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FILED
Superior Court of California
County of Los Angeles

07/25/2025

David W. Slayton, Executive Officer / Clerk of Court
By: _____ V. Ponce Deputy

5 Attorneys for Plaintiff DAVID CARTER
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7

8 **SUPERIOR COURT OF CALIFORNIA**
9 **COUNTY OF LOS ANGELES**

10 DAVID CARTER, an individual, both
11 directly and derivatively on behalf of ZUMA
12 PARTNERS, a California general partnership,

13 Plaintiff,

14 vs.

15 ZUMA PARTNERS F I, LLC, a Delaware
limited liability company; ZUMA
16 PARTNERS F II, LLC, a Delaware limited
liability company; ZUMA HONEY SPV,
17 LLC, a Delaware limited liability company;
ZUMA PARTNERS MANAGEMENT, LLC,
18 a California limited liability company; YUAN
SHI aka HENRY SHI, an individual, and
19 DOES 1 through 20,

20 Defendants,

21 and

22 ZUMA PARTNERS, a California general
partnership, Nominal Defendant.
23
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Case No. 20STCV02913

Assigned for All Purposes to:
The Hon. Lia Martin, Dept. 3

FOURTH AMENDED COMPLAINT for:

1. Breach of Contract
2. Quantum Meruit
3. Breach of Fiduciary Duty
4. Conversion
5. Violation of Penal Code §496
6. Injunctive Relief
7. Accounting
8. Intentional Misrepresentation

DEMAND FOR JURY TRIAL

1 COMES NOW plaintiff DAVID CARTER, both directly on his own individual behalf
2 and derivatively on behalf of ZUMA PARTNERS, and alleges claims against defendants
3 ZUMA PARTNERS F I, LLC, a Delaware limited liability company; ZUMA PARTNERS F II,
4 LLC, a Delaware limited liability company; ZUMA HONEY SPV, LLC, a Delaware limited
5 liability company; ZUMA PARTNERS MANAGEMENT, LLC, a California limited liability
6 company; and YUAN SHI aka HENRY SHI, an individual, as follows:

7 **I. INTRODUCTION**

8 1. This case arises out a fraudulent scheme by venture capitalist Yuan (aka Henry)
9 Shi (“Shi”) to cheat his business partner David Carter (“Carter”) out of millions of dollars.

10 2. Carter and Shi are 50-50 partners in a small venture capital business known as
11 Zuma Partners (the “Partnership”) which raised money and holds an interest in 15 early-stage
12 companies, including Hello Tech, WiZR, Amplify, Well, Honey, Knod, StatMuse, Next
13 Trucking, Alliance Health, Ascend, Polymail, Two Bit Circus, Shape Security and FreshLime
14 (each a “Portfolio Company,” and collectively, the “Portfolio Companies”).

15 3. In 2015, Carter was an established figure in the Southern California venture
16 capital community, whereas Shi was just starting out in the venture capital business. While Shi
17 had connections to Chinese investors, he lacked experience and a track record. Carter and Shi
18 therefore agreed to form the Partnership whereby Shi would raise capital and Carter would
19 provide experience, credibility, and connections.

20 4. Carter and Shi orally agreed that the Partnership would act as the manager for
21 each investment, they would each own 50 percent of the Partnership, and they would split the
22 manager’s profit participation (*i.e.*, carried interest) and fees in each investment equally.

23 5. Shi thereafter made numerous oral and written representations to investors that
24 he and Carter were partners and that their Partnership had invested in the Portfolio Companies.

25 6. Shi agreed to memorialize the oral agreement relating to the Partnership, the
26 investments on the Portfolio Companies, the Partnership’s interests in the Portfolio Companies,
27 and Carter’s 50% interest in the Partnership. However, despite Carter’s repeated requests and
28 Shi’s repeated promises that he would provide the documentation, Shi has failed and refused to

1 provide Carter with any documentation of the Partnership, or its interests in the Portfolio
2 Companies, or Carter's 50% interest in the Partnership.

3 7. On information and belief, in violation of the parties' agreement as set forth
4 above, Shi formed management companies in which he is the sole manager and member to
5 manage the Portfolio Companies, instead of the Partnership (or with Carter as a co-equal
6 manager and member in the management companies).

7 8. On information and belief, based on Shi's false promises, evasions, deceptions,
8 and failures to provide documentation, Shi has converted and intends to convert for himself all
9 of the Partnership's carried interests and fees in the Portfolio Companies from the investments
10 in Portfolio Companies, including Honey Science Corporation ("Honey") which recently sold
11 for \$4 billion and Shape Security, Inc. ("Shape") which recently sold for \$1 billion.

