

1 See **Exhibit A**, Harmony’s 2018 application to Y COMBINATOR
2 MANAGEMENT, LLC; YC AFFILIATES FUND II, L.P.; YC AFFILIATES
3 FUND II (QP), L.P. (hereinafter “YC,” “Defendant,” or “Defendants”), with her
4 AI-powered co-founder matching platform, **Page 2, Line 2**, and **Page 4, “IDEA”**
5 **Lines 11-17**; See **Exhibit B**, YC’s statement on YC’s co-founder matching
6 platform launched **after** Harmony’s YC application, “*Our goal with co-founder*
7 *matching is to help you (1) find your co-founder and then (2) fund your*
8 *company*”).

- 9
10
11 2. Harmony’s invention was meticulously engineered through rigorous research and
12 empirical data addressing a substantial problem: “**The current system relies on**
13 **individual whims to start companies,**” and “**failure to form teams holds founders**
14 **back from getting funding.**”

15
16 See **Exhibit A**, Harmony’s 2018 application to YC with her AI-powered co-
17 founder matching invention, **Page 4, Lines 33-41** and “**IDEA**” **Lines 21-25**;

18
19 See **Exhibit C**, YC’s statement on YC’s co-founder matching platform launched
20 **after** Harmony’s YC application, “*Even the smartest founders needed some*
21 *non-obvious help and advice to navigate the tricky waters of co-founder*
22 *matching.*”

- 23
24 3. At the time of Harmony’s application to YC, there was **no AI-powered co-founder**
25 **matching platform on the market that helped entrepreneurs (1) find their co-**
26 **founder and (2) get funded.** In December 2017, Harmony filed a **provisional patent.**
27 She called her big idea, “**Founderology.**”

1 (See **Exhibit A**, Harmony’s 2018 application to YC with her AI-powered co-
2 founder matching platform, **Page 2, Line 2**, and **Page 4, “IDEA,” Lines 11-17**
3 and **Lines 33-34**;

4
5 **See Exhibit D**, provisional patent filing for Harmony’s co-founder matching
6 invention;

7
8 **See Exhibit E**, Founderology domain and logo receipts;

9
10 **See Exhibit B**, YC’s statement on YC’s co-founder matching platform launched
11 **after** Harmony’s YC application, “*Our goal with co-founder matching is to help*
12 *you (1) find your co-founder and then (2) fund your company.”*

- 13
14 4. On or about **March 23, 2018**, Harmony was invited to an intimate social gathering in
15 Silicon Valley, where YC, well known as the most influential and highly resourced
16 startup accelerator worldwide, **told Harmony that YC does not have an AI-powered**
17 **co-founder matching platform.**
- 18
19 5. YC encouraged and incited Harmony to apply to their program by stating that getting
20 your first 150 customers at YC is common and telling Harmony that **she could “sell to**
21 **the YC community.” YC promised compensation** in the form of investment funds if
22 the AI-powered co-founder matching platform invention was selected and used.
- 23
24 6. As a result of YC’s incitement, promises, offer, and relying on their statements,
25 **Harmony shared the data** about her AI-powered co-founder matching platform
26 invention within YC’s application.
- 27
28

- 1 7. Harmony received a receipt from YC, confirming that her application was submitted for
2 review (See **Exhibit A**, Harmony’s application to YC with her AI-powered co-founder
3 matching invention; See **Exhibit Q**, March 2018 YC application video).
- 4
5 8. Harmony then received an email from YC stating that her application was “not selected”
6 and stating that they **carefully review** applications, showing that YC accepted and
7 carefully reviewed Harmony’s disclosures (See **Exhibit R**, showing YC’s careful review
8 of Harmony’s disclosures).
- 9 9. **YC then hired an internal developer to build the AI-powered co-founder matching**
10 **platform.**
- 11
12 10. On **August 31, 2024**, Harmony learned about YC’s egregious and harmful actions while
13 reading a LinkedIn post. Upon review, Harmony learned that in YC’s own words, “It’s
14 honestly surpassed our expectations. YC has already **invested in over 50 companies**
15 whose founders met on co-founder matching.”
- 16
17 11. This civil action for damages and equitable relief arises from YC’s egregious and harmful
18 acts to interfere with Harmony’s property rights including **fraud, misappropriation of**
19 **trade secrets, breach of implied contract, negligence, unfair competition, breach of**
20 **confidentiality and ethics, promissory estoppel, and unjust enrichment.**
- 21
22 12. The matter involves a clear "David and Goliath" scenario, where Harmony is an
23 individual inventor, and YC is the most powerful, influential, and highly resourced
24 startup accelerator worldwide. A **significant power imbalance** led to illegal actions and
25 unjust exploitation by YC.
- 26
27 13. Despite Harmony’s attempts to communicate with YC, the matter has been left
28 unresolved. On or about September 30, 2024, Harmony sent numerous letters to YC via
mail, with USPS tracking, and by email, sharing the above facts and providing an
opportunity to discuss and resolve the matter. **YC failed to respond.** On or about

1 February 24, 2025, Harmony emailed YC a request for the Terms of Service and Privacy
2 Policy in place at the time her YC application was submitted. **YC again failed to**
3 **respond**. This willful and repeated lack of response by YC showcases bad faith and an
4 intentional disregard for Harmony’s rights. Such behavior not only undermines the
5 principles of good faith and fair dealing, showcasing “take it or leave it” positioning and
6 deceptive practices, it also exacerbates Harmony’s damages and expenses. It has caused
7 unnecessary delay and has **compelled Harmony to initiate this legal action** in the
8 Superior Court of California, County of San Francisco. Accordingly, Harmony requests
9 that this Court take into consideration YC’s bad faith conduct when adjudicating the
10 matter and determining appropriate relief. (See **Exhibit F**, letters emailed and mailed to
11 YC with USPS tracking; See **Exhibit G**, email to YC requesting terms of service in place
12 at the time of Harmony’s YC application).

13 JURISDICTION AND VENUE

14 14. This Court has jurisdiction over this matter pursuant to California Code of Civil
15 Procedure §410.10, which allows California courts to exercise jurisdiction on any basis
16 not inconsistent with the Constitution of California or the United States. The California
17 Constitution Article VI, Section 10 grants superior courts original jurisdiction “in all
18 other causes,” including the causes herein. Venue is proper in this Court under California
19 Code of Civil Procedure §393 because San Francisco, CA is the county where the
20 wrongdoing that is the subject of this lawsuit occurred, and under CCP §395.5, it is the
21 location where Defendants have a principal place of business at Pier 70, San Francisco,
22 CA 94107. (See **Exhibit H**, Subordination, Non-Disturbance, and Attornment
23 Agreement recorded in the City and County of San Francisco, under the authority of
24 Joaquin Torres, Assessor-Recorder, describing the leasehold interest of YC as tenant; See
25 **Exhibit I**, LinkedIn post made in 2024 by YC’s General Partner, Jared Friedman,
26 discussing YC’s San Francisco location; See **Exhibit J**, the 2024 Business Insider article
27 referenced by YC’s General Partner, Jared Friedman, within his 2024 LinkedIn article,
28 announcing the San Francisco location).

1 PARTIES

2 15. Plaintiff, Harmony Oswald, **inventor** of the Artificial Intelligence (AI)-powered co-
3 founder matching platform to help entrepreneurs (1) find their co-founder and (2) get
4 funded, is an individual residing in San Jose, CA.

5
6 16. Defendants, YC, the **most powerful and influential startup accelerator worldwide**, are
7 an **affiliated group** of Delaware Limited Liability Companies and Delaware Limited
8 Partnerships with a principal place of business in San Francisco, CA.

9 On or about **March 23, 2018**, at an intimate gathering in Silicon Valley encouraging a
10 small group of entrepreneurs to submit their ideas to YC (hereinafter “the event”), held
11 at the office of startup venture capital fund, WeAct Ventures (“WeAct”), L.P., 153 2nd
12 Street, Los Altos, CA 94022, and at all times relevant to the facts and claims alleged
13 herein, Kat Manalac, Partner at YC (hereinafter “YC Partner”; See Y Combinator,
14 "How to Find a Co-Founder," YouTube (May 23, 2019),

15 <https://www.youtube.com/watch?v=CRLzkbtKPGM> (last visited February 17, 2026),
acted as an authorized representative and agent of the following entities:

- 16 • Y COMBINATOR MANAGEMENT, LLC, a Delaware limited liability
17 company (“Defendant 1”);
- 18 • YC AFFILIATES FUND II, L.P., a Delaware limited partnership (“Defendant
19 4”);
- 20 • YC AFFILIATES FUND II (QP), L.P., a Delaware limited partnership
21 (“Defendant 6”);

22 Each of these YC entities was formed and registered with the California Secretary of
23 State prior to the date of the event (See **Exhibit LL**, a true and correct copy of a
24 screenshot take by Plaintiff on October 30, 2025 of CA Secretary of State records for
25 Defendants D1, D4, and D6), and, by virtue of the YC Partner’s agency and authority,
26 is liable on all claims asserted herein, including but not limited to fraudulent
27 inducement, fraudulent misrepresentation, negligent misrepresentation, fraudulent
28 concealment, promissory fraud, constructive fraud, misappropriation of trade secrets,
breach of implied contract, negligence, and unfair competition.

1 a. In addition, the following entities:

- 2 • Y COMBINATOR ES20, LLC, a Delaware limited liability company
- 3 (“Defendant 2”);
- 4 • Y COMBINATOR ES24, LLC, a Delaware limited liability company
- 5 (“Defendant 3”);
- 6 • YC AFFILIATES FUND IIA, L.P., a Delaware limited partnership
- 7 (“Defendant 5”);

8 were formed more than one year after the date of the event (See **Exhibit MM**, a
9 true and correct copy of a screenshot take by Plaintiff on October 30, 2025 of CA
10 Secretary of State records for Defendants D2, D3, D5) and are liable only on
11 cause of action **seven** for their acts to misappropriate Plaintiff’s trade secrets in
12 affiliation with the other YC defendants.

13 b. During the event, on behalf of Defendants 1, 4, and 6, the YC Partner discussed in
14 detail YC investment terms (See **Exhibit NN**, Tech Crunch article discussing YC
15 standard deal terms in place in March 2018; See **Exhibit OO**, 2018 YC President,
16 Sam Altman, stating 2018 deal terms are “very simple”).

17 c. Harmony sat in the front row, wearing a red jacket as shown in photos, listening
18 closely, and asking questions to the YC Partner. After the panel, Harmony again
19 spoke with the YC Partner during networking time. While sharing high level, non-
20 confidential information only, and at all times purposefully keeping confidential
21 and proprietary disclosures a secret as she reliably, persistently, and
22 systematically does, did on the date of the event, and did for Founderology at all
23 relevant times up to the point of her good faith motion to seal and the Court’s
24 denial (See **Declarations of Wendy M. Ryan, John Majeski, Kelly Ann**
25 **Winget, Michele Ellie Ahi, Virginia Townsend, and Kendall Macrostie** filed
26 concurrently herewith, hereinafter “Dec. of W.Ryan,” “Dec. of J. Majeski,” “Dec.
27 of K. Winget,” “Dec. of M. Ahi,” “Dec. of V. Townsend,” “Dec. of K.
28 Macrostie”), Harmony expressly informed the YC Partner that she has a highly
valuable, confidential, proprietary invention to help entrepreneurs form strong,
highly fundable teams and it is important to her to keep her invention confidential.

1 The YC Partner expressly agreed that she understood that Harmony’s
2 Founderology invention is highly valuable, confidential, and proprietary and
3 proceeded to ask Harmony to share her novel information, providing Harmony
4 with specific instructions on how to submit her idea to YC. Harmony **took notes**
5 about what the YC Partner said (See **Exhibit M** to the First Amended Complaint,
6 hereinafter “FAC,” Harmony’s handwritten notes recorded the day of the event).

7 d. The YC Partner’s **representations and agreements** were made on behalf of and
8 bind Defendants 1, 4, and 6 to all facts and obligations described herein. Plaintiff
9 alleges that Defendants 1, 4, and 6, as well as each Doe defendant, directly or
10 indirectly participated in, facilitated, enabled, funded, authorized, or knowingly
11 profited from the acts alleged herein. Defendants 2, 3, and 5 are liable only on the
12 claim for trade secret misappropriation as their formation post-dates the event by
13 more than one year, but they subsequently participated in, facilitated, or profited
14 from the acts alleged herein.

15 e. The precise roles, funding relationships, and financial benefits received by each
16 entity are uniquely within Defendants’ knowledge and control and will be
17 ascertained through discovery. Plaintiff reserves the right to amend this complaint
18 to allege specific conduct and involvement of each Defendant as further
19 information becomes available through discovery.

20 17. At this time, the true names and capacities of defendants DOES 1-20 are unknown to
21 plaintiff, who therefore sues such defendants by such fictitious names. *Doe Defendants*
22 *could possibly include, for example, the internal developers hired to build the AI-*
23 *powered co-founder matching platform.* Plaintiff will amend this complaint to allege the
24 true names and capacities of such defendants as soon as they are ascertained. Plaintiff is
25 informed and believes, and on the basis of such information and belief alleges, that each
26 defendant named herein as a Doe is responsible for one or more of the obligations alleged
27 herein.

28 INCORPORATION OF EXHIBITS

18. Within the Third Amended Complaint, any reference to Exhibits A—CC refers to the
Exhibits attached to the First Amended Complaint filed with this Court on or about July
16, 2025; any reference to Exhibits DD—KK refers to the Exhibits attached to the

1 Declaration of Harmony Oswald in Support of Opposition to Defendant’s Demurrer filed
2 with this Court on or about October 6, 2025; and any reference to Exhibits LL—RR
3 refers to the Exhibits attached to the Second Amended Complaint filed with this Court on
4 or about November 13, 2025. All such Exhibits are incorporated herein by reference.

5 FACTS

- 6 19. Harmony came from **humble beginnings**, where girls like her don’t typically become
7 inventors. She grew up in a small, rural town in Western PA. As a teenager, she lived
8 with her grandmother in an economically disadvantaged situation. She was born on
9 Abraham Lincoln’s birthday, and as a child, she wanted to become a lawyer, but there
10 was no path for her. Harmony set out to create a better life for herself through **dedication**
11 **and hard work**.
- 12 20. Harmony enlisted in the **U.S. Army** and served active duty overseas in the First Infantry
13 Division, earning a “Superior Performance Certificate” for her leadership throughout
14 basic combat training. The Army gave Harmony a broad world view and confidence to
15 pursue her childhood dream of becoming an attorney.
- 16 21. In 2013, she and her husband, a PA plumber who also started with limited means, moved
17 to Silicon Valley. While raising two teenage children, Harmony completed **law school** at
18 Santa Clara University. During this time, she participated in the Entrepreneurs Law
19 Clinic, won an award and was selected for a Google internship where she **interviewed an**
20 **inventor** and drafted a defensive patent publication published by TD Commons. She
21 focused her studies on intellectual property, technology, and startup law and earned a
22 High-Tech Law certificate with honors.
- 23 22. Completing law school in Silicon Valley provided valuable insights about
24 **entrepreneurship and technology**. On or about 2015, Harmony learned about the
25 importance of **building a strong team to attract investors**. She also learned that
26 entrepreneurs traditionally face big hurdles in finding co-founders, and the problem
27 significantly impacts their ability to secure funding. Coming from a family of
28 entrepreneurs herself, Harmony recognized the opportunity to **leverage AI technology to**
innovatively solve the issue (See **Exhibit A**, Harmony’s 2018 application to YC with

1 her AI-powered co-founder matching platform, **Page 2, Line 2**, and **Page 4, “IDEA”**
2 **Lines 11-17**).

- 3 23. Harmony conducted research and collected data by teaching startup seminars and
4 conducting surveys. As a result, she knew that finding a co-founder was in fact the **top**
5 **issue for many male and female entrepreneurs, and it was preventing them from**
6 **securing funding**. She discovered that there was no AI-powered co-founder matching
7 platform on the market that helped entrepreneurs (1) find their co-founder and (2) get
8 funded (See **Exhibit A**, Harmony’s 2018 application to YC with her AI-powered co-
9 founder matching platform, **Page 2, Line 2**, and **Page 4, “IDEA” Lines 13-18**).
- 10 24. On or about **October 11, 2017**, 10 months after taking the oath as a CA attorney,
11 Harmony met with Kate Bunina (hereinafter “Ms. Bunina”), Managing Director at
12 Usertech U.S., LLC (hereinafter “U+”), to discuss building a prototype of the co-founder
13 matching platform she had invented. **Viewing her invention as a valuable trade secret**
14 and prior to discussing the co-founder matching platform with Ms. Bunina, Harmony
15 required that Ms. Bunina sign a Non-Disclosure Agreement (See **Exhibit K**, Non-
16 Disclosure Agreement signed by Ms. Bunina; See **Exhibit L**, Founderology Prototype
17 Invoice).
- 18 25. On or about **December 9, 2017**, Harmony filed a **provisional patent** on her AI-powered
19 co-founder matching invention (See **Exhibit D**, provisional patent filing for co-founder
20 matching invention).
- 21 26. Harmony invested time and resources into formulating a commercial framework—
22 targeting the global market. Based on her research and data, she predicted the AI-
23 powered co-founder matching platform could be a **multi-billion dollar company**, and
24 she could further monetize it by taking **equity for each startup formed** using the
25 platform (See **Exhibit A**, Harmony’s 2018 application to YC with her AI-powered co-
26 founder matching platform, **Page 5, Lines 34-41 and Page 6 Lines 1-2**).
- 27 27. Harmony called her big idea “Founderology.” She secured domains from GoDaddy and
28 had a logo designed (See **Exhibit E**, domains and logo receipts).

