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8 SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 COUNTY OF SANTA CLARA - UNLIMITED JURISDICTION

10 LONG TENG GAO, HUANXI WU, XIAOBO
HUANG, MINGDONG HE, JIAWEN BAO,
11 LIUHONG LIANG, BO LYU, YINGCHAO
WU, XIAOLI LU, SHAOJING WANG, JUN
12 JING XU, ZHAOLIN ZHANG, AILING LIU,
13 XIAOHONG SHE, RUIJIA LU, YING QIAN,
JUNRU DUAN, BO WU, YIFEI GAO, SUN
14 HAI YAN, DONGQUN LI, LIJIA LIU, FENG
CHEN, and YUHAO PAN,

15 Plaintiffs,

16 v.

17
18 BETHANY LIOU, an individual; GOLDEN
CALIFORNIA REGIONAL CENTER, LLC, a
19 California Limited Liability Company; GCRC
CUPERTINO FUND, LP, a California Limited
20 Partnership; and DOES 1-100,

21 Defendants.

CASE NO.

COMPLAINT FOR:

1. **BREACH OF CONTRACT**
2. **BREACH OF FIDUCIARY DUTY**
3. **FRAUD-CONCEALMENT AND INTENTIONAL MISREPRESENTATION**
4. **ACCOUNTING**
5. **DECLARATORY RELIEF (DISSOLUTION)**

JURY TRIAL DEMANDED

22
23 Plaintiffs Long Teng Gao, Huanxi Wu, Xiaobo Huang, Mingdong He, Jiawen Bao,
24 Lihong Liang, Bo Lyu, Yingchao Wu, Xiaoli Lu, Shaojing Wang, Jun Jing Xu, Zhaolin Zhang,
25 Ailing Liu, Xiaohong She, Ruijia Lu, Ying Qian, Junru Duan, Bo Wu, Yifei Gao, Sun Hai Yan,
26 Dongqun Li, Lijia Liu, Feng Chen, and Yuhao Pan (collectively "Plaintiffs," each individually a
27 "Plaintiff"), allege against Defendant Bethany Liou ("Liou"), Defendant Golden California
28 Regional Center ("Golden California Regional Center") and GCRC Cupertino Fund LP ("GCRC

1 Cupertino Fund”) as follows:

2 **INTRODUCTION**

3 1. According to the U.S. Citizenship and Immigration Services government website,
4 in fiscal year 2017, nearly ten thousand foreign nationals obtained United States citizenship as
5 EB-5 investors. The EB-5 program was established by Congress through the Immigration Act
6 of 1990, signed into law on November 29, 1990, when the U.S. was in the midst of a recession.
7 The purpose of the program was to stimulate the U.S. economy through job creation and capital
8 investment by foreign investors. The EB-5 Program is administered by the U.S. Citizenship and
9 Immigration Services. Through this program, immigrant investors (and their spouses and minor
10 children) can become U.S. citizens if they: (a) make the necessary investment in a new
11 commercial enterprise (for example, through a limited partnership) in the United States; and (b)
12 plan to create or preserve ten permanent full-time jobs for qualified U.S. workers.

13 2. Defendant Bethany Liou is the manager and chief executive officer of Defendant
14 Golden California Regional Center, an EB-5 Regional Center that manages limited partnerships,
15 including, but not limited to, Defendant GCRC Cupertino Fund.

16 3. Plaintiffs are a portion of a group of 90 Chinese nationals who, in 2016, *each* paid
17 Defendant Bethany Liou and Defendant Golden California Regional Center \$555,000 to become
18 limited partners in Defendant GCRC Cupertino Fund in order to obtain their green cards through
19 the EB-5 program.

20 4. Between 2016 and present, Defendant Bethany Liou and Defendant Golden
21 California Regional Center misappropriated Plaintiffs’ money in bad faith and concealed their
22 wrongdoing from Plaintiffs in order to unjustly enrich themselves at Plaintiffs’ expense.

23 5. Defendant Bethany Liou and Defendant Golden California Regional Center have
24 refused requests from limited partners for a refund of the \$555,000 paid by each Plaintiff.
25 Defendants have failed to respond to direct questions from limited partners about Plaintiffs’
26 money. Defendants have failed to provide any type of accounting for Plaintiffs’ funds.
27 Defendants have refused requests for an inspection of the books and records of the GCRC
28 Cupertino Fund. Defendants have refused requests for the dissolution of GCRC Cupertino Fund

1 so that Plaintiffs can promptly recover their funds.

2 6. Further, Defendant Bethany Liou and Defendant Golden California Regional
3 Center (and many of Defendant Bethany Liou's other business entities) are involved in additional
4 lawsuits wherein they are accused of non-payment of debts totaling several millions of dollars,
5 fraud and concealment.

6 7. The evasive actions of Defendant Bethany Liou and Defendant Golden California
7 Regional Center toward Plaintiffs combined with the information Plaintiffs have uncovered
8 about other pending lawsuits and allegations against Defendant Bethany Liou and Defendant
9 Golden California Regional Center have confirmed Plaintiffs worse fears: that Plaintiffs' funds
10 have been misappropriated, and Defendants continue to fraudulently conceal their conduct to
11 Plaintiffs' detriment.

