

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X Index No.

In the Matter of the Application of YUCHEN LIN,

Petitioner,

For the Judicial Dissolution of XS FRANCHISE, L.L.C., **VERIFIED PETITION**
a New York Limited Liability Company,

-against-

XU SUN,

Respondent.

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Petitioner, Yuchen Lin ("Petitioner" or "Lin"), by her attorneys, the Gajjar Law Firm, P.C.,
as and for her Petition, alleges as follows:

Introduction

1. Petitioner commences this action seeking a judicial dissolution of XS Franchise, L.L.C. (the "Company"), a domestic limited liability company; for the appointment of receiver pursuant to Limited Liability Company Law §§702 and 703; and for other relief requested herein.
2. Petitioner acquired a 40% interest in the Company by virtue of an agreement between the parties and in consideration for performing essential management duties for the Company for which she did not receive a salary. Petitioner further provided operating capital as an owner of the Company.
3. Respondent Xu Sun ("Respondent" or "Sun") – contrary to law and the agreement between the parties - unilaterally expelled Petitioner as a membership of the Company and misappropriated her interest therein.
4. Respondent has frustrated the purpose of the Company by breaching the parties' agreement to equally manage the Company's business and share its profits.

5. Respondent has engaged in numerous acts of oppression and misconduct against Petitioner for the purpose of ousting Petitioner from the Company, while usurping complete control over the Company, withholding profits from her, and otherwise depriving Petitioner of her membership interest.

6. Respondent's intentional and malicious acts include, without limitation, (a) ousting Petitioner from the day to day management of the Company; (b) barring Petitioner's presence at the Company premises by use of physical violence which resulted in two (2) arrests; (c) locking Petitioner out of the Company's operating and management software, communications systems, security system, and its physical location; (d) seizing all the Company funds, including profits Petitioner would be entitled to as a member of the Company; and (e) denying Petitioner access to corporate books and records.

7. Respondent has been operating the Company solely for his benefit.

8. Petitioner has made numerous attempts at an amicable resolution to no avail.

9. Accordingly, Petitioner seeks (1) a declaratory judgment holding that Petitioner Yuchen Lin owns a 40% interest in the Company; (2) the appointment of a temporary receiver to preserve Company assets and continue its business until the final resolution of these proceedings; (3) the dissolution of the Company and liquidation and distribution of its assets to the parties in accordance with their respective ownership interests; (4) a judicial accounting of the Company's books and records to account to Petitioner for all of the Company's receipts, expenditures and property; (5) a finding of breach of contract, unjust enrichment, breach of fiduciary duty, breach of duty of good faith and fair dealing, promissory estoppel, conversion, fraud, and corporate waste, mismanagement and self-dealing against the Respondent; (6) an award of damages to Petitioner

resulting from such acts; and (7) an award to Petitioner for all reasonable costs and attorneys' fees arising out of this action.

The Parties

10. The Company is a limited liability company duly formed and existing under the laws of the State of New York.

11. Petitioner is an individual and resident of the City and State of New York. Petitioner Yuchen Lin is also known as "Angela Lin."

12. Respondent Xu Sun, also known as "Edward Sun," is an individual residing at 43-25 Hunter Street, Apt. 3408W in Long Island City, County of Queens, New York 11101.

Jurisdiction And Venue

13. The Company's principal place of business is at 791 Broadway, New York, New York 10003 in the City and State of New York.

14. Accordingly, this Court has jurisdiction over this matter pursuant to Section 702 of the Limited Liability Company Law of New York.

15. For the same reasons, Venue is also proper in this county.

The Franchise Agreement and Formation of the Company

16. Respondent Xu Sun, individually and as a sole proprietor, entered into an agreement with an entity known as Stretch Lab Franchise, LLC, a Delaware Limited Liability Company (the "Franchisor") on or about November 18, 2022.

17. Pursuant to such franchise agreement, Respondent was permitted to operate a Stretch Lab franchise (the "Franchise" or "Stretch Lab") in the Union Square area of New York City.

