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SUPERIOR COURT FOR THE STATE OF CALIFORNIA

COUNTY OF FRESNO

GRANVILLE HOMES, INC., a California corporation, DARIUS ASSEMI, an individual, and DOES 1 through 50, inclusive, Arbitration Cross-Claimants, v. RYAN TONCHEFF, Cross-Defendant.	Case No.: 26CU01572 **GRANVILLE HOMES, INC. AND DARIUS ASSEMI'S FIRST AMENDED DEMAND FOR ARBITRATION** 1. Breach of Fiduciary Duty 2. Misuse of the Judicial Process to Improperly Extort Money 3. Abuse of Process 4. Misrepresentation of CFO Qualifications by Ryan Toncheff 5. Breach of Duty of Loyalty 6. Breach of Labor Code §§ 2854, 2856, 2858, 2863 7. Libel/Defamation – Misuse of the Court Process to Obtain Financial Gain 8. Breach of Contract – Failure to Arbitrate 9. Bad Faith Denial of Contract to Arbitrate Complaint Filed: June 16, 2026

TO: RYAN TONCHEFF and his attorney, MATTHEW RUGGLES

FROM: GRANVILLE HOMES and DARIUS ASSEMI

I. INTRODUCTION

1. Granville Homes and Darius Assemi, hereinafter referred to collectively as

"Granville", hereby demand that Ryan Toncheff ("Toncheff") submit to arbitration any claims he has against Granville. Granville is hereby initiating its claims against Ryan Toncheff as mandated under the Arbitration Agreement between the parties. The claims of Mr. Toncheff have been improperly filed with the Fresno County Superior Court, Case No. 26CU01572. Mr. Toncheff did so with full knowledge of his prior agreement and contractual obligation to submit its claims against Granville to Arbitration rather than filing in Superior Court. Attached hereto as **Exhibit A** is a copy of the June 12, 2026 email and attached Arbitration Agreement that was sent to Mr. Toncheff's attorney prior to Mr. Toncheff ignoring his contractual promise and on June 16, 2026, filing a lawsuit in Fresno County Superior Court, Case No. 26CU01572.

2. Granville hired Toncheff as its Chief Financial Officer in 2024. Toncheff had previously worked as a banker, a job which does not utilize the same skill set. Nevertheless, Toncheff assured Granville that his education and experience more than qualified him for the Chief Financial Officer position. As time went on, it became apparent to others at Granville, including its Chief Executive Officer, Darius Assemi, that Toncheff was not up to the job. For example, Toncheff was unable to prepare an accurate cash flow model resulting in Granville having to retain an outside analyst to complete the task. On another occasion, the outside analyst had to show Toncheff how to perform a financial-ratio calculation. Despite his poor performance, Toncheff pushed Granville for more compensation, asking Darius Assemi not only for a raise but for equity in the company. When Darius Assemi refused due to Toncheff's lack of competency, Toncheff resorted to 'Plan B' – concocting an AI generated whistleblower claim to try to extract in litigation what he could not obtain on merit.

3. Toncheff as CFO, served in a position of utmost trust, perpetrated a deliberate scheme to manufacture a grievance out of reports and transactions he designed, negotiated, approved, and personally profited from during his tenure with Granville. Among other things, despite repeatedly verifying Granville's financial health, in an effort to leverage greater compensation for himself, Toncheff later tried to manipulate Granville's financial reporting to inaccurately reflect that Granville was insolvent when it was not. Toncheff's malicious intent is

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demonstrated by the steps he took to cover his tracks. Toncheff deleted nearly 5,000 emails and other documents in a single 90-minute period and also erasing almost 1,400 AI messages. Despite his efforts to conceal his wrongdoing, Granville was able to recover some of the deleted emails and AI messages that Toncheff tried to destroy. These reveal, among other things, that Toncheff communicated extensively with AI about how to make Granville appear insolvent and how us e the insolvency as leverage in severance negotiations. It also revealed that he extensively relied on AI to mask his lack of competency.

4. At all relevant times, Toncheff was the chief financial officer of Granville and was clothed with the authority and obligations of a fiduciary under California law. As an officer of Granville, his duties required him to act with the utmost good faith, loyalty, and candor in the best interests of the Company and its shareholders. Instead, Toncheff exploited his position of trust to serve his own interests – first by structuring and participating in false or inaccurate financial reporting and in misrepresenting the transactions at issue in a manner that enriched him personally, and then by strategically recharacterizing those same transactions as "wrongful" to extract further financial gain first by threat, and when his threats failed, through litigation. The Arbitration Demand seeks to hold Toncheff accountable for his breach of fiduciary duty and the unjust enrichment he seeks to perpetuate.

II. CLAIMS OF GRANVILLE AGAINST TONCHEFF

5. Granville maintains that the Arbitration should encompass the claims between the parties, including the claims set forth by Mr. Toncheff in Fresno County Case No. 26CU01572 as well as Granville claims against Mr. Toncheff, which include the following:

(1) Breach of Fiduciary Duty

(2) Misuse of the Judicial Process to Improperly Extort Money

(3) Abuse of Process

(4) Misrepresentation of CFO Qualifications by Ryan Toncheff

(5) Breach of Duty of Loyalty

(6) Breach of Labor Code §§ 2854, 2856, 2858, 2863

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(7) Libel/Defamation – Misuse of the Court Process to Obtain Financial Gain

(8) Breach of Contract – Failure to Arbitrate

(9) Bad Faith Denial of Contract to Arbitrate

III. GENERAL FACTUAL BASIS SUPPORTING CLAIMS OF GRANVILLE

6. Granville Homes hired Ryan Toncheff as its Chief Financial Officer in mid-2024 based upon Mr. Toncheff representing that his education and background fully qualified him to perform the duties of a chief financial officer of Granville. Based upon those representations, Granville hired Mr. Toncheff at a salary of $180,000. Those representations were not accurate and were misleading.