12 **THE PARTIES**

13 8. Plaintiffs are citizens of the People's Republic of China. Plaintiffs are part of a
14 group of 90 investors who paid \$555,000 each to Defendant Bethany Liou and Defendant Golden
15 California Regional Center to become limited partners in Defendant GCRC Cupertino Fund in
16 order to obtain green cards.

17 9. Defendant Bethany Liou is the chief executive officer and sole manager of Golden
18 California Regional Center. Defendant Bethany Liou is also the sole operator of various other
19 business entities including, but not limited to, Oak Meadow Plaza, LLC; Monterey Dynasty
20 LLC; Diamond Creek Villa, LLC; and Diamond Creek Villa, a Corporation. Bethany Liou
21 resides in Northern California, Santa Clara County. On information and belief, Bethany Liou
22 has close family contacts and resources outside of the United States, specifically in, but not
23 limited to, China.

24 10. Defendant Golden California Regional Center is a California limited liability
25 company. It was registered with the California Secretary of State on December 6, 2012. Its
26 principal place of business is 228 Hamilton Ave, 3rd Floor; Palo Alto, California 94301. Its sole
27 manager is Defendant Bethany Liou. Defendant Golden California Regional Center is the
28 general partner of Defendant GCRC Cupertino Fund.

1 11. GCRC Cupertino Fund is a limited partnership. It was registered with the
2 California Secretary of State on July 1, 2016. The general partner of GCRC Cupertino Fund is
3 Defendant Golden California Regional Center. Its agent for service of process is Defendant
4 Bethany Liou. Its principal place of business is 228 Hamilton Ave, 3rd Floor; Palo Alto,
5 California 94301. Plaintiffs are limited partners in GCRC Cupertino Fund.

6 **Doe Defendants**

7 12. Plaintiffs do not know the true names and capacities of Defendants Does 1 through
8 100, inclusive, but alleges that these Defendants are responsible in some manner for the acts,
9 omissions, incidents, transactions, and/or events alleged herein, and Plaintiffs therefore sue each
10 of them by such fictitious names. Plaintiffs will amend this complaint to state the true names
11 and capacities of said Defendants when they are ascertained. Each and every reference in this
12 Complaint to Defendants, or any of them, is intended to and shall be deemed to include all
13 fictitiously named Defendants.

14 **Agency Allegations**

15 13. Plaintiffs are informed and believe that each Defendants and DOE Defendant was
16 the agent, representative, partner, joint-venturer, co-participant, and/or co-conspirator of each of
17 the other Defendants and that in doing the acts alleged herein, each Defendant was acting
18 individually as well as within the course and scope of such relationship, with full knowledge and
19 consent of or ratification by the other Defendants.

20 14. Plaintiffs are informed and believe that, at all relevant times, Defendants, and each
21 of them, pursued a common course of conduct, acted in concert and conspired with one another,
22 and aided and abetted one another to accomplish the wrongs alleged herein.

23 **Alter Ego Allegations**

24 15. There exists, and at all times relevant herein there existed, a unity of interest and
25 ownership by, between and amongst Defendant Bethany Liou, Defendant Golden California
26 Regional Center, and DOES 1 through 100 (“Defendant Entities”), such that their separateness
27 has ceased to exist and that treatment of the acts alleged herein as those of each individual entity
28 by themselves would result in an inequitable result.

1 16. Plaintiffs are informed and believe that Defendant Bethany Liou operates various
2 business entities, including but not limited Golden California Regional Center and Does 1-100,
3 and in doing so, she has a unity of interest with Defendant Entities whereunder she wrongfully
4 commingles funds to perpetrate fraud, circumvent statutory law and accomplish wrongdoing for
5 her personal benefit.

6 17. Plaintiffs are informed and believe that, at all relevant times, Defendant Bethany
7 Liou uses Defendant Entities as mere shells for her personal benefit.

8 18. Plaintiffs are informed and believe that, at all relevant times, Defendant Bethany
9 Liou and Defendant Entities have failed to observe required corporate formalities including by
10 failing to keep legal and accurate corporate records, books and/or accounts.

11 19. Plaintiffs are informed and believe that, at all relevant times, Defendant Bethany
12 Liou and Defendant Entities failed to keep funds and assets associated with various business
13 entities separate from other business entities and separate from the personal accounts of
14 Defendant Bethany Liou which resulted in the inadequate capitalization of Defendant Entities
15 and the mismanagement of Defendant Entities.

16 20. Plaintiffs are informed and believe that, at all relevant times, Defendant Bethany
17 Liou controlled, dominated and operated all Defendant Entities as her own personal businesses
18 and as her alter ego without adhering to laws, agreements and obligations.

19 21. Plaintiffs are informed and believe that, at all relevant times, Defendant Bethany
20 Liou used Defendant Entities' accounts, addresses and assets as a mere conduit for her own
21 personal purposes.

22 22. Plaintiffs will suffer injustice if the Defendant Bethany Liou and her Defendant
23 Entities are treated separately. All Defendant Entities were unduly influenced and governed by
24 the Defendant Bethany Liou such that recognition of the Defendant Entities as separate distinct
25 entities would be permit corporate abuse and promote an injustice and prevent Plaintiffs and
26 creditors from accessing truthful information, books and records as sources to help satisfy a
27 judgment entered against Defendant Bethany Liou and/or Defendant Entities.

