

1 Jack I. Jmaev (CA-SBN: 216,416)
2 PURITAN LAW
3 500 N. STATE COLLEGE BLVD.,
4 SUITE 1100
5 ORANGE, CA 92868
6 Phone: 657-999-8929

7
8 Attorney for Plaintiffs
9 Darren Marino; and
10 Mark DePietro

11
12 **IN THE UNITED STATES DISTRICT COURT**
13 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**
14 **WESTERN DIVISION**

15 DARREN MARINO; and
16 MARK DEPIETRO,

17 Plaintiffs,

18 vs.

19 CHARLES CHUNHUA HUANG;
20 PASACA CAPITAL INC.;
21 PASACA CAPITAL LLC; and
22 CHARLES HUANG FOUNDATION.

23 Defendants.

Case No.

**COMPLAINT FOR
DAMAGES AND
INJUNCTIVE RELIEF**

- (1) BREACH OF ORAL CONTRACT;**
- (2) CONVERSION AND CIVIL THEFT WITH TREBLE DAMAGES PURSUANT TO CALIFORNIA PENAL CODE § 496;**
- (3) BREACH OF FIDUCIARY DUTY TO MINORITY BY MAJORITY SHAREHOLDER;**
- (4) BREACH OF DUTIES OF CARE, LOYALTY AND CANDOR;**
- (5) UNJUST ENRICHMENT;**
- (6) FRAUDULENT TRANSFER PURSUANT TO CAL. CIV. CODE § 3439 ET SEQ.;**
- (7) INJUNCTIVE RELIEF TO PRESERVE ASSETS; AND**
- (8) ACCOUNTING.**

DEMAND FOR JURY TRIAL

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

COMPLAINT

1. Plaintiffs Darren Marino and Mark DePietro, for their Complaint against Defendants Charles Chunhua Huang (“Huang”), an individual; Pasaca Capital Inc. (“Pasaca” or “PCI”), a Nevada Corporation; Pasaca Capital LLC, (“Pasaca Capital” or “PCC”) a California limited liability company; and the Charles Huang Foundation (“CHF”), a California Non-Profit Corporation allege as follows:

JURISDICTION

2. This Court has jurisdiction pursuant 28 U.S.C. 1332 because, as alleged in Paras. 7 – 12, *infra*, there is complete diversity of citizenship and the amount in controversy for Plaintiff Marino is \$451,098,948 and the amount in controversy for Plaintiff DePietro is \$180,439,579, both of which on a non-collective basis exceed \$75,000.

3. This Court also has jurisdiction over the person of a defendant pursuant to Rule 4 of the Federal Rules of Civil Procedure (“FRCP”). Because all Defendants, including Defendant Huang, Defendant Pasaca, Defendant Pasaca Capital and Defendant Charles Huang Foundation reside or are doing business in the State of California and within this district (see Paras. 9 – 12), this Court has jurisdiction to issue a monetary judgment and/or an order to enjoin all of the these Defendants pursuant to its *in persona* jurisdiction over these Defendants. This Court also has in *in persona* jurisdiction over certain non-parties that are believed to be alter egos of Defendant Huang, as elucidated *infra*.

4. This Court has jurisdiction to render declaratory judgment under the Federal Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202.

5. This Court has pendant and supplemental jurisdiction over the other claims asserted herein, pursuant to 28 U.S.C. § 1367.

VENUE

1
2 6. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b) because, as
3 alleged herein, a substantial part of the events giving rise to this action
4 occurred within this District.

THE PARTIES

5
6
7 7. Plaintiff Darren Marino, an individual, is a resident of the Commonwealth of
8 Pennsylvania.

9 8. Plaintiff Mark DePietro, an individual, is a resident of the Commonwealth of
10 Pennsylvania.

11 9. Defendant Charles Chunhua Huang, an individual, resides in Arcadia,
12 California, which is in Los Angeles County and which is in this district.

13 10. Defendant Pasaca Capital Inc. is a Nevada corporation that maintains its
14 primary offices in Pasadena, CA, which is in Los Angeles County and which
15 is in this district.

16 11. Defendant Pasaca Capital LLC, is a California limited liability company that
17 maintains its primary offices in Pasadena, CA, which is in Los Angeles
18 County and which is in this district.

19 12. The Chares Huang Foundation is a California Non-Profit Corporation and
20 maintains its primary offices in Pasadena, CA, which is in Los Angeles
21 County and which is in this district.

NON-PARTIES

22
23
24 13. Innova Medical Group (“IMG”) is a wholly owned subsidiary of Defendant
25 PCI. IMG was formed for the specific purpose of producing and distributing
26 rapid antigen test kits.

27 14. Prima Air (a California corporation), Prima Air LLC (a California limited
28 liability company) and Prima Air Group LLC (a California limited liability

1 company) are non-parties controlled by Defendant Huang and are being used
2 to cloak Defendant PCI profits, stolen by Defendant Huang, from discovery
3 by Defendant PCI's shareholders.

4 15. Non-Party Daniel Elliott ("Elliott") was one of the original founders of
5 Defendant PCI. Daniel Elliott became acquainted with Plaintiff Marino
6 while they were both employed by EnerBlu, an advanced battery company.

7 16. Non-Party Robert Kasprzak ("Kasprzak") also worked at EnerBlu and was
8 recruited into PCI by Elliott. As a licensed attorney, Kasprzak served as
9 PCI's Chief Legal Officer. For a brief time prior to discovering Defendant
10 Huang's fraud and malfeasances, Kasprzak served as President and CEO of
11 IMG prior to parting ways with Defendant Huang and Defendant PCI.
12 Kasprzak also served as CEO of Defendant PCI.

13 FACTS COMMON TO ALL CLAIMS

14 **I. GENERAL BACKGROUND**

15
16 17. Whenever in this complaint reference is made to "Defendants," such
17 allegation shall be deemed to mean the acts of Defendants acting
18 individually, jointly, and/or severally.

19 18. The matter presented in all exhibits attached hereto is incorporated herein by
20 reference.

21 19. Defendant PCC, Defendants PCI, PCC, CHF and non-party IMG, along with
22 Defendant Huang's family, friends, girlfriends and mistresses are often
23 referred to herein as Defendant Huang's "confederates", "allies" or "co-
24 conspirators".

25 **A. Related Cases Are Relevant**

26 20. Attached hereto as Ex. A is a complaint filed by Kasprzak against
27 Defendants Huang and PCI, which are included amongst the defendants in
28 this action. Kasprzak's complaint, primarily for breach of oral contract, is

1 pending in Los Angeles County Superior Court as Case 23STCV09342. The
2 text and exhibits presented in Ex. A are incorporated herein by reference.

3 21. It was not until Plaintiffs discovered Kasprzak's complaint did they realize
4 they had been duped by Defendant Huang and deprived of their fair share of
5 Defendant PCI's profits. Based on Kasprzak's complaint and additional
6 independent research, Plaintiffs present the allegations in this complaint
7 based on actual knowledge and also on information and belief.

8 22. Plaintiffs discovered even more pilfering of PCI's assets by Defendant
9 Huang when they discovered a Jane Doe plaintiff filed a lawsuit against
10 Defendant Huang et al. for, *inter alia*, sexual battery, sex trafficking and
11 related malfeasances. That case is pending in the Los Angeles Superior
12 Court as 24NNCV00981. See Ex. B. The text and exhibits presented in Ex.
13 B are incorporated herein by reference.

14 **B. Defendants PCI, and Others are Alter Egos of Defendant Huang**

15 23. Plaintiffs allege that, at all times herein mentioned, Defendants PCI, PCC
16 and CHF, non-party IMG, non-party Prima Air, non-party Prima Air LLC
17 and non-party Prima Air Group LLC were and are the alter egos of
18 Defendant Huang, and that at all times herein mentioned there existed such a
19 unity of interest between Defendants Huang, and Defendants PCI, PCC,
20 CHF, non-party IMG, non-party Prima Air, non-party Prima Air LLC and
21 non-party Prima Air Group LLC that any separateness has ceased to exist
22 between them for the following reasons:

- 23 a) As alleged herein, Defendant Huang used the assets of PCI and its
24 wholly-owned subsidiary Innova for his own benefit, either directly
25 or for the benefit of his other alter egos PCC and CHF, and has
26 caused the assets of PCI and IMG to be transferred to himself, his
27 wholly owned companies PCC and CHF, his family, his girlfriends
28 and mistresses and others without adequate consideration and for

1 improper purposes; Defendant CHF is hardly the public benefit
2 company Defendant Huang would have the world to believe. It is
3 just a shell to foster Defendant Huang's investments in
4 entrepreneurial ventures to the detriment of Defendant PCI's
5 minority shareholders.