12 II. PARTIES

13 A. **Plaintiff**

14 9. Plaintiff is an individual residing in Los Angeles County.

15 B. **Defendants**

16 10. On information and belief, defendant ZUMA PARTNERS F I, LLC ("ZP F-I")
17 is a purported Delaware limited liability company with its principal place of business in Los
18 Angeles.

19 11. On information and belief, defendant ZUMA PARTNERS F II, LLC ("ZP F-II"),
20 is a purported Delaware limited liability company with its principal place of business in Los
21 Angeles.

22 12. On information and belief, defendant ZUMA HONEY SPV, LLC ("Zuma
23 Honey") is a purported Delaware limited liability company with its principal place of business
24 in Los Angeles.

25 13. On information and belief, defendant ZUMA PARTNERS MANAGEMENT,
26 LLC ("Zuma Management DE") is a California limited liability company with its principal
27 place of business in Los Angeles.

28 14. On information and belief, defendant YUAN SHI aka HENRY SHI ("Shi") is an

1 individual residing in Los Angeles County.

2 15. Defendants ZP F-I, ZP F-II, Zuma Honey, Zuma Management, and Zuma
3 Partners are collectively referred to herein as the “Zuma Defendants.”

4 16. On information and belief, at all relevant times, Shi was and is a manager,
5 principal, and controlling interest holder in each of the Zuma Defendants.

6 **C. Nominal Defendant**

7 17. Nominal defendant ZUMA PARTNERS is a California general partnership with
8 its principal place of business in Los Angeles County.

9 **D. Doe Defendants**

10 18. Plaintiff is unaware of the names of the defendants sued herein as DOES 1
11 through 20, inclusive, and therefore sues them by those fictitious names. On information and
12 belief, each of the DOE defendants is responsible in some manner for the practices, acts,
13 conduct, omissions and occurrences alleged herein, as actual perpetrators or co-conspirators,
14 aiders and abettors, officers, directors or managing agents with the knowledge, control,
15 authority, direction and/or ratification of the other defendants.

16 **E. Alter Ego Allegations**

17 19. At all relevant times, each defendant acted as an agent, servant, employee, co-
18 conspirator, alter ego and/or joint venturer of the other defendants, and in doing the things
19 alleged herein acted within the course and scope of such agency, employment, alter ego and/or
20 in furtherance of the joint venture. Each of the defendants’ acts herein was done with the
21 permission and consent of the other defendants.

22 20. At all relevant times, each of the Zuma Defendants was an alter ego of Shi, and
23 there was and is a unity of interest and ownership between them such that any separateness
24 between them has ceased to exist in that Shi completely controlled, dominated, managed and
25 operated the Zuma Defendants to suit his convenience.

26 21. On information and belief, and at all relevant times, Shi (i) controlled the
27 business and affairs of each of the Zuma Defendants, (ii) diverted funds and assets of the Zuma
28 Defendants for his own personal use, (iii) disregarded legal formalities and failed to maintain

1 arm's length relationships with the Zuma Defendants, (iv) inadequately capitalized the Zuma
2 Defendants, (v) used the same office or business location and employed the same employees
3 for all of the Zuma Defendants, (vi) held himself out as personally liable for the debts of the
4 Zuma Defendants, (vii) used the entities as mere shells, instrumentalities or conduits for
5 himself and/or for his individual businesses, (viii) used the entities to procure labor, services
6 and merchandise for another person or entities, (ix) manipulated the assets and liabilities
7 between the Zuma Defendants so as to concentrate the assets in one and the liabilities in
8 another, (x) used the Zuma Entities to conceal ownership, management or financial interests or
9 personal business activities, and (xi) used the Zuma Defendants to shield against personal
10 obligations, and in particular the obligations alleged in this Complaint.

11 22. At all relevant times, the Zuma Defendants were not only controlled by Shi, but
12 there was such a unity of interest and ownership that the individuality or separateness of Shi
13 and the Zuma Defendants has ceased, and the adherence to the fiction of separate existence
14 would under the present circumstances sanction a fraud and promote injustice.

15 **F. Agency, Aiding And Abetting, And Conspiracy Allegations**

16 23. As members of the conspiracies alleged more fully below, each of the defendants
17 participated, acted with and furthered a conspiracy, and aided and assisted in carrying out the
18 purpose of the conspiracy, performing acts and making statements in furtherance of the
19 conspiracy and other violations of California law.

