

Parsing Who Gets The Track Record In A Venture Partner Split

By **Ben Dubin** (July 22, 2026)

A successful venture investment can belong to several people in conversation and to only one fund on paper. The partner who sourced the company may regard it as her deal. The investment committee may treat it as a collective decision. The firm may present it as part of its institutional record. And when members of that team leave to form a new firm, everyone may believe they are entitled to tell the story.



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That ambiguity is manageable while an investment remains obscure. It becomes combustible when the company becomes Zoom Communications Inc.

The litigation between TSVC and Foothill Ventures offers a rare judicial examination of how venture track records may be used after a team separates. TSVC — fund entities formerly operating under the TEEC Angel Fund name, which describe themselves as the sole institutional investor in Zoom's 2011 seed round — alleges that Foothill, formed in 2017 by former participants in the earlier TEEC funds and previously known as Tsingyuan Ventures, marketed investments made by those funds as its own and held itself out as their successor.[1]

Foothill has contested the allegations, and an earlier arbitration among individual partners, confirmed by the San Mateo County Superior Court in 2024, found that two Foothill principals did not breach the parties' operating agreement by citing the earlier funds' investment performance when approaching prospective investors.[2]

On June 11, in TEEC Angel Management LLC v. Tsingyuan Ventures LLC, the U.S. District Court for the Northern District of California allowed TSVC's Lanham Act claims to proceed against all four Foothill entities, while dismissing the state unfair competition claims against the two oldest entities with prejudice as untimely.[3]

The order decides nothing about who may ultimately claim the Zoom investment. But it confirms that a question the industry has long treated as professional etiquette — who gets to tell the story of a shared win — is now being litigated as false advertising, entity by entity and statement by statement.

A Collective Investment and a Specific Advertisement

Venture investments are collective in ways outsiders rarely see. A single position may reflect one person's sourcing, another's diligence, a third's investment memorandum, a committee's approval, a fourth's board service, and follow-on and exit decisions made by yet other hands. The person who introduced the company may not have voted for the investment. The board member may have joined years after the initial check. A partner may hold carry in a fund whose best-known deal she never touched.

Marketing collapses that texture into short declarative claims: "my investment," "our investment," "our track record," a tally of unicorns. Each phrase carries a different factual meaning, and each can be tested against a documentary record — fund-of-record documents, investment committee minutes and votes, board records, carry allocations,

capital account statements, and wire confirmations.

When former colleagues dispute attribution, the dispute is rarely about memory. It is about which artifacts exist and what they show.

What the June 11 Order Decided — and What It Did Not

Precision about the procedural posture matters here, because both sides won something.

The June 11 order resolved Foothill's motion to dismiss the third amended complaint. The court held that TSVC's California unfair competition claims against the two Foothill entities alleged to have begun operating in 2017 — and the challenged statements — were untimely under the four-year limitations period, that the continuous accrual doctrine did not apply, and that further amendment would be futile after several opportunities. Those claims were dismissed with prejudice.

The parallel claims against the two later-formed entities survived, because the defendants had not established when the claims against them accrued.

The Lanham Act claims survived in full. The court declined to apply laches at the pleading stage, holding that both unreasonable delay and prejudice are fact-intensive questions unsuited to a motion to dismiss — while flagging, without resolving, whether the analogous limitations period is four years or three when a Lanham Act claim sounds in fraud.[4]

The court also held that the operative complaint cured the group pleading defect identified in its Feb. 27 order,[5] and satisfied Rule 9(b) of the Federal Rules of Civil Procedure's particularity standard, pointing to allegations that Foothill claimed "credit for investments in specific unicorn companies that were in fact made by TSVC" before Foothill was formed, and to per-entity allegations identifying which vehicle said what, beginning in which year — down to a specific October 2023 conference presentation.

Two limits on the ruling deserve equal emphasis. First, the court accepted these allegations as adequately pled, not as true; nothing in the order finds that any Foothill statement was false or misleading, and the laches defense remains available at a later stage.

Second, the June order builds on the court's Aug. 13, 2025, ruling in the same case holding that the confirmed arbitration award did not preclude the fund entities' Lanham Act claims — because the panel, in finding that the individual principals could cite the earlier funds' performance under the operating agreement, never addressed whether Foothill as an institution held itself out as a successor, or whether its statements were false or misleading to a substantial audience of investors.

Biography, Predecessor Performance and Institutional Record

The gap between the arbitration award and the surviving federal claims is the analytically important feature of this case. A tribunal found that the individuals could reference the earlier funds' performance; a federal court has now held that whether the firm claimed the earlier funds' identity is a different question that remains open.

The litigation is, in effect, sorting statements that venture marketing routinely blends into three distinct categories: personal investment experience, predecessor-fund performance and the new firm's institutional record.

The pleadings show where factual disputes concentrate. Consider four formulations, each tested against different evidence when challenged:

- "Jane Smith served on the investment committee of Fund I, which invested in Company X." Tested against committee records and the fund documents — a biographical claim with a verifiable referent.
- "Jane Smith was an early investor in Company X." Tested against which vehicle actually made the investment and what role, if any, the individual played in it.
- "New Firm invested in Company X." Tested against the fund of record and the firm's formation date. This is the formulation at the center of the Rule 9(b) discussion in the June 11 order — the allegation that credit was claimed for investments made before the claiming entity existed.
- "New Firm is the successor to Old Firm." Tested against legal succession: assignments, consents, entity continuity — and whether the predecessor still exists and still manages the funds in question, as TSVC alleges its funds do.

The order's timeliness analysis makes the same point from another direction. The court dismissed or preserved claims entity by entity, based on when each Foothill vehicle existed and what each is alleged to have said. Attribution granularity — which entity, which statement, which year — determined which claims survived the motion. Marketing that cannot answer those questions at the same level of granularity will struggle to answer them in discovery.