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JURISDICTION AND VENUE

23. This Court has jurisdiction to hear the subject matter of this complaint. *See, e.g.*, California Constitution, Article VI, Section 10; California Code of Civil Procedure Section 410.10.

24. Venue is proper in this County because the omissions or commission of acts and violations of law by Defendants occurred in this County. The Limited Partnership Agreement of GCRC Cupertino Fund (attached hereto as Exhibit A) also has a California “Governing Law” provision and a “Jurisdiction” provision citing to Santa Clara County.

FACTUAL ALLEGATIONS

EB-5 Program Requirements

25. Foreign nationals may become eligible for a green card a number of ways, including employment relationships. Within the umbrella of employment relationships, there are categories of employment-based immigration. One such category is immigrant investors, which applies to Plaintiffs in this case. These investors are also known as “EB-5 investors,” which refers to the employment-based preference visa that the program participants receive.

26. Under the EB-5 program, foreign nationals (and their spouses and minor children) are eligible for green cards if they: (1) make the necessary investment in a new commercial enterprise (such as a limited partnership) in the United States; and (2) plan to create or preserve 10 permanent full-time jobs for qualified U.S. workers.

27. Typically, foreign investors must invest a minimum of one million dollars in a “new commercial enterprise.” However, if the investment is in a targeted employment area (“TEA”), an area that is experiencing an unemployment rate at least 150 percent of the national average, then the minimum investment requirement decreases to \$500,000. In this case, Plaintiffs are foreign investors whose investments were in a TEA.

28. The “new commercial enterprise” is any for-profit activity formed for the ongoing conduct of lawful business. This includes limited partnerships. In this case, Plaintiffs became limited partners in Defendant GCRC Cupertino Fund.

29. Business owners can apply to the U.S. Citizenship and Immigration Services to be

1 designated as “regional centers” for the EB-5 program. A regional center offers investment
2 opportunities in “new commercial enterprises.” A regional center may place an investment in a
3 TEA or non-TEA location. The regional center manages the investment. In this case, Defendant
4 Golden California Regional Center is such a “regional center” and is solely managed by
5 Defendant Bethany Liou.

6 30. Job creation is a critical element of the EB-5 program. Where there are multiple
7 investors in a commercial enterprise, each investor’s investment of capital must help the
8 commercial enterprise create ten full-time jobs for U.S. workers. In this case, Plaintiffs each paid
9 Defendant Golden California Regional Center and Defendant Bethany Liou \$555,000 to become
10 limited partners in Defendant GCRC Cupertino Fund so that the collective funds could be
11 submitted for a project aimed at satisfying the job creation criteria of the EB-5 program.

12 **The GCRC Cupertino Fund Limited Partnership**

13 31. Plaintiffs each relied on the representations made by Defendant Bethany Liou and
14 Defendant Golden California Regional Center in seeking a green card through the EB-5 program.
15 In doing so, Plaintiffs each paid Defendant Golden California Regional Center and Defendant
16 Bethany Liou \$555,000¹ to become limited partners in Defendant GCRC Cupertino Fund. The
17 GCRC Cupertino Fund was then meant to invest in a project located in a TEA, which meant that
18 Plaintiffs had a minimum investment requirement of \$500,000, which they all satisfied. In doing
19 so, each Plaintiff became a limited partner in the GCRC Cupertino Fund destined to receive their
20 green cards under the management and administration of Defendant Bethany Liou and Defendant
21 Golden California Regional Center.

22 32. In becoming limited partners in GCRC Cupertino Fund, Plaintiffs and Defendant
23 Golden California Regional Center and Defendant Bethany Liou signed the Limited Partnership
24 Agreement of GCRC Cupertino Fund, dated July 1, 2016, (the “LPA”) attached as Exhibit A.

25 _____
26 ¹ Besides making the required \$500,000 investment into GCRC Cupertino Fund, Plaintiffs each
27 paid an “administrative fee” of \$55,000. This administrative fee, not required by the USCIS,
28 was paid to Defendant Bethany Liou and Defendant Golden California Regional Center “to pay
the costs and expenses incurred in connection with the organization of the Partnership,
negotiation of the Loan, and placement of the Units.” See **Exhibit A** Provision 2.1.3.

1 33. The GCRC Cupertino Fund was formed “for the purpose of investing in Qualifying
2 Investments under the EB-5 Pilot Program.” “Qualifying Investments” are defined as follows:
3 “an investment that will generate full-time employment positions, either directly or indirectly,
4 for not fewer than ten U.S. workers per EB-5 Limited Partner whose Capital Contributions have
5 been so applied.”

6 **The GCRC Cupertino Fund Project Failure**

7 34. GCRC Cupertino Fund raised \$45,000,000 from ninety EB-5 investors.²
8 Defendant Golden California Regional Center then allegedly entered into an arrangement with a
9 real estate developer in July 2016 whereunder the developer agreed to borrow the funds
10 maintained under the GCRC Cupertino Fund to qualify the Plaintiffs for their green cards under
11 the EB-5 program.