- 1 28. In March 2018, Harmony was invited to an **intimate gathering** in Silicon Valley
2 encouraging a small group of entrepreneurs to submit their ideas in an application to YC
3 startup accelerator and investor, known as an elite and respected institution. YC’s event
4 was held at the office of startup venture capital fund, WeAct Ventures (“WeAct”), L.P.,
5 153 2nd Street, Los Altos, CA 94022, underscoring YC’s **focus on funding**.
- 6 29. The event fostered meaningful connections with an engaged group. The setting
7 encouraged open conversations and the opportunity to build strong relationships in a
8 personal atmosphere.
- 9 30. Harmony accepted the invitation and attended the gathering, where on or about **March**
10 **23, 2018**, she met **Kat Manalac, YC Partner** (hereinafter “YC Partner”; See **Exhibit N**,
11 photos from the March 2018 event).
- 12 31. Harmony sat in the front row, wearing a red jacket as shown in photos, listening closely,
13 and asking questions to the YC Partner. After the panel, Harmony again spoke with the
14 YC Partner during networking time.

15
16 **DISCLOSURES MADE IN CONFIDENCE:**

17 **YC’s Confidentiality Agreement With Harmony**

- 18
19 32. While sharing “**high level**” non-confidential, non-proprietary information only, and at all
20 times purposefully keeping confidential and proprietary information a secret as she
21 persistently, carefully, and systematically did with every person she interacted with prior
22 to her good faith motion to seal filing which was denied by the Court, Harmony expressly
23 informed the YC Partner that she has a highly valuable, confidential and proprietary
24 invention to help entrepreneurs form strong, highly fundable teams and that it is
25 important to keep the information confidential while discussing it for the sole purpose of
26 evaluating a potential business investment (See **Dec. of W. Ryan, J. Majeski, K.**
27 **Winget, M. Ahi, V. Townsend, K. Macrostie**, See **Exhibit PP** attached hereto, a true
28

1 and correct copy of a 2017 Powerpoint Presentation where Plaintiff shared Founderology
2 at a “high level” with women entrepreneurs at a Women’s Networking Alliance event).

3 33. The YC Partner expressly agreed and understood that Harmony’s Founderology
4 invention is highly valuable, confidential, and proprietary, and proceeded to ask Harmony
5 to share the novel information with YC, providing Harmony with **specific instructions**
6 for doing so. Harmony took notes about what the YC Partner said (See **Exhibit M**
7 attached to FAC).

8 34. The YC Partner told Harmony that while YC has an algorithm to match founders to
9 *investors*, **YC has no AI-powered co-founder matching platform**. The YC Partner
10 encouraged Harmony to apply to YC with her invention, Founderology, and incited her to
11 include “novel feedback from users” (See **Exhibit M** attached to FAC).

12 35. YC’s promise of compensation if Harmony’s invention was selected and used was at the
13 forefront of the conversation.

14 36. The YC Partner said that getting the first 150 customers at YC is common and that
15 Harmony could “sell to the YC community” (See **Exhibit M**, handwritten notes from the
16 March 2018 event with the exact quote from the YC Partner recorded; See **Exhibit A**,
17 Harmony’s 2018 application to YC with her AI-powered co-founder matching platform,
18 **Page 6, Line 6**; See **Exhibit N**, photos from the March 2018 event).

19 37. YC clearly sets itself out as a community based on **trust and handshake deals**, and as a
20 well-informed startup advisor herself, Harmony relied on YC’s ethics policies when
21 applying to YC with her AI-powered co-founder matching platform invention (See
22 **Exhibit O**, YC ethics policies; See **Exhibit P**, YC encourages founders to share their
23 ideas saying, “Don’t worry that someone will copy your idea”).

24 38. It is a **well-established custom** in the startup accelerator industry that when founders
25 submit **novel ideas** to accelerators for consideration, those ideas are not to be used or
26 disclosed without the founder’s compensation or consent (See **Dec. of W.Ryan,**
27 **J.Majeski, M.Ahi**). Harmony relied on this custom, as reinforced by YC’s public
28 statements and ethics policies, in submitting her idea to YC. As a leading accelerator, YC

1 is well aware of and promotes this custom, encouraging founders to share novel ideas by
2 assuring them of confidentiality and ethical treatment (See **Exhibit QQ** attached hereto, a
3 true and correct copy of a pdf downloaded by Plaintiff on or about August 7, 2025 from
4 YC’s public website, showing YC’s independent policy instructing founders not to ask
5 for an NDA; See **Exhibit M**, handwritten notes from March 2018 YC event where YC
6 directed Harmony to include novel feedback from users; See **Exhibit P**, YC publicly
7 encourages founders to share their ideas saying, “Don’t worry that someone will copy
8 your idea;” See **Exhibit O**, YC ethics policies).

- 9 39. Harmony’s **patent-pending process was highlighted six times** throughout her YC
10 application—including on page one of the written documentation and in the
11 accompanying video—clearly and repeatedly putting YC on notice of the proprietary
12 nature of her invention.
- 13 40. Harmony followed YC’s instructions closely, and in light of YC’s feedback that solo
14 founders aren’t often selected by YC (a problem solved by her invention), Harmony
15 invited her colleague, Harvard finance student Ginny Townsend to join her on the
16 application and in creating a **one-minute video** for the application as required (See
17 **Exhibit Q**, March 2018 YC application video for Founderology, saved on Harmony’s
18 Google Drive with restricted access, where Plaintiff shares a **high-level pitch**, purposely
19 excluding all confidential and proprietary information).
- 20 41. As the YC Partner directed, Harmony included novel feedback from users, **mentioning**
21 **her conversation with the YC Partner several times within the application** (See
22 **Exhibit A**, Harmony’s application to YC with her AI-powered co-founder matching
23 invention, **Page 4, Line 25, and Page 6, Line 6, and Page 7, Line 27**).
- 24 42. Harmony received a receipt from YC, confirming that her application was submitted for
25 review (See **Exhibit A**, Harmony’s application to YC with her AI-powered co-founder
26 matching invention; See **Exhibit Q**, March 2018 YC application video saved on
27 Harmony’s Google Drive with restricted access, where Plaintiff shares a **high-level**
28 **pitch**, purposely excluding all confidential and proprietary information).

- 1 43. Harmony then received an email from YC stating that her application was “not selected”
2 and stating that they **carefully review** applications, showing that YC accepted and
3 carefully reviewed Harmony’s disclosures (**See Exhibit R**, showing YC’s careful review
4 of Harmony’s disclosures).
- 5 44. At the time of YC’s “rejection,” Harmony was a mother of two teenagers who had just
6 finished 7 years of college, leveraging student loans to become a new lawyer. In addition,
7 according to Fortune Magazine, women-led companies received only 2.2% of venture
8 capital funds for their startups that year, so female founders did not have the luxury of
9 working on an idea that was less than stellar. Harmony **relied on and trusted the due**
10 **diligence and rejection of YC**, the most prestigious and highly resourced startup
11 accelerator in the world, when evaluating **whether to invest any more of her limited**
12 **time and resources** into the AI-powered co-founder matching platform.
- 13 45. As a direct result of YC’s rejection, Harmony **changed direction** to what she believed to
14 be a more promising venture, launching Legalucy in August 2018. Harmony has been
15 dedicated to investing in that new venture ever since.
- 16 46. **On August 31, 2024**, Harmony learned and discovered that a few years after she applied
17 and her invention was “not selected,” **YC hired an internal developer** to build the AI-
18 powered co-founder matching platform she had invented (**See Exhibit S**, LinkedIn post
19 where Harmony first learned about YC’s co-founder matching platform; **See Exhibit T**,
20 YC’s co-founder matching platform landing page; **See Exhibit U**, YC explaining that
21 their internal developer built it).
- 22 a. The Discovery Rule applies to toll the statute of limitations on all applicable
23 causes of action alleged herein because:
- 24 i. YC rejected Harmony’s application and excluded her from their network.
25 As a result, Harmony could not reasonably have known that YC’s internal
26 developer built her invention (**See Exhibit R**);
- 27 ii. As a female founder not included in YC’s network—and given YC’s well-
28 documented challenges with including female founders— Harmony could

1 not reasonably have known that YC’s internal developer built her
2 invention (See **Exhibit M, S, F**).

3 iii. YC’s co-founder matching platform is not publicly accessible—it requires
4 a username, password, and up to one week for YC’s review and approval,
5 restricting access to approved users only. Only users who pass YC’s
6 review process can enter the platform, and access is not immediate or
7 guaranteed. Due to the non-public nature of YC’s co-founder matching
8 platform, Harmony could not reasonably have known that YC’s internal
9 developer built her invention (See **Exhibit AA**, screenshot of YC’s co-
10 founder matching platform where YC requires potential user to enter
11 username and password; See **Exhibit BB**, screenshot of YC’s co-founder
12 matching platform where after potential user shares data with YC, YC
13 requires potential user to “submit for review”; See **Exhibit CC**, YC then
14 notifies potential user via email that “it may take us up to a week to
15 approve your profile.”

16 47. **Immediately** upon learning about and discovering YC’s co-founder matching platform
17 on LinkedIn, Harmony began investigating to uncover harm and damages.

18 48. Upon review, Harmony learned that in YC’s own words, “It’s honestly surpassed our
19 expectations. YC has already **invested in over 50 companies** whose founders met on co-
20 founder matching” (See **Exhibit V**, YC’s statement about investing in 50 companies).

21 49. YC’s co-founder matching platform closely replicates and copies Harmony’s **Artificial**
22 **Intelligence (AI)-powered co-founder matching platform** invention to help
23 entrepreneurs (1) **find their co-founder** and (2) **get funded**. See **Exhibit A**, Harmony’s
24 2018 application to YC with her AI-powered co-founder matching platform, **Page 2,**
25 **Line 2, and Page 4, “IDEA” Lines 11-17).**

26 a. At the time of Harmony’s application to YC, there was **no AI-powered co-**
27 **founder matching platform on the market focused on helping entrepreneurs**
28 **to (1) find their co-founder and (2) get funded**. She called her big idea,

1 **“Founderology.”** (See **Exhibit A**, Harmony’s 2018 application to YC with her
2 AI-powered co-founder matching platform, **Page 2, Line 2**, and **Page 4, “IDEA,”**
3 **Lines 11-17** and **Lines 33-34**; See **Exhibit D**, provisional patent filing for
4 Harmony’s co-founder matching invention; See **Exhibit E**, Founderology domain
5 and logo receipts);

6 b. Harmony’s invention was meticulously engineered through rigorous research and
7 empirical data addressing a substantial problem: **“The current system relies on**
8 **individual whims to start companies,**” and **“failure to form teams holds**
9 **founders back from getting funding.**” (See **Exhibit A**, Harmony’s 2018
10 application to YC with her AI-powered co-founder matching invention, **Page 4,**
11 **Lines 33-41** and **“IDEA,” Lines 21-25**);

12 c. Within the “idea” section of her YC application, she stated, “Harmony ...
13 developed the idea for Founderology while sitting in an entrepreneur related
14 seminar as a student ... at Santa Clara Law. The panelists were teaching about
15 **setting up the company team to attract investors ...**” (See **Exhibit A**,
16 Harmony’s 2018 application to YC with her AI-powered co-founder matching
17 invention, **Page 4, “IDEA,” Lines 11-17**);

18 d. When asked about her solution, or “What is your company going to make?”
19 Harmony responded, “...Founderology is an app + platform that **transforms**
20 **outdated, inefficient co-founder ... searches with our patent pending process.**
21 Our I-2xD (Investor Due Diligence) Method ranks and suggests appropriate team
22 members....” (See **Exhibit D**, Harmony’s provisional patent filing; See **Exhibit**
23 **A**, Harmony’s 2018 application to YC with her AI-powered co-founder matching
24 platform, **Page 1**).

25 50. On YC’s co-founder matching platform, launched **after** Harmony applied to YC,
26 YC states, “Our goal with co-founder matching is to help you (1) **find your co-founder**
27 and then (2) **fund your company.**” (See **Exhibit B**, YC’s goal which replicates
28 Harmony’s invention; See **Exhibit W**, YC’s co-founder matching platform data

1 collection flow; **See Exhibit C**, YC’s statement that YC, an investor, is providing
2 entrepreneurs with non-obvious help and advice).

3 51. In September 2024, Harmony promptly consulted with a few lawyers in confidence
4 regarding the YC matter. Based on her **longstanding media background**, a lawyer
5 advised Harmony to draft a proposed article containing only factual information to share
6 with YC in a good faith effort to resolve the dispute outside of court. Harmony prepared
7 and shared this proposed article with YC solely for the purpose of facilitating settlement
8 discussions.

9 52. Despite Harmony’s attempts to communicate with YC, the matter has been left
10 unresolved. On or about September 30, 2024, Harmony sent numerous letters to YC via
11 mail and email, sharing the facts and providing an opportunity to discuss and resolve the
12 matter. **YC failed to respond**.

13 53. Prior to filing a good faith motion to seal and the Court’s denial of such, Harmony never
14 publicly disclosed her AI-powered co-founder matching invention or the proposed article
15 to any media outlet, including Entrepreneur Magazine, where she is an ongoing
16 contributor, and Forbes. On the contrary, Harmony has made every reasonable effort,
17 acting **diligently** to keep her invention a secret at all times—and an internet search will
18 reveal the same (**See Dec. of W. Ryan, J. Majeski, K. Winget, M. Ahi, V. Townsend,**
19 **K. Macrostie**).

20 54. On or about February 24, 2025, Harmony emailed YC a request for the Terms of Service
21 and Privacy Policy in place at the time her YC application was submitted. **YC again**
22 **failed to respond**. This willful and repeated lack of response by YC showcases bad faith
23 and an intentional disregard for Harmony’s rights. Such behavior not only undermines
24 the principles of good faith and fair dealing, showcasing “take it or leave it” positioning
25 and deceptive practices, it also exacerbates Harmony’s damages and expenses. It has
26 caused unnecessary delay and has **compelled Harmony to initiate this legal action** in
27 the Superior Court of California, County of San Francisco. Accordingly, Harmony
28 requests that this Court take into consideration YC’s bad faith conduct when adjudicating
the matter and determining appropriate relief. (**See Exhibit F**, letters emailed and mailed

1 to YC with USPS tracking; **See Exhibit G**, email to YC requesting terms of service in
2 place at the time of Harmony's YC application).

- 3 55. The damages incurred by Harmony are currently estimated and **further discovery is**
4 **necessary** to ascertain the precise amounts. Estimates are based on, for example, YC's
5 public self-proclaimed usage of the AI-powered co-founder matching platform and public
6 data regarding the value of YC investments. The exact figures will be determined as more
7 information becomes available through discovery.

8 FIRST CAUSE OF ACTION

9 (Fraudulent Inducement against Defendants 1, 4, and 6)

- 10 56. Plaintiff realleges and incorporates by reference only those general factual allegations
11 herein concerning: (a) the March 2018 YC event, (b) Defendants' representations about
12 YC's application process, and (c) Plaintiff's background, efforts, and decision to apply to
13 YC and pivot following YC's evaluation, and does **not** incorporate any allegations
14 regarding Defendants' acquisition, use, or disclosure of Plaintiff's confidential
15 information, trade secrets, or ideas.
- 16 57. **THE INDUCEMENT OF A FAIR EVALUATION:** This claim is not about any
17 acquisition, use, or disclosure of confidential information or ideas. This fraudulent
18 inducement cause of action is based solely on Defendants' false statements and promises
19 at the March 2018 event and during YC's intake communications that, if Plaintiff
20 applied, YC would fairly and in good faith evaluate her application under the same
21 criteria and with the same care as other applicants, and that she could rely on YC's
22 communications about the outcome of that evaluation, **regardless of whether**
23 **Defendants ever used or disclosed any information she submitted.**
- 24 58. Plaintiff's detrimental **RELIANCE** was not only choosing to apply to YC, but to her
25 great detriment, **foregoing alternate courses**. In reasonable reliance on YC's
26 representations about a good-faith, unbiased, nondiscriminatory, merit-based evaluation,
27 Plaintiff chose to apply to YC and to commit her limited time and resources to that
28 process instead of pursuing other concrete options. In particular, she: (a) prioritized

1 preparing and submitting her YC application, (b) declined to participate in other
2 accelerator and investor programs such as TechStars, 500 Startups, AngelPad, and
3 AlphaLab, and (c) postponed and did not pursue alternative partnership and
4 commercialization opportunities that were available to her at the time.

5 59. As a result, Plaintiff suffered reliance and opportunity-based **DAMAGES** that are
6 independent of any alleged acquisition, use, or disclosure of her information, including:
7 loss of the opportunity to timely pursue her business through other accelerators, investors,
8 and partners; exclusion from alternative funding and commercialization channels she
9 would otherwise have pursued at the time, diversion of time and resources away from her
10 other professional activities at the time, and reputational and emotional harm from being
11 misled about, and unfairly excluded from, YC's evaluation process and ecosystem.

12 60. In March 2018, Harmony was invited to an intimate gathering in Silicon Valley
13 encouraging a small group of entrepreneurs to apply to YC. The YC partner represented
14 that, if she applied, YC would carefully and fairly evaluate the application as part of its
15 intake process.

