

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

In re:	)	Chapter 11
	)	
SORRENTO THERAPEUTICS, INC., <i>et al.</i> <sup>1</sup>	)	Case No. 23-90085 (CML)
	)	
Debtors.	)	(Jointly Administered)

**LIQUIDATING TRUSTEE'S JOINDER IN EMERGENCY MOTION  
TO ENFORCE THE PLAN OF REORGANIZATION AGAINST THE  
CALIFORNIA PLAINTIFFS AND SUPPLEMENTAL REQUEST FOR RELIEF  
[Relates to Dkt. No. 2674, consideration of which has been assigned to Judge Perez]**

**Emergency relief has been requested. Relief is requested not later than 5:00 p.m. (prevailing Central Time) on April 20, 2026.**

**If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear at the hearing if one is set, or file a written response prior to the date that relief is requested in the preceding paragraph. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.**

David Weinhoffer, in his capacity as Liquidating Trustee (the "Trustee") of the Sorrento Therapeutics, Inc. *et al.*, Liquidating Trust (the "Trust"), by and through his undersigned counsel, hereby joins in the M3 Movants' Emergency Motion to Enforce the Plan of Reorganization Against the California Plaintiffs [Dkt. No. 2674] (the "M3 Motion")<sup>2</sup> and files this supplemental motion requesting additional relief. The Trustee seeks to enjoin the Plaintiffs (the "California Plaintiffs") in *Ethan Mevi, et al. v. Henry Ji, et al.*, Case No. 26-cv-02113-DMS-DEB (the

<sup>1</sup> The Debtor entities in these chapter 11 cases, along with the last four digits of each Debtor entity's federal tax identification number, are: Sorrento Therapeutics, Inc. (4842) and Scintilla Pharmaceuticals, Inc. (7956). The Debtors' service address is: 4955 Directors Place, San Diego, CA 92121.

<sup>2</sup> By Order entered April 17, 2026, Judge Lopez has recused from all matters relating to Dkt. No. 2674, the M3 Motion. All such matters have been assigned to Judge Alfredo Perez. The Trustee acknowledges that this filing relates to Dkt. No. 2674 and thus understands and presumes that this filing will similarly be assigned to Judge Perez.

“California Lawsuit”) from pursuing the claims and causes of action asserted in the California Lawsuit that belong exclusively to the Trust and may be pursued only by the Trustee. As set forth herein, the California Plaintiffs’ prosecution of these claims violates the Confirmation Order and the Plan, duplicate fiduciary breach claims that the Trustee is already prosecuting against certain of the same defendants, may deplete critical insurance resources available to the Trust, and warrants an order enforcing this Court’s Confirmation order and reimbursement of costs and attorney fees associated with the California Plaintiffs’ improper filing.

### **BACKGROUND**

1. On February 13, 2023 (the “Petition Date”), Sorrento Therapeutics, Inc. (“Sorrento”) and its affiliated debtors (collectively, the “Debtors” and after the Effective Date, the “Post Effective Date Debtors”) filed voluntary petitions for relief under chapter 11 of title 11 (the “Chapter 11 Cases”) of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “Court”).

2. On February 28, 2023, the United States Trustee (the “U.S. Trustee”) appointed an Official Committee of Unsecured Creditors [Docket No. 142] (the “Creditors Committee”), which was reconstituted on March 28, 2023 [Docket No. 313], June 7, 2023 [Docket No. 813], and July 28, 2023 [Docket No. 1123].

3. On April 10, 2023, the U.S. Trustee appointed the Official Committee of Equity Security Holders [Docket No. 391], which was reconstituted on April 14, 2023 [Docket No. 448] (the “Equity Committee”). AC Choudhury, one of the California Plaintiffs, served as a member of the Equity Committee. *See* Notice of Reconstituted Committee of Equity Security Holders [Docket No. 448].

4. On October 11, 2023, the Debtors filed their *Joint Plan of Liquidation of Sorrento Therapeutics, Inc. and Scintilla Pharmaceuticals, Inc. Under Chapter 11 of the Bankruptcy Code*

[Docket No. 1404]. On November 16, 2023, the Debtors filed their *Modified Joint Plan of Liquidation of Sorrento Therapeutics, Inc. and Scintilla Pharmaceuticals, Inc. Under Chapter 11 of the Bankruptcy Code* [Docket No. 1562].

5. On November 30, 2023, the Court entered the *Order Approving Debtors' Disclosure Statement and Confirming Modified Joint Plan of Liquidation of Sorrento Therapeutics, Inc. and Scintilla Pharmaceuticals, Inc. Under Chapter 11 of the Bankruptcy Code* [Docket No. 1616], which the Court modified on December 13, 2023 [Docket No. 1652] (the "Confirmation Order").

6. On March 8, 2024, the Court entered its *Order (I) Approving Sale of Certain Assets to Vivasor, Inc. Free and Clear of all Liens, Claims, Interests, and Encumbrances, (II) Approving the Assumption and Assignment of Certain Executory Contracts, (III) Approving Modifications to Confirmed Chapter 11 Plan and (IV) Granting Related Relief* [Docket No. 2001] (the "Sale Order"). Attached as Exhibit 3 to the Sale Order was the *Second Modified Joint Plan of Liquidation of Sorrento Therapeutics, Inc. and Scintilla Pharmaceuticals, Inc. Under Chapter 11 of the Bankruptcy Code* [Docket No. 2001 at 174] (the "Second Modified Plan"). The Sale Order provided that the Second Modified Plan would be the controlling plan following entry of the Sale Order. See Sale Order [Docket No. 2001 at 28]. The Second Modified Plan was subsequently modified by further order of the Court [Docket No. 2093] (the Second Modified Plan, together with such modifications, the "Plan").<sup>3</sup>

7. The Liquidation Trust was created on April 10, 2024 (the "Effective Date").<sup>4</sup> On the Effective Date, all estate assets, including all claims and causes of action, were transferred to and

---

<sup>3</sup> Capitalized terms used but not defined herein shall have the meaning assigned to them in the Plan. For the avoidance of doubt, citations to the Plan refer to the Second Modified Plan as filed and attached to the Sale Order at Docket No. 2001, page 174.

<sup>4</sup> See Notice of (I) Effective Date of Debtors' Joint Chapter 11 Plan of Liquidation, (II) Resignation of Estate Professionals, and (III) Final Administrative Claims Bar Date [Docket No. 2145].

became property of the Liquidation Trust. Plan, Art. V.C. David Weinhoffer was appointed trustee of the Liquidation Trust. Plan, Art. V.C, E, F.

8. The Confirmation Order expressly approved, confirmed, and incorporated the Debtors' Plan Supplement (the "Plan Supplement"). *See* Dkt. No. 1652, ¶¶RR, 1, 7. The Confirmation Order transferred to the Trust the Debtors' "Assets," including the Debtors' "Causes of Action," in accordance with and as defined in the Plan and the Plan Supplement. *See* Dkt. No. 1652, ¶9. The Plan Supplement, filed at Docket No. 1596-4, provides for the transfer to the Trust of "any and all Causes of Action (including all Avoidance Actions), whether arising before or after the Petition Date," and provides that the Liquidation Trust "shall retain and may exclusively enforce any and all such Causes of Action" and "shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action." Dkt. No. 1596-4, at 1–2.

9. Without limiting the broad transfer of *all* of the Debtors' Causes of Action, the Plan Supplement specifically identifies, among others, the following claims transferred to the Trust: (1) fiduciary breach claims against Dr. Henry Ji and other board members and management; and (2) any and all claims related to the Dividend, the Debt Exchange Agreement, the Scilex Guarantee, the Cytimm Acquisition, the Aardvark Acquisition, the Deverra Acquisition, the Elsie Investment, the ZFB Acquisition, the ACEA Acquisition, the Virex Acquisition, and other Various Fiduciary Claims (each as defined in the Plan Supplement). *See* Dkt. No. 1596-4, at 1–5.

10. On July 17, 2025, the Trustee filed an adversary proceeding against Henry Ji, Dorman Followwill, Kim Janda, David Lemus, Tammy Reilly, Jaisim Shah, Yue Wu, Elizabeth Czerepak, and Liang Zhao, asserting breaches of fiduciary duty and other claims. The Trustee's D&O adversary proceeding remains pending in this Court. *See* Case No. 25-03596.

11. On April 3, 2026, plaintiffs Ethan Mevi, Enrique Curbello, Bruce Bradley, Michael Broome, Cynthia Broome, Aladdin Asfour, Kyle Hodes, Jennifer Hodes, Alexander Espalin, Moayad

Altahhan, Shawn Franz, Leo Kishko, and AC Choudhury filed a complaint (the “California Complaint”) initiating the California Lawsuit in the United States District Court for the Southern District of California naming (among others) Henry Ji, Dorman Followwill, Kim D. Janda, David Lemus, Jaisim Shah, Yue Alexander Wu, Stephen Ma, each of whom were Directors and/or Officers of Sorrento. A true and correct copy of the California Complaint is attached to this Motion as Exhibit A.

12. The California Complaint asserts two counts under the Racketeer Influenced and Corrupt Organizations Act (“RICO”), 18 U.S.C. §§ 1962(c) and (d); three counts for breach of fiduciary duty, including one count for aiding and abetting breach of fiduciary duty; and one count under California Penal Code Section 496. Each of these claims plainly and explicitly seeks to redress alleged harm inflicted upon the Debtors and the Debtors’ estates, and thus are squarely derivative estate (and now Trust) owned claims.

13. On April 13, 2026, the Trustee, through undersigned counsel, sent a cease and desist letter to the California Plaintiffs’ counsel, Bradley P. Boyer of Kutak Rock LLP (“Kutak”), demanding the immediate dismissal with prejudice of all claims asserted in the California Lawsuit (given the Trust’s ownership of such claims) no later than 5:00 p.m. prevailing Central time on April 17, 2026. The letter specifically advised Kutak of the Trustee’s intent to seek relief from the Bankruptcy Court, including declaratory relief, injunctive relief, and sanctions, in the event of noncompliance. On April 14, 2026, the M3 Movants filed their emergency motion.

14. On April 15, 2026, the Trustee, through undersigned counsel, sent a follow up email to Kutak notifying the California Plaintiffs that M3’s motion expedited the timeframe for compliance with the April 13 Cease-and-Desist Letter and that the Trustee would be seeking relief in conjunction with any emergency hearing setting for the M3 Motion.

15. As of the filing of this Motion, Kutak and the California Plaintiffs have not responded to or met the Trustee’s demand.

**JURISDICTION AND VENUE**

16. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b)(2). Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested herein include 11 U.S.C. § 105(a), which provides this Court with the power to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title” and to take action “necessary or appropriate to enforce or implement court orders or rules, or to prevent an abuse of process.” *See also Placid Ref. Co. v. Terrebonne Fuel & Lube (In re Terrebonne Fuel & Lube)*, 108 F.3d 609, 613 (5th Cir. 1997) (holding that a bankruptcy court has the power under section 105 of the Bankruptcy Code to issue sanctions, including civil contempt proceedings, in order to carry out the provisions of the Bankruptcy Code).

**RELIEF REQUESTED AND BASIS THEREFOR**

17. By filing the California Complaint, the California Plaintiffs violated this Court’s Confirmation Order and the Plan’s assignment of all “Causes of Action” to the Trust under the exclusive control of the Trustee. *See* Dkt. No. 1562, Plan Art X., Sec. C.; Plan Supplement, Dkt. No. 1596-4, at 1–2. The Complaint plainly asserts causes of action that are exclusively owned by the Trust and may be pursued only by the Trustee. The Trustee respectfully requests that the Court enter an order: (a) finding that the California Plaintiffs’ claims in the California Complaint assert Causes of Action that belong exclusively to the Trust and violate the ownership and exclusive control provisions of the Plan and the Confirmation Order; (b) directing the California Plaintiffs to dismiss with prejudice all claims in the California Complaint as violative of the Plan and Confirmation Order; and (c) imposing appropriate sanctions, including costs and attorney fees, against the California Plaintiffs to adequately compensate the Trustee for expenses incurred in seeking dismissal of the California Plaintiffs’ improper filing.

**A. The Claims Asserted in the California Lawsuit Are Property of the Trust.**

18. Pursuant to section 541 of the Bankruptcy Code, property of the estate consists of all assets of a debtor, wherever located. 11 U.S.C. § 541. A corporate debtor’s prepetition and post-petition causes of action belong to the bankruptcy estate, not to any individual creditor or equity owner. *See Matter of S.I. Acquisition, Inc.*, 817 F.2d 1142, 1150 (5th Cir. 1987). Once a cause of action becomes property of the estate, only a trustee or debtor-in-possession has standing to pursue it. *In re La. World Exposition, Inc.*, 858 F.2d 233, 246 (5th Cir. 1988). Here, all Causes of Action — as defined in the Plan and identified in the Plan Supplement — were transferred to and vested in the Trust upon the Effective Date. *See* Dkt. No. 1652, ¶9; Plan, Art. V.C;<sup>5</sup> Plan Supplement, Dkt. No. 1596-4, at 1-2.

19. Under Delaware law, which governs because Sorrento is incorporated in Delaware, a derivative claim is one that seeks to remedy harm to the corporate entity, while a direct claim relates to a distinct and unique harm to the individual stakeholder. *Tooley v. Donaldson*, 845 A.2d 1031, 1038-39 (Del. 2004). A court must “look to the nature of the wrong and to whom the relief should go. The stockholder’s claimed direct injury must be independent of any alleged injury to the corporation. The stockholder must demonstrate that the duty breached was owed to the stockholder and that he or she can prevail without showing an injury to the corporation.” *Id.*

20. The claims asserted in the California Lawsuit are plainly derivative. Every theory of injury in the California Complaint rests on direct harm inflicted upon Sorrento, including: the alleged misappropriation and looting of “valuable assets of Sorrento” (Compl. ¶¶110, 114), causing Sorrento to give up an equity stake in ImmunityBio and realize diminished proceeds from asset sales (Compl. ¶¶115, 126), and Sorrento receiving “pennies on the dollar” for certain transactions (Compl. ¶¶119,

---

<sup>5</sup> “The Liquidation Trustee shall... have sole authority and discretion on behalf of the Liquidation Trust to evaluate and determine strategy with respect to the Causes of Action, and to litigate, settle, transfer, release or abandon and/or compromise in any manner any and all such Causes of Action on behalf of the Liquidation Trust....”

120). Any harm to the California Plaintiffs was merely an indirect consequence of their status as Sorrento equity holders. This is simply not a close call — each California Lawsuit claim is rooted in explicit allegations of *injury to Sorrento or Sorrento property*. All such claims were transferred to the Trust on the Effective Date and are under the exclusive control of the Trustee.

21. In addition to the obvious derivative nature of the claims asserted in the California Lawsuit such claims were specifically and unambiguously transferred to the Trust by the Plan, the Plan Supplement and the Confirmation Order. As noted above, the Plan Supplement specifically transferred the California Complaint’s fiduciary breach claims to the Trust. Further, the California Complaint is replete with allegations as to specific transactions and matters, including the Debt Exchange Agreement, the Scilex Guarantee, the Cytimm Acquisition, the Aardvark Acquisition, the Deverra Acquisition, the Elsie Investment, the ZFB Acquisition, the ACEA Acquisition, the Virex Acquisition and other various fiduciary claims (each as defined in the Plan Supplement). The Plan Supplement addressed each of these matters in stating that “[f]or the avoidance of doubt, the Liquidating Trust Causes of Action include actions related to” each of these matters. *See* Plan Supplement, p. 2-5.

22. The California Plaintiffs themselves acknowledge the Trust’s ownership of their asserted claims. The California Complaint concedes the Trustee’s authority and complains that the “Liquidating Trustee appointed by the Bankruptcy Court has rejected requests made by Plaintiffs to file litigation against the Defendants named in this case.” Compl. ¶146. The California Plaintiffs’ dissatisfaction with the Trustee’s litigation decisions does not entitle them to circumvent the Confirmation Order and prosecute claims they do not own. And indeed, this assertion is nothing more than a veiled *Louisiana World*-based attempt to excuse the California Plaintiffs’ improper exercise of control over Trust claims. In a similar situation, in *In re Cleveland Imaging and Surgical Hosp., L.L.C.*, 26 F.4<sup>th</sup> 285 (5<sup>th</sup> Cir. 2022), the Fifth Circuit roundly rejected such an argument in holding that *Louisiana World* “permits only *creditors’ committees* to assert derivative standing” and requires advance permission from the bankruptcy court to file a lawsuit. *Id.*, at 296 (emphasis in original).

**B. This Court Has Authority to Enjoin the California Lawsuit Under Section 105(a).**

23. Section 105(a) of the Bankruptcy Code gives this Court the power to take any action or make any “determination necessary or appropriate to enforce or implement court orders or rules, or to prevent an abuse of process.” 11 U.S.C. § 105(a). This power includes the authority to issue an injunction barring a person from prosecuting litigation in another court in violation of a Bankruptcy Court order. *See In re Terrebonne Fuel and Lube, Inc.*, 108 F.3d 609, 613 (5th Cir. 1997). The California Lawsuit is a direct violation of the Confirmation Order. An injunction from this Court barring the further prosecution of the California Lawsuit is therefore necessary and appropriate to enforce the Confirmation Order and to prevent the continued abuse of process.

