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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

_____, Individually and On Behalf
of All Others Similarly Situated,

Plaintiff,

v.

YAYYO, INC., RAMY EL-
BATRAWI, JONATHAN ROSEN,
KEVIN PICKARD, HARBANT S.
SIDHU, JEFFREY GUZY,
CHRISTOPHER MIGLINO, PAUL
RICHTER, AEGIS CAPITAL CORP.,
WESTPARK CAPITAL, INC.,

Defendants.

Case No. DRAFT

CLASS ACTION COMPLAINT

1 Plaintiff _____ (“Plaintiff”), individually and on behalf of all others
2 similarly situated, by and through his attorneys, alleges the following upon information
3 and belief, except as to those allegations concerning Plaintiff, which are alleged upon
4 personal knowledge. Plaintiff’s information and belief is based upon, among other things,
5 his counsel’s investigation, which includes without limitation: (a) review and analysis of
6 regulatory filings made by YayYo, Inc. (“YayYo” or the “Company”) with the United
7 States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review and analysis
8 of press releases and media reports issued by and disseminated by YayYo; and (c) review
9 of other publicly available information concerning YayYo.

10 **NATURE OF THE ACTION AND OVERVIEW**

11 1. This is a class action on behalf of persons and entities that purchased or
12 otherwise acquired YayYo common stock pursuant and/or traceable to the registration
13 statement and prospectus (collectively, the “Registration Statement”) issued in
14 connection with the Company’s November 2019 initial public offering (“IPO” or the
15 “Offering”). Plaintiff pursues claims against the Defendants, under the Securities Act of
16 1933 (the “Securities Act”).

17 2. YayYo claimed at the time of its IPO to be engaged in “bridg[ing] the gap
18 between rideshare drivers needing a suitable vehicle and rideshare companies that depend
19 on attracting and keeping drivers with quality vehicles,” then claiming that “YayYo
20 uniquely supports drivers in both the higher and lower economic categories with
21 innovative policies and programs” and that YayYo then “[sought] to become the
22 preeminent provider of rental vehicles to drivers in the ever-expanding ridesharing
23 economy.”

24 3. On November 14, 2019, the Company filed its prospectus on Form 424B4
25 with the SEC, which forms part of the Registration Statement. In the IPO, the Company
26 sold 2,625,000 of common stock at a price of \$4.00 per share. The Company received
27 net proceeds of approximately \$9.66 million from the Offering.

1 commerce, including the United States mail, interstate telephone communications, and
2 the facilities of a national securities exchange.

3 **PARTIES**

4 10. Plaintiff _____, as set forth in the accompanying certification,
5 incorporated by reference herein, purchased or otherwise acquired YayYo common stock
6 pursuant and/or traceable to the Registration Statement issued in connection with the
7 Company’s IPO, and suffered damages as a result of the federal securities law violations
8 and false and/or misleading statements and/or material omissions alleged herein.

9 11. Defendant YayYo is incorporated under the laws of Delaware with its
10 principal executive offices located in Beverly Hills, California. YayYo’s common stock
11 traded on the NASDAQ exchange until February 2020 when it was delisted and now
12 trades over-the-counter under the symbol “YAYO.”

13 12. Defendant Ramy El-Batrawi (“El-Batrawi”) founded YayYo and served as
14 its Chief Executive Officer (“CEO”) from the inception of the Company until October 4,
15 2018, then as Acting CEO from November 17, 2018 to February 1, 2019, and a director
16 of the Company between November 2016 and September 2019. Due to his checkered
17 past and at the insistence of the NASDAQ, Defendant El-Batrawi resigned from all his
18 positions at YayYo in September 2019 so that the Company could be taken public. On
19 January 26, 2020, Defendant El-Batrawi purports to have been reappointed CEO of
20 YayYo and as a member of its Board.

21 13. Defendant Jonathan Rosen (“Rosen”) was, at the time of the IPO, YayYo’s
22 CEO, and signed or authorized the signing of the Company’s Registration Statement filed
23 with the SEC.

24 14. Defendant Kevin F. Pickard (“Pickard”) was, at all relevant times, Chief
25 Financial Officer (“CFO”), Secretary, and a director of the Company, and signed or
26 authorized the signing of the Company’s Registration Statement filed with the SEC.

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1 15. Defendant Jeffrey J. Guzy (“Guzy”) was, at all relevant times, a director of
2 the Company, and signed or authorized the signing of the Company’s Registration
3 Statement filed with the SEC.

4 16. Defendant Christopher Miglino (“Miglino”) was, at all relevant times, a
5 director of the Company.

6 17. Defendant Harbant S. Sidhu (“Sidhu”) was, at all relevant times, a director
7 of the Company, and signed or authorized the signing of the Company’s Registration
8 Statement filed with the SEC.

