

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF KINGS

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RICHARD BURTON,

Plaintiff,

COMPLAINT

Index No: \_\_\_\_\_

- VS -

HAYDEN ADAMS

Defendant.

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Plaintiff Richard Burton ("Mr. Burton"), for his Complaint against Defendant Hayden Adams ("Mr. Adams"), alleges as follows:

**PRELIMINARY STATEMENT**

1. This lawsuit seeks damages for breach of contract, and, in the alternative, restitution for unjust enrichment and *quantum meruit*, all in connection with the development of Uniswap, a multi-billion-dollar, New York-based software and cryptocurrency enterprise used to trade cryptocurrency and digital assets.

2. Plaintiff Richard Burton provided critical financial and other support to Defendant Hayden Adams, a Uniswap founder and its current CEO, for the early development of Uniswap.

3. When Mr. Burton helped Mr. Adams, Mr. Adams had no capital, no office, and no business. Uniswap was little more than an idea. Uniswap was not fully functional software. Mr. Burton provided critical early assistance to Mr. Adams for business reasons

and with the hope, expectation and understanding, based on communications with Mr. Adams, that Mr. Burton would have the opportunity to benefit financially from the support and assistance Mr. Burton provided to Mr. Adams.

4. Among other things, it was understood and agreed between Mr. Adams and the Plaintiff that the Plaintiff would be given the opportunity to invest in Uniswap at such time as Uniswap took a concrete form into which investment could be made. Mr. Adams made it clear that Mr. Burton would benefit from the investment's potential appreciation in value and any subsequent issue of cryptocurrency tokens by Uniswap.

5. Once Uniswap began to attract the attention of institutional investors, however, Adams refused to allow Plaintiff to invest. In so doing Mr. Adams deprived the Plaintiff of what would have been an investment return currently worth well in excess of one hundred million dollars. Mr. Adams instead reserved that opportunity for himself.

6. But for the agreement by Mr. Adams to give Plaintiff the opportunity to invest in Uniswap, Plaintiff would not have provided the significant support that he offered to, and that was accepted by, Mr. Adams, including money, office space, and design advice.

7. In short, Mr. Adams was enriched by hundreds of millions of dollars, at least in part, at Plaintiff's expense. It would be against equity and good conscience to permit Adams to retain all of the profits of his ownership in Uniswap without payment to Plaintiff of a fair and equitable portion of them.

### **THE PARTIES**

8. Plaintiff Richard Burton is a natural person who is a software developer, designer and entrepreneur who currently resides in San Francisco, California. At all times relevant to this dispute he was a resident of New York County, in New York State.

9. Defendant Hayden Adams is also a natural person who, on information and belief, is a citizen and resident of Kings County, in New York State. Mr. Adams can be served with the Summons and Complaint at 101 Bedford Avenue, Apt. A502, Brooklyn, New York 11211.

### **JURISDICTION AND VENUE**

10. Venue is proper in this Court pursuant to CPLR § 503 because Mr. Adams is, on information and belief, a resident of Kings County, New York at the time this lawsuit is commenced and because a substantial part of the events giving rise to the claim occurred in Kings County, New York.

11. This Court has personal jurisdiction over Mr. Adams pursuant to CPLR § 301 because he is a resident of Kings County, New York and, furthermore, because the Complaint arises out of the transaction of business in New York state.

### **FACTUAL BACKGROUND**

12. Uniswap bills itself as “the largest decentralized trading and automated market making protocol (often called a DEX, Decentralized Exchange) on Ethereum. Since launching in 2018, Uniswap Protocol has processed over \$110 billion in volume and increasing to the tune of more than \$1 billion daily.”<sup>1</sup>

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<sup>1</sup> See, <https://jobs.lever.co/Uniswap/94ad13da-7ed8-4435-9f35-98cd8d35da80> (last visited March 23, 2021)

13. Hayden Adams is a founder and The Chief Executive Officer of the business behind Uniswap, which is the trading name of Universal Navigation, Inc.

14. Uniswap's success has been meteoric. This success was by no means a forgone conclusion and relied upon, and would not have happened but for, the help, assistance and investments of others, including Mr. Burton.

