

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF OREGON

Shoujing Zhou and Nathen W. Barton v. Ting Fu, Ye Ying Zhao, HEA Inc., Hong Li, Jie Huang, Wei Liu, Xiaomin Zhang, Dan Yu, and John Does 1-10

Case No. 3:24-cv-01944-AB · No. 3:24-cv-01944-AB · Decided December 18, 2025

SUMMARY

The United States District Court for the District of Oregon addresses Defendants’ motion to dismiss and strike portions of an amended complaint alleging fraud, unlawful business practices, unjust enrichment, breach of contract, RICO violations, and unregistered securities sales arising from an alleged foreign-currency investment scheme. The court dismisses all claims against Defendants Wei Liu and Dan Yu, with leave to amend, and dismisses the breach-of-contract claim against Defendants Ye Ying Zhao, Hong Li, and Xiaomin Zhang. The court denies the remaining portions of the motion addressed in the excerpt, including the challenge to the timeliness of the Oregon Unlawful Trade Practices Act claim.

CASE DETAILS

COURT	United States District Court for the District of Oregon
WRITING FOR THE COURT	Amy M. Baggio
JURISDICTION	United States District Court for the District of Oregon
DECIDED	December 18, 2025
DOCKET	3:24-cv-01944-AB
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiffs filed an amended complaint asserting fraud, Oregon Unlawful Trade Practices Act violations, fraudulent misrepresentation, unjust enrichment, breach of contract, RICO claims, and securities claims. Defendants moved under Federal Rules of Civil Procedure 12(b)(6) and 12(f) to dismiss claims and strike portions of the amended complaint.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts material factual allegations as true and construes them in the light most favorable to the non-moving party, asking whether the complaint states a plausible claim for relief. Self-represented pleadings are liberally construed, and dismissal without leave to amend is proper only when the deficiencies

	cannot be cured. Under Rule 12(f), the court may strike redundant, immaterial, impertinent, or scandalous matter, but should not resolve disputed and substantial factual or legal issues and generally views motions to strike with disfavor.
PRECEDENTIAL VALUE	unknown
PARTIES	Shoujing Zhou, Nathen W. Barton v. Ting Fu, Ye Ying Zhao, HEA Inc., Hong Li, Jie Huang, Wei Liu, Xiaomin Zhang, Dan Yu, John Does 1-10

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QUESTIONS PRESENTED

1. Whether the claims against Yu and Liu were adequately pleaded where plaintiffs primarily alleged their marital relationships to other defendants and did not particularize their individual participation in the alleged fraud.
2. Whether plaintiffs' Oregon Unlawful Trade Practices Act claim was barred by the one-year discovery-based statute of limitations.
3. Whether plaintiffs sufficiently pleaded unjust enrichment claims against Huang, Zhao, Li, and Zhang.
4. Whether plaintiffs could assert breach of contract claims against Zhao, Li, and Zhang when they were not alleged to be parties to the contracts between Zhou and Fu or Huang.
5. Whether allegations concerning Fu's prior criminal history and attached WeChat screenshots and voice-message transcripts should be stricken under Rule 12(f).
6. Whether plaintiffs should be required to file a shorter second amended complaint under Rule 8.

HOLDINGS

1. The court dismissed all claims against Yu and Liu because plaintiffs did not adequately allege that either defendant participated in the alleged wrongdoing, and the fraud-based claims failed to satisfy Rule 9(b)'s particularity requirement.
2. The UTPA claim was not time-barred at the pleading stage because plaintiffs sufficiently alleged that they discovered the alleged unlawful conduct in early 2024, less than one year before filing suit.
3. Plaintiffs sufficiently pleaded unjust enrichment claims against Huang, Zhao, Li, and Zhang because they alleged that each defendant benefited from individual material misrepresentations concerning Fu's foreign-currency trading business.

4. The court dismissed the breach of contract claim against Zhao, Li, and Zhang because plaintiffs did not allege that any of those defendants was a party to either contract at issue and did not identify an applicable exception.
5. The court struck allegations concerning Fu's prior criminal history because they were immaterial and scandalous under Rule 12(f).
6. The court struck the WeChat screenshots and voice-message transcripts because they were evidentiary, redundant or immaterial, and not written instruments within Rule 10(c).

KEY QUOTATIONS

“Rule 9(b) does not allow a complaint to merely lump multiple defendants together but ‘requires plaintiffs to differentiate their allegations when suing more than one defendant . . . and inform each defendant separately of the allegations surrounding his alleged participation in the fraud.’” (Discussion § I.A)

“Through these investigations, discoveries, and growing suspicions, Plaintiffs sufficiently plead that they discovered Defendants’ alleged fraud at some point in early 2024.” (Discussion § I.B)

“The Court GRANTS IN PART and DENIES IN PART Defendants’ Motion to Dismiss and Strike [71].”
(Conclusion)

FACTUAL BACKGROUND

Plaintiffs alleged that over approximately two years they transferred substantial sums of money to defendants in connection with a purported foreign-currency trading business, believing the funds were loans or investments that would generate returns. They alleged that Fu and Huang solicited or induced the transfers through promises of repayment and high returns, while Zhao, Li, Zhang, and others made related representations or assisted the enterprise. Plaintiffs alleged that they began discovering the alleged fraud in early 2024 and filed suit on November 20, 2024.