16 61. MISREPRESENTATION: YC incited Harmony to apply to receive a fair evaluation by
17 YC, falsely representing to Plaintiff at the March 2018 event during intake
18 communications that if she applied to YC, YC would give her application a fair, good-faith
19 evaluation in accordance with YC's standard criteria and practices and that she could rely
20 on YC's communications about the outcome of that process.

21 62. RELIANCE: As a result of YC's incitement, promises, and relying on their statements,
22 Harmony applied to YC for a fair evaluation, and thereafter forwent alternate courses as
23 described above.

24 63. Harmony received a receipt from YC, confirming that her application was submitted for
25 review (**See Exhibit A**, Harmony's application to YC).

26 64. YC later emailed Plaintiff that her application was "not selected" and represented that YC
27 carefully reviews applications. Plaintiff reasonably understood and relied on this message
28 as a representation that YC had in fact given her application the promised fair and careful
evaluation (**See Exhibit R**, showing YC's careful review).

1 65. KNOWLEDGE: At the time YC made the above statements and promises, they knew they
2 did not intend to provide Plaintiff the fair, good-faith evaluation they represented and did
3 not intend to consider her application on the same terms as other applicants.

4 66. SCIENTER: YC made these representations with knowledge of their falsity, or with
5 reckless disregard for the truth, and with the intent that Plaintiff rely on them in deciding
6 to apply to YC and to accept that YC's "not selected" determination was the result of a fair
7 process.

8 67. INTENT TO INDUCE RELIANCE: YC intended that Plaintiff rely on their statements
9 and promises concerning YC's application and evaluation process, and intended that she
10 devote her time and resources to applying to YC and forgo other avenues for developing,
11 funding, and commercializing her venture in reliance on those statements at the time.

12 68. JUSTIFIABLE RELIANCE:

13 a. Harmony justifiably relied on YC's statements due to recommendations about YC
14 by Darya Shaked, a reputable venture capitalist who founded WeAct Ventures to
15 invest in the best venture capital firms led by top women in the investment
16 industry. She previously served as COO at Vital Capital Fund, a \$350M private
17 equity fund, and in 2018 was featured among the top 100 female venture capitalists
18 in the book, "Women Who Venture," by Renata George (**See Exhibit A** to
19 Complaint, Page 7).

20 b. Also, Harmony justifiably relied on YC's statements because YC is widely
21 regarded as the most prestigious startup accelerator in the world, and according to
22 Fast Company, their companies are valued at over \$600 Billion in total. While
23 other startups have a failure rate of 90%, YC startup's failure rate is 18%, and 5.5%
24 of YC companies become unicorn companies worth \$1 Billion or more (**See**
25 **Exhibit X**, Fast Company article statistics).

26 69. RESULTING HARM: As a result of Defendants' fraudulent inducement, Plaintiff suffered
27 harm, including but not limited to the following:

28 a. Plaintiff reasonably **relied** on Defendants' representations and based on their
inducements, applied to YC. Prior to Defendants' solicitation, Plaintiff had already

1 devoted substantial time, effort, and resources to research, conceptualization, and
2 development. Defendants' promises and inducements caused Plaintiff to forego
3 alternative avenues for presentation, commercialization, or monetization at the
4 time, and to promptly submit her application to YC rather than pursue other
5 opportunities. This **reliance** resulted in Plaintiff's exclusion from other potential
6 partnerships, funding sources, and commercialization strategies at the time, and
7 caused her to miss out on the unique benefits and opportunities that Defendants
8 represented would be available through participation in the YC program. Plaintiff
9 would not have submitted her application to YC, or foregone other opportunities,
10 but for Defendants' fraudulent conduct.

- 11
- 12
- 13 b. Defendants' conduct deprived her of the opportunity to leverage YC program
14 resources and network, which would have accelerated the growth and success of
15 her business at the time.
- 16
- 17 c. Plaintiff further suffered reputational harm and emotional distress due to the
18 personal and sentimental value of Plaintiff's work and as a result of Defendants'
19 unfair evaluation, which negatively impacted her standing in the entrepreneurial
20 and investment ecosystem at the time. The loss of credibility and diminished
21 reputation in the industry has had ongoing adverse effects on Plaintiff's ability to
22 attract investors, collaborators, and customers.
- 23
- 24 d. Defendants' conduct was willful, malicious, and carried out with conscious
25 disregard for Plaintiff's rights, entitling Plaintiff to an award of punitive damages
26 in an amount sufficient to deter similar misconduct by YC in the future. Plaintiff
27
28

1 also seeks damages for emotional distress resulting from Defendants' egregious
2 conduct to the extent permitted by law.

3 e. Plaintiff seeks compensatory damages for all losses incurred as a result of
4 Defendants' fraudulent inducement, including but not limited to lost short term
5 opportunity costs, **reliance damages**, reputational harm, and emotional distress, in
6 an amount to be determined through discovery and at trial. Plaintiff further seeks
7 punitive damages in an amount sufficient to punish and **deter similar conduct** by
8 YC in the startup community in the future, attorneys' fees, costs of suit, and any
9 other relief the Court deems just and proper.
10
11

12 SECOND CAUSE OF ACTION

13 (Fraudulent Misrepresentation against Defendants 1, 4, and 6)

14 70. Plaintiff realleges and incorporates by reference only those general factual allegations
15 herein concerning: (a) the March 23, 2018 YC event and related communications in which
16 YC encouraged Plaintiff to apply to YC, (b) YC's subsequent written communications
17 informing Plaintiff that her application was "not selected" after careful review, and (c)
18 Plaintiff's background and decisions regarding whether to devote her limited time and
19 resources to the business opportunity. Plaintiff does **not** incorporate any allegations regarding
20 YC's acquisition, use, or disclosure of Plaintiff's confidential information, trade secrets, or
21 ideas.

22 71. MISREPRESENTING THE FAIRNESS OF THE INTAKE PROCESS AND
23 PLAINTIFF'S DETRIMENTAL PIVOT:

24 This fraudulent misrepresentation cause of action is based on Defendants' false statements
25 about the fairness and depth of YC's evaluation of Plaintiff's application, including
26 redirecting her limited time and resources to a different venture, foregoing funding sources,
27 partners, and business opportunities (See ¶ 58, incorporated herein by reference), and losing
28 access to the unique benefits and competitive advantages associated with participation in the
YC program.

1 72. RELIANCE DAMAGES: This cause of action is **not about any acquisition, use, or**
2 **disclosure** of confidential information or ideas. Here, Plaintiff seeks **reliance** and short term
3 lost-opportunity damages that arose due to YC’s misrepresentation regarding the fairness of
4 the intake process and Plaintiff’s detrimental pivot (See e.g. ¶ 93-94 herein).

5 73. On or about March 23, 2018, YC encouraged Harmony to apply to YC.

6 74. As a result of YC’s incitement and promises for a fair evaluation, Harmony applied.

7 Harmony received a receipt from YC, confirming that her application was submitted for
8 review (**See Exhibit A**, Harmony’s application to YC).

9 75. MISREPRESENTATION: Harmony then received an email from YC with the
10 representation that the application had been carefully reviewed and YC was fairly
11 declining to move forward with her.

12 76. SCIENTER: At the time YC sent the “not selected” email, YC knew, or acted with
13 reckless disregard of the fact, that its statements about having carefully reviewed and
14 declined Harmony’s application did not accurately reflect the truth about its intake process
15 or the care taken in its evaluation of the application. In the course of her subsequent
16 investigation, Plaintiff learned from YC’s own 2024 published statistics that only
17 approximately 11% of founders selected by YC were women (Exhibit HH, II, GG). On or
18 about September 30, 2024, Plaintiff wrote to YC by mail with USPS tracking and by
19 email, seeking to discuss outside of court, and YC failed to respond (See ¶52 herein). On
20 or about February 24, 2025, Plaintiff emailed YC again requesting the Terms of Service
21 and Privacy Policy in place at the time her application was submitted, and YC again failed
22 to respond with the information (See ¶54 herein). These facts support a reasonable
23 inference that YC did not subject Plaintiff’s application to the fair, good faith, careful
24 evaluation it had represented, and that its statement that her application had been carefully
25 reviewed was not accurate when made.

26 77. INTENT: YC made the “not selected” after careful review statements with the intent that
27 Plaintiff would rely on them by redirecting her limited time and resources.

28 78. JUSTIFIABLE RELIANCE:

- a. Harmony justifiably relied on YC’s statements due to recommendations about YC by Darya Shaked, a reputable venture capitalist who founded WeAct Ventures to invest in the best venture capital firms led by top women in the investment

1 industry. She previously served as COO at Vital Capital Fund, a \$350M private
2 equity fund, and in 2018 was featured among the top 100 female venture capitalists
3 in the book, “Women Who Venture,” by Renata George (See Exhibit A to
4 Complaint, Page 7).

5 b. Also, Harmony justifiably relied on YC’s statements because YC is widely
6 regarded as the most prestigious startup accelerator in the world, and according to
7 Fast Company, their companies are valued at over \$600 Billion in total. While
8 other startups have a failure rate of 90%, YC startup’s failure rate is 18%, and 5.5%
9 of YC companies become unicorn companies worth \$1 Billion or more (See
10 **Exhibit X**, Fast Company article statistics).

11 c. At the time of YC’s “rejection,” Harmony was a mother of two teenagers who had
12 just finished 7 years of college, leveraging student loans to become a new lawyer.
13 In addition, according to Fortune Magazine, women-led companies received only
14 2.2% of venture capital funds for their startups that year, so female founders did
15 not have the luxury of working on a business that was less than stellar. She relied
16 on and trusted the due diligence and **misrepresentation of YC regarding the**
17 **fairness of their intake process**, because they are the most prestigious and highly
18 resourced startup accelerator in the world, when evaluating whether to invest any
19 more of her limited time and resources. As a direct result of YC’s
20 misrepresentation, Harmony changed direction to what she believed to be a more
21 promising venture, launching Legalucy in August 2018. Harmony has been
22 dedicated to investing in that new venture ever since.

23 79. RESULTING HARM AND DAMAGES: As a result of Defendants’ fraudulent
24 misrepresentations, Plaintiff suffered harm including but not limited to the same
25 reliance- and opportunity-based damages alleged in connection with the concealment
26 claim herein, including loss of the opportunity with strategic partnerships, funding sources,
27 and commercialization channels at the time, and reputational harm and emotional distress
28 resulting from being misled and excluded from the ecosystem (See e.g. ¶¶ 93-94 herein).

1 These damages are based solely on Plaintiff’s detrimental **reliance** on Defendants’
2 misrepresentations and the resulting decision to forego other avenues for development,
3 investment, and commercialization (See ¶ 58 incorporated herein by reference).

4 **a. Other Relief**

5 Plaintiff further seeks punitive damages in an amount sufficient to punish and **deter**
6 **similar conduct** by YC in the startup community in the future, attorneys’ fees, costs of suit, and
7 requests any other relief the Court deems just and proper.

8 THIRD CAUSE OF ACTION

9 (Negligent Misrepresentation against Defendants 1, 4, and 6)

10 80. Plaintiff realleges the facts set forth in paragraphs 70-75 and 78-79 above and incorporates
11 the same herein by this reference as though set forth in full.

12 81. MISREPRESENTATION REGARDING FAIR INTAKE PROCESS: In the “not selected”
13 email, YC stated that it had carefully reviewed Plaintiff’s application and that YC had decided
14 not to move forward with Harmony, thereby representing present and existing facts about the
15 fairness, care, and depth of YC’s evaluation of her application. Those statements were
16 inaccurate and YC made them without reasonable grounds for believing them to be true.

17 82. RELIANCE: Harmony relied on YC’s negligent misrepresentations and as a direct result
18 did not pursue alternative commercialization opportunities, partners, and fund sources
19 (See ¶ 58, incorporated herein by reference).

20 83. JUSTIFIABLE RELIANCE AND FORESEEABILITY OF RELIANCE:

- 21 a. Harmony justifiably relied on YC’s statements due to recommendations about YC
22 by Darya Shaked, a reputable venture capitalist who founded WeAct Ventures to
23 invest in the best venture capital firms led by top women in the investment
24 industry. She previously served as COO at Vital Capital Fund, a \$350M private
25 equity fund, and in 2018 was featured among the top 100 female venture capitalists
26 in the book, “Women Who Venture,” by Renata George (See **Exhibit A** to FAC,
27 Page 7).
28

- 1 b. Also, Harmony justifiably relied on YC's statements because YC is widely
2 regarded as the most prestigious startup accelerator in the world, and according to
3 Fast Company, their companies are valued at over \$600 Billion in total. While
4 other startups have a failure rate of 90%, YC startup's failure rate is 18%, and 5.5%
5 of YC companies become unicorn companies worth \$1 Billion or more (See
6 **Exhibit X**, Fast Company article statistics).
- 7 c. At the time of YC's "rejection," Harmony was a mother of two teenagers who had
8 just finished 7 years of college, leveraging student loans to become a new lawyer.
9 In addition, according to Fortune Magazine, women-led companies received only
10 2.2% of venture capital funds for their startups that year, so female founders did
11 not have the luxury of working on a business that was less than stellar. She relied
12 on and trusted the due diligence and negligent **misrepresentation of YC**
13 **regarding the fairness of their intake process**, because they are the most
14 prestigious and highly resourced startup accelerator in the world, when evaluating
15 whether to invest any more of her limited time and resources. As a direct result of
16 YC's misrepresentation, Harmony changed direction to what she believed to be a
17 more promising venture, launching Legalucy in August 2018. Harmony has been
18 dedicated to investing in that new venture ever since.
- 19 d. YC knew or should have known that applicants, including Plaintiff, would
20 reasonably rely on YC's representations that their applications had been carefully
21 reviewed and fairly declined in deciding whether to continue investing time and
22 resources in their ventures, to pursue alternative partners and funding, or to pivot
23 away from those opportunities.

24 84. RESULTING DAMAGES

- 25 a. As a direct and proximate result of Defendants' negligent misrepresentations,
26 Plaintiff suffered substantial **reliance damages**, including but not limited to by
27 foregoing alternative avenues for securing alternate funding, partners,
28 commercialization, and monetization. Plaintiff devoted **significant time, effort, and**

1 **resources** in advance and prior to submitting her application to YC, and refrained from
2 pursuing other opportunities, partnerships, and funding sources that were available to
3 her at the time in reliance on YC's negligent misrepresentations (See ¶ 58,
4 incorporated herein by reference).

5 b. Plaintiff's reliance resulted in exclusion from strategic partnerships, funding, and
6 commercialization opportunities, causing her to miss out on unique benefits and
7 opportunities that would have been available had she not relied on Defendants'
8 misrepresentations at the time. Plaintiff would not have foregone pursuit of
9 Founderology, but for Defendants' negligent conduct.

10 c. Plaintiff also suffered **reputational harm and emotional distress** due to the
11 personal and professional value of her work and as a result of Defendants' conduct,
12 including the rejection of her application and the subsequent exclusion from YC's
13 community, which negatively impacted her standing in the entrepreneurial and
14 investment ecosystem. The loss of credibility and diminished reputation in the industry
15 due to YC's negligent misrepresentations and exclusion has had ongoing adverse
16 effects on Plaintiff's ability to secure funding and collaborators and attract customers.

17 e. Plaintiff seeks **compensatory damages** for all losses incurred as a result of
18 Defendants' negligent misrepresentations, including but not limited to lost short term
19 business opportunities, lost opportunity costs, **reliance** damages, reputational harm,
20 and emotional distress, in an amount to be determined through discovery and at trial.
21 Plaintiff further seeks attorneys' fees, costs of suit, and any other relief the Court
22 deems just and proper.

23 f. These damages are based solely on Plaintiff's **detrimental reliance** on
24 Defendants' negligent misrepresentations regarding the fairness, care, and depth of
25 YC's intake process.

26 //

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28 //

1 FOURTH CAUSE OF ACTION

2 (Fraudulent Concealment against Defendants 1, 4, and 6)

3 85. Plaintiff realleges and incorporates by reference only those general factual allegations
4 herein concerning: (a) the March 2018 YC event, (b) Defendants' representations about YC's
5 application process, and (c) Plaintiff's background, efforts, and decision to apply to YC and
6 pivot following YC's evaluation, and does **not** incorporate any allegations regarding
7 Defendants' acquisition, use, or disclosure of Plaintiff's confidential information, trade
8 secrets, or ideas.

9 86. On or about March 23, 2018, YC encouraged Harmony to apply to YC for a fair evaluation
10 (**See Exhibit M**, handwritten notes from March 2018 event; **See Exhibit A** to FAC,
11 Harmony's 2018 application to YC).

12 87. SUPPRESSION OF MATERIAL FACT: YC concealed the actual nature of its intake
13 process which was unfair and careless, shown in the fact that in the course of her subsequent
14 investigation, Plaintiff learned from YC's own 2024 published statistics that only
15 approximately 11% of founders selected by YC were women (**Exhibit HH, II, GG**). On or
16 about September 30, 2024, Plaintiff wrote to YC by mail with USPS tracking and by email,
17 seeking to discuss outside of court, and YC failed to respond (See ¶52 herein). On or about
18 February 24, 2025, Plaintiff emailed YC again requesting the Terms of Service and Privacy
19 Policy in place at the time her application was submitted, and YC again failed to respond with
20 the information (See ¶54 herein). These facts support a reasonable inference that YC
21 concealed from Plaintiff the true nature of its intake process, that YC did not in fact subject
22 Plaintiff's application to the fair, good-faith, careful evaluation it had represented, and that its
23 statement that her application had been carefully reviewed was not accurate when made.