20 24. Each defendant acted both individually and in alignment with the other
21 defendants with full knowledge of their respective wrongful conduct. As such, the defendants
22 conspired together, agreeing to engage in a common plan of wrongdoing for the joint benefit
23 and the enrichment of Shi, in carrying out the acts alleged in this Complaint.

24 25. Defendants are individually sued as principals, participants, aiders and abettors,
25 and co-conspirators in the wrongful conduct complained of and the liability of each arises out
26 of their engaging in all or part of the improper acts, plans, schemes, conspiracies, or
27 transactions complained of herein.

28

1 **III. STATEMENT OF FACTS**

2 **A. The Formation Of The Partnership**

3 26. In early 2015, Carter had just founded Zuma Ventures I, LLC (“Zuma
4 Ventures”), an incubator of early-stage technology companies. Carter is a venture capitalist
5 with a successful track record. Forbes Magazine named him one of the “12 Entrepreneurs Who
6 Revolutionized Los Angeles.” He co-founded several companies, including Amplify (a top
7 U.S. startup accelerator), Thoughtstar (acquired by a NASDAQ listed company), and Vertical
8 Technologies (acquired by a NASDAQ listed company). He was “Entrepreneur in Residence”
9 for well-known venture capital firm Epic Ventures. He successfully invested in nearly 25
10 technology companies.

11 27. In early 2015, Shi had just started in the venture capital business and wanted to
12 raise funds to invest in early stage companies, but he lacked experience and credibility. He
13 needed a partner who could provide the experience and track record he lacked. Carter fit the
14 bill.

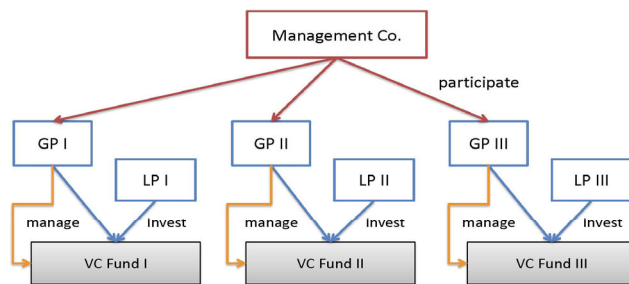
15 28. In August 2015, Carter and Shi orally agreed to the terms of their Partnership,
16 called “Zuma Partners” (to distinguish it from Zuma Ventures), to raise venture capital funds to
17 invest in early-stage and growth-stage technology companies. They agreed to the following
18 material terms of the Partnership: (i) they would market their track records (mostly Carter’s) to
19 prospective investors; (ii) they would raise funds and invest in companies through limited
20 liability companies with the Partnership acting as the manager of the limited liability
21 companies; and (iii) they would share equally, on a 50-50 basis, in all profits (*i.e.*, carried
22 interest) and fees due the manager in each investment. Shi also agreed to document the
23 investments, the Partnership’s interests therein, and the parties’ oral agreement to share equally
24 in profits and fees. In accordance with industry norms, the parties understood that the
25 Partnership would not bear the risk of any investment losses, and would distribute any profits
26 after Portfolio Companies were sold or went public, which was expected to be a 5 to 10 year
27 time horizon.

28 29. The parties implemented their agreement by creating marketing materials touting

1 Carter’s track record, by having Carter participate in marketing the Partnership, and by Shi’s
2 soliciting and raising funds from Chinese investors with oral and written representations that
3 Carter was his partner and had a successful track record as an entrepreneur and high tech
4 investor.

5 30. Shi later prepared a chart showing a Management Company (*i.e.*, the
6 Partnership) managing a series of entities (funds) which invested in the Portfolio Companies:

VC Structure (multiple funds)



16 B. The Investment Vehicles

17 31. On information and belief, Shi formed several limited liability companies to
18 raise funds, invest in, and manage the investments in the Portfolio Companies, as set forth
19 below.

20 32. Management Company. On information and belief, on November 6, 2015,
21 Zuma Partners Management LLC (“Zuma Management CA”) was formed as a California
22 corporation by Shi. On information and belief, the purpose of Zuma Management CA was to
23 manage the investments in the Portfolio Companies and receive the profit (carried interest) and
24 fees on each investment. Shi never issued any interest in Zuma Management CA to the
25 Partnership or to Carter.

26 33. Fund I. On information and belief, on August 31, 2015, Zuma Partners F1, LLC
27 (“Fund I”) was formed in Delaware by Shi to raise funds to invest in Portfolio Companies. The
28 operating agreement provides in section 5.3 that Carter is a “Key Executive”; in section 4.1 that

1 the carried interest is 20%; and in section 1.26 that the Manager is Zuma Partners Management,
2 LLC, a Delaware entity. Fund I acquired shares in several companies in the Partnership's
3 portfolio either directly or through the use of separate special purpose vehicles ("SPV").

