

Exhibit A

COMMONWEALTH OF MASSACHUSETTS

Middlesex, ss.

Superior Court
C.A No. 06-2333

_____)
Stephen Landry,)
Plaintiff)
v.)
)
Sycamore Networks, Inc.)
Defendant)
_____)

COMPLAINT

A NATURE OF THE ACTION

This is an action in law and equity seeking monetary damages and injunctive relief for breach of contract, fraud in the inducement of a contract, and retaliation.

B PARTIES TO THE ACTION

1. PLAINTIFF

The Plaintiff, Stephen Landry is a resident of the Commonwealth of Massachusetts, County of Worcester. During all relevant times, the Plaintiff was employed by the Defendant in Chelmsford, Massachusetts, County of Middlesex.

2. DEFENDANT

The defendant Sycamore Networks, Inc., is a Corporation, doing business in the Commonwealth of Massachusetts and having its U.S. Corporate offices located at 220 Mill Road, City of Chelmsford, Commonwealth of Massachusetts, County of Middlesex.

ALLEGATIONS COMMON TO ALL OF THE COUNTS

- 1. Sycamore Networks Inc. (hereinafter Sycamore) is a corporation that develops and markets optical networking products for telecommunications service providers.**
- 2. Sycamore was founded in February 1998 and became a publicly traded company in October of 1999.**
- 3. Presently, Gururaj Deshpande is the Corporation Chairman of the Board of Directors; Daniel Smith is the President and Chief Executive Officer; and Kevin Oye is the Vice President, Systems and Technology.**
- 4. On or about October 21, 1999, Sycamore made its first public offering of stock and issued 22,425,000 shares of stock at an initial public offering price of \$38.00 a share.**
- 5. In or about the mid to latter part of 1999 the Corporation, through its founder principals and underwriter, participated in a scheme to improperly enrich themselves through the manipulation of the aftermarket trading in Sycamore common stock, following the Initial Public Offering.**
- 6. The scheme included creating an artificial demand for Sycamore stock by conditioning share allocations in the IPO upon the requirement that customers agree to purchase shares of Sycamore stock in the aftermarket and artificially inflating stock prices.**
- 7. In or about October of 1999, the Plaintiff, Stephen Landry, was hired by Sycamore as the Director of Human Resources.**
- 8. The Plaintiff was recruited and convinced to leave his employer TASC where he was the Senior Vice President of Human Resources.**
- 9. The Plaintiff was induced to leave his position at TASC based in part on the much-discussed prospect of a very successful public offering.**
- 10. Once the Plaintiff began at Sycamore he worked very long hours and oversaw all aspects of Human Resources, including the recruitment and hiring of over 500 employees, as well as the establishment of a hiring plan, a compensation plan, and a benefit plan. During his tenure the Plaintiff made a significant contribution to the Company.**

- 11. Within weeks of the Plaintiff joining the company, Fran Jewels, Chief Financial Officer of Sycamore, began asking the Plaintiff to do things that he believed to be illegal and/or unethical. The instructions given to the Plaintiff by Jewels included the writing of offer letters which the Plaintiff believed were inaccurate, unethical, and/or illegal.**
- 12. The purpose of changing employee start dates was to change the strike price of the options granted, and therefore, the value of the stock to the employee.**
- 13. The Plaintiff questioned Ms. Jewel's instructions on several occasions, believing they were inaccurate, unethical and/or illegal. The Company's orientation video specifically stated the parameters that were to be followed. The modification of start dates was expressly forbidden, something that the Plaintiff took very seriously as Director of Human Resources.**
- 14. The Plaintiff, on information and belief, now believes that after he was relieved of his duties as the Director of Human Resources the company began a pattern of changing employees start dates for the purpose of illegally and unjustly enriching favored individuals.**
- 15. Due to the fact that the Plaintiff refused to carry out instructions that he felt were inappropriate, unethical, and illegal, Fran Jewels decided to replace him with someone who would carry out the illegal and unethical action that Ms. Jewels wanted done.**
- 16. Fran Jewels also knew and told many others in the Company that the Plaintiff had health problems. In fact, the Plaintiff was diagnosed with a debilitating illness which Ms. Jewels knew of. Jewels announced his health problems at the President's staff meeting when it was announced that Steve would be leaving.**
- 17. Robin Friedman, an attorney and friend of Fran Jewels, was offered a position in the legal department with Sycamore in April of 2000.**
- 18. In or about July of 2000, Attorney Robin Friedman began working as an employee of Sycamore. Prior to July 2000, Ms Friedman worked for the law firm of Jackson and Lewis.**
- 19. The Plaintiff was asked by Fran Jewels to send an offer letter to Robyn Friedman during April of 2000. When Ms. Friedman did not report to the Company officially until July of 2000 the Plaintiff**

questioned Ms. Jewels regarding her status. The Plaintiff was not allowed access to Ms. Friedman's file.