9 18. Defendant Paul Richter (“Richter”) was, at all relevant times, a director of
10 the Company.

11 19. Defendants El-Batrawi, Rosen, Pickard, Guzy, Miglino, Sidhu, and Richter
12 are collectively referred to hereinafter as the “Individual Defendants.”

13 20. Defendant Westpark Capital, Inc. (“Westpark”) served as an underwriter for
14 the Company’s IPO.

15 21. Defendant Aegis Capital Corporation (“Aegis”) served as an underwriter for
16 the Company’s IPO.

17 22. Defendants Westpark and Aegis are collectively referred to hereinafter as
18 the “Underwriter Defendants.”

19 **CLASS ACTION ALLEGATIONS**

20 23. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil
21 Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that
22 purchased or otherwise acquired YayYo common stock issued in connection with the
23 Company’s IPO. Excluded from the Class are Defendants, the officers and directors of
24 the Company, at all relevant times, members of their immediate families and their legal
25 representatives, heirs, successors, or assigns, and any entity in which Defendants have or
26 had a controlling interest.

27 24. The members of the Class are so numerous that joinder of all members is
28 impracticable. YayYo’s common shares actively traded on the NASDAQ until February

1 2020, when the stock was delisted and began trading over-the-counter. While the exact
2 number of Class members is unknown to Plaintiff at this time and can only be ascertained
3 through appropriate discovery, Plaintiff believes that there are at least hundreds or
4 thousands of members in the proposed Class. Millions of YayYo common stock were
5 traded publicly on the NASDAQ. Record owners and other members of the Class may
6 be identified from records maintained by YayYo or its transfer agent and may be notified
7 of the pendency of this action by mail, using the form of notice similar to that customarily
8 used in securities class actions.

9 25. Plaintiff's claims are typical of the claims of the members of the Class as all
10 members of the Class are similarly affected by Defendants' wrongful conduct in violation
11 of federal law that is complained of herein.

12 26. Plaintiff will fairly and adequately protect the interests of the members of
13 the Class and has retained counsel competent and experienced in class and securities
14 litigation.

15 27. Common questions of law and fact exist as to all members of the Class and
16 predominate over any questions solely affecting individual members of the Class.
17 Among the questions of law and fact common to the Class are:

18 (a) whether the federal securities laws were violated by Defendants' acts
19 as alleged herein;

20 (b) whether statements made by Defendants to the investing public
21 during the Class Period omitted and/or misrepresented material facts about the business,
22 operations, and prospects of YayYo; and

23 (c) to what extent the members of the Class have sustained damages and
24 the proper measure of damages.

25 28. A class action is superior to all other available methods for the fair and
26 efficient adjudication of this controversy since joinder of all members is impracticable.
27 Furthermore, as the damages suffered by individual Class members may be relatively
28 small, the expense and burden of individual litigation makes it impossible for members

1 of the Class to individually redress the wrongs done to them. There will be no difficulty
2 in the management of this action as a class action.

3 SUBSTANTIVE ALLEGATIONS

4 Background

5 29. YayYo claimed at the time of its IPO to be engaged in “bridg[ing] the gap
6 between rideshare drivers needing a suitable vehicle and rideshare companies that depend
7 on attracting and keeping drivers with quality vehicles,” then claiming that “YayYo
8 uniquely supports drivers in both the higher and lower economic categories with
9 innovative policies and programs” and that YayYo then “[sought] to become the
10 preeminent provider of rental vehicles to drivers in the ever-expanding ridesharing
11 economy.”

12 30. Defendant El-Batravi has a checkered past. On April 13, 2006, he was
13 named, along with other officers, directors, and/or associates of Genesis Intermedia, Inc.,
14 as defendants in an SEC enforcement action. The complaint, *SEC V. Ramy El-Batravi,*
15 *et al.*, Case No. 2:06-cv-02247-CAS-VBK (C.D. Cal.), charged defendant El-Batravi
16 with violations of Section 17(a) of the Securities Act and Section 10(b) and Rule 10b-5
17 of the Securities and Exchange Act of 1934, in connection with a stock loan and
18 manipulation scheme. The SEC enforcement action alleged, among other things, that
19 defendants had violated antifraud provisions of federal securities laws by orchestrating a
20 scheme to manipulate the stock price of Genesis Intermedia, Inc., a now-defunct public
21 company that was based in Van Nuys, California. On April 1, 2010, defendant El-Batravi
22 settled the SEC enforcement action by entering into a final judgment by consent with the
23 SEC. In connection with the settlement of the SEC enforcement action charges, this
24 District entered a consent decree against defendant El-Batravi that, among other things,
25 barred him from acting as an officer or director of a public company for a period of five
26 years following the date of entry of the final judgment by consent.