24. “The only requirement for the issuance of an injunction under § 105 is that the remedy conform to the objectives of the Bankruptcy Code... a bankruptcy court can enjoin proceedings in other courts when it is satisfied that such proceedings would defeat or impair its jurisdiction over the case before it. In other words, the court does not need to demonstrate an inadequate remedy at law or irreparable harm.” *Beck v. Fort James Corp. (In re Crown Vantage, Inc.)*, 421 F.3d 963, 975-76 (9th Cir. 2005).

25. Emergency injunctive relief is necessary because the continued prosecution of the California Lawsuit will interfere with its prosecution of the Trust’s adversary proceedings in this Court. The individual defendants named in the California Lawsuit — including Henry Ji and other former directors and officers of Sorrento — are the same individuals against whom the Trust holds exclusive claim rights and is, in fact, actually pursuing fiduciary breach claims. The Trustee is concerned that these same individuals will seek the advancement of policy depleting “defense costs” from applicable directors’ and officers’ liability insurance policies to defend the California Lawsuit. As the California Lawsuit continues, defense costs may erode the available policy limits, reducing the pool of insurance proceeds from which the Trust may recover. This erosion is particularly harmful because the individual

defendants may have limited personal assets available to satisfy judgments, making the D&O Policies the primary — and potentially the sole — meaningful source of recovery for the Trust and its beneficiaries.

**C. Sanctions Are Warranted for Bad Faith Violation of the Confirmation Order**

26. The Court should award sanctions for the wrongful assertion of the claims. This Court's discretionary authority to impose monetary sanctions requires a determination that the offending party has acted in bad faith or willfully abused the judicial process. *In Kreit v. Quinn (In re Cleveland Imaging and Surgical Hosp., L.L.C.)*, 26 F.4th 285, 292 (5th Cir. 2022). In *Cleveland Imaging*, the Fifth Circuit affirmed the bankruptcy court's award of sanctions in favor of a litigation trustee against doctors who had improperly brought causes of action that belonged to the litigation trust, including the fees and costs the trustee incurred in challenging the doctors' actions. *Id.* at 297.

27. The bad faith element is readily satisfied here. The Complaint is replete with factual allegations relating to the Bankruptcy Cases, including various transactions approved during the Bankruptcy Cases and the ultimate confirmation of the Plan. The California Complaint acknowledges the Trustee's authority and the Trust's ownership of these claims in paragraph 146 of the California Complaint, while blatantly misrepresenting alleged exchanges with the Trustee regarding the claims and the actions taken (or not taken) by the Trustee. *See* Compl. ¶146; *see also Cleveland Imaging*, 26 F.4th at 297 ("This evidence leads us to the 'firm' conclusion that the doctors knew that the confirmation order barred them from filing [the action]. That means they did so in bad faith."). Even after the Trustee warned the California Plaintiffs that their claims violated the Confirmation Order and Plan, the California Plaintiffs refused to dismiss their claims, necessitating this motion by the Trustee. The Trustee therefore requests that this Court impose substantial monetary sanctions, including all fees, costs, and damages incurred by the Trust and the Trustee in connection with this Motion and the enforcement of the Trust's exclusive ownership of the claims at issue, in an amount to be proven at the appropriate time.

**EMERGENCY CONSIDERATION REQUESTED**

Pursuant to Local Rule 9013-1, the Trustee requests that the Court consider this Motion on an emergency basis, simultaneous with any emergency consideration of the M3 Motion. The facts and circumstances as to this Motion and the M3 Motion, and the relief requested in each motion, are substantially identical and thus the motions should be considered simultaneously. Additionally, the continued prosecution of the California Lawsuit risks the depletion of the D&O Policies available to satisfy the Trust's claims against the individual defendants.

**CONCLUSION**

WHEREFORE, the Trustee respectfully requests that this Court enter an order:

- (a) Issuing an injunction barring California Plaintiffs, and all persons and entities acting in concert with them from further prosecuting the California Lawsuit, styled *Ethan Mevi, et al. v. Henry Ji, et al.*, Case No. 26-cv-02113-DMS-DEB, or any other action asserting Causes of Action belonging to the Trust and ordering the California Plaintiffs to dismiss with prejudice of the California Lawsuit;
- (b) Declaring that the claims asserted in the California Lawsuit are Causes of Action owned exclusively by the Trust pursuant to the Plan, the Plan Supplement, and the Confirmation Order;
- (c) Imposing sanctions against the California Plaintiffs and their counsel, jointly and severally, for their bad faith violation of the Confirmation Order, including an award of all fees, costs, and damages incurred by the Trust and the Trustee in connection with this Motion and the enforcement of the Trust's exclusive ownership of the claims asserted in the California Lawsuit, all in an amount to be determined in a subsequent proceeding;
- (d) Granting such other and further relief as this Court deems just and proper.

Dated: April 17, 2026

Respectfully submitted,

**McKOOL SMITH P.C.**

By: /s/ Joshua J. Newcomer

Joshua J. Newcomer  
Texas Bar No. 24060329  
John J. Sparacino  
Texas Bar No. 18873700  
David C. Kellam  
Texas Bar No. 24127173  
Adam D. Skzrecz  
Texas Bar No. 24139883  
600 Travis Street, Suite 7000  
Houston, Texas 77002  
Telephone: (713) 485-7300  
Facsimile: (713) 485-7344  
Email: jnewcomer@mckoolsmith.com

*Counsel for David Weinhoffer, Liquidating  
Trustee of the Sorrento Therapeutics, Inc. et  
al., Liquidating Trust*

**CERTIFICATION PURSUANT TO BANKRUPTCY LOCAL RULE 9013-1(I)**

I, Joshua J. Newcomer, counsel for the Trustee, hereby certify that the statements of fact and representations made in this Emergency Motion are true and correct to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Dated: April 17, 2026

/s/ Joshua J. Newcomer  
Joshua J. Newcomer

**CERTIFICATE OF SERVICE**

The undersigned certifies that a true and correct copy of the forgoing has been served upon all parties registered to receive service via the Court's ECF system and via email upon Kutak Rock LLP, counsel to the California Plaintiffs ([Bradley.boyer@kutakrock.com](mailto:Bradley.boyer@kutakrock.com), [vicki.buter@kutakrock.com](mailto:vicki.buter@kutakrock.com), and [tom.dahl@kutakrock.com](mailto:tom.dahl@kutakrock.com)) on April 17, 2026.

/s/ Joshua J. Newcomer  
Joshua J. Newcomer

# Exhibit A

1 Bradley P. Boyer (SBN 179430)  
2 **KUTAK ROCK LLP**  
3 777 South Figueroa Street, Suite 4550  
4 Los Angeles, California 90017-5800  
5 Telephone: (213) 312-4000  
6 E-Mail: bradley.boyer@kutakrock.com  
7 Authorized E-Service:  
8 LAIntake@kutakrock.com

9 Victoria H. Buter  
10 (*Pro Hac Vice forthcoming*)  
11 Thomas H. Dahlk  
12 (*Pro Hac Vice forthcoming*)  
13 **KUTAK ROCK LLP**  
14 Omaha Building  
15 1650 Farnam Street  
16 Omaha, Nebraska 68102  
17 Telephone: (402) 346-6000  
18 E-Mail: vicki.buter@kutakrock.com  
19 E-Mail: tom.dahlk@kutakrock.com

20 Attorneys for Plaintiffs  
21 ETHAN MEVI, ENRIQUE CURBELLO,  
22 BRUCE BRADLEY, MICHAEL BROOME,  
23 CYNTHIA BROOME, ALADDIN ASFOUR,  
24 KYLE HODES, JENNIFER HODES,  
25 ALEXANDER ESPALIN, MOAYAD  
26 ALTAHHAN, SHAWN FRANZ, LEO  
27 KISHKO, and AC CHOUDHURY

28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90  
91  
92  
93  
94  
95  
96  
97  
98  
99  
100  
101  
102  
103  
104  
105  
106  
107  
108  
109  
110  
111  
112  
113  
114  
115  
116  
117  
118  
119  
120  
121  
122  
123  
124  
125  
126  
127  
128  
129  
130  
131  
132  
133  
134  
135  
136  
137  
138  
139  
140  
141  
142  
143  
144  
145  
146  
147  
148  
149  
150  
151  
152  
153  
154  
155  
156  
157  
158  
159  
160  
161  
162  
163  
164  
165  
166  
167  
168  
169  
170  
171  
172  
173  
174  
175  
176  
177  
178  
179  
180  
181  
182  
183  
184  
185  
186  
187  
188  
189  
190  
191  
192  
193  
194  
195  
196  
197  
198  
199  
200  
201  
202  
203  
204  
205  
206  
207  
208  
209  
210  
211  
212  
213  
214  
215  
216  
217  
218  
219  
220  
221  
222  
223  
224  
225  
226  
227  
228  
229  
230  
231  
232  
233  
234  
235  
236  
237  
238  
239  
240  
241  
242  
243  
244  
245  
246  
247  
248  
249  
250  
251  
252  
253  
254  
255  
256  
257  
258  
259  
260  
261  
262  
263  
264  
265  
266  
267  
268  
269  
270  
271  
272  
273  
274  
275  
276  
277  
278  
279  
280  
281  
282  
283  
284  
285  
286  
287  
288  
289  
290  
291  
292  
293  
294  
295  
296  
297  
298  
299  
300  
301  
302  
303  
304  
305  
306  
307  
308  
309  
310  
311  
312  
313  
314  
315  
316  
317  
318  
319  
320  
321  
322  
323  
324  
325  
326  
327  
328  
329  
330  
331  
332  
333  
334  
335  
336  
337  
338  
339  
340  
341  
342  
343  
344  
345  
346  
347  
348  
349  
350  
351  
352  
353  
354  
355  
356  
357  
358  
359  
360  
361  
362  
363  
364  
365  
366  
367  
368  
369  
370  
371  
372  
373  
374  
375  
376  
377  
378  
379  
380  
381  
382  
383  
384  
385  
386  
387  
388  
389  
390  
391  
392  
393  
394  
395  
396  
397  
398  
399  
400  
401  
402  
403  
404  
405  
406  
407  
408  
409  
410  
411  
412  
413  
414  
415  
416  
417  
418  
419  
420  
421  
422  
423  
424  
425  
426  
427  
428  
429  
430  
431  
432  
433  
434  
435  
436  
437  
438  
439  
440  
441  
442  
443  
444  
445  
446  
447  
448  
449  
450  
451  
452  
453  
454  
455  
456  
457  
458  
459  
460  
461  
462  
463  
464  
465  
466  
467  
468  
469  
470  
471  
472  
473  
474  
475  
476  
477  
478  
479  
480  
481  
482  
483  
484  
485  
486  
487  
488  
489  
490  
491  
492  
493  
494  
495  
496  
497  
498  
499  
500  
501  
502  
503  
504  
505  
506  
507  
508  
509  
510  
511  
512  
513  
514  
515  
516  
517  
518  
519  
520  
521  
522  
523  
524  
525  
526  
527  
528  
529  
530  
531  
532  
533  
534  
535  
536  
537  
538  
539  
540  
541  
542  
543  
544  
545  
546  
547  
548  
549  
550  
551  
552  
553  
554  
555  
556  
557  
558  
559  
560  
561  
562  
563  
564  
565  
566  
567  
568  
569  
570  
571  
572  
573  
574  
575  
576  
577  
578  
579  
580  
581  
582  
583  
584  
585  
586  
587  
588  
589  
590  
591  
592  
593  
594  
595  
596  
597  
598  
599  
600  
601  
602  
603  
604  
605  
606  
607  
608  
609  
610  
611  
612  
613  
614  
615  
616  
617  
618  
619  
620  
621  
622  
623  
624  
625  
626  
627  
628  
629  
630  
631  
632  
633  
634  
635  
636  
637  
638  
639  
640  
641  
642  
643  
644  
645  
646  
647  
648  
649  
650  
651  
652  
653  
654  
655  
656  
657  
658  
659  
660  
661  
662  
663  
664  
665  
666  
667  
668  
669  
670  
671  
672  
673  
674  
675  
676  
677  
678  
679  
680  
681  
682  
683  
684  
685  
686  
687  
688  
689  
690  
691  
692  
693  
694  
695  
696  
697  
698  
699  
700  
701  
702  
703  
704  
705  
706  
707  
708  
709  
710  
711  
712  
713  
714  
715  
716  
717  
718  
719  
720  
721  
722  
723  
724  
725  
726  
727  
728  
729  
730  
731  
732  
733  
734  
735  
736  
737  
738  
739  
740  
741  
742  
743  
744  
745  
746  
747  
748  
749  
750  
751  
752  
753  
754  
755  
756  
757  
758  
759  
760  
761  
762  
763  
764  
765  
766  
767  
768  
769  
770  
771  
772  
773  
774  
775  
776  
777  
778  
779  
780  
781  
782  
783  
784  
785  
786  
787  
788  
789  
790  
791  
792  
793  
794  
795  
796  
797  
798  
799  
800  
801  
802  
803  
804  
805  
806  
807  
808  
809  
810  
811  
812  
813  
814  
815  
816  
817  
818  
819  
820  
821  
822  
823  
824  
825  
826  
827  
828  
829  
830  
831  
832  
833  
834  
835  
836  
837  
838  
839  
840  
841  
842  
843  
844  
845  
846  
847  
848  
849  
850  
851  
852  
853  
854  
855  
856  
857  
858  
859  
860  
861  
862  
863  
864  
865  
866  
867  
868  
869  
870  
871  
872  
873  
874  
875  
876  
877  
878  
879  
880  
881  
882  
883  
884  
885  
886  
887  
888  
889  
890  
891  
892  
893  
894  
895  
896  
897  
898  
899  
900  
901  
902  
903  
904  
905  
906  
907  
908  
909  
910  
911  
912  
913  
914  
915  
916  
917  
918  
919  
920  
921  
922  
923  
924  
925  
926  
927  
928  
929  
930  
931  
932  
933  
934  
935  
936  
937  
938  
939  
940  
941  
942  
943  
944  
945  
946  
947  
948  
949  
950  
951  
952  
953  
954  
955  
956  
957  
958  
959  
960  
961  
962  
963  
964  
965  
966  
967  
968  
969  
970  
971  
972  
973  
974  
975  
976  
977  
978  
979  
980  
981  
982  
983  
984  
985  
986  
987  
988  
989  
990  
991  
992  
993  
994  
995  
996  
997  
998  
999  
1000

18 ETHAN MEVI, an individual,  
19 ENRIQUE CURBELLO, an individual,  
20 BRUCE BRADLEY, an individual,  
21 MICHAEL BROOME, an individual,  
22 CYNTHIA BROOME, an individual,  
23 ALADDIN ASFOUR, an individual,  
24 KYLE HODES, an individual,  
25 JENNIFER HODES, an individual,  
26 ALEXANDER ESPALIN, an individual,  
27 MOAYAD ALTAHHAN, an individual,  
28 SHAWN FRANZ, an individual,  
LEO KISHKO, an individual; and  
AC CHOUDHURY, an individual

Plaintiffs,

v.

HENRY JI, an individual, M3  
ADVISORY PARTNERS, L.P., a  
Delaware limited partnership, MIII

Case No. '26CV2113 DMS DEB

Assigned to Judge:

**COMPLAINT FOR  
RACKETEERING INFLUENCED  
CORRUPT ORGANIZATIONS  
ACT (“RICO”) 18 U.S.C. § 1962(C);  
CONSPIRACY TO VIOLATE  
RICO, 18 U.S.C. § 1962(D);  
BREACH OF FIDUCIARY DUTY;  
AIDING AND ABETTING  
BREACH OF FIDUCIARY DUTY;  
VIOLATION OF CALIFORNIA  
PENAL CODE SECTION 496; AND  
BREACH OF FIDUCIARY DUTY**

**DEMAND FOR JURY TRIAL**

PARTNERS, L.P. , a limited partnership, MOHSIN MEGHJI, an individual, JACKSON WALKER LLP, a limited liability partnership, DORMAN FOLLOWWILL, an individual, KIM D. JANDA, an individual, DAVID LEMUS, an individual, TAMMY REILLY, an individual, JAISIM SHAH, an individual, YUE ALEXANDER WU, an individual; STEPHEN MA, an individual; VIVASOR HOLDING COMPANY, a corporation; SCILEX HOLDING COMPANY, a corporation; and SEMNUR PHARMACEUTICALS, Inc., a corporation,

Defendants.

Plaintiffs Ethan Mevi, Enrique Curbello, Bruce Bradley, Michael Broome, Cynthia Broome, Aladdin Asfour, Kyle Hodes, Jennifer Hodes, Alexander Espalin, Moayad Altahhan, Shawn Franz, Leo Kishko, and AC Choudhury (collectively, “Plaintiffs”), for their Complaint against Defendants, allege as follows:

**NATURE OF THE ACTION**

1. Plaintiffs bring this action against Defendants seeking to recover the damages Plaintiffs suffered as a proximate result of, among other things, Defendants’ violations of the Racketeering Influenced Corrupt Organizations Act (“RICO”) and breaches of their fiduciary duties resulting from a conspiracy among Defendants to file a fraudulent bankruptcy of Sorrento Therapeutics, Inc. (“Sorrento”), and then use the sham bankruptcy to allow Henry Ji and his affiliated companies and business partners to take control of the assets of Sorrento for a fraction of their fair market value, to the direct injury of Plaintiffs as set forth herein.