7. After Mr. Toncheff began his employment with Granville, it became apparent that Mr. Toncheff lacked the necessary skills that one would expect of a competent chief financial officer. Mr. Toncheff repeatedly failed to perform the duties of a CFO and oftentimes gave erroneous financial information to Granville.

8. During his employment, Mr. Toncheff exhibited a lack of knowledge of the home building industry and property development business. Mr. Toncheff improperly extensively used artificial intelligence to conceal his lack of competency and to generate data that was inaccurate and misleading. In addition to the extensive and concealed use of artificial intelligence, Mr. Toncheff as a CFO failed to properly analyze and project income and expenses.

9. Not only did Mr. Toncheff present inaccurate financial information to the upper management and owners of Granville, he also falsely informed his co-employees of the financial condition of Granville. Although Granville was financially sound and solvent, Mr. Toncheff gave false information that Granville was insolvent and would need to cease operating in August of 2026 while at the same time Toncheff was demanding that he share in the ownership of Granville and demanding a large salary increase.

10. At all times relevant herein, Granville was following proper financial accounting procedures and was financially solvent. However, Mr. Toncheff would state to employees that Granville was failing and went so far as shortly before his termination to circulate the false statement

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that Granville was financially insolvent and was going to have to go out of business in August of 2026.

11. Central to Toncheff's strategy was the strategic recharacterization of lawful, properly documented, and reported transactions. These transactions were not wrongful at the time they occurred, were not treated as wrongful by any party at the time and generated no contemporaneous objection from Toncheff. It was only after Toncheff determined that litigation presented a vehicle for financial extraction from Granville that reports and/or transactions were retroactively recast as actionable by Toncheff.

12. In furtherance of his strategy, Toncheff caused to be prepared, or personally prepared, a cash flow financial model purporting to set forth reporting to lenders and the financial condition of Granville. That model was fundamentally and irreparably flawed. Its errors are not the product of honest analytical disagreement. Rather, the model's assumptions were manipulated by Toncheff. Correct, industry-standard assumptions were rejected in a manner that reveals a single animating purpose: to sustain Toncheff's extraction strategy. For example, among other things, Toncheff's model failed to include availability created by paydown of loan from home sales in excess of $10,000,000.00. Toncheff's model was a result-oriented instrument, constructed after his grievance was conceived, calibrated to a predetermined number, and dressed in the language of financial analysis to lend false legitimacy to a claim that has no merit.

13. The flawed modeling is properly characterized in one of two ways, and either characterization is problematic:

a. First, if the incorrect assumptions were chosen deliberately – selected because they painted a bleak picture rather than because they reflected sound methodology – then the model constitutes an intentional act of misrepresentation in furtherance of a bad faith claim. A fiduciary who manufactures false financial analysis to extract money from those to whom he owes duties loyalty has committed a fundamental because of those duties.

b. Second, if the incorrect assumptions were the product of reckless indifference to professional standards – if Toncheff simply failed to apply the methodology that any competent

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financial professional would recognize as appropriate, then the model reflects gross negligence of a kind that itself constitutes a breach of the duty to care owed by a CFO.

14. Throughout his employment, Toncheff engaged in various personality conflicts with key Granville employees, including, but not limited to Darius Assemi, the owner of Granville Homes, and Jeff Russell, the General Counsel of Granville Homes as well as other individuals. Mr. Toncheff's failure to properly interact with various members of the Granville team and his failure to project a positive attitude, was a factor why numerous employees left the employ of Granville.

15. Starting in the Fall of 2025 and continuing thereafter, Ryan Toncheff told other staff members he should be gifted single family homes by the company.

16. In February of 2026, Ryan Toncheff told a senior member of the accounting team he should be given ownership interest in the Company. Later he made the same statement to the owner of Granville.

17. In March of 2026, Toncheff failed to execute on a several hundred thousand dollar reimbursement from a utility company, at a time when cashflow was critical to the company.

18. He also failed to properly review loan extension documents resulting in Granville incurring an unnecessary loan extension fee of $100,000.00.

19. Additionally, due to his inaccurate financial projections and failure to understand the home building business and the real estate property development business, numerous employees, although still working for Granville, complained regarding the extra work they had to perform and the negative work environment that Mr. Toncheff was creating.

IV. TONCHEFF'S BREACHED OF HIS FIDUCIARY OBLIGATIONS AS THE CFO OF GRANVILLE AND AN OFFICER OF THE CORPORATION

20. The officer of a corporation occupies a fiduciary position. Therefore, Mr. Toncheff, as an officer of Granville had a fiduciary obligation to place the corporation's interests ahead of his own. As set forth in this section, it is clear that not only did Toncheff violate his duty and loyalty as an employee, but more importantly, he also violated his higher duty as a fiduciary when he failed to place the interests of the company ahead of his own personal interests.

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A. Toncheff Manufactured a Financial Crisis Using Chat Bot and Claude as His Advisor in Order to Try to Extract the Pay Raise, Ownership in Granville and Undeserved Six-Figure Severance Package of $540,000

21. Not only did Toncheff rely on artificial intelligence to perform his duties as CFO of Granville, as set forth below he used AI to generate a false picture of Granville's finances.

B. A False Insolvency Narrative Created by Toncheff Using Artificial Intelligence

22. In the spring of 2026, Ryan Toncheff, Granville Homes' chief financial officer erroneously informed the company's owner that the business was insolvent — not merely strained but unable to meet its obligations, a conclusion he committed to a formal memorandum. The recovered computer records establish that conclusion originated in an artificial intelligence program manipulated by Toncheff. It was not based on the general ledger, and did not follow generally accepted accounting procedures.