The Regulatory Layer

The Lanham Act is only one source of exposure. For investment advisers registered with the U.S. Securities and Exchange Commission, the marketing rule — Rule 206(4)-1 under the Investment Advisers Act — governs performance advertising, and the commission's adopting release addresses predecessor performance directly: Presenting results achieved at a prior firm implicates the rule's general prohibitions unless, among other conditions, the personnel primarily responsible for the prior results are at the advertising adviser, the predecessor accounts are sufficiently similar to those being offered and the presentation does not omit results in a way that creates a misleading impression.[6]

The rule separately requires advisers to be able to substantiate material statements of fact in an advertisement on demand.

Many venture advisers are exempt reporting advisers rather than registered ones, and the marketing rule does not reach them directly. But exempt status is not insulation. Section 206 of the Advisers Act and Rule 206(4)-8 prohibit misleading statements to investors and prospective investors in the funds an adviser manages, registered or not.[7] And as this case demonstrates, a competitor's Lanham Act suit requires no regulator at all.

One structural point emerges from the procedural history itself: Private agreements allocate rights between the parties who signed them; they do not resolve whether a statement is misleading to investors who never did. The arbitration award construed an operating agreement. The court held that it answered a contract question among former partners — not the false advertising questions now in front of it.

The Record a Spinout Should Be Able To Produce

Disputes of this kind are ultimately decided on documents, and the documents are knowable in advance. Before a new firm's fundraising materials circulate — in every language and channel in which they will appear — the attribution behind each claimed investment can be reconciled against:

- The underlying record;
- The legal vehicle that made each investment and the date it was made;
- Each professional's documented role, from sourcing through committee vote, board or observer service, and exit;
- Carry allocations;
- Whether results are realized or unrealized;
- Whether the prior strategy is comparable to the one now being offered;
- Whether performance figures can be substantiated from records the new firm can actually access; and
- Whether the presentation's selections and omissions change the overall impression.

The exercise amounts to an attribution audit.

The channel point is not hypothetical. TSVC alleges that the challenged statements appeared not only in pitch materials and executive summaries, but also in Chinese-language articles reposted to WeChat, conference flyers and public announcements.

This can serve as a reminder that every version, translation and repost of a firm's marketing belongs to the same evidentiary record.

Separation agreements can do much of this work in advance when they address marketing with the same precision they bring to economics:

- Which firm and fund names each side may use;
- Whether either party may describe itself as a successor;
- Which investments each departing professional may identify, and in what terms — sourced, led, approved, managed;
- Whether fund-level returns, multiples or internal rates of return may be shown, and how they must be substantiated;
- Access to the records needed for substantiation;
- Treatment of unrealized valuations, portfolio company logos, translations and third-party publicity; and
- Prepublication review and correction procedures.

Agreements that stop at the fund economics and the firm name leave the track record — often the most valuable marketing asset either side has — to be allocated later, by a court.

Conclusion

Venture firms have long treated track record attribution as a matter of courtesy among former colleagues. The TSVC-Foothill litigation shows it being treated as false advertising, entity by entity and statement by statement.

The June 11 order decides no merits question; it holds only that the claims are pled with enough specificity to be tested. But the test it frames is a durable lesson for the industry.

The tension will be familiar to professionals in every field who have made a lateral move — lawyers among them know the ambiguity of "my case" versus "the firm's win" — but venture capital sharpens it: Track records here are quantified, attached to a specific fund of record and regulated, so a claim about who made an investment can be checked against documents.

A departing investor's professional history, a predecessor fund's performance and a new firm's institutional record are three different assets, supported by three different bodies of evidence. When a shared win becomes a Zoom, the record of who did what, in which vehicle and when is the asset that ends up in front of a court.

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[1] Third Am. Compl., TEEC Angel Mgmt., LLC v. Tsingyuan Ventures LLC, No. 5:24-cv-08991-EKL (N.D. Cal.), ECF No. 113, as characterized in the court's June 11, 2026 order; see also TSVC press release, Business Wire (Feb. 19, 2025) (describing allegations, including WeChat republications and successor statements). Allegations are attributed to the pleadings and have not been adjudicated.

[2] Order Denying Mot. to Dismiss First Am. Compl., TEEC Angel Mgmt., LLC v. Tsingyuan Ventures LLC, No. 5:24-cv-08991-EKL (N.D. Cal. Aug. 13, 2025), ECF No. 58 (holding the arbitration award, confirmed by the San Mateo County Superior Court on May 22, 2024, did not preclude the Lanham Act claims; noting the panel found the individual principals did not breach the operating agreement by citing prior fund performance to prospective investors, but did not decide the successor or false advertising questions).

[3] Order Granting in Part and Denying in Part Mot. to Dismiss, TEEC Angel Mgmt., LLC v. Tsingyuan Ventures LLC, No. 5:24-cv-08991-EKL (N.D. Cal. June 11, 2026), ECF No. 142.

[4] Id. at 4 & n.3 (citing Jarrow Formulas, Inc. v. Nutrition Now, Inc., 304 F.3d 829 (9th Cir. 2002)).

[5] TEEC Angel Mgmt., LLC v. Tsingyuan Ventures LLC, No. 24-cv-08991-EKL, 2026 WL

1660035 (N.D. Cal. Feb. 27, 2026).

[6] Investment Adviser Marketing, Advisers Act Release No. IA-5653 (Dec. 22, 2020) (adopting release discussion of predecessor performance under the rule's general prohibitions). [Verify pin cite before submission.]

[7] 15 U.S.C. § 80b-6; 17 C.F.R. § 275.206(4)-8.