12 35. In or around October 2018, Plaintiffs were notified by Defendant Bethany Liou
13 and Defendant Golden California Regional Center that the real estate developer would not
14 proceed with the real estate development or the loan from GCRC Cupertino Fund. With this,
15 Plaintiffs’ eligibility for green cards through the GCRC Cupertino Fund project were destroyed.

16 36. Defendant Bethany Liou and Defendant Golden California Regional Center told
17 Plaintiffs that they could maintain their funds in GCRC Cupertino Fund, which would be used
18 to invest in a different project.

19 **Plaintiffs Demands for Inspection, Accounting and Answers**

20 37. Having waited more than two years with nothing to show for it, Plaintiffs were
21 disappointed and demanded information regarding their investments into GCRC Cupertino Fund
22 from Defendant Bethany Liou and Defendant Golden California Regional Center.

23 38. In response to Plaintiffs’ demands for information, Defendant Bethany Liou
24 provided a screen shot of bank statements showing Plaintiffs’ funds in a bank account under
25 Bethany Liou’s individual name. This caused Plaintiffs to become more concerned.

26 39. Plaintiffs demanded that Defendant Bethany Liou and Defendant Golden

27 ² An additional \$4,950,000 in administrative fees were paid by the ninety investors to
28 Defendant Bethany Liou and Defendant Golden California Regional Center (\$55,000 x 90
limited partners= \$4,950,000).

1 California Regional Center make GCRC Cupertino Fund's books and records available for
2 inspection pursuant to the California Corporations Code § 15903.04(b) and the LPA in order to
3 evaluate whether their funds were secure but Defendants refused.

4 40. Plaintiffs requested a historical accounting from Defendant Bethany Liou and
5 Defendant Golden California Regional Center to ensure that their funds were not used for
6 improper purposes or transferred from the GCRC Cupertino Fund's bank account again to no
7 avail.

8 41. A majority of the limited partners of GCRC Cupertino Fund holding a majority
9 interest have asked Defendant Bethany Liou and Defendant Golden California Regional Center
10 to dissolve GCRC Cupertino Fund to facilitate the prompt return the Plaintiffs' funds to no avail.
11 (See Santa Clara County Superior Court, case 19CV342173, filed January 25, 2019.)

12 42. Plaintiffs also became aware of Defendant Bethany Liou's mounting legal and
13 financial problems and those of her various business entities. Plaintiffs are worried about the
14 safekeeping of their funds and the administrative fees expended by Defendant Bethany Liou and
15 Defendant Golden California Regional Center.

16 43. Defendant Bethany Liou and Defendant Golden California Regional Center are
17 holding Plaintiffs' funds hostage, and in doing so, are interfering with Plaintiffs' ability to obtain
18 green cards.

19 44. Given the circumstances set forth herein, it is not reasonably practicable for GCRC
20 Cupertino Fund to carry out its activities for the purpose for which it was formed.

21 **Defendant Bethany Liou's Financial and Legal Troubles**

22 45. Plaintiffs have also become aware of Defendant Bethany Liou's mounting legal
23 and financial problems through her various business entities.

24 46. Defendant Bethany Liou acts as manager of many business entities in addition to
25 Defendant Golden California Regional Center including but not limited to Oak Meadow Plaza
26 LLC (an active limited liability company formed in 2004); Monterey Dynasty LLC (an active
27 limited liability company formed in 2005); Diamond Creek Villa LLC (an active limited liability
28 company formed in 2006); and Diamond Creek Villa Corporation (an active corporation formed

1 in 2015).

2 47. Defendant Bethany Liou acts as manager of Defendant Golden California
3 Regional Center which acts as general partner to limited partnerships for the specific purpose of
4 EB-5 related activities including but not limited to GCRC Diamond Creek, LP (an active limited
5 partnership formed in 2014); GCRC Grande Oak Village, LP (an active limited partnership
6 formed in 2015); GCRC Rose Island, LP (an active limited partnership formed in 2015); GCRC
7 Cupertino Fund (an active limited partnership formed in 2016); and GCRC Eagle Garden, LP
8 (an active limited partnership formed in 2017).

9 48. Defendant Bethany Liou and Defendant Golden California Regional Center was
10 recently involved in a settlement of a case entitled *Constance Malone Trouard, American*
11 *Anchorpoint Academies v. Bethany Liou; Oak Meadow Plaza, LLC; Monterey Dynasty LLC;*
12 *Diamond Creek Villa, LLC; Diamond Creek Villa, a Corporation; Golden California Regional*
13 *Center*, Santa Clara Superior Court Case No. 18CV331807, filed on July 17, 2018. In said case,
14 Defendant Bethany Liou and Defendant Golden California Regional Center were alleged to have
15 been financially “desperate” in committing, inter alia, various counts of fraud, breach of contract,
16 and financial elder abuse. (See, case 18CV331807, Complaint filed July 17, 2018.) Damages
17 in the amount of not less than \$20 million were sought against Defendant Bethany Liou and
18 Defendant Golden California Regional Center in said case. (See, case 18CV331807, complaint
19 filed July 17, 2018.) On information and belief, Defendant Bethany Liou and Defendant Golden
20 California Regional Center and other entities with whom Bethany Liou is associated settled this
21 case at or near the time Plaintiffs were demanding an accounting and inspection of the books and
22 records for the GCRC Cupertino Fund to no avail. Plaintiffs are concerned that funds pertaining
23 to GCRC Cupertino Fund may have been used to settle the case.