24 88. DUTY TO DISCLOSE: The YC Partner told Harmony that she should apply, making it
25 seem like they were interested in fairly evaluating her application (See **Exhibit M** to FAC).
26 YC encouraged her to apply and thwarted any effort that Harmony made to discover
27 information that might cause her to believe she should not apply, such as YC's actual intent to
28 not fairly and not carefully review her application. Because Harmony engaged in this

1 discussion with YC to uncover information prior to applying, YC had a duty to disclose their
2 actual intent during the intake process which involved a **careless and unfair** evaluation
3 process, followed by an email to Harmony suggesting a fair process and stating that YC
4 conducted a careful review.

5 89. INTENT TO DECEIVE: If YC had revealed their actual intent in not carefully reviewing
6 her idea Harmony would not have applied to YC and relied on their purported careful review.
7 YC intended to deceive Harmony, so that she would apply to YC.

8 90. RELIANCE: Harmony relied on YC's concealment regarding the unfair intake process,
9 applied to YC, and YC informed her that she was "not selected" after a careful review. As a
10 direct result of YC's concealment regarding the true nature of the intake process, Harmony did
11 not pursue alternative commercialization opportunities, partners, and funding sources
12 (See ¶ 58, incorporated herein by reference).

13 91. JUSTIFIABLE:

14 a. Harmony justifiably relied on YC's statements due to recommendations about YC
15 by Darya Shaked, a reputable venture capitalist who founded WeAct Ventures to
16 invest in the best venture capital firms led by top women in the investment industry.
17 She previously served as COO at Vital Capital Fund, a \$350M private equity fund, and
18 in 2018 was featured among the top 100 female venture capitalists in the book,
19 "Women Who Venture," by Renata George (See **Exhibit A** to FAC, Page 7).

20 b. Also, Harmony justifiably relied on YC's statements because YC is widely regarded
21 as the most prestigious startup accelerator in the world, and according to Fast
22 Company, their companies are valued at over \$600 Billion in total. While other
23 startups have a failure rate of 90%, YC startup's failure rate is 18%, and 5.5% of YC
24 companies become unicorn companies worth \$1 Billion or more (See **Exhibit X**, Fast
25 Company article statistics).

26 c. At the time of YC's "rejection," Harmony was a mother of two teenagers who had
27 just finished 7 years of college, leveraging student loans to become a new lawyer. In
28 addition, according to Fortune Magazine, women-led companies received only 2.2% of

1 venture capital funds for their startups that year, so female founders did not have the
2 luxury of working on a business that was less than stellar. She justifiably relied on
3 YC's concealment, and she trusted in their evaluation and their careful review, because
4 they are the most prestigious and highly resourced startup accelerator in the world, and
5 she decided not to invest any more of her limited time and resources (See **Exhibit R** to
6 FAC, stating that YC carefully reviews applications). As a direct result of YC's
7 concealment of their unfair intake process, Harmony changed direction to what she
8 believed to be a more promising venture, launching Legalucy in August 2018.

9 Harmony has been dedicated to investing in that new venture ever since.

10 92. On August 31, 2024, Harmony learned through a LinkedIn post that YC was offering
11 products that appeared to disadvantage women founders, thereby putting her on notice of
12 potential unfairness in YC's intake process and prompting her to investigate whether her
13 application had in fact been fairly and carefully evaluated (See **Exhibit S**).

14 93. **RESULTING DAMAGES:** As a result of Defendants' fraudulent concealment of material
15 facts regarding the true nature of their intake process, Plaintiff suffered substantial harm and
16 damages that arise from the **deterrent effect** of Defendants' concealment of the true nature of
17 their unfair and careless intake process, which caused Plaintiff to refrain from further
18 investment of her limited time and resources into the business opportunity.

19 94. Specifically, Defendants' concealment led Plaintiff to believe that her application to YC
20 had been fairly considered and rejected, thereby discouraging her from seeking alternative
21 avenues for further investment and commercialization of the business opportunity. In
22 justifiable **reliance** on Defendants' concealment, Plaintiff did not pursue other potential
23 partners, investors, or commercialization (See ¶ 58, incorporated herein by reference).

24 95. Plaintiff's damages include, but are not limited to, the following:

- 25 a. Exclusion from strategic partnerships, funding sources, and commercialization
26 channels that would have been available at the time had Plaintiff not been deterred as a
27 result of Defendants' concealment.
- 28 b. Reputational harm and emotional distress resulting from the personal and
professional impact of being misled and excluded from the ecosystem at the time,

1 which has had ongoing adverse effects on Plaintiff's ability to attract collaborators,
2 investors, and customers.

3 c. These damages are based solely on Plaintiff's **detrimental reliance** on Defendants'
4 concealment of material facts. The harm suffered is the direct result of Plaintiff being
5 deterred from pursuing further investment in the business opportunity.

6 d. Plaintiff also seeks **compensatory damages** for all losses incurred as a result of
7 Defendants' fraudulent concealment at the time, including but not limited to lost short
8 term opportunity costs, reliance damages, reputational harm, and emotional distress, in
9 an amount to be determined through discovery and at trial. Plaintiff further seeks
10 punitive damages in an amount sufficient to punish and **deter similar conduct** by YC
11 in the startup community in the future, attorneys' fees, costs of suit, and any other
12 relief the Court deems just and proper, to the extent permitted by law.

13 FIFTH CAUSE OF ACTION

14 (Promissory Fraud against Defendants 1, 4, and 6)

15 96. Plaintiff realleges and incorporates by reference only those general factual allegations
16 herein concerning: (a) the March 2018 YC event, (b) Defendants' representations about YC's
17 application process, and (c) Plaintiff's background, efforts, and decision to apply to YC and
18 pivot following YC's evaluation, and does **not** incorporate any allegations regarding
19 Defendants' acquisition, use, or disclosure of Plaintiff's confidential information, trade
20 secrets, or ideas.

21 97. PROMISE: In March 2018, Harmony was invited to an intimate gathering in Silicon
22 Valley encouraging a small group of entrepreneurs to apply to YC. Harmony accepted the
23 invitation and attended the gathering, where on or about March 23, 2018, YC incited Harmony
24 to apply for a fair evaluation (See **Exhibit M**, handwritten notes recorded by Harmony the day
25 of the March 2018 event; See **Exhibit A**, Harmony's 2018 application to YC). The promises
26 by YC were **clear, specific, unambiguous**, and intended to induce Harmony to apply to YC.

27 98. NO INTENT TO PERFORM: YC had no intent to uphold a fair intake process at the time
28 the promise was made. YC intended for Harmony to apply to YC, and YC would conduct an
unfair and careless evaluation, as shown in the fact that in the course of her subsequent
investigation, Plaintiff learned from YC's own 2024 published statistics that only
approximately 11% of founders selected by YC were women (See **Exhibit HH, II, GG**). On

1 or about September 30, 2024, Plaintiff wrote to YC by mail with USPS tracking and by email,
2 seeking to discuss outside of court, and YC failed to respond (See ¶52 herein). On or about
3 February 24, 2025, Plaintiff emailed YC again requesting the Terms of Service and Privacy
4 Policy in place at the time her application was submitted, and YC again failed to respond with
5 the information (See ¶54 herein). These facts support a reasonable inference that YC did not
6 intend to subject Plaintiff's application to the fair, good-faith, careful evaluation it had
7 represented, and that its statement that her application had been carefully reviewed was not
8 accurate when made.

9 99. INTENT THAT PLAINTIFF RELY: YC intended that Plaintiff rely on their promise of a
10 fair intake process because they wanted her to apply to YC.

11 100. RELIANCE: As a direct result of YC's incitement and their explicit and unambiguous
12 promises to her and relying on their statements, Harmony applied to YC.

13 101. JUSTIFIABLE: Harmony justifiably relied on YC's promises due to recommendations
14 about YC by Darya Shaked, a reputable venture capitalist who founded WeAct Ventures to
15 invest in the best venture capital firms led by top women in the investment industry. She
16 previously served as COO at Vital Capital Fund, a \$350M private equity fund, and in 2018
17 was featured among the top 100 female venture capitalists in the book, "Women Who
18 Venture," by Renata George (See Exhibit A to FAC, Page 7).

19 a. Also, Harmony justifiably relied on YC's statements because YC is widely regarded
20 as the most prestigious startup accelerator in the world, and according to Fast
21 Company, their companies are valued at over \$600 Billion in total. While other
22 startups have a failure rate of 90%, YC startup's failure rate is 18%, and 5.5% of YC
23 companies become unicorn companies worth \$1 Billion or more (See Exhibit X, Fast
24 Company article statistics).

25 b. Plus, YC communicates founder assurances and sets itself out as a community who
26 trusts one another (See Exhibit O, YC ethics policies), so Harmony reasonably relied
27 on YC's purported high standards of conduct and ethics and justifiably relied on the
28 promises YC made to her.

1 102. Harmony received a receipt from YC, confirming that her application was submitted for
2 review (See **Exhibit A** to FAC, Harmony’s application to YC).

3 103. Harmony then received an email from YC stating that her application was “not selected”
4 and stating that they **carefully review** applications (See **Exhibit R**, discussing YC’s careful
5 review).

6 104. The matter involves a clear "**David and Goliath**" **dynamic**, where Harmony is an
7 individual founder and YC is the most powerful, influential, and highly resourced startup
8 accelerator worldwide. YC had **no intent to uphold its promises and instead intended to**
9 **deceive Harmony**. YC believed that due to this significant power imbalance, when Harmony
10 applied to YC, YC could refuse to honor the YC Partner’s promises of a fair intake process.
11 YC knowingly exploited its overwhelming power and resources, confident that a lone founder
12 would face insurmountable obstacles in seeking redress for such misconduct.

13 105. On August 31, 2024, Harmony learned through a LinkedIn post that YC was offering
14 products that appeared to disadvantage women founders, thereby putting her on notice of
15 potential unfairness in YC’s intake process and prompting her to investigate whether her
16 application had in fact been fairly and carefully evaluated (See **Exhibit S**).

17 106. DAMAGES CAUSED BY RELIANCE ON PROMISE: This cause of action is not about
18 any acquisition, use, or disclosure of confidential information or ideas. Plaintiff’s damages on
19 this claim arise solely from her reasonable and justifiable reliance on YC’s promises regarding
20 a fair intake process and the prestige associated with their evaluation, and from the short-term
21 opportunities she forewent in reliance on those promises. As result of Defendants’ promissory
22 fraud—specifically, the false promise that Plaintiff could apply to YC and the representation
23 that the YC intake process would be fair and she’d be carefully considered —Plaintiff suffered
24 substantial damages arising solely from Plaintiff’s reasonable and justifiable **reliance** on YC’s
25 promises and the prestige associated with their evaluation process.

26 107. Plaintiff relied on Defendants’ promises by applying to YC, and then due to their
27 prestigious reviewal and evaluation process, foregoing alternative avenues for presenting,
28 commercializing, and monetizing her platform (See ¶ 58, incorporated herein by reference).
Plaintiff devoted significant time, effort, and resources prior to submitting her YC application,
and refrained from pursuing other opportunities, partnerships, and funding sources that were
available to her at the time as a direct result of YC’s prestigious review. Plaintiff’s **reliance**

1 resulted in exclusion from other potential strategic partnerships, funding, and
2 commercialization opportunities at the time, and caused her to miss out on unique benefits that
3 would have been available had she not relied on Defendants' promises.

4 108. Plaintiff's damages include, but are not limited to, the following:

5
6 a. Plaintiff was excluded from strategic partnerships, funding sources, and
7 commercialization channels that would have been available at the time had she not
8 been deterred by Defendants' promises. Plaintiff also experienced reputational harm
9 and emotional distress resulting from the personal and professional impact of being
10 misled and excluded from the ecosystem at the time, which has had ongoing adverse
11 effects on her ability to attract collaborators, investors, and customers. These damages
12 are based solely on Plaintiff's detrimental **reliance** on Defendants' promises and the
13 prestige of YC's evaluation.

14 b. Plaintiff seeks **compensatory damages** for all losses incurred as a result of
15 Defendants' promissory fraud, including but not limited to lost short term opportunity
16 costs, **reliance** damages, reputational harm, and emotional distress, in an amount to be
17 determined through discovery and at trial. Plaintiff further seeks punitive damages in
18 an amount sufficient to punish and **deter similar conduct** by YC in the startup
19 community in the future, attorneys' fees, costs of suit, and any other relief the Court
20 deems just and proper, to the extent permitted by law.

21 **SIXTH CAUSE OF ACTION**

22 (Constructive Fraud against Defendants 1, 4, and 6)

23 109. Plaintiff realleges and incorporates by reference only those general factual allegations
24 concerning: (a) the March 2018 YC event, (b) Defendants' representations about YC's
25 application process, and (c) Plaintiff's background, efforts, and decision to apply to YC and
26 pivot following YC's evaluation, and does **not** incorporate any allegations regarding
27 Defendants' acquisition, use, or disclosure of Plaintiff's confidential information, trade
28 secrets, or ideas.

1 110. Harmony came from humble beginnings. She grew up in a small, rural town in Western
2 PA. As a teenager, she lived with her grandmother in an economically disadvantaged situation.
3 She was born on Abraham Lincoln’s birthday, and as a child, she wanted to become a lawyer,
4 but there was no path for her. Harmony set out to create a better life for herself through
5 dedication and hard work.

6 111. Harmony enlisted in the U.S. Army and served active duty overseas in the First Infantry
7 Division, earning a “Superior Performance Certificate” for her leadership throughout basic
8 combat training. The Army gave Harmony a broad world view and confidence to pursue her
9 childhood dream of becoming an attorney.

10 112. In 2013, she and her husband, a PA plumber who also started with limited means, moved
11 to Silicon Valley. While raising two teenage children, Harmony completed law school at Santa
12 Clara University. At the time when YC told Harmony that they did “not select” her for their
13 program, she was a mother of two teenagers who had just finished 7 years of college,
14 leveraging student loans to become a new lawyer.

15 113. According to Fortune Magazine, women-led companies received only 2.2% of venture
16 capital funds for their startups that year, so female founders were in a vulnerable position in
17 the startup industry (See Dec. of K. Macrostie, Dec. of J. Majeski).

18 114. **FIDUCIARY OR CONFIDENTIAL RELATIONSHIP:** YC purposefully and
19 strategically establishes trust and reliance with founders from underrepresented groups in a
20 vulnerable position within the startup industry by developing special, trusting, fiduciary
21 relationships with them to incite them to apply to YC and forego other opportunities.

- 22 a. In this Sixth Cause of Action for Constructive Fraud, Plaintiff alleges that this
23 special, trusting relationship arises specifically from **YC’s targeting of women**
24 **founders** at a women-focused event, and individualized assurances directed at her
25 as a female founder, and is not based on any general or industry-wide fiduciary
26 duty owed by accelerators or investors to founders generally.

27 115. YC established a special, trusting, fiduciary relationship with Harmony when they
28 engaged in a practice at their March 2018 event called “purplewashing”— a practice in which
YC publicly promoted support for women’s empowerment, creating a special, trusting,

1 fiduciary relationship with female founders, **who statistically secure only approximately 2%**
2 **of venture capital funding**, to enhance YC’s image and to entice female founders to apply to
3 YC, based on such trusting relationship, and forego other opportunities, while YC privately
4 engages in harmful conduct that undermines those very values (hereinafter “purplewashing”;
5 *Purplewashing: What Is It and How to Avoid It?*, Republik (July 7,
6 2024), <https://republik.ca/en/blog/purplewashing-what-is-it-and-how-to-avoid-it/> (last visited
7 November 13, 2025; See also **Dec. of J. Majeski**).

8 116. YC hosted a women-focused event at a Silicon Valley venture capital firm, where they
9 incited Harmony, a female founder in a vulnerable position in the startup ecosystem, to
10 apply to YC with promise of a fair intake process and evaluation.

11 117. Harmony **relied** on the fiduciary, special, and trusting relationship established by YC in
12 deciding to apply to YC. YC informed her that she was “not selected” after a careful
13 review (See **Exhibit R** to FAC).

14 118. BREACHED DUTY: On August 31, 2024, Harmony saw a LinkedIn post indicating that
15 YC was offering products that appeared to disadvantage women founders, which put her
16 on notice that YC’s prior assurances of supporting women founders and offering a fair
17 intake process may not have been accurate (See **Exhibit S**). This prompted her to
18 investigate whether her application had in fact been fairly and carefully evaluated.

19 119. Upon immediate further investigation, Harmony learned that as of 2024, YC largely
20 excludes women—who still receive only about 2% of venture capital funding— from
21 their venture capital ecosystem. For example, as reported by YC in 2024, YC selected
22 only 11% of women into their investment program, suggesting that YC’s women-focused
23 events amount to “purplewashing” practices (See **Exhibits GG, HH, and II**; See **Dec. of**
24 **J. Majeski, Dec. of K. Macrostie**). On or about September 30, 2024, Plaintiff wrote to
25 YC by mail with USPS tracking and by email, seeking to discuss outside of court, and YC
26 failed to respond (See ¶52 herein). On or about February 24, 2025, Plaintiff emailed YC
27 again requesting the Terms of Service and Privacy Policy in place at the time her
28 application was submitted, and YC again failed to respond with the information (See ¶54
herein). These facts support a reasonable inference that YC did not intend to subject
Plaintiff’s application to the fair, good-faith, careful evaluation it had represented, and that

1 its statement that her application had been carefully reviewed was not accurate when
2 made.

