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14 **UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

15 **FEDERAL TRADE COMMISSION,**

16 Plaintiff,

17 v.

18 **BUNZAI MEDIA GROUP, INC.,** a
California corporation, also doing
19 business as AuraVie, Miracle Face Kit,
and Attitude Cosmetics;

20 **PINNACLE LOGISTICS, INC.,** a
California corporation;

Case No. 2:15-CV-04527-GW (PLAx)

**FIRST AMENDED COMPLAINT
FOR PERMANENT INJUNCTION
AND OTHER EQUITABLE
RELIEF**

**FIRST AMENDED COMPLAINT FOR PERMANENT INJUNCTION
AND OTHER EQUITABLE RELIEF**

1 **DSA HOLDINGS, INC.**, a California
2 corporation;

3 **LIFESTYLE MEDIA BRANDS,**
4 **INC.**, a California corporation;

5 **AGOA HOLDINGS, INC.**, a
6 California corporation;

7 **ZEN MOBILE MEDIA, INC.**, a
8 California corporation;

9 **SAFEHAVEN VENTURES, INC.**, a
10 California corporation;

11 **HERITAGE ALLIANCE GROUP,**
12 **INC.**, a California corporation, also
13 doing business as AuraVie Distribution;

14 **AMD FINANCIAL NETWORK,**
15 **INC.**, a California corporation;

16 **SBM MANAGEMENT, INC.**; a
17 California corporation;

18 **MEDIA URGE, INC.**, a California
19 corporation;

20 **ADAGEO, LLC**, a California limited
liability company;

CALENERGY, INC., a California
corporation;

KAI MEDIA, INC., a California
corporation;

INSIGHT MEDIA, INC., a California
corporation;

FOCUS MEDIA SOLUTIONS, INC.,
a California Corporation

SECURED COMMERCE, LLC, a
California limited liability company;

1 **SECURED MERCHANTS, LLC**, a
2 California limited liability company;
3 **USM PRODUCTS, INC.**, a California
4 corporation;
5 **MERCHANT LEVERAGE GROUP,**
6 **INC.**, a California corporation;
7 **DMA MEDIA HOLDINGS, INC.**, a
8 California corporation;
9 **SHALITA HOLDINGS, INC.**, a
10 California corporation;
11 **ALL STAR BEAUTY PRODUCTS,**
12 **INC.**, a California corporation;
13 **ALON NOTTEA**, individually and as
14 an officer or manager of BunZai Media
15 Group, Inc. and Pinnacle Logistics, Inc.;
16 **MOTTI NOTTEA**, individually and as
17 an officer or manager of BunZai Media
18 Group, Inc.;
19 **DORON NOTTEA**, individually and as
20 an officer or manager of BunZai Media
Group, Inc. and Pinnacle Logistics, Inc.;
IGOR LATSANOVSKI, individually
and as an officer or manager of BunZai
Media Group, Inc, Pinnacle Logistics,
Inc., and Zen Mobile Media, Inc.;
OZ MIZRAHI, individually and as an
officer or manager of BunZai Media
Group, Inc. and Pinnacle Logistics, Inc.;
ROI REUVENI, individually and as an
officer or manager of BunZai Media
Group, Inc. and Pinnacle Logistics, Inc.;
and

1 **KHRISTOPHER BOND**, also known
2 as Ray Ibbot, individually and as an
officer or manager of BunZai Media
Group, Inc.;

3 **ALAN ARGAMAN**, individually and
4 as an officer or manager of Secured
Commerce, LLC and Secured
Merchants, LLC

5 **PAUL MEDINA**, individually and as
6 an officer or manager of Media Urge,
Inc., Pinnacle Logistics, Inc., and Focus
Media Solutions, Inc., and

7 **Defendants, and**

8 **Chargeback Armor, Inc.**, a California
9 corporation;

10 **Relief Defendant.**

11 Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges:

12 1. The FTC brings this action under Sections 13(b) and 19 of the
13 Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, Section
14 5 of the Restore Online Shoppers’ Confidence Act (“ROSCA”), 15 U.S.C. § 8404,
15 and Section 917(c) of the Electronic Fund Transfer Act (“EFTA”), 15 U.S.C.
16 § 1693o(c), to obtain temporary, preliminary, and permanent injunctive relief,
17 rescission or reformation of contracts, restitution, the refund of monies paid,
18 disgorgement of ill-gotten monies, and other equitable relief for Defendants’ acts
19 or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), Section
20 4 of ROSCA, 15 U.S.C. § 8403, and Section 907(a) of EFTA, 15 U.S.C.

FIRST AMENDED COMPLAINT FOR PERMANENT INJUNCTION
AND OTHER EQUITABLE RELIEF

1 § 1693e(a), in connection with the sale of skincare products through a negative
2 option continuity plan.

3 **SUMMARY OF THE CASE**

4 2. Defendants collectively market skincare products over the Internet
5 using deceptive offers with hidden costs, negative option features, and return
6 policies. Specifically, Defendants offer “risk-free” trials of skincare products to
7 consumers nationwide through online banners, pop-up advertisements, and
8 websites. Defendants require consumers who accept the “risk-free” trials to
9 provide their credit or debit card billing information, purportedly to pay nominal
10 shipping and handling fees to receive the advertised products. However, 10 days
11 after receiving consumers’ billing information, Defendants charge consumers the
12 full costs of the products included in the “risk-free” trials, imposing charges of up
13 to \$97.88 onto consumers’ credit or debit cards. Defendants refuse to provide
14 refunds for product returns unless consumers meet onerous conditions that are not
15 adequately disclosed. Additionally, after charging consumers, Defendants enroll
16 consumers in a negative option continuity plan, in which Defendants ship
17 additional products each month and charge consumers’ credit or debit cards the
18 full costs of the products, usually \$97.88 per month. Defendants’ scheme has
19 deceived consumers nationwide out of millions of dollars.

1 3. As explained more fully below, Defendants operate a common
2 enterprise through which they: (a) fail to disclose adequately material terms of
3 their sales offer, including the offer’s costs and negative option features; (b)
4 falsely represent that consumers can obtain their products on a “trial” or “risk-
5 free” trial basis for only a nominal shipping and handling fee; (c) fail to obtain a
6 consumer’s informed consent to the material terms, including the negative option
7 feature, of the transaction before charging the consumer; (d) falsely represent their
8 business is accredited by the Better Business Bureau with an “A-” rating; (e) fail
9 to provide consumers a simple method of cancelling their negative option
10 continuity plan, and (f) debit consumers’ bank accounts on a recurring basis
11 without obtaining written authorization from the consumer or providing a written
12 copy of the authorization to the consumer.

13 **JURISDICTION, VENUE, AND INTRADISTRICT ASSIGNMENT**

14 4. This Court has subject matter jurisdiction pursuant to 28 U.S.C.
15 §§ 1331, 1337(a), and 1345 and 15 U.S.C. §§ 45(a), 53(b), and 57b.