- 20. Ms. Friedman replaced the Plaintiff as Director of Human Resources, removing him from this sensitive position where he would be able to review all personnel information--including stock options and start dates. He believed that her start date was manipulated inappropriately by Ms. Jewels.**
- 21. On information and belief, after the Plaintiff was relieved of his duties as director of Human Resources, Gaston Pereirra, who had been hired as the Director of Sales for the Americas, had his start date changed.**
- 22. On information and belief, Kevin Oye, Vice President of Systems and Technology, had his start date altered.**
- 23. On information and belief, Edward Zaval, Vice President of Customer Service had his start date altered so that he would have a stock strike price that was lower.**
- 24. On information and belief, Attorney Somia Kirmani had her start date altered so as to provide her with a lower strike price.**
- 25. On information and belief, Attorney Marybeth Harper had her start date altered so as to provide her with a lower stock price.**
- 26. Stock Option grants were approved for all of the above individuals by Fran Jewels and/or Daniel Smith.**
- 27. In or about January 29, 2001, after the Plaintiff was relieved of his duties as the Director of Human Resources, by Fran Jewels, employee Cheryl Kalinan sent a fax to Robin Friedman listing employees who should have their start date altered so as to affect their stock option strike price and grant. (See Attachment A)**
- 28. In or about September, 2000, Robin Friedman informed the Plaintiff that Fran Jewels wanted him to leave the company. Friedman informed the Plaintiff that his life would be a living hell if he continued to work for the company. Friedman represented to the Plaintiff that the intent of the company was to provide the Plaintiff with a stock option package that would be worth \$10.8 million.**

- 29. CFO Fran Jewels ran much of the company by threats, fear and intimidation. On many occasions the Plaintiff was warned by senior managers, throughout the company, to be careful because of her reckless and retaliatory actions.**
- 30. In a meeting between the Plaintiff and Fran Jewels, the Plaintiff disagreed with Ms. Jewels over a policy matter. Ms Jewels then informed the Plaintiff that she had made over one hundred million dollars, that she came from a tough neighborhood in New Jersey, referred to as; "like Buttafucoville," and that she could have anyone "removed."**
- 31. Due to the fact that the Plaintiff believed that CFO Fran Jewels was capable of doing almost anything, including violence, and on account of the Plaintiff's deteriorating physical problems, the Plaintiff decided to enter into a settlement agreement with the Defendant Corporation.**
- 32. Due to the fact that both parties to the proposed agreement understood that stock prices might fluctuate, a provision was added to allow the parties to extend the "special employment" date from year to year to protect the value of the agreement.**
- 33. The primary purpose of the extension clause was to provide for Landry and to ensure that the "special employment" relationship would be extended if the value of the agreement fell below \$10,800,000.**
- 34. During the "special employment" period, the Plaintiff did provide advice to the company when specific requests were made for advice.**
- 35. The "special employment" period was extended every year in keeping with the agreement and was terminated after the Plaintiff brought forward evidence of wrongdoing as requested.**
- 36. At the time the Plaintiff signed the agreement on October 12, 2000, Sycamore stock was selling for approximately \$77.00 a share.**
- 37. On October 12, 2001, the time the agreement was to end and the Plaintiff would be fully vested of his stock options, the stock of Sycamore was down to approximately \$4.58 per share, whereas the Plaintiff's strike price for the stock was \$12.38 a share.**
- 38. The stock price of Sycamore continued to decline to the point that the stock price as of June 29, 2004 was \$3.46 a share.**