23. Ryan Toncheff had uploaded Granville's confidential financial data to a consumer AI chatbot — an unsecured, non-approved platform, in violation of the company's artificial-intelligence use policy, which he had himself drafted weeks earlier — and it was there, across a series of conversations, that he removed Granville's cash from the analysis, loaded the debts of affiliated companies onto its balance sheet, and asked the machine to confirm the result. The AI program declined twice to find Granville insolvent.

24. Having been told that the enterprise was failing, the chatbot responded that "*that is not insolvency*"; when he restated his premises as settled fact and put the question again, it conceded only that the company was "*technically solvent but operationally distressed*." Toncheff overrode both assessments, recycling his own assumptions back into the artificial intelligence exchange as established findings until the model's hedged analysis resolved into the phrase he wanted: "*insolvent. Not arguably*."

25. Toncheff's own writing undermines the conclusion more effectively than any adversary could. In a memorandum he later deleted — recovered from a forensic layer of his computer mailbox — Toncheff acknowledged that Granville's standalone debt service coverage ratio stood at "*approximately 5.5x in 2025*," a figure he described in the same sentence as "*healthy*

and … not in dispute." He arrived at insolvency only by electing to write off a $44.5 million intercompany receivable as a "*false asset*," and in a separate note to himself he identified the resulting distressed ratio as "*your strongest leg*" for the legal tests he anticipated. The characterization was therefore not a discovery but a choice among available treatments. It was a result Toncheff made privately while representing the opposite position to everyone whose money was at stake: an investor marketing package promoting a long-term hold strategy to grow asset value, a lender letter assuring a bank that its "*guaranty is redundant*" and its risks "*remote*" even as his manipulated artificial intelligence generated an internal model reflected a purported nine-figure deficiency. During active loan solicitations across at least four financial institutions during the same weeks Toncheff was telling his employer that additional borrowing could not close the gap. Yet, his own artificial intelligence forecasting was in direct contradiction.

26. On April 24, 2026, one month before declaring the company insolvent, Toncheff completed a Cash and Liquidity Forecast projecting Granville's December 2026 ending cash at a deficit of $223,102 — his own model, on his own assumptions, describing a shortfall immaterial to a company of Granville's size and identifying no month in which the company would run out of cash. Neither that version nor the several that followed were ever put in front of Granville ownership.

27. The only deficit figure generated by Toncheff to reach Darius Assemi was the last one, the roughly $15.7 million deficit presented in the June 3, 2026 memorandum. Each successive revision opened on the identical starting cash balance of $10,019,284 — the shortfall grew not because Granville's position had changed but because he had improperly loaded $35 million of additional debt into the model while also deleting assets.

28. Each professional who subsequently examined Toncheff's work has reached the same conclusion of inaccuracy by a different route. A senior accountant who rebuilt the model using actual figures found "*a minor cash deficit by the end of the year, not the $15m deficit that Ryan originally claimed*". An outside financial analyst identified the omission of roughly $7.5 million in available borrowing capacity, characterizing it as a "*massive error*". A subsequent internal review catalogued "*over 50 errors*" in the insolvency model, among them the charging of 2026 loans

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against 2025 debt service and the wholesale omission of rental income. When corrected for both, the asserted $15 million Toncheff deficit resolved to approximately a surplus, and the coverage ratio remained comfortably within borrowing covenants.

29. On July 17, 2026, five weeks after Toncheff's departure, Baker Tilly — the independent accounting firm whose review Toncheff had refused to certify— issued the final reviewed financial statements with no discrepancy found. The Baker Tilly report contained no going-concern language in twenty-seven pages. It recorded stockholder's equity of $81.8 million and net income of $12 million, reflected cash that had quadrupled year over year, and carried the $44.5 million receivable Toncheff had written off to reach insolvency as a performing asset under professional review. Furthermore, these reviewed financials were shared with all current and prospective lenders, who agreed that the third-party reports reflected a healthy company. The crisis Toncheff declared did not survive examination by a single independent reviewer. It had existed in only one place: the AI chatbot conversation which he constructed based upon inaccurate and false input.

C. A Competing Firm Was Assembled on Company Time and Deliberately Concealed While Toncheff Was Employed as an <u>Officer of Granville, Who Was in a Fiduciary Capacity Secretly</u>

30. Toncheff was secretly building a competing financial-services company. Toncheff registered the perrin-co.com domain on April 19, 2026, one day before the effective date of Granville's artificial-intelligence use policy, a policy he had personally drafted, and one that classified the unauthorized use of company financial data on non-approved systems as a major violation carrying discipline up to termination, and prohibited the "*exfiltration of Company data to a personal or unapproved AI account*" as a Level 4 critical violation requiring "*immediate termination*" and "*legal escalation*." Toncheff would proceed to violate both. Toncheff filed the limited liability company with the California Secretary of State on May 10, obtained its federal tax identification number on May 19, drafted the operating agreement and term sheet in conversations conducted on his Granville's AI account, and commissioned a website, all while serving as Granville's chief financial officer and disclosing none of it.

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31. The concealment was deliberate. Toncheff secretly discussed it explicitly with the AI. On the evening of May 23, 2026 — the same day Toncheff declared the company insolvent to its owner and requested a raise. Toncheff weighed the cost of candor in strictly financial terms: "*if I give him the disclosure now, don't you think that'll take away any leverage of a pay increase*?" Toncheff then asked the AI to help him compose a memorandum to himself justifying the delay, requesting that it "*put it in some clever wording around the handbook*." The machine refused, and its stated reasoning is the more damaging for its restraint: such a document would "*document bad faith rather than good faith*," and "*would read as premeditation*".