4 34. Fund II. On information and belief, on September 1, 2015, Zuma Partners F II,
5 LLC ("Fund II") was formed in Delaware by Shi to raise funds to invest in Portfolio
6 Companies. The operating agreement provides in section 5.3 that Carter is a "Key Executive."
7 In section 4.1, the Manager's carried interest is set at 13% if the return to investors is less than
8 200% and 18% if the return is greater than 200%. In section 1.26 the Manager is described as
9 Zuma Partners, LLC; whereas in section 5.1(a) and in the signature block the Manager is Zuma
10 Partners Management, LLC. Fund II acquired shares in several companies in the Partnership's
11 portfolio either directly or through the use of separate SPVs.

12 35. Fund III. On information and belief, on December 1, 2015, Zuma Honey SPV
13 LLC ("Zuma Honey") was formed in Delaware by Shi. On information and belief, the purpose
14 of Zuma Honey was to invest in a single Portfolio Company -- Honey. In section 1.26, the
15 Manager is identified as Zuma Honey SPV Management Group, LLC, a Delaware entity,
16 whereas in section 5.1(a) and in the signature block the Manager is identified as Zuma Partners
17 Management, LLC, a Delaware entity. (The subscription agreements signed by the investors
18 are countersigned by Shi on behalf of the manager Zuma Partners Management, LLC). In
19 section 4.1, the Manager's carried interest is 15% after members are returned their investments.
20 In section 5(d)(i), the Management Fee is set at 10%. In section 13.11, there is a disclosure
21 that the investors are not entitled to any distributions from any other "Portfolio Company."

22 36. On information and belief, Shi never finalized the documentation for the formal
23 creation in Delaware of Zuma Partners Management LLC or Zuma Partners LLC despite
24 creating operating agreements which expressly refer to them as Delaware entities.

25 37. On information and belief, Shi never finalized the documentation for the formal
26 creation in Delaware of Zuma Honey SPV Management Group, LLC despite creating an
27 operating agreement which expressly refers to it.

28 38. To the extent that Zuma Partners Management LLC (Delaware), Zuma Partners

1 LLC (Delaware) or Zuma Honey SPV Management Group, LLC (Delaware) even exist, they
2 are alter egos of Zuma Management CA and/or Shi.

3 39. Partnership's Office Address Used. Shi used Carter's and the Partnership's
4 office address as the addresses for Fund I, Fund II, Zuma Honey, and the other SPVs he used to
5 make investments on behalf of the Partnership.

6 40. After the funds had been raised and placed with the Portfolio Companies, the
7 remaining function of the Partnership was to distribute profits upon the sale of a Portfolio
8 Company.

9 **C. Shi Repeatedly Acknowledged The Partnership And Its Investments**

10 41. In addition to the documentation relating to the entities formed by Shi as set
11 forth above, Shi made numerous oral and written representations to Carter, prospective
12 investors, investors, and others, confirming the existence of the Partnership, Carter's role as a
13 partner, the investments in the Portfolio Companies, and the Partnership's interest in the
14 Portfolio Companies, *i.e.*, Hello Tech, WiZR, Amplify, Well, Honey, Knod, StatMuse, Next
15 Trucking, Alliance Health, Ascend, Polymail, Two Bit Circus, Shape Security and FreshLime.

16 42. On January 1, 2016, Carter sent an email to Shi which attached a "Zuma Investor
17 Update -2015" for Zuma Ventures. On that same date, Shi edited the update. The edited
18 update states that "A few months ago, Henry Shi led the formation and funding of Zuma
19 Partners (ZP) where I am a partner. ZP is a small SPV which raised ~\$2m to fund technology
20 companies (including Zuma's). ZP is strategic to Zuma and already provided value to our
21 portfolio."


22 43. On March 30, 2016, Shi sent an email to Carter which contained an agenda for a
23 "Zuma Partners Event." The agenda included an "Intro of Zuma Partners (Henry)," "Intro of
24 Portfolio Companies (Henry & David)," and "3:00 pm - 3:30 pm Intro of Portfolio Companies
25 (every 1-3 mins) David talks about Hello Tech, WiZR, Alliance Health, StatMuse, Well, Two
26 Bit Circus. (Henry talks about Amplify, Knod, Honey, Next Trucking)."


27 44. On April 1, 2016, Shi sent an email to a prospective investor with a Powerpoint
28 for "Zuma Partners" to raise money for additional investments.