18. Each Stretch Lab franchise offers an exercise studio space and provides assisted stretching techniques developed by the Franchisor.

19. Immediately after entering into the agreement with the Franchisor, Respondent did not have a location to operate the franchise.

20. Upon information and belief, Respondent instead sought to market the services of the franchise and engage in pre-sales of subscriptions to the Franchise once he procured space.

21. On or about January 10, 2023, Respondent filed Articles of Organization with the New York Secretary of State for the formation of XS Franchise L.L.C. *See*, Articles of Organization annexed hereto as Exhibit A.

22. Respondent then assigned his franchise agreement with the Franchisor to this newly formed Company.

23. Upon information and belief, on or about the summer of 2023, the Company entered into a lease agreement for the use of 791 Broadway in New York City (the “Location”), procuring such space to operate the Franchise.

24. However, the Location required construction and renovation prior to opening for business to the public.

Petitioner’s Acquisition of Interest in the Company

25. On or about August 2023, Respondent informed Petitioner of his need for a partner in operating the Franchise due to his work commitments outside of the Company.

26. On such date, Respondent offered Petitioner membership interest in the Company in consideration of the following:

a. Petitioner would oversee the initial construction and renovation of the Location; and

b. Upon its opening, Petitioner and Respondent would have equal management duties which included (i) physically being at the Location nearly every day that the franchise was open to the public; (ii) overseeing employees and contractors of the business, (excluding setting the rate of pay and making any payments for salaries and contractor fees which were controlled by solely Respondent); (iii) performing customer services and maintaining customer relations; (iv) attending all owner training sessions and meetings required by the Franchisor; and (v) performing all other duties for the general operations of the Franchise.

27. The parties understood that Petitioner was not an employee of the Company and would not receive a salary for the above.

28. The parties understood that Petitioner and Respondent would perform the above duties solely as owners/members of the Company.

29. On or about August 2023, Petitioner accepted the terms of Respondent's offer and became a member of the Company.

30. The parties did not execute a written operating at this time in connection to their respective rights and obligations in the Company.

Construction and Renovation of the Location; Pre-Sale Efforts by Petitioner

31. Beginning in August 2023, Respondent requested that Petitioner, as an owner of the Company, contribute capital towards construction and renovation of the Location, as well capital towards various expenses of the Company.

32. Between approximately August 2023 to December 2023, Petitioner contributed a total of \$10,000.00 towards such costs.

33. Petitioner's capital contribution was not a loan to Respondent or the Company.

34. Petitioner's capital contribution was not a gift to Respondent or the Company.

35. Petitioner made such capital contribution relying on Respondent's representations that she was required to do so as an owner of the Company.

36. During construction and renovation of the Location between August 2023 and November 2023, Petitioner was actively promoting the business and engaging in pre-sales of subscriptions to the Franchise.

37. Specifically, Petitioner arranged for and hosted events at local cafes, gyms and other establishments demonstrating the Company's services.

38. Respondent had business cards printed for Petitioner, which explicitly stated "Angela Lin, Owner." *See*, Exhibit B.

39. It must be noted that Respondent made no efforts to arrange or host any pre-sale events.

40. Petitioner did not receive a salary or other payment for her efforts in promoting the business and selling subscriptions.

41. Between October 16, 2023 and October 20, 2023, Petitioner attended classes and training sessions in California hosted by the Franchisor for franchise owners which demonstrated the proper design of Stretch Lab locations to franchisees.

42. Petitioner attended such classes and training sessions as an owner of the Company.

43. Petitioner attended such classes and training sessions at the request of Respondent.

44. Petitioner did not receive a salary or other payment for attending these training sessions.

45. After October 20, 2023, Petitioner oversaw the design of the Location by (a) procuring a contractor to complete and correct all previously defective work that had been done at the Location; (b) revising the designs of the Company's prior interior decorator so that there would

be adequate space between work-out benches, practical placement of other equipment, and an entrance that would attract pedestrian traffic; and (c) ensuring that the Location was in compliance with the requirements of the Franchisor.