**PARTIES, JURISDICTION AND VENUE**

2. Plaintiff Ethan Mevi was an equity shareholder of Sorrento at the time Sorrento filed for bankruptcy and is, and at all relevant times was, a citizen and resident of California.

1           3. Plaintiff Enrique Curbelo was an equity shareholder of Sorrento at the  
2 time Sorrento filed for bankruptcy and is, and at all relevant times was, a citizen  
3 and resident of California.

4           4. Plaintiff Bruce Bradley was an equity shareholder of Sorrento at the time  
5 Sorrento filed for bankruptcy and is, and at all relevant times was, a citizen and  
6 resident of Massachusetts.

7           5. Plaintiffs Michael Broome and Cynthia Broome, husband and wife, were  
8 equity shareholders of Sorrento at the time Sorrento filed for bankruptcy and are,  
9 and at all relevant times were, citizens and residents of Washington.

10           6. Plaintiff Aladdin Asfour was an equity shareholder of Sorrento at the time  
11 Sorrento filed for bankruptcy and is, and at all relevant times was, a citizen of the  
12 country of Jordan.

13           7. Plaintiffs Kyle Hodes and Jennifer Hodes, husband and wife, were equity  
14 shareholders of Sorrento at the time Sorrento filed for bankruptcy and are, and at  
15 all relevant times were, citizens and residents of Tennessee.

16           8. Plaintiff Alexander Espalin was an equity shareholder of Sorrento at the  
17 time Sorrento filed for bankruptcy and is, and at all relevant times was, a citizen  
18 and resident of Georgia. Mr. Espalin was also a creditor of Sorrento, and he was  
19 denied a position on the Official Committee of Unsecured Creditors in 2024, for  
20 the stated reason that any level of equity ownership created an inherent conflict of  
21 interest.

22           9. Plaintiff Moayad Altahhan was an equity shareholder of Sorrento at the  
23 time Sorrento filed for bankruptcy and is, and at all relevant times was, a citizen of  
24 the country of Saudi Arabia.

25           10. Plaintiff Shawn Franz was an equity shareholder of Sorrento at the time  
26 Sorrento filed for bankruptcy and is, and at all relevant times was, a citizen and  
27 resident of Maryland.

28

1 11. Plaintiff Leo Kishko was an equity shareholder of Sorrento at the time  
2 Sorrento filed for bankruptcy and is, and at all relevant times was, a citizen and  
3 resident of Massachusetts.

4 12. Plaintiff AC Choudhury was an equity shareholder of Sorrento at the  
5 time Sorrento filed for bankruptcy and is, and at all relevant times was, a citizen  
6 and resident of Texas. Mr. Choudhury was an active member of Official Equity  
7 Committee and had multiple telephone calls and email exchanges with Sorrento  
8 and Scilex executives throughout 2023 and 2024.

9 13. Plaintiffs collectively owned over 10 million shares of Sorrento’s 550  
10 million outstanding shares at the time Sorrento filed for bankruptcy on February  
11 13, 2024, and collectively paid over \$57 million for their shares of Sorrento and  
12 affiliated companies.

13 14. Defendant Henry Ji (“Ji”) was Sorrento’s CEO, Chairman of the Board  
14 of Directors, controlling shareholder, and founder, and at all relevant times  
15 performed his duties on many occasions while physically present in the Southern  
16 District of California. Ji is now also executive chairman, CEO and president of  
17 Scilex and Semnur. Ji is a citizen and resident of California.

18 15. Defendant Mohsin Y. Meghji (“Meghji”) was Sorrento’s Chief  
19 Restructuring Officer and at all relevant times knew that his actions would affect  
20 Sorrento (and its equity shareholders) in the Southern District of California.  
21 Meghji is managing partner of Defendant M3 Advisory Partners, LP (“M3”),  
22 which has a place of business at 1700 Broadway, 19th Floor, New York, New York  
23 10019. Upon information and belief, Meghji is a citizen and resident of New York.

24 16. Defendant M3 Advisory Partners LP and MIII Partners, L.P. (“M3”) are  
25 limited partnerships organized under the laws of the State of Delaware. Upon  
26 information and belief, M3’s principal place of business is in New York, New  
27 York.

28 ///

1 17. As of February 13, 2023, the following individual Defendants were  
2 members of Sorrento’s Board of Directors or otherwise associated with Ji and  
3 Sorrento:

4 (a) Defendant Dorman Followwill was a Member of the Board of  
5 Directors and the Lead Independent Director for Sorrento at all  
6 times relevant to this action. He was also a board member of Scilex  
7 at all times relevant to this action. Followwill may be served at  
8 1092 Mountain Oak Place, Newbury Park, CA 91320.

9 (b) Defendant Kim Janda was a Member of Sorrento’s Board of  
10 Directors at all times relevant to this action. Janda may be served  
11 at 5787 La Jolla Corona Drive, La Jolla, CA 92037.

12 (c) Defendant David Lemus was a Member of Sorrento’s Board of  
13 Directors at all times relevant to this action. He was also a board  
14 member of Scilex at all times relevant to this action. Lemus may  
15 be served at 11004 S. Glen Road, Potomac, MD 20854.

16 (d) Defendant Tammy Reilly was a Member of Sorrento’s Board of  
17 Directors at all times relevant to this action until she resigned  
18 effective October 25, 2023, in protest to the conduct of Meghji  
19 during the bankruptcy. Reilly may be served at 601 Biddle Street,  
20 Chesapeake City, MD 21915.

21 (e) Defendant Jaisim Shah, until his retirement on March 13, 2026,  
22 was a Member of Sorrento’s Board of Directors at all times  
23 relevant to this action, a board member, CEO, and President of  
24 Scilex at all times relevant to this action, and CEO of Semnur at  
25 all times relevant to this action. Shah may be served at 212  
26 Monroe Drive, Mountain View, CA 94040.

27 (f) Defendant Yue Wu was a Member of Sorrento’s Board of  
28 Directors at all times relevant to this action. He was also a board

1 member of Scilex at all times relevant to this action. Wu may be  
2 served at 1960 Noel Drive, Los Altos, CA 94024.

3 (g) Defendant Stephen Ma was a Member of Scilex’s Board of  
4 Directors at all times relevant to this action and is its current CFO  
5 and COO. Ma was hand-picked by Ji and served as Scilex’s Chief  
6 Accounting Officer since November 2022 and was involved in the  
7 decision-making and co-architecting the process of both Scilex’s  
8 decision to fund the \$20 million junior DIP loan to Sorrento and,  
9 more importantly, was involved in making sure Scilex paid the  
10 lowest amount possible for its bid on Sorrento’s Scilex shares. Ma  
11 may be served at 960 San Antonio Road, Palo Alto, California,  
12 94303.

13 18. Defendant Jackson Walker LLP (“Jackson Walker”) is a national  
14 full-service law firm formed under the laws of the State of Texas that serves clients  
15 worldwide and provides services across the United States, including the Southern  
16 District of California. At all relevant times herein, Jackson Walker took actions  
17 that subjected it to the jurisdiction of this Court, and it knew that Sorrento’s  
18 principal place of business was in the Southern District of California.

19 19. Vivasor Holding Company (“Vivasor”) is a Delaware corporation, and  
20 is headquartered in San Diego, California, and Defendant Ji is its controlling  
21 shareholder, CEO and Chairman.

22 20. Defendant Scilex Holding Company (“Scilex”) is a former Sorrento  
23 subsidiary that was spun out as a Nasdaq-listed public company in November 2022  
24 and is organized under the laws of the State of Delaware and headquartered in Palo  
25 Alto, California. Scilex announced on April 1, 2026, that it’s merging with  
26 Vivasor.

27 ///

28 ///

1 21. Defendant Semnur Pharmaceuticals, Inc. (“Semnur”), a clinical late-  
2 stage specialty pharmaceutical company focused on the development and  
3 commercialization of novel non-opioid pain therapies, is a Delaware corporation  
4 headquartered in Palo Alto, California.

5 22. (a) The Court has original jurisdiction over Plaintiffs’ civil RICO claims  
6 pursuant to 28 U.S.C. § 1331 and supplemental jurisdiction over Plaintiffs’ state  
7 law claims pursuant to 28 U.S.C. § 1367(a).

8 (b) Venue is proper in this Court based on 28 U.S.C. § 1391(b)(2)  
9 because many of the events or omissions giving rise to the claims occurred or  
10 caused injury to Plaintiffs within this judicial district. Venue is otherwise proper  
11 under 28 U.S.C. § 1391(b)(3) because each of the Defendants is subject to this  
12 Court’s personal jurisdiction. The RICO statute authorizes nationwide service of  
13 process, and in the Ninth Circuit personal jurisdiction is obtained if the court is  
14 authorized to obtain service over the defendant. Under 18 U.S.C. § 1965(a), venue  
15 is proper in any district in which a defendant “resides, is found, has an agent, or  
16 transacts his affairs” and, in addition, 18 U.S.C. § 1965(b) provides that as long as  
17 one defendant is subject to service in a district, additional parties may be brought  
18 before the forum court, in the court’s discretion, to the extent that “the ends of  
19 justice require.”

20 **RELEVANT BACKGROUND**

21 23. At all relevant times, Plaintiffs were significant noncontrolling equity  
22 holders of Sorrento, a Delaware corporation, with its principal place of business in  
23 San Diego, California, and they have each suffered direct injury as a proximate  
24 result of Defendants’ tortious and unlawful acts as alleged herein; the  
25 Sorrento/Scintilla bankruptcies would never have been filed and certainly would  
26 never have been filed in the United States Bankruptcy Court for the Southern  
27 District of Texas but for the unlawful actions committed by Defendants as  
28 described herein.

1           24. (a) Sorrento was an international biopharma/tech company with  
2 numerous assets focused on oncology, immunotherapy, cell therapy, non-opioid  
3 pain and infectious disease treatments and diagnostics.

4           (b) Between late 2019 and early 2020, the Sorrento board rejected  
5 multiple buyout offers ranging from a half billion to a billion dollars for the  
6 company’s immature assets.

7           (c) In early 2020, Sorrento’s board took nearly a month’s time to  
8 unanimously reject a \$1 billion offer from an unnamed private equity firm, stating  
9 at the time that the deal “significantly undervalues the company and is not in the  
10 best interest of the shareholders.”

11           (d) Instead of selling its assets, Sorrento continued to develop its  
12 pipeline of medical therapies and diagnostics to become a fully vertically  
13 integrated megacap biopharma/tech company.

14           25. At all relevant times, Sorrento maintained its principal place of business  
15 in San Diego, California (the “San Diego Office”), and never had an office, asset  
16 or presence in the Southern District of Texas.

17           26. At all relevant times, Defendant Ji was the CEO of Sorrento and  
18 Chairman of Scilex. Ji was the de facto controlling shareholder of Sorrento and  
19 responsible for the operations of Sorrento, guided by his duly-appointed Board of  
20 Directors, most of whom were also on Scilex’s Board of Directors. In their  
21 respective roles, Ji and the Board of Directors owed fiduciary and other duties to  
22 Plaintiffs.

23           27. In 2020, in a compensation package approved by Sorrento’s Board of  
24 Directors, Ji was reported to be the highest paid CEO in the biopharma industry,  
25 receiving a compensation package in excess of \$163 million. When questioned in  
26 2021, Ji represented that Sorrento would soon have a \$200-400 billion market  
27 valuation, revising his prior year’s representation that Sorrento’s market valuation  
28 would be \$100 billion by 2025.

1 28. Ji’s leadership was not without critics. Lawsuits were filed during the  
2 10 years preceding Sorrento’s filing of its fraudulent bankruptcy on February 13,  
3 2023, alleging mismanagement, self-dealing and gross neglect by Ji, but the  
4 lawsuits were ultimately settled without material consequences.

5 29. This successful track record of resolving litigation ended in December  
6 2022, however, when Ji’s nearly decade-long feud with billionaire rival Patrick  
7 Soon-Shiong, MD, resulted in an adverse arbitration award in the amount of  
8 \$175 million.

9 30. While this \$175 million award should have been offset by another \$125  
10 million arbitration ruling in Sorrento’s favor, it was reduced to judgment and used  
11 by Defendants as a pretext to file a sham bankruptcy in a bankruptcy forum that  
12 enabled Defendants to control the bankruptcy proceedings in the unlawful and  
13 wrongful manner described herein and manipulate the outcome to ultimately  
14 benefit Ji and the other Defendants, which caused significant damage to Plaintiffs.

15 **A. Fabrication of Venue in the Bankruptcy Court of the Southern District**  
16 **of Texas**

17 31. Despite having a strong balance sheet in 2023 with no secured debt, and  
18 ample access to equity and debt markets directly and through its subsidiaries like  
19 Scilex, on February 13, 2023, Sorrento (guided by Defendants Ji, Meghji, M3 and  
20 Jackson Walker) filed for Chapter 11 bankruptcy in the United States Bankruptcy  
21 Court for the Southern District of Texas, Houston Division (the “Bankruptcy  
22 Court”).

23 32. In the brief time Ji and the Sorrento Board of Directors were considering  
24 the filing of the bankruptcy, upon information and belief, it became readily  
25 apparent that a legitimate restructuring or financing process was not necessary and  
26 was not the best course of action for Sorrento considering its balance sheet, its  
27 performing affiliated entities, its projected future opportunities, and the  
28 tremendous expense of the bankruptcy process.

1           33. Despite these readily apparent facts, Ji used willing and able  
2 co-conspirators who were handsomely rewarded with over \$50 million in direct  
3 fees (over \$13.6 million directly to M3 and Jackson Walker, an amount roughly  
4 equivalent to Sorrento’s actual pre-bankruptcy trade claims) for working in concert  
5 with Ji and the Sorrento Board of Directors to use an ethically-compromised  
6 bankruptcy forum that would allow Ji to fraudulently obtain control of Sorrento’s  
7 assets at the end of the bankruptcy, paying a fraction of what the assets were  
8 actually worth.

9           34. Ji and Meghji, and upon information and belief, the Sorrento Board of  
10 Directors, conspired with other employees of M3 and Jackson Walker to concoct  
11 and execute a plan that would allow Sorrento, an entity that had its principal place  
12 of business in the State of California and, upon information and belief, had no  
13 corporate contacts with the State of Texas, to file for bankruptcy in the Bankruptcy  
14 Court where Meghji and Jackson Walker had established an improper relationship  
15 to an ethically compromised bankruptcy court headed by Chief Bankruptcy Judge  
16 David R Jones.

17           35. As part of this conspiracy and in order to establish a supposed presence in  
18 Texas, two days before the Scintilla/Sorrento bankruptcy filings, on February 11,  
19 2023, a Jackson Walker lawyer (and recent law clerk of Judge Jones), Veronica  
20 Polnick, rented a mailbox (the “UPS Mailbox”) on behalf of Scintilla (an inactive  
21 wholly-owned subsidiary of Sorrento with no business operations or employees) at  
22 a UPS Store located at 7 Switchbud Place, The Woodlands, Texas and directed  
23 Stretto to open a checking account where \$60,000 was wired from a Sorrento bank  
24 account into a new Signature Bank checking account that was purportedly opened  
25 in a representative office (not an actual bank branch) in Houston, Texas to provide  
26 the appearance that Scintilla ( an inactive subsidiary of Sorrento) had assets in Texas.

27 ///

28 ///

1           36. Having established a phony presence in the State of Texas, on  
2 February 13, 2023 (the “Petition Date”), Scintilla (an entity that had not been  
3 operating nor generating revenue for years and the existence of which, Sorrento’s  
4 CFO, Elizabeth Czerepak, had no knowledge until the filing of the bankruptcy)  
5 commenced a Chapter 11 Bankruptcy Case in the Bankruptcy Court.

6           37. Sorrento (which had no material presence in Texas) then filed a separate  
7 Petition in the Bankruptcy Court immediately after the Scintilla Petition was  
8 docketed to ensure the bankruptcy cases were consolidated.

9           38. At all relevant times, Ji was Scintilla’s sole officer and director.

10           39. In its petition for bankruptcy relief, Scintilla then listed the UPS Mailbox  
11 opened on February 11, 2023, as its principal place of business despite never having  
12 conducted any “business” for years, let alone in connection with the UPS Mailbox.

13           40. Neither Scintilla nor Sorrento were registered or licensed to do business  
14 in Texas.

15           41. In its separate petition for bankruptcy relief, Sorrento listed the San Diego  
16 Office as both its principal place of business and as its mailing address, but because  
17 Scintilla’s bankruptcy was already “pending” in the Bankruptcy Court, Sorrento  
18 represented in its Petition that venue was appropriate in the United States  
19 Bankruptcy Court for the Southern District of Texas.

20           42. Therefore, venue for both the Scintilla and Sorrento bankruptcy was  
21 grounded solely on the rented UPS Mailbox established by Jackson Walker.

22           43. In furtherance of the scheme to establish a fraudulent venue for the  
23 bankruptcy filings in the State of Texas, three days before the Petition Date, on  
24 February 10, 2023, Sorrento wired \$60,000 to a newly opened Signature Bank  
25 checking account bearing the name of Scintilla.