3 120.RELIANCE: Harmony relied on the fiduciary, special, and trusting relationship
4 established by YC, due to recommendations about YC by Darya Shaked, a reputable
5 venture capitalist who founded WeAct Ventures to invest in the best venture capital firms
6 led by top women in the investment industry. She previously served as COO at Vital
7 Capital Fund, a \$350M private equity fund, and in 2018 was featured among the top 100
8 female venture capitalists in the book, “Women Who Venture,” by Renata George (See
9 **Exhibit A** to FAC, Page 7).

10 121.Also, Harmony relied on the fiduciary, special, and trusting relationship established by
11 YC because YC is widely regarded as the most prestigious startup accelerator in the
12 world, and according to Fast Company, their companies are valued at over \$600 Billion in
13 total. While other startups have a failure rate of 90%, YC startup’s failure rate is 18%, and
14 5.5% of YC companies become unicorn companies worth \$1 Billion or more (See **Exhibit**
15 **X**, Fast Company article statistics).

16 122.At the time of YC’s unfair intake process and careless evaluation Harmony was a mother
17 of two teenagers who had just finished 7 years of college, leveraging student loans to
18 become a new lawyer. In addition, according to Fortune Magazine, women-led companies
19 received only 2.2% of venture capital funds for their startups that year, so female founders
20 did not have the luxury of working on a business that was less than stellar. She relied on
21 the fiduciary, special, and trusting relationship established by YC, trusting in their fair
22 intake process and careful review, because they are the most prestigious and highly
23 resourced startup accelerator in the world, and she decided not to invest any more of her
24 limited time and resources (See **Exhibit R** to FAC). As a direct result, Harmony changed
25 direction to what she believed to be a more promising venture, launching Legalucy in
26 August 2018. Harmony has been dedicated to investing in that new venture ever since.

27 123.INJURY DUE TO RELIANCE: As a direct result of her special, trusting, fiduciary
28 relationship with YC and the reliance on their fair intake process and careful review,
Harmony did not pursue alternative commercialization opportunities, partners, and fund
sources (See ¶ 58, incorporated herein by reference).

1 124. In addition, on or about September 30, 2024, Harmony sent letters to YC via mail and
2 email, sharing the above facts and providing an opportunity to discuss and resolve the
3 matter. YC failed to respond. On or about February 24, 2025, Harmony emailed YC a
4 request for the Terms of Service and Privacy Policy in place at the time her YC
5 application was submitted. YC again failed to respond. This willful and repeated lack of
6 response by YC showcases bad faith, intentional disregard for Plaintiff's rights, and a
7 failure to act in a manner consistent with fair dealing. It has caused unnecessary delay and
8 has compelled Harmony to initiate this legal action in the Superior Court of California,
9 County of San Francisco to seek redress. Such behavior not only undermines the
10 principles of good faith and fair dealing, showcasing "take it or leave it" positioning and
11 deceptive practices, it also exacerbates harm, damages, and legal expenses.

12 125. **ADVANTAGE TO YC CAUSED BY BREACH:** The matter involves a clear "David and
13 Goliath" dynamic, where female founders like Harmony are an under-represented group
14 in a vulnerable position in the venture capital industry and YC is the most powerful,
15 influential, and highly resourced startup accelerator worldwide. YC gained an unfair
16 advantage by engaging in constructive fraud and purplewashing activities that publicly
17 promoted YC's support for women's empowerment to enhance YC's brand image, when
18 YC actually unfairly and uncarefully evaluated Harmony's application, conducted an
19 unfair intake process, and engaged in practices that harm women (See **Exhibits GG, HH,**
20 **and II**; See **Dec. of J. Majeski, Dec. of K. Macrostie**).

21 126. **HARM AND DAMAGES:** As a direct and proximate result of Defendants' constructive
22 fraud—specifically, the abuse of a special, trusting, fiduciary relationship cultivated
23 through public assurances, targeted outreach to underrepresented founders, and repeated
24 representations of support while promising a fair intake process—Plaintiff has suffered
25 substantial and ongoing harm.

26 127. Plaintiff's injuries stem from her reasonable reliance on Defendants' representations and
27 the unique position of trust Defendants established. Defendants' conduct caused Plaintiff
28 to forgo alternative avenues for commercializing her business concept, pursuing strategic
partnerships, and securing funding. Relying on Defendants' evaluation and rejection,

1 Plaintiff redirected her limited resources and professional focus, resulting in the
2 suspension of further investment and launch of a different venture.

3 128.As a direct result of Defendants’ breach of duty and the emotional distress caused by their
4 conduct, Plaintiff’s activities in her other legal tech startup have been negatively impacted
5 in 2025-2026. The litigation compelled by Defendants’ actions has consumed Plaintiff’s
6 time, energy, and financial resources, further exacerbating her inability to pursue new
7 partnerships, secure additional funding, and advance her entrepreneurial goals. Plaintiff
8 has been forced to usurp additional opportunities for growth and collaboration, suffering
9 both tangible and intangible losses.

10 129.As a direct result of Plaintiff’s **reliance** on the special, trusting, fiduciary relationship
11 established by YC, damages include, but are not limited to:

- 12 a. Loss of business opportunities and strategic partnerships at the time that would
13 have been available but for Defendants’ abuse of trust and breach of duty;
- 14 b. Negative impact on the operations and development in Plaintiff’s other startup
15 because Plaintiff was forced to file this lawsuit, resulting in lost profits, lost
16 funding opportunities, and missed market opportunities;
- 17 c. Emotional distress, including **loss of faith in the startup and venture capital**
18 **industry**, professional discouragement, and reputational harm, directly attributable
19 to Defendants’ conduct;
- 20 d. Legal expenses and costs incurred in seeking redress for Defendants’ repeated bad
21 faith and failure to engage in fair dealing;
- 22 e. Ongoing exclusion from YC’s ecosystem and diminished ability to attract
23 collaborators, investors, and customers.

24 130.These damages are based solely on Plaintiff’s **reliance** on Defendants’ representations
25 regarding a fair intake process and the breach of the special, trusting, and fiduciary
26 relationship YC created with Harmony. The harm suffered is the direct result of
27 Defendants’ **exploitation of trust**, not from any alleged theft or use of confidential
28 information.

1 131. Plaintiff seeks compensatory damages for all losses incurred as a result of Defendants’
2 constructive fraud, including but not limited to reliance damages, emotional distress,
3 reputational harm, and increased legal expenses, in an amount to be determined through
4 discovery and at trial. Plaintiff further seeks exemplary and punitive damages to **deter**
5 **similar conduct** in the future by YC, and any other relief the Court deems just and
6 proper, to the extent permitted by law.

7 SEVENTH CAUSE OF ACTION

8 (Misappropriation of Trade Secrets against Defendants 1 - 6)

9 132. Plaintiff realleges the facts set forth in paragraphs 1 through 131 above and incorporates
10 the same herein by this reference as though set forth in full.

11 133. For the seventh cause of action, “YC” shall mean Defendants 1 – 6.

12 ...

13 KEEPING THE SECRET

14 134. Harmony, **a subject matter expert with a systematic approach and evidence**
15 **illustrating the same** took reasonable efforts to maintain the secrecy of her Founderology
16 trade secret at all relevant times. For example:

17 a. **SUBJECT MATTER EXPERTISE**: Harmony has taught many entrepreneurs how
18 to protect their confidential and proprietary information, so understands the topic
19 well (See **Dec. of W. Ryan, J. Majeski, K. Winget, M. Ahi, V. Townsend,**
20 **K. Macrostie**). For example:

- 21 i. Harmony understands how to discuss and pitch an entrepreneurial idea at a
22 **“high level”** —where she purposely and carefully prevents disclosing
23 confidential and proprietary information (hereinafter “high level”
24 information; See **Dec. of W. Ryan, J. Majeski, K. Winget, M. Ahi, G.**
25 **Townsend, K. Macrostie**).
- 26 ii. Harmony also understands how to enter into a Non-Disclosure Agreement
27 (“NDA”) and **how to establish a verbal confidentiality agreement**, for
28

1 example, with investors (See **Dec. of W. Ryan, J. Majeski, M. Ahi, G.**
2 **Townsend, K. Macrostie**).

- 3 iii. Harmony learned from IP (including trade secret) legal scholars at Santa
4 Clara Law’s Entrepreneurs Law Clinic and earned a High-Tech Law
5 Certificate with Honors. Harmony was selected for a coveted Google
6 Internship during her time at Santa Clara Law, where she worked with an
7 inventor and wrote a defensive patent publication published by TD
8 Commons.
- 9 iv. In 2018, Harmony taught entrepreneurial seminars at WeWork, 75 East
10 Santa Clara Street, San Jose, CA 95113, to help entrepreneurs navigate the
11 venture capital investment process, teaching them to vet and do business
12 with people they trust and **teaching them to establish a verbal**
13 **confidentiality agreement** prior to disclosing confidential information,
14 which is a customary practice where venture capitalists (hereinafter “VCs”)
15 do not to sign NDAs (See **Dec. of G. Townsend, W. Ryan, J. Majeski, M.**
16 **Ahi, K. Macrostie**).
- 17 v. Harmony has also been a mentor at San Jose State University IDEAS Lab
18 and has taught entrepreneurs on numerous occasions about IP protections,
19 including trade secrets, NDAs, and verbal confidentiality agreements (See
20 Harmony Oswald, Business Startups & Mentorship, LINKEDIN (Nov. 14,
21 2025, 10:00
22 AM), https://www.linkedin.com/posts/harmonyoswald_business-startups-mentorship-activity-6598674283000668160-ipoj?utm_source=share&utm_medium=member_desktop&rcm=ACoAAFDUGKcB8mzMmuLNQ087SeC6ZMnqGDc3cKQ).
23
24
25
- 26 vi. In 2019, Harmony was moderator at the International IP Law Association’s
27 global conference covering IP Valuation (See Harmony Oswald, It Was a
28 Great Pleasure Representing Legalucy, LINKEDIN (Nov. 14, 2025, 10:00

1 AM), https://www.linkedin.com/posts/harmonyoswald_it-was-a-great-pleasure-representing-legalucy-activity-6582712771601924096--mEP?utm_source=share&utm_medium=member_desktop&rcm=ACoAAAInFRoBTHNBsr5b5UgDPQ3c5SuGsLm1BQg.

2
3
4
5 vii. Harmony’s company, Legalucy, helps entrepreneurs to proactively protect
6 **trade secrets**, and world renowned IP legal scholars educate entrepreneurs
7 about protecting their IP, including trade secrets, on her legal tech platform,
8 including but not limited to:

- 9 1. Mark Lemley, the *most-cited scholar in the world in IP law*, the
10 Director of the Stanford Program in Law, Science and Technology,
11 who teaches intellectual property, antitrust, the law of robotics and
12 AI, is the author of 11 books and 222 articles, including the two-
13 volume treatise IP and Antitrust, his works have been cited more
14 than 350 times by courts, including 19 times by the United States
15 Supreme Court, and more than 45,000 times in books and academic
16 articles, making him one of the ten most cited legal scholars of all
17 time (See Mark Lemley, YOUTUBE (Nov. 14, 2025, 10:00
18 AM), https://www.youtube.com/watch?v=UOWb_R_pOAk).
- 19 2. Eric Goldman, who co-directs the Santa Clara Law High Tech Law
20 Institute, supervises the Privacy Law Certificate, focuses on
21 Internet, IP and advertising law, managing IP magazine has twice
22 named him to a shortlist of North American “IP Thought Leaders,”
23 and he has been named an “IP Vanguard” by the California State
24 Bar’s IP Section (See Eric Goldman, YOUTUBE (Nov. 14, 2025,
25 10:00 AM), <https://www.youtube.com/watch?v=fqMv1ZCHMgs>.)
- 26 3. Harmony was featured on the **cover of the Silicon Valley Business**
27 **Journal Book of Lists** in 2020-2021 for her work at Legalucy,
28 empowering entrepreneurs to become better educated about topics

1 such as protecting their IP including trade secrets (See Harmony
2 Oswald, #ThinkOutsideTheFirm LegalTech & Small Business
3 Owners, LINKEDIN (Nov. 14, 2025, 10:00
4 AM), [https://www.linkedin.com/posts/harmonyoswald_thinkoutside-
5 the-firm-legaltech-small-business-owners-activity-
6 6750189812709494784-
7 OfNf?utm_source=share&utm_medium=member_desktop&rcm=ACoAAFDUGKcB8mzMmuLNQ087SeC6ZMnqGDc3cKQ](https://www.linkedin.com/posts/harmonyoswald_thinkoutside-the-firm-legaltech-small-business-owners-activity-6750189812709494784-OfNf?utm_source=share&utm_medium=member_desktop&rcm=ACoAAFDUGKcB8mzMmuLNQ087SeC6ZMnqGDc3cKQ)., and
8 Legalucy was highlighted in 2024 by the Legaltech Fund as a top
9 early-stage AI company because of their work to help entrepreneurs
10 become better educated about protecting their IP including trade
11 secrets (See Harmony Oswald, GenAI & The LegalTech Fund
12 Founders, LINKEDIN (Nov. 14, 2025, 10:00
13 AM), [https://www.linkedin.com/posts/harmonyoswald_genai-
14 the-legaltechfund-founders-activity-7207095223296954369-
15 JiPF?utm_source=share&utm_medium=member_desktop&rcm=ACoAAFDUGKcB8mzMmuLNQ087SeC6ZMnqGDc3cKQ](https://www.linkedin.com/posts/harmonyoswald_genai-the-legaltechfund-founders-activity-7207095223296954369-JiPF?utm_source=share&utm_medium=member_desktop&rcm=ACoAAFDUGKcB8mzMmuLNQ087SeC6ZMnqGDc3cKQ)).

- 16
17
18 b. SYSTEMATIC APPROACH: At all times prior to her good faith motion to seal
19 and where the Court denied the same, Harmony took a careful, systematic approach
20 to protecting her Founderology trade secrets.
- 21 i. LIMITED, HIGH LEVEL DISCUSSIONS: When interacting with anyone
22 outside of a confidentiality agreement, **Harmony purposely protects her**
23 **trade secrets**, for example, **with Ginny Townsend**, all partners, and all
24 advisors when discussing Founderology, including but not limited to Guiti
25 Nabavi—the cofounder of Silicon Valley Women Who Code, Anne
26 Cocquyt of The Guild, Anu Basu—the Director of the Silicon Valley
27 Center for Entrepreneurship at San Jose State University, **and all others**,
28 including her husband, by limiting information and discussing

1 Founderology at a “**high level**” at all times, as further discussed below (See
2 **Dec. of V. Townsend, W. Ryan, J. Majeski, K. Winget, M. Ahi, K.**
3 **Macrostie**).

4 1. Clarifying Twofold Board of Advisor Purpose in Startups: Harmony
5 is skilled at startup team building and understands that the
6 importance of having a strong board of advisors in place is **twofold**.

7 a. First, the act of simply having a smart board of advisors in
8 place can be critical to a startup pitch and attracting investors
9 at the “idea stage,” because they see that the founder is well
10 supported, and has the ability to form a strong team (See
11 **Exhibit M to Amended Complaint; See Dec. of W. Ryan**).
12 As YC mentioned, they are much less willing to select
13 “solopreneurs” and they only select “solopreneurs” 10% of
14 the time (See **Exhibit M to Amended Complaint**).

15 b. Second, after the founder forms an entity, such as a DE C-
16 Corp, secures investment, has FAST agreements in place
17 with the Board of Advisors, and they are *working on the*
18 *business* substantively, the founder can then ask the advisor
19 for substantive advice (See **Dec. of W. Ryan, K. Macrostie,**
20 **G. Townsend, M. Ahi**).

21 c. Here, the purpose of Harmony telling YC that she has
22 influential advisors was for part (a) above— to show YC **her**
23 **ability to form a strong team**, to attract investment.

24 Harmony had not yet formed a DE C-Corp for
25 Founderology, had not yet secured investment, had not yet
26 implemented FAST (Founder/Advisor standard template)
27 agreements, which require an entity to be formed first, and
28 she had not yet engaged in substantive discussions with any

1 advisors about Founderology with the exception of Kate
2 Bunina, who signed an NDA.

3 d. Founderology was at an “idea stage,” and 40% of the time,
4 YC invests in “idea stage” companies, as stated on their
5 website (See **Exhibit RR** attached hereto, a true and correct
6 copy of a screenshot taken by Plaintiff of YC’s public
7 website on or about November 12, 2025).

8 ii. An example of a limited, “high level” pitch, purposely excluding
9 confidential information, is the application video submitted to Y
10 Combinator recorded with the help of Ginny Townsend (See **Exhibit Q** to
11 FAC) where there is **no confidential, proprietary, or trade secret**
12 **information** disclosed, and Harmony took **careful precautions** to limit and
13 not disclose such information even to Ginny Townsend (See **Dec. of V.**
14 **Townsend**; See Exhibit PP attached hereto, a high level pitch for
15 Founderology in 2017).