46. Petitioner did not receive any compensation for performing this work.

47. Upon completion of the above referenced construction and renovations at the end of November 2023, the Franchise was ready to open on a limited basis to pre-sale customers only.

48. Petitioner continued providing capital for the Company's operations at the request of Respondent after November 2023.

Respondent's Proposal to Allocate Profits – January 2024

49. The Company began receiving revenue from membership sales beginning November 2023, and soon thereafter to walk-in customers.

50. By December 2023, the Company's revenue had increased such that its operation costs were being covered by the stream of revenue coming into the business.

51. Accordingly, the parties expected the Company to have profits beginning January 2024.

52. On or about January 2024, Respondent proposed that the parties share in all expected profits of the Company based on a 60:40 split, whereby Respondent would receive 60% of all profits, and the remaining profits would be distributed to Petitioner.

53. The parties did not reach an agreement as to Respondent's proposal at such time.

54. However, Petitioner relied on Respondent's representations that they would share profits as owners of the Company.

55. Despite the lack of a written agreement, the parties continued to operate the business as owners.

56. To continue her management duties as an owner of the Company, in February 2024, Petitioner moved into an apartment only two (2) blocks from the Location so that she can dedicate all of her time to the Company.

57. Petitioner did not receive any compensation for moving closer to the Location.

Respondent's Proposal to Profits – March/April 2024

58. Prior to March 26, 2024, Petitioner and Respondent were having repeated arguments and disagreements concerning the Company's operations.

59. On March 26, 2024, Petitioner and Respondent were having an argument at the Location where Respondent had become verbally abusive towards Petitioner.

60. At such, time, Petitioner left the Location in fear of her physical safety.

61. After March 26, 2024, Respondent presented a document to Petitioner entitled "EdSun & AngLin Partnership Terms." *See*, Ex. C.

62. Such document asserts, in part, the following: (i) *All the major decisions on studio action need to be signed off by both parties*; (ii) *Partners talk in respect. Never attached [sic] each other*; (iii) *Partners will be transparent about company financials*; and (iv) **After all the company expenses and company have saving to pay off loan, Ed and Angela will split 60:40 of the remaining company profits.** *Id.*

63. Relying on this document, Petitioner returned to the Franchise in early April and continued managing the Company as she had done previously.

The New Jersey Incident

64. On or about April 22, 2024, Petitioner and Respondent were driving an employee to his home in New Jersey in Respondent's vehicle.

65. After dropping off the employee, Petitioner and Respondent went to a restaurant in New Jersey at which time they began arguing. Respondent became very belligerent and threatening towards Petitioner.

66. Despite seeing that Petitioner was very upset, Respondent drove home alone, intentionally leaving Petitioner in New Jersey, many miles from her apartment in New York City.

67. Petitioner was compelled to call a taxi to go back to New York City.

68. Soon after the incident, Petitioner made it known to Respondent that they can no longer work together due to his egregious conduct and continuous efforts to oust her from the Company.

69. At such time, Petitioner requested that Respondent purchase her 40% interest in the Company. The parties did not discuss a buyout price at this time. No agreement as to such sale was reached at that juncture.

The First Attack on Petitioner and Respondent's Offer to Purchase Her Interest

70. On April 26, 2024, Petitioner and Respondent were at the Location when Respondent notified Petitioner that he felt disrespected by her when she confronted him about certain employee related issues.

71. During the conversation, Respondent raised his voice and became hostile and physically aggressive towards Petitioner.

72. Respondent requested that they speak outside of the Location.

73. While outside, Respondent told Petitioner in a physically aggressive manner that she should leave the Location.

74. Petitioner urged him to calm down.

75. Petitioner then attempted to go back into the Location at which time Respondent physically attacked Petitioner, causing injuries to her arms, chest and other body parts. Petitioner's right finger was slashed and bleeding from the attach.