1 45. On April 16, 2016, Shi sent an email to a prospective investor representing that
2 he was “a managing partner of Zuma Partners, and early investment agency in the United
3 States.”

4 46. On July 20, 2016, Shi sent an email to prospective investors attaching a
5 Powerpoint presentation stating that Carter and he were the “Management Team” for “Zuma
6 Partners” with respect to the Portfolio Companies:

7

8 

9  **David Carter**
10 管理合伙人
11 孵化器Zuma Ventures联合创始人、CEO。曾创立全美排名前十的创业加
12 速器Amplify
13 连续创业者，曾创立两家公司被上市公司并购
14 资深天使投资人，已投资30多个科技项目；曾任著名风投Epic Ventures入
15 驻企业家
16 福布斯评出的“12位彻底改变洛杉矶创业圈的创业者”之一

13  **Henry Shi**
14 管理合伙人
15 孵化器Zuma Ventures投资合伙人
16 南加州最大规模的华人创业平台PlusYoou（晋创）联合创始人
17 天使投资人，已投资10多个科技项目
18 曾创立教育电商Cloudapply，已并购退出
19 南加州大学计算机科学博士

20

47.



17 48. On September 16, 2016, Shi wrote Carter and asked him for updates on various
18 Portfolio Companies, explaining “I would like to send some updates to current LPs this week
19 since some of them are considering investing in our Fund II. On Q2, I only updated them on a
20 few companies since half of our portfolio companies did not send us any update.”

21 49. On October 8, 2016, Shi continued promoting the Partnership to prospective
22 investors, including featuring Carter as a speaker at various events, writing him a “suggested
23 outline” for a speech which included a section “3. What Zuma is doing: Zuma Ventures (a tech
24 studio backed by Zions Bank and a number of angels) Zuma Partners (we’ve done several
25 SPVs for a couple of millions, as well as a new 10M fund backed by the Chinese Academy of
26 Sciences).”

27 50. On October 16, 2016, Shi wrote a potential investor that “David Carter is a
28 partner of venture capital firm Zuma Partners and CEO of incubator Zuma Ventures, focusing

1 on the investment and incubation of early-stage technology companies.”

2 51. On October 25, 2016, Shi wrote an email to a prospective investor relating to
3 Zuma Partners which listed Carter and himself as the sole partners.

4 52. On November 17, 2016, Shi sent an email to a prospective investor with an
5 attachment reflecting that Carter was a partner in “Zuma Partners.”

6 53. On November 24, 2016, Shi sent out another presentation which stated that the
7 Partnership had formed in June 2016, that he was “Cofounder, Managing Partner,” that Carter
8 was a partner, and which showed the structure Shi had created for the Partnership (as set forth
9 above).

10 54. On information and belief, Shi continued to represent to investors and others that
11 Carter was his partner in the Partnership, including by hosting the website referenced below.

12 **D. The Website For The Partnership**

13 55. In August 2015, Carter purchased the domain name for the Partnership’s website
14 which was www.zumavp.com (“Website”).

15 56. From 2016 to mid to late 2019, Shi hosted the Website. The Website listed
16 Carter and Shi as “Partners” and the Portfolio Companies in which the Partnership had an
17 interest.

18 57. In mid to late 2019, after Carter demanded in writing the documentation of his
19 interests in the Partnership (as set forth in detail below), he noticed that the Website was no
20 longer operational.

21 58. On November 22, 2019, the domain name for the Website became owned by a
22 Chinese company based in mainland China.

23 **E. Carter’s Demand For Documentation And Shi’s Refusal**

24 59. From the inception of the Partnership, Carter periodically asked Shi for copies of
25 the documents relating to the Partnership.

26 60. In August 2019, Carter learned that Honey was in the process of being sold and
27 requested that Shi provide him with copies of the documents which show his interest in the
28 Partnership and its Portfolio Companies, including Honey. Through these documents, Shi was

1 to facilitate payments to Carter for Carter’s interest in the various investments.

2 61. Shi responded that he was in China and “will work on this and send you the docs
3 in the next few weeks.” Shi never provided any documents to Carter.

4 62. On November 22, 2019, Carter emailed Shi and requested copies of the
5 documents and Shi replied that he was still in China and would return in December and provide
6 the documents then.

7 63. On December 21, 2019, Carter emailed Shi and requested copies of the relevant
8 agreements for the investments in Honey and Shape Security (another Portfolio Company
9 which is being sold) and Carter’s interest in those investments. Shi replied via email “I will
10 provide relevant agreements asap.” Shi falsely informed Carter that there was no carried
11 interest for the investment in Honey, directly contradicting the express terms of the operating
12 agreements Carter thereafter found.