27 31. As defendants prepared to take YayYo public in the IPO, given defendant
28 El-Batravi’s history of securities law violations, the NASDAQ refused to permit a listing

1 of the Company's shares unless defendant El-Batrawi resigned and relinquished all
2 authority and control over YayYo prior to the effective date of the IPO. Defendant Rosen
3 was hired in February 2019 and by October 2019 had been appointed as CEO of YayYo.

4 **The Company's False and/or Misleading**

5 **Registration Statement and Prospectus**

6 32. On November 6, 2019, the Company filed its final amendment to the
7 Registration Statement with the SEC on Form S-1/A, which forms part of the Registration
8 Statement. The Registration Statement was declared effective on November 12, 2019.

9 33. On November 14, 2019, the Company filed its prospectus on Form 424B4
10 with the SEC, which forms part of the Registration Statement. In the IPO, the Company
11 sold 2,625,000 of common stock at a price of \$4.00 per share. The Company received
12 net proceeds of approximately \$9.66 million from the Offering.

13 34. The Registration Statement was negligently prepared and, as a result,
14 contained untrue statements of material facts or omitted to state other facts necessary to
15 make the statements made not misleading, and was not prepared in accordance with the
16 rules and regulations governing its preparation.

17 35. Under applicable SEC rules and regulations, the Registration Statement was
18 required to disclose known trends, events or uncertainties that were having, and were
19 reasonably likely to have, an impact on the Company's continuing operations.

20 36. Regarding El-Batrawi's ongoing involvement in the affairs of YayYo, the
21 Registration Statement claimed that "[o]n February 1, 2019, Mr. El-Batrawi resigned
22 from his position as Acting Chief Executive Officer of the Company upon the
23 appointment of Jonathan Rosen as Chief Executive Officer," and elsewhere that "Mr. El-
24 Batrawi resigned as our director effective as of September 1, 2019."

25 37. Elsewhere, claiming that defendant Rosen acted independently as CEO, the
26 Registration Statement stated, in relevant part:

27 We depend on a small number of executive officers and other members of
28 management to work effectively as a team, to execute our business strategy
and operating business segments, and to manage employees and

1 consultants. Our success will be dependent on the personal efforts of our
2 Chief Executive Officer, our directors and such other key personnel. Any
3 of our officers or employees can terminate his or her employment
4 relationship at any time, and the loss of the services of such individuals
5 could have a material adverse effect on our business and prospects. **Mr. El-
Batrawi, the founder and original Chairman of the Board and original
Chief Executive Officer of the Company from its incorporation to the
Company, resigned from all positions with the Company as a condition
for being approved for listing on The Nasdaq Capital Market.**

6 38. Concerning the purported sale of defendant El-Batrawi's equity ownership
7 in YayYo prior to the IPO, the Registration Statement stated, in relevant part:

8 As a condition to approving the Company's common stock for listing on
9 The Nasdaq Capital Market, X, LLC, an entity that is wholly-owned and
10 controlled by Ramy El-Batrawi, our founder and former Chief Executive
11 Officer and former director, agreed to sell 12,525,000 of its 15,425,000
12 shares of common stock. **The 12,525,000 shares (the "Private Shares")
were sold** pursuant to an exemption from registration under the Securities
13 Act to four existing Company shareholders who qualify as accredited
14 investors (as that term is defined in Securities Act Rule 501(a)). **The Private
Shares were sold at \$3.00 per share** in exchange for non-recourse, non-
15 interest-bearing promissory notes with maturities ranging from one year to
16 eighteen months. **As a result of the sale, X, LLC's beneficial ownership
shall be reduced to 9.9% of the shares outstanding after the completion
of this Offering.** We will not receive any proceeds from the sale of the
17 Private Shares. If the offering contemplated by this registration statement is
18 not consummated by January 31, 2020, the parties have agreed to unwind
19 the sale of the Private Shares transaction in compliance with applicable law.
Mr. El-Batrawi has also entered into a Voting Trust Agreement (the
"Trust") pursuant to which the voting power of all of his remaining
2,900,000 shares of common stock will be controlled by a trustee who will
use the voting power of the common stock held in the Trust to vote on all
matters presented for a vote of stockholders in the same proportion that the
shares of common stock not subject to the Trust voted on such matters.

20 * * *

21 The Trust shall be irrevocable, and shall terminate upon the earlier of (a)
22 the written agreement of the Company, the trustee and a duly authorized
representative of Nasdaq, or (b) the date upon which the Company is not
listed on a security exchange controlled by Nasdaq.