15. Mr. Burton first met Mr. Adams in the spring of 2018 in New York City.

16. Mr. Burton is the founder of Balance, an Ethereum blockchain wallet startup.

17. At the time that Mr. Burton and Mr. Adams first met, the Uniswap protocol had yet to be finalized or deployed, nor had any corporate entity pertaining to the Uniswap protocol been formed by Mr. Adams. At the time, Uniswap was a rough idea, in need of development, financing, and office space. Mr. Adams accepted Mr. Burton's offer to provide assistance. As consideration for this assistance, Mr. Adams agreed that Mr. Burton would have the ability to be an early investor in Uniswap.

18. For the next several months, throughout the summer of 2018, Mr. Adams worked on Uniswap daily in Balance's offices.

19. Knowing Mr. Adams was running low on funds, and consistent with the oral contract described above in paragraph 17 of this Complaint, Mr. Burton gave Mr. Adams money to help support his efforts and allow him to continue with development [on more than one occasion].

20. During these months, Mr. Burton spent countless hours in front of a whiteboard with Mr. Adams helping to think through the project and pitch the project to prospective investors. When Mr. Adams ran out of grant money and wanted to present Uniswap to potential investors at Paradigm, Mr. Burton supported him.

21. Mr. Burton was the first person to promote, share and Tweet about Uniswap to help promote it. He did whatever was possible to help Hayden connect with the right people to work and partner with.

22. Mr. Burton paid Mr. Adams \$10,000 to do software development work for Balance. Mr. Adams never performed this work. Mr. Burton wrote off the expense and told Mr. Adams to use the funds for expenses – and to focus on shipping Uniswap. This money was an investment in Mr. Adams and in the Uniswap protocol, however the payment may have been characterized at that time.

23. Mr. Burton also provided Mr. Adams with money for travel expenses, as well as technical and design advice, consistent with the contract previously reached and described above in paragraph 17 of this Complaint.

24. As Uniswap's development progressed over the summer of 2018, Mr. Adams was running out of money. Mr. Burton sent him \$15,000 to help him cover rent and costs.

25. At numerous points during the summer of 2018, Mr. Adams continued to assure Mr. Burton that in exchange for his support, he would be given a role in any to-be-formed company, as well as an opportunity to be an early investor if and when a lead investor for the Uniswap project was identified.

26. Mr. Burton specifically inquired on numerous occasion as to when there would be an opportunity to invest in exchange for his support. Mr. Adams assured Mr. Burton that this opportunity would be afforded to him. These assurances were provided to Mr. Burton in writing, in person and on voice-calls. Mr. Adams sent Mr. Burton a term

sheet and Mr. Burton confirmed the desire and intention to invest when Mr. Adams had found a lead investor to set the terms and price the deal.

27. As part of the process of helping locate a lead investor, Mr. Burton sent Mr. Adams additional cash so he could fly to San Francisco and pitch Uniswap to Paradigm, a well-known blockchain focused venture capital firm.

28. At the time that Mr. Burton provided Mr. Adams financial and personal assistance, the Uniswap protocol and project were still in proof of concept form, had not been formally deployed, had no trading volume and, as a practical matter, no then-present financial value.

29. Mr. Burton did not provide this help to Mr. Adams on a purely *ex gratia* basis, but with the understanding and expectation that he would be given an opportunity to benefit economically from any future success that Uniswap enjoyed, including the ability to be an early investor in the protocol.

30. Specifically, Mr. Adams initially agreed to allow Mr. Burton to invest in Uniswap at a \$10 million valuation for \$100,000. When Mr. Burton attempted to accept that offer to invest, he was told that he could not.

31. In spite the substantial assistance Mr. Burton provided Mr. Adams, he was denied the ability and opportunity to invest in and to be part of the company as he and Mr. Adams had agreed from the outset.

32. Venture capital firm Paradigm was the only investor allowed to initially invest. Paradigm invested by providing Mr. Adams and the eventually-formed Uniswap entity with \$1 million in seed funding at a \$10 million valuation. It participated on a *pro-*

*rata* basis and, on information and belief, has seen an uplift on the value of its investment such that if it sold its interest today it may be able to do so for over \$1 billion.