13 64. Carter then sent a follow-up email confirming their conversation that Shi “will
14 provide a copy of all of the signed agreements for the deals we invested in showing carry, etc.,
15 You plan on providing my half of the proceeds after we pay fund expenses.” Shi replied that
16 he would “provide the relevant agreements asap.” Shi acknowledged the Partnership but
17 claimed that the “exact share split need to be discussed based on contributions to the fund,”
18 thereby reneging on the 50-50 deal agreed to in 2015.

19 65. Despite his numerous promises, Shi has failed and refused to provide Carter with
20 documentation. After Shi’s false promise in December 2019 to provide documents, Carter
21 conducted a search of Shi’s email account for the Partnership (henry@zumavc.com), and
22 located the operating agreements for Fund I, Fund II, and Fund III.

23 66. On information and belief, based on Shi’s cagey responses and failure to keep
24 Carter informed, Shi is in the process of creating phony documents to alter Carter’s proper role
25 and participation and/or to abscond with the Partnership’s funds. It would be futile for Carter
26 to make demand that the Partnership seek recourse against Shi and the various entities he has
27 formed to further the Partnership’s business since Shi is an equal member of the Partnership
28 and will block any requested action. Carter has thus been forced to bring this lawsuit.

1 **FIRST CAUSE OF ACTION**

2 **(Breach of Oral Contract)**

3 **(Against Shi)**

4 67. Plaintiff repeats and re-alleges the allegations contained in the preceding
5 paragraphs and incorporates them by reference as though fully set forth herein.

6 68. Carter and Shi orally agreed to the material terms that they would be equal
7 partner sharing on a 50-50 basis all profits and fees from investments placed and managed by
8 their Partnership, with Shi being responsible for memorializing their oral agreement and
9 documenting the investments and the Partnership's interests therein.

10 69. The parties' oral agreement was implemented through the marketing, fund
11 raising, and investing in the Portfolio Companies.

12 70. Carter has fully performed under the agreement.

13 71. Shi breached the agreement by failing and refusing to document the investments
14 and the Partnership's interests therein, by failing and refusing to provide Carter with copies of
15 all documents, and by failing and refusing to facilitate payments owed to the Partnership, and
16 ultimately, to Carter.

17 72. As a direct and proximate result of Shi's breach of contract, the Partnership has
18 been damaged in an amount to be proven at trial, calculated at \$9,361,585 (of which sum
19 Carter is entitled to 50%).

20 **SECOND CAUSE OF ACTION**

21 **(Quantum Meruit)**

22 **(Against All Defendants)**

23 73. Plaintiff repeats and re-alleges the allegations contained in the preceding
24 paragraphs and incorporates them by reference as though fully set forth herein.

25
26 74. Shi requested, by words or conduct, that Plaintiff perform services in connection
27 with raising venture capital funds and finding investments for the benefit of all of the
28 defendants.

1 75. Plaintiff performed the services as requested.
2 76. Defendants have not compensated Plaintiff for his services.
3 77. Plaintiff has been damaged in the reasonable value of the services, in an amount
4 according to proof.

5 **THIRD CAUSE OF ACTION**

6 **(Breach of Fiduciary Duty)**

7 **(Against Shi)**

8 78. Plaintiff repeats and re-alleges the allegations contained in the preceding
9 paragraphs and incorporates them by reference as though fully set forth herein.

10 79. As Carter's partner, Shi owed both the Partnership and Carter a duty of the
11 highest and utmost good faith in all of their business dealings.

12 80. Carter reposed trust and confidence in Shi that he would document their
13 agreement and investments as he promised, while honoring their agreement to split their
14 interest on those investments on an equal basis.

15 81. Shi breached his fiduciary duties to the Partnership and Carter by failing and
16 refusing to document the Partnership's investments in the Portfolio Companies, failing to
17 provide Carter with copies of the relevant documents, and by failing to facilitate payments
18 owed to the Partnership for its interest in each of the Portfolio Companies.

19 82. As a direct and proximate result of Shi's breach of fiduciary duty, Plaintiff has
20 been damaged in an amount to be proven at trial, calculated at \$9,361,585 (of which sum
21 Carter is entitled to 50%).

22 83. Plaintiff is also entitled to a constructive trust on 50% of any future profits from
23 the sale of the remaining thirteen of fifteen Portfolio Companies.