16 5. Venue is proper in this district under 28 U.S.C. §§ 1391(b)(1) and
17 (b)(2), and 15 U.S.C. § 53(b).

18 6. Assignment to the Western Division is proper because Defendants’
19 primary place of business is in Los Angeles County.
20

1 **PLAINTIFF**

2 7. The FTC is an independent agency of the United States Government
3 created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC
4 Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or
5 affecting commerce. Additionally, the FTC enforces ROSCA, 15 U.S.C. §§ 8401-
6 05, which prohibits certain methods of negative option marketing on the Internet,
7 as well as EFTA, 15 U.S.C. § 1693 *et seq.*, which regulates the rights, liabilities,
8 and responsibilities of participants in electronic fund transfer systems.

9 8. The FTC is authorized to initiate federal district court proceedings,
10 by its own attorneys, to enjoin violations of the FTC Act, ROSCA, and EFTA,
11 and to secure such equitable relief as may be appropriate in each case, including
12 rescission or reformation of contracts, restitution, the refund of monies paid, and
13 the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b), 56(a)(2)(A),
14 56(a)(2)(B), 57b, 8404, and 1693o(c).

15 **DEFENDANTS**

16 9. Defendant **BunZai Media Group, Inc.**, also doing business as
17 AuraVie, Miracle Face Kit, and Attitude Cosmetics, is or was a California
18 corporation with its principal place of business at 7900 Gloria Avenue, Van Nuys,
19 California 91406 (“the Van Nuys Office”). BunZai Media Group, Inc. also uses a
20 mailbox with the address of 16161 Ventura Boulevard, #378, Encino, California

1 91436 (“Encino Mailbox A”). At times material to this Complaint, BunZai Media
2 Group, Inc. has advertised, marketed, distributed, or sold skincare products, or
3 provided customer service for such products, to consumers throughout the United
4 States. BunZai Media Group, Inc. transacts or has transacted business in this
5 district and throughout the United States.

6 10. Defendant **Pinnacle Logistics, Inc.** is or was a California corporation
7 with its principal place of business at the same location as BunZai Media Group,
8 Inc. at the Van Nuys Office. Pinnacle Logistics, Inc. has or had a secondary
9 address of 6925 Canby Avenue, Suite 105, Reseda, California 91335 (“the Reseda
10 Office”). At times material to this Complaint, Pinnacle Logistics, Inc., has
11 advertised, marketed, distributed, or sold the skincare products at issue in this
12 case, or provided customer service for such products, to consumers throughout the
13 United States. Pinnacle Logistics, Inc. transacts or has transacted business in this
14 district and throughout the United States.

15 11. Defendant **DSA Holdings, Inc.** is or was a California corporation
16 with its principal place of business at the same location as Pinnacle Logistics, Inc.,
17 at the Van Nuys Office, and a secondary address of 8335 Winnetka Avenue, #118,
18 Winnetka, California 91306. At times material to this Complaint, DSA Holdings,
19 Inc., has advertised, marketed, distributed, or sold the skincare products at issue in
20

1 this case to consumers throughout the United States. DSA Holdings, Inc. transacts
2 or has transacted business in this district and throughout the United States.

3 12. Defendant **Lifestyle Media Brands, Inc.** is or was a California
4 corporation with its principal place of business at the Van Nuys Office and a
5 secondary address of 8335 Winnetka Avenue, #112, Winnetka, California 91306.

6 At times material to this Complaint, Lifestyle Media Brands, Inc. has advertised,
7 marketed, distributed, or sold the skincare products at issue in this case to
8 consumers throughout the United States. Lifestyle Media Brands, Inc. transacts or
9 has transacted business in this district and throughout the United States.

10 13. Defendant **Agoa Holdings, Inc.** is or was a California corporation
11 with its principal place of business at the Van Nuys Office. At times material to
12 this Complaint, Agoa Holdings, Inc. has advertised, marketed, distributed, or sold
13 the skincare products at issue in this case to consumers throughout the United
14 States. Agoa Holdings, Inc. transacts or has transacted business in this district and
15 throughout the United States.

16 14. Defendant **Zen Mobile Media, Inc.** is or was a California
17 corporation with its principal place of business at the Van Nuys Office and a
18 secondary address of 4335 Van Nuys Boulevard #167, Sherman Oaks, California
19 91403. Zen Mobile Media, Inc. also uses a commercial mail receiving agent
20 mailbox, 16830 Ventura Boulevard, #360, Encino, California 91436 (“Encino

1 Mailbox B”). At times material to this Complaint, Zen Mobile Media, Inc. has
2 advertised, marketed, distributed, or sold the skincare products at issue in this case
3 to consumers throughout the United States. Zen Mobile Media, Inc. transacts or
4 has transacted business in this district and throughout the United States.

5 15. Defendant **Safehaven Ventures, Inc.** is or was a California
6 corporation with its principal place of business at the Van Nuys Office and a
7 secondary address of 548 South Spring Street, #406, Los Angeles, California
8 90013. Safehaven Ventures, Inc. also uses Encino Mailbox B. At times material to
9 this Complaint, Safehaven Ventures, Inc. has advertised, marketed, distributed, or
10 sold the skincare products at issue in this case to consumers throughout the United
11 States. Safehaven Ventures, Inc. transacts or has transacted business in this
12 district and throughout the United States.

13 16. Defendant **Heritage Alliance Group, Inc.** also doing business as
14 AuraVie Distribution, is or was a California corporation with its principal place of
15 business at the Van Nuys Office and a secondary address of 21113 Osborne
16 Street, Canoga Park, California 91304. At times material to this Complaint,
17 Heritage Alliance Group, Inc. has advertised, marketed, distributed, or sold the
18 skincare products at issue in this case to consumers throughout the United States.
19 Heritage Alliance Group, Inc. transacts or has transacted business in this district
20 and throughout the United States.

1 17. Defendant **AMD Financial Network, Inc.** is or was a California
2 corporation with its principal place of business at the Van Nuys Office and a
3 secondary address of 9820 Owensmouth Avenue, #15, Chatsworth, California
4 91311. At times material to this Complaint, AMD Financial Network, Inc. has
5 advertised, marketed, distributed, or sold the skincare products at issue in this case
6 to consumers throughout the United States. AMD Financial Network, Inc.
7 transacts or has transacted business in this district and throughout the United
8 States.

9 18. Defendant **SBM Management, Inc.** is or was a California
10 corporation with its principal place of business at 655 North Central Avenue,
11 Suite 1700, Glendale, California 91203, and its secondary address is or was the
12 Reseda Office. SBM Management, Inc. also uses or used Encino Mailbox B. At
13 times material to this Complaint, SBM Management, Inc. has advertised,
14 marketed, distributed, or sold the skincare products at issue in this case to
15 consumers throughout the United States. SBM Management, Inc. transacts or has
16 transacted business in this district and throughout the United States.