76. Petitioner went back into the Location and locked the door for her safety. Respondent then left the scene.

77. The incident was observed by pedestrians outside of the Location and captured on security cameras.

78. On April 28, 2024, Petitioner returned to the Location and again asked Respondent to buy out her interest.

79. Respondent then trapped Petitioner in the front desk area, blocking her ability to leave with his body.

80. Respondent proceeded to hurt himself in front of Petitioner by slapping his face repeatedly with his hands and a water bottle. Respondent fell to the floor to prevent Petitioner from leaving the front desk area.

81. Petitioner managed to go over the front desk area and attempted to exit the Location.

82. At this juncture, Respondent got up on his feet, ran to the front door and blocked Petitioner from leaving.

83. Respondent had trapped Petitioner in the Location for nearly two (2) hours before allowing her to exit the premises.

84. On May 11, 2023, Respondent offered Petitioner a sum of money to buy out her interest in the Company. Noting that such amount was too low, Petitioner refused the offer.

85. Respondent then called the police, falsely claiming that Petitioner was a terminated employee and was trespassing.

86. Respondent made such false statements to the police because Petitioner had refused his offer.

87. Petitioner showed the police officers at the scene video footage of the Respondent attacking her on April 26, 2024.

88. Respondent was arrested and charged with assault in the third degree, sexual abuse in the third degree, and harassment.

89. An order of protection was issued by the New York Criminal Court prohibiting Respondent from coming into proximity of Petitioner or communicating with her in any manner.

90. Thereafter, Petitioner, after a brief hiatus, returned to the Location to manage the Company and ensure continuation of the business.

91. A subsequent order of protection was issued by the New York Criminal Court prohibiting Respondent to be alone with Petitioner, requiring a third person to be present at all times.

92. This new order of protection prohibited any physical touching of Petitioner.

Respondent's Efforts to Deprive Petitioner of Any Management of the Company

93. Soon after Respondent's arrest on May 11, 2024, Respondent took several active steps to preclude Petitioner from continuing to participate in the management of the Company.

94. First, Respondent prevented Petitioner from accessing any security camera footage in and around the Location, in part so that Petitioner could not use any such footage to show Respondent's conduct towards her.

95. Additionally, Respondent took away Petitioner's access to the computer software used to for client appointments, employee schedules, and other management functions.

96. Furthermore, Respondent changed passwords to prevent Petitioner's access to the Company's internal communications, including emails and Slack.

97. Respondent further precluded Petitioner from accessing the Company's ADT security system which controls the entrance to the Location.

98. In late May 2024, Petitioner was working late at the Location when Respondent, viewing Petitioner on security cameras, trapped Petitioner inside by remotely locking the doors. As Petitioner no longer had access codes, she was unable to disarm the ADT security system and open the doors.

99. On and after May 11, 2024, Respondent began telling Company employees that Petitioner was a terminated employee.

The June 3, 2024 Assault on Plaintiff

100. On June 3, 2024, both Petitioner and Respondent were at the Location for the first time since Respondent's arrest.

101. On such date, Respondent again assaulted Petitioner by slamming an office door on her as she was entering a meeting with employees.

102. Respondent was again arrested and charged with a felony for violating an order of protection.

103. Upon information and belief, Respondent's criminal cases are currently pending in the New York Criminal Court.

104. Respondent's conduct constitutes a lock-out of Petitioner from the Company.

105. Petitioner – fearing for her physical safety – can no longer perform her duties as manager of the Company.

Respondent's Partial Payment to Petitioner

106. On or about May 20, 2024, Respondent provided a check to Petitioner for \$47,673.08, representing that such sums are in full satisfaction of Petitioner's work for the Company from September 15, 2023 until approximately May 2024.

107. Petitioner deposited such payment "without prejudice," preserving all legal claims against Respondent.

108. Again, Petitioner was not an employee or contractor of the Company, but instead a co-owner.

109. Accordingly, the \$47,673.08 represents Respondent's partial buy-out payment for Petitioner's 40% interest in the Company.

110. By letter dated June 7, 2024, Petitioner, through counsel, demanded the books and financial records of the Company from Respondent. *See*, Ex. E.