- 39. Before and about the time the Plaintiff was contemplating accepting a “special employment” agreement, the Defendant Corporation, through its press releases and through public and private statements of CEO Daniel Smith, was providing the employees, including the Plaintiff, with false and misleading information.**
- 40. The false and misleading information was a motivating factor in the Plaintiff’s decision to accept the “special employment” agreement that included the accrual of stock options.**
- 41. The false and misleading statements by the Corporation and by its CEO Smith were a motivating factor in the decision of the Plaintiff to hold on to his stock options and not exercise his options.**
- 42. In October and November of 2000, the Corporation was informing the public and the Sycamore employees, including the Plaintiff, that Sycamore’s growth potential remained strong while, in fact, the company knew that major customers, which included Enron and WorldCom, were reducing their expenditures, and in some cases canceling contracts. This change in the customers’ ability to buy services and equipment would negatively impact Sycamore’s revenues and profitability and therefore its stock price.**
- 43. If the Plaintiff knew the truth about the condition of the Corporation, he would either have refused the “special employment” agreement and sued the Corporation or accepted the agreement and exercised his stock options as soon as possible.**
- 44. During the four years of the separation agreement, the Plaintiff and Ms. Jewels would talk about her belief that the stock would recover sufficiently for the agreement to retain its intended value.**
- 45. In or about September of 2004, the Plaintiff called Fran Jewels and asked about the company continuing to extend his contract. Ms. Jewels responded that she would be leaving the company and that she no longer had the authority to make such decisions. Ms. Jewels informed the Plaintiff that he should speak about his employment contract with someone else in the company.**
- 46. On or about November 23, 2004, the Plaintiff had delivered a letter to Gururaj Deshpande, who was the Chairman of the Board of Directors, asking that Deshpande intercede on his behalf and extend his contract.**

- 47. A few days after the above mentioned letter was delivered, the Plaintiff received a call from Richard Gaynor, who was Sycamore's new Chief Financial Officer. Mr. Gaynor asked to meet with the Plaintiff.**
- 48. In December of 2004, the Plaintiff met with Mr. Gaynor. The Plaintiff discussed with Mr. Gaynor the fact that the Plaintiff had been eased out of Sycamore because the Plaintiff refused to perform unlawful and unethical acts. The Plaintiff also explained to Gaynor that the intent of the written agreement between the Plaintiff and the company was to ensure the Plaintiff received \$10,800,000. The Plaintiff explained to Gaynor this amount of money was not out of line or unusual in that Mr. Deshpande and Mr. Smith earned hundreds of millions of dollars by selling their stock. Mr. Gaynor asked for proof of unlawful acts mentioned by the Plaintiff, and asked the Plaintiff if he was in possession of a smoking gun.**
- 49. In January of 2005, the Plaintiff met with Mr. Gaynor and Sycamore President Daniel Smith. During the meeting the Plaintiff showed Mr. Gaynor and Mr. Smith a copy of a faxed memo (Attachment A) that constituted what was referred to as the smoking gun that proved Sycamore was engaging in unlawful actions and that Sycamore did not have sufficient internal controls to stop such activities.**
- 50. On February 22, 2005, the Plaintiff received a letter from attorney Ronald Green who informed the Plaintiff that he represented Sycamore. Attorney Green informed the Plaintiff that Sycamore would not extend its employment contract with the Plaintiff. Attorney Green also, in the letter, informed the Plaintiff that as a result of the information provided to Sycamore by Landry, Sycamore informed the Securities and Exchange Commission that it was conducting an internal investigation of the grant of stock options to employees.**
- 51. The Plaintiff was informed that an Audit Committee investigation was being conducted as a result of the information provided by him regarding the changes to the start date of employees. The Plaintiff was asked to speak with the investigators. The Plaintiff agreed to meet with the investigators but expressed his concerns that he would be sued by individuals as a result of his statements.**
- 52. The Plaintiff asked the company to provide him with indemnification from suit if he were sued by individuals as a result of the information he provided to the Audit Committee investigators. The Company**

refused to provide the Plaintiff with the requested indemnification and the Plaintiff therefore refused to meet with the investigators.

53. The Audit Committee investigation therefore proceeded without the testimony of the person who provided the information that sparked the investigation.
54. On information and belief, the Audit Committee investigation focused only on the individuals specifically named in a document provided by the Plaintiff to the Company and did not seek to determine whether the change to employee start dates was a widespread practice.
55. On June 30, 2005, Sycamore terminated the Plaintiff's contract.
56. At the time of Sycamore's termination of the contract, Sycamore stock was selling for approximately \$3.44 a share.

