

TINDER TURNS OUT TO BE A BIGGER SCAM THAN EVERYONE THOUGHT



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Tinder Founders Seek Billions Against Parent Company, Allege Sexual Harassment Cover-Up

by [Rachel Stockman & Ronn Blitzer](#) | 11:33 am, August 14th, 2018



Three co-founders of the popular dating app, Tinder, are seeking billions of dollars [in a new lawsuit](#)



[filed](#) against their parent company, IAC/InterActive Corp and its Match Group subsidiary. The lawsuit,



filed in New York Supreme Court, alleges that that IAC and Match manipulated financial information to undermine Tinder's valuation and "stole" billions of dollars from Tinder founders and top executives,



including **Sean Rad, Justin Mateen, and Jonathan Badeen.**

As part of the alleged scheme, IAC and Match allegedly created phony financial projections, “inflating Tinder’s expenses and inventing an alternate universe in which Tinder was stagnating towards freefall.” They also allegedly delayed new Tinder features and products, lied about true

forecasts of Tinder's finances, and "bullied and threatened to fire" those among Tinder's leadership who might expose this. All this was allegedly to undervalue Tinder to the benefit of IAC and Match and the detriment of Tinder's optionholders. As optionholders of a privately shared company, they could only sell their options back to IAC/Match. Therefore, it was better for the parent company if the value was lower.

The lawsuit also claims that **Greg Blatt**, Match Group's Chairman and CEO, groped and sexually harassed another high level employee at Tinder during and after a 2016 holiday party in Los Angeles. Tinder Vice President of Marketing and Communications **Rosette Pambakian** told Rad about this in mid-2017 after Rad had heard about it and asked her for confirmation. Rad then reported this to Match's general counsel and demanded that Tinder bring in an independent investigation of the matter. Instead, the lawsuit claims, the Match attorney told him that Match would handle the investigation themselves, only for IAC and Match to "cover up Blatt's conduct," even letting him contact Pambakian and an eyewitness to the alleged harassment. Blatt allegedly pressured the witness into helping cover up the alleged misconduct.

Blatt, the complaint says, was acting as interim CEO of Tinder at the same time that he was CEO of Match, which posed "a glaring conflict of interest," because while Tinder's CEO is supposed to look out

for their optionholders, Match benefited from undervaluing Tinder. Because he was integral to IAC and Match's plan to "cheat" Tinder's optionholders, the lawsuit alleges, the company kept Blatt on despite the allegations against him.

"Having put Blatt in charge of carrying out their scheme, Defendants needed him to remain at the helm of Tinder long enough to finish the job," the complaint says.

The complaint also accused Blatt of having had "a well-earned reputation as a notorious bully with a volcanic temper and a habit of threatening to fire employees who contradicted him."

A press release issued by the plaintiffs in the lawsuit states, "IAC/Match covered up the reported misconduct because the Chairman/CEO was leading the effort to rob Tinder's employees of their contractually guaranteed compensation. A credible investigation and public firing would have exposed his alleged misconduct and derailed IAC/Match's scheme to cheat the Tinder employees."

Blatt is planning to retire at the end of the year, and will stay as CEO of Tinder until a replacement can be named. Mandy Ginsberg was appointed CEO of Match Group effective January 1, 2018.

Match Group, which is headquartered in Texas, owns and operates several dating websites including OKCupid, Tinder, [Match.com](https://www.Match.com), and Metic. Tinder was

launched out of Hatch Labs, an incubator which was a venture of IAC.

“We were always concerned about IAC’s reputation for ignoring their contractual commitments and acting like the rules don’t apply to them. But we never imagined the length they would go to cheat all the people who built Tinder. The Tinder team- especially the plaintiff who are currently senior leaders at the company — have shown tremendous strength in exposing IAC/Match’s systematic violation of employees’ rights,” said Rad, who served as Tinder’s first CEO and was one of the founders.