17 19. Defendant **Media Urge, Inc.** is or was a California corporation with
18 its principal place of business at 18757 Burbank Boulevard, Suite 205, Tarzana,
19 California 91436. At times material to this Complaint, Media Urge, Inc. has
20 advertised, marketed, distributed, or sold the skincare products at issue in this case

1 to consumers throughout the United States. Media Urge, Inc. transacts or has
2 transacted business in this district and throughout the United States.

3 20. Defendant **Adageo, LLC** is or was a California limited liability
4 company with Encino Mailbox A listed as its registered place of business.
5 Adageo, LLC also uses Encino Mailbox B. At times material to this Complaint,
6 Adageo, LLC has advertised, marketed, distributed, or sold the skincare products
7 at issue in this case to consumers throughout the United States. Adageo, LLC
8 transacts or has transacted business in this district and throughout the United
9 States.

10 21. Defendant **CalEnergy, Inc.** is or was a California corporation with
11 its principal place of business at 63420 Cordova Drive, Calabasas, CA 91302. At
12 times material to this Complaint, CalEnergy, Inc. has advertised, marketed,
13 distributed, or sold the skincare products at issue in this case to consumers
14 throughout the United States. CalEnergy, Inc. transacts or has transacted business
15 in this district and throughout the United States.

16 22. Defendant **Kai Media, Inc.** is or was a California corporation with
17 its principal place of business at the same location as BunZai Media Group, Inc. at
18 the Van Nuys Office. Its secondary place of business is the Reseda Office. Kai
19 Media, Inc. also uses Encino Mailbox B. At times material to this Complaint, Kai
20 Media, Inc. has advertised, marketed, distributed, or sold the skincare products at

1 issue in this case to consumers throughout the United States. Kai Media, Inc.
2 transacts or has transacted business in this district and throughout the United
3 States.

4 23. Defendant **Insight Media, Inc.** is or was a California corporation
5 with its principal place of business at the same location as BunZai Media Group,
6 Inc. at the Van Nuys Office. Its secondary place of business is the Reseda Office.
7 Insight Media, Inc. also uses Encino Mailbox B. At times material to this
8 Complaint, Insight Media, Inc. has advertised, marketed, distributed, or sold the
9 skincare products at issue in this case to consumers throughout the United States.
10 Insight Media, Inc. transacts or has transacted business in this district and
11 throughout the United States.

12 24. Defendant **Focus Media Solutions, Inc.** is or was a California
13 corporation with its principal place of business at 6850 Canby, Suite #103,
14 Reseda, California 91335, which is in the same complex as the Reseda Office. Its
15 secondary place of business is the Reseda Office. At times material to this
16 Complaint, Focus Media Solutions, Inc. has advertised, marketed, distributed, or
17 sold the skincare products at issue in this case to consumers throughout the United
18 States. Focus Media Solutions, Inc. transacts or has transacted business in this
19 district and throughout the United States.

1 25. Defendant **Secured Commerce, LLC** is or was a California limited
2 liability company with its principal place of business at the Reseda Office.
3 Secured Commerce created the websites used for deceptively marketing and
4 selling skincare products, including the landing pages that contained the bogus
5 “risk free trial” offers. At times material to this Complaint, as part of the common
6 enterprise, Secured Commerce LLC has participated in efforts to advertise,
7 market, distribute, or sell the skincare products at issue in this case to consumers
8 throughout the United States. Secured Commerce, LLC transacts or has transacted
9 business in this district and throughout the United States.

10 26. Defendant **Secured Merchants, LLC** is or was a California limited
11 liability company with its principal place of business at the Reseda Office.
12 Secured Merchants, LLC provided other members of the common enterprise the
13 service of contesting the large number of credit card chargebacks requested by
14 consumers. This service enabled many of the corporations and shell companies to
15 maintain their payment processing accounts and to continue to defraud consumers.
16 The company also managed the automated answering service for handling
17 AuraVie customer calls. At times material to this Complaint, as part of the
18 common enterprise, Secured Merchants, LLC has participated in efforts to
19 advertise, market, distribute, or sell the skincare products at issue in this case to
20

1 consumers throughout the United States. Secured Merchants, LLC transacts or has
2 transacted business in this district and throughout the United States.

3 27. Defendant **USM Products, Inc.** is or was a California corporation
4 with its principal place of business at the Reseda Office. USM Products, Inc. made
5 bulk purchases of products and containers for the common enterprise. At times
6 material to this Complaint, as part of the common enterprise, USM Products, Inc.
7 has participated in efforts to advertise, market, distribute, or sell the skincare
8 products at issue in this case to consumers throughout the United States. USM
9 Products, Inc. transacts or has transacted business in this district and throughout
10 the United States.

11 28. Defendant **Merchant Leverage Group, Inc.** is or was a California
12 corporation with its principal place of business at the Reseda Office. It has a
13 secondary address of 200 North Maryland Ave., #300, Glendale, CA 91502.
14 Merchant Leverage Group, Inc. provided merchant processing services to the
15 common enterprise. At times material to this Complaint, as part of the common
16 enterprise, Merchant Leverage Group, Inc. has participated in efforts to advertise,
17 market, distribute, or sell the skincare products at issue in this case to consumers
18 throughout the United States. Merchant Leverage Group, Inc. transacts or has
19 transacted business in this district and throughout the United States.

1 29. Defendant **DMA Media Holdings, Inc.** is or was a California
2 corporation with its principal place of business at the Van Nuys Office. Its
3 secondary place of business is or was the Reseda Office. DMA Media Holdings,
4 Inc. processed payments for the negative-option skincare subscriptions. At times
5 material to this Complaint, as part of the common enterprise, DMA Media
6 Holdings, Inc. has advertised, marketed, distributed, or sold the skincare products
7 at issue in this case to consumers throughout the United States. DMA Media
8 Holdings, Inc. transacts or has transacted business in this district and throughout
9 the United States.

10 30. Defendant **Shalita Holdings, Inc.** is or was a California corporation
11 with its principal place of business at the Van Nuys Office. Its secondary place of
12 business is or was the Reseda Office. Shalita Holdings, Inc. processed payments
13 for the negative-option skincare subscriptions. At times material to this
14 Complaint, as part of the common enterprise, Shalita Holdings, Inc. has
15 advertised, marketed, distributed, or sold the skincare products at issue in this case
16 to consumers throughout the United States. Shalita Holdings, Inc. transacts or has
17 transacted business in this district and throughout the United States.

18 31. Defendant **All Star Beauty Products, Inc.** is or was a California
19 corporation with its principal place of business at the Van Nuys Office. Its
20 secondary place of business is or was the Reseda Office. All Star Beauty Products,

1 Inc. processed payments for the negative-option skincare subscriptions. At times
2 material to this Complaint, as part of the common enterprise, All Star Beauty
3 Products, Inc. has advertised, marketed, distributed, or sold the skincare products
4 at issue in this case to consumers throughout the United States. All Star Beauty
5 Products, Inc. transacts or has transacted business in this district and throughout
6 the United States.