111. To date, Respondent has not provided any such records.

112. No profits have been distributed to Petitioner.

Evidence of Petitioner's Ownership Interest in the Company

113. Upon their agreement, Petitioner assumed the role of a principal of the Company.

114. Respondent consistently referred to Petitioner as his partner and/or an owner of the Company.

115. As noted above, between October 16, 2023 and October 20, 2020, Petitioner attended training sessions required by the Franchisor for all owners of Stretch Lab Franchises.

116. Respondent was aware that Petitioner would be attending these owner training sessions.

117. Furthermore, by email dated September 21, 2023, Respondent send an email to local owners of Stretch Lab franchise owners introducing Petitioner as his partner who would be attending such owners' meeting. *See*, Ex. D

118. By email dated November 7, 2023, Respondent communicated with a training administrator at the Franchisor's corporate offices, again referring to Petitioner as "my co-owner."

119. A business card created by Respondent refers to Petitioner refers to Petitioner simply as "Owner." *See*, Ex. B.

120. The staff at the Franchise know Petitioner as an owner of the business.

121. Between September 15, 2023 and June 5, 2024, Petitioner worked a total of approximately 2,312.4 hours in furtherance of the Company's business.

122. During this time, Petitioner received no compensation whatsoever from the Company or Respondent for her work in the Company.

123. Petitioner was not a W-2 employee of the Company.

124. Petitioner was not an independent contractor of the Company.

125. In furtherance of their agreement, Petitioner expected to receive a portion of the profits of the Company as a co-owner.

AS AND FOR A FIRST CAUSE OF ACTION
(Declaratory Relief)

126. Petitioner repeats and reiterates the truth of each and every allegation set forth in the preceding paragraphs as if same is set forth fully at length herein.

127. On or about August 2023, pursuant to an agreement between Petitioner and Respondent, Petitioner received a 40% interest in the Company by virtue of her capital contributions and her labor to the Company as set forth above.

128. This allocation of membership interest was memorialized by Respondent in the document entitled “EdSun & AngLin Partnership Terms.” *See*, Ex. C.

129. On or about April 26, 2024 and again on June 3, 2004, Respondent physically forced Petitioner from the Franchise, and locked her out of access to any books and records of the Company.

130. Respondent has deprived Petitioner of her membership interest in the Company and has misappropriated same.

131. Petitioner was and continues to possess a 40% interest in the Company.

132. Accordingly, Petitioner seeks judgment determining and declaring that she remains to have a 40% ownership interest in the Company.

AS AND FOR A SECOND CAUSE OF ACTION
(Dissolution, Liquidation and Appointment of a Receiver –
Limited Liability Company Law §§702, 703)

133. Petitioner repeats and reiterates the truth of each and every allegation set forth in the preceding paragraphs as if same is set forth fully at length herein.

134. Respondent Xu Sun, a member with a 60% interest in XS Franchise L.L.C., is liable for unlawful, fraudulent and oppressive actions towards Petitioner, who has a 40% interest in the Company, including (1) utilizing threats, physical violence and other means to prevent Petitioner from exercising her rights to manage Company; (2) precluding Petitioner from sharing in the Company’s profits; (3) refusing Petitioner access to books and records of the Company; and (4) depriving Petitioner of her membership interest in the Company and has misappropriating same.

135. Respondent has been personally retaining all income from the Company, depriving the Company and Petitioner of such funds.

136. Respondent has denied Petitioner her rights as a member of the Company.

137. As a result of Respondent's actions, it is not practical the Company to continue business in its current form.

138. In light of the foregoing, dissolution of Company and liquidation and distribution of its assets are the only feasible means by which Petitioner may reasonably expect to obtain a fair return on her investment in light of Respondent's unlawful, fraudulent and oppressive actions toward Petitioner.

139. Accordingly, a receiver must be appointed to dissolve the Company, liquidate the assets of the Company and distribute funds derived therefrom to the members of the Company.