24 49. Defendant Bethany Liou is currently involved two substantially similar cases
25 entitled involving her alleged wrongful mortgaging of real property and failure to pay promissory
26 notes. Specifically, Defendant Bethany Liou is named as a defendant in Santa Clara Superior
27 Court, Case No. 19CV343430, *Khiem D. Tran v. Bethany Liou; Monterey Dynasty, LLC;*
28 *Diamond Creek Villa LLC* filed February 28, 2019. In said case, Defendant Bethany Liou is

1 alleged to have committed breach of a contract when she failed to convey real property to
2 Plaintiff Khiem Tran upon repayment of a promissory note for \$425,111 and instead using the
3 property to secure a line of credit through a mortgage on the property. Plaintiffs are informed
4 and believe this case is still pending.

5 50. Additionally, Defendant Bethany Liou is named as a defendant in Santa Clara
6 County Superior Court, Case No. 19CV343429, *Peter Lim v. Bethany Liou; Monterey Dynasty,*
7 *LLC; Diamond Creek Villa LLC*, filed February 28, 2019. In said case, Defendant Bethany Liou
8 is alleged to have committed breach of a contract when she failed to convey real property to
9 Plaintiff Peter Lim upon repayment of a promissory note for \$425,111 and instead using the
10 property to secure a line of credit through a mortgage on the property. Plaintiffs are informed
11 and believe this case is still pending.

12 51. On information and belief, Defendant Bethany Liou and Defendant Golden
13 California Regional Center are involved in further financial and legal troubles related to a limited
14 partnership in which Defendant Bethany Liou acted as the manager of Defendant Golden
15 California Regional Center who acted as the general partner in GCRC Diamond Creek, LP. On
16 information and belief, Defendant Bethany Liou and Defendant Golden California Regional
17 Center also refuse to account for funds invested in GCRC Diamond Creek, LP in a scheme
18 bearing similarities to the subject complaint. Plaintiffs are concerned a lawsuit may be filed on
19 behalf of groups of investors from GCRC Diamond Creek, LP. Plaintiffs are concerned that
20 several separate limited partnerships will be competing for limited assets under the Bethany
21 Liou's control.

22 52. On information and belief, Defendant Bethany Liou and Defendant Golden
23 California Regional Center are involved in further financial and legal troubles related to a limited
24 partnership in which Defendant Bethany Liou acted as the manager of Defendant Golden
25 California Regional Center who acted as the general partner in GCRC Rose Island, LP. On
26 information and belief, Defendant Bethany Liou and Defendant Golden California Regional
27 Center also refuse to account for funds invested in GCRC Rose Island, LP in a scheme bearing
28 similarities to the subject complaint. Plaintiffs are concerned a lawsuit may be filed on behalf

1 of groups of investors from GCRC Rose Island, LP. Plaintiffs are concerned that several separate
2 limited partnerships will be competing for limited assets under the Bethany Liou's control.

3 53. Defendant Bethany Liou, Defendant Golden California Regional Center and
4 Defendant GCRC Cupertino Fund have been named as Defendants in a Santa Clara County
5 Superior Court, case 19CV342173, filed January 25, 2019, wherein more than 40 other investors
6 in the GCRC Cupertino Fund make claims substantially similar to those alleged herein. As of
7 the date of this pleading, Defendant Bethany Liou and Defendant Golden California Regional
8 Center have refused to allow an inspection of the books and records of GCRC Cupertino Fund,
9 to provide an accounting for GCRC Cupertino Fund and/or to dissolve the GCRC Cupertino
10 Fund in said case.

11 54. On information and belief, Defendant Bethany Liou and Defendant Golden
12 California Regional Center have misappropriated funds, including those invested by Plaintiffs
13 for the GCRC Cupertino Fund, by transferring such funds between the various business entities
14 operated by Defendant Bethany Liou. On information and belief, Defendant Bethany Liou and
15 Defendant Golden California Regional Center have unlawfully transferred Plaintiffs' funds
16 amongst their various business entities to meet near-term financial obligations, to engage in
17 litigation, to attempt to avoid adverse judgments against them, and to give the appearance that
18 the various entities are properly capitalized when, in fact, they are not.

19 55. Defendant Bethany Liou and Defendant Golden California Regional Center have
20 denied various business partners, limited partners, investors and others including Plaintiffs who
21 have entrusted funds with them access to relevant books and records to prevent Plaintiffs and
22 others from discovering the truth, to conceal their wrongdoing, to circumvent their legal
23 obligations, to unjustly enrich themselves and to evade the law.

24 **FIRST CAUSE OF ACTION**

25 **BREACH OF CONTRACT**

26 **DEFENDANTS BETHANY LIOU AND GOLDEN CALIFORNIA REGIONAL**
27 **CENTER LLC**

28 56. Plaintiffs reallege and incorporate herein by reference paragraphs 1 to 55 of this

1 Complaint as though fully set forth herein.

2 57. Defendant Bethany Liou, as manager of the Defendant Golden California Regional
3 Center, and Defendant Golden California Regional Center as general partner of the GCRC
4 Cupertino Fund, entered into the Limited Partnership Agreement of GCRC Cupertino Fund (the
5 “LPA”) with Plaintiffs, a copy of which is attached as Exhibit A.

