

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH

Peter Sullivan v. Kevin Tang and Clean Seat, a Utah partnership, dba
CLEANA

Sullivan · No. 2:25-cv-01120-DBB-CMR · Decided June 10, 2026

SUMMARY

The United States District Court for the District of Utah considers motions to dismiss claims arising from an alleged Utah general partnership formed by Peter Sullivan and Kevin Tang. The court addresses service of process, venue, transfer, partnership interests, fiduciary duties, and contract claims concerning Sullivan’s alleged buyout following dissociation and the subsequent sale of the business.

CASE DETAILS

COURT	United States District Court for the District of Utah
WRITING FOR THE COURT	David Barlow
JURISDICTION	United States District Court for the District of Utah
DECIDED	June 10, 2026
DOCKET	2:25-cv-01120-DBB-CMR
DISPOSITION	other
PROCEDURAL POSTURE	Defendants moved to dismiss removed state-court claims under Federal Rules of Civil Procedure 12(b)(3), 12(b)(4), 12(b)(5), and 12(b)(6). The court granted the motions in part and denied them in part.
STANDARD OF REVIEW	Under Rules 12(b)(3), 12(b)(4), and 12(b)(5), the court evaluated venue, the form and content of process, and the manner of service. Under Rule 12(b)(6), the court accepted well-pleaded factual allegations as true, drew reasonable inferences for the plaintiff, and determined whether the complaint stated facially plausible claims.
PRECEDENTIAL VALUE	unknown

TOPICS

- motions to dismiss
- service of process
- venue
- partnership law
- breach of contract

PRACTICE AREAS

civil procedure

partnership law

contracts

commercial litigation

QUESTIONS PRESENTED

1. Whether service on Tang was timely and sufficient after removal.
2. Whether service on Tang was sufficient to serve Clean Seat or a successor entity.
3. Whether venue was proper in the District of Utah and whether transfer to the Eastern District of Wisconsin was warranted.
4. Whether the complaint plausibly alleged the existence of a partnership and some partnership interest.
5. Whether Sullivan's post-dissociation claims were barred because he no longer had an interest in partnership assets or because Tang owed no fiduciary duty.
6. Whether the complaint plausibly alleged an enforceable oral contract concerning payment of Sullivan's partnership buyout.
7. Whether the promissory-estoppel, unjust-enrichment, and accounting claims adequately pleaded the absence of an adequate remedy at law.
8. Whether the declaratory-judgment claim plausibly alleged a continuing interest in Cleana and was barred by the statute of limitations.

HOLDINGS

1. Tang's service challenge was premature and moot because, after removal, Sullivan had 90 days to complete service, and Sullivan successfully served Tang within that period.
2. Service on Tang did not validly serve Clean Seat or its alleged successor because the complaint's allegations showed that Tang no longer had a role in the successor entity after its sale.
3. Venue was proper in the District of Utah, and transfer to the Eastern District of Wisconsin was denied.
4. The complaint plausibly alleged that Sullivan and Tang formed a Utah partnership and that Sullivan held some interest in it; an exact calculation of Sullivan's percentage interest went to damages rather than liability.
5. Sullivan's non-contractual claims could not proceed on the theory that he retained a continuing ownership or management interest after dissociation, and the complaint did not plead a fiduciary duty owed by Tang concerning the later transfer and sale. The fiduciary-duty claim also was untimely under the dissociation buyout statute.
6. The complaint plausibly alleged an enforceable oral agreement under which Sullivan deferred his statutory buyout and would receive the statutory buyout price when the partnership was sold.
7. The complaint failed to state claims for promissory estoppel, unjust enrichment, or an independent accounting claim because it did not plead the absence of an adequate remedy at law. Accounting could remain available as a remedy for the surviving contract claim.

8. The declaratory-judgment claim failed insofar as it sought a declaration that Sullivan continued to own a 50 percent interest in Cleana after dissociation, but the claim was not dismissed as time-barred at the pleading stage because the complaint did not establish when the alleged successor relationship or asset transfer occurred.

KEY QUOTATIONS

“Thus, venue is proper in Utah.”

“For pleading purposes, these terms are sufficiently definite.”

“In the absence of a statutory basis, an accounting claim sought in connection with a contractual claim for damages is not an independent legal cause of action.”

FACTUAL BACKGROUND

Sullivan and Tang allegedly formed Clean Seat, a Utah general partnership, in 2019 to develop and market a self-raising toilet seat. They publicly presented themselves as partners and founders, obtained funding, and later formed Cleana, Inc., which the complaint characterized as a successor to the partnership. Sullivan dissociated from the partnership in April 2021, allegedly agreeing with Tang to defer payment of his buyout until the business was sold. Tang later transferred partnership assets to Cleana and sold Cleana to Kohler for approximately \$10 million, but Sullivan received no compensation or accounting.