6 b) As alleged herein, Defendant Huang has exercised complete
7 dominance and control over Defendants PCI, PCC and CHF, non-
8 party IMG, non-party Prima Air, non-party Prima Air LLC and
9 non-party Prima Air Group LLC such that PCI, Innova, PCC, CHF,
10 non-party Prima Air, non-party Prima Air LLC and non-party
11 Prima Air Group LLC are mere shells and instrumentalities for the
12 conduct of Defendant Huang's business and personal interests;

13 c) As alleged herein, Defendant Huang, PCI, PCC, CHF, IMG, non-
14 party IMG, non-party Prima Air, non-party Prima Air LLC and
15 non-party Prima Air Group LLC are alter egos of each other based
16 on their unity of interest, and the injustice that would result if they
17 were treated separately; and

18 d) As alleged herein, Defendant Huang has carried on activities and
19 business of PCI and Innova without holding directors and
20 shareholders' meetings and entered into personal transactions with
21 Pasaca Group without the approval of the other directors or
22 shareholders. Defendant Huang has converted and stolen Defendant
23 PCI's profits in order to fund his alter ego entities, all to the
24 detriment of Defendant PCI's minority shareholders.

25 24. Plaintiffs Marino and DePietro believe Defendant Huang did not remunerate
26 any consideration in exchange for his claimed PCI shares and the PCI shares
27 purportedly held by Defendant PCC. Consequently, neither Defendant
28 Huang nor Defendant PCC own any shares in Defendant PCI. Even still,

1 Defendants PCI, PCC, CHF, non-party IMG, non-party Prima Air, non-party
2 Prima Air LLC and non-party Prima Air Group LLC are still the alter egos
3 of Defendant Huang. This is because Defendant Huang exerted such control
4 over these entities that there is still unity of interest between Defendant
5 Huang and Defendants PCI, PCC, CHF, non-party IMG, non-party Prima
6 Air, non-party Prima Air LLC and non-party Prima Air Group LLC.

7 **C. Plaintiffs Have Standing to Bring Direct Cause of Action**

- 8 25. As further alleged herein, Plaintiffs Marino and DePietro are entitled to
9 bring this action directly against Defendant PCI because Defendant PCI
10 breached an oral promise to redeem Plaintiffs' shares in PCI. Plaintiffs
11 Marino and DePietro are entitled to bring this action directly against
12 Defendants Huang, PCC and CHF based on his breach of fiduciary duty, not
13 only to PCI, but also to Plaintiffs as minority shareholders in a *closely-held*
14 corporation.
- 15 26. In the matter here, Defendant Huang breached his duty to PCI and to the
16 minority shareholders, including Plaintiffs Marino and DePietro, by paying
17 himself excessive compensation and by diverting corporate profits away
18 from the minority shareholders to his own account and to the account of
19 PCC, a limited liability company that he owns entirely, and to the account of
20 CHF, which is a nonprofit corporation that Defendant Huang uses to
21 surreptitiously transfer PCI's profits to alleged charities, which then transfer
22 these funds to entrepreneurial ventures.
- 23 27. Plaintiffs believe that any charitable distributions are made for the purpose
24 of cloaking illegitimate and fraudulent offshore transfers. Plaintiffs further
25 believe that many of the supposed "grants" to entrepreneurial ventures are
26 made in order to circumvent the legitimate purpose of Defendant PCI, which
27 was formed to invest in businesses as a private equity fund. And, Defendant
28 Huang appears to have made grants from CHF to start companies in which

1 he retains an ownership interest. As the saying goes, *where there is smoke,*
2 *there is fire* – and here, there is a massive raging inferno.

3 28. Defendant Huang also breached his fiduciary duty to the minority
4 shareholders by diverting their fair share of profits either to himself, directly
5 or through his alter egos PCC and CHF, or to family, friends, girlfriends,
6 mistresses and other allies. These diverted profits amount to nothing less
7 than excessive executive compensation that was not approved by PCI's
8 directors or its shareholders.

9 29. Plaintiffs Marino and DePietro are also entitled to bring a direct action
10 against Defendants Huang, PCI, PCC and CHF because Huang, PCI, PCC
11 and CHF are all alter-egos of each other.

12 30. Plaintiffs Marino and DePietro are also entitled to bring a direct action
13 against Defendant Huang pursuant to Nevada law because Defendant PCI is
14 either a closely held corporation or an entity managed as such. Plaintiffs
15 Marino and DePietro are also entitled to bring a direct action against
16 Defendant Huang pursuant to California law because he caused Defendant
17 PCI to pay to Defendant Huang excessive executive compensation, thus
18 depriving minority shareholders of a proportionate share of Defendant PCI's
19 profits.

20 31. Based on information and belief, Defendant Huang may not actually be a
21 shareholder in PCI. This, though, is subject to discovery and an accounting.
22 If Defendant Huang is not a shareholder, this still does not preclude a direct
23 action either through a breach of fiduciary duty to the minority shareholders
24 and/or by piercing the corporate veil because Defendant Huang exercised
25 complete control and dominance over Defendant PCI causing Defendant PCI
26 to divert its profits away from legitimate shareholders in deference to
27 Defendant Huang.

28 **II. PASACA'S PHENOMENAL SUCCESS AND RUIN**

1 **A. \$5 Billion in Revenue over 18 Months**

2 32. As the world slipped into the horror of the COVID-19 pandemic, Defendant
3 PCI formed a wholly-owned subsidiary called Innova Medical Group, Inc.
4 (“IMG” or “Innova”). Innova’s purpose was to produce and distribute
5 COVID-19 rapid antigen test kits.

6 33. In September 2020, Innova secured a contract for rapid antigen test kits in
7 support of the United Kingdom’s national testing program. See Ex. A, ¶7.
8 This first contract was for delivery of 18 million test kits, which Innova
9 delivered to the UK within three weeks. All in all, Innova generated
10 approximately \$5 billion in revenue over approximately 18 months.
11 See Ex. A, ¶8.

12 34. Innova could not have delivered any test kits had it not been for Elliott and
13 Kasprzak. Defendant Hwang’s efforts were *de minimis* at best.

14 **B. Defendant Huang Plunders PCI Assets**

15 35. As the revenue stream from the UK began to decline, Elliott and Kasprzak
16 began considering how PCI could invest its profits into various
17 entrepreneurial ventures commensurate with its original charter. Elliott and
18 Kasprzak pleaded with Defendant Huang to operate PCI as originally
19 intended, that being a private equity fund. Elliott and Kasprzak believed that
20 PCI had significant funding available for investment in order to create future
21 revenue streams. Such funding was to be invested in various entrepreneurial
22 companies and in distressed companies identified as commercially viable.

23 36. Despite all of the advice Defendant Huang received from Elliott and
24 Kasprzak, and also from Plaintiffs Marino and DePietro, Defendant Huang
25 began spending PCI’s money on frivolous investments and business ideas
26 presented to him by his friends, family, girlfriends and mistresses, all
27 without any due diligence or any information to ensure the safety of such
28 investments.

1 37. Defendant Huang also used PCI monies to purchase airplanes, houses for
2 himself and his girlfriends and mistresses and other luxury goods and
3 services amounting to hundreds of millions of dollars.

4 38. Defendant Huang also fraudulently transferred \$200 million to offshore
5 accounts in case he needed to flee the United States.

6 39. Plaintiffs Marino and DePietro believe that the allegations presented in
7 Kasprzak’s complaint are true and factually accurate. This belief is
8 substantiated because Kasprzak was a director and high-level officer for
9 Defendant PCI and non-party IMG. Kasprzak, in his complaint attached as
10 Ex. A, itemizes in considerable detail the monies frittered away and/or
11 frivolously invested with friends, family, girlfriends and mistresses. All of
12 these frivolous expenditures and *so-called* investments had and still have no
13 legitimate business purpose.

14 40. Plaintiffs Marino and DePietro believe that the allegations presented in Jane
15 Does’s complaint are true and factually accurate. Especially compelling is a
16 video referenced by Kasprzak’s complaint at ¶22, footnote 3. *See*
17 <https://twitter.com/AsiaFinance/status/1623725938637668352>. Jane Doe’s
18 complaint provides more insight as to additional monies squandered by
19 Defendant Huang’s self-dealing and spendthrift behavior.

20 **C. Defendant Huang’s Ongoing Breach of Fiduciary Duties**

21 41. Ex. C is a partial enumeration of frivolous expenditures and shady
22 investments made with no due diligence in contravention of California case
23 law, California statutes and the bylaws of PCI itself. For example, Cal. Corp.
24 Code § 309(a) provides, in part, that:

25 “A director shall perform the duties of a director, including duties as a
26 member of any committee of the board upon which the director may
27 serve, in good faith, in a manner such director believes to be in the best
28 interests of the corporation and its shareholders and with such care,

1 including reasonable inquiry, as an ordinarily prudent person in a like
2 position would use under similar circumstances”.

3 42. The standard provided in § 309(a) is parroted in the PCI’s bylaws at Article
4 II, Section 2, entitled “Standard of Care”:

5 Each Director shall perform the duties of a Director, including the duties
6 as a member of any committee of the Board upon which the Director
7 may serve, in good faith, in a manner such Director believes to be in the
8 best interests of the Corporation, and with such care, including
9 reasonable inquiry, as an ordinary prudent person in a like position
10 would use under similar circumstances.