16 iii. **NDA WITH ADVISOR**: In her normal course of business, Harmony
17 always requires business advisors to enter into standard FAST (Founder /
18 Advisor Standard Template) confidentiality agreements prior to disclosing
19 confidential information (See **Dec. of G. Townsend, K. Macrostie, M.**
20 **Ahi**). Harmony has implemented many FAST agreements through the
21 years, and she is very familiar with the process. When Harmony made her
22 Founderology disclosures to YC, there was no formal entity formed yet,
23 FAST advisor agreements were not yet implemented because discussions
24 with advisors were preliminary, non-substantive, and the purpose of sharing
25 names of advisors with YC at this stage was for Harmony to showcase her
26 **ability to form a strong team**, which is an important leadership skill to
27 articulate to investors when they are evaluating a founder. No **confidential**
28 **information was discussed with any advisors or partners at this stage—**

1 **except for Kate Bunina, who signed an NDA** (See **Exhibit K** to FAC;
2 See **Dec. of W. Ryan, M. Ahi, V. Townsend, K. Macrostie**).

3 iv. **SECRECY MAINTAINED ON WEBSITE:**

4 1. Founderology’s website (founderologyapp.com; founderology.tech)
5 purposely contained no confidential or proprietary information.
6 Founderology domains pointed to a UX prototype, created for
7 \$1,000 to test usability in a preliminary way. With the help of Kate
8 Bunina, under an NDA, we took reasonable and careful precautions
9 at every step to ensure **confidential and proprietary information**
10 **was not included in the prototype** (and therefore it was not on the
11 website, which pointed to the prototype).

12 2. As stated in the YC Application (See **Exhibit A** to FAC, Page 3),
13 we were in “private beta” and we had 20 users. The prototype was
14 not public—users had to sign up and create an account to use it.

15 v. **ETHICAL TRADE SECRET BUSINESS PRACTICES:** In addition to
16 taking careful, persistent actions to keep her Founderology trade secret a
17 secret at all times, and as it relates to establishing good faith and integrity
18 regarding keeping her trade secrets, Harmony was featured as a subject
19 matter expert on the topic of **INTEGRITY**, in the Amazon best-selling
20 leadership book, “*Learn, Lead, Lift: How to Think, Act, and Inspire Your*
21 *Way to Greatness*” by Wendy Ryan, a venture capital and Angel investor
22 who has worked with entrepreneurs globally and who is a leadership expert.
23 Wendy interviewed over 40 leaders for this book and selected her
24 discussion with Harmony for the introduction to the **Integrity chapter**. The
25 book can be viewed on Amazon (See **Dec. of W. Ryan**).

26 c. **TRADE SECRETS PROTECTED:** Evidence shows that at every relevant point
27 prior to this litigation—where Harmony made a good faith motion to seal filing
28 which was denied by the Court—Harmony took reasonable actions to protect the

1 secrecy of her trade secrets (See Dec. of V. Townsend, W. Ryan, J. Majeski, M.
2 Ahi, K. Macrostie, K. Winget) including with YC, as discussed below.

- 3 i. For example, on October 19, 2024, just 7 weeks after learning about YC’s
4 wrongful misappropriation, at an “invitation only” tech strategy and
5 planning breakfast among global leaders at 1200 Alta Loma Rd, Sunset
6 Marquis, West Hollywood, CA hosted by Tech FoundHer, an Irish
7 company, when Founder, Mairin Murray, a “Top 100” person in Irish Tech,
8 discussed the problems founders experience in finding co-founders and the
9 negative impact this has on their ability to secure venture capital funding, I
10 remained silent. At a moment when a person might feel very inclined to
11 speak on the topic, I did not disclose Founderology trade secrets and I did
12 not discuss YC’s wrongful misappropriation (See Dec. of J. Majeski, K.
13 Winget).

14 ...

15 135. On or about **October 11, 2017**, a year after taking the oath as a CA attorney, Harmony
16 met with Ms. Bunina at U+ to discuss building a prototype of the AI-powered co-founder
17 matching platform she had invented in law school. **Always and continuously**
18 **recognizing her invention as a valuable trade secret**, Harmony required Ms. Bunina to
19 sign a **Non-Disclosure Agreement** prior to discussing it with her (See **Exhibit K**, Non-
20 Disclosure Agreement signed by Kate Bunina; See **Exhibit L**, Prototype Invoice).

21 136. On or about **December 9, 2017**, Harmony filed a **provisional patent** on the AI-powered
22 co-founder matching platform invention. Harmony’s invention was entitled, “ranking co-
23 founder suggestions based on data from investors” (See **Exhibit D**, provisional patent
24 filing for co-founder matching invention).

25 137. Harmony invested time and resources into formulating a commercial framework—
26 targeting the global market, and by keeping her invention a secret, Harmony carefully
27 secured a **valuable economic advantage**. Based on her research and data, she projected
28 that the AI-powered co-founder matching platform she invented could be a **multi-billion**

1 **dollar company**, and she could further monetize it by taking **equity for each startup**
2 **formed** using the platform (See **Exhibit A** to FAC, Harmony’s application to YC with her
3 AI-powered co-founder matching invention, **Page 6, Line 1**, and **Page 5, Line 40**).

4 138. In **March 2018**, Harmony was invited to an **intimate gathering** in Silicon Valley
5 **encouraging a small group of entrepreneurs to submit their ideas** in an application to
6 YC startup accelerator and investor, known as an **elite and respected** institution.
7 Harmony accepted the invitation and attended the gathering where on or about **March 23,**
8 **2018**, she sat in the front row wearing a red jacket, listening closely, taking notes, and
9 engaging with the YC Partner (See **Exhibit N**, photos from the YC March 2018 event;
10 **See Exhibit M**, handwritten notes from March 2018 event).

11 139. After the YC panel, Harmony again spoke with the YC Partner during intimate
12 networking time.

13 **DISCLOSURES MADE IN CONFIDENCE:**

14 **YC’s Confidentiality Agreement With Harmony**

15
16 140. While sharing “**high level**” non-confidential, non-proprietary information only, and at all
17 times purposefully keeping confidential and proprietary information a secret as she
18 persistently, carefully, and systematically did with every person she interacted with prior
19 to her good faith motion to seal filing which was denied by the Court (See **Dec. of W.**
20 **Ryan, J. Majeski, K. Winget, M. Ahi, G. Townsend, K. Macrostie**), Harmony
21 expressly informed the YC Partner that she has a highly valuable, confidential and
22 proprietary invention to help entrepreneurs form strong, highly fundable teams and that it
23 is important to keep her Founderology invention confidential while discussing it for the
24 sole purpose of evaluating a potential business investment.

25 141. The YC Partner expressly agreed and understood that Harmony’s Founderology invention
26 is highly valuable, confidential, and proprietary, and proceeded to ask Harmony to share
27 the novel information with YC, providing Harmony with **specific instructions** for doing
28 so (See **Exhibit M** to FAC).

1 142. Harmony **took notes** about what the YC Partner said (See **Exhibit M** to FAC).

2 ...

3 143. The YC Partner told Harmony that while YC does have an algorithm to match founders to
4 investors, **YC has no AI-powered co-founder matching platform**. The YC Partner
5 **encouraged Harmony to apply** to YC with her AI-powered co-founder matching
6 platform invention and incited her to include “**novel feedback from users.**” The YC
7 Partner said that getting the first 150 customers at YC is common and that Harmony can
8 “**sell to the YC community.**” **YC promised compensation in the form of investment**
9 **funds if the AI-powered co-founder matching platform invention was selected and**
10 **used.** (See **Exhibit M**, handwritten notes from March 2018 event; See **Exhibit A**,
11 Harmony’s 2018 application to YC with her AI-powered co-founder matching platform,
12 **Page 6, Line 6**; See **Exhibit N**, photos from the YC gathering).

13 144. YC purposefully and strategically develops **special, trusting relationships** with founders.
14 It sets itself out as a community who **trusts one another and honors handshake deals,**
15 and **YC encourages entrepreneurs not to worry that someone will steal their idea.**
16 This approach helps YC collect valuable data and insights. (See **Exhibit O**, YC ethics
17 policies; See **Exhibit P**, YC publicly encourages founders to share their ideas saying,
18 “Don’t worry that someone will copy your idea.”)

19 145. Harmony followed YC’s protocol and instructions, encouraging founders not to ask for a
20 written NDA. The lack of written NDA or written confidentiality designation within the
21 YC application was a result of following YC’s instructions (See **Exhibit QQ** attached
22 hereto). Instead, Harmony and YC created a verbal confidentiality agreement (See **Dec. of**
23 **W. Ryan, J. Majeski, M. Ahi**).

24 146. The matter involves a clear “**David and Goliath**” **dynamic**, where Harmony is an
25 individual inventor and YC is the most powerful, influential, and highly resourced startup
26 accelerator worldwide. YC stated that they do not have AI-powered co-founder matching
27 and agreed that if Harmony applied to YC and her idea was selected and used, she would
28 secure YC investment and could “sell to the YC community.” Harmony **trusted in YC’s**
statements, since YC is widely regarded as the most prestigious startup accelerator in the

1 world, and according to Fast Company, their companies are valued at over \$600 Billion in
2 total. While other startups have a failure rate of 90%, YC startup's failure rate is 18%, and
3 5.5% of YC companies become unicorn companies worth \$1 Billion or more (See **Exhibit**
4 **M**, handwritten notes from March 2018 event; See **Exhibit A**, Harmony's 2018
5 application to YC with her AI-powered co-founder matching platform, **Page 6, Line 6**;
6 **See Exhibit X**, Fast Company articles).

7 147. Harmony followed YC's instructions, and in light of YC's feedback that solo founders
8 aren't often selected, Harmony invited her colleague, Harvard finance student Ginny
9 Townsend to join her on the YC application and together they created a one-minute
10 video as part of the application, as required. The patent pending process was
11 highlighted six times in Harmony's YC's application, including on page one of the
12 written documentation and in the video. (See **Exhibit Q**, March 2018 YC application
13 video for Founderology saved on Harmony's Google Drive).

14 148. As the YC Partner directed, Harmony included novel feedback from users, mentioning
15 her conversation with the YC Partner several times within the application (See
16 **Exhibit A**, Harmony's application to YC with her AI-powered co-founder matching
17 invention, **Page 4, Line 25, and Page 6, Line 6, and Page 7, Line 27**).

18 149. Harmony received a receipt from YC, confirming that her application was submitted for
19 review (See **Exhibit A**, Harmony's application to YC with her AI-powered co-founder
20 matching invention; See **Exhibit Q**, March 2018 YC application video).

21 150. Harmony then received an email from YC stating that her application was "not selected"
22 and stating that they **carefully review** applications, showing that YC accepted and
23 carefully reviewed Harmony's disclosures (See **Exhibit R**, showing YC's careful review
24 of Harmony's disclosures).

25 151. **On August 31, 2024**, Harmony learned that a few years after she applied to YC, without
26 authorization, and without compensation as promised, YC hired an internal developer
27 to build the AI-powered co-founder matching platform she invented (See **Exhibit S**,
28 **LinkedIn post** where Harmony learned about YC's co-founder matching platform; See

1 **Exhibit T**, YC’s co-founder matching platform landing page; **See Exhibit U**, YC
2 explaining that their internal developer built the co-founder matching platform).

3 152. YC’s co-founder matching platform closely replicates and copies Harmony’s **Artificial**
4 **Intelligence (AI)-powered co-founder matching platform** invention to help
5 entrepreneurs (1) **find their co-founder** and (2) **get funded**. See **Exhibit A**, Harmony’s
6 2018 application to YC with her AI-powered co-founder matching platform, **Page 2, Line**
7 **2**, and **Page 4, “IDEA” Lines 11-17**).

- 8 a. At the time of Harmony’s application to YC, there was **no AI-powered co-**
9 **founder matching platform on the market focused on helping entrepreneurs to**
10 **(1) find their co-founder and (2) get funded**. She called her big idea,
11 **“Founderology.”** (See **Exhibit A**, Harmony’s 2018 application to YC with her AI-
12 powered co-founder matching platform, **Page 2, Line 2**, and **Page 4, “IDEA,”**
13 **Lines 11-17** and **Lines 33-34**; See **Exhibit D**, provisional patent filing for
14 Harmony’s co-founder matching invention; **See Exhibit E**, Founderology domain
15 and logo receipts);
- 16 b. Harmony’s invention was meticulously engineered through rigorous research and
17 empirical data addressing a substantial problem: **“The current system relies on**
18 **individual whims to start companies,**” and **“failure to form teams holds**
19 **founders back from getting funding.**” (See **Exhibit A**, Harmony’s 2018
20 application to YC with her AI-powered co-founder matching invention, **Page 4,**
21 **Lines 33-41** and **“IDEA,” Lines 21-25**);
- 22 c. Within the “idea” section of her YC application, she stated, “Harmony ...
23 developed the idea for Founderology while sitting in an entrepreneur related
24 seminar as a student ... at Santa Clara Law. The panelists were teaching about
25 **setting up the company team to attract investors ...**” (See **Exhibit A**,
26 Harmony’s 2018 application to YC with her AI-powered co-founder matching
27 invention, **Page 4, “IDEA,” Lines 11-17**);
28

1 d. When asked about her solution, or “What is your company going to make?”

2 Harmony responded, “...Founderology is an app + platform that **transforms**
3 **outdated, inefficient co-founder ... searches with our patent pending process.**

4 Our I-2xD (Investor Due Diligence) Method ranks and suggests appropriate team
5 members....” (See **Exhibit D**, Harmony’s provisional patent filing; See **Exhibit A**,
6 Harmony’s 2018 application to YC with her AI-powered co-founder matching
7 platform, **Page 1**).

8 153. On YC’s co-founder matching platform, launched **after** Harmony applied to YC,

9 YC states, “Our goal with co-founder matching is to help you (1) **find your co-founder**
10 and then (2) **fund your company.**” (See **Exhibit B**, YC’s goal which replicates
11 Harmony’s invention; See **Exhibit W**, YC’s co-founder matching platform data
12 collection flow; See **Exhibit C**, YC’s statement that YC, an investor, is providing
13 entrepreneurs with non-obvious help and advice).

14 154. On or about **September 30, 2024**, Harmony sent letters to YC via mail and email, sharing
15 the above facts and providing an opportunity to discuss and resolve the matter. **YC failed**
16 **to respond.** On or about **February 24, 2025**, Harmony emailed YC a request for the
17 Terms of Service and Privacy Policy in place at the time her YC application was
18 submitted. **YC again failed to respond.** This willful and repeated lack of response by YC
19 showcases bad faith, intentional disregard for Plaintiff’s rights, and a failure to act in a
20 manner consistent with fair dealing. It has caused unnecessary delay and has **compelled**
21 **Harmony to initiate this legal action** in the Superior Court of California, County of San
22 Francisco to seek redress. Such behavior not only undermines the principles of good faith
23 and fair dealing, showcasing “take it or leave it” positioning and deceptive practices, it
24 also exacerbates Harmony’s damages and legal expenses. Accordingly, Harmony requests
25 that this Court take into consideration YC’s bad faith conduct when adjudicating the
26 matter and determining appropriate relief (See **Exhibit F**, letter emailed and mailed to YC
27 with USPS tracking; See **Exhibit G**, email to YC requesting terms).

28 //

1 **155. Particularization of Trade Secret**

2 a. Introduction and Background of the Invention

3 i. While attending Santa Clara University School of Law, Harmony invented
4 an AI-powered co-founder matching platform to address a critical need in
5 the entrepreneurial ecosystem: helping entrepreneurs to (1) find their co-
6 founder and (2) get funded. (See Exhibit A, Page 2, Line 2, and Page 4,
7 “IDEA” Lines 11-17).

8 ii. This invention, called “Founderology,” was the product of Harmony’s
9 rigorous research and empirical analysis into the challenges faced by startup
10 founders, and particularly their reliance on chance encounters and lack of
11 systematic team formation that created barriers to successful company
12 creation and funding (See Exhibit A, Harmony’s 2018 application to YC
13 with her AI-powered co-founder matching invention, Page 4, Lines 33-41
14 and “IDEA” Lines 21-25; See Exhibit C, YC’s statement on YC’s co-
15 founder matching platform launched after Harmony’s YC application,
16 “Even the smartest founders needed some non-obvious help and advice to
17 navigate the tricky waters of co-founder matching.”)

18 iii. At the time of submission to YC, Harmony’s invention and confidential
19 disclosures included the **method, process, and business logic** underlying
20 the AI-powered co-founder matching platform, as described in YC’s
21 application—not a finished product or code. Harmony’s application
22 outlines the invention’s purpose, methodology, and anticipated impact on
23 the startup landscape (See Exhibit A, Page 2, Line 2, and Page 4, “IDEA”
24 Lines 11-17). The platform was created, at the conceptual and
25 methodological level, to systematically solve the problem that “the current
26 system relies on individual whims to start companies,” and that “failure to
27 form teams holds founders back from getting funding” (see Exhibit A, Page
28 4, Lines 33-41 and “IDEA” Lines 21-25).

iv. Harmony intended to further develop and implement the code for the
platform, building upon the proprietary method and process she had
disclosed. However, after submitting her confidential application to YC,

1 YC usurped the opportunity for Harmony to build it by misappropriating
2 the disclosed method, process, and business logic. The proprietary nature of
3 the platform was recognized from its inception, and steps were taken at all
4 times to protect its confidentiality and commercial viability, including filing
5 a provisional patent in December 2017 (See Exhibit D, provisional patent
6 filing for Harmony’s co-founder matching invention).