7 32. Defendant **Alon Nottea** is or was a Chief Executive Officer (“CEO”)
8 of BunZai Media Group, Inc., a manager of Pinnacle Logistics, Inc., a consultant
9 for Media Urge, Inc., and an owner of Adageo, LLC. At times material to this
10 Complaint, acting alone or in concert with others, he has formulated, directed,
11 controlled, had the authority to control, or participated in the acts or practices set
12 forth in this Complaint. By and through the corporate defendants, he has harmed
13 consumers nationwide with his unfair and deceptive business practices. Defendant
14 Alon Nottea resides in this district and, in connection with the matters alleged
15 herein, transacts or has transacted business in this district and throughout the
16 United States.

17 33. Defendant **Motti Nottea** was also a CEO of BunZai Media Group,
18 Inc. and he held a merchant account in his name for BunZai Media Group, Inc.’s
19 use. At times material to this Complaint, acting alone or in concert with others, he
20 has formulated, directed, controlled, had the authority to control, or participated in

1 the acts or practices set forth in this Complaint. By and through the corporate
2 defendants, he has harmed consumers nationwide with his unfair and deceptive
3 business practices. Defendant Motti Nottea resides in this district and, in
4 connection with the matters alleged herein, transacts or has transacted business in
5 this district and throughout the United States.

6 34. Defendant **Doron Nottea** is or has been a manager at BunZai Media
7 Group, Inc. and Pinnacle Logistics, Inc. At times material to this Complaint, he
8 has formulated, directed, controlled, had the authority to control, or participated in
9 the acts or practices set forth in this Complaint. By and through the corporate
10 defendants, he has harmed consumers nationwide with his unfair and deceptive
11 business practices. Defendant Doron Nottea resides in this district and, in
12 connection with the matters alleged herein, transacts or has transacted business in
13 this district and throughout the United States.

14 35. Defendant **Oz Mizrahi** is or has been a CEO of Defendant Pinnacle
15 Logistics, Inc. and a CEO of Media Urge, Inc. At times material to this
16 Complaint, he has formulated, directed, controlled, had the authority to control, or
17 participated in the acts or practices set forth in this Complaint. Defendant Mizrahi
18 was integrally involved in establishing Pinnacle Logistics, Inc., its business
19 practices and operations, and in transitioning Defendant BunZai Media Group,
20 Inc.'s business to Defendant Pinnacle Logistics, Inc. By and through the corporate

1 defendants, he has harmed consumers nationwide with his unfair and deceptive
2 business practices. Defendant Oz Mizrahi resides in this district and, in connection
3 with the matters alleged herein, transacts or has transacted business in this district
4 and throughout the United States.

5 36. Defendant **Igor Latsanovski** is or was an owner of BunZai Media
6 Group, Inc. and CEO of Zen Mobile Media Group, Inc. At times material to this
7 Complaint, he has formulated, directed, controlled, had the authority to control, or
8 participated in the acts or practices set forth in this Complaint. By and through the
9 corporate defendants, he has harmed consumers nationwide with his unfair and
10 deceptive business practices. Defendant Igor Latsanovski resides in this district
11 and, in connection with the matters alleged herein, transacts or has transacted
12 business in this district and throughout the United States.

13 37. Defendant **Roi Reuveni** is or has been a manager at BunZai Media
14 Group, Inc. and Pinnacle Logistics, Inc. He was a manager of the customer service
15 and chargebacks departments at Defendant Pinnacle Logistics, Inc. Further, he is
16 owner or CEO of Agoa Holdings, Inc. At times material to this Complaint, he has
17 formulated, directed, controlled, had the authority to control, or participated in the
18 acts or practices set forth in this Complaint. By and through the corporate
19 defendants, he has harmed consumers nationwide with his unfair and deceptive
20 business practices. Defendant Roi Reuveni resides in this district and, in

1 connection with the matters alleged herein, transacts or has transacted business in
2 this district and throughout the United States.

3 38. Defendant **Khristopher Bond**, also known as Ray Ibbot, is or has
4 been an owner of BunZai Media Group, Inc. At times material to this Complaint,
5 he has formulated, directed, controlled, had the authority to control, or
6 participated in the acts or practices set forth in this Complaint. Defendant Bond
7 was integrally involved in the day-to-day operations of BunZai Media Group, Inc.
8 and, among other things, trained customer-service representatives on responding
9 to consumer complaints. By and through the corporate defendants, he has harmed
10 consumers nationwide with his unfair and deceptive business practices. Bond
11 resides in this district and, in connection with the matters alleged herein, transacts
12 or has transacted business in this district and throughout the United States.

13 39. Defendant **Alan Argaman** is or was an owner and Managing
14 Director of Defendant Secured Commerce LLC, which designed, created, and
15 helped manage the websites or landing pages used for deceptively marketing and
16 selling skincare products. He is also an owner of Secured Merchants, LLC, which
17 assisted Defendants in contesting consumer chargebacks for unauthorized charges.
18 At times material to this Complaint, he has formulated, directed, controlled, had
19 the authority to control, or participated in the acts or practices set forth in this
20 Complaint. By and through the corporate defendants, he has harmed consumers

1 nationwide with his unfair and deceptive business practices. Defendant Alan
2 Argaman resides in this district and, in connection with the matters alleged herein,
3 transacts or has transacted business in this district and throughout the United
4 States.

5 40. Defendant **Paul Medina** is or was the Executive President or Vice
6 President of Defendant Media Urge, Inc. He was also a manager of the call center
7 at Defendant Pinnacle Logistics, Inc. and is or was a manager at Defendant Focus
8 Media Solutions, Inc. At times material to this Complaint, he has formulated,
9 directed, controlled, had the authority to control, or participated in the acts or
10 practices set forth in this Complaint. By and through the corporate defendants, he
11 has harmed consumers nationwide with his unfair and deceptive business
12 practices. Defendant Paul Medina resides in this district and, in connection with
13 the matters alleged herein, transacts or has transacted business in this district and
14 throughout the United States.

15 41. Relief Defendant **Chargeback Armor, Inc.** is a California
16 corporation with its principal place of business at the Reseda Office. Chargeback
17 Armor, Inc. is or has been controlled or managed by Defendants Alon Nottea,
18 Doron Nottea, and Roi Reuveni. At times material to this Complaint, Chargeback
19 Armor, Inc. has received funds and other property that can be traced directly to
20 Defendants' unlawful acts or practices alleged below. Relief Defendant

1 Chargeback Armor, Inc. has no legitimate claim to these funds. At times material
2 to this complaint, Chargeback Armor Inc. transacts or has transacted business in
3 this district and throughout the United States.