33. Mr. Adams's failure and refusal to allow Mr. Burton to invest \$100,000 at a \$10 million valuation thus translates into damages of, at minimum, \$100 million. This amount inured to the benefit of Mr. Adams, at Mr. Burton's expense.

34. But for Mr. Burton's belief that he would be allowed to invest in and benefit from his support of Mr. Adams and the Uniswap project, Mr. Burton would not have provided the measure of assistance that was offered and accepted by Mr. Adams.

35. The relationship between Mr. Burton and Mr. Adams was one that caused reliance by Mr. Burton on Mr. Adams' conduct and statements and induced Mr. Burton to provide continued support.

**COUNT I: BREACH OF CONTRACT**

36. Plaintiff incorporates paragraph 1 through 35 of this Complaint as if set forth here in their entirety.

37. The agreement between Plaintiff and Defendant described above was a binding an enforceable contract.

38. Plaintiff offered to assist Defendant with the further development, launch and capitalization of Uniswap.

39. Defendant accepted Plaintiff's offer to assist.

40. As valuable consideration for the contract described herein, Defendant agreed to give Plaintiff the opportunity to be an early investor in Uniswap.

41. Plaintiff fully performed his contractual obligations.

42. Defendant breached the contract by failing and refusing to grant Plaintiff the ability to invest when he attempted to do so.

43. Plaintiff has been damaged by Plaintiff's breach in an amount of money equivalent to the lost investment opportunity described above in paragraph 33.

**COUNT II: QUASI-CONTRACT/UNJUST ENRICHMENT**

44. Plaintiff incorporates paragraph 1 through 43 of this Complaint as if set forth here in their entirety and pleads this count two seeking an equitable remedy in the alternative to the legal relief and money damages that Count I seeks.

45. Defendant was enriched by Mr. Burton's technical, financial and other assistance, all of which played a critical role in the development and launch of Uniswap.

46. Defendant was enriched at Mr. Burton's expense.

47. But for the assistance and benefits provided by Mr. Burton to Mr. Adams, Uniswap might never have had the opportunity to be the massive financial success it is today, a benefit and enrichment that Mr. Adams has enjoyed, at Mr. Burton's expense.

48. It would be against equity and good conscience to allow Mr. Adams to retain the full benefit of Mr. Burton's assistance by retaining the amount Mr. Burton seeks to recover in this lawsuit.

**COUNT III: QUASI CONTRACT/QUANTUM MERUIT**

49. Plaintiff incorporates paragraph 1 through 48 of this Complaint as if set forth here in their entirety, pleading this Count III in the alternative to Counts I and II, and pleads this count three seeking an equitable remedy in the alternative to the legal relief and money damages that Count I seeks.



50. Mr. Burton performed the services described in this Complaint for Mr. Adams in good faith.

51. Mr. Adams accepted the services that Mr. Burton provided.

52. Mr. Burton reasonably expected to be compensated for his services in the form of an opportunity to be an early investor in Uniswap.

53. The reasonable value of Mr. Burton's compensation can be readily calculated and is equal to, at a minimum, \$100 million, the value of the investment which Mr. Burton was not allowed to make, and the benefit of which Mr. Adams retained for himself at Mr. Burton's expense.

**WHEREFORE**, and for the foregoing reasons, Plaintiff seeks the following relief:

- A. On Count I, money damages in an amount no less than \$100 million;
- B. On Count II, restitution from Mr. Adams in the value of the investment opportunity that Plaintiff was denied and that Mr. Adams retained, in an amount no less than \$100 million;
- C. On Count III, restitution from Mr. Adams in the current value of the investment opportunity that Plaintiff was denied and that Mr. Adams retained, in an amount no less than \$100 million;
- D. On all Counts, pre-judgment and post-judgment interest in the highest amount allowed by law;
- E. On all Counts, costs of suit, including attorneys fees;
- F. Any such other and further relief that this Court deems fair and equitable.

**JURY DEMAND**

Plaintiff demands a trial by jury on all issues so triable.

Dated: March 24, 2021

By: /s/ John M. Leonard

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