23 **As of the date of this prospectus, the Gray Mars Venus Trust, of which
John Gray is the beneficial owner, owns approximately 38.5% of our
24 outstanding shares of common stock.**

25 * * *

26 In addition to the stock controlled by John Gray, **five other individuals or
27 entities will own 39.3% of our common stock after the completion of this
offering. . . .**

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Voting Trust

Mr. El-Batrawi has entered into a Voting Trust Agreement pursuant to which the voting power of all of his outstanding common stock will be controlled by a trustee who will use the voting power of the common stock held in the Trust to vote on all matters, other than certain extraordinary matters, presented for a vote of stockholders in the same proportion that the shares of common stock not subject to the Trust voted on such matters. Mr. El-Batrawi’s entrance into the Voting Trust Agreement is a condition for the Company’s approval for listing on The Nasdaq Capital Market.

The Trust shall be irrevocable, and shall terminate upon the earlier of (a) the written agreement of the Company, the trustee and a duly authorized representative of Nasdaq, or (b) the date upon which the Company is not listed on a security exchange controlled by Nasdaq.

The trustee, initially one of our directors, Harbant S. Sidhu, shall have discretion to vote the Trust’s shares on all extraordinary matters which shall include any merger, consolidation, business combination, share exchange, restructuring, recapitalization or acquisition involving the Company or any similar transaction or the sale, lease, exchange, pledge, mortgage or transfer of all or a material portion of the Company’s assets.

* * *

To the best of our knowledge, except as otherwise indicated, *each of the persons named in the table has sole voting and investment power with respect to the shares of our common stock beneficially owned by such person*, except to the extent such power may be shared with a spouse. To our knowledge, none of the shares listed below are held under a voting trust or similar agreement, except as noted. To our knowledge, there is no arrangement, including any pledge by any person of securities of the Company, the operation of which may at a subsequent date result in a change in control of the Company.

<u>Name and Address of Beneficial Owner</u>	<u>Title</u>	<u>Beneficially Owned</u>	<u>Percent of Class Before Offering</u>	<u>Percent of Class After Offering</u>
Officers and Directors ⁽¹⁾				
Jonathan Rosen	Chief Executive Officer	—	—	—
Kevin F. Pickard ⁽²⁾	Chief Financial Officer and Director	300,000	1.1%	1.0%
Laurie DiGiovanni	Chief Operating Officer	—	—	—
Jeffrey J. Guzy	Director	—	—	—
Christopher Miglino	Director	—	—	—
Harbant S. Sidhu	Director	—	—	—
Paul Richter	Director	—	—	—
Officers and Directors as a Group (total of 7 persons)		300,000	1.1%	1.0%
5% Stockholders				
X, LLC ^{(3) (5)}		2,900,000	10.8%	9.9%
Gray Mars Venus Trust, Arizona 2015 ^{(4) (5)}		10,325,000	38.5%	35.1%
Bellridge Capital, L.P. ^{(5) (6)}		2,400,000	8.5%	7.87%
David Haley ^{(5) (7)}		2,844,945	10.6%	9.7%
James Malackowiski ^{(5) (8)}		2,758,824	10.3%	9.4%
John O'Hurley ^{(5) (9)}		2,018,750	7.5%	6.9%
Acuitas Group Holdings, LLC ^{(5) (10)}		1,654,412	6.2%	5.6%

* * *

Sale of Founder's Shares and Voting Trust

As a condition to approving the Company's common stock for listing on The Nasdaq Capital Market, X, LLC, an entity that is wholly-owned and controlled by Ramy El-Batrawi, our founder and former Chief Executive Officer and former director, agreed to sell 12,525,000 of its 15,425,000 shares of common stock. ***The 12,525,000 shares (the "Private Shares") were sold*** pursuant to an exemption from registration to four existing Company shareholders who qualify as accredited investors (as that term is defined in Securities Act Rule 501(a)). ***The Private Shares were sold at \$3.00 per share*** in exchange for non-recourse, non-interest-bearing promissory notes with maturities ranging from one year to eighteen months. ***As a result of the sale, X, LLC's beneficial ownership shall be reduced to 9.9% of the shares outstanding after the completion of this Offering.*** We will not receive any proceeds from the sale of the Private Shares. ***If the offering contemplated by this registration statement is not consummated by January 31, 2020, the parties have agreed to unwind the sale of the Private Shares transaction in compliance with applicable law.*** Mr. El-Batrawi has also entered into a Voting Trust Agreement (the "Trust") pursuant to which the voting power of all of his remaining 2,900,000 shares of common stock will be controlled by a trustee who will use the voting power of the common stock held in the Trust to vote on all matters presented for a vote of stockholders in the same proportion that the shares of common stock not subject to the Trust voted on such matters.