32. The same care extended to keeping the venture invisible externally. "*I won't have my Web developer index our site yet*," Toncheff told the AI, ensuring the new firm would not surface in search results while it was being assembled secretly at Granville. The web developer is an ex-Granville employee whom Ryan worked with while he was employed full time at the company. The firm's operating agreement went further still, carving out "*all Assemi/Transition Income relationships*" as Toncheff's "*Founder Goodwill*" — personal property retained by him rather than an asset of the new company. Such clauses ordinarily allow a founder to keep the clients he brings with him; the relationships Toncheff designated as his own to keep were those of Granville's ownership family, which he possessed for one reason only, namely that he was Granville's chief financial officer. Toncheff was documenting Granville's assets as a book of business he personally owned. Toncheff built the firm alongside a full-time Granville accountant Nick Perez, who had worked closely with him on a daily basis until Perez left the competing company that March. Every conversation in which the company was designed was later deleted from Toncheff's account. Every one of them has been recovered by Granville.

D. <u>The $540,000 Settlement Demand: A Whistleblower Narrative Created by Chat GPT</u>

33. Toncheff's recovered conversations in artificial intelligence establish an unusual sequence: Toncheff assembled his legal case before he raised the concern that supposedly prompted it. On May 15, 2026, eight days before making any disclosure to the owner, Toncheff directed the AI to draft expert-witness testimony in his own voice — "*My name is Ryan Toncheff, CFO…*" —

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narrating how Granville had passed from solvency into insolvency. Toncheff asked it to characterize his role so as to "*make it sound like i am not making the financial decisions*", and to generate the internal memorandum "*expressing concern over insolvency*" that would later serve as evidence of his contemporaneous alarm. The AI described the effect of its own assistance with unhelpful precision, observing that its framing "*converts your posture from potential participant to officer who acted appropriately*".

34. Toncheff then established the proposed settlement price. On May 27, Toncheff asked whether declining to certify the financial statements protected him, and immediately followed with the question that reframes everything preceding it: "*Does this improve severance negotiations?*" The AI answered that it did, "*materially*," because his refusal "*creates a problem that Granville urgently needs to solve*," and it valued the resulting package at *"$300K to $450K*". Within days a demand arrived through counsel seeking $540,000, six months of compensation, and continued nominal employment as CFO without duties: an arrangement he had already designed in conversation with the machine, where he described wanting nine months of pay while remaining on the books "*so it doesn't look like I'm unemployed*". Toncheff was explicit about the timing, hoping to conclude the negotiation "*before Darius and Granville decide on what to do going forward*."

1. The Mission Ranch Property Acquisition was an Investment in <u>Granville's Future Contrary to Toncheff's Erroneous Claims</u>

20. Toncheff's complaint centers around his alleged whistleblower disclosure relating to the Mission Ranch transaction. This is pretext. Toncheff himself worked to structure the transaction more than a year earlier, without raising any issue deserves separate treatment, because it is the one Toncheff designed. More specifically, in May 2025, more than a year before any disclosure, Toncheff was not objecting to the Mission Ranch repurchase but instead was constructing it, including drafting communications and evaluating the property. It was Toncheff himself who asked who whether it made sense to interpose "*a clean nominee entity instead (Newco) and keep Darius's role behind the scenes*" because "*the docs are chalked full of his name personally*". A week later, Toncheff emailed himself a structuring memorandum advising that the transaction's cost be

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characterized as an "*Origination Fee*" rather than as interest, a formulation that "*avoids regulatory scrutiny and maintains the strawman framework cleanly*". Granville did not ask Toncheff to try to avoid regulatory scrutiny. Nor was there anything illegal about GV Land Holdings, LLC ("GV") obtaining an option to purchase the Mission Ranch property from an unrelated bidder on the property, if the bidder was successful in its purchase. The option agreement contemplated the bidder would obtain financing for its purchase, along with deposits made by GV on its option purchase price. This encouraged bidding on the property as well as providing GV with a two year option to purchase the property from the buyer. On November 10, 2025, Toncheff instructed the accounting department to wire a $1.4 million deposit to the option entity, again without objection.

21. Five days after that wire, on November 15, 2025, Toncheff composed the document upon which his lawsuit now rests: "*Due to ethics concerns, I Ryan Toncheff, cannot participate in the mission ranch project for lending purposes*." The circumstances of its creation are as significant as its content. Toncheff addressed it to no one. It was a note to himself, assembled around a chatbot session, transmitted to no colleague, no auditor, no attorney, and no member of management — Toncheff raised no corresponding concern with the Granville team that had spent the preceding six months planning and executing the transaction. Toncheff then deleted the AI chatbot conversations. It survives only because a litigation hold preserved what he had discarded. Six months later, as he used AI to help him in his endeavor to try and leverage a payout from Granville, that unsent AI note re-emerged as the origin story of a whistleblower. Toncheff's lack of any good faith, reasonable belief of a legal violation is further apparent when he asked a chatbot if he should tell his own attorney about the Mission Ranch transaction at all or whether he should instead "*keep it buried*". There was nothing to whistleblower about the Mission Ranch Acquisition. The property was purchased on the open market with Granville ultimately winding up with it as the high bidder. It was a legitimate investment in Granville's future.

22. Thirteen days before the AI valued his contemplated severance demand, Toncheff had AI value his personal litigation against a solar company. In a 292-message conversation spanning six consecutive days of a workweek, during which the machine estimated his settlement

at between $60,000, and $200,000. Toncheff pressed for "more cash" and sought repeated reassurance about his own competence as a litigant. In the midst of that exchange he asked the AI to write an account of "the near extraordinary things i have pulled off," which it produced at length and signed, "— The AI assistant who's been helping Ryan think through this case".

E. Departure: The Manufacturing of His Lawsuit, the Data Removal, the Records Deleted on Granville's Computers

23. Recently, Granville discovered Toncheff deleted over three thousand messages from Granville's computers before he was terminated. Numerous other items were deleted by Toncheff. Granville is informed and believes that additional items that Toncheff deleted will be discovered. Attached as **Exhibit B** is a brief summary of the deleted information that Granville has discovered at this time.

