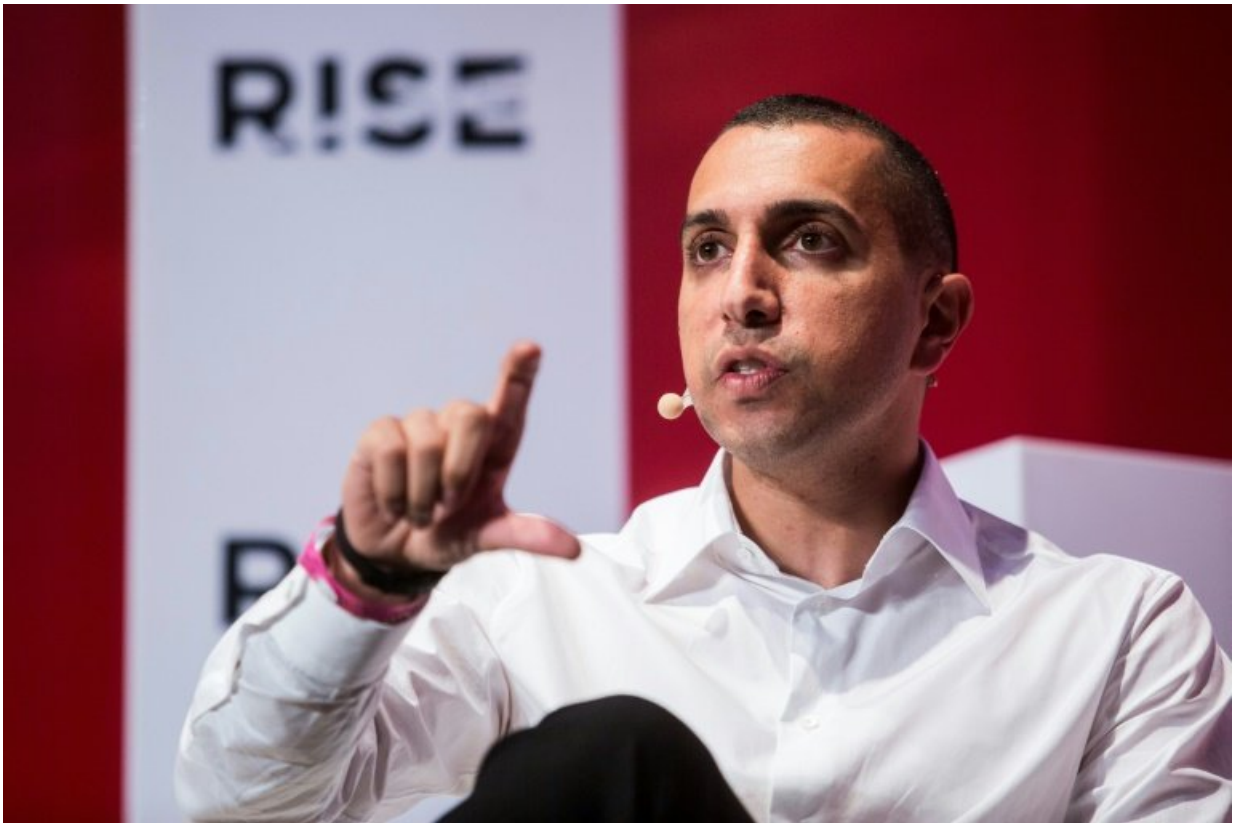


Tinder founders sue parent alleging cheating on stock options

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Sean Rad, founder of dating app Tinder, is among the plaintiffs in a lawsuit alleging that parent company IAC manipulated the value of the company

Tinder founders and early employees filed a lawsuit Tuesday accusing parent firm InterActiveCorp of cheating them out of billions of dollars

by manipulating the value of stock options for the popular dating app.

The suit filed in New York contends that IAC and its spinoff Match Group, which owns Tinder, schemed to dramatically drive down the value of [stock options](#) and then eliminate them altogether.

The companies "made contractual promises to recruit and retain the men and women who built Tinder" but then "lied, bullied, and violated their contractual duties, stealing billions of dollars," said attorney Orin Snyder, who filed the suit on behalf of Tinder co-founders Jonathan Badeen, Justin Mateen, Sean Rad and others from its startup days.

The suit names IAC and Match as defendants, accusing the companies of breach of contract and called for at least \$2 billion in compensation along with punitive damages.

Tinder, created in 2012, uses geolocation to propose nearby romantic matches for users to quickly scroll through, then "swipe" left or right to signal interest.

It was launched as a project from IAC-owned Hatch Labs, and the holding company eventually acquired a majority stake.

According to the lawsuit, IAC last year "manufactured a fake Tinder valuation of \$3 billion" which was unchanged from two years earlier, despite its revenues having grown 600 percent and user base grown 50 percent.

By "lowballing" the value of Tinder and then merging it into Match, the companies "robbed the Tinder plaintiffs of billions of dollars," the suit alleges.

IAC and Match said the allegations were "meritless" and pledged to

contest the lawsuit.

"Mr. Rad (who was dismissed from the company a year ago) and Mr. Mateen (who has not been with the company in years) may not like the fact that Tinder has experienced enormous success following their respective departures, but sour grapes alone do not a lawsuit make," the companies said.

Match Group has paid out more than a billion dollars in equity compensation to Tinder founders and employees, according to IAC.

Plaintiffs in the case identified themselves as the team that built Los Angeles-based Tinder.

The [lawsuit](#) also claims the [company](#) sought to cover up allegations of sexual harassment against former Match Group chief Greg Blatt.

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