39. Concerning the "Use of Proceeds" from the IPO, Registration Statement stated, in relevant part:

1 The principal purposes of this primary offering are to increase our
 2 capitalization and financial flexibility, increase our visibility in the
 3 marketplace and create a public market for our common stock. As of the
 4 date of this prospectus, we cannot specify with certainty all of the particular
 5 uses for the net proceeds to us from this primary offering. However, we
 6 currently intend to use the net proceeds to us from this primary offering to
 7 add to our fleet of passenger vehicles made available for rent through the
 8 Company's wholly-owned subsidiary, Distinct Cars, and for general
 9 corporate purposes, including working capital, sales and marketing
 10 activities. We may also use a portion of the net proceeds for the acquisition
 11 of, or investment in, technologies, solutions or businesses that complement
 12 our business, although we have no present commitments or agreements to
 13 enter into any acquisitions or investments.

14 We will retain broad discretion in the allocation of the net proceeds from
 15 this primary offering and could utilize the proceeds in ways that do not
 16 necessarily improve our results of operations or enhance the value of our
 17 common stock.

18 The table below sets forth the manner in which we expect to use the net
 19 proceeds we receive from this primary offering. All amounts included in
 20 the table below are estimates.

Description	Amount
Purchase of Passenger Vehicles Made Available for Rent	\$ 5,000,000
Repayment of Notes Payable	2,400,000
Sales and Marketing	\$ 700,000
Working Capital and General Corporate Purposes	\$ 693,800
Total	\$ 8,793,800

21 40. Regarding the role of Anthony Davis, who had served as President and Chief
 22 Executive Officer of the Company between 2017 and 2018, the Registration Statement
 23 stated, in relevant part:

24 On December 1, 2016, . . . Mr. Davis . . . received non-qualified stock
 25 options expiring on December 31, 2018, entitling [him] to purchase 100,000
 26 shares of the Company common stock at an exercise price of \$1.00 per share
 27 at any time on or after June 1, 2017.

28 * * *

On November 29, 2016, the Company and Mr. Davis, a former executive
 officer of the Company, entered into an offer of employment agreement
 with the Company setting forth an initial base salary for Mr. Davis's first
 three months of service and performance under this term of employment
 with the Company. As set forth under the employment offer, Mr. Davis was
 entitled to receive (i) \$15,000 for his service in the month of December
 2016, (ii) \$10,000 for service performed during the month of January, 2017
 and an additional \$10,000 for service performed by Mr. Davis during the
 month of February 2017.

1 41. As to its relationship with Social Reality, a social media company, the
2 Company disclosed in the Registration Statement that defendant Miglino was the founder
3 and CEO of Social Media. The Registration Statement stated that, “[d]uring the year
4 ended December 31, 2018, the Company incurred \$334,471 for advertising and digital
5 media services from Social Reality.” It also stated that, “[a]t December 31, 2018, the
6 Company had an amount due of \$334,471 to Social Reality.”

7 42. The Registration Statement was false and misleading and omitted to state
8 material adverse facts. Specifically, Defendants failed to disclose to investors: (1) that
9 El-Batrawi continued to exercise supervision, authority, and control over YayYo, and
10 was intimately involved, on a day-to-day basis, with the business, operations, and
11 finances of the Company, including assisting marketing activities with the underwriters
12 of the IPO; (2) that El-Batrawi never sold the 12,525,000 “Private Shares” and continued
13 to own a controlling interest in YayYo; (3) that the Company had promised to repurchase
14 shares that certain of YayYo’s creditors agreed to purchase in the IPO; (4) that these
15 shares would be repurchased using IPO proceeds; (5) that the Company owed former
16 officer Anthony Davis nearly half a million dollars; and (6) that the Company owed
17 \$426,286 to Social Reality in unpaid social media costs, most of which was more than a
18 year overdue.

19 **The Subsequent Disclosures**

20 43. On January 6, 2020, the Company announced that Boyd Bishop had been
21 appointed President of YayYo, effective the same day.

22 44. On January 13, 2020, YayYo disclosed:

23 On January 10, 2020, YayYo . . . entered into an Executive Employment
24 Agreement . . . with the Company’s Chief Executive Officer, Jonathan
25 Rosen, pursuant to which Mr. Rosen will continue to serve as the
26 Company’s Chief Executive Officer for one year or until terminated in
27 accordance with the Agreement.

28 45. On January 24, 2020, the Company filed an action for Declaratory Judgment
and Permanent Injunction against Defendant El-Batrawi in the Superior Court of the State
of California, County of Los Angeles, Case No. 20STCP00309, alleging, in relevant part:

1 Despite leaving the Company following concerns from NASDAQ
2 regarding his involvement in the day-to-day operations of Yay Yo in
3 September 2019, Defendant has engaged in a continuous course of actions
4 misrepresenting himself as affiliated with, speaking on behalf of, and
authorized on empowered by Yay Yo. In so doing Defendant has purported
to bind the Company to contracts, direct its employees, change its website,
and even to attempt to sell the Company to its competitors.