24. As his exit approached, Granville's most sensitive financial material began moving to accounts beyond Granville's control that Toncheff controlled. Toncheff forwarded the Granville Cash and Liquidity Forecast to his personal email in April of 2026. On May 27, 2026, the day he was offered a reduced role Toncheff sent himself the complete debt schedule and financial analysis of Granville. Toncheff relabeled Granville's financial work product originally designated "*For Granville Counsel*" as "*For Ryan's counsel – strictly confidential*". Toncheff maintained an executive drive walled off from the accounting department, and sustained a personal-account channel carrying several hundred company emails, dozens of which contained financial models. Toncheff's intentions were not left to inference: he told the AI he planned to remove identifying names and migrate the record to a personal AI account.

25. On the morning of May 28, 2026, within a single nine-minute interval, eight conversations were deleted by Toncheff. Among them the severance-pricing session he had been using thirty minutes earlier, the conversations in which the insolvency conclusion was constructed, the drafting of his competing company's operating agreement, and his personal litigation thread. The following afternoon, hours after being offered the demotion, seventeen further conversations were removed in a ten-minute sequence with individual deletions three to four seconds apart. Three

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hours later he forwarded the 2026 Granville debt schedule to his personal account. A final five conversations were deleted on the evening of June 4, between 7:44 and 7:49, hours before the company generated the data export that would preserve the evidence of their absence. In total, thirty-four of his fifty-six conversations were deleted — 1,397 of 1,796 messages, or 78 percent of his entire AI record — and each of the thirty deletions that can be dated falls within the narrow interval between his insolvency declaration and his termination; the remaining four cannot be dated from the export at all.

40. In a forensic layer of Toncheff's mailbox that ordinary users cannot see, examiners recovered 3,665 messages that had been deleted a second time — removed from the deleted-items folder itself, and surviving only because a litigation hold silently retained what Toncheff had attempted to eliminate. That recovered set includes the memorandum conceding the company's standalone position was healthy, the letter representing one financial picture to a bank while his model reflected another, and his own notes creating the structure of the Mission Ranch transaction he later denounced.

V. GRANVILLE ALLEGES THAT TONCHEFF PUT HIS OWN INTERESTS BEFORE THOSE OF GRANVILLE

41. Toncheff inconsistently stated in June 2026 that Granville would run out of money by August 2026 and needed to make preparations to shut down. At the same time that Toncheff was stating that Granville was insolvent, he was demanding a large pay increase, and an ownership interest in Granville.

42. The statements being made by Toncheff about the financial conditions of Granville were false. Granville is not insolvent and will continue in existence for many years in the future. The false statements of Toncheff regarding the financial condition of Granville has caused great damage to Granville's reputation in the home building and the land development communities as well as Granville's relationship with the various institutions in which it does business.

43. As a result of Toncheff's inaccurate financial statements and false representations regarding the financial condition of Granville, Granville's owner and its executives have had to

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spend valuable resources and time correcting the false financial impression created by Toncheff. Granville is informed and believes that the conduct of Toncheff was done intentionally and with the intent to require Granville to give Toncheff an ownership interest in Granville.

44. Labor Code Section 2856 provides as follows:

> An employee shall substantially comply with all the directors of his employer concerning the service on which he is engaged , except where such obedience is impossible or unlawful, or would impose new and unreasonable burdens upon the employee.

45. Labor Code Section 2858 provides as follows:

> An employee is bound to exercise a reasonable degree of skill, unless his employer has notice, before employing him, of his want of skill.

46. Labor Code Section 2859 provides as follows:

> An employee is always bound to use such skill as he possesses, so far as the same is required, for the service specified.

47. Labor Code Section 2863 provides as follows:

> An employee who has any business to transact on his own account, similar to that entrusted to him by his employer, shall always give the preference to the business of the employer.

48. By the conduct as set forth in this Demand for Arbitration, Granville maintains the Toncheff violated each of those statutory sections. Additionally, California recognizes that an employee owes a duty of loyalty to his employer. Granville maintains that Toncheff, by his conduct as set forth in this Demand, has violated that duty of loyalty. See, e.g. Stokes v. Dole Nut Co. (1995) 41 Cal.App.4th 285, 295 cases cited therein.

49. Granville is informed and believes and thereon alleges that the false financial comments regarding Granville have been made by Toncheff not only to employees at Granville, but also to third parties as well as financial institutions with which Granville does business.

50. As a result of the conduct of Toncheff as alleged herein, Granville has been damaged in an amount subject to proof at arbitration.

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PRAYER FOR RELIEF

WHEREFORE, Granville prays for judgment against Toncheff as follows:

1. For compensatory damages;
2. For consequential damages;
3. For punitive damages;
4. For cost of the suit herein;
5. For interest at the maximum legal rate; and
6. For such other and further relief as the Court and / or arbitrator deems just and proper.

Dated: August 4, 2026

SAGASER, WATKINS & WIELAND PC

By: Howard A. Sagaser

Howard A. Sagaser,
Attorneys for Defendants,
Granville Homes, Inc. and Darius Assemi

Exhibit A

Howard Sagaser

From: Howard Sagaser
Sent: Friday, June 12, 2026 2:14 PM
To: Matthew Ruggles
Subject: Arbitration agreement signed by Ryan Toncheff
Attachments: 20260612140034829.pdf

Thank you for sending the proposed superior court complaint. I will discuss the issues with Granville Homes and Mr. Assemi. I am enclosing the arbitration agreement signed by Mr. Toncheff. It is requested that Mr. Toncheff abide by and honor his contractual commitments and submit his claims to binding arbitration. If you have any concerns or issues concerning the validity of the agreement please feel free to set forth your concerns and any reason why you believe the arbitration agreement is unenforceable. Should you have any questions please feel free to contact me.