PROCEDURAL HISTORY

The case was before the District of Oregon on defendants' motion to dismiss and strike the amended complaint. The court had previously dismissed Defendant Song Zhang and later entered default against HEA, Inc.; the pending motion was treated as brought by the non-defaulting individual defendants. The court granted the motion in part, denied it in part, granted leave to amend, and imposed a fifty-page limit on the second amended complaint.

DISPOSITION

other

CASES CITED

- Navarro v. Block, 250 F.3d 729, 732 (9th Cir. 2001)
- Wilson v. Hewlett-Packard Co., 668 F.3d 1136, 1140 (9th Cir. 2012)

- *Ashcroft v. Iqbal*, 556 U.S. 662, 678-79 (2009)
- *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007)
- *Wolfe v. Strankman*, 392 F.3d 358, 362 (9th Cir. 2004)
- *Ferdik v. Bonzelet*, 963 F.2d 1258, 1261 (9th Cir. 1992)
- *Lucas v. Department of Corrections*, 66 F.3d 245, 248 (9th Cir. 1995)
- *Whittlestone, Inc. v. Handi-Craft Co.*, 618 F.3d 970, 973-74 (9th Cir. 2010)
- *Legal Aid Services of Oregon v. Legal Services Corp.*, 561 F. Supp. 2d 1187, 1189 (D. Or. 2008)
- *City of Portland v. Iheanacho*, No. 3:17-cv-0401-AC, 2018 WL 1426564, at *2 (D. Or. Mar. 13, 2018)
- *Patapoff v. Vollstedt's, Inc.*, 267 F.2d 863, 865 (9th Cir. 1959)
- *In re Wal-Mart Stores, Inc. Wage & Hour Litigation*, 505 F. Supp. 2d 609, 614 (N.D. Cal. 2007)
- *Blevins v. Phillips*, 218 Or. 121, 126-27, 343 P.2d 1110 (1959)
- *Smith v. Smith*, 205 Or. 286, 293-94, 287 P.2d 572 (1955)
- *Kowaleski v. Kowaleski*, 227 Or. 45, 57-58, 361 P.2d 64 (1961)
- *United States v. Corinthian Colleges*, 655 F.3d 984, 998 (9th Cir. 2011)
- *Doe 1 v. Lake Oswego School District*, 353 Or. 321, 333, 297 P.3d 1287 (2013)
- *Kaseberg v. Davis Wright Tremaine, LLP*, 351 Or. 270, 278, 265 P.3d 777 (2011)
- *Morris v. Dental Care Today, P.C.*, 306 Or. App. 259, 261, 473 P.3d 1137 (2020)
- *Bodin v. B. & L. Furniture Co.*, 42 Or. App. 731, 734, 601 P.2d 848 (1979)
- *Pearson v. Philip Morris, Inc.*, 358 Or. 88, 137, 361 P.3d 3 (2015)
- *Mathies v. Hoeck*, 284 Or. 539, 543, 588 P.2d 1 (1978)
- *Linebaugh v. Portland Mortgage Co.*, 116 Or. 1, 14, 239 P. 196 (1925)
- *Wood v. Baker*, 217 Or. 279, 287, 341 P.2d 134 (1959)
- *McAllister Construction Co. v. Liu*, 343 Or. App. 53, 59, 578 P.3d 190 (2025)
- *Adelsperger v. Elkside Development LLC*, 371 Or. 61, 72, 529 P.3d 230 (2023)
- *Huskey v. Oregon Department of Corrections*, 373 Or. 270, 276, 564 P.3d 142 (2025)
- *Granewich v. Harding*, 329 Or. 47, 58, 985 P.2d 788 (1999)
- *Bonds v. Landers*, 279 Or. 169, 566 P.2d 513 (1977)
- *Moreno v. USG Corp.*, No. 06-CV-2196BPCL, 2007 WL 951301, at *1 (S.D. Cal. Mar. 29, 2007)
- *G-I Holdings, Inc. v. Baron & Budd*, 238 F. Supp. 2d 521, 555 (S.D.N.Y. 2002)
- *Brizuela v. City of Sparks*, No. 3:19-CV-00692-MMD-WGC, 2021 WL 4150936, at *11 (D. Nev. Sept. 13, 2021)
- *Perez v. County of Los Angeles*, No. CV 22-7696 SVW (AS), 2024 WL 3280697, at *2-3 (C.D. Cal. June 3, 2024)
- *Mora v. City of Chula Vista*, No. 20CV779-GPC(AGS), 2021 WL 1165054, at *8 (S.D. Cal. Mar. 26, 2021)
- *Kelley v. Rambus, Inc.*, 384 F. App'x 570, 572 (9th Cir. 2010)