11 43. As described in Kasprzak’s complaint (Ex. A ¶66), Defendant Huang “spent
12 PCI’s money on questionable investments without the consent or approval of
13 other shareholders or directors, and often without any due diligence.” This
14 falls far below the standard required by § 309(a) and the requirement for at
15 least a reasonable inquiry as required by this statute and PCI’s bylaws.

16 44. Cal. Corp. Code § 309(b) further provides that:

17 In performing the duties of a director, a director shall be entitled to rely
18 on information, opinions, reports or statements, including financial
19 statements and other financial data, in each case prepared or presented
20 by any of the following:

21 (1) One or more officers or employees of the corporation whom the
22 director believes to be reliable and competent in the matters
23 presented;

24 (2) Counsel, independent accountants or other persons as to matters
25 which the director believes to be within such person's professional or
26 expert competence ...

27
28

1 45. Although PCI is a corporation organized under the laws of the State of
2 Nevada, it is still obligated to adhere to Cal. Corp. Code §§ 309(a) and
3 309(b).

4 46. Based on information and belief, Defendant failed to share pertinent
5 information regarding such frivolous expenditures and unvetted investments
6 to any other director or to his in-house counsel, who at the time was Mr.
7 Kasprzak, See Ex. A ¶77.

8 47. Defendant Huang also acted in bad faith because all of these frivolous
9 expenditures and unvetted investments were just part of an elaborate scheme
10 to defraud investors and divert profits, a portion of which should have been
11 paid as dividends to Plaintiffs Marino and DePietro, to Defendant Huang
12 himself, to Defendants PCC and CHF, and to his family, friends, girlfriends
13 and mistresses.

14 48. All of these collectively resulted in enormous, excessive and unapproved
15 executive compensation to Defendant Huang and evidence his failure to be
16 candid with shareholders, directors and officers of Defendant PCI and his
17 *unending failure* to be loyal to the corporate entity PCI.

18 **D. Business Judgment Rule Does Not Apply**

19 49. Plaintiffs acknowledge that the business judgment rule is meant to protect
20 corporate directors from risk associated with mishandling investments.
21 However, the business judgment rule does not protect directors that breached
22 their fiduciary duties of loyalty and adherence to a standard of care levied
23 upon them by statutes, precedential case law and a company's bylaws.

24 50. Here, Defendant Huang has repeatedly and in bad faith frittered away
25 hundreds of millions of dollars of PCI's resources, all without due diligence
26 or board approval. As described in Kasprzak's introductory allegations (see
27 Ex. A. ¶2), Defendant Huang has lost more than \$200 million of PCI's
28 money on failing businesses owned by friends and colleagues and has

1 diverted PCI profits to various shell insurance and aviation companies that
2 he owns or controls. A preponderance of these investments were made
3 without any due diligence or approval of Defendant PCI's board of directors.
4 (see Ex. A. ¶67).

5 51. Defendant Huang was in complete control of Defendant PCI's finances. In
6 fact, Defendant Huang was able to exert such control because he monitored
7 every financial transaction and personally signed all or substantially all
8 checks, personally initiated all or substantially all other payments and even
9 personally went to the bank to send wires of PCI funds.

10 52. Even though Defendant PCI was supposedly under control of a board of
11 directors, and managed by a complement of corporate officers, PCI's Board
12 and its officers were powerless. Defendant Huang refused to share
13 shareholder ledgers or financial records with any of its board members or
14 officers. (see Ex. A. ¶82). Defendant Huang refused to hold any shareholder
15 meetings and any board meetings that he did convene were nothing more
16 than shams because all of the board members, save Kasprzak, were under his
17 thumb.

18 53. Defendant Huang had such financial control not only over Defendant PCI,
19 but also over IMG that he was able to unilaterally and without warning pull
20 hundreds of millions of dollars out of PCI and IMG bank accounts and send
21 these money to his friends and family, his mistresses and also fraudulently
22 transfer over \$200 million to overseas emergency accounts for his own
23 personal security. (see Ex. A. ¶¶85, 86).

24 **III. PLAINTIFFS JOIN PASACA CAPITAL INC.**

25 54. Plaintiff Marino and Plaintiff DePietro came to know each other while
26 working at General Instrument, which was eventually acquired by Motorola.

27 55. Plaintiffs Marino and DePietro, while working at Motorola, were responsible
28 for identifying, acquiring or investing in strategically beneficial companies

1 and assets. Plaintiffs Marino and DePietro were also responsible for
2 integrating any acquired assets and companies into Motorola’s business
3 ecosystem.

4 56. And, Plaintiffs Marino and DePietro are not only seasoned engineers and
5 technologists, they are also endowed with superb business acumen and are
6 capable of evaluating the market potential and viability of products produced
7 by an acquisition target. As a result of this experience, Plaintiffs Marino and
8 DePietro are both well familiar with the process of evaluating a potential
9 acquisition target, including reviewing financial history and projections.
10 Despite all of this experience, Defendant Huang failed to utilize information
11 provided by Plaintiffs and recklessly squandered Defendant PCI’s profits on
12 shady investments, including investments in companies and business
13 concepts proffered by his friends, family, girlfriends and mistresses. This
14 further evidences his breach of his duty of care to Defendant PCI.

15 **A. Darren Marino**

16 57. On or about October 1, 2020, Plaintiff Marino joined PCI as a full-time,
17 exempt employee. See Ex. D.

18 **B. Mark DePietro**

19 58. On or about October 1, 2020, Plaintiff DePietro also joined PCI as a full-
20 time-exempt employee. See Ex. E.

21 **C. Marino and DePietro’s Advice Was Not Followed**

22 59. Plaintiffs Marino and DePietro were given the honorary title of “Partner”.
23 Despite being labeled as partners, Plaintiffs Marino and DePietro had no
24 actual or effective control over Defendant PCI. Defendant Huang had an
25 iron grip on Defendant PCI, and not even his original co-venturers could
26 control his actions. Defendant Huang, and only Defendant Huang was and is
27 responsible for depleting PCI assets and diverting its profits from its
28

1 legitimate shareholders in order to fuel his ego and unjustly enrich his own
2 personal accounts, including Defendant PCC and Defendant CHF.

3 60. Despite more than two decades guiding the mergers and acquisitions process
4 at a Fortune 500 company, Defendant Huang refused to follow sapient
5 advice provided by Plaintiffs Marino and DePietro. Instead, Defendant
6 Huang's ego and greed drove him to breach fiduciary responsibilities to
7 Defendant PCI and to its minority shareholders.

8 61. By failing to heed the advice provided by Plaintiffs Marino and DePietro
9 and the advice of non-parties Elliott and Kasprzak, Defendant Huang
10 breached his fiduciary duty to PCI in contravention of Cal. Corp. Code §§
11 309(a) and 309(b) and in contravention to Nevada law and Defendant PCI's
12 on bylaws.

13 **IV. PLAINTIFFS PURCHASED PCI SECURITIES**

14 62. Even before Plaintiffs Marino and DePietro joined the ranks of Defendant
15 PCI as employees, they had engaged in providing consulting services on an
16 ad hoc basis in order to help Defendant PCI improve its cash flow. Because
17 of these consulting services, for which Plaintiffs Marino and DePietro were
18 not otherwise compensated, Plaintiffs Marino and DePietro were given an
19 opportunity to purchase shares in Defendant PCI.

20 63. Plaintiffs Marino and DePietro seized the opportunity to purchase shares in
21 Defendant PCI. This opportunity to purchase shares at an initial strike price
22 of \$0.10 per share was provided to Plaintiffs to acknowledge their pre-
23 employment, and uncompensated contributions to Defendant PCI.

24 64. Plaintiffs Marino and DePietro are thankful for their opportunity to purchase
25 shares in Defendant PCI. Accordingly, Plaintiffs find no fault or reason to
26 bring any action under their respective stock subscription agreements, which
27 are attached hereto as Exs. F and G. Rather, Plaintiffs Marino and DePietro
28 only bring an action as minority shareholders in Defendant PCI that have

1 been wrongfully deprived of their fair share of Defendant PCI's profits.
2 Simply put, the gravamen of Plaintiff Marino and DePietro's claims do not
3 arise from their respective stock subscription agreements.

4 65. Even though Plaintiffs Marino and DePietro purchased their shares after
5 becoming employees, the offer to redeem their shares was not based on their
6 employment with Defendant PCI. Again, to reiterate, PCI's offer to
7 repurchase Plaintiffs' shares was made in recognition of their pre-
8 employment contributions, which were provided on an ad hoc basis.

9 **A. Money Invested**

10 66. Unlike Defendant Huang who Plaintiffs believe failed to provide
11 consideration for the PCI shares he and Defendant PCC purportedly own,
12 Plaintiffs Marino and DePietro actually provided consideration for the shares
13 that they actually now own.