Howard A. Sagaser • Partner
Sagaser, Watkins & Wieland PC
5260 N. Palm Ave. Ste. 400 Fresno, CA 93704
Phone: 559.421.7000 Cell: 559.250.3371
has@sw2law.com ** www.sagaserlaw.com

-----Original Message-----
From: Scanner Services Account <svc_scanner@sw2law.onmicrosoft.com>
Sent: Friday, June 12, 2026 2:01 PM
To: Howard Sagaser <HAS@sw2law.com>
Subject: Message from "RNP583879C2A2D1"

This E-mail was sent from "RNP583879C2A2D1" (IM 6000).

Scan Date: 06.12.2026 14:00:34 (-0700)
Queries to: svc_scanner@sw2law.onmicrosoft.com

Arbitration Agreement

It is Company policy that any and all claims, disputes or controversies between employees and the Company shall be resolved by binding arbitration, except as otherwise specifically excluded herein. This includes all claims, disputes, or controversies of any nature whatsoever, whether arising in tort, contract, or otherwise, and whether arising under statute or common law. Any such controversy, dispute or claim will be settled by arbitration, in accordance with and pursuant to the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association ("AAA") then in effect, except as otherwise modified herein.

1. <u>How This Agreement Applies</u>. This Agreement is governed by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and evidences a transaction involving commerce. Except as it otherwise provides, this Agreement applies to any dispute arising out of or related to your application and selection for employment, employment, and/or termination of employment, including any dispute, past, present, or future, that The Company may have against you or that you may have against: (1) The Company, including any parent, subsidiary, affiliated or successor companies and partnerships or joint ventures to which The Company is a party; (2) their officers, directors, principals, shareholders, members, owners, employees, agents, parent, subsidiary, affiliated or successor companies, any partnership or joint venture to which The Company is a party; (3) Company's benefit plans or plan sponsors, fiduciaries, administrators, affiliates, or agents; and (4) all successors and assigns of any of them. Each of the entities or individuals listed in (1) through (4) of the preceding clause can enforce this Agreement. **All disputes covered by this Agreement will be decided by a single arbitrator through final and binding arbitration and not by way of court or jury trial.** Nothing contained in this Agreement shall be construed to prevent or excuse you or the Company from using existing internal complaint resolution procedures, and this Agreement is not intended to be a substitute for the such procedures.

To the full extent allowable by law, this Agreement applies to the resolution of disputes that otherwise would be resolved in a court of law or before a forum other than arbitration, including without limitation, disputes arising out of or relating to the application for employment, background checks; privacy; the employment relationship; or termination of that relationship (including post-employment defamation or retaliation); trade secrets; unfair competition; compensation; classification; minimum wage; expense reimbursement; overtime; breaks and rest periods; retaliation, discrimination, or harassment; and claims arising under the Fair Credit Reporting Act, Defend Trade Secrets Act, Civil Rights Act of 1964, 42 U.S.C. §1981, Rehabilitation Act, Civil Rights Acts of 1866 and 1871, Civil Rights Act of 1991, 8 U.S.C. § 1324b (unfair immigration related practices), Pregnancy Discrimination Act, Equal Pay Act, Americans With Disabilities Act, Age Discrimination in Employment Act, Older Workers Benefit Protection Act, Occupational Safety and Health Act, Family and Medical Leave Act, Fair Labor Standards Act, Employee Retirement Income Security Act (except for claims for employee benefits under any benefit plan sponsored by the Company and covered by the Employee Retirement Income Security Act of 1974 or funded by insurance), Affordable Care Act, Genetic Information Non-Discrimination Act, Uniformed Services Employment and Reemployment Rights Act, Worker Adjustment and Retraining Notification Act, Consolidated Omnibus Budget Reconciliation Act of 1985, the False Claims Act; state statutes or regulations, if any, addressing the same or similar subject matters; and all other federal, state, or local legal claims (including without limitation torts) arising out of or relating to your application and selection for employment, employment, or the termination of employment.

Additionally, the Arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the validity, applicability, enforceability, unconscionability, or waiver of this Agreement, including, but not limited to any claim that all or any part of this Agreement is void or voidable. However, as stated in the "Class and Collective Action Waivers" section below, the preceding sentence does not apply to the Class Action Waiver and/or Collective Action Waiver.

2. Limitations on How This Agreement Applies. The following claims are not covered under this Agreement: (i) Workers' Compensation benefits, state disability insurance benefits or unemployment insurance benefits; however, this Agreement applies to discrimination or retaliation claims based upon seeking such benefits; (ii) disputes that an applicable federal statute expressly states cannot be arbitrated or subject to a pre-dispute arbitration agreement, including for sexual harassment or assault as provided by the Ending Forced Arbitration and Harassment Act (at your election); (iii) to the extent not preempted by the Federal Arbitration Act, representative actions for civil penalties filed under the California Private Attorney General Act ("PAGA") (but to the extent permitted by applicable law, any claim by Employee on Employee's own behalf under PAGA to recover Employee's own unpaid wages must be arbitrated and is covered by this Agreement); (iv) claims for benefits under employee benefit plans covered by the Employee Retirement Income Security Act of 1974 ("ERISA"); however, this Agreement does apply to any claims for breach of fiduciary duty, for penalties, or alleging any other violation of ERISA, even if such claim is combined with a claim for benefits; (v) disputes that may not be subject to pre-dispute arbitration agreement as expressly provided by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203.