4 **COMMON ENTERPRISE**

5 42. Defendants BunZai Media Group, Inc.; Pinnacle Logistics, Inc.; DSA
6 Holdings, Inc.; Lifestyle Media Brands, Inc.; Agoa Holdings, Inc.; Zen Mobile
7 Media, Inc.; Safehaven Ventures, Inc.; Heritage Alliance Group, Inc.; AMD
8 Financial Network, Inc.; SBM Management, Inc.; Media Urge, Inc.; Adageo, Inc.;
9 CalEnergy, Inc.; Kai Media, Inc.; Insight Media, Inc.; Focus Media Solutions,
10 Inc.; Secured Commerce, LLC; Secured Merchants, LLC; USM Products, Inc.;
11 Merchant Leverage Group, Inc.; DMA Media Holdings, Inc.; Shalita Holdings,
12 Inc.; All Star Beauty Products, Inc. (collectively, “Corporate Defendants”) have
13 operated as a common enterprise while engaging in the deceptive and unlawful
14 acts and practices alleged herein. Defendants have conducted the business
15 practices described below through an interrelated network of companies that have
16 common ownership, officers, managers, business functions, employees, and office
17 locations. Further, the companies commingle funds, use the same sales techniques,
18 and have a centralized recordkeeping system. Because these Corporate Defendants
19 have operated as a common enterprise, each of them is jointly and severally liable
20 for the acts and practices alleged below.

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Defendants’ Risk-Free Trial Offers

47. Defendants contract with a network of third parties, known as “affiliate marketers,” to direct consumers to Defendants’ websites. The affiliate marketers use a variety of Internet advertising techniques, including banner and pop-up advertisements, sponsored search terms, and offers to drive consumer traffic to Defendants’ websites. Defendants provide affiliate marketers with advertisements describing the offers for the affiliate marketers to use. Some affiliate marketers also create their own advertising.

48. Defendants also purchase advertising space on third-party websites such as Amazon.com, Huffingtonpost.com, and Lowes.com, and offer consumers a “risk-free” trial or “trial order” of Defendants’ skincare products. After consumers click on these advertisements and are directed to Defendants’ websites, Defendants lure consumers into providing their credit or debit card information by representing that consumers need to pay only a nominal shipping and handling charge, typically \$4.95 or less, to receive a “risk-free” trial or a “trial order” of their products.

49. Defendants’ websites prominently claim that their offer is merely a “trial”:

AuraVie
Aura of Youth

83%
Increase of skin Moisture

92%
Increase of skin Elasticity

65%
Decrease of Wrinkles & Fine Lines

EXCLUSIVE OFFER

BEFORE **AFTER**

TELL US WHERE TO SEND YOUR
TRIAL ORDER

First Name: Last Name:

Address: City:

Zip Code: State:

Phone: Email:

(For Shipping) (We Respect Your Privacy)

ACT NOW TO CLAIM YOUR TRIAL PACKAGE!

SEND ME MY TRIAL ORDER

HURRY LIMITED SUPPLY

Epic BEAUTY AWARDS

(screen capture from <http://auraviefreetrial.com>, last visited August 28, 2014)

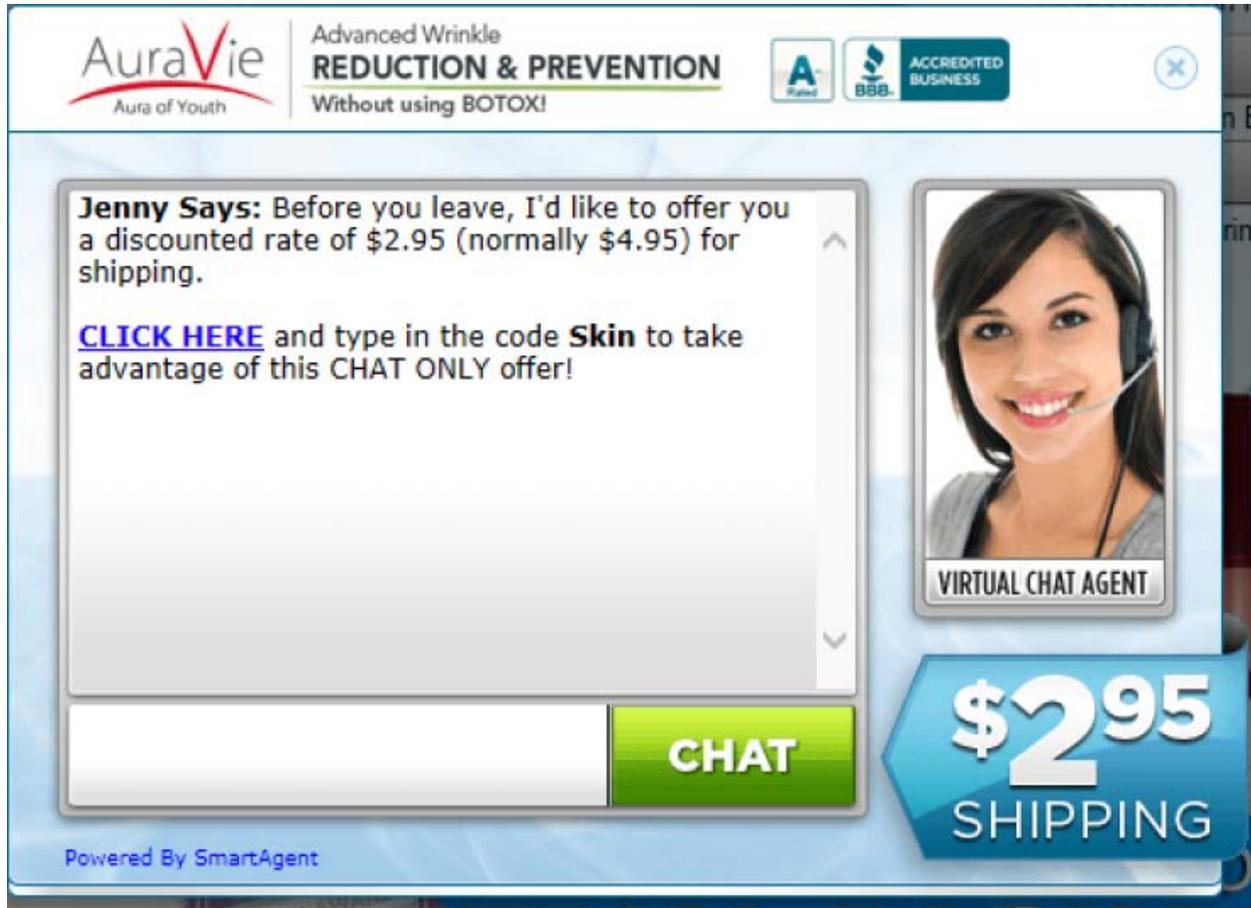
1 Defendants promote their offer as a “risk-free” trial and, on most sites, claim that
2 customer satisfaction is “100% guaranteed”:



7 (screen capture from <http://mymiraclekit.com>, last visited April 13, 2015)

8 50. Defendants also use deceptive pop-up advertisements that discourage
9 consumers from leaving Defendants’ websites without accepting a trial offer.