14 67. On January 13, 2021, Plaintiff Marino tendered a check for \$12,500 in
15 exchange for 125,000 shares of PCI common stock. See Ex. H.

16 68. On January 12, 2021, Plaintiff DePietro tendered a check for \$5,000 in
17 exchange for 50,000 shares of PCI common stock. See Ex. I.

18 **B. In a Common Enterprise**

19 69. Plaintiffs Marino and DePietro invested their monies in a common
20 enterprise. It is clear this was a common enterprise because any gains
21 Plaintiffs hoped to achieve were intertwined with the success of Defendant
22 PCI and its other investors.

23 **C. In Hopes of Earnings Generated by Others**

24 70. Even though they were employed by Defendant PCI, Plaintiffs Marino and
25 DePietro were reliant upon the skill and management of the original co-
26 venturers. Plaintiff Marino was previously acquainted with non-party Elliott.
27 Because of this prior acquaintance, Plaintiffs Marino and DePietro
28

1 collectively held enormous faith in non-parties Elliott and Kasprzak and
2 their ability to manage the common enterprise.

3 71. Plaintiffs Marino and DePietro also recognized that non- parties Elliott and
4 Kasprzak were responsible for securing the contract with the United
5 Kingdom for antigen testing kits and also realized that their anticipated
6 profits would result solely from the managerial skill of Elliott and Kasprzak.

7 72. But, they never imagined Defendant Huang would deprive them of their
8 share of profits by diverting these profits to his own account or to the
9 accounts of PCC and CHF and to the accounts of his friends, family,
10 girlfriends and mistresses. All of these diverted profits amounted to
11 excessive executive compensation to Defendant Huang which was a breach
12 of his fiduciary duty to Plaintiffs as minority shareholders.

13 **D. Defendant PCI Breached Oral Contract to Redeem Shares**

14 73. Even though Defendant Huang decided how much equity all of the initial
15 co-venturers would receive, Kasprzak became a shareholder by actually
16 purchasing an initial 250,000 shares with a subsequent purchase of an
17 additional 500,000 shares. This brought Kasprzak on par with Elliott and
18 supports his claim that Defendant Huang promised to “purchase back”
19 Kasprzak shares at a price of \$100 per share. See Ex. A, ¶37.

20 74. Plaintiffs Marino and DePietro also purchased, with cash tendered by check,
21 the PCI shares that they now own. See Exs. H and I.

22 75. While Kasprzak was the CEO of Defendant PCI, Kasprzak orally conveyed
23 Defendant Huang’s covenant on behalf of Defendant PCI that Defendant
24 PCI would also redeem Plaintiff Marino and DePietro’s equity at \$100 per
25 share. Kasprzak conveyed this promise at Defendant Huang’s direction. This
26 covenant was motivated by Plaintiffs Marino and DePietro’s material
27 contributions to Defendant PCI’s success even before they became
28 employees. Plaintiffs Marino and DePietro were not otherwise compensated

1 for their pre-employment contributions to Defendant PCI's success.
2 Plaintiffs' *ownership of shares is fully independent* of their employment by
3 Defendant PCI.

4 76. On April 27, 2023, Defendant PCI terminated Plaintiffs' employment and
5 demanded that Plaintiffs Marino and DePietro surrender their shares in PCI
6 in breach of its obligation to redeem these shares at a price of \$100 per
7 share.

8 77. Plaintiffs were not obligated to hand their shares back over to Defendant
9 PCI. There was no buy-sell agreement requiring Plaintiffs to relinquish their
10 equity and the stock subscription agreement does not mention anything to tie
11 Plaintiffs' shares to their employment. The converse is true – the shares
12 owned by Plaintiffs were acquired in appreciation of Plaintiffs' pre-
13 employment support of Defendant PCI's sales efforts. And, PCI's promise to
14 purchase back the shares was again motivated by Plaintiffs' pre-employment
15 ad hoc activities, which were not otherwise compensated.

16 78. When they were terminated, Plaintiffs Marino and DePietro tendered full
17 performance to enable Defendant PCI to redeem their equity at the promised
18 price of \$100 per share. Accordingly, because Defendant PCI breached this
19 oral contract, Plaintiffs have been damaged. Plaintiff Marino has been
20 damaged in the amount of \$12,500,000, less the original purchase price of
21 his shares. Plaintiff DePietro has been damaged in the amount of \$5 million,
22 less the original purchase price of his shares.

23 79. What is even more disturbing here, Plaintiffs Marino and DePietro have no
24 recourse because of the dictatorial and absolute control over the company
25 exerted by Defendant Huang. The absolute control over PCI by Defendant
26 Huang means Plaintiffs do not have a market in which to sell their PCI
27 shares to a third-party. Any third-party, upon conducting due diligence,
28 would realize that the shares are rendered *absolutely worthless* by Defendant

1 Huang’s nefarious actions and his dictatorial control over Defendant PCI, its
2 Board of Directors, its subsidiaries and his other alter ego entities.

3 80. For the purpose of clarification, Plaintiffs Marino and DePietro do not raise
4 any claims based upon their former employment with Defendant PCI. This
5 action, *inter alia*, is brought to recover a portion of PCI’s profits owed to
6 Plaintiffs based upon their standing as PCI minority shareholders and for
7 damages resulting from Defendant PCI’s failure to redeem Plaintiffs’ shares.

8 **V. DEFENDANT PCI’S SHAREHOLDERS**

9 **A. Defendants Huang and PCC Are Not Legitimate PCI Shareholders**

10 81. The initial funding for PCI came from one of the other co-ventures named
11 Kening Xu. Effectively, Defendant Huang did not provide any consideration
12 to PCI for the shares that he misappropriated for his own account and for his
13 wholly owned company Defendant Pasaca Capital LLC. Because Defendant
14 Huang did not provide consideration, he does not own the shares he claims
15 nor does Pasaca Capital LLC own the shares that entity purportedly owns.

16 82. Because Plaintiffs believe neither Defendant Huang nor Defendant Pasaca
17 Capital LLC provided any consideration for PCI shares they purportedly
18 own, a full accounting is necessary to ascertain the true and legitimate
19 shareholders of Defendant PCI.

20 83. An accounting is also needed because, as Plaintiffs believe, there are many
21 other individuals that did not provide consideration for their purported
22 holding of PCI shares. See Ex. A ¶22.

23 **B. Elliott’s Share Redemption**

24 84. In May 2022, Elliott, one of the founders of PCI, had had enough. At that
25 time, as shown in the capitalization table attached as Ex. J, Elliot held
26 750,000 shares. He relinquished his position as CEO of Innova and sold
27 back to Defendant PCI his shares at a negotiated price of \$100 per share,
28 amounting to a total of \$75 million.

1 85. Kasprzak also wanted to part company with Defendant Huang, but stayed on
2 as IMG's interim CEO until a replacement could be found. According to
3 Kasprzak's complaint, Defendant Huang promised him an equity buyout at
4 the same \$100 per share offer taken by Elliott. Of course, as we now know,
5 Defendant Huang breached that agreement with Kasprzak and is also now
6 suing Elliott claiming his share redemption was invalid. See Ex. A, ¶14.

7 **C. Defendant PCI Overstates Amount of Shares Outstanding**

8 86. Defendant PCI's capitalization table ("Cap Table") further misrepresents
9 holdings by other purported shareholders. Ex. J is a capitalization table as
10 promulgated by Defendant PCI and is believed to be PCI's representation of
11 shareholders as of May 2022. According to this rendition of the Cap Table,
12 Defendant Huang purportedly owns 990,000 shares of PCI, which accounts
13 to 14.5481% of the outstanding shares. Pasaca Capital LLC, purportedly
14 owns 2 million of the outstanding shares amounting to 29.3902% of the
15 company's equity.

16 87. Based on information and belief, Plaintiffs Marino and DePietro hereby
17 allege that Defendants Huang and PCC have not provided any consideration
18 for the shares that they purportedly own. Ergo, these purported shares are
19 not entitled to any voting rights or dividends. Essentially, Defendant Huang
20 has *hijacked control* of Defendant PCI from its legitimate shareholders.

21 88. Also based on information and belief, Plaintiffs Marino and DePietro hereby
22 allege that Defendant Huang issued shares in Defendant PCI to his friends,
23 family, girlfriends and/or mistresses without PCI receiving any consideration
24 for such issued shares. *Again*, see Ex. A, ¶22. Accordingly, these purported
25 shares are not entitled to any voting rights or dividends.

26 89. It is clear that Defendant Huang was set on lining not only his own pockets,
27 but the pockets of his friends, family and other confederates at the expense
28

1 of legitimate shareholders, such as Plaintiffs here that had paid for and
2 currently hold fully paid up and non-assessable shares in Defendant PCI.