26           44. While this bank account was presumably opened to help establish a link  
27 to the Southern District of Texas, no funds were deposited in Texas because  
28 Signature Bank only had a representative office, not a bank branch, in Texas.

1 45. Because Scintilla was inactive, the \$60,000 deposited in this newly  
2 opened bank account was Scintilla’s only asset on the Petition Date.

3 46. On the Petition Date, rather than raising questions about the propriety of  
4 the bankruptcy venue, the Bankruptcy Court immediately ordered joint  
5 administration of the Sorrento and Scintilla (together, the “Debtors”) cases.

6 **B. The Bankruptcy Court’s Rise as a Preferred Venue for Mega Corporate**  
7 **Reorganizations and Jackson Walker’s Role in This Ascendancy**

8 47. In 2015, when Bankruptcy Judge David Jones was appointed Chief Judge  
9 of the Bankruptcy Court, the Bankruptcy Court for the Southern District of Texas  
10 has been described as a “bankruptcy backwater.”

11 48. As part of a plan to attract high dollar complex Chapter 11 bankruptcies  
12 to be filed in the Bankruptcy Court, Chief Judge Jones eventually signed a General  
13 Order in 2018 that directed all complex Chapter 11 cases filed in the Bankruptcy  
14 Court to two judges—himself and Judge Marvin Isgur, one of his former law  
15 partners and mentors, who also had become a bankruptcy judge.

16 49. According to an investigation by *The Financial Times*, the “guaranty of  
17 case assignment to one of two judges who want[ed] to attract mega-cases and  
18 under[stood] the need to ‘sell’ the venue to debtors” enabled the marketing of the  
19 Bankruptcy Court’s venue to large corporate debtors, including Sorrento.

20 50. Chief Judge Jones knew that the Bankruptcy Court needed to devise a way  
21 to project its willingness and ability to deliver the accommodation needed to attract  
22 the mega-bankruptcies to be filed in the Bankruptcy Court.

23 51. Defendant Jackson Walker played an integral role in the plan to attract  
24 mega-bankruptcies to the Bankruptcy Court and directly benefited when the  
25 Bankruptcy Court’s venue became an attractive venue for large corporate debtors.

26 52. In 2018, Chief Judge Jones’ permanent law clerk, Elisabeth Freeman,  
27 resigned her law clerk position to become a partner in Jackson Walker.

28 ///

1 53. Ms. Freeman had been a law clerk for Judge Jones from 2011 to 2018 and  
2 had followed Judge Jones from the Porter Hodges law firm when he became a  
3 bankruptcy judge in 2011.

4 54. Freeman and Judge Jones began a romantic relationship during this period  
5 and, in 2017, they began living together.

6 55. Upon the addition of Freeman as a partner in Jackson Walker’s  
7 bankruptcy group in 2018, Jackson Walker quickly became the leading Houston law  
8 firm hired by corporate debtors that filed for bankruptcy in the Bankruptcy Court.

9 56. By 2022 and continuing in 2023, Jackson Walker led the nation in local  
10 counsel appointments in large bankruptcies according to *The Financial Times*, which  
11 has also reported that “Jackson Walker was useful as a back channel” to two of  
12 Houston’s bankruptcy judges: “Freeman had previously been a clerk to [Chief  
13 Judge] Jones while another bankruptcy partner, Matthew Cavanaugh[,] had clerked  
14 for [Judge] Isgur.” Sujeet Indap, “The downfall of the judge who dominated  
15 bankruptcy in America,” *The Financial Times* (Nov. 21, 2023).

16 57. Following Freeman’s arrival as a partner at Jackson Walker in 2018, Chief  
17 Judge Jones reportedly presided over at least 33 cases in which the Bankruptcy Court  
18 awarded Jackson Walker over \$23 million in attorneys’ fees and expenses.

19 **C. M3 and Meghji’s Role in Promoting the Bankruptcy Court**

20 58. Meghji and his firm, M3, were significant participants in the rise of the  
21 Bankruptcy Court as a favorite venue for mega corporate bankruptcies, and their  
22 relationship with the Bankruptcy Court was evident in April 2022 when the New  
23 York City-based Meghji hosted an expensive party for two judges of the Bankruptcy  
24 Court who later oversaw the sham Chapter 11 reorganization of Sorrento.

25 59. In April 2022, Meghji distributed (by U.S. Mail and by email) invitations  
26 to a private party at a swanky New York restaurant, Le Bernardin, touting that Chief  
27 Judge Jones and another colleague on the Houston bankruptcy court bench, Judge  
28 Christopher Lopez, would be guests of honor.

1           60. Upon information and belief, Meghji and M3 were later selected by Ji and  
2 Sorrento’s Board of Directors to become Chief Restructuring Officer and Financial  
3 Advisor in the Sorrento bankruptcy because of their relationship with the  
4 Bankruptcy Court.

5           61. Bankruptcy Court records show that Judge Lopez was initially assigned  
6 the Sorrento bankruptcy in February 2023, but Chief Judge Jones then reassigned it  
7 to himself.

8           **D. Meghji’s and M3’s Participation in the Fraudulent Sorrento**  
9           **Bankruptcies**

10           62. Upon information and belief, Defendants Ji, Meghji, M3, and Jackson  
11 Walker played critical roles in causing Scintilla and Sorrento’s bankruptcies to be  
12 filed in the Bankruptcy Court knowing they could capitalize on the romantic  
13 relationship between Chief Judge Jones and Freeman that was unknown to the  
14 public.

15           63. In furtherance of the scheme to file under Chapter 11 and create venue in  
16 the Bankruptcy Court, the Debtors retained M3 as “Financial Advisor” and Meghji  
17 as “Chief Restructuring Officer” of Sorrento to provide “restructuring advisory  
18 services” in connection with the bankruptcies.

19           64. Prior to the Sorrento engagement, neither M3 nor Meghji had any  
20 significant biopharma or biotech restructuring experience.

21           65. After the Sorrento bankruptcy filing, despite M3’s and Meghji’s lack of  
22 biopharma and biotech experience, the Bankruptcy Court entered an Order  
23 authorizing the employment and retention of both M3 and Meghji.

24           66. As payment for their services, Meghji earned up to \$225,000 per month  
25 in his Chief Restructuring Officer role with Sorrento, and M3 received \$12,304,550  
26 in fees as the appointed Financial Advisor.

27           ///  
28           ///  
29           ///  
30           ///  
31           ///  
32           ///  
33           ///  
34           ///  
35           ///  
36           ///  
37           ///  
38           ///  
39           ///  
40           ///  
41           ///  
42           ///  
43           ///  
44           ///  
45           ///  
46           ///  
47           ///  
48           ///  
49           ///  
50           ///  
51           ///  
52           ///  
53           ///  
54           ///  
55           ///  
56           ///  
57           ///  
58           ///  
59           ///  
60           ///  
61           ///  
62           ///  
63           ///  
64           ///  
65           ///  
66           ///  
67           ///  
68           ///  
69           ///  
70           ///  
71           ///  
72           ///  
73           ///  
74           ///  
75           ///  
76           ///  
77           ///  
78           ///  
79           ///  
80           ///  
81           ///  
82           ///  
83           ///  
84           ///  
85           ///  
86           ///  
87           ///  
88           ///  
89           ///  
90           ///  
91           ///  
92           ///  
93           ///  
94           ///  
95           ///  
96           ///  
97           ///  
98           ///  
99           ///  
100           ///  
101           ///  
102           ///  
103           ///  
104           ///  
105           ///  
106           ///  
107           ///  
108           ///  
109           ///  
110           ///  
111           ///  
112           ///  
113           ///  
114           ///  
115           ///  
116           ///  
117           ///  
118           ///  
119           ///  
120           ///  
121           ///  
122           ///  
123           ///  
124           ///  
125           ///  
126           ///  
127           ///  
128           ///  
129           ///  
130           ///  
131           ///  
132           ///  
133           ///  
134           ///  
135           ///  
136           ///  
137           ///  
138           ///  
139           ///  
140           ///  
141           ///  
142           ///  
143           ///  
144           ///  
145           ///  
146           ///  
147           ///  
148           ///  
149           ///  
150           ///  
151           ///  
152           ///  
153           ///  
154           ///  
155           ///  
156           ///  
157           ///  
158           ///  
159           ///  
160           ///  
161           ///  
162           ///  
163           ///  
164           ///  
165           ///  
166           ///  
167           ///  
168           ///  
169           ///  
170           ///  
171           ///  
172           ///  
173           ///  
174           ///  
175           ///  
176           ///  
177           ///  
178           ///  
179           ///  
180           ///  
181           ///  
182           ///  
183           ///  
184           ///  
185           ///  
186           ///  
187           ///  
188           ///  
189           ///  
190           ///  
191           ///  
192           ///  
193           ///  
194           ///  
195           ///  
196           ///  
197           ///  
198           ///  
199           ///  
200           ///  
201           ///  
202           ///  
203           ///  
204           ///  
205           ///  
206           ///  
207           ///  
208           ///  
209           ///  
210           ///  
211           ///  
212           ///  
213           ///  
214           ///  
215           ///  
216           ///  
217           ///  
218           ///  
219           ///  
220           ///  
221           ///  
222           ///  
223           ///  
224           ///  
225           ///  
226           ///  
227           ///  
228           ///  
229           ///  
230           ///  
231           ///  
232           ///  
233           ///  
234           ///  
235           ///  
236           ///  
237           ///  
238           ///  
239           ///  
240           ///  
241           ///  
242           ///  
243           ///  
244           ///  
245           ///  
246           ///  
247           ///  
248           ///  
249           ///  
250           ///  
251           ///  
252           ///  
253           ///  
254           ///  
255           ///  
256           ///  
257           ///  
258           ///  
259           ///  
260           ///  
261           ///  
262           ///  
263           ///  
264           ///  
265           ///  
266           ///  
267           ///  
268           ///  
269           ///  
270           ///  
271           ///  
272           ///  
273           ///  
274           ///  
275           ///  
276           ///  
277           ///  
278           ///  
279           ///  
280           ///  
281           ///  
282           ///  
283           ///  
284           ///  
285           ///  
286           ///  
287           ///  
288           ///  
289           ///  
290           ///  
291           ///  
292           ///  
293           ///  
294           ///  
295           ///  
296           ///  
297           ///  
298           ///  
299           ///  
300           ///  
301           ///  
302           ///  
303           ///  
304           ///  
305           ///  
306           ///  
307           ///  
308           ///  
309           ///  
310           ///  
311           ///  
312           ///  
313           ///  
314           ///  
315           ///  
316           ///  
317           ///  
318           ///  
319           ///  
320           ///  
321           ///  
322           ///  
323           ///  
324           ///  
325           ///  
326           ///  
327           ///  
328           ///  
329           ///  
330           ///  
331           ///  
332           ///  
333           ///  
334           ///  
335           ///  
336           ///  
337           ///  
338           ///  
339           ///  
340           ///  
341           ///  
342           ///  
343           ///  
344           ///  
345           ///  
346           ///  
347           ///  
348           ///  
349           ///  
350           ///  
351           ///  
352           ///  
353           ///  
354           ///  
355           ///  
356           ///  
357           ///  
358           ///  
359           ///  
360           ///  
361           ///  
362           ///  
363           ///  
364           ///  
365           ///  
366           ///  
367           ///  
368           ///  
369           ///  
370           ///  
371           ///  
372           ///  
373           ///  
374           ///  
375           ///  
376           ///  
377           ///  
378           ///  
379           ///  
380           ///  
381           ///  
382           ///  
383           ///  
384           ///  
385           ///  
386           ///  
387           ///  
388           ///  
389           ///  
390           ///  
391           ///  
392           ///  
393           ///  
394           ///  
395           ///  
396           ///  
397           ///  
398           ///  
399           ///  
400           ///  
401           ///  
402           ///  
403           ///  
404           ///  
405           ///  
406           ///  
407           ///  
408           ///  
409           ///  
410           ///  
411           ///  
412           ///  
413           ///  
414           ///  
415           ///  
416           ///  
417           ///  
418           ///  
419           ///  
420           ///  
421           ///  
422           ///  
423           ///  
424           ///  
425           ///  
426           ///  
427           ///  
428           ///  
429           ///  
430           ///  
431           ///  
432           ///  
433           ///  
434           ///  
435           ///  
436           ///  
437           ///  
438           ///  
439           ///  
440           ///  
441           ///  
442           ///  
443           ///  
444           ///  
445           ///  
446           ///  
447           ///  
448           ///  
449           ///  
450           ///  
451           ///  
452           ///  
453           ///  
454           ///  
455           ///  
456           ///  
457           ///  
458           ///  
459           ///  
460           ///  
461           ///  
462           ///  
463           ///  
464           ///  
465           ///  
466           ///  
467           ///  
468           ///  
469           ///  
470           ///  
471           ///  
472           ///  
473           ///  
474           ///  
475           ///  
476           ///  
477           ///  
478           ///  
479           ///  
480           ///  
481           ///  
482           ///  
483           ///  
484           ///  
485           ///  
486           ///  
487           ///  
488           ///  
489           ///  
490           ///  
491           ///  
492           ///  
493           ///  
494           ///  
495           ///  
496           ///  
497           ///  
498           ///  
499           ///  
500           ///  
501           ///  
502           ///  
503           ///  
504           ///  
505           ///  
506           ///  
507           ///  
508           ///  
509           ///  
510           ///  
511           ///  
512           ///  
513           ///  
514           ///  
515           ///  
516           ///  
517           ///  
518           ///  
519           ///  
520           ///  
521           ///  
522           ///  
523           ///  
524           ///  
525           ///  
526           ///  
527           ///  
528           ///  
529           ///  
530           ///  
531           ///  
532           ///  
533           ///  
534           ///  
535           ///  
536           ///  
537           ///  
538           ///  
539           ///  
540           ///  
541           ///  
542           ///  
543           ///  
544           ///  
545           ///  
546           ///  
547           ///  
548           ///  
549           ///  
550           ///  
551           ///  
552           ///  
553           ///  
554           ///  
555           ///  
556           ///  
557           ///  
558           ///  
559           ///  
560           ///  
561           ///  
562           ///  
563           ///  
564           ///  
565           ///  
566           ///  
567           ///  
568           ///  
569           ///  
570           ///  
571           ///  
572           ///  
573           ///  
574           ///  
575           ///  
576           ///  
577           ///  
578           ///  
579           ///  
580           ///  
581           ///  
582           ///  
583           ///  
584           ///  
585           ///  
586           ///  
587           ///  
588           ///  
589           ///  
590           ///  
591           ///  
592           ///  
593           ///  
594           ///  
595           ///  
596           ///  
597           ///  
598           ///  
599           ///  
600           ///  
601           ///  
602           ///  
603           ///  
604           ///  
605           ///  
606           ///  
607           ///  
608           ///  
609           ///  
610           ///  
611           ///  
612           ///  
613           ///  
614           ///  
615           ///  
616           ///  
617           ///  
618           ///  
619           ///  
620           ///  
621           ///  
622           ///  
623           ///  
624           ///  
625           ///  
626           ///  
627           ///  
628           ///  
629           ///  
630           ///  
631           ///  
632           ///  
633           ///  
634           ///  
635           ///  
636           ///  
637           ///  
638           ///  
639           ///  
640           ///  
641           ///  
642           ///  
643           ///  
644           ///  
645           ///  
646           ///  
647           ///  
648           ///  
649           ///  
650           ///  
651           ///  
652           ///  
653           ///  
654           ///  
655           ///  
656           ///  
657           ///  
658           ///  
659           ///  
660           ///  
661           ///  
662           ///  
663           ///  
664           ///  
665           ///  
666           ///  
667           ///  
668           ///  
669           ///  
670           ///  
671           ///  
672           ///  
673           ///  
674           ///  
675           ///  
676           ///  
677           ///  
678           ///  
679           ///  
680           ///  
681           ///  
682           ///  
683           ///  
684           ///  
685           ///  
686           ///  
687           ///  
688           ///  
689           ///  
690           ///  
691           ///  
692           ///  
693           ///  
694           ///  
695           ///  
696           ///  
697           ///  
698           ///  
699           ///  
700           ///  
701           ///  
702           ///  
703           ///  
704           ///  
705           ///  
706           ///  
707           ///  
708           ///  
709           ///  
710           ///  
711           ///  
712           ///  
713           ///  
714           ///  
715           ///  
716           ///  
717           ///  
718           ///  
719           ///  
720           ///  
721           ///  
722           ///  
723           ///  
724           ///  
725           ///  
726           ///  
727           ///  
728           ///  
729           ///  
730           ///  
731           ///  
732           ///  
733           ///  
734           ///  
735           ///  
736           ///  
737           ///  
738           ///  
739           ///  
740           ///  
741           ///  
742           ///  
743           ///  
744           ///  
745           ///  
746           ///  
747           ///  
748           ///  
749           ///  
750           ///  
751           ///  
752           ///  
753           ///  
754           ///  
755           ///  
756           ///  
757           ///  
758           ///  
759           ///  
760           ///  
761           ///  
762           ///  
763           ///  
764           ///  
765           ///  
766           ///  
767           ///  
768           ///  
769           ///  
770           ///  
771           ///  
772           ///  
773           ///  
774           ///  
775           ///  
776           ///  
777           ///  
778           ///  
779           ///  
780           ///  
781           ///  
782           ///  
783           ///  
784           ///  
785           ///  
786           ///  
787           ///  
788           ///  
789           ///  
790           ///  
791           ///  
792           ///  
793           ///  
794           ///  
795           ///  
796           ///  
797           ///  
798           ///  
799           ///  
800           ///  
801           ///  
802           ///  
803           ///  
804           ///  
805           ///  
806           ///  
807           ///  
808           ///  
809           ///  
810           ///  
811           ///  
812           ///  
813           ///  
814           ///  
815           ///  
816           ///  
817           ///  
818           ///  
819           ///  
820           ///  
821           ///  
822           ///  
823           ///  
824           ///  
825           ///  
826           ///  
827           ///  
828           ///  
829           ///  
830           ///  
831           ///  
832           ///  
833           ///  
834           ///  
835           ///  
836           ///  
837           ///  
838           ///  
839           ///  
840           ///  
841           ///  
842           ///  
843           ///  
844           ///  
845           ///  
846           ///  
847           ///  
848           ///  
849           ///  
850           ///  
851           ///  
852           ///  
853           ///  
854           ///  
855           ///  
856           ///  
857           ///  
858           ///  
859           ///  
860           ///  
861           ///  
862           ///  
863           ///  
864           ///  
865           ///  
866           ///  
867           ///  
868           ///  
869           ///  
870           ///  
871           ///  
872           ///  
873           ///  
874           ///  
875           ///  
876           ///  
877           ///  
878           ///  
879           ///  
880           ///  
881           ///  
882           ///  
883           ///  
884           ///  
885           ///  
886           ///  
887           ///  
888           ///  
889           ///  
890           ///  
891           ///  
892           ///  
893           ///  
894           ///  
895           ///  
896           ///  
897           ///  
898           ///  
899           ///  
900           ///  
901           ///  
902           ///  
903           ///  
904           ///  
905           ///  
906           ///  
907           ///  
908           ///  
909           ///  
910           ///  
911           ///  
912           ///  
913           ///  
914           ///  
915           ///  
916           ///  
917           ///  
918           ///  
919           ///  
920           ///  
921           ///  
922           ///  
923           ///  
924           ///  
925           ///  
926           ///  
927           ///  
928           ///  
929           ///  
930           ///  
931           ///  
932           ///  
933           ///  
934           ///  
935           ///  
936           ///  
937           ///  
938           ///  
939           ///  
940           ///  
941           ///  
942           ///  
943           ///  
944           ///  
945           ///  
946           ///  
947           ///  
948           ///  
949           ///  
950           ///  
951           ///  
952           ///  
953           ///  
954           ///  
955           ///  
956           ///  
957           ///  
958           ///  
959           ///  
960           ///  
961           ///  
962           ///  
963           ///  
964           ///  
965           ///  
966           ///  
967           ///  
968           ///  
969           ///  
970           ///  
971           ///  
972           ///  
973           ///  
974           ///  
975           ///  
976           ///  
977           ///  
978           ///  
979           ///  
980           ///  
981           ///  
982           ///  
983           ///  
984           ///  
985           ///  
986           ///  
987           ///  
988           ///  
989           ///  
990           ///  
991           ///  
992           ///  
993           ///  
994           ///  
995           ///  
996           ///  
997           ///  
998           ///  
999           ///  
1000           ///  
1001           ///  
1002           ///  
1003           ///  
1004           ///  
1005           ///  
1006           ///  
1007           ///  
1008           ///  
1009           ///  
1010           ///  
1011           ///  
1012           ///  
1013           ///  
1014           ///  
1015           ///  
1016           ///  
1017           ///  
1018           ///  
1019           ///  
1020           ///  
1021           ///  
1022           ///  
1023           ///  
1024           ///  
1025           ///  
1026           ///  
1027           ///  
1028           ///  
1029           ///  
1030           ///  
1031           ///  
1032           ///  
1033           ///  
1034           ///  
1035           ///  
1036           ///  
1037           ///  
1038           ///  
1039           ///  
1040           ///  
1041           ///  
1042           ///  
1043           ///  
1044           ///  
1045           ///  
1046           ///  
1047           ///  
1048           ///  
1049           ///  
1050           ///  
1051           ///  
1052           ///  
1053           ///  
1054           ///  
1055           ///  
1056           ///  
1057           ///  
1058           ///  
1059           ///  
1060           ///  
1061           ///  
1062           ///  
1063           ///  
1064           ///  
1065           ///  
1066           ///  
1067           ///  
1068           ///  
1069           ///  
1070           ///  
1071           ///  
1072           ///  
1073           ///  
1074           ///  
1075           ///  
1076           ///  
1077           ///  
1078           ///  
1079           ///  
1080           ///  
1081           ///  
1082           ///  
1083           ///  
1084           ///  
1085           ///  
1086           ///  
1087           ///  
1088           ///  
1089           ///  
1090           ///  
1091           ///  
1092           ///  
1093           ///  
1094           ///  
1095           ///  
1096           ///  
1097           ///  
1098           ///  
1099           ///  
1100           ///  
1101           ///  
1102           ///  
1103           ///  
1104           ///  
1105           ///  
1106           ///  
1107           ///  
1108           ///  
1109           ///  
1110           ///  
1111           ///  
1112           ///  
1113           ///  
1114           ///  
1115           ///  
1116           ///  
1117           ///  
1118           ///  
1119           ///  
1120           ///  
1121           ///  
1122           ///  
1123           ///  
1124           ///  
1125           ///  
1126           ///  
1127           ///  
1128           ///  
1129           ///  
1130           ///  
1131           ///  
1132           ///  
1133           ///  
1134           ///  
1135           ///  
1136           ///  
1137           ///  
1138           ///  
1139           ///  
1140           ///  
1141           ///  
1142           ///  
1143           ///  
1144           ///  
1145           ///  
1146           ///  
1147           ///  
1148           ///  
1149           ///  
1150           ///  
1151           ///  
1152           ///  
1153           ///  
1154           ///  
1155           ///  
1156           ///  
1157           ///  
1158           ///  
1159           ///  
1160           ///  
1161           ///  
1162           ///  
1163           ///  
1164           ///  
1165           ///  
1166           ///  
1167           ///  
1168           ///  
1169           ///  
1170           ///  
1171           ///  
1172           ///  
1173           ///  
1174           ///  
1175           ///  
1176           ///  
1177           ///  
1178           ///  
1179           ///  
1180           ///  
1181           ///  
1182           ///  
1183           ///  
1184           ///  
1185           ///  
1186           ///  
1187           ///  
1188           ///  
1189           ///  
1190           ///  
1191           ///  
1192           ///  
1193           ///  
1194           ///  
1195           ///  
1196           ///  
1197           ///  
1198           ///  
1199           ///  
1200           ///  
1201           ///  
1202           ///  
1203           ///  
1204           ///  
1205           ///  
1206           ///  
1207           ///  
1208           ///  
1209           ///  
1210           ///  
1211           ///  
1212           ///  
1213           ///  
1214           ///  
1215           ///  
1216           ///  
1217           ///  
1218           ///  
1219           ///  
1220           ///  
1221           ///  
1222           ///  
1223           ///  
1224           ///  
1225           ///  
1226           ///  
1227           ///  
1228           ///  
1229           ///  
1230           ///  
1231           ///  
1232           ///  
1233           ///  
1234           ///  
1235           ///  
1236           ///  
1237           ///  
1238           ///  
1239           ///  
1240           ///  
1241           ///  
1242           ///  
1243           ///  
1244           ///  
1245           ///  
1246           ///  
1247           ///  
1248           ///  
1249           ///  
1250           ///  
1251           ///  
1252           ///  
1253           ///  
1254           ///  
1255           ///  
1256           ///  
1257           ///  
1258           ///  
1259           ///  
1260           ///  
1261           ///  
1262           ///  
1263           ///  
1264           ///  
1265           ///  
1266           ///  
1267           ///  
1268           ///  
1269           ///  
1270           ///  
1271           ///  
1272           ///  
1273           ///  
1274           ///  
1275           ///  
1276           ///  
1277           ///  
1278           ///  
1279           ///  
1280           ///  
1281           ///  
1282