24 84. In doing the acts alleged herein, Shi acted with oppression, fraud, malice and in
25 conscious disregard of plaintiff's rights, and plaintiff is therefore entitled to punitive damages
26 in an amount according to proof at trial.

27 **FOURTH CAUSE OF ACTION**

28 **(Conversion)**

1 **(Against All Defendants)**

2 85. Plaintiff repeats and re-alleges the allegations contained in the preceding
3 paragraphs and incorporates them by reference as though fully set forth herein.

4 86. The Partnership had a property interest in the Portfolio Companies by virtue of
5 its carried interest and right to expenses.

6 87. In conjunction with the Zuma Defendants, Shi converted the Partnership's
7 property interest in the Portfolio Companies for himself by failing and refusing (i) to document
8 the Partnership's interests in the Portfolio Companies, (ii) to provide Carter with copies of
9 relevant documents relating to the Partnership, its interest in the Portfolio Companies, and
10 Carter's 50% ownership interest in the Partnership, and (iii) to facilitate payments to the
11 Partnership on account of those interests.

12 88. As a direct and proximate result of the conversion, the Plaintiff has been
13 damaged in an amount calculated as his 50% of \$9,361,585 (or \$4,680,792) from the sale of
14 two of the fifteen Portfolio Companies.

15 89. Plaintiff is also entitled to a constructive trust on 50% of any future profits from
16 the sale of the remaining thirteen of fifteen Portfolio Companies.

17 90. In doing the acts alleged herein, Shi acted with oppression, fraud, malice and in
18 conscious disregard of plaintiff's rights, and plaintiff is therefore entitled to punitive damages
19 in an amount according to proof at trial.

20 **FIFTH CAUSE OF ACTION**

21 **(Violation of Penal Code §496)**

22 **(Against All Defendants)**

23 91. Plaintiff repeats and re-alleges the allegations contained in the preceding
24 paragraphs and incorporates them by reference as though fully set forth herein.

25 92. California Penal Code § 496(a) provides in pertinent part: "Every person who
26 buys or receives any property that has been stolen or that has been obtained in any manner
27 constituting theft or extortion, knowing the property to be stolen or obtained, or who conceals,
28 sells, withholds, or aids in concealing, selling, or withholding any property from the owner,

1 knowing the property to be so stolen or obtained, shall be punished by imprisonment in a
2 county jail for not more than one year, or imprisonment pursuant to subdivision (h) of Section
3 1170.” Further, a ‘principal’ in the actual theft of property may be held responsible.

4 93. California Penal Code § 496(c) provides that anyone “injured by a violation of
5 [Section 496(a)]...may bring an action for three times the amount of actual damages, if any,
6 sustained by the plaintiff, costs of suit, and reasonable attorney’s fees.”

7 94. Defendants stole property that belonged to the Partnership, namely, the profits of
8 \$9,361,585 from the sale of the two Portfolio Companies, by diverting the funds from the
9 Partnership to entities and accounts controlled by them.

10 95. Defendants knew that the property was stolen when taken, since the Partnership
11 had earned those profits, not the Defendants.

12 96. Defendants are currently in the possession of the disputed profits.

13 97. Defendants therefore violated California Penal Code § 496 by obtaining the
14 Partnership’s property in a manner constituting theft.

15 98. As a direct and proximate cause of the misconduct alleged herein, Plaintiff has
16 been damaged in an amount to be proven at time of trial. Under Penal Code § 496(c), the
17 Partnership is entitled to treble damages, plus attorney fees and costs. Plaintiff is also entitled
18 to a constructive trust on 50% of any future profits from the sale of the remaining thirteen of
19 fifteen Portfolio Companies.

20 **SIXTH CAUSE OF ACTION**

21 **(For Temporary Restraining Order, Preliminary Injunction,
22 and Permanent Injunction)**

23 **(Against All Defendants)**

24 99. Plaintiff repeats and re-alleges the allegations contained in the preceding
25 paragraphs and incorporates them by reference as though fully set forth herein.

26 100. As set forth above, in conjunction with the other Zuma Defendants, Shi has
27 violated his fiduciary duties to the Partnership and Carter, converted and intends to convert the
28 Partnerships interests in the Portfolio Companies, and violated Penal Code § 496.

1 101. Carter seeks a temporary restraining order, preliminary injunction, and
2 permanent injunction requiring the Zuma Defendants to not dissipate, distribute, transfer,
3 pledge or encumber the Partnership funds in the amount of \$9,361,585.

4
5 **SEVENTH CAUSE OF ACTION**

6 **(For An Accounting)**

7 **(Against All Defendants)**

8 102. Plaintiff repeats and re-alleges the allegations contained in the preceding
9 paragraphs and incorporates them by reference as though fully set forth herein.