3 90. Ex. K presents a version of the Cap Table that Plaintiffs Marino and
4 DePietro believe represents the actual number of outstanding shares held by
5 legitimate shareholders. Ex. K recognizes that shares of Defendant PCI
6 issued by Defendant Huang, without any consideration having been paid for
7 same, are void and not entitled to voting rights or dividends. Also, attached
8 Ex. L acknowledges redemption of shares held by Elliott.

9 91. As depicted in Ex. K, which is based on Plaintiffs belief and information
10 available to them, Plaintiff Marino is entitled to approximately 4.8685% of
11 Defendant PCI's profits before redemption of Elliott's shares. As shown in
12 Ex. L, Plaintiff Marino is entitled to approximately 6.8776% of Defendant
13 PCI's profits after redemption of Elliott's shares, which occurred
14 approximately in May 2022.

15 92. Likewise, as depicted in Ex. K and based on Plaintiffs belief and information
16 available to them, Plaintiff DePietro is entitled to approximately 1.9474% of
17 Defendant PCI's profits before redemption of Elliott's shares. As shown in
18 Ex. L, Plaintiff DePietro is entitled to approximately 2.7510% of Defendant
19 PCI's profits after redemption of Elliott's shares, which occurred
20 approximately in May 2022.

21 **VI. CONVERSION AND CIVIL THEFT OF PROFITS**

22 **A. Defendant Huang Diverted Profits Owed to Plaintiffs**

23 93. As minority shareholders in a close-corporation, Plaintiffs Marino and
24 DePietro had a right to receive dividends based upon profits earned by
25 Defendant PCI. Defendant Huang, through direct and intentional acts,
26 squandered away PCI profits and directed PCI profits to his own account or
27 to that of Defendants PCC and CHF, and to his confederates including his
28 family members, his friends and/or girlfriends and mistresses. Again,

1 Defendant Huang did all of these acts to further increase his executive
2 compensation and to permanently deprive minority shareholders Plaintiffs
3 Marino and DePietro of their fair share of Defendant PCI's profits.

4 94. All of these frivolous expenditures did nothing more than avert payment of
5 dividends rightfully owed to Plaintiffs Marino and DePietro. Instead of
6 paying these dividends, Huang diverted profits that should have been paid as
7 dividends to Plaintiffs Marino and DePietro and other legitimate investors
8 either directly to Defendant Huang himself, to his wholly owned company
9 PCC, or to his purported charitable foundation CHF or to his collaborators
10 and confederates including his family members, his friends and/or
11 girlfriends and mistresses. All of these expenditures and fraudulent transfers
12 resulted in excessive executive compensation to Defendant Huang.
13 Defendant Huang fully intended to permanently deprive Plaintiffs Marino
14 and DePietro of their fair share of Defendant PCI's profits.

15 95. Plaintiffs Marino and DePietro did not consent to Defendant Huang's
16 interference with their right to possess a portion of these profits, according to
17 their standing as shareholders.

18 **B. Breach of Duty to Minority Shareholders**

19 96. By depriving Plaintiffs Marino and DePietro of their fair share of PCI
20 profits, Defendant Huang breached his duty to PCI's minority shareholders,
21 which include Plaintiffs here.

22 97. On March 8, 2024, a special shareholder meeting was convened at the
23 request of non-party Kasprzak. In Defendant Huang's fashion, the special
24 shareholder meeting could not be convened for lack of a quorum. A quorum
25 could not be established because Defendant Huang did not attend the
26 meeting. This is again additional confirmation that Defendant Huang has
27 breached its duty to minority shareholders by failing to provide relevant
28 business information.

1 98. On May 7, 2024, Defendant PCI held an annual shareholder meeting. Ex. M
2 sets forth a synopsis of that meeting. Despite demands by representatives of
3 minority shareholders, Defendant PCI failed to discuss any relevant business
4 issues and whether or not Defendant PCI would suspend Defendant Huang,
5 and others, during the pendency of Jane Doe’s lawsuit.

6 99. Defendant PCI also failed to provide any financial information to its
7 shareholders. This is again failure of Defendant Huang and Defendant PCI
8 to provide its minority shareholders with relevant business information. This
9 is a blatant breach of Defendant Huang’s fiduciary duty to Defendant PCI’s
10 minority shareholders.

11 100. On June 20, 2024, Plaintiffs Marino and DePietro made a demand upon PCI
12 for the converted profits. See Ex. N. As is seen in this demand, Plaintiffs
13 Marino and DePietro also requested access to corporate financial records
14 and a list of shareholders along with an accounting of the shares each
15 shareholder claims and the amount of compensation received by Defendant
16 PCI in exchange for the shares. Defendants Huang and PCI have failed to
17 respond to this demand.

18 101. As described in the complaint filed on behalf of Jane Doe which is attached
19 here as Ex. B, Defendant Huang has been accused of reprehensible sexual
20 misconduct. And, this only threatens to further divert profits from
21 Defendant PCI’s minority shareholders to support Defendant Huang defense
22 against Jane Doe’s lawsuit. This makes it likely that additional conversion
23 and theft of PCI profits will occur, further diverting away dividends owed to
24 Plaintiffs Marino and DePietro, and other legitimate shareholders. As such,
25 Defendant Huang converted PCI profits for his account and for the accounts
26 of his co-conspirators and confederates as further alleged in Jane Doe’s
27 complaint.

28

1 102. Ex. C presents a list of damages incurred by Plaintiffs and which resulted
2 from the direct actions of Defendant Huang. Ex. C is based on Plaintiffs
3 direct knowledge and also on allegations included in Kasprzak's complaint
4 (see Ex. A) and Jane Doe's complaint (see Ex. B). Defendant Huang, against
5 the will of Plaintiffs, has converted for his own account or to the account of
6 entities he controls and for the accounts of his friends, family, girlfriends,
7 and mistresses at least \$2,306,516,260 of PCI profits. To further break this
8 down, \$246,649,160 of Defendant PCI's profits were misappropriated by
9 Defendant Huang, and his alter ego entities and his other confederates,
10 before non-party Elliott's shares were redeemed by Defendant PCI. An
11 additional \$2,059,867,100 of Defendant PCI's profits were misappropriated
12 by Defendant Huang, and his alter ego entities and his other confederates,
13 after non-party Elliott sold his shares back to Defendant PCI.

14 103. A portion of these profits should have been paid as dividends to Plaintiffs.
15 Plaintiff Marino has suffered at least \$146,199,649 in proximate harm and
16 Plaintiff DePietro has suffered at least \$58,479,859 in proximate harm.
17 These values do not include treble damages provided for conversion and
18 civil theft of these dividends pursuant to California Penal Code § 496.
19 Pursuant to California Penal Code § 496, Plaintiff Marino is entitled to
20 \$438,598,948 in restitution and Plaintiff DePietro is entitled to \$175,439,579
21 in restitution. See Ex. C. Defendant Huang and PCI are liable under
22 California Penal Code § 496 because these Defendants fully intended to
23 permanently deprive Plaintiffs of their fair share of Defendant PCI's profits.

24 104. The amounts indicated in Ex. C represent only a portion of the damages
25 suffered by Plaintiffs Marino and DePietro. Accordingly, a full accounting
26 will be required to ascertain the full extent of Plaintiffs' damages.

27 105. Defendant Huang diverted these corporate profits as an obfuscated increase
28 of his executive compensation, which was orchestrated without the approval

1 of other directors and hidden from Defendant PCI's legitimate minority
2 shareholders.

3 **VII. FRAUDULENT TRANSFERS**

4 106. Defendant Huang made countless transfers from Defendant PCI with the
5 intent to hinder, delay, or defraud its shareholders of Defendant PCI's
6 profits. In many cases, such transfers resulted in assets retained by
7 Defendant PCI, but such transfers did not result in a reasonable equivalent
8 value in exchange for the acquired assets. Defendant Huang engaged in
9 these transfers with criminal intent and intent to permanently deprive PCI's
10 shareholders of their fair share of profits.

11 107. In many cases, assets acquired on behalf of Defendant PCI amounted to
12 nothing more than additional executive compensation for Defendant Huang.
13 Among these include purchase of real estate for use by Defendant Huang or
14 his girlfriends and mistresses, exorbitant expenses for personal travel and
15 payment for sexual services provided by Defendant Huang's girlfriends and
16 mistresses.

17 108. Defendant Huang also diverted Defendant PCI's profits to offshore accounts
18 in his own name.

19 109. All of these transfers were hidden from Defendant PCI's shareholders and
20 also from its Board of Directors and corporate officers. Effectively,
21 Defendant Huang is liable for conversion and civil theft of Defendant PCI's
22 corporate profits to the detriment and harm suffered by Plaintiffs Marino and
23 DePietro. As such, Plaintiffs Marino and DePietro are entitled to restitution
24 and amount of which is subject to proof at trial, but at this juncture appears
25 to be no less than \$146,199,649 for Plaintiff Marino and no less than
26 \$58,479,859 for Plaintiff DePietro.

