

## The video app Triller is in trouble

As it plans to go public, the company faces multiple lawsuits



Triller Chief Executive Mahi de Silva speaks to influencers and guests during an event for Black creators in Los Angeles. (Wally Skali / Los Angeles Times)

By BRIAN CONTRERAS, WENDY LEE  
TIMES STAFF WRITERS

Two years ago, Century City startup Triller was poised for the big time.

The once obscure entertainment and tech company got a sudden boost when then-President Trump floated the possibility that

he'd ban TikTok from America over its ties to China. Some of TikTok's best-known stars said they would make Triller their new home. The firm became the most downloaded iPhone app in the country.

But TikTok's heir apparent in the U.S. now finds itself beset on all sides by haters, skeptics and litigants. Recurring complaints by company affiliates about late or missed payments, as well as questions about its revenue streams and

relationship with Saudi Arabia have put a spotlight on the company.

“The bottom line is Triller hasn’t delivered and the artists are starting to leave. People aren’t getting paid,” said Ray Wang, principal analyst for Palo Alto-based Constellation Research, echoing claims from lawsuits filed against Triller. “That’s really what’s hurting them.”

Sitting in a lounge of a luxe Arts District hotel, bathed in orange candlelight and the faint smell of burning oil, Triller Chief Executive Mahi de Silva seems to have already heard every criticism lodged against his company — and come prepared with a rebuke for each one.

Sony Music, which is suing Triller for millions of dollars in a breach-of-contract dispute? “Music labels are bullies,” said De Silva, the downtown Los Angeles skyline twinkling out the window.

The boxers, including Mike Tyson, who’ve claimed that Triller paid them incompletely or not on time? “There are instances,” he continued, “where the infrastructure that supports fighters are not the most stand-up businesspeople on the planet.”

And the Black content creators who, in a recent Washington Post article, accused the social media company of stiffing them? De



Timbaland, left, at the 58th annual Grammy Awards in 2016, and Swizz Beatz at the 61st annual Grammy Awards. The producers recently sued Triller, then settled. (Jordan Strauss / Invision/AP )

Silva described them as a small number of voices not representative of most people’s experiences with Triller.

If it’s a defiant tone, De Silva has no shortage of people to defy.

Music producers Swizz Beatz and Timbaland recently sued the firm, then settled; two social media influencers have lodged a suit of their own over what they describe as broken promises; a handful more suits, some of which have been dismissed, have tied the company up in a beef with a popular YouTube comedian. Last week, former chief operating officer of affiliate Triller Fight Club filed a wage theft and breach of contract case against Triller, saying it owes him more than \$850,000.

That’s all on top of a more anodyne struggle to build and maintain market share.

Triller ranks 127th based on downloads in the photo and video app category for iPhones in the U.S. as of Sept. 28, according to analytics firm data.ai. Triller said its app has been downloaded more than 350 million times.

De Silva has disputed claims of late or missed payments, questioned the motivations of the company’s critics and cited its expansion.

Triller said it has acquired 10 companies since 2021. The firm also recently reportedly raised \$200 million, and it plans to eventually go public on the Nasdaq Stock Market in the fourth quarter. The company had planned to go





Roy Jones Jr. throws a punch against Mike Tyson during a fight presented by Triller at Staples Center in 2020 in Los Angeles. (Joe Scarnici / Getty Images )

public this year through a merger, but in June it was mutually dissolved. Triller said Thursday that after it goes public, it will receive access to as much as \$310 million in equity funding from Luxembourg-based investment group Global Emerging Markets.

“Going public means that, today, you have to show a path of very strong revenue growth; you have to show a path to profitability; and you have to show a path to how you can outperform competitors,” De Silva said from the Soho Warehouse, where the company was hosting a celebration of Black content creators. “I feel like we have a really strong story towards that.”

The sector occupied by TikTok may be crowded, he added, but

Triller aims to offer something different: not a “walled garden” built around ads, but a “cross-platform” infrastructure that can help creators “manage their fans, their followers, their data” and then monetize all that through various revenue streams.

“As a disruptive voice, we have a lot of detractors,” De Silva said. “There are a lot of people that are out there making s— up ... [or] creating, really, a mountain out of an anthill.”