1 67. Despite earning such fees, Meghji failed to visit a single Sorrento facility  
2 and took inadequate steps to determine the potential value of the assets in the  
3 bankruptcy and impeded alternative restructuring and financing efforts that should  
4 have and would have allowed Sorrento to quickly exit bankruptcy.

5 68. At all relevant times, in addition to the undisclosed romantic relationship  
6 between Chief Judge Jones and Freeman, the lavish April 2022 dinner and party  
7 hosted by Meghji in honor of Chief Judge Jones and Judge Lopez in New York City  
8 created an undisclosed conflict of interest for Meghji and M3 and the Bankruptcy  
9 Court with respect to the Sorrento bankruptcies.

10 **E. Relevant Facts Concerning How the Illicit Romantic Relationship**  
11 **Became Public and Facts Showing the Prior Cover-up**

12 69. After the filing of the Sorrento bankruptcies, facts began to emerge in  
13 news reports in October 2023 concerning the conflicts of interest created by the  
14 romantic relationship between Chief Judge Jones and Freeman.

15 70. While the secret romance became public in October 2023, the Bankruptcy  
16 Court and Jackson Walker had been successful in suppressing information  
17 concerning the conflict for two-and-a-half years after an anonymous letter (the  
18 “Anonymous Letter”) dated March 6, 2021 (alleging that Chief Judge Jones and a  
19 Jackson Walker partner were in a romantic relationship) was mailed to a litigant who  
20 had been seeking to recuse Chief Judge Jones in a bankruptcy proceeding involving  
21 McDermott Industries, a large engineering corporation.

22 71. In the Anonymous Letter, the author stated: “[T]he largest corporations  
23 and clients willingly choose to work with [Jackson Walker] lawyers knowing that  
24 they will likely have the court and the judge [rule] in their favor.”

25 72. The recipient of the Anonymous Letter immediately emailed a copy to  
26 Matthew Cavanaugh of Jackson Walker (who had clerked for Judge Isgur) the same  
27 day he received it, and the Anonymous Letter was then delivered to the Chief  
28 Bankruptcy Judge’s chambers by Jackson Walker.

1           73. After receipt of the Anonymous Letter, Cavanaugh texted his colleague,  
2 Veronica Polnick (the Jackson Walker lawyer who later opened the Scintilla UPS  
3 box in order to create the fraudulent venue for Sorrento), stating that Freeman and  
4 Chief Judge Jones had “been very careful” and had “taken a lot of steps” to protect  
5 themselves, “[b]ut the fact they’ve taken so many steps makes it problematic from a  
6 pr standpoint.” Polnick (who was also a former law clerk for Chief Judge Jones)  
7 responded: “Right. They saw this coming 10 years ago.”

8           74. A Bloomberg Law investigation conducted after the Anonymous Letter  
9 became publicly known in October 2023 revealed at least four judges of the  
10 Bankruptcy Court kept the contents of the Anonymous Letter sealed, which allowed  
11 Chief Judge Jones to successfully suppress efforts for two-and-a-half years to have  
12 the extent of his secret relationship investigated and to determine to what extent the  
13 relationship had compromised the integrity of the Bankruptcy Court.

14           75. In fact, the person who received the Anonymous Letter in March 2021  
15 was expressly ordered by the Bankruptcy Court not to publicly discuss the  
16 Anonymous Letter’s contents.

17           76. After receiving a copy of the Anonymous Letter, Chief Judge Jones  
18 referred the motion for his recusal filed by the recipient of the Anonymous Letter in  
19 the McDermott Industries bankruptcy to Judge Isgur.

20           77. Judge Isgur rejected a request to take depositions in order to investigate  
21 the Anonymous Letter’s veracity and denied the motion to recuse Chief Judge Jones.

22           78. After successfully suppressing disclosure of the illicit romantic  
23 relationship, Chief Judge Jones continued to ensure that he would either preside over  
24 or mediate mega-bankruptcies filed by Jackson Walker, when circumstances  
25 required his recusal.

26 ///

27 ///

28 ///

1 **F. The Conspiracy Giving Rise to the Filing of the Fraudulent Scintilla and**  
2 **Sorrento Bankruptcies**

3 79. The Sorrento Bankruptcy Petitions were filed after the facts disclosed in  
4 the Anonymous Letter were known by the Bankruptcy Court and Jackson Walker,  
5 but had been concealed from public knowledge.

6 80. Keeping the facts disclosed in the Anonymous Letter secret was important  
7 to Jackson Walker because the Jones/Freeman relationship was a major precipitating  
8 factor in the law firm’s meteoric rise to becoming the top bankruptcy law firm  
9 practicing before the Bankruptcy Court.

10 81. Jackson Walker used Freeman’s unethical and unlawful back channel to  
11 Chief Judge Jones to receive lucrative compensation from the mega-bankruptcies  
12 they filed since the time she resigned as Chief Judge Jones’s permanent law clerk to  
13 become a partner at Jones Walker in 2018.

14 82. For example, text messages sent in May 2020 reveal the way Freeman as  
15 a partner of Jackson Walker manipulated the Bankruptcy Court. Freeman texted  
16 another lawyer at Jackson Walker stating she had contacted Chief Judge Jones three  
17 days before the filing of the JC Penney Chapter 11 bankruptcy: “Talked to Jones.  
18 He’s got us.”

19 83. Text messages exchanged between Jackson Walker lawyers in March  
20 2021 (that have been produced after the facts disclosed in the Anonymous Letter  
21 became public in October 2023) further reveal the significance of the secret romantic  
22 relationship on Jackson Walker’s leverage over the Bankruptcy Court.

23 84. Freeman stated in a text: “Jones has been softening up for this for a month”  
24 and “[w]e are keeping this down loooooooooowww[,]” to which another Jackson  
25 Walker lawyer replied: “Got it.”

26 85. These text messages reveal that Jackson Walker was fully aware of  
27 Freeman’s back channel to Chief Judge Jones and knowingly exploited it.

28 ///

1 86. Text messages also reveal that Jackson Walker’s senior management all  
2 “signed off” on a plan to keep the scandal a secret after the Anonymous Letter was  
3 received.

4 87. While Freeman never filed any formal retention application in the  
5 Sorrento bankruptcies, Jackson Walker and/or M3’s time records reveal that  
6 Freeman was in fact directly involved in the Debtors’ bankruptcies even after she  
7 resigned as a partner of Jackson Walker.

8 88. These time records reveal that the Debtors consulted Freeman on a  
9 number of key issues including a mediation with Dr. Patrick Soon-Shiong (who was  
10 the person with whom Ji carried on an ongoing feud resulting in the \$175 million  
11 judgment that allegedly precipitated the bankruptcy filings) and a number of his  
12 companies, including NantPharma, LLC, NantCell, Inc., and Immunotherapy  
13 NANTibody LLC (collectively, the “Nant Parties”), and that Ji, Meghji, M3 and  
14 Jackson Walker were aware of and/or participated in these consultations with  
15 Freeman.

16 89. The Debtors’ bankruptcies were not the only bankruptcy proceedings that  
17 were fraudulently manipulated in 2023. In late January 2023, right before the filing  
18 of the Debtors’ bankruptcies, both Freeman and Chief Judge Jones were in New  
19 York City conducting a mediation concerning another mega-bankruptcy (involving  
20 GWG) filed in the Bankruptcy Court.

21 90. Though the GWG mediation was scheduled for two days, it lasted less  
22 than four hours. Chief Judge Jones simply informed the parties in attendance that  
23 the bankruptcy was no longer going to pursue the goal of reorganization. Instead,  
24 the debtor was going to be liquidated.

25 91. According to the parties in attendance, before any party could inquire or  
26 argue in response, Jones advised that the judge overseeing the bankruptcy, Judge  
27 Isgur, was an old, dear friend who would do whatever Jones suggested.

28 ///

1 92. Thus, in GWG, there was no Chapter 11 reorganization or a formal  
2 conversion to Chapter 7, and Chief Judge Jones simply announced a liquidation,  
3 which was later approved by the Bankruptcy Court, all before the Jones/Freeman  
4 relationship was publicly disclosed.

5 93. With respect to Sorrento, on February 11, 2023, two days before the  
6 Scintilla and Sorrento Petitions were filed, a Zoom meeting was held between  
7 various attorneys (including Jackson Walker), Meghji, M3, Sorrento’s Executive  
8 Vice President and Chief Financial Officer (Elizabeth Czerepak) and Ji.

9 94. Czerepak (who had been hired for her years of biopharma C-suite  
10 experience) has stated in a sworn affidavit that she did not understand why Sorrento  
11 was filing for bankruptcy in Texas, and that when she asked Ji whether this was a  
12 proper course of action, Ji informed her that “the law firms know what they are doing  
13 and this is the best plan for us.”

14 95. Immediately before the Petition Date, Ji caused a distribution of shares of  
15 another Sorrento subsidiary, Defendant Scilex, to be made as a dividend to Sorrento  
16 shareholders. According to the Liquidation Trustee of Sorrento, Scilex owed \$290  
17 million to Sorrento, and “[h]ad that money had been paid to Sorrento, the bankruptcy  
18 case might not have been necessary.” The Liquidation Trustee stated: “Instead of  
19 paying that sum, however, Sorrento converted that \$290 million into shares [of  
20 Scilex] and, instead of using those shares to pay its creditors, Sorrento improperly  
21 distributed [Scilex] shares to Sorrento shareholders.” At all relevant times,  
22 Defendant Ji was in control of both Sorrento and Scilex, but the participants in the  
23 zoom meeting held February 11, 2023, said nothing and allowed the Scilex/Sorrento  
24 bankruptcies to be filed.