10 When consumers attempt to leave the websites, a text box appears that offers to
11 ship the trial offer at an even lower shipping price. These pop-up advertisements
12 contain false representations that AuraVie is accredited by the Better Business
13 Bureau (“BBB”) with an “A-” rating:



(screen capture from <http://auravietrialkit.com>, last visited April 13, 2015)

In fact, AuraVie is not accredited by the BBB and has an F rating.

Defendants’ Hidden Costs, Continuity Plan Features, and Return Policy

51. Defendants’ marketing practices are materially deceptive and employ tactics including hidden costs, signing up consumers for negative option continuity plans without their consent, and undisclosed and onerous return policies. In their advertisements and sales offers, Defendants fail to disclose adequately that they will charge consumers’ credit or debit accounts for the trial product, typically as much as \$97.88, after a 10-day period.

1 52. Defendants also fail to disclose adequately that consumers who
2 accept the trial offer will be enrolled into a continuity program. Under the
3 continuity program, Defendants send consumers additional shipments of
4 Defendants' skincare product each month and charge consumers' credit or debit
5 cards the full cost of each product shipped until consumers affirmatively cancel
6 their membership in the continuity program.

7 53. Consumers are typically unaware that they have been enrolled in this
8 continuity program until they discover the charges—usually \$97.88 a month—on
9 their credit or debit card statements. And often, by that time, it is too late for
10 consumers to return the product for a refund.

11 54. Further, although they promote their offer as “risk-free” with “100%
12 satisfaction guaranteed,” Defendants fail to disclose, or disclose adequately,
13 material terms of their return policy. Defendants fail to disclose adequately that, if
14 the consumer opens the product, the product must be returned and received by
15 Defendants within 10 days of placing the order to avoid a \$97.88 fee. Defendants
16 also fail to disclose adequately that after 10 days, only unopened products may be
17 returned for a refund and that no refunds will be provided for any product returned
18 after 30 days.

19 55. In fact, because consumers often do not receive their “risk-free” trial
20 until after 10 days have elapsed (or nearly elapsed), many consumers cannot

1 return the product in time to avoid the \$97.88 fee. Moreover, Defendants fail to
2 disclose adequately to consumers that they often assess a “restocking” fee of up to
3 \$15 for returning the products. Accordingly, consumers who accept Defendants’
4 trial offer are likely to incur unexpected charges.

5 56. Defendants’ websites do not contain a disclosure concerning the
6 initial charges for the product, continuity program, or return policies until the
7 “final step” of the Defendants’ ordering page. Many consumers report never
8 seeing such a disclosure, even when they specifically looked for such a disclosure.
9 As the screen capture below illustrates, the disclosure is in significantly smaller
10 print and is obscured by a variety of graphics and text:

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15 (screen capture from http://auraviefreetrial.com, last visited April 13, 2015; not to
16 scale)

17 In contrast, Defendants represent—in bold, red font at the top-center of the page—
18 that their trial shipment costs “\$0.00.”

1 57. Even if the disclosure were prominently displayed, it fails to mention
2 many material terms and conditions of Defendants’ offer. Defendants’ disclosure
3 states:

4 We take great pride in the quality of our products & are
5 confident that you will achieve phenomenal results. By
6 submitting your order, you agree to both the terms of
7 this offer (click link below) & to pay \$4.95 S&H for
8 your 10 day trial. If you find this product is not for you,
9 cancel within the 10 day trial period to avoid being
10 billed. After your 10 day trial expires, you will be billed
11 \$97.88 for your trial product & enrolled in our monthly
12 autoship program for the same discounted price. Cancel
13 anytime by calling 866.216.9336. Returned shipments
14 are at customer’s expense. This trial is limited to 1 offer
15 per household.

16 58. Defendants’ disclosure paragraph fails to disclose: (a) that the 10-day
17 trial period begins on the day that the product is ordered; (b) that, to avoid
18 charges, the consumer must also return the product to Defendants before the end
19 of the trial period; (c) that consumers may not return the product for a refund after
20 10 days if it has been opened; (d) that consumers may not return the product for a
refund after 30 days, even if it has not been opened; and (e) that a restocking fee,
usually \$15, may be charged when a product is returned.

1 59. Most of the material terms and conditions of Defendants’ offer can
2 only be found in a separate, multi-page terms and conditions webpage that is
3 accessible by hyperlink. On many of Defendants’ affiliate sites, this hyperlink can
4 only be found by scrolling to the bottom of the website and clicking on a
5 hyperlink labeled “T&C”:



13 **The testimonials herein were provided by real people who were not paid by the advertiser and the images are of the actual people.

14 *** The Free bonus gift valued at \$200.00 is free with this exclusive offer and the Processing fee of \$1.93 is included in the Shipping and Handling charge for your trial order.

15 (screen capture from auravietrialkit.com, last visited April 13, 2015)

16 60. Defendants also send consumers who sign up for a trial offer a
17 confirmation email that reinforces the false impression that they will receive a free
18 shipment of Defendants’ skincare product. These emails show no charges for the
19 “risk-free” trial other than the nominal shipping and handling fees.

1 61. Further, Defendants' confirmation emails do not disclose that
2 consumers will be charged the full cost of the product, usually \$97.88, after 10
3 days unless the consumer cancels the order and returns the product during that
4 time. Defendants' confirmation emails do not disclose that the consumer has been
5 enrolled into a continuity program that will result in future shipments of product
6 and a monthly charge of \$97.88 on their credit or debit cards. These emails also
7 fail to state when the charge will be imposed or how consumers can avoid the
8 charge. Nor do the emails disclose that unopened products may be returned for a
9 refund only within 30 days of ordering.

10 ***Defendants' Cancellation and Refund Practices***

11 62. After consumers learn that Defendants have charged their accounts
12 and signed them up for a continuity plan, they often have significant difficulty
13 receiving a refund and cancelling the continuity plan.

14 63. Many consumers have difficulty contacting Defendants' customer
15 service representatives, despite calling Defendants' toll-free number numerous
16 times. Even when consumers speak with a representative, consumers often
17 continue to receive shipments and unauthorized charges after cancelling the
18 continuity plan. Still others report receiving multiple charges from Defendants
19 without receiving products. As a result, consumers continue to incur unwanted
20 and unauthorized charges.

1 64. When consumers call Defendants to complain about the unauthorized
2 charges, Defendants often tell consumers that, while the continuity plan will be
3 cancelled, their money will not be refunded. In some instances, Defendants inform
4 consumers they will offer only a partial refund. Other times, Defendants condition
5 a partial refund upon the consumer’s promise or signed statement that they will
6 not complain to any government authority or to the Better Business Bureau.

7 65. Many of Defendants’ charges for their continuity program result in
8 chargeback requests by consumers. In response, Defendants provide false
9 documents to payment processing companies and exaggerate the measures they
10 take to communicate the terms of their offer to consumers.