5 46. In connection with the complaint, and in support of a temporary restraining
6 order, YayYo filed a declaration by defendant Rosen, who testified that despite having
7 promised in September 2019 to have “*no formal or informal affiliation between the*
8 *Company and [El-Batrawi]*, expect [sic] for his minority ownership (less than 10%) in
9 the Company, . . . Defendant El-Batrawi [had] continue[d] to operate and hold himself
10 out as if a director or officer of Yay Yo, or as an otherwise authorized representative of
11 the same.” (Emphasis in original). Defendant Rosen also stated in the declaration that
12 “Defendant El-Batrawi ha[d] failed and/or refused to sell his shares of stock in the
13 Company . . .” Defendant Rosen further admitted that this had occurred since September
14 2019, i.e. well before the IPO, and that defendant El-Batrawi’s misconduct included,
15 among other things, contacting competitors, suppliers, and vendors of YayYo and
16 negotiating with them as a representative of YayYo; meeting with financiers and
17 investment firms about investing in YayYo and claiming to represent YayYo; hiring a
18 public relations firm for YayYo and producing and airing commercials for YayYo on the
19 Fox Business Channel; attempting to hire two marketing firms for YayYo; and directing
20 that changes be made to YayYo’s website.

21 47. On January 27, 2020, in a Form 8-K filed with the SEC, the Company
22 disclosed that defendants Guzy, Miglino, and Richter had been “removed as directors of
23 the Company” and that defendant Rosen was no longer CEO of YayYo. Specifically,
24 YayYo stated, in relevant part:

25 By the written consent of the holders of more than a majority of the shares
26 of YayYo, Inc. (the “Company”) then entitled to vote at an election of
27 directors, Messrs. Jeffrey J. Guzy, Christopher Miglino, and Paul Richter
28 were removed as directors of the Company, effective January 22, 2020. On
January 24, 2020, the remaining directors of the Company elected Douglas
M. Mox, John P. O’Neill and Stephen M. Sanchez as directors to fill such
vacancies, each to hold office until the earlier of the expiration of the term

1 of office of the director whom he has replaced, a successor is duly elected
2 and qualified or the earlier of such director's death, resignation,
3 disqualification or removal. Stephen M. Sanchez was elected as the
4 Chairman of the Board of Directors (the "Board").

5 In addition to the above, on January 26, 2020, Jonathan Rosen resigned
6 from his position as the Company's Chief Executive Officer. Mr. Rosen
7 informed the Board that his resignation was for "Good Reason," as that term
8 is defined in Mr. Rosen's employment agreement with the Company dated
9 January 10, 2020. The Company disagrees with Mr. Rosen's
10 characterization of the circumstances surrounding his resignation and does
11 not believe that "Good Reason" exists for Mr. Rosen's resignation.

12 48. On February 10, 2020, YayYo suddenly announced that the new Board had
13 determined to delist YayYo common stock from the NASDAQ to avoid listing
14 requirements, stating in relevant part:

15 YayYo . . . today announced its intention to voluntarily delist its common
16 stock from the NASDAQ Stock Market ("NASDAQ") effective on
17 February 20, 2020. The Company expects that its common stock will be
18 approved for quotation on the OTCQB from and after that date. The
19 Company has elected to effect the voluntary delisting of its common stock
20 after discussions with NASDAQ's staff and based on the determination of
21 the Company's board of directors that voluntarily delisting the common
22 stock from the NASDAQ is in the best interests of the Company and its
23 stockholders. Nasdaq has advised the Company that it believes that the
24 Company has failed the conditions for continued listing of its common
25 stock set forth in Listing Rule 5250(a). The voluntary delisting will permit
26 the Company to operate its business free from restrictions imposed by
27 NASDAQ rules and the conditions applicable to the listing of the
28 Company's common stock on the NASDAQ.

29 The Company has notified NASDAQ of its intent to voluntarily delist its
30 common stock from the NASDAQ. The Company currently anticipates that
31 it will file with the Securities and Exchange Commission a Form 25 relating
32 to the delisting of its common stock on or about February 20, 2020 and
33 expects the delisting of its commons tock to be effective ten days thereafter.
34 The purpose of the Form 25 filing is to effect the voluntary delisting from
35 the NASDAQ of the Company's outstanding common stock. The Company
36 does not expect the delisting to have any adverse effects on its business
37 operations.