25 96. After the bankruptcies were filed on February 13, 2023, Czerepak was  
26 never consulted by Meghji or M3 on any material matters during the restructuring  
27 process despite their total lack of experience in the biopharma industry.

28 ///



102. A sampling of Sorrento’s drug, biologics and diagnostic research and development pipeline as of 2022 included:

Key Programs	Indication	Preclinical	Phase I	Phase II	Phase III/Pivotal	FDA Approval
<b>Pain</b>						
ZTido® 1.8%	Postherpetic Neuralgia - PHN					
Gloperba®	Treatment of Gout (Oral)					
SEMDEXA (SP-102)	Lumbar Radicular/Sciatica Pain					
SP-103 (Lidocaine Topical System 5.4%)	Acute Back Pain					
SP-104 (Delayed Burst Low Dose Naltrexone)	Fibromyalgia					
RTX (resiniferatoxin) Epidural injection	Intractable Pain in Advanced Cancer				Orphan designation	
RTX (resiniferatoxin) Intra-articular route	Moderate to Severe Knee OA Pain					

Key Programs	Indication	Preclinical	Phase I	Phase II	Phase III/Pivotal	FDA Approval
<b>Lymphatic Drug Delivery</b>						
Sofusa® anti-TNF	Autoimmune (RA)					
Sofusa® anti-PD-1	Cutaneous T-Cell Lymphoma (CTCL), Melanoma					
Sofusa® anti-CTLA-4	Melanoma			In partnership with Mayo Clinic		

Key Programs	Indication	Preclinical	Phase I	Phase II	Phase III/Pivotal	FDA Approval
<b>COVID-19 Programs</b>						
COVISTIX™ (diagnostic)	Rapid Antigen Test	Emergency Use Authorization (EUA) in Mexico (COFEPRIS), Brazil (ANVISA), and CE Marked in Europe				
COVIMARK™ (diagnostic)	Rapid Antigen Test	Application submitted in the US and Canada for Emergency Use Authorization (EUA)				
VIREX (diagnostic)	At Home Diagnostic				EUA Enabling Studies in Q3 2022	
COVIDROPS™	Neutralizing Antibody (Intranasal) in Outpatients					
COVISHIELD™ (treatment)	Neutralizing Antibody (IV) in Outpatients and Inpatients					
FUJOVEE™ (Abivertinib)	Severe COVID-19 in ICU Patients					Pivotal Trial Pending FDA Clearance
OQORY™ (COVI-MSC)	ARDS due to COVID-19 in ICU Patients					Pivotal Trial in Brazil
OVDISO (Oligotrelvir)	Anti-viral (Oral Pill)					
Omicron mRNA Vaccine	Vaccine					

<https://web.archive.org/web/20221210143726/https://sorrentotherapeutics.com/research/pipeline/>

(This R&D pipeline illustration excludes multiple other assets including certain phase 2/3 antibodies and antibody-drug conjugates, Sorrento’s GMAB antibody library, ACEA small molecule library, cell therapy intellectual property, patent library, drug/biologics manufacturing know-how and facilities, etc.).

1 103. In July 2023, Sorrento and its executive team, in conjunction with its  
2 “restructuring” advisors, created a business plan making projections regarding the  
3 future revenue of Sorrento.

4 104. This business plan forecast a projected \$2.1 billion in revenue by 2030  
5 based on estimated worldwide sales revenue.

6 105. Moreover, based on the products controlled by Sorrento, its patents, its  
7 R&D pipeline, and other revenue sources, Ji had affirmatively stated that the  
8 enterprise value of Sorrento was between \$100 billion and \$400 billion.

9 106. Utilizing these numbers, upon entering bankruptcy, Plaintiffs’ shares  
10 were worth at least \$1.2 billion.

11 **G. Defendants’ Conduct of the Affairs of the Compromised Bankruptcy**  
12 **Court Caused Direct Injury to Plaintiffs**

13 107. Because the Bankruptcy Court had been ethically compromised and the  
14 facts had been suppressed as alleged herein and did not become publicly known until  
15 October 2023, Defendants Ji, Meghji, and M3 seized the opportunity to use the  
16 compromised Bankruptcy Court to damage Plaintiffs as alleged herein after the  
17 bankruptcy petitions were filed in February 2023.

18 108. After the \$175 million adverse arbitration award was issued in late 2022,  
19 Ji caused Sorrento and Scintilla to retain Jackson Walker and file the Chapter 11  
20 proceedings in the Bankruptcy Court despite the fact Scintilla was not an operating  
21 business and both Sorrento and Scintilla had no business relationships in that venue.

22 109. Upon information and belief, Meghji, M3, Ji and Jackson Walker knew  
23 they could obtain favorable restructuring rulings from the Bankruptcy Court because  
24 of the illicit romantic relationship and because Meghji also had a prior relationship  
25 with Chief Judge Jones and Judge Lopez as evidenced by the lavish April 2022 party  
26 held in their honor in New York City.

27 ///

28 ///

1 110. As a critical part of the fraudulent scheme set forth herein, Jackson  
2 Walker then used its unethical back channel to Chief Judge Jones (which included  
3 having Meghji and M3 appointed Chief Restructuring Officer and Financial  
4 Advisor, respectively, when they had no relevant biopharma experience) that  
5 resulted in Ji using the Bankruptcy Court to enable him to misappropriate virtually  
6 all valuable assets of Sorrento for the benefit of Ji, Sorrento’s de facto controlling  
7 shareholder, CEO and Chairman , to the direct injury of Plaintiffs.

8 111. Defendants Ji, Meghji, M3 and Jackson Walker knew of and participated  
9 in the fraudulent scheme to manufacture bankruptcy jurisdiction in the Southern  
10 District of Texas and knew that their cases would be assigned to Chief Judge Jones  
11 because of Jackson Walker’s unethical and improper back channel in the Bankruptcy  
12 Court.

13 112. Indeed, records in the Debtors’ bankruptcy case show that Scintilla was  
14 first assigned to Judge Lopez but, in furtherance of the conspiracy to commit  
15 wrongful acts, as alleged herein, Jackson Walker took steps to ensure that Chief  
16 Judge Jones would assign the case to himself.

17 113. Ji has stated that Meghji and the lawyers “are all together, they all know  
18 the system,” which gives rise to the reasonable inference that Meghji, M3 and  
19 Jackson Walker used their personal relationships with Chief Judge Jones to have  
20 *ex parte* communications and force specific negative outcomes for Plaintiffs as  
21 alleged.

22 114. Defendants used the strategically selected, ethically compromised  
23 Bankruptcy Court to commit fraudulent acts constituting a pattern of wire fraud, mail  
24 fraud, and bankruptcy fraud, as alleged herein, to loot Sorrento of virtually all of  
25 Sorrento’s valuable assets, causing Plaintiffs to suffer significant damages.

26 115. Such negative outcomes include, but are not limited to: (1) the  
27 Judge Isgur-mediated Nant Parties’ settlement where Sorrento gave up a stake in  
28 ImmunityBio worth over \$400 million; (2) the delayed and diminished size of the

1 ImmuneOncia deal with Yuhan from \$50-80 million down to less than \$20 million  
2 with increased cost burdens for Sorrento when it had planned an initial public  
3 offering potentially worth \$1 billion months later; (3) *de minimis* asset sales for  
4 Sorrento’s stakes in Celularity, Elsie, and Cytimm that were sold (over the objection  
5 of the Equity Committee members) for an aggregate \$5 million when they were  
6 worth over \$100 million combined in present market value months later; and (4) the  
7 failed forced sale to Oramed Pharmaceuticals, Inc. that devalued Scilex Holdings, a  
8 Sorrento subsidiary in which Plaintiffs also had an equity stake through their  
9 ownership of Sorrento.

10 116. These transactions, some labelled “cram down” transactions in  
11 bankruptcy, were not the “best available” and were adverse to the best interests of  
12 Plaintiffs.

13 117. Defendants Ji, Meghji, M3 and Jackson Walker only pursued the above  
14 transactions because Ji held significant interests in the purchasers and/or otherwise  
15 personally benefitted from the transactions, and it was in furtherance of the  
16 conspiracy to file the bankruptcies in the Bankruptcy Court and loot the assets of  
17 Sorrento.

18 118. Ji has continued participating in the conspiracy without providing any  
19 meaningful information as evidenced by the following public disclosure made April  
20 1, 2026:

21 “**Scilex Holding Company** (the “Company”) has  
22 determined that it is unable, without unreasonable effort or  
23 expense, to file its Annual Report on Form 10-K **for the**  
24 **fiscal year ended December 31, 2025** (the “Form 10-K”) by March 31, 2026, the prescribed due date, because it  
25 requires more time to finalize its financial statements to be  
26 included in such Form 10-K, including **the consolidation**  
27 **of Vivasor Holding Company.**”

28 <https://scilexholding.gcs-web.com/node/10746/html>

///

///

1 119. Defendant Jackson Walker knowingly used Freeman’s relationship with  
2 Chief Judge Jones to back-channel communications with Chief Judge Jones and in  
3 furtherance of their scheme to effect an insider sale of Sorrento’s assets to Ji or “good  
4 friend[s of his]” for pennies on the dollar to the detriment of Plaintiffs.

5 120. M3 and Meghji were instrumental in allowing the Sorrento assets to be  
6 sold for pennies on the dollar, to the detriment of Plaintiffs.

7 121. While M3 and Meghji created a “data room” (ostensibly to provide  
8 access to diligence for potential purchasers of Sorrento assets to evaluate so they  
9 could determine whether to make a bid on Sorrento’s assets), M3 and Meghji  
10 intentionally refused certain potential bidders (which included certain Plaintiffs or  
11 their representatives) access to the data room, ensuring that legitimate bids that  
12 would properly value the assets were never made in the bankruptcy.

13 122. Mergers and acquisitions activity for cancer and immune companies has  
14 been incredibly strong over the last five years, with comparable companies being  
15 sold for hundreds of millions of dollars, up to over \$10 billion. Even licensing deals  
16 for specific molecules or antibodies have yielded multi-billion dollars for Sorrento’s  
17 joint development partners Kelun-Biotech, 3SBio, Escugen, etc.

18 123. Despite that, and as a result of M3 and Meghji’s role in the conspiracy,  
19 Ji was able to orchestrate low-ball offers to be made for the assets and obtain such  
20 assets for pennies on the dollar because legitimate, good-faith purchasers (including  
21 certain Plaintiffs) were precluded from conducting diligence and thus making offers  
22 on the assets.

23 124. The manner in which the assets were sold were in violation of fiduciary  
24 duties owed to Plaintiffs and pursuant to a pattern of racketeering as alleged herein.

25 125. As a result of the wrongful acts committed by Defendants as alleged  
26 herein, a vast majority of the valuable assets owned by Sorrento ended up under the  
27 control of Ji as of late 2023 and early 2024, and Defendants Meghji, M3 and Jackson  
28 Walker have been paid exorbitant or unjustified fees and compensation.

1           126. The injuries to Plaintiffs were caused by, without limitation: (a) the  
2 Bankruptcy-mediated Nant Parties’ settlement where Sorrento gave up a stake in  
3 ImmunityBio worth over \$400 million and the future royalties to a promising cancer  
4 therapy; (b) the decrease of the size of the ImmuneOncia deal with Yuhan from  
5 \$50-80 million down to less than \$20 million with increased cost burdens for  
6 Sorrento when Sorrento had planned a public offering potentially worth \$1 billion  
7 months later and gave up global rights to multiple antibody therapies worth  
8 significantly more; (c) the *de minimis* asset sales of Sorrento’s stakes in Celularity,  
9 Elsie, and Cytimm that were sold (over the objection of the Equity Committee  
10 members) for an aggregate of \$5 million when they were later valued at over \$100  
11 million; (d) the failed forced sale to Oramed Pharmaceuticals, Inc. where there was  
12 undisclosed conflicts that led to the (e) the sale of Sorrento’s stake in Scilex and  
13 Semnur that was valued at over \$3.6 billion based on Semnur’s spin-out into a  
14 separate public company when both former subsidiaries were able to raise over \$320  
15 million in dollars and cryptocurrency in exchange for a small minority of Semnur  
16 shares. In less than 2 years, Scilex has been able to pay Oramed over \$100 million  
17 in cash while freezing any value-creating advancements in its clinical pipeline  
18 because of the Sorrento bankruptcy-related misconduct and (f) the fire sale of  
19 virtually all remaining Sorrento assets to Vivasor for less than \$10 million in cash  
20 for therapies worth well over \$10 billion, given their successful advancements in  
21 clinical trials prior to and during the bankruptcy, resulting in market approval for 3  
22 different cancer indications and 1 antiviral indication.

23           127. These transactions were adverse to the best interests of Plaintiffs because  
24 it resulted in Plaintiffs receiving virtually nothing for their shares in Sorrento that  
25 were worth at a minimum \$50 to 100 million when the bankruptcies were filed, and,  
26 depending on certain valuations prepared with input from Sorrento executives, worth  
27 over \$1.2 billion in 2023. In contrast, Ji , Sorrento’s de facto controlling shareholder,  
28

1 benefited because he is the controlling shareholder of Vivasor, the purchaser of the  
2 assets at fire sale prices.

3 128. Meghji and M3 also actively limited access to the data room, thereby  
4 preventing buyers (including several Plaintiffs) who were interested in purchasing  
5 Sorrento's assets from performing necessary due diligence.

6 129. Defendants pursued the above transactions to the detriment of Plaintiffs  
7 because Ji held interests in the purchasers and/or otherwise personally benefitted  
8 from the transactions.

9 130. Other avenues to allow Sorrento to exit the Chapter 11 proceeding with  
10 all creditors paid and Sorrento's noncontrolling equity holders' interests intact were  
11 not pursued by Defendants Ji, Meghji, M3 and Jackson Walker. For example: (a) a  
12 proposal that would have produced \$250 million in value to Levena, a Sorrento  
13 subsidiary, was blocked by M3 as M3, in an unusual and not customary move,  
14 required the full \$250 million to be deposited in escrow to simply bid on the entity;  
15 (b) an offer to purchase or partly license the GMAB library was rejected without  
16 proper analysis; (c) M3 blocked and obstructed legitimate access for bidders to  
17 gather necessary information by slow playing approvals of nondisclosure  
18 agreements, which allowed Ji to be successful in achieving his fire sale purchase of  
19 assets; (d) Plaintiff Asfour was denied access to the data room despite his ability to  
20 purchase assets; (e) the lawyer representing the Equity Committee attempted to raise  
21 funds with a shareholder rights offering to satisfy the debt but was obstructed by  
22 Meghji; and (f) Meghji hid a viable plan offered by Shawn Sahebi, an executive at  
23 Sorrento, that would have funded Sorrento's reorganization with no dilution, simply  
24 deferring less than \$4 million of professional fees (which were over \$50 million at  
25 the time).

26 131. Despite all the above, none of which was properly analyzed and  
27 considered in the proceedings in the Bankruptcy Court and were based upon the  
28 statements in declarations of Meghji and the motion of Jackson Walker, the

1 Bankruptcy Court approved the sale of assets at a price that was a fraction of their  
2 fair market value.

3 **H. After the Illicit Romantic Relationship Became Publicly Known, the**  
4 **Bankruptcy Court Refused to Transfer or Dismiss the Sorrento**  
5 **Bankruptcy Upon Motion of the U.S. Trustee**

6 132. After Chief Judge Jones’ improper romantic relationship with Freeman  
7 became public, he resigned from the bench on October 16, 2023, to avoid further  
8 investigation into his wrongdoing.

9 133. This resignation had followed a formal inquiry by Chief Judge Priscilla  
10 Richman of the United States Court of Appeals for the Fifth Circuit that had begun  
11 shortly before the resignation, in which it was concluded that “there [was] probable  
12 cause to believe that misconduct by [Chief Judge Jones] has occurred” in the Chapter  
13 11 cases he presided over due to the undisclosed romantic relationship.

14 134. Despite this finding of the Fifth Circuit, the Bankruptcy Court assigned  
15 the Sorrento bankruptcy to Judge Lopez (who was also honored at the party in  
16 New York City hosted by Meghji in April 2022), and the Bankruptcy Court  
17 approved the proposed reorganization of Sorrento on November 30, 2023, which  
18 plan became effective on April 10, 2024.

19 135. Moreover, after the illicit romantic relationship became public and facts  
20 were uncovered about the manufactured venue created for the Sorrento bankruptcy,  
21 the U.S. Bankruptcy Trustee for the Bankruptcy Court filed a motion stating that the  
22 Bankruptcy Court had two options for the Sorrento bankruptcy: dismissal or transfer.

23 136. This motion was denied by Judge Lopez after conducting a hearing on  
24 March 11, 2024, at which Meghji was a critical witness.