7 b. Description of the Trade Secret

- 8 i. Plaintiff’s trade secret consists of the non-public, proprietary method,
9 process, business logic, and system for an AI-powered co-founder matching
10 platform to help entrepreneurs (1) find their co-founder and (2) get funded,
11 as disclosed to YC under circumstances of confidentiality.
- 12 ii. Plaintiff realleges the facts set forth in paragraph 33 above and incorporates
13 the same herein by this reference as though set forth in full.
- 14 iii. The trade secret is not limited to a finished product or code, but rather
15 encompasses the specific method, process, and business logic articulated in
16 Harmony’s confidential application and supporting materials. At the time of
17 disclosure, Harmony had not yet developed the code, but had developed
18 and particularized the method and process for AI-powered co-founder
19 matching, which YC subsequently misappropriated, depriving Harmony of
20 the opportunity to further develop and implement her invention.
- 21 iv. The trade secret includes, but is not limited to, the following specific
22 elements, each of which was described as part of the method, process, and
23 business logic in YC’s confidential application:

24 **Proprietary Method and Process:** The trade secret includes a unique
25 method for ranking and suggesting co-founder matches for startup
26 founders, as articulated in Harmony’s confidential disclosures. This
27 method integrates and analyzes multiple data sources—including
28 entrepreneur and investor data—to generate optimal co-founder pairings.
The process is designed to maximize the likelihood of successful team
formation and subsequent funding, and the novel invention was described

1 in detail at the idea stage, distinguishing it from generic matching systems
2 (See Exhibit A, Page 2, Line 2; Page 4, “IDEA” Lines 11-17).

3 **I-2xD (Investor Due Diligence):** A core component of the trade secret is
4 the “I-2xD (Investor Due Diligence) Method,” which was conceived and
5 described as a process for incorporating investor due diligence criteria
6 directly into the co-founder matching methodology. This process enables
7 the platform to recommend founder teams that are not only compatible but
8 also strategically positioned to attract investment, thereby addressing a key
9 barrier to startup success (See Exhibit D; see also Exhibit A, Page 4,
10 “IDEA” Lines 42-43 and Page 5, Line 1).

11 **Confidential Data Integration and Process Flow (System and**
12 **Method):** The trade secret further encompasses the confidential process
13 flow for collecting, analyzing, and matching founder data, as described in
14 Harmony’s confidential application. This includes the integration of
15 entrepreneur data and investor data at multiple stages of the matching
16 process, all of which were articulated as part of the method and system at
17 the idea stage. The process was engineered to ensure that
18 recommendations would be data-driven, empirically validated, and
19 tailored to the needs of both founders and investors (see Exhibits A, D, Q).

- 20 v. Plaintiff’s confidential disclosures of her invention to YC provided a
21 sufficiently **particularized method and process** for an AI-powered co-
22 founder matching platform to help entrepreneurs (1) find their co-founder
23 and (2) get funded, even though the code was not yet in place. Under
24 California law, a method or process described with sufficient particularity
25 at the idea stage can constitute a protectable trade secret, and Harmony’s
26 disclosures meet this standard.

27 **Innovative Business Model (Integral to the Method):** The trade secret
28 also includes the business model, which was conceived and disclosed as
part of the overall method and process at the idea stage. This business
model involves monetization by taking **equity in startups formed via the**
platform, leveraging the unique matching capabilities of the method to

1 create a scalable, high-value commercial enterprise (see Exhibit A, Page 6,
2 Lines 1-2, and Page 5, Line 40). The business model was not merely
3 ancillary, but an integral component of the method and process for AI-
4 powered co-founder matching as described in Harmony's confidential
5 disclosures.

6 **Combination and Implementation as a Method and System:** The
7 specific combination and implementation of these features—AI-driven
8 ranking, entrepreneur and investor data integration, the I-2xD method, and
9 the equity-based business model—were conceived and described as a
10 novel method, process, and system for co-founder matching at the idea
11 stage. These elements, as articulated in Harmony's confidential YC
12 application, were novel and were not generally known or available to the
13 public at the time of disclosure. Each element, and their combination as a
14 method and process, derives independent economic value from its secrecy
15 and from the competitive advantage it confers upon Harmony.

16 iv. Harmony's trade secret, as set forth in the confidential application to YC,
17 was sufficiently particularized and non-public. Plaintiff took reasonable
18 measures to maintain the secrecy of the method, process, and system and by
19 misappropriating such, YC deprived Harmony of the opportunity to develop
20 the platform and realize the commercial potential of her invention. Harmony
21 reserves the right to further particularize the trade secret upon receipt of
22 additional USPTO documentation and through discovery.

23 c. Confidential Disclosures and Non-Public Nature

24 i. Plaintiff took deliberate and consistent measures to ensure the
25 confidentiality of the proprietary information underlying the Founderology
26 platform. The confidential disclosures to YC included the method, process,
27 and business logic for the AI-powered co-founder matching platform as
28 conceived and described—not a finished product or code. Prior to any
substantive discussion of the invention, Harmony required third parties,
including Ms. Bunina, to execute a Non-Disclosure Agreement, thereby
obligating the recipient to maintain the secrecy of the disclosed

1 information. Harmony’s detailed application to YC was submitted through
2 a process that, due to YC’s own representations and industry custom, was
3 intended to be confidential and to foster trust between Harmony and YC.
4 The application—including the method, process, business model, and
5 system architecture—were not publicly disseminated or made available
6 outside of these confidential channels (See Exhibits A, D, K, M, Q). At no
7 point prior to or during these disclosures to YC was the information at issue
8 public or made public, and Harmony consistently treated the invention as a
9 valuable trade secret, taking reasonable steps to preserve its secrecy and
10 commercial value. By submitting the method and process to YC, Harmony
11 intended to further develop the code and build a global platform, but was
12 deprived of this opportunity when YC usurped the disclosed method and
13 process for its own use and economic benefit (See Exhibit V, YC’s
14 statement about investing in 50 companies formed via co-founder matching
15 platform).

15 d. Uniqueness and Industry Context

16 i. At the time Harmony disclosed the Founderology platform to YC, there was
17 no AI-powered co-founder matching platform on the market that provided
18 entrepreneurs with both (1) a means to find their co-founder and (2) a path
19 to secure funding through a data-driven, investor-informed method and
20 process. The trade secret consisted of the novel and non-public method,
21 process, and system for co-founder matching as conceived and described,
22 not merely a finished product or code. Plaintiff’s invention addressed a
23 substantial and previously unmet need in the startup ecosystem, as
24 evidenced by the absence of comparable solutions and the recognition of
25 this gap in both Harmony’s application and YC’s subsequent statements
26 (See Exhibit A, Page 2, Line 2; Page 4, “IDEA” Lines 11-17 and Lines 33-
27 34; see also Exhibit C and V). The platform’s integration of AI-driven
28 ranking, investor due diligence criteria, and a proprietary equity-based
business model represented a novel and non-obvious approach to team
formation and startup funding. This uniqueness is further underscored by

1 the fact that, at the time of Harmony’s application and provisional patent
2 filing in December 2017, no other entity had developed or launched a
3 platform with these combined features (see Exhibits A and D).

4 e. Reservation of Rights and Future Particularization

5 i. Harmony expressly reserves the right to further specify, supplement, and
6 amend the description of the trade secret as additional information,
7 including but not limited to USPTO documentation, becomes available.
8 This reservation specifically includes the right to further particularize the
9 method, process, business logic, and system underlying the Founderology
10 platform, as described in YC’s confidential application, as discovery
11 progresses and as further documentary evidence is obtained. This
12 reservation is made to ensure that the pleading remains accurate,
13 comprehensive, and fully responsive to the requirements of California law.

14 f. Summary and Incorporation of Exhibits

15 i. In summary, Harmony’s trade secret claim is grounded in the non-public,
16 proprietary method, process, business logic, and system underlying the
17 Founderology AI-powered co-founder matching platform, as conceived,
18 described, and meticulously documented in Harmony’s confidential
19 application to YC, her provisional patent filing, and related business
20 records. The exhibits incorporated herein collectively establish the
21 confidential, novel, and valuable nature of the method, process, business
22 logic, and system disclosed. These materials provide clear and specific
23 support for the claim that Harmony’s invention was not generally known,
24 was subject to reasonable efforts to maintain secrecy, and derives
25 independent economic value from its confidential status as a method and
26 process, not merely as a finished product or code.

27 156. When YC **misappropriated Harmony’s trade secrets**, harm and **damages resulted** as
28 follows:

157. According to YC, YC launched the co-founder matching platform in July 2021 and by
September 2024, YC had invested in over 50 companies whose founders met on the co-
founder matching platform. This means YC is currently investing in approximately **50**

1 **companies every 3 years** formed via the AI-powered co-founder matching platform. (See
2 **Exhibit V**, screenshot taken September 30, 2024 of YC's statement about investing in 50
3 companies).

- 4 a. According to Fast Company, 5.5% of YC companies become unicorn companies
5 valued at over \$1 Billion (See **Exhibit X**, Fast Company article statistics).
- 6 b. According to CB Insights data, it takes approximately 6 years to become a unicorn
7 company (See **Exhibit Y**, stating CB Insights statistics).
- 8 c. Thus, as a direct result of companies being formed starting in 2021 with the AI-
9 powered co-founder matching platform, beginning in 2027, YC is projected to see
10 .92 unicorns per year. At the current rate, YC will see 4.6 unicorns in 5 years, 9.2
11 unicorns in 10 years, and **18.4 unicorns in 20 years as a direct result of**
12 **companies being formed using the AI-powered co-founder matching platform.**
- 13 d. By 2047, YC's startups that were formed with the AI-powered co-founder
14 matching platform are projected to be valued at more than **\$18.4 Billion dollars.**
15 Since according to YC, YC's standard deal provides that YC will receive at least
16 7% equity in each startup that YC funds, **YC is projected to make approximately**
17 **\$1.288 Billion on investments as a direct result of companies formed using the**
18 **AI-powered co-founder matching platform by 2047.** (See Exhibit Z, YC's
19 statement about YC's standard deal).

20 158. In addition, due to the AI-powered co-founder matching platform, YC has gained a
21 competitive advantage, **increased their ability to collect valuable data** and insights,
22 elevated startup formation across the ecosystem, gained access to high quality teams and
23 investments, and now enjoys increased brand value and expanded global reach.

24 159. Accordingly, where Harmony accurately projected that the AI-powered co-founder
25 matching platform could be a **multi-billion dollar company** to include monetization
26 opportunities by taking **equity for each startup formed** using the platform, Harmony is
27 entitled to recover from YC compensatory damages for **actual loss and unjust**
28 **enrichment**, and if the actual loss and unjust enrichment amounts are not provable then

1 under California Civil Code § 3426.3, a **reasonable royalty**, plus **exemplary damages**
2 due to the willful and malicious nature of the misappropriation, in an amount not
3 exceeding twice the award made for actual loss or unjust enrichment. Plaintiff also
4 requests an award of reasonable attorney fees and costs incurred in pursuing this action, as
5 permitted under applicable law, and any other relief the Court deems just and proper, with
6 precise amounts to be determined through discovery (See **Exhibit A**, Harmony’s
7 application to YC with her AI-powered co-founder matching invention, **Page 6, Line 1**,
8 and **Page 5, Line 40**).

9 EIGHTH CAUSE OF ACTION

10 (Breach of Implied Contract – Idea Submission, against Defendants 1, 4, 6)

11 160. Plaintiff realleges the facts set forth in paragraphs 1 through 159 above and incorporates
12 the same herein by this reference as though set forth in full.

13 161. California Civil Code § 3426.7 creates an explicit exception to CUTSA preemption
14 stating that it does not affect contractual remedies whether or not based upon
15 misappropriation of a trade secret.

16 162. **YC’S ACTIVE SOLICITATION / OFFER**: YC actively incited Harmony to submit her
17 novel, valuable ideas to YC. Through persistent and deliberate solicitation, YC induced
18 her to apply and disclose her confidential and proprietary concepts. **When a company**
19 **solicits ideas, the solicitation can imply a promise to pay if used** (*Gunther-Wahl v.*
20 *Mattel, 104 Cal. App. 4th 27 (2002)*).

21 163. On or about **March 23, 2018**, YC told Harmony that **YC has no AI-powered co-founder**
22 **matching platform** and **encouraged Harmony to apply to YC** with her AI-powered co-
23 founder matching platform invention. YC directed Harmony to include novel feedback
24 from users. YC incited Harmony to apply by stating that getting the first 150 customers at
25 YC is common and telling Harmony that **she could “sell to the YC community.” YC**
26 **promised, and Harmony required, compensation in the form of investment funds if**
27 **the AI-powered co-founder matching platform invention was used** (See **Exhibit M**,
28 handwritten notes from March 2018 event; See **Exhibit A**, Harmony’s 2018 application to
YC with her AI-powered co-founder matching platform, **Page 6, Line 6**; See **Exhibit N**,
photos from the March 2018 event).

1 164. TERMS: The essential terms of the implied-in-fact contract and Harmony’s idea
2 submission were, as YC President Sam Altman stated, meant to be “**very simple**” (See
3 **Exhibit OO** attached hereto). The YC Partner discussed the terms in detail on March 23,
4 2018, and there was a meeting of the minds between Harmony and YC as follows:

- 5 a. As stated by the YC Partner, the amount of compensation due from YC to
6 Harmony if Harmony’s invention was used by YC was \$120,000 for 7% equity;
- 7 i. YC would provide its standard investment package to Harmony with
8 investment to occur upon selection, commercialization opportunities, YC’s
9 advice and support network, and enjoyment of the benefits of YC’s
10 program;
 - 11 ii. The scope of Harmony’s application disclosures and permitted use was
12 limited to YC’s evaluation about whether or not to select and invest in
13 Harmony’s idea;
 - 14 iii. The parties agreed that Harmony would submit the application in
15 confidence, to include Harmony’s novel and proprietary information;
 - 16 iv. Standard industry intake and selection processes would apply and as YC
17 President Sam Altman stated at the time, the terms were meant to be “**very
18 simple**” (See **Exhibit OO** attached hereto).

18 165. MUTUAL ASSENT: There was a meeting of the minds between Harmony and YC and
19 the parties mutually assented to an implied-in-fact contract and Harmony’s idea
20 submission through YC’s specific statements and conduct—including YC’s express
21 representations to Harmony at the March 2018 event (See **Exhibit M** to FAC). YC stated
22 that it did not have an AI-powered co-founder matching platform, and it expressly
23 solicited Harmony to apply to YC and submit her novel Founderology ideas. YC
24 promised and Harmony required compensation if her invention was used, which was
25 clearly illustrated by the setting where YC and Harmony’s mutual assent, meeting of the
26 minds, and agreement took place—at a venture capital firm where the purpose and focus
27 at the forefront of conversation was on funding if Harmony’s ideas were used—and the
28 parties’ mutually assented to the precise terms as expressly articulated by the YC Partner
(See **Exhibits NN and OO** attached hereto). YC stated that Harmony can sell her AI-
powered co-founder matching platform idea to the YC community if used (See Exhibits A

1 **and M** to FAC). Mutual assent was established and the parties agreed to industry
2 customs, YC’s ethics policies and assurances made to founders, and the verbal
3 confidentiality agreement created between YC and Harmony (**See Dec. of W. Ryan, J.**
4 **Majeski, M. Ahi, G. Townsend, K. Macrostie**).

5 166.CONFIDENTIALITY: As stated herein at Pages 11-12, Lines 32-33, Harmony and YC
6 created a verbal confidentiality agreement, a common industry practice (**See Dec. of W.**
7 **Ryan; J. Majeski, M. Ahi, V. Townsend**). California recognizes that promises of
8 confidentiality in business dealings can create enforceable contractual obligations even
9 without written agreements when (1) Plaintiff prepared and disclosed the idea, (2)
10 Plaintiff clearly conditioned submission on obligation to pay if accepted, (3) Defendant
11 voluntarily accepted knowing these conditions (**See Exhibit R** to FAC) and (4) defendant
12 actually used the idea (*Spinner v. American Broadcasting*, 215 Cal. App. 4th 172 (2013)).

13 167.CONSIDERATION: Harmony’s disclosure of her novel ideas—valuable information not
14 otherwise available to YC—constituted valid **consideration** for YC’s implied promise to
15 maintain confidentiality and not use or disclose the information without consent or
16 compensation created through industry custom and the verbal confidentiality agreement
17 created between Harmony and YC (**See Dec. of W. Ryan, J. Majeski, M. Ahi**). YC
18 received the benefit of access to Harmony’s confidential invention and data, which it
19 would not have obtained but for YC’s assurances and the parties’ mutual understanding.

20 168.ACCEPTANCE: In response to YC’s solicitation to submit her novel Founderology ideas,
21 offer, promises, express terms, and where there was mutual assent, a meeting of the
22 minds, and consideration, Harmony accepted and shared her AI-powered co-founder
23 matching platform idea within YC’s confidential application.

24 169. Harmony received a receipt from YC, confirming that her application was submitted for
25 review (**See Exhibit A**, Harmony’s application to YC).

26 170. Harmony then received an email from YC stating that her application was “not selected”
27 and stating that they **carefully review** applications, showing that YC accepted and
28 carefully reviewed Harmony’s disclosures (**See Exhibit R** to FAC, showing YC’s careful
review of Harmony’s disclosures).

171. **On August 31, 2024**, Harmony learned that a few years after she applied to YC with her
idea, **YC breached the agreement** by hiring an internal developer to build her idea, and

1 providing no compensation to Harmony as promised (See Exhibit S, LinkedIn post
2 where Harmony learned about YC’s co-founder matching platform; See Exhibit T, YC’s
3 co-founder matching platform landing page; See Exhibit U, YC explaining that their
4 internal developer built the co-founder matching platform).