Triller was launched as a music video app in 2015, founded by two musicians who wanted an inexpensive way to edit their work without paying to rent studio space. By 2016, Triller pivoted to more of a social video platform. To grow its audience, the company offered fi-

nancial and equity incentives to lure popular TikTok stars.

Carolyn Ferraro and Milana Papa were among the content creators drawn to Triller’s promise of fame and fortune.

After joining Triller in the summer of 2020, Ferraro and Papa (based in New Jersey and London, respectively) were asked to help the company increase its users and content, the duo told *The Times*.

Ferraro said they were appointed captains of a virtual creator house — which involved writing and editing a group of creators’ videos — and told that they could eventually become Triller’s homegrown equivalent of mega-famous TikToker Charli D’Amelio.

“We’d have a house, we’d be paid,” Ferraro said. “Our lives would be made.”

The duo were promised “all the time” that they’d be compensated for their work, Papa said, but told that they just had to wait while the company built its user-base and navigated the pandemic.

But as time went on, Ferraro and Papa grew suspicious, they said, noting that other Triller creators were living lavishly subsidized lifestyles and that the company pledged in late 2021 to pay \$14 million to hundreds of Black creators.

“Amongst our creator group, they started only paying the Black

creators,” Ferraro said, reflecting claims made in her lawsuit. She and Papa asked someone from Triller what was going on, she added, but were told they had to wait their turn.

On March 1, Triller told the two creators that it was cutting ties with them and had rejected their request for compensation, according to an email their lawyer showed *The Times*. The pair are now suing Triller in federal court for denying them equal benefits based on their race and not paying them .

Eric George, an attorney for Triller, disputed the allegations, saying that the duo were among a group of influencers who “received marketing and publicity from Triller in consideration for contributions, and with no guarantee or expectation of financial compensation.”

“In essence, they sued Triller for not allowing them to participate in a program called the Assembly For Black Creators — which Triller had done because they are not Black,” George said. He said Triller would file a motion to dismiss the “meritless” lawsuit.

George further accused the influencers of illegally hacking an Instagram account set up by Triller and making racially-tinged comments about a Black Triller employee. The company provided a



Ryan Kavanaugh, chief executive of Relativity Media, and Kristen Wiig are seen at at 2016 event. (Steve Cohn / Invision/AP )

screenshot of Instagram notifications in which an account it said was associated with the influencers contained disparaging remarks about someone Triller said was one of its Black employees.

An attorney for the duo called the claims baseless and defamatory, and said that promises of payment had been made by senior management.

A recent *Washington Post* investigation suggests that the company’s Black creators are owed money too. In early August, the paper reported that the \$14-million Black creators program had dispensed funds inconsistently and sometimes not at all, according to multiple participants. Triller disputed the findings and said they

weren’t representative of most creators’ experiences.

“We’re a startup,” De Silva said during the Black creators event. “Yes, we had a few hiccups in the early days — but if you talk to any of these creators, they’ve been paid in full.”

Duke Ihenacho, a former NFL player who now makes fitness and lifestyle content online, told *The Times* that he hasn’t personally had issues getting paid by the firm but is aware of such complaints.

“There’s people that have gone through situations with Triller that haven’t been paid,” said Ihenacho, who also attended the Black creators event. “I know some friends like that.”

Sony Music, which had licensed music to Triller, also said it

is owed money. The label sued Triller in August, alleging breach of contract.

“Triller neglected its payment obligations ... preventing Sony Music from compensating its creators — the world-class performers and artists who created the sound recordings Triller incorporated into its users’ videos — for Triller’s use of their music,” Sony Music Entertainment said in its lawsuit.

On Friday, Sony Music doubled down, saying in a statement: “Our complaint clearly demonstrates Triller’s egregious actions to enrich itself by reneging on its promises to pay Sony Music’s artists for the use of their work.”

Triller has said the Sony lawsuit “grossly mischaracterizes our relationship with them.”

It isn’t the first dust-up with a music label. In February 2021, Universal Music Group pulled its music from Triller, claiming it “shamefully withheld payments owed to our artists and refuses to negotiate a license going forward.” Triller disputed the claim and the parties later settled the matter.

Similar allegations extend to the company’s forays into combat sports.

Mike Tyson and Roy Jones Jr. claimed that Triller owed them money for a November 2020 exhibition bout Triller presented. Ty-

son said he’d never work with the company again.