140. Furthermore, a temporary receiver must be appointed to preserve the assets of the Company and continue its business until the final determination in this action.

AS AND FOR A THIRD CAUSE OF ACTION
(Accounting)

141. Petitioner repeats and reiterates the truth of each and every allegation set forth in the preceding paragraphs as if same is set forth fully at length herein.

142. By reason of the foregoing, Respondent has willfully, deliberately, maliciously, intentionally and wrongfully converted and misappropriated to himself, money and property of the Company with the willful, deliberate and malicious purpose and intent of cheating and defrauding Petitioner and depriving her of her rights in the Company.

143. Accordingly, a judicial accounting must be directed to accurately account to Petitioner for the receipts, expenditures and property of the Company, and to account for all of the money and property of Respondent wrongfully converted and misappropriated.

144. Respondent has ignored Petitioner's demanded for books and financial records of the Company from Respondent. *See*, Ex. E.

145. Upon a full and accurate accounting, Petitioner is entitled to receive her equitable share of such sums.

AS AND FOR A FOURTH CAUSE OF ACTION
(Breach of Contract)

146. Petitioner repeats and reiterates the truth of each and every allegation set forth in the preceding paragraphs as if same is set forth fully at length herein.

147. Petitioner entered into an agreement with Respondent whereby Petitioner would provide start-up capital and other funds, and labor in exchange for a 40% interest in the Company.

148. Petitioner fulfilled her obligations under such agreement with Respondent in good faith.

149. Respondents conspired and committed multiple, intentional and malicious breaches of the agreement as stated above in an attempt to deprive Petitioner of her rights as a member of the Company, to manage the Company, and share in the Company's profits and to retain all benefits due and owing to Petitioner as a member.

150. Petitioner has been damaged by Respondent's actions and is entitled to recover against him in an amount to be determined at trial but no less than \$5,000,000.00, plus interests, attorneys' fees, costs and disbursements of this action.

AS AND FOR A FIFTH CAUSE OF ACTION
(Unjust Enrichment)

151. Petitioner repeats and reiterates the truth of each and every allegation set forth in the preceding paragraphs as if same is set forth fully at length herein.

152. Petitioner has worked countless hours managing and directing the Company to ensure its success, competitiveness and profitability.

153. Respondent has enjoyed the benefit of the Company's profits that directly arise from Petitioner's efforts in managing and directing the Company.

154. Petitioner had a reasonable expectation of a receiving a share of the Company's profits for her management duties.

155. Respondent has conspired and intentionally and maliciously withheld and converted the Company's profits due and owing to Petitioner.

156. Principles of equity and good conscience require restitution by Respondent to Petitioner.

157. Respondent has thus been unjustly enriched at Petitioner's expense and Petitioner is entitled to recover against Respondent in an amount to be determined at trial but no less than \$5,000,000.00, plus interests, attorneys' fees, costs and disbursements of this action.

AS AND FOR A SIXTH CAUSE OF ACTION
(Breach of Fiduciary Duty)

158. Petitioner repeats and reiterates the truth of each and every allegation set forth in the preceding paragraphs as if same is set forth fully at length herein.

159. By virtue of Respondent's role and duties as a co-member of the Company and his control over the direction, management and all funds of the Company, Respondent owed Petitioner a fiduciary duty.

160. By virtue of Respondent's intentional and malicious actions including, but not limited to, converting and withholding profits that rightfully belong to Petitioner, Respondent has breached his fiduciary duty to Petitioner.

161. Petitioner has been damaged by Respondent's actions and is entitled to recover against him in an amount to be determined at trial but no less than \$5,000,000.00, plus interests, attorneys' fees, costs and disbursements of this action.

AS AND FOR A SEVENTH CAUSE OF ACTION
(Breach of Implied Covenant of Good Faith and Fair Dealing)

162. Petitioner repeats and reiterates the truth of each and every allegation set forth in the preceding paragraphs as if same is set forth fully at length herein.

163. By virtue of the relationship between the parties herein, Respondent was bound to Petitioner by a covenant of good faith and fair dealing.

