pecuniary gain, and not out of any interest in the current best interest or the long-term future of the DARTS organization.

60. The actions described above were designed to interfere with Plaintiffs employment relationship with DARTS, by procuring his forced resignation and termination of this relationship. They were done with malice and/or a willful indifference and to, and disregard of, Plaintiffs rights, and to the interests of DARTS.

61. These actions had their intended effect, as Plaintiffs were forced to and did resign.

62. As a result of the foregoing, Plaintiffs are entitled to recover damages, including lost past and future pay and benefits, mental and emotional suffering, damage to reputation and

other compensatory damages, other damages (including punitive damages), and an award of his reasonable attorneys' fees (as this action was a proximate cause of the wrongful interference described above), costs and disbursements incurred herein pursuant all in excess of \$50,000.

COUNT III

DEFAMATION (Against All Defendants)

63. Plaintiffs restate and re-allege paragraphs 1 through 62 as though fully stated herein.

64. False statements about Plaintiffs have been conveyed to the Metropolitan Council and posted on DARTS website for everyone in the transportation industry to see.

65. These statements indicate that Plaintiffs were responsible for the falsification of performance data to improve on-time performance, and in fact inadequately trained and instructed staff to falsify these records whenever necessary.

66. These statements have harmed Plaintiffs in their profession, and thus constitute defamation per se. Their reputations have been damaged by these false statements in an amount to be determined at trial, but exceeding \$50,000.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully prays that

A. The practices of Defendants complained of herein be declared illegal as above alleged.

B. Judgment be entered in favor of Plaintiffs and against Defendants, and each of them in an amount in excess of \$50,000 as determined by the Court and jury herein, together with prejudgment interest thereon.

C. As soon as reasonable, upon Plaintiffs' motion pursuant to Minn. Stat. § 549.191, this Court grant leave for Plaintiffs to assert a claim for punitive damages pursuant to Minn. Stat. § 549.20.

D. Plaintiffs be awarded such other and further legal and equitable relief as may be found appropriate and as the Court may deem just or equitable.

E. Plaintiffs be awarded their legal expense, including reasonable attorneys' fees, experts' fees, and other costs and expenses incurred in this litigation.

JURY DEMAND

Plaintiffs demand trial by jury on all issues.

SCHAEFER HALLEEN, LLC

Dated: November 4, 2014

/s/Lawrence P. Schaefer
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ATTORNEY FOR PLAINTIFF

Acknowledgement

The undersigned acknowledges that pursuant to Minn. Stat. § 549.211, subd. 2, that costs, disbursements, and reasonable attorney and witness fees may be awarded to the opposing party or parties in this litigation if the Court should find that the undersigned acted in bad faith, asserted a claim or defense that is frivolous and that is costly to the other party, asserted an unfounded position solely to delay the ordinary course of the proceedings or to harass, or committed a fraud upon the Court.

SCHAEFER HALLEEN, LLC

Dated: November 4, 2014

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