Causes of Action

Count I Breach of Contract

57. The Plaintiff reasserts, realleges, and incorporates by reference the facts and allegations stated in paragraphs 1-56.
58. The stated intention of the corporation was to provide an employment agreement and severance package to the Plaintiff that would have a value of \$10,800,000.00 (Ten Million Eight Hundred Thousand Dollars).
59. By terminating the agreement in June of 2005, at a time when the value of the stock options offered to the Plaintiff was less than zero, Sycamore breached the agreement between Plaintiff and Sycamore.

Count II Retaliation and Wrongful Termination

60. The Plaintiff reasserts, realleges, and incorporates by reference the facts and allegations contained in paragraphs 1-59.
61. Sycamore terminated the contract with the Plaintiff and refused to renew the contract between Sycamore and the Plaintiff after, and on account of, the fact that the Plaintiff, at the request of the Company,

informed the Company of the unlawful actions of Company employees and principals.

Count III Fraud and Deception

- 62. The Plaintiff reasserts, realleges, and incorporates by reference the facts and allegations contained in paragraphs 1-61.**
- 63. The Company entered into the “Special Employment” agreement and the Company represented that the agreement would provide the Plaintiff with a package worth \$10, 800,000.00.**
- 64. The actions and statements of Sycamore, through its agents, employees and Trustees, constituted fraud and deception that induced the Plaintiff to enter into the “Special Employment” agreement which he would not have entered into, absent the fraudulent and deceptive statement by the corporation.**

Count IV Fraud and Deception

- 65. The Plaintiff reasserts, realleges, and incorporates by reference the facts and allegations contained in paragraphs 1-64.**
- 66. As a result of false and misleading statements made by Sycamore, through press releases and public and private statements of CEO and President, Daniel Smith, the Plaintiff was induced to hold on to and not to exercise his stock options believing that the Company was solid and that the stock prices would continue to increase in price.**
- 67. Unknown to the Plaintiff Sycamore had engaged in a scheme which artificially inflated the price of the stock.**
- 68. As a result of the fraudulent and misleading statements, the Plaintiff has been economically harmed.**

Wherefore, the Plaintiff requests that this Court order:

- a) That he be compensated for any present and future loss of wages and/or benefits incurred as a result of the wrongful action of the Defendant;**

- b) That he be awarded an amount of money which will fairly compensate him for his emotional and physical pain, suffering, inconvenience, mental anguish, and loss of enjoyment of life and any consequential damages;**
- c) That the Defendant pay him interest on any judgment entered from the time of the filing of this suit;**
- d) Reinstate full medical benefits to him;**
- e) Order such other relief as may be just and proper and/or which will make the Plaintiff whole.**

THE PLAINTIFF DEMANDS A TRIAL BY JURY ON EACH ISSUE SO TRIABLE

The Plaintiff
By his Attorney,

Kevin G. Powers, BBO #405020
Rodgers, Powers & Schwartz LLP
18 Tremont Street
Boston, MA 02108
(617) 742-7010

U:\wordoc\landry\complaint.6.06

Exhibit B

Q2 stock option grants issues-

NR to di

1) Ed Zaval-VP of Customer Service-

PAN-Sandra
DOH 12/21

- Ed was promised his stock option grant would be issued at the low of the quarter price.
- Ed's actual start date was 1/2/01. The low of the Q2 was on 12/21/00 at \$29.1250
- **Action:** Change Ed's date of hire to reflect 12/21/00 and his stock option should be granted on 12/21/00. No change to offer letter will be required since there was no commencement date on the letter and the letter itself was dated prior to 12/21/00. No impact of W-2 issues since the last payroll period for calendar year 2000 ended on 12/15/00. All wages paid after payroll period ending 12/15/00 are reflected in calendar year 2001. *Katy took weekly stock valiance reprt.*
- **Risk Assessment:** Low risk. Senior level employee and the risk of exposure to this agreement is low. No audit risk