164. Such covenant precluded Respondent from acting in a manner of destroying or injuring Petitioner's rights to receive the fruits of her relationship with Respondent and the Company.

165. Respondent conspired and breached their covenant of good faith and fair dealing to Petitioner by the aforesaid intentional and malicious acts and by destroying and injuring Petitioner's rights to receive the fruits of her relationship with Respondent and the Company.

166. Petitioner has been damaged by Respondent's actions and is entitled to recover against him in an amount to be determined at trial but no less than \$5,000,000.00, plus interests, attorneys' fees, costs and disbursements of this action.

AS AND FOR AN EIGHTH CAUSE OF ACTION
(Promissory Estoppel)

167. Petitioner repeats and reiterates the truth of each and every allegation set forth in the preceding paragraphs as if same is set forth fully at length herein.

168. Respondent made clear and unambiguous promises to Petitioner that Petitioner would have all the rights of a member of the Company and manage the business, and that

Respondent would work together with Petitioner in good faith to direct and oversee the business of the Company.

169. Respondent failed to keep his promises.

170. Petitioner reasonably and foreseeably relied upon such promises to her detriment.

171. Petitioner suffered damages as the result of her reasonable and foreseeable reliance on Respondent's promises and is entitled to recover against him in an amount to be determined.

172. Petitioner has been damaged by Respondent's actions and is entitled to recover against him in an amount to be determined at trial but no less than \$5,000,000.00, plus interests, attorneys' fees, costs and disbursements of this action.

AS AND FOR A NINTH CAUSE OF ACTION
(Conversion)

173. Petitioner repeats and reiterates the truth of each and every allegation set forth in the preceding paragraphs as if same is set forth fully at length herein.

174. Petitioner has possessory rights and interest in the Company's profits and other sums which were and continue to be withheld and converted by Respondent.

175. Respondent's dominion over such sums is in derogation to Petitioner's possessory rights and interest in same.

176. Petitioner demanded the payment of profits and other sums, and Respondent has refused and failed to forward such sums to Petitioner.

177. Petitioner has been damaged by virtue of Respondent's conversion and is entitled to recover against them in amount to be determined.

178. Petitioner has been damaged by Respondent's actions and is entitled to recover against him in an amount to be determined at trial but no less than \$5,000,000.00, plus interests, attorneys' fees, costs and disbursements of this action.

AS AND FOR A TENTH CAUSE OF ACTION
(Fraud)

179. Petitioner repeats and reiterates the truth of each and every allegation set forth in the preceding paragraphs as if same is set forth fully at length herein.

180. Petitioner and Respondent negotiated the terms of an agreement concerning their respective rights and obligations in the Company, and made promises and representations contained therein.

181. On or about August 2023, Respondent made material representations to Petitioner concerning her ownership interest and entitlement to certain profits of the Company.

182. Specifically, Respondent represented that Petitioner would receive 40% of the profits in exchange for a contribution of capital and labor by Petitioner.

183. Upon information and belief, at all times hereinafter mentioned, such representations were false when made.

184. Respondent made such misrepresentations purposefully and with intent to induce Petitioner to enter into an agreement so that he would receive Petitioner of capital and labor contributions.

185. Petitioner justifiably relied upon such representations to her detriment.

186. Petitioner has thus been damaged as a direct result of Respondent's intentional and malicious deception in an amount to be determined at trial but no less than \$5,000,000.00, plus interests, attorneys' fees, costs and disbursements of this action.

187. That at all times hereinafter mention, Respondent's actions were intentional, malicious and reckless, entitling Petitioner to punitive damages in an amount to be determined.

AS AND FOR AN ELEVENTH CAUSE OF ACTION
(Waste, Mismanagement, Self-Dealing)

188. Petitioner repeats and reiterates the truth of each and every allegation set forth in the preceding paragraphs as if same is set forth fully at length herein.

189. Upon information and belief, Respondent has engaged in a series of transactions, acts and omissions that have been designed to benefit himself personally and not the Company.