PROCEDURAL HISTORY

Sullivan filed suit in Utah state court asserting accounting, breach of fiduciary duty, breach of contract, promissory estoppel, unjust enrichment, and declaratory-judgment claims. Defendants removed the action to the District of Utah. Tang moved to dismiss the claims against him for improper venue, insufficient process, insufficient service, and failure to state a claim; he later moved to dismiss the claims against Clean Seat for insufficient process and service. The court granted dismissal without prejudice of specified claims against Tang and granted the Clean Seat motion in part based on improper service, while allowing other claims and arguments to proceed.

DISPOSITION

other

CASES CITED

- Employers Mutual Casualty Co. v. Bartile Roofs, Inc., 618 F.3d 1153, 1165-68 (10th Cir. 2010)
- Gulf Insurance Co. v. Glasbrenner, 417 F.3d 353, 357 (2d Cir. 2005)
- Whitsell v. United States, 198 F.3d 260 (10th Cir. 1999) (unpublished)
- Gallan v. Bloom Business Jets, LLC, No. 19-CV-3050-WJM-SKC, 2020 WL 4904580 (D. Colo. Aug. 20, 2020)
- Oltremari by McDaniel v. Kansas Society & Rehabilitation Services, 871 F. Supp. 1331, 1349 (D. Kan. 1994)
- Abdi v. Wray, 942 F.3d 1019, 1025 (10th Cir. 2019)

- United States ex rel. Reed v. KeyPoint Government Solutions, 923 F.3d 729, 764 (10th Cir. 2019)
- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- McNellis v. Douglas County School District, 116 F.4th 1122, 1130-31 (10th Cir. 2024)
- Reznik v. inContact, Inc., 18 F.4th 1257, 1260 (10th Cir. 2021)
- Ruiz v. McDonnell, 299 F.3d 1173, 1181 (10th Cir. 2002)
- Jenkins Brick Co. v. Bremer, 321 F.3d 1366, 1372 (11th Cir. 2003)
- Questar Gas Management Co. v. USA Parts & Service, LLC, No. 2:05CV483DAK, 2006 WL 8435556, at *2 (D. Utah Jan. 26, 2006)
- Chrysler Credit Corp. v. Country Chrysler, Inc., 928 F.2d 1509, 1516 (10th Cir. 1991)
- Scheidt v. Klein, 956 F.2d 963, 965-66 (10th Cir. 1992)
- Giles v. Mineral Resources International, Inc., 2014 UT App 259, ¶ 6, 338 P.3d 825, 827
- Daz Management, LLC v. Honnen Equipment Co., 2022 UT 15, 508 P.3d 84, 91 n.26
- Richards v. Cook, 2013 UT App 250, ¶ 7, 314 P.3d 1040
- Bloom Master Inc. v. Bloom Master LLC, 2019 UT App 63, ¶ 13, 442 P.3d 1178, 1182
- Jones v. Mackey Price Thompson & Ostler, 2015 UT 60, ¶ 31, 355 P.3d 1000
- Goggin v. Goggin, 2011 UT 76, ¶ 37, 267 P.3d 885, 893
- Nielsen v. Gold's Gym, 2003 UT 37, ¶ 11, 78 P.3d 600
- ACC Capital Corp. v. Ace West Foam Inc., 2018 UT App 36, ¶ 12, 420 P.3d 44
- Thorpe v. Washington City, 2010 UT App 297, ¶¶ 27-28, 243 P.3d 500, 507
- Volonte v. Domo, Inc., 2023 UT App 25, ¶ 49, 528 P.3d 327, 341
- E & H Land, Ltd. v. Farmington City, 2014 UT App 237, ¶ 30, 336 P.3d 1077, 1087
- HealthBanc International, LLC v. Synergy Worldwide, Inc., 2018 UT 61, ¶ 12, 435 P.3d 193, 196
- Reighard v. Yates, 2012 UT 45, ¶ 20, 285 P.3d 1168
- Healthcare Co. v. MPI Group LLC, No. 1:25-CV-00031-DBB-CMR, 2025 WL 2810630, at *11 (D. Utah Oct. 2, 2025)
- Ockey v. Lehmer, 2008 UT 37, ¶ 44 n.42, 189 P.3d 51
- ClearOne, Inc. v. RSM US LLP, No. 2:16-CV-00736-DN, 2017 WL 923949, at *10-11 (D. Utah Mar. 6, 2017)
- Global Fitness Holdings, LLC v. Federal Recovery Acceptance, Inc., 127 F. Supp. 3d 1228, 1238 (D. Utah 2015)
- King v. XPO Logistics, Inc., No. 2:16-CV-434-DN, 2017 WL 213791, at *4-5 (D. Utah Jan. 18, 2017)
- Dairy Queen, Inc. v. Wood, 369 U.S. 469, 478 (1962)
- Quick Safe-T Hitch, Inc. v. RSB Systems L.C., 2000 UT 84, ¶ 15, 12 P.3d 577, 579
- Herrera v. City of Espanola, 32 F.4th 980, 991 (10th Cir. 2022)
- Sierra Club v. Oklahoma Gas & Electric Co., 816 F.3d 666, 671 (10th Cir. 2016)

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