5 172. YC’s co-founder matching platform closely replicates and copies Harmony’s **Artificial**
6 **Intelligence (AI)-powered co-founder matching platform** invention to help
7 entrepreneurs (1) **find their co-founder** and (2) **get funded**. See Exhibit A, Harmony’s
8 2018 application to YC with her AI-powered co-founder matching platform, **Page 2, Line**
9 **2, and Page 4, “IDEA” Lines 11-17**).

- 10 a. At the time of Harmony’s application to YC, there was **no AI-powered co-**
11 **founder matching platform on the market focused on helping entrepreneurs to**
12 **(1) find their co-founder and (2) get funded**. She called her big idea,
13 **“Founderology.”** (See Exhibit A, Harmony’s 2018 application to YC with her AI-
14 powered co-founder matching platform, **Page 2, Line 2, and Page 4, “IDEA,”**
15 **Lines 11-17 and Lines 33-34**; See Exhibit D, provisional patent filing for
16 Harmony’s co-founder matching invention; See Exhibit E, Founderology domain
17 and logo receipts);
- 18 b. Harmony’s invention was meticulously engineered through rigorous research and
19 empirical data addressing a substantial problem: **“The current system relies on**
20 **individual whims to start companies,**” and **“failure to form teams holds**
21 **founders back from getting funding.**” (See Exhibit A, Harmony’s 2018
22 application to YC with her AI-powered co-founder matching invention, **Page 4,**
23 **Lines 33-41 and “IDEA,” Lines 21-25**);
- 24 c. Within the “idea” section of her YC application, she stated, “Harmony ...
25 developed the idea for Founderology while sitting in an entrepreneur related
26 seminar as a student ... at Santa Clara Law. The panelists were teaching about
27 **setting up the company team to attract investors ...**” (See Exhibit A,
28 Harmony’s 2018 application to YC with her AI-powered co-founder matching
invention, **Page 4, “IDEA,” Lines 11-17**);

1 d. When asked about her solution, or “What is your company going to make?”

2 Harmony responded, “...Founderology is an app + platform that **transforms**
3 **outdated, inefficient co-founder ... searches with our patent pending process.**

4 Our I-2xD (Investor Due Diligence) Method ranks and suggests appropriate team
5 members....” (See **Exhibit D**, Harmony’s provisional patent filing; See **Exhibit A**,
6 Harmony’s 2018 application to YC with her AI-powered co-founder matching
7 platform, **Page 1**).

8 173. On YC’s co-founder matching platform, launched **after** Harmony applied to YC,

9 YC states, “Our goal with co-founder matching is to help you (1) **find your co-founder**
10 and then (2) **fund your company.**” (See **Exhibit B**, YC’s goal which replicates
11 Harmony’s invention; See **Exhibit W**, YC’s co-founder matching platform data
12 collection flow; See **Exhibit C**, YC’s statement that YC, an investor, is providing
13 entrepreneurs with non-obvious help and advice).

14 174. On or about **September 30, 2024**, Harmony sent letters to YC via mail and email, sharing
15 the above facts and providing an opportunity to discuss and resolve the matter. **YC failed**
16 **to respond.** On or about **February 24, 2025**, Harmony emailed YC a request for the
17 Terms of Service and Privacy Policy in place at the time her YC application was
18 submitted. **YC again failed to respond.** This willful and repeated lack of response by YC
19 showcases bad faith, intentional disregard for Plaintiff’s rights, and a failure to act in a
20 manner consistent with fair dealing. It has caused unnecessary delay and has **compelled**
21 **Harmony to initiate this legal action** in the Superior Court of California, County of San
22 Francisco to seek redress. Such behavior not only undermines the principles of good faith
23 and fair dealing, showcasing “take it or leave it” positioning and deceptive practices, it
24 also exacerbates Harmony’s damages and legal expenses. Accordingly, Harmony requests
25 that this Court take into consideration YC’s bad faith conduct when adjudicating the
26 matter and determining appropriate relief (See **Exhibit F**, letter emailed and mailed to YC
27 with USPS tracking; See **Exhibit G**, email to YC requesting terms).

1 175.YC's actions constitute a **breach of implied contract / idea theft**, resulting in harm and
2 **damages** as follows:

3 176.According to YC, YC launched the co-founder matching platform in July 2021 and by
4 September 2024, YC had invested in over 50 companies whose founders met on the co-
5 founder matching platform. This means YC is currently investing in approximately **50**
6 **companies every 3 years** formed via the AI-powered co-founder matching platform. (See
7 **Exhibit V**, screenshot taken September 30, 2024 of YC's statement about investing in 50
8 companies).

- 9 a. According to Fast Company, 5.5% of YC companies become unicorn companies
10 valued at over \$1 Billion (See **Exhibit X**, Fast Company article statistics).
- 11 b. According to CB Insights data, it takes approximately 6 years to become a unicorn
12 company (See **Exhibit Y**, stating CB Insights statistics).
- 13 c. Thus, as a direct result of companies being formed starting in 2021 with the AI-
14 powered co-founder matching platform, beginning in 2027, YC is projected to see
15 .92 unicorns per year. At the current rate, YC will see 4.6 unicorns in 5 years, 9.2
16 unicorns in 10 years, and **18.4 unicorns in 20 years as a direct result of**
17 **companies being formed using the AI-powered co-founder matching platform.**
- 18 d. By 2047, YC's startups that were formed with the AI-powered co-founder
19 matching platform are projected to be valued at more than **\$18.4 Billion dollars.**
20 Since according to YC, YC's standard deal provides that YC will receive at least
21 7% equity in each startup that YC funds, **YC is projected to make approximately**
22 **\$1.288 Billion on investments as a direct result of companies formed using the**
23 **AI-powered co-founder matching platform by 2047.** (See **Exhibit Z**, YC's
24 statement about YC's standard deal).

25 177.In addition, due to the AI-powered co-founder matching platform, YC has gained a
26 competitive advantage, **increased their ability to collect valuable data** and insights,
27 elevated startup formation across the ecosystem, gained access to high quality teams and
28 investments, and now enjoys increased brand value and expanded global reach.

1 178. Accordingly, where Harmony accurately projected that the AI-powered co-founder
2 matching platform could be a **multi-billion dollar company** to include monetization
3 opportunities by taking **equity for each startup formed** using the platform, Harmony is
4 entitled to recover from YC expectations damages, reliance damages, compensatory
5 damages and specific performance requiring YC to **fulfill their contractual obligations**
6 **and place Harmony in the position she would have been in as the founder/inventor** of
7 the AI-powered co-founder matching platform, consequential damages including lost
8 profits and lost business opportunities, and where the above facts involve YC's malice,
9 oppression, and fraud, Harmony is entitled to recover punitive damages. Harmony also
10 requests an award of reasonable attorney fees and costs incurred in pursuing this action,
11 plus interest on the total amount of damages awarded, calculated from the date of breach
12 until the date of payment, at the statutory rate and as permitted under applicable law, and
13 any other relief the Court deems just and proper, with precise amounts to be determined
14 through discovery (**See Exhibit A**, Harmony's application to YC with her AI-powered co-
founder matching invention, **Page 6, Line 1**, and **Page 5, Line 40**).

15 179. As an alternative to contractual damages, Plaintiff seeks restitution in the form of
16 quantum meruit for the reasonable value of the novel ideas and proprietary concepts
17 provided to Defendant, in order to prevent Defendant's unjust enrichment in the event the
18 Court finds no enforceable contract.

19 NINTH CAUSE OF ACTION

20 (Negligence against Defendants 1, 4, and 6)

21 180. Plaintiff realleges and incorporates by reference only those general factual allegations
22 herein concerning: (a) the March 2018 YC event, (b) Defendants' representations about
23 YC's application process, and (c) Plaintiff's background, efforts, and decision to apply to
24 YC and pivot following YC's evaluation, and does **not** incorporate any allegations
25 regarding Defendants' acquisition, use, or disclosure of Plaintiff's confidential
26 information, trade secrets, or ideas.

27 181. YC'S DUTY: YC owed Harmony a duty to exercise reasonable diligence and care
28 during the intake process to ensure a fair evaluation. This duty arises from YC's

1 communications during the March 2018 event and during YC’s intake process that if
2 Harmony applied to YC then YC would fairly and in good faith evaluate her application
3 and she could rely on YC’s communications about the outcome of that evaluation.

4 182. BREACH: Harmony followed YC’s instructions to submit her application, and received a
5 receipt from YC, confirming that her application was submitted for review (See **Exhibit**
6 **A**, Harmony’s application to YC). Harmony then received an email from YC stating that
7 her application was “not selected” and stating that they **carefully review** applications (See
8 **Exhibit R**, showing YC’s careful review).

9 183. YC breached its duty to exercise reasonable diligence and care to ensure a fair intake
10 process when they stated to Harmony that YC carefully reviewed her application and it
11 was not selected. In the course of Plaintiff’s subsequent investigation, Plaintiff learned
12 from YC’s own 2024 published statistics that only approximately 11% of founders
13 selected by YC were women (See **Exhibits HH, II, GG**). On or about September 30,
14 2024, Plaintiff wrote to YC by mail with USPS tracking and by email, seeking to discuss
15 outside of court, and YC failed to respond (See ¶52 herein). On or about February 24,
16 2025, Plaintiff emailed YC again requesting the Terms of Service and Privacy Policy in
17 place at the time her application was submitted, and YC again failed to respond with the
18 information (See ¶54 herein). These facts support a reasonable inference that YC breached
19 its duty, it did not subject Plaintiff’s application to the fair, good faith, careful evaluation it
20 had represented, and that its statement that her application had been carefully reviewed
21 was not accurate when made.

22 184. ACTUAL / PROXIMATE CAUSATION: As a direct and proximate result of
23 Defendants’ failure to exercise reasonable care, Plaintiff suffered harm that would not have
24 occurred but for Defendants’ lack of care during the intake process. Plaintiff reasonably relied
25 on Defendants’ express and public assurances of a fair intake process when choosing to apply
26 to YC and to forego application to other accelerators. Defendants’ breach of their duty of care
27 foreseeably caused Plaintiff to then forgo alternative avenues for commercializing, loss of
28 pursuit of strategic partnerships, and loss of funding at the time. The harm suffered by Plaintiff

1 was a foreseeable consequence of Defendants' failure to uphold their duty of care of a
2 reasonable accelerator during the intake process.

3 185. DAMAGES: As a result of Defendants' negligent conduct and lack of diligence, lack of
4 fairness, and lack of care during the intake process, Plaintiff has suffered harm, and Plaintiff's
5 injuries include, but are not limited to, strategic partnership and funding opportunities that
6 would have been available at the time had Defendants exercised reasonable care, legal
7 expenses and costs incurred in seeking redress for Defendants' failure to act in accordance
8 with the duty of care during the intake process, and ongoing exclusion from YC's ecosystem,
9 resulting in diminished ability to attract collaborators, investors, and customers. These
10 damages are based solely on Defendants' breach of their duty of care and the resulting harm to
11 Plaintiff as a direct result.

12 186. Plaintiff seeks compensatory damages for all losses incurred as a result of Defendants'
13 negligence, including but not limited to reliance damages, emotional distress, reputational
14 harm, and legal expenses and costs, in an amount to be determined through discovery and at
15 trial. Plaintiff further seeks any other relief the Court deems just and proper, to the extent
16 permitted by law.

17 TENTH CAUSE OF ACTION

18 (Unfair Competition against Defendants 1, 4, and 6)

19 187. Plaintiff realleges the facts and general allegations above and incorporates the same
20 herein by this reference as though set forth in full, **except that Plaintiff does not incorporate**
21 any allegations regarding Defendants' acquisition, use, or disclosure of Plaintiff's confidential
22 information, trade secrets, or ideas.

23 188. YC unfairly advises thousands of entrepreneurs annually, as part of YC's standardized
24 intake and funding process, not to request written legal protections (See, e.g., **Exhibit QQ**,
25 Page 11). YC then **weaponizes** YC's own engineered lack of written legal protections by
26 arguing in court that founders act unreasonably and therefore should be denied legal protection
27 citing to the lack of a written NDA, while cultivating reliance via founder assurances of
28 confidentiality and trust (See, e.g., YC Demurrer to Amended Complaint, Page 11, Line 12;
YC Demurrer to SAC, Page 9, Line 14). Regardless of whether protection arises from verbal

1 or written agreements, YC’s practice of **actively discouraging entrepreneurs from using**
2 **written legal protections** to formalize their rights interferes with their ability to protect
3 themselves, and YC exploits that posture to enhance its own competitive advantage. YC’s use
4 of contradictory policies and practices **as a sword against entrepreneurs** helps YC to secure
5 their prominent global position and maintain an unfair competitive advantage in the startup
6 community at scale.

7 189. Under the “unfair” prong of California Business and Professions Code section 17200,
8 Plaintiff seeks only **equitable relief**, including a narrowly tailored injunction under section
9 17200 *et seq.* enjoining Defendants, in connection with YC’s accelerator intake process, from
10 providing authoritative guidance to founders discouraging them from using written legal
11 protections.

12 190. The factual basis for the challenged unfair YC intake and no-NDA policy, and for the
13 distinct **intake process-based harms** alleged, is set forth in Plaintiff’s existing allegations,
14 incorporated herein by reference (See, e.g., **Exhibit QQ** to SAC, Page 11, where YC discusses
15 its independent policy instructing founders not to ask for NDAs and to uphold verbal
16 agreements; **Exhibit O** to FAC, Page 1, where YC discusses treating communications shared
17 within the YC network as confidential, keeping confidential information private and secret,
18 and honoring handshake deals; **Exhibit P** to FAC, where YC encourages founders to share
19 their ideas saying, “Don’t worry that someone will copy your idea”; FAC, ¶ 57, YC’s contrary
20 position that Plaintiff’s application should be public; SAC, p. 78, ¶ 225-226; and TAC, p. 4,
21 ¶ 12; p. 12, ¶ 37; p. 39, ¶130).

22 MOTION TO SEAL EXHIBITS

23 Under local rule 8.2(A)(2)(a) and in **good faith**, Plaintiff conferred with all other parties before
24 scheduling and noticing the motion to seal hearing. Plaintiff filed a **Declaration of Harmony**
25 **Oswald** with this Court along with the complaint on or about May 13, 2025 and incorporated
26 herein by reference, notifying the Court of the intent and request to seal.

27 PRAYER FOR RELIEF

28 WHEREFORE, Plaintiff respectfully requests that this Court enter judgment in its favor and
against Defendants, granting the following relief:

1 FIRST, SECOND, THIRD, FOURTH, FIFTH, AND SIXTH CAUSES OF ACTION

2 (Fraud-Based Claims against Defendants 1, 4, and 6)

3 Plaintiff seeks compensatory damages for lost business and funding opportunities available to
4 her at the time, reliance damages, reputational harm, emotional distress, punitive damages in an
5 amount sufficient to punish and deter similar conduct by YC in the startup community in the
6 future, and attorney fees and costs.

7
8 SEVENTH CAUSE OF ACTION

9 (Misappropriation of Trade Secrets against Defendants 1 - 6)

10 Plaintiff seeks compensatory damages for actual loss and unjust enrichment, or a reasonable
11 royalty under California Civil Code § 3426.3 if such amounts are not provable, plus exemplary
12 damages for willful and malicious misappropriation, and reasonable attorney fees and costs.

13
14 EIGHTH CAUSE OF ACTION

15 (Breach of Implied Contract – Idea Submission, against Defendants 1, 4, and 6)

16 Plaintiff requests expectation damages, reliance damages, compensatory damages, specific
17 performance to place Plaintiff in the position she would have occupied as founder/inventor,
18 consequential damages including lost profits and business opportunities, punitive damages, and
19 attorney fees and costs.

20
21 NINTH CAUSE OF ACTION

22 (Negligence against Defendants 1, 4, and 6)

23 Plaintiff seeks compensatory damages for lost business and funding opportunities available to
24 her at the time, reliance damages, reputational harm, emotional distress, punitive damages in an
25 amount sufficient to punish and deter similar conduct by YC in the startup community in the
26 future, and attorney fees and costs.

27 //

28 //

1 TENTH CAUSE OF ACTION

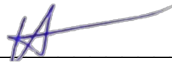
2 (Unfair Competition against Defendants 1, 4, and 6)

3 Under Business and Professions Code section 17200 et seq., Plaintiff seeks only equitable relief,
4 including a narrowly tailored injunction enjoining Defendants, in connection with YC's
5 accelerator intake process, from providing authoritative guidance to entrepreneurs that
6 discourages the use of written legal protections, and such other non-monetary equitable relief as
7 the Court deems just and proper.

8 ADDITIONAL RELIEF

- 9
- 10 • Costs and Attorney Fees: Awarding Plaintiff the costs of this action, including reasonable
11 attorney fees, as permitted under applicable law.
 - 12 • Interest: Awarding pre-judgment and post-judgment interest on all sums awarded,
13 calculated from the date of breach until the date of payment, at the statutory rate.
 - 14 • Other Relief: Granting any other relief the Court deems just and proper, including but not
15 limited to equitable remedies or additional forms of compensation.

16 Dated: February 19, 2026

17 By: 
18 Harmony Oswald
19 Plaintiff In Pro Per
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