6 58. Plaintiffs performed all, or substantially all, of their legal obligations under the
7 LPA, including making payments in the amount of \$555,000.

8 59. Pursuant to Provision 4.5 (a) of the LPA, Golden California Regional Center was
9 obligated to maintain “...complete and accurate books of accounts (containing such information
10 as shall be necessary to record allocations and distributions), and make such records and books
11 of accounts available for inspection by any Partner, or any Partner’s duly authorized
12 representative, during regular business hours and at the principal office of the Partnership, upon
13 reasonable notice and for any purpose related to his or her ownership of Units.” Further,
14 California Corporations Code § 15903.04(a) entitles a partner in a partnership, upon written
15 demand, to inspect the books and records of the partnership.

16 60. Each Plaintiff has requested an inspection and access to the books and records of
17 GCRC Cupertino Fund in order to perform an inspection.

18 61. To date, each Plaintiff has been wrongfully denied an inspection and access to the
19 books and records of GCRC Cupertino Fund in breach of the LPA and in violation of California
20 Corporations Code § 15903.04.

21 62. As a result of the breach, Plaintiffs have been wrongfully denied access to
22 information that would assist Plaintiffs in recovering the some or all of their funds, and Plaintiffs
23 have been forced to retain legal counsel to enforce their contractual and statutory rights to
24 inspection.

25 WHEREFORE, Plaintiffs respectfully request that the Court enter judgment against
26 Defendants as set forth below.

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28 ///

1 SECOND CAUSE OF ACTION

2 **BREACH OF FIDUCIARY DUTY**

3 **AGAINST DEFENDANTS BETHANY LIOU AND GOLDEN CALIFORNIA**
4 **REGIONAL CENTER**

5 63. Plaintiffs reallege and incorporate herein by reference paragraphs 1 to 55 of this
6 Complaint as though fully set forth herein.

7 64. Defendant Bethany Liou, as manager of the Defendant Golden California Regional
8 Center, and Defendant Golden California Regional Center as general partner of the GCRC
9 Cupertino Fund, owe a fiduciary duty towards each Plaintiff because each Plaintiff is a limited
10 partner in GCRC Cupertino Fund.

11 65. Defendant Bethany Liou and Defendant Golden California Regional Center
12 breached their fiduciary duty when they misappropriated funds specifically designated for GCRC
13 Cupertino Fund to other accounts and entities (including a personal account in the individual
14 name of Defendant Bethany Liou) and failed to keep current, specific and truthful records
15 regarding expenditures, deposits, withdrawals and transfer of the funds for GCRC Cupertino
16 Fund.

17 66. Defendant Bethany Liou and Defendant Golden California Regional Center
18 breached their fiduciary duty when they failed to timely respond to direct questions concerning
19 the safekeeping of Plaintiffs' funds, demands for a historical accounting, requests to dissolve
20 GCRC Cupertino Fund and/or refund the funds paid by the limited partners.

21 67. As a direct and proximate cause of the breach of fiduciary duty alleged, Plaintiffs
22 have damages in an amount to be proven at trial.

23 68. As a direct and proximate cause of the breach of fiduciary duty alleged, Plaintiffs
24 have suffered extreme emotional distress, including but not limited to stress, anxiety,
25 sleeplessness, worry, anguish and nervousness.

26 69. Defendants' conduct constitutes oppressive, malicious and fraudulent conduct
27 justifying an award of punitive damages. Specifically, Defendants knew Plaintiffs and their
28 families entrusted their savings with Defendants and placed their hopes for a green card and a

1 better life in Defendants. Defendants induced Plaintiffs to trust them with false representations
2 regarding the status of, and prospects for, the GCRC Cupertino Fund and the project. When the
3 project for the GCRC Cupertino Fund was cancelled, Defendants were distraught about the
4 expended time, the status of their green cards, the lack of accounting and Defendants refusal to
5 return their funds. Instead of reassuring Plaintiffs by providing a historical accounting and
6 documentation regarding the safe keeping of their funds, Defendants were evasive, secretive and
7 misleading. Defendants concealed their wrongdoing from Plaintiffs intentionally in an attempt
8 to perpetrate a fraud and to evade accountability for their misappropriation.

9 WHEREFORE, Plaintiffs respectfully request that the Court enter judgment against
10 Defendants as set forth below.

11 **THIRD CAUSE OF ACTION**

12 **FRAUD- CONCEALMENT AND INTENTIONAL MISREPRESENTATION**
13 **DEFENDANTS BETHANY LIOU AND GOLDEN CALIFORNIA REGIONAL**
14 **CENTER**

15 70. Plaintiffs reallege and incorporate herein by reference paragraphs 1 to 55 of this
16 Complaint as though fully set forth herein.

17 71. Defendant Bethany Liou, as manager of the Defendant Golden California Regional
18 Center, and Defendant Golden California Regional Center as general partner of the GCRC
19 Cupertino Fund, owe a fiduciary duty and a general duty of care toward each Plaintiff because
20 each Plaintiff is a limited partner in GCRC Cupertino Fund.