27 110. Defendant Huang and Defendant PCI have converted and stole from
28 Plaintiffs Marino and DePietro their fair share of corporate profits.

1 Defendants Huang and PCI are thus liable under California Penal Code
2 § 496(c), which allows a claim to restitution in an amount three times that of
3 actual harm suffered by Plaintiffs. Such treble restitution is subject to proof
4 at trial, but at this juncture appears to be no less than \$438,598,948 for
5 Plaintiff Marino and \$175,439,579 for Plaintiff DePietro.

6 **A. Overseas Safety Nets**

7 111. Ex. P is a declaration executed by one of the original co-venturers, Kening
8 Xu. Para. 8 of Mr. Xu's declaration recounts Defendant Huang's admission
9 that Defendant Huang wire transferred \$100 million to each of two separate
10 accounts, one in Hong Kong and another in Singapore. Based on information
11 and belief, these wire transfers totaling \$200 million were affected without
12 board approval and without disclosure to any shareholders.

13 112. These transfers are merely two notable fraudulent transfers, which were
14 undertaken for the sole purpose evading payment of Defendant PCI's profits
15 to its shareholders, including Plaintiffs Marino and the DePietro.

16 **B. Prima Air and Pegasus Aircraft**

17 113. Again drawing from Mr. Xu's declaration, see Ex. P, ¶11, Mr. Xu
18 introduced Defendant Huang to Ms. Tullberg. Ms. Tullberg and Defendant
19 Huang now a codefendants charged with sexual malfeasance by Jane Doe's
20 lawsuit.

21 114. Sometime in June 2022, Defendant Huang, along with Ms. Tullberg and Mr.
22 Xu, formed a private aviation company called Prima Air Group, LLC. Mr.
23 Xu was forced out of Prima Air in January 2023. It is clear that Defendant
24 Huang substantially controls Prima Air Group, LLC.

25 115. Sometime in late 2022, Defendant Huang also caused Defendant PCI to
26 purchase one or more aircraft, which are used for Defendant Huang's
27 personal use. Based on information belief, one of these aircraft's now held
28 by Defendant PCI is a Boeing 737 business jet which plaintiffs believe was

1 acquired for approximately \$70 million. The money for these aircraft came
2 from Defendant PCI's profits to the detriment of its shareholders, including
3 Plaintiffs Marino and the DePietro.

4 116. Defendant Huang then caused Prima Air to acquire the assets of Pegasus
5 Elite Aviation. Based on information and belief, Pegasus assets were valued
6 at approximately \$500 million when they were acquired by Prima Air LLC,
7 which is substantially controlled by Defendant Huang. Based on additional
8 information and belief, Plaintiffs believe that title to several aircraft procured
9 by Prima Air have been transferred to other shell companies controlled by
10 Defendant Huang.

11 **C. Other Stolen Profits**

12 117. Defendants Huang and PCI are liable for conversion and civil theft for a
13 plethora of other fraudulent transfers. An accounting, to include detailed
14 analysis of each and every transaction affected by Defendant Huang as he
15 exerted sole and dictatorial control over Defendant PCI, is necessary to
16 ascertain the true amount of harm sustained by Plaintiffs Marino and
17 DePietro.

18 118. Some of these stolen profits were diverted to Defendant Huang's supposedly
19 charitable foundation and ultimately were donated to his alma maters,
20 including \$20 million to Wuhan University's education and development
21 foundation and \$30 million to the University of Strathclyde. Of the monies
22 donated to the University of Strathclyde, monies were invested in
23 entrepreneurial ventures believed to be at least under partial control by
24 Defendant Huang. See Ex. C. See also [https://www.instrumentl.com/990-
25 report/charles-huang-foundation](https://www.instrumentl.com/990-report/charles-huang-foundation).

26
27 **CLAIMS FOR RELIEF**

28 **FIRST CLAIM FOR RELIEF**

BREACH OF ORAL CONTRACT

(AGAINST DEFENDANT PASACA CAPITAL INC.)

1
2
3 119. Plaintiffs Marino and DePietro incorporate by reference the allegations of
4 paragraphs 1 through 117 as though fully set forth herein.

5 120. Plaintiffs Marino and Defendant PCI entered into a contract whereby
6 Defendant PCI orally promised to purchase back from Plaintiff Marino
7 125,000 shares of Defendant PCI's common stock.

8 121. On April 27, 2023, Plaintiff Marino, in furtherance of all of his obligations
9 under this oral contract, tendered to Defendant PCI all of his 125,000 shares
10 of Defendant PCI's common stock. Even though Plaintiff Marino tendered his
11 shares, Defendant PCI failed to purchase, or otherwise redeem Plaintiff
12 Marino's PCI shares.

13 122. Plaintiff Marino was harmed by Defendant PCI's breach of this oral contract
14 and this breach by Defendant PCI was a substantial factor causing Plaintiff
15 Marino's harm.

16 123. Defendant PCI's breach of the oral contract was and is a direct and substantial
17 factor causing Plaintiff Marino's harm in an amount of \$12,500,000, less the
18 original purchase price of his shares.

19 124. Because there is no market wherein Plaintiff Marino could sell his PC shares
20 to a third party, Plaintiff Marino has no means to mitigate his harm.

21 125. Plaintiff DePietro and Defendant PCI entered into a contract whereby
22 defendant PCI orally promised to purchase back from Plaintiff DePietro
23 50,000 shares of Defendant PCI's common stock.

24 126. On April 27, 2023, Plaintiff DePietro, in furtherance of all of his obligations
25 under this oral contract, tendered to Defendant PCI all of his 50,000 shares of
26 Defendant PCI's common stock. Even though Plaintiff DePietro tendered his
27 shares, Defendant PCI failed to purchase, and otherwise redeem Plaintiff
28 DePietro's PCI shares.

1 127. Plaintiff DePietro was harmed by Defendant PCI's breach of this oral contract
2 and this breach by Defendant PCI was a substantial factor causing Plaintiff
3 DePietro's harm.

4 128. Defendant PCI's breach of the oral contract was and is a direct and substantial
5 factor causing Plaintiff DePietro's harm in an amount of \$5,000,000, less the
6 original purchase price of his shares.

7 129. Because there is no market wherein Plaintiff DePietro could sell his PC shares
8 to a third party, Plaintiff DePietro has no means to mitigate his harm.

9 130. Plaintiffs Marino and DePietro are entitled to sue Defendant PCI directly
10 because the breached contract was made between Defendant PCI and each of
11 these Plaintiffs.

12
13 **SECOND CLAIM FOR RELIEF**

14 **CONVERSION WITH TREBLE DAMAGES**

15 **PURSUANT TO CALIFORNIA PENAL CODE § 496**

16 **(AGAINST ALL DEFENDANTS)**

17 131. Plaintiffs Marino and DePietro incorporate by reference the allegations of
18 paragraphs 1 through 129 as though fully set forth herein.

19 132. Plaintiffs Marino and DePietro did and continue to have a right to possess
20 the dividends that have been withheld by Defendants Huang, PCI, PCC, and
21 CHF in that Defendant Huang exerted complete control over Defendant
22 PCI's profits in order to pay to himself exorbitant executive compensation
23 either directly to his own account or to his alter egos PCC and CHF or to his
24 friends, family, girlfriends and mistresses.

25 133. Plaintiffs Marino and DePietro have a right to possess the dividends that have
26 been withheld, and thereby converted and stolen, by Defendants Huang, PCI,
27 PCC and CHF through his complete control over Defendant PCI and were
28 used to purchase extravagant gifts, real property and other luxury items

1 including several airplanes all to fuel his own ego. All of the money for such
2 purchases should have been declared as dividends. In order to enrich himself,
3 these purchases amounted to additional executive compensation to Defendant
4 Huang, either directly to his own account or to that of is solely-owned limited
5 liability company PCC or to his purportedly charitable foundation CHF.

6 134. Plaintiffs Marino and DePietro have a right to possess the dividends that have
7 been withheld by Defendants Huang and PCI through Defendant Huang's
8 complete control over Defendant PCI and were frivolously invested in
9 companies without any due diligence which amounted to a breach of his
10 fiduciary duty and his duty to perform a reasonable inquiry before making
11 investments as required by California law, Nevada law, and Defendant PCI's
12 own bylaws. By making these frivolous investments, Defendant Huang and
13 his alter egos have converted Plaintiffs' dividends.

14 135. Plaintiffs Marino and DePietro have a right to possess the dividends that
15 have been withheld by Defendants Huang and PCI through his complete
16 control over Defendant PCI caused \$200 million of Defendant PCI's
17 corporate profits to be transferred to offshore accounts in Hong Kong and
18 Singapore thus diverting away from Plaintiffs Marino and DePietro their fair
19 share of corporate profits. By so doing, Defendant Huang and his alter egos
20 have converted these dividends in order to increase Defendant Huang's
21 executive compensation to the detriment of all legitimate shareholders of
22 Defendant PCI, including minority shareholders Plaintiffs Marino and
23 DePietro.

