

Danielle Shoots' DEMI Fund Files Suit Against the City of Denver, Alleging Flagrant Misconduct

DEMI Fund filed a complaint against the City of Denver stating "abandonment of minority and women-owned businesses through brazen acts of willful misconduct".

DENVER, CO, UNITED STATES, March 22, 2024 /EINPresswire.com/ -- The Domestic Emerging Market Investments (DEMI) Fund, the Denver-based equity venture capital fund dedicated to supporting BIPOC and women founders, filed a complaint against the City and County of Denver (together, the "City") stating "abandonment of minority and women-owned businesses through brazen acts of willful misconduct". (CASE NO. 2024CV30849)



DEMI, the brainchild of financial markets maven Danielle Shoots, drives a positive movement to the U.S. economy by investing in historically underinvested entrepreneurs, enabling generational wealth sustainability to flourish within these demographics. As a staunch advocate and zealous champion of minority and women-owned businesses in and around the Denver community, a productive partnership with the City is imperative to its ability to invest and promote those businesses. The filing states that "the City has engaged in conduct that...puts at risk the very same emerging and startup enterprises that it ostensibly partnered with DEMI to support."

The allegations of misconduct detailed in the filing center around The Herman Malone Fund (Malone Fund), a dedicated fund established to expand access for diverse-owned Denver startups and early-stage companies. In 2022 the City committed approximately \$15,000,000 from the Malone Fund to DEMI, relying on DEMI's established expertise to identify and finance qualified beneficiaries.

The filing outlines a substantial list of allegations of misconduct by the City including claims that City staff urged DEMI to hire unnecessary sub-contractors, where at least one entity was based



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Danielle Shoots, Managing Director & Founder | DEMI Fund

outside of Colorado and allegedly related to a City staff member. According to the filing, this request raised significant concerns for DEMI and presented a conflict of interest under the terms of the City Contract. DEMI also states that "the City stopped dispersing Malone Fund money earmarked for DEMI to invest in Denver minority and women-owned businesses." DEMI further claims that absent a satisfactory response regarding halting of funding by the City, DEMI spent hundreds of thousands of dollars of its own money ensuring continuity of business for its partners that relied on this funding.

"I had no choice but to fight. The systems of government have forgotten that we taxpayers are their revenue source.

It's OUR money. The government should never be the big guy. The people should always be collectively more powerful. I knew that if the City could brazenly exploit DEMI's contract as a cover for funding priorities, then this is not the first time, and I am not the only one, but I am the one who will fight to make sure it's the last time."

- Danielle Shoots, Managing Director & Founder | DEMI Fund

DEMI's allegations also outline the City's disregard for the existing contract where DEMI is entitled to recoupment for expenses that were intended to be paid by the Malone Fund. Even after providing detailed records supporting expenditures, DEMI alleges the City continued to wrongly claim insufficient documentation with regards to requests for repayment.

DEMI is seeking remedy for outstanding invoices totaling almost \$800,000 under its contract with the City, in addition to an award of actual compensatory and economic damages, reasonable attorney fees and associated expenses, award of pre and post-judgment interest on all outstanding sums, and any other appropriate relief deemed equitable and fitting by the court.

The DEMI Fund, previously called the New Community Transformation Fund Denver, is an early and mid-stage private investment capital fund based in Denver, CO., focusing on domestic companies owned and operated by founders of color or women while providing suitable risk-adjusted above-market returns to investors. Founded by financial markets specialist Danielle Shoots, DEMI Fund's strategy is designed to create above-market returns by investing in the domestic emerging market. Through its investment approach, the DEMI Fund is active in the success of its portfolio companies, leveraging its extensive ecosystem to mitigate risk and engineer wins. □ Demifund.com for more information. □

Attorneys for Plaintiff:
BAKER & HOSTETLER LLLP

Telephone: (303) 764-4136

Niki Dec

Harlot Inc.

press@hgprinc.com

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