Nothing in this Agreement prevents you from reporting or filing a claim or charge with a government agency, including without limitation the Equal Employment Opportunity Commission, U.S. Department of Labor, National Labor Relations Board, Occupational Safety and Health Administration, or law enforcement authorities. Nothing in this Agreement prevents the investigation by a government agency of any report, claim or charge otherwise covered by this Agreement, nor does it prevent federal administrative agencies from adjudicating claims and awarding remedies based on those claims, even if the claims would otherwise be covered by this Agreement. Nothing in this Agreement prevents or excuses a party from satisfying any conditions precedent and/or exhausting administrative remedies under applicable law before bringing a claim in arbitration. The Company will not retaliate against you for filing a claim with an administrative agency or for exercising rights (individually or in concert with others) under Section 7 of the National Labor Relations Act.

Either party may apply to a court of competent jurisdiction for temporary or preliminary injunctive relief in connection with an arbitrable controversy, but only upon the ground that the award to which that party may be entitled may be rendered ineffectual without such provisional relief, and the pursuit of temporary or preliminary injunctive relief shall not be deemed incompatible with or constitute a waiver of rights under this Agreement. All determinations of final relief, however, will be decided in arbitration.

3. Selection of Arbitrator. Unless you and Company mutually agree otherwise, the Arbitrator shall be an attorney experienced in arbitrating employment law disputes and licensed to practice law in the state in which the arbitration is convened or a retired federal or state judicial officer from any jurisdiction. The location of the arbitration proceeding shall be in the United States and no more than 45 miles from the place and in the same state where you last worked for the Company unless each party to the arbitration agrees in writing otherwise.

The Arbitrator shall be selected by mutual agreement of you and the Company. If for any reason the parties cannot agree to an Arbitrator, either party may apply to a court of competent jurisdiction with authority over the location where the arbitration will be conducted for appointment of a neutral Arbitrator. The court shall then appoint an Arbitrator, who shall act under this Agreement with the same force and effect as if the parties had selected the Arbitrator by mutual agreement.

4. **Starting the Arbitration.** The party bringing the claim must demand arbitration in writing and deliver the written demand by hand or first-class mail to the other party within the applicable statute of limitations period. The demand for arbitration shall include identification of the parties, a statement of the legal and factual basis of the claim(s), and a specification of the remedy sought. Any demand for arbitration made to the Company shall be provided to the Human Resources Department, 1306 W Herndon Ave Suite 101, Fresno, CA 93711. You will be given notice of any demand for arbitration by the Company at the last home address provided to the Company. The Arbitrator shall resolve all disputes regarding the timeliness or propriety of the demand for arbitration.

5. Class and Collective Action Waivers. You and the Company agree to bring any claim on an individual basis and not on a class and/or collective action basis. Accordingly:

(a) There will be no right or authority for any dispute to be brought, heard or arbitrated as a class action and the Arbitrator will have no authority to hear or preside over any such claim ("Class Action Waiver"). The Class Action Waiver shall not be severable from this Agreement in any case in which (1) the dispute is filed as a class action and (2) a civil court of competent jurisdiction finds the Class Action Waiver is invalid, unenforceable, unconscionable, void, or voidable. In such instances, the class action must be litigated in a civil court of competent jurisdiction.

(b) There will be no right or authority for any dispute to be brought, heard or arbitrated as a collective or representative action and the Arbitrator will have no authority to hear or preside over any such claim ("Collective Action Waiver") to the full extent the Federal Arbitration Act or other federal law preempts the law banning waiver of the collective or representative action. The Collective Action Waiver shall not be severable from this Agreement if there is a final judicial determination that the Collective Action Waiver is invalid, unenforceable, unconscionable, void, or voidable. In such instances, the collective action must be litigated in a civil court of competent jurisdiction—not in arbitration.

Regardless of anything else in this Agreement and/or any rules that may apply by virtue of this Agreement, or any amendments and/or modifications to those rules, any claim that all or part of the Class Action Waiver and/or Collective Action Waiver, including, but not limited to any claim that all or part of the Class Action Waiver and/or Collective Action Waiver is invalid, unenforceable, unconscionable, void or voidable, shall be determined only by a court of competent jurisdiction and not by an arbitrator. Any claim under PAGA to recover civil penalties or any other individual relief must be arbitrated under this Agreement. The Company and Employee agree non-individual PAGA claims will be stayed, and Employee will not pursue any such claims in Court until after the Arbitrator, and not any court, issues a final and written determination as to Employee's status as an "aggrieved employee."

6. **Arbitration Proceedings:** In arbitration, the parties will have the right to conduct adequate civil discovery and present witnesses and evidence as needed to present their cases and defenses, and any disputes in this regard shall be resolved by the Arbitrator. At a party's request or on the Arbitrator's own initiative, the Arbitrator may subpoena witnesses or documents for discovery purposes or for the arbitration hearing. Either party may file dispositive motions including without limitation a motion to dismiss and/or a motion for summary judgment, and the Arbitrator will apply the standards governing such motions under the Federal Rules of Civil Procedure.

7. **Paying for the Arbitration.** The Company will pay the Arbitrator's and arbitration fees and costs, except for Employee's filing fee, in accordance with applicable law. Each party will pay for its own costs and attorneys' fees, if any, but if any party prevails on a claim which affords the prevailing party attorneys' fees, the Arbitrator may award reasonable fees to the prevailing party as provided by law. The Arbitrator will resolve any disputes regarding costs/fees associated with arbitration.

8. **The Arbitration Hearing and Award.** The Arbitrator may award any remedy to which a party is entitled under applicable law, but remedies will be limited to those that would be available to a party in their individual capacity for the claims presented to the Arbitrator, and no remedies that otherwise would be available to an individual under applicable law will be forfeited. The Arbitrator shall apply the substantive federal, state, or local law applicable to the claims asserted. The Arbitrator will issue a decision or award in writing, stating the essential findings of fact and conclusions of law. A court of competent jurisdiction shall have the authority to enter a judgment upon the award made pursuant to the arbitration.

9. **Non-Retaliation.** It is against Company policy for any Employee to be subject to retaliation if he or she exercises their right to assert claims under this Agreement. If any Employee believes that he or she has been retaliated against by anyone at the Company, the Employee should immediately report this to the Company's Human Resources Department.