2) Samia Kirmani-Human Resources

- Samia's actual date of hire was 12/18/00 and our FMV on that day was \$50.1250
- After Samia started our stock price dropped considerably. Samia requested her stock options to be granted on 12/21/00 when our FMV value was \$29.1250.
- At this point, nothing has been communicated to Samia.
- **Action:** Change Samia's start date to 12/21/00 and issue her stock options on 12/21/00. Requires change to offer letter for commencement date of employment. Robin should change date on letter and just initial, do not have Samia resign letter. Employee will be told that this is not something the company does, however given that fact that the stock price dropped in her first week of hire this change will be made. Also in consideration of her hard work to date.
- **Risk Assessment:** Low risk. She is a rank and file employee and the Company has no prior experience with her (although she does have a relationship with Hassan Ahmed that could work to our advantage should the risk of exposure of this agreement surface). Low audit risk (exposure on actual payroll registers and on the medical insurance effective dates, both of which will remain unchanged, however the auditors never reference these documents in their audits)

Change on
 - offer letter
 - Oracle date
 - Sandy
 - Clean up
 (started on 18-nally 21st).
 quarterly Ft
 check -
 discussed
 payroll impac
 please change
 records

3) Maribeth Harper-Legal

- Maribeth was promised her stock option grant would be issued at the low of the quarter price.
- Maribeth's actual start date was 11/27/00. The low of the Q2 was on 12/21/00 at \$29.1250
- **Action:** Maribeth's date of hire will reflect 12/21/00 and her stock option should be granted on 12/21/00. Requires new offer letter for the file to adjust the salary difference between her actual date of hire 11/27/00 and 12/21/00. Adjustment will be addressed in the offer letter in the form of a sign on bonus.
- **Risk Assessment:** Low risk. Company has prior history with this employee and the risk of exposure to this agreement is low. Low audit risk (exposure on actual payroll registers and on the medical insurance effective dates, both of which will

offer letter -
 11/27-12/21
 Sign on bonus
 immediate
 - Sandy clean
 up date of
 hire.

remain unchanged, however the auditors never reference these documents in their audits)

4) Jincndra Ranka-Engineering

- Jinendra was issued 50k shares in Q1. In Q2 the stock price decreased. Jinendra requested his stock option grant to be issued in Q2.
- This grant was issued in consideration of his hard work and dedication.
- **Action:** Issue the grant at the low of Q2. Employee understands that this will not be issued again should the stock price decrease in Q3. PAN will be generated to reflect correct date of issuance of 12/21/00. If possible, this grant should appear as part of the refresh if the refresh occurs in Q2.
- **Risk Assessment:** Medium risk. Employee and Manger (Eric Swanson) are aware of a cancellation and re-issuance of options. Original stock option agreement was issued to the employee and has been surrender by the employee. The grant has been deleted from the system in its entirety. There is an audit risk since the grant was originally issued in Q1 and the cancellation occurred after the Q1 audit. Q1 options will not balance to audit records and diluted shares outstanding for Q1 will not balance.

- make sure
Q1 PAN shrec
- call Eric &
confirm par
reflect &
that under
won't cha
vesting.
- of Q2 - gae
PAN - me
- merit men
from Eric
of Q2.

5) Bill Stevens-Sales

- Bill was promised 20k shares as a promo grant at the low of the quarter.
- Bill pushed to have the grant issued effective 11/30/00 which had a closing price of \$41.4375. However, since low of the quarter was agreed to, the employee will most likely push for an issuance date of 12/21/00 at \$29.1250.
- This grant is issued in consideration of his hard work and dedication.
- **Action:** Issue the grant at the low of Q2. Employee understands that this will not be issued again should the stock price decrease in Q3. PAN will be generated to reflect correct date of issuance. If possible, this grant should appear as part of the refresh if the refresh occurs in Q2.
- **Risk Assessment:** Medium risk. Employee and Manger (Kurt Trampedach) are aware of change from the 11/30/00 agreed to date of issuance. The stock option agreement was never sent to the employee. No audit risk since the 11/30/00 grant was not part of an audited period.

- Close Bill
Stevens
- need 12/21
PAN
20,000 sha

6) Mike Ambrogi-Engineering

- Mike was notified in advance of the number of shares he was to receive in the refresh (40k shares) in order to counter a job offer Mike had received.
- Mike was told he would receive these shares when the refresh shares were issued.
- **Action:** Shares will be issued as part of the normal refresh program.
- **Risk Assessment:** Low risk. Employee and Manger (Eric Swanson) are aware that he was promised shares in advance of actual issuance. No audit risk.