25 137. At no time before or during the hearing did Judge Lopez disclose that he  
26 had been honored (together with the now discredited Chief Judge Jones) at a lavish  
27 party hosted by Meghji in New York City in April 2022.

28 ///

1           138. In addition, when an Equity Committee member asked Ji questions about  
2 the effect of the newly disclosed romantic relationship between Chief Judge Jones  
3 and Freeman in November 2023, Ji threatened immediate negative consequences to  
4 anyone raising such issues because Meghji had stated that any investigation would  
5 be quashed before it began and that the Sorrento bankruptcy would be immediately  
6 converted to a Chapter 7 liquidation.

7           139. In October/November 2023, Meghji also terminated Czerepak as  
8 Sorrento’s CFO, which removed Sorrento’s ability to file the necessary filings with  
9 the SEC to preserve Sorrento’s public company status.

10           140. Czerepak’s termination was also contrary to representations made by Ji,  
11 Meghji and their bankruptcy lawyers about reorganizing “strategically” and to  
12 “quickly” exit with “equity intact.”

13           141. In fact, the termination of Czerepak as CFO limited the way Sorrento  
14 could be reorganized. Czerepak’s duties as CFO included maintaining Sorrento’s  
15 status as a publicly traded company with the SEC, and her termination caused  
16 Sorrento’s status to lapse, forcing Sorrento to transfer to the OTC Expert Market, a  
17 designation that limits potential purchasers to institutions and accredited investors.  
18 Czerepak’s termination, therefore, directly resulted in further devaluation of  
19 Sorrento’s assets (to a fraction of one penny).

20           142. The Liquidation Trustee appointed by the Bankruptcy Court has also  
21 attempted to justify the refusal of the Bankruptcy Court to transfer the case to another  
22 bankruptcy court, stating “[i]f the case were moved to another jurisdiction , there  
23 would not have been time or funding to maintain the operations necessary to support  
24 the sale.”

25           143. While the U.S. Bankruptcy Trustee’s efforts to seek dismissal or transfer  
26 of the Sorrento bankruptcies proved to be futile, Defendants Meghji, M3, Ji and  
27 Jackson Walker, did not receive a general release from personal liability arising from  
28

1 actions they took during the bankruptcy proceedings if their acts involved willful  
2 misconduct, gross negligence, criminal conduct or fraud.

3 144. When Meghji filed a Declaration in Support of Debtors’ Chapter 11 Plan,  
4 which culminated in the sale of assets at a fire sale price on March 8, 2024, he  
5 expressly referenced this carve-out from future liability, ostensibly to avoid further  
6 inquiry into the effect the conflicts of interest identified herein had on the bankruptcy  
7 proceedings.

8 145. Thus, because of the carve-out provision, the bringing of litigation  
9 against Defendants Ji, Meghji, M3 and Jackson Walker by Plaintiffs in this action  
10 was not precluded when the fire sale price for the Sorrento assets was approved by  
11 the Bankruptcy Court in March 2024.

12 146. Moreover, the Liquidating Trustee appointed by the Bankruptcy Court  
13 has rejected requests made by Plaintiffs to file litigation against the Defendants  
14 named in this case, offering a myriad of excuses, which indicates an abandonment  
15 of the claims.

16 **II. CLAIMS FOR RELIEF**

17 **Count I**

18 **Racketeering Influenced Corrupt Organizations Act (“RICO”)**

19 **18 U.S.C. § 1962(c)**

20 **(Against RICO Defendants Ji, M3, Meghji and Jackson Walker)**

21 147. Plaintiff restates and realleges paragraphs 1 through 146 of this  
22 Complaint as if fully set forth herein.

23 148. Defendants Ji, M3, Meghji and Jackson Walker (collectively, “RICO  
24 Defendants”) are each a “person” capable of holding legal or beneficial interest in  
25 property within the meaning of 18 U.S.C. § 1962(c) and 18 U.S.C. § 1961(3).

26 149. Defendants each violated 18 U.S.C. § 1962(c) by their respective acts,  
27 described in the prior paragraphs and as further described below.

28 ///

1 150. Defendants each had the specific intent to violate 18 U.S.C. § 1962(c)  
2 and to commit each underlying predicate act alleged below.

3 151. Defendants each committed at least two predicate acts of racketeering,  
4 as more specifically alleged herein.

5 152. The acts of racketeering were not isolated; rather, they were related in  
6 that they had the same or similar purpose and result, participants, victims, or method  
7 of commission.

8 153. Further, the acts of racketeering have been continuous, spanning the  
9 period from at least as early as the first quarter of 2022 and continuing into 2025.

10 **A. The RICO Enterprises**

11 154. There are at least three RICO enterprises involved in the present action  
12 within the meaning of 18 U.S.C. § 1961(4) that was engaged in and affecting  
13 interstate commerce.

14 155. First, Sorrento, both before and after the Petition Date, until March 2024,  
15 was a corporation and is therefore an “enterprise.”

16 156. Second, and alternatively, the Bankruptcy Court constitutes an  
17 “enterprise” within the meaning of 18 U.S.C. § 1961(4) that was engaged in and  
18 affecting interstate commerce for a common and continuing purpose of providing a  
19 fraudulent forum for mega corporate reorganizations.

20 157. Third, and alternatively, Jackson Walker and the Bankruptcy Court  
21 formed an association-in-fact enterprise engaged in and affecting interstate  
22 commerce for a common and continuing purpose of taking control of debtors in  
23 mega bankruptcies (including Sorrento) and orchestrating asset sales at prices that  
24 were a fraction of their fair market value.

25 158. At all relevant times, there existed one or more enterprises within the  
26 meaning of 18 U.S.C. § 1964(4) (hereafter referred to as the “RICO Enterprise”).

27 159. At all relevant times, the RICO Defendants were employed by or  
28 associated with each RICO Enterprise, and the RICO Defendants each conducted or

1 participated, directly or indirectly, in the conduct of a RICO Enterprise’s affairs  
2 through a pattern of racketeering activity as alleged herein.

3 160. Each RICO Enterprise has an ascertainable structure separate and apart  
4 from the pattern of racketeering activity in which the Defendants engaged.

5 161. The Defendants are central and controlling persons conducting the  
6 affairs of each RICO Enterprise and have directed others to take actions necessary  
7 to accomplish the overall aims of each RICO Enterprise.

8 **B. The Pattern of Racketeering Activity**

9 162. The repeated and continuous violations of federal criminal law alleged  
10 in this Complaint constitute a “pattern of racketeering activity” in violation of RICO,  
11 18 U.S.C. § 1961, *et seq.*

12 163. The Defendants conducted or participated, directly or indirectly, in the  
13 conduct of each RICO Enterprise’s affairs through a pattern of racketeering activity,  
14 as defined by 18 U.S.C. § 1961(1) and (5), consisting of multiple acts of racketeering  
15 that are interrelated, not isolated, and perpetrated for the same or similar purposes  
16 by the same persons (the “RICO Pattern”).

17 **1. Mail and Wire Fraud, 18 U.S.C. §§ 1341, 1343**

18 164. Defendants carried out a fraudulent scheme using the mail and wires on  
19 numerous occasions in violation of 18 U.S.C. § 1341 and § 1343, and the fraudulent  
20 scheme included depriving Plaintiffs of their right to participate in fair and  
21 noncorrupted bankruptcy proceedings and the right to object to the fraudulent sale  
22 of valuable assets in conflicted transactions.

23 165. In furtherance of their fraudulent scheme, Defendants continually used  
24 the Internet, telephone, U.S. Mail, and other interstate commercial carriers, including  
25 as follows:

26 ///

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

- In April 2022, Meghji and M3 distributed by U.S. Mail and by email invitations to a private party at a swanky New York restaurant, Le Bernardin, touting that Chief Judge Jones and Judge Lopez would be guests of honor.
- Three days before the Petition Date, on February 10, 2023, Ji caused Sorrento to wire \$60,000 to a newly opened Signature Bank checking account in the name of Sorrento’s inactive Scintilla subsidiary.
- On February 11, 2023, a Jackson Walker lawyer rented a mailbox (the “UPS Mailbox”) on Scintilla’s behalf at a UPS Store located at 7 Switchbud Place, The Woodlands, Texas, which was used to receive mail.
- Also on February 11, 2023, a Zoom meeting was held between various attorneys (including Jackson Walker), Meghji, M3, Czerepak and Ji.
- The bankruptcies were filed on February 13, 2023, using the electronic filing system provided by the Bankruptcy Court.
- Telephone calls and emails were continuously made and received by Defendants throughout the bankruptcy proceedings on the dates listed in the Bankruptcy Court docket for the Sorrento bankruptcies for a period spanning February 2023 through 2025.
- In March 2023, Meghji directed M3 and counsel to send emails to the United States Trustee to provide requested information about the Debtors’ bank accounts and other information relating to the initial Debtor interview, and emails were sent on March 12, 2023.

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

- The wires were used to circulate by email and to file with the Bankruptcy Court the Asset Purchase Agreement dated March 8, 2024, which sale was approved by the Bankruptcy Court on the same date, under which assets were sold at greatly discounted prices (\$15.5 million, including outstanding DIP loan and \$5 promissory note).
- The RICO Defendants utilized the wires to facilitate Judge Lopez’s Order dated March 11, 2024, denying the United States Trustee’s Motion to Dismiss or Transfer, thereby keeping the bankruptcy proceedings in the Bankruptcy Court.
- Ji or his agents used the mails and wires in furtherance of transactions and events he described during a recorded telephone call on March 22, 2024, which related to his admitted control of the sale of Sorrento’s assets:

“During the bankruptcy, I helped, you know, identify most of the asset deals. And if we’re just listing some of the stuff that, as you know, the Scilex shares was overbid by Scilex, and we provided from the Scilex side the \$20 million sub-DIP. And the major sales are probably Yuhan and the Yuhan that deal was brought in by me and negotiated by the CRO.... I identified all of the deals, some of them executed and some of them not. Cellularity the CEO is a very good friend of mine and I facilitated the sale.”

1           **2.     *Bankruptcy Fraud***

2           166. RICO Defendants have committed multiple instances of bankruptcy  
3 fraud in violation of 18 U.S.C. § 152(2), 152(3) and 152(6), each of which also  
4 constitutes racketeering activity within the meaning of 18 U.S.C. § 1961(1).

5           167. Under 18 U.S.C. § 152(2), a defendant commits bankruptcy fraud if he  
6 or she “knowingly and fraudulently makes a false oath or account in or in relation to  
7 any case under title 11.”

8           168. Before October 2023, RICO Defendants committed acts of bankruptcy  
9 fraud on multiple occasions by knowingly and fraudulently declaring that they were  
10 not “interested parties” in cases before the Bankruptcy Court.

11           169. For example, Jackson Walker submitted on March 15, 2023, declarations  
12 of disinterestedness in the Sorrento bankruptcy, stating it was a disinterested party.  
13 Jackson Walker not only failed to disclose the unethical romantic relationship  
14 between Chief Judge Jones and Freeman, but in fact affirmatively represented the  
15 absence of any conflict of interest with respect to bankruptcy judges in the  
16 Bankruptcy Court.

17           170. The RICO Defendants also committed acts of bankruptcy fraud by  
18 continuing to file or authorize the filings of other pleadings and documents, without  
19 disclosing the improper romantic relationship and the fraud that was being  
20 perpetrated by the RICO Defendants before the relationship became known on  
21 October 2023.

22           171. Under 18 U.S.C. § 152(3), a defendant commits bankruptcy fraud if he  
23 or she “knowingly and fraudulently makes a false declaration, certificate,  
24 verification or statement under penalty of perjury . . . in or in relation to any case  
25 under Title 11.”

26           172. Each RICO Defendant engaged in predicate acts of bankruptcy fraud and  
27 conducted the affairs of a RICO enterprise as alleged and the filings in the corrupted  
28

1 Bankruptcy Court caused the fraudulent looting of valuable assets for the benefit of  
2 Ji and the payment of exorbitant compensation and fees to the RICO Defendants.

3 173. Each RICO Defendant committed acts of bankruptcy fraud by explicitly  
4 or implicitly representing or acknowledging that Jackson Walker, Ji, Meghji and M3  
5 were disinterested parties despite knowledge of the unethical romantic relationship  
6 between Chief Judge Jones and Freeman and the failure to remedy the disastrous  
7 effect the bankruptcy fraud had on the proceedings conducted in the tainted  
8 Bankruptcy Court and that the entire Sorrento bankruptcy proceedings were  
9 fraudulent, causing direct injury to Plaintiffs.

10 174. Under 18 U.S.C. § 152(6), a defendant commits bankruptcy fraud if he  
11 or she “knowingly and fraudulently gives, offers, receives, or attempts to obtain any  
12 money or property, remuneration, compensation, reward, advantage, or promise  
13 thereof for acting or forbearing to act in any cause under title 11.”

14 175. The RICO Defendants committed or participated in acts of bankruptcy  
15 fraud knowing Jackson Walker would receive favorable treatment for Ji in the  
16 Bankruptcy Court while they continued to conceal the intimate relationship between  
17 Chief Judge Jones and Freeman, and Meghji and M3’s hosting the expensive event  
18 honoring Chief Judge Jones and Judge Lopez held in April 2022. *See* 11 U.S.C.  
19 § 327, 328; Fed. R. Bankr. P. 5002.

20 **C. Predicate Acts and Pattern of Racketeering Caused Injuries.**

21 176. As described herein, the RICO Defendants’ commission of RICO  
22 predicate acts and the pattern of racketeering was the substantial and proximate  
23 cause of injury and damage to Plaintiffs.

24 177. Further, because RICO Defendants’ conduct targeted the federal  
25 judiciary and the bankruptcy process in particular, the judiciary’s responsibility to  
26 maintain and preserve the integrity of the bankruptcy process lessens Plaintiffs’  
27 burden to show a direct injury. The RICO Defendants’ commission of the predicate  
28 acts and the pattern of racketeering deprived Plaintiffs of their right to have their

1 financial interests litigated or otherwise considered in a fair and impartial bankruptcy  
2 forum.

3 178. As a proximate result of the predicate acts and pattern of racketeering  
4 activity alleged herein, including all filings and use of the mails and wires in the  
5 Sorrento bankruptcy proceedings held in the corrupted Bankruptcy Court, Plaintiffs  
6 have suffered direct damages in an amount to be determined by a jury.

7 179. Pursuant to 18 U.S.C. § 1964(c), Plaintiffs are entitled to recover treble  
8 damages plus costs and attorneys’ fees from the RICO Defendants.

9 **COUNT II**

10 **Conspiracy to Violate RICO, 18 U.S.C. § 1962(d)**

11 **(Against RICO Defendants Ji, M3, Meghji and Jackson Walker)**

12 180. Plaintiffs restate and re-allege paragraphs 1 through 179 of this  
13 Complaint as if fully set forth herein

14 181. The RICO Defendants have unlawfully, knowingly and willfully  
15 combined, conspired, confederated and agreed together and with others to violate  
16 18 U.S.C. § 1962(c) as described above, in violation of 18 U.S.C. § 1962(d).

17 182. The RICO Defendants knew that they were engaged in a conspiracy to  
18 commit the predicate acts of mail and wire fraud and of bankruptcy fraud, and the  
19 participation and agreement of each of them was necessary to allow the commission  
20 of this pattern of racketeering activity.

21 183. Each RICO Defendant agreed to conduct or participate, directly or  
22 indirectly, in the conduct, management, or operation of each RICO Enterprise’s  
23 affairs through a pattern of racketeering activity in violation of 18 U.S.C. § 1962(c).

24 184. As a direct and proximate result of RICO Defendants’ conspiracy to  
25 violate 18 U.S.C. § 1962(d) and the overt acts taken in furtherance of that  
26 conspiracy, Plaintiffs have been damaged in their business and property in an  
27 amount to be determined at trial.

28

1 185. Pursuant to 18 U.S.C. § 1964(c), Plaintiffs are entitled to recover treble  
2 damages plus costs and attorneys' fees from the RICO Defendants.

3 **COUNT III**

4 **Breach of Fiduciary Duty**

5 **(Against Defendant Ji as de facto controlling shareholder, Chairman of the**  
6 **Board and Chief Executive Officer)**

7 186. Plaintiffs restate and re-allege paragraphs 1 through 146 of this  
8 Complaint as if fully set forth herein.

9 187. At all relevant times, Ji exercised dominion and ultimate total control  
10 over Sorrento and its subsidiaries.

11 188. As de facto controlling shareholder, Chairman of the Board of Directors,  
12 and Chief Executive Officer of Sorrento, Ji owed fiduciary duties of due care and  
13 loyalty to Plaintiffs and was required to discharge his duties in good faith, with the  
14 care an ordinarily prudent person in a like position would exercise under similar  
15 circumstances, and in a manner, he reasonably believed to be in the best interests of  
16 Plaintiffs.

17 189. Ji violated the fiduciary duties of care, loyalty, candor, good faith and  
18 independence owed to Plaintiffs and has acted to put his personal interests ahead of  
19 the interests of Sorrento's noncontrolling shareholders.