10. **Enforcement of This Agreement.** This Agreement is the full and complete agreement about arbitration of disputes covered by this Agreement. Any contractual disclaimers the Company has in any handbooks, other agreements, or policies do not apply to this Agreement. This Agreement will survive the termination of your employment and the expiration of any benefit, and it will continue to apply upon your transfer to any affiliate of the Company or re-employment by the Company if your employment is ended but later renewed. Except as provided in the Class and Collective Action Waivers section above, in the event any portion of this Agreement is deemed unenforceable, the remainder of this Agreement will be enforceable.

I have read and understand the provisions of this arbitration policy.

Signed by:

0E50A0087871444 | 04/23/2026

Employee Signature | Date

Exhibit B

WHAT RYAN TONCHEFF DELETED AND WHEN

A. Deletion of 4,762 E-Mails, 137 Artificial Intelligence Conversations and 24 Files

Ryan Toncheff deleted material in three different places: his company email, his AI chat conversations, and files in his company OneDrive. The deletions were not spread evenly over his employment. They cluster tightly in the final six weeks, and the heaviest single day is Friday, May 29, 2026 – the day he was offered a demotion. He was subsequently terminated on June 10, 2026.

On May 29, 2026, in the space of about ninety minutes, Toncheff destroyed 4,762 e-mail messages and then deleted seventeen AI conversations that were on Granville's computer system.

"Conversations" sounds small. It is not: a conversation is a container, and Toncheff's ran long. Across all of his deletions he removed 1, 397 of the 1,796 individual messages he had ever exchanged with the AI – 78% of his entire AI record, spread over 34 of his 56 conversations. The deleted conversations averaged roughly 41 messages each, and the largest single one held 292 messages. Three of the conversations destroyed on the morning of May 28, 2026 alone accounted for 826 AI messages.

Counted in individual records rather than containers, the deletions come to roughly 6,200 items: 4,762 e-mails, 1,397 AI messages, and 24 files.

B. What He Deleted, in Plain Terms

Microsoft treats deletion as three separate acts, and the difference matters.

Ordinary deletion – pressing Delete. The messages goes to the Deleted Items folder and stays fully recoverable. Everyone does this constantly. Ryan did it about 1,993 times in the window, which is unremarkable.

Emptying the trash – this takes the messages out of Deleted Items and stats the 14-day clock to permanent destruction. This is what he did on May 29, 2026 to about 4,762 messages.

Destroying individual items – going into the recovery area and purging a specific item so it cannot be recovered at all. This takes deliberate effort; it is not something that happens by accident. He did this to 175 individual items, spread across roughly 65 separate days.

The AI conversations, counted properly. He deleted 24 of his 56 conversations – but the meaningful figure is the message count inside them: 1,397 of 1,796 individual messages, 78% of everything he had ever discussed with the AI. The three deletion sessions were:

Date and Time	**Conversations**	**Notable Contents**
May 28, 2026 10:26 – 10:35 am	8	The severance-pricing session from the night before (243 messages, last used at 9:56 that morning), the trial-balance analysis (291 messages), and SunStrong (292 messages) – 826 messages in those three alone
May 29, 2026 3:14 – 3:24 am	17	The largest session by conversation count; same afternoon as the email purge
June 4, 2026 7:44 – 7:49 am	5	Hours before he exported his own data.

He deleted 24 files from his company OneDrive.

SAGASER, WATKINS & WIELAND PC
ATTORNEYS AT LAW
5260 North Palm Avenue, Suite 400
Fresno, California 93704
Telephone: (559) 421-7000

PROOF OF SERVICE
(CODE CIV. PROC. § 1013)

STATE OF CALIFORNIA, COUNTY OF FRESNO

I am employed in the County of Fresno, State of California. I am over the age of 18 years and am not a party to the within action; my business address is 5260 North Palm Avenue, Suite 400, Fresno, California 93704.

On August 4, 2026, I served the following documents described as **GRANVILLE HOMES, INC. AND DARIUS ASSEMI'S FIRST AMENDED DEMAND FOR ARBITRATION** on the interested parties in this action by placing a true copy thereof enclosed in sealed envelopes addressed as follows:

SEE ATTACHED SERVICE LIST

☐ **BY MAIL:** I deposited such envelope in the mail at Fresno, California. The envelope(s) was mailed with postage thereon fully prepaid. I am readily familiar with the firm's practice of collection and processing correspondence for mailing. It is deposited with U.S. postal service on that same day in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

☐ **BY OVERNIGHT COURIER:** I sent such document(s) on August 4, 2026, by with postage thereon fully prepaid at Fresno, California.

☐ **BY FAX**: I sent such document by use of facsimile machine telephone number (559) 473-1483. Facsimile cover sheet and confirmation is attached hereto indicating the recipients' facsimile number and time of transmission pursuant to California Rules of Court Rule 2.306. The facsimile machine I used complied with California Rules of Court Rule 2.301(3) and no error was reported by the machine.

☐ **BY PERSONAL SERVICE:** I placed the above document in a sealed envelope. I caused said envelope to be handed to our messenger service to be delivered by hand to the above address(es).

☑ **BY EMAIL:** I sent such document by use of email to the email address(es) above. (CCP § 1010.6) Such document was scanned and emailed to such recipient.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on August 4, 2026, at Fresno, California.

Mehgan Ferreira Kisling

Mehgan Ferreira Kisling

SERVICE LIST

Matthew J. Ruggles Matthew J. Ruggles Ruggles Law Firm 7940 California avenue Fair Oaks, California 95628 E-Mail: mruggles@ruggleslawfirm.com matthew@ruggleslawfirm.com	Attorneys for Plaintiff, Ryan Toncheff

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