38 49. On February 11, 2020, Social Reality filed a collection action against
39 YayYo in the Superior Court of the State of California for the County of Los Angeles,
40 Case No. 20STVV05559, alleging that it had provided media services to the Company
41 dating back to 2018 for which YayYo owed \$645,286, including \$426,286 for services
42 rendered prior to the time of the IPO. The complaint alleges that YayYo had claimed it
43 was "unable to pay" the amounts "apparently due to a delay in its [IPO]." Though the

1 invoices for the services attached to the complaint filed by Social Reality were signed by
2 Defendant El-Batrawi, an email attached to the complaint dated January 24, 2020 from
3 defendant Rosen stated that, other than \$50,000 which had been paid to Social Reality
4 using IPO proceeds on January 23, 2020, the Company would be unable to pay the
5 outstanding bill absent additional outside financing.

6 50. On March 3, 2020, YayYo disclosed that El-Batrawi had been appointed
7 CEO and a director on February 28, 2020. Moreover, “[b]eginning on February 1, 2019,
8 the Company entered into a consulting agreement with Mr. El-Batrawi and paid \$167,000
9 under the consulting agreement,” but that “[t]he consulting agreement was terminated
10 effective September 1, 2019.”

11 51. On March 3, 2020, Anthony Davis filed a complaint alleging violations of
12 various labor laws and common law claims. The complaint stated, in relevant part:

13 Plaintiff Anthony Davis is an experienced, c-suite level executive that
14 agreed to join Yayyo, a ridesharing startup company, as its CEO, for a
15 salary well below his market rate in exchange for the written promise of
16 stock options made by Yayyo founder and then CEO Ramy El-Batrawi.

17 After only five (5) months of service and in accordance with his
18 responsibilities under an employment agreement, Plaintiff determined that
19 Ramy El-Batrawi could not be trusted because he regularly ignored legal
20 counsel regarding SEC matters and flouted Board protocols and industry
21 norms for corporate compliance. Specifically, El-Batrawi filed fraudulent
22 and materially misleading documents with the SEC that Yayyo continues
23 to use to deny Plaintiff the compensation he is owed.

24 Instead of remaining in an untenable position due to El-Batrawi’s illegal
25 and fraudulent conduct, Plaintiff negotiated a separation written agreement
26 through a consulting agreement that described the agreed upon
27 compensation owed to Plaintiff, including specific language regarding
28 payment from the stock options and other cash owed. To date, despite
numerous good faith attempts to be paid pursuant to the written agreements,
Yayyo refuses to honor its obligations thereunder.

Based on the written agreements, Yayyo and El-Batrawi caused damages
to Davis in the amount of at least \$454,086.39 for losses related to cash
compensation, expenses and the stock options value, plus attorney’s fees
and costs. Plaintiff also seeks injunctive relief requiring Yayyo to amend
the SEC filings (Form S-1/A) so as to not mislead the public.

52. On or about April 13, 2020, in a Form 8-K filed with the SEC, YayYo
disclosed that as of April 2, 2020, the Company had provided a “secured position” on its

1 assets to X, LLC, an entity owned and/or controlled by defendant El-Batrawi, for a loan
2 of \$150,000, which is due and payable in thirty (30) days thereafter.

3 53. On or about April 28, 2020, FirstFire Global Opportunities Fund, LLC
4 (“FirstFire”) filed a complaint against the Underwriter Defendants in the United States
5 District Court for the Southern District of New York, alleging, among other things, that
6 the Registration Statement concealed defendant El-Batrawi’s ongoing control over the
7 company and its IPO process and fraudulently using IPO proceeds to immediately pay
8 back investors who fronted funds to close the IPO. FirstFire further alleges that, when
9 the Underwriter Defendants were unable to raise the full \$10 million required by
10 NASDAQ to close the IPO, Defendant El-Batrawi fabricated a \$1.2 million commitment
11 purportedly from a trust, which turned out to be a lie. FirstFire further alleges that the
12 Underwriter Defendants and Defendant El-Batrawi solicited creditors and shareholders
13 to invest more money to close the IPO, and “sought to sweeten the attraction” by agreeing
14 that YayYo would “immediately” pay them back from the IPO proceeds. Moreover,
15 FirstFire alleges that the Underwriter Defendants claimed the IPO proceeds would be
16 used to purchase vehicles, as well as for general corporate purposes, including working
17 capital and sales and marketing activities, but in reality, YayYo had no intention to do
18 so.

19 54. Since the IPO, the Company’s share price has traded as low as \$0.37, or
20 93% below the IPO price.

21 **FIRST CLAIM**

22 **Violation of Section 11 of the Securities Act**

23 **(Against All Defendants)**

24 55. Plaintiff repeats and re-alleges each and every allegation contained above as
25 if fully set forth herein, except any allegation of fraud, recklessness or intentional
26 misconduct.