Film executive Ryan Kavanaugh — whose company Proxima Media formerly owned Triller — said he had proof that the renowned fighter was indeed compensated in full.

Kavanaugh’s involvement has raised some eyebrows itself. The once highflying film executive was the CEO of Relativity Media. The studio behind such movies as “The Social Network” twice filed for bankruptcy protection.

In 2019, his subsequent venture Proxima Media acquired Triller. De Silva said Proxima Media is still an investor but is no longer the largest investor.

Kavanaugh, who is no longer a board member of Triller, was not available for comment. His attorney Farhad Novian said Kavanaugh elected to not to continue his term on the board in order to focus on his busy schedule that included working on multiple movies unrelated to Triller.

Last year, Kavanaugh proposed a potential merger between Triller and a company called SeaChange International, according to a document filed with the Securities and Exchange Commission by SeaChange in May. The deal was later dissolved.

The document stated that Dog for Dog, a dog food company that is controlled by Kavanaugh, represented 12% of Triller’s revenue last year, making it Triller’s largest customer.

The filing also stated that on April 7, 2021 Dog for Dog agreed to pay \$7.5 million to sponsor three Triller fighting events on April 17, Sept. 11 and Nov. 27 of last year, but the actual payment was not due until April 16, 2022. Dog for Dog, whose CEO was listed as a Triller board member in the May filing, represented about 74% of Triller’s accounts receivable last year, according to the document.

“I do think it’s highly unusual for the largest customer of a business to be a related party,” said Lloyd Greif, CEO of Los Angeles-based investment bank Greif & Co. “That’s just not the norm in my experience.”

Triller disputed the revenue data in the regulatory filing, saying no revenue from Dog for Dog was recorded in 2021. A representative of SeaChange could not be reached.

“The relationship with Dog for Dog and Triller was unwound,” George said, adding that the filing is “no longer a valid draft.”

Triller has also relied on Kavanaugh’s relatives to help lend

the company money. On Nov. 20, 2020, trusts that were operated by Kavanaugh's relatives lent a Triller subsidiary \$1 million for 28 days and were paid back Dec. 18 with the full amount plus \$300,000 and warrants to purchase shares in Triller, the filing states.

Triller said the loan from Kavanaugh's father, Jack, was one of dozens of short-term loans used to fund flagpole events such as the Tyson-Jones fight that produced more than a 300% return on investment. George said other loans had "significantly more favorable terms" and that Ryan Kavanaugh was not involved in the transaction, adding that his father had a 20-year working relationship with De Silva.

Novian echoed that the transaction was less favorable compared with other deals and "did not benefit Mr. Kavanaugh in any way."

According to the SEC filing, Triller "has incurred losses each year since its inception" and in 2021 reported a net loss of \$191.6 million, excluding stock and other items.

Triller has positioned itself as an alternative to TikTok, which is owned by China-based tech company ByteDance, even calling it the "greatest existential threat to the fabric of America."

Although Triller has distanced itself from China, it has interacted with people tied to Saudi Arabia, which has faced criticism in recent years over the murder of journalist Jamal Khashoggi and other human rights concerns.

Saudi businessman Adel Ghazawi, an investor in Triller who sits on its board, told The Times that Triller has been "well-received" by Saudi Arabian and other Middle Eastern ministers of tourism, who aren't investors in Triller but are interested in engaging with influencers. He said that Triller wasn't "locked into any deals yet," but that "Triller has the opportunity to engage and do some activations."

De Silva said that Triller doesn't have any investment from the Saudi government.

"These are all private investors," the CEO said. "We don't mix policy with our mission; we don't kowtow."

People working in the influencer industry have expressed skepticism about the platform's trajectory.

"We (and our core creator clients) have generally avoided working with and creating content on Triller," Brian Mandler, co-founder of the influencer marketing agency the Network Effect,

said in an email to The Times. "We just didn't see/feel the traffic/momentum."

"Overall, it's a very tough space, you have to be extremely well capitalized," said Eugene Lee, CEO of San Francisco-based creator management and payment platform ChannelMeter. "Anyone who is going to take on TikTok and social video platforms, they have to come with a big war chest."

But don't count Triller out just yet.

"They're like Icarus," said a music industry source who declined to be named, referencing the Greek tragedy about a young boy who dies after flying too close to the sun.

But unlike in the myth, the source added, "in mid-freefall, they seem to build the wings back and start climbing again."