10 103. Plaintiff requests an accounting of all of the Partnership's profits and losses to
11 date, and an accounting of the value of its investments in the Portfolio Companies.

12 **EIGHTH CAUSE OF ACTION**

13 **(Intentional Misrepresentation)**

14 **(Against Defendant Shi Only)**

15 104. Plaintiff repeats and re-alleges the allegations contained in the preceding
16 paragraphs and incorporates them by reference as though fully set forth herein.

17 105. Defendant Shi represented to plaintiff, both orally and in writing, throughout
18 their dealings that they were 50-50 partners in "Zuma Partners," which the parties both
19 understood was the management company for the investments in the Portfolio Companies,
20 which meant that they would share equally in the manage company's profits from such
21 investments.

22 106. Shi's representations to Plaintiff regarding the fact of their 50-50 Partnership
23 were knowingly false when made. Shi formed a company called Zuma Partners Management,
24 which was entitled to the manager's profits from the investments in the Portfolio Companies,
25 and made himself the 100% owner instead of a 50-50 owner with Plaintiff.

26 107. Shi intended to deceive Plaintiff that he was a 50-50 Partner in the management
27 company. While Shi formed the management company in 2015 with himself as the sole owner,
28 he never informed Plaintiff that he had done so, and continued to refer to Plaintiff as his partner

1 for years thereafter, when in fact Shi was the 100% owner of the management company.

2 108. Plaintiff relied on Shi's representations by contributing to the Zuma Partners as
3 follows: he participated in the fund-raising efforts, introduced Portfolio Companies, permitted
4 his name, likeness and biography to be used on the website and in Powerpoint presentation
5 decks sent to investors, permitted the Zuma Partners name and logo to be used, recorded a
6 video presentation sent to investors, provided guidance and advice to Shi, obtained updates on
7 Portfolio Companies, sold his personal shares in several companies at a discount, and exposed
8 himself to significant potential liability to investors as a partner.

9 109. Plaintiff's reliance on Shi's representations was reasonable given their close
10 working relationship and the numerous written communications and materials confirming the
11 existence of the partnership.

12 110. Plaintiff has sustained damages as a result of Shi's false representations,
13 including the loss of his 50% share of the profits from the past and future sales of Portfolio
14 Companies.

15 111. Since Shi's misrepresentation were intentionally false, plaintiff is entitled to
16 punitive damages.

17 **PRAYER FOR RELIEF**

18 WHEREFORE, plaintiff prays for relief and judgment against the defendants, and each
19 of them, as follows:

20 1. On the First Cause of Action: For compensatory damages to Plaintiff in an
21 amount to be proven at the time of trial, calculated as his 50% share of \$9,361,585 (or
22 \$4,680,792);

23 2. On the Second Cause of Action: For the value of services rendered by Plaintiff
24 to defendants in an amount to be proven at the time of trial, calculated at 50% of \$9,361,585
25 (or \$4,680,792);

26 3. On the Third, Fourth, and Sixth Causes of Action: For the imposition of a
27 constructive trust on the profits from the sale of the Portfolio Companies, and compensatory
28 damages an amount to be proven at the time of trial, calculated as Plaintiff's 50% share of

1 \$9,361,585 (or \$4,680,792), plus punitive damages in an amount to be proven at the time of
2 trial;

3 4. On the Fifth Cause of Action: For compensatory damages to Plaintiff in an
4 amount to be proven at the time of trial, calculated as Plaintiff's 50% share of \$9,361,585 (or
5 \$4,680,792), plus treble damages and attorneys' fees;

6 5. On the Sixth Cause of Action: For a temporary restraining order, preliminary
7 injunction, and permanent injunction requiring the Zuma Defendants to not dissipate,
8 distribute, transfer, pledge or encumber the Partnership funds in the amount of \$9,361,585.

9 6. On the Seventh Cause of Action: For an accounting of the Partnership's profits
10 and losses, and the value of its investments in the Portfolio Companies.

11 7. On the Eighth Cause of Action: For compensatory damages to Plaintiff in an
12 amount to be proven at the time of trial, calculated as Plaintiff's 50% share of \$9,361,585 (or
13 \$4,680,792), plus punitive damages.

14 8. On all Causes of Action: For costs of suit and for such other and further relief as
15 the Court may deem proper.

16 Dated: July 25, 2025

GRIVAKES APC

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18 By: */s/Christopher Grivakes*

19 _____
Christopher Grivakes

20 Attorney for plaintiff DAVID CARTER
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