21 72. Defendant Bethany Liou and Defendant Golden California Regional Center made
22 intentional and improper expenditures, deposits, withdrawals and transfers of the funds paid to
23 them by Plaintiffs.

24 73. Defendant Bethany Liou and Defendant Golden California Regional Center
25 intentionally concealed their improper expenditures, deposits, withdrawals and transfers of the
26 funds paid to them by Plaintiffs.

27 74. Defendant Bethany Liou and Defendant Golden California Regional Center
28 intentionally misled Plaintiffs into believing that their funds were accounted for, when in reality,

1 funds were commingled, transferred and misused by Defendant Bethany Liou and Defendant
2 Golden California Regional Center without Plaintiffs' consent. Plaintiffs' funds have been
3 misappropriated and improperly commingled with funds from Defendant Bethany Liou's other
4 business entities without Plaintiffs' consent. Defendant Bethany Liou and Defendant Golden
5 California Regional Center made intentional misrepresentations to, and purposefully misled,
6 Plaintiffs by providing incomplete financial information and bank statements taken out of the
7 context of the accounts under which Defendant Bethany Liou and Defendant Golden California
8 Regional Center had a duty to maintain for Plaintiffs.

9 75. Defendant Bethany Liou and Defendant Golden California Regional Center
10 intentionally concealed their conduct from Plaintiffs, made intentional misrepresentations and
11 purposefully omitted important information from Plaintiffs in order to prevent Plaintiffs from
12 discovering the truth, to conceal their wrongdoing, to circumvent their legal obligations, to
13 unjustly enrich themselves and to evade the law.

14 76. In concealing important information and in making false representations,
15 Defendant Bethany Liou and Defendant Golden California Regional Center intended to induce
16 Plaintiffs to rely on them and to induce Plaintiffs into a false sense of security about the safety
17 of their money.

18 77. Plaintiffs relied on the misinformation provided by Defendant Bethany Liou and
19 Defendant Golden California Regional Center. Plaintiffs remained uninformed regarding the
20 true status of the funds they paid to Defendant Bethany Liou and Defendant Golden California
21 Regional Center.

22 78. Had the truth about the misappropriation of the funds paid by Plaintiffs to
23 Defendant Bethany Liou and Defendant Golden California Regional Center been known,
24 Plaintiffs would have taken steps to prevent the wrongdoing and would have promptly recovered
25 their funds.

26 79. As a direct and proximate cause of the fraud alleged, Plaintiffs have financial
27 damages in an amount to be proven at trial.

28 80. As a direct and proximate cause of the fraud alleged, Plaintiffs have suffered

1 extreme emotional distress, including but not limited to stress, anxiety, sleeplessness, worry,
2 anguish and nervousness.

3 81. Defendants' conduct constitutes oppressive, malicious and fraudulent conduct
4 justifying an award of punitive damages. Specifically, Defendants knew Plaintiffs and their
5 families entrusted their savings with Defendants and placed their hopes for a green card and a
6 better life in Defendants. Defendants induced Plaintiffs to trust them with false representations
7 regarding the status of their funds. When the project for the GCRC Cupertino Fund was
8 cancelled, Defendants were distraught about the expended time, the status of their green cards,
9 the lack of accounting and Defendants' refusal to return their funds. Instead of reassuring
10 Plaintiffs by providing a historical accounting and documentation regarding the safe keeping of
11 their funds, Defendants concealed important information and were evasive, secretive and
12 misleading. Defendants concealed their wrongdoing from Plaintiffs intentionally in an attempt
13 to perpetrate a fraud and to evade accountability.

14 WHEREFORE, Plaintiffs respectfully request that the Court enter judgment against
15 Defendants as set forth below.

16 **FOURTH CAUSE OF ACTION**

17 **ACCOUNTING**

18 **AGAINST DEFENDANTS GOLDEN CALIFORNIA REGIONAL CENTER AND**
19 **GCRC CUPERTINO FUND**

20 82. Plaintiffs reallege and incorporate herein by reference paragraphs 1 to 55 of this
21 Complaint as though fully set forth herein.

22 83. Defendant Bethany Liou, individually and as manager of the Defendant Golden
23 California Regional Center, and Defendant Golden California Regional Center as general partner
24 of the GCRC Cupertino Fund, managed the investment funds and administrative fees of GCRC
25 Cupertino Fund.

26 84. Defendant Bethany Liou and Defendant Golden California Regional Center have
27 made deposits, withdrawals, transfers and/or payments to third parties in the management of the
28 investment funds and administrative fees paid to them by Plaintiffs.

1 85. Plaintiff have requested a historical accounting from Defendant Bethany Liou and
2 Defendant Golden California Regional Center.

3 86. Defendant Bethany Liou and Defendant Golden California Regional Center have
4 not provided a historical accounting to Plaintiffs.

5 87. On information and belief, Defendant Bethany Liou and Defendant Golden
6 California Regional Center have mismanaged the investment funds and administrative fees
7 entrusted to them by Plaintiffs.

