



**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

ZHAOCHENG ANTHONY TAN )

Plaintiff, )

v. )

ALPHABET INC., a Delaware  
Corporation )

Defendant. )

C.A. No. 2025-\_\_\_\_\_

**VERIFIED COMPLAINT PURSUANT TO 8 DEL. C. § 220  
TO COMPEL INSPECTION OF BOOKS AND RECORDS**

Plaintiff Zhaocheng Anthony Tan (“Plaintiff” or “Tan”), by and through his undersigned counsel, respectfully submits this Verified Complaint for Inspection of Books and Records pursuant to 8 Del. C. § 220 (“Section 220”) against defendant Alphabet, Inc. (the “Company” or “Defendant”).

**NATURE OF THE ACTION**

1. Plaintiff brings this action under Section 220 to compel the Company to allow Plaintiff, or his duly appointed designees, to inspect and copy the Company’s books and records listed below. Plaintiff is forced to seek judicial intervention as the Company has denied Plaintiff’s demand to access the very narrow scope of the Company’s materials that Plaintiff seeks to inspect and to which he is

entitled. There is no valid excuse for the Company to interfere with Plaintiff's statutory rights.

### **THE PARTIES**

2. Plaintiff is a current stockholder of the Company.

3. Defendant Alphabet Inc. is a corporation duly organized under the laws of the State of Delaware, with its principal place of business at 1600 Amphitheatre Parkway, Mountain View, CA 94043.

### **FACTUAL BACKGROUND**

#### **A. The Company's Apparent On-Going Violation of Federal Law.**

4. Alphabet Inc. is a public corporation that serves as the parent company for Google, LLC ("Google"). Google includes many of the Company's internet products, including, but not limited to, advertising, Android, Chrome, hardware, Google Cloud, Google Maps, Google Play, Search, and YouTube. Google Play is the online mobile application store where Android users can find and download mobile applications, including the social media app TikTok.

5. The Protecting Americans from Foreign Adversary Controlled Applications Act ("PAFACAA") was signed into law on April 24, 2024. PAFACAA (i) makes it "unlawful for an entity to distribute, maintain, or update (or enable the distribution, maintenance, or updating of) a foreign adversary controlled application" and (ii) bars U.S. companies from "[p]roviding services to distribute,

maintain, or update such foreign adversary controlled application ... by means of a marketplace (including an online mobile application store) through which users within the land or maritime borders of the United States may access, maintain, or update such application” or “[p]roviding internet hosting services to enable the distribution, maintenance, or updating of such foreign adversary controlled application for users within the land or maritime borders of the United States.”

6. PAFACAA defines “foreign adversary controlled application” to include “a website, desktop application, mobile application ... that is operated, directly or indirectly ... by ... any of—(i) ByteDance, Ltd.; [or] (ii) TikTok.” This definition covers the TikTok mobile application, which is currently available for download on Google Play. Therefore, PAFACAA prohibits the Company from “[p]roviding services to distribute, maintain, or update” the TikTok app on the Google Play store.

7. Violators of PAFACAA may incur “a civil penalty in an amount not to exceed the amount that results from multiplying \$5,000 by the number of users within the land or maritime borders of the United States determined to have accessed, maintained, or updated a foreign adversary controlled application as a result of such violation.” The distribution, access, maintenance, and updating of the TikTok app—which has more than 100 million users in the United States of

America—from and on Google Play could result in the Company being fined hundreds of billions of dollars.

8. On January 17, 2025, the United States Supreme Court upheld PAFACAA. On January 18, 2025, in accordance with PAFACAA, the Company removed TikTok from its Google Play store.

9. On January 20, 2025, President Donald J. Trump issued Executive Order 14166 “Application of Protecting Americans From Foreign Adversary Controlled Applications Act to TikTok” (the “Executive Order”). Under the Executive Order, the United States Attorney General (“Attorney General”) was directed “not to take any action on behalf of the United States to enforce [PAFACAA] for 75 days from the date of this order.” The Executive Order further instructed the Attorney General “to issue a letter to each provider stating that there has been no violation of the [PAFACAA] and that there is no liability for any conduct that occurred during” the specified period.