24 136. Plaintiffs Marino and DePietro have unequivocally demanded return of these
25 diverted PCI profits.

26 137. By depriving Plaintiffs Marino and DePietro of possession of these
27 corporate profits, Defendant Huang, PCI, PCC, and CHF caused in excess of
28 \$146,199,649 in damages to Plaintiff Marino and in excess of an additional

(AGAINST DEFENDANT CHARLES CHUNHUA HUANG)

1
2 142. Plaintiffs Marino and DePietro incorporate by reference the allegations of
3 paragraphs 1 through 140 as though fully set forth herein.

4 143. Defendant Huang, either as a legitimate majority shareholder or an individual
5 exerting complete control over Defendant PCI as a majority shareholder, owes
6 a fiduciary duty to minority shareholders, including Plaintiffs Marino and
7 DePietro. One such fiduciary duty owed by Defendant Huang as a director
8 and alleged majority shareholder is that of treating a minority shareholder
9 fairly and in good faith in a manner that benefits all shareholders
10 proportionally.

11 144. Plaintiffs Marino and DePietro have standing to bring a lawsuit against
12 Defendant Huang on a direct basis pursuant to California and Nevada law.

13 145. Defendant Huang has, on a continuous basis since Plaintiffs became
14 minorities shareholders, diverted corporate profits away from other
15 shareholders in order to unjustly enriched himself and to pay himself, either
16 directly or through his alter ego entities, exorbitant executive compensation
17 without the approval of the Board of Directors and Defendant PCI's
18 shareholders.

19 146. By depriving Plaintiffs Marino and DePietro of possession of these
20 corporate profits, Defendant Charles Chunhua Huang caused in excess of
21 \$146,199,649 in harm to Plaintiff Marino and an additional minimum harm
22 of \$58,479,859 in damages to Plaintiff DePietro. Restitution in these
23 amounts is proper.

24 147. These amounts are subject to an accounting and proof at trial.

25 148. Plaintiffs Marino and DePietro have standing to bring a lawsuit against
26 Defendant Huang on a direct basis pursuant to California and Nevada law
27 because Defendant PCI is a close corporation and because Defendant Huang
28 converted profits to inflate is own executive compensation.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

FOURTH CLAIM FOR RELIEF
BREACH OF FIDUCIARY DUTIES OF
CARE, LOYALTY AND CANDOR TO
PASACA CAPITAL INC.

(AGAINST DEFENDANT CHARLES CHUNHUA HUANG)

149. Plaintiffs Marino and DePietro incorporate by reference the allegations of paragraphs 1 through 147 as though fully set forth herein.
150. Defendant Huang, as the purported majority shareholder of Defendant PCI, owed a fiduciary duties to Defendant PCI, including duties of care, loyalty and candor.
151. Even though Defendant PCI was supposedly controlled by a board of directors, Defendant Huang controlled the board of directors through his purported equity resulting in a domineering control over each member of the Board of Directors and Defendant PCI itself.
152. Defendant Huang breached his duty of care to Defendant PCI by directing corporate profits into frivolous investments with his friends, family, girlfriends and mistresses. Defendant Huang made these frivolous investments without any guidance by Plaintiffs Marino and DePietro and without any guidance by non-parties Elliott and Kasprzak and without even a scintilla of due diligence. Such actions by Defendant Huang are violative of Cal. Corp. Code §§ 309(a) and Cal. Corp. Code § 309(b) and indirect contravention of California and Nevada law.
153. Defendant Huang also breached his duty of loyalty by directing corporate profits away from PCI’s legitimate shareholders in order to fund his supposedly philanthropic activities through his non-profit foundation that bears his own name. Many of the “grants” disseminated by Defendant Charles Huang Foundation were directed to entrepreneurial ventures in conflict with

1 Defendant PCI's *raison d'être*, which was to invest in such entrepreneurial
2 ventures. By failing to disclose these usurped investment opportunities to
3 Defendant PCI and to its shareholders, including minority shareholders
4 Plaintiffs Marino and DePietro, Defendant Huang also breached his duties of
5 candor and loyalty. See Ex. O.

6 154. Based on information and belief, Defendant Huang also reserved unto his own
7 account equity in start-up ventures funded through Defendant Charles Huang
8 Foundation.

9 155. Defendant Huang's breached fiduciary duties of care, loyalty and candor have
10 caused harm to Defendant PCI, which resulted to direct and proximate harm
11 in excess of \$146,199,649 in harm to Plaintiff Marino and an additional
12 minimum harm of \$58,479,859 in harm to Plaintiff DePietro.

13 156. Restitution in these amounts is subject to an accounting and proof at trial.

14 157. Defendant Huang cannot hide behind the business judgment rule because all
15 of his breaches of fiduciary duties are evidenced by actions taken by
16 Defendant Huang in bad faith, without any supportive due diligence to ensure
17 the safety of investments, or for the purposes of obfuscating payments to his
18 own account or to the account of his confederates.

19 158. Because Defendant PCI is a close-corporation, Plaintiffs Marino and DePietro
20 have standing to bring a direct claim against Defendant Huang on behalf of
21 defendant PCI and on behalf of its shareholders. This is permissible pursuant
22 to California and Nevada law.

23
24 **FIFTH CLAIM FOR RELIEF**

25 **UNJUST ENRICHMENT**

26 **(AGAINST DEFENDANTS HUANG AND PCI)**

27 159. Plaintiffs Marino and DePietro incorporate by reference the allegations of
28 paragraphs 1 through 157 as though fully set forth herein.

1 160. Defendant PCI, with the approval of Defendant Huang, agreed to redeem PCI
2 shares from Plaintiffs Marino and DePietro at a price of \$100 per share.

3 161. Plaintiffs Marino and DePietro tendered their shares to Defendant PCI in
4 hopes of receiving the agreed-upon price of \$100 per share.

5 162. Defendant PCI, at the direction of Defendant Huang, refused to purchase PCI
6 shares from Plaintiffs Marino and DePietro. By failing to purchase PCI
7 shares, Plaintiffs Marino and DePietro have been unjustly harmed because
8 these shares cannot be sold to a third party. The shares cannot be sold to a
9 third party because Defendant Huang has dominated control over defendant
10 PCI to the extent that there is no possibility of a market in which to sell
11 Plaintiffs' shares in Defendant PCI.

12 163. The harm suffered by Plaintiffs directly corresponds to an unjust enrichment
13 to both Defendants Huang and PCI. Because Plaintiffs are not able to sell the
14 shares because they are essentially worthless, Defendants Huang and PCI will
15 reap an unjust windfall amounting to \$17,500,000, of which \$12,500,000 is
16 based on harm suffered by Plaintiff Marino and \$5 million of which is based
17 on harm suffered by Plaintiff DePietro.

18 164. Defendant PCI, with the approval of Defendant Huang, also failed to pay
19 dividends to minority shareholders Plaintiff Marino and DePietro. The harm
20 suffered by Plaintiff Marino resulting from unpaid dividends amounts to
21 \$146,199,649. The harm suffered by Plaintiff DePietro resulting from
22 unpaid dividends amounts to \$58,479,859. The harm suffered by Plaintiff
23 Marino and DePietro corresponds to an unjust enrichment to both
24 Defendants Huang and PCI in an amount of \$146,199,649 suffered by
25 Plaintiff Marino and in an amount of \$58,479,859.

26 165. These amounts are subject to an accounting and proof at trial.

27 166. It would be inequitable for Defendants Huang and PCI to retain the benefit
28 of such malfeasances as described herein resulting in unjust enrichment and

1 a windfall corresponding to direct and proximate harm sustained by
2 Plaintiffs Marino and DePietro. Accordingly, Plaintiffs are entitled to full
3 restitution.

4
5 **SIXTH CLAIM FOR RELIEF**

6 **FRAUDULENT TRANSFER**

7 **PURSUANT TO CAL. CIV. CODE § 3439 ET SEQ.**

8 **(AGAINST DEFENDANT HUANG)**

9 167. Plaintiffs Marino and DePietro incorporate by reference the allegations of
10 paragraphs 1 through 165 as though fully set forth herein.

11 168. Pursuant to Cal. Civ. Code § 3439.01, Plaintiffs Marino and DePietro, as
12 minority shareholders of Defendant PCI, are creditors having claims against
13 debtor and Defendant Huang. This is true even though Plaintiffs' claims
14 have not yet been reduced to a judgment.

15 169. On information and belief, Defendant Huang has purposefully hidden PCI's
16 assets by transferring money to overseas bank accounts and by using
17 hundreds of millions of dollars to pay for personal residences, aircraft, and
18 other luxuries solely for himself and his own enjoyment, and salary,
19 clothing, vehicles, jewelry, and residences for his girlfriends.