11 66. Further, Defendants often do not honor return policies, even when
12 consumers satisfy them. For example, Defendants often tell consumers that they
13 cannot obtain a refund on any product returned even when the product remains
14 unopened and the 30-day period has not yet elapsed, contrary to Defendants’
15 terms and conditions. Some consumers report being refused a refund by
16 Defendants despite sending the product back within the permissible time period,
17 with Defendants’ customer service representative stating that Defendants never
18 received the return shipment.

19 67. In other instances, consumers receive refunds from Defendants only
20 after they have complained to their credit card companies, state regulatory

1 authorities, or the Better Business Bureau. Even in those instances, however,
2 Defendants have not always issued full refunds.

3 **VIOLATIONS OF THE FTC ACT**

4 68. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or
5 deceptive acts or practices in or affecting commerce.”

6 69. Misrepresentations or deceptive omissions of material fact constitute
7 deceptive acts or practices prohibited by Section 5(a) of the FTC Act. Acts or
8 practices are unfair under Section 5 of the FTC Act if they cause substantial injury
9 to consumers that consumers cannot reasonably avoid themselves and that is not
10 outweighed by countervailing benefits to consumers or competition. 15 U.S.C. §
11 45(n).

12 **Count I.**

13 **Failure to Disclose Adequately Material Terms of Offer**

14 70. In numerous instances, in connection with the advertising, marketing,
15 promotion, offering for sale, or sale of skincare products, including but not limited
16 to AuraVie products, Defendants have represented, directly or indirectly,
17 expressly or by implication, that consumers who provide their credit or debit card
18 billing information will be charged only a nominal shipping and handling fee to
19 receive a trial shipment of Defendants’ skincare products and, that their
20 satisfaction is guaranteed.

1 71. In numerous instances in which Defendants have made the
2 representation set forth in Paragraph 70 of this Complaint, Defendants have failed
3 to disclose, or disclose adequately to consumers, material terms and conditions of
4 their offer, including:

- 5 (a) That Defendants will use consumers' credit or debit card
6 information to charge consumers the full costs of the trial
7 products, usually \$97.88, upon the expiration of a limited trial
8 period;
- 9 (b) The dates on which the trial period begins and ends;
- 10 (c) That Defendants will automatically enroll consumers in a
11 negative option continuity plan with additional charges;
- 12 (d) The cost of the continuity plan, and the frequency and duration
13 of the recurring charges;
- 14 (e) The means consumers must use to cancel the negative option
15 program to avoid additional charges; and
- 16 (f) Requirements of their refund policies.

17 72. Defendants' failure to disclose, or to disclose adequately, the material
18 information described in Paragraph 71, in light of the representation described in
19 Paragraph 70, constitutes a deceptive act or practice in violation of Section 5(a) of
20 the FTC Act, 15 U.S.C. § 45(a).

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Count II.

False “Risk-Free” Trial Claim

73. Through the means described in Paragraph 45-67, Defendants have represented, directly or indirectly, that consumers can try AuraVie “risk-free.”

74. The representation set forth in Paragraph 73 is false. Consumers could not try Defendants’ products “risk-free,” because Defendants charged consumers the full cost if the “risk-free” product was opened and not returned within 10 days of placing the order, often assessed a restocking fee of up to \$15, and consumers had to bear the additional expense of returning the product to the Defendants. In addition, Defendants failed, in numerous instances, to refund consumers’ charges assessed for the trial order, despite consumers having returned the product according to the offer’s terms and conditions.

75. Therefore, the making of the representation as set forth in Paragraph 73 of this Complaint constitutes a deceptive act or practice in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count III.

False Better Business Bureau Accreditation and Rating Claims

76. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of skincare products, Defendants have

1 represented, directly or indirectly, expressly or by implication, that Defendants are
2 accredited by and have a rating of “A-” with the Better Business Bureau.

3 77. In truth and in fact, Defendants are not accredited by and do not have
4 a rating of “A-” with the Better Business Bureau. Defendants’ rating with the
5 Better Business Bureau is an “F.”

6 78. Therefore, Defendants’ representation as set forth in Paragraph 76 of
7 this Complaint is false or misleading and constitutes a deceptive act or practice in
8 violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

9 **Count IV.**

10 **Unfairly Charging Consumers Without Authorization**

11 79. In numerous instances, Defendants have caused charges to be
12 submitted for payment to the credit and debit cards of consumers without the
13 express informed consent of consumers.

14 80. Defendants’ actions cause or are likely to cause substantial injury to
15 consumers that consumers cannot reasonably avoid themselves and that is not
16 outweighed by countervailing benefits to consumers or competition.

17 81. Therefore, Defendants’ practices as described in Paragraph 79 above
18 constitute unfair acts or practices in violation of Section 5 of the FTC Act, 15
19 U.S.C. §§ 45(a) and 45(n).

1 **VIOLATIONS OF THE RESTORE ONLINE SHOPPERS' CONFIDENCE ACT**

2 82. In 2010, Congress passed the Restore Online Shoppers' Confidence
3 Act, 15 U.S.C. §§ 8401-05, which became effective on December 29, 2010.
4 Congress passed ROSCA because “[c]onsumer confidence is essential to the
5 growth of online commerce. To continue its development as a marketplace, the
6 Internet must provide consumers with clear, accurate information and give sellers
7 an opportunity to fairly compete with one another for consumers' business.”
8 Section 2 of ROSCA, 15 U.S.C. § 8401.

9 83. Section 4 of ROSCA, 15 U.S.C. § 8403, generally prohibits charging
10 consumers for goods or services sold in transactions effected on the Internet
11 through a negative option feature, as that term is defined in the Commission's
12 Telemarketing Sales Rule (“TSR”), 16 C.F.R. § 310.2(u), unless the seller: (a)
13 clearly and conspicuously discloses all material terms of the transaction before
14 obtaining the consumer's billing information; (b) obtains the consumer's express
15 informed consent before making the charge; and (c) provides a simple mechanism
16 to stop recurring charges. *See* 15 U.S.C. § 8403.

17 84. The TSR defines a negative option feature as: “in an offer or
18 agreement to sell or provide any goods or services, a provision under which the
19 consumer's silence or failure to take an affirmative action to reject goods or
20

1 services or to cancel the agreement is interpreted by the seller as acceptance of the
2 offer.” 16 C.F.R. § 310.2(u).

3 85. As described above, Defendants advertise and sell Defendants’
4 skincare products to consumers through a negative option feature as defined by
5 the TSR. *See* 16 C.F.R. § 310.2(u).

6 86. Under Section 5 of ROSCA, 15 U.S.C. § 8404, a violation of
7 ROSCA is a violation of a rule promulgated under Section 18 of the FTC Act, 15
8 U.S.C. § 57a.