10. On or around February 13, 2025, the Attorney General issued a letter to the Company in accordance with the Executive Order (the “Letter”). Upon information and belief, the Letter was received by the Company. Shortly thereafter, the TikTok mobile application was restored by the Company and is currently available for download and update through Google Play, in violation of PAFACAA.

11. For several reasons, the Company cannot rely upon the Executive Order and the Letter as a justification for not complying with PAFACAA.

12. *First*, the Executive Order merely directs the Attorney General to exercise her discretion not to investigate and pursue claims against the Company. That does not mean that the Company is not currently violating PAFACAA by making TikTok available on Google Play. The exercise of prosecutorial discretion to not enforce does not negate the Company's ongoing violation of PAFACAA.

13. Delaware law permits a duly incorporated business to engage in any lawful business, but it does not permit a corporation to engage in unlawful business.

14. The same is true of the Company's charter. The Company's violation of PAFACAA constitutes engaging in an unlawful business, which is a violation of Delaware law and the Company's charter.

15. *Second*, the statute of limitations on a claim under PAFACAA is five years. Any claim the U.S. Department of Justice ("DOJ") has against Google is not barred until at least one year after the next administration takes power. There is no guarantee that the next administration will abide by the former administration's decision not to investigate and pursue claims.

16. *Third*, both President Trump and the Attorney General could change their position and choose to enforce PAFACAA against the Company. The Executive Order would not be a shield against an investigation or liability.

17. The first five months of the current administration’s term is already replete with examples of President Trump changing his mind or his position when his previous position no longer suits him.

18. Indeed, the Executive Order includes a disclaimer that “[t]his order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person,” undercutting any claim that the Company can rely on it for protection.

19. To the extent that the Company attempts to claim an “entrapment by estoppel” defense against future DOJ enforcement, the Company must show not only “that the government affirmatively told [it] the proscribed conduct was permissible,” but also “that [it] reasonably relied on the government’s statement.” *United States v. Ramirez-Valencia*, 202 F.3d 1106, 1109 (9th Cir. 2000). A defendant’s reliance is reasonable only if “a person sincerely desirous of obeying the law would have accepted the information as true, and would not have been put on notice to make further inquiries.” *United States v. Lansing*, 424 F.2d 225, 227 (9th Cir. 1970).

20. The Company is unlikely to satisfy the reasonable reliance requirement. Any statement that “there has been no violation of” PAFACAA cannot be reconciled with the statute’s plain text. It also makes no sense that identical conduct—providing services to TikTok—somehow does not violate PAFACAA during a 75-

day period but would suddenly become a violation immediately afterward. Additionally, the Company's initial decision to remove TikTok from Google Play shows that the Company understood its legal obligations under PAFACAA.

21. Even if the company eventually avoids liability, the time and expense of dealing with a DOJ investigation would be harmful to the Company.

**B. The Stockholder's Demand Letter.**

22. On March 12, 2025, Tan, in his capacity as a beneficial stockholder of the Company, delivered a written demand (the "Demand"), under oath, to the Company's Board of Directors (the "Board"), by email and Federal Express to the Company's registered agent in Delaware. A true and correct copy of the Demand is attached hereto as **Exhibit A**.

23. The Demand asserted Tan's right pursuant to Section 220 to inspect and make copies of a few of the Company's books and records in order for Tan to investigate suspected corporate mismanagement and wrongdoing.

24. Specifically, through the Demand, Tan seeks the following categories of documents:

- a. Meeting minutes and materials provided at, considered at, or prepared or disseminated in connection with any meeting of the Board or any Board committee regarding the following topics:
  - i. PAFACA;

- ii. Executive Order 14166 of January 20, 2025;
  - iii. the availability or non-availability of the TikTok application on the Google Play Store; and
  - iv. providing services to distribute, maintain, or update any foreign adversary controlled application, as defined by PAFACA.
- b. Communications between the Company and any government entity, or its agents or representatives, including but not limited to the White House, DOJ, and Attorney General, concerning the categories set forth above in subparagraph (a).