8 88. On information and belief, Defendant Bethany Liou and Defendant Golden
9 California Regional Center are concealing their mismanagement of the investment funds and
10 administrative fees paid to them by Plaintiffs by failing to provide a historical accounting to
11 Plaintiffs.

12 89. The precise amount of money mismanaged by Plaintiffs is unknown and can only
13 be ascertained by an accounting of the complete financial books and records of GCRC Cupertino
14 Fund.

15 WHEREFORE, Plaintiffs respectfully request that the Court enter judgment against
16 Defendants as set forth below.

17 **FIFTH CAUSE OF ACTION**
18 **DECLARATORY RELIEF**
19 **DISSOLUTION**
20 **AGAINST DEFENDANTS GOLDEN CALIFORNIA REGIONAL CENTER AND**
21 **GCRC CUPETINO FUND**

22 90. Plaintiffs reallege and incorporate herein by reference paragraphs 1 to 55 of this
23 Complaint as though fully set forth herein.

24 91. An actual controversy has arisen and now exists relating to the legal rights and
25 duties of Defendant Bethany Liou, Defendant Golden California Regional Center, Defendant
26 GCRC Cupertino Fund, and DOES 1-100, and each of them and Plaintiffs for which Plaintiffs
27 desire a preferential declaration from the court.

28 92. Plaintiffs paid \$555,000 to Defendants to participate in the GCRC Cupertino Fund

1 and the EB-5 process in order to obtain green cards.

2 93. After more than two years, the EB-5 project for which the GCRC Cupertino Fund
3 was earmarked was cancelled.

4 94. The purpose for which the GCRC Cupertino Fund was created has been frustrated,
5 irretrievably interrupted and/or destroyed by the conduct of the Defendants as described herein.

6 95. To date, Plaintiffs have not received green cards.

7 96. To date, each of Plaintiffs' \$555,000 paid to Defendants remains unaccounted.

8 97. The conduct of the Defendants as described herein has triggered an immediate
9 need for the dissolution of the GCRC Cupertino Fund to prevent ongoing and further irreparable
10 harm, injury and damage to the Plaintiffs.

11 98. Pursuant to California Corporations Code § 15908.02, Plaintiffs seek a dissolution
12 of the GCRC Cupertino Fund.

13 99. Plaintiffs, and a majority of the investors in the GCRC Cupertino Fund, seek
14 dissolution, but Defendant Golden California Regional Center, the general partner of the GCRC
15 Cupertino Fund solely managed by Defendant Bethany Liou, have not called for a vote to
16 dissolve the Fund.

17 100. Plaintiffs contend that if the Court finds in favor of their right to dissolve the
18 GCRC Cupertino Fund, Plaintiffs will immediately proceed with dissolution.

19 101. A judicial declaration regarding Plaintiffs' right to dissolve the GCRC Cupertino
20 Fund will provide immediate relief and entitlement to the funds at issue in the interests of judicial
21 economy.

22 102. Plaintiffs seek a court order instructing Defendants to promptly provide a complete
23 list of all limited partners so that an immediate vote to dissolve GCRC Cupertino Fund, can
24 occur.

25 WHEREFORE, Plaintiffs respectfully request that the Court enter judgment against
26 Defendants as set forth below.

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1 PRAYER

2 **First Cause of Action for Breach of Contract**

3 A. For an order instructing Defendant Bethany Liou and Defendant Golden California
4 Regional Center to produce the complete books and records of Defendant GCRC Cupertino Fund
5 (including capital contributions and administrative fees) for inspection;

6 B. For the appointment of a receiver to conduct an objective and complete historical
7 inspection of the records of Defendant GCRC Cupertino Fund (including records pertaining to
8 capital contributions and administrative fees) and to assure that complete and accurate records
9 have been produced by Defendant Bethany Liou and Defendant Golden California Regional
10 Center;

11 C. For attorney's fees and costs pursuant to the LPA Article 12.15 and California Civil
12 Code § 1717; and

13 D. For such other and further relief as the court may deem just and proper.

14 **Second Cause of Action for Breach of Fiduciary Duty**

15 A. For actual damages in the amount to be determined at trial;

16 B. For general damages for mental anguish;

17 C. For punitive and/or exemplary damages;

18 D. For interest on the principal amount of actual damages at the legal rate; and

19 E. For such other and further relief as the court may deem just and proper.

20 **Third Cause of Action for Fraud**

21 A. For actual damages in the amount to be determined at trial;

22 B. For general damages for mental anguish;

23 C. For punitive and/or exemplary damages;

24 D. For interest on the principal amount of actual damages at the legal rate; and

25 E. For such other and further relief as the court may deem just and proper

26 **Fourth Cause of Action for Accounting**

27 A. For an order of accounting;

28 B. For the appointment of a third party referee to conduct a historical accounting

1 (including capital contributions and administrative fees) pertaining to the funds paid by Plaintiffs
2 to Defendants; and

3 C. For such other and further relief as the court may deem just and proper.

4 **Fifth Cause of Action for Declaratory Relief and Dissolution**


5 D. For declaration that Plaintiffs are immediately entitled to dissolution of the GCRC
6 Cupertino Fund; and

7 E. For such other and further relief as the court may deem just and proper.

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Date: May 22, 2019

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