20 170. On information and belief, Defendant Huang has purposefully hidden PCI
21 profits from its shareholders by frivolously investing these profits, without
22 any due diligence whatsoever, with companies managed by his family,
23 friends, girlfriends and mistresses. These investments were affected in order
24 to further line Defendant Huang's pockets and the accounts of his
25 Confederates including family, friends, girlfriends and mistresses. The total
26 amount of these investments and other expenditures is subject to an
27 accounting is prayed for herein.
28

1 171. Defendant Huang has purposefully hidden PCI profits from its shareholders
2 by transferring at least \$200 million of PCI assets and profits to overseas
3 accounts which will be out of reach of PCI's creditors, including Plaintiffs
4 Marino and DePietro. Now, all of these overseas assets, which rightfully
5 belong to the shareholders of Defendant PCI, are under Defendant Huang's
6 exclusive control and must be rescinded. These monies must be ordered
7 transferred back to the United States and placed under control of Defendant
8 PCI's board of directors without interference by Defendant Huang.

9 172. Defendant Huang has purposefully hidden PCI profits from its shareholders
10 by purchasing a Boing business jet for \$70 million and also purchasing a
11 private jet charter company in an amount believed to be in excess of \$500
12 million. All of this was intentionally affected in order to preclude Plaintiffs
13 from collecting on their claims against debtor and the Defendant Huang.

14 173. And, more importantly, all of these transfers of PCI assets and profits, either
15 in the form as "investments" or in the form of direct cash transfers to
16 overseas accounts, have been affected with actual intent to hinder, delay,
17 defraud and/or avoid payment to Defendant PCI's creditors, including
18 Plaintiffs Marino and DePietro.

19 174. Because all of these transfers were made fraudulent by the intent of
20 Defendant Huang and his alter ego Defendant PCI, Plaintiffs Marino and
21 DePietro are entitled to have any or all of such transfers set aside in order to
22 satisfy their claims against Defendants Huang and PCI.

23 175. At the very least, Plaintiff Marino is entitled to set aside any transfers in
24 order to satisfy his claim for restitution in the amount of at least
25 \$146,199,649.

26 176. At the very least, Plaintiff DePietro is entitled to set aside any transfers in
27 order to satisfy his claim for restitution in the amount of at least \$
28 58,479,859.

1 177. The amounts owed to Plaintiffs Marino and DePietro are subject to an
2 accounting and proof at trial.

3
4 **SEVENTH CLAIM FOR RELIEF**

5 **INJUNCTION TO PRESERVE ASSETS**

6 **(AGAINST ALL DEFENDANTS)**

7 178. Plaintiffs Marino and DePietro incorporate by reference the allegations of
8 paragraphs 1 through 176 as though fully set forth herein.

9 179. Plaintiffs Marino and DePietro seek equitable relief in the form of restitution
10 for monies stolen by Defendants Huang and Pasaca Capital, Inc. These
11 monies should have been distributed as dividends. Instead, Defendant Huang
12 and, through Defendant Huang's dictatorial control, Defendant Pasaca
13 Capital, Inc. diverted these dividends to the accounts of Defendant Huang
14 himself or to the accounts of entities he controls or to the accounts of his
15 family, friends, girlfriends and mistresses. All of these diverted dividends
16 effectively amount to additional executive compensation to Defendant Huang
17 was not authorized by Defendant PCI's Board of Directors or its shareholders.

18 180. Because of the nefarious nature of these actions, and because Defendant
19 Huang conducted these actions with the intent to permanently deprive
20 Defendant PCI's shareholders of their fair share of corporate profits, the
21 gravamen of Plaintiffs' complaint rests on conversion and civil theft and
22 restitution is properly required.

23 181. Plaintiffs are also entitled to set aside all fraudulent transfers that were made
24 either to defendant Huang, entities he controls, entities that he holds equity in,
25 his friends, his family, his friends, his girlfriends, and his mistresses.

26 182. And, as shown by evidence presented thus far, Defendant Huang is willing to
27 defraud Defendant PCI's shareholders for his own benefit. Plaintiffs are
28 entitled to an injunction to preclude dissipation of assets controlled, either

1 directly or indirectly, by Defendant Huang. Such injunction is requested on a
2 permanent basis, and Plaintiffs intend to seek a preliminary injunction in due
3 course.

4
5 **EIGHTH CLAIM FOR RELIEF**

6 **FOR AN ACCOUNTING**

7 **(AGAINST DEFENDANT PCI)**

8 183. Plaintiffs Marino and DePietro incorporate by reference the allegations of
9 paragraphs 1 through 181 as though fully set forth herein.

10 184. Plaintiffs Marino and DePietro minority shareholders holding shares in
11 Defendant PCI. Plaintiff has requested from Defendant PCI financial records
12 in order to ascertain the amount of profits that defendant PCI has earned since
13 Plaintiffs Marino and DePietro became shareholders.

14 185. Defendant PCI, under Defendant Huang's exclusive control, has failed to
15 provide any financial records to enable Plaintiffs Marino and DePietro to
16 ascertain the amount of profits earned by Defendant PCI since Plaintiffs
17 Marino and DePietro became shareholders.

18 186. Defendant PCI has failed to pay dividends to Defendant PCI based on a
19 percentage of profits earned by Defendant PCI earned since Plaintiffs Marino
20 and DePietro became shareholders.

21 187. The only way for Plaintiffs Marino and DePietro to ascertain the amount of
22 money owed to them is by means of an accounting.

23 188. Plaintiffs Marino and DePietro are as such entitled to an accounting in order
24 to enable them to ascertain the amount of monies owed to them by Defendant
25 Pasaca Capital Inc. and in light of shareholder equity actually outstanding.
26 Ergo, such accounting must include enumeration of PCI shareholders and
27 consideration for equity paid by each shareholder.
28

1 189. Because of the fraudulent transfers affected by Defendant Huang, an
2 accounting is required from every entity he controls where such control was
3 acquired by Defendant Huang using stolen PCI profits.
4
5
6
7
8

9 **PRAYER FOR RELIEF**

10 Wherefore, Plaintiffs Marino and DePietro request that this Court find in their
11 favor and against Defendants Charles Chunhua Huang, Pasaca Capital Inc.,
12 Pasaca Capital LLC, and Chares Huang Foundation and grant Plaintiffs the
13 following relief:

- 14 A. That Judgment in favor of Plaintiff Marino against Defendants for actual
15 harm in an amount not less than \$146,199,649 in restitution, subject to an
16 accounting and proof at trial;
- 17 B. That Judgment in favor of Plaintiff Marino be increased to an amount of
18 \$438,598,948 in restitution pursuant to Cal. Penal Code § 496, subject to
19 an accounting and proof at trial;
- 20 C. That Judgment in favor of Plaintiff Marino for actual damages in the
21 amount of \$12,500,000, less the original purchase price of his shares,
22 against for Defendant Pasaca Capital, Inc. for breach of oral contract;
- 23 D. That Judgment in favor of Plaintiff DePietro against Defendants for actual
24 harm in an amount not less than \$ 58,479,859 in restitution, subject to an
25 accounting and proof at trial;
- 26 E. That Judgment in favor of Plaintiff DePietro be increased to an amount of
27 \$175,439,579 in restitution pursuant to Cal. Penal Code § 496, subject to
28 an accounting and proof at trial;

- 1 F. That Judgment in favor of Plaintiff DePietro for actual damages in the
2 amount of \$5,000,000, less the original purchase price of his shares,
3 against for Defendant Pasaca Capital, Inc. for breach of oral contract;
- 4 G. That Plaintiffs Marino and DePietro be awarded their attorneys' fees;
- 5 H. That Plaintiffs Marino and DePietro be awarded costs and expenses in this
6 action;
- 7 I. An award of pre-judgment and post-judgment interest;
- 8 J. An order to set aside all transfers from any Defendant to any other party,
9 including to Defendant Huang of entities he controls, as necessary to
10 satisfy Plaintiffs' claims for relief;
- 11 K. For a preliminary and a permanent injunction enjoining all Defendants
12 from continuing to dissipate assets;
- 13 L. For a preliminary and a permanent order requiring Defendants Huang and
14 Pasaca Capital Inc. to recover and move to bank accounts in this state any
15 monies fraudulently transferred;
- 16 M. For a preliminary and a permanent order precluding Defendant Huang,
17 either directly or indirectly, from controlling any assets belonging to
18 Defendant PCI or any other entity controlled by Defendant Huang;
- 19 N. An order requiring an accounting and access to all financial and
20 shareholder records of all Defendants and all entities controlled by
21 Defendant Huang or his alter egos where such control was acquired using
22 profits stolen by Defendant Huang from Defendant Pasaca Capital Inc.
- 23 O. Such other and further relief as the Court may deem just and proper.
- 24

25 **JURY DEMAND**

26 Plaintiffs demand a trial by jury on all issues so triable.

27

28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

DATED: July 11, 2024

Respectfully submitted,

/s/ Jack I. Jmaev
SBN 216,416
Attorney for Plaintiff
Puritan Law
500 N. State College Blvd.
Suite 1100
Orange, CA 92868