25. The Demand further articulates Tan's credible basis for suspecting that the Company, with the knowledge and at the direction of its Board, is currently in active violation of PAFACAA.

26. Tan has a credible basis to suspect corporate wrongdoing. Specifically, following the enactment of PAFACAA, TikTok was removed from Google Play in compliance with the law. Then, after the Letter was received by the Company, TikTok was restored on Google Play. Because the TikTok application is currently available to download and update on Google Play, the Company is currently in violation of PAFACAA.



27. By way of his Demand, Tan seeks to investigate possible mismanagement and wrongdoing in connection with the Company and the Board's apparent knowing and ongoing violation of the PAFACAA.

28. Tan's requested documents are necessary, essential and specifically related to his investigative purpose. The Board minutes will show whether or not the board discussed the risks associated with making the TikTok application available through Google Play and, if so, whether and how they assessed the risk of liability. The Board minutes will also show whether the Board considered whether making TikTok available through Google Play constituted a positive violation of Federal law.

**C. The Company Rejects the Demand.**

29. On March 26, 2025, the Company's counsel responded to the Demand ("Response"). A true and correct copy of the Response is attached hereto as **Exhibit B**. The Response claimed that Tan had (1) not "establish[ed] the circumstances for [his] ownership of Alphabet stock," (2) not "articulate[d] a credible basis for [his] asserted purposes," and (3) sought "books and records that are overbroad and not limited to those documents that are necessary and essential to the Demand's asserted purpose." The Response constituted a wrongful rejection of the Demand.

30. The Response suggested a willingness on the Company's part to consider additional information through a meet and confer with counsel. To provide

such additional information, on April 1, 2025, counsel for both sides held a meet and confer, during which the parties were unable to reach a resolution. The Company has declined to allow Tan to inspect any documents sought by the Demand.

31. To this day, the Company, through Google Play, is providing services to distribute, maintain, and update the TikTok application. Accordingly, the Company is in violation of PAFACAA, exposing itself to civil penalties that potentially could be in the hundreds of billions of dollars.

### **COUNT I**

(Plaintiff's Demand for Inspection of Books and Records  
Under 8 *Del. C.* § 220)

32. Plaintiff repeats and re-alleges the foregoing allegations in paragraphs 1 to 31 as if fully set forth herein.

33. Plaintiff has fully complied with Section 220's "form and manner" requirements under 8 *Del. C.* § 220. The Demand was in writing, under oath, and included Tan's proper purpose for demanding certain books and records.

34. Plaintiff's investigative purpose for requesting access to the Company's books and records is proper and reasonably related to his interest as a stockholder of the Company. There is a credible basis from which to suspect corporate mismanagement and wrongdoing, including breaches of fiduciary duty by directors and officers, and positive and knowing violation of the law sufficient to allow

Plaintiff inspection of books and records. Therefore, Plaintiff has a credible basis as a stockholder to investigate corporate governance.

35. Plaintiff has requested a narrow and limited set of documents which are necessary, essential and specific to Plaintiff's stated investigative purpose.

36. Plaintiff made the Demand and seeks inspection in good faith.

37. The Company has wrongfully refused Plaintiff the right to inspect the books and records sought in his Demand.

38. By reason of the foregoing and pursuant to Section 220, Plaintiff requests a summary order permitting him to inspect and make copies of the books and records identified in the Demand.

39. Plaintiff has no adequate remedy at law.

### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays for relief and judgment as follows:

- A. Enter judgment in favor of Plaintiff and against the Company.
- B. Summarily order the Company to allow Plaintiff, his attorneys, and agents to inspect and make copies of the books and records identified in the Demand.
- C. Award Plaintiff his cost and expenses, including attorneys' fees, incurred in connection with the Demand and his fees and expenses in pursuing this action to enforce Plaintiff's rights as a stockholder.

D. Grant such other and further relief as the Court deems appropriate under the circumstances.

Date: June 10, 2025

**BERGER MCDERMOTT LLP**

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