Along with Rad, Badeen, Mateen, and Pambakian, former Director of Engineering **Paul Cafardo**, former Lead Designer **Gareth Johnson**, Vice President of Finance **James Kim**, former Head of U.S. Expansion **Alexa Mateen**, Director of Marketing **Joshua Metz**, and Chief Technology Officer **Ryan Ogle** are named plaintiffs. They are seeking \$2 billion in compensatory damages, as well as punitive damages.

In response to the lawsuit, IAC said in a statement to Law&Crime, “The allegations in the complaint are meritless, and IAC and Match Group intend to vigorously defend against them.” Their statement, which did not address the allegations of groping and harassment, continued:

Since Tinder’s inception, Match Group has paid out in excess of a billion dollars in equity

compensation to Tinder’s founders and employees. With respect to the matters alleged in the complaint, the facts are simple: Match Group and the plaintiffs went through a rigorous, contractually – defined valuation process involving two independent global investment banks, and Mr. Rad and his merry band of plaintiffs did not like the outcome. 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. Mr. Rad has a rich history of outlandish public statements, and this lawsuit contains just another series of them. We look forward to defending our position in court.”

Note: This article has been updated as more details were learned and with a statement from IAC.

[Image via ISAAC LAWRENCE/AFP/Getty Images]



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Martha Bartha • 4 hours ago

Tinder Box?

| • Reply • Share ›



Fantasy Maker • 5 hours ago

IS the CEO round mouth Diller involved in this?

| • Reply • Share ›



StevieRay • 7 hours ago

I shacked up right before social media explosion and what I've gathered as pros/cons from various students is...

Pros: An easy hook-up app

Cons: An easy hook-up app

| • Reply • Share ›



Amin "Chale" Yashed • 7 hours ago

It's easier to go to a public place where you are most confident and talk to another human being.

It is so rare for people to do this (especially men) that it's almost a guarantee you'll score if you just talk to someone confidently instead of swiping someone's picture.

› | • Reply • Share ›



StevieRay Amin "Chale" Yashed • 7 hours ago

A necessary skill lots of guys have gotten complacent about.

› | • Reply • Share ›

FernandoArdenghi • 8 hours ago



When Match Group (fka IAC Personals) bought OKCupid (several years ago) for an astronomical amount of money, the OKCupid team had the task to copycat Badoo, but they failed in that mission. IAC / Match Group "acquired" HatchLabs to "develop" Tinder copycat of Badoo.

Bumble backed by Badoo: Perhaps it is only a revenge against Match Group! No more than that.

Tinder reached operating ceiling, that is the main reason MTCH launched Tinder U, they need ambassadors.

Do not forget MTCH has big debt, in the range of USD 1.3 Billion.

Chispa, Pairs and Crown dating app, seems to be more bells and whistles and not really innovations. Perhaps Facebook is copycatting Tinder and Bumble, with some minor improvement with the help of former eHarmony's team,

and perhaps Facebook dating app will be free in order to erode Match Group dating sites.

› | • Reply • Share ›



sweetknee2323y • 8 hours ago

I never did tinder but my friends who have say it once was a real decent hookup site but now it is just fake profiles and pros

| • Reply • Share ›



BillPasadena • 8 hours ago

Tinder

A hookup service and sexual harassment goes hand in hand.

1 | • Reply • Share ›



Spuddie BillPasadena • 6 hours ago

And blackmail too.

<https://www.zdnet.com/artic...>

| • Reply • Share ›

Bo Jenkems • 8 hours ago

Financial-kinky-fuckery.....



| • Reply • Share ›



Blowhard? Hardly knew her... • 8 hours ago

I have never used any of this type stuff

| • Reply • Share ›



Martha Bartha Blowhard? Hardly knew her... • 7 hours ago

Me neither. Can't force it. I always meet people the old fashioned way.

| • Reply • Share ›



Gipper Whimper Blowhard? Hardly knew her... • 8 hours ago

As someone who cyberstalks you because you won't be my facebook friend, give me enough time and I am sure I can find something on you on one of those sites.

| • Reply • Share ›



Blowhard? Hardly knew her... Gipper Whimper • 6 hours ago

The fact that you haven't says more about you (?) than anything else

| • Reply • Share ›



Beastly For Comment Moderator • 8 hours ago

"Match Group, which is headquartered in Texas"

All you really need to know about a sexual harassment suit and its legitimacy.