190. Upon information and belief, these acts of self-dealing include the diversion of the Company's assets to the Respondent.

191. Respondent owed a fiduciary duty to the Company and the Petitioner as a member of the Company.

192. Such duty was breached by Respondent's corporate waste, mismanagement and self-dealing.

193. As a result of these acts of corporate waste, mismanagement and self-dealing, the Company has lost actual and potential profits.

194. As a result of these acts of corporate waste, mismanagement and self-dealing, the value of Petitioner's ownership in the Company is diluted and diminished.

195. Based on the foregoing, both Petitioner and the Company have suffered monetary damages in an amount to be determined.

196. Respondent's acts of corporate waste, mismanagement and self-dealing continue through the present, and if Respondent is permitted to continue his ongoing conduct of corporate waste, mismanagement and self-dealing, then the value of Petitioner's share in the Company's assets will be further diluted and diminished.

197. Based on the foregoing, Petitioner is entitled to a declaratory judgment enjoining Respondents from engaging in further corporate waste, mismanagement and self-dealing, and appointing a receiver to guard and manage the assets of the Company.

WHEREFORE, Petitioner demands judgment as follows:

(a) A declaration that Petitioner Yuchen Lin had and continues to have a 40% interest in the XS Franchise L.L.C.

(b) A declaration that Respondent engaged in conduct that is illegal, fraudulent and oppressive towards Petitioner, amounting to a lock-out of Petitioner from the Company;

(c) The dissolution of XS Franchise L.L.C.;

(d) The appointment of a receiver to liquidate all assets owned by XS Franchise L.L.C. to distribute all funds derived from such liquidation to Petitioner and Respondent in accordance with their respective ownership interest in the Company;

(e) The appointment of a temporary receiver to preserve the assets of XS Franchise L.L.C. and continue its business until a final determination of this proceedings;

(f) The judicial accounting of the Company requiring Respondent to account to Petitioner for all of the receipts, expenditures and property of XS Franchise L.L.C., and to account for all of the money and property of XS Franchise L.L.C. wrongfully stolen, converted, misappropriated or wrongfully obtained by each Respondent;

(g) An award of damages in the amount of \$5,000,000.00, for the acts of breach of contract, unjust enrichment, breach of fiduciary duty, breach of duty of good faith and fair dealing, promissory estoppel, conversion, fraud, and corporate waste, mismanagement and self-dealing against the Respondent;

(h) An award of costs and reasonable attorneys' fees to Petitioner pursuant to the Agreement; and,

(i) Such other and further relief as justice requires.

Dated: September 9, 2024
New York, New York

GAJJAR LAW FIRM, P.C.,

By: /s/ Ripal J. Gajjar

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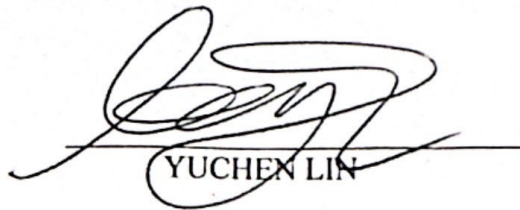
Attorneys for Petitioner

VERIFICATION

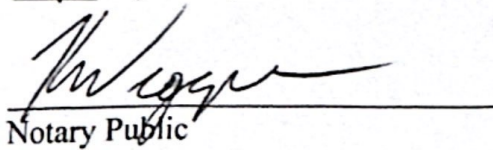
STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:

YUCHEN LIN, being duly sworn, deposes and says:

That she is the petitioner in the above-entitled action; that she has read the foregoing petition and knows the contents thereof; that the same is true to her knowledge, except as to the matters therein stated to be alleged upon information and belief, and that as to those matters she believes them to be true.


YUCHEN LIN

Sworn to before me this
9 day of September 2024


Notary Public

KRISTEN ARIELLE WIGGINS-MARTIN
Notary Public - State of New York
No. 01W10028736
Qualified in Kings County
My Commission Expires July 15, 2028