9 **Count V.**

10 **Violation of ROSCA – Auto-Renewal Continuity Plan**

11 87. In numerous instances, in connection with the selling of skincare
12 products on the Internet through a negative option feature, Defendants have failed
13 to:

- 14 (a) clearly and conspicuously disclose all material
15 terms of the negative option feature of the
16 skincare products transaction before obtaining the
17 consumer’s billing information;
- 18 (b) obtain the consumer’s express informed consent
19 to the negative option feature before charging the
20 consumer’s credit card, debit card, bank account,

1 or other financial account for the transaction;

2 and/or

3 (c) provide simple mechanisms for a consumer to
4 stop recurring charges for skincare products to the
5 consumer's credit card, debit card, bank account,
6 or other financial account.

7 88. Defendants' practices as set forth in Paragraph 87 are a violation of
8 Section 4 of ROSCA, 15 U.S.C. § 8403, and are treated as if they are a violation
9 of a rule promulgated under Section 18 of the FTC Act, 15 U.S.C. § 57a, 15
10 U.S.C. § 8404(a).

11 **Violations of the Electronic Fund Transfer Act and Regulation E**

12 89. Section 907(a) of EFTA, 15 U.S.C. § 1693e(a), provides that a
13 "preauthorized" electronic fund transfer from a consumer's account may be
14 "authorized by the consumer only in writing, and a copy of such authorization
15 shall be provided to the consumer when made."

16 90. Section 903(10) of EFTA, 15 U.S.C. § 1693a(10), provides that
17 the term "preauthorized electronic fund transfer" means "an electronic fund
18 transfer authorized in advance to recur at substantially regular intervals."

19 91. Section 205.10(b) of Regulation E, 12 C.F.R. § 205.10(b), provides
20

1 that “[p]reauthorized electronic fund transfers from a consumer’s account may be
2 authorized only by a writing signed or similarly authenticated by the consumer.
3 The person that obtains the authorization shall provide a copy to the consumer.”

4 92. Section 205.10 of the Federal Reserve Board’s Official Staff
5 Commentary to Regulation E, 12 C.F.R. § 205.10(b), Supp. I, provides that “[t]he
6 authorization process should evidence the consumer’s identity and assent to the
7 authorization.” ¶ 10(b), cmt 5. The Official Staff Commentary further provides
8 that “[a]n authorization is valid if it is readily identifiable as such and the terms of
9 the preauthorized transfer are clear and readily understandable.” ¶ 10(b), cmt 6.

10 **Count VI.**

11 **Unauthorized Debiting from Consumers’ Accounts**

12 93. In numerous instances, Defendants debit consumers’ bank accounts
13 on a recurring basis without obtaining a written authorization signed or similarly
14 authenticated from consumers for preauthorized electronic fund transfers from
15 their accounts, thereby violating Section 907(a) of EFTA, 15 U.S.C.
16 § 1693e(a), and Section 205.10(b) of Regulation E, 12 C.F.R. § 205.10(b).

17 94. Further, in numerous instances, Defendants debit consumers’ bank
18 accounts on a recurring basis without providing a copy of a written authorization
19 signed or similarly authenticated by the consumer for preauthorized electronic
20 fund transfers from the consumer’s account, thereby violating Section 907(a) of

1 EFTA, 15 U.S.C. § 1693e(a), and Section 205.10(b) of Regulation E, 12 C.F.R. §
2 205.10(b).

3 95. Under Section 917 of EFTA, 15 U.S.C. § 1693o(c), a violation of
4 EFTA and Regulation E constitutes a violation of the FTC Act.

5 96. Accordingly, by engaging in violations of EFTA and Regulation E as
6 alleged in Paragraphs 93 and 94 of this Complaint, Defendants have engaged in
7 violations of the FTC Act. 15 U.S.C. § 1693o(c).

8 **Count VII.**

9 **Relief Defendant**

10 97. Relief Defendant, Chargeback Armor, Inc. has received, directly or
11 indirectly, funds and other assets from Defendants that are traceable to funds
12 obtained from Defendants' customers through the unlawful acts or practices
13 described herein.

14 98. Relief Defendant is not a bona fide purchaser with legal and equitable
15 title to Defendants' customers' funds or other assets, and Relief Defendant will be
16 unjustly enriched if it is not required to disgorge the funds or the value of the
17 benefit it received as a result of Defendants' unlawful acts or practices.

18 99. By reason of the foregoing, Relief Defendant holds funds and assets
19 in constructive trust for the benefit of Defendants' customers.

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CONSUMER INJURY

100. Consumers have suffered and will continue to suffer substantial injury as a result of Defendants’ violations of the FTC Act, ROSCA, and EFTA. In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT’S AUTHORITY TO GRANT RELIEF

101. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

102. Section 19 of the FTC Act, 15 U.S.C. § 57b, Section 5 of ROSCA, 15 U.S.C. § 8404, and Section 917(c) of EFTA, 15 U.S.C. § 16930(c), authorize this Court to grant such relief as the Court finds necessary to redress injury to consumers resulting from Defendants’ violations of the FTC Act, ROSCA, and

1 EFTA, including the rescission or reformation of contracts and the refund of
2 money.

3 **PRAYER FOR RELIEF**

4 Wherefore, Plaintiff FTC, pursuant to Sections 13(b) and 19 of the FTC Act,
5 15 U.S.C. §§ 53(b), 57b, Section 5 of ROSCA, 15 U.S.C. § 8404, Section 917(c)
6 of EFTA, 15 U.S.C. § 1693o(c), and the Court's own equitable powers, requests
7 that the Court:

- 8 A. Award Plaintiff such preliminary injunctive and ancillary relief as
9 may be necessary to avert the likelihood of consumer injury during
10 the pendency of this action and to preserve the possibility of effective
11 final relief, including but not limited to temporary and preliminary
12 injunctions, an order freezing assets, immediate access, and
13 appointment of a receiver;
- 14 B. Enter a permanent injunction to prevent future violations of the FTC
15 Act, ROSCA, and EFTA by Defendants;
- 16 C. Award such relief as the Court finds necessary to redress injury to
17 consumers resulting from Defendants' violations of the FTC Act,
18 ROSCA, and EFTA, including, but not limited to, rescission or
19 reformation of contracts, restitution, the refund of monies paid, and
20 the disgorgement of ill-gotten monies;

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- D. Enter an order requiring Relief Defendant to disgorge all funds and assets, or the value of the benefit it received from the funds and assets, which are traceable to Defendants’ unlawful acts or practices; and
- E. Award Plaintiff the cost of bringing this action, as well as such other additional relief the Court determines to be just and proper.

1 Respectfully submitted,

JONATHAN E. NUECHTERLEIN
General Counsel

DAMA J. BROWN
Regional Director

5 Dated: October 9, 2015

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CERTIFICATE OF SERVICE

The undersigned certifies that on October 9, 2015, a true and correct copy of the foregoing document was electronically filed with the clerk of the U.S. District Court, Central District of California, using the electronic case filing system of the court. The attorneys listed below were served by pursuant to the ECF notice generated by the Court, or by email.

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