↩ | • Reply • Share ›



BillPasadena Beastly For Comment Moderator • 8 hours ago

All you really need to know

How do you explain NAMBLA being headquartered in San Francisco?

If you support NAMBLA, you don't have to answer the question.

1 | • Reply • Share ›



Spuddie BillPasadena • 6 hours ago

ai
The **National Association**
of **Marlon Brando Look Alikes** has always been in
SF.

The movie star liked the city

| • Reply • Share ›



BillPasadena Spuddie • 3 hours ago

Looks who jumps up to defend NAMBLA.

1 | • Reply • Share ›



Spuddie BillPasadena • 3 hours ago

You don't like Marlon Brando?

I know his leads in the remakes of Mutiny on the Bounty and Island of Doctor Moreau were stinkers, but he had a vast body of work worth celebrating.

| • Reply • Share ›



Martha Bartha Spuddie • 4 hours ago

Oh you silly.

1 | • Reply • Share ›



Bestly For Comment Moderator BillPasadena • 8 hours ago

I don't explain NAMBLA being headquartered in San Francisco. Weird you would know that. How many times have you taken the tour there?

1 | • Reply • Share ›



BillPasadena Bestly For Comment Moderator

• 3 hours ago

**I don't explain NAMBLA being
headquartered in San Francisco**

Me neither.

It's hard to explain why NAMBLA would pick SanFran.

| • Reply • Share ›



Bestly For Comment Moderator BillPasadena

• 3 hours ago

Why do you know that? What is your obsession with NAMBLA?

| • Reply • Share ›



chancebookman Bestly For Comment Moderator

• 8 hours ago

so you hate faqqots too huh

| • Reply • Share ›



Spuddie chancebookman • 6 hours ago

Faqqots: People who make too many Frequently Asked Questions.

| • Reply • Share ›



flyover Bestly For Comment Moderator • 8 hours ago

Please explain

| • Reply • Share ›



Hit em with the Hein flyover • 8 hours ago

He is making a claim about people, not based on their individual attributes, but on a vast generalization based on a some stereotype.

The funny thing is, this commenter will blast people here for supposed racism...

Which is the same thing he is doing here...

4 | • Reply • Share ›



Betty Humpter • 8 hours ago

Should have swiped left.

4 | • Reply • Share ›



Spuddie Betty Humpter • 6 hours ago

Came here for that remark. Left happy.

4 | • Reply • Share ›




Betty Humpter Spuddie • 6 hours ago

I aim to please.


ar 1 | • Reply • Share ›


 **Martha Bartha** Betty Humpter • 4 hours ago
Don't point that thing.
| • Reply • Share ›


 **Matty Groves** Betty Humpter • 8 hours ago
A gal-pal of mine was using Tinder a number of years ago. Having gotten married a few years before social-media dating became a thing I asked if I could take a look at her app.


Ended up accidentally swiping “yes” on a backwards cap wearing, frat boy douche’s profile. Took her a few weeks to forgive me.


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 **stfuDonny** • 8 hours ago
Wait, let me practice my shocked face.
1 | • Reply • Share ›

 **1st Time Caller** stfuDonny • 8 hours ago
You mean O face? It is Tinder after all.
↷ | • Reply • Share ›

 **DRUH_71** 1st Time Caller • 8 hours ago
"O"marosa face?
↷ | • Reply • Share ›

 **1st Time Caller** DRUH_71 • 8 hours ago
Look, they posted this one story twice to make up for Omarosa stories. Let's keep her out of here. ;)
1 | • Reply • Share ›

 **DRUH_71** • 8 hours ago
What does this have to do with Omarosa?
↵ | • Reply • Share ›

 **flyover** DRUH_71 • 8 hours ago

vat
ar

Or, Trump?

1 | • Reply • Share ›

A
vat
ar

1st Time Caller DRUH_71 • 8 hours ago

Good question.

› | • Reply • Share ›