27 56. This Count is brought pursuant to Section 11 of the Securities Act, 15 U.S.C.
28 § 77k, on behalf of the Class, against the Defendants.

1 57. The Registration Statement for the IPO was inaccurate and misleading,
2 contained untrue statements of material facts, omitted to state other facts necessary to
3 make the statements made not misleading, and omitted to state material facts required to
4 be stated therein.

5 58. YayYo is the registrant for the IPO. The Defendants named herein were
6 responsible for the contents and dissemination of the Registration Statement.

7 59. As issuer of the shares, YayYo is strictly liable to Plaintiff and the Class for
8 the misstatements and omissions.

9 60. None of the Defendants named herein made a reasonable investigation or
10 possessed reasonable grounds for the belief that the statements contained in the
11 Registration Statement was true and without omissions of any material facts and were
12 not misleading.

13 61. By reasons of the conduct herein alleged, each Defendant violated, and/or
14 controlled a person who violated Section 11 of the Securities Act.

15 62. Plaintiff acquired YayYo shares pursuant and/or traceable to the
16 Registration Statement for the IPO.

17 63. Plaintiff and the Class have sustained damages. The value of YayYo
18 common stock has declined substantially subsequent to and due to the Defendants'
19 violations.

20 **SECOND CLAIM**

21 **Violation of Section 12(a)(2) of the Securities Act**

22 **(Against All Defendants)**

23 64. Plaintiff repeats and re-alleges each and every allegation contained above,
24 except any allegation of fraud, recklessness or intentional misconduct.

25 65. This Count is brought pursuant to Section 12(a)(2) of the Securities Act, on
26 behalf of the Class, against all Defendants.
27
28

1 66. Defendants were sellers, offerors, and/or solicitors of purchasers of common
2 stock offered by YayYo pursuant to the IPO. Defendants issued, caused to be issued,
3 and/or signed the Registration Statement in connection with the Offering. The
4 Registration Statement was used to induce investors, such as Plaintiff and other members
5 of the Class, to purchase YayYo securities.

6 67. The Registration Statement was inaccurate and misleading, contained
7 untrue statements of material facts, omitted to state other facts necessary to make the
8 statements made not misleading, and omitted to state material facts required to be stated
9 therein.

10 68. Defendants' actions of solicitation included participating in the preparation
11 of the false and/or misleading Registration Statement.

12 69. None of the Defendants named herein made a reasonable investigation or
13 possessed reasonable grounds for the belief that the statements contained in the
14 Registration Statement were true and without omissions of any material facts and were
15 not misleading.

16 70. Plaintiff and other Class members did not know, nor could they have known,
17 of the untruths and/or omissions contained in the Registration Statement.

18 71. By virtue of the conduct alleged herein, the Defendants are liable for the
19 aforesaid wrongful conduct and are liable to Plaintiff and the Class for damages suffered.

20 **THIRD CLAIM**

21 **Violation of Section 15 of the Securities Act**

22 **(Against the Individual Defendants)**

23 72. Plaintiff repeats and re-alleges each and every allegation contained above as
24 if fully set forth herein, except any allegation of fraud, recklessness or intentional
25 misconduct.

26 73. This count is asserted against the Individual Defendants and is based upon
27 Section 15 of the Securities Act.
28

1 74. The Individual Defendants, by virtue of their offices, directorship, and
2 specific acts were, at the time of the wrongs alleged herein and as set forth herein,
3 controlling persons of YayYo within the meaning of Section 15 of the Securities Act.
4 The Individual Defendants had the power and influence and exercised the same to cause
5 YayYo to engage in the acts described herein.

6 75. The Individual Defendants’ positions made them privy to and provided them
7 with actual knowledge of the material facts concealed from Plaintiff and the Class.

8 76. By virtue of the conduct alleged herein, the Individual Defendants are liable
9 for the aforesaid wrongful conduct and are liable to Plaintiff and the Class for damages
10 suffered.

11 **PRAYER FOR RELIEF**

12 WHEREFORE, Plaintiff prays for relief and judgment, as follows:

13 (a) Determining that this action is a proper class action under Rule 23 of the
14 Federal Rules of Civil Procedure;

15 (b) Awarding compensatory damages in favor of Plaintiff and the other Class
16 members against all defendants, jointly and severally, for all damages sustained as a
17 result of Defendants’ wrongdoing, in an amount to be proven at trial, including interest
18 thereon;

19 (c) Awarding Plaintiff and the Class their reasonable costs and expenses
20 incurred in this action, including counsel fees and expert fees; and

21 (d) Such other and further relief as the Court may deem just and proper.

22 **JURY TRIAL DEMANDED**

23 Plaintiff hereby demands a trial by jury.
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DATED: _____, 2020

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