20 190. Ji breached his fiduciary duties as director, officer, or person in control  
21 of Sorrento by, among other things, (a) directing the Debtors and their directors and  
22 officers in a manner detrimental to Sorrento's noncontrolling shareholders, in  
23 violation of his duties of due care, loyalty, and good faith, (b) directing the Debtors  
24 and their officers to use corporate assets to acquire properties for his personal  
25 benefit, in violation of his duties of due care, loyalty, and good faith;  
26 (c) orchestrating the diversion of Sorrento's assets to Ji or entities owned or  
27 controlled by Ji in violation of his duties of due care, loyalty, and good faith;  
28

1 (4) entering into purchase transactions without regard to the fairness of the  
2 transactions to the injury to Plaintiffs.

3 191. Ji’s breaches of fiduciary duty, including his breaches of due care,  
4 loyalty, and good faith, proximately caused Plaintiffs to suffer injury, in an amount  
5 to be determined at trial.

6 **COUNT IV**

7 **Aiding and Abetting Breach of Fiduciary Duty**

8 **(Against Defendants M3, Meghji , Jackson Walker, Vivasor, Scilex and**  
9 **Semnur)**

10 192. Plaintiffs restate and reallege paragraphs 1 through 144 and 186 through  
11 189 of this Complaint as though fully set forth herein.

12 193. Defendants M3, Meghji and Jackson Walker knew that Ji owed fiduciary  
13 duties as de facto controlling shareholder, Chief Executive Officer and Chairman of  
14 the Board of Sorrento.

15 194. Defendants M3, Meghji and Jackson Walker knowingly substantially  
16 assisted Ji in violating his fiduciary duties by taking the actions described herein.

17 195. As set forth herein, Defendants M3, Meghji ,Jackson Walker, Vivasor,  
18 Scilex, and Semnur engaged in substantially assisting Ji in violating his fiduciary  
19 duties to advance their own financial and personal interests.

20 196. As a direct and proximate result of Ji’s breach of fiduciary duty and  
21 Defendants M3, Meghji and Jackson Walker’s aiding and abetting of such breach,  
22 Plaintiffs have suffered damages in an amount to be determined at trial.

23 **COUNT V**

24 **Violation of California Penal Code Section 496**

25 **(Against Defendants Ji, M3, Meghji, Vivasor, Scilex and Semnur)**

26 197. Plaintiffs restate and re-allege paragraphs 1 through 183 of this  
27 Complaint as if fully set forth herein.

28 ///

1 198. Penal Code Section 496(a) provides that “[e]very person who buys or  
2 receives any property that has been stolen or that has been obtained in any manner  
3 constituting theft or extortion, knowing the property to be stolen or obtained, or who  
4 conceals, sells, withholds, or aids on concealing, selling, or withholding any property  
5 from the owner, knowing the property to be so stolen or obtained, shall be punished  
6 by imprisonment in a state prison, or in a county jail for not more than one year.”

7 199. A criminal conviction under Penal Code Section 496(a) is not a  
8 prerequisite to recovery of treble damages under Section 496(e). The phrase “any  
9 manner constituting theft” under Section 496(a) includes theft by fraudulently  
10 appropriating property, false pretense, and other statutorily enumerated bases.

11 200. As of the date of the filing of this Complaint, Defendants Ji, Scilex,  
12 and/or Semnur are illegally in possession of an amount to be determined by a jury  
13 due to Defendants’ fraudulent concealment. In so doing, the Defendants Ji, Scilex,  
14 and/or Semnur knowingly received and concealed Plaintiffs’ property. Further,  
15 Defendants Ji, Scilex, and/or Semnur acted with careful planning and deliberation  
16 reflecting the requisite criminal intent.

17 201. As a direct, foreseeable, and proximate result of the violation of Penal  
18 Code Section 496(a) by said Defendants, Plaintiffs have suffered damages in an  
19 amount to be proven at trial. Additionally, as a result of the acts of said Defendants,  
20 Plaintiffs were forced to retain legal counsel and have incurred legal fees and costs.

21 202. Pursuant to Penal Code Section 496(c), Plaintiffs bring this action and  
22 seek three times the amount of actual damages, interest and all reasonable attorneys’  
23 fees.

24 **COUNT VI**

25 **Breach of Fiduciary Duty**

26 **(Against Individual Directors)**

27 203. Plaintiffs restate and re-allege paragraphs 1 through 146 of this  
28 Complaint as if fully set forth herein.

1           204. As directors of Sorrento, the Individual Directors owed fiduciary duties  
2 to Sorrento and to its noncontrolling shareholders, including Plaintiffs.

3           205. The Individual Directors were all beholden to Ji and failed to conduct  
4 oversight of Ji when he committed the actions that resulted in the filing of the  
5 bankruptcies in the Bankruptcy Court in a forum that had no connection with the  
6 business of Sorrento, approving the distribution of the Scilex shares immediately  
7 before the Petition Date when they knew the bankruptcy filings would immediately  
8 follow, knowing or should have known that Scilex’s payment of its \$290 million  
9 receivable would have obviated any need to file for bankruptcy, and allowing Ji,  
10 Meghji and M3 to continue unchecked when they conducted the affairs of Sorrento  
11 after the filing of the bankruptcies, when it was obvious that the results achieved in  
12 the bankruptcies were disastrous to Plaintiffs, who were noncontrolling  
13 shareholders.

14           206. Moreover, the Individual Directors breached their fiduciary duties before  
15 bankruptcy was filed by Sorrento by, among other things:

- 16           • Approving a Debt Exchange Agreement pursuant to which  
17 Sorrento contributed indebtedness to Scilex (approximately \$290  
18 million) in exchange for preferred shares of Scilex with a  
19 liquidation preference, payable only in certain circumstances.
- 20           • Approving Sorrento’s unconditional and irrevocable guarantee, on  
21 a senior unsecured basis, to Scilex’s heavily discounted offering  
22 of its note, causing Sorrento to make at least \$91.4 million in cash  
23 payments to Scilex between February and September 2022.
- 24           • Approving the acquisition of a 50% equity interest in Cytimm  
25 Therapeutics, Inc. for \$2.5 million. At the time of the investment,  
26 Ji was the chairperson of Cytimm’s board. As part of the  
27 acquisition, Cytimm offered to make Ji CEO of Cytimm and  
28 offered him 10% equity in Cytimm.

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

- Approving the acquisitions of Aardvark Therapeutics, Inc., Deverra Therapeutics, Inc., Zhengzhou Fortune Bioscience Co., ACEA Therapeutics, Inc., and Virex Health, Inc., all of which had or resulted in clear conflicts of interest and ultimately benefitted Ji.
- Approving a \$10 million investment in Elsie Biotechnologies, Inc. in 2021 for ten million preferred shares, resulting in Ji being appointed to the board of Elsie. Sorrento wrote down its entire \$10 million investment in Elsie in 2022, one year after the investment.

207. The above breaches of fiduciary duty were part of the overall conspiracy to position Sorrento for a fraudulent bankruptcy with the goal of funneling all assets to Ji and Vivasor, to the detriment and harm of Plaintiffs.

208. The Individual Directors further breached these fiduciary duties by, among other things, engaging in the conspiracy with Jackson Walker, Ji, Meghji, and M3 to put Sorrento into a fraudulent bankruptcy in Texas in order to allow Ji and Vivasor to “purchase” the Sorrento assets at fire sale prices for their own benefit and to the direct injury and detriment of Plaintiffs.

209. The Individual Directors have engaged in conscious wrongdoing in approving unfair self-dealing transactions as alleged herein and thus breached their duties to Plaintiffs by failing to prevent the harm incurred by Plaintiffs.

210. As a result of the Individual Directors’ breaches of their fiduciary duties to Plaintiffs, Plaintiffs have been damaged in an amount to be determined at trial.

**III. PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs’ seek a judgment against Defendants awarding the following relief: For an award of general damages in the amount to be determined at trial and estimated to be at least \$100 million, treble damages pursuant to 18 U.S.C. § 1964(c) and California Penal Code Section 496, disgorgement of monies

1 wrongfully received by Defendants as a result of their wrongful conduct toward  
2 Plaintiffs, punitive damages, attorneys’ fees, and costs, and for such other relief as  
3 the Court deems just and equitable.

4 Dated: April 3, 2026

**KUTAK ROCK LLP**

6 By: /s/ Bradley P. Boyer

7 Bradley P. Boyer  
8 Attorneys for Plaintiffs  
9 ETHAN MEVI, ENRIQUE  
10 CURBELLO, BRUCE BRADLEY,  
11 MICHAEL BROOME, CYNTHIA  
12 BROOME, ALADDIN ASFOUR,  
13 KYLE HODES, JENNIFER HODES,  
14 ALEXANDER ESPALIN, MOAYAD  
15 ALTAHHAN, SHAWN FRANZ,  
16 LEO KISHKO, and AC  
17 CHOUDHURY

14 **DEMAND FOR JURY**

15 Plaintiffs hereby demand a jury trial as provided by Rules 38(a) and 38(b) of  
16 the Federal Rules of Civil Procedure and Civil Local Rule 38.1.

17 Dated: April 3, 2026

**KUTAK ROCK LLP**

19 By: /s/ Bradley P. Boyer

20 Bradley P. Boyer  
21 Attorneys for Plaintiffs  
22 ETHAN MEVI, ENRIQUE  
23 CURBELLO, BRUCE BRADLEY,  
24 MICHAEL BROOME, CYNTHIA  
25 BROOME, ALADDIN ASFOUR,  
26 KYLE HODES, JENNIFER HODES,  
27 ALEXANDER ESPALIN, MOAYAD  
28 ALTAHHAN, SHAWN FRANZ,  
LEO KISHKO, and AC  
CHOUDHURY

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS, ETHAN MEVI, an individual, ENRIQUE CURBELLO, an individual, BRUCE BRADLEY, an individual, MICHAEL BROOME, an individual, CYNTHIA BROOME, an individual, ALADDIN ASFOUR, an individual, KYLE HODES, an individual, JENNIFER HODES, an individual, ALEXANDER ESPALIN, an individual, MOAYAD ALTAHHAN, an individual, SHAWN FRANZ, an individual, LEO KISHKO, an individual,; and AC CHOUDHURY, an individual

(b) County of Residence of First Listed Plaintiff Alameda, CA (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number) Bradley P. Boyer (SBN 179430); KUTAK ROCK LLP, Tel: 213.312.4000 777 S. Figueroa Street, Suite 4550, Los Angeles, CA 90017

DEFENDANTS, HENRY JI, an individual, M3 ADVISORY PARTNERS, L.P., a Delaware limited partnership, MOHSIN MEGHJI, an individual, JACKSON WALKER LLP, a limited liability partnership, DORMAN FOLLOWWILL, an individual, KIM D. JANDA, an individual, DAVID LEMUS, an individual, TAMMY REILLY, an individual, JAISIM SHAH, an individual, and YUE ALEXANDER WU, an individual; Scilex Holding Company, a corporation; and Semnur Pharmaceuticals, Inc., a corporation.

County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

'26CV2113 DMS DEB

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff, 2 U.S. Government Defendant, 3 Federal Question (U.S. Government Not a Party), 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship: Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation.

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: Nature of Suit Code Descriptions.

Large table with categories: CONTRACT, REAL PROPERTY, CIVIL RIGHTS, PERSONAL INJURY, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, INTELLECTUAL PROPERTY RIGHTS, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding, 2 Removed from State Court, 3 Remanded from Appellate Court, 4 Reinstated or Reopened, 5 Transferred from Another District (specify), 6 Multidistrict Litigation - Transfer, 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

18 U.S.C. § 1962(C), (D)

Brief description of cause:

Violations of Racketeering Influenced Corrupt Organizations Act ("RICO") 18 U.S.C. § 1962(C)

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.

DEMAND \$ In excess of \$100 million

CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE DOCKET NUMBER

DATE April 3, 2026 SIGNATURE OF ATTORNEY OF RECORD /s/ Bradley P. Boyer

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

In re:	)	
	)	Chapter 11
	)	
SORRENTO THERAPEUTICS, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 23-90085 (CML)
	)	
Debtors.	)	(Jointly Administered)

**ORDER GRANTING LIQUIDATING TRUSTEE’S EMERGENCY MOTION TO ENFORCE THE PLAN OF REORGANIZATION AGAINST THE CALIFORNIA PLAINTIFFS AND SUPPLEMENTAL REQUEST FOR RELIEF**

Upon consideration of the Liquidating Trustee’s Joinder in Emergency Motion to Enforce the Plan of Reorganization Against the California Plaintiffs and Supplemental Request for Relief (the “Trustee’s Motion”) filed by David Weinoffer, in his capacity as Liquidating Trustee of the Sorrento Therapeutics, Inc. et al., Liquidating Trust, and the M3 Movants’ Emergency Motion to Enforce the Plan of Reorganization Against the California Plaintiffs [Dkt. No. 2674] (the “M3 Motion”); the declarations, exhibits, and other evidence submitted in support thereof; any responses or objections filed; the arguments of counsel at the hearing held on this matter; and the Court being otherwise fully advised in the premises, the Court hereby finds and concludes as follows:

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.

This is a core proceeding under 28 U.S.C. § 157(b)(2).

2. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

---

<sup>1</sup> The Debtor entities in these chapter 11 cases, along with the last four digits of each Debtor entity’s federal tax identification number, are: Sorrento Therapeutics, Inc. (4842) and Scintilla Pharmaceuticals, Inc. (7956). The Debtors’ service address is: 4955 Directors Place, San Diego, CA 92121.

3. The Confirmation Order<sup>2</sup> approved and incorporated the Plan and Plan Supplement and transferred to the Trust all of the Debtors' Causes of Action, including the exclusive right, authority, and discretion to initiate, prosecute, settle, or litigate any such Causes of Action.

4. The claims asserted in the complaint styled *Ethan Mevi, et al. v. Henry Ji, et al.*, Case No. 26-cv-02113-DMS-DEB, pending in the United States District Court for the Southern District of California (the "California Lawsuit"), are derivative claims that seek to redress harm inflicted upon Sorrento Therapeutics, Inc. and the Debtors' estates, not direct claims belonging to the California Plaintiffs individually.

5. The claims asserted in the California Lawsuit — including the RICO claims, breach of fiduciary duty claims, aiding and abetting breach of fiduciary duty claim, and California Penal Code Section 496 claim — are Causes of Action that were transferred to and vested in the Trust upon the Effective Date and are owned exclusively by the Trust.

6. The California Plaintiffs violated the Confirmation Order by filing the California Lawsuit to prosecute Causes of Action that belong exclusively to the Trust.

7. The California Plaintiffs acted in bad faith by filing the California Lawsuit with knowledge of the Bankruptcy Cases, the Plan, the Confirmation Order, and the Trust's exclusive ownership of the Causes of Action asserted therein.

8. Good and sufficient cause exists for the relief granted herein pursuant to 11 U.S.C. § 105(a) and the Court's inherent authority to enforce its own orders.

Based upon the foregoing findings, and for good cause shown, **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that:

---

<sup>2</sup> Unless otherwise defined herein, capitalized terms shall have the meanings set forth in the Trustee's Joinder.

9. The Trustee's Motion is **GRANTED**.

10. The claims asserted in the California Lawsuit — including the breach of fiduciary duty claims, RICO claims under 18 U.S.C. §§ 1962(c) and (d), the, the aiding and abetting breach of fiduciary duty claim, and the California Penal Code Section 496 claim — are hereby **DECLARED** to be Causes of Action owned exclusively by the Trust, which were transferred to and vested in the Trust upon the Effective Date pursuant to the Plan, the Plan Supplement, and the Confirmation Order.

11. The California Plaintiffs (Ethan Mevi, Enrique Curbello, Bruce Bradley, Michael Broome, Cynthia Broome, Aladdin Asfour, Kyle Hodes, Jennifer Hodes, Alexander Espalin, Moayad Altahhan, Shawn Franz, Leo Kishko, and AC Choudhury), and all persons and entities acting in concert with them, are hereby **ENJOINED** from further prosecuting the California Lawsuit, styled *Ethan Mevi, et al. v. Henry Ji, et al.*, Case No. 26-cv-02113-DMS-DEB, or any other action asserting Causes of Action belonging to the Trust, pending further order of this Court.

12. The California Plaintiffs are hereby **DIRECTED** to take any actions required to dismiss with prejudice all claims in the California Lawsuit that assert Causes of Action belonging to the Trust, including all claims against Directors and Officers of Sorrento and all claims asserting damages experienced derivatively through the California Plaintiffs' status as shareholders of Sorrento, within fourteen (14) days of entry of this Order.

13. In the event the California Plaintiffs fail to comply with Paragraph 12 of this Order within fourteen (14) days of entry, the Trustee or the M3 Movants may file a certified copy of this Order with the United States District Court for the Southern District of California to effectuate dismissal of the California Lawsuit.

14. The California Plaintiffs and their counsel, Kutak Rock LLP, are hereby ordered, jointly and severally, to pay to the Trust monetary sanctions in the amount of \$\_\_\_\_\_ as compensation for the Trust's and the Trustee's reasonable attorney's fees, costs, and expenses incurred in connection with the Motions and the enforcement of the Trust's exclusive ownership of the Causes of Action asserted in the California Lawsuit. Such amount shall be paid within thirty (30) days of entry of this Order.

15. The Court retains jurisdiction to enforce, interpret, and implement the terms and provisions of this Order and to adjudicate any disputes arising hereunder.

Dated: \_\_\_\_\_